



STITCH FIX

SFIX: NASDAQ / December 10, 2024



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WHO WE ARE

Stitch Fix is the leading online personal styling service created to help people solve a very human problem: finding clothes that make them look stylish and feel their best.

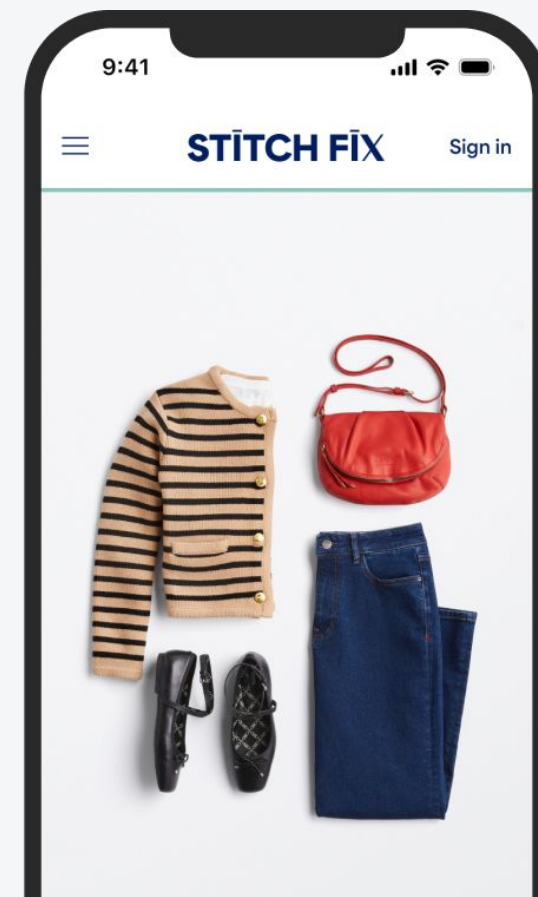




WHAT WE DO

We help clients discover and express their personal style by pairing expert Stylists with best-in-class AI and recommendation algorithms.

We leverage our assortment of private and national brands to meet each client's individual tastes and needs, making it convenient for them to discover the styles they will love without having to spend hours shopping in stores or sifting through endless choices online.



VISION

Be the most client-centric and personalized shopping experience



MISSION

We help people discover the styles they will love that fit perfectly so they always look—and feel—their best

Stitch Fix at a glance



Stitch Fix founder, **Katrina Lake**, ships the first Stitch Fix order out of her Cambridge apartment



2013

We launch our **Men's business** to capture a larger addressable market



2017

We launch our **Kids business** to serve the full family



2022

Matt Baer joins Stitch Fix as CEO



2024

2011



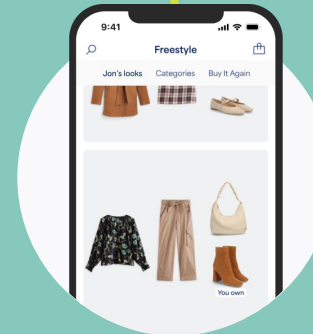
We hire our **first group of Stylists** outside of our HQ, enhancing personalized, high-touch client experiences

2016



Stitch Fix announces our **public offering**

2018



We launch **Freestyle**, a **direct-buy experience** tailored to each client's unique style and fit preferences

2023



We launch the first in a series of changes to reimagine the client experience, including a **refreshed brand identity**



WHERE WE ARE TODAY

Stitch Fix is executing a three-phased transformation strategy: rationalize, build, and grow. We are now squarely in the build phase, which includes our efforts to both strengthen the foundation of our business and reimagine our client experience. We are taking a disciplined approach to change the trajectory of our business, and look forward to returning to profitable growth.





\$1.34B

NET
REVENUE¹

2.5M

ACTIVE
CLIENTS²

\$533

REVENUE PER ACTIVE
CLIENT (RPAC)³

44.3%

GROSS
MARGIN

2.2%

ADJ. EBITDA
MARGIN⁴

Financial Commentary

- Shut down U.K. Operations (reported as discontinued operations for FY24)
- Expanded gross margin 190 bps to 44.3% (highest annual gross margin since FY21)
- Continued cost discipline management (over \$100M of SG&A removed in FY24)
- Expanded Adj. EBITDA margin 30 bps despite challenged active client and revenue trajectory
- Generated \$14.2M of free cash flow⁵
- Ended the year with \$247M of cash, cash equivalents and investments; and no debt

(1) Discounts, sales tax and estimated refunds are deducted from revenue to arrive at net revenue, which the Company refers to as "revenue" or "net revenue".

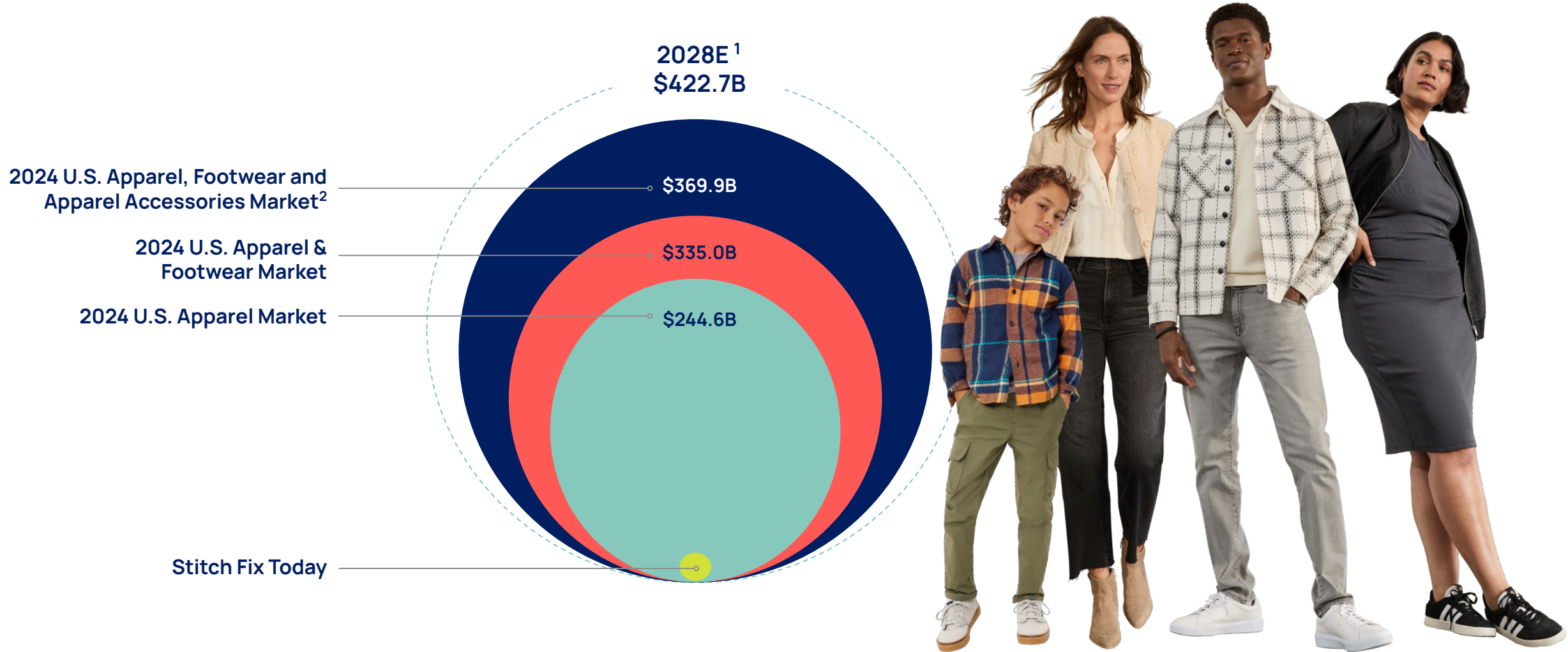
(2) Defined as clients who checked out a Fix or were shipped an item using Freestyle in the preceding 52 weeks, measured as of the last day of that period. A client checks out a Fix when he or she indicates which items he or she is keeping through our mobile app or website. We consider each Men's, Women's,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

(3) 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.

(4) Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP measures. We define Adjusted EBITDA as net income (loss) from continuing operations excluding interest income, net other (income) expense, provision for income taxes, depreciation and amortization, stock-based compensation expense, and restructuring and other one-time costs related to our continuing operations. We define adjusted EBITDA margin as adjusted EBITDA divided by net revenue for the period. Please see the appendix on page 22 for the reconciliation to the corresponding GAAP measure.

(5) We define Free Cash Flow as net cash flows provided by (used in) operating activities from continuing operations, reduced by purchases of property and equipment that are included in cash flows from investing activities from continuing operations. Please see the appendix on page 23 for the reconciliation to the corresponding GAAP measure.

We see significant opportunity to address a massive market



Source: Circana, Inc © All rights reserved.

(1) The CAGR that is applied to future years is based on 1 year growth of online sales between 2022 and 2023 (12 months ending in April).

(2) 2024 U.S. Apparel, Footwear and Apparel Accessories Market for 2024 (12 months ending April)

Our target client segments offer substantial opportunity



Appreciates guidance and inspiration

Struggles with finding the right styles

Convenience and comfort are paramount

Our target clients represent over **\$63B in annual spend**

Values personalized recommendations

Fit is critical

Appreciates the ease of fashion delivered to their door

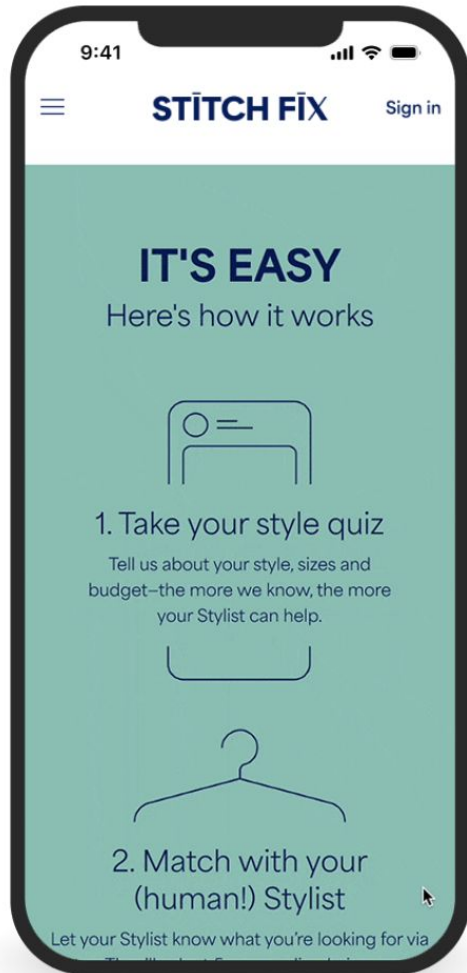
Source: Statista, Inc © All rights reserved.
Our target client is a subset of (1) Total U.S. Women 18-74, HH Income 60k+, willing to shop online and willing to spend \$40+ on three of four categories (dresses, coats/jackets, shirts, pants/jeans), and (2) Total US Men 25-65, HH Income 60K+, willing to shop online and spend \$40+ on key categories. Based on US 2020 Census

Your personalized style journey begins here



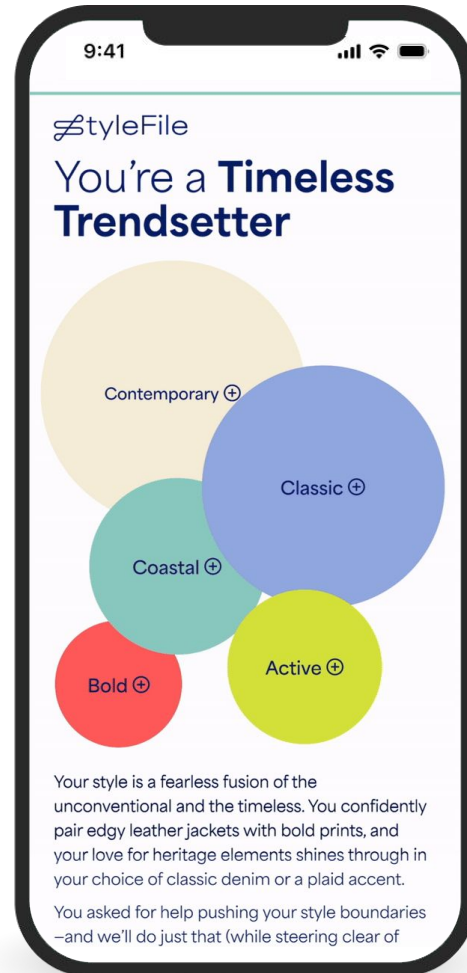
Getting to know you

Your Stitch Fix experience begins with an in-depth style quiz



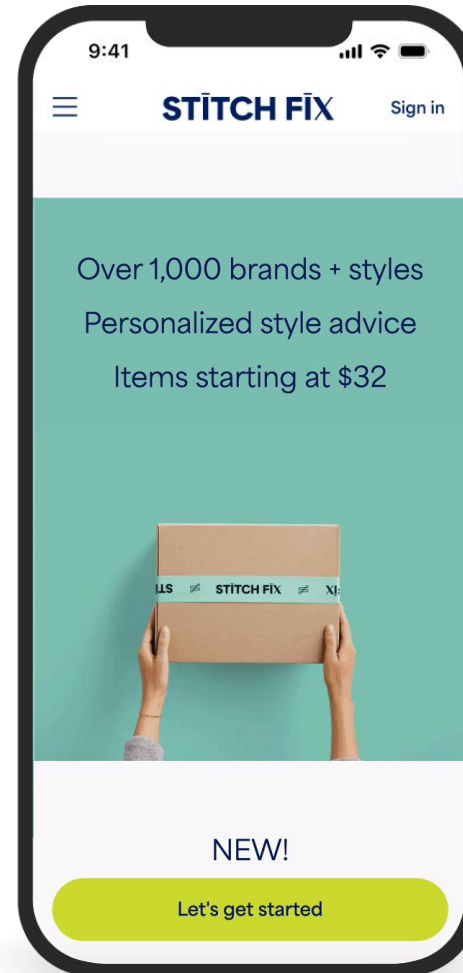
Finding your style personality

We will play back your multi-layered style persona



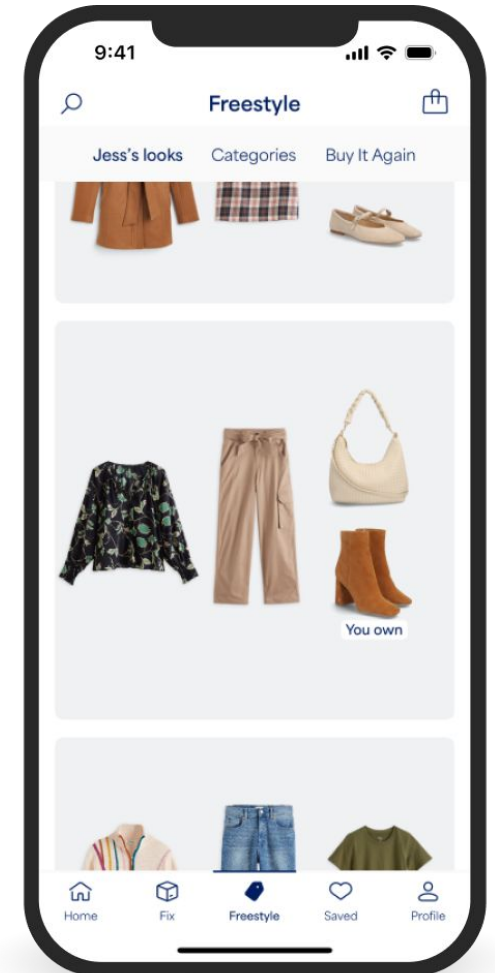
Invitation to style

You receive an invitation to get a Fix—on a regular schedule or on demand



Complete the look

You can also find what's trending for you in your personalized Freestyle experience



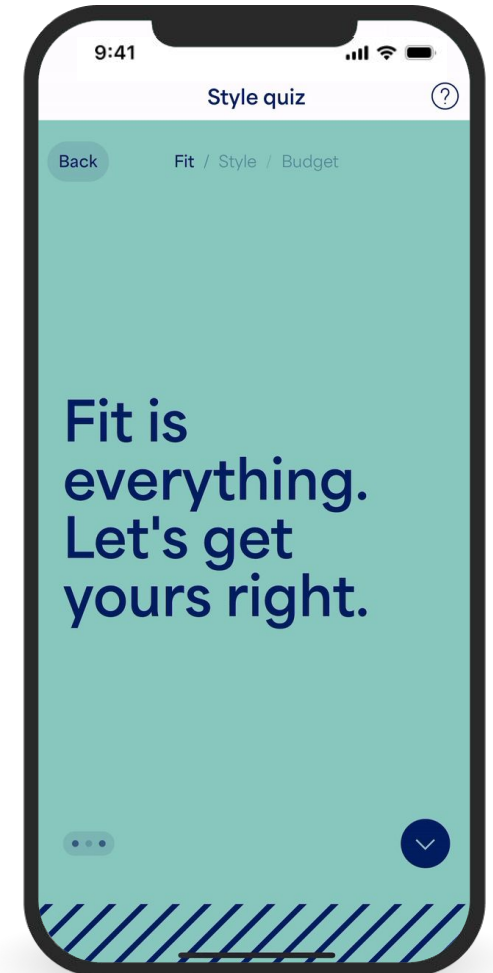
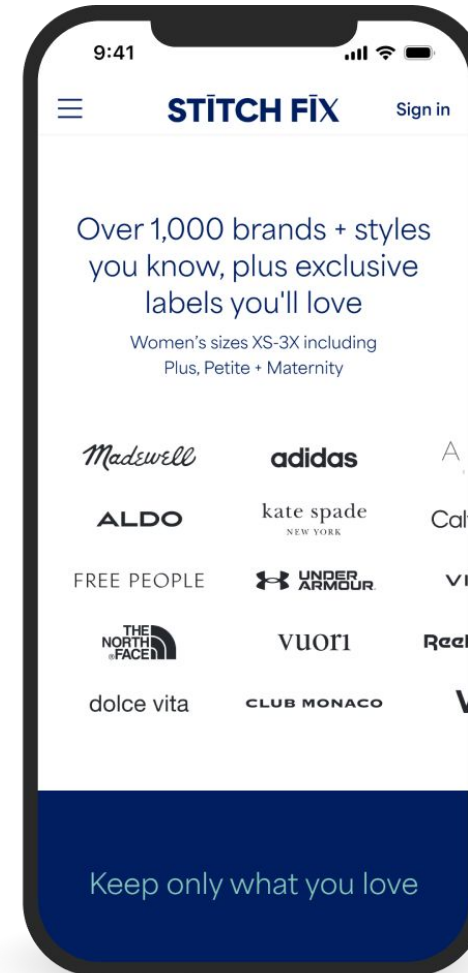
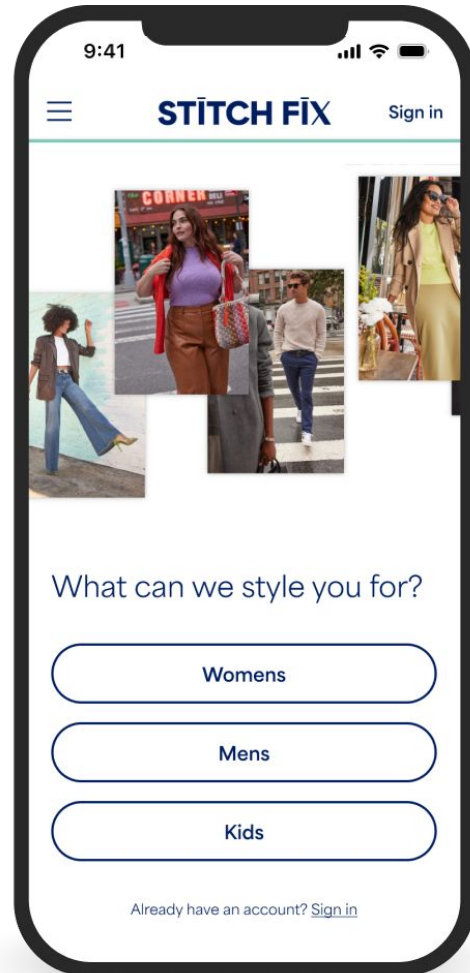
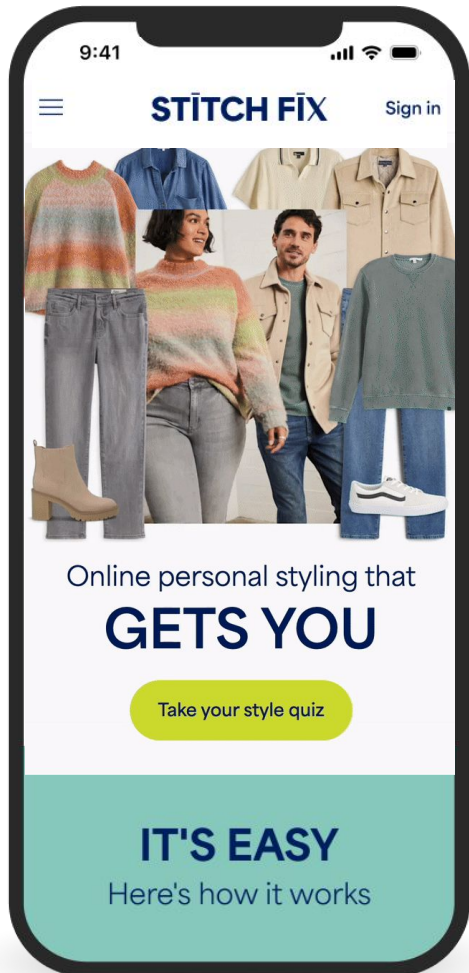


Personalized styling services
...or you shop on demand through Freestyle!

Ability to shop for the whole family With a wide range of styles across various sizes and price points

Access to thousands of styles From our brand partners, as well as our private brand assortment

Just-for-you pieces Over 92% of clients say we get their fit right





Expert Stylists who deliver personalized solutions to each client



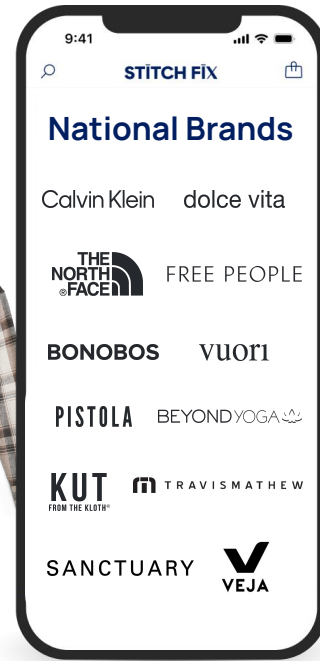
Curated merchandise assortment to meet a wide variety of style needs



An expansive dataset, including information entrusted in us by clients



Best-in-class AI and recommendation algorithms



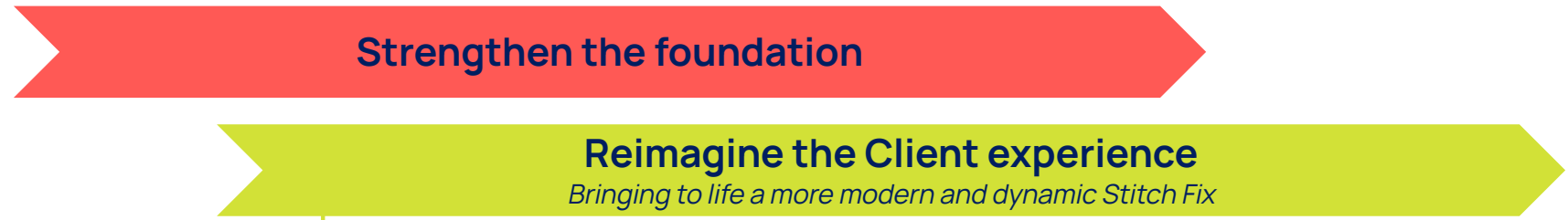
Our transformation journey driving towards sustainable, profitable growth



PHASES
how we'll get there



TRANSFORMATION PILLARS
what we're anchored in



- Enhanced Client engagement features
- Deeper Client-Stylist relationships
- Increased flexibility in our business model
- Client-right assortment

OUR FUNDAMENTALS





QUARTERLY FINANCIAL OVERVIEW





2.4M

ACTIVE CLIENTS

\$531

REVENUE PER ACTIVE
CLIENT (RPAC)

\$319M

NET REVENUE

45.4%

GROSS MARGIN

\$154M

SG&A

4.2%

ADJ. EBITDA MARGIN

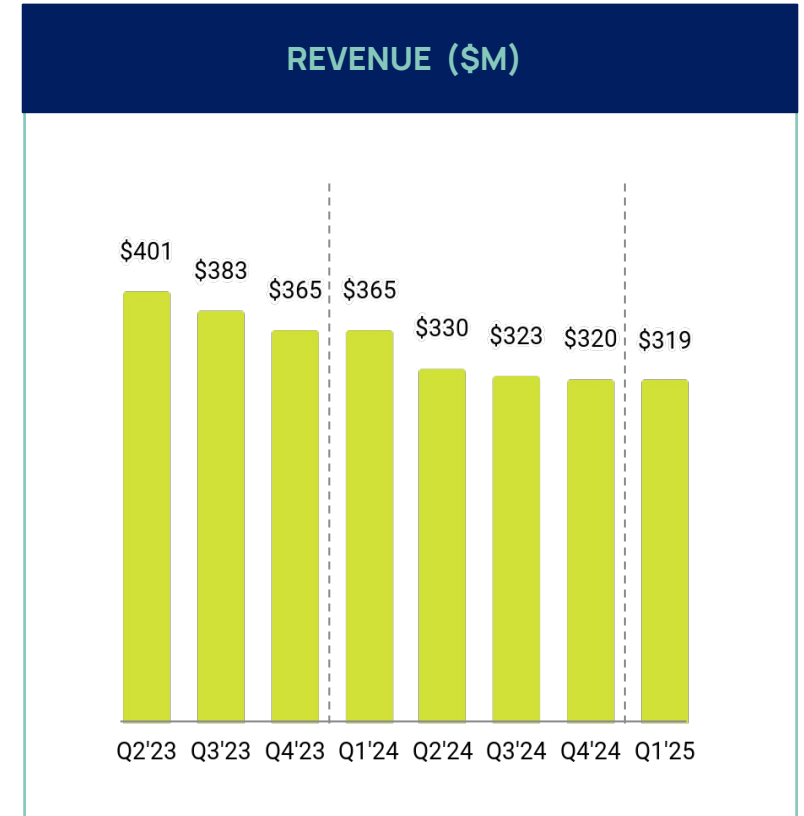
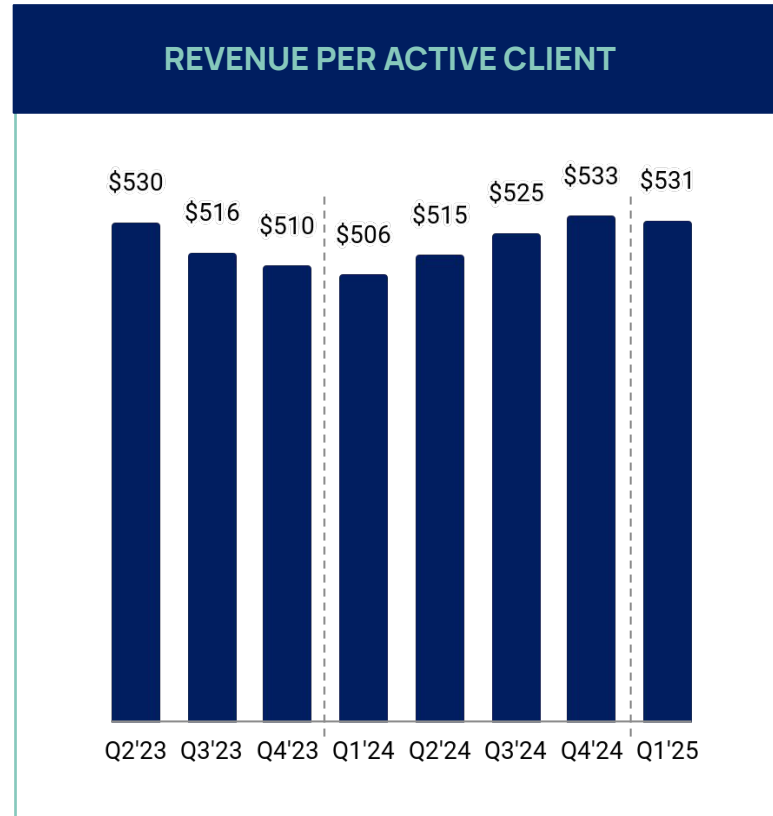
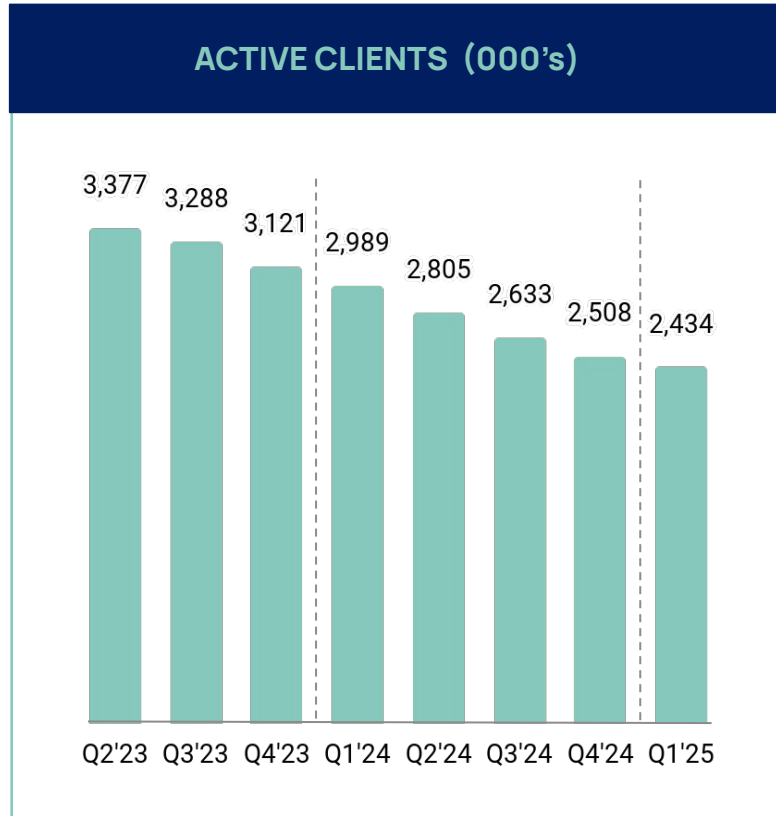
\$9.9M

FREE CASH FLOW

\$253M

CASH, CASH EQUIVALENTS
AND INVESTMENTS

Stitch Fix delivers scale and healthy share of wallet



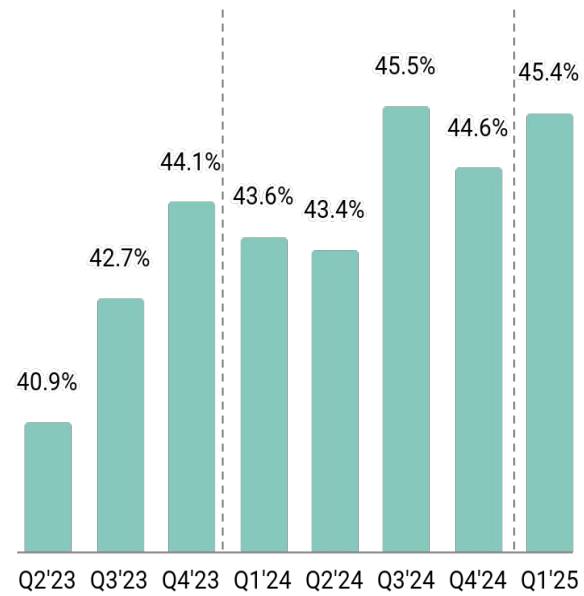
Fiscal year ends on the Saturday that is closest to July 31 of that year. All figures reflect continuing operations.

Stitch Fix continues to focus on improving leverage

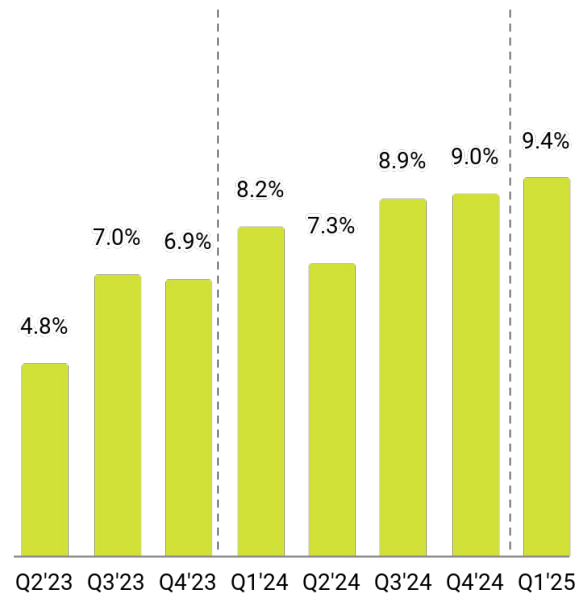


% OF NET REVENUE

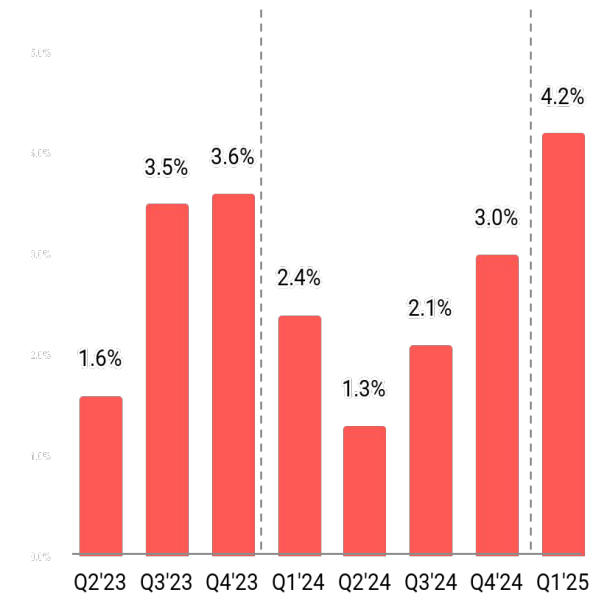
GROSS MARGIN



ADVERTISING ¹



ADJ. EBITDA MARGIN



Fiscal year ends on the Saturday that is closest to July 31 of that year. All figures reflect continuing operations.

(1) Advertising expenses are included in SG&A.



	Q2 2025	FY25
Net Revenue	\$290M - \$300M	\$1.14B - \$1.18B
Gross Margin	44% - 45%	44% - 45%
Advertising ¹	-	8% - 9%
Adj. EBITDA ²	\$8M - \$13M	\$25M - \$36M

Fiscal year ends on the Saturday that is closest to July 31 of that year. \$ in millions. All figures reflect continuing operations.

(1) Advertising shown is a percentage of net revenue. We expect full fiscal year 2025 advertising expense as a percentage of revenue to be at the high end of an 8% to 9% range.

(2) Non-GAAP measures are reconciled to the corresponding GAAP measures in the Appendix of this presentation. We define Adjusted EBITDA as net income (loss) from continuing operations excluding interest income, net other (income) expense, provision (benefit) for income taxes, depreciation and amortization, stock-based compensation expense, and restructuring and other one-time costs related to our continuing operations.



APPENDIX



Key balance sheet and cash flow items



	FISCAL YEAR END ¹			
	2022	2023	2024	Q1 2025
Cash and Investments ²	\$230.7	\$257.6	\$247.0	\$253.3
Working Capital ³	\$187.5	\$190.5	\$163.7	\$166.0
Purchase of Property, Plant, and Equipment	-\$45.0	-\$18.9	-\$14.0	-\$4.3

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

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

(3) Working capital defined as current assets less current liabilities from continuing operations.

Reconciliation of adjusted EBITDA



(in thousands)	Year ended			3 Months Ended	
	2022	2023	2024	Q1 2024	Q1 2025
Adjusted EBITDA Reconciliation					
Net Income (loss) from continuing operations	\$(181,605)	\$(150,336)	\$(118,885)	\$(26,171)	\$(6,263)
Add (Deduct):					
Interest Income	(924)	(5,841)	(11,250)	(2,248)	(2,932)
Other (Income) Expense, net	394	25	(1,631)	(411)	72
Provision (Benefit) for Income Taxes	(2,335)	871	(1,661)	169	157
Depreciation and Amortization²	33,533	38,375	35,489	9,439	7,385
Stock-based Compensation Expense	124,944	102,072	76,756	19,902	12,650
Restructuring and Other One-time Costs³	26,206	45,749	50,463	7,950	2,425
Adjusted EBITDA	\$213	\$30,915	\$29,281	\$8,630	\$13,494

(1) Fiscal year ends on the Saturday that is closest to July 31 of that year. All figures reflect continuing operations.

(2) For fiscal 2023 and 2024, depreciation and amortization excluded \$2.8 million and \$12.1 million, respectively, reflected in "Restructuring and other one-time costs." For the three months ended October 28, 2023, depreciation and amortization excluded \$4.3 million reflected in "Restructuring and other one-time costs."

(3) For fiscal 2022, restructuring charges were \$17.7 million in severance and employee-related benefits and asset impairments; other one-time costs were \$8.5 million in retention bonuses for continuing employees. For fiscal 2023, restructuring charges were \$39.9 million in severance and employee-related benefits, asset impairments, accelerated depreciation, and other restructuring costs; other one-time costs were \$5.8 million in retention bonuses for continuing employees. For fiscal 2024, restructuring charges were \$43.8 million in severance and employee-related benefits, lease termination costs, asset impairments, accelerated depreciation, and other restructuring costs; other one-time costs were \$6.7 million in one-time professional services fees. For the three months ended October 28, 2023, restructuring charges were \$8.0 million in severance and employee-related benefits, accelerated depreciation, and other restructuring costs. For the three months ended November 2, 2024, restructuring charges were \$1.0 million in severance and employee-related benefits and other restructuring costs; and other one-time costs were \$1.4 million in one-time bonuses for certain continuing employees.

Reconciliation of free cash flow



(in thousands)	Year ended			3 Months Ended	
	2022	2023	2024	Q1 2024	Q1 2025
Free Cash Flow Reconciliation					
Net cash provided by operating activities from continuing operations	\$75,217	\$73,230	\$28,207	\$20,559	\$14,268
Add (Deduct):					
Purchases of property and equipment from continuing operations	(44,957)	(18,863)	(13,965)	(3,653)	(4,323)
Free Cash Flow	\$30,260	\$54,367	\$14,242	\$16,906	\$9,945
Net cash provided by (used in) investing activities from continuing operations	\$11,627	\$64,476	\$(78,742)	\$9,188	\$(35,729)
Net cash used in financing activities from continuing operations	\$(59,580)	\$(15,085)	\$(15,493)	\$(4,108)	\$(3,785)

(1) Fiscal year ends on the Saturday that is closest to July 31 of that year. All figures reflect continuing operations.