

June 2, 2025

Ashok Kumar, PhD, CFA | ak@think-equity.com | 646-968-9363

Alliance Entertainment Holding Corporation (AENT - \$2.83 - Buy)

Exclusive Content and Fulfillment Scale Drive Durable, Margin-Led Growth

Key Points

Overview. Alliance Entertainment is executing a margin-focused growth strategy at the intersection of physical media, collectibles, and omnichannel fulfillment. The company serves as a core distributor and logistics partner to over 35,000 retail storefronts and 200 e-commerce platforms, delivering more than 325,000 in-stock SKUs across vinyl records, DVDs, Blu-rays, video games, and licensed merchandise. Alliance is leveraging exclusive licensing agreements, automation-led cost savings, and a growing direct-to-consumer fulfillment model to expand profitability despite modest topline growth. Q3 FY25 results demonstrated the scalability of this model: revenue rose 1% to \$213 million, but net income improved to \$1.9 million from a \$3.4 million loss a year earlier. Adjusted EBITDA rose 66% to \$4.9 million, and gross margin expanded to 14%.

Revenue Mix and Category Shifts. Vinyl and physical movie sales remain the company's highest-performing categories. Q3 vinyl revenue increased 11% to \$86 million, supported by strong Record Store Day pre-sales and an 18.8% increase in unit volume. Physical movie sales grew 39% to \$58 million, driven by exclusive content formats and collector editions, including SteelBooks and 4K UHD releases. Compact disc revenue declined 18% due to lower average pricing, while consumer products revenue fell 9% amid weaker merchandising sell-through. Gaming revenue declined 32% due to hardware constraints and delayed title releases, including the postponement of Grand Theft Auto VI to FY26. These pressures were offset by the company's expansion in higher-margin proprietary categories and fulfillment services.

Paramount Partnership and Exclusive Licensing. Alliance's licensing model now contributes over \$350 million in annualized revenue across divisions including AMPED Distribution and Distribution Solutions. In January 2025, the company launched its exclusive home entertainment licensing agreement with Paramount Pictures, assuming responsibility for the sales, marketing, and distribution of Paramount's entire physical media catalog in the U.S. and Canada. Alliance has on-boarded key operational personnel from Paramount and expects full contribution from this partnership to begin in FY26. The agreement significantly strengthens the company's defensible position in premium content and collectible formats and is in conversations with other studios doing the same as Paramount.

Direct Fulfillment and Automation Leverage. Direct-to-consumer fulfillment now represents 35% of gross revenue, enabling Alliance to expand its SKU offerings without increasing inventory exposure for retail partners. The company operates a capital-light fulfillment network anchored by its AutoStore installation and Sure Sort X system, which together enable scalable throughput and reduced labor intensity. Fulfillment cost as a percentage of sales declined 10% year-over-year. Warehouse consolidation and inventory efficiency drove a 14% year-over-year decline in inventory to \$93 million and contributed to a 16% reduction in revolver debt.

Liquidity and Strategic Investment. Cash from operations reached \$16 million for the nine-month period ended March 31, 2025. Revolver availability improved to \$52 million as the company reduced its outstanding balance to \$68 million. Alliance recently appointed Robert Oram, a 30-year Paramount veteran, as Executive Vice President of Filmed Entertainment to lead retail execution and category strategy.

Summary

Alliance Entertainment is executing with discipline across licensing, fulfillment, and proprietary content development. While risk remains around gaming, tariff exposure, and customer concentration, the company's structural margin expansion and operational leverage position it well for durable growth into FY26 and beyond.

Rating, Price and Target

Symbol	AENT
Rating	Buy
Price	\$2.83
Price Target	\$8.00

Market Data

Market Cap (M)	\$144.2
Shares Outstanding (M)	51.0
Average Daily Volume (000s)	31.8
Float (M)	3.1
Total Debt (M)	\$75.2
Net Cash/Debt (\$M)	\$(73.1)
Dividend	NM

General: Balance sheet as of March 31, 2025. Debt includes Revolving Credit Facility and Shareholder Loan.

FYE Jun	2023A	2024A	2025E
EPS ¹	(0.74)	0.09	0.34↓
Previous	(0.74)	0.09	0.36
Revenue (M) (\$)	1,158.7	1,100.5↑	1,084.2↓
Previous	1,158.7	1,100.4	1,130.0

¹As of May 15, 2025, 50,957,370 shares of Class A common stock and 60,000,000 contingent shares of Class E common stock were issued and outstanding.

Company Description

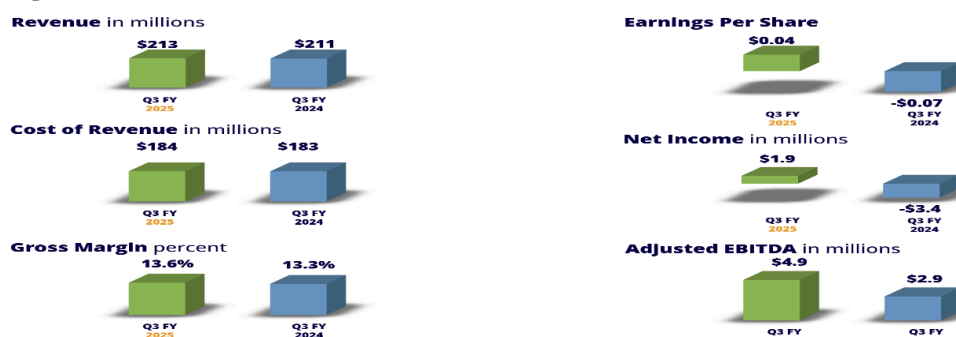
About Alliance Entertainment

Alliance Entertainment (NASDAQ: AENT) is a leading distributor and direct fulfillment partner in the entertainment and collectibles industry. With over 325,000 in-stock SKUs—including exclusive titles across vinyl, CDs, DVDs, Blu-rays, and video games—the company offers the broadest selection of physical media in North America. Its catalog also spans licensed toys, retro gaming, and pop culture merchandise. Alliance supports over 35,000 retail storefronts and 200 e-commerce platforms through a capital-light, automation-enabled infrastructure. Anchored by exclusive licensing agreements and decades of operational experience, Alliance connects global fans and collectors to the media and products they value.

Exclusive Content, Automation Efficiency, and Fulfillment Scale Support Durable Margin Growth
Strategic Identity: A Fulfillment Backbone for Physical Collectibles

Alliance Entertainment has emerged as a category-defining player at the intersection of licensed entertainment content, premium collectible formats, and omnichannel fulfillment. With over 325,000 in-stock SKUs distributed to more than 35,000 storefronts and 200 e-commerce platforms, the company serves as a structural intermediary between studios, manufacturers, and retailers in an increasingly curated physical media ecosystem. FY25 year-to-date results illustrate the company's successful shift toward higher-margin direct fulfillment, disciplined expense reduction, and growing leverage of exclusive licensing agreements. With the Paramount Pictures home entertainment deal in full swing and internal investment in automation yielding cost savings, Alliance is positioned to scale earnings even in a flat revenue environment.

Figure 1. Q3 FY25 Performance Snapshot: Profit Turnaround on Flat Revenue
FY25 Q3



Sources: Company Reports

Quarterly Execution: Margin-Led Profitability Despite Mixed Topline

Alliance reported Q3 FY25 revenue of \$213 million, essentially flat year-over-year. Yet the quarter demonstrated a substantial improvement in profitability. Net income reached \$1.9 million compared to a \$3.4 million loss in the prior-year period. Adjusted EBITDA rose 66% to \$4.9 million, and gross margin expanded to 13.6% from 13.3%, despite stable topline. These gains were driven primarily by a more favorable product mix, growth in Consumer Direct Fulfillment (CDF), and logistics cost reductions. Fulfillment payroll declined 10.2%, enabled by warehouse automation and the closure of a redundant facility in Minnesota. Distribution and fulfillment costs as a percentage of sales fell to 4.7%, down from 5.3%.

Figure 2. Q3 FY25 Operating Margin Recovery on Cost Reductions and Product Mix Shift

(\$ in thousands)	Three Months Ended	
	March 31, 2025	March 31, 2024
Net Revenues	\$ 213,045	\$ 211,209
Cost of Revenues (excluding depreciation & amortization)	183,984	183,196
Gross Profit	29,061	28,013
<i>Gross Margin</i>	14%	13%
Total Operating Expenses	25,532	28,689
Operating Income (Loss)	3,529	(676)
<i>Operating Margin</i>	2%	0%
Total Other Expenses	759	3,176
Net Income (Loss)	1,851	(3,377)

Sources: Company Reports

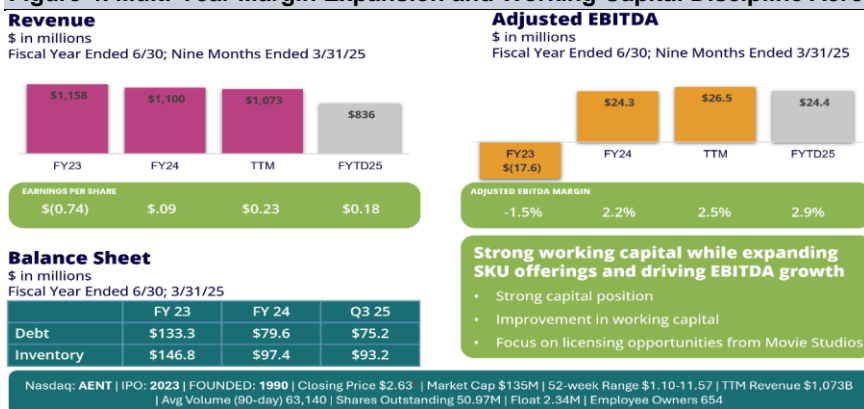
Nine-month results reinforce this structural improvement: while revenue declined 3.2% year-over-year, net income rose 349% to \$9.3 million, and adjusted EBITDA rose 10% to \$24.4 million. EPS increased from \$0.04 to \$0.18.

Figure 3. Adjusted EBITDA Up Year-on-Year on Gross Profit Expansion and Fewer One-Time Items

Non-GAAP Financial Measure (<i>\$ in thousands</i>)	Three Months Ended	
	March 31, 2025	March 31, 2024
Net Income (Loss)	\$ 1,851	\$ (3,377)
<i>Add back:</i>		
Interest Expense	2,435	3,052
Income Tax (Benefit) Expense	919	(475)
Depreciation and Amortization	1,352	1,402
EBITDA	6,557	602
<i>Adjustments</i>		
Change in Fair Value of Warrants	(1,676)	124
Restructuring Cost	4	179
Transaction Costs	-	2,086
Gain on Disposal of PPE	-	(51)
Adjusted EBITDA	4,885	2,940

Sources: Company Reports

Working capital optimization drove revolver usage down to \$68 million, improving availability to \$52 million and enhancing liquidity heading into FY26.

Figure 4. Multi-Year Margin Expansion and Working Capital Discipline Across Cycles

Source: Company Reports

Segment Analysis: Physical Media and Collectibles Drive Growth

Alliance's revenue mix is undergoing a notable shift. Physical movie sales rose 39% in Q3, from \$42 million to \$58 million, buoyed by exclusive content formats, the Paramount rollout, and growing demand for 4K and SteelBook editions. Vinyl sales increased 11%, benefiting from both volume growth (up 18.8%) and record-setting pre-orders around Record Store Day. Management emphasized that these trends are structural, not cyclical, as collectors prioritize tangibility and scarcity across generations.

Conversely, CD revenue declined 18% year-over-year, reflecting a normalization from post-pandemic levels, despite tailwinds from genres like K-pop. Gaming revenue fell sharply—down 32%—due to tighter hardware allocations from Microsoft, timing delays in major software launches (e.g., GTA pushed to May 2026). However, higher ASPs and lower discounting in gaming suggest that category economics are stable, albeit volume-constrained. The company expects gaming increase because of the new console Nintendo Switch 2 release on June 5th, 2025.

Consumer products revenue declined 9%, mostly due to pricing compression and the absence of breakout product releases. That said, the Handmade by Robots acquisition is expected to materially lift this segment in the second half of FY25 as new licensed character waves are released.

Figure 5. Mix Shift Toward Vinyl, Film, and Collectibles; Gaming and Consumer Products Down

Alliance Entertainment leads the industry in delivering collectible entertainment products, including Vinyl, CDs, DVDs, Blu-rays, Games, Toys and Vinyl Figures—driving over \$1 billion in annual revenue by connecting fans with the media they love

- Niche market expertise: Caters to collectors and physical media enthusiasts
- Exclusive content: Offers unique, licensed products not available elsewhere
- Omni-channel distribution: Serves 200+ online retailers and 35,000+ physical stores
- Trusted brand: Known for quality, reliability, and exceptional customer service
- Efficient operations: Scalable, capital-light model with advanced warehousing and logistics
- Proven growth strategy: Over 13 acquisitions and strong strategic partnerships



Sources: Company Reports

Licensing Scale: Mill Creek, Paramount, Distribution Solutions, AMPED, HMBR are Strategic Exclusives

Approximately \$350 million of trailing revenue now originates from exclusive distribution or licensing agreements, spanning 150+ labels and studios. These contracts are central to Alliance's competitive advantage, enabling it to secure unique SKUs unavailable to competitors, while also consolidating relationships with retailers like Walmart, Amazon, Target, and Barnes & Noble. The recently launched Paramount Pictures agreement—effective January 1, 2025—has made Alliance the exclusive distributor of Paramount's physical media catalog across the U.S. and Canada. The deal encompasses DVDs, Blu-rays, 4K, and collectible formats, all under a royalty structure that shifts inventory risk and margin capture to Alliance.

Alliance is absorbing the production, marketing, and logistics role previously held by Paramount's Home Entertainment Division, turning a low-margin wholesale category into a vertically controlled, fulfillment-optimized profit stream. The company onboarded key sales and operations staff from Paramount to execute this transition and anticipates meaningful FY26 contribution as placement ramps across its omnichannel network. Alliance is in discussion with other studios to do the same as Paramount.

The AMPED division, covering over 100 exclusive music labels, continues to serve as a defensible moat in the independent music and vinyl space. These relationships underpin Alliance's long tail of collectible SKUs and align well with high-velocity e-commerce channels like TikTok, Temu, and Shein, where it has reported growing traction.

Figure 6. Exclusive Licensing Portfolio: Content Moat and Category Control

Exclusive Distribution & Licensing

Our expanding portfolio of exclusive distribution and licensing agreements drives annual sales exceeding \$350 million

With over 100+ labels, AMPED delivers CD's and vinyl with cutting-edge distribution services

DS brings a collective 30+ years' experience of e-commerce management with an integrated sales, marketing, and ops team approach

An independent studio for Digital, Blu-ray, and DVD distribution of theatrical movies, TV series, and original documentaries

As an exclusive distributor for Arcade1Up, Alliance has the latest in Home Arcade and electronic gaming boards

Features a wide range of limited-edition licensed figures from film, TV, and holiday-related themes

- Exclusive distribution & licensing strengthens retailer relationships
- Became Exclusive Licensor for Paramount Pictures video movies as of 1/1/2025

Sources: Company Reports

Direct-to-Consumer Fulfillment: Margin Accretive, Volume Scalable

CDF now accounts for 35% of gross revenue, up from 33% in the prior year, and continues to expand. In this model, Alliance owns the inventory and ships directly (White Label) to consumers under the retailer's brand, while retailers (e.g., Amazon, Target, Walmart, Barnes & Noble) list a far broader catalog online without carrying physical stock. This model is inherently capital-light, inventory efficient, and fulfillment-optimized—particularly as automation continues to compress variable costs.

Figure 7. Inventory Discipline and Lower Revolver Balance Offset Flat Working Capital Trend

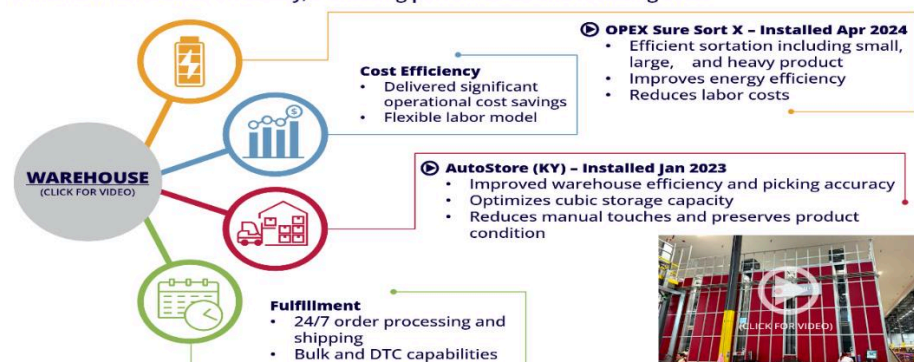
Consolidated Balance Sheets (\$ in thousands)	As of	
	March 31, 2025	June 30, 2024
Cash	\$ 2,030	\$ 1,129
Trade Receivables, Net	94,860	92,357
Inventory, Net	93,188	97,429
Total Current Assets	201,447	196,213
Goodwill	89,116	89,116
Intangibles, Net	19,353	13,381
Total assets	349,396	340,812
Accounts Payable	139,589	133,221
Accrued Expenses	8,901	9,371
Total Current Liabilities	155,148	147,920
Revolving Credit Facility, net	65,164	69,587
Shareholder Loan (subordinated), Non-Current	10,000	10,000
Finance Lease Obligation, Non-Current	2,735	5,016
Operating Lease Obligation, Non-Current	18,244	20,413
Total Liabilities	251,944	253,183
Retained Earnings	48,964	39,645
Total Stockholders' Equity	97,402	87,629
Working Capital	46,299	48,293

Sources: Company Reports

Management noted that CDF margins are structurally higher, delivery times have shortened, and customer satisfaction scores from retail partners are improving. The Kentucky AutoStore installation and Sure Sort X integration have together enabled 24/7 order processing, reduced manual touches, and yielded over \$6.5M in 9 months of cost savings for Distribution and Fulfillment Savings.

Figure 8. Automation Infrastructure: Driving Fulfillment Efficiency**Warehouse Automation**

Enhanced warehouse efficiency, increasing performance and reducing costs



Sources: Company Reports

Handmade by Robots and the Strategic Role of Proprietary IP

The December 2024 acquisition of Handmade by Robots is Alliance's clearest statement yet about the role of proprietary IP in its future roadmap. The vinyl figures mimic knit plush toys and feature characters from DC Comics, Harry Potter, Jurassic World, and Stranger Things. Retail placement has begun to scale, and Q4 is expected to see the launch of A-tier licensed waves with glow-in-the-dark variants and seasonal exclusives.

While the market for collectibles is competitive, Alliance's edge lies in combining IP access with retail shelf control and fulfillment agility. Management sees Handmade as a long-term brand platform capable of reaching tens of millions in revenue and generating meaningfully higher margins than traditional distributed merchandise. It also allows Alliance to shift from being solely a distributor of other brands to a partial creator of proprietary franchises.

Figure 9. Handmade by Robots: Scaling Proprietary IP in Collectibles

Sources: Company Reports

Execution Risks and Embedded Fragilities

While Alliance has outperformed in margin management, several structural risks persist. Gaming remains cyclical and hardware-dependent; the FY25 softness reflects how external allocations can overwhelm internal execution. Additionally, the top five customers account for nearly half of total revenue, and any shift in retailer strategy—particularly among big box chains reducing physical shelf space—could impair volume or ASPs.

Supply chain exposures remain significant. Although tariffs on music and video were largely unaffected in recent policy changes, collectibles manufactured in China (including Handmade by Robots and arcade cabinets) are subject to 30%+ tariffs. Management disclosed that production was temporarily halted during periods of tariff uncertainty, and retail pricing is under pressure to absorb cost increases without consumer pushback.

Finally, while the company has reduced revolver debt and improved working capital, total liquidity remains reliant on borrowing base calculations tied to inventory and receivables. Any impairment to either line—whether from sell-through delays or retailer financial instability—could reduce access to capital.

Figure 10. Cash Balance Increased Modestly Despite Sharp Decline in Operating Cash Flow

Cash Flow (\$ in thousands)	Nine Months Ended	
	March 31, 2025	March 31, 2024
Net income	\$ 9,319	\$ 2,075
Net cash provided by operating activities	16,081	46,115
Net cash used in investing activities	(7,588)	(143)
Net cash used in financing activities	(7,592)	(45,195)
Cash, beginning of the period	1,129	865
Cash, end of the period	2,030	1,642

Sources: Company Reports

Strategic Talent Investment

The May 29, 2025, appointment of Robert Oram as EVP of Filmed Entertainment is a significant signal. With a 30-year track record at Paramount, Oram will oversee Alliance's filmed entertainment sales and distribution efforts to help drive retail activation of collectible formats. His hiring underscores Alliance's internal investment in content monetization and retail category growth. While outcomes will depend on execution, his operational background directly aligns with the company's most material strategic partnership.

Long-Term Outlook: Positioned for Margin-Accretive Growth

Alliance's ability to generate EPS and EBITDA growth in a flat-to-down revenue environment is a strong indicator of its operating leverage and platform discipline. The combination of exclusive content, proprietary IP, and CDF expansion provides multiple levers for organic margin expansion, while the balance sheet offers enough flexibility for selective M&A. With Handmade by Robots scaling, Paramount in full deployment, and automation yielding ongoing savings, Alliance enters FY26 with forward visibility and embedded optionality.

Execution risk remains, but the platform is increasingly differentiated. For investors seeking exposure to the physical collectibles value chain—with a fulfillment moat and content-driven leverage—Alliance Entertainment presents a structurally advantaged model built for capital-efficient growth.

Figure 11. Strategic M&A Track Record and Future Targets



Risk Appendix

Alliance Entertainment Holding Corporation

Customer Concentration and Retail Exposure

Alliance's top five customers account for nearly half of total revenue, with one customer comprising 18%. While these relationships offer scale and predictability, they are typically governed by short-term arrangements. Any change in purchasing strategy, vendor rotation, or reduction in physical media shelf space could materially affect volumes. The company's growing direct-to-consumer channel helps offset this risk but does not eliminate revenue dependency.

Exclusive Content Agreements

The company's licensing model—anchored by its agreement with Paramount and over 150 exclusive studio and label partnerships—is central to its strategic moat. These deals provide control over unique SKUs and improve margin leverage. However, they also create reliance on third-party content pipelines and contract renewals. A lapse in title flow or the loss of a major licensing relationship could affect topline contribution and underutilize Alliance's distribution infrastructure.

Fulfillment Operations and Automation Scaling

Alliance has optimized fulfillment through automation platforms like AutoStore and Sure Sort X, allowing for lower labor costs and higher throughput. These systems are key to its capital-light model and 35% direct-to-consumer revenue mix. But execution risk remains, particularly during peak retail seasons. Any breakdown in order accuracy, system reliability, or SLA performance could disrupt retailer trust and strain fulfillment margins.

Gaming and Category Volatility

Gaming revenue declined 32% in Q3 FY25 due to hardware shortages and delayed AAA title launches. This category remains highly cyclical and dependent on supplier allocations and release calendars. Alliance has limited influence over these external drivers. Extended softness in gaming or similar categories could compress gross margin and inventory productivity.

Collectibles Sourcing and Tariff Exposure

Many collectible products, including Handmade by Robots and arcade units, are sourced from China and subject to U.S. import tariffs. Recent policy changes imposed 30% tariffs, temporarily halting shipments and impacting pricing flexibility. While music and video are largely exempt, Alliance's collectibles remain exposed. Prolonged tariff volatility could pressure category margins or disrupt inventory planning.

Liquidity and Revolving Credit Dependence

Alliance relies on a \$120 million revolving credit facility secured by receivables and inventory. As of March 31, 2025, it had \$68 million outstanding with \$52 million in availability. While the company has reduced revolver usage, liquidity is still tied to the quality of working capital. A decline in receivables performance or inventory turns could restrict borrowing access and increase financing cost.

Warehouse Consolidation and Operational Dependencies

The company has consolidated warehouse operations and centralized fulfillment in Kentucky to improve efficiency. While this reduces overhead and increases control, it also concentrates operational risk. A major systems failure, labor shortage, or environmental disruption at a key facility could impair order fulfillment across the network.

Market Shifts and Competitive Pressures

Alliance's role as a physical media aggregator faces long-term pressure from industry digitization. Studios may shift further toward digital-first strategies, and retailers may expand internal fulfillment capabilities. If these trends accelerate, Alliance's value proposition as a third-party logistics and content partner could erode, especially in commoditized categories.

Acquisition Strategy and Integration

The company's expansion into proprietary IP, such as Handmade by Robots, reflects a strategy to diversify margin profile and brand control. Future acquisitions are expected to focus on content, licensing, or fulfillment capabilities. However, integration risk remains, including cultural misalignment, underperforming assets, or strain on management bandwidth.

This risk summary is based on disclosures in Alliance Entertainment's Form 10-K for the fiscal year ended June 30, 2024 (filed September 19, 2024) and Form 10-Q for the quarter ended March 31, 2025 (filed May 15, 2025). Investors should review these filings for a complete description of the company's risk factors.

Figure 12. Alliance Entertainment Holding Corporation - Income Statement, FY2020-2025E

<i>\$ in thousands, except shares and per share amounts. Fiscal year end June 30,</i>	2020	2021	2022	2023	2024	2025E
Net Revenues	\$ 775,596	\$1,323,567	\$1,417,377	\$1,158,722	\$1,100,483	\$1,084,248
Cost of revenues	656,485	1,140,885	1,234,995	1,054,788	971,594	948,411
Gross profit	119,111	182,682	182,382	103,934	128,889	135,836
Gross margin	15%	14%	13%	9%	12%	13%
Operating expenses:						
Distribution and Fulfillment expense	35,877	56,885	64,260	62,841	48,818	41,998
Selling, General and Administrative expense	50,007	57,249	58,110	59,057	57,651	56,047
Depreciation and Amortization	15,784	11,651	8,259	6,629	5,880	5,002
Transaction Costs	-	3,509	(251)	5,014	2,086	-
IC DISC Commissions	8,182	5,394	9,907	2,833	-	-
RSA Compensation Expense	-	-	-	-	-	-
Loss on Disposal of Property and Equipment	-	87	-	306	313	(15)
Total operating expenses	109,850	134,775	140,285	136,680	114,748	103,032
Operating income	9,261	47,907	42,097	(32,746)	14,141	32,804
Operating margin	1%	4%	3%	-3%	1%	3%
Other expenses						
Interest expense, net	3,524	2,938	4,056	11,716	12,288	9,967
Total Other expenses	3,524	2,938	4,056	11,716	12,288	9,967
Income before provision for Income Tax expense	5,737	44,969	38,041	(44,462)	1,853	22,837
Income Tax (benefit) expense	376	10,791	9,423	(9,058)	(2,728)	5,709
Net Income	5,361	34,178	28,618	(35,404)	4,581	17,128
Total Comprehensive Income	5,043	34,193	28,626	(35,415)	4,579	17,128
Net Income (loss) per share	\$ 0.11	\$ 0.72	\$ 0.60	\$ (0.74)	\$ 0.09	\$ 0.34
Weighted average number of Common Stock*	47,500	47,500	47,500	48,138	50,837	50,957

As of May 15, 2025, 50,957,370 shares of Class A common stock and 60,000,000 contingent shares of Class E common stock were issued and outstanding.

Sources: Company Reports and ThinkEquity Estimates

Figure 13. Alliance Entertainment Holding Corporation —Valuation Comparable, Prices as of 5-29-25

(Amounts listed in USD. Numbers in millions, except per share data)

Company	Stock Price ⁽¹⁾	Market Value of Equity	Enterprise Value ⁽²⁾	Enterprise Value as a Multiple of:						Price as a Multiple of:		Projected EPS Growth	PEG Ratio	
				Sales			EBITDA			EBIT	CY+1			CY+2
				LTM	CY+1	CY+2	LTM	CY+1	CY+2					
Warner Music Group Corp.	26.18	13,646.8	17,787.8	2.81x	2.75x	2.57x	14.1x	12.5x	11.4x	19.2x	24.7x	18.0x	16.9%	1.1x
Lionsgate Studios Corp.	6.77	1,934.1	5,507.0	1.72	1.72	1.68	21.1	19.6	15.2	22.6	56.4	14.1	55.5%	0.3
Ingram Micro Holding Corporation	19.56	4,593.4	7,673.4	0.16	0.15	0.15	7.2	5.9	5.4	8.8	6.9	6.1	6.9%	0.9
Arrow Electronics, Inc.	119.27	6,187.0	8,871.0	0.32	0.30	0.29	8.1	8.1	6.2	9.5	11.5	7.7	21.4%	0.4
TD SYNTEX Corporation	122.05	10,242.6	14,028.7	0.24	0.23	0.22	8.5	8.0	7.5	11.3	10.3	9.1	10.0%	0.9
Advantage Solutions Inc.	1.24	402.1	1,959.5	0.56	0.58	0.59	6.2	5.6	5.4	17.7	3.2	3.4	0.0%	NM
Cineverse Corp.	3.58	57.1	58.0	0.80	0.80	NM	6.5	6.7	NM	11.1	39.7	NM	0.0%	NM
			High	2.81x	2.75x	2.57x	21.1x	19.6x	15.2x	22.6x	56.4x	18.0x	55.5%	1.1x
			Average	0.94	0.94	0.92	10.2	9.5	8.5	14.3	21.8	9.7	15.8%	0.7
			Median	0.56	0.58	0.44	8.1	8.0	6.9	11.3	11.5	8.4	10.0%	0.9
			Low	0.16	0.15	0.15	6.2	5.6	5.4	8.8	3.2	3.4	0.0%	0.3
Alliance Entertainment Holding Corporation	2.74	139.6	239.9	0.22x	0.22x	NM	9.0x	NM	NM	11.3x	NM	NM	0.0%	NM

(1) Financial data provided by S&P Capital IQ, Google Finance, Company Reports and ThinkEquity estimates as of 05/29/2025

(2) Calculated as Market Value of Equity plus total debt, non-controlling interest and preferred stock, less cash & equivalents.

Sources: S&P CapIQ, Google Finance, Company Reports, and ThinkEquity Estimates

Figure 14. Alliance Entertainment Holding Corporation – 3-Year Price Target and Rating History



Date	Key Development
12/16/2024	Alliance Entertainment Holding Corporation. PT \$8
8/28/2023	Alliance Entertainment Holding Corporation. Initiate with Buy. PT \$6

Sources: S&P CapIQ, Google Finance, and ThinkEquity Estimates.

Important Disclosures**Analyst Certification**

The analyst, Ashok Kumar, responsible for the preparation of this research report attests to the following: (1) that the views and opinions rendered in this research report reflect his or her personal views about the subject companies or issuers; and (2) that no part of the research analyst's compensation was, is, or will be directly related to the specific recommendations or views in this research report.

Financial Interests

The analyst, Ashok Kumar, has no financial interest in the debt or equity securities of the subject company of this report. Further, no member of his household has any financial interest in the securities of the subject company. Neither the analyst, nor any member of his household, is an officer, director, or advisory board member of the issuer(s) or has another significant affiliation with the issuer(s) that is the subject of this research report. The analyst has not received compensation from the subject company. The CEO of ThinkEquity, LLC., owns shares in the company. At the time of this research report, the analyst does not know, or have reason to know, of any other material conflict of interest.

Company Specific Disclosures

ThinkEquity, LLC is a member of FINRA and SIPC. ThinkEquity, LLC or an affiliate has a client relationship with and has received compensation from this subject company Alliance Entertainment Holding Corporation in the last 12 months.

ThinkEquity, LLC

ThinkEquity, LLC is a member of FINRA and SIPC. ThinkEquity expects to receive or intends to seek investment banking business from the subject company in the next three months. ThinkEquity does not make a market in the securities of the subject company of this report at the time of publication. ThinkEquity does not hold a beneficial ownership of more than 1% or more of any class of common equity securities of the subject company.

This report is for information purposes only. Under no circumstances is it to be used or considered as an offer to sell, or a solicitation of an offer to buy any security. While the information contained in this report has been obtained from sources believed to be reliable, we have not independently verified the information and we do not represent or guarantee that the report is accurate or complete and it should not be relied upon as such. Any references or citations to, or excerpts from, third-party information or data sources (including, but not limited to, Bloomberg and Capital IQ) do not and are not intended to provide financial or investment advice and are not to be relied upon by anyone as providing financial or investment advice. Based on public information available to us, prices and opinions expressed in this report reflect judgments as of the date hereof and are subject to change without notice. The securities covered by or mentioned in this report involve substantial risk and should generally be purchased only by investors able to accept such risk. This research report and the securities mentioned herein, some of which may not be registered under the Securities Act of 1933, are intended only for Qualified Institutional Buyers (QIBs), as defined under Rule 144A. Any opinions expressed assume that this type of investment is suitable for the investor.

Ratings Definitions

ThinkEquity rating definitions are expressed as the total return relative to the expected performance of S&P 500 over a 12-month period.

BUY (B) - Total return expected to exceed S&P 500 by at least 10%

HOLD (H) - Total return expected to be in-line with S&P 500

SELL (S) - Total return expected to underperform S&P 500 by at least 10%

Current Ratings Distribution

This Equity Ratings Distribution reflects the percentage distribution for rated equity securities for the twelve month period June 30, 2019 through June 30, 2020. Within the twelve month period ended June 30, 2020, ThinkEquity, LLC has provided investment banking services to 54% of companies with equity rated a Buy, 0% of companies with equity rated a Hold and 0% of companies with equity rated a Sell. As of June 30, 2020, ThinkEquity, LLC had twenty-three stocks under coverage: Buy 23 (100%), Hold 0 (0%), Sell 0 (0%).

ThinkEquity rating distribution by percentage (as of June 2, 2025):			
All companies under coverage:		All companies under coverage to which it has provided investment banking services in the previous 12 months:	
Buy (1)	100.00%	Buy (1)	83.65%
Hold (2)	0.00%	Hold (2)	0%
Sell (3)	0.00%	Sell (3)	0%