UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 8, 2022

STITCH FIX, INC.

(Exact name of Registrant as Specified in Its Charter)

Commission file number: 001-38291

Delaware

27-5026540

(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

1 Montgomery Street, Suite 1500 San Francisco, California 94104 (Address of principal executive offices and zip code)

(415) 882-7765 (Registrant's Telephone Number, Including Area Code)

Not Applicable (Former Name or Former Address, if Changed Since Last Report)

ollowing provisions (see General Instructions A.2. be	0	y satisfy the fiffing obligation of the registrant under any of the							
Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)									
Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)									
☐ Pre-commencement communications pursua	Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))								
☐ Pre-commencement communications pursua	ant to Rule 13e-4(c) under the	Exchange Act (17 CFR 240.13e-4(c))							
Securities registered pursuant to Section 12(b) of the	Act:								
Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered							
Class A common stock, par value \$0.00002 per share	SFIX	Nasdaq Global Select Market							
ndicate by check mark whether the registrant is an en hapter) or Rule 12b-2 of the Securities Exchange Act	0 00 1 3	fined in Rule 405 of the Securities Act of 1933 (§230.405 of this hapter).							
Emerging growth company \square									
f an emerging growth company, indicate by check ma or revised financial accounting standards provided pur	<u> </u>	not to use the extended transition period for complying with any new Exchange Act. \Box							

Item 2.02 Results of Operations and Financial Condition.

On March 8, 2022, Stitch Fix, Inc. (the "Company") announced its financial results for the second quarter of fiscal year 2022 ended January 29, 2022, by issuing a press release. In the press release, the Company also announced that it is lowering the full year net revenue outlook and withdrawing the full year Adjusted EBITDA outlook it previously issued on December 7, 2021. The Company further announced that it would be holding a conference call on March 8, 2022, at 2:00 p.m Pacific Time to discuss its financial results for the second quarter of fiscal year 2022 ended January 29, 2022. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K (this "Current Report") and incorporated by reference herein.

The information included in Item 2.02 of this Current Report and the exhibits attached hereto are being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any other filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in any such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No. Description

99.1 <u>Earnings Press Release dated March 8, 2022</u>

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Company has duly caused this report to be signed or	on its
behalf by the undersigned hereunto duly authorized.	

Stitch Fix, Inc.

Dated:	March 8, 2022	By:	/s/ Dan Jedda
			Dan Jedda
			Chief Financial Officer



Stitch Fix Announces Second Quarter Fiscal Year 2022 Financial Results

SAN FRANCISCO, March 8, 2022 (GLOBE NEWSWIRE) -- Stitch Fix, Inc. (NASDAQ:SFIX), the leading online personal shopping and styling service, has released its financial results for the second quarter of fiscal year 2022 ended January 29, 2022.

"In Q2, we delivered \$517 million in net revenue, reflecting 3% year-over-year growth. Our revenue per active client topped \$500 for the third quarter in a row, reaching a record \$549, an increase of 18% from the same time last year as a result of higher average order values in our Fix business and the incrementality Freestyle provides to our existing clients," said Elizabeth Spaulding, CEO of Stitch Fix. "While Freestyle revenue grew 29% year on year in the second quarter, we continue to experience challenges with onboarding and conversion of clients, which are not where we want them to be. We remain confident in our long-term strategy, and are resolutely focused on building and enhancing the overall client experience for Fix and Freestyle with an emphasis on growing active clients."

Second Quarter Key Metrics and Financial Highlights

- Net revenue of \$516.7 million, an increase of 3% year over year
- Active clients of 4,019,000, an increase of 146,000 or 4% year over year
- Net revenue per active client (RPAC) of \$549, an increase of 18% year over year
- Net loss of \$30.9 million and diluted loss per share of \$0.28
- Adjusted EBITDA of \$10.1 million

Business Performance

- · Delivered the quarter we largely expected, with modest growth in revenue, as well as ongoing strength in gross margin and adjusted EBITDA
- Observed positive trends in client engagement with RPAC reaching a record high for the third quarter in a row, up 18% from a year ago a result of higher average order values in our Fix business and the incrementality that Freestyle provides to our existing client base
- While Freestyle revenue grew 29% year-over-year, we are observing challenges with onboarding and conversion of clients and are beginning to direct new clients to a clear and easy Fix onboarding path

Financial Outlook

Our financial outlook for the third quarter of fiscal 2022, which ends on April 30, 2022 is as follows:

	Q3'22	
Net Revenue	\$485 million - \$500 million	(10)% - (7)% YoY decline
Adjusted EBITDA	\$(30) million - \$(25) million	(6)% - (5)% margin

Given softness in the number of active clients in the first half of fiscal 2022 and uncertainty in the timing of improvements in conversion, we are lowering the prior full year revenue outlook that we shared on our December 7, 2021 earnings call. For the full fiscal year 2022, which ends on July 30, 2022, we now expect revenue to be flat to slightly down year-over-year. This full year outlook assumes that the number of active clients is flat through the end of the fiscal year. We are actively evaluating our marketing spend as we manage improvements to onboarding and conversion, and therefore, we are withdrawing our previously provided full year adjusted EBITDA outlook at this time.

Conference Call and Webcast Information

Elizabeth Spaulding, Chief Executive Officer of Stitch Fix, and Dan Jedda, Chief Financial Officer of Stitch Fix, will host a conference call at 2:00 p.m. Pacific Time today to discuss the Company's financial results and outlook. A live webcast will be accessible on Stitch Fix's investor relations website at investors.stitchfix.com. Interested parties can also access the call by dialing 800-458-4121 in the U.S. or 720-543-0206 internationally, and entering conference code 9251085.

A telephonic replay will be available through Tuesday, March 15, 2022, at 888-203-1112 or 719-457-0820, passcode 9251085. An archive of the webcast conference call will be available shortly after the call ends at https://investors.stitchfix.com.

About Stitch Fix, Inc.

Stitch Fix is the world's leading online personalized shopping experience. Our unique business model combines the human touch of expert stylists with the precision of advanced data science. Since our founding in 2011, we've served as a trusted style partner to millions of people, helping adults and kids get dressed every day feeling like their best selves. The Stitch Fix team is building a transformative and inclusive ecommerce model, an ecosystem of shopping experiences based on convenience and guided discovery that makes it radically simple and delightful for customers to discover and buy what they love. For more, visit https://www.stitchfix.com.

Forward-Looking Statements

This press release, the related conference call and webcast contain 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 and active clients for the third quarter and full fiscal year of 2022; that we are taking the right steps to become the global leader in personalized styling and shopping; that directing stitchfix.com traffic to a Fix onboarding path will boost Fix client conversion over time; that the learning and experimenting we are engaging in can be optimized and will help build a great customer experience; our efforts in Fix and Freestyle will drive improved client conversion; the opportunity related to our Freestyle offering, including that Freestyle will unlock a much larger total addressable market and is an engine for growth; that Freestyle will provide leverage in our overall margin; that we will be able to create the optimal client experience and conversion paths for new clients; that we are taking the right steps for the future of the business; our advertising and marketing plans, including opening up new marketing channels, increasing marketing spend, and whether our marketing investments will pay off in future quarters; that we are well-positioned to execute against our vision; and that the investments we are making now will allow us to unlock a long-term opportunity presented by Freestyle. 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, 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 30, 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 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. Forwardlooking statements represent our management's beliefs and assumptions only as of the date such statements are made.

Stitch Fix, Inc. Condensed Consolidated Balance Sheets (Unaudited)

(In thousands, except share and per share amounts)

Assert Serent (Comment (Co		January 29, 2022		July 31, 2021	
Cash and cash equivalents \$ 193,878 \$ 129,785 Short-term investments 73,052 101,546 Inventory, net 183,483 212,294 Prepaid expenses and other current assets 33,40 50,522 Income tax receivable 27,624 27,650 Chall current assets 513,452 513,042 Chall current assets 82,122 19,035 Income tax receivable, net of current portion 28,122 29,035 Income tax receivable, net of current portion 21,045 29,035 Property and equipment, net 114,55 28,035 Operating lesse right-of-use assets 81,67 5,752 Other long-term assets 81,67 5,752 Other long-term assets 81,67 5,752 Tablitis 81,67 5,752 Other long-term assets 81,67 5,752 Chromating lesser liabilities 25,716 25,702 Accounts payable \$12,41 9,02 Accument liabilities \$2,61 9,02 Operating lesse liabilities, ant of current	Assets				
Short-term investments 73,052 10,146 Inventory, net 183,458 212,294 Prepaid expenses and other current assets 53,145 50,122 Income tax receivable 27,624 27,667 Total current assets 531,452 521,008 Long-term investments 82,108 29,008 Income tax receivable, net of current portion 27,054 27,054 Property and equipment, net 104,557 6,859 Operating lease right-of-use assets 114,635 118,655 Other long-term assets 80,202 819,105 Operating lease right-of-use assets 81,617 5,732 Total assets 80,802 819,105 Total assets 80,802 819,105 Total assets 80,802 819,105 Total assets 80,202 819,105 Total assets 80,202 819,105 Current liabilities \$2,102 95,021 Accounts payable \$25,106 \$25,022 Accumul liabilities \$2,022 95,021	Current assets:				
Inventory, net 183,48 212,94 Prepaid expense and other current assets 53,40 50,12 Income tax receivable. 27,66 27,66 Total current assets 531,452 521,00 Long-term investments 82,102 50,00 Income tax receivable, net of current portion 10,557 86,959 Operating lease right-of-use assets 114,557 86,959 Other long-term assets 144,561 15,732 Total assets 8,90,240 \$ 819,40 Total assets \$ 893,240 \$ 819,40 Total assets \$ 81,40 \$ 819,40 Total current labilities \$ 124,51 \$ 32,40 Operating lease liabilities \$ 2,60 \$ 25,00 Operating lease liabilities, enclorement portion \$ 13,16 \$ 2,02 Other comparison liabilities \$ 2,02 \$ 3,00 Operating lease liabilities, enclorement port	Cash and cash equivalents	\$ 193,878	\$	129,785	
Prepaid expenses and other current assets 53,440 50,152 Income tax receivable 27,624 27,667 Chal current assets 531,452 221,808 Long-term investments 62,162 50,005 Income tax receivable, net of current portion 27,054 60,005 Property and equipment, net 61,055 6,005 Operating lease right-of-use assets 114,636 118,656 Operating lease right-of-use assets 8,107 5,732 Operating lease right-of-use assets 8,107 5,732 Other long-term assets 8,104 1,105 Other long-term sesses 8,104 5,732 Total assets 8,104 5,732 Cotal assets 8,104 5,732 Accounts payable \$ 24,41 \$ 7,349 Operating lease liabilities 2,671 2,527 Accountil labilities 2,614 9,002 Office and liabilities 2,864 2,027 Operating lease liabilities, en of current portion 4,104 2,104 Operating lease liabilitie	Short-term investments	73,052	2	101,546	
Income tax receivable 27,624 27,607 Total current assets \$31,452 \$21,808 Long-term investments \$20,823 \$20,803 Income tax receivable, net of current portion 27,054 27,054 Property and equipment, net 104,855 6,855 Operating lease right-of-use assets 14,166 15,856 Other long-term assets 8,107 5,722 Total assets 8,107 5,722 Tabilities 8,107 5,724 Tabilities 25,702 7,924 Operating lasse liabilities 25,702 9,002 Operating lease liabilities 95,021 9,002 Office and liabilities 95,021 9,002 Office and liabilities 25,002 9,002 Office and liabilities 25,002 9,002 Other current liabilities 2,002 9,002 Other current liabilities 2,002 9,002 Total current liabilities, net of current portion 8,002 2,002 Operating lasse liabilities, net of current portion	Inventory, net	183,458	3	212,294	
Total current assets 531,452 521,804 Long-term investments 82,162 59,035 Income tax receivable, net of current portion 27,054 27,054 Property and equipment, net 104,557 86,958 Operating lease right-of-use assets 18,163 15,256 Other long-term gastes \$ 88,248 8 181,405 Total assets \$ 89,248 \$ 181,405 Total assets \$ 89,248 \$ 181,405 Accounts garding the see liabilities \$ 124,41 \$ 73,499 Operating lease liabilities 26,761 25,702 Accounts payable \$ 124,41 \$ 9,002 Accounts payable \$ 124,41 \$ 9,002 Account diabilities 26,761 25,702 Account diabilities \$ 13,164 9,902 Operating lease liabilities, net of current portion \$ 13,164 9,902 Total current liabilities \$ 2,664 2,027 Total current liabilities \$ 15,170 2,162 Operating lease liabilities, net of current portion \$ 15,170 2,162	Prepaid expenses and other current assets	53,440)	50,512	
Long-term investments 82,182 59,035 Income tax receivable, net of current portion 27,054 27,054 Property and equipment, net 104,557 8,059 Operating lease right-of-use assets 114,636 118,655 Other long-term assets 8,067 5,732 Total assets 8,062 8,019,109 Total tassets 8,062 8,019,109 Lots bitties and Stockholders' Equity User trainabilities 26,716 27,349 Operating lease liabilities 26,716 29,028 Accounts payable \$ 124,431 \$ 73,499 Operating lease liabilities 95,021 9,028 Accounts payable \$ 26,716 29,028 Account jubilities 13,164 9,902 Account jubilities 2,861 2,022 Total current liabilities 2,861 2,203 Operating lease liabilities, net of current portion 151,704 121,623 Obtal current liabilities 48,11 1	Income tax receivable	27,624	l.	27,667	
Income tax receivable, net of current portion 27,054 27,054 Property and equipment, net 104,557 86,959 Operating lease right-of-use assets 118,565 118,565 Other long-term assets \$ 890,248 \$ 819,149 Total assets \$ 890,248 \$ 819,149 Current liabilities Current liabilities \$ 124,31 \$ 73,499 Operating lease liabilities 26,716 25,702 Accrued liabilities 95,021 99,028 Gift card liabilities 95,021 99,028 Gift card liabilities 13,164 9,903 Operating lease liabilities, net of current portion 13,164 9,903 Operating lease liabilities, net of current portion 2,664 2,027 Total current liabilities 8,821 8,318 Operating lease liabilities, net of current portion 151,704 121,623 Operating lease liabilities, net of current portion 8,821 8,821 Other long-term liabilities 8,821 3,830 Stockholders' equity 1 1	Total current assets	531,452	!	521,804	
Property and equipment, net 104,557 86,958 Operating lease right-of-use assets 114,836 118,565 Other long-term assets 8,167 5,732 Total assets 8,067 \$ 819,148 Libilities and Stockholders' Equity Users Accounts payable \$ 124,431 \$ 73,499 Operating lease liabilities \$ 26,701 25,702 Accrued liabilities 95,021 99,028 Gif card liability 13,164 9,903 Ober end revenue 14,451 18,154 Other current liabilities 2,864 2,802 Other current liabilities 2,864 2,803 Operating lease liabilities, net of current portion 15,170 21,162 Other long-term liabilities 437,162 358,303 Other long-term liabilities 437,162 358,303 Other long-term liabilities 437,162 358,303 Other long-term liabilities 1 1 1 Class A common stock, \$0,00002 par value 1 1	Long-term investments	82,182	2	59,035	
Operating lease right-of-use assets 144,836 118,565 Other long-term assets 8,167 5,732 Total assets 5,892,489 8,19,149 Lisabilities and Stockholders' Equity Urrent liabilities Accounts payable \$ 124,431 \$ 73,499 Operating lease liabilities 55,021 90,028 Gift card liabilities 95,021 90,028 Gift card liabilities 13,164 9,032 Deferred revenue 14,455 18,154 Operating lease liabilities, net of current portion 27,641 22,027 Total current liabilities 15,1704 121,623 Operating lease liabilities, net of current portion 8,211 2,324 Other long-term liabilities 8,221 3,334 Operating lease liabilities, net of current portion 8,221 3,343 Other long-term liabilities 8,221 3,234 Operating lease liabilities, net of current portion 8,221 3,234 Other long-term liabilities 4,322 3,242 Total liabilities	Income tax receivable, net of current portion	27,054	ļ.	27,054	
Other long-term assets 8,167 5,732 Total assets 5,898,248 8,19,149 Lishilities and Stockholders' Equity User at liabilities Security apable \$ 124,431 \$ 73,499 Operating lease liabilities \$ 26,716 25,702 Accounts payable \$ 95,021 99,028 Operating lease liabilities \$ 13,164 9,003 Gift card liability 13,164 9,003 Defered revenue 14,445 18,154 Other current liabilities 2,664 2,022 Total current liabilities, net of current portion 2,664 2,023 Operating lease liabilities, net of current portion 8,261 2,634 Operating lease liabilities 3,821 3,834 Operating lease liabilities 3,821 2,824 Operating lease liabilities 3,821 2,824 Operating lease liabilities 3,821 2,824 Operating lease liabilities 3,821 3,832 Operating lease liabilities 3,822 3,832	Property and equipment, net	104,557	,	86,959	
Total assets \$ 889,248 \$ 819,149 Listilities and Stockholders' Equity Total liabilities Accounts payable \$ 124,41 \$ 73,499 Operating lease liabilities 26,716 25,702 Accrued liabilities 95,021 99,028 Gift card liability 13,164 9,903 Deferred revenue 14,445 18,154 Other current liabilities 2,864 2,023 Total current liabilities 2,864 2,023 Operating lease liabilities, net of current portion 151,704 121,623 Operating lease liabilities, net of current portion 8,821 8,364 Obtail liabilities 437,66 358,304 Total liabilities 437,166 358,304 Total liabilities 437,166 358,304 Total liabilities 1 1 1 Collabilities 40,000 358,304 368,404 368,404 368,404 368,404 368,404 368,404 368,404 368,404 368,404 368,404	Operating lease right-of-use assets	144,836	6	118,565	
Liabilities and Stockholders' Equity Current liabilities: Accounts payable \$ 124,431 \$ 73,499 Operating lease liabilities 26,716 25,702 Accrued liabilities 95,021 99,082 Gift card liability 13,164 9,093 Deferred revenue 14,445 18,154 Other current liabilities 2,664 2,027 Total current liabilities 276,641 228,313 Operating lease liabilities, net of current portion 151,704 121,623 Other long-term liabilities 8,821 8,364 Total liabilities 8,821 8,364 Total liabilities 437,166 358,300 Stockholders' equity: 1 1 Class A common stock, \$0,00002 par value 1 1 Class B common stock, \$0,00002 par value 1 1 Accumulated other comprehensive income 91 3,411 Retained earnings 7,942 40,681 Treasury stock at cost (10,996) Total stockholders' e	Other long-term assets	8,167	,	5,732	
Current liabilities: S 124,43 \$ 73,499 Operating lease liabilities 26,716 25,702 Accrued liabilities 95,021 99,032 Gift card liability 13,164 9,038 Defered revenue 14,445 18,154 Other current liabilities 276,641 228,313 Operating lease liabilities, net of current portion 151,704 121,623 Operating lease liabilities, net of current portion 8,202 8,362 Total liabilities 8,202 8,362 Total liabilities 8,202 8,362 Total liabilities 437,162 358,302 Total liabilities 1 1 Total liabilities 1<	Total assets	\$ 898,246	\$	819,149	
Accounts payable \$ 124,31 \$ 73,499 Operating lease liabilities 26,716 25,702 Accrued liabilities 95,021 99,028 Gift card liability 13,164 9,903 Deferred revenue 14,445 18,154 Other current liabilities 2,864 2,027 Total current liabilities 276,641 228,313 Operating lease liabilities, net of current portion 151,704 121,623 Other long-term liabilities 8,821 8,364 Total liabilities 437,166 358,300 Stockholders' equity: 1 1 Class A common stock, \$0,00002 par value 1 1 Class B common stock, \$0,00002 par value 1 1 Additional paid-in capital 463,143 416,751 Accumulated other comprehensive income 991 3,411 Retained earnings 7,942 4,681 Treasury stock at cost (10,996) - Total stockholders' equity 461,082 460,849	Liabilities and Stockholders' Equity				
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Accrued liabilities 95,021 99,028 Gift card liability 13,164 9,903 Deferred revenue 14,445 18,154 Other current liabilities 2,864 2,027 Total current liabilities 276,641 228,313 Operating lease liabilities, net of current portion 151,704 121,623 Other long-term liabilities 8,821 8,844 Total liabilities 437,166 358,300 Stockholders' equity: 1 1 Class A common stock, \$0.00002 par value 1 1 Class B common stock, \$0.00002 par value 1 1 Additional paid-in capital 463,143 416,755 Accumulated other comprehensive income 991 3,411 Retained earnings 7,942 40,681 Treasury stock at cost (10,996) Total stockholders' equity 461,082 460,849	Accounts payable	\$ 124,433	. \$	73,499	
Gift card liability 13,164 9,903 Deferred revenue 14,445 18,154 Other current liabilities 2,864 2,027 Total current liabilities 276,641 228,313 Operating lease liabilities, net of current portion 151,704 121,623 Other long-term liabilities 8,821 8,364 Total liabilities 437,166 358,300 Stockholders' equity: 1 1 Class A common stock, \$0.00002 par value 1 1 Class B common stock, \$0.00002 par value 1 1 Additional paid-in capital 463,143 416,755 Accumulated other comprehensive income 991 3,411 Retained earnings 7,942 40,681 Treasury stock at cost (10,996) Total stockholders' equity 461,082 460,849	Operating lease liabilities	26,710	5	25,702	
Deferred revenue 14,445 18,154 Other current liabilities 2,864 2,027 Total current liabilities 276,641 228,313 Operating lease liabilities, net of current portion 151,704 121,623 Other long-term liabilities 8,821 8,364 Total liabilities 437,166 358,300 Stockholders' equity: 1 1 Class A common stock, \$0,00002 par value 1 1 Class B common stock, \$0,00002 par value 1 1 Additional paid-in capital 463,143 416,755 Accumulated other comprehensive income 991 3,411 Retained earnings 7,942 40,681 Treasury stock at cost (10,996) Total stockholders' equity 461,082 460,849	Accrued liabilities	95,023		99,028	
Other current liabilities 2,864 2,027 Total current liabilities 276,641 228,313 Operating lease liabilities, net of current portion 151,704 121,623 Other long-term liabilities 8,821 8,364 Total liabilities 437,166 358,300 Stockholders' equity: 1 1 Class A common stock, \$0.00002 par value 1 1 Class B common stock, \$0.00002 par value 1 1 Additional paid-in capital 463,143 416,755 Accumulated other comprehensive income 991 3,411 Retained earnings 7,942 40,681 Treasury stock at cost (10,996) - Total stockholders' equity 461,082 460,849	Gift card liability	13,164	ļ.	9,903	
Total current liabilities 276,641 228,313 Operating lease liabilities, net of current portion 151,704 121,623 Other long-term liabilities 8,821 8,364 Total liabilities 437,166 358,300 Stockholders' equity: 1 1 Class A common stock, \$0.00002 par value 1 1 Class B common stock, \$0.00002 par value 1 1 Additional paid-in capital 463,143 416,755 Accumulated other comprehensive income 991 3,411 Retained earnings 7,942 40,681 Treasury stock at cost (10,996) - Total stockholders' equity 461,082 460,849	Deferred revenue	14,445	;	18,154	
Operating lease liabilities, net of current portion 151,704 121,623 Other long-term liabilities 8,821 8,364 Total liabilities 437,166 358,300 Stockholders' equity:	Other current liabilities	2,864	ļ.	2,027	
Other long-term liabilities 8,821 8,364 Total liabilities 437,166 358,300 Stockholders' equity: Class A common stock, \$0,00002 par value 1 1 Class B common stock, \$0,00002 par value 1 1 Additional paid-in capital 463,143 416,755 Accumulated other comprehensive income 991 3,411 Retained earnings 7,942 40,681 Treasury stock at cost (10,996) - Total stockholders' equity 461,082 460,849	Total current liabilities	276,64		228,313	
Total liabilities 437,166 358,300 Stockholders' equity:	Operating lease liabilities, net of current portion	151,704	ļ	121,623	
Stockholders' equity: Class A common stock, \$0.00002 par value 1 1 Class B common stock, \$0.00002 par value 1 1 1 Additional paid-in capital 463,143 416,755 Accumulated other comprehensive income 991 3,411 Retained earnings 7,942 40,681 Treasury stock at cost (10,996) - Total stockholders' equity 461,082 460,849	Other long-term liabilities	8,82	<u>. </u>	8,364	
Class A common stock, \$0.00002 par value 1 1 Class B common stock, \$0.00002 par value 1 1 Additional paid-in capital 463,143 416,755 Accumulated other comprehensive income 991 3,411 Retained earnings 7,942 40,681 Treasury stock at cost (10,996) - Total stockholders' equity 461,082 460,849	Total liabilities	437,160	5	358,300	
Class B common stock, \$0.00002 par value 1 1 Additional paid-in capital 463,143 416,755 Accumulated other comprehensive income 991 3,411 Retained earnings 7,942 40,681 Treasury stock at cost (10,996) - Total stockholders' equity 461,082 460,849					
Additional paid-in capital 463,143 416,755 Accumulated other comprehensive income 991 3,411 Retained earnings 7,942 40,681 Treasury stock at cost (10,996) - Total stockholders' equity 461,082 460,849	Class A common stock, \$0.00002 par value	:		1	
Accumulated other comprehensive income 991 3,411 Retained earnings 7,942 40,681 Treasury stock at cost (10,996) — Total stockholders' equity 461,082 460,849	Class B common stock, \$0.00002 par value			1	
Retained earnings 7,942 40,681 Treasury stock at cost (10,996) — Total stockholders' equity 461,082 460,849	Additional paid-in capital	463,143	3	416,755	
Treasury stock at cost (10,996) — Total stockholders' equity 461,082 460,849	Accumulated other comprehensive income	99:		3,411	
Total stockholders' equity 461,082 460,849	Retained earnings	7,942	!	40,681	
	Treasury stock at cost	(10,996)	_	
Total liabilities and stockholders' equity \$ 898,248 \$ 819,149	Total stockholders' equity	461,082	!	460,849	
	Total liabilities and stockholders' equity	\$ 898,248	\$	819,149	

Stitch Fix, Inc. Condensed Consolidated Statements of Operations and Comprehensive Loss (Unaudited)

(In thousands, except share and per share amounts)

(in thousands, except si	iure u	•		,				
		For the Three	-		For the Six Months Ended			
	Jai	nuary 29, 2022		January 30, 2021		January 29, 2022		January 30, 2021
Revenue, net	\$	516,724	\$	504,087	\$	1,097,968	\$	994,510
Cost of goods sold		283,920		287,744		592,247		558,716
Gross profit	_	232,804		216,343		505,721		435,794
Selling, general, and administrative expenses		263,502		256,694		538,269		495,678
Operating loss		(30,698)		(40,351)		(32,548)		(59,884)
Interest income		171		642		505		1,803
Other expense, net		(45)		(107)		(154)		(312)
Loss before income taxes		(30,572)		(39,816)		(32,197)		(58,393)
Provision (benefit) for income taxes		340		(18,777)		542		(46,895)
Net loss	\$	(30,912)	\$	(21,039)	\$	(32,739)	\$	(11,498)
Other comprehensive loss:								
Change in unrealized gain (loss) on available-for-sale securities, net of tax		(654)		(388)		(969)		(1,051)
Foreign currency translation		(848)		1,929		(1,451)		1,591
Total other comprehensive income, net of tax		(1,502)		1,541		(2,420)		540
Comprehensive loss	\$	(32,414)	\$	(19,498)	\$	(35,159)	\$	(10,958)
Net loss attributable to common stockholders:								
Basic	\$	(30,912)	\$	(21,039)	\$	(32,739)	\$	(11,498)
Diluted	\$	(30,912)	\$	(21,039)	\$	(32,739)	\$	(11,498)
Loss per share attributable to common stockholders:								
Basic	\$	(0.28)	\$	(0.20)	\$	(0.30)	\$	(0.11)
Diluted	\$	(0.28)	\$	(0.20)	\$	(0.30)	\$	(0.11)
Weighted-average shares used to compute loss per share attributable to common stockholders:								
Basic		109,178,086		105,544,515		108,776,998	_	104,840,283
Diluted		109,178,086		105,544,515		108,776,998		104,840,283
			_		_		_	

Stitch Fix, Inc. Condensed Consolidated Statements of Cash Flow (Unaudited)

(In thousands)

Cash Flows from Operating Activities Journal 19,000 (al. 1900)	(For the Six Months Ended			
Not loss \$ (2),000 \$ (1),000 Adjustments to reconcile net income (loss) to net cash provided by operating activities: Secondary (1),000 \$ (2),000 \$		Janu				
Adjustments to reconcile net income (loss) to net cash provided by operating activities: 4 <t< th=""><th>Cash Flows from Operating Activities</th><th></th><th>,,,</th><th></th></t<>	Cash Flows from Operating Activities		,,,			
Change in inventory reserves 445 4,619 Stock-based compensation expense 6,713 4,684 Depreciation, and carcetion 17,374 14,206 Other 7 2,144 Change in operating asserts and liabilities: 2,000 6,000 Inventory 28,100 6,000 Peppaid expenses and other asserts 4,35 6,153 Income tax receivables 4,35 7,03 Income tax receivables 4,455 7,03 Accrounts payable 4,455 7,03 Accrount liabilities 4,267 3,363 Deferred revenue 3,261 3,606 Gift card liability 3,261 3,606 Other liabilities 1,29 3,50 Ruck cash provided by operating activities 2,00 3,60 Other liabilities 4,00 3,60 Sales of securities available-for-sale 3,00 1,13,44 Such seas of securities available-for-sale 7,53 1,25 Sales of securities available-for-sale 2,03 2,23 <	Net loss	\$	(32,739)	\$ (11,498)		
Stock-based compensation expense 64,713 44,884 Depreciation, amortization, and accretion 12,30 12,30 Change in operating assets and liabilities: 32,00 60,204 Inventory 28,00 60,204 Prepaid expenses and other assets (5,75) 5,254 Income tax receivables 485 (793 Operating lease right-of-use assets and liabilities 4,855 (793 Accounts payable 11,261 33,763 Accrued liabilities (3,699) 1,848 Offit card liability 3,261 3,699 Other liabilities 12,493 2,514 Offit card liability 3,261 3,699 Other liabilities 1,293 2,556 Cast Flows from Investing Activities (3,099) 1,136 Purchases of property and equipment (30,00) 1,384 Purchases of securities available-for-sale 4,09 29,317 Maturities of securities available-for-sale 7,50 9,24 Abustines of securities available-for-sale 2,50 9,24 <t< td=""><td>Adjustments to reconcile net income (loss) to net cash provided by operating activities:</td><td></td><td></td><td></td></t<>	Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Depreciation, amortization, and accretion 17,304 14,206 Other 7 214 Change in operating asserts and liabilities: 28,100 (6,024 Inventory 28,100 (6,024 Prepaid expenses and other asserts (5,755) 2,524 Income tax receivables 4,855 (793) Accounts payable 4,855 (793) Accounts payable (4,267) 38,733 Accound liabilities (4,267) 38,733 Deterned revenue (3,699) 1,848 Gift card liabilities 3,261 3,669 Other liabilities 3,261 3,699 Purchase of property and equipment 3,090 1,184 Purchase of property and equipment devex	Change in inventory reserves		445	4,619		
Other 7 214 Change in operating assets and liabilities: 8 6 7 3 6 6 7 3 6 7 3 6 7 3 6 7 3 6 7 3 6 7 3 6 7 3 6 7 3 6 7 3 6 7 3 6 3 6 9 3 6 9 3 6 9 3 6 9 9 9 9 9 9 9 9 9 9 9 9 9 <th< td=""><td>Stock-based compensation expense</td><td></td><td>64,713</td><td>44,684</td></th<>	Stock-based compensation expense		64,713	44,684		
Change in operating assets and liabilities: 5 In wentory 28,00 (6,024) Prepaid expenses and other assets (5,75) 2,524 Income tax receivables 4,855 (793) Operating lease right-of-use assets and liabilities 4,855 (793) Accound liabilities (4,267) 38,633 Deferred revenue (3,699) 1,848 Girl card liability 3,261 3,690 Other liabilities 1,293 5,666 Other liabilities 1,293 5,666 Cash Flows from Investing Activities 1,293 1,369 Purchases of property and equipment (30,90) (13,894) Purchases of securities available-for-sale (7,532) (12,646) Sales of securities available-for-sale 4,60 9,033 Net cash used in investing activities 2,033 6,784 Cash Flows from Financing Activites 2,033 6,784 Porceeds from Financing Activities 4,03 6,033 6,784 Payments for tax withholdings related to vesting of restricted stockunits 4,03<	Depreciation, amortization, and accretion		17,374	14,206		
Inventory	Other		7	214		
Inventory	Change in operating assets and liabilities:					
Income tax receivables			28,100	(62,024)		
Operating lease right-of-use assets and liabilities 4,855 (793) Accounts payable 51,296 11,261 Accruel liabilities (4,627) 38,763 Deferred revenue (3,699) 1,884 Gift card liability 3,261 3,699 Other liabilities 12,932 5,666 Cash provided by operating activities 124,932 5,666 Cash Flows from Investing Activities 30,900 (13,894) Purchase of property and equipment (30,900) (13,894) Purchase of securities available-for-sale 4,690 29,317 Muturities of securities available-for-sale 7,753 (112,646 Sales of securities available-for-sale 4,690 29,317 Muturities of securities available-for-sale 2,053 6,784 Sale so from financing activities 2,053 6,784 Post of securities available-for-sale 2,053 6,784 Payments for transiting activities 2,033 6,784 Payments for transiting activities 2,033 6,784 Repurchase of south weaked in investing	Prepaid expenses and other assets		(5,755)	2,524		
Accounts payable 51,296 11,261 Accrued liabilities (4,267) 38,63 Deferred revenue (3,699) 1,848 Gift card liability 3,261 3,669 Other liabilities 12,932 5,666 Other liabilities 12,932 5,666 Cast Flows from Investing Activities 12,932 6,666 Cast Flows from Investing Activities (30,900) (13,894) Purchases of securities available-for-sale (77,532) (12,646) Sales of securities available-for-sale 76,09 9,439 Mutrities of securities available-for-sale (76,09) 9,439 Net cash used in investing activities (75,332) (67,894) Proceeds from the exercise of stock options, net 1,365 20,539 Payments for tax withholdings related to vesting of restricted stock units (23,372) (24,116 Repurchase of common stock (9,996) Net cash used in financing activities (3,097) (3,537) Kein crease (decrease) in cash and cash equivalents (3,057) (3,537) <t< td=""><td>Income tax receivables</td><td></td><td>43</td><td>(44,154)</td></t<>	Income tax receivables		43	(44,154)		
Accrued liabilities (4,267) 38,636 Deferred revenue (3,699) 1,884 Gift card liability 3,661 3,669 Other liabilities 1,293 2,311 Net cash provided by operating activities 124,932 5,666 Cash Flows from Investing Activities 30,909 (13,894) Purchases of property and equipment (30,900) (13,894) Purchases of securities available-for-sale (30,900) (13,694) Sales of securities available-for-sale 4,609 29,317 Meturities of securities available-for-sale 6,610 90,439 Net cash univesting activities (27,532) (12,646 Sales of securities available-for-sale 4,690 29,317 Maturities of securities available-for-sale 7,610 9,043 Net cash univesting activities 1,365 2,053 Net cash univesting activities 1,365 2,053 Repurchase of common stock 1,365 2,053 Repurchase of common stock 6,295 4,695 Effect of exchange rate changes on cash	Operating lease right-of-use assets and liabilities		4,855	(793)		
Deferred revenue (3.69) 1.884 Gift card liability 3.661 3.669 Other liabilities 12.93 5.666 Net cash provided by operating activities 124.93 5.666 Cash Flows from Investing Activities 30.900 (13.894) Purchases of property and equipment 30.900 (13.894) Sules of securities available-for-sale 76.90 29.317 Mutrities of securities available-for-sale 76.90 90.439 Net cash used in investing activities 26.30 6.784 Cash Flows from Financing Activities 13.65 20.539 Payments for tax withholdings related to vesting of restricted stock units 13.65 20.539 Repurchase of common stock 23.37 24.116 Repurchase (decrease) in cash and cash equivalents 36.20 3.577 Net cash used in financing activities 36.20 3.577 Seit increase (decrease) in cash and cash equivalents 12.96 4.065 Effect of exchanges and cash equivalents at beginning of period 12.97 4.1455 Cash and cash equivalents at end of period <td< td=""><td>Accounts payable</td><td></td><td>51,296</td><td>11,261</td></td<>	Accounts payable		51,296	11,261		
Gift card liability 3,66 3,669 Other liabilities 1,298 2,311 Net cash provided by operating activities 12,932 5,666 Cash Flows from Investing Activities Purchases of property and equipment (30,900) (13,894) Purchases of securities available-for-sale (30,900) (12,646) Sales of securities available-for-sale 4,600 29,317 Muturities of securities available-for-sale 76,100 90,439 Net cash used in investing activities (2,533) (6,784 Cash Flows from Financing Activities 2 2,533 Proceeds from the exercise of stock options, net 1,365 20,539 Rayments for tax withholdings related to vesting of restricted stock units (2,937) - Repurchase of common stock (9,996) - - Net cash used in financing activities 32,003 3,357 Net cash used in financing activities (2,996) - - Effect of exchange rate changes on cash (2,996) - - Ost cash and cash equivalents at be eginning of period <td>Accrued liabilities</td> <td></td> <td>(4,267)</td> <td>38,763</td>	Accrued liabilities		(4,267)	38,763		
Other liabilities 1,298 2,311 Ret cash provided by operating activities 124,93 5,666 Cash Flows from Investing Activities Urchases of property and equipment (30,900) (13,894) Purchases of securities available-for-sale (70,522) (112,646) Sales of securities available-for-sale 4,690 29,317 Mutities of securities available-for-sale 76,100 90,439 Net cash used in investing activities 76,100 90,439 Net cash used in investing activities 1,365 20,539 Poceeds from the exercise of stock options, net 1,365 20,539 Payments for tax withholdings related to vesting of restricted stock units 1,365 20,539 Repurchase of common stock 1,365 20,539 Pot cash used in financing activities 1,365 20,539 Ret cash quivalent act changes on cash 1,203 3,277 Ret cash quivalents at beginning of period 1,203 1,243 Cash and cash equivalents at end of period 2,372 2,372 Cash paid for income taxes 3,30 3,20	Deferred revenue		(3,699)	1,884		
Net cash provided by operating activities 124,932 5,666 Cash Flows from Investing Activities 30,090 (13,894) Purchases of property and equipment (30,900) (13,694) Purchases of securities available-for-sale (7,503) (29,317) Adminities of securities available-for-sale 76,100 90,439 Net cash used in investing activities 76,100 90,439 Pocease from the exercise of stock options, net 1,365 20,539 Payments for tax withholdings related to vesting of restricted stock units (23,372) (24,116 Repurchase of common stock 9,996 Net cash used in financing activities 32,003 3,577 Net increase (decrease) in cash and cash equivalents 32,003 3,577 Net cash used in financing activities 1,203 1,215 Cash and cash equivalents at beginning of period 1,203 1,215 Cash and cash equivalents at end of period 1,203 1,215 Cash and cash equivalents at end of period 1,203 1,215 Cash paid for income taxes 1,203 1,215 Cas	Gift card liability		3,261	3,669		
Cash Flows from Investing Activities Purchases of property and equipment (30,900) (13,894) Purchases of securities available-for-sale (77,532) (112,646) Sales of securities available-for-sale 4,690 29,317 Maturities of securities available-for-sale (27,633) (6,784) Net cash used in investing activities (27,633) (6,784) Cash Flows from Financing Activities 1,365 20,539 Payments for tax withholdings related to vesting of restricted stock units (23,372) (24,116) Repurchase of common stock (996) — Net cash used in financing activities (32,003) 3,577 Net cash used in financing activities (32,003) 1,271 Cash and cash equivalents at beginning of period 129,785 143,455 Cash and cash equivalents at end of period 5 13,805 2,272 Supplemental Disclosure <	Other liabilities		1,298	2,311		
Purchases of property and equipment (30,900) (13,844) Purchases of securities available-for-sale (77,532) (112,646) Sales of securities available-for-sale 4,690 29,317 Maturities of securities available-for-sale 76,109 90,338 Net cash used in investing activities (27,633) (6,784) Cash Flows from Financing Activities Proceeds from the exercise of stock options, net 1,365 20,339 Payments for tax withholdings related to vesting of restricted stock units (23,372) (24,116) Repurchase of common stock (9,996) — Net cash used in financing activities 32,003 3,577 Net increase (decrease) in cash and cash equivalents 5,296 4,695 Effect of exchange rate changes on cash 1,203 1,271 Cash and cash equivalents at beginning of period 129,785 143,655 Cash and cash equivalents at end of period 129,785 143,055 Cash and cash equivalents at end of period 5 389 2,27 Supplemental Disclosure \$ 389 2,27	Net cash provided by operating activities		124,932	5,666		
Purchases of securities available-for-sale (77,532) (112,646) Sales of securities available-for-sale 4,690 29,317 Maturities of securities available-for-sale 76,109 90,439 Net cash used in investing activities (27,633) (6,784) Cash Flows from Financing Activities Proceeds from the exercise of stock options, net 1,365 20,539 Payments for tax withholdings related to vesting of restricted stock units (23,372) (24,116 Repurchase of common stock (9,996) — Net cash used in financing activities (32,003) (3,577) Net increase (decrease) in cash and cash equivalents (5,996) — Let increase (decrease) in cash and cash equivalents (5,996) — Cash and cash equivalents at beginning of period 129,785 143,655 Cash and cash equivalents at end of period 129,785 143,655 Supplemental Disclosure \$ 389 227 Supplemental Disclosure of Non-Cash Investing and Financing Activities \$ 3,040 \$ 5,530 Capitalized stock-based compensation \$ 3,040 \$ 5,530	Cash Flows from Investing Activities					
Sales of securities available-for-sale 4,690 29,317 Maturities of securities available-for-sale 76,109 90,439 Net cash used in investing activities (27,633) (6,784) Cash Flows from Financing Activities Proceeds from the exercise of stock options, net 1,365 20,539 Payments for tax withholdings related to vesting of restricted stock units (23,372) (24,116) Repurchase of common stock (9,996) — Net cash used in financing activities 32,003 3,577 Net increase (decrease) in cash and cash equivalents 65,296 (4,695) Effect of exchange rate changes on cash (1,203) 1,271 Cash and cash equivalents at beginning of period 129,785 143,455 Cash and cash equivalents at end of period \$ 193,878 \$ 140,031 Supplemental Disclosure Cash paid for income taxes \$ 389 \$ 2,272 Supplemental Disclosure of Non-Cash Investing and Financing Activities: \$ 3,040 \$ 5,530 Capitalized stock-based compensation \$ 3,682 \$ 3,538	Purchases of property and equipment		(30,900)	(13,894)		
Maturities of securities available-for-sale 76,109 90,439 Net cash used in investing activities (27,633) (6,784) Cash Flows from Financing Activities 3,365 20,539 Proceeds from the exercise of stock options, net 1,365 20,539 Payments for tax withholdings related to vesting of restricted stock units (23,372) (24,116) Repurchase of common stock (9,996) — Net cash used in financing activities 32,003 (3,577) Net increase (decrease) in cash and cash equivalents 65,296 (4,695) Effect of exchange rate changes on cash (1,203) 1,271 Cash and cash equivalents at beginning of period 129,785 143,455 Cash and cash equivalents at end of period 129,785 143,455 Cash paid for income taxes 389 20,003 Supplemental Disclosure Cash paid for income taxes 389 20,003 Supplemental Disclosure of Non-Cash Investing and Financing Activities: 3,040 5,530 Capitalized stock-based compensation 5,368 5,368 5,530	Purchases of securities available-for-sale		(77,532)	(112,646)		
Net cash used in investing activities (27,633) (6,784) Cash Flows from Financing Activities Use of sport of the exercise of stock options, net 1,365 20,539 Payments for tax withholdings related to vesting of restricted stock units (23,372) (24,116) Repurchase of common stock (9,996) — Net cash used in financing activities (32,003) (3,577) Net increase (decrease) in cash and cash equivalents 65,296 (4,695) Effect of exchange rate changes on cash (1,203) 1,271 Cash and cash equivalents at beginning of period 129,785 143,455 Cash and cash equivalents at end of period \$ 193,878 140,031 Supplemental Disclosure Cash paid for income taxes \$ 389 227 Supplemental Disclosure of Non-Cash Investing and Financing Activities: Purchases of property and equipment included in accounts payable and accrued liabilities \$ 3,040 5,530 Capitalized stock-based compensation \$ 3,682 2,348	Sales of securities available-for-sale		4,690	29,317		
Cash Flows from Financing Activities Proceeds from the exercise of stock options, net 1,365 20,539 Payments for tax withholdings related to vesting of restricted stock units (23,372) (24,116 Repurchase of common stock (9,996) — Net cash used in financing activities (32,003) (3,577) Net increase (decrease) in cash and cash equivalents 65,296 (4,695) Effect of exchange rate changes on cash (1,203) 1,271 Cash and cash equivalents at beginning of period 129,785 143,455 Cash and cash equivalents at end of period \$ 193,878 140,031 Supplemental Disclosure Cash paid for income taxes \$ 389 227 Supplemental Disclosure of Non-Cash Investing and Financing Activities \$ 3,040 5,530 Capitalized stock-based compensation \$ 3,682 2,348	Maturities of securities available-for-sale		76,109	90,439		
Proceeds from the exercise of stock options, net 1,365 20,539 Payments for tax withholdings related to vesting of restricted stock units Repurchase of common stock (9,996) — Net cash used in financing activities Net increase (decrease) in cash and cash equivalents Effect of exchange rate changes on cash Cash and cash equivalents at beginning of period Cash and cash equivalents at beginning of period Cash and cash equivalents at end of period Supplemental Disclosure Cash paid for income taxes Supplemental Disclosure of Non-Cash Investing and Financing Activities: Purchases of property and equipment included in accounts payable and accrued liabilities Sapitalized stock-based compensation 1,365 20,348 2,438 2,539 2,438	Net cash used in investing activities		(27,633)	(6,784)		
Payments for tax withholdings related to vesting of restricted stock units(23,372)(24,116)Repurchase of common stock(9,996)—Net cash used in financing activities(32,003)(3,577)Net increase (decrease) in cash and cash equivalents65,296(4,695)Effect of exchange rate changes on cash(1,203)1,271Cash and cash equivalents at beginning of period129,785143,455Cash and cash equivalents at end of period\$ 193,878\$ 140,031Supplemental DisclosureCash paid for income taxes\$ 389\$ 227Supplemental Disclosure of Non-Cash Investing and Financing Activities:Purchases of property and equipment included in accounts payable and accrued liabilities\$ 3,0405,530Capitalized stock-based compensation\$ 3,682\$ 2,348	Cash Flows from Financing Activities					
Repurchase of common stock (9,996) — Net cash used in financing activities (32,003) (3,577) Net increase (decrease) in cash and cash equivalents (65,296) (4,695) Effect of exchange rate changes on cash (1,203) 1,271 Cash and cash equivalents at beginning of period 129,785 143,455 Cash and cash equivalents at end of period 193,878 140,031 Supplemental Disclosure Cash paid for income taxes \$ 389 \$ 227 Supplemental Disclosure of Non-Cash Investing and Financing Activities: Purchases of property and equipment included in accounts payable and accrued liabilities \$ 3,040 \$ 5,530 Capitalized stock-based compensation \$ 3,682 \$ 2,348	Proceeds from the exercise of stock options, net		1,365	20,539		
Net cash used in financing activities (32,003) (3,577) Net increase (decrease) in cash and cash equivalents (65,296) (4,695) Effect of exchange rate changes on cash (1,203) 1,271 Cash and cash equivalents at beginning of period 129,785 143,455 Cash and cash equivalents at end of period \$ 193,878 \$ 140,031 Supplemental Disclosure Cash paid for income taxes \$ 389 \$ 227 Supplemental Disclosure of Non-Cash Investing and Financing Activities: Purchases of property and equipment included in accounts payable and accrued liabilities \$ 3,040 \$ 5,530 Capitalized stock-based compensation \$ 3,682 \$ 2,348	Payments for tax withholdings related to vesting of restricted stock units		(23,372)	(24,116)		
Net increase (decrease) in cash and cash equivalents Effect of exchange rate changes on cash Cash and cash equivalents at beginning of period Cash and cash equivalents at beginning of period Cash and cash equivalents at end of period Supplemental Disclosure Cash paid for income taxes Supplemental Disclosure of Non-Cash Investing and Financing Activities: Purchases of property and equipment included in accounts payable and accrued liabilities Sapitalized stock-based compensation Signal (4.695) (4.695) (4.695) (4.695) (5.236) (5.237) (5.250) (5.250) (5.250) (6.95) (7.203)	Repurchase of common stock		(9,996)	_		
Effect of exchange rate changes on cash(1,203)1,271Cash and cash equivalents at beginning of period129,785143,455Cash and cash equivalents at end of period\$ 193,878\$ 140,031Supplemental DisclosureCash paid for income taxes\$ 389227Supplemental Disclosure of Non-Cash Investing and Financing Activities:Purchases of property and equipment included in accounts payable and accrued liabilities\$ 3,040\$ 5,530Capitalized stock-based compensation\$ 3,682\$ 2,348	Net cash used in financing activities		(32,003)	(3,577)		
Effect of exchange rate changes on cash(1,203)1,271Cash and cash equivalents at beginning of period129,785143,455Cash and cash equivalents at end of period\$ 193,878\$ 140,031Supplemental DisclosureCash paid for income taxes\$ 389227Supplemental Disclosure of Non-Cash Investing and Financing Activities:Purchases of property and equipment included in accounts payable and accrued liabilities\$ 3,040\$ 5,530Capitalized stock-based compensation\$ 3,682\$ 2,348	Net increase (decrease) in cash and cash equivalents		65,296	(4,695)		
Cash and cash equivalents at end of period \$ 193,878 \$ 140,031 Supplemental Disclosure Cash paid for income taxes \$ 389 \$ 227 Supplemental Disclosure of Non-Cash Investing and Financing Activities: Purchases of property and equipment included in accounts payable and accrued liabilities \$ 3,040 \$ 5,530 Capitalized stock-based compensation \$ 3,682 \$ 2,348	Effect of exchange rate changes on cash		(1,203)	1,271		
Supplemental Disclosure Cash paid for income taxes Supplemental Disclosure of Non-Cash Investing and Financing Activities: Purchases of property and equipment included in accounts payable and accrued liabilities Signature of Non-Cash Investing and Financing Activities: Purchases of property and equipment included in accounts payable and accrued liabilities Signature of Non-Cash Investing and Financing Activities: Purchases of property and equipment included in accounts payable and accrued liabilities Signature of Non-Cash Investing and Financing Activities: 2 3,040 Signature of Non-Cash Investing and Financing Activities: Purchases of property and equipment included in accounts payable and accrued liabilities Signature of Non-Cash Investing and Financing Activities:	Cash and cash equivalents at beginning of period		129,785	143,455		
Cash paid for income taxes \$ 389 \$ 227 Supplemental Disclosure of Non-Cash Investing and Financing Activities: Purchases of property and equipment included in accounts payable and accrued liabilities \$ 3,040 \$ 5,530 Capitalized stock-based compensation \$ 3,682 \$ 2,348	Cash and cash equivalents at end of period	\$	193,878	\$ 140,031		
Supplemental Disclosure of Non-Cash Investing and Financing Activities: Purchases of property and equipment included in accounts payable and accrued liabilities Capitalized stock-based compensation \$ 3,642 \$ 5,530 \$ 2,348	Supplemental Disclosure					
Purchases of property and equipment included in accounts payable and accrued liabilities \$ 3,040 \$ 5,530 Capitalized stock-based compensation \$ 3,682 \$ 2,348	Cash paid for income taxes	\$	389	\$ 227		
Purchases of property and equipment included in accounts payable and accrued liabilities \$ 3,040 \$ 5,530 Capitalized stock-based compensation \$ 3,682 \$ 2,348	Supplemental Disclosure of Non-Cash Investing and Financing Activities:					
Capitalized stock-based compensation \$ 3,682 \$ 2,348	Purchases of property and equipment included in accounts payable and accrued liabilities		3,040	\$ 5,530		
	Capitalized stock-based compensation	\$	3,682	\$ 2,348		
	Repurchase of common stock included in accrued liabilities	\$	1,000	\$		

Non-GAAP Financial Measures

We report our financial results in accordance with generally accepted accounting principles in the United States ("GAAP"). However, management believes that certain non-GAAP financial measures provide users of our financial information with additional useful information in evaluating our performance. We believe that adjusted EBITDA is frequently used by investors and securities analysts in their evaluations of companies, and that this supplemental measure facilitates comparisons between companies. We believe free cash flow is an important metric because it represents a measure of how much cash from operations we have available for discretionary and non-discretionary items after the deduction of capital expenditures. These non-GAAP financial measures may be different than similarly titled measures used by other companies.

Our non-GAAP financial measures should not be considered in isolation from, or as substitutes for, financial information prepared in accordance with GAAP. There are several limitations related to the use of our non-GAAP financial measures as compared to the closest comparable GAAP measures. Some of these limitations include:

- adjusted EBITDA excludes interest income and other expense, net, as these items are not components of our core business;
- adjusted EBITDA does not reflect our tax provision (benefit), which may increase or decrease cash available to us;
- adjusted EBITDA excludes the recurring, non-cash expenses of depreciation and amortization of property and equipment and, although these are non-cash expenses, the assets being depreciated and amortized may have to be replaced in the future;
- adjusted EBITDA excludes the non-cash expense of stock-based compensation, which has been, and will continue to be for the foreseeable future,
 an important part of how we attract and retain our employees and a significant recurring expense in our business; and
- free cash flow does not represent the total residual cash flow available for discretionary purposes and does not reflect our future contractual commitments.

Adjusted EBITDA

We define adjusted EBITDA as net income (loss) excluding interest income, other expense, net, provision (benefit) for income taxes, depreciation and amortization, and stock-based compensation expense. The following table presents a reconciliation of net income (loss), the most comparable GAAP financial measure, to adjusted EBITDA for each of the periods presented:

	F	For the Three Months Ended			For the Six Months Ended		
(in thousands)	Januar	y 29, 2022	January 30, 2021	J	January 29, 2022	·	January 30, 2021
Net loss	\$	(30,912)	\$ (21,039)	\$	(32,739)	\$	(11,498)
Add (deduct):							
Interest income		(171)	(642)		(505)		(1,803)
Other expense, net		45	107		154		312
Provision (benefit) for income taxes		340	(18,777)		542		(46,895)
Depreciation and amortization		8,439	6,664		16,179		13,123
Stock-based compensation expense		32,390	24,759		64,713		44,684
Adjusted EBITDA	\$	10,131	\$ (8,928)	\$	48,344	\$	(2,077)
						_	

Free Cash Flow

We define free cash flow as cash flows provided by operating activities reduced by purchases of property and equipment that are included in cash flows provided by (used in) investing activities. The following table presents a reconciliation of cash flows provided by operating activities, the most comparable GAAP financial measure, to free cash flow for each of the periods presented:

	For the	For the Six Months Ended				
(in thousands)	January 29, 20	22	January 30, 2021			
Free cash flow reconciliation:						
Cash flows provided by operating activities	\$ 124	,932 \$	5,666			
Deduct:						
Purchases of property and equipment	(30	,900)	(13,894)			
Free cash flow	\$ 94	,032 \$	(8,228)			
Cash flows used in investing activities	\$ (27	,633) \$	(6,784)			
Cash flows used in financing activities	\$ (32	,003) \$	(3,577)			

Operating Metrics

	Januar	y 29, 2022	October 30, 2021	July 31, 2021	May 1, 2021	January 30, 2021
Active clients (in thousands)		4,019	4,180	4,165	4,107	3,873
Net revenue per active client	\$	549 \$	524	\$ 505	\$ 481	\$ 467

Active Clients

We define an active client 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 she indicates what items she is keeping through our mobile application or on our website. We consider each Men's, Women's, or Kids account as a client, even if they share the same household.

Net Revenue per Active Client

We calculate net revenue per active client 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.

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