

STITCH FIX

December 7, 2020

SAFE HARBOR STATEMENT

This presentation is provided for informational purposes only and should not be construed as an offer, commitment, promise or obligation on behalf of Stitch Fix, Inc. ("Stitch Fix" or the "Company") to sell securities or deliver any products, services, functionalities or other features. This presentation contains forward-looking statements within the meaning of the federal securities laws. All statements other than statements of historical fact could be deemed forward looking, including but not limited to statements regarding our future financial performance, including our profitability and long-term targets; guidance on financial results for the second quarter and full year of 2021; the momentum of our business and improving trends; the impact of the COVID-19 pandemic on consumer purchasing behavior; the secular shift to online shopping and market share gains that we expect; acceleration of active client growth, continued increases in active clients and higher new client sign-ups; our ability to serve higher Fix demand in fiscal year 2021; our ability to adapt quickly to new and changing consumer demands, including shifting our inventory mix to meet consumer demand; the enhancements of our Fix and direct buy offerings to expand our addressable market, deepen client engagement and grow client wallet share; whether favorable first Fix outcomes indicate future client behavior; the continued success of our direct-buy functionality and plans for its expansion, and whether direct-buy becomes the growth vector we think it represents to acquire new clients, convert prospective clients and reactivate lapsed clients; whether newly launched direct-buy capabilities, such as "Trending For You" or "Shop by Category" will be as successful as we expect, including whether they elevate client engagement and create opportunities; our plans to expand our "Fix Preview" initiative and its impact on client satisfaction, retention, keep rate and average order value; our ability to attract high-quality clients and to convert our large prospect population; our ability to leverage our engineering and data science capabilities to drive efficiencies in our business and enhance our ability to personalize our service and offerings for individual clients; our plans to increase marketing spend to capitalize on market share shifts and improving consumer optimism in the quarters ahead; whether our marketing investments and initiatives to create personalized advertising will be effective in acquiring, engaging and retaining clients; improvements in marketing efficiencies, including decreases in CPAs and our ability to determine optimal marketing and advertising methods; and the resilience of our warehouse network and whether we will be able to operate uninterrupted by the COVID-19 pandemic. These statements involve substantial risks and uncertainties, including risks and uncertainties related to the ongoing COVID-19 pandemic, our responses to the pandemic, the responses of our clients, competitors, and suppliers, and the responses of governmental authorities and public health officials; our ability to generate sufficient net revenue to offset our costs; the growth of our market and consumer behavior; our ability to acquire, engage, and retain clients; our ability to provide offerings and services that achieve market acceptance; our data science and technology, stylists, operations, marketing initiatives, and other key strategic areas; risks related to international operations; and other risks described in the filings we make with the SEC. Further information on these and other factors that could cause our financial results, performance, and achievements to differ materially from any results, performance, or achievements anticipated, expressed, or implied by these forward-looking statements is included in filings we make with the SEC from time to time, including in the section titled "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended August 1, 2020. These documents are available on the SEC Filings section of the Investor Relations section of our website at: <https://investors.stitchfix.com>. We undertake no obligation to update any forward-looking statements made in this press release to reflect events or circumstances after the date of this press release or to reflect new information or the occurrence of unanticipated events, except as required by law. The achievement or success of the matters covered by such forward-looking statements involves known and unknown risks, uncertainties, and assumptions. If any such risks or uncertainties materialize or if any of the assumptions prove incorrect, our results could differ materially from the results expressed or implied by the forward-looking statements we make. You should not rely upon forward-looking statements as predictions of future events. Forward-looking statements represent our management's beliefs and assumptions only as of the date such statements are made. In addition to financial information presented in accordance with GAAP, this presentation includes certain non-GAAP financial measures. The non-GAAP financial measures have limitations as analytical tools and you should not consider them in isolation or as a substitute for the most directly comparable financial measures prepared in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures versus their nearest GAAP equivalents. We urge you to review the reconciliation of Stitch Fix's non-GAAP financial measures to the most directly comparable GAAP financial measures set forth in the Appendix to this presentation, and not to rely on any single financial measure to evaluate Stitch Fix's business.

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



145 data scientists
5,600+ employee stylists



Culture of teamwork,
creativity, data and diversity

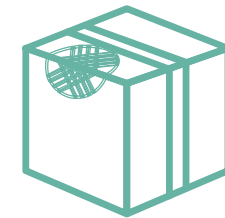
Transforming the way
people find what they love



3.8M active clients¹



LTM Revenue²: \$1.8B
LTM Adj. EBITDA³: \$28M



\$430M cash and
investments⁴

Note: FYE July; Figures as of October 31, 2020

(1) Defined as a client who checked out a Fix or was shipped an item using our direct-buy functionality 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) We define adjusted EBITDA as net income (loss) excluding interest (income) expense, provision (benefit) for income taxes, other (income) expense, net, depreciation and amortization, and stock-based compensation expense.

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



THE CLIENT JOURNEY

INTRODUCE
YOURSELF



90+

meaningful data points collected through the initial style profile

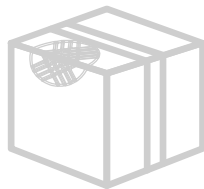
GET MATCHED



5,600+

stylists are algorithmically matched to our clients

RECEIVE
YOUR FIX



3 day

check-out window and algorithmically powered buying drives rapid inventory turns

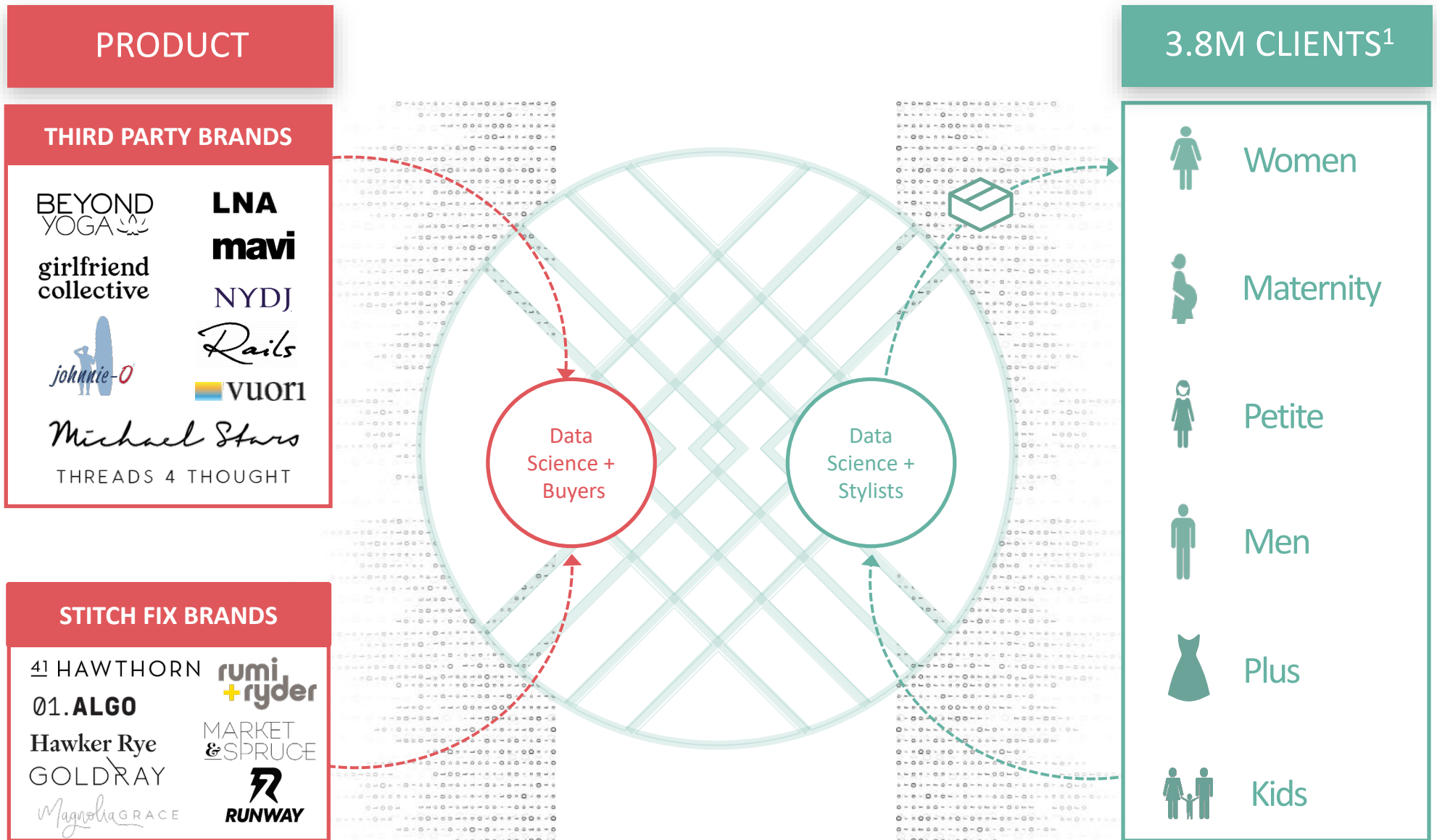
A PARTNER
FOR LIFE



~80%

of Fix shipments resulting in direct client feedback and drive network effects

OUR PERSONALIZATION MODEL



(1) As of October 31, 2020.

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

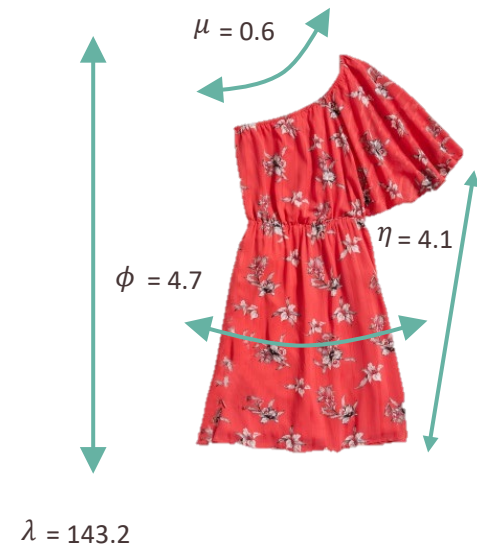
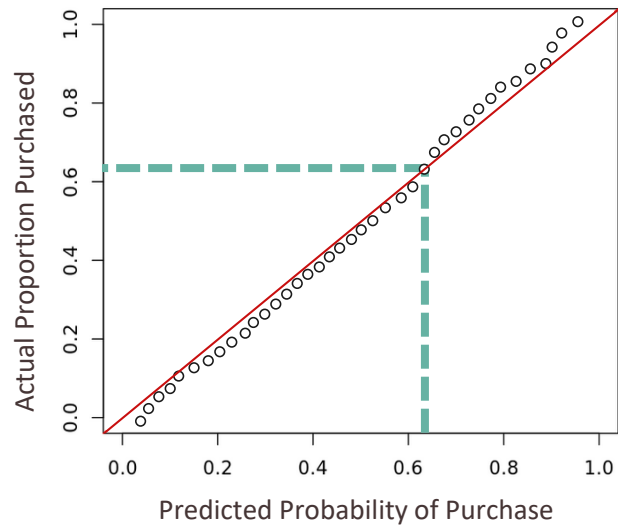
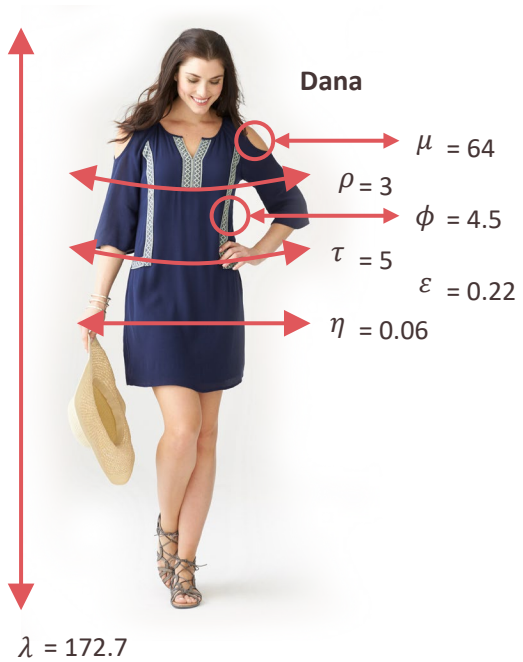
RETURN

KEEP

DATA THAT MATTERS

PREDICTIVE ALGORITHMS HELP STYLISTS SUCCESSFULLY SERVE CLIENTS

63% MATCH SCORE¹



(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

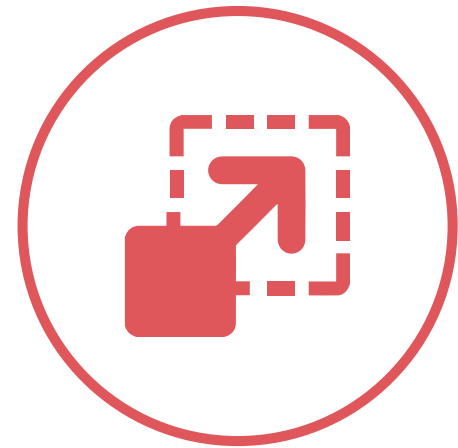
OUR GROWTH STRATEGY IS INFORMED BY KEY DATA LEARNINGS



SHARE
OF WALLET

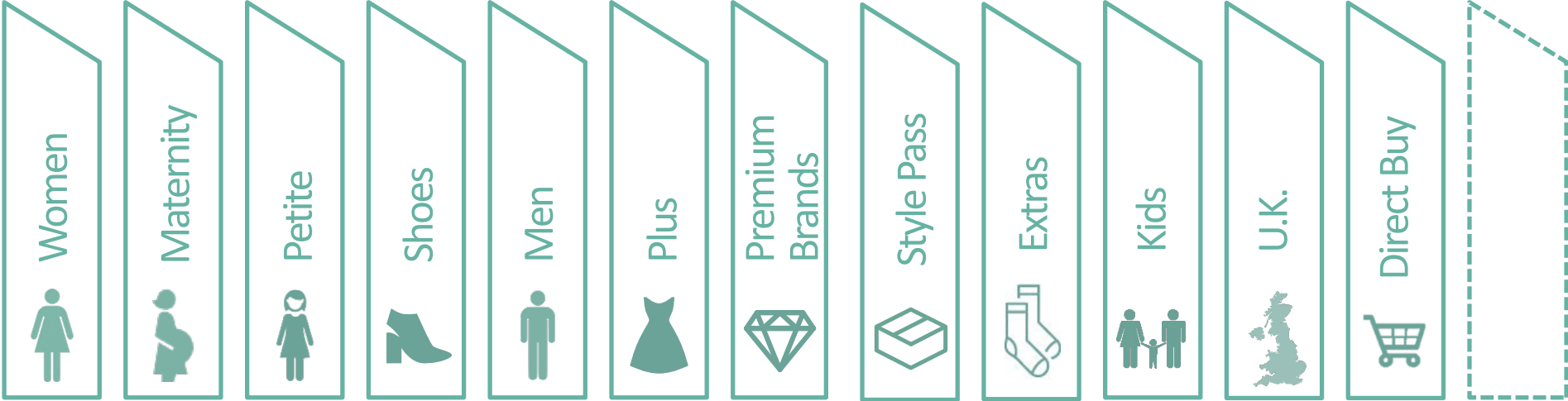


NEW
CLIENTS



ADDRESSABLE
MARKET

ACTIONABLE CLIENT DATA ENABLES SUCCESSFUL NEW OFFERINGS



HUMAN JUDGMENT

RICH DATA PLATFORM

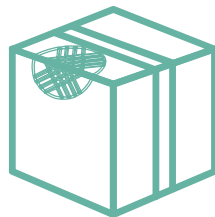
A POWERFUL AND DIFFERENTIATED MODEL

Highly
Scalable



Predictive &
Accurate

Flexible
Offering



Capabilities
that Extend



FINANCIAL OVERVIEW

OUR GUIDING PRINCIPLES FOR MANAGING THE BUSINESS



Enable a great client experience



Maintain long-term mindset



Drive sustainable and profitable growth



Be data driven and ROI-focused in our decisions

FINANCIAL HIGHLIGHTS



Powerful, growing client base with millions of active clients



Significant revenue growth at scale



Strong client retention drives recurring demand and visibility



Strategically investing for long-term growth and brand building



Capital-efficient model with high inventory turnover

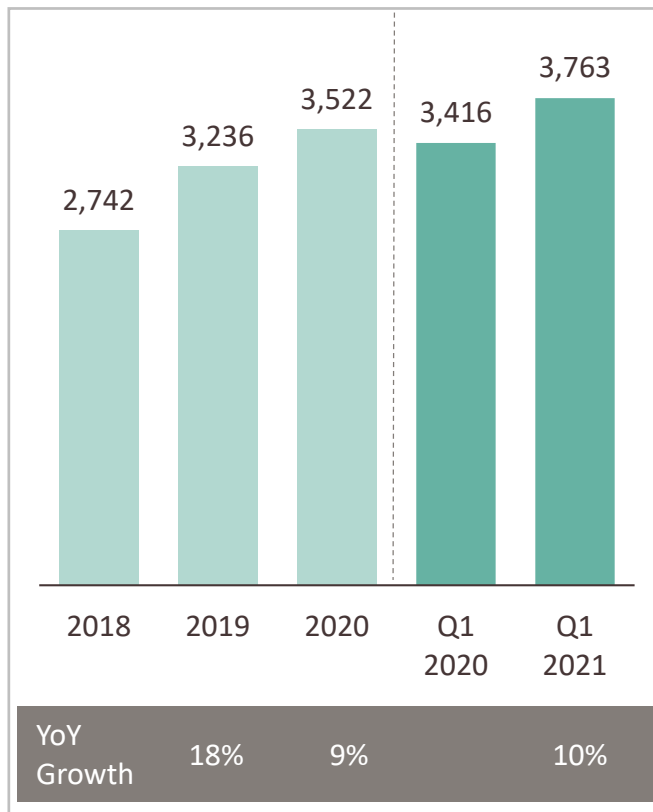


Demonstrated operating leverage enables further profitability upside

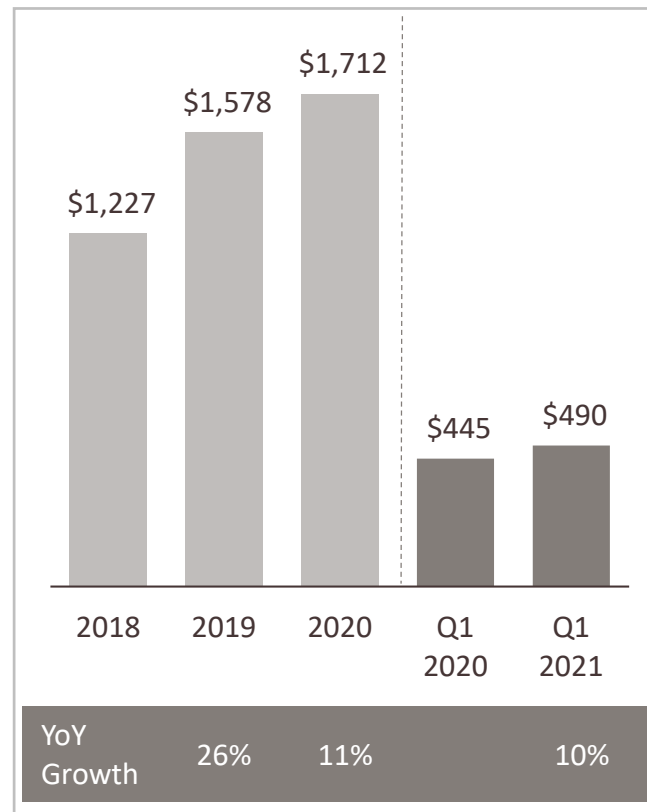
FINANCIAL MODEL COMBINES SCALE AND GROWTH

FYE JULY ¹

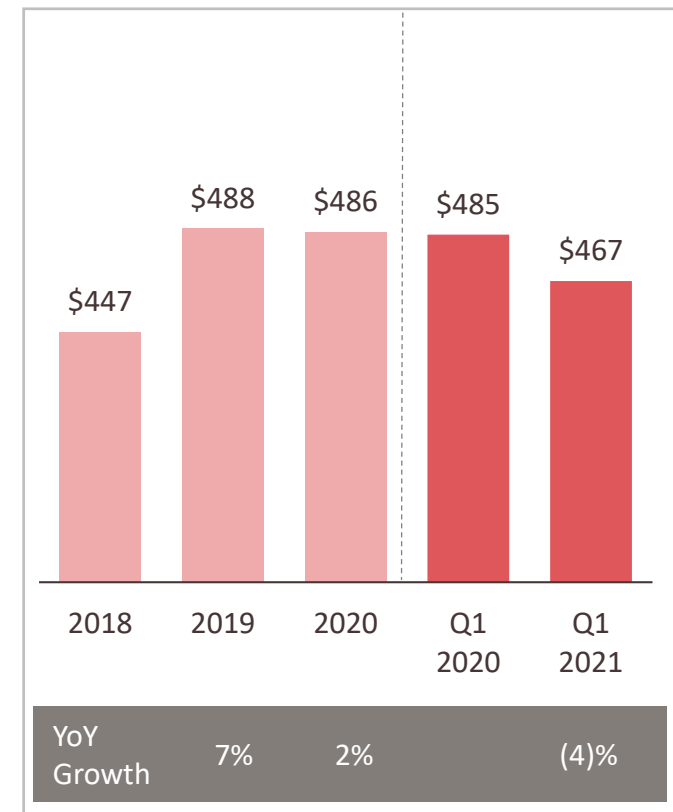
ACTIVE CLIENTS as of period end ² (000's)



REVENUE ³ (\$M)



NET REVENUE PER ACTIVE CLIENT ⁴



(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 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.

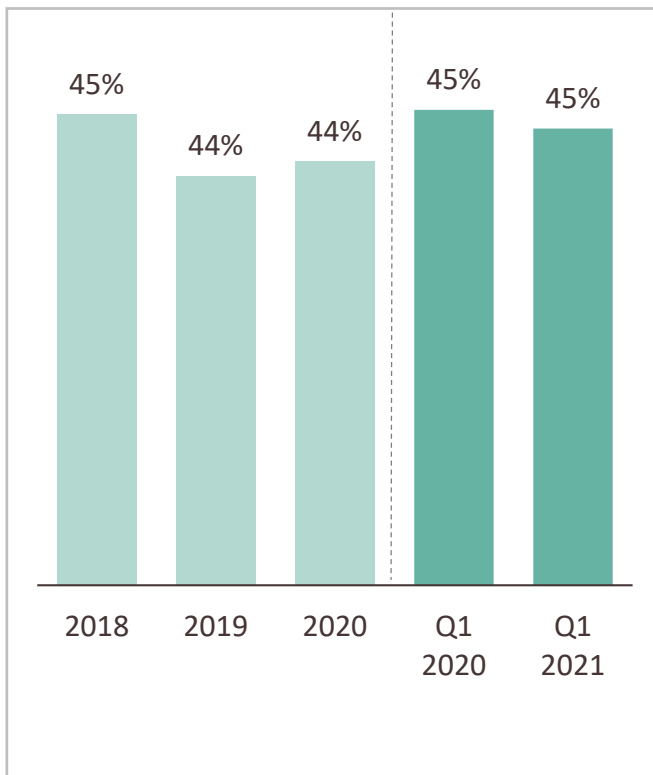
(3) Discounts, sales tax and estimated refunds are deducted from revenue to arrive at net revenue, which the Company refers to as "revenue". YoY growth in fiscal 2019 and 2020 are adjusted for the 53rd week in Fiscal 2019. Without adjusting for this extra week, revenue grew 29% and 9% YoY in fiscal 2019 and 2020, respectively.

(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 2019 and 2020 are adjusted for the 53rd week in Fiscal 2019. Without adjusting for this extra week, revenue per active client grew 9% YoY in fiscal 2019 and was approximately flat YoY in fiscal 2020.

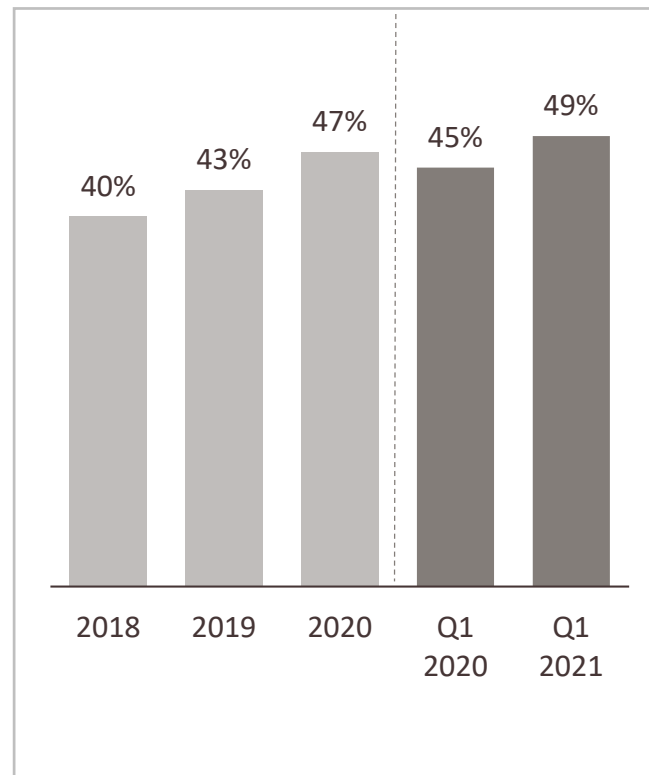
INVESTING FOR LONG-TERM GROWTH

FYE JULY ¹ | % OF NET REVENUE

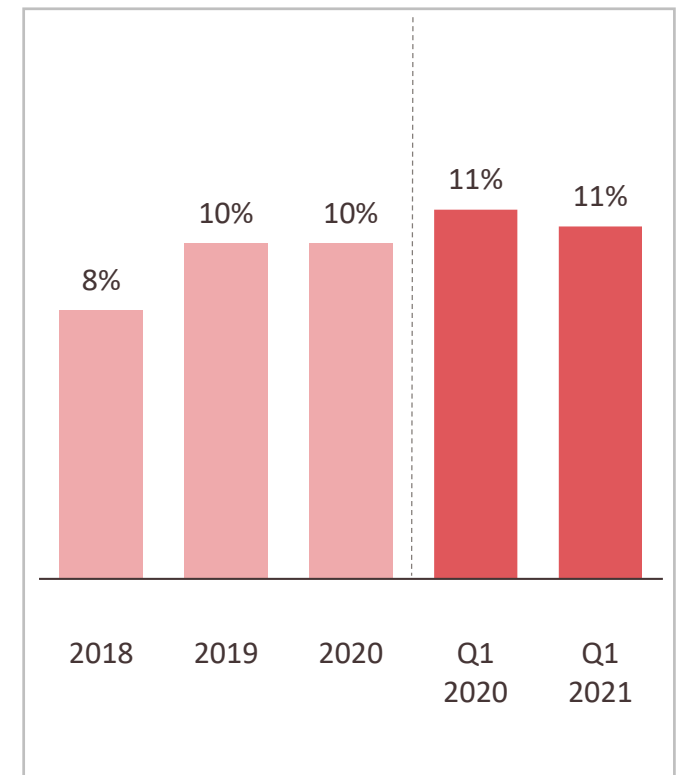
GROSS MARGIN



SG&A



ADVERTISING ²

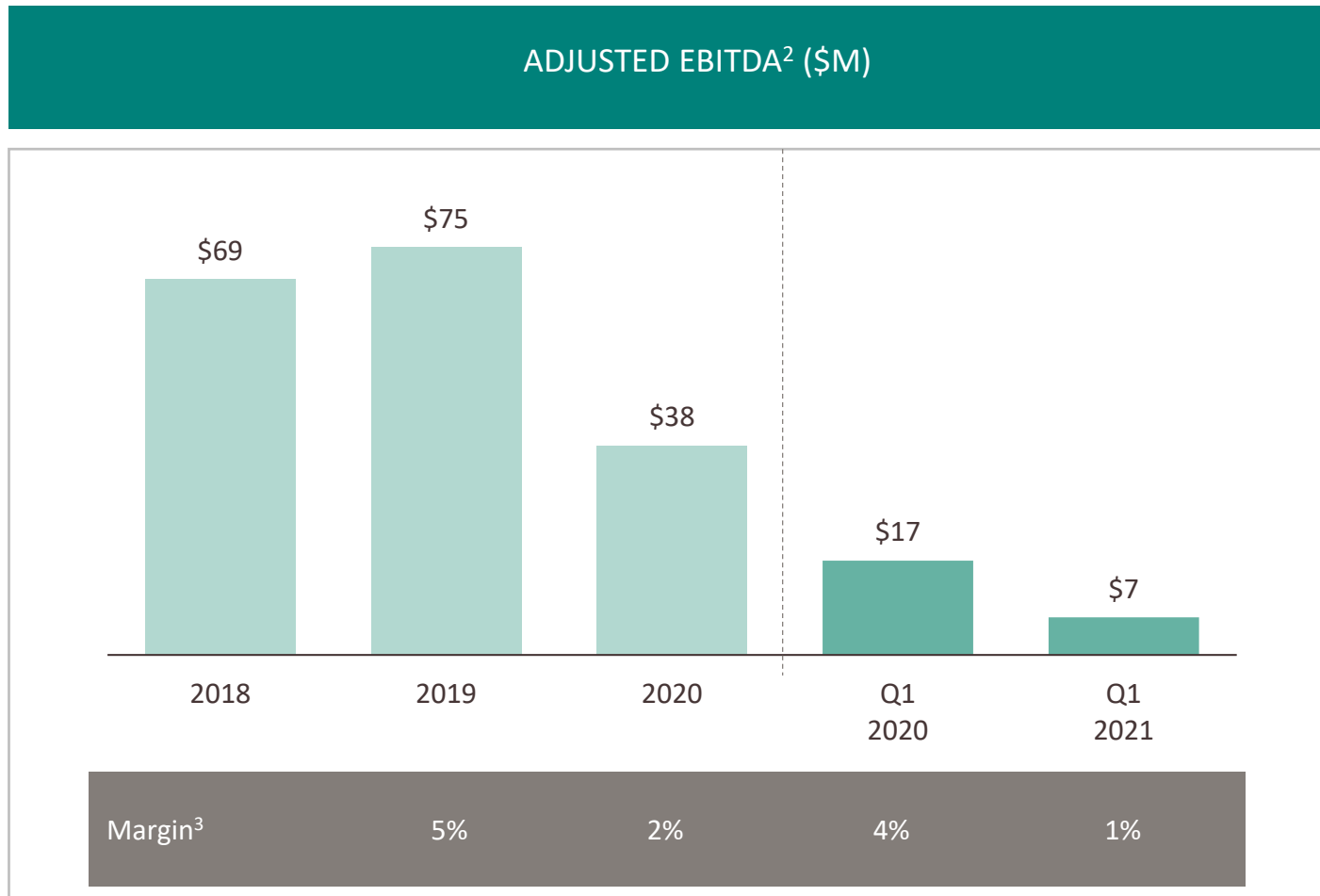


(1) Fiscal year ends on the Saturday that is closest to July 31 of that year.

(2) Advertising expenses included in SG&A.

FINANCIAL MODEL HAS PROVEN NON-GAAP PROFITABILITY

FYE JULY ¹

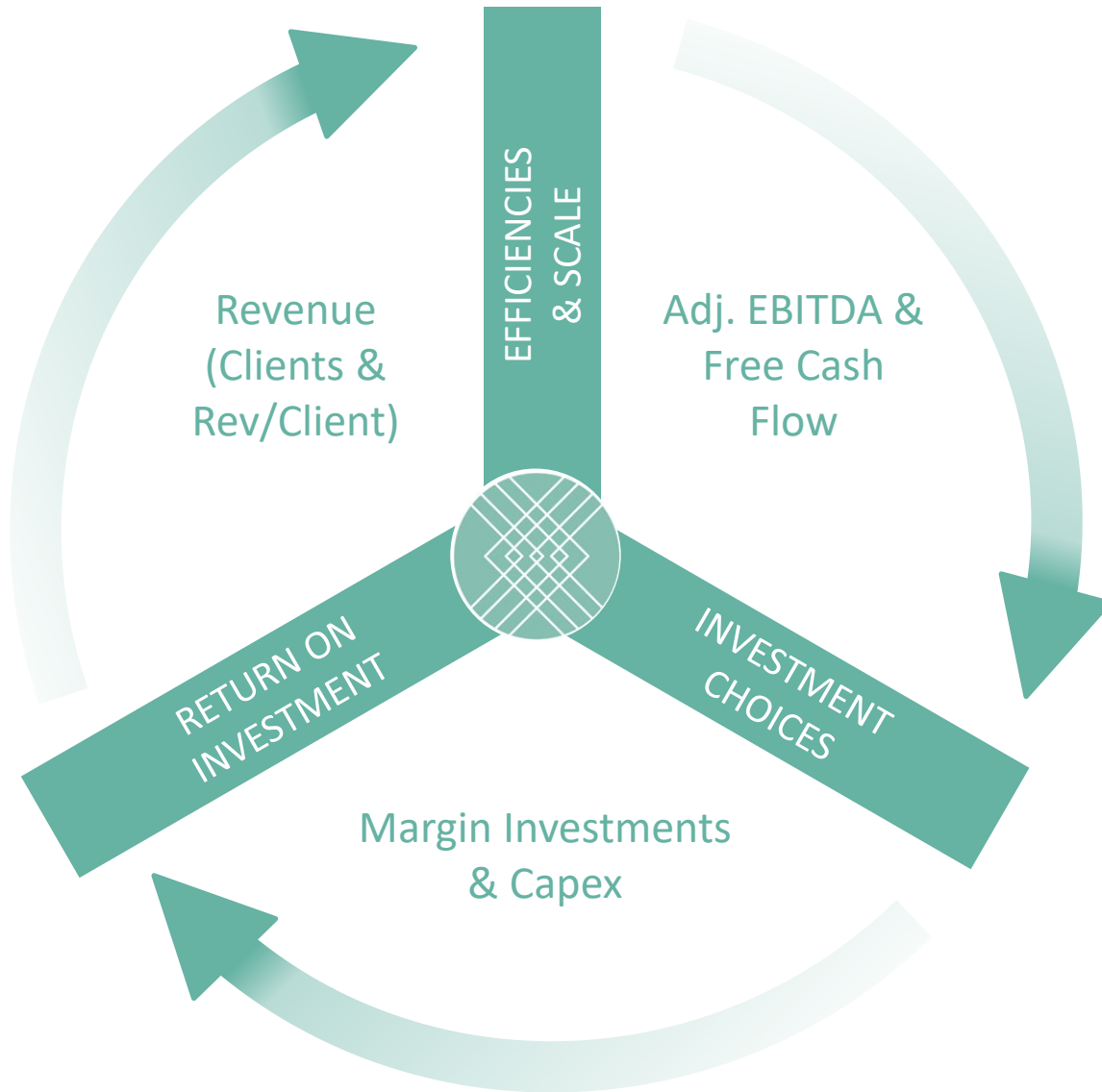


(1) Fiscal year ends on the Saturday that is closest to July 31 of that year.

(2) We define adjusted EBITDA as net income (loss) excluding interest (income) expense, provision (benefit) for income taxes, other (income) expense, net, depreciation and amortization, stock-based compensation expense, and, when present, the remeasurement of preferred stock warrant liability.

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

HIGHLY CAPITAL-EFFICIENT MODEL



LONG-TERM TARGET MODEL

FYE JULY ¹

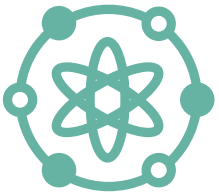
	2017	2018	2019	2020	LT Target
Gross Profit (% Margin)	44%	44%	45%	44%	45-46%
Advertising Expenses (% of Net Revenue)	7%	8%	10%	10%	9-11%
Other SG&A (% of Net Revenue) ²	34%	32%	33%	37%	24-26%
Operating Profit (% of Net Revenue)	3%	4%	1%	(3)%	10-12%
Adjusted EBITDA (% of Net Revenue) ³	6%	4%	3%	(2)%	11-13%

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

(2) Excludes advertising expenses.

(3) Includes stock-based compensation.

KEY HIGHLIGHTS



Data science at the core of everything we do



Highly actionable client, merchandise and feedback data



Deep understanding of our category and a business model tailored to serve it



Proven, scaled financial model with headroom for growth



APPENDIX

KEY BALANCE SHEET ITEMS

FYE JULY ¹

	2018	2019	2020	Q1 2021
Cash ²	\$297.5	\$170.9	\$143.4	\$200.3
Working Capital ³	274.8	299.8	254.2	302.4
Total Assets	481.6	616.1	769.4	880.2
Total Liabilities	166.5	220.0	368.4	451.6

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

(2) Cash balance does not include restricted cash.

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

RECONCILIATION OF ADJUSTED EBITDA

FYE JULY ¹

(in thousands)	2018	2019	2020	Q1 2020	Q1 2021
Adjusted EBITDA Reconciliation:					
Net Income (Loss)	\$44,900	\$36,881	\$(67,117)	\$(178)	\$9,541
Add (Deduct):					
Interest (Income) Expense	(904)	(5,791)	(5,535)	(1,653)	(1,161)
Other (Income) Expense, net	(100)	(1,535)	1,593	834	205
Provision (benefit) for Income Taxes	9,813	(6,060)	19,395	1,157	(28,118)
Depreciation and Amortization	10,542	16,095	22,562	4,966	6,459
Re-measurement of Preferred Stock Warrant Liability	(10,685)	–	–	–	–
Stock-based Compensation Expense	\$15,403	\$35,256	\$67,530	12,126	19,925
Adjusted EBITDA	\$68,969	\$74,846	\$38,428	\$17,252	\$6,851

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

RECONCILIATION OF FREE CASH FLOW

FYE JULY ¹

(in thousands)	2018	2019	2020	3 months ended	
				Q1 2020	Q1 2021
Free Cash Flow Reconciliation:					
Cash Provided by (Used in) Operating Activities	\$72,178	\$78,594	\$42,877	\$27,524	\$57,359
(Deduct):					
Purchases of Property and Equipment	\$(16,565)	(30,825)	(30,207)	(7,502)	(5,985)
Free Cash Flow	\$55,613	\$47,769	\$12,670	\$20,022	\$51,374
Cash Provided by (Used in) Investing Activities	\$(16,565)	\$(225,184)	\$(70,461)	\$(46,521)	\$1,701
Cash Provided by (Used in) Financing Activities	\$134,795	\$6,945	\$(1,435)	\$(1,694)	\$(1,896)

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