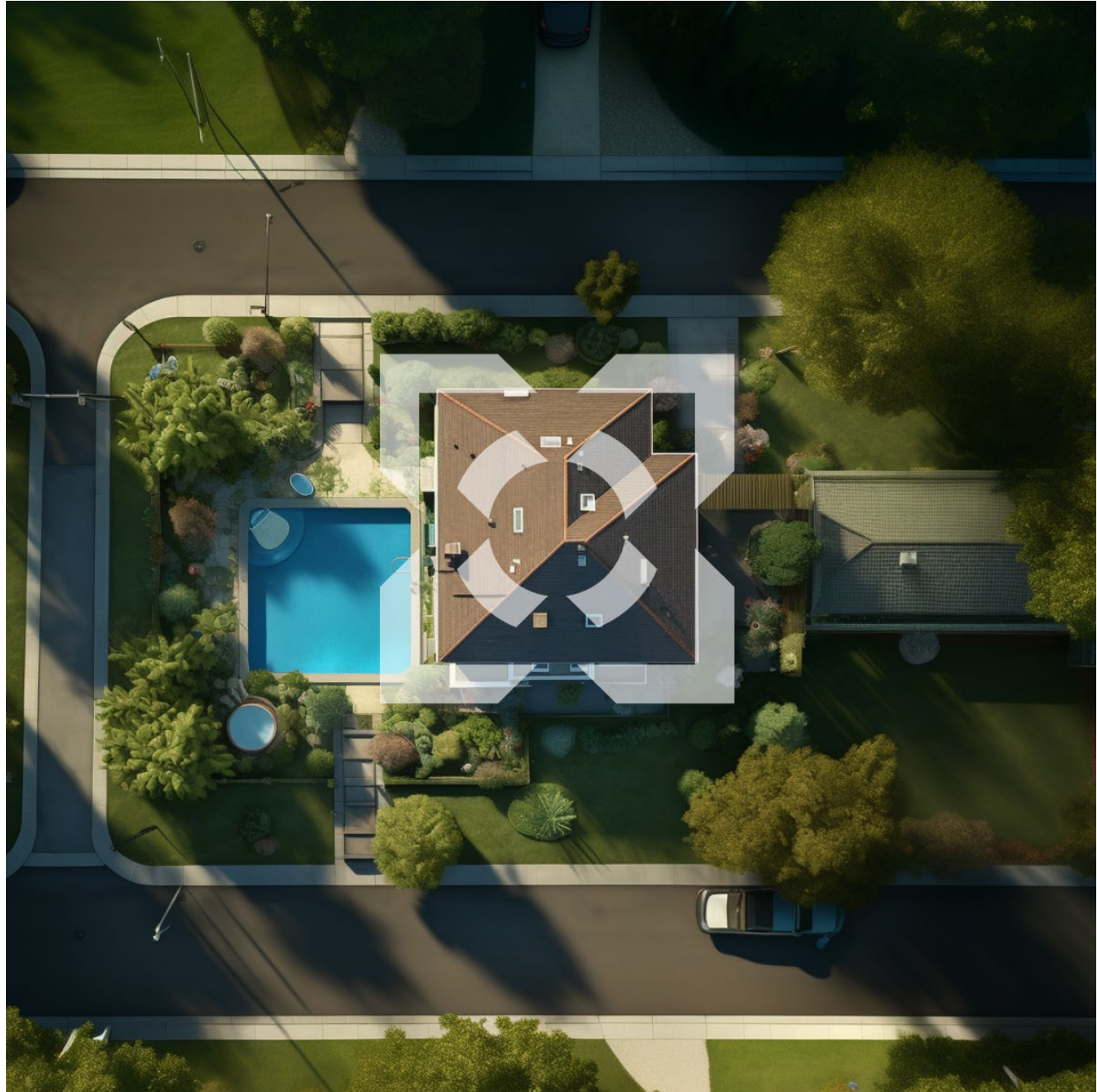




# Q4 2024 Earnings Call

February 25, 2025



# Forward-Looking Statements

The information presented herein may contain forward-looking statements within the meaning of the federal securities laws. Such forward-looking statements include without limitation all statements other than statements of historical fact, including forecasts of our growth, path to profitability, plan to reduced fixed expenses, refinement of systems, technology, and data analytics, financial results or performance for the year or any other time period, macroeconomic and market conditions, potential value of our brands and monetization of their intellectual property and systems, our intention to generate capital returns through strategic and financially accretive partnerships and joint ventures, the timing of any of the foregoing, and other factors that will impact our results of operations. You should not place undue reliance on any forward-looking statements, which speak only as of the date they were made. We undertake no obligation to update any forward-looking statements as a result of any new information, future developments, or otherwise. Forward-looking statements are inherently difficult to predict. Accordingly, actual results could differ materially for a variety of reasons, including but not limited to, difficulties we may have with our fulfillment partners, supply chain, access to products, shipping costs, insurance, competition, consumer needs and spending, marketing, macroeconomic factors, tariffs or product bans, our evolving business model and use of our brands, changes to our leadership team or compensation approach, attraction/retention of employees, and search engine optimization results. Other risks and uncertainties include, among others, our ability to become profitable or generate positive cash flows, any problems with our infrastructure, transaction processing systems, cyber-attacks or data breaches affecting us, adverse tax, compliance, regulatory or legal developments, any restrictions on tracking technologies, losses relating to equity method investments, any ability to optimize our operations including customer service; any failure to effectively utilize technological advancements or protect our intellectual property, negative consequences of global conflict and politics, problems resulting from our determination to partially self-insure, impacts from our evolving business practices and expanded product and service offerings, any negative impacts from allowing third-parties to license our trademarks, any inability to realize the benefits of our investments in new businesses, strategies, partnerships, ventures, acquisitions, or other transactions, and whether our partnership with Pelion Venture Partners will achieve its objectives. More information about factors that could potentially affect our financial results are included in our Form 10-K for the year ended December 31, 2024, filed with the SEC on February 24, 2025, in our Form 10-Q for the quarter ended September 30, 2024, filed with the SEC on October 25, 2024, and in our subsequent filings with the SEC. The Forms 10-K, 10-Q, and our subsequent filings with the SEC identify important factors that could cause our actual results to differ materially from those contained in or contemplated by our projections, estimates, and other forward-looking statements.

# Financial Update

# 4Q 2024 Financial Results

**Revenue**  
**\$303.2 Million**  
-21.1% vs. Q4'23

**Gross Margin**  
**23.0%**  
+380 bps vs. Q4'23

**G&A and Tech Expense**  
**\$47.8 Million**  
-6.0M / -11.1% vs. Q4'23

**Adjusted EBITDA<sup>1</sup>**  
**-\$27.9 Million**  
+\$21.2M vs. Q4'23

**Diluted EPS**  
**-\$1.66**  
**Adjusted Diluted EPS<sup>2</sup>**  
**-\$0.91**  
+\$0.31 vs. Q4'23

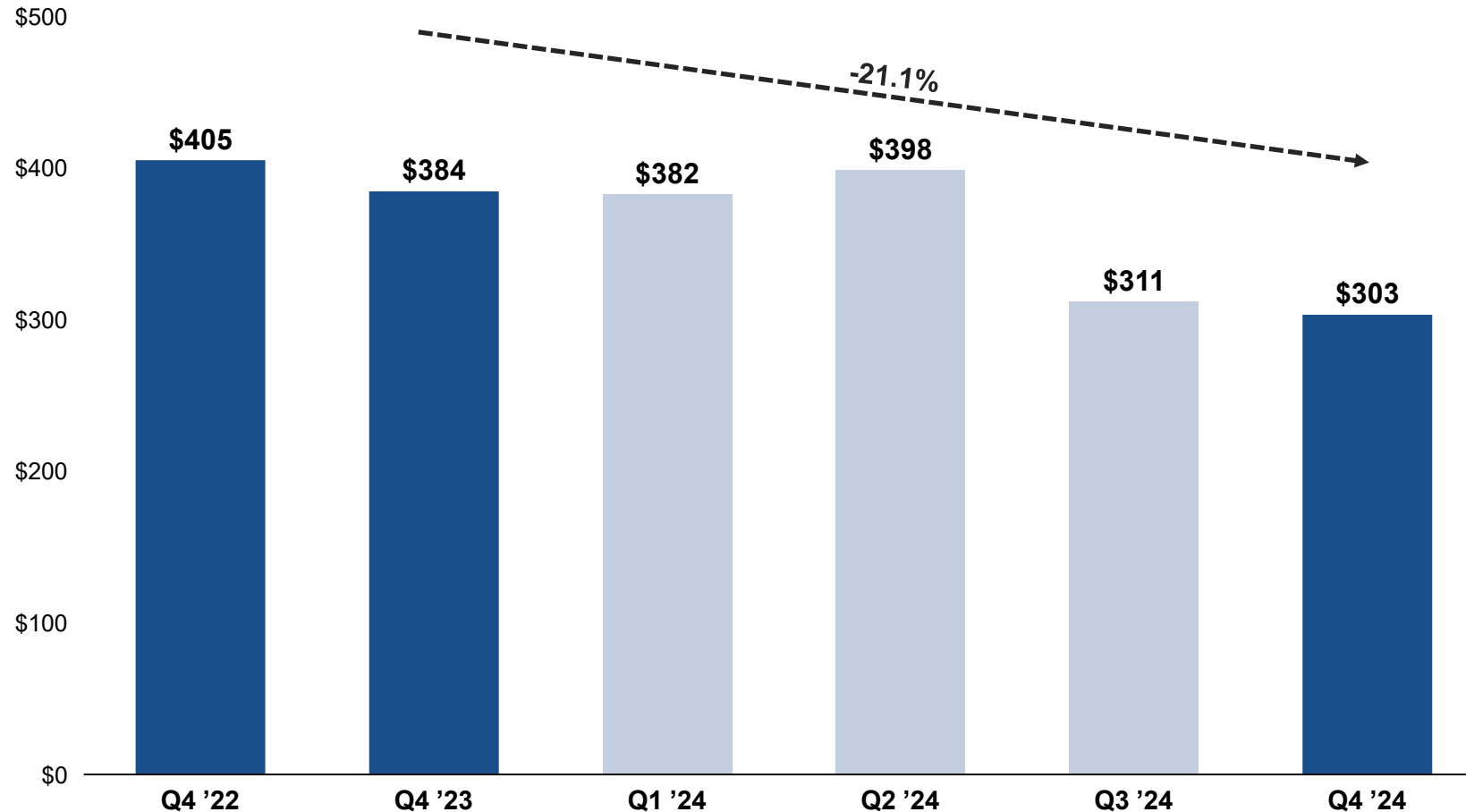
**Ending Cash**  
**\$186.1 Million**  
+\$45.7M / +32% vs. Q3'24

<sup>1</sup> Adjusted EBITDA is a non-GAAP financial measure. See reconciliation in appendix.

<sup>2</sup> Adjusted Diluted EPS is a non-GAAP financial measure. Includes adjustment related to estimated tax impact from equity method activity. See reconciliation in appendix.

# Revenue

Revenue  
(\$M)



## Q4'24 Dynamics

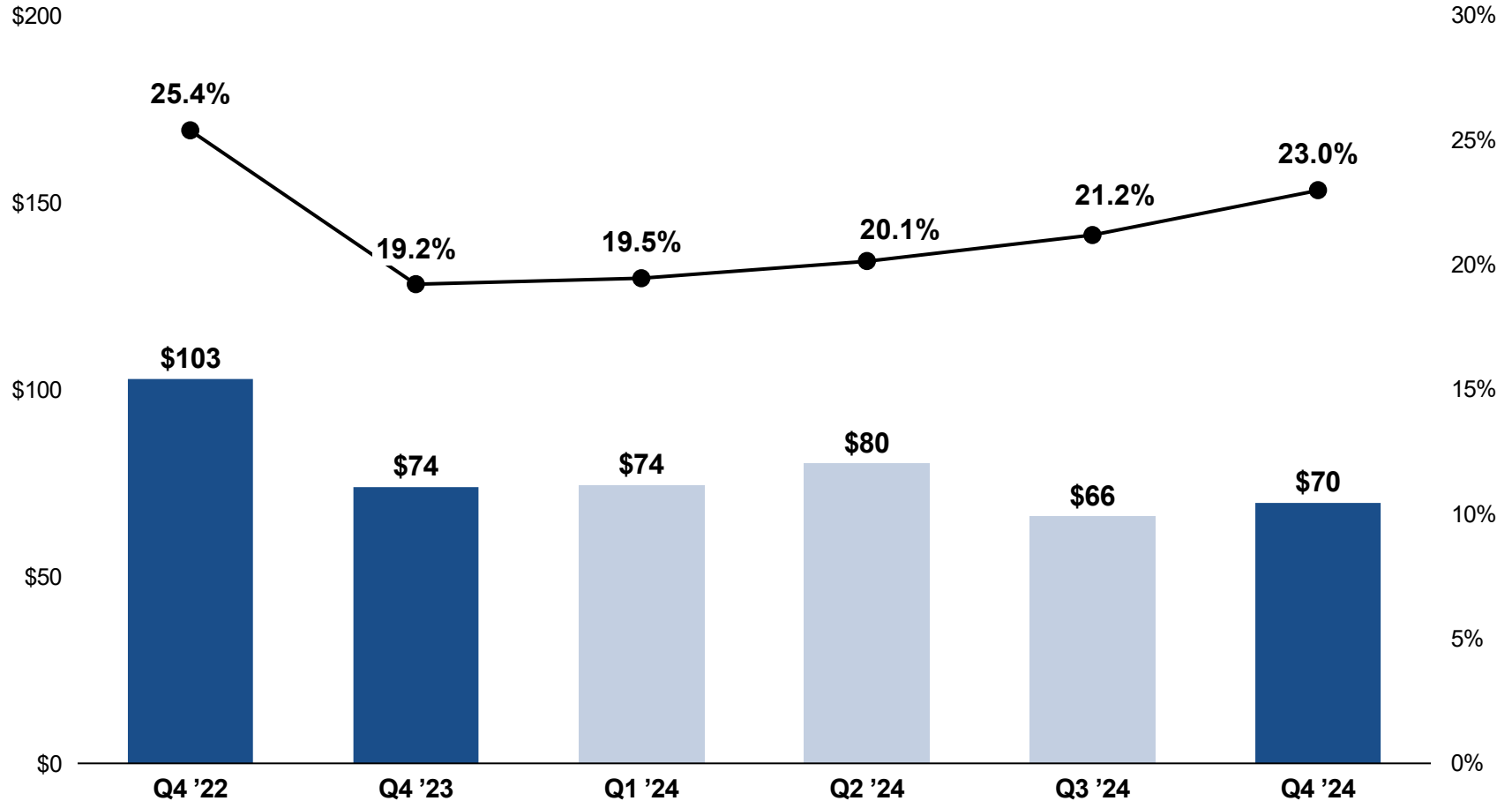
- Revenue of \$303M
  - -21.1% / -\$81M vs. Q4'23
- Revenue influenced by:
  - Disciplined approach of discounting and marketing
  - Pricing efforts
  - Reorganization between brands of SKUs/Vendors

## FY'24 Dynamics

- Revenue of \$1,395M
  - -10.6% / -\$166M vs. FY'23

# Gross Margin

Gross Margin (\$M)



Gross Margin (%)

## Q4'24 Dynamics

- Gross margin of 23.0%
  - +380 bps vs. Q4'23
- Gross margin influenced by:
  - Disciplined pricing and merchandising actions
  - Reorganization between brands of SKUs/Vendors

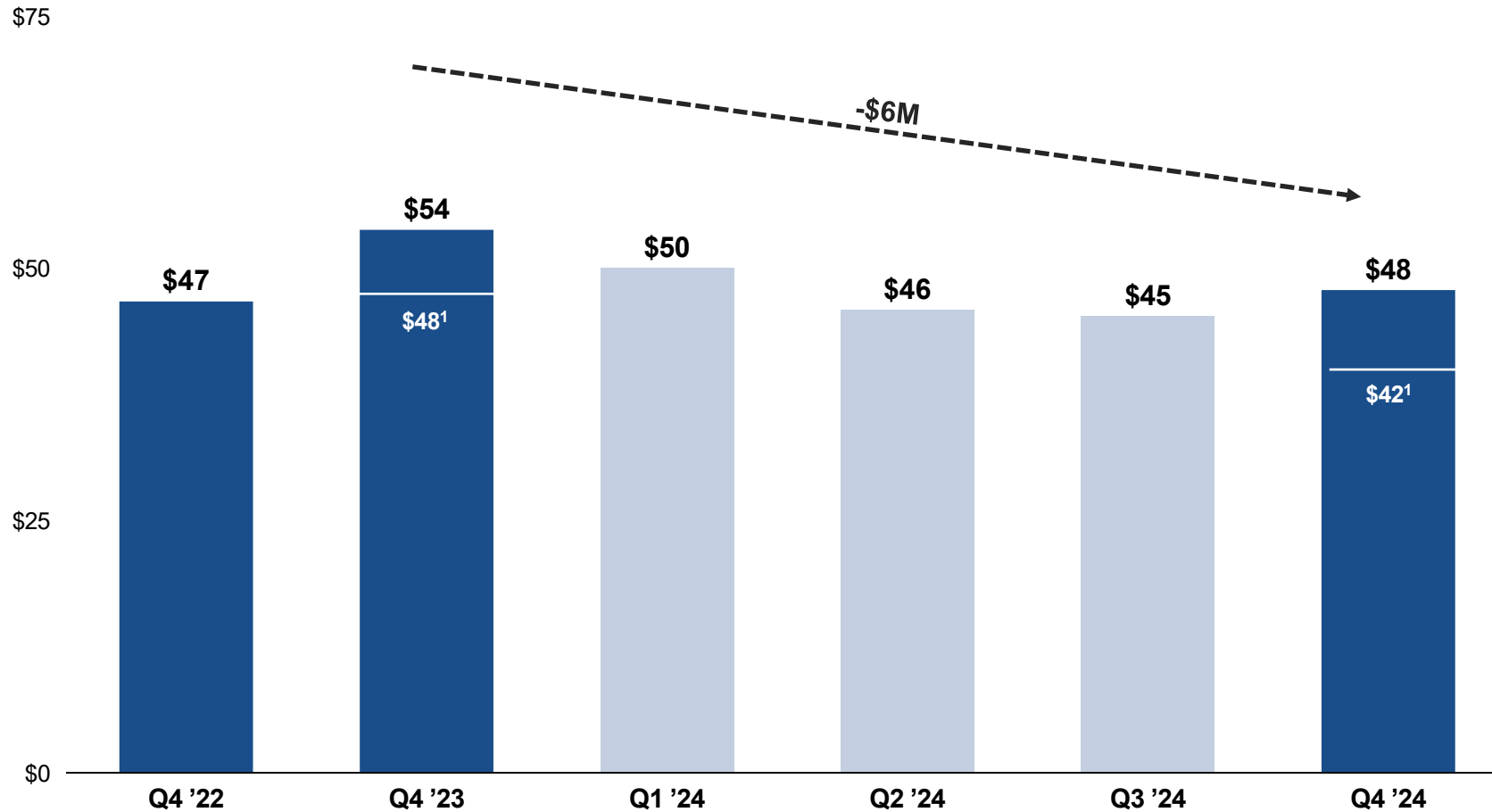
## FY'24 Dynamics

- Gross margin of 20.8%
  - -260 bps vs. FY'23

Note: All figures reflect the change in presentation in the income statement for merchant fees and customer service costs in a separate line in operating expenses labeled "Customer service and merchant fees," whereas previously these expenses were included in cost of goods sold, which impacted gross margin.

# G&A and Tech Expense

## G&A and Tech Expense (\$M)



## Q4'24 Dynamics

- G&A and Tech Expense of \$48M
  - -\$6.0M / -11.1% vs. Q4'23
  - Adjusted G&A and Tech Expense of \$42M, -\$6M or -13% vs. adjusted Q4'23<sup>1</sup>

## FY'24 Dynamics

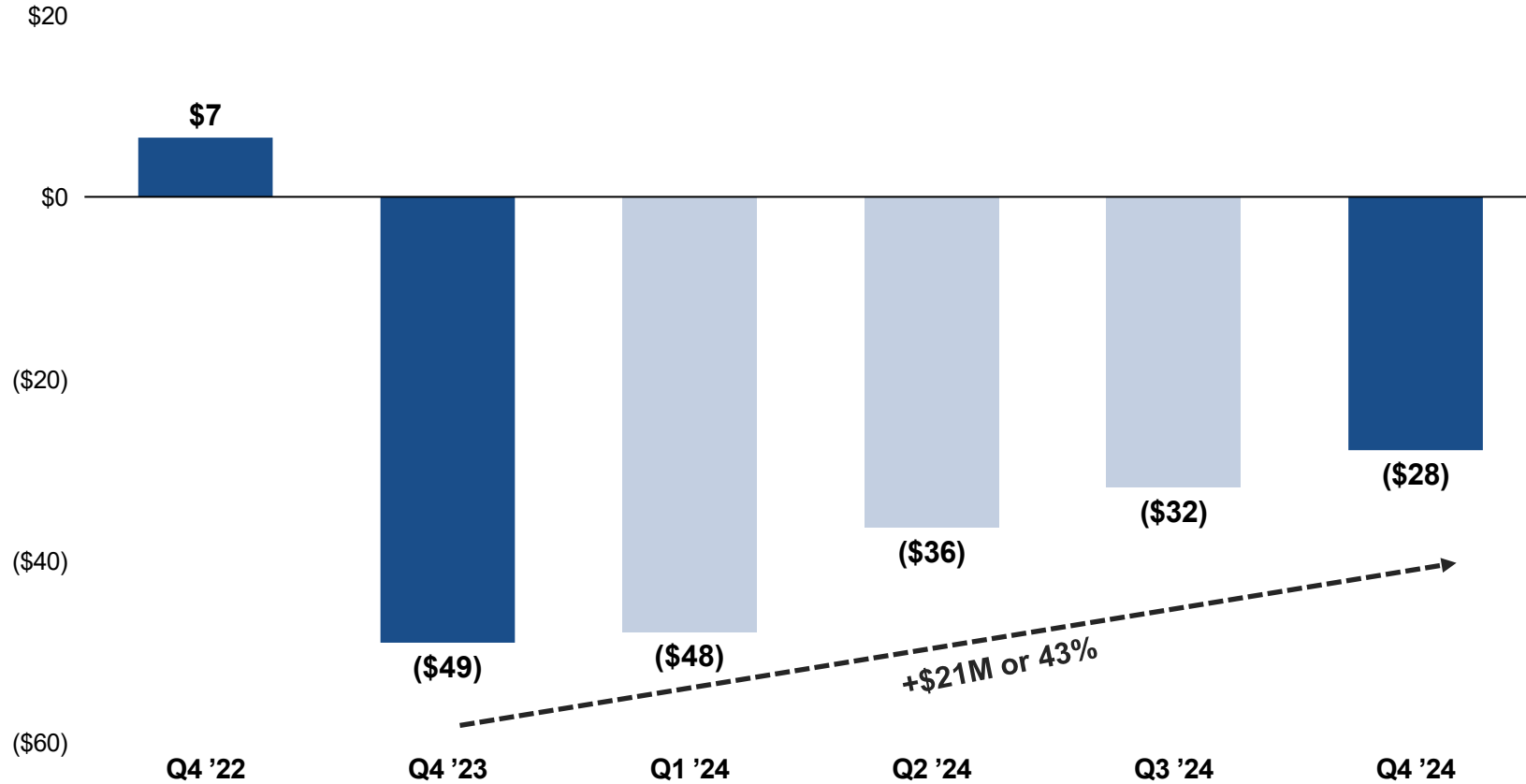
- G&A and Tech Expense of \$189M
  - -\$18.6M / -9.0% vs. FY'23

<sup>1</sup> In 4Q23 we recorded \$5.8M in special items that increased G&A and Tech expense. Adjusted G&A and Tech expense in 4Q23 was \$48.0M. Adjusted G&A and Tech is a non-GAAP financial measure. See reconciliation in appendix  
 In 4Q24 we recorded \$5.8M in special items that increased G&A and Tech expense. Adjusted G&A and Tech expense in 4Q24 was \$42.0M. Adjusted G&A and Tech is a non-GAAP financial measure. See reconciliation in appendix

# Adjusted EBITDA

Adjusted EBITDA (\$M)

Adjusted EBITDA Margin (%)



## Q4'24 Dynamics

- Adj. EBITDA of -\$28M
  - +\$21M vs. Q4'23
- Adj. EBITDA margin of -9.2%
  - +350 bps vs. Q4'23

## FY'24 Dynamics

- Adj. EBITDA of -\$144M
  - -\$83M vs. FY'23
- Adj. EBITDA margin of -10.3%
  - -640 bps vs. FY'23

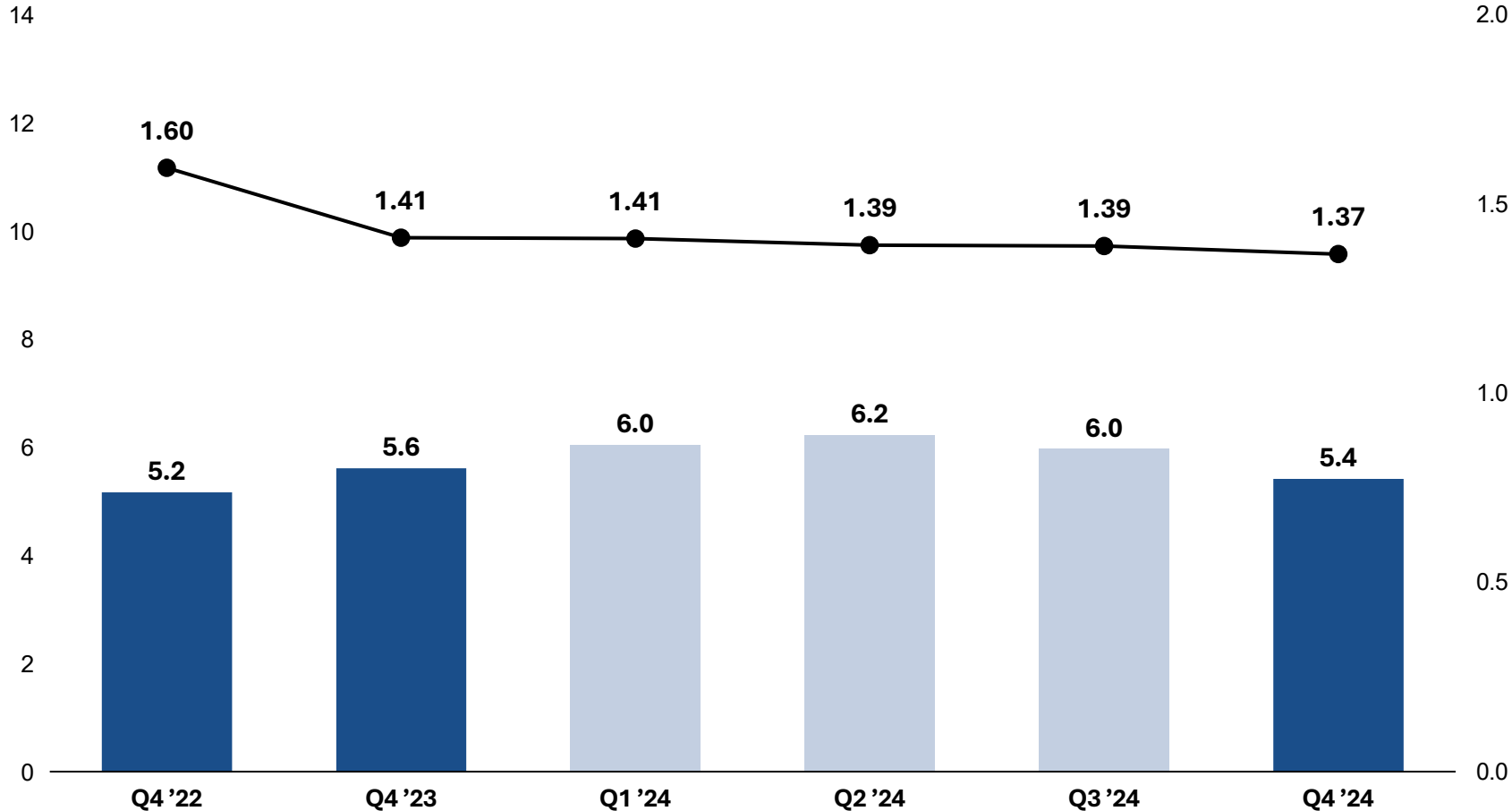
Note: Adjusted EBITDA is a non-GAAP financial measure. See reconciliation in appendix.



# Active Customers and Order Frequency

Active Customers (LTM)  
(M)

Order per Active Customer  
(LTM)

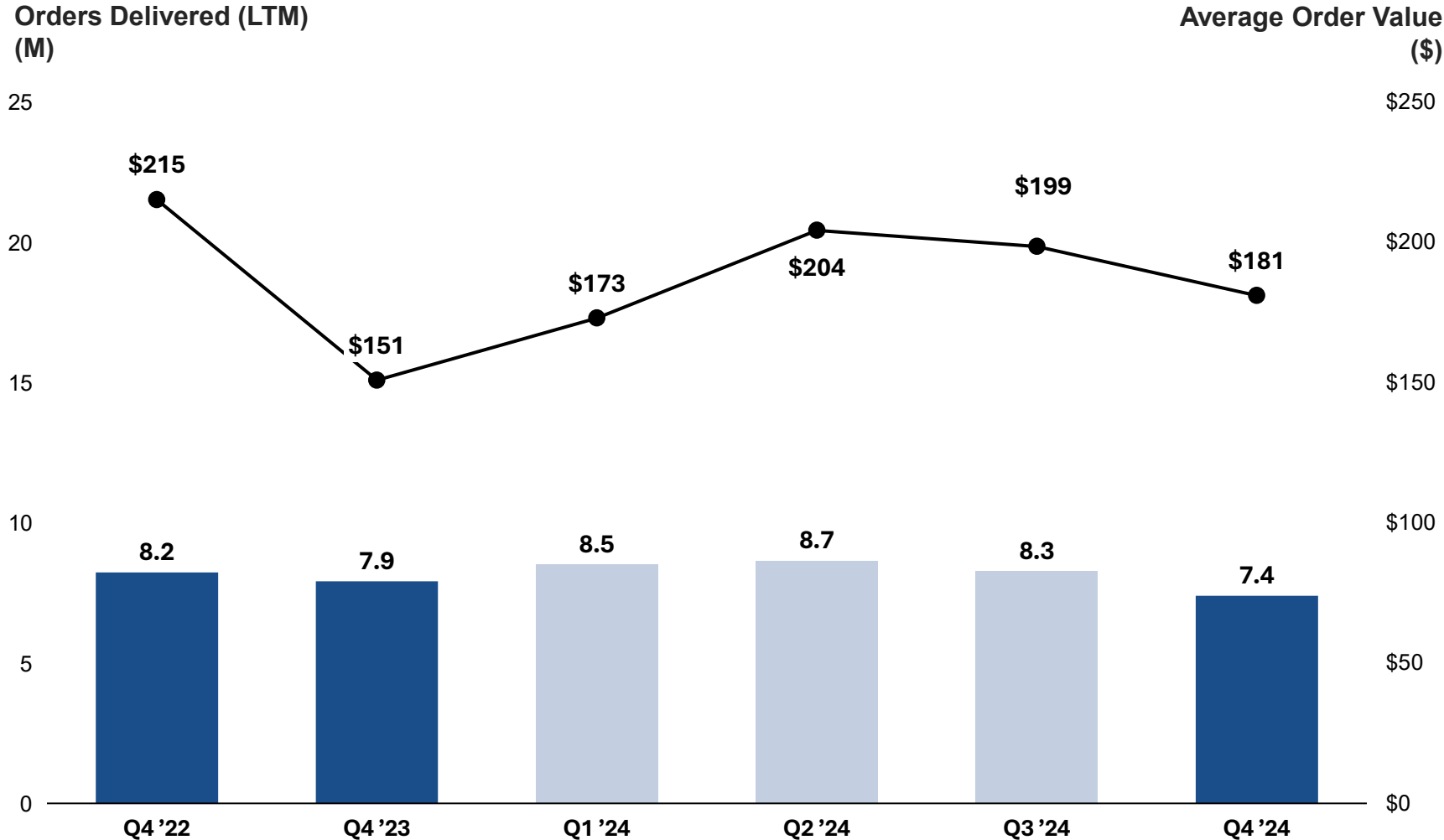


## Q4'24 Dynamics

- Active customers (LTM) of 5.4M
  - -3.5% / -0.2M vs. Q4'23
- Order frequency of 1.37
  - -3.1% vs. Q4'23

Note: Orders per active customer represents the number of orders delivered over a twelve-month period divided by the number of active customers for that same period.

# LTM Orders and Average Order Value



## Q4'24 Dynamics

- Orders delivered (LTM) of 7.4M
  - -6.5% / -0.5M vs. Q4'23
- Average order value of \$181
  - +20.0% vs. Q4'23

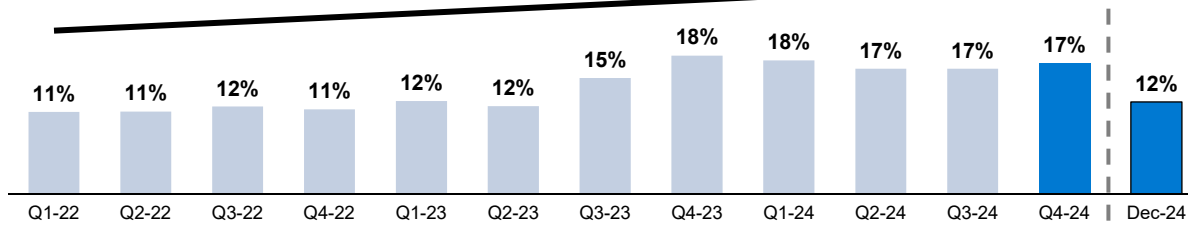
Note: LTM orders delivered represents the total number of orders delivered during the prior twelve-month period.  
 Note: Average order value represents net revenue divided by orders delivered, measured on a quarterly basis.

# Operations Update

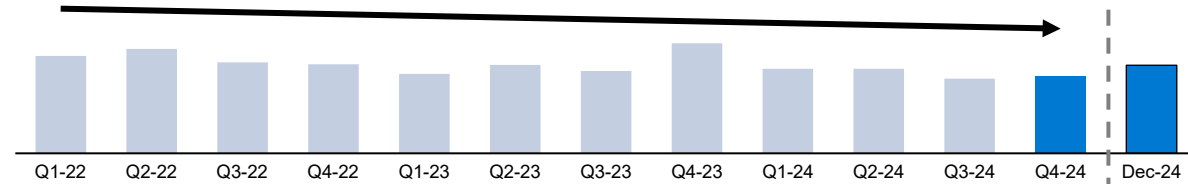
# Restoring the Core

## Beyond Consolidated

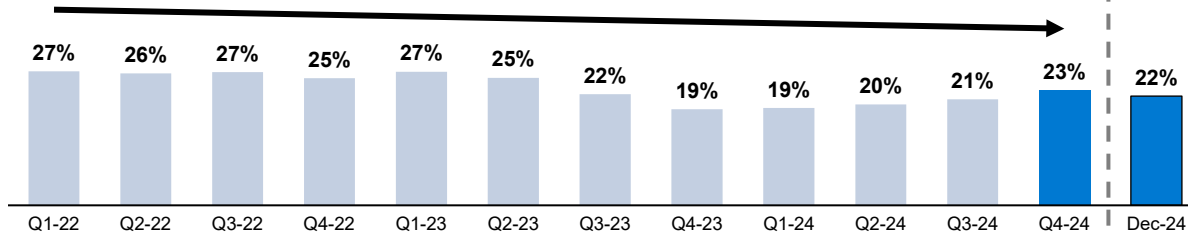
Sales & Marketing as % of Revenue



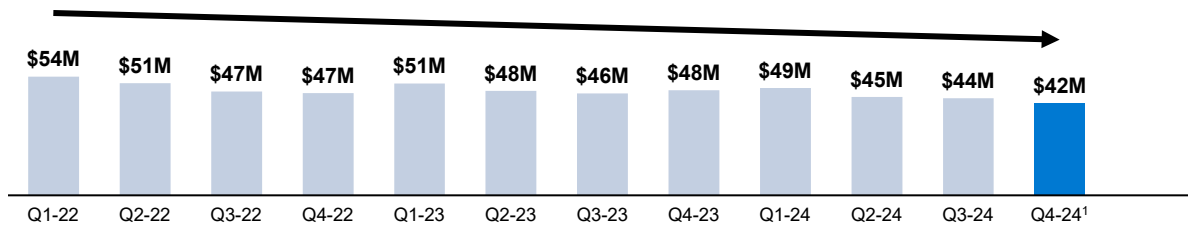
Conversion Rate<sup>2</sup>



Gross Margin as % of Revenue



Tech & G&A Expense



### Investor Event Focus Areas:

#### 1. Marketing Efficiency



#### Increase ROAS

Focused ad spend using enriched customer data

#### 2. Sales Growth



#### Maximize Traffic and Improve Conversion

Create frictionless site experience and product authority

#### 3. Margin



#### Enhance Margin

Lower product costs and effective promotional campaigns

#### 4. Expense Management



#### Goal of \$165M Annual G&A and Tech Run-Rate

Optimized structure for the future

<sup>1</sup> Tech and G&A expenses have been adjusted to excluded non-EBITDA impacting one-time costs (\$5.8M in 4Q24). Adjusted G&A and Tech is a non-GAAP financial measure. See reconciliation in appendix

<sup>2</sup> Orders delivered / Site Visits

# Appendix

# Adjusted EBITDA Reconciliation

<i>in thousands, except per share data</i>	Three months ended					
	12/31/2022	12/31/2023	3/31/2024	6/30/2024	9/30/2024	12/31/2024
<b>Net income (loss)</b>	\$ (15,511)	\$ (160,993)	\$ (73,928)	\$ (42,578)	\$ (61,030)	\$ (81,259)
Depreciation and amortization	4,226	4,626	3,960	4,395	4,384	6,323
Stock-based compensation	4,928	5,155	4,776	5,259	6,349	2,871
Interest (income) expense, net	(1,999)	(3,188)	(2,717)	(2,309)	(1,554)	(185)
Other (income) expense, net	15,447	33,231	18,791	(2,231)	18,842	38,505
Provision (benefit) for income taxes	(584)	66,388	329	117	189	49
Special items (see table below)	—	5,769	946	971	907	5,844
<b>Adjusted EBITDA</b>	<b>\$ 6,507</b>	<b>\$ (49,012)</b>	<b>\$ (47,843)</b>	<b>\$ (36,376)</b>	<b>\$ (31,913)</b>	<b>\$ (27,852)</b>
<b>Special items:</b>						
Brand integration and related costs	\$ —	\$ 786	\$ 11	\$ 192	\$ 171	\$ 284
Restructuring costs	—	4,983	935	779	736	4,997
Special legal charges and other	—	—	—	—	—	563
<b>Total Special items</b>	<b>\$ —</b>	<b>\$ 5,769</b>	<b>\$ 946</b>	<b>\$ 971</b>	<b>\$ 907</b>	<b>\$ 5,844</b>

Note: All figures represent results from continuing operations. Adjusted EBITDA is a non-GAAP financial measure used in conjunction with results presented in accordance with GAAP and should not be relied upon to the exclusion of GAAP financial measures. Review our financial statements and publicly filed reports in their entirety and do not rely on any single financial measure.

# Adjusted G&A and Technology Expense Reconciliation

<i>in thousands, except per share data</i>	Three months ended					
	12/31/2022	12/31/2023	3/31/2024	6/30/2024	9/30/2024	12/31/2024
<b>G&amp;A and Technology Expense</b>	\$ 46,697	\$ 53,806	\$ 50,035	\$ 45,873	\$ 45,244	\$ 47,830
Brand integration and related costs	—	786	11	192	171	284
Restructuring costs	—	4,983	935	779	736	4,997
Special legal charges and other	—	—	—	—	—	563
<b>Adjusted G&amp;A and Technology Expense</b>	\$ 46,697	\$ 48,037	\$ 49,089	\$ 44,902	\$ 44,337	\$ 41,986

Note: All figures represent results from continuing operations. Adjusted G&A and Technology is a non-GAAP financial measure used in conjunction with results presented in accordance with GAAP and should not be relied upon to the exclusion of GAAP financial measures. Review our financial statements and publicly filed reports in their entirety and do not rely on any single financial measure.

# Adjusted Diluted EPS Reconciliation

	Three months ended December 31, 2024			
	<u>Diluted EPS</u>	<u>Less: debt fair value adjustment</u>	<u>Less: equity method loss<sup>1</sup></u>	<u>Adjusted Diluted EPS</u>
<i>in thousands, except per share data</i>				
<b>Numerator:</b>				
Net loss attributable to common stockholders	\$ (81,259)	\$ (2,430)	\$ (34,282)	\$ (44,547)
<b>Denominator:</b>				
Weighted average shares of common stock outstanding-diluted	49,048	49,048	49,048	49,048
<b>Net loss per share of common stock:</b>				
Diluted	(1.66)	(0.05)	(0.70)	(0.91)

<sup>1</sup> Inclusive of estimated tax impact.