

STITCH FIX

NASDAQ: SFIX

March 4, 2024

SAFE HARBOR STATEMENT

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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 metrics for the third quarter and full fiscal year of 2024; that the execution of our strategy and priorities will enable us to achieve long term, sustainable, and profitable growth and positive free cash flow; our ability to strengthen the foundation of our business across all disciplines and embed retail best practices across the enterprise; that the re-imagining the client experience will help us attract and engage the right customers, drive higher lifetime value, and will lead to long-term growth; that our initiatives to strengthen the foundation of our business will provide the opportunity for us to realize additional efficiencies in our operations; our ability to further strengthen our private brand portfolio by making enhancements to our existing brands and introducing new ones; our ability to introduce a new onboarding experience that will be a more dynamic and interactive way for clients to begin their relationship with us; our ability to deepen engagement by developing new ways to inspire and empower clients and by enabling more direct ways to connect with our stylists; our ability to achieve our plans to significantly evolve the Stitch Fix client experience; that actions we took in the second quarter, include negotiating cost savings throughout our business, optimizing our carrier mix, implementing efficiency measures, and ensuring we have the right organizational structure in place, will enable our future success; that there are additional opportunities for us to operate more efficiently and drive more leverage in both our fixed and variable cost structures; and our expectations regarding free cash flow, gross margin, inventory levels, and advertising spend. These statements involve substantial risks and uncertainties, including risks and uncertainties related to the current macroeconomic environment; 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; our ability to forecast our future operating results; 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 July 29, 2023. 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.

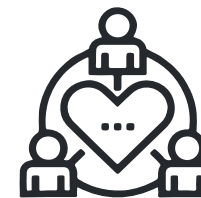
This presentation contains statistical data, estimates, and forecasts that are based on independent industry publications, or other publicly available information, as well as other information based on the Company's internal sources. Information on the U.S. and/or UK apparel, footwear and apparel accessories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



Founded in 2011
HQ in San Francisco



Advanced data science

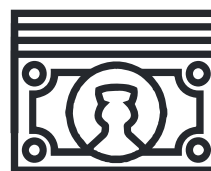


Culture of teamwork, creativity,
data and diversity

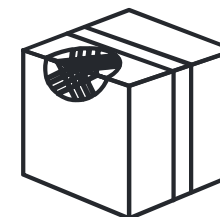
THE RETAIL LEADER IN PERSONAL STYLING



2.8M active clients¹



LTM Revenue²: \$1.4B
LTM Adj. EBITDA³: \$39.4M



\$230M cash and investments⁴

Note: Figures reflect continuing operations as of January 27, 2024

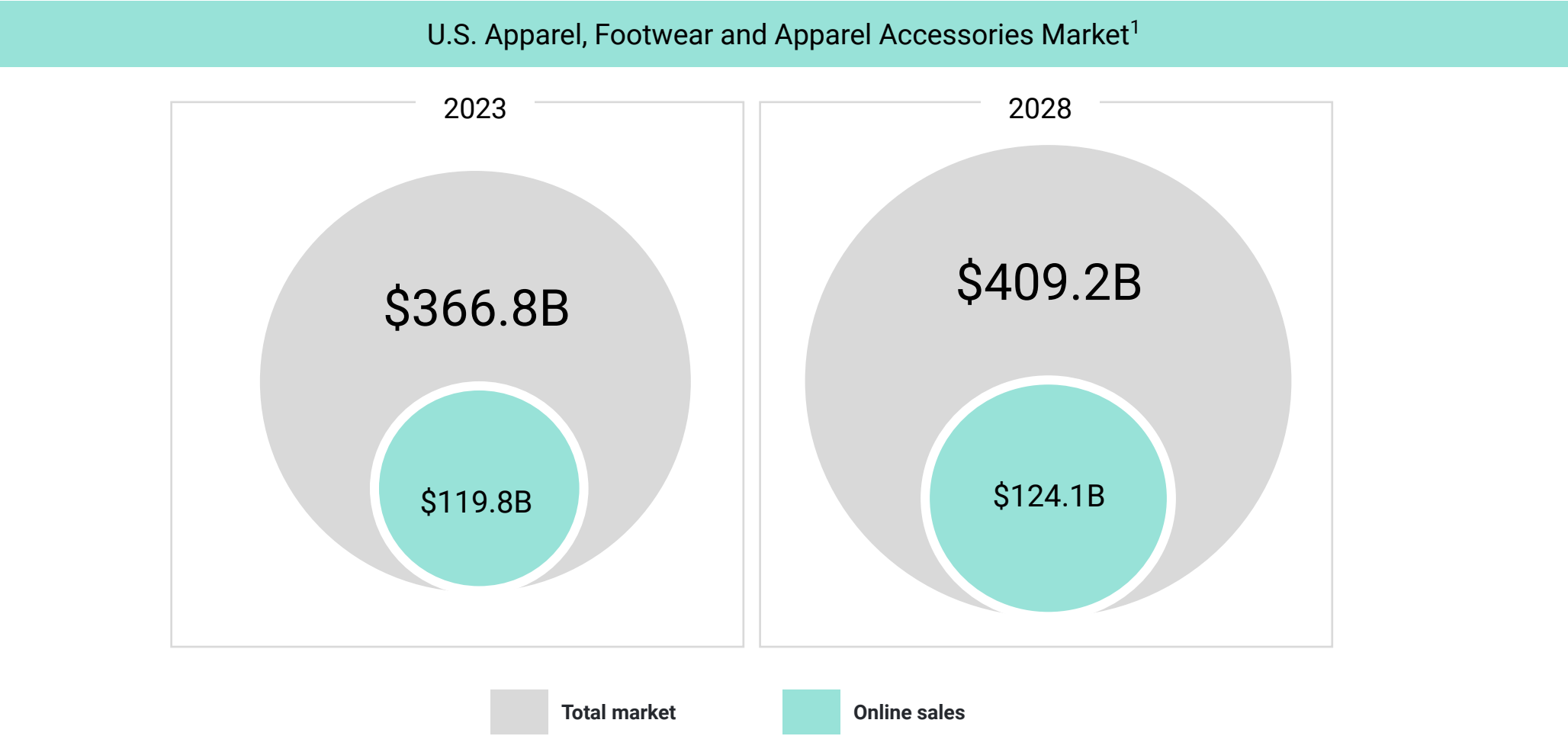
(1) Defined as a client who checked out a Fix or was shipped an item using our direct-buy functionality, "Freestyle", in the preceding 52 weeks, measured as of the last day of that period. A client checks out a Fix when he or she indicates which items he or she is keeping through our mobile app or website.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

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

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

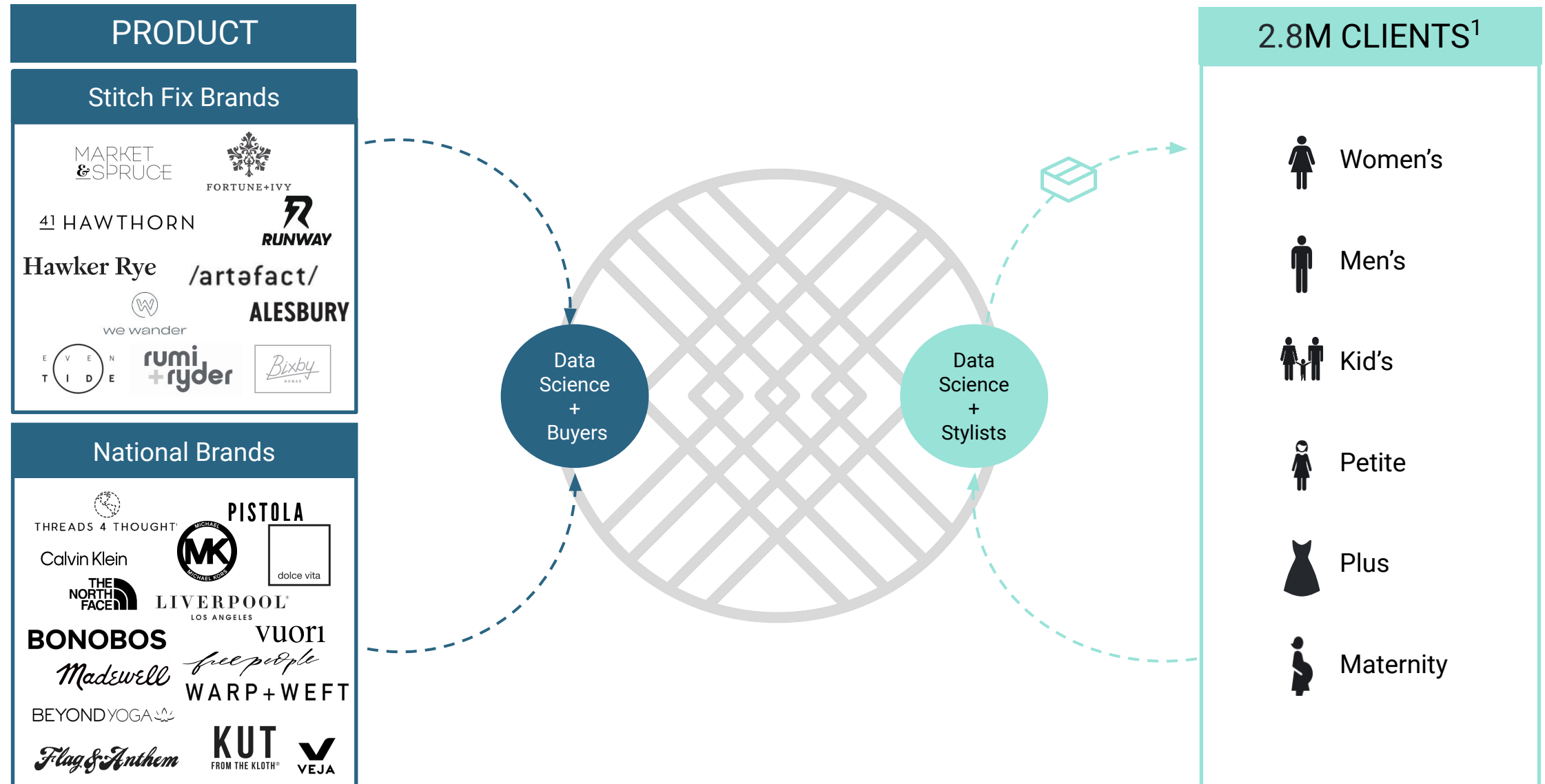
(4) Cash and investments includes cash and cash equivalents, and highly rated securities.

WE SEE SIGNIFICANT OPPORTUNITY TO ADDRESS A MASSIVE RETAIL MARKET



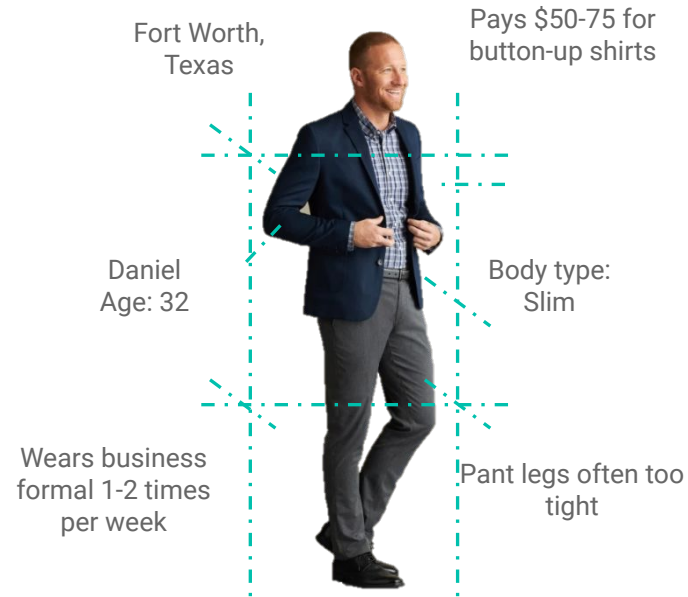
(1) Source: Circana, Inc © All rights reserved. The CAGR that is applied to future years is based on a 2-yr CAGR with 2021 and 2023 actuals (12 months ending in October).

OUR UNIQUE PERSONALIZATION MODEL HELPS YOU SAVE TIME, LOOK GREAT AND EVOLVE YOUR PERSONAL STYLE OVER TIME



TENS OF BILLIONS OF DATA POINTS FUEL OUR PERSONALIZATION ENGINE

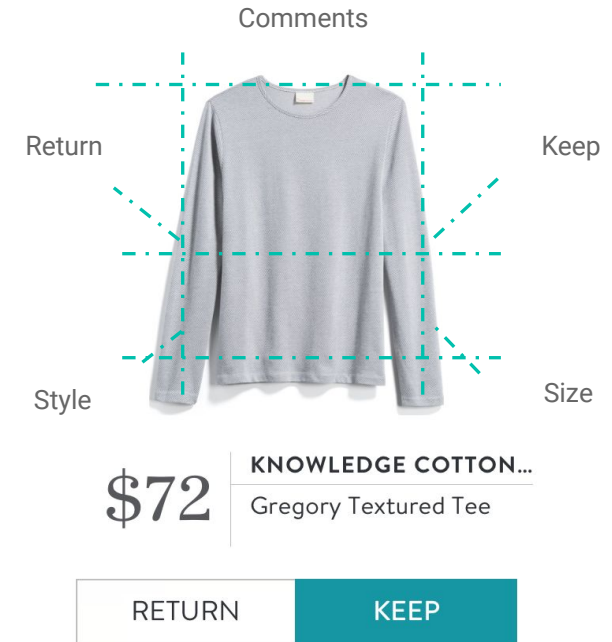
Client data



Merchandise data



Feedback data



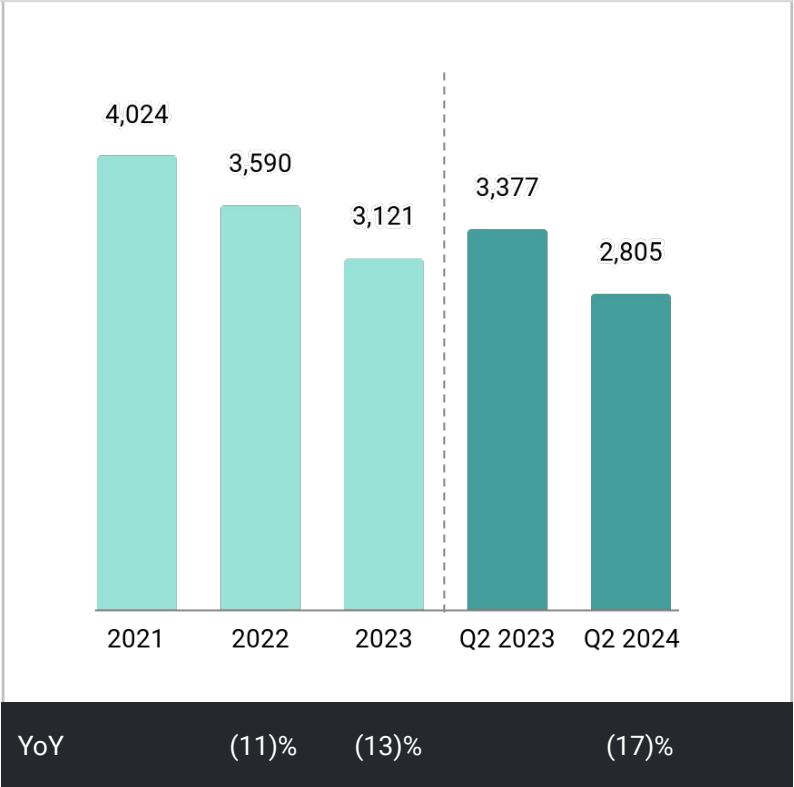
FINANCIAL OVERVIEW



FINANCIAL MODEL COMBINES SCALE AND HEALTHY SHARE OF WALLET

FYE JULY ¹

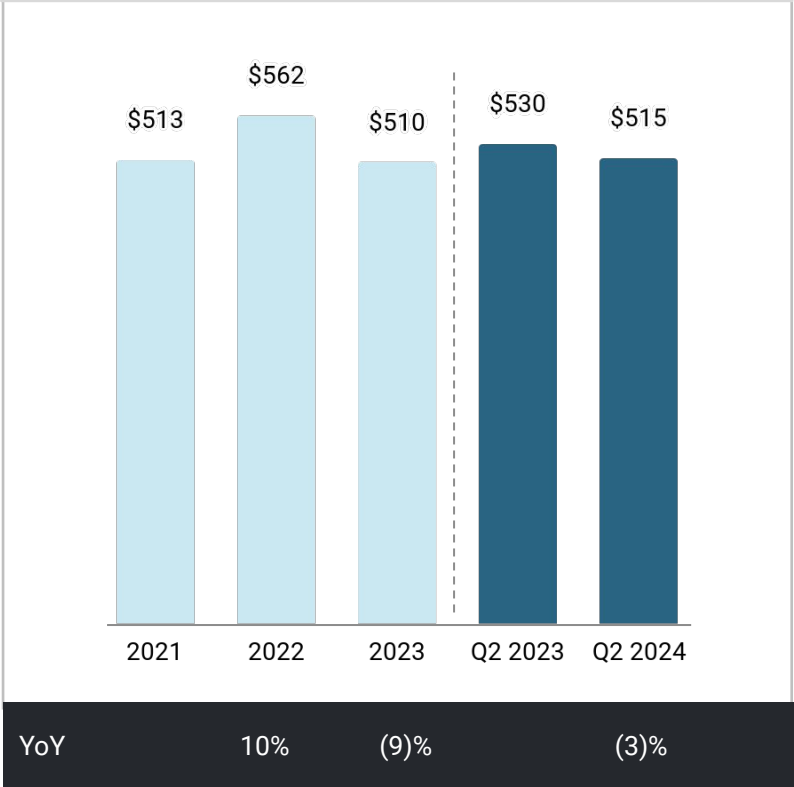
ACTIVE CLIENTS ² (000's)



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. All figures reflect continuing operations.

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

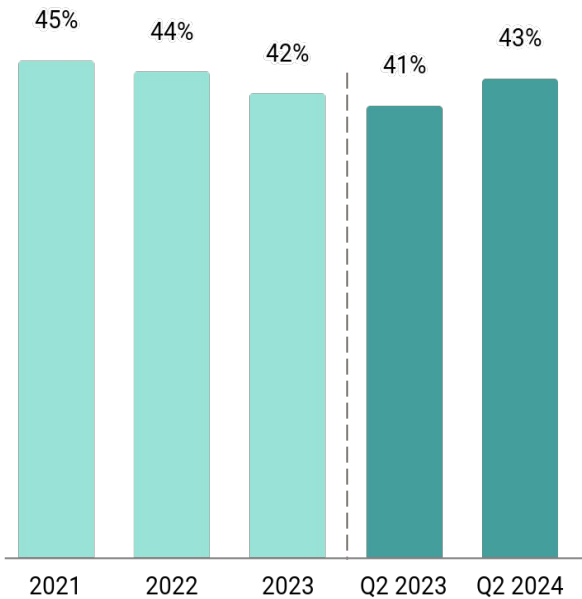
(3) Discounts, sales tax and estimated refunds are deducted from revenue to arrive at net revenue, which the Company refers to as "revenue".

(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.

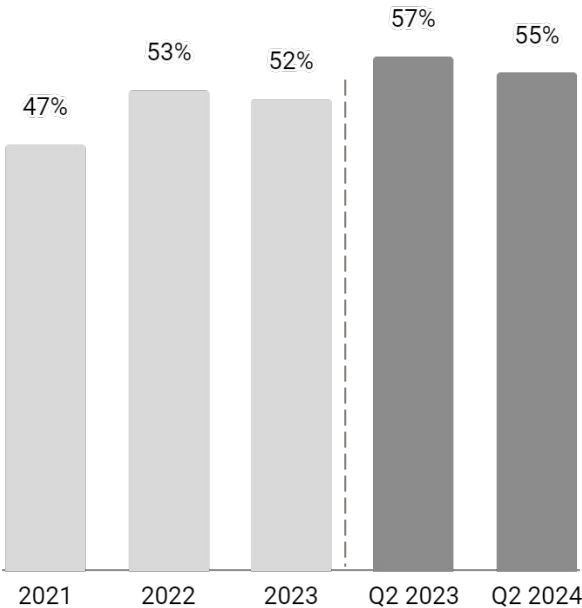
FOCUSED ON IMPROVING VARIABLE MARGIN LEVERAGE

FYE JULY ¹ | % OF NET REVENUE

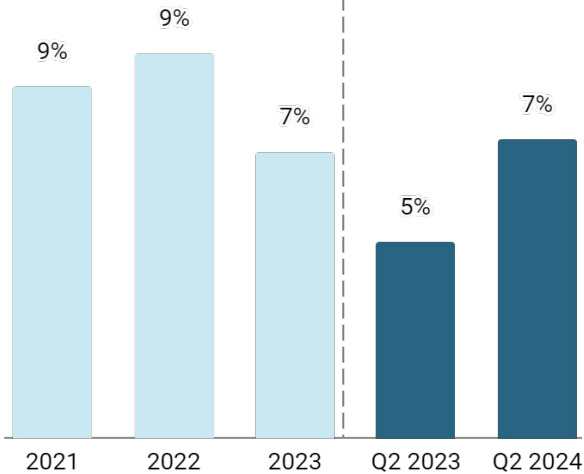
GROSS MARGIN



SG&A



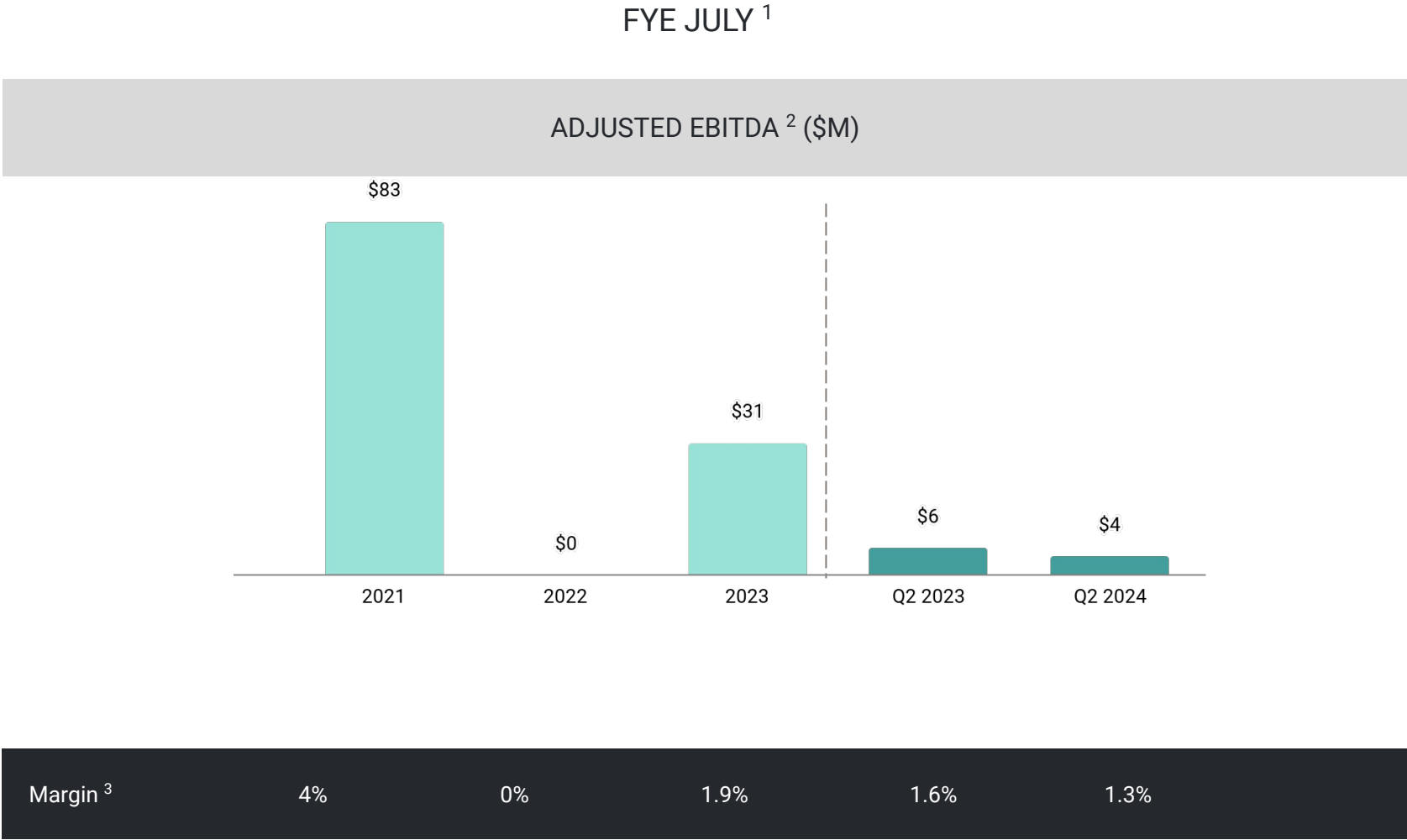
ADVERTISING ²



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

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

JOURNEY TO REACH STABILIZED NON-GAAP PROFITABILITY



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

(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) from continuing operations excluding interest income, net other (income) expense, provision for income taxes, depreciation and amortization, stock-based compensation expense, and restructuring and other one-time costs related to our continuing operations.

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

FORWARD-LOOKING OUTLOOK

FYE JULY ¹

Q3 2024

FY24

Net Revenue	\$300 - \$310	\$1290 - \$1320
Gross Margin	43% - 44%	~44%
Advertising ²	8% - 9%	~8%
EBITDA ³	(\$5) - \$0	\$10 - \$20

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

(2) Advertising shown is a percentage of net revenue

(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) from continuing operations excluding interest income, net other (income) expense, provision for income taxes, depreciation and amortization, stock-based compensation expense, and restructuring and other one-time costs related to our continuing operations.

APPENDIX



KEY BALANCE SHEET AND CASH FLOW ITEMS

FYE JULY ¹

	2021	2022	2023	Q2 2024
Cash and investments ²	\$290.4	\$230.7	\$257.6	\$229.8
Working Capital ³	\$297.0	\$187.5	\$190.5	\$169.7
Purchase of Property, Plant, and Equipment	-\$33.9	-\$45.0	-\$18.9	-\$3.8

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

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

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

RECONCILIATION OF ADJUSTED EBITDA

	Year ended			3 months ended	
(in thousands)	2021	2022	2023	Q2 2023	Q2 2024
Adjusted EBITDA Reconciliation					
Net Income (loss) from continuing operations	\$7,790.00	(\$181,606)	(\$150,336)	(\$63,444)	(\$34,956)
Add (Deduct):					
Interest Income	(\$2,614)	(924)	(5,841)	(632)	(2,673)
Other (Income) Expense, net	\$529	394	25	663	(578)
Provision (Benefit) for Income Taxes	(\$47,490)	(2,335)	871	131	169
Depreciation and Amortization ³	\$26,169	33,532	38,375	9,559	9,401
Stock-based Compensation Expense	\$98,709	124,944	102,072	25,262	21,065
Restructuring and Other One-time Costs ²	\$0	26,206	45,741	34,742	12,019
Adjusted EBITDA	\$83,093	\$211	\$30,907	\$6,281	\$4,447

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

(2) For Q2 2024, restructuring charges consisted of \$8.4 in severance and employee-related benefits, accelerated depreciation and other costs. Other one time costs were \$3.6M for one time professional services fees. For Q2 2023, restructuring charges consist of \$34.6 million in severance and employee-related benefits, asset impairments, accelerated depreciation and other costs. Other one-time costs consists of \$0.1 million in retention bonuses for continuing employees. For FY23, restructuring charges consisted of \$39.9 million in severance and employee-related benefits, asset impairments, accelerated depreciation and other costs. Other one-time costs were \$5.8 million in retention bonuses for continuing employees. For FY22, restructuring charges consisted of \$17.7 million in severance and employee-related benefits and asset impairments. Other one-time costs were \$8.5 million in retention bonuses for continuing employees.

(3) For Q2 2024, depreciation and amortization excluded \$3.4 million reflected in "Restructuring and other one-time costs." For Q2 2023, depreciation and amortization excluded \$1.8 million reflected in "Restructuring and other one-time costs." For FY23, depreciation and amortization excluded \$2.8 million reflected in "Restructuring and other one-time costs."