

# IPO Simulation - Bank 3

INVESTMENT BANKS IN PRACTICE



# Introduction & Objectives

---

Welcome to the Initial Public Offering (IPO) Simulation and to the Equity Capital Markets division (ECM) of your bank.

Your ECM team have won a mandate from a company intending to float. It will be your responsibility to take the company through the roadshow and book-building process and gain investor interest.

This document will outline key information about the company mandate you have won including:

- The published price range valuation and minimum amount the company aims to raise
- Company information
- Financials & Comparable information

**Your first responsibility is to create a one-pager to distribute to investor teams and a 2 minutes presentation for the event day providing your investment thesis.**

## Offering Summary

### Issuer

**QuixFashion**

### Price Range

\$20 - \$30

### Shares Issued

5 million (i.e. \$100 million minimum capital to raise)

## Company Information - Bank 3

---

### Company Background

This year, your team have had success in bringing a number of companies public in the consumer discretionary sector, and especially with new luxury goods and fashion brands with online platforms.

QuixFashion exists for the love of fashion and the values of empowering individuality. Their mission is to be the global technology platform for luxury fashion, connecting creators, curators and consumers.

QuixFashion has an online store that helps global, deep-pocketed shoppers get their hands on rare high-end goods such as an \$10,000 leopard-print coats or \$1000 sneakers. The company also offers services that help sellers create content for online boutiques, manage product returns and analyze consumer data to determine pricing and inventory.

The e-commerce company operates local-language websites and mobile apps for international markets in English, Spanish, French, Japanese, Chinese, Arabic, German, Portuguese, Korean, Italian and Russian. QuixFashion operates offices in 7 different countries

## Company Information - Bank 3

---

### Risk Factors

1. Product offerings: Online fashion brands and the market for luxury products is significantly less developed than the online market for other goods and services such as books, music, travel and other consumer products. If this market does not gain widespread acceptance, our business may suffer.
2. Consumer perception: There may be concerns about buying luxury products online without a physical storefront, face-to-face interaction with sales personnel and the ability to physically handle and examine products
3. Limited clientele may be deterred by the inconvenience of an online platform and also if there are any issues with delays in shipment.

### Key Performance Indicators

1. Consumer growth is one of the KPIs for this company. QF have been able to grow their online platform from both new and existing consumers since launching the Marketplace. Existing consumers generated 55.6% of gross market value from our Marketplace last year, up from 49.1% the year prior.
2. QF continues to invest in people, product and infrastructure to maintain and grow the online platform and to drive technological innovation in the luxury industry. Our technology expense has increased as we continue to recruit additional personnel and to develop our technology expertise across the full spectrum of engineering.

# Operating & Financial Metrics

Name of Company	QuixFashion
Ticker	QF
Industry	Consumer Discretionary - Luxury

Estimated Enterprise Value (USD, mn)	133
Revenue	302
Revenue Growth (t-1, %)	30%
Revenue Growth (t-2, %)	40%
EBITDA (USD, mn)	108
Net Income (USD, mn)	100
Shares Issued	5,000,000
Valuation Range	\$20 - \$30

# Comparable Company Analysis

Market Data & Financials					
	Share Price	Mkt. Cap	EV	Revenue	EPS
Company 1	32	2600	2700	60	9.80
Company 2	43.50	3800	4500	65	8.11
Company 3	6.0	4000	6100	42	1.80
Company 4	20	7500	8600	35	4.30
Company 5	18	680	820	50	9.10

Multiples			
	P/E	EV/EBITDA	P/SALES
Company 1	3.3	2.3	0.5
Company 2	5.4	1.5	0.7
Company 3	3.3	1.2	0.1
Company 4	4.7	1.2	0.6
Company 5	2.0	0.9	0.4