



E-Commerce Sector Brief

Harris Williams | Q1 2025

Q1 2025: Key Trends Observed

The e-commerce landscape continues to evolve to consumer trends, prompting companies to adapt their playbooks.

Happening in E-Commerce Right Now



AI Agents Emerging as an Enhancement to the E-Commerce Customer Journey

"I would say that I think retailers are all going to have their own say on how they want to interact with agents. It's an emerging space. I do think that Rufus, if you look at how it impacts the customer experience and if you actually use it month-to-month, continues to get better and better."

– **Andy Jassy, CEO of Amazon**
January 2025 Earnings Call

Shift to Consumer-First, Omnichannel Focus

"We will build back an integrated marketplace. Across NIKE Direct and wholesale, our marketplace will be consumer-led, putting our best product and presentation in the path of the consumer wherever they choose to shop."

– **Elliot Hill, CEO of Nike**
December 2024 Earnings Call



Rapid Growth in Payments Solutions for Small E-Commerce Businesses

"The Shop Pay button has become a highly valuable piece of real estate for both merchants and buyers. We believe that buyers are actively seeking it out during checkout, so much so that, if not available, they are more likely to abandon their checkout. Shop Pay's ability to drive conversion is very powerful. This quarter, Shop Pay processed \$27 billion of GMV, up 50% from last year and double that of the next accelerated checkout on Shopify merchant stores."

– **Harley Finkelstein, President of Shopify**
February 2025 Earnings Call

Further Supply Chain Migration from China

"I think we're seeing two different things happening here with the supply chain shift from China. The first thing we're seeing is companies who are moving assembly of their products outside. To give you some background, supply chains shifting from China isn't a very immediate and very recent thing. What we're seeing this time around though, that's hugely important, is it's not just the assembly of products that are moving, it's the supply chain supporting that assembly that's also moving with it."

– **Liza Lin, Wall Street Journal, China Tech Reporter**
February 2025, Wall Street Journal Tech News Briefing



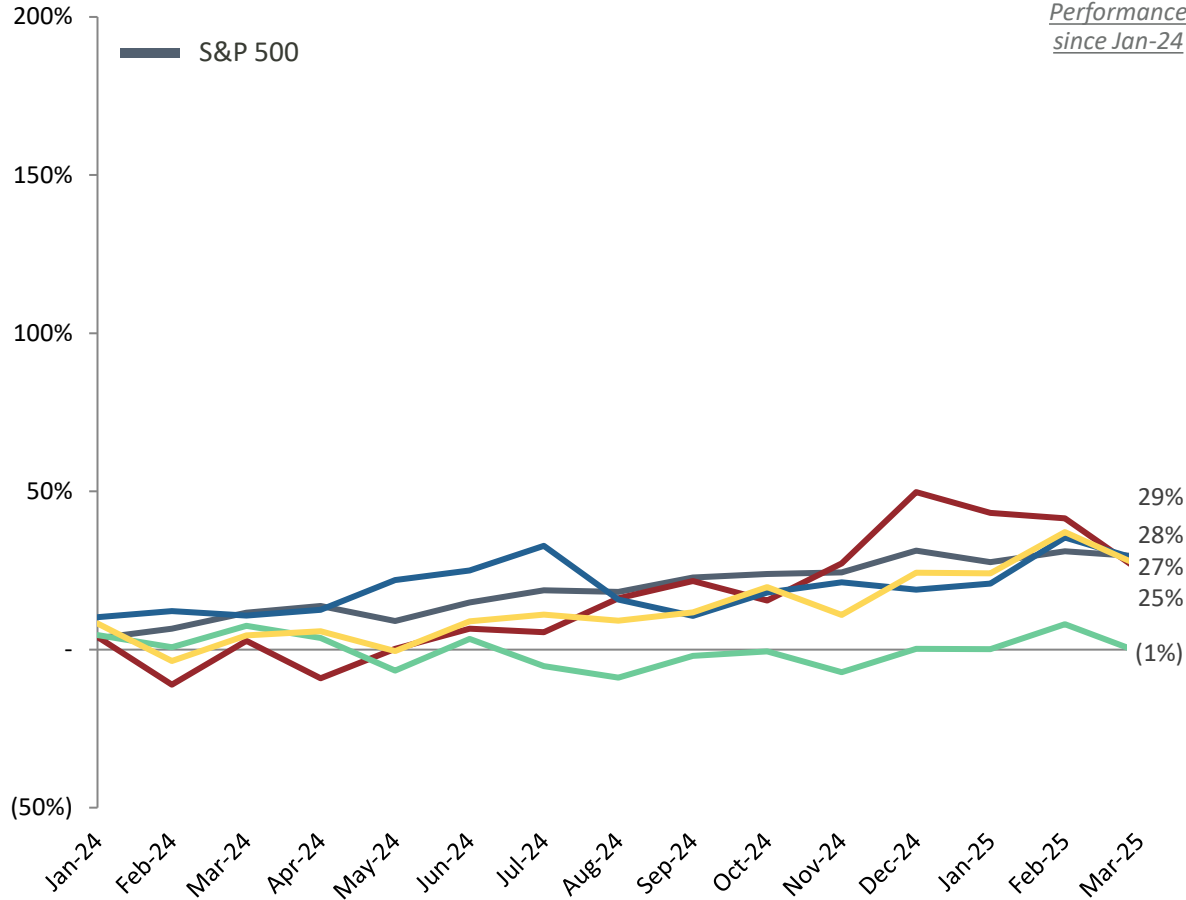
Innovation Pull-Forward

"We went up-tempo on innovation in 2024, and that was really the result of a little bit of catch-up from the 2020, 2021 period and getting back online with our partners and incredible work by our product development team. I think that pacing is going to be largely consistent going forward."

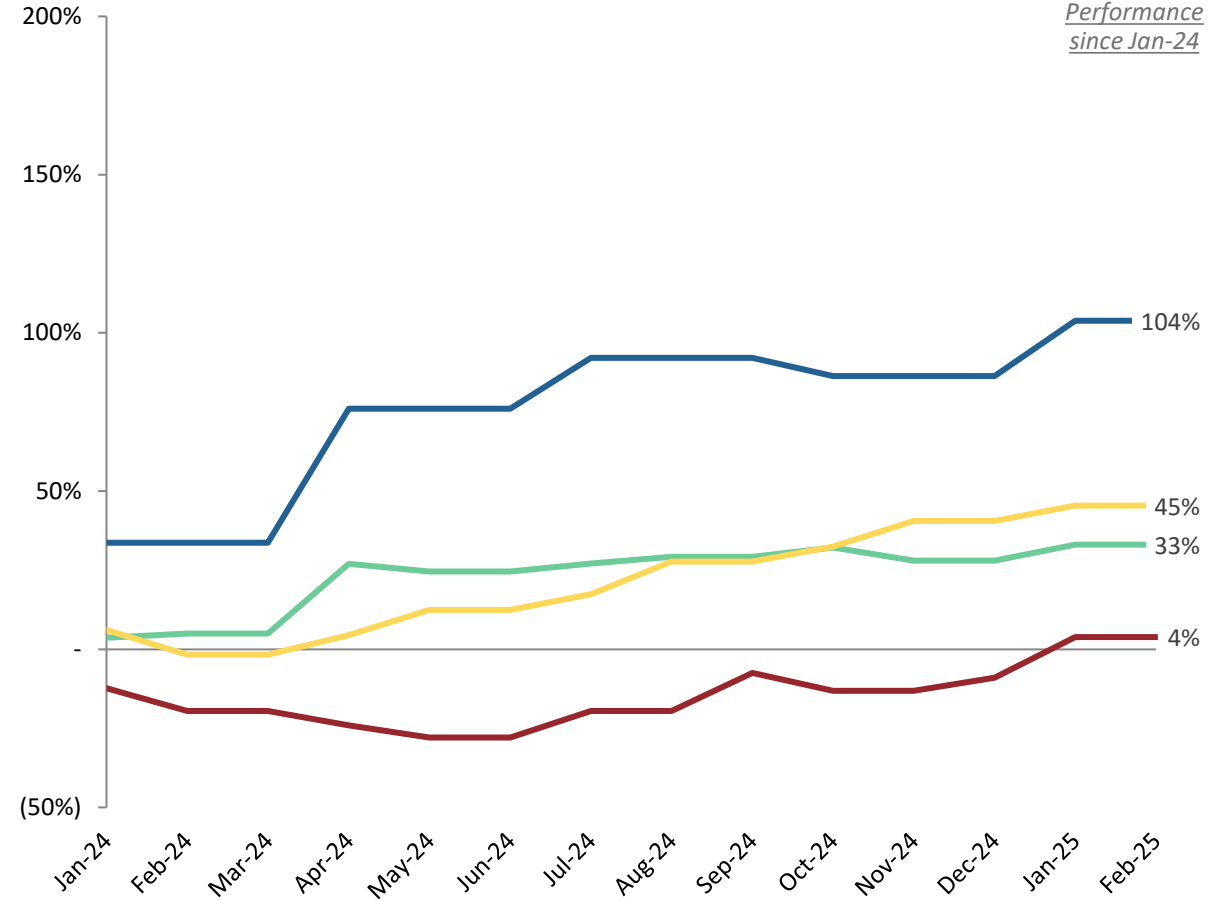
– **Matthew Reintjes, CEO of Yeti**
February 2025 Earnings Call

Recent Public Company Market Performance

Market Price Performance



LTM EBITDA Performance



Digitally Native Brands

a.k.a. solo brands

FIGS STITCH FIX

REVOLVE WARBY PARKER

Omnichannel Brands

MONCLER

DELISHIOUSLY

lululemon

YETI

Marketing Channels

Google Meta Pinterest Snapchat

Marketplaces

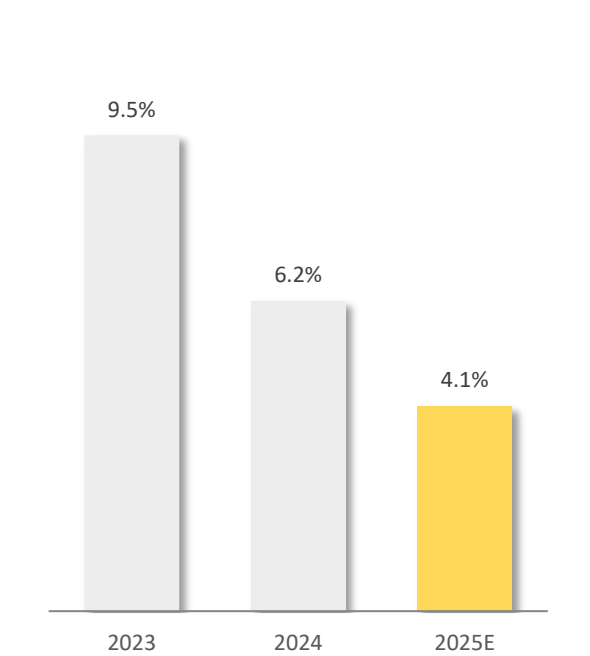
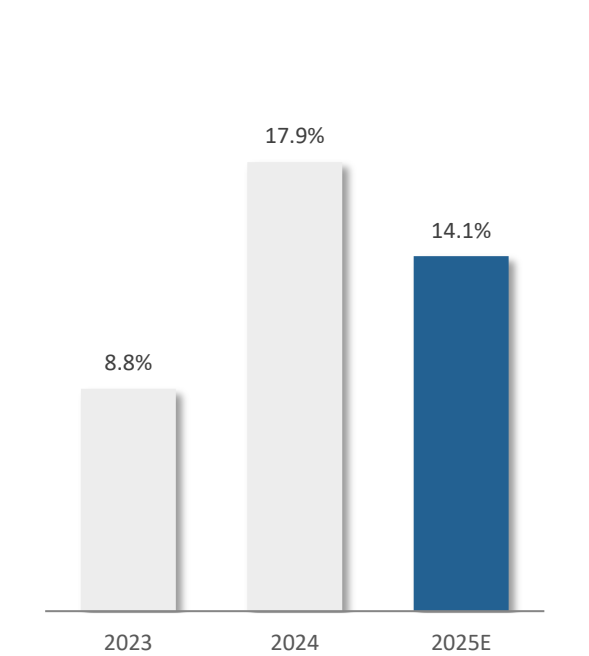
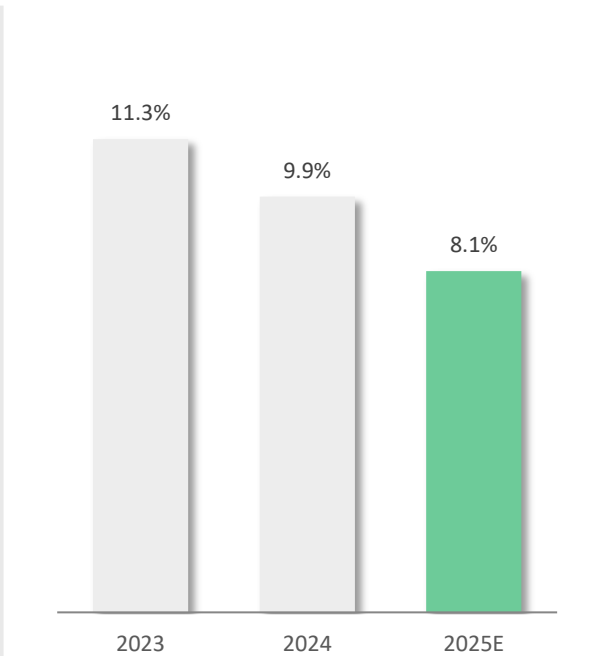
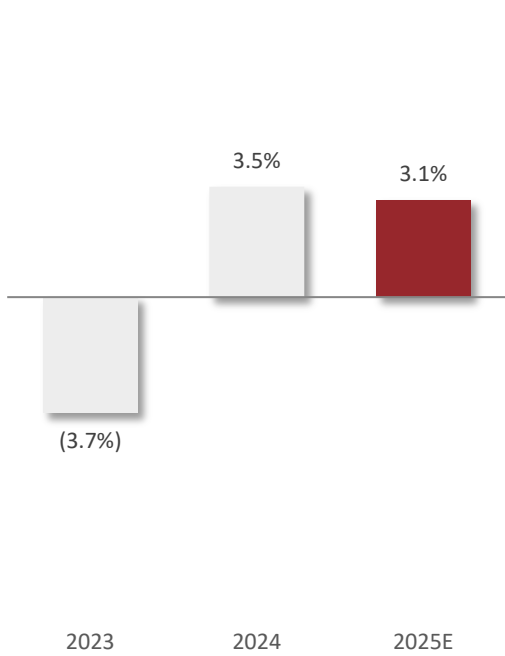
amazon Etsy

chewy

ebay wayfair

Public Company Revenue Growth Trends

Digitally Native Brands
Omnichannel
Marketing Channels
Marketplaces



Digitally Native Brands

Omnichannel Brands

Marketing Channels

Marketplaces

Public Company Valuation Metrics

Median EV / NTM Revenue

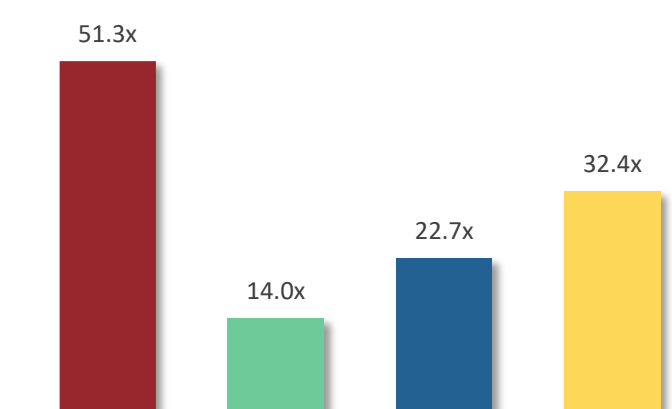
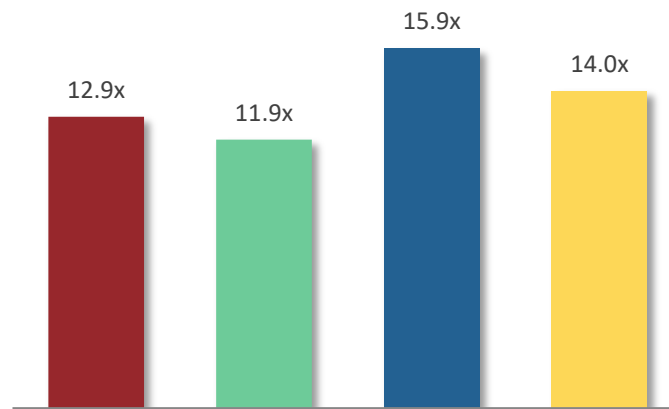
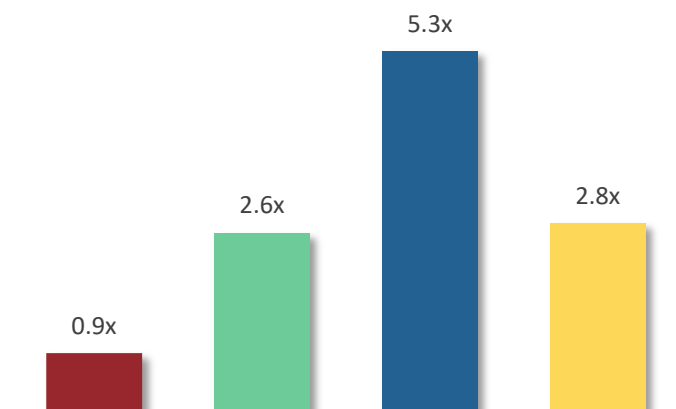
Median EV / NTM EBITDA

Forward P/E Multiple

Overall Median: 2.6x

Overall Median: 13.5x

Overall Median: 26.0x



Digitally Native Brands

Omnichannel Brands

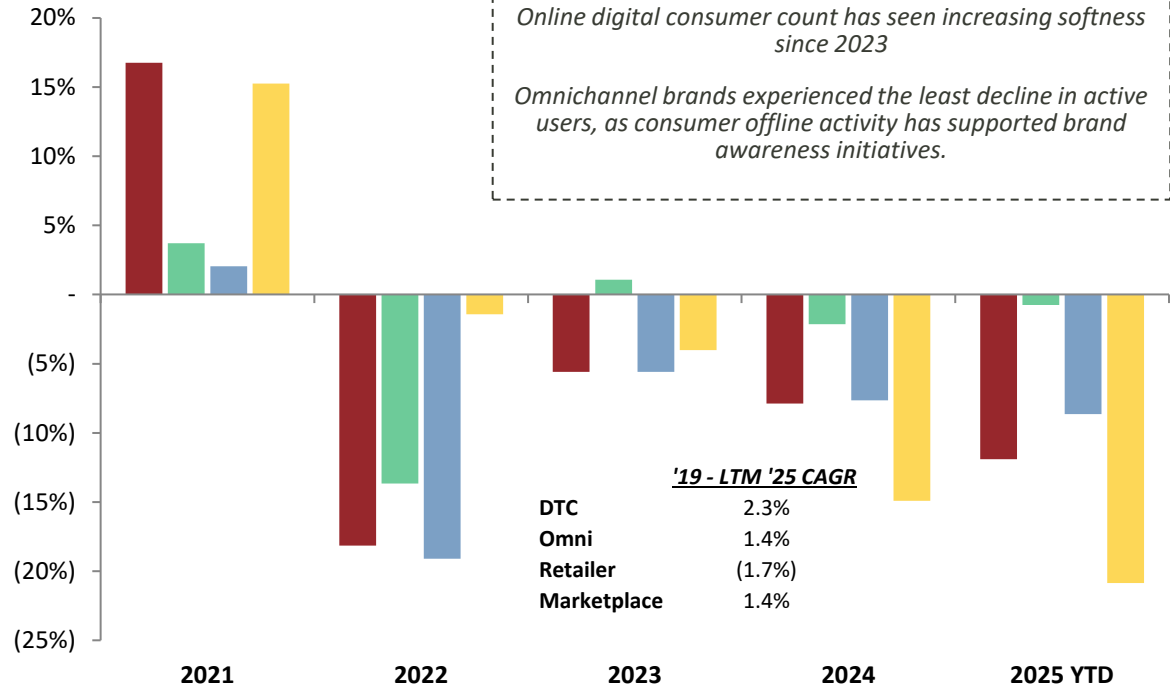
Marketing Channels

Marketplaces

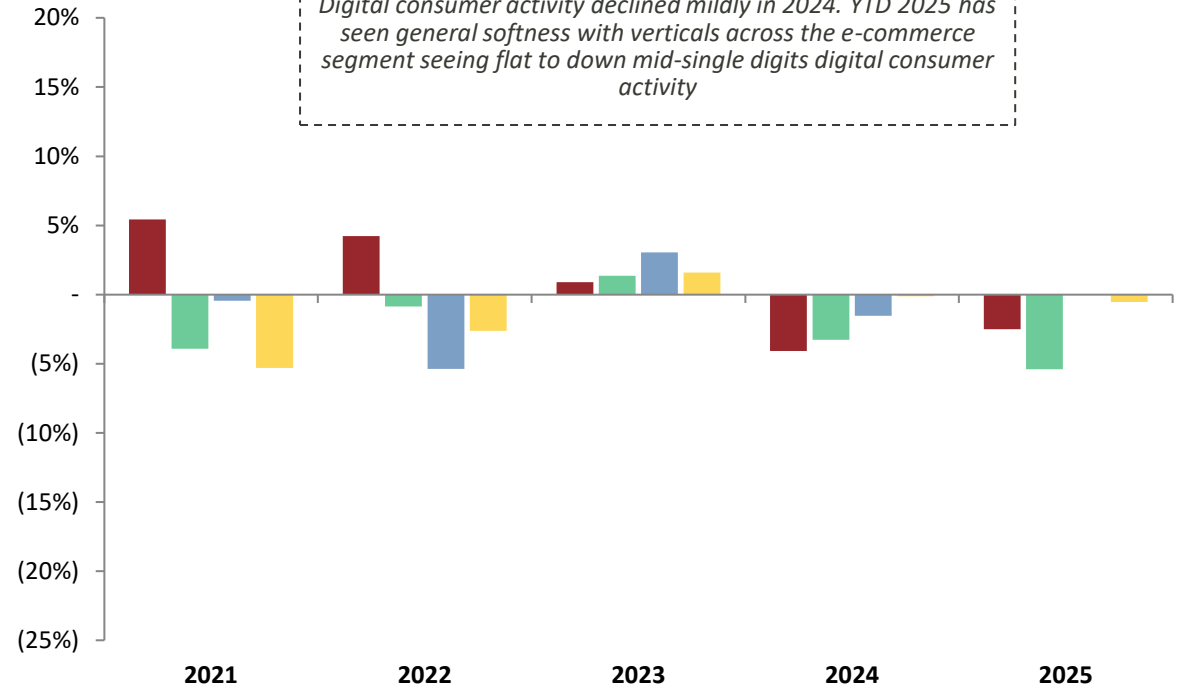


Web Traffic Analytics by Channel

Growth in Active Digital Consumers (% Change YoY)



Growth in Digital Consumer Activity¹



Digitally Native Brands

Omnichannel Brands

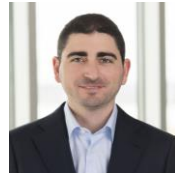
Retailer Websites

Marketplaces

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Select recent transactions in the sector:

CARBON 6
has been acquired by

TANGLE TEEZER
a portfolio company of
MAY FAIR EQUITY PARTNERS
has been acquired by

LineBells YUMOVE
a portfolio company of
inflexion
has been acquired by
Vetriq
a portfolio company of

Melissa + Doug
a portfolio company of
A E A
has been acquired by

Butternut Box
has received a significant investment from
GENERAL ATLANTIC
CATTERTON

BELLAMI
has been acquired by
a|e BEAUTY INDUSTRY GROUP
a portfolio company of
CATTERTON
HGGC

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Harris Williams: Deep DTC and E-Commerce Sector Experience

Select DTC / E-Commerce Clients

DIGITALLY NATIVE BRANDS



OMNICHANNEL BRANDS



CONSUMER-FACING TECHNOLOGY



MARKETING & DATA ANALYTICS



E-COMMERCE ANALYTICS



Insightful Sector Content

- Harris Williams Pet Sector Update | May 2024



[Link to Read](#)

- E-Commerce: 5 Key Themes Driving Growth | March 2024



[Link to Read](#)

- E-Commerce Consumer Survey: A Glimpse Into What's Ahead | 2024



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Deep Industry Experience



Unique Multi-Sector Coverage of E-Commerce

Proven Expertise

MERGERS & ACQUISITIONS

PRIVATE CAPITAL SOLUTIONS

PRIMARY FUND PLACEMENT

Core Values That Drive Success



75% Revenue from repeat clients

87% Managing Directors promoted from within

30+ Year history

Sources and Disclosures

Sources

1. S&P Capital IQ
2. PitchBook
3. Semrush

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