

E-Commerce

QUARTERLY SECTOR BRIEF | Q3 2026

What's Included:

- 01 DTC Client Engagement Highlight:** Woof acquired by The Farmer's Dog
- 02 Insights:** Consumers continue to search for brands through AI, social media, and traditional web search, with leaders focused on optimizing search visibility and curating bespoke brand content
- 03 Sector Activity:** Notable financial trends across the e-commerce space, with strong financial performance for digital marketplaces
- 04 Connect With Us:** Contact information for the Harris Williams team

01

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Q3 2026

Woof Acquired by The Farmer's Dog



WOOF

Harris Williams advised Woof on their recent sale to The Farmer's Dog, unleashing a best-in-breed opportunity.



WHY INVESTORS TOOK NOTICE:

A Leader in Pet Wellness

Woof has become a top brand in pet wellness, combining innovative products with a highly engaged customer base. Earnings are on track for continued growth.

Highly Attractive Margin Profile

High-margin solutions and a proven razor-and-blades model drive customer loyalty, highly attractive economics, and efficient consumer acquisition.

At the Intersection of Key Pet Categories

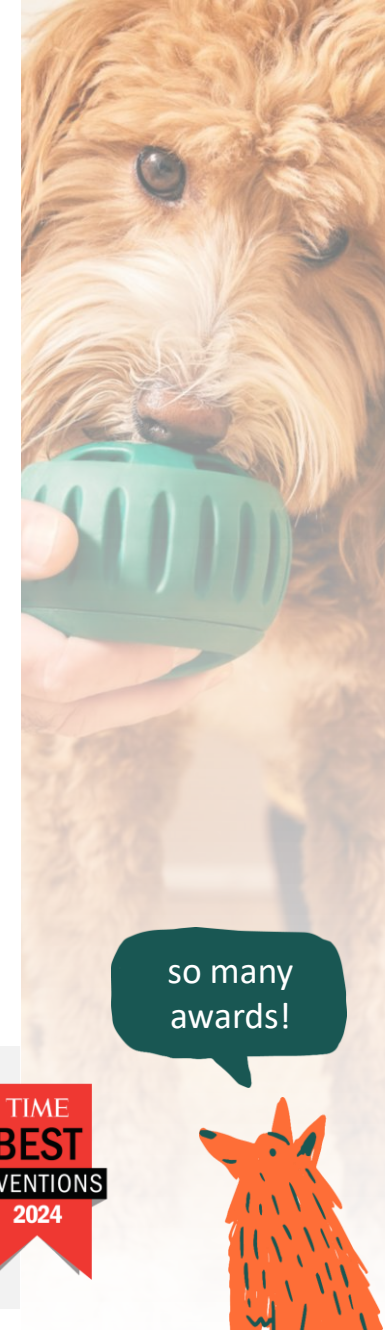
Fueled by innovation in dental health, calming, and wellness delivery, Woof's consumables business has grown rapidly and now accounts for a majority of their sales, with further outsized growth planned for this year.

Innovation-Led Growth Engine

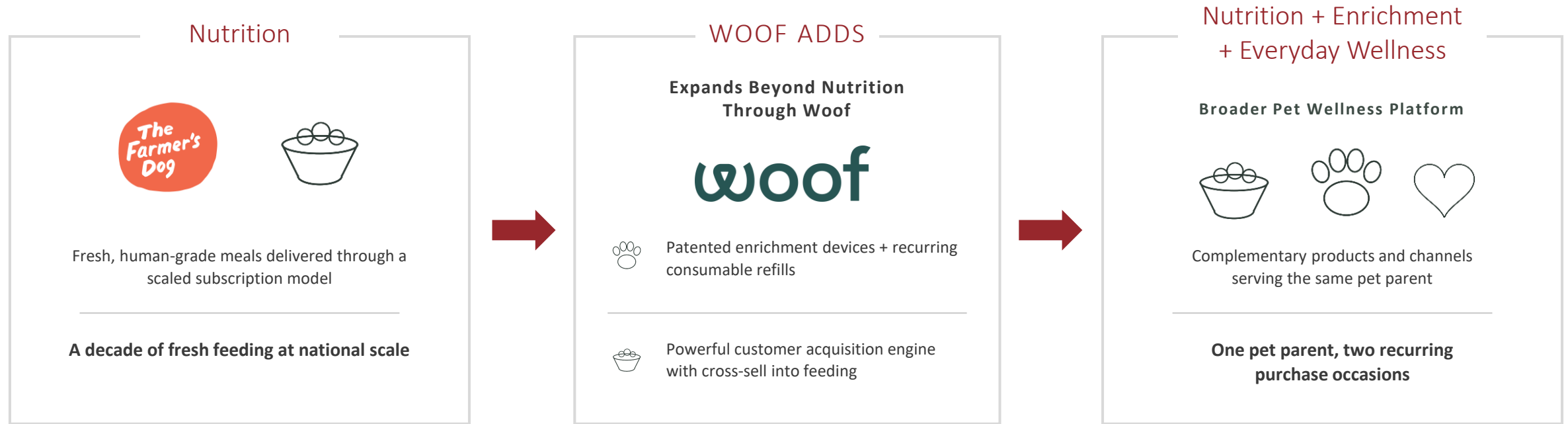
Woof's proven and repeatable NPD engine delivers category-leading ecosystems as demonstrated by the success of recent launches, such as the Bite n' Brush and HonestChew.

Expanding Omnichannel Footprint

The brand continues to increase its presence across e-commerce and retail channels, benefiting from growing consumer demand for premium pet care products and significant whitespace opportunities across major retail categories.



Woof Extends The Farmer's Dog Beyond the Bowl



01 Beyond Nutrition

The Farmer's Dog expands its nutrition heritage, with Woof adding a complementary everyday enrichment touchpoint.

02 Shared Subscription Model

Both monetize recurring consumption off a direct relationship, creating a natural fit between their models.

03 Customer Acquisition Engine

Woof expands the customer funnel, creating a natural pathway to cross-sell customers into Farmer's Dog Feeding.

04 Shared Mission

Both brands were built around putting dogs first, with a shared focus on improving dogs' health, happiness and everyday wellbeing.

02

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Insights

Key themes driving trends in the sector.



Q3 2026: Key Trends

Discovery is fragmenting across AI, social, and visual search. The brands gaining traction are being intentional about where they show up and creating content that drives engagement.



AI Partnerships Bringing Higher-Intent Traffic

"It's still a really important priority for us to make sure that Etsy is showing up wherever shoppers discover. So, we're continuing to partner with these major AI platforms because we want to be in there and learning and evolving our experience as consumer behavior and adoption evolve... There's higher intent, higher average order value traffic."

– **Kruti Patel Goyal, CEO of Etsy**
August 2026 Earnings Call



Discipline Compounding Into Record Margins

"Early in our journey as a public company, we made the tough choice to prune over-distributed channels in EMEA and protect our full price integrity... Today, that discipline is delivering exceptional 21% constant currency growth and record Q2 group margins. EMEA proves that premium growth isn't bought through volume. It's forged through restraint."

– **Caspar Coppetti, Founder and Co-CEO of On Holding**
August 2026 Earnings Call



Content and Personalization Rebuilding Organic Traffic

"We're also seeing a rebound in organic web traffic following the investments we began making late last year, supported by additional content and new personalization features that are driving word of mouth, while also improving conversion and helping customers find the right products more easily."

– **Neil Blumenthal, Co-Founder and Co-CEO of Warby Parker**
August 2026 Earnings Call



TikTok Shop Becoming a Launchpad for New Categories

"e.l.f. Hair debuted on TikTok Shop, fueling discovery and excitement, followed by an exclusive nationwide launch with Target... We're excited by the early results with nearly half of e.l.f. Hair purchasers new to the e.l.f. brand."

– **Tarang Amin, Chairman and CEO of e.l.f. Beauty**
August 2026 Earnings Call



Photo Search Elevating Product Discovery

"A customer could upload a photo of a celebrity wearing a cute dress, and our AI-driven innovation will show the exact item, if available, along with similar items on Revolve. We expect the innovation to elevate product discovery and drive increased customer engagement."

– **Michael Mente, Co-Founder and Co-CEO of Revolve**
August 2026 Earnings Call

03

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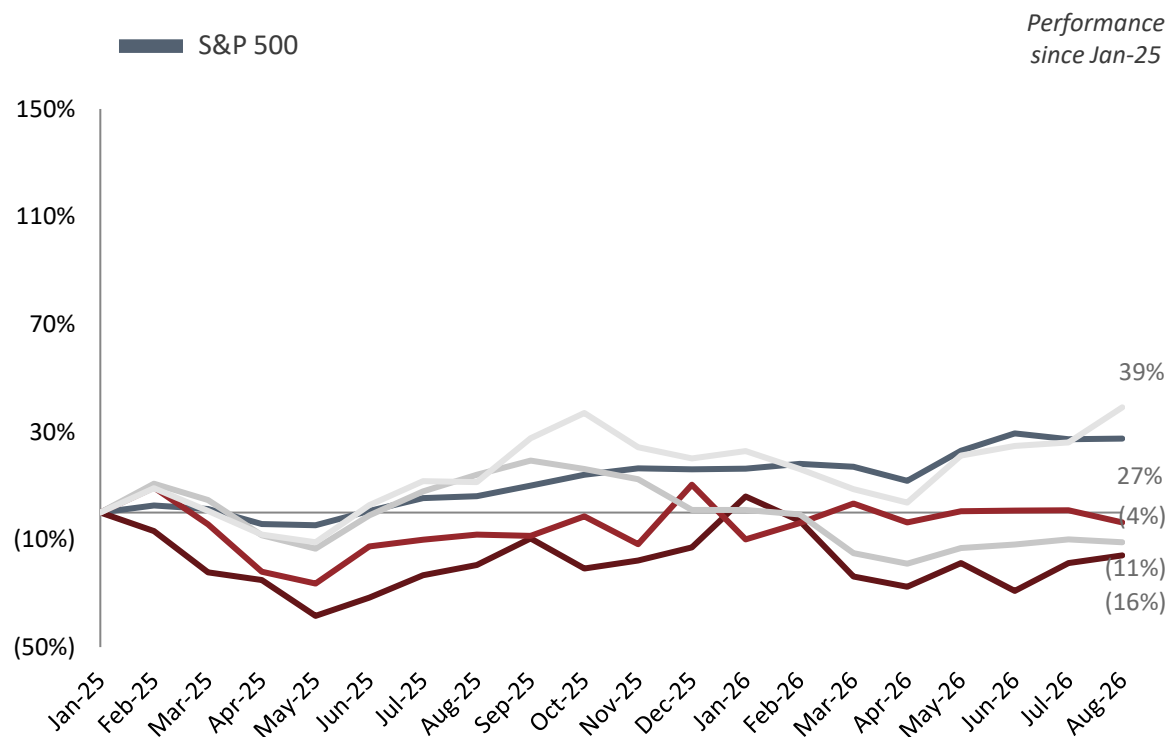
Sector Activity

Update on public market valuations, company trends,
and digital consumer activity.

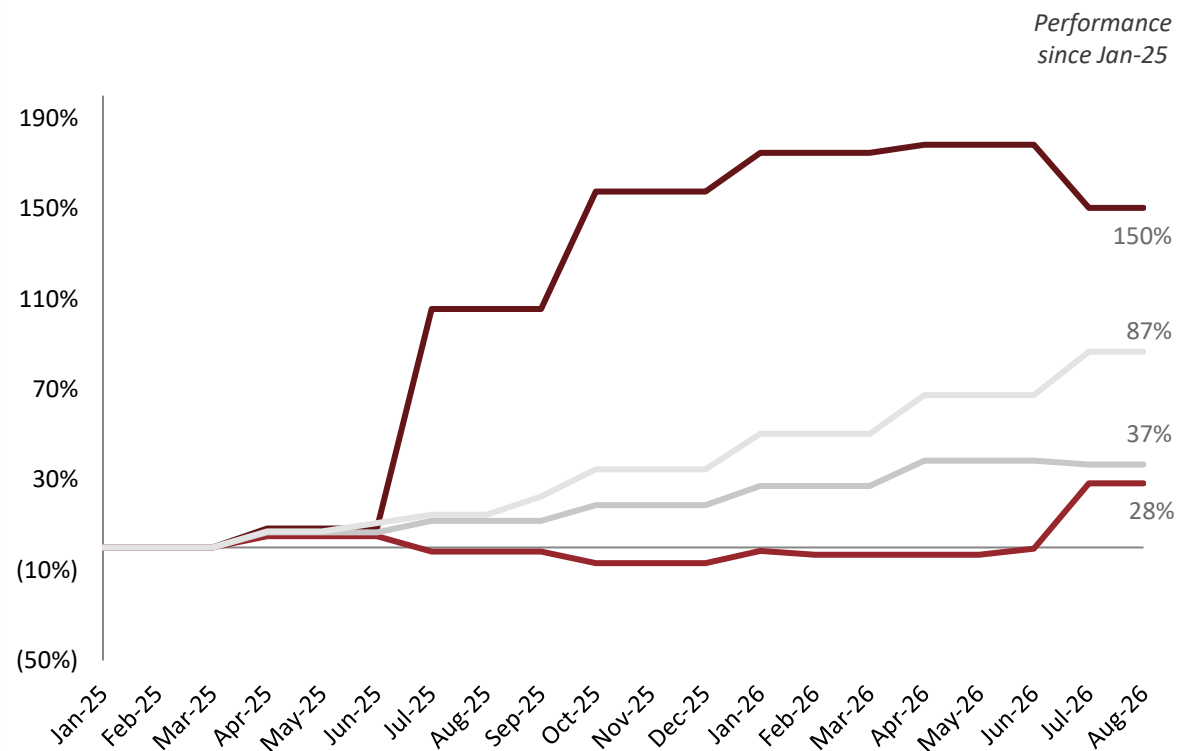


Recent Public Company Market Performance

Market Price Performance



LTM EBITDA Performance



Digitally Native Brands

a.k.a. **FIGS**
REVOLVE **STITCH FIX**

Omnichannel Brands

MONCLER **DELOTH TRADING** **lululemon**
g **WARBY PARKER** **YETI**

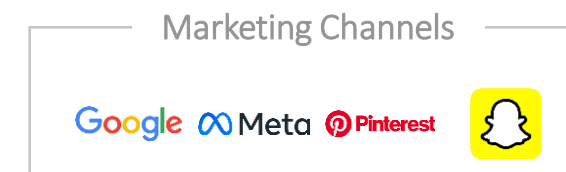
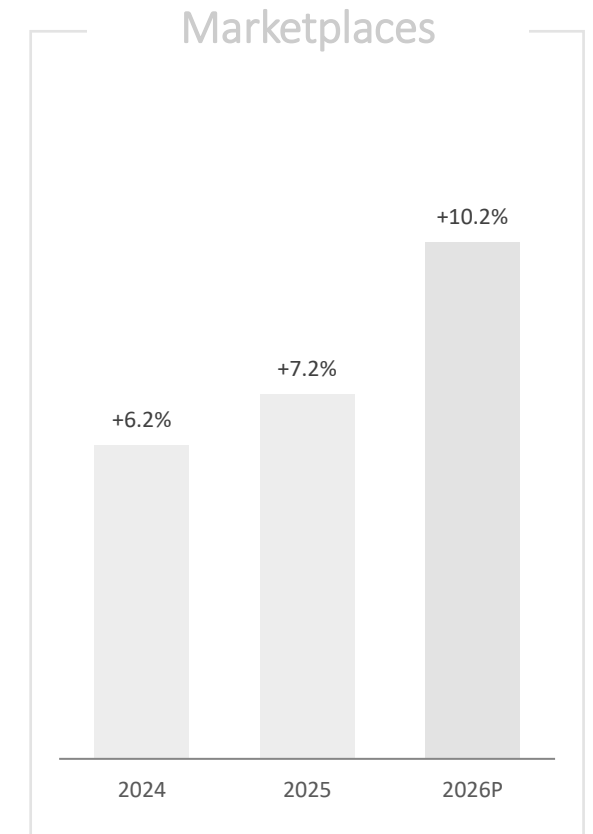
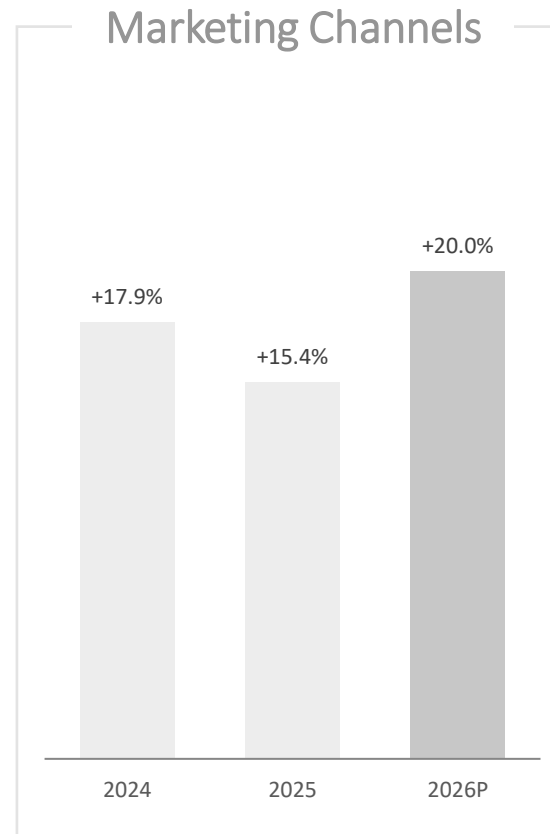
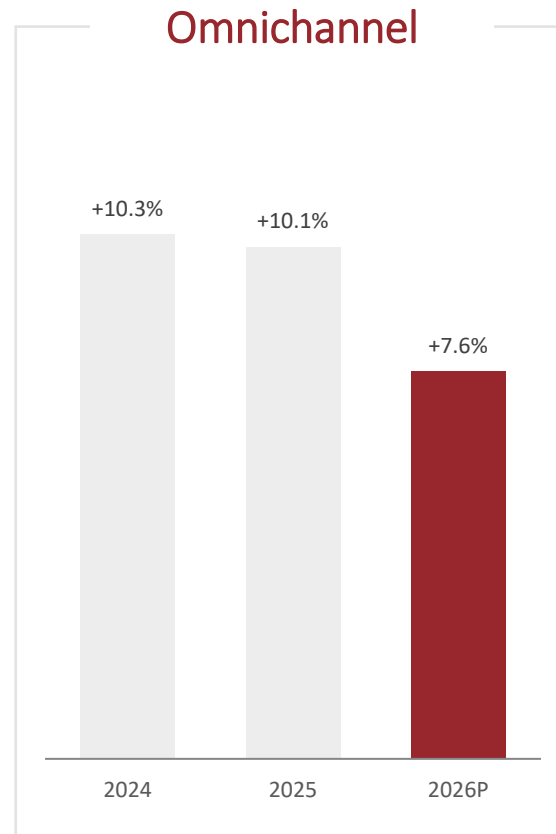
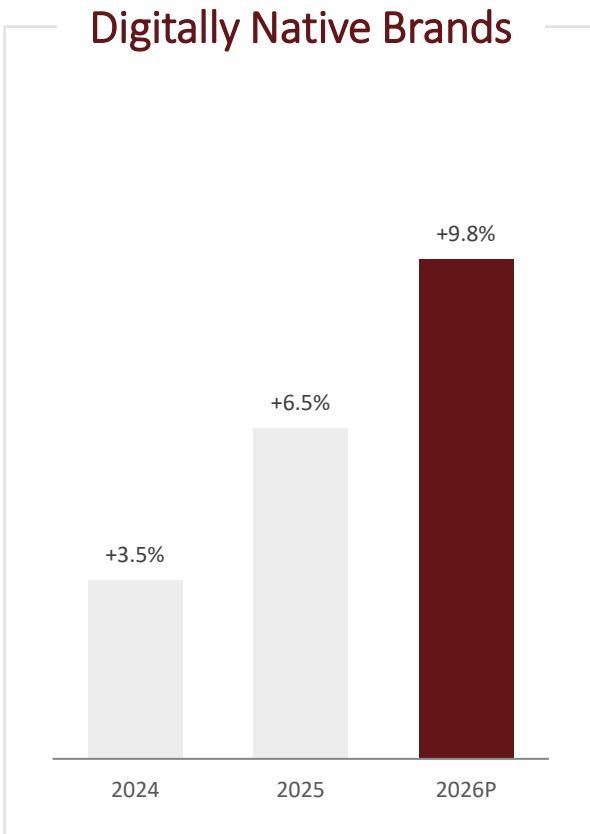
Marketing Channels

Google **Meta** **Pinterest** **SNAPCHAT**

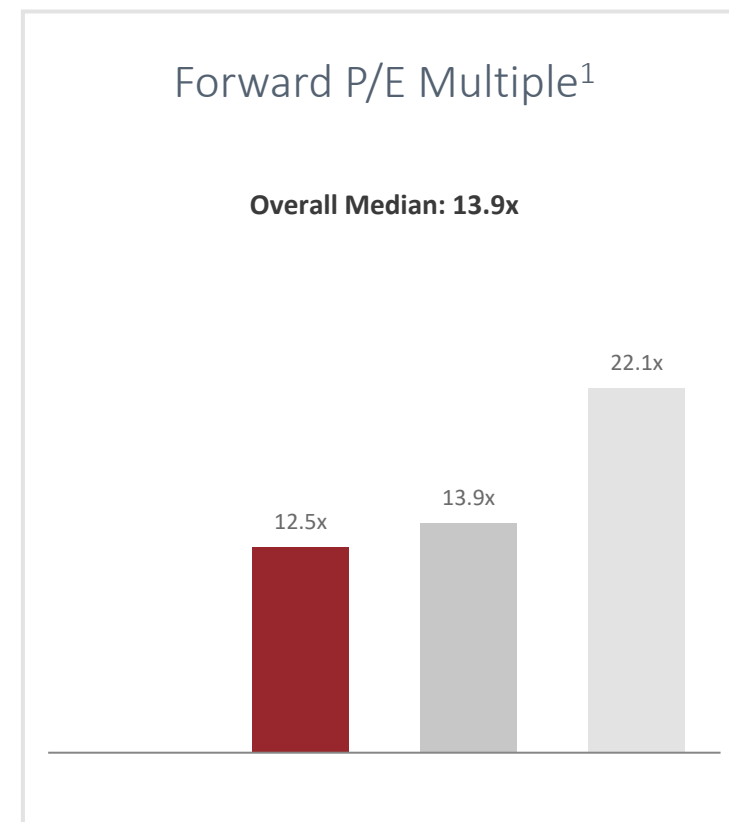
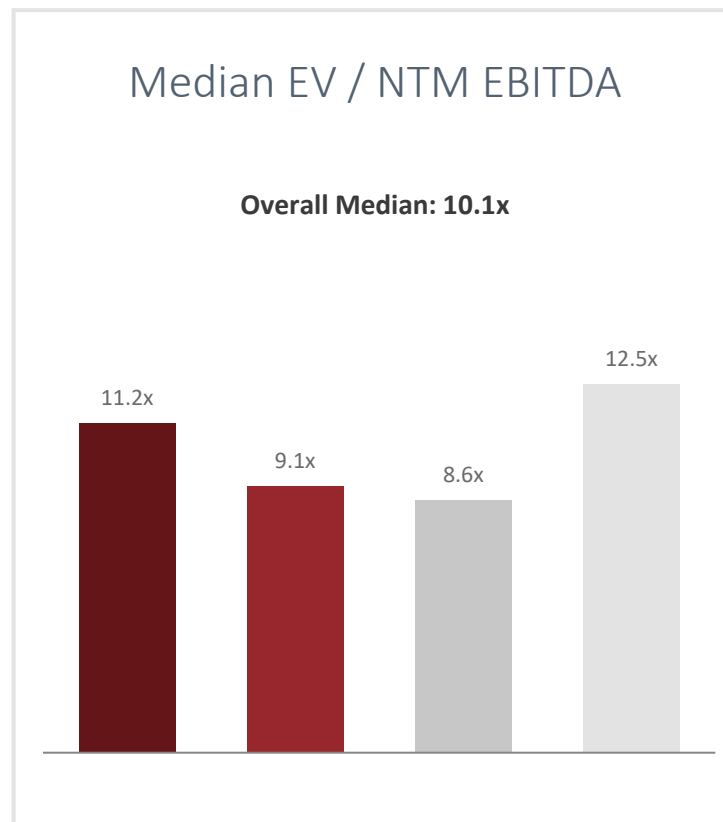
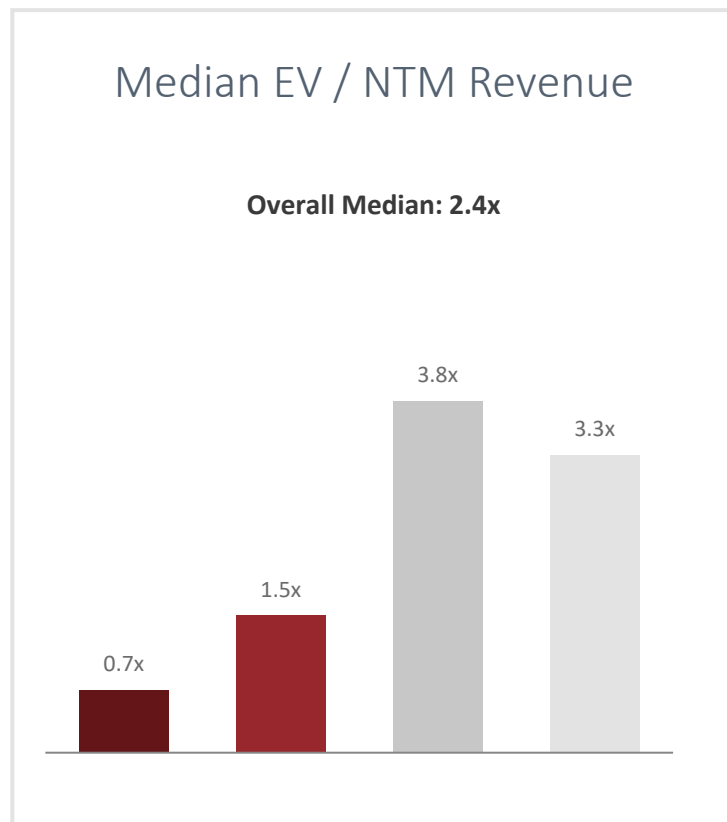
Marketplaces

amazon **chewy** **ebay**
Etsy **shopify** **wayfair**

Public Company Median Revenue Growth Trends



Public Company Valuation Metrics



Digitally Native Brands

a.k.a. **FIGS**

REVOLVE **STITCH FIX**

Omnichannel Brands

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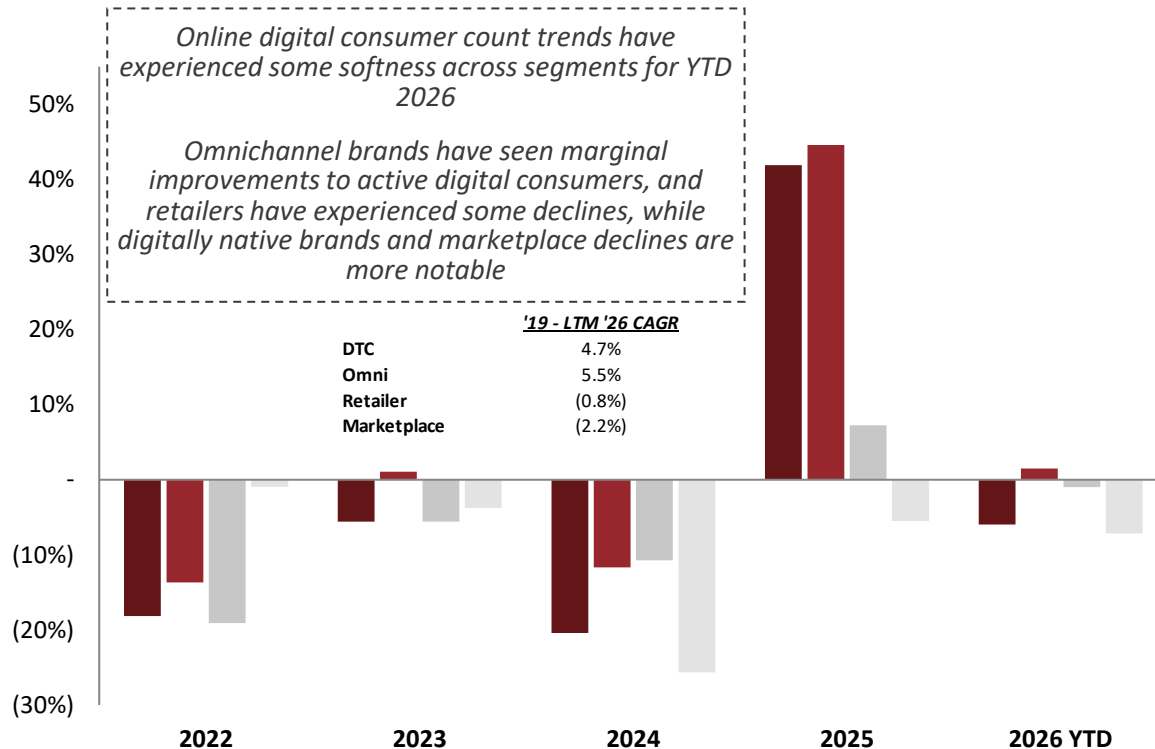
Marketplaces

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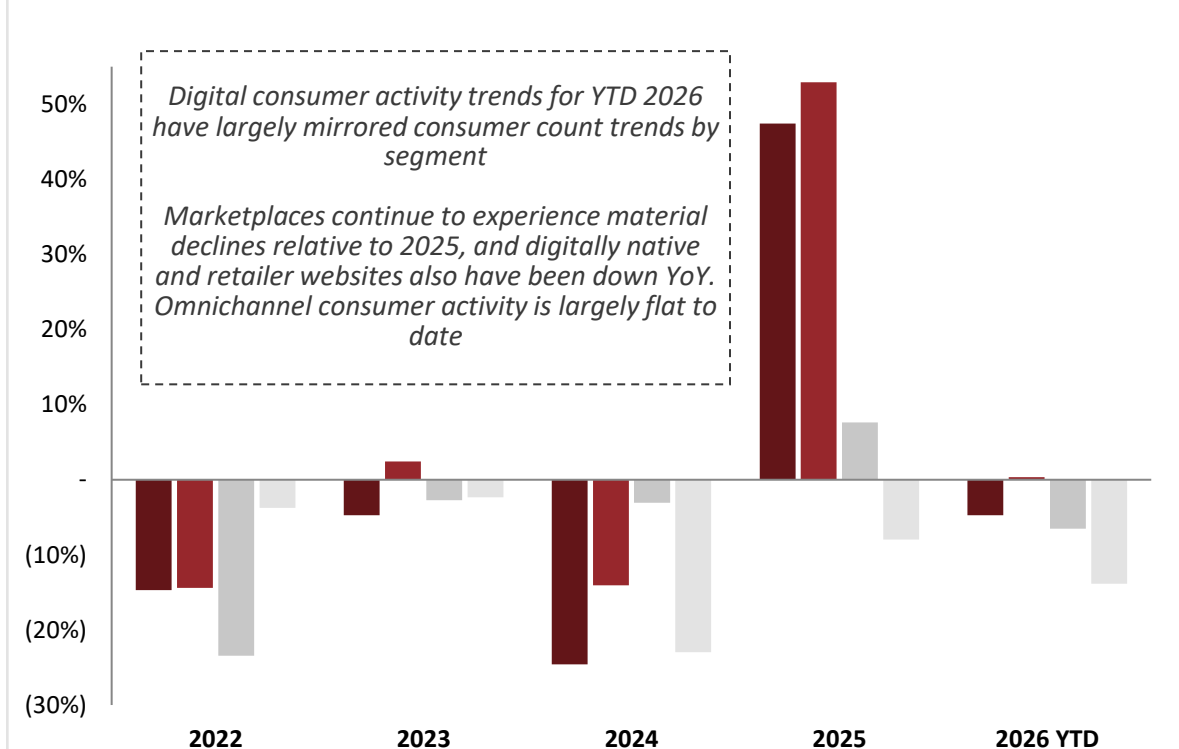
Etsy **wayfair**

Web Traffic Analytics by Channel

Growth in Active Digital Consumers (% Change YoY)



Growth in Digital Consumer Activity¹ (% Change YoY)



Digitally Native Brands



Omnichannel Brands



Retailer Websites



Marketplaces



Source: Harris Williams proprietary data analysis via Semrush analytics; YTD 2026 compares YTD Jul-26 to YTD Jul-25; CAGR time period of 6.5 years

(1) Total User Visits

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Q3 2026

Connect With Us



Our Team

Connect With Our Team

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87% Managing Directors promoted from within the firm

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Business Services



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Industrials



Technology



Transportation & Logistics

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