



REVOLVE

Q3 2021 FINANCIAL HIGHLIGHTS

November 3, 2021

Note on Forward-Looking Statements

Information in this presentation contains forward-looking statements as defined within the meaning of U.S. federal securities laws, including, but not limited to, statements regarding our expectations around the continued impact of the COVID-19 pandemic on our business, operations and financial results. 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 the continued impact of the COVID-19 pandemic on our business, operations and financial results; demand for our products; general economic conditions; our fluctuating operating results; seasonality in our business; our ability to acquire products on reasonable terms; our online 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; 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, 2020 and our subsequent Quarterly Reports on Form 10-Q, including for the quarter ended September 30, 2021, which we expect to file with the SEC on November 4, 2021.

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 “REVOLVE”, “we”, “our”, “us”, or similar terms refer to REVOLVE and Revolve Group, Inc. and its subsidiaries.

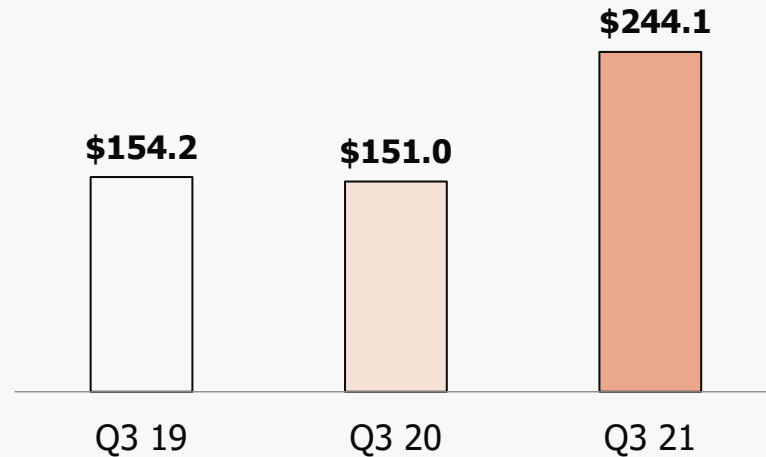
Use of Non-GAAP Financial Measures

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 REVOLVE 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 and 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.

Q3 2021 SUMMARY

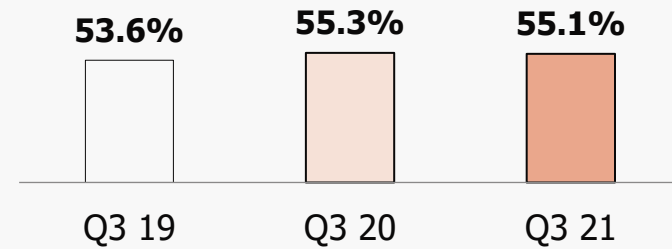
NET SALES (\$MM)



+62% YOY

+58% vs Q3 19

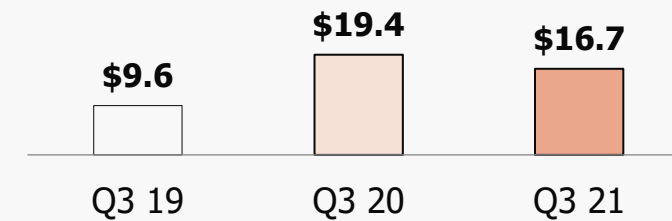
GROSS MARGIN



(16 BPs) YOY

**+148 BPs
vs Q3 19**

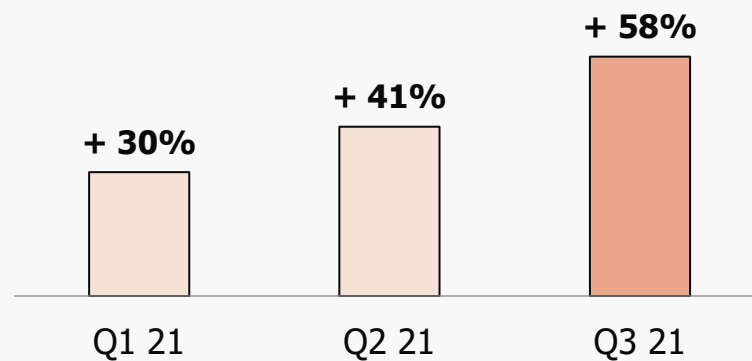
NET INCOME (\$MM)



2 YR CAGR:

+32%

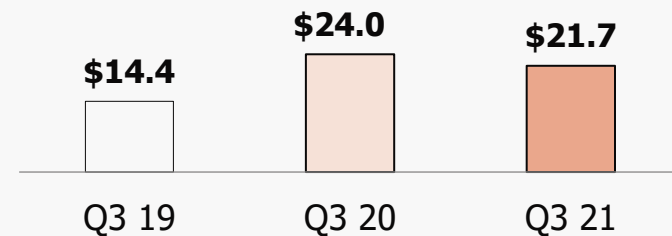
NET SALES GROWTH VS COMPARABLE 2019 QUARTERS



Growth vs 2019:

+17 Pts QOQ

ADJUSTED EBITDA⁽¹⁾ (\$MM)

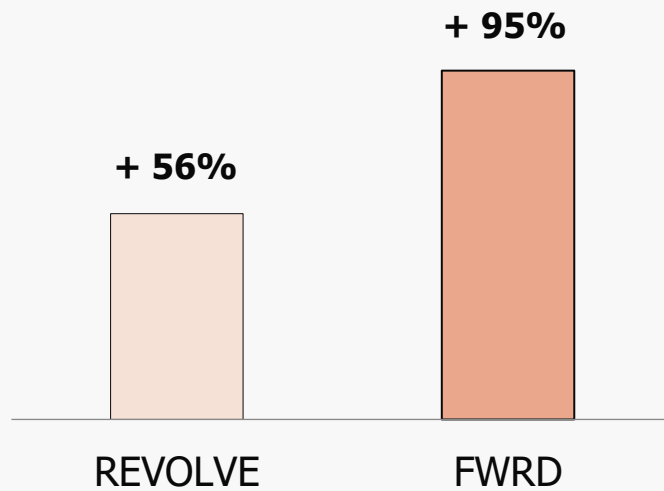


2 YR CAGR:

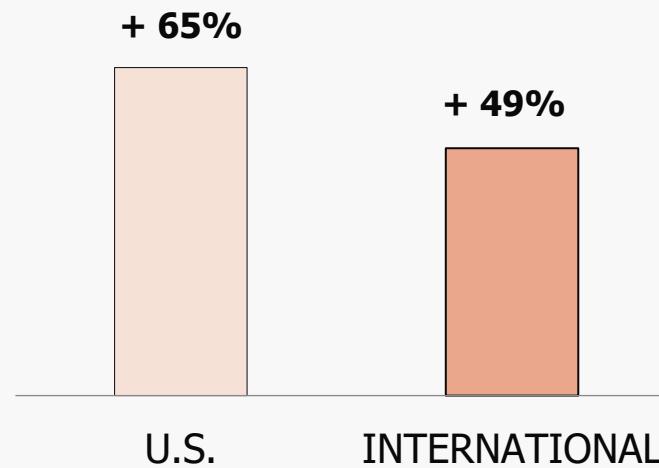
+22%

NET SALES BY GEOGRAPHY AND SEGMENT

YOY GROWTH IN Q3 2021 NET SALES BY SEGMENT

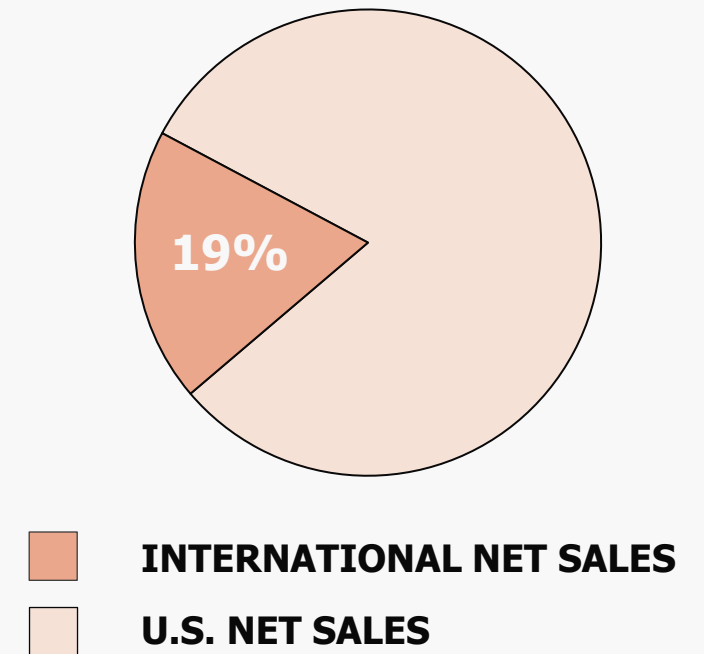


YOY GROWTH IN Q3 2021 NET SALES BY GEOGRAPHY

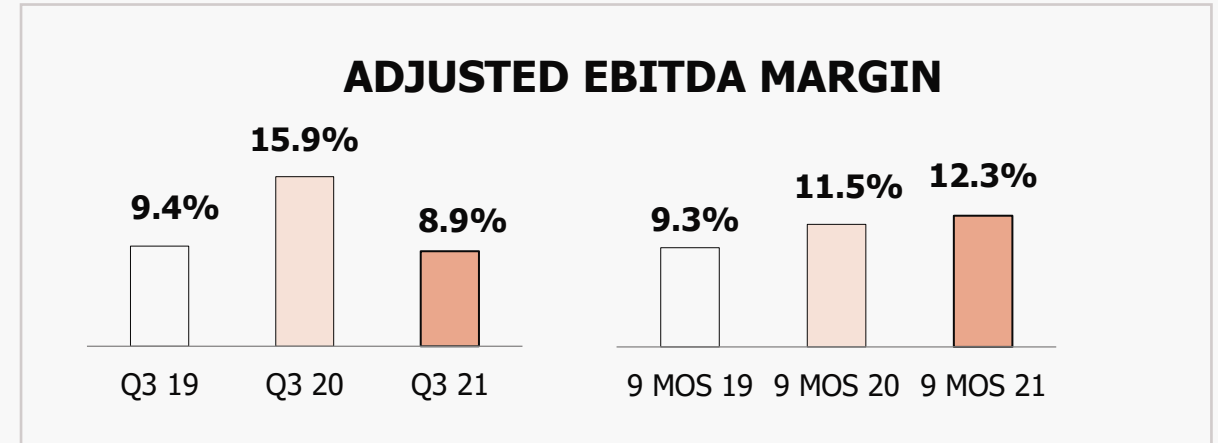
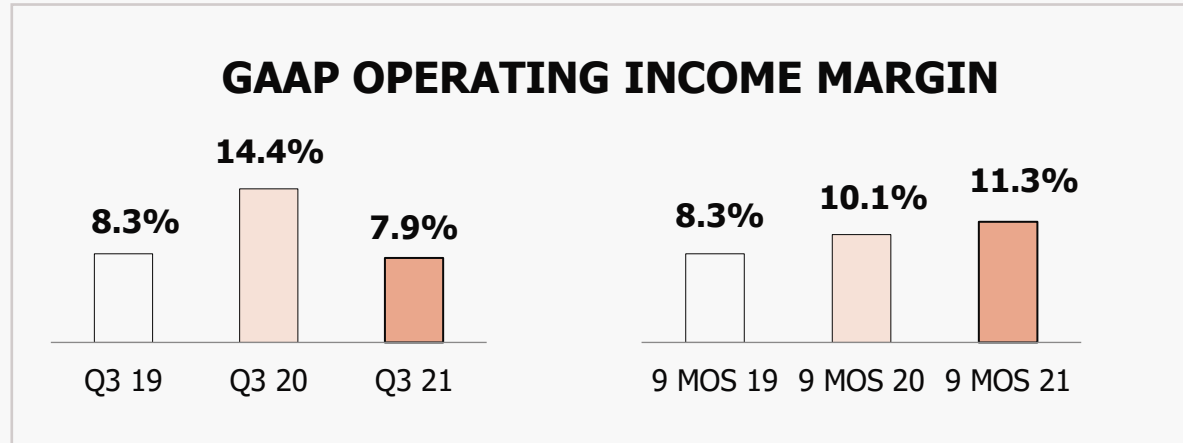


INTERNATIONAL MIX OF TOTAL NET SALES IN Q3 21

Down 1 Percentage Point YoY



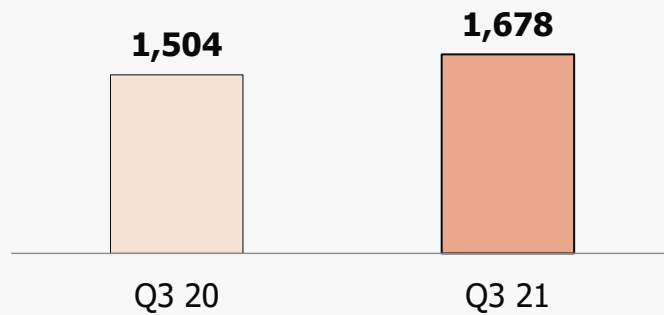
COST AND MARGIN STRUCTURE



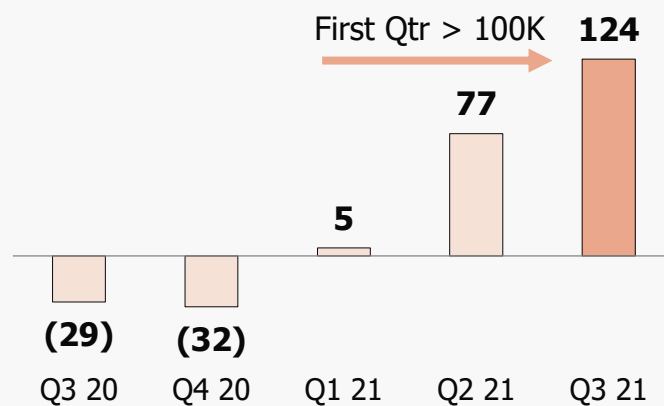
AS A % OF NET SALES	Q3 21	Q3 20	CHANGE	OBSERVATIONS
Gross Margin	55.1%	55.3%	(16 BPs)	Healthy inventory and strong consumer demand again led to a very high % of net sales at full price and shallower markdowns YoY, partially offset by reduced owned brands contribution YoY consistent with commentary on recent investor conference calls.
Fulfillment	(2.4%)	(2.8%)	(39 BPs)	Efficiencies gained via our continued automation efforts and resulting from additional volume and scale, partially offset by a higher return rate YoY.
Selling and Distribution	(15.7%)	(13.8%)	+190 BPs	Higher return rate YoY, consistent with commentary on recent investor conference calls, and higher shipping rates.
Marketing	(19.2%)	(12.5%)	+672 BPs	We made increased investments in brand marketing during Q3 21, consistent with commentary on recent investor conference calls, and marketing in Q3 20 was low due to COVID-19 circumstances. We expect marketing to return to historical levels as a % of net sales in Q4 21.
General and Administrative	(9.9%)	(11.7%)	(184 BPs)	Driven primarily by the strong 62% YoY growth in net sales that more than offset the \$6.4M, or 36%, YoY increase in G&A expense.
GAAP Operating Income Margin ⁽¹⁾	7.9%	14.4%	(656 BPs)	

OPERATING METRICS HIGHLIGHTS

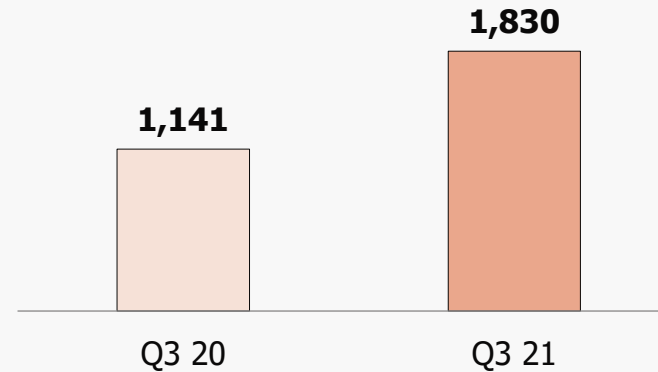
ACTIVE CUSTOMERS⁽¹⁾ (000s) (TRAILING 12 MONTHS)



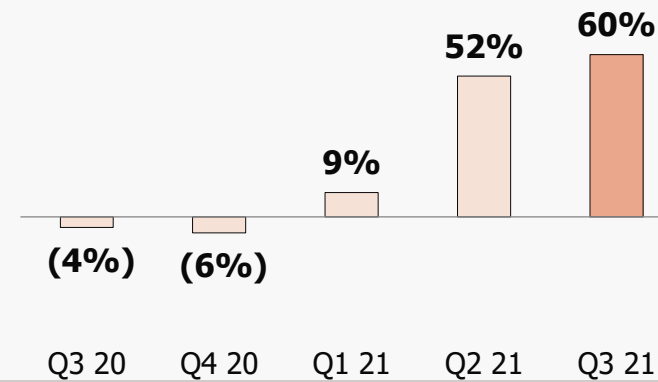
QOQ GROWTH (000s)



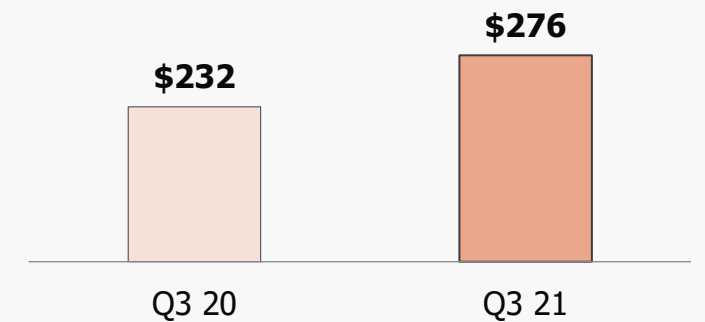
TOTAL ORDERS PLACED⁽¹⁾ (000s)



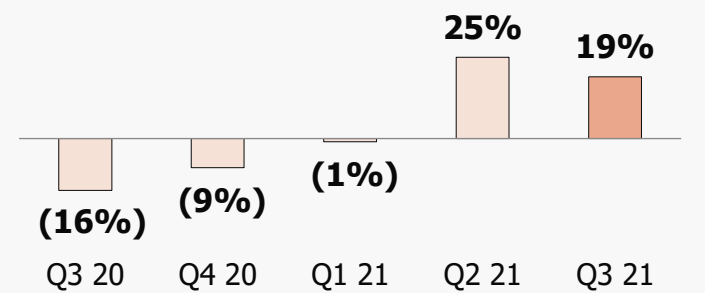
TOTAL ORDERS YOY TREND



AVERAGE ORDER VALUE (AOV)⁽¹⁾

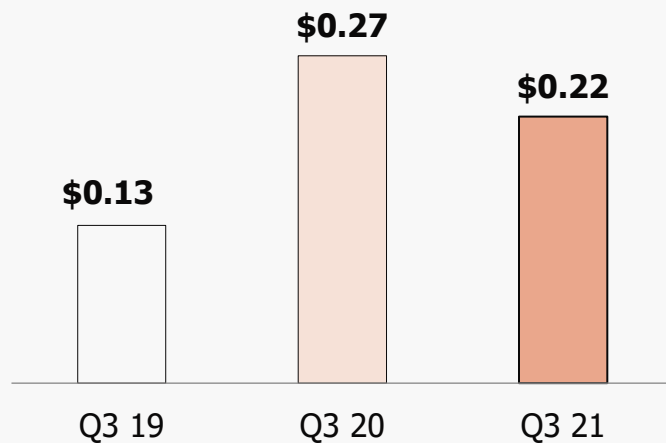


AOV YOY TREND



EARNINGS PER SHARE

DILUTED EPS



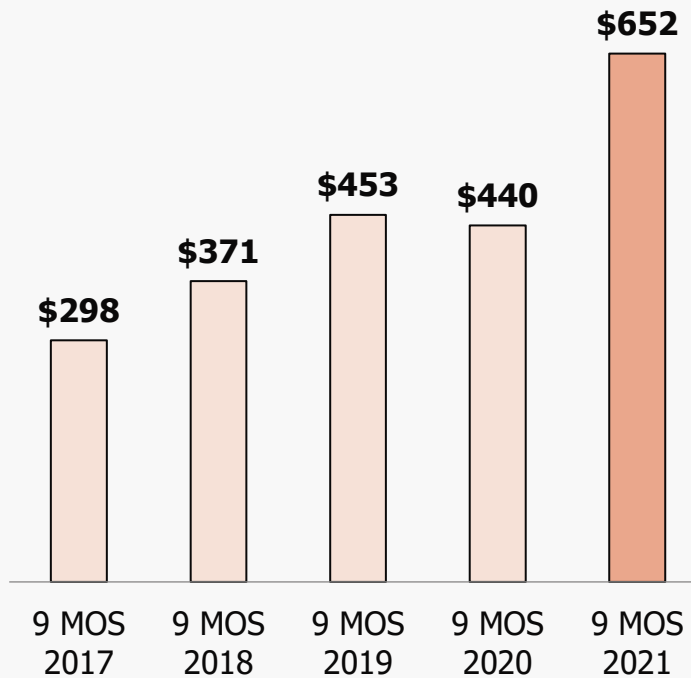
THE EPS MATH

(000s, except per share figures)	Q3 2021	Q3 2020	YOY %
Income before income taxes	\$19,369	\$21,542	(10%)
Provision for income taxes	2,701	2,104	28%
Effective tax rate	14%	10%	
Net income (GAAP)	\$16,668	\$19,438	(14%)
Weighted average basic shares	72,810	69,872	4%
+ Effect of dilutive stock options and RSUs	2,071	2,409	(14%)
Weighted average diluted shares	74,881	72,281	4%
Diluted EPS (GAAP)	\$0.22	\$0.27	(19%)

9 MONTHS YTD HIGHLIGHTS: P&L

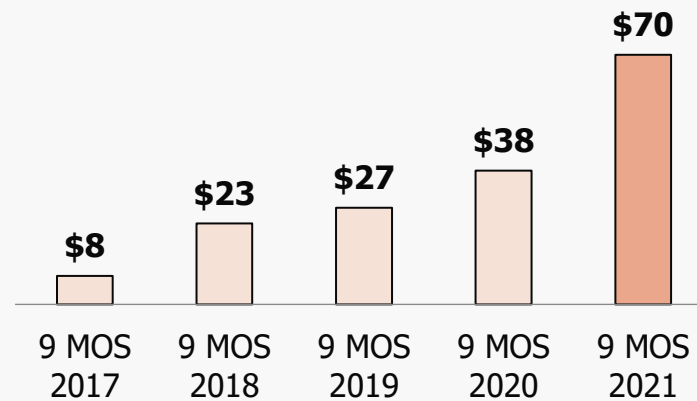
NET SALES (\$MM)

+48% YOY
+44% vs 2019



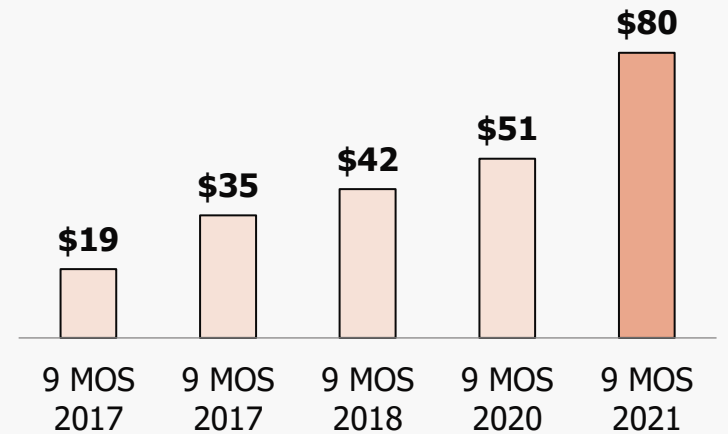
NET INCOME (\$MM)

+86% YOY
+158% vs 2019



ADJUSTED EBITDA (\$MM)

+59% YOY
+92% vs 2019





CASH FLOW AND BALANCE SHEET

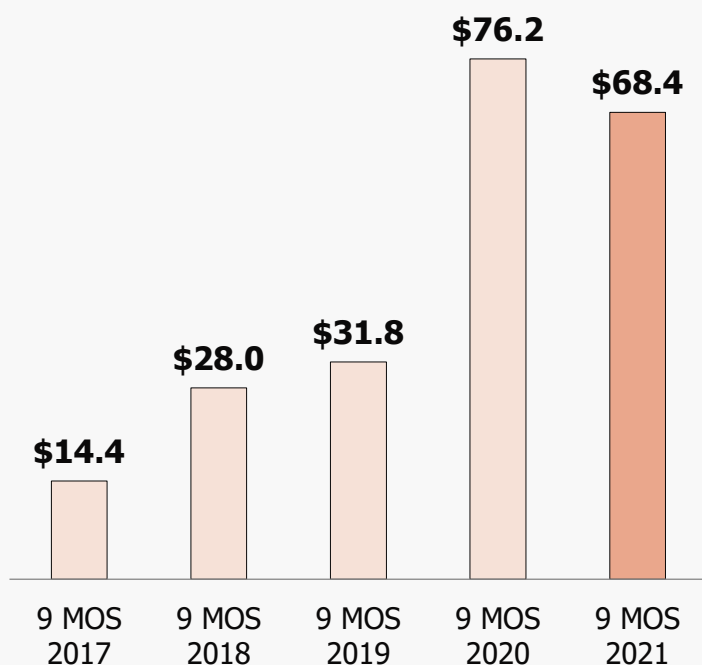
9 MONTHS YTD CASH FLOW AND BALANCE SHEET HIGHLIGHTS

NET CASH PROVIDED BY OPERATING ACTIVITIES ^(\$MM)

(10%) YOY

(On Rebuild of Inventory in 2021)

> 2X vs 9 MOS 2019

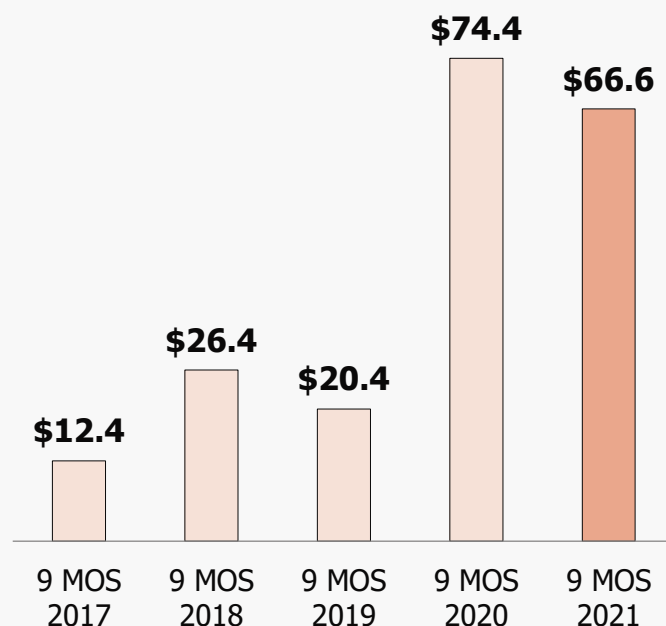


FREE CASH FLOW⁽¹⁾ ^(\$MM)

(10%) YOY

(On Rebuild of Inventory in 2021)

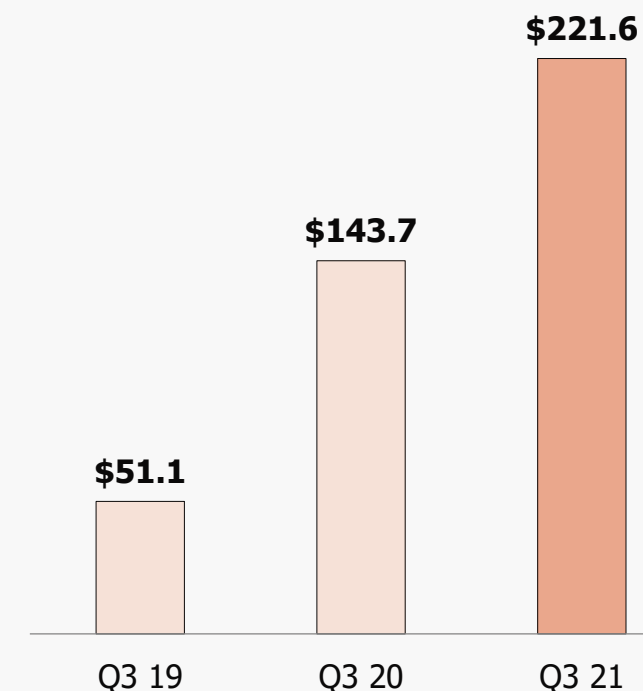
> 3X vs 9 MOS 2019



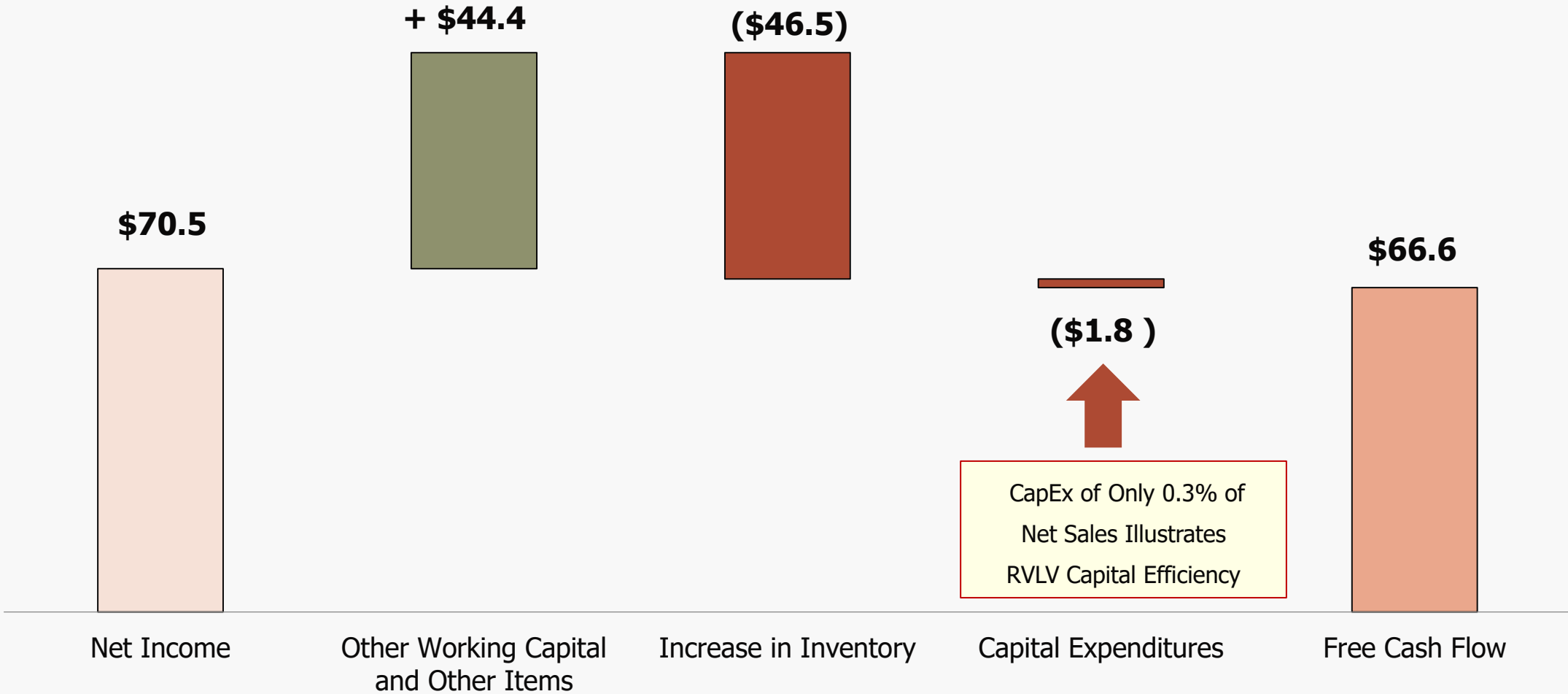
CASH & CASH EQUIVALENTS, NET OF BORROWINGS ^(\$MM)

+54% YOY

> 4X vs Q3 2019



BUILD UP OF FREE CASH FLOW IN 9 MOS YTD 2021 (\$MM)



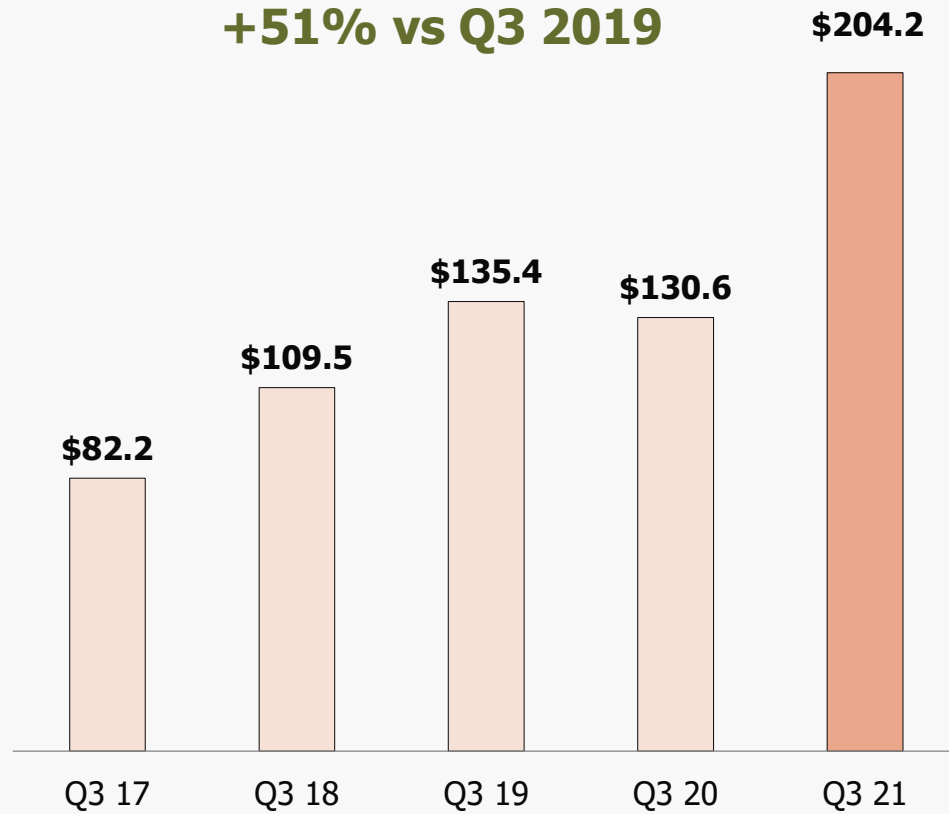


SEGMENT RESULTS

SEGMENT RESULTS: NET SALES

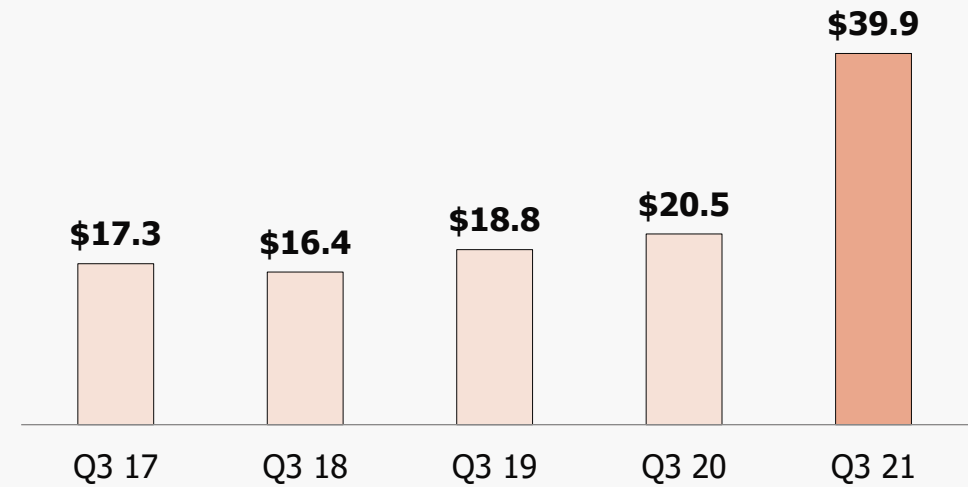
REVOLVE SEGMENT NET SALES (\$MM)

+56% YOY
+51% vs Q3 2019



FWRD SEGMENT NET SALES (\$MM)

+95% YOY
+112% vs Q3 2019

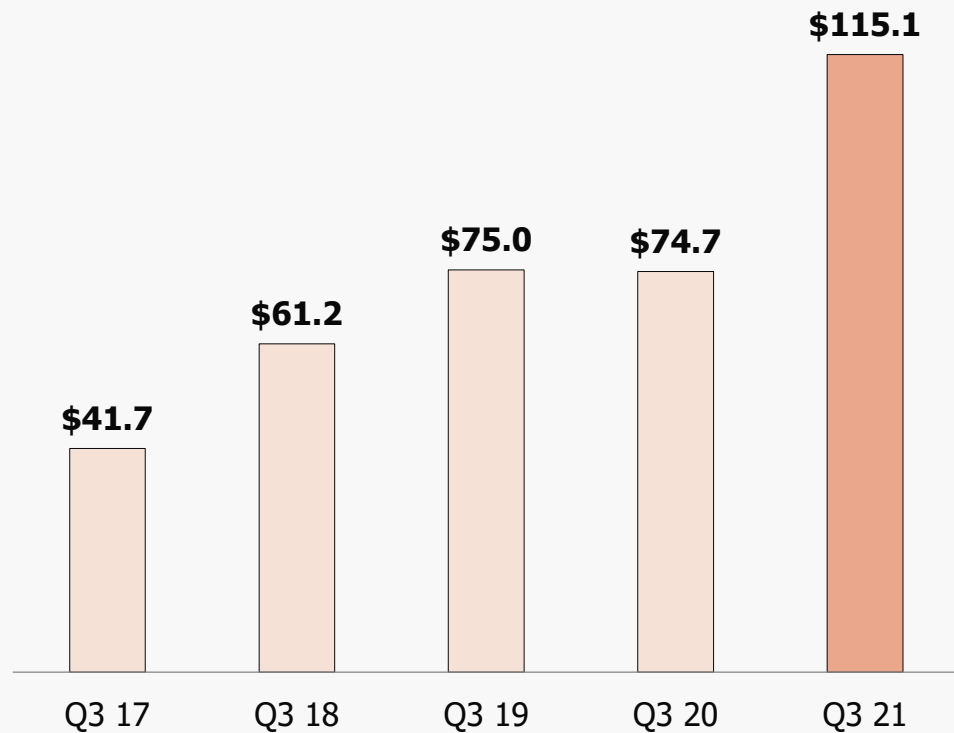


SEGMENT RESULTS: GROSS PROFIT

REVOLVE SEGMENT GROSS PROFIT (\$MM)

+54% YOY

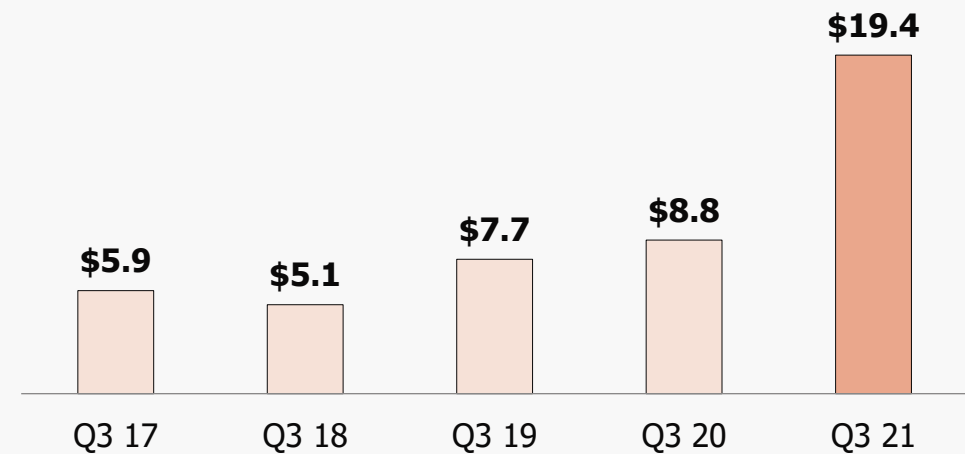
+53% vs Q3 2019



FWRD SEGMENT GROSS PROFIT (\$MM)

+121% YOY

+152 vs Q3 2019





UPCOMING INVESTOR CONFERENCES

CREDIT SUISSE TECHNOLOGY CONFERENCE

- **NOVEMBER 30, 2021**

MORGAN STANLEY CONSUMER & RETAIL CONFERENCE

- **DECEMBER 2, 2021**

BARCLAYS GLOBAL TMT CONFERENCE

- **DECEMBER 7, 2021**

REVOLVE

APPENDIX: DEFINITIONS AND RECONCILIATIONS

METRICS DEFINITIONS

Non-GAAP Financial Measures

Adjusted EBITDA is a non-GAAP financial measure that we calculate as net income before other expense (income), net, taxes, and depreciation and amortization, adjusted to exclude the effects of equity-based compensation expense, and certain non-routine items.

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

An **Active Customer** is 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.

Average Order Value (AOV) is 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.

Total Orders Placed reflects the total number of customer orders placed by our customers across our platform in any period.

GAAP TO NON-GAAP RECONCILIATION – Q3

ADJUSTED EBITDA (\$MM) ⁽¹⁾

	Q3 2017	Q3 2018	Q3 2019	Q3 2020	Q3 2021
NET INCOME	\$2.5	\$7.1	\$9.6	\$19.4	\$16.7
(+) OTHER EXPENSE (INCOME), NET	0.3	0.2	--	0.3	(0.2)
(+) PROVISION FOR INCOME TAXES	2.0	2.2	3.3	2.1	2.7
(+) DEPRECIATION AND AMORTIZATION	0.7	0.8	1.1	1.3	1.1
(+) EQUITY-BASED COMPENSATION	0.5	0.4	0.5	1.0	1.3
(+) NON-ROUTINE ITEMS	--	(0.3)	--	--	--
ADJUSTED EBITDA	\$5.9	\$10.3	\$14.4	\$24.0	\$21.7
NET INCOME MARGIN	2.5%	5.7%	6.2%	12.9%	6.8%
ADJUSTED EBITDA MARGIN	5.9%	8.2%	9.4%	15.9%	8.9%

GAAP TO NON-GAAP RECONCILIATION – 9 MOS YTD

ADJUSTED EBITDA (\$MM) ⁽¹⁾	9 MOS 2017	9 MOS 2018	9 MOS 2019	9 MOS 2020	9 MOS 2021
NET INCOME	\$8.1	\$22.9	\$27.3	\$37.8	\$70.5
(+) OTHER EXPENSE, NET	1.1	0.5	0.7	0.3	0.3
(+) PROVISION FOR INCOME TAXES	7.3	7.7	9.5	6.3	2.6
(+) DEPRECIATION AND AMORTIZATION	2.0	2.2	2.7	3.6	3.4
(+) EQUITY-BASED COMPENSATION	0.7	0.9	1.5	2.4	3.7
(+) NON-ROUTINE ITEMS	0.2	0.4	0.2	--	--
ADJUSTED EBITDA	\$19.4	\$34.6	\$42.0	\$50.5	\$80.4
NET INCOME MARGIN	2.7%	6.2%	6.0%	8.6%	10.8%
ADJUSTED EBITDA MARGIN	6.5%	9.3%	9.3%	11.5%	12.3%
FREE CASH FLOW (\$MM) ⁽¹⁾	9 MOS 2017	9 MOS 2018	9 MOS 2019	9 MOS 2020	9 MOS 2021
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$14.4	\$28.0	\$31.8	\$76.2	\$68.4
PURCHASES OF PROPERTY AND EQUIPMENT	(2.0)	(1.7)	(11.5)	(1.8)	(1.8)
FREE CASH FLOW	\$12.4	\$26.4	\$20.4	\$74.4	\$66.6