



# REVOLVE

**Q1 2024 Financial Highlights**

**May 7, 2024**

**Note on Forward-Looking Statements**

This presentation contains “forward-looking statements” within the meaning of U.S. federal securities laws. Forward-looking statements include all statements that are not historical facts and can be identified by terms such as “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will,” “would,” or similar expressions and the negatives of those terms.

Forward-looking statements are based on information available at the time those statements are made and on our current expectations and projections about future events, and are subject to risks and uncertainties. If any of these risks or uncertainties materialize or if any assumptions prove incorrect, actual performance or results may differ materially from those expressed in or suggested by the forward-looking statements. These risks and uncertainties include, without limitation, risks related to changing economic conditions and their impact on consumer demand and our business, operating results and financial condition; demand for our products; supply chain challenges; inflationary pressures; wars and conflicts in Ukraine/Russia, Israel/Gaza and the Middle East; other geopolitical tensions; our fluctuating operating results; seasonality in our business; our ability to acquire products on reasonable terms; our e-commerce business model; our ability to attract customers in a cost effective manner; the strength of our brand; competition; fraud; system interruptions; our ability to fulfill orders; the impact of public health crises on our business, operations and financial results; the effect of claims, lawsuits, government investigations, other legal or regulatory proceedings or commercial or contractual disputes; and other risks and uncertainties included under the caption "Risk Factors" and elsewhere in our filings with the Securities and Exchange Commission, or SEC, including, without limitation, our Annual Report on Form 10-K for the year ended December 31, 2023 and our subsequent Quarterly Reports on Form 10-Q, including for the quarter ended March 31, 2024, which we expect to file with the SEC on May 7, 2024.

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. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements.

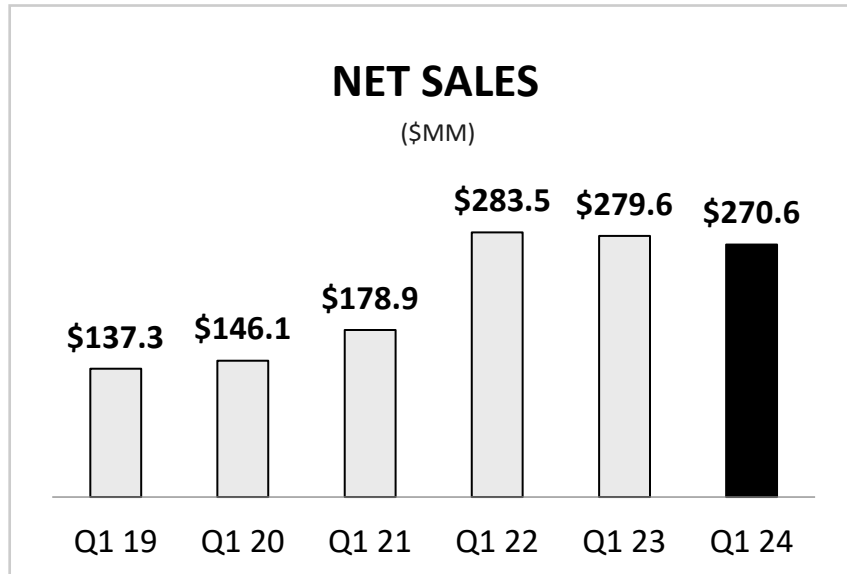
Unless otherwise indicated, all references in this presentation to “we,” “our,” “us,” or similar terms refer to Revolve Group, Inc. and its subsidiaries.

**Use of Non-GAAP Financial Measures**

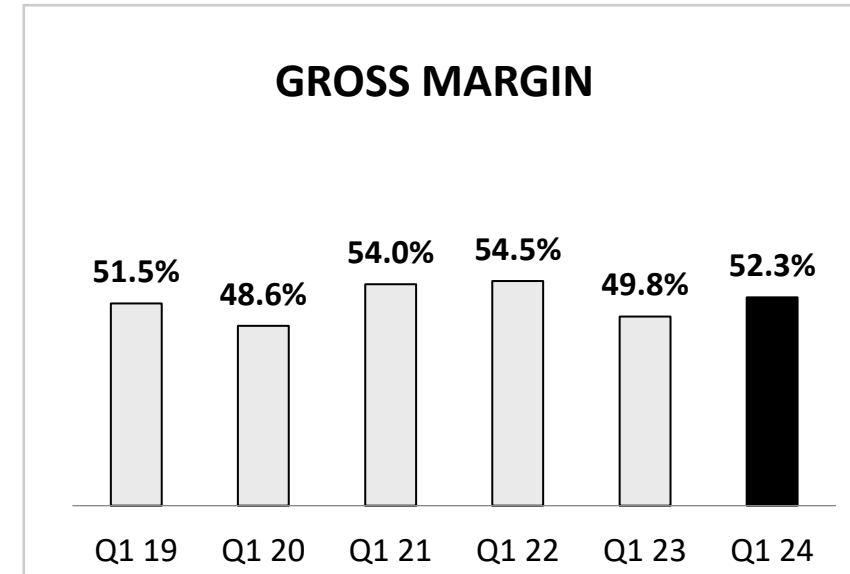
In addition to U.S. GAAP financials, this presentation includes certain non-GAAP financial measures, including Adjusted EBITDA, Adjusted EBITDA margin, and free cash flow. These non-GAAP measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP. The non-GAAP financial measures used by us may differ from the non-GAAP financial measures used by other companies. We use these non-GAAP financial measures to evaluate our operating performance, generate future operating plans and make strategic decisions regarding the allocation of capital. Our management believes that these non-GAAP financial measures provide meaningful supplemental information regarding our performance and liquidity by excluding certain expenses that may not be indicative of our ongoing core operating performance. We believe that both management and investors benefit from referring to these non-GAAP financial measures in assessing our performance, when analyzing historical performance and liquidity and when planning, forecasting, and analyzing future periods.

For a reconciliation of these non-GAAP financial measures to GAAP measures, please refer to the Appendix.

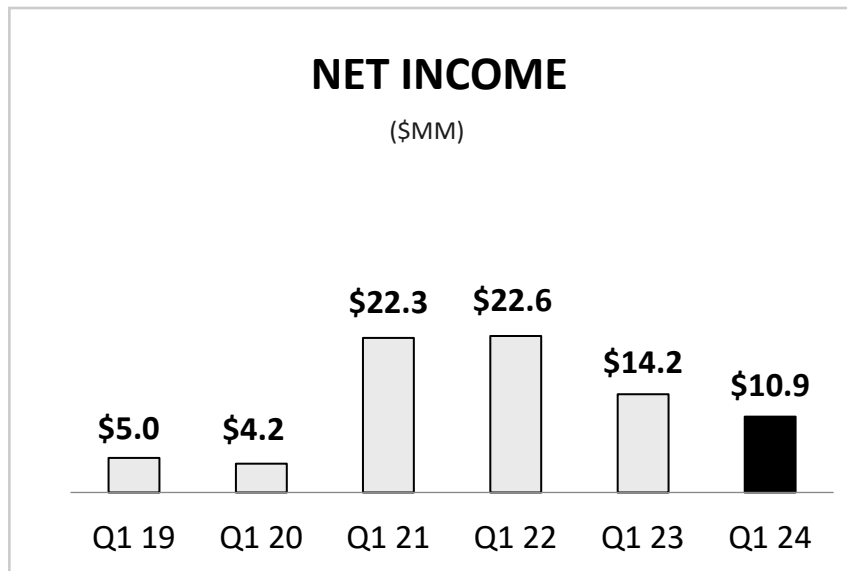
# Q1 2024 SUMMARY



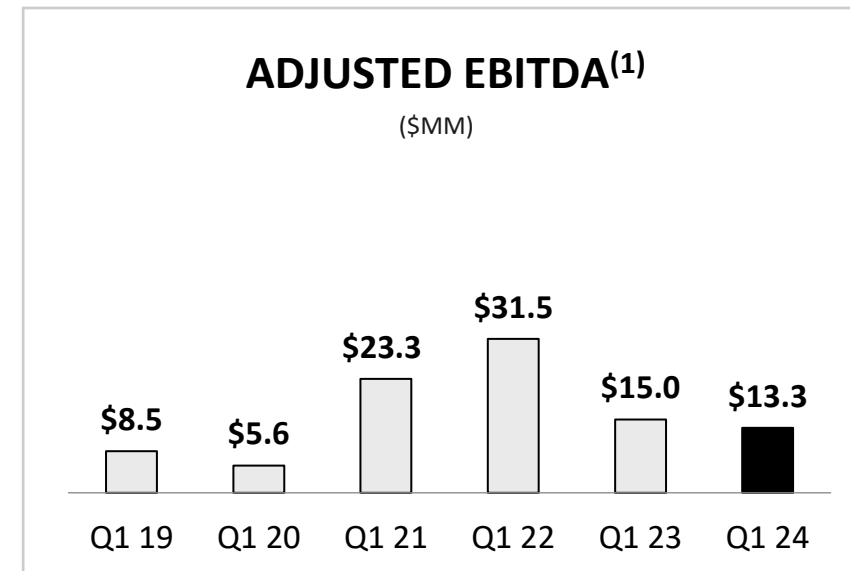
**(3%) YoY**  
**15% 5-Year CAGR**



**+ 250 BPs YoY**  
**Gross profit +2% YoY**



**(23%) YoY**

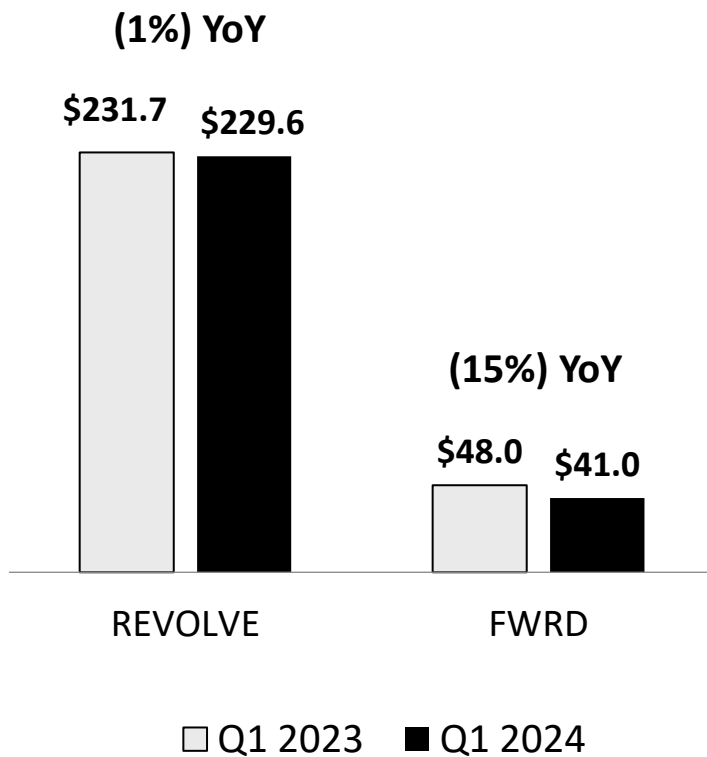


**(12%) YoY**

# NET SALES BY SEGMENT AND GEOGRAPHY

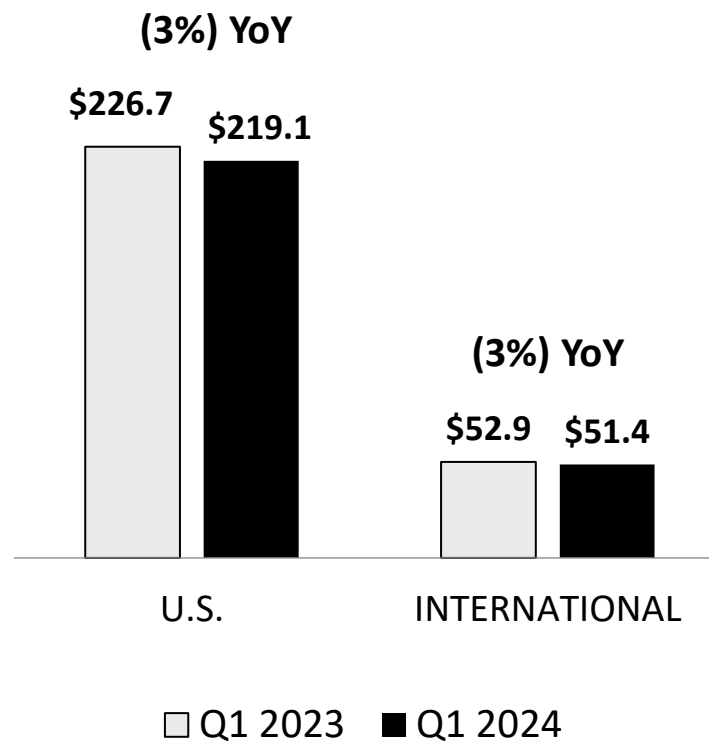
## NET SALES BY SEGMENT

(\$MM)

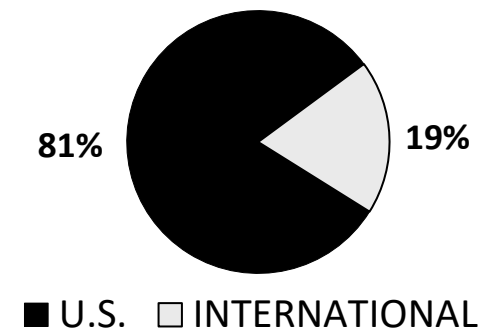
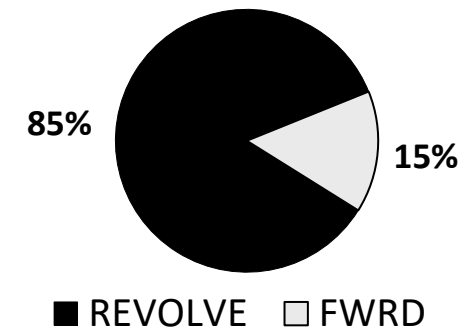


## NET SALES BY GEOGRAPHY

(\$MM)



## NET SALES MIX BY SEGMENT AND GEOGRAPHY IN Q1 2024



# SEGMENT RESULTS OVER TIME

## SEGMENT NET SALES

(\$MM)

### REVOLVE

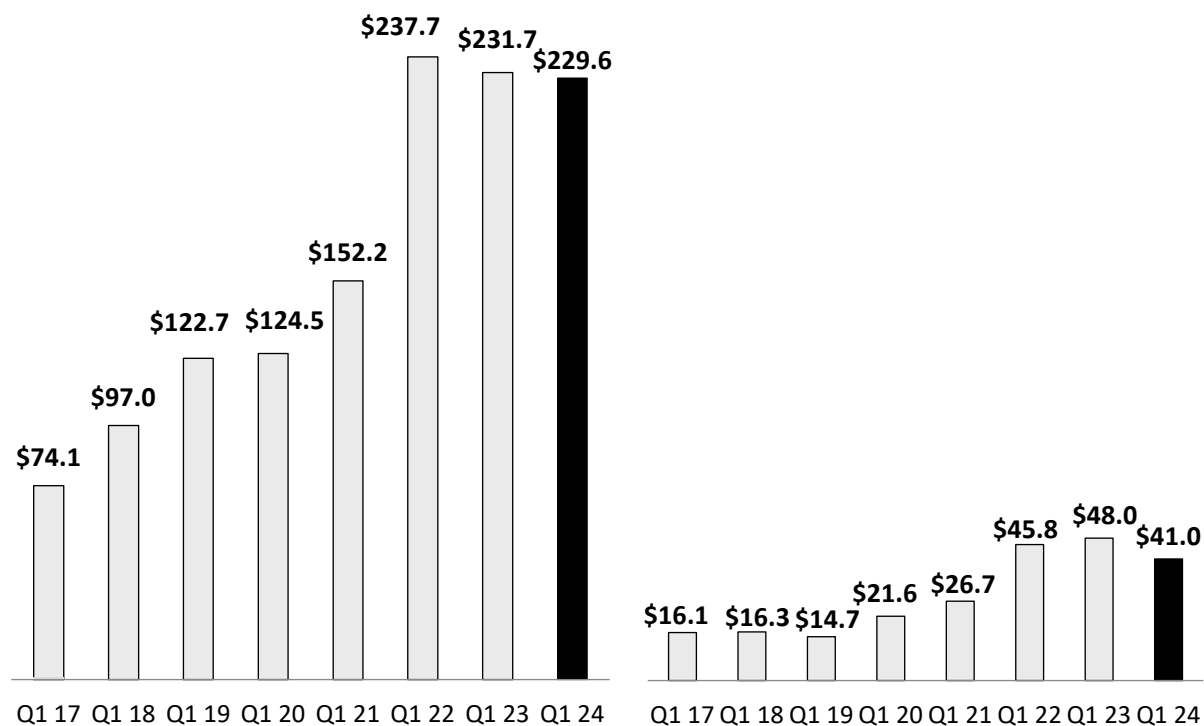
(1%) YoY

13% 5-Year CAGR vs Q1 19

### FWRD

(15%) YoY

23% 5-Year CAGR vs. Q1 19



## SEGMENT GROSS PROFIT

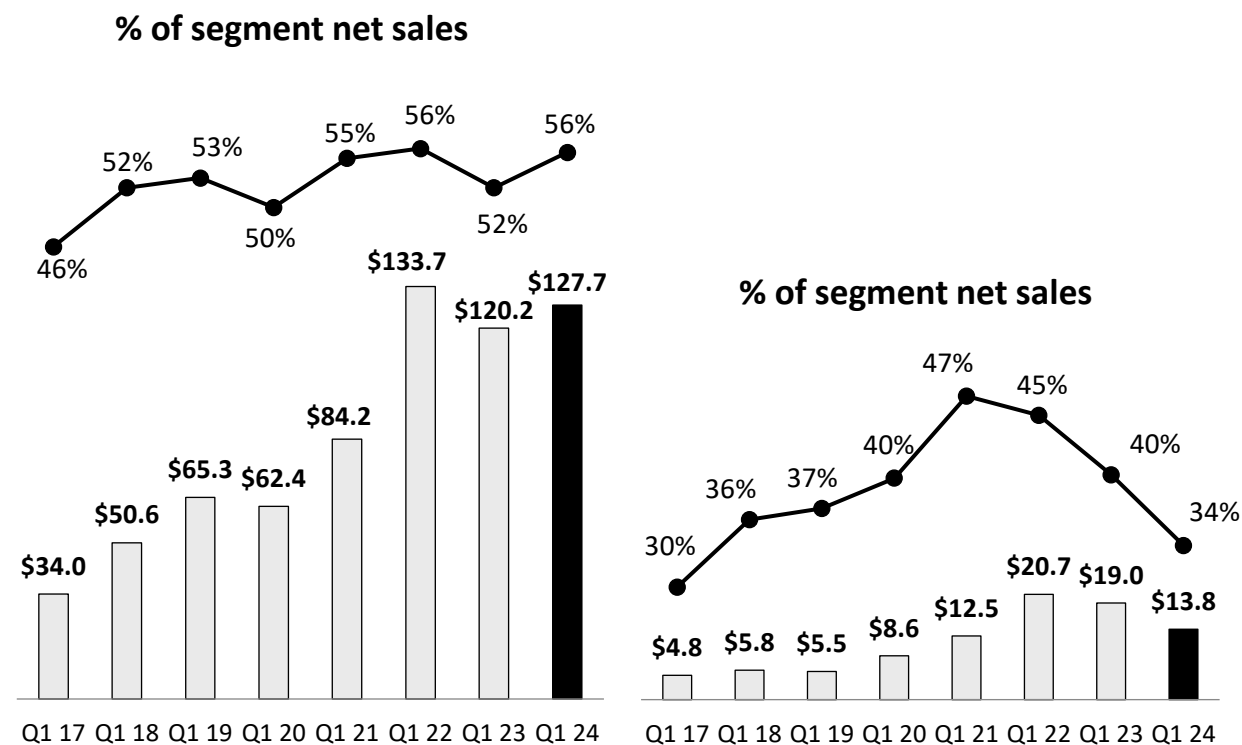
(\$MM)

### REVOLVE

6% YoY

### FWRD

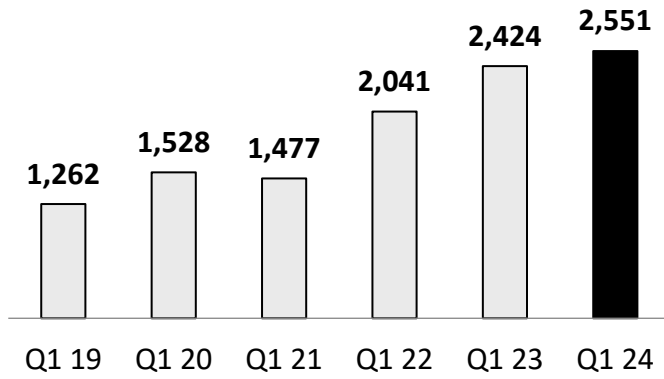
(27%) YoY



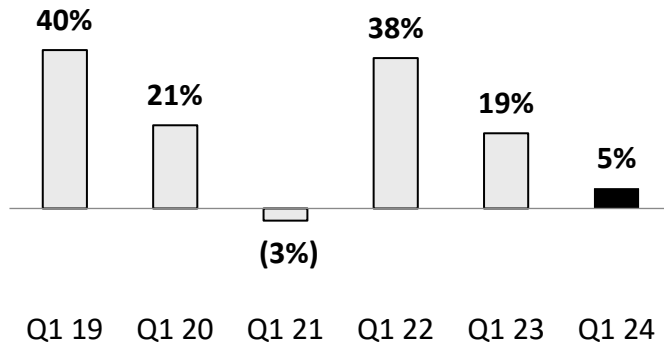
# OPERATING METRICS HIGHLIGHTS

## ACTIVE CUSTOMERS<sup>(1)</sup>

(TRAILING 12 MONTHS, in 000s)

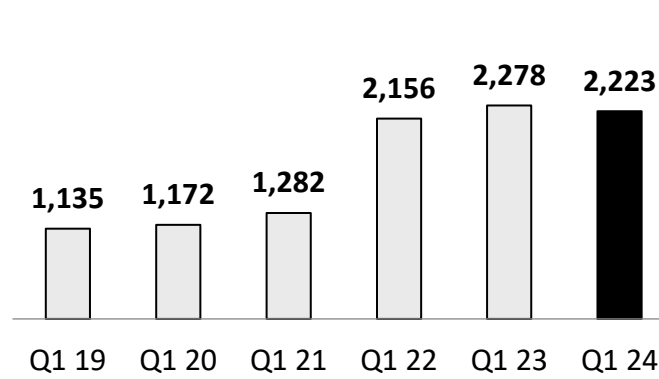


## YoY GROWTH TREND

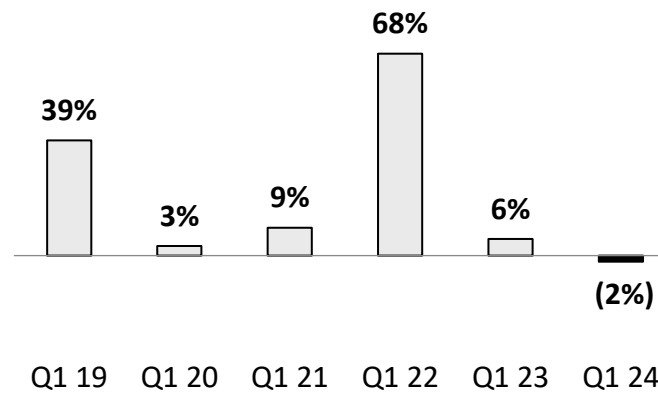


## TOTAL ORDERS PLACED<sup>(1)</sup>

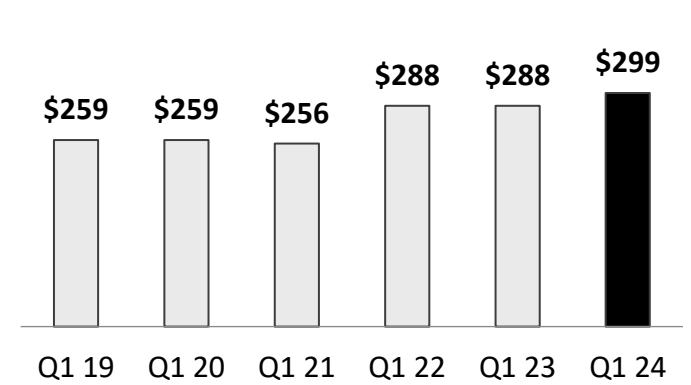
(000s)



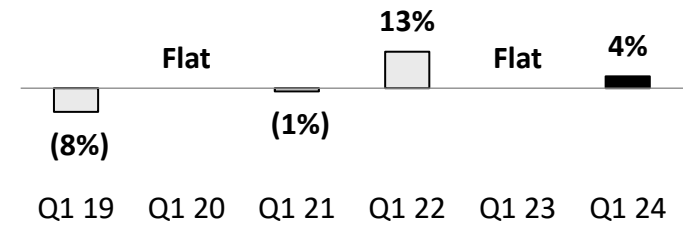
## YoY GROWTH TREND



## AVERAGE ORDER VALUE<sup>(1)</sup>

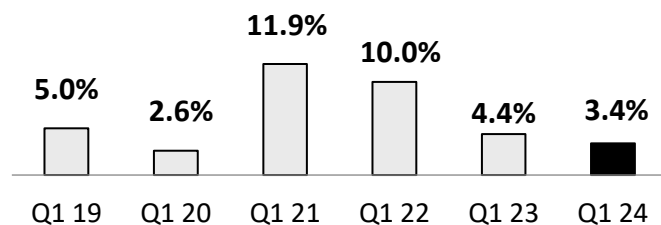


## YoY GROWTH TREND

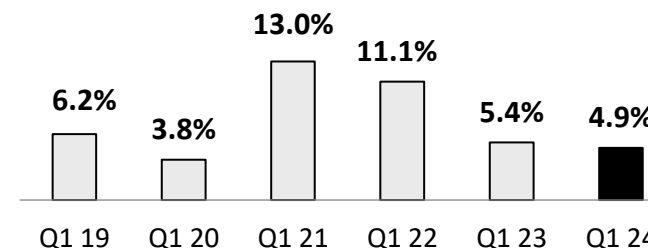


## COST AND MARGIN STRUCTURE

### GAAP OPERATING INCOME MARGIN



### ADJUSTED EBITDA MARGIN<sup>(1)</sup>



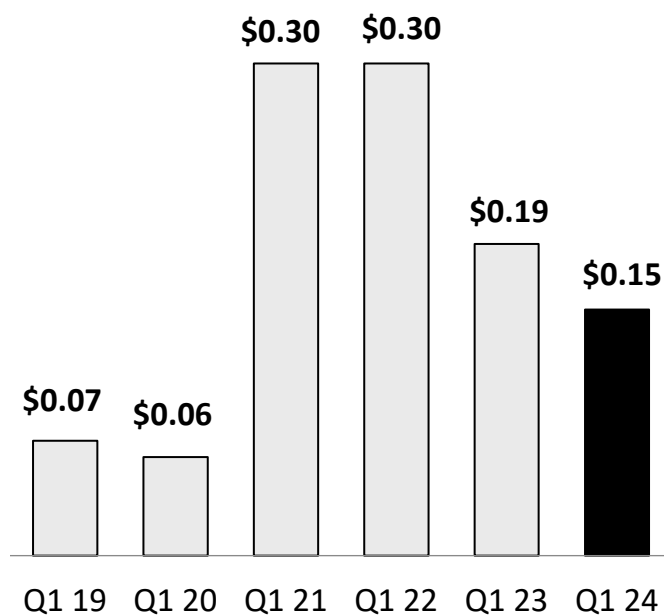
AS A % OF NET SALES	Q1 24	Q1 23	CHANGE	OBSERVATIONS
Gross Profit	<b>52.3%</b>	49.8%	+250 BPs	Driven by margin expansion in the REVOLVE Segment. The increase primarily reflects a higher mix of net sales at full price and a decrease in inventory valuation adjustments year-over-year.
Fulfillment	<b>(3.5%)</b>	(3.2%)	+23 BPs	Primarily reflects the higher return rate year-over-year, higher wages for fulfillment staff and increased occupancy costs.
Selling and Distribution	<b>(17.9%)</b>	(18.4%)	(50) BPs	Primarily reflects progress on our initiatives to reduce logistics costs throughout our global shipping and logistics operations, partially offset by a higher return rate year-over-year.
Marketing	<b>(15.3%)</b>	(13.7%)	+158 BPs	Primarily reflects a planned increase in brand marketing investment year-over-year due to a shift in the timing of marketing investment in 2024 as compared to the prior year.
General and Administrative	<b>(12.2%)</b>	(10.0%)	+214 BPs	Primarily reflects the 17% year-over-year increase in G&A expense that outpaced the slight decrease in net sales year-over-year. Approximately 40% of the increase in G&A costs year-over-year reflects higher variable compensation in 2024 and higher stock-based compensation year-over-year.
GAAP Operating Income Margin <sup>(2)</sup>	<b>3.4%</b>	4.4%	(94) BPs	

**Notes:**

1. See the Appendix for a definition of Adjusted EBITDA margin and reconciliations to its corresponding GAAP financial measure.
2. Due to rounding, some numbers presented may not add up precisely to the totals provided.

## EARNINGS PER SHARE

## THE EPS MATH

Q1 DILUTED EPS<sup>(1)</sup>

(000s, except per share figures and percentages)	Q1 24	Q1 23	YoY
Income before income taxes	\$14,649	\$18,841	(22%)
Provision for income taxes	(3,776)	(4,669)	(19%)
<i>Effective tax rate</i>	26%	25%	1 pt
<b>Net income (GAAP)</b>	<b>\$10,873</b>	<b>\$14,172</b>	<b>(23%)</b>
Weighted average basic shares	70,919	73,370	(3%)
+ Effect of dilutive stock options and RSUs	604	1,009	(40%)
<b>Weighted average diluted shares</b>	<b>71,523</b>	<b>74,379</b>	<b>(4%)</b>
<b>Diluted EPS (GAAP)</b>	<b>\$0.15</b>	<b>\$0.19</b>	<b>(21%)</b>

## Note:

1. EPS in Q1 2024 and Q1 2023 include an insurance recovery in other income, net equivalent to approximately \$0.03 and \$0.05 per share, respectively.

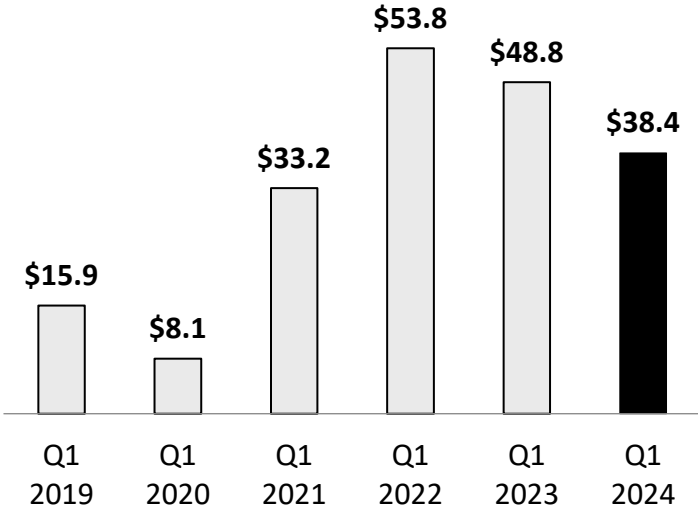


# CASH FLOW HIGHLIGHTS

## NET CASH PROVIDED BY OPERATING ACTIVITIES

(\$MM)

**(21%) YoY**

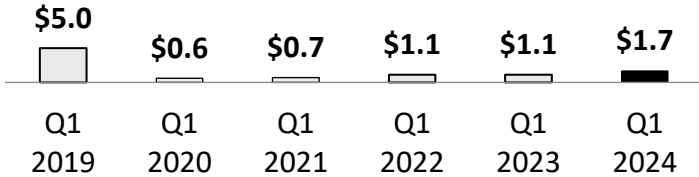


## PURCHASE OF PROPERTY AND EQUIPMENT

(\$MM)

**Average of 0.8% of Net Sales**

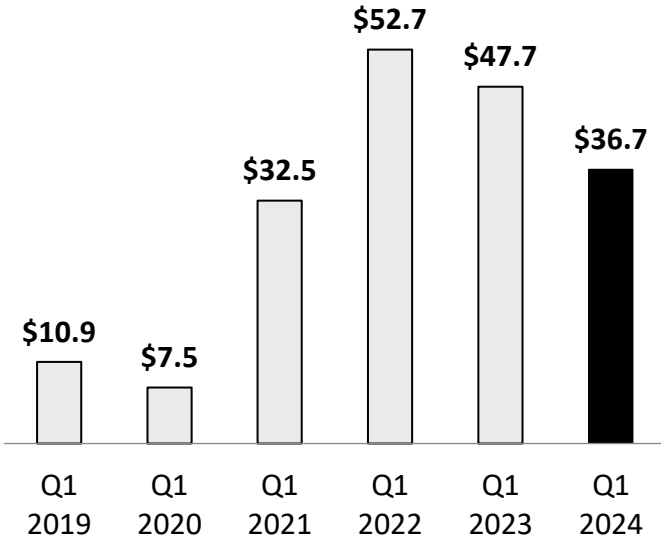
in First Quarters 2019 - 2024



## FREE CASH FLOW<sup>(1)</sup>

(\$MM)

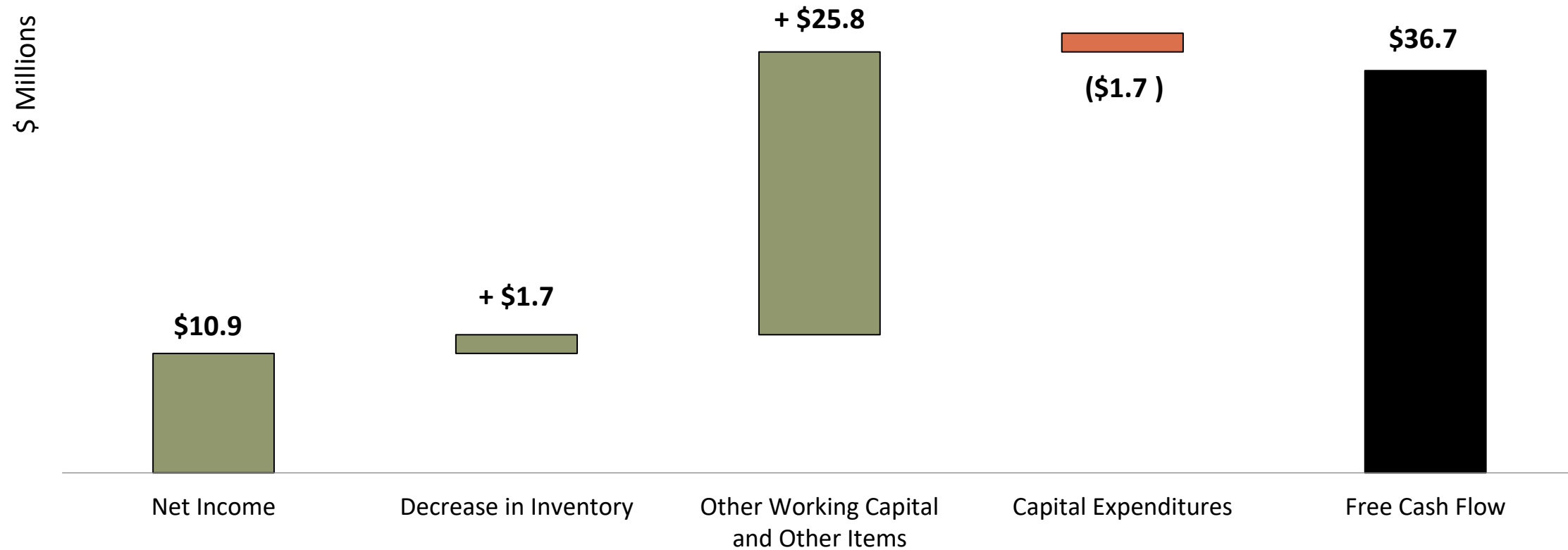
**(23%) YoY**



**Note:**

1. See the Appendix for a definition of free cash flow and reconciliations to its corresponding GAAP financial measure.

# BUILD UP OF FREE CASH FLOW IN Q1 2024

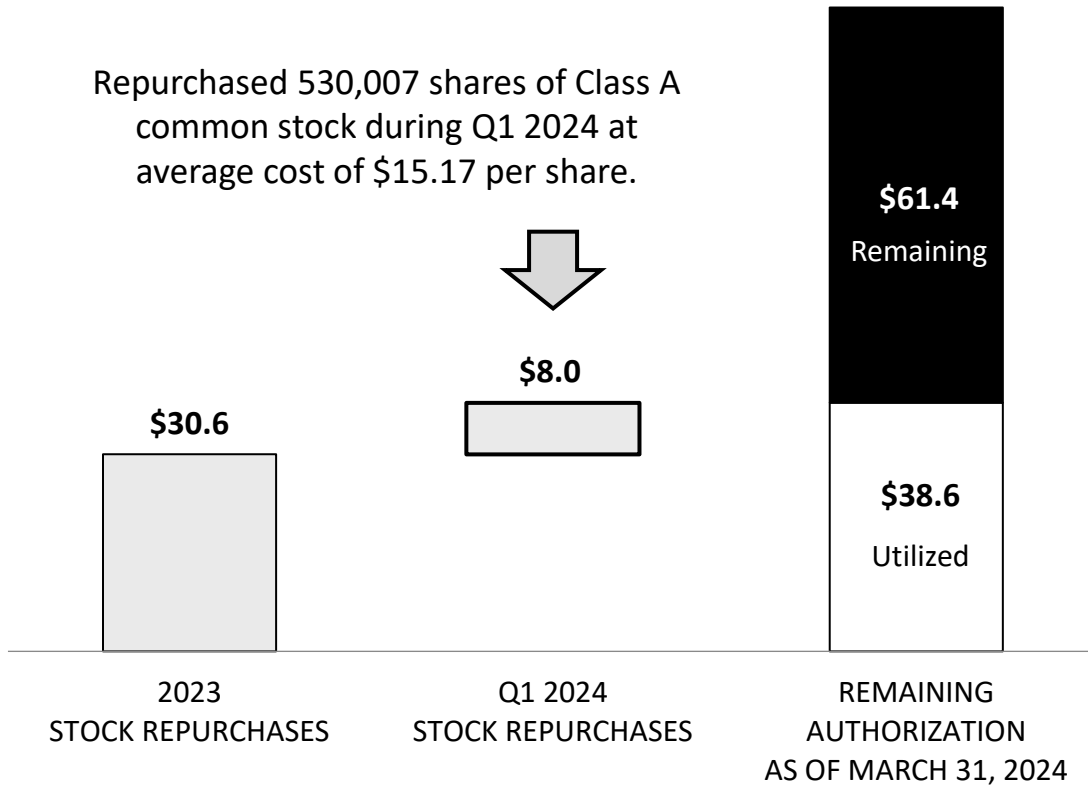


# STOCK REPURCHASE AND BALANCE SHEET HIGHLIGHTS

## STOCK REPURCHASE ACTIVITY UPDATE<sup>(1)</sup>

(\$MM)

Repurchased 530,007 shares of Class A common stock during Q1 2024 at average cost of \$15.17 per share.



## CASH & CASH EQUIVALENTS, NET<sup>(2)</sup>

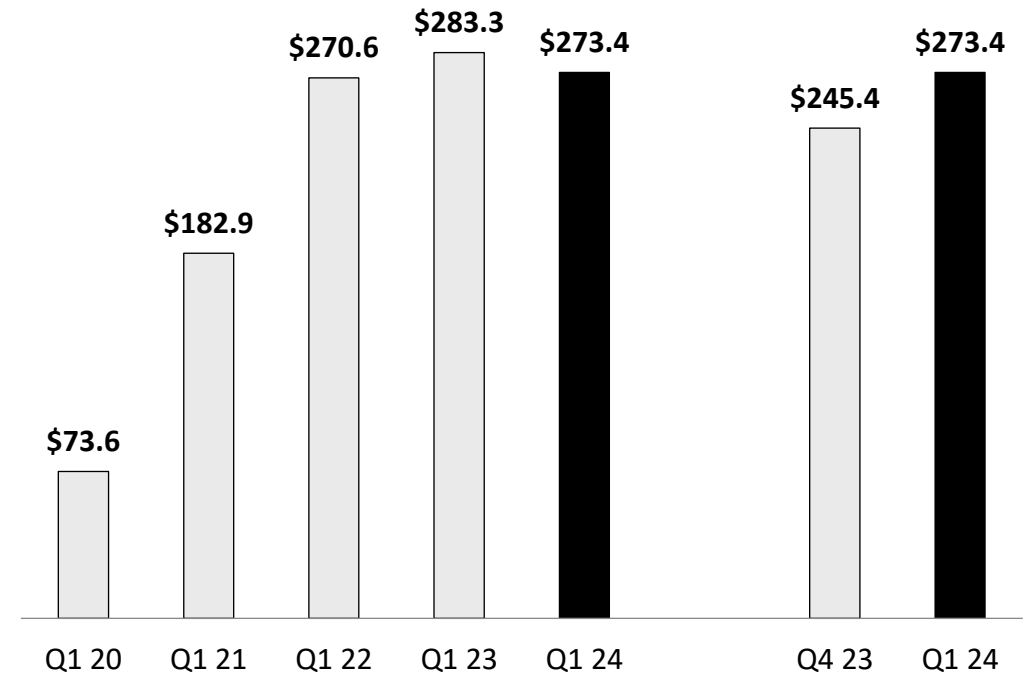
(\$MM)

**(\$10M) or (3%) YoY**

\$38.6M in stock repurchases since Aug 2023

**+ \$28M,  
or +11% QoQ**

**Nearly 4X in Past 4 Years**

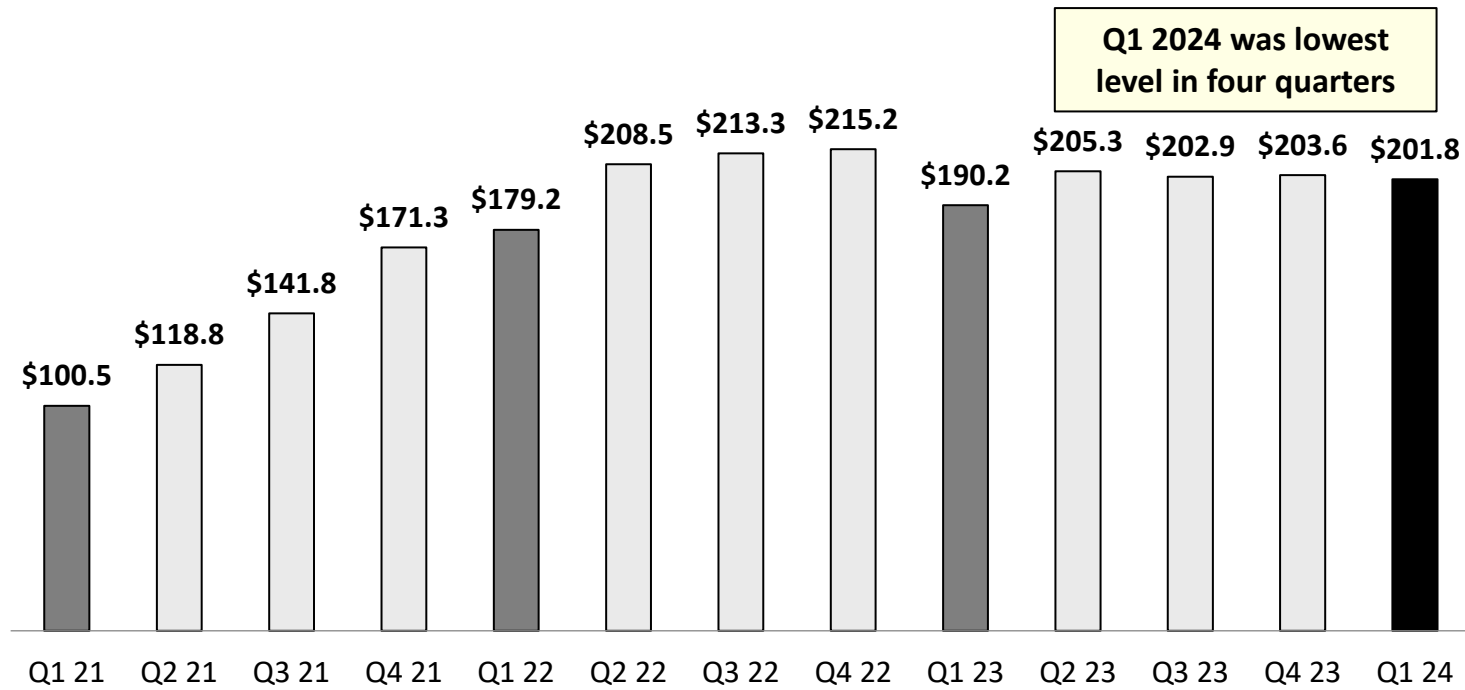


**Notes:**

1. Figures exclude broker fees and excise taxes.
2. Net of borrowings for the quarter ended March 31, 2020. There were no other borrowings in other periods presented.

## INVENTORY TREND OVER LAST THREE YEARS

(\$MM)

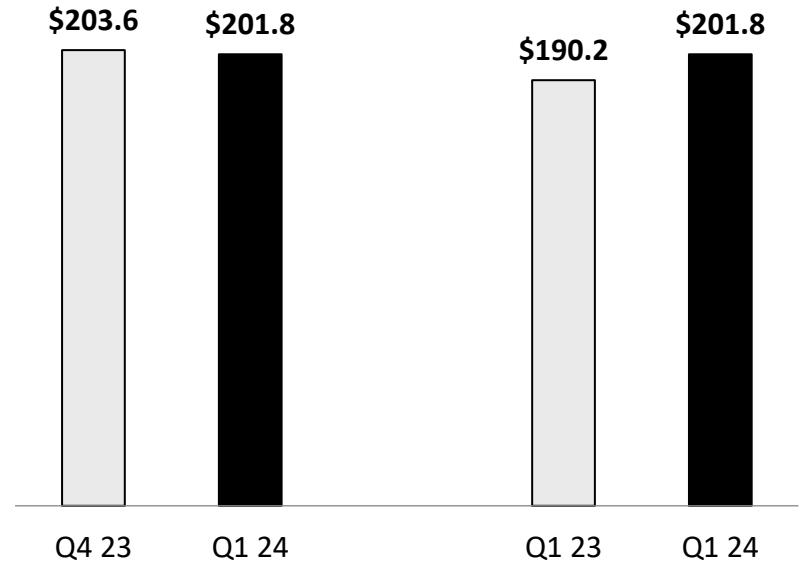


## INVENTORY COMPARISONS

(\$MM)

Inventory  
(1%) QoQ

Inventory  
+6% YoY



# REVOLVE

**APPENDIX: DEFINITIONS AND RECONCILIATIONS**



## UPCOMING INVESTOR CONFERENCES

### NEEDHAM TECHNOLOGY, MEDIA AND CONSUMER CONFERENCE

- **MAY 16, 2024**

### STIFEL CROSS SECTOR INSIGHT CONFERENCE

- **JUNE 4, 2024**

### WILLIAM BLAIR GROWTH STOCK CONFERENCE

- **JUNE 5, 2024**

### EVERCORE ISI CONSUMER AND RETAIL CONFERENCE

- **JUNE 12, 2024**

## GAAP TO NON-GAAP RECONCILIATION

ADJUSTED EBITDA (\$MM) <sup>(1)</sup>	Q1 2019	Q1 2020	Q1 2021	Q1 2022	Q1 2023	Q1 2024
<b>NET INCOME</b>	<b>\$5.0</b>	<b>\$4.2</b>	<b>\$22.3</b>	<b>\$22.6</b>	<b>\$14.2</b>	<b>\$10.9</b>
(+) OTHER EXPENSE (INCOME), NET	0.2	(0.1)	0.2	(0.5)	(6.6)	(5.3)
(+) PROVISION FOR (BENEFIT FROM) INCOME TAXES	1.7	(0.2)	(1.3)	6.4	4.7	3.8
(+) DEPRECIATION AND AMORTIZATION	0.7	1.2	1.1	1.1	1.2	1.3
(+) EQUITY-BASED COMPENSATION	0.5	0.6	1.0	1.5	1.3	2.6
(+) NON-ROUTINE ITEMS <sup>(2)</sup>	0.4	--	--	0.5	0.3	0.0
<b>ADJUSTED EBITDA</b>	<b>\$8.5</b>	<b>\$5.6</b>	<b>\$23.3</b>	<b>\$31.5</b>	<b>\$15.0</b>	<b>\$13.3</b>
<b>NET INCOME MARGIN</b>	<b>3.6%</b>	<b>2.8%</b>	<b>12.4%</b>	<b>8.0%</b>	<b>5.1%</b>	<b>4.0%</b>
<b>ADJUSTED EBITDA MARGIN</b>	<b>6.2%</b>	<b>3.8%</b>	<b>13.0%</b>	<b>11.1%</b>	<b>5.4%</b>	<b>4.9%</b>
<b>FREE CASH FLOW (\$MM) <sup>(1)</sup></b>	<b>Q1 2019</b>	<b>Q1 2020</b>	<b>Q1 2021</b>	<b>Q1 2022</b>	<b>Q1 2023</b>	<b>Q1 2024</b>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$15.9</b>	<b>\$8.1</b>	<b>\$33.2</b>	<b>\$53.8</b>	<b>\$48.8</b>	<b>\$38.4</b>
PURCHASES OF PROPERTY AND EQUIPMENT	(5.0)	(0.6)	(0.7)	(1.1)	(1.1)	(1.7)
<b>FREE CASH FLOW</b>	<b>\$10.9</b>	<b>\$7.5</b>	<b>\$32.5</b>	<b>\$52.7</b>	<b>\$47.7</b>	<b>\$36.7</b>

## Notes:

1. Due to rounding, some numbers presented may not add up precisely to the totals provided.
2. Non-routine items for Q1 2022, Q1 2023 and Q1 2024 relate to accruals and fees for legal matters. Non-routine items in Q1 2019 primarily relate to legal settlements.

# METRICS DEFINITIONS

## Non-GAAP Financial Measures

**Adjusted EBITDA** is a non-GAAP financial measure that we calculate as net income before other (income) expense, net; taxes; and depreciation and amortization; adjusted to exclude the effects of equity-based compensation expense and certain non-routine items. Adjusted EBITDA is a key measure used by management to evaluate our operating performance, generate future operating plans and make strategic decisions regarding the allocation of capital. In particular, the exclusion of certain expenses in calculating Adjusted EBITDA facilitates operating performance comparisons on a period-to-period basis and, in the case of exclusion of the impact of equity-based compensation, excludes an item that we do not consider to be indicative of our core operating performance.

**Adjusted EBITDA Margin** is a non-GAAP financial measure that we calculate as Adjusted EBITDA divided by net sales.

**Free Cash Flow** is a non-GAAP financial measure that we calculate as net cash provided by operating activities less cash used in purchases of property and equipment. We view free cash flow as an important indicator of our liquidity because it measures the amount of cash we generate. Free cash flow also reflects changes in working capital.

## Operating Metrics

We define an **Active Customer** as a unique customer account from which a purchase was made across our platform at least once in the preceding 12-month period. In any particular period, we determine our number of active customers by counting the total number of customers who have made at least one purchase in the preceding 12-month period, measured from the last date of such period. We view the number of active customers as a key indicator of our growth, the reach of our sites, the value proposition and consumer awareness of our brand, the continued use of our sites by our customers and their desire to purchase our products.

We define **Average Order Value** as the sum of the total gross sales from our sites in a given period, prior to product returns, divided by the total orders placed in that period. We believe our high average order value demonstrates the premium nature of our product assortment. Average order value varies depending on the site through which we sell merchandise, the mix of product categories sold, the number of units in each order, the percentage of sales at full price, and for sales at less than full price, the level of markdowns.

We define **Total Orders Placed** as the total number of orders placed by our customers, prior to product returns, across our platform in any given period. We view total orders placed as a key indicator of the velocity of our business and an indication of the desirability of our products and sites to our customers. Total orders placed, together with average order value, is an indicator of the net sales we expect to recognize in a given period.