

LightInTheBox Holding

H126 results

Loss of sales momentum in Q226

LightInTheBox (LITB) saw a sharp reversal in revenue momentum in Q226 following two consecutive quarters of good growth. Despite the revenue decline, the operating margin increased due to leverage of all expenses except fulfilment. While we recognise revenue growth can be volatile between financial quarters, especially as the new proprietary brands ramp, LITB's investment case rests on the growth of its new proprietary brands offsetting declines/low growth in its legacy businesses. With no clarity on the relative growth rates of the legacy and proprietary brands in Q226, we reduce our FY26 and FY27 PBT estimates by 14% and 29%, respectively. A new CFO succeeds the prior CFO who resigned for personal reasons.

Year end	Revenue (\$m)	EBITDA (adj) (\$m)	PBT (\$m)	EPS (\$)	P/E (x)	EV/Adj EBITDA (x)
12/24	255.3	(0.1)	(2.5)	(0.14)	N/A	N/A
12/25	224.3	9.9	8.2	0.45	6.6	3.9
12/26e	234.1	11.4	9.8	0.51	5.8	3.4
12/27e	243.0	13.3	11.7	0.59	5.1	2.9

Note: PBT and EPS are reported. EPS is per ADS (including treasury).

Profit margin improved despite softer revenue

In H126, LITB's revenue grew by c 3% to c US\$109m, gross profit rose by c 3% to c US\$71m and operating income increased by c 58% to US\$3.2m. Following strong growth in [Q126](#), when revenue increased by c 11% and operating income rose more than eightfold, in Q226 revenue declined by c 4% to c US\$57m and gross profit fell by 3%, while operating profit increased by 9%. Having provided disclosure about the size and/or growth rates of the new proprietary brands in the FY25 and Q126 results, there was no such disclosure in the H126 results. On the conference call, management stated there is 'good progress in terms of top line as well as bottom line' of the three proprietary brands, which follows 81% growth in branded sales in Q126. The Q226 Product sales decline of 2.8%, following growth of 10.4% in Q425 and 11.7% in Q126, suggests legacy sales remained under pressure in Q226, while growth in proprietary brand sales moderated from the strong level recorded in Q126. Management highlighted the challenging operating environment and the deliberate phasing out of long-tail legacy products. It also noted foreign exchange headwinds. The depreciation of the US dollar against the euro has been in train since Q225.

Weak revenue trend prompts downgrades

With c 3% revenue growth in H126, our prior forecast for c 12% growth in FY26 looks too optimistic, especially given comparatives for Product sales from H225 (+5% revenue growth) are much tougher than from H125 (-25%). We now forecast overall revenue growth of c 4% in FY26 and a similar rate in FY27. We also factor in better leverage of general and administrative expenses, which mitigates the PBT downgrades for FY26 to 14% and FY27 to 29%.

Valuation: Downgrade leads to lower valuation

Updating the peer valuation analysis from our [initiation](#) and applying the warranted EV/sales multiple to our lower FY26 estimates indicates a lower valuation of US \$5.49 per American depository share (US\$6.24 previously).

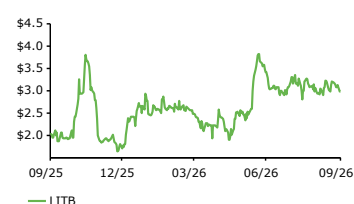
Consumer

15 September 2026

Price **\$3.00**
Market cap **\$51m**

Net cash/(debt) at 30 June 2026 \$12.2m
 ADS in issue 16.9m
 Free float 34.6%
 Code LITB
 Primary exchange NYSE
 Secondary exchange N/A

Share price performance



%	1m	3m	12m
Abs	(2.4)	(9.1)	40.2
52-week high/low		\$4.1	\$1.6

Business description

LightInTheBox Holding operates as an online retail company. In response to evolving market dynamics and consumer preferences, it is undergoing a strategic transformation from an e-commerce platform to a consumer lifestyle platform defined by what management believes are differentiated product offerings with strong emotional resonance.

Next events

Q326 results November 2026

Analysts

Russell Pointon +44 (0)20 3077 5700
 Chloe Wong +44 (0)20 3077 5700

consumer@edisongroup.com

[Edison profile page](#)

Octans Capital is
a research client of Edison
Investment Research Limited

Exhibit 1: Financial summary

31-December	US\$m	2020	2021	2022	2023	2024	2025	2026e	2027e
		US GAAP	US GAAP	US GAAP	US GAAP	US GAAP	US GAAP	US GAAP	US GAAP
INCOME STATEMENT									
Revenue		398.2	446.1	503.6	629.4	255.3	224.3	234.1	243.0
Cost of Sales		(222.0)	(239.4)	(228.5)	(269.5)	(101.8)	(78.4)	(81.3)	(83.7)
Gross Profit		176.2	206.7	275.1	359.9	153.5	145.9	152.8	159.3
Adjusted EBITDA		22.8	27.9	(9.5)	(6.3)	(0.1)	9.9	11.4	13.3
Depreciation and amortisation		(2.4)	(3.3)	(3.4)	(3.2)	(2.2)	(1.6)	(1.5)	(1.5)
Share-based payments		(3.6)	(1.4)	(0.3)	(0.4)	(0.3)	(0.1)	(0.1)	(0.1)
Reported operating profit		3.9	(16.1)	(14.2)	(10.4)	(2.2)	8.0	9.8	11.7
Net Interest		0.0	0.0	0.1	0.3	0.1	(0.0)	(0.0)	(0.0)
Exceptionals		12.9	39.3	(55.1)	0.5	(0.4)	0.3	0.0	0.0
Profit Before Tax (reported)		16.8	23.3	(69.3)	(9.5)	(2.5)	8.2	9.8	11.7
Reported tax		(3.4)	(9.8)	12.7	(0.0)	0.0	0.1	(0.1)	(0.1)
Profit After Tax (reported)		13.3	13.5	(56.6)	(9.6)	(2.5)	8.3	9.7	11.5
Minority interests		0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Discontinued operations		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income (reported)		13.4	13.8	(56.6)	(9.6)	(2.5)	8.3	9.7	11.5
Basic average number of shares outstanding (m)		18.4	18.9	18.9	18.8	18.4	18.3	18.8	19.6
EPS - basic reported (US\$)		0.72	0.70	(3.00)	(0.51)	(0.14)	0.45	0.51	0.59
EPS - fully diluted reported (US\$)		0.71	0.73	(3.00)	(0.51)	(0.14)	0.45	0.51	0.59
Revenue growth (%)		63	12	13	25	(59)	(12)	4	4
Gross Margin (%)		44.2	46.3	54.6	57.2	60.1	65.0	65.3	65.6
Adjusted EBITDA Margin (%)		5.7	6.3	(1.9)	(1.0)	(0.0)	4.4	4.9	5.5
Operating Margin		1.0	(3.6)	(2.8)	(1.7)	(0.9)	3.6	4.2	4.8
BALANCE SHEET									
Fixed Assets		73.2	111.5	48.8	41.3	42.4	37.9	37.9	37.9
Intangible Assets		39.2	38.7	33.8	31.0	29.4	30.0	30.0	30.0
Tangible Assets		16.1	14.9	13.8	9.3	12.1	7.4	7.4	7.4
Investments & other		18.0	57.9	1.2	1.0	0.9	0.5	0.5	0.5
Current Assets		84.8	83.9	116.0	85.0	27.0	34.1	45.1	57.8
Stocks		9.9	12.0	14.3	5.8	3.6	4.9	5.2	5.3
Debtors		1.3	1.6	0.7	0.6	1.0	1.4	1.4	1.5
Cash & cash equivalents		65.5	59.6	94.6	71.7	19.7	25.9	36.6	49.2
Other		8.1	10.7	6.5	6.9	2.6	1.9	1.9	1.9
Current Liabilities		(96.9)	(109.9)	(154.1)	(132.5)	(77.6)	(74.0)	(76.2)	(78.3)
Creditors		(17.0)	(23.5)	(26.5)	(15.8)	(10.4)	(12.3)	(12.8)	(13.2)
Short term borrowings		(4.3)	(3.8)	(5.0)	(5.0)	(4.7)	(3.5)	(3.5)	(3.5)
Other		(75.6)	(82.6)	(122.6)	(111.6)	(62.4)	(58.2)	(59.9)	(61.6)
Long Term Liabilities		(11.8)	(21.6)	(6.8)	(2.2)	(5.0)	(2.0)	(2.0)	(2.0)
Long term borrowings		(8.2)	(7.9)	(6.6)	(1.9)	(4.8)	(1.9)	(1.9)	(1.9)
Other long term liabilities		(3.6)	(13.6)	(0.2)	(0.3)	(0.2)	(0.1)	(0.1)	(0.1)
Net Assets		49.4	63.9	3.9	(8.4)	(13.2)	(4.0)	4.8	15.4
Minority interests		(0.1)	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0
Shareholders' equity		49.3	63.8	3.9	(8.4)	(13.2)	(4.0)	4.8	15.4
CASH FLOW									
Operating cash flow		29.3	(1.8)	35.8	(20.7)	(48.2)	6.2	13.2	15.0
Capex		(1.6)	(1.0)	(0.7)	(1.1)	(2.2)	0.0	(1.5)	(1.5)
Other investing cash flows		(0.2)	(0.7)	2.7	0.1	(0.1)	0.0	0.0	0.0
Net share issuance		(2.7)	0.3	0.0	(2.3)	(1.2)	(0.7)	(1.0)	(1.0)
Other financing cash flows		(1.0)	(1.6)	(0.0)	(0.0)	0.7	0.0	0.0	0.0
Net cash flow		23.8	(4.8)	37.8	(24.1)	(51.0)	5.5	10.7	12.5
Opening cash		40.4	65.5	59.6	94.6	71.7	19.7	25.9	36.6
FX		1.3	(1.1)	(2.9)	1.2	(1.0)	0.7	0.0	0.0
Closing cash		65.5	59.6	94.6	71.7	19.7	25.9	36.6	49.2
Closing net debt/ (cash) excluding leases		(65.4)	(59.5)	(94.5)	(71.7)	(19.1)	(25.2)	(35.9)	(48.4)
Closing net debt/(cash) including leases		(53.0)	(47.9)	(83.0)	(64.7)	(10.2)	(20.5)	(31.2)	(43.7)

Source: LightInTheBox, Edison Investment Research

General disclaimer and copyright

This report has been commissioned by Octans Capital and prepared and issued by Edison, in consideration of a fee payable by Octans Capital Edison Investment Research standard fees are £60,000 pa for the production and broad dissemination of a detailed note (Outlook) following by regular (typically quarterly) update notes. Fees are paid upfront in cash without recourse. Edison may seek additional fees for the provision of roadshows and related IR services for the client but does not get remunerated for any investment banking services. We never take payment in stock, options or warrants for any of our services.

Accuracy of content: All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently verified. Opinions contained in this report represent those of the research department of Edison at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

Exclusion of Liability: To the fullest extent allowed by law, Edison shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out of or in connection with the access to, use of or reliance on any information contained on this note.

No personalised advice: The information that we provide should not be construed in any manner whatsoever as, personalised advice. Also, the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.

Investment in securities mentioned: Edison has a restrictive policy relating to personal dealing and conflicts of interest. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report, subject to Edison's policies on personal dealing and conflicts of interest.

Copyright 2026 Edison Investment Research Limited (Edison).

Australia

Edison Investment Research Pty Ltd (Edison AU) is the Australian subsidiary of Edison. Edison AU is a Corporate Authorised Representative (1252501) of Crown Wealth Group Pty Ltd who holds an Australian Financial Services Licence (Number: 494274). This research is issued in Australia by Edison AU and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by Edison AU is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Product Disclosure Statement or like instrument.

New Zealand

The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (i.e. without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision.

United Kingdom

This document is prepared and provided by Edison for information purposes only and should not be construed as an offer or solicitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA Rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This Communication is being distributed in the United Kingdom and is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "FPO") (ii) high net-worth companies, unincorporated associations or other bodies within the meaning of Article 49 of the FPO and (iii) persons to whom it is otherwise lawful to distribute it. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of persons and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this document.

This Communication is being supplied to you solely for your information and may not be reproduced by, further distributed to or published in whole or in part by, any other person.

United States

Edison relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. This report is a bona fide publication of general and regular circulation offering impersonal investment-related advice, not tailored to a specific investment portfolio or the needs of current and/or prospective subscribers. As such, Edison does not offer or provide personal advice and the research provided is for informational purposes only. No mention of a particular security in this report constitutes a recommendation to buy, sell or hold that or any security, or that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person.
