



Insights exchange for the model-driven economy

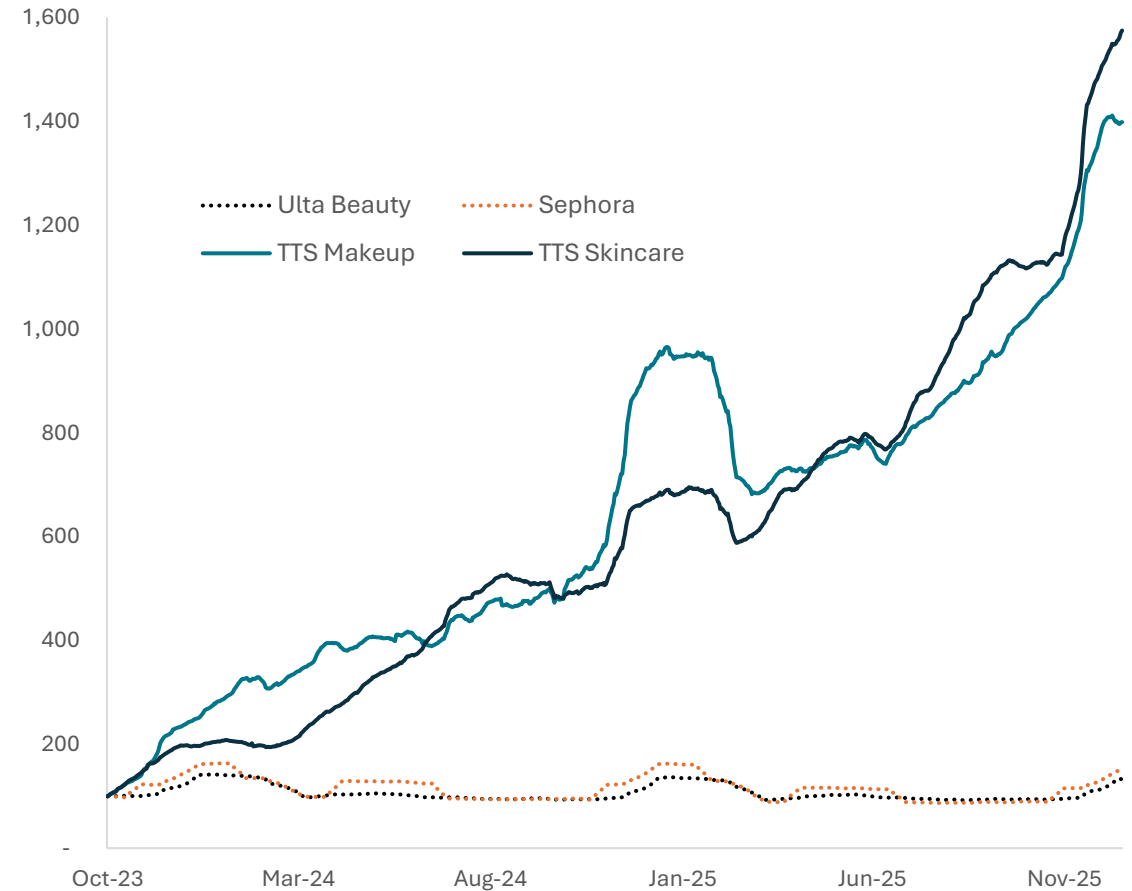
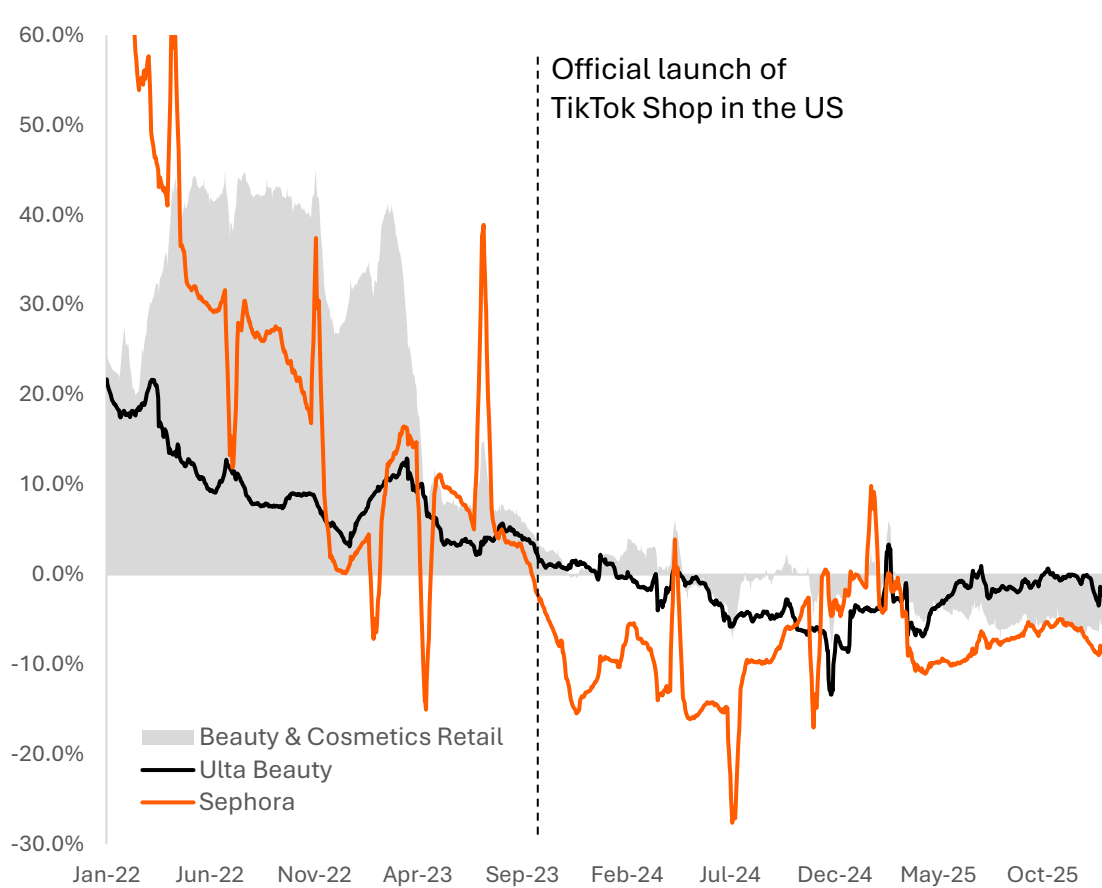
e.l.f. Beauty Balances the Industry's Push to TikTok Shop and the Acquisition of a Brand Built on Intentional Scarcity

- 1. Beauty & Cosmetics retailers face a double whammy** - Consistent Y/Y declines in credit card spend illustrate the effect of a more price-sensitive US consumer and the continued rapid acceleration of sales through TikTok Shop (TTS).
- 2. Brand landing pages within beauty retailers and mass merchants** show significant consumer preferences toward online beauty shops, though traffic for both highlight the effectiveness of targeted launch promotions.
- 3. e.l.f. and Rhode were leaders in web traffic within Ulta and Sephora**, e.l.f. generated nearly 1.7x more events while Rhode was #2 behind Dior in less than half the uptime.
- 4. Brands are shifting ad focus to OTT Streaming and TikTok** at the expense of desktop platforms and Instagram.
- 5. The acquisition of Rhode and subsequent insertion into Sephora** was a near-term positive for e.l.f., but longer-term questions remain around Rhode's core marketing strategy as competitors take advantage of TTS revenue potential.
- 6. e.l.f. (with Rhode included) was a leader in TTS beauty & cosmetics revenue in 2025**, but other brands showed more evenly distributed revenues driven in part by successful TTS-exclusive products and influencer-supported launch campaigns throughout the year.

Beauty Retailers' Negative Growth Rates and the Impact of TikTok Shop

Growth rates for beauty retailers had been in decline prior to the launch of TikTok Shop (TTS), but the September 2023 US launch of TTS coincided with Y/Y growth rates for both Ulta and Sephora turning negative and mostly remaining negative since. The growth of card spend for TTS categories Makeup and Skincare have dwarfed traditional retailers since 2023.

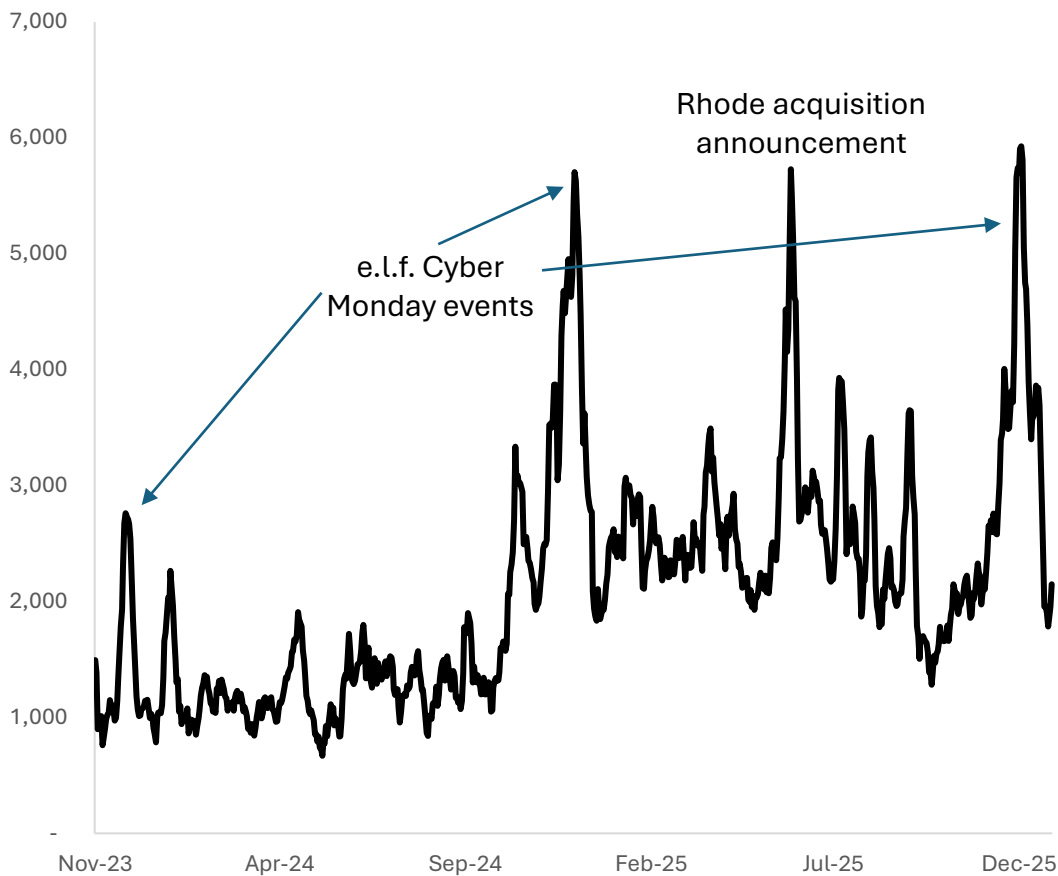
Y/Y change in rolling 12-week credit card panel spend (left) and indexed 12-week rolling beauty retailer card spend and competing TTS category revenues (right)



e.l.f.'s Major Acquisition and the Delivery of Rhode to Sephora

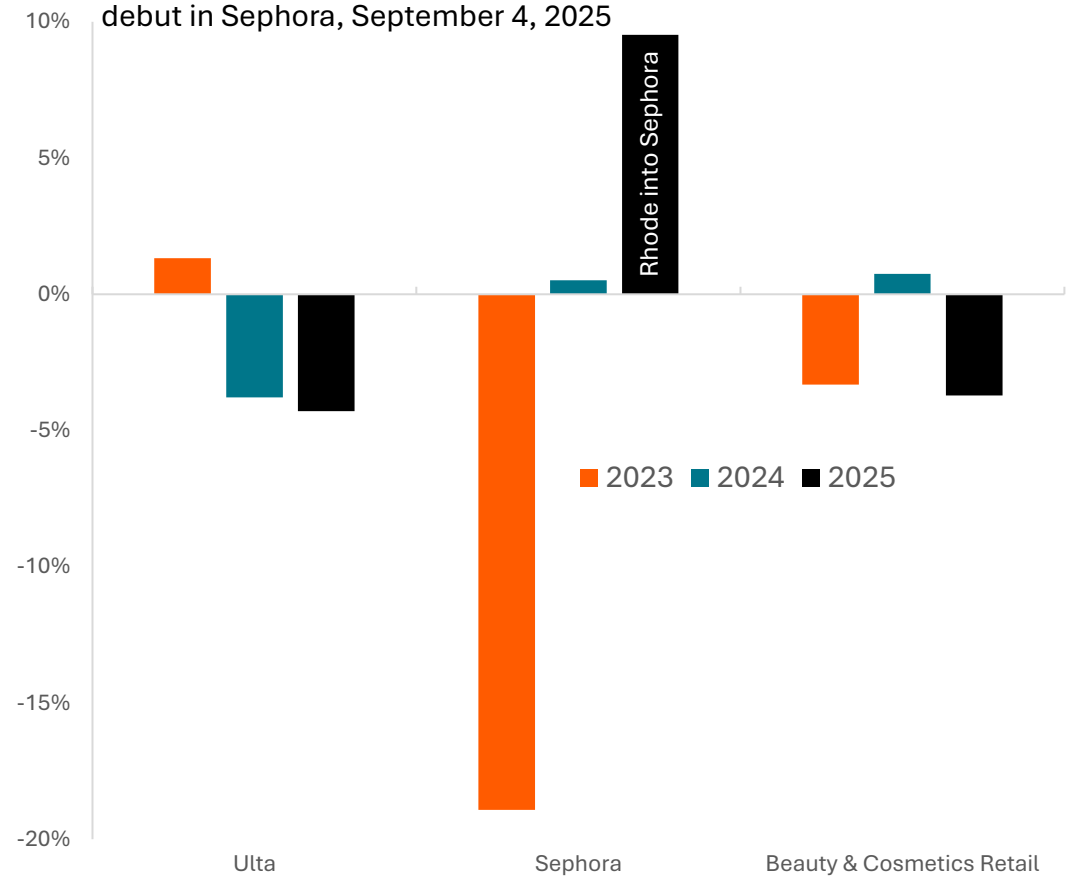
e.l.f.'s announcement of its \$1b acquisition of Rhode in May 2025 attracted as much online attention for the brand as its very popular Cyber Monday sales events. The much-anticipated availability of Rhode products in Sephora resulted in notable Y/Y panel card spend growth for Sephora relative to Ulta and the overall beauty retailer segment.

7-day rolling web traffic for e.l.f. Beauty



Source: Carbon Arc Clickstream – CA0030
Price: 4.99 Tokens

Y/Y changes in US credit card panel for Ulta, Sephora, and the Beauty & Cosmetics Retail category during comparable weeks around Rhode's debut in Sephora, September 4, 2025

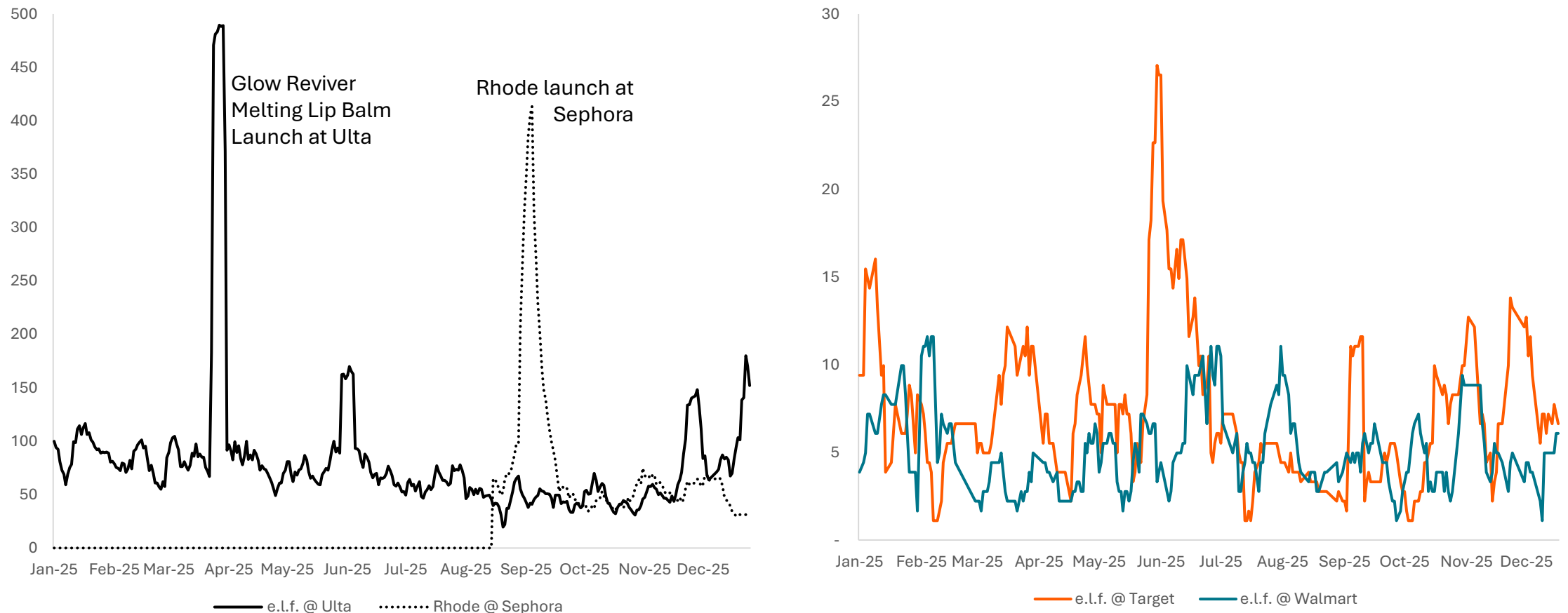


Source: Carbon Arc Credit Card – US Complete Panel – CA0056
Price: 29.11 Tokens

Web Traffic for e.l.f. at Beauty Retailers vs. Mass Merchants

Web traffic for brand landing pages of e.l.f. at Ulta, Target, and Walmart illustrate consumer preferences for online shopping, though traffic spikes at Target show collection launches drive interest even at mass merchants' sites. Rhode's launch at Sephora in September generated nearly the same level of interest as the e.l.f.'s Glow Reviver Ulta release.

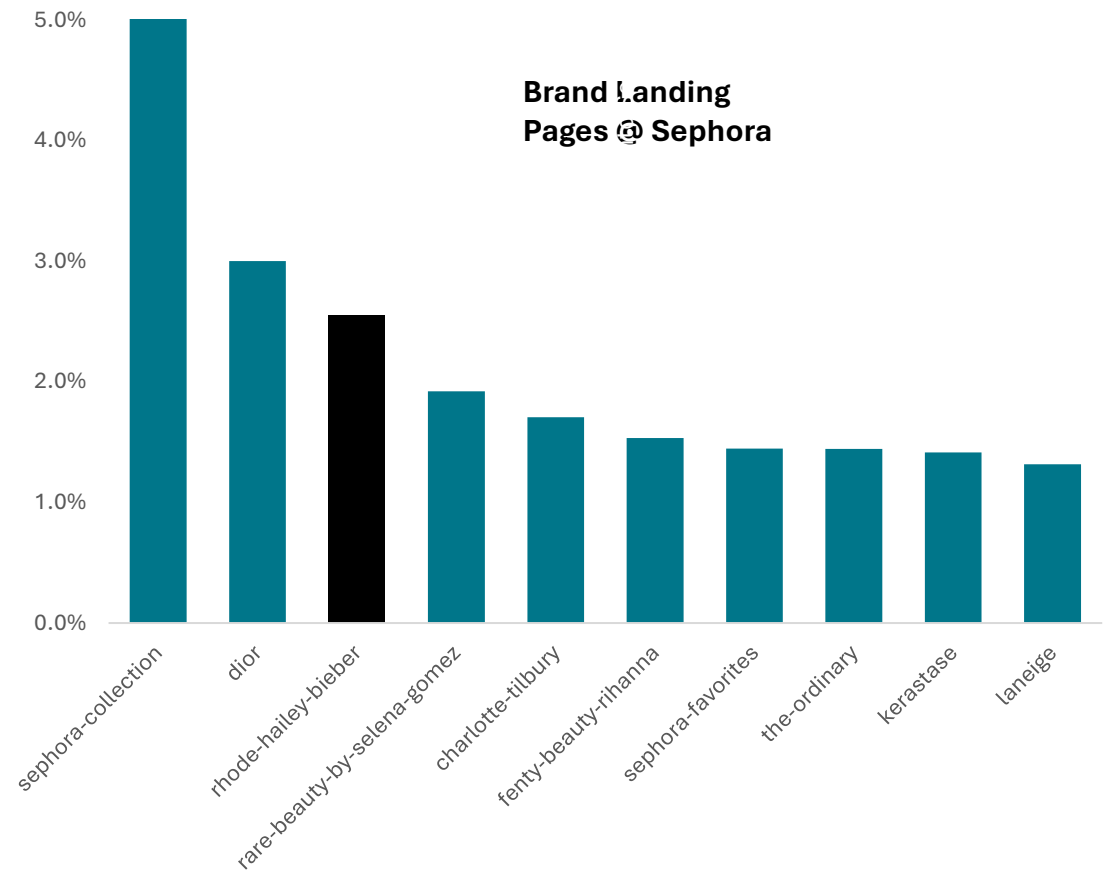
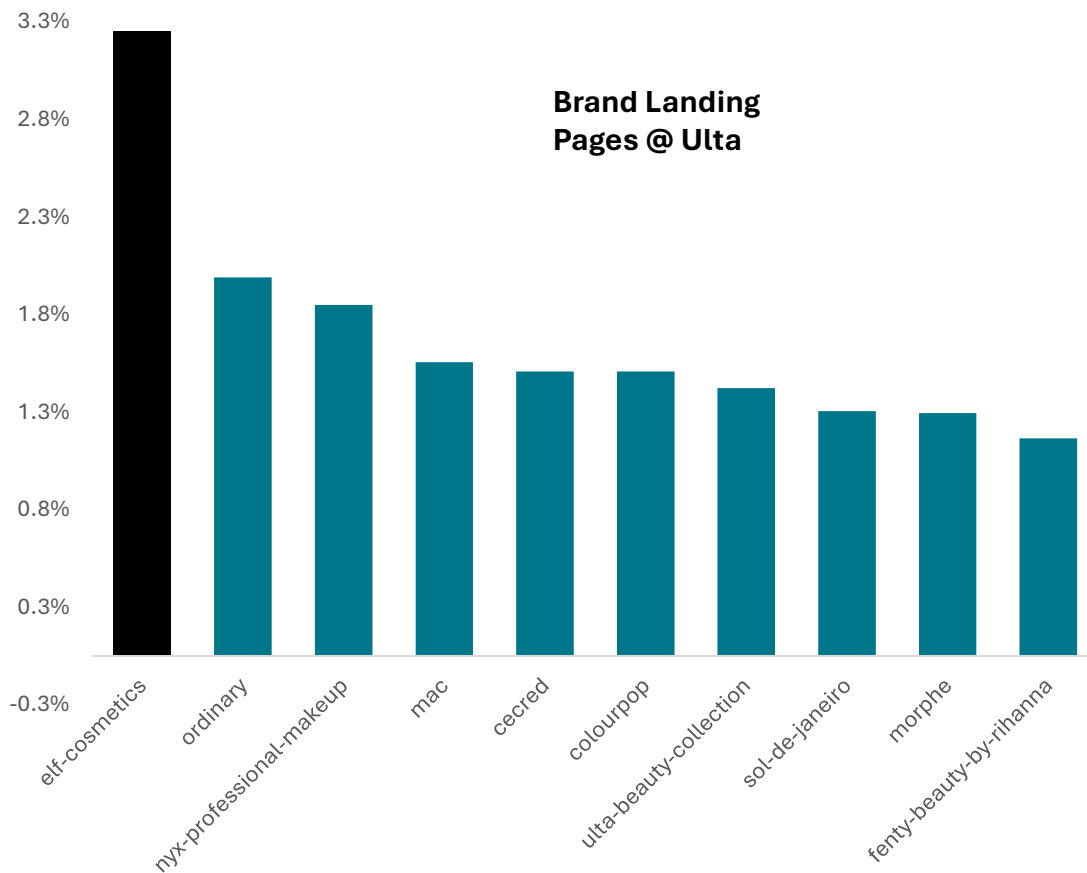
7-day rolling web traffic for e.l.f. and Rhode at Ulta and Sephora (left) and for e.l.f. @ Target and Walmart, all indexed to e.l.f. @ Ulta



e.l.f. and Rhode Dominant at Ulta.com and Sephora.com

Traffic to the e.l.f. brand landing page within Ulta.com accounted for significantly more traffic throughout 2025 than the next most visited path of The Ordinary, while Rhode's launch into Sephora generated the second most brand-specific traffic behind Dior in less than half the time.

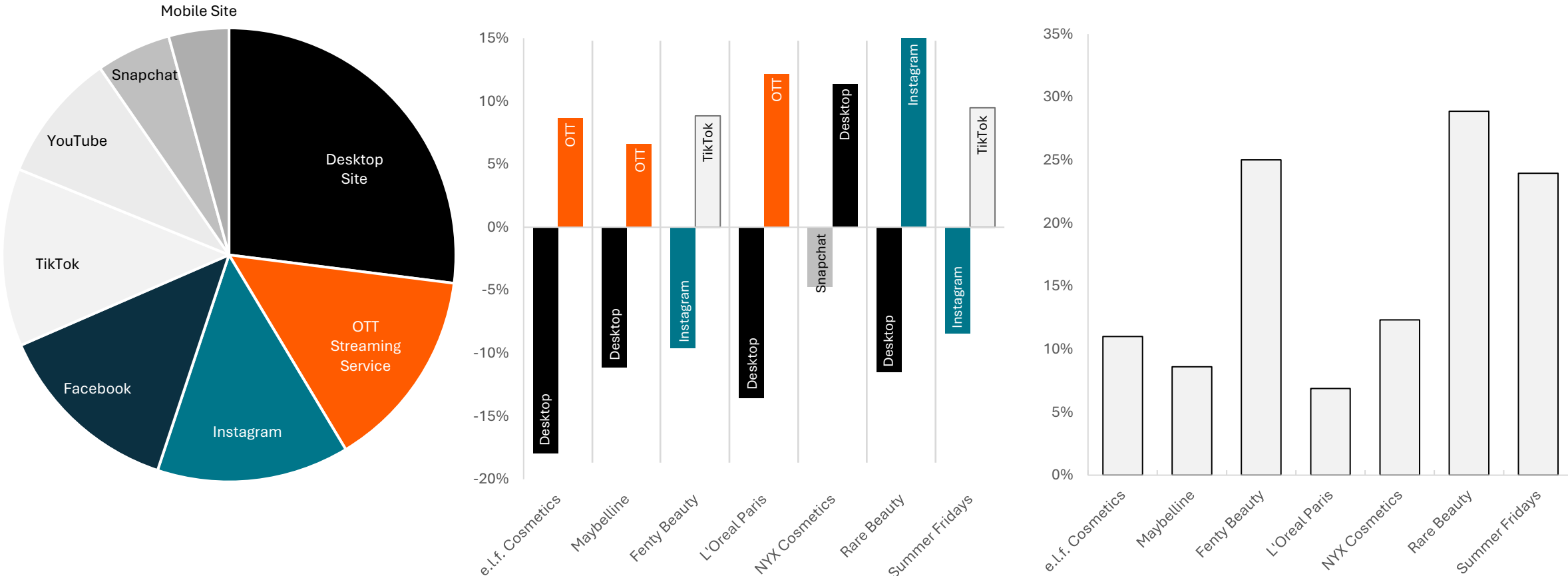
7-day rolling web traffic for e.l.f. and Rhode at Ulta and Sephora (left) and for e.l.f. at Target and Walmart, all indexed to e.l.f. @ Ulta



Ad Focus Shifts from Desktop to OTT, and from Instagram to TikTok

Ad counts were largest for desktop platforms across the cohort, but most brands shifted focus toward OTT streaming. TikTok ad counts increased for all brands in 2025 (except NYX), and those who shifted most to TikTok primarily moved away from Instagram.

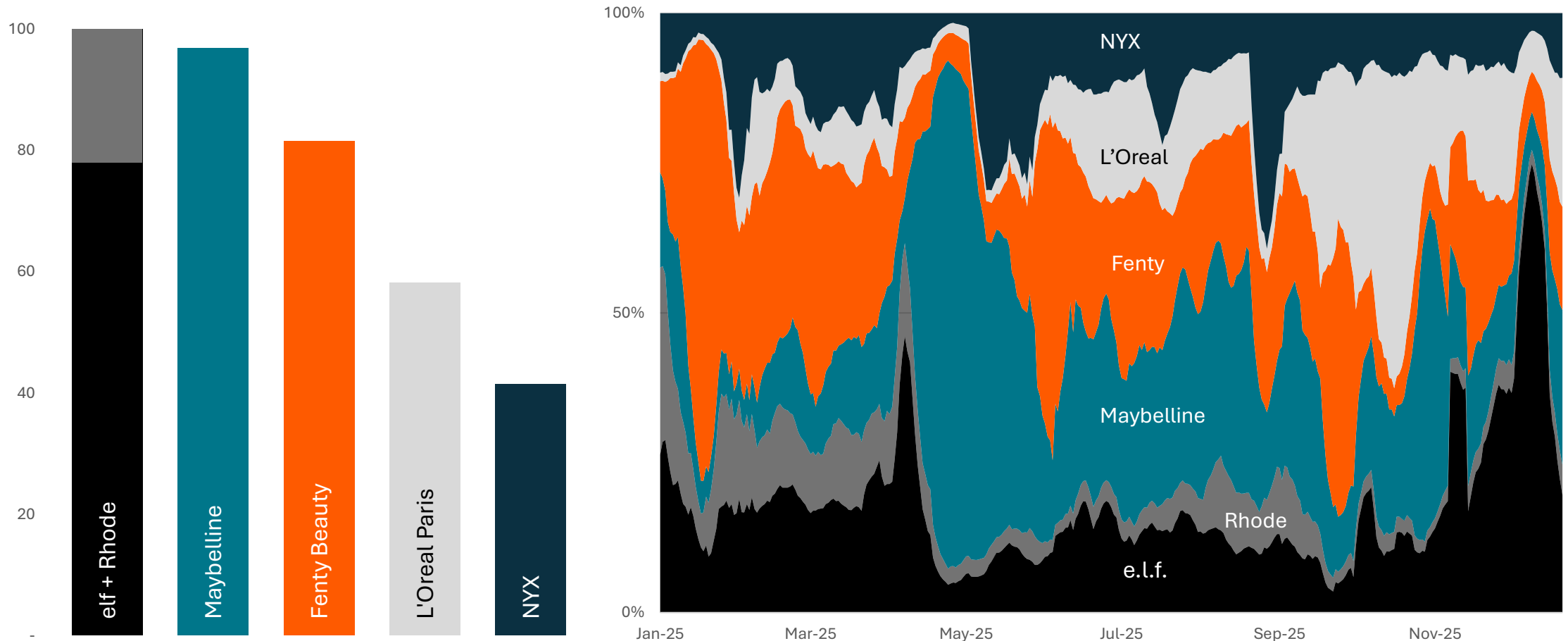
Average platform ad counts in 2025 across the beauty & cosmetics cohort (left), Y/Y change in ad counts by platform (center), % of total 2025 ad counts on TikTok (right)



e.l.f. + Rhode Led TikTok Shop Revenues in 2025, Maybelline a Close Second

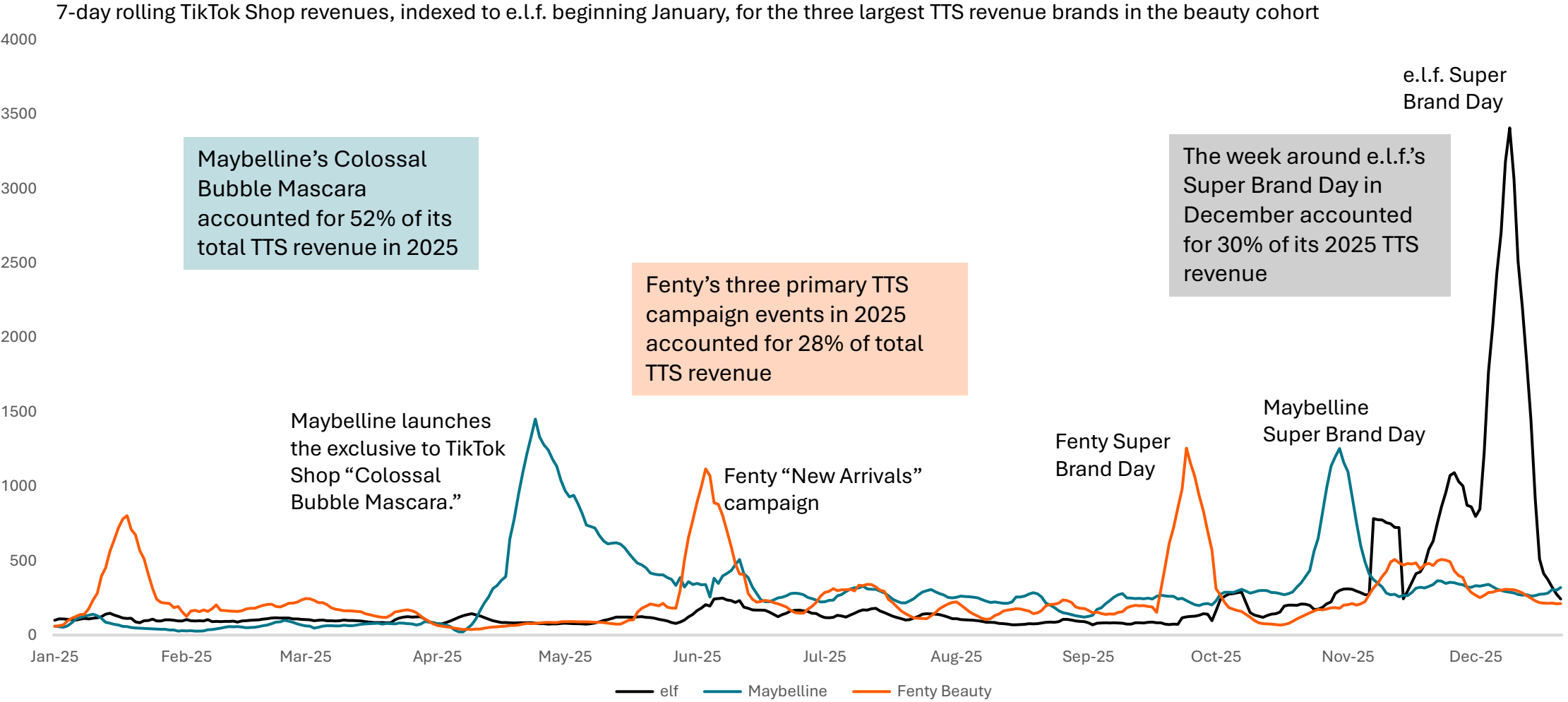
TTS revenues are extremely bulky, leaning on targeted promotions, product launches and influencer events. Maybelline appeared best able to maintain TTS revenue market share throughout the year, while e.l.f.'s highly concentrated revenues were balanced by Rhode's much smaller, but more consistent results.

2025 TikTok Shop indexed revenue rankings (left) and distribution of 7-day rolling TikTok Shop revenue (right)



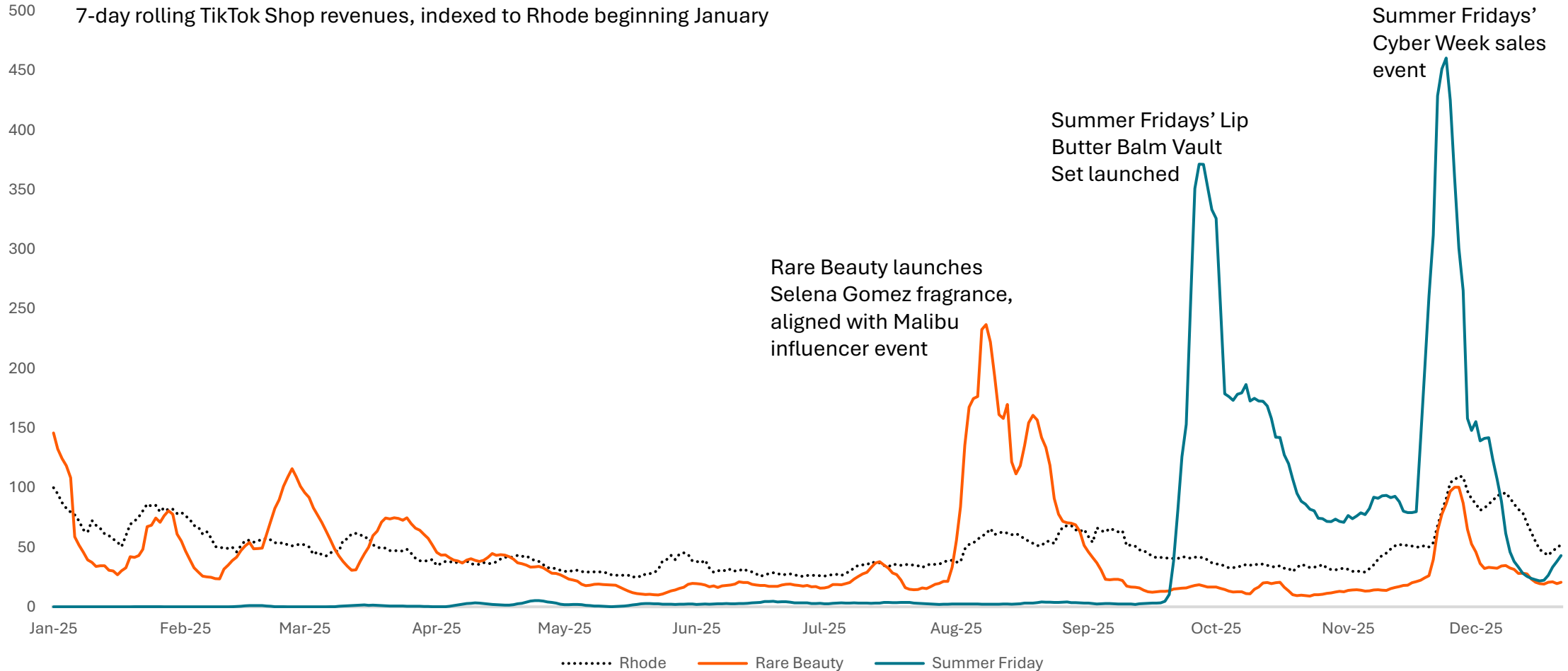
Super Brand Days and TikTok Exclusives Drive TikTok Shop Revenues

e.l.f.'s TTS Super Brand Day event in mid-December resulted in a significant concentration of its leading 2025 TTS revenues. Maybelline's exclusive-to-TTS mascara launch drove strong product-specific sales for the remainder of the year.



Rhode's Subdued TikTok Presence vs. Rare Beauty and Summer Fridays

Rhode's exclusivity-driven marketing strategies have limited its TTS success relative to other celebrity-driven brands including Rare Beauty and Fenty (previous page, significantly higher TTS revenues). Summer Fridays' product launch and Cyber Week sales illustrate successful "masstige" TTS promotions.



Sources: Carbon Arc TikTok Shop – CA0045B
Price: 187.54 Tokens