



REVOLVE

**Q4 & FY 2021
FINANCIAL HIGHLIGHTS**

February 23, 2022

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, our subsequent Quarterly Reports on Form 10-Q, and our Annual Report on Form 10-K for the year ended December 31, 2021, which we expect to file with the SEC in late February 2022.

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.

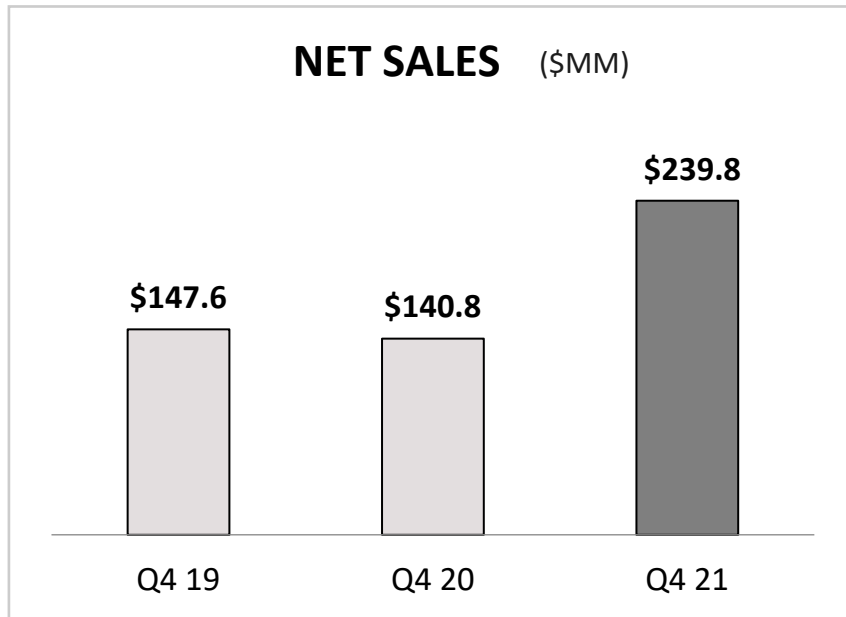
Unless otherwise indicated, all references in this presentation to “we”, “our”, “us”, or similar terms refer to Revolve Group, Inc. and its subsidiaries.

Use of Non-GAAP Financial Measures

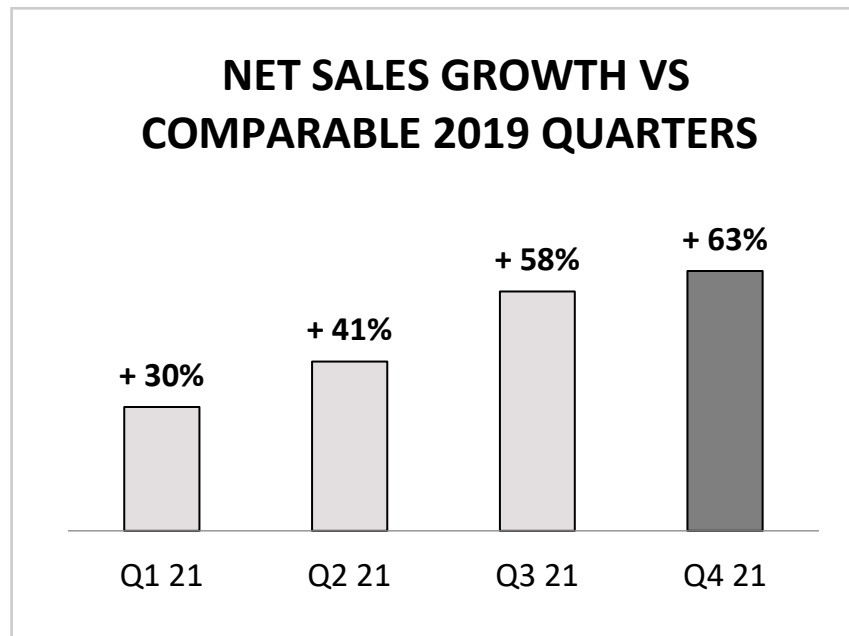
In addition to U.S. GAAP financials, this presentation includes certain non-GAAP financial measures, including Adjusted EBITDA, Adjusted EBITDA margin, and free cash flow. These non-GAAP measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance 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.

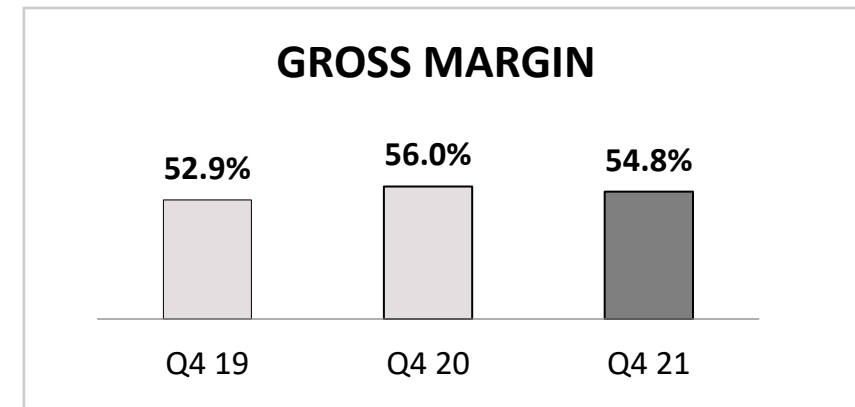
Q4 2021 SUMMARY



+70% YoY
+63% vs Q4 19

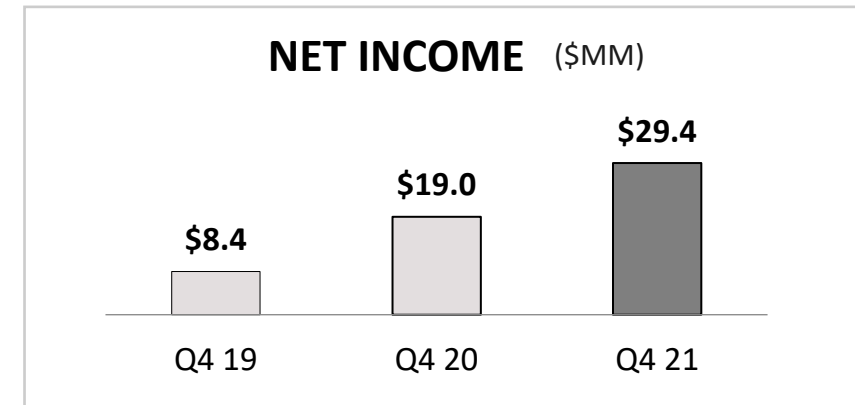


**Accelerated
Again in Q4**

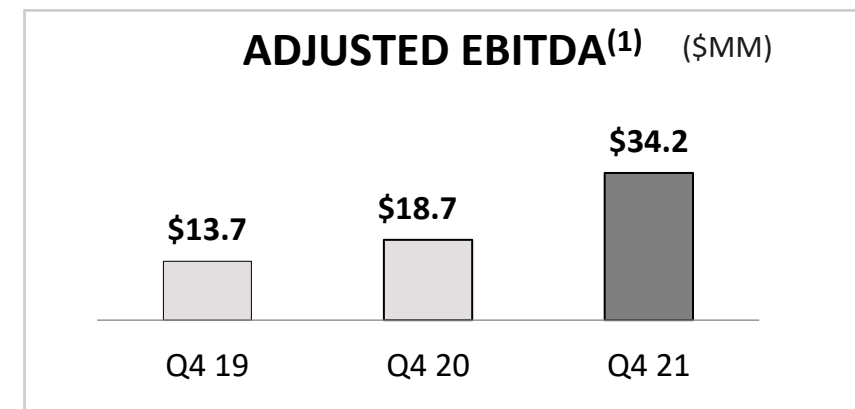


(116 BPs) YoY

**+189 BPs
vs Q4 19**

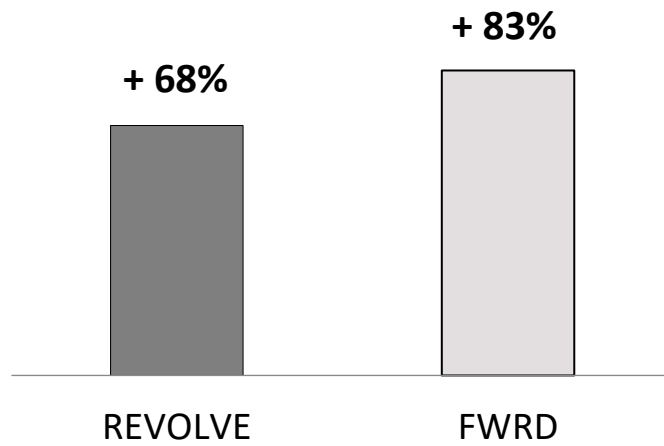


+55% YoY
+250% vs Q4 19

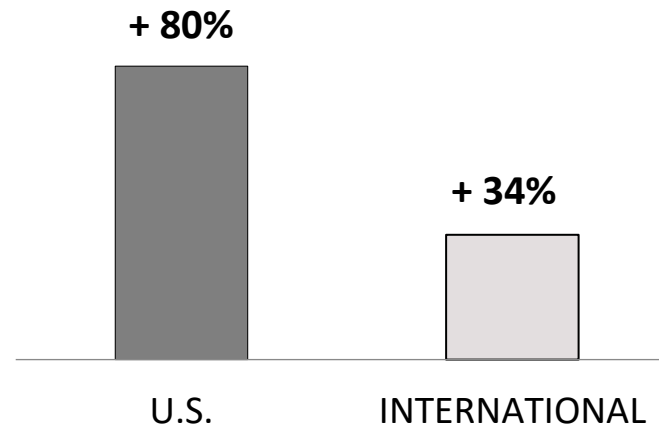


+82% YoY
+150% vs Q4 19

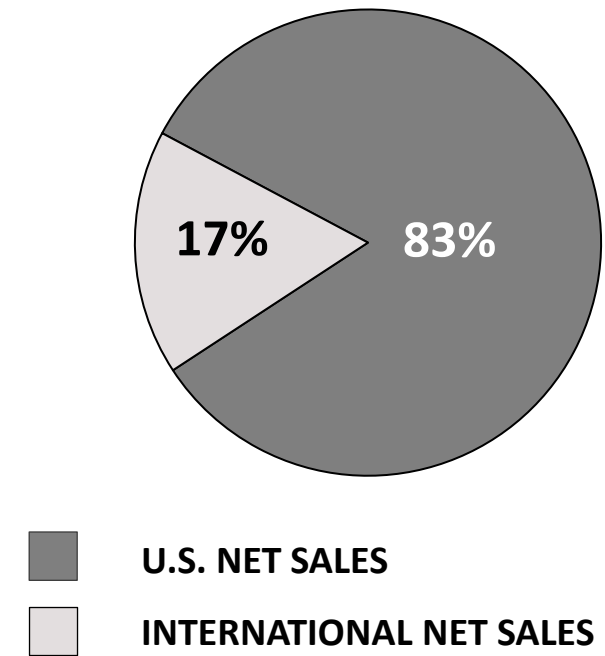
YoY GROWTH IN Q4 2021 NET SALES BY SEGMENT



YoY GROWTH IN Q4 2021 NET SALES BY GEOGRAPHY

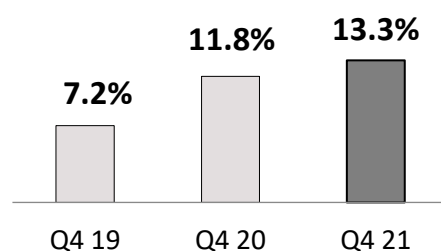


NET SALES BY GEOGRAPHY IN Q4 2021

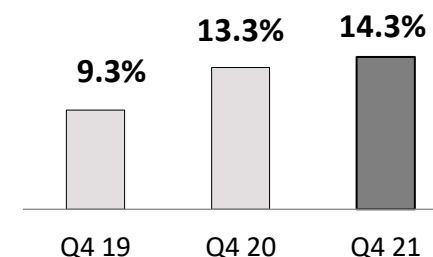


COST AND MARGIN STRUCTURE

GAAP OPERATING INCOME MARGIN



ADJUSTED EBITDA MARGIN⁽¹⁾



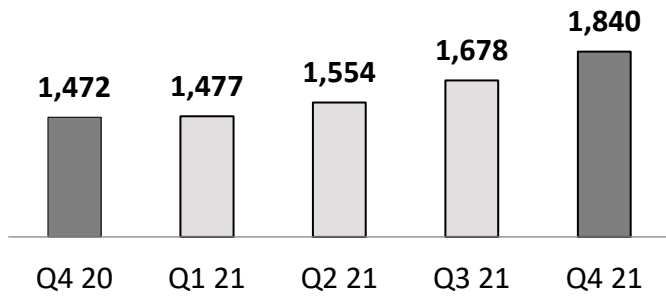
AS A % OF NET SALES	Q4 21	Q4 20	CHANGE	OBSERVATIONS
Gross Profit	54.8%	56.0%	(116 BPs)	Gross margin decreased compared to the record gross margin performance in Q4 2020, yet increased ~2 points when compared to Q4 2019.
Fulfillment	(2.4%)	(2.9%)	(41 BPs)	Efficiencies were gained as a result of our higher average order values, incremental efficiencies gained with volume and scale, and continued automation efforts. These benefits were partially offset by a higher return rate year-over-year.
Selling and Distribution	(15.9%)	(13.4%)	+251 BPs	Higher return rate year-over-year as the product mix normalizes, consistent with commentary on recent investor conference calls, and higher shipping rates.
Marketing	(13.5%)	(14.8%)	(135 BPs)	YoY efficiency primarily reflects the timing of brand marketing investments that benefitted Q4 2021, temporarily reducing marketing spend as a percentage of net sales to below our normalized level of marketing investment.
General and Administrative	(9.7%)	(13.1%)	(343 BPs)	Driven primarily by the strong 70% year-over-year growth in net sales that more than offset the \$4.8M, or 26%, year-over-year increase in G&A expense.
GAAP Operating Income Margin ⁽²⁾	13.3%	11.8%	151 BPs	

Notes:

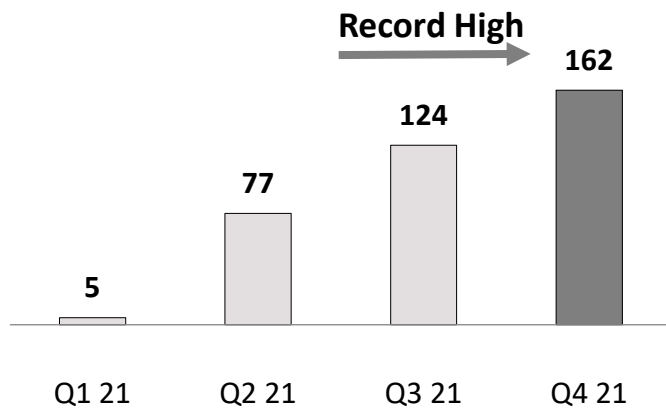
1. See the Appendix for a definition of Adjusted EBITDA margin.
2. Due to rounding, some numbers presented may not add up precisely to the totals provided.

OPERATING METRICS HIGHLIGHTS

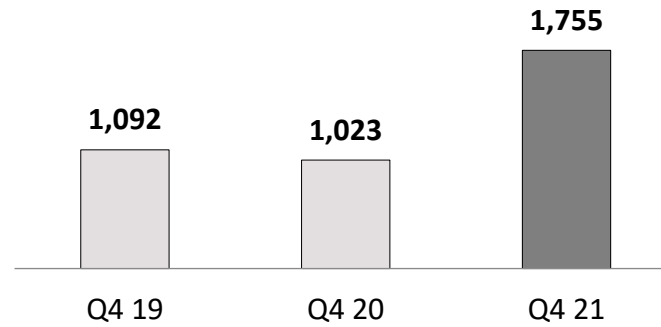
ACTIVE CUSTOMERS⁽¹⁾ (000s)
(TRAILING 12 MONTHS)



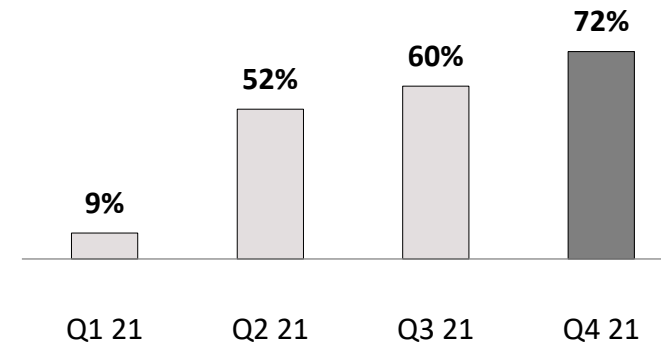
QoQ GROWTH (000s)



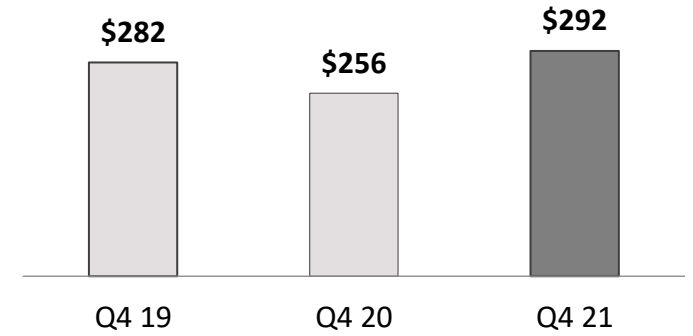
TOTAL ORDERS PLACED⁽¹⁾ (000s)



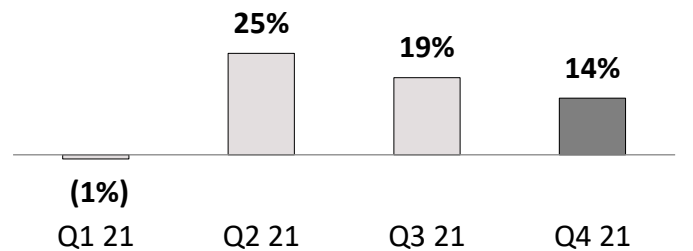
YoY GROWTH TREND



AVERAGE ORDER VALUE (AOV)⁽¹⁾



YoY GROWTH TREND

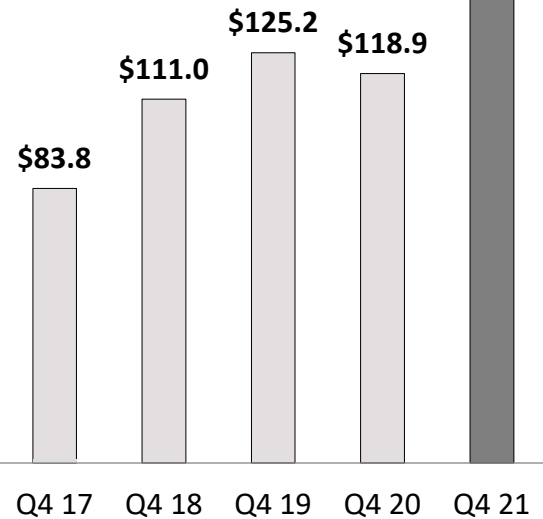


SEGMENT RESULTS

SEGMENT NET SALES (\$MM)

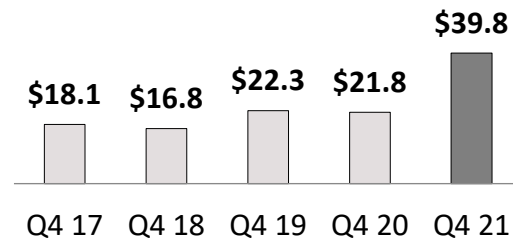
REVOLVE

+68% YoY
+60% vs Q4 19



FWRD

+83% YoY
+78% vs Q4 19

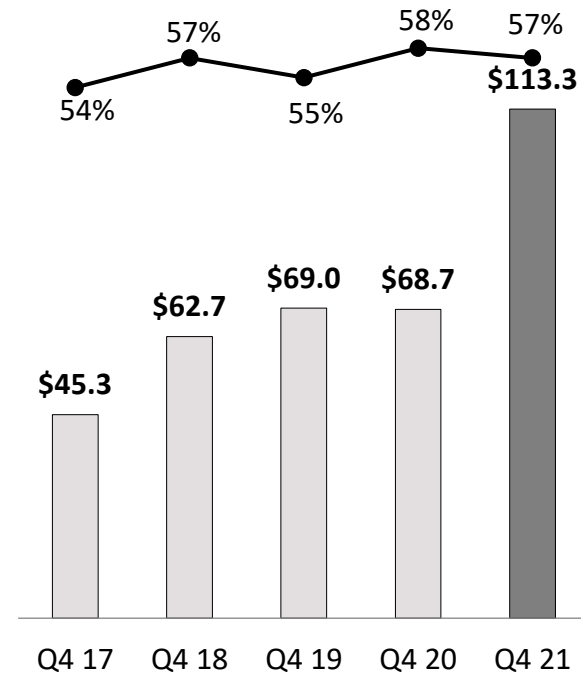


SEGMENT GROSS PROFIT (\$MM)

REVOLVE

+65% YoY
+64% vs Q4 19

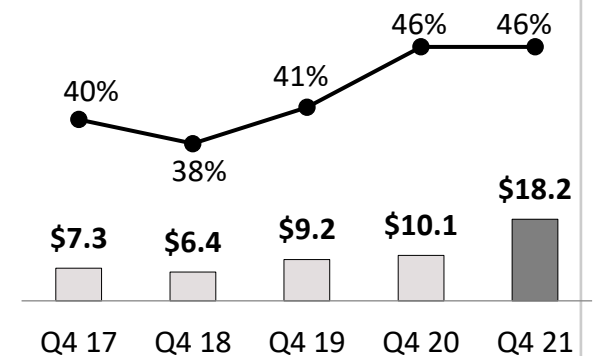
% of segment net sales



FWRD

+80% YoY
+98% vs Q4 19

% of segment net sales



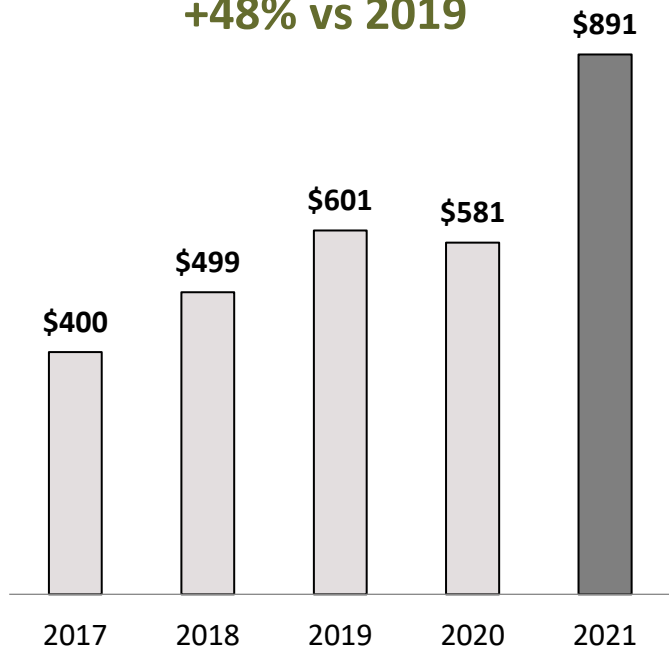


FULL YEAR 2021 RESULTS

FULL YEAR P&L HIGHLIGHTS

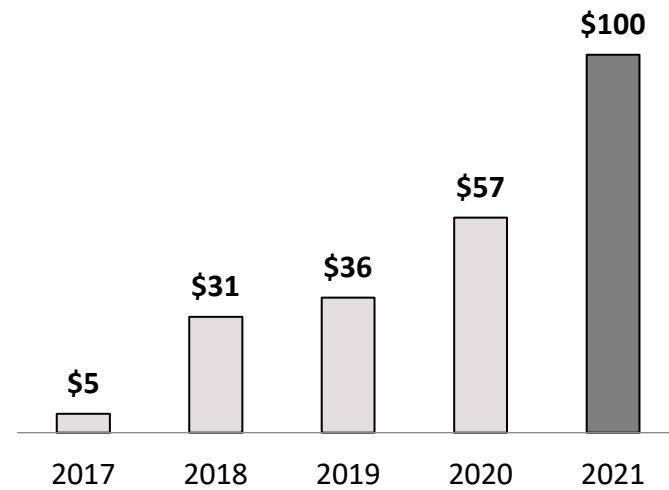
NET SALES (\$MM)

+54% YoY
+48% vs 2019



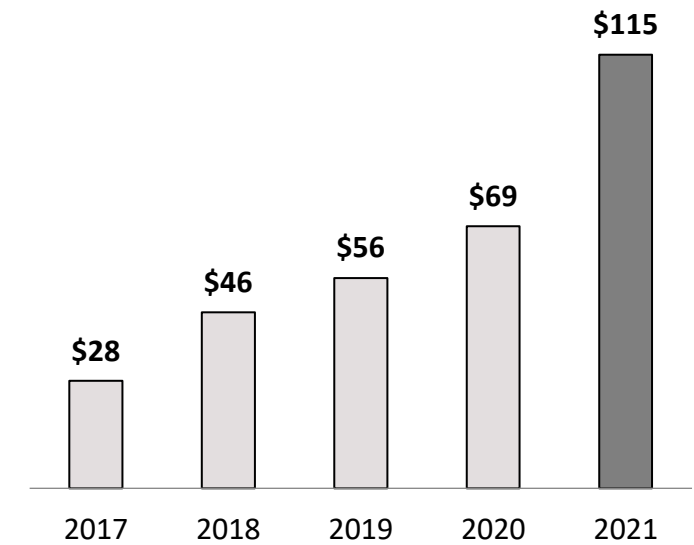
NET INCOME (\$MM)

+76% YoY
+180% vs 2019



ADJUSTED EBITDA (\$MM)

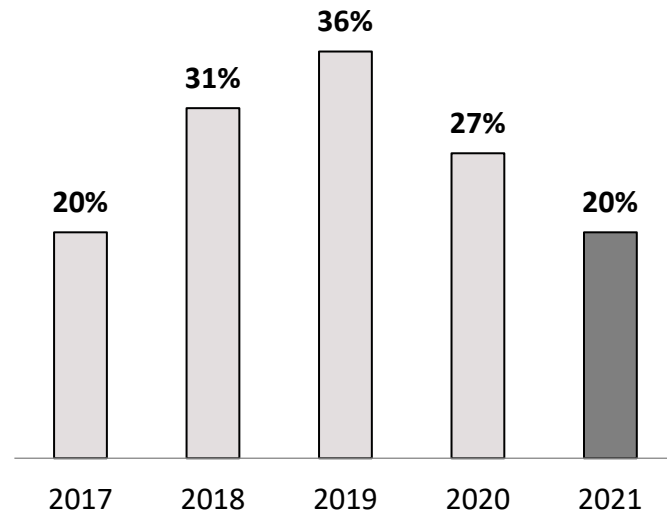
+65% YoY
+106% vs 2019



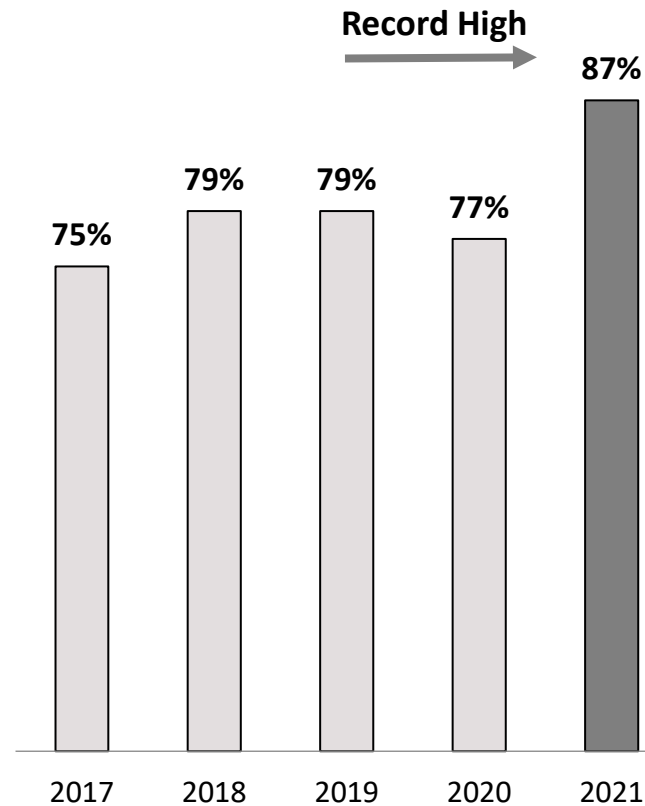
FULL YEAR METRICS DISCLOSURE⁽¹⁾

OWNED BRAND NET SALES AS % OF REVOLVE SEGMENT NET SALES

YoY decrease in 2021 partially reflects an intentional shift in merchandise buys in response to COVID-19; however, the owned brand % of REVOLVE Segment net sales increased year-over-year in Q4 2021.



NET SALES AT FULL PRICE⁽²⁾

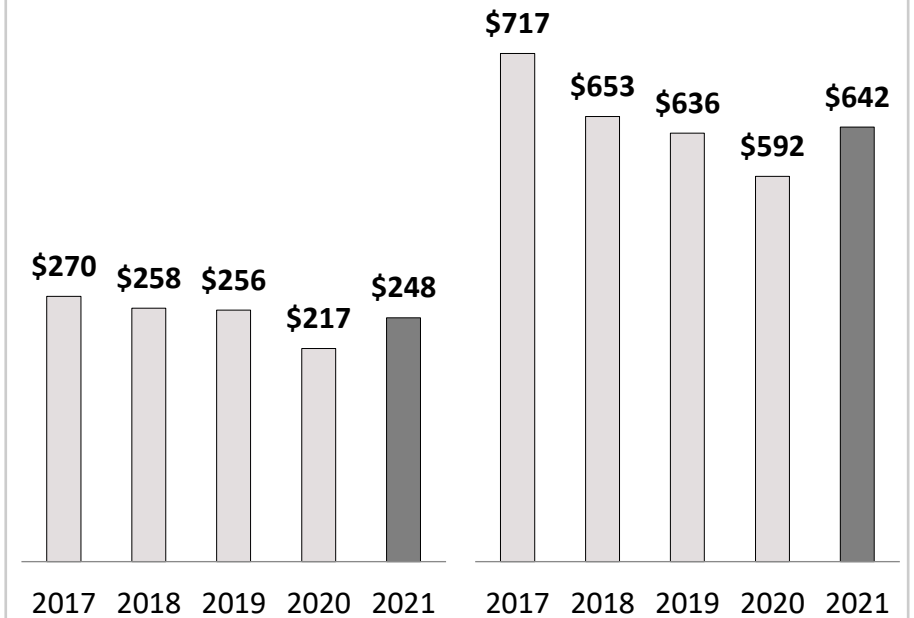


AVERAGE ORDER VALUE (AOV) BY SEGMENT

AOV increase primarily reflects the high % of net sales at full price and mix shift in product categories

REVOLVE

FWRD

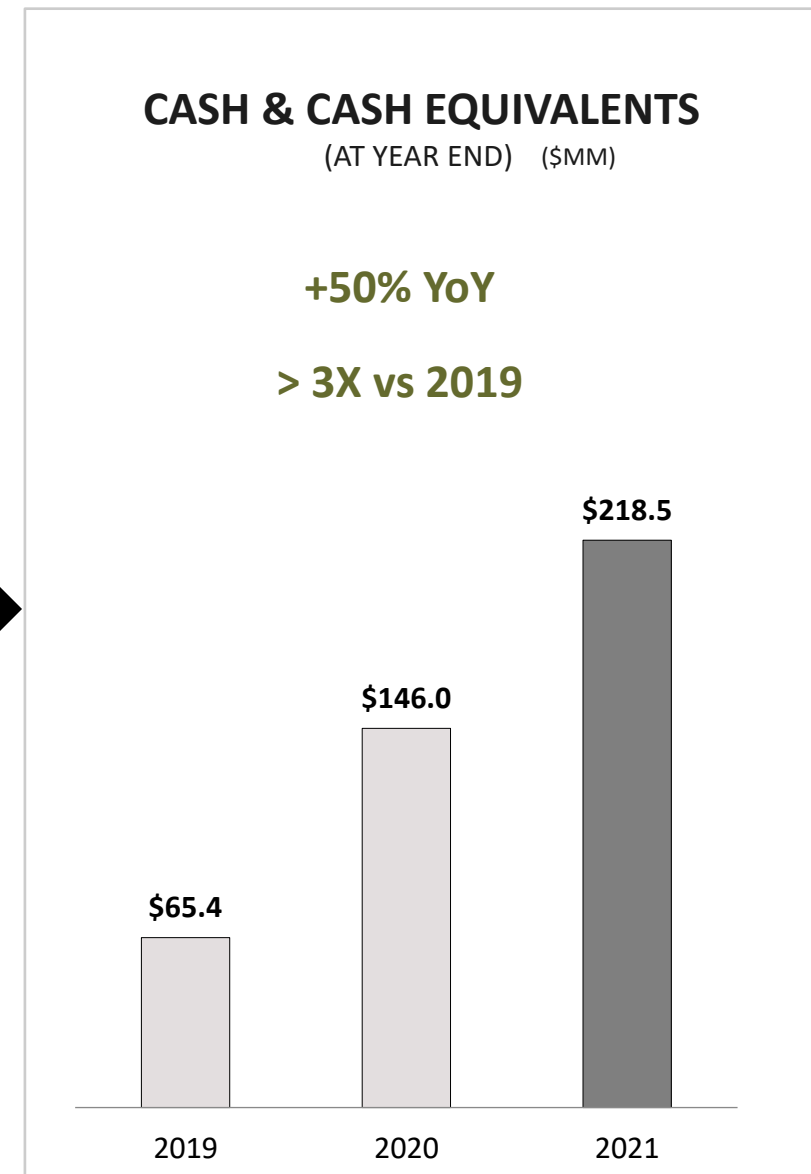
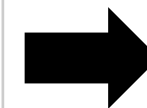
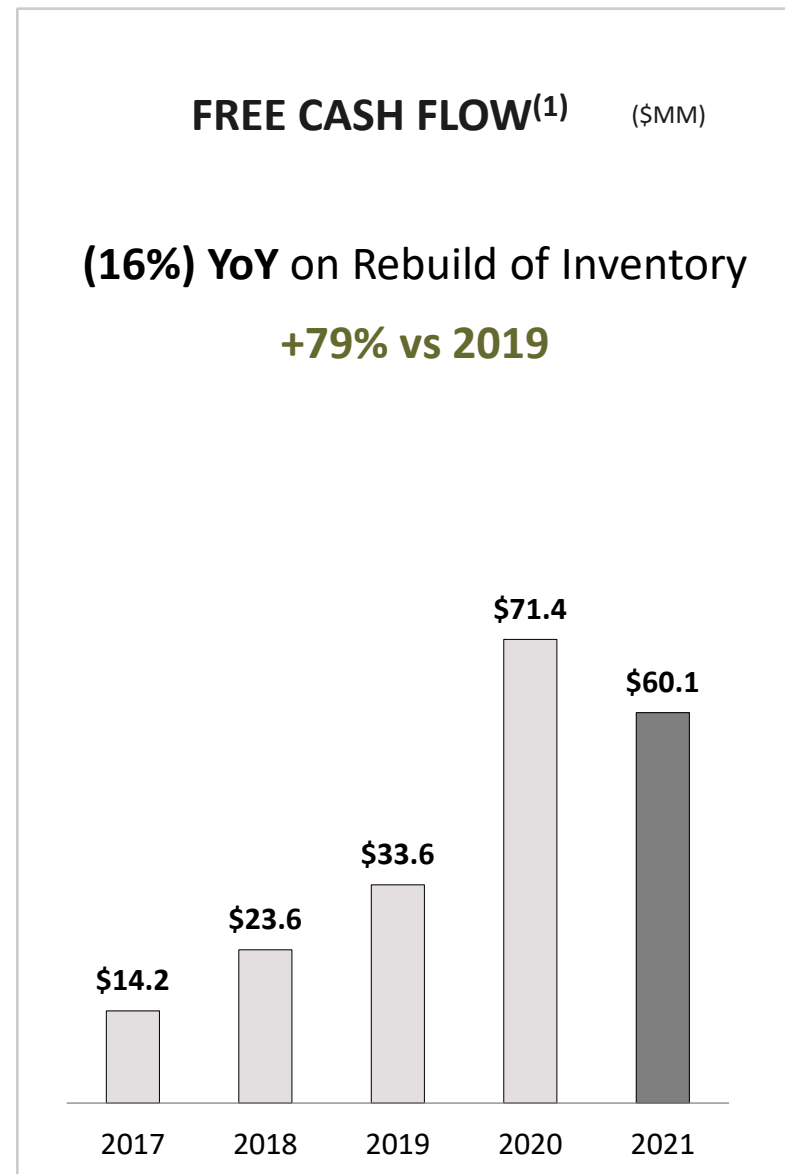
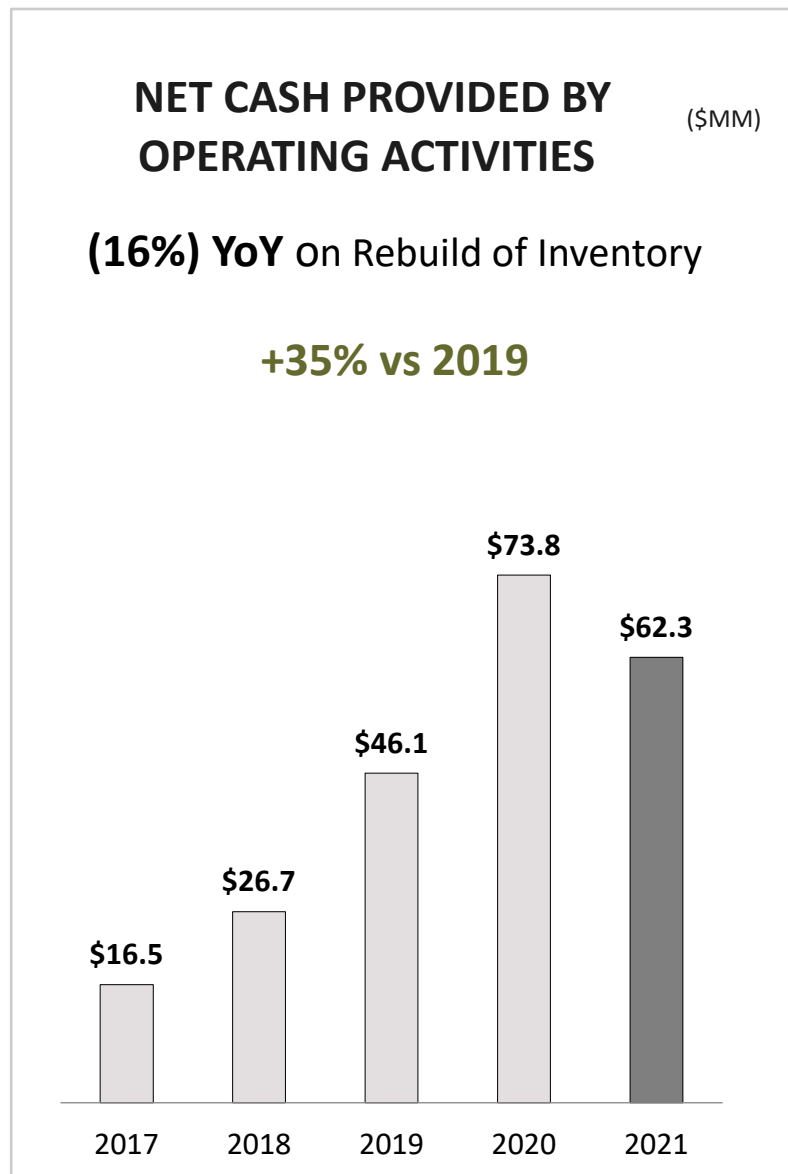


Notes:

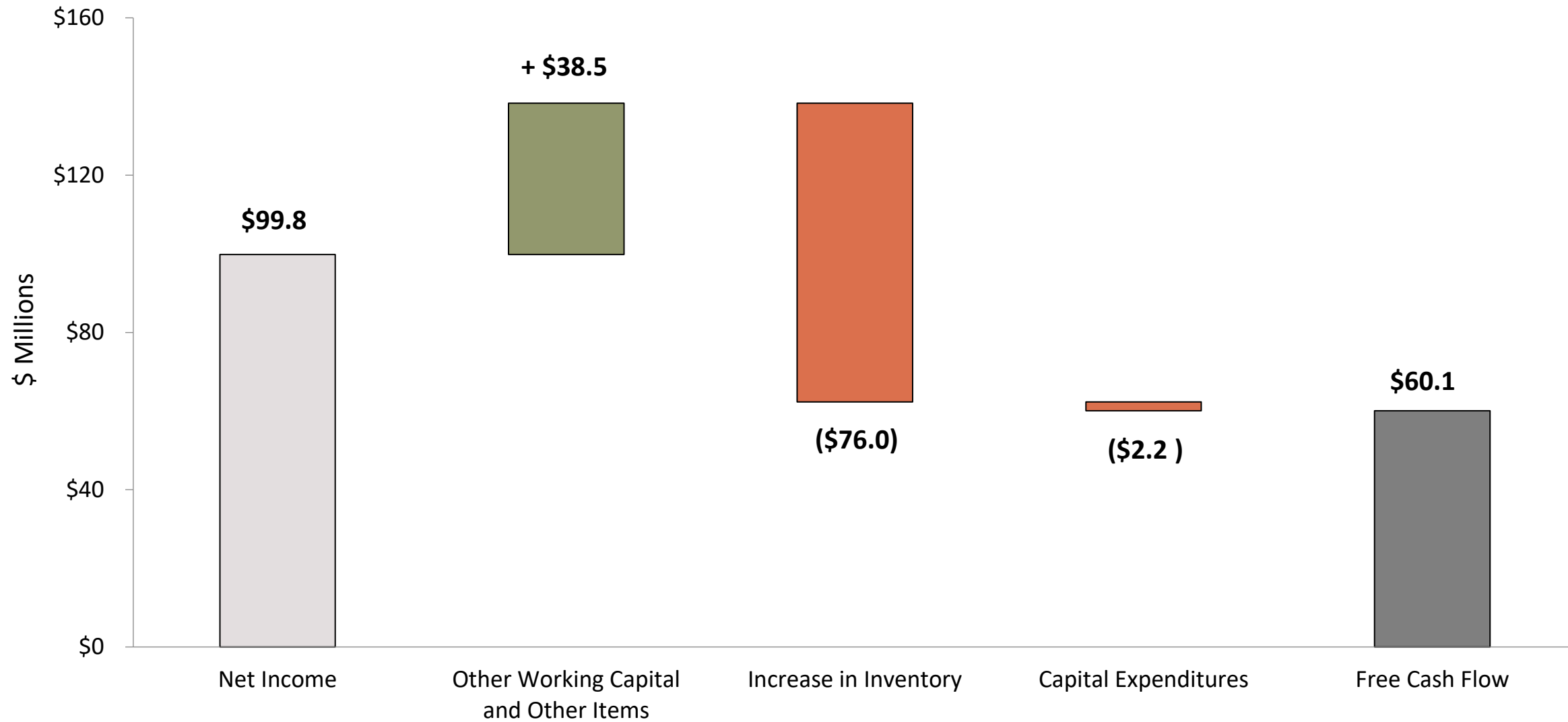
(1) We disclose Owned Brand Net Sales as % of REVOLVE Segment Net Sales, % of Net Sales at Full Price and Segment AOV metrics annually (not quarterly).

(2) We define Net Sales at Full Price as sales with a price of not less than 95% of the full retail price.

CASH FLOW AND BALANCE SHEET HIGHLIGHTS



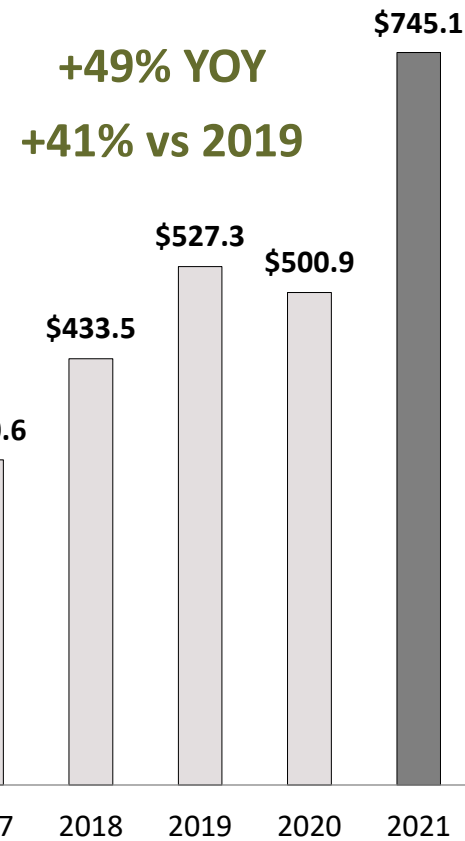
BUILD UP OF FREE CASH FLOW IN 2021



FULL YEAR SEGMENT RESULTS

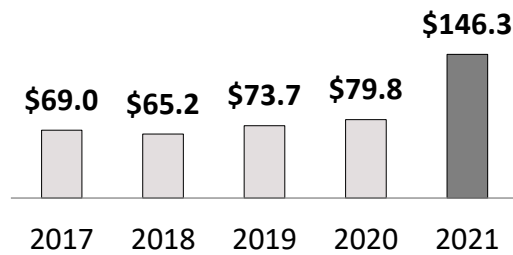
SEGMENT NET SALES (\$MM)

REVOLVE



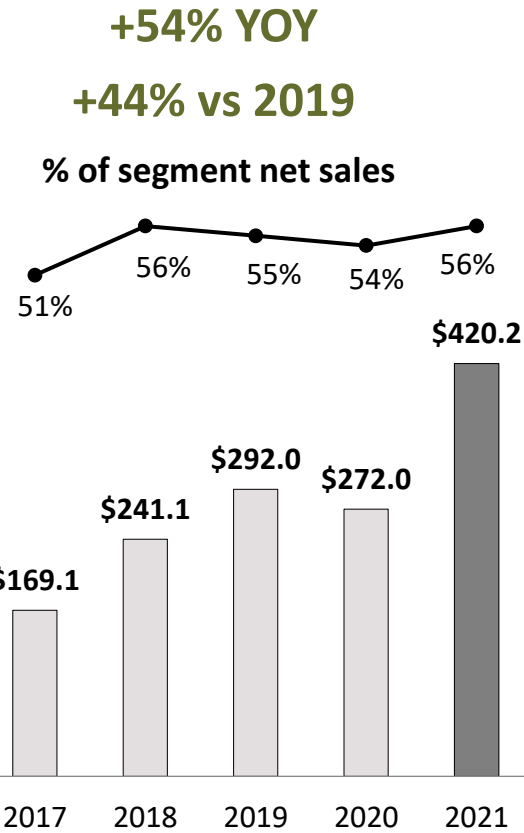
FWRD

+83% YOY
+98% vs 2019



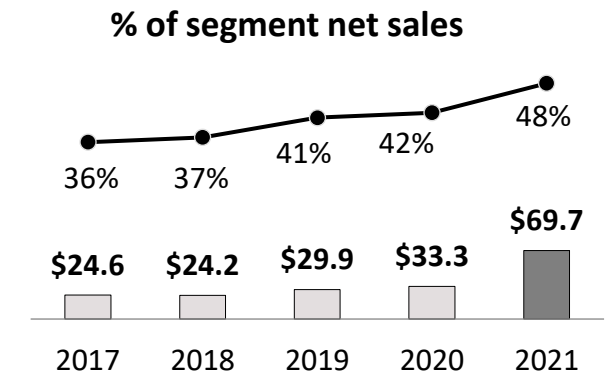
SEGMENT GROSS PROFIT (\$MM)

REVOLVE



FWRD

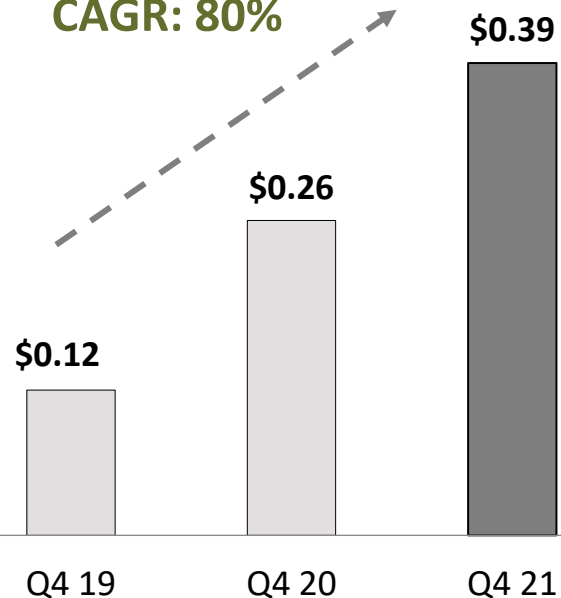
+109% YOY
+133% vs 2019



EARNINGS PER SHARE

Q4 DILUTED EPS

CAGR: 80%



THE EPS MATH

(000s, except per share figures)	Q4 21	Q4 20	YoY	FY 21	FY 20	YoY
Income before income taxes	\$31,712	\$15,919	99%	\$104,728	\$60,072	74%
Provision (benefit) for income taxes	2,330	(3,041)	N/A	4,888	3,282	49%
<i>Effective tax rate</i>	<i>7%</i>	<i>(19%)</i>	<i>N/A</i>	<i>5%</i>	<i>5%</i>	<i>N/A</i>
Net income (GAAP)	\$29,382	\$18,960	55%	\$99,840	\$56,790	76%
Weighted average basic shares	73,057	70,478	4%	72,513	69,773	4%
+ Effect of dilutive stock options and RSUs	1,777	1,904	(7%)	2,034	2,285	(10%)
Weighted average diluted shares	74,834	72,382	3%	74,547	72,058	3%
Diluted EPS (GAAP)	\$0.39	\$0.26	50%	\$1.34	\$0.79	70%

REVOLVE

APPENDIX: DEFINITIONS AND RECONCILIATIONS



UPCOMING INVESTOR CONFERENCES

BOFA CONSUMER AND RETAIL TECHNOLOGY CONFERENCE

- **MARCH 8, 2022**

RAYMOND JAMES INSTITUTIONAL INVESTOR CONFERENCE

- **MARCH 9, 2022**

ROTH ANNUAL CONFERENCE

- **MARCH 15, 2022**

GAAP TO NON-GAAP RECONCILIATION – Q4

ADJUSTED EBITDA (\$MM) ⁽¹⁾

	Q4 2019	Q4 2020	Q4 2021
NET INCOME	\$8.4	\$19.0	\$29.4
(+) OTHER EXPENSE, NET	0.3	0.7	0.2
(+) PROVISION FOR (BENEFIT FROM) INCOME TAXES	2.0	(3.0)	2.3
(+) DEPRECIATION AND AMORTIZATION	1.2	1.2	1.1
(+) EQUITY-BASED COMPENSATION	0.5	1.0	1.1
(+) NON-ROUTINE ITEMS	1.3	--	--
ADJUSTED EBITDA	\$13.7	\$18.7	\$34.2
NET INCOME MARGIN	5.7%	13.5%	12.3%
ADJUSTED EBITDA MARGIN	9.3%	13.3%	14.3%

GAAP TO NON-GAAP RECONCILIATION – FULL YEAR

ADJUSTED EBITDA (\$MM) ⁽¹⁾	2017	2018	2019	2020	2021
NET INCOME	5.0	30.6	\$35.7	\$56.8	\$99.8
(+) OTHER EXPENSE, NET	1.4	0.6	0.9	1.0	0.6
(+) PROVISION FOR INCOME TAXES	14.1	10.5	11.5	3.3	4.9
(+) DEPRECIATION AND AMORTIZATION	2.8	2.9	4.0	4.8	4.5
(+) EQUITY-BASED COMPENSATION	0.9	1.4	2.1	3.4	4.8
(+) NON-ROUTINE ITEMS	4.1	0.4	1.5	--	--
ADJUSTED EBITDA	28.4	46.5	\$55.6	\$69.3	\$114.6
NET INCOME MARGIN	1.3%	6.1%	5.9%	9.8%	11.2%
ADJUSTED EBITDA MARGIN	7.1%	9.3%	9.3%	11.9%	12.9%
FREE CASH FLOW (\$MM) ⁽¹⁾	2017	2018	2019	2020	2021
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$16.5	\$26.7	\$46.1	\$73.8	\$62.3
PURCHASES OF PROPERTY AND EQUIPMENT	(2.3)	(3.0)	(12.5)	(2.3)	(2.2)
FREE CASH FLOW	\$14.2	\$23.6	\$33.6	\$71.4	\$60.1

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 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 (AOV)** 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. Average order value varies depending on the site through which we sell merchandise, the percentage of sales at full price, and for sales at less than full price, the level of markdowns on these products, and the number of units per order.

We define **Total Orders Placed** as the total number of customer orders placed by our customers across our platform in any 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.