

The image shows a vertical stack of four dark green rectangular boxes on the left side of the page. The top box contains the company logo 'WOOD & COMPANY' in white serif font. The second box contains 'INVESTMENT BANKING', the third 'CAPITAL MARKETS', and the fourth 'ASSET MANAGEMENT', all in white sans-serif font. The background of the entire page is a light, faded image of a shoe store display with various sneakers on glass shelves.

WOOD
&
COMPANY

INVESTMENT BANKING

CAPITAL MARKETS

ASSET MANAGEMENT

~~FOOTSHOP~~

VALUATION BENCHMARK

April 2023

OVERVIEW OF KEY FINANCIALS

CZK
1.06bn



11-17%



CZK
1.18-1.24bn

Revenues
2022

Revenues
Growth 2023P

Revenues
2023P

CZK
21m



145-185%



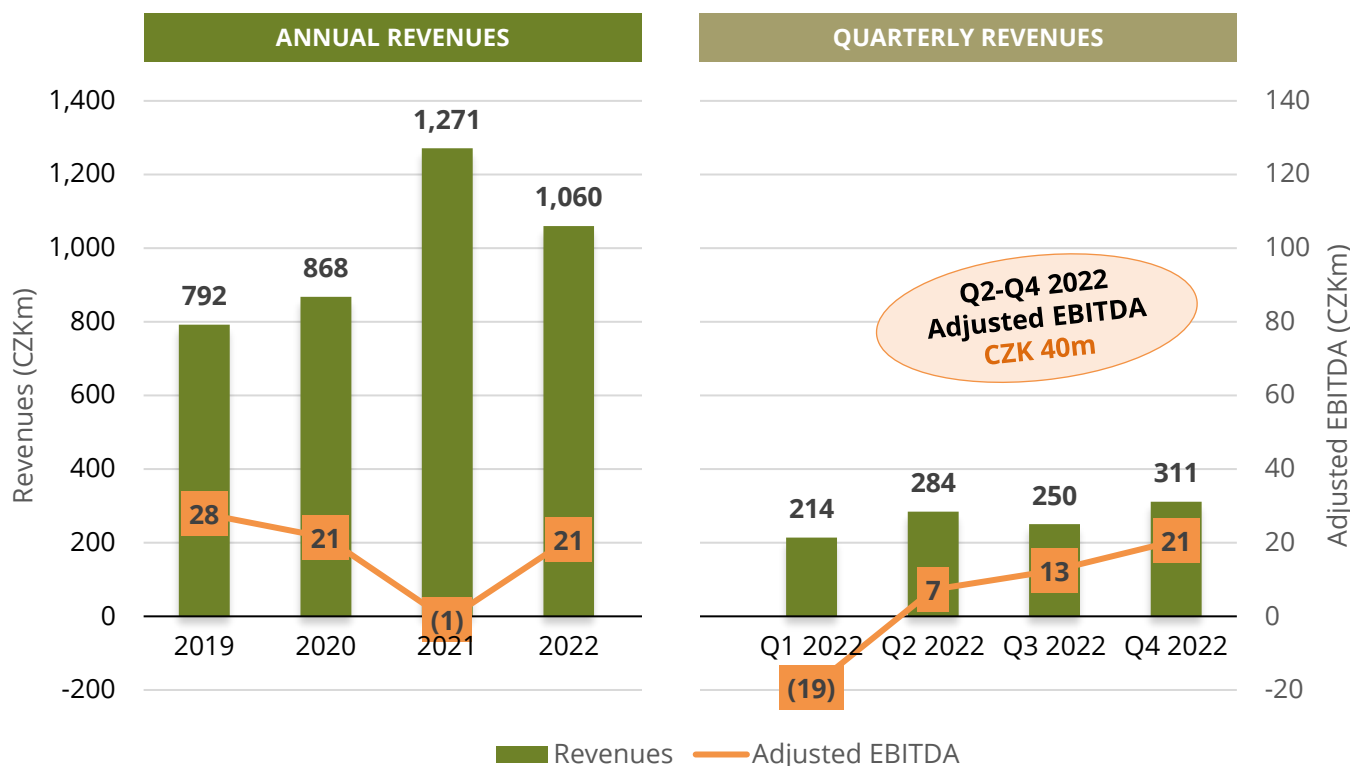
CZK
52-60m

Adjusted EBITDA
2022

Adjusted EBITDA
Growth 2023P

Adjusted EBITDA
2023P

Revenues and Adjusted EBITDA of Footshop, 2019-2022 & Q1-Q4 2022



- In 2022, Revenues decreased by 16.6% YoY. This was caused mainly by the **broad slow-down of the e-commerce market between Q4 2021 and Q1 2022**
- During the slow-down, **Footshop went through efficient restructuring**, optimizing the workforce, reducing overhead expenses, and closing unprofitable B&M stores
- Thanks to the overhaul, **Footshop regained traction** starting from Q2 of 2022 and despite negative Q1 performance **delivered a positive full year result with Adjusted EBITDA for the last three quarters reaching CZK 40m**
- The **outlook remains positive**. In 2023, the management expects annual revenues growth of 11-17% and Adjusted EBITDA growth of 145-185%. The steep growth of Adjusted EBITDA as compared to 2022 reflects (i) the underperformance of the business in the first quarter of 2022 when Footshop generated a loss on the Adjusted EBITDA level of CZK 19m and (ii) **new growth initiatives in 2023**



FINANCING ROUNDS COMPARISON



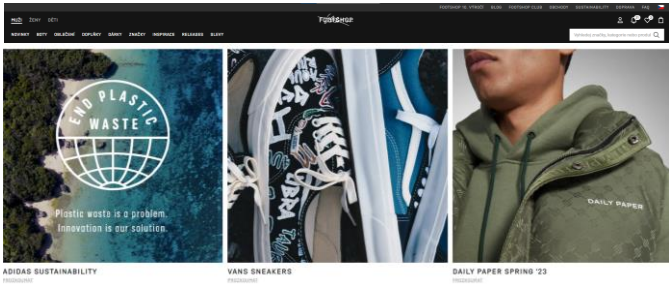
- The **last financing round, in 2021, valued Footshop** at a pre-money equity value (EqV) of approximately **CZK 1,250m⁽¹⁾**
- **Pre-money EqV for SPAC investors** has been agreed at a level of **CZK 750m**. This represents a **discount of 40% to pre-money EqV in the last financing round**. Moreover, SPAC investors are provided with **warrants** that **further enhance their returns**
- We believe that **comparing the valuation from the last financing round in 2021 with the current valuation for SPAC investors serves as the most informative reference point**, as opposed to using transaction multiples of other companies with different business models

Source: (1) Approximate pre-money enterprise value in the last financing round calculated from <https://forbes.cz/footshop-si-jde-pro-108-milionu-korun-jeho-akcionarem-se-muze-stat-kazdy/> and current shareholder structure.

ONLINE RETAILER OF PREMIUM STREETWEAR FOOTWEAR WITH OMNICHANNEL CAPABILITIES AND ACCESS TO KEY BRANDS AND TOP-OF-THE LINE SNEAKERS

ONLINE STORES SPECIALIZED ON SNEAKERS AND STREETWEAR

- Footshop online stores are specialized in sneakers and streetwear, available in more than a dozen languages with a local support teams



PREMIUM B&M STORES IN BEST LOCATIONS

- Premium boutiques in best locations with each B&M store being unique. B&M stores are interlinked with online stores, giving customers omnichannel experience



ONLINE RETAILERS

- Online retailers selling predominantly clothing with small to none B&M presence
- Limited access to key streetwear players – Nike and adidas, almost no premium sneakers



ACCESS TO MOST EXCLUSIVE, TOP-OF-THE LINE SNEAKERS NOT AVAILABLE ELSEWHERE






- Footshop is an important partner to key streetwear brands such as Nike, adidas, New Balance, Converse and others.
- Through its strong partnerships Footshop has access to the most exclusive sneakers



B&M RETAILERS WITH SMALL SHARE OF ONLINE SEGMENT

- Large global, mature B&M retailers of athletic footwear and clothing with smaller presence in the online segment
- Limited access to premium sneakers, focused on the mainstream segments



		EV (mEUR)	2023E EV/Revenues	2023E EV/EBITDA	2023E Revenues Growth	2023E EBITDA Margin
		36	0.69x	14.9x	14.0%	4.6%
Online retailers focused on clothing		9,703	0.90x	15.6x	3.8%	5.8%
		171	0.66x	13.2x	25.6%	5.0%
B&M retailers focused on footwear		5,838	0.76x	9.1x	-7.8%	8.3%
		11,769	1.00x	5.8x	6.0%	17.2%

- Footshop is a smaller company compared to its selected publicly listed peers, which are, with the exception of Answear, large multinational companies
- Footshop's valuation is fair, based on a forward 2023 EV/Revenues multiple of 0.69, calculated using a midpoint estimate of expected revenue growth for Footshop at 14%
- Footshop's expected revenue growth is higher than that of most of its selected publicly listed peers, which justifies the higher forward 2023 EV/EBITDA multiple
- Footshop's expected 2023 EBITDA margin is lower than that of its peers, which is to be expected given Footshop's size. With a larger scale, Footshop's EBITDA margin can be expected to improve
- When benchmarking Footshop's valuation with selected publicly listed peers, SPAC investors are advised to consider warrants provided to them upon approval of the business combination. These warrants have the potential to accelerate investors' returns further

Source: Bloomberg as of 14.04.2023. The 2023 EV/Revenues, EV/EBITDA, Revenue Growth, and EBITDA Margin are derived from analysts' consensus as provided by Bloomberg. Revenues refer to Bloomberg Adjusted Revenues, and EBITDA refers to Bloomberg Adjusted EBITDA. For Footshop, the presented numbers are derived from mid-point estimates of Revenues and EBITDA growth; EBITDA in the case of Footshop refers to Adjusted EBITDA as reported by Footshop's management. Footshop Revenues and Adjusted EBITDA have not been adjusted in the same way as Bloomberg Adjusted Revenues and EBITDA; analysts should therefore exercise caution. For Foot Locker and JD Sports, the year 2023 refers to their financial year 2024, which ends in January 2024.

Zalando



- Europe's leading online fashion and lifestyle platform, serving 17 countries
- Offers 550,000+ products from over 3,500 brands, spanning clothing, footwear, and accessories
- Channel split: vast majority online sales (only 13 physical Zalando outlets)
- Geographical sales for 2021: 37.7% DACH, rest of Europe 45.8%, other 16.4% ⁽²⁾
- Financials for 2021: revenue of EUR 10.4bn and EBITDA of EUR 660m ⁽¹⁾
- Key strategies: deepening customer relationships, expanding brand partnerships, and driving platform growth

Foot Locker



- Headquartered in New York City, USA; global footwear and apparel retailer, with 3,000+ stores in 27 countries
- Offers a wide variety of athletic footwear, apparel, and accessories
- Channel split: 78.5% physical stores, 21.5% online sales ⁽²⁾
- Geographical sales for 2021⁽³⁾: 72.2% North America, 27.8% other markets ⁽²⁾
- Financials for 2021⁽³⁾: revenue of EUR 7.6bn and EBITDA of EUR 1,054m ⁽¹⁾
- Key strategies: enhancing omnichannel capabilities, growing customer base, and expanding product range

Answer



- Fast-growing European online fashion retailer, operating in 10 countries
- Offers over 300,000 products from 600+ international and local brands
- Channel split: nearly 100% online sales
- Geographical sales for 2021: 25.9% Poland, 74.1% other European markets⁽²⁾
- Financials for 2021: revenue of EUR 149.7m and EBITDA of EUR 10.1m⁽¹⁾
- Key strategies: expanding market presence, optimizing supply chain, and enhancing customer experience

JD Sports



- Headquartered in Bury, UK; leading global sports fashion retailer, with over 2,500 stores across 19 countries
- Offers a broad range of products, including sports apparel, footwear, and accessories
- Channel split: 66.2% physical stores, 30.6% multichannel, 3.2% other ⁽²⁾
- Geographical sales for 2021⁽³⁾: 41.0% UK, 28.9% USA, other 30.1% ⁽²⁾
- Financials for 2021⁽³⁾: revenue of EUR 10.0bn and EBITDA of EUR 1,874m ⁽¹⁾
- Key strategies: expanding globally, improving digital experience, and strengthening brand partnerships

Notes: (1) Financials are obtained from Bloomberg as of 14.04.2023. Revenues refer to Bloomberg Adjusted Revenues, and EBITDA refers to Bloomberg Adjusted EBITDA. (2) Geographical and channel splits were obtained from Bloomberg. (3) For Foot Locker and JD Sports, the year 2021 refers to their financial years 2022, as those end at the end of January 2022, which we deem to be the most comparable to the standard financial year 2021

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~~FOOTSHOP~~