

# STITCH FIX

March 8, 2022

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This presentation contains statistical data, estimates, and forecasts that are based on independent industry publications, or other publicly available information, as well as other information based on the Company's internal sources. Information on the U.S. and/or UK apparel, footwear and apparel accessories market is from independent market research carried out by Euromonitor International Limited but should not be relied upon in making, or refraining from making, any investment decision. This information involves many assumptions and limitations, and you are cautioned not to give undue weight to these estimates. We have not independently verified the accuracy or completeness of the data contained in these industry publications and other publicly available information. Accordingly, Stitch Fix makes no representations as to the accuracy or completeness of that data. The information contained in this presentation speaks as of the date on the first page of this presentation, and we undertake no obligation to update this information.



Founded in 2011  
HQ in San Francisco



~140 data scientists  
3,700+ employee stylists



Culture of teamwork,  
creativity, data and diversity

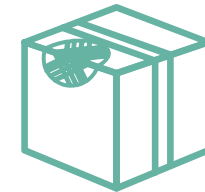
Transforming the way  
people find what they love



4.0M active clients<sup>1</sup>



LTM Revenue<sup>2</sup>: \$2.2B  
LTM Adj. EBITDA<sup>3</sup>:  
\$115.4M



\$349M cash and  
investments<sup>4</sup>

Note: FYE July 31, 2021; Figures as of January 29, 2022

(1) Defined as a client who checked out a Fix or was shipped an item using our direct-buy functionality, "Freestyle", in the preceding 52 weeks, measured as of the last day of that period. A client checks out a Fix when he or she indicates which items he or she is keeping through our mobile app or website. We consider each Men's, Women's, or Kids account as a client, even if they share the same household.

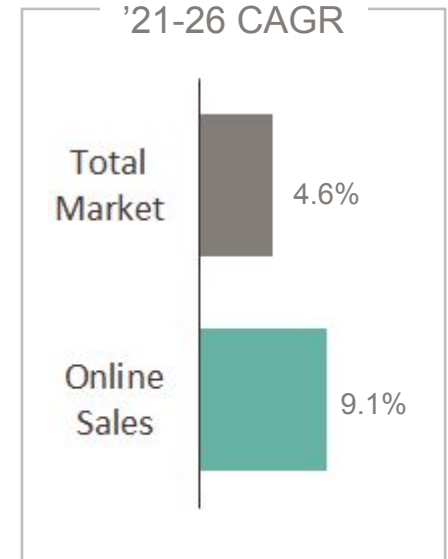
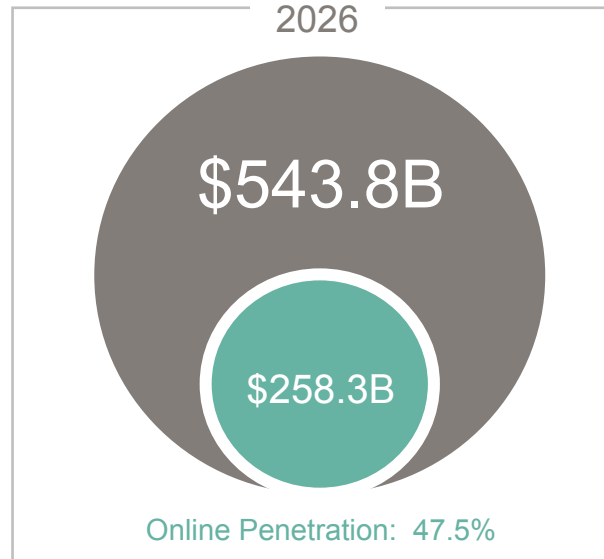
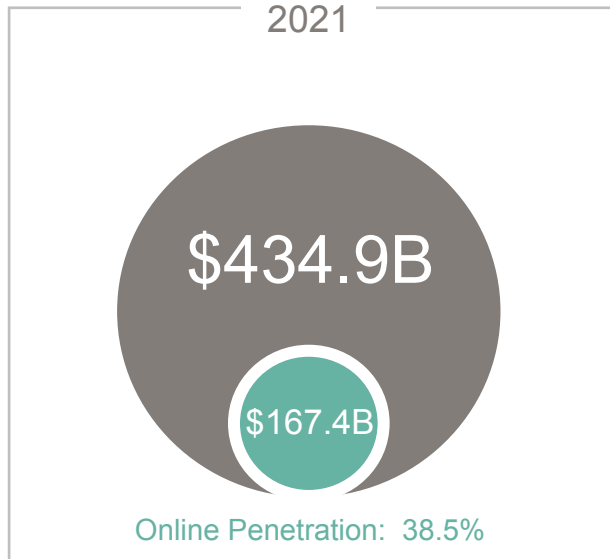
(2) Discounts, sales tax and estimated refunds are deducted from revenue to arrive at net revenue, which the Company refers to as "revenue". LTM means last 12 months.

(3) Adjusted EBITDA is a non-GAAP measure that is reconciled to the corresponding GAAP measure in the Appendix of this presentation. We define adjusted EBITDA as net income (loss) excluding interest income, provision (benefit) for income taxes, other expense, net, depreciation and amortization, and stock-based compensation expense.

(4) Cash and investments includes cash and cash equivalents, and highly rated securities.

# WE ADDRESS A MASSIVE OPPORTUNITY ACROSS THE U.S. AND U.K.

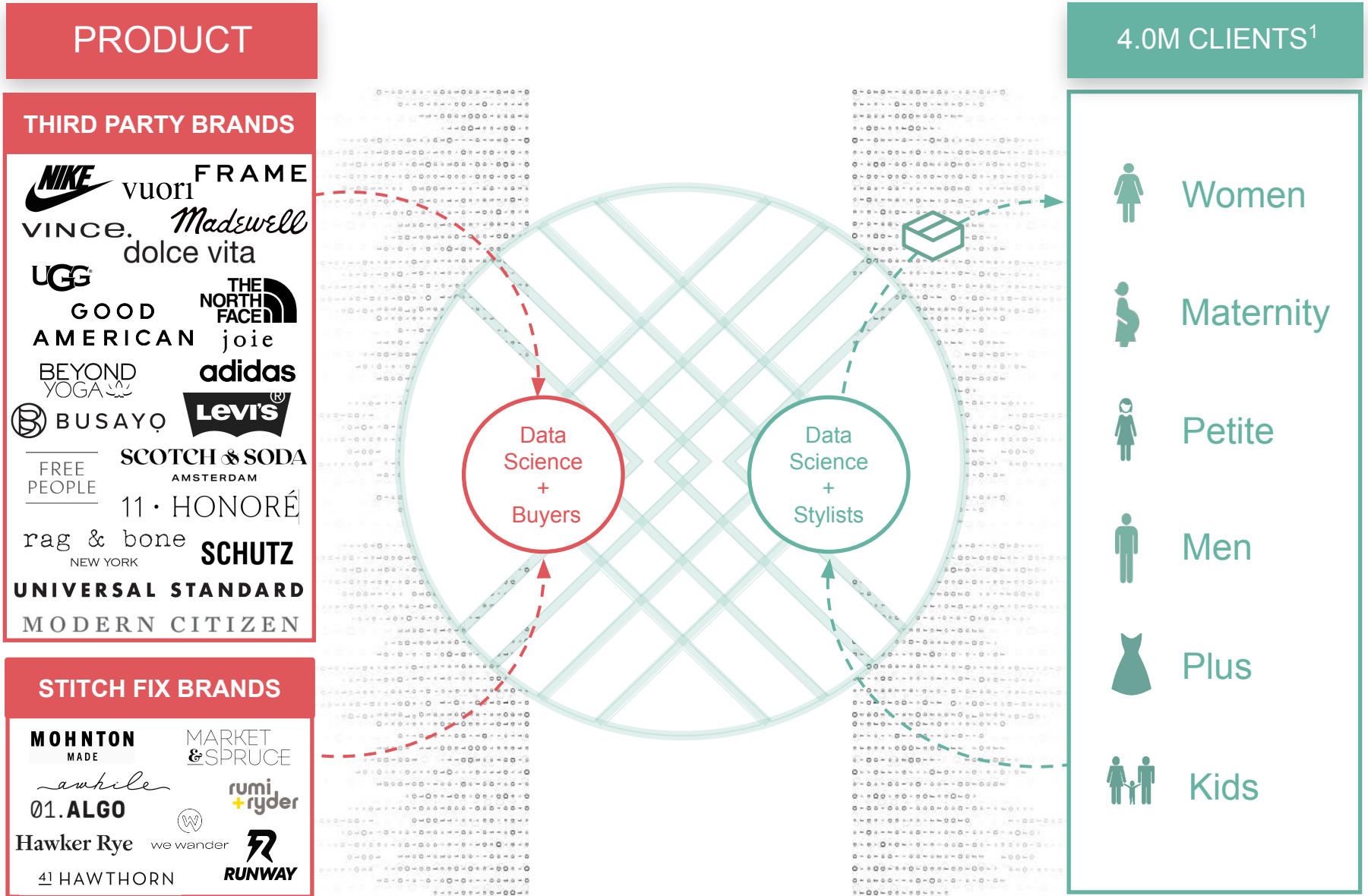
## U.S. and U.K. Apparel, Footwear and Apparel Accessories Market <sup>1</sup>



■ Total market    ■ Online sales

(1) Source: Euromonitor International Limited 2022 © All rights reserved


# OUR PERSONALIZATION MODEL



(1) As of January 29, 2022.

# WE HAVE RICH, MEANINGFUL AND HIGHLY ACTIONABLE DATA

## CLIENT DATA



Fort Worth, Texas

Pays \$50-75 for button-up shirts

Daniel  
Age: 32

Body type: Slim

Wears business formal 1-2 times per week

Pant legs often too tight

## MERCHANDISE DATA



Brand

Price

Button height

Color


Pattern

Sleeve opening

Style

Length

## FEEDBACK DATA



Comments

Return

Keep

Style

Size

\$72

KNOWLEDGE COTTON...  
Gregory Textured Tee

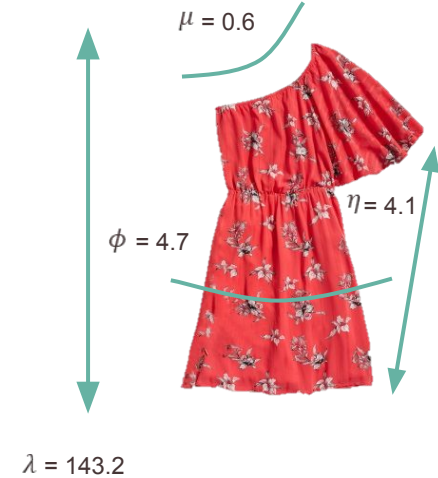
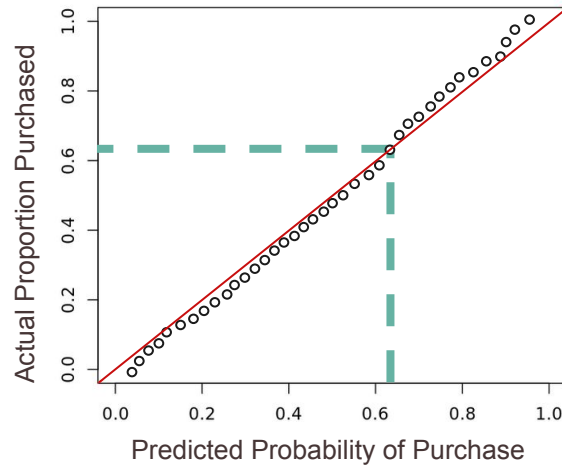
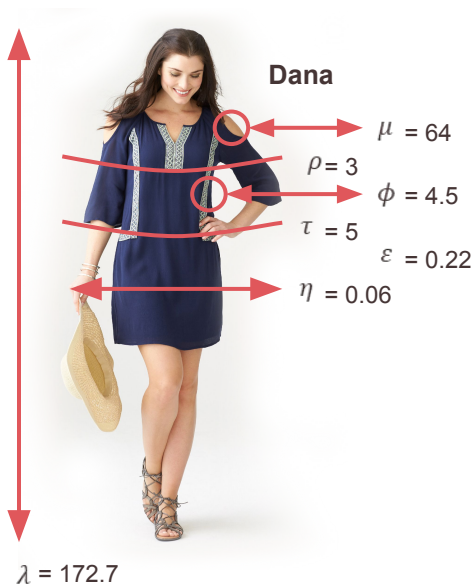
RETURN

KEEP

DATA THAT MATTERS

# PREDICTIVE ALGORITHMS HELP STYLISTS SUCCESSFULLY SERVE CLIENTS

63% MATCH SCORE <sup>1</sup>



(1) Representative example of an estimated probability that a specific client will buy a specific item.

# PREDICTIVE ALGORITHMS HELP STYLISTS SUCCESSFULLY SERVE CLIENTS



## PROPRIETARY STYLING COCKPIT

Client  
Profile

Historical  
Interactions

Merchandise  
Data

Recommendation  
Algorithms

CURATE  
PERSONALIZED ITEMS

BUILD DEEP CLIENT  
RELATIONSHIPS

ADD VALUABLE  
CONTEXT



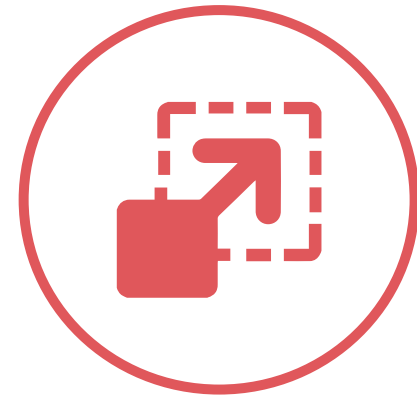
# OUR GROWTH STRATEGY IS INFORMED BY KEY DATA LEARNINGS



SHARE  
OF WALLET

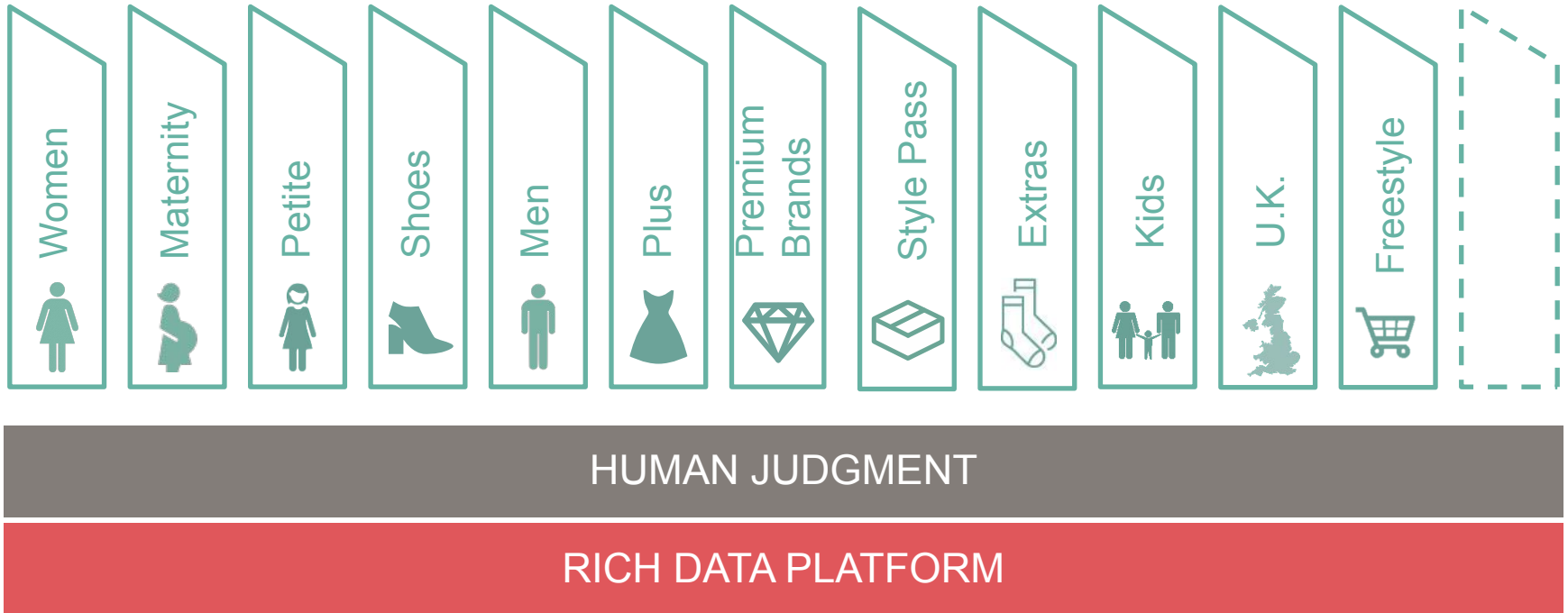


NEW  
CLIENTS



ADDRESSABLE  
MARKET

# ACTIONABLE CLIENT DATA ENABLES SUCCESSFUL NEW OFFERINGS





STITCH FIX  
*Freestyle*

FINANCIAL OVERVIEW

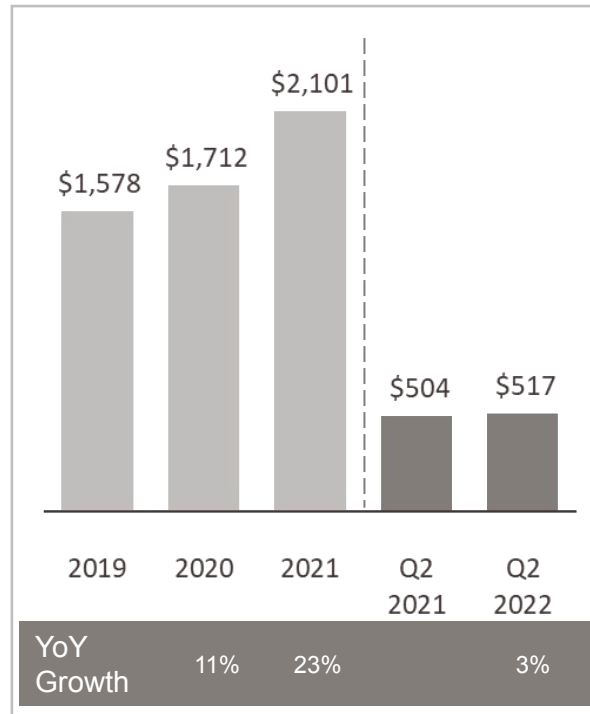
# FINANCIAL MODEL COMBINES SCALE AND GROWTH

FYE JULY <sup>1</sup>

## ACTIVE CLIENTS <sup>2</sup> (000's)



## REVENUE <sup>3</sup> (\$M)



## NET REVENUE PER ACTIVE CLIENT <sup>4</sup>



(1) Fiscal year ends on the Saturday that is closest to July 31 of that year. Fiscal 2019 consists of 53 weeks with an extra week occurring in the fourth quarter, while all other fiscal years consist of 52 weeks.

(2) Defined as clients who checked out a Fix or were shipped an item using our direct-buy functionality, "Freestyle", in the preceding 52 weeks, measured as of the last day of that period. A client checks out a Fix when he or she indicates which items he or she is keeping through our mobile app or website. We consider each Men's, Women's, or Kids account as a client, even if they share the same household.

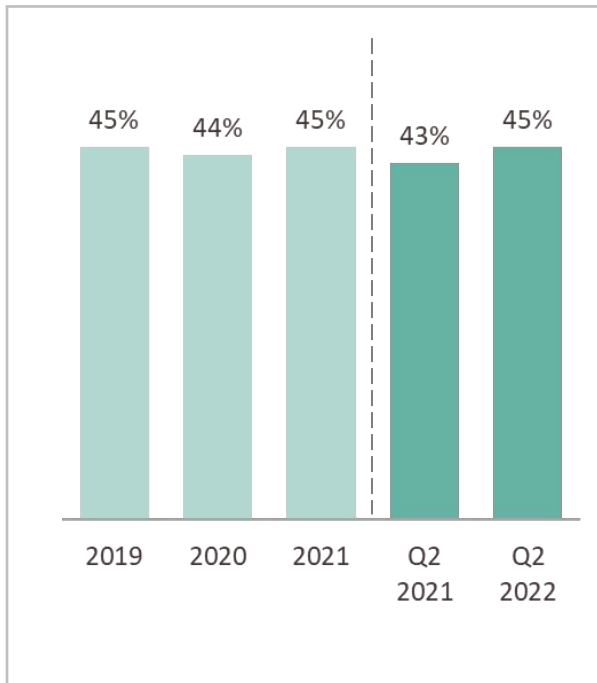
(3) Discounts, sales tax and estimated refunds are deducted from revenue to arrive at net revenue, which the Company refers to as "revenue". YoY growth in fiscal 2020 is adjusted for the 53rd week in Fiscal 2019. Without adjusting for this extra week, revenue grew 9% YoY in fiscal 2020.

(4) Calculated based on net revenue over the preceding four fiscal quarters divided by the number of active clients, measured as of the last day of the period. YoY growth in fiscal 2020 is adjusted for the 53rd week in Fiscal 2019. Without adjusting for this extra week, revenue per active client was approximately flat YoY in fiscal 2020.

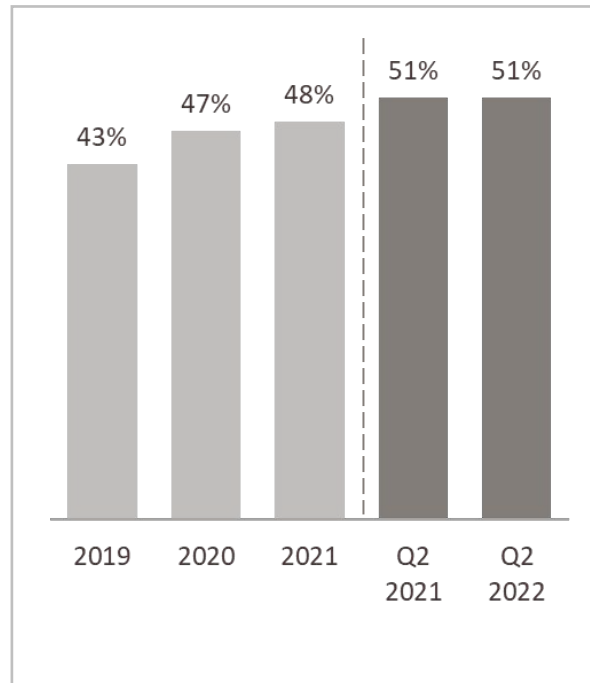
# INVESTING FOR LONG-TERM GROWTH

FYE JULY <sup>1</sup> | % OF NET REVENUE

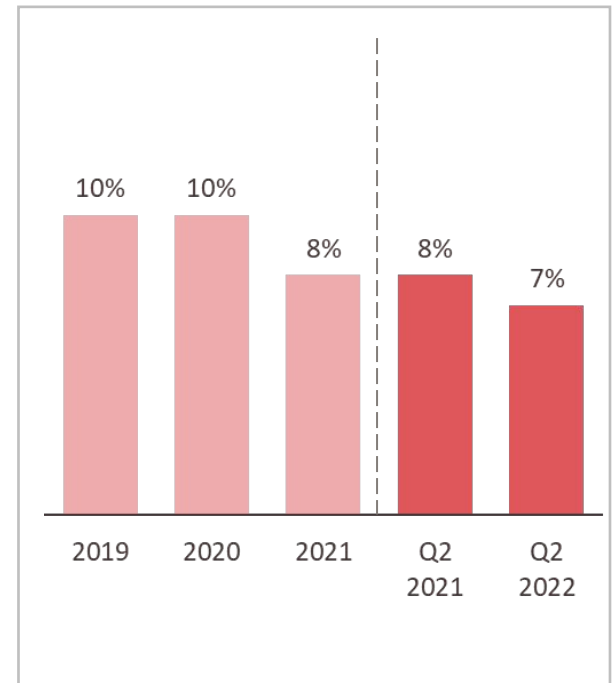
## GROSS MARGIN



## SG&A



## ADVERTISING <sup>2</sup>

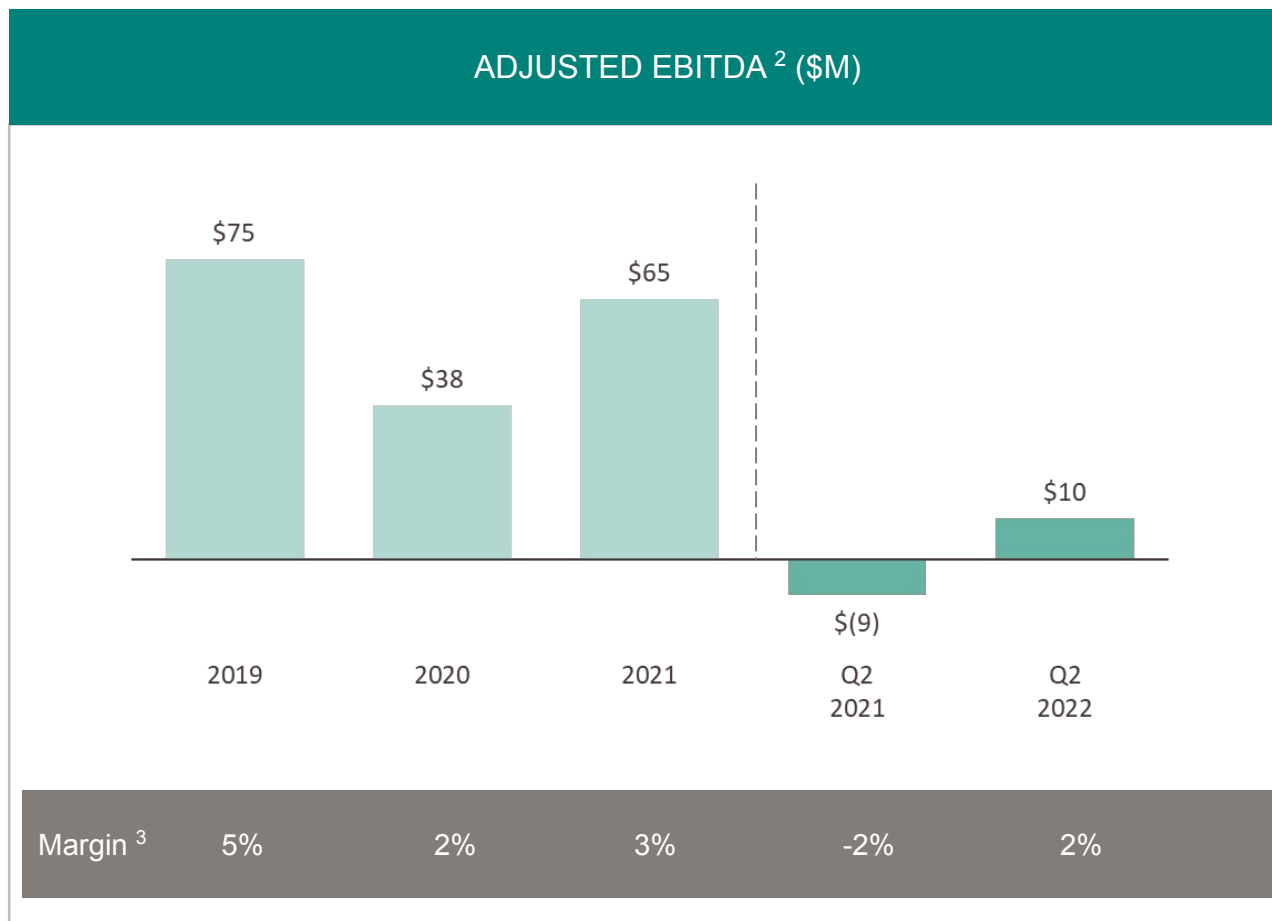


(1) Fiscal year ends on the Saturday that is closest to July 31 of that year. Fiscal 2019 consists of 53 weeks with an extra week occurring in the fourth quarter, while all other fiscal years consist of 52 weeks.

(2) Advertising expenses included in SG&A.

# FINANCIAL MODEL HAS PROVEN NON-GAAP PROFITABILITY

FYE JULY <sup>1</sup>



(1) Fiscal year ends on the Saturday that is closest to July 31 of that year. Fiscal 2019 consists of 53 weeks with an extra week occurring in the fourth quarter, while all other fiscal years consist of 52 weeks.

(2) Adjusted EBITDA is a non-GAAP measure that is reconciled to the corresponding GAAP measure in the Appendix of this presentation. We define adjusted EBITDA as net income (loss) excluding interest income, provision (benefit) for income taxes, other (income) expense, net, depreciation and amortization, and stock-based compensation expense.

(3) We define adjusted EBITDA margin as adjusted EBITDA divided by net revenue for the period.



APPENDIX

# KEY BALANCE SHEET ITEMS

FYE JULY <sup>1</sup>

	2019	2020	2021	Q2 2022
Cash	\$170.9	\$143.4	\$129.8	\$193.9
Working Capital <sup>2</sup>	\$299.8	\$254.2	\$293.5	\$254.8
Total Assets	\$616.1	\$769.4	\$819.1	\$898.2
Total Liabilities	\$220.0	\$368.4	\$358.3	\$437.2

(1) Fiscal year ends on the Saturday that is closest to July 31 of that year. \$ in millions.

(2) Working capital defined as current assets less current liabilities.



# RECONCILIATION OF ADJUSTED EBITDA

FYE JULY <sup>1</sup>

(in thousands)	Year ended			3 months ended	
	2019	2020	2021	Q2 2021	Q2 2022
<b>Adjusted EBITDA Reconciliation:</b>					
Net Income (Loss)	\$36,881	\$(67,117)	\$(8,876)	\$(21,039)	\$(30,912)
<b>Add (Deduct):</b>					
Interest Income	(5,791)	(5,535)	(2,610)	(642)	(171)
Other (Income) Expense, net	(1,535)	1,593	366	107	45
Provision (benefit) for Income Taxes	(6,060)	19,395	(52,241)	(18,777)	340
Depreciation and Amortization	16,095	22,562	27,610	6,664	8,439
Stock-based Compensation Expense	35,256	67,530	100,696	24,759	32,390
<b>Adjusted EBITDA</b>	<b>\$74,846</b>	<b>\$38,428</b>	<b>\$64,945</b>	<b>\$(8,928)</b>	<b>\$10,131</b>

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# RECONCILIATION OF FREE CASH FLOW

FYE JULY <sup>1</sup>

(in thousands)	Year ended			3 months ended	
	2019	2020	2021	Q2 2021	Q2 2022
<b>Free Cash Flow Reconciliation:</b>					
Cash Provided by (Used in) Operating Activities	\$78,594	\$42,877	\$(15,675)	\$(51,693)	\$(16,724)
<b>(Deduct):</b>					
Purchases of Property and Equipment	(30,825)	(30,207)	(35,256)	(7,909)	(14,508)
<b>Free Cash Flow</b>	<b>\$47,769</b>	<b>\$12,670</b>	<b>\$(50,931)</b>	<b>\$(59,602)</b>	<b>\$(31,232)</b>
Cash Provided by (Used in) Investing Activities	\$(225,184)	\$(70,461)	\$39,093	\$(8,485)	\$(20,096)
Cash Provided by (Used in) Financing Activities	\$6,945	\$(1,435)	\$(38,885)	\$(1,681)	\$(18,305)

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