

STITCH FIX

September 2020

SAFE HARBOR STATEMENT

This presentation is provided for informational purposes only and should not be construed as an offer, commitment, promise or obligation on behalf of Stitch Fix, Inc. ("Stitch Fix" or the "Company") to sell securities or deliver any products, services, functionalities or other features. This presentation contains forward-looking statements within the meaning of the federal securities laws. All statements other than statements of historical fact could be deemed forward looking, including but not limited to statements regarding our future financial performance, including our expectations regarding financial trends in and expectations for our fiscal year 2021; the resilience of our warehouse network, ongoing improvement in client demand, and the impact of the COVID-19 pandemic on consumer purchasing behavior; our redeployment of marketing spend to capitalize on improving consumer optimism in the quarters ahead; market trends, growth, and opportunity; our ability to adapt quickly to new and changing consumer demands; profitability; competition; the timing and success of expansions to our offering and penetration of our target markets, such as the continued growth of our offering in the United Kingdom and the expansion of Buy It Again and Complete Your Looks, our enhancements to our direct buy functionality, including the introduction of Trending For You; the continued success of our direct-buy functionality, whether it becomes the growth vector we think it represents, and our plan to use it as a client acquisition vehicle; our ability to leverage our engineering and data science capabilities to drive efficiencies in our business and enhance our ability to personalize our service and offerings for individual clients; our plans to continue to roll out new features to extend our personalization platform and drive an even stronger personalized eCommerce model; our plans related to client acquisition, engagement, and retention, including any impact on our costs and margins and our ability to determine optimal marketing and advertising methods; and our ongoing search for a new CFO. These statements involve substantial risks and uncertainties, including risks and uncertainties related to the ongoing COVID-19 pandemic, our responses to the pandemic, the responses of our clients, competitors, and suppliers, and the responses of governmental authorities and public health officials; our ability to generate sufficient net revenue to offset our costs; the growth of our market and consumer behavior; our ability to acquire, engage, and retain clients; our ability to provide offerings and services that achieve market acceptance; our data science and technology, stylists, operations, marketing initiatives, and other key strategic areas; risks related to international operations; and other risks described in the filings we make with the Securities and Exchange Commission ("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 May 2, 2020. These documents are available on the SEC Filings section of the Investor Relations section of our website at: <https://investors.stitchfix.com>. We undertake no obligation to update any forward-looking statements made in this shareholder letter to reflect events or circumstances after the date of this shareholder letter 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
4,700+ employee stylists



Culture of teamwork,
creativity, data and diversity

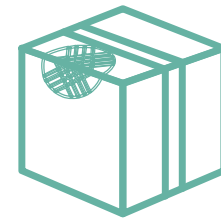
Transforming the way people find what they love



3.5M active clients¹



LTM Revenue²: \$1.7B
LTM Adj. EBITDA³: \$(29)M
LTM Adj. EBITDA ex. SBC⁴: \$38M



\$382M cash and
investments⁵

Note: FYE July; Figures as of August 1, 2020

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

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

(3) We define adjusted EBITDA as net income (loss) excluding interest (income) expense, provision (benefit) for income taxes, other (income) expense, net, depreciation and amortization.

(4) We define adjusted EBITDA ex. SBC as adjusted EBITDA excluding stock-based compensation expense.

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



THE CLIENT JOURNEY

INTRODUCE
YOURSELF



90+

meaningful data points
collected through the initial
style profile

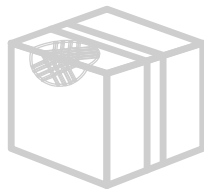
GET MATCHED



4,700+

stylists are algorithmically
matched to our clients

RECEIVE
YOUR FIX



3 day

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

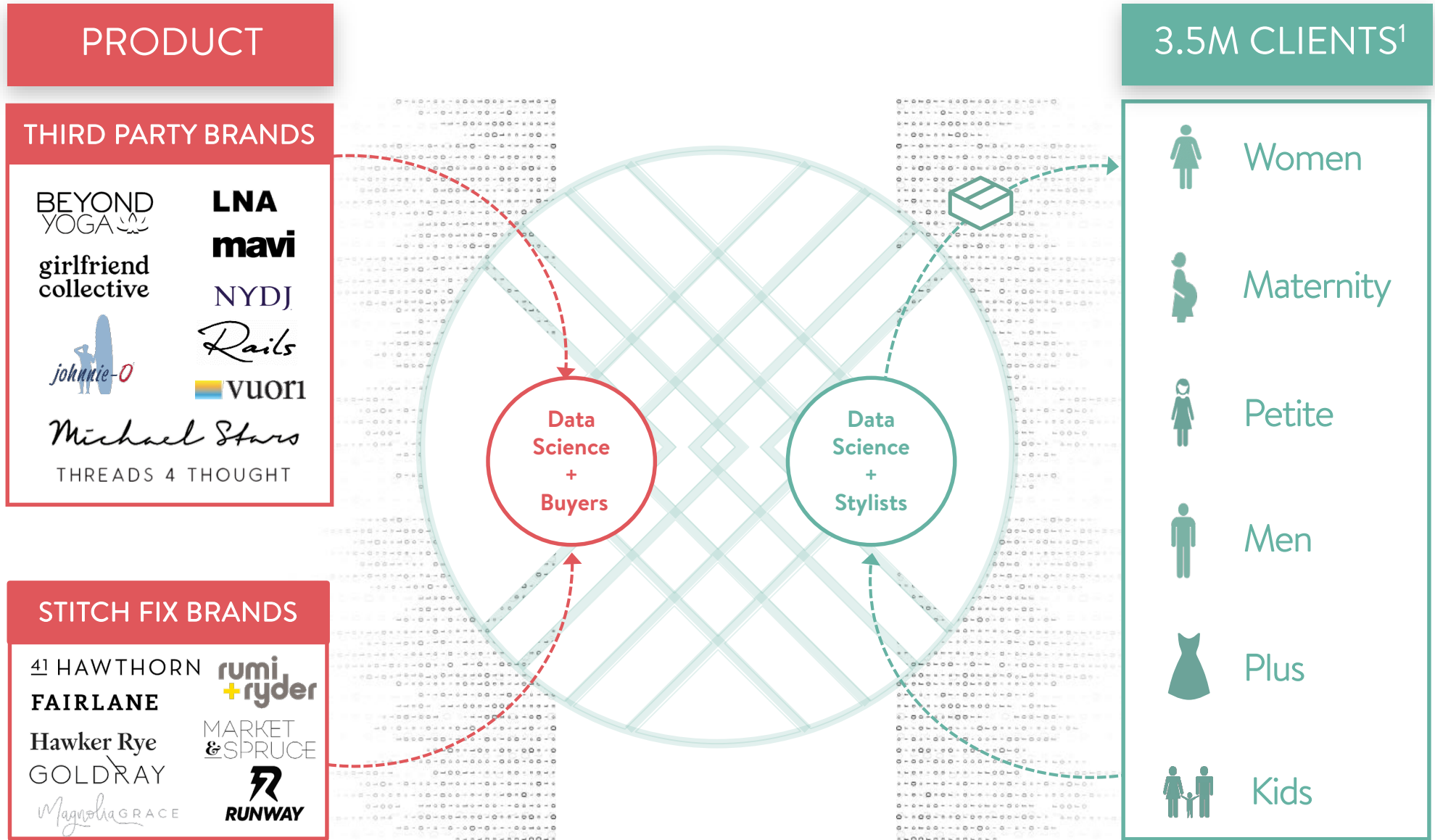
A PARTNER
FOR LIFE



80%+

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

OUR PERSONALIZATION MODEL



WE HAVE RICH, MEANINGFUL AND HIGHLY ACTIONABLE DATA

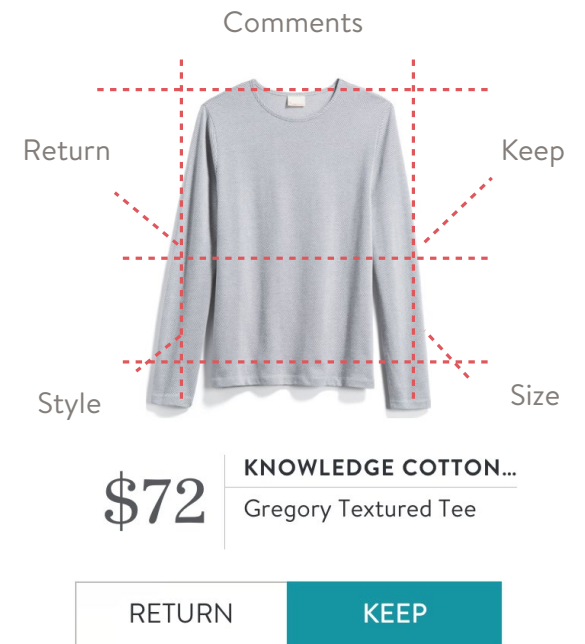
CLIENT DATA



MERCHANDISE DATA



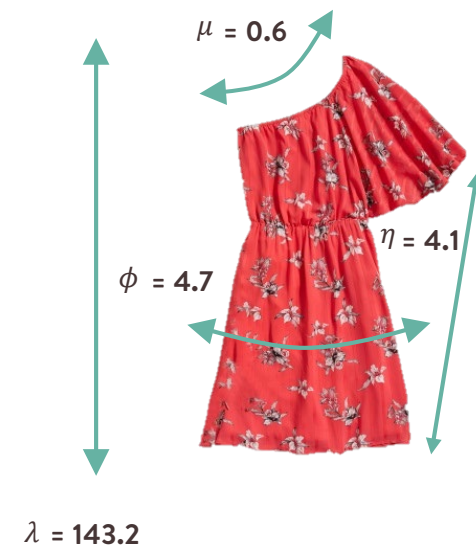
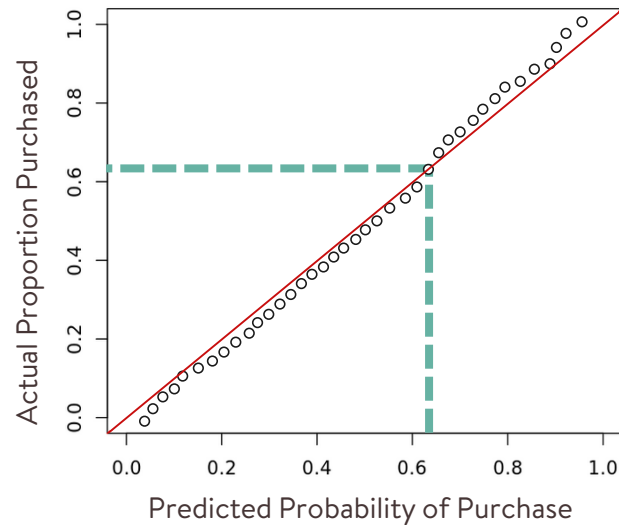
FEEDBACK DATA



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

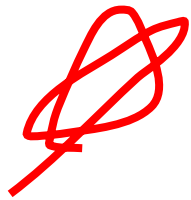
BUILD DEEP CLIENT
RELATIONSHIPS

ADD VALUABLE
CONTEXT

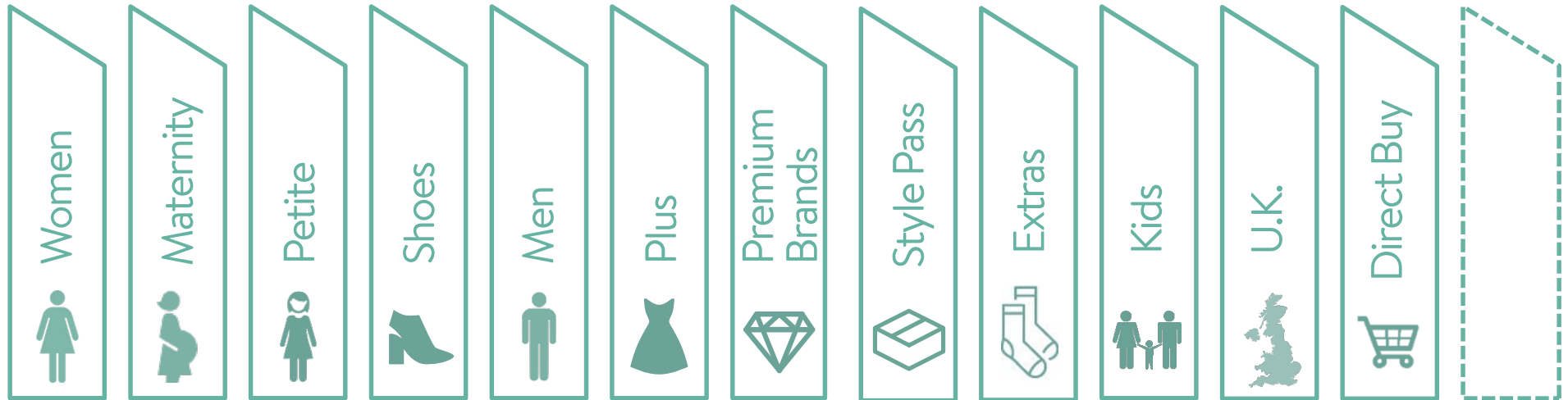
OUR GROWTH STRATEGY IS INFORMED BY KEY DATA LEARNINGS



ACTIONABLE CLIENT DATA ENABLES SUCCESSFUL NEW OFFERINGS



0/0



HUMAN JUDGMENT

RICH DATA PLATFORM

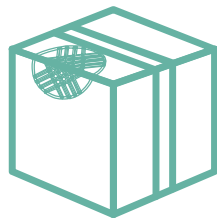
A POWERFUL AND DIFFERENTIATED MODEL

Highly
Scalable



Predictive &
Accurate

Flexible
Offering



Capabilities
that Extend



FINANCIAL OVERVIEW

OUR GUIDING PRINCIPLES FOR MANAGING THE BUSINESS



Enable a great client experience



Maintain long-term mindset



Drive sustainable and profitable growth



Be data driven and ROI-focused in our decisions

FINANCIAL HIGHLIGHTS



Powerful, growing client base with millions of active clients



Significant revenue growth at scale



Strong client retention drives recurring demand and visibility



Strategically investing for long-term growth and brand building



Capital-efficient model with high inventory turnover

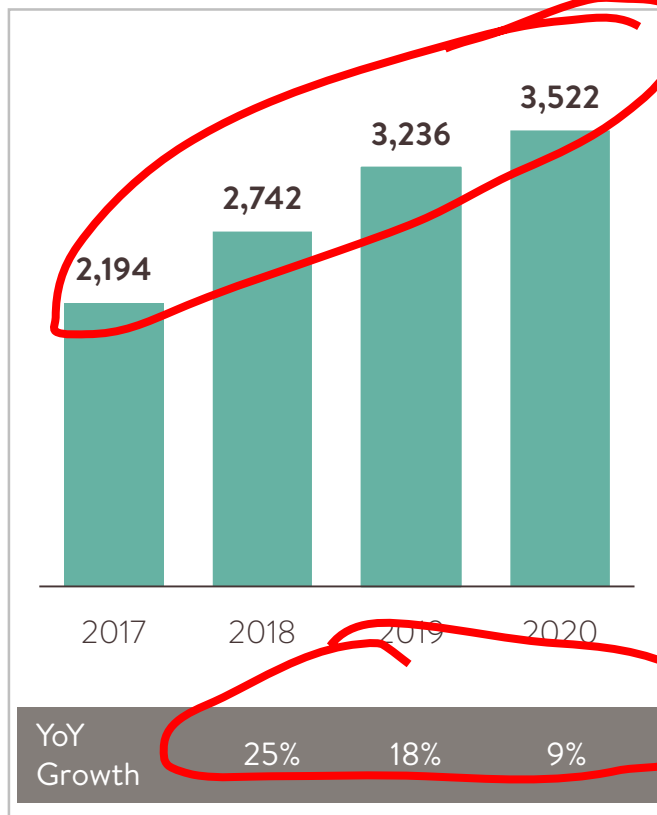


Demonstrated operating leverage enables further profitability upside

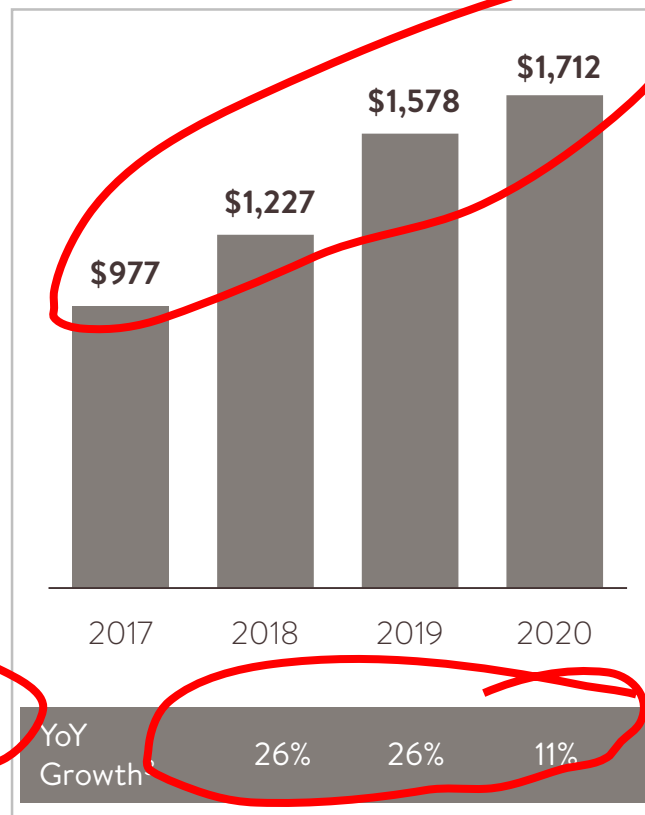
FINANCIAL MODEL COMBINES SCALE AND GROWTH

FYE JULY ¹

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



REVENUE ³ (\$M)



NET REVENUE PER ACTIVE CLIENT ⁴



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

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

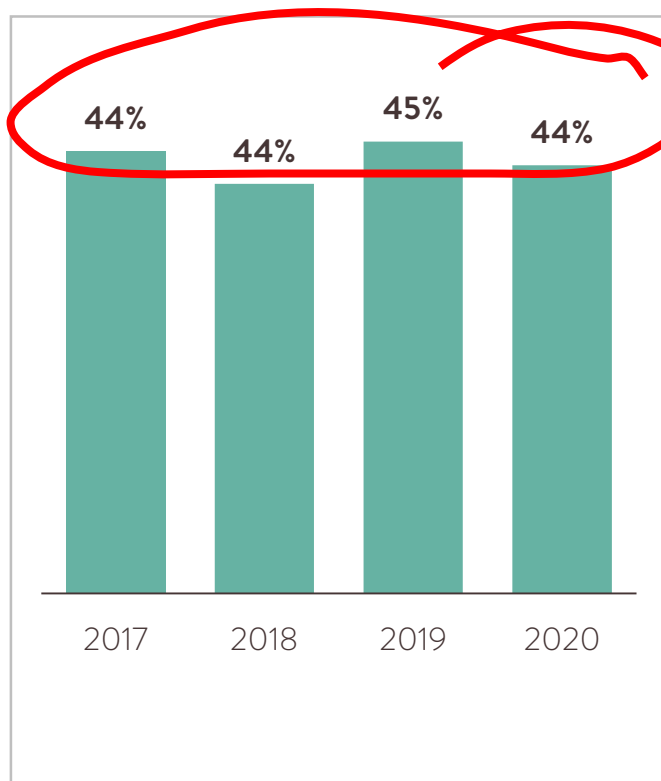
(3) Discounts, sales tax and estimated refunds are deducted from revenue to arrive at net revenue, which the Company refers to as "revenue". YoY growth in fiscal 2019 and 2020 are adjusted for the 53rd week in Fiscal 2019. Without adjusting for this extra week, revenue grew 29% and 9% YoY in fiscal 2019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

(4) Calculated based on net revenue over the preceding four fiscal quarters divided by the number of active clients, measured as of the last day of the period. YoY growth in fiscal 2019 and 2020 are adjusted for the 53rd week in Fiscal 2019. Without adjusting for this extra week, revenue per active client grew 9% YoY in fiscal 2019 and was approximately flat YoY in fiscal 2020.

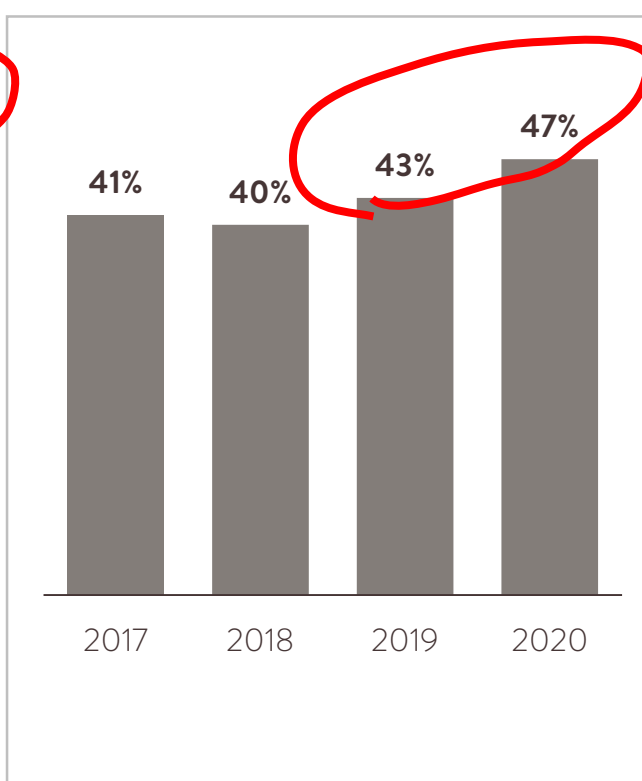
INVESTING FOR LONG-TERM GROWTH

FYE JULY ¹ | % OF NET REVENUE

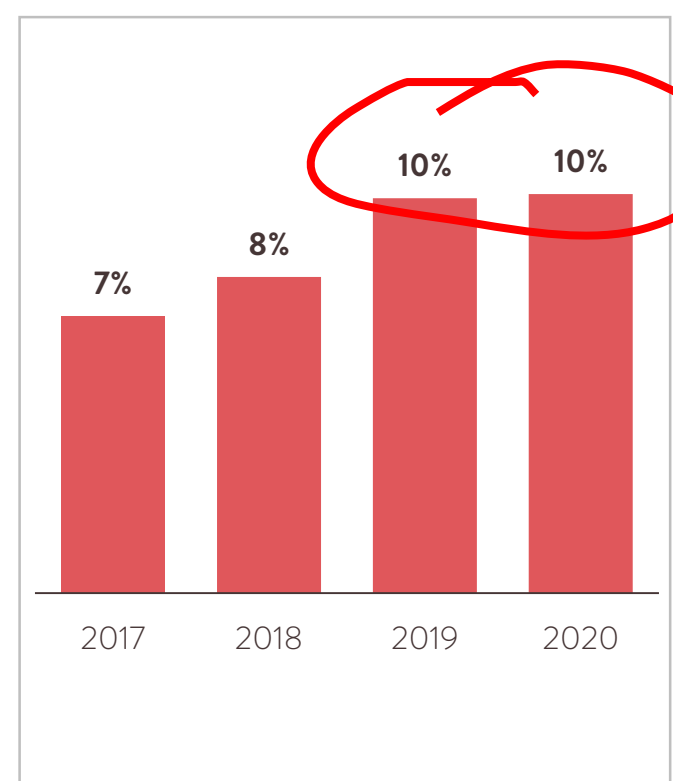
GROSS MARGIN



SG&A



ADVERTISING ²



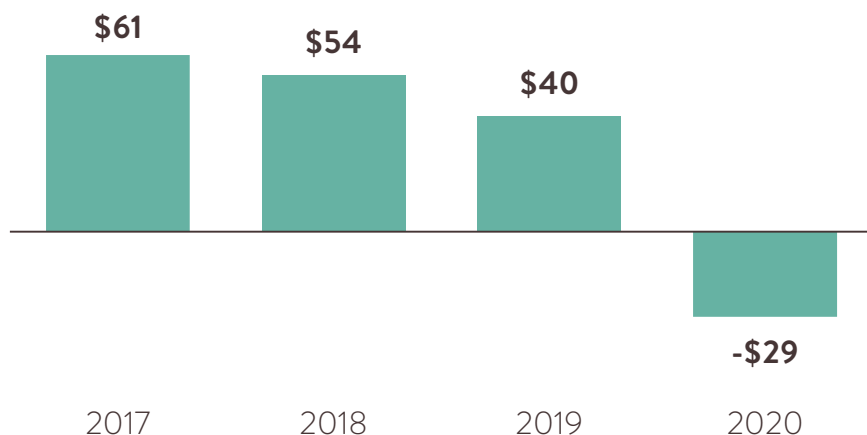
(1) Fiscal year ends on the Saturday that is closest to July 31 of that year.

(2) Advertising expenses included in SG&A.

FINANCIAL MODEL HAS PROVEN NON-GAAP PROFITABILITY

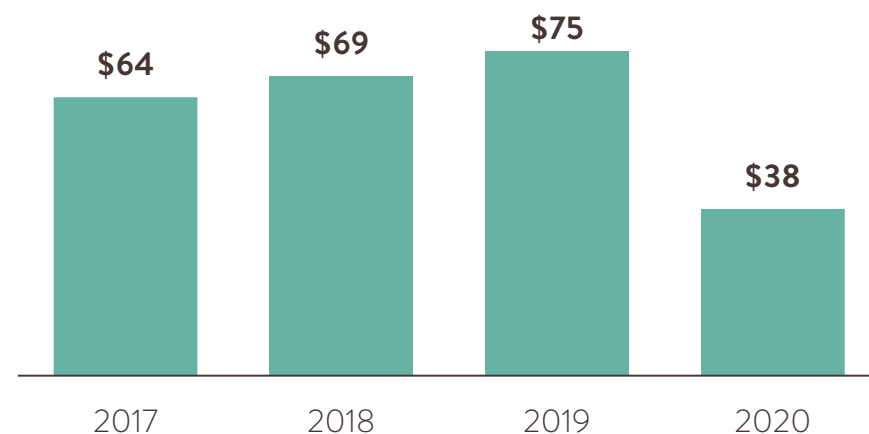
FYE JULY ¹

ADJUSTED EBITDA ² (\$M)



Margin⁴ 4% 3% (2)%

ADJUSTED EBITDA ex. SBC ³ (\$M)



Margin⁵ 6% 5% 2%

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

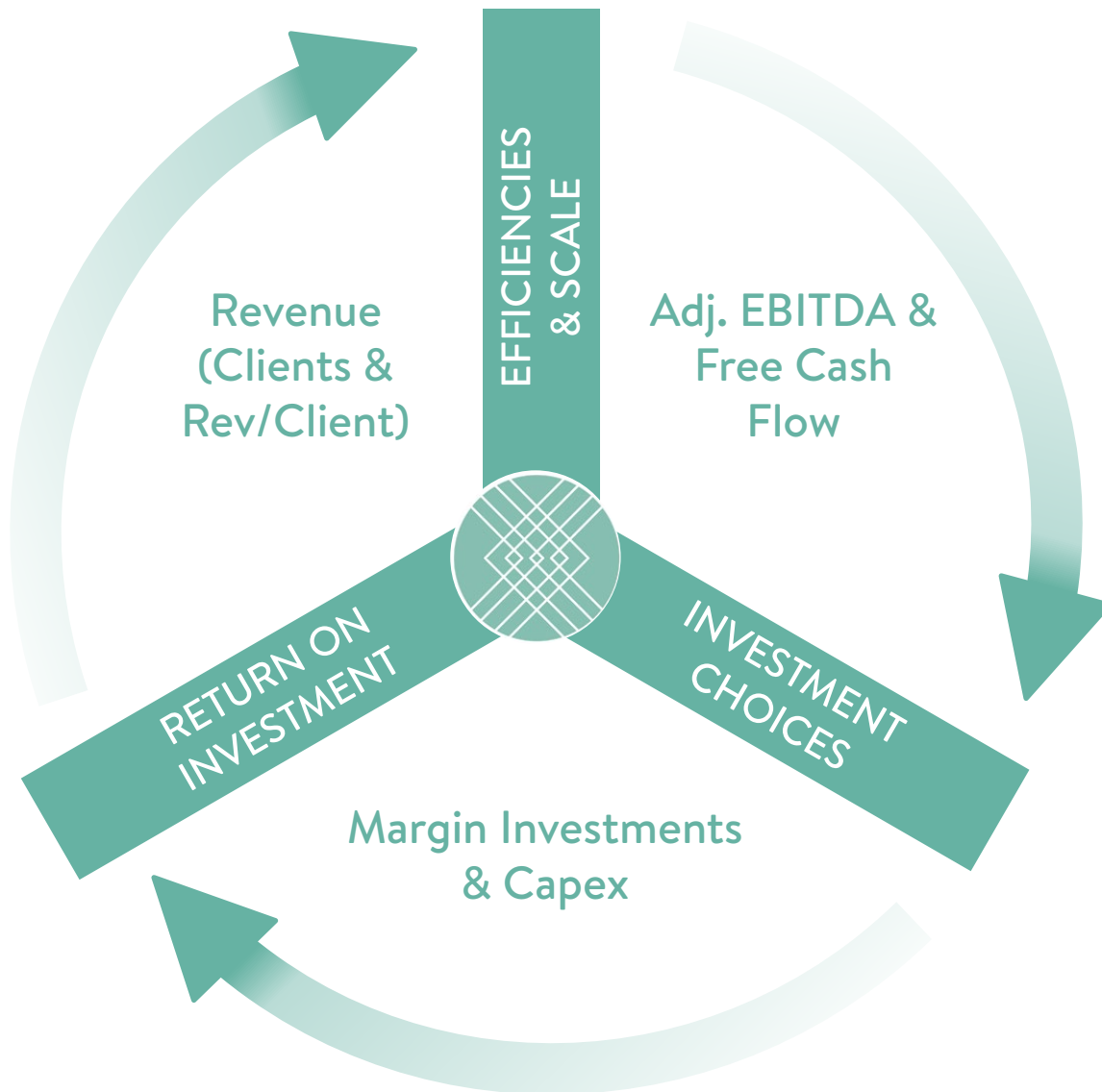
(2) We define adjusted EBITDA as net income (loss) excluding interest (income) expense, provision (benefit) for income taxes, other (income) expense, net, depreciation and amortization.

(3) We define adjusted EBITDA ex. SBC as adjusted EBITDA excluding stock-based compensation expense.

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

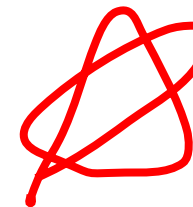
(5) We define adjusted EBITDA ex. SBC margin as adjusted EBITDA ex. SBC (\$M) divided by net revenue for the period.

HIGHLY CAPITAL-EFFICIENT MODEL



LONG-TERM TARGET MODEL

FYE JULY ¹



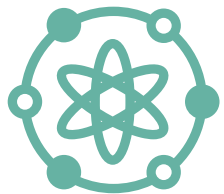
	2017	2018	2019	2020	LT Target
Gross Profit (% Margin)	44%	44%	45%	44%	45-46%
Advertising Expenses (% of Net Revenue)	7%	8%	10%	10%	9-11%
Other SG&A (% of Net Revenue) ²	34%	32%	33%	37%	24-26%
Operating Profit (% of Net Revenue)	3%	4%	1%	(3)%	10-12%
Adjusted EBITDA (% of Net Revenue) ³	6%	4%	3%	(2)%	11-13%

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

(2) Excludes advertising expenses.

(3) Includes stock-based compensation.

KEY HIGHLIGHTS



Data science at the
core of everything
we do



Highly actionable
client, merchandise
and feedback data



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



Proven, scaled
financial model with
headroom for growth



APPENDIX

KEY BALANCE SHEET ITEMS

FYE JULY ¹

	2017	2018	2019	2020
Cash ²	\$110.6	\$297.5	\$170.9	\$143.4
Working Capital ³	63.8	274.8	299.8	254.2
Total Assets	257.2	481.6	616.1	769.4
Total Liabilities	153.1	166.5	220.1	368.4

(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 ex. SBC

FYE JULY ¹

(in thousands)	2017	2018	2019	2020
Adjusted EBITDA ex. SBC Reconciliation:				
Net Income (Loss)	\$(594)	\$44,900	\$36,881	\$(67,117)
Add (Deduct):				
Interest (Income) Expense	(42)	(904)	(5,791)	(5,535)
Other (Income) Expense, net	–	(100)	(1,535)	1,593
Provision (benefit) for Income Taxes	13,395	9,813	(6,060)	19,395
Depreciation and Amortization	7,655	10,542	16,095	22,562
Re-measurement of Preferred Stock Warrant Liability	18,881	(10,685)	–	–
Compensation Expense Related to Certain Stock Sales by Current and Former Employees	21,283	–	–	–
Adjusted EBITDA	\$60,578	\$53,566	\$39,590	\$(29,102)
Stock-based Compensation Expense	\$3,545	\$15,403	\$35,256	\$67,530
Adjusted EBITDA ex. SBC	\$64,123	\$68,969	\$74,846	\$38,428

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

RECONCILIATION OF FREE CASH FLOW

FYE JULY ¹

(in thousands)	2017	2018	2019	2020
Free Cash Flow Reconciliation:				
Cash Provided by (Used in) Operating Activities	\$38,624	\$72,178	\$78,594	\$42,877
(Deduct):				
Purchases of Property and Equipment	\$(17,130)	\$(16,565)	(30,825)	(30,207)
Free Cash Flow	\$21,494	\$55,613	\$47,769	\$12,670
Cash Used in Investing Activities	\$(17,130)	\$(16,565)	\$(225,184)	\$(70,461)
Cash Provided by (Used in) Financing Activities	\$(3,028)	\$134,795	\$6,945	\$(1,435)

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