

**Edition:**

June 2020



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# FBA Business Price Guide

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June 17, 2020

From: Austin, TX

36°C/97°F and hot, hot hot!

Dear business owners & investors,

Welcome to the June 2020 FBA Business Price Guide.

Ecommerce is still booming even as shops slowly reopen around the world which is great news for buyers & sellers alike. This past month has shown some strong trends emerging from the changed marketplace conditions.

While the completed sale of businesses is still slow, there was a huge spike in the number of deals that went under contract in May. We tracked 15 listings changed to a pending sale status with a total deal value of \$88MM.

As one buyer told us, the funding partners are waking up from their slumber and getting back to work. The volume of pending listings also shows that the buyers are hungry to get new deals locked up and purchases complete.

Our MarketWatch Monday emails are still happening weekly with links to **ALL new listings!** This data will only be released via email so if you don't receive the Monday email sign up at [FBABusinessPriceGuide.com](http://FBABusinessPriceGuide.com)

A quick reminder of how this guide is created... we search for ALL listings available online and compile the data. We are *limited* to publicly available data and rely on brokers and websites to update when listings are sold, the current price and other details.

Enjoy! Leanne

# Market Overview

As at 1 June 2020	No. of Listings	List Price Value
<b>\$500K+ Listings</b>	<b>134</b>	<b>\$513,588,395</b>
<b>List Price Range</b>	<b>\$540,000 - \$105,000,000</b>	
<b>Median List Price</b>	<b>\$1,547,500</b>	
<b>Median Multiple</b>	<b>3.7x</b>	
<b>Sold</b>	<b>1</b>	<b>\$1,131,699</b>
<b>Pending offer/sale</b>	<b>15</b>	<b>\$88,743,779</b>
<b>Delisted</b>	<b>7</b>	<b>\$26,933,900</b>
<b>Unknown (Delisted or Sold)</b>	<b>7</b>	<b>\$6,701,000</b>

(All figures are USD)

\*Note: We report median values as they are a more accurate reflection of the market than averages.

## June 2020 Highlights

- 29% increase in \$1MM+ deals available - Currently there are 82+ available.
- 16 new \$1MM+ deals came to market in May. This flood of listings is likely catching up from March & April sales put on hold due to COVID.
- Usually when we see this spike in new deals much earlier in the year which aligns to tax time in the USA.
- The median multiple for new listings >\$1MM+ price point is holding steady at a solid 4.3x median average.
- Only 1 sale again was found last month meaning there have only been 3 completed sales in the past 3 months!
- A whopping 15 deals went under offer in May which hasn't happened since 2017!
- The median multiple (of annual SDE) on pending deals improved to 3.7x whereas it was only 3.1x in March.
- There are 67 brokers with a listing above the \$1MM price point whereas previously it was only 34. The popularity of selling ecommerce is certainly increasing in the brokering space.

<b>Sold Data:</b>	<b>List price</b>	<b>Margin</b>	<b>Multiple</b>	<b>Category</b>	<b>Type of Biz</b>
	\$1,131,669	26%	2.3	Health & Beauty	Private Label

There was only 1 sold listing in May 2020 which was the same as March & April meaning only 3 deals have closed over the past 3 months.

<b>Pending:</b>	<b>List price</b>	<b>Margin</b>	<b>Multiple</b>	<b>Category</b>	<b>Type of Biz</b>
	\$30,050,000	20%	4.8	Home & Kitchen	Private Label
	\$16,957,000	22%	5.0	Supplements	Private Label
	\$12,000,000	45%	3.7	Various	Proprietary
	\$5,500,000	65%	4.1	Health & Personal Care	Private Label
	\$4,500,000	18%	4.7	Baby	Private Label
	\$4,500,000	23%	3.9	Toys	Private Label
	\$3,900,000	30%	2.9	Clothing, Shoes & Jewelry	Private Label
	\$2,180,000	19%	5.0	Home Improvements	Private Label
	\$2,100,000	16%	4.0	Various	Private Label
	\$1,600,000	20%	2.9	Home & Kitchen	Private Label
	\$1,588,779	27%	3.0	Various	Private Label
	\$1,300,000	19%	2.3	Sports & Outdoors	Reseller
	\$1,017,000	23%	2.4	Health & Personal Care	Private Label
	\$999,000	76%	2.5	Clothing, Shoes & Jewelry	Reseller
	\$552,000	11%	4.2	Clothing, Shoes & Jewelry	Reseller

A whopping 15 deals went under offer in May which hasn't happened since 2017! The total value of these listing is over \$88MM which is great to see.

<b>Delisted:</b>	<b>List price</b>	<b>Margin</b>	<b>Multiple</b>	<b>Category</b>	<b>Type of Biz</b>
	\$17,900,000	8%	3.8	Unknown	Reseller
	\$3,095,000	50%	3.8	Health & Beauty	Private Label
	\$2,100,000	30%	3.9	Various	Private Label
	\$1,500,000	21%	4.6	Garden & Outdoors	Private Label
	\$1,250,000	17%	4.6	Home Furniture	Private Label
	\$1,088,900	27%	2.8	Electronics	Private Label
	N/A	31%	-	Health & Beauty	Private Label

This is the highest number of delisted business for any one month since September 2019. A change of market conditions could mean 1 of 2 things, business sales dropped due to COVID-19 and put the business in an unsellable position. Or the business sales are booming and the owner decided to remove the business from sale as the growth could not be realized in sale price values.

<b>Unknown: Delisted/</b>	<b>List price</b>	<b>Margin</b>	<b>Multiple</b>	<b>Category</b>	<b>Type of Biz</b>
	\$2,390,000	7%	3.8	Sports & Outdoors	Proprietary
	\$1,265,000	17%	3.3	Home Decor	Reseller
	\$1,197,000	24%	3.2	Automotive	Reseller
	\$1,000,000	-%	3.3	Sports & Outdoors	Private Label
	\$849,000	15%	3.0	Industrial	Private Label
	N/A	25%	-	Clothing, Shoes & Jewelry	Private Label
	N/A	14%	-	Home Improvements	Private Label

It is unknown if the above deals were delisted or sold as the broker did not report on the outcome.

# Active Listing Snapshot

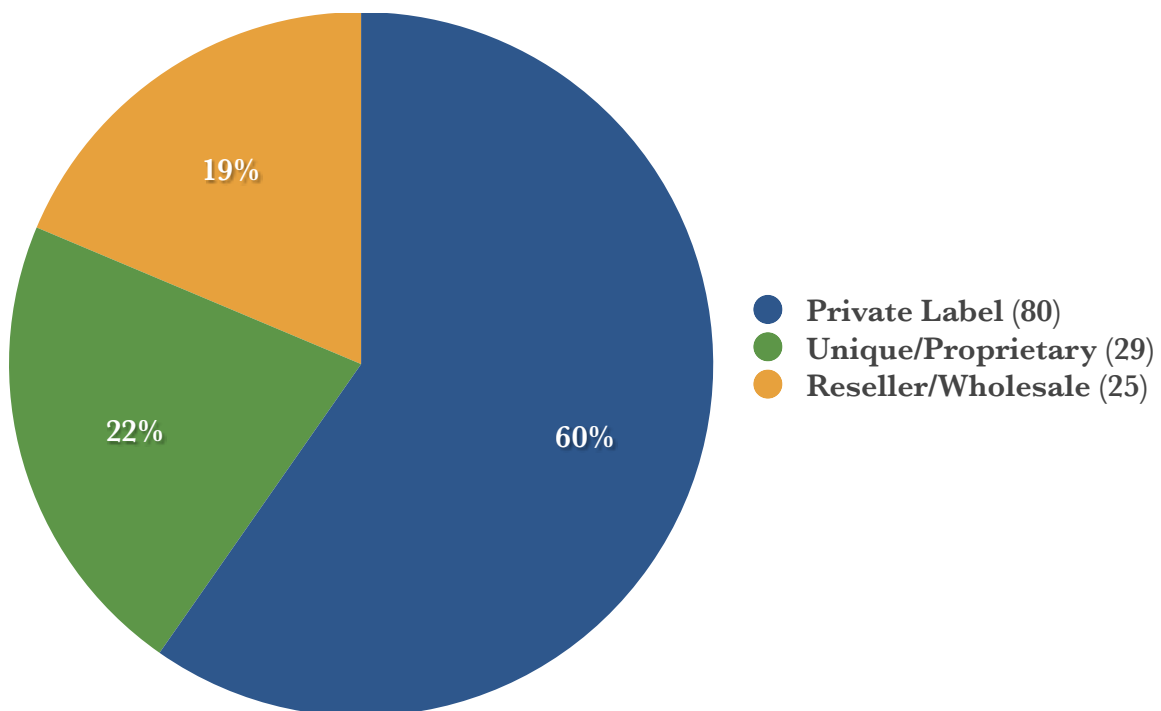
## List Price Ranges

Currently there are 134 Active listings of which 82+ are listed over \$1M as at the beginning of June. May listings without a price noted will most definitely sell above \$1M as their profits already exceed this amount.

Segment	List Price Range	No. of Listings	Median Multiple
Main Street	\$500k - \$1MM	39	3.1x
	\$1MM - \$2MM	31	3.5x
Lower Middle Market	\$2MM - \$5MM	33	3.7x
	>\$5MM	18	4.8x
	Not Advised	14	N/A

The median multiple for all price points was up over last month, except for the \$2-5MM range which stayed the same.

## Business Type



The unique or proprietary business was noticeably up last month with 29 deals currently available. This is up from only 16 deals that were available in April for this same type of business/brand.

# Whenever you are ready here are 3 ways we can help YOU:

## 1. Do You Know What Your Brand Is Worth?

Want to know how much a buyer is likely to pay for your brand? We can confidentially examine your brand to provide you with a realistic value range, based on deals we've closed plus current market trends.

[Click here for your free value estimate.](#)

## 2. Looking For Brands To Acquire?

Let us know your [investment criteria here](#), so we know which deals to send to you as they become available.

## 3. Want to know what made FBA Brands more valuable in 2019?

Check out our [2019 Year in Review](#). Check out our 2019 Year In Review. We reviewed 294 publicly listed commerce businesses and tracked their results. There were 72 sales last year with a combined list price of over \$292 million! - [click here to check it out](#).

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