



E-Commerce Sector Brief

Harris Williams | Q4 2024

Q4 2024: Key Trends Observed

The e-commerce landscape continues to experience sector disruption, prompting companies to adapt their playbooks.

Happening in E-Commerce Right Now



Budget-Constrained Consumers Are Moving Down the Price / Value Continuum

"We're seeing lower average selling prices or ASPs right now because customers continue to trade down on price when they can. More discretionary higher-ticket items like computers or electronics or TVs are growing faster for us than what we see elsewhere in the industry but more slowly than we see in a more robust economy."

– Andy Jassy, CEO of Amazon
August 2024 Earnings Call

Brand Awareness is a Priority

"Increasing brand awareness and consideration remains one of our single biggest opportunities in almost every market in which we operate."

– Calvin McDonald, CEO of Lululemon Athletica
August 2024 Earnings Call



Global E-Commerce Opportunity

"We have a fantastic marketing opportunity to go deep in high-potential countries that we're going to pursue over time. We sell internationally, but we haven't even come close to fully capitalizing on the potential of international. As we think about the revenue opportunity of our company, there's so much there. And the competitive set overseas is so much more limited."

– Trina Spear, CEO and Co-Founder of FIGS
August 2024 Earnings Call



Hard Goods Market Stabilizing

"We would characterize hard goods as having stabilized and being broadly flat on a quarter-to-quarter basis. I think the positive signals that we're seeing from hard goods is that we've reached a level of stability, which is indicated to us by active customer growth sequentially Q1 to Q2 for the first time since Q1 of '23."

– David Reader, CFO of Chewy
August 2024 Earnings Call



Capitalization on Supply Chain Management

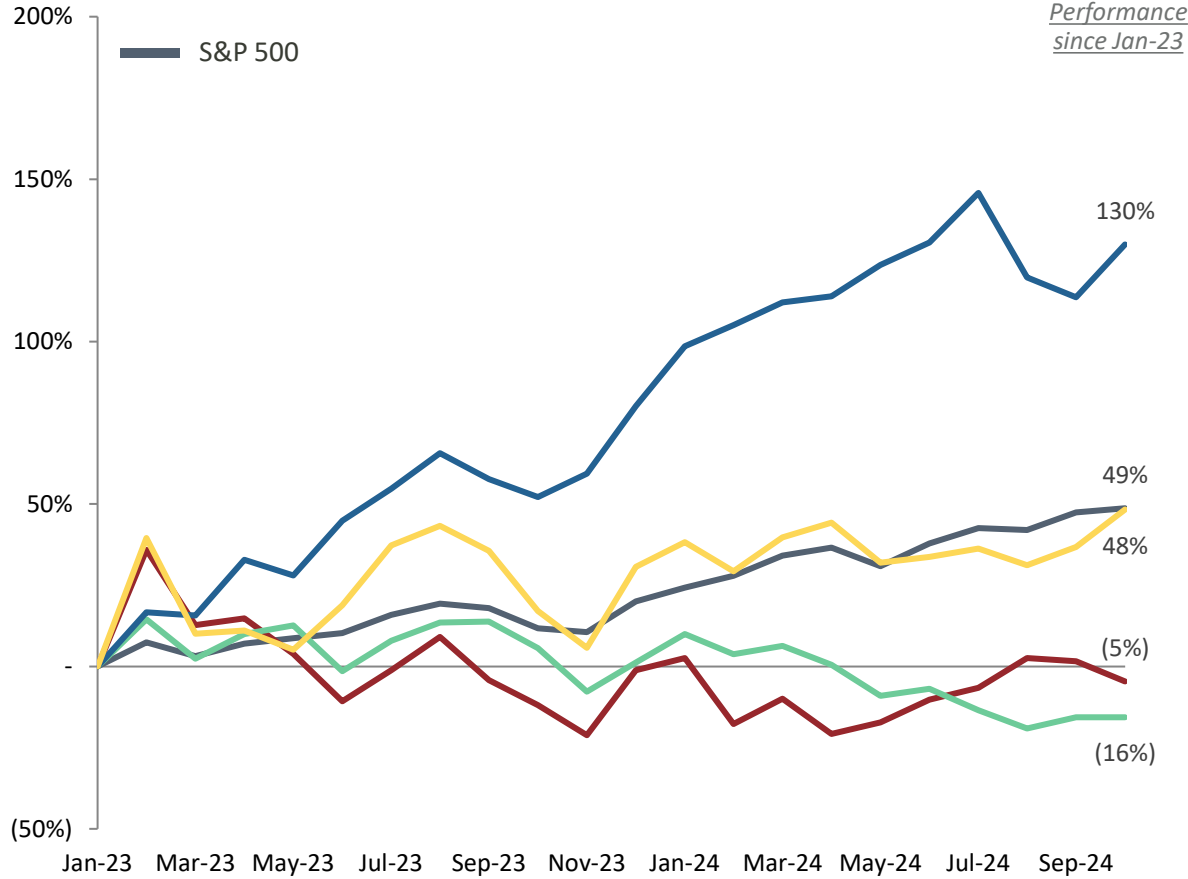
"I would like to thank our team for managing and neutralizing the ongoing risks in the dynamic supply chain environment. We anticipate that the end result of these efforts and the momentum we are seeing puts us on pace to deliver record-high gross margins for the full year. Our top line and gross margin execution continued to support our long-term growth and strategic investments while also delivering upside to the bottom line."

– Matthew Reintjes, CEO of Yeti
August 2024 Earnings Call

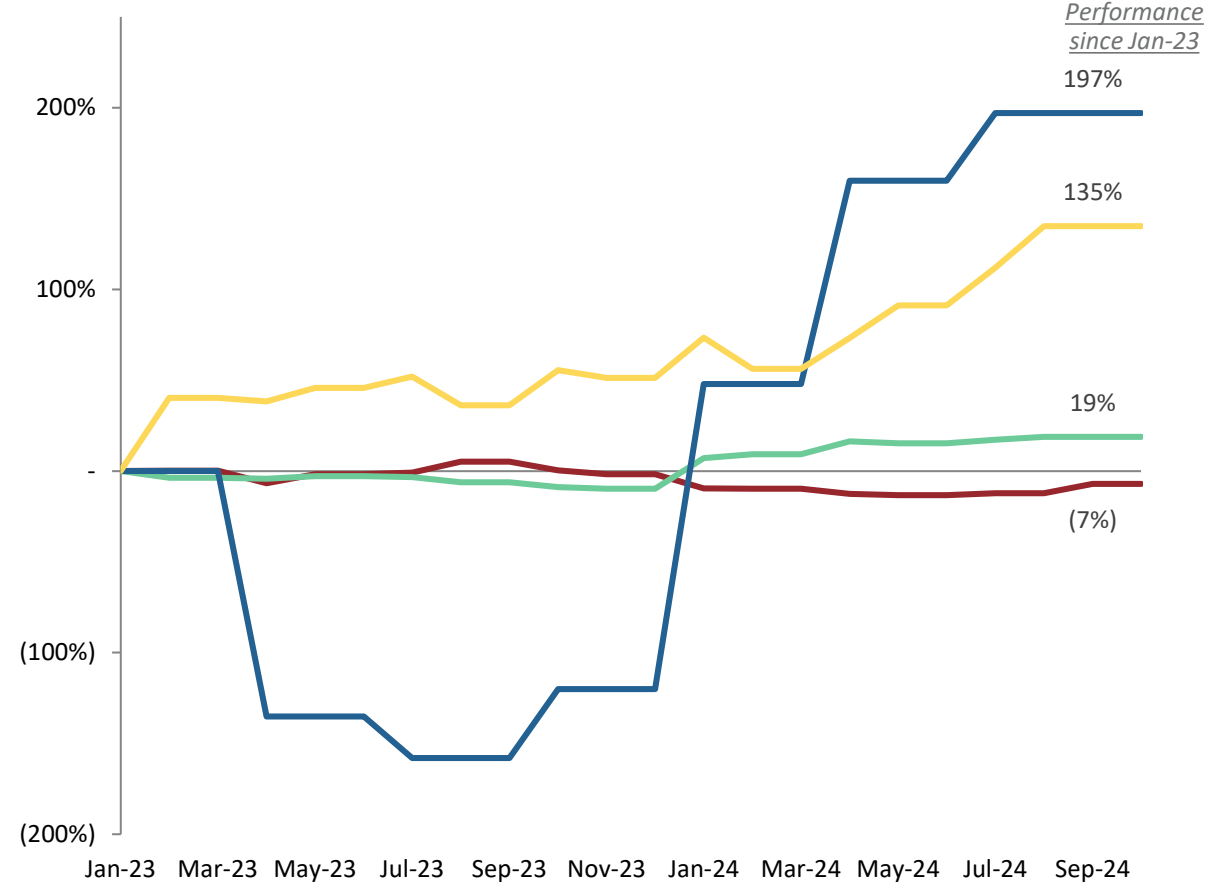


Recent Public Company Market Performance

Market Price Performance



LTM EBITDA Performance



Digitally Native Brands

- a.k.a.
- FIGS
- REVOLVE
- solo brands
- STITCH FIX
- WARBY PARKER

Omnichannel Brands

- MONCLER
- YETI
- lululemon

Marketing Channels

- Google
- Meta
- Pinterest
- SNAPCHAT

Marketplaces

- amazon
- chewy
- etsy
- ebay
- wayfair

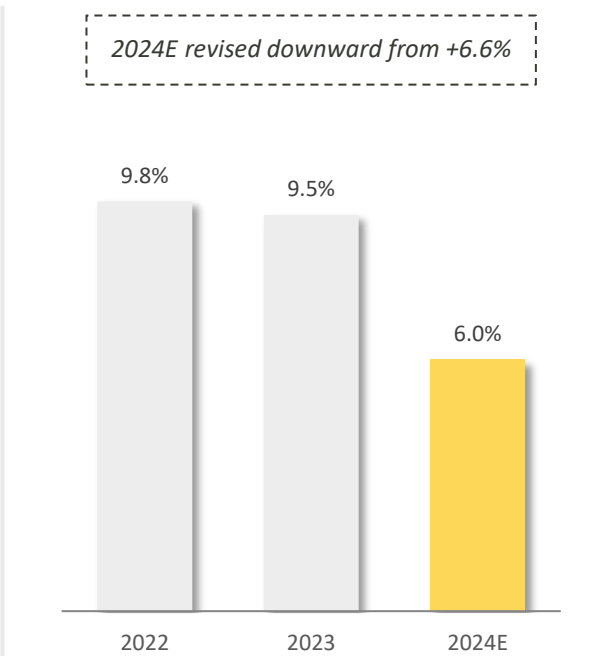
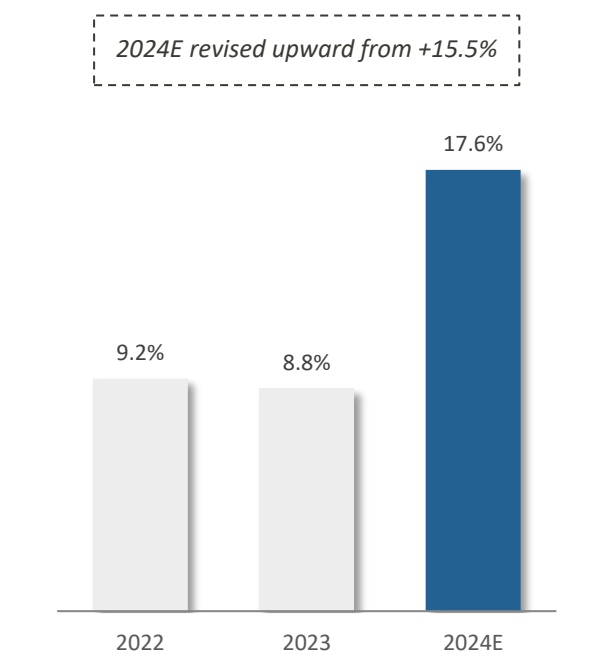
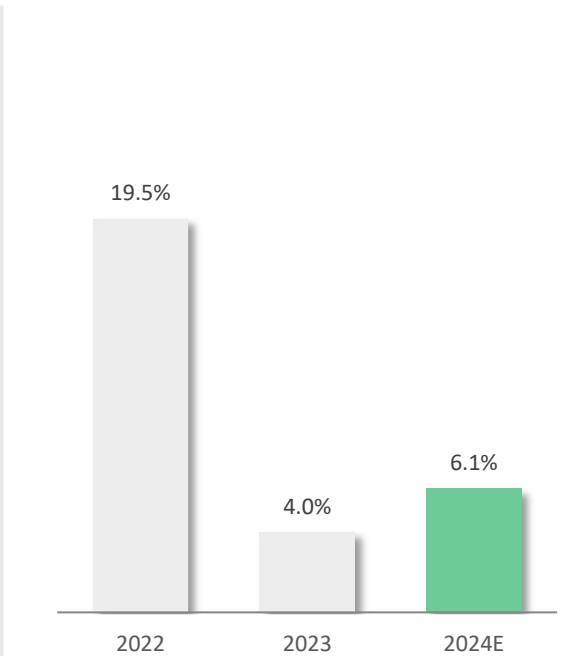
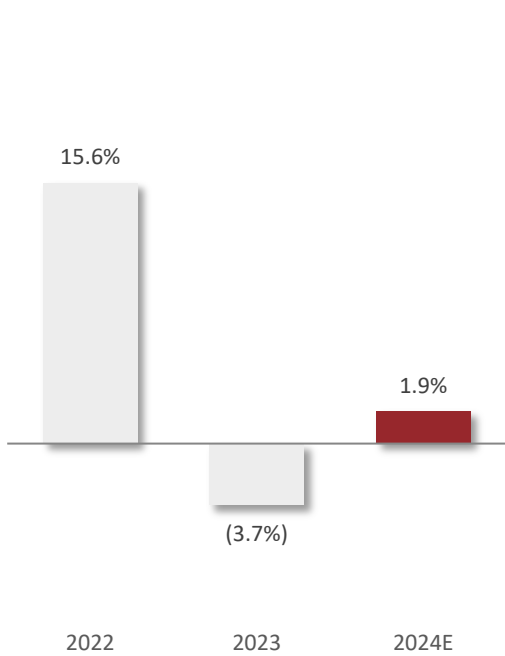
Public Company Revenue Growth Trends

Digitally Native Brands

Omnichannel

Marketing Channels

Marketplaces



Digitally Native Brands

Omnichannel Brands

Marketing Channels

Marketplaces

Public Company Valuation Metrics

Median EV / NTM Revenue

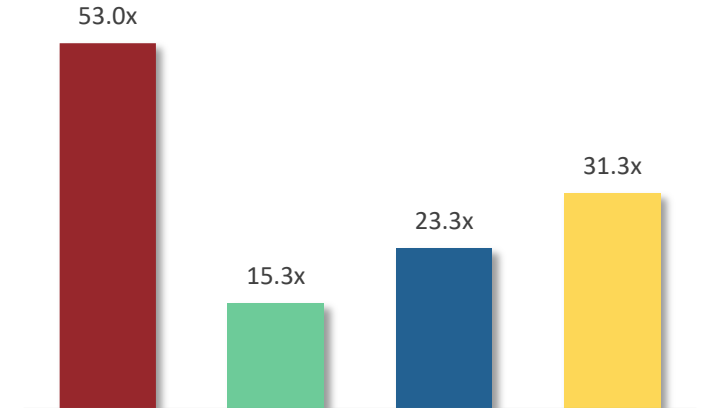
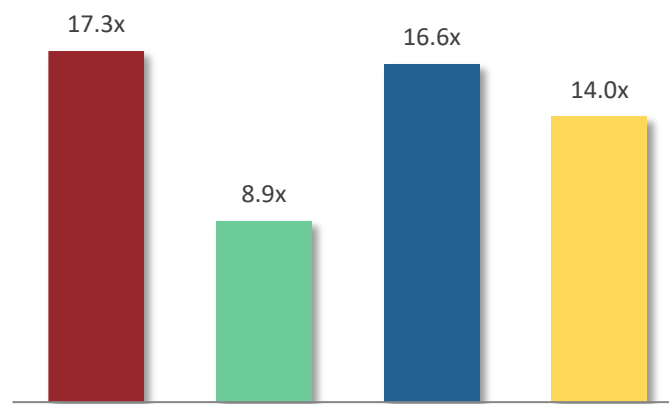
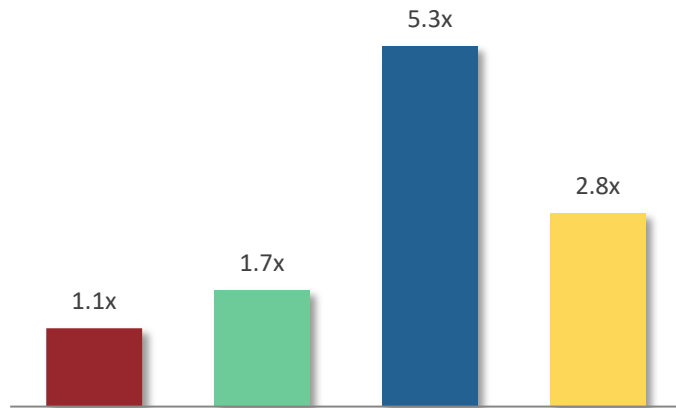
Median EV / NTM EBITDA

Forward P/E Multiple

Overall Median: 2.4x

Overall Median: 13.1x

Overall Median: 23.3x



Digitally Native Brands

Omnichannel Brands

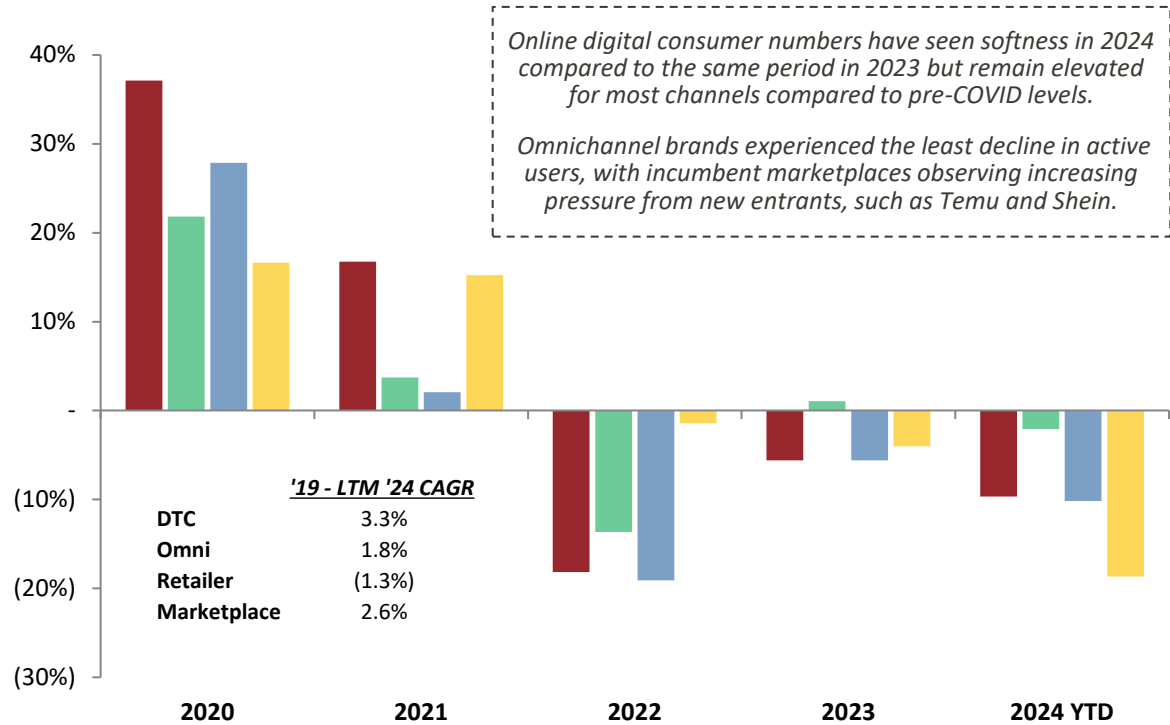
Marketing Channels

Marketplaces

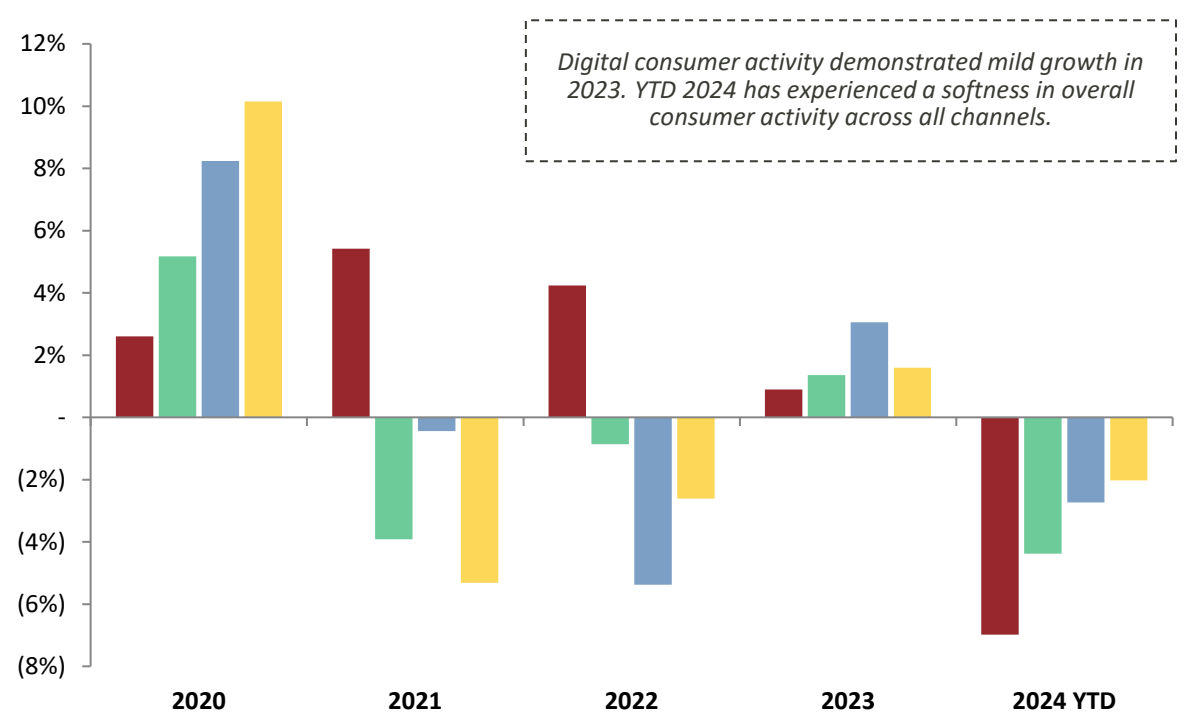


Web Traffic Analytics by Channel

Growth in Active Digital Consumers (% Change YoY)



Growth in Digital Consumer Activity¹



Digitally Native Brands

Omnichannel Brands

Retailer Websites

Marketplaces

Select recent transactions in the sector:

<p>PENDING Lintbells YUMOVE</p> <p>a portfolio company of</p> <p>inflexion</p> <p>is being acquired by</p> <p>Vetnique</p> <p>a portfolio company of</p> <p>GREYBON</p>	<p>Butternut Box</p> <p>has received a significant investment from</p> <p>GENERAL ATLANTIC</p> <p>CATTERTON</p>	<p>Melissa & Doug</p> <p>a portfolio company of</p> <p>A E A</p> <p>has been acquired by</p> <p>SPIN MASTER</p>	<p>BELLAMI</p> <p>has been acquired by</p> <p>BEAUTY INDUSTRY GROUP</p> <p>a portfolio company of</p> <p>CATTERTON</p> <p>HGGC</p>
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Learn more about our experience in the space:



Ryan Budlong
Group Head, Managing Director
Consumer Group
rbudlong@harriswilliams.com
(415) 217-3409



Bernardo Villar
Director
Consumer Group
bvillar@harriswilliams.com
(804) 915-0164

Additional Contacts

Ed Arkus
Group Head, Managing Director
Consumer Group
earkus@harriswilliams.com
+44 20 7518 8905

Brant Cash
Managing Director
Consumer Group
bcash@harriswilliams.com
(612) 359-2709

Brent Spiller
Group Head, Managing Director
Consumer Group
bspiller@harriswilliams.com
(804) 915-0183

Zach England
Managing Director
Consumer Group
zengland@harriswilliams.com
(415) 217-3429

Tim Alexander
Managing Director
Consumer Group
talexander@harriswilliams.com
(612) 359-2716

Ryan Freeman
Managing Director
Consumer Group
rffreeman@harriswilliams.com
(612) 359-2703

Will Bain
Managing Director
Consumer Group
wbain@harriswilliams.com
+44 20 7518 8906

Kelly McPhilliamy
Managing Director
Consumer Group
kmcphilliamy@harriswilliams.com
(804) 915-0114

Corey Benjamin
Managing Director
Consumer Group
cbenjamin@harriswilliams.com
(804) 932-1342

Andreas Poth
Managing Director
Consumer Group
apoth@harriswilliams.com
+49 69 3650638 20

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



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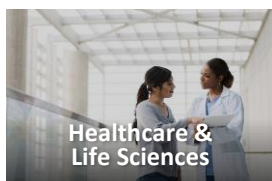
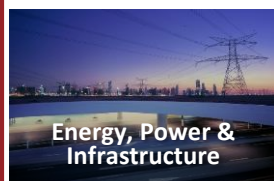
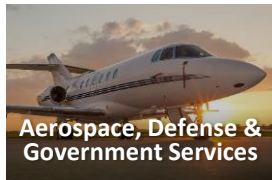
- E-Commerce Consumer Survey: A Glimpse Into What's Ahead | January 2024



[Link to Read](#)

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Deep Industry Experience



Unique Multi-Sector Coverage of E-Commerce

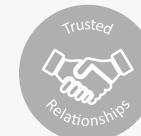
Proven Expertise

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

Disclosures and Disclaimers

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