



Investor Presentation Q1 2021



Safe Harbor

This presentation contains forward-looking statements within the meaning of federal and state securities laws. All statements other than statements of historical fact contained in this presentation—including statements regarding our future results of operations and financial position, business strategy and plans, and objectives of management for future operations—are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “target,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “potential,” or “continue,” or the negative of these terms or other similar expressions.

Forward-looking statements are based on current expectations of future events. We cannot guarantee that any forward-looking statement will be accurate, although we believe that we have been reasonable in our expectations and assumptions. Investors should realize that if underlying assumptions prove inaccurate or that known or unknown risks or uncertainties materialize, actual results could vary materially from the Company’s expectations and projections. Investors are therefore cautioned not to place undue reliance on any forward-looking statements. These forward-looking statements speak only as of the date of this presentation and, except as required by applicable law, we undertake no obligation to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, or otherwise.

A list and description of risks, uncertainties and other factors that could cause or contribute to differences in our results can be found under Part I, Item 1A, Risk Factors, in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and the Company’s subsequent filings with the Securities and Exchange Commission. We qualify all of our forward-looking statements by these cautionary statements.

Market data information, including growth rates and online penetration, used in this presentation are based on management’s knowledge of the industry and their good-faith estimates. Management has relied, to the extent available, upon their review of industry surveys and publications and other publicly available information prepared by a number of third-party sources. The market data information, including indicative market growth and online penetration, provided in this presentation involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such information. Although we believe that these sources are reliable as of their respective dates, we have not verified the accuracy or completeness of this information from independent sources. In addition, this information involves important risks, uncertainties, and other factors, including those discussed above, which could cause results to differ materially.

In addition to U.S. GAAP financials, this presentation includes certain non-GAAP financial measures. These non-GAAP measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP. A reconciliation of non-GAAP measures to GAAP measures is contained in the Appendix to this presentation. If and when we calculate forward-looking non-GAAP Adjusted EBITDA, it is based on internal forecasts that omit certain amounts that would be included in forward-looking GAAP net income. We do not attempt to provide a reconciliation of forward-looking non-GAAP Adjusted EBITDA guidance to forward-looking GAAP net income because forecasting the timing or amount of items that have not yet occurred and are out of the Company’s control is inherently uncertain and unavailable without unreasonable efforts. Further, we believe that such reconciliations would imply a degree of precision and certainty that could be confusing to investors. Such items could have a substantial impact on GAAP measures of financial performance.



Wayfair is a **platform** focused exclusively on the **\$800B+ home goods market.**

>31 Million
Active Customers

>16,000
Suppliers

>16,000
Employees

>3,000
Engineers

Strong brand recognition in North America and Western Europe

Purpose-built technology solving unique category challenges

Fragmented and largely unbranded supplier base

Proprietary end-to-end **logistics network**

Profitable growth at scale

Co-founders lead the business and are the largest shareholders



OVERVIEW

1. Our Market
2. Who We Are
3. How We Win
4. Financial Results
5. Appendix

1. OUR MARKET



Shopping for the Home Is Different



Home shopping is **browse-based**, not search-based



Customers value individuality and have an **emotional connection** to their homes



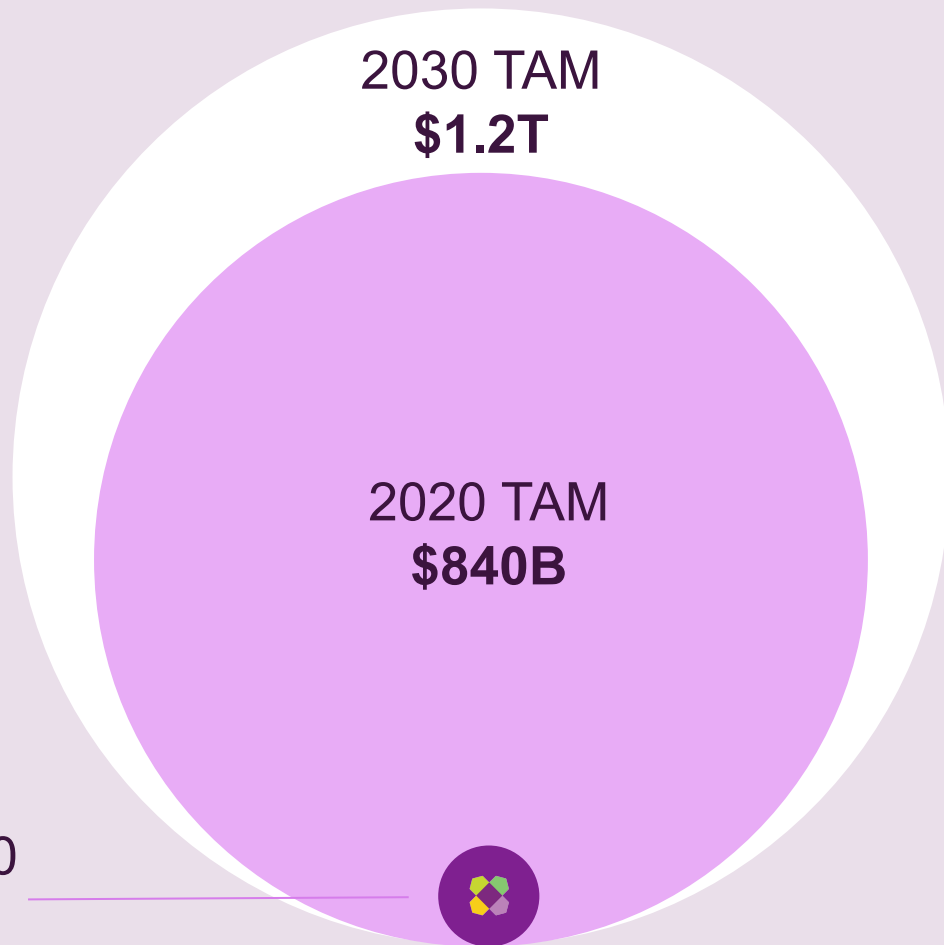
The Home category is largely **unbranded** and very **fragmented**



Bulky and damage-prone products require **tailored delivery** and **customer service**

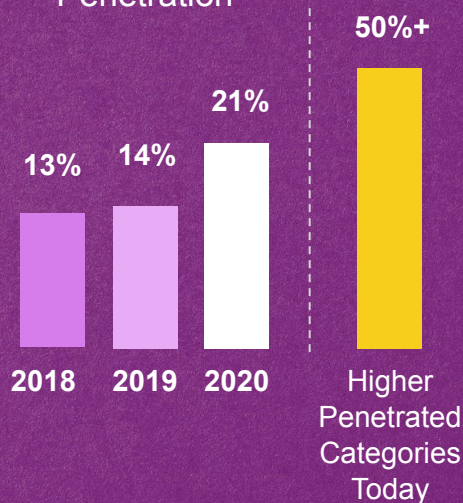
The Home Category Will Exceed \$1T by 2030 Across North America and Western Europe

Wayfair 2020
\$14B



Wayfair is on a path to be significantly larger as e-commerce penetration rises and we continue to gain share

U.S. Home Category
B2C Online
Penetration



Wayfair Share of
Incremental U.S. B2C
Online Dollars Each Year

**20%
to 40%**

2015–2020
estimates

Wayfair Revenue
Potential by 2030

8x+

2020 Net Revenue
(\$14B)

Source: Euromonitor estimates (2020 report) for online penetration and market sizing between 2015-2018, Wayfair internal estimates for 2019 and beyond.

Incremental share capture figures are estimated and rounded. 8x+ potential net revenue opportunity assumes e-commerce for the Home category grows annually at 15% post 2021 and Wayfair captures 25% incremental share.

2. WHO WE ARE



An **E-Commerce Platform** Exclusively Focused on the Home



Suppliers **>16,000**

Wayfair partners with our suppliers via a **3P model** to ensure marketplace success for each vendor

**Supplier
Services**

**Customer
Service**

Fulfillment

**Shopping
Experience**

**Technology &
Infrastructure**



Customers **>31M Active**

Wayfair offers its customers a **1P experience** that enhances and unifies every step of shopping for the home

We bring together suppliers and customers. Our technology and services create market-leading experiences for both.

wayfair[®] Is

Our Marquee Brand & the Driver of Our Business

Household brand status in 3 of our 4 markets, as measured by aided brand awareness¹:

- **85%** in the U.S.
- **84%** in Canada
- **77%** in the U.K.
- **Germany tracking same trajectory as other markets** 2 years into media launch

In the U.S. and Canada, Wayfair is the **#1 place consumers think to shop for their home** online¹

Wayfair's app is one of the **top 10 most downloaded** shopping apps in the U.S.²

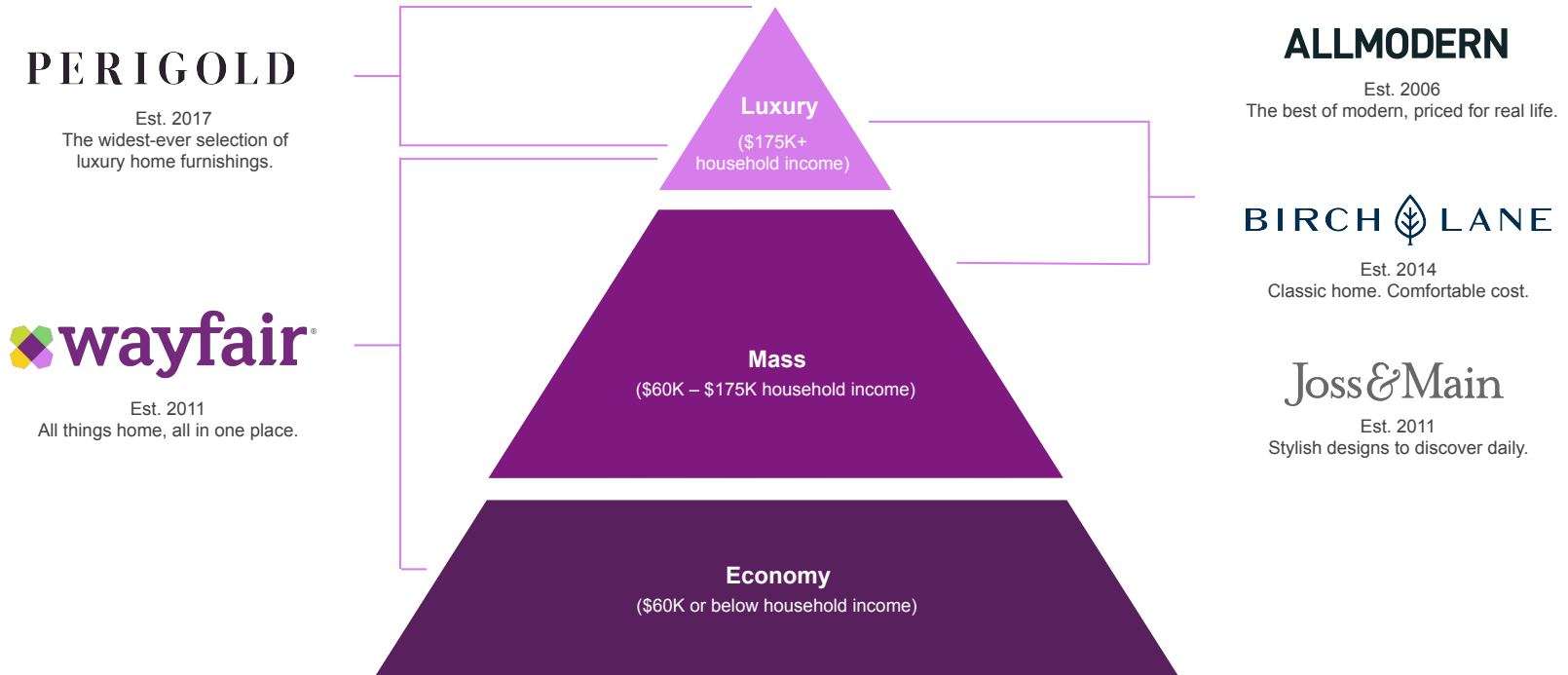
In Europe, Wayfair is one of the **top 10 most recommended brands in Home** among our customers^{1,3}

¹Internal survey work

²As measured by Apptopia for the U.S. in 2020

³As measured by NPS

Our Portfolio of Brands Addresses Specific Customer Styles & Segments



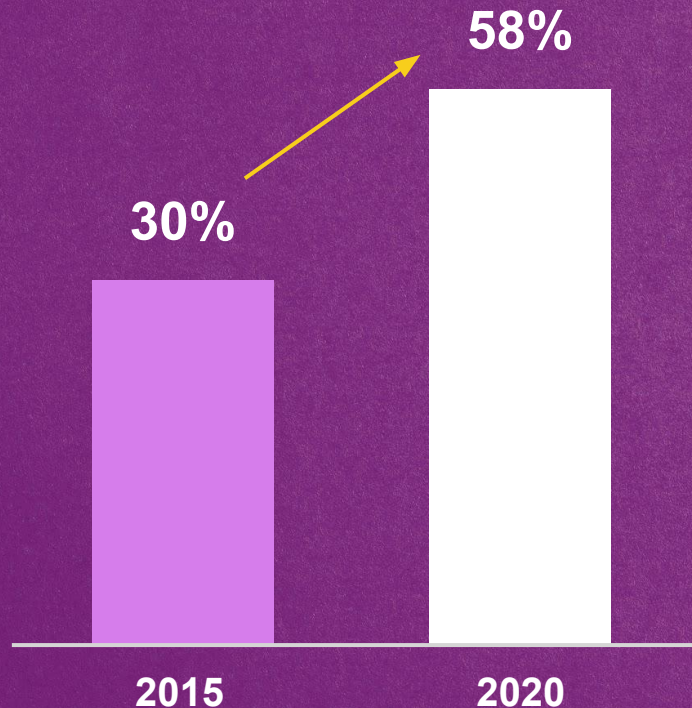
Our 31 Million Active Customers Are Highly Engaged and Dedicated to Our Platform

Our Average Customer

- Visits the site 9 times and browses across 29 products as part of each purchase cycle
- Values the opinions of others like them – more than 47 million customer reviews across the catalog

Our Loyal Customer Base Is Expanding

Wayfair.com orders from customers with 3+ lifetime purchases



"Now that we are participating in CastleGate and making full use of their insights, **we're really able to take full advantage of Wayfair's platform.**"

"During the pandemic, **Wayfair is demonstrating what true partnership looks like.** They offer a lot of helpful views about navigating today, but are still innovating in a way that will transform what our business will look like with them in the future."

Our Supplier Universe Is Broad, Highly Fragmented and Unbranded

Our supplier partners are highly diverse, so Wayfair's solutions and insights are tailored and flexible

- 16,000+ suppliers
- No supplier represents more than 2% of our revenue

3. HOW WE WIN



Our **Thousands of Engineers** Create Purpose-Built Technology That Powers Everything We Do



**Shopping
Experience**



Merchandising



Marketing



Operations



**Supplier
Services**

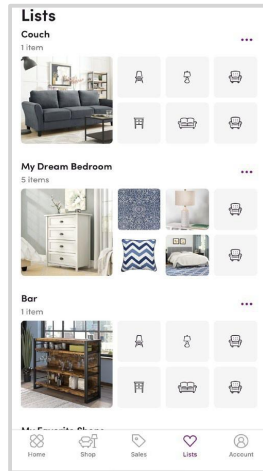
3,000+ Engineers



Our Dynamic Shopping Experience Supports Customers at Each Step of Their Purchasing Journey

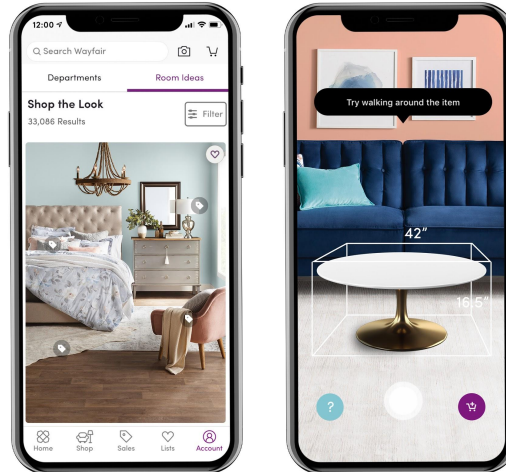
Inspiration & Discovery:

Find the Right Product Faster -
Idea Boards. Visual Filters. Curation



Products Visualization:

Customers “See” Before They Buy - Inspiring Spaces from
Wayfair & Its Customers. “Shop the Look”. 3D View In Room.



Confidence To Buy:

In-depth Information Q&A. Specialized sales
support. Reviews. Samples and Swatches.



Our **Curated House Brands** Enable Our Customers to Easily Discover Items They Love From 22 Million Products



KELLY CLARKSON
home



GREYLEIGH



ESTD 2014
ANDOVER MILLS

103
House Brands

77%
of U.S. Revenue

Wayfair-Produced
Imagery

Millions
of Reviews

AI-Enhanced
Curation

Growing
Exclusivity

Data-Driven Marketing Grows Our Customer Base, Drives Repeat, and Maximizes Lifetime Value

In 2020:



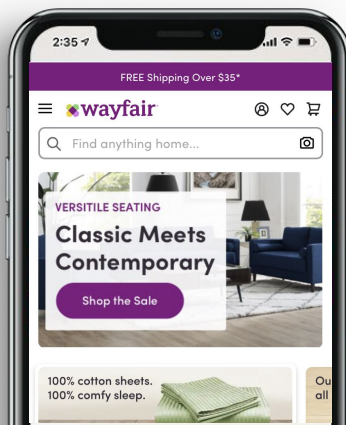
46 Billion
Messages



192 Billion
Ad Impressions

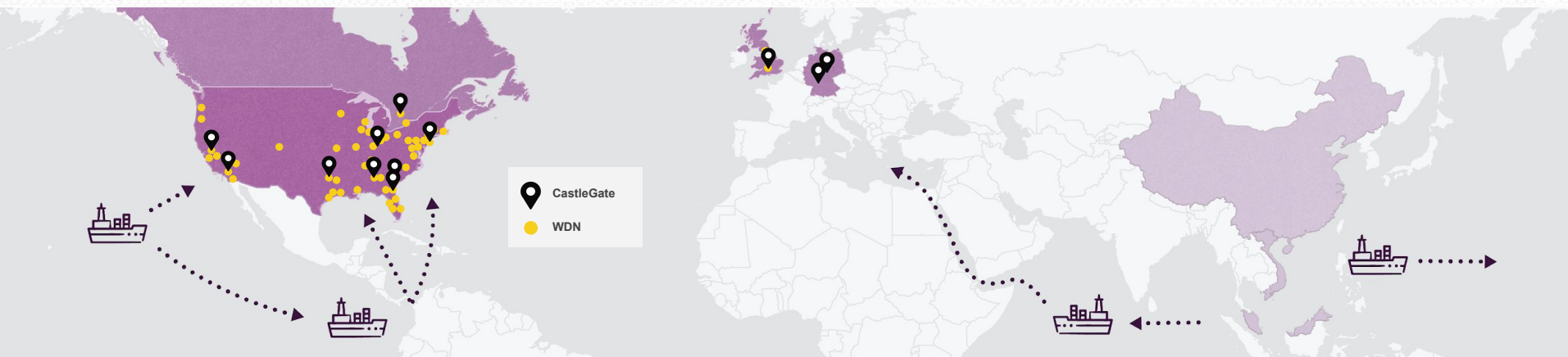


4 Billion
Site/App Visits



- Led by **200+** quantitative marketers, engineers, and data scientists
- **ROI and payback targets** finely tuned across all channels
- **Proprietary, purpose-built advertising technology stack**
- **Close collaboration with advertising partners** to create and unlock new ad units
- **Highly personalized promotional content**

Proprietary End-to-End Logistics Network Enables Us to Drive Faster Delivery Speeds, Reduce Damage, and Lower Costs



International Supply Chain (ISC)

- More than 40,000 TEUs¹ carried in 2020 – the equivalent of a top 30 importer into the U.S. by volume
- ~70% of all CastleGate-bound containers flow through our ISC services²

Wayfair Fulfillment (CastleGate)

- 21% of U.S. small-parcel sales and 18% of U.S. large-parcel sales originate from CastleGate fulfillment centers²
- A small parcel shipped from CastleGate can reach 95% of the U.S. population in 2 days or less

Wayfair Delivery Network (WDN)

- 90% of our U.S. large-parcel orders flow through the Wayfair-controlled middle-mile network²
- Our last-mile delivery operations cover 70% of U.S. large-parcel deliveries²

¹Twenty-foot Equivalent Unit containers

²As of Q4 2020

Note: small parcel penetration in 2019 was 31% and was depressed in 2020 due to accelerated inventory turns in the industry.

HOW WE WIN

Our Top Priority Is Ensuring Every Customer Has an Exceptional Experience With Us

- **In-house customer service team of over 4,000 people** in the U.S. and Europe
- **Specialized teams with deep expertise** in specific product categories
- **NPS-incentivized** compensation structure



*"Very good service advice and very nice and helpful staff. **Extremely satisfied** and definitely recommend Wayfair to neighbors, friends, and family. Thank you for your expertise."*



*"My family always refers you to our family and friends. **We love the products and the excellent customer service.** Please don't change. Thank you."*



*"Not only did [my Wayfair Customer Service Consultant] **lead with empathy**, her knowledge and personality made for the **most incredible customer service around**... Keep up the great work at Wayfair."*



Value-Added Services Drive Supplier Success on the Platform

Leveraging our **scale**
for the benefit of our suppliers

End-to-End Logistics

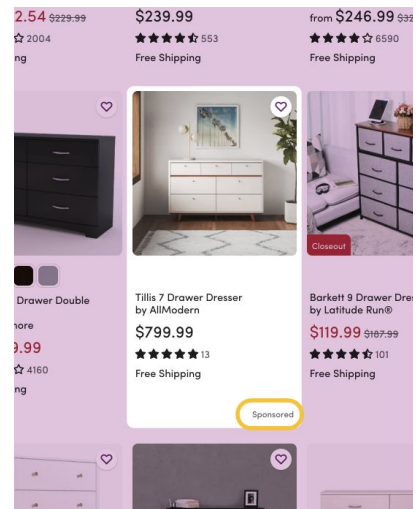


Leveraging our **technology**
for the benefit of our suppliers

Merchandising & Imagery



Media



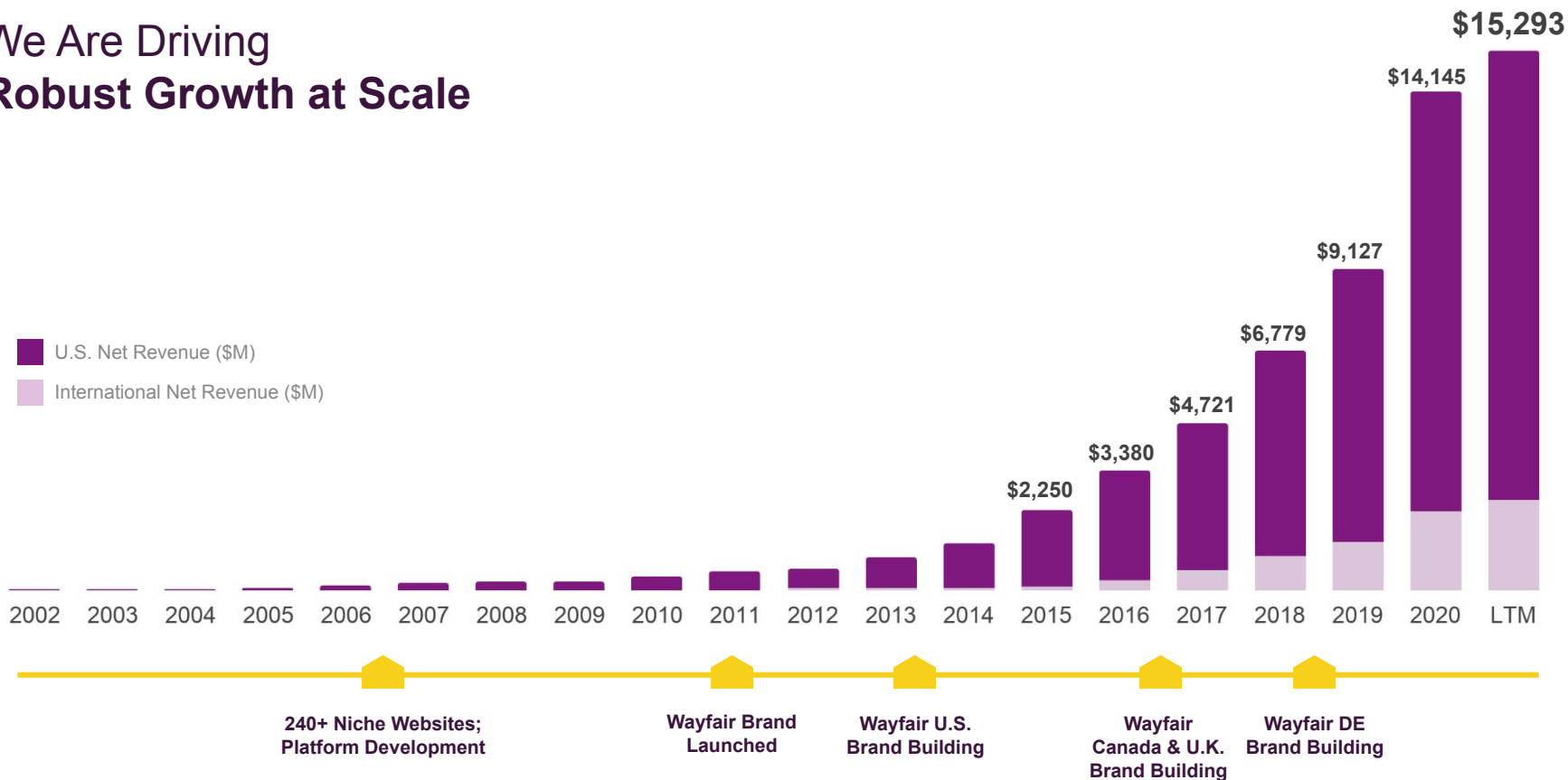
4. FINANCIAL RESULTS



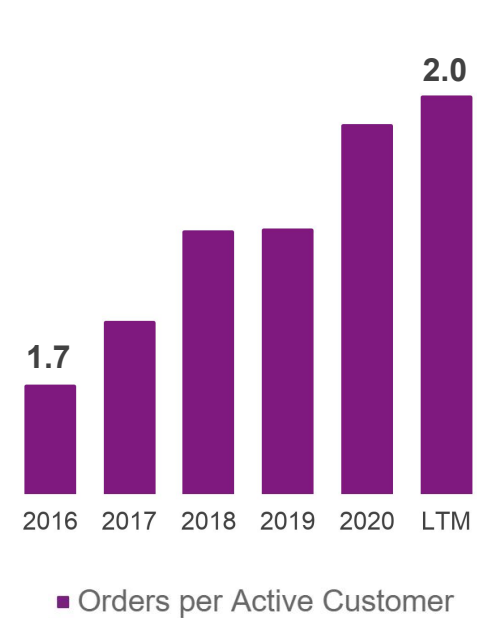
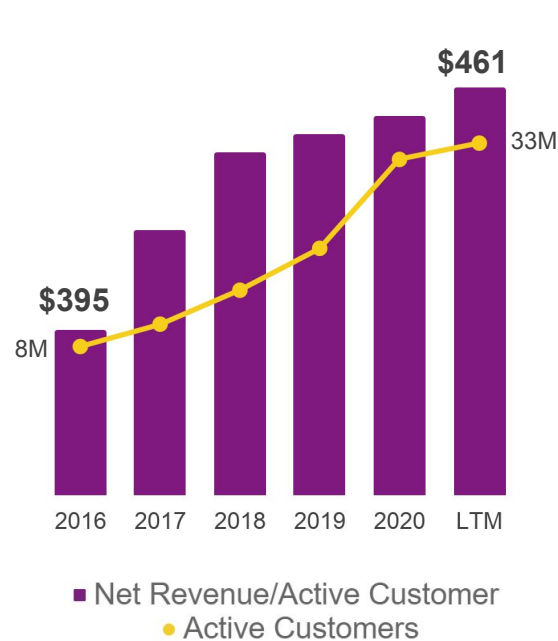
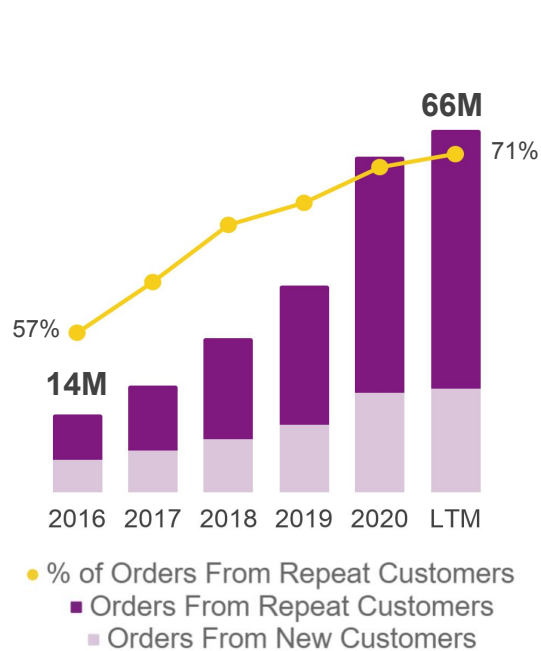
Key Financial Highlights

Sustained Growth at Scale	Loyal Customer Base	Strong Unit Economics	Profitability
\$15.3B LTM Net Revenue 48% CAGR since 2014 IPO	71% Repeat Orders as % of LTM Total	30% LTM Gross Margin	\$1.3B LTM Adjusted EBITDA 8.4% of LTM Net Revenue
Inventory-Light Model	Limited Capex	Free Cash-Flow Generation	Significant Cash Cushion
0.4% Q1'21 Inventory as % of LTM Net Revenue	2.0% LTM Capex as % of LTM Net Revenue	\$1.5B LTM Free Cash Flow	\$2.7B Q1'21 Cash & Cash Equivalents, Short-Term Investments, and Highly Liquid Long-Term Investments

We Are Driving Robust Growth at Scale



We Are Building Customer Loyalty and Gaining Share of Wallet



Our Multiple Long-Term Initiatives Support Continued Profit Growth

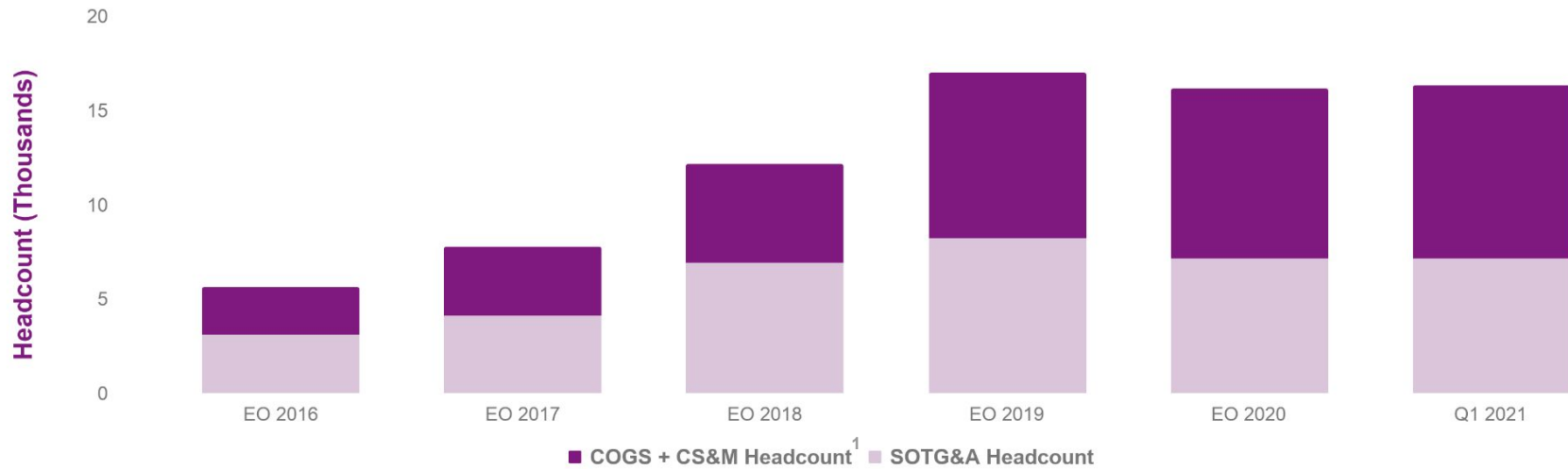
	2014 (IPO)	2020	Pre-IPO Targets <small>as % of Net Revenue</small>	Revised Long-Term View <small>Direction vs. Pre-IPO Targets</small>	Primary Drivers
Net Revenue	100%	100%	100%		
Gross Margin	23.6%	29.1%	25–27%	↑	<ul style="list-style-type: none"> - Improving wholesale economics - Logistics efficiencies - Merchandising gains - Higher-mix supplier services
Customer Service + Merchant Fees	4.1%	3.5%	4%	→	
Advertising	14.5%	10.0%	6–8%	→	<ul style="list-style-type: none"> - Leverage from greater repeat share and brand awareness
Selling, Operations, Technology, General & Administrative	9.8%	9.3%	5–7%	→	<ul style="list-style-type: none"> - Revenue to scale faster than corporate headcount over time
Adjusted EBITDA	(4.7%)	6.7%	8–10%	↑	

Note: Metrics are presented on a Non-GAAP basis. Gross margin excludes equity-based compensation and related taxes; SOTG&A excludes equity-based compensation and related taxes, depreciation, amortization, and other adjustments.

5. APPENDIX



Global Headcount Across Variable and Corporate Roles



Reconciliation of Adjusted EBITDA and Free Cash Flow (\$ in Millions)

	2019	2020	Q1'20	Q1'21
Net Income/(Loss)	(\$985)	\$185	(\$286)	\$18
Depreciation and Amortization	\$192	\$286	\$67	\$80
Equity-Based Compensation ¹	\$241	\$297	\$64	\$87
Interest (Income) Expense, Net	\$55	\$146	\$22	\$7
Other Expense (Income), Net	(\$3)	\$9	\$0	\$3
Taxes	\$3	\$20	\$1	(\$2)
Other ²	—	\$4	\$4	\$12
Adjusted EBITDA	(\$497)	\$947	(\$127)	\$206

	2019	2020	Q1'20	Q1'21
Net Cash From (For) Operating Activities	(\$197)	\$1,417	(\$256)	\$177
Purchase of Property and Equipment	(\$272)	(\$186)	(\$60)	(\$24)
Site and Software Development Costs	(\$129)	(\$148)	(\$38)	(\$41)
Free Cash Flow	(\$598)	\$1,082	(\$355)	\$111
Cash and Cash Equivalents³	\$1,143	\$2,591	\$891	\$2,695

Figures may not add due to rounding

¹Includes related taxes

²See press release for further details

³Includes cash and cash equivalents, short-term investments, and highly liquid long-term investments
Convertible note financing contributed to the balance in 2019 and 2020

