

STITCH FIX

March 8, 2021

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 expectations for future financial performance, including our profitability and long-term targets; guidance on financial results for the third quarter and full year of 2021; the momentum of our business; the impact of the COVID-19 pandemic on consumer purchasing behavior; the rate of client migration to our offering; the share shift, and forecasted continued shift, to online shopping and our ability to capture market share; our expectation that the overall demand for apparel will increase as the broader environment normalizes; our expected conversion and retention of new and existing clients; the success of our direct-buy functionality and the timing and plans for its launch to first time clients; that direct buy will help drive greater engagement and fuel client acquisition by unlocking the full addressable apparel market; that the expansion of direct buy will increase client lifetime values; our ability to respond to cycle time delays; that demand in our Men's offering will improve as we emerge from the COVID-19 pandemic; that investments across our Fix and direct buy offerings will increase the relevance of our service, increase the value we get from clients, expand our addressable market, and allow us to play in the full suite of shopping occasions; that investments in product experiences will drive greater personalization, increase wallet share, and enhance lifetime value; our plans to expand our "Fix Preview" initiative and its impact on client conversion rates, client satisfaction, client retention, keep rate and average order value; our newly launched "live styling" experience and whether it will improve client retention and deepen client trust; our plans to grow our styling community and product engineering teams; our ability to move to a multi-inventory model and whether such model will allow us to meaningfully expand selection, attract more clients, drive higher demand, and accelerate growth; 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; whether our marketing investments and initiatives to create personalized advertising will be effective in acquiring, engaging and retaining clients; our ability to determine optimal marketing and advertising methods; and the resilience of our warehouse network. 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 clients, competitors, suppliers, 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 our inventory; risks related to our supply chain, sourcing of materials and shipping of merchandise; 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 Quarterly Report on Form 10-Q for the fiscal quarter ended October 31, 2021. 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 presentation to reflect events or circumstances after the date of this presentation 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.

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 U.K. 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



145 data scientists
5,800+ employee stylists



Culture of teamwork,
creativity, data and diversity

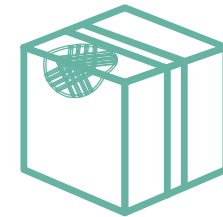
Transforming the way
people find what they love



3.9M active clients¹



LTM Revenue²: \$1.8B
LTM Adj. EBITDA³: \$(11M)



\$369M cash and
investments⁴

Note: FYE July; Figures as of January 30, 2021

(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.

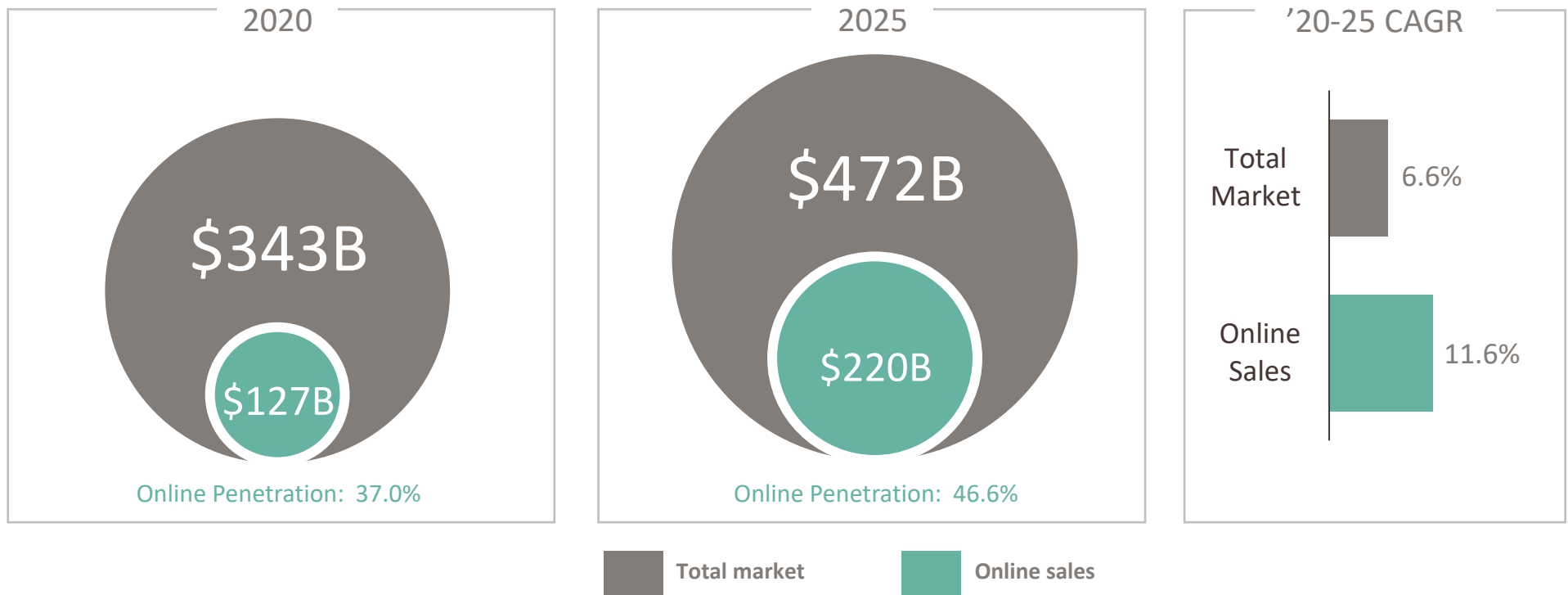
(2) Discounts, sales tax and estimated refunds are deducted from revenue to arrive at net revenue, which the Company refers to as "revenue". LTM means last 12 months.

(3) 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) 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, 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 Market¹



(1) Source: Euromonitor International Limited 2021 © All rights reserved



THE CLIENT JOURNEY

INTRODUCE
YOURSELF



90+

meaningful data points collected through the initial style profile

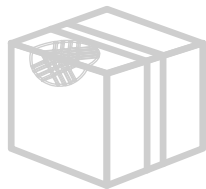
GET MATCHED



5,800+

stylists are algorithmically matched to our clients

RECEIVE
YOUR FIX



3 day

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

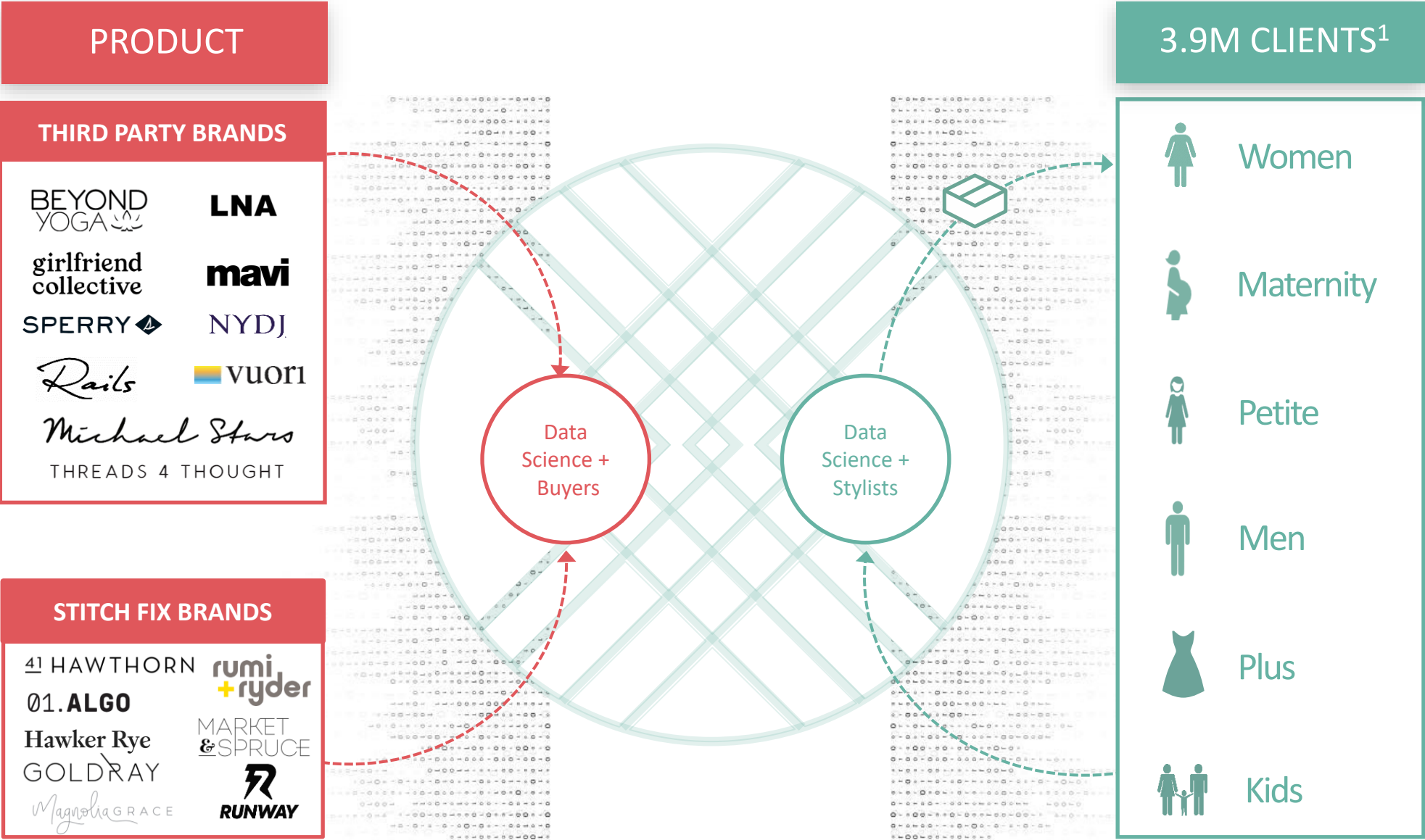
A PARTNER
FOR LIFE



~80%

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

OUR PERSONALIZATION MODEL



(1) As of January 30, 2021.

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

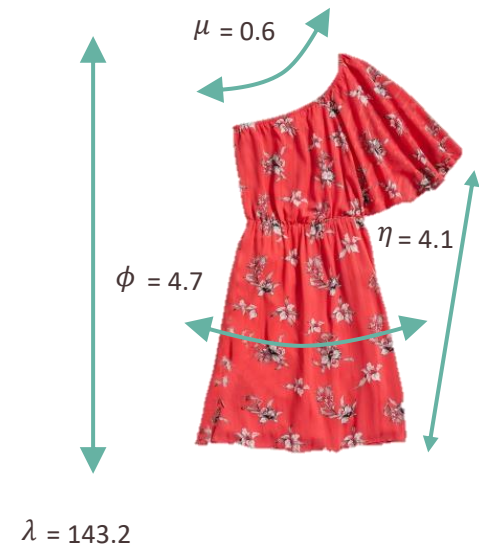
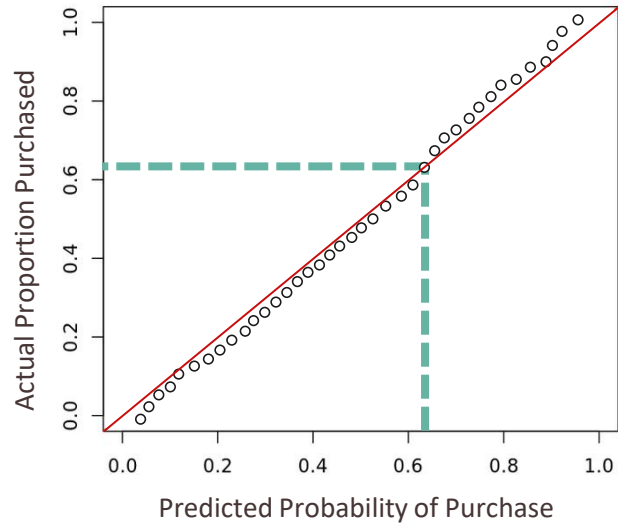
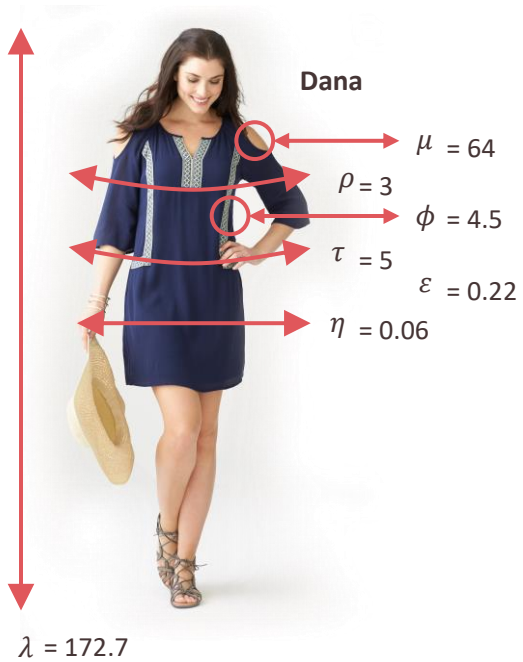
RETURN

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

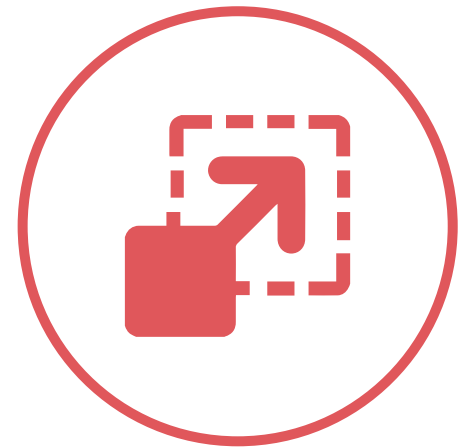
OUR GROWTH STRATEGY IS INFORMED BY KEY DATA LEARNINGS



SHARE
OF WALLET

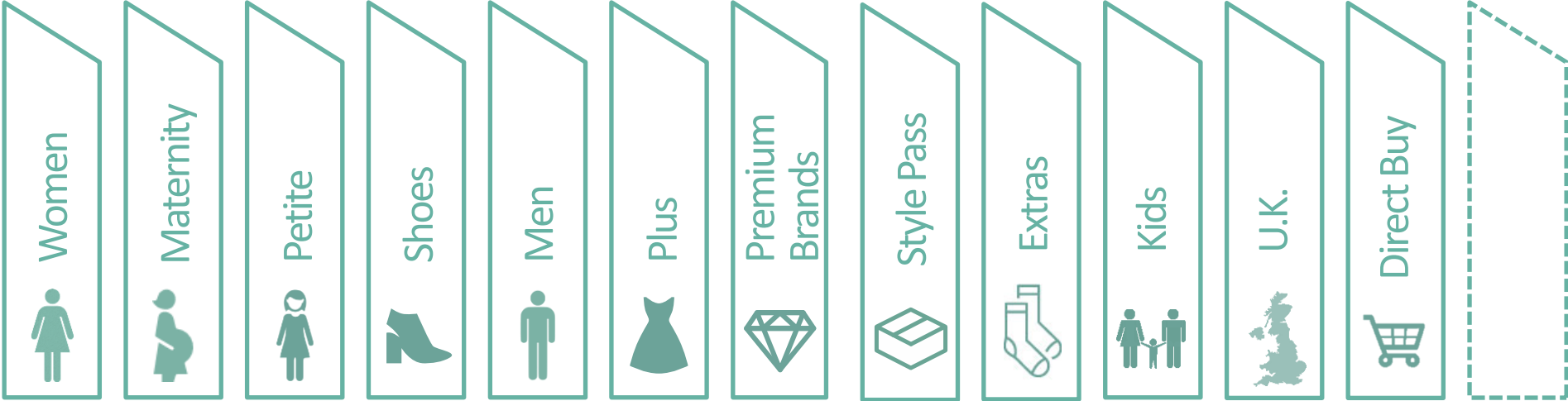


NEW
CLIENTS



ADDRESSABLE
MARKET

ACTIONABLE CLIENT DATA ENABLES SUCCESSFUL NEW OFFERINGS



HUMAN JUDGMENT

RICH DATA PLATFORM

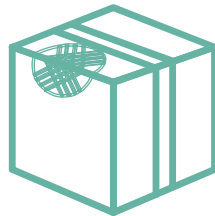
A POWERFUL AND DIFFERENTIATED MODEL

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

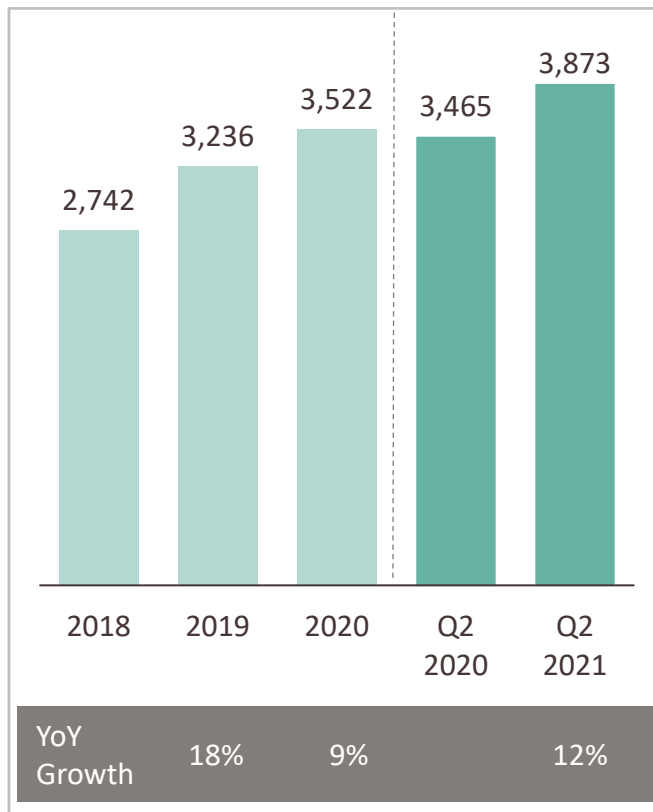


Demonstrated operating leverage enables further profitability upside

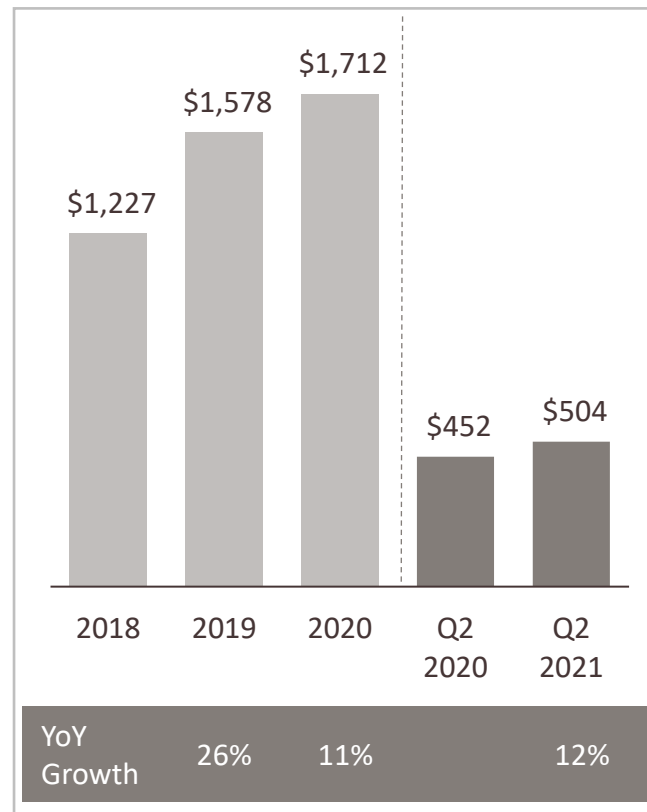
FINANCIAL MODEL COMBINES SCALE AND GROWTH

FYE JULY ¹

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



REVENUE ³ (\$M)



NET REVENUE PER ACTIVE CLIENT ⁴

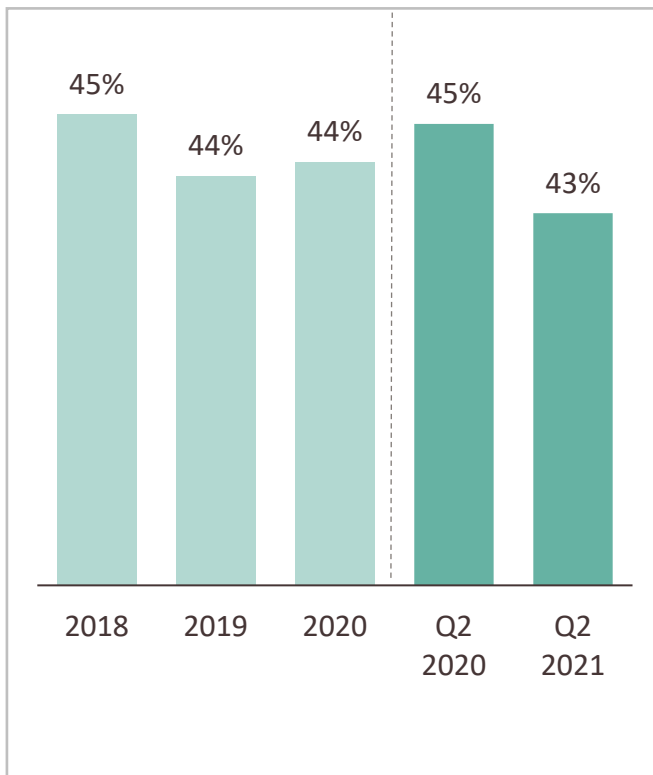


- (1) Fiscal year ends on the Saturday that is closest to July 31 of that year. Fiscal 2019 consists of 53 weeks with an extra week occurring in the fourth quarter, while all other fiscal years consist of 52 weeks.
- (2) Defined as clients who checked out a Fix or were shipped an item using our direct-buy 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.

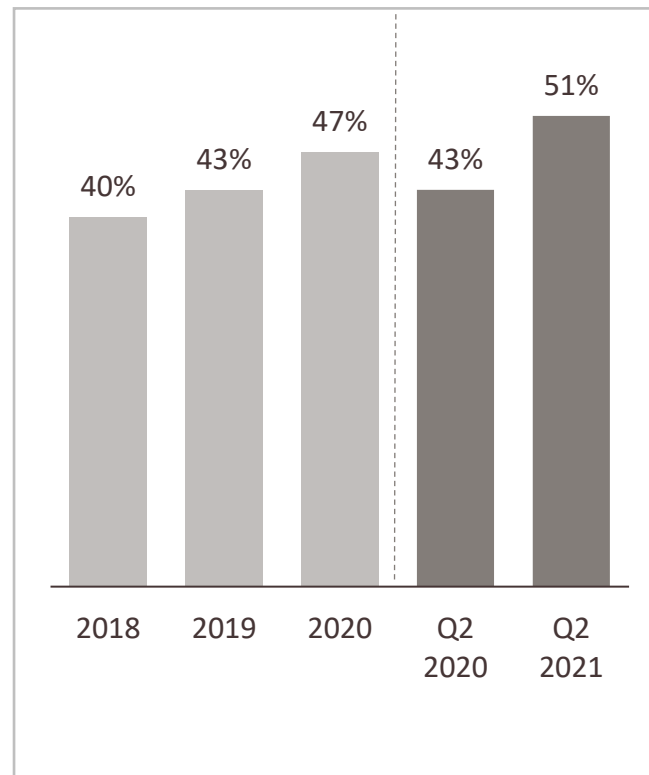
INVESTING FOR LONG-TERM GROWTH

FYE JULY ¹ | % OF NET REVENUE

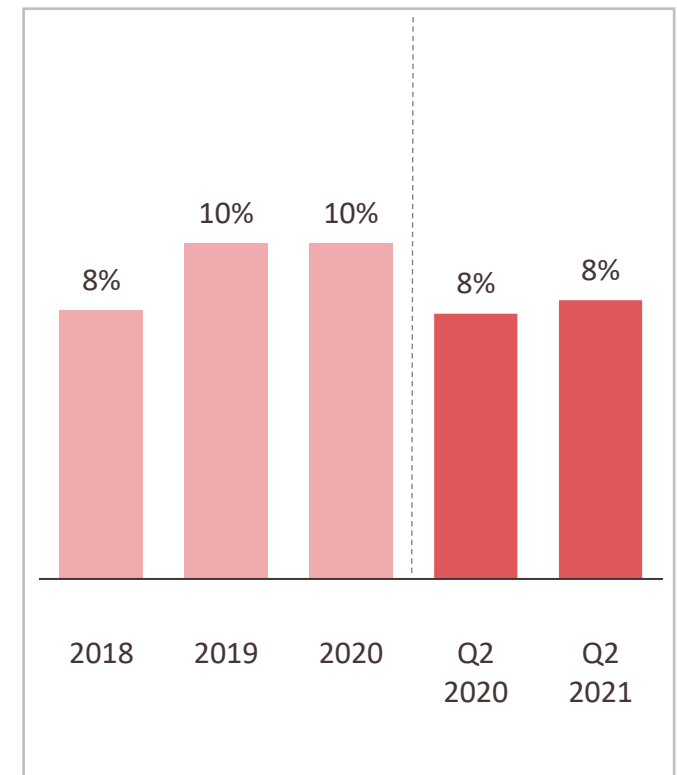
GROSS MARGIN



SG&A



ADVERTISING ²

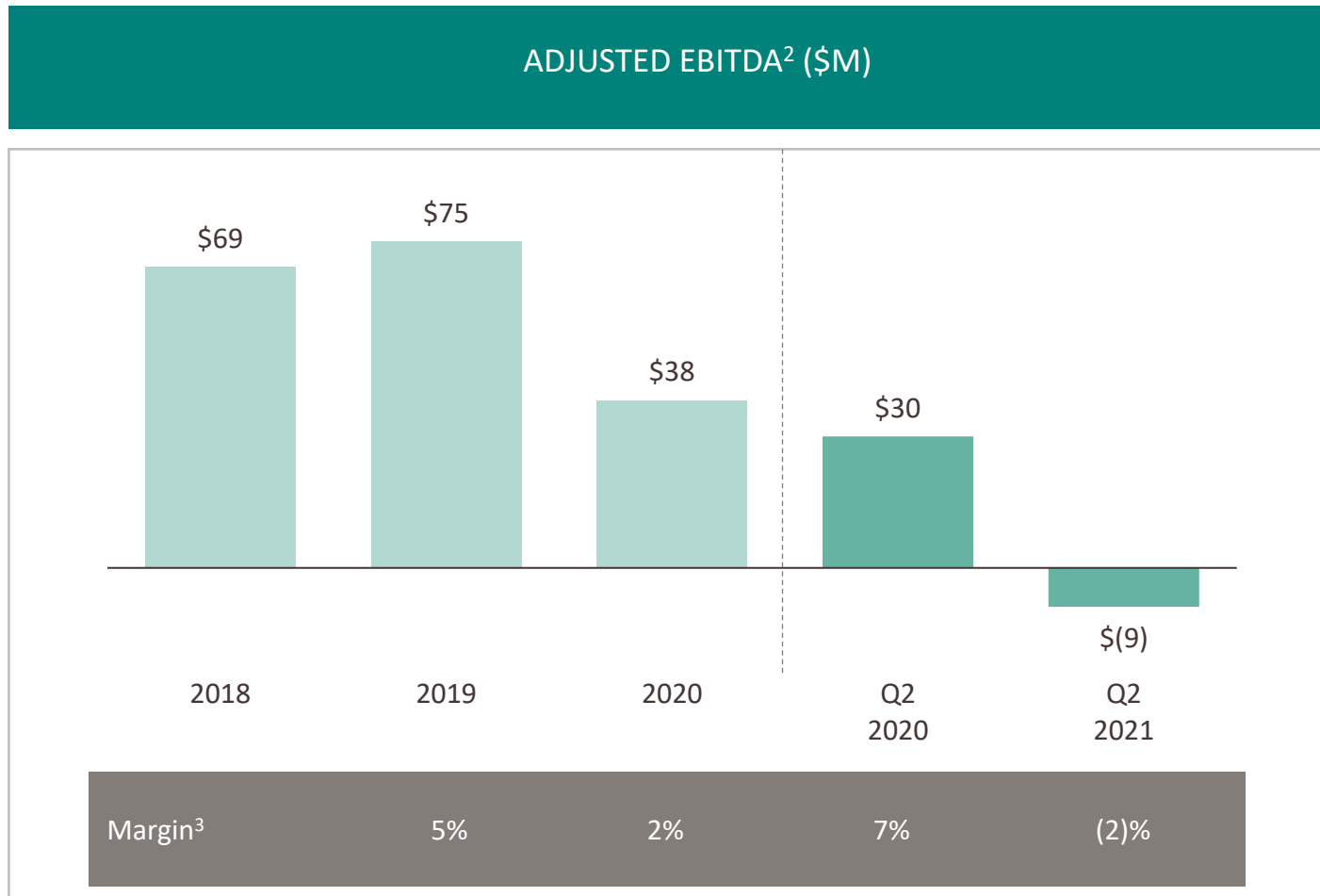


(1) Fiscal year ends on the Saturday that is closest to July 31 of that year. Fiscal 2019 consists of 53 weeks with an extra week occurring in the fourth quarter, while all other fiscal years consist of 52 weeks.

(2) Advertising expenses included in SG&A.

FINANCIAL MODEL HAS PROVEN NON-GAAP PROFITABILITY

FYE JULY ¹

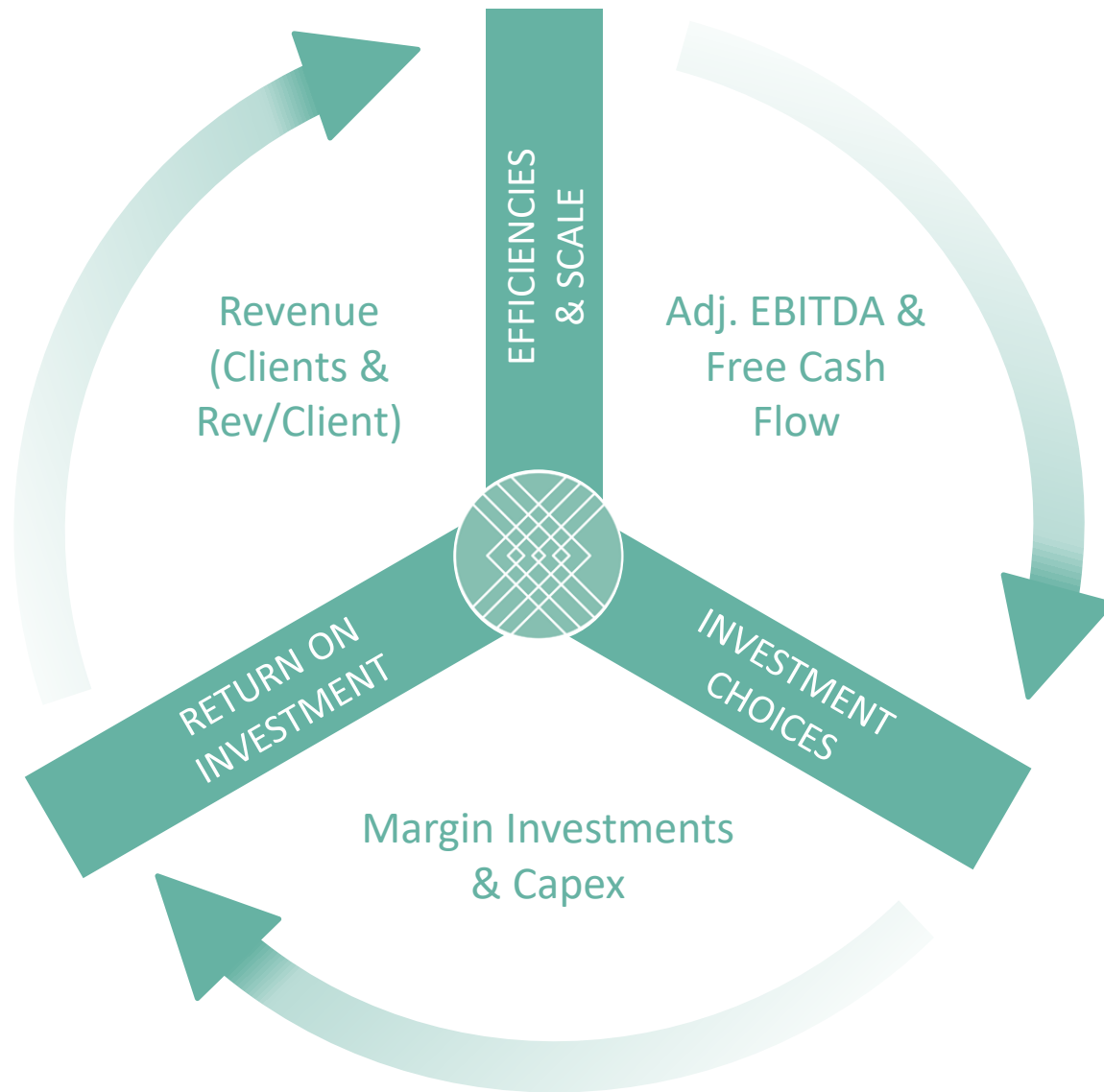


(1) Fiscal year ends on the Saturday that is closest to July 31 of that year. Fiscal 2019 consists of 53 weeks with an extra week occurring in the fourth quarter, while all other fiscal years consist of 52 weeks.

(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) 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 divided by net revenue for the period.

HIGHLY CAPITAL-EFFICIENT MODEL



LONG-TERM TARGET MODEL

FYE JULY ¹

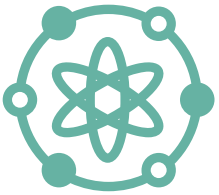
	2017	2018	2019	2020	LT Target
Gross Profit (% Margin)	44%	44%	45%	44%	45-46%
Advertising Expenses (% of Net Revenue)	7%	8%	10%	10%	9-11%
Other SG&A (% of Net Revenue) ²	34%	32%	33%	37%	24-26%
Operating Profit (% of Net Revenue)	3%	4%	1%	(3)%	10-12%
Adjusted EBITDA (% of Net Revenue) ³	6%	4%	3%	(2)%	11-13%

(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	Q2 2021
Cash ²	\$297.5	\$170.9	\$143.4	\$140.0
Working Capital ³	274.8	299.8	254.2	264.6
Total Assets	481.6	616.1	769.4	856.0
Total Liabilities	166.5	220.0	368.4	422.5

(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	Q2 2020	Q2 2021
Adjusted EBITDA Reconciliation:					
Net Income (Loss)	\$44,900	\$36,881	\$(67,117)	\$11,431	\$(21,039)
Add (Deduct):					
Interest (Income) Expense	(904)	(5,791)	(5,535)	(1,477)	(642)
Other (Income) Expense, net	(100)	(1,535)	1,593	28	107
Provision (benefit) for Income Taxes	9,813	(6,060)	19,395	(1,484)	(18,777)
Depreciation and Amortization	10,542	16,095	22,562	5,804	6,664
Re-measurement of Preferred Stock Warrant Liability	(10,685)	–	–	–	–
Stock-based Compensation Expense	\$15,403	\$35,256	\$67,530	15,755	24,759
Adjusted EBITDA	\$68,969	\$74,846	\$38,428	\$30,057	\$(8,928)

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RECONCILIATION OF FREE CASH FLOW

FYE JULY ¹

(in thousands)	2018	2019	2020	1H 2020	1H 2021
Free Cash Flow Reconciliation:					
Cash Provided by (Used in) Operating Activities	\$72,178	\$78,594	\$42,877	\$38,242	\$5,666
(Deduct):					
Purchases of Property and Equipment	\$(16,565)	(30,825)	(30,207)	(11,446)	(13,894)
Free Cash Flow	\$55,613	\$47,769	\$12,670	\$26,796	\$(8,228)
Cash Provided by (Used in) Investing Activities	\$(16,565)	\$(225,184)	\$(70,461)	\$(45,601)	\$(6,784)
Cash Provided by (Used in) Financing Activities	\$134,795	\$6,945	\$(1,435)	\$402	\$(3,577)

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