

WARBY PARKER

# Second Quarter 2025 Earnings Report

Speakers:

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**NEIL BLUMENTHAL** | Co-Founder & Co-CEO

**STEVE MILLER** | SVP & Chief Financial Officer

# Forward-Looking Statements / Non-GAAP Financial Measures

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This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements may relate to, but are not limited to, expectations of future operating results or financial performance, including expectations regarding achieving profitability and growth in our e-commerce channel, delivering stakeholder value, growing market share, and our GAAP and non-GAAP guidance for the quarter ending September 30, 2025, and year ending December 31, 2025; expectations regarding the number of new store openings during the year ending December 31, 2025; management's plans, priorities, initiatives, and strategies; expectations regarding growth of our business; and expectations regarding our ability to mitigate the impacts of existing or new tariffs. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. In some cases, you can identify forward-looking statements because they contain words such as "anticipate," "believe," "contemplate," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "toward," "will," or "would," or the negative of these words or other similar terms or expressions. You should not put undue reliance on any forward-looking statements. Forward-looking statements are based on information available at the time those statements are made and are based on current expectations, estimates, forecasts, and projections as well as the beliefs and assumptions of management as of that time with respect to future events. These statements are subject to risks and uncertainties, many of which involve factors or circumstances that are beyond our control, that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Additional information regarding these and other risks and uncertainties is included in our SEC filings, including our Annual Report on Form 10-K for the year ended December 31, 2024, and our Quarterly Reports on Form 10-Q. Forward-looking statements should not be read as a guarantee of future performance or results. Except as required by law, we do not undertake any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments, or otherwise.

In addition, this presentation contains certain "non-GAAP financial terms." The non-GAAP measures are presented for supplemental informational purposes only. Definitions and reconciliations to the most directly comparable financial measure calculated and presented in accordance with GAAP are provided in the appendix to this presentation. Although we provide forecasts for certain non-GAAP financial measures, we are not able to forecast the most directly comparable measures calculated and presented in accordance with GAAP without unreasonable efforts due to the uncertainty and potential variability of the reconciling items.

Since our founding,  
we've pioneered ideas,  
designed products, and  
developed technologies  
*that help people see.*



# Company Overview

1. Since 2010, we've offered **high-quality prescription eyewear** — designed in-house — starting at \$95 and delivered industry-leading customer experiences.
2. We've helped **pioneer the vertically integrated, direct-to-consumer model** while evolving from a glasses-only business into a holistic vision care company that also offers contacts and eye exams.
3. Our sales represent approximately 1% of the \$68 billion U.S. eyewear market.
4. We've developed **groundbreaking in-house technologies**, such as Virtual Vision Test and Virtual Try-On, that leverage AI and make it easy to find your perfect-fitting frame or renew your prescription from home.
5. Warby Parker has **298 stores<sup>(1)</sup>** out of ~45,000 optical shops in the U.S.
6. Our ultimate objective is **vision for all**, which is why for every pair of glasses or sunglasses sold, a pair of glasses is distributed to someone in need. Over **20 million pairs** have now been distributed through our Buy a Pair, Give a Pair program.



## Q2 2025: Financial Highlights

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**\$214M**

Net Revenue

**14%**

Net Revenue Growth

**9%**

TTM Active  
Customer Growth<sup>(1)</sup>

**\$316**

Average Revenue  
Per Customer<sup>(1)</sup>

**54.3%**

Adjusted Gross Margin<sup>(2)</sup>

**\$25M**

Adjusted EBITDA<sup>(2)</sup>

**11.7%**

Adjusted EBITDA Margin<sup>(2)</sup>

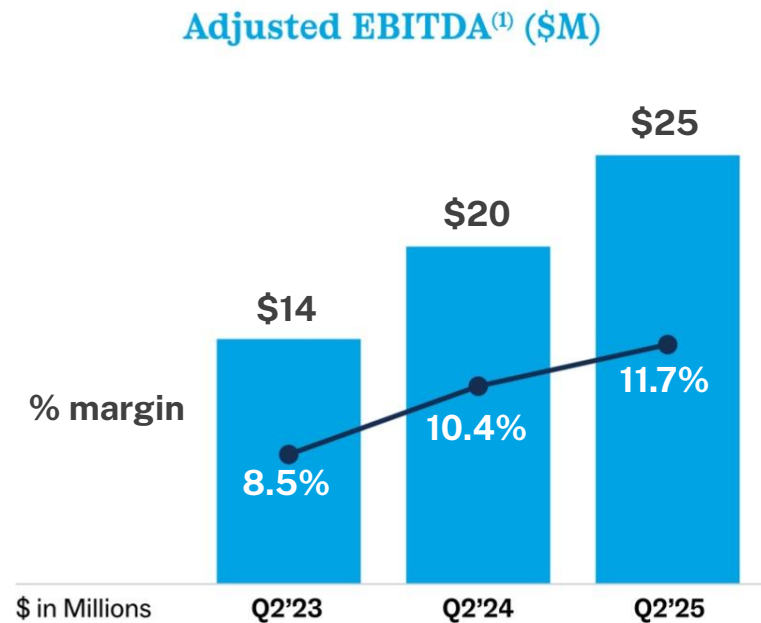
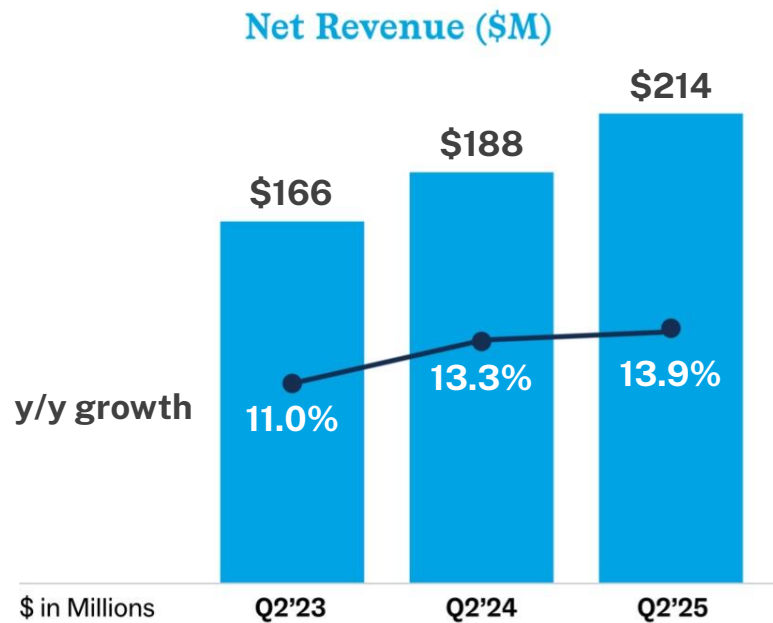
**\$24M**

Free Cash Flow<sup>(2)</sup>

<sup>(1)</sup> Key operating metric. See definition in appendix.

<sup>(2)</sup> Non-GAAP financial term. See appendix for definitions and reconciliations of non-GAAP measures.

# Quarterly Financial Performance

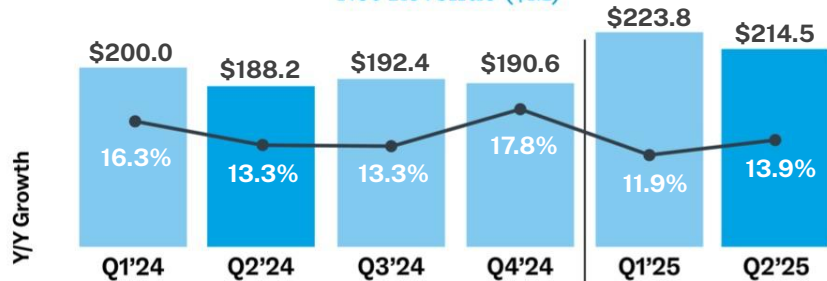


<sup>(1)</sup> Non-GAAP financial term. See appendix for definitions and reconciliations of non-GAAP measures.

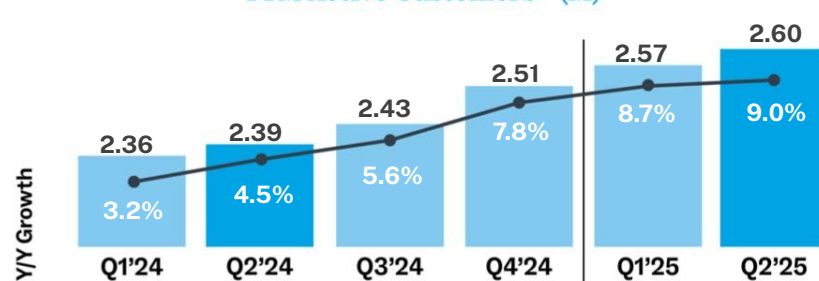
# Quarterly Business Highlights

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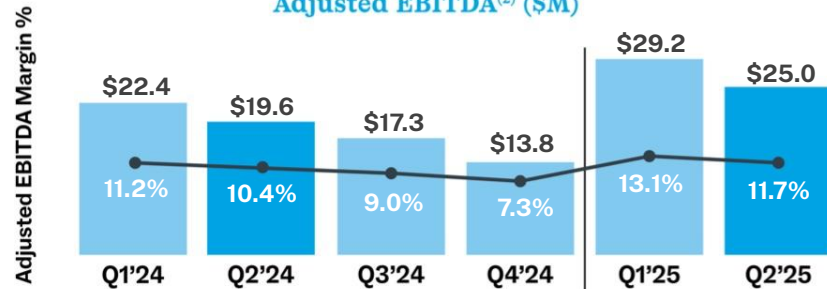
## Net Revenue (\$M)



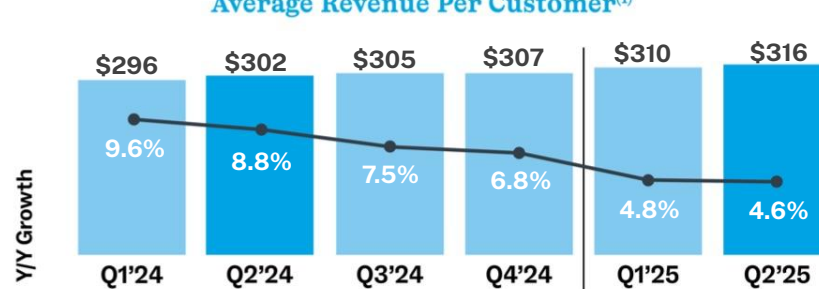
## TTM Active Customers<sup>(1)</sup> (M)



## Adjusted EBITDA<sup>(2)</sup> (\$M)



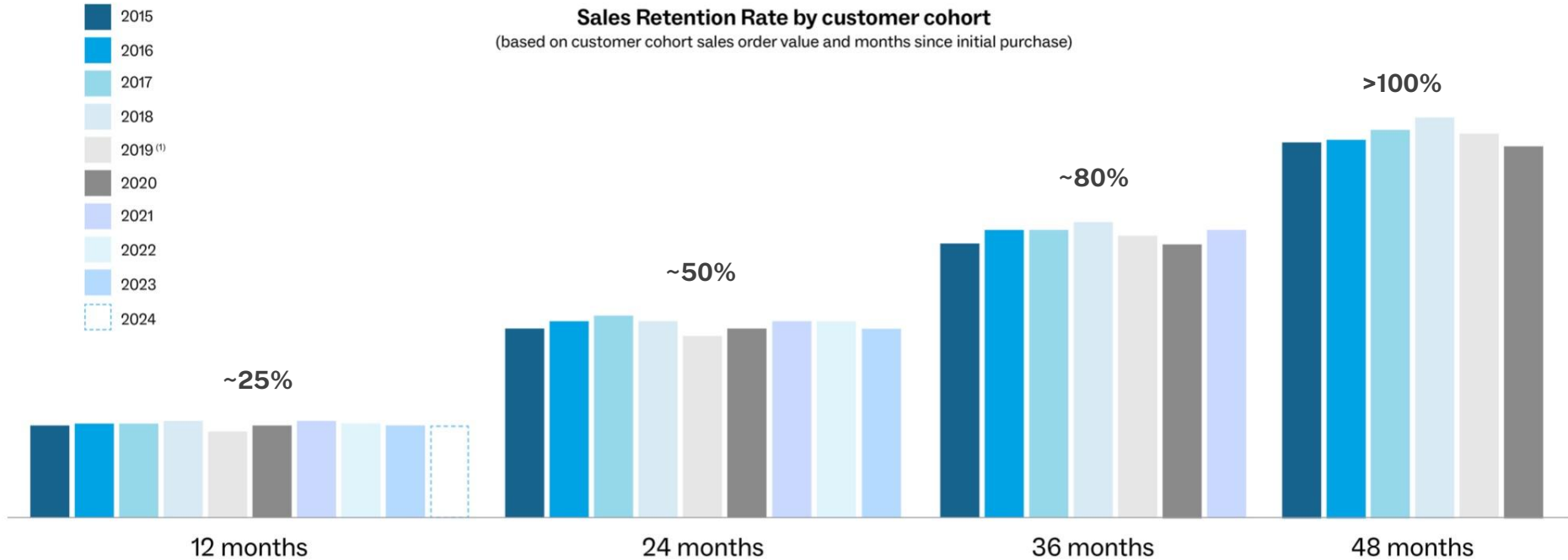
## Average Revenue Per Customer<sup>(1)</sup>



<sup>(1)</sup> Key operating metric. See definition in appendix.

<sup>(2)</sup> Non-GAAP financial term. See appendix for definitions and reconciliations of non-GAAP measures.

# Compelling and Consistent Sales Retention Rates

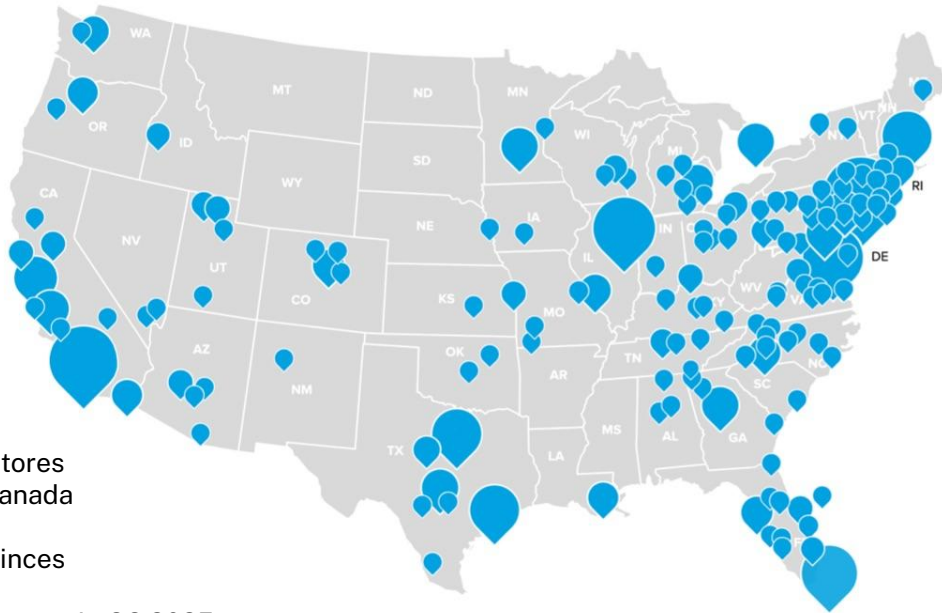






# Expanding Retail Footprint With Significant White Space For New Stores

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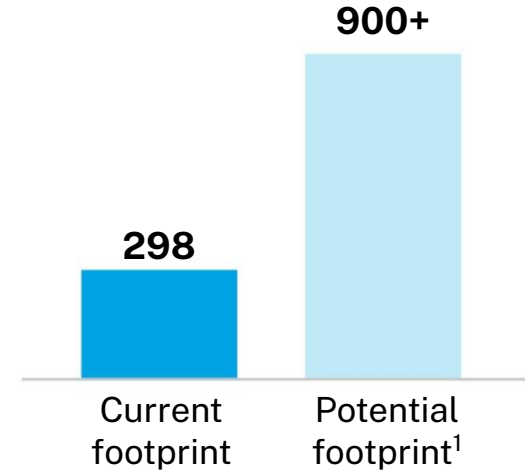


**298** open retail stores  
**293** U.S. and **5** Canada  
**101** markets  
**44** states or provinces  
**229** cities  
**11** net new retail stores in Q2 2025

Store presence in 47 of the 50 most populous markets in the U.S.

Location types: ~26% street, ~48% outdoor center, ~26% indoor center

## WARBY PARKER Number of Store Locations



As of 6/30/2025





Eastwood Towne Center (Lansing, MI)



Shoppes at Isla Verde (Wellington, FL)

## Full Year 2025 Outlook

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Net Revenue

**\$880M–\$888M**

~14–15% y/y growth

Adjusted EBITDA<sup>(1)</sup>

**\$98M–\$101M**

11.1–11.4% margin<sup>(1)</sup>

## Q3 2025 Outlook

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Net Revenue

**\$223M–\$225M**

~16–17% y/y growth

Adjusted EBITDA<sup>(1)</sup>

**\$24M–\$25.5M**

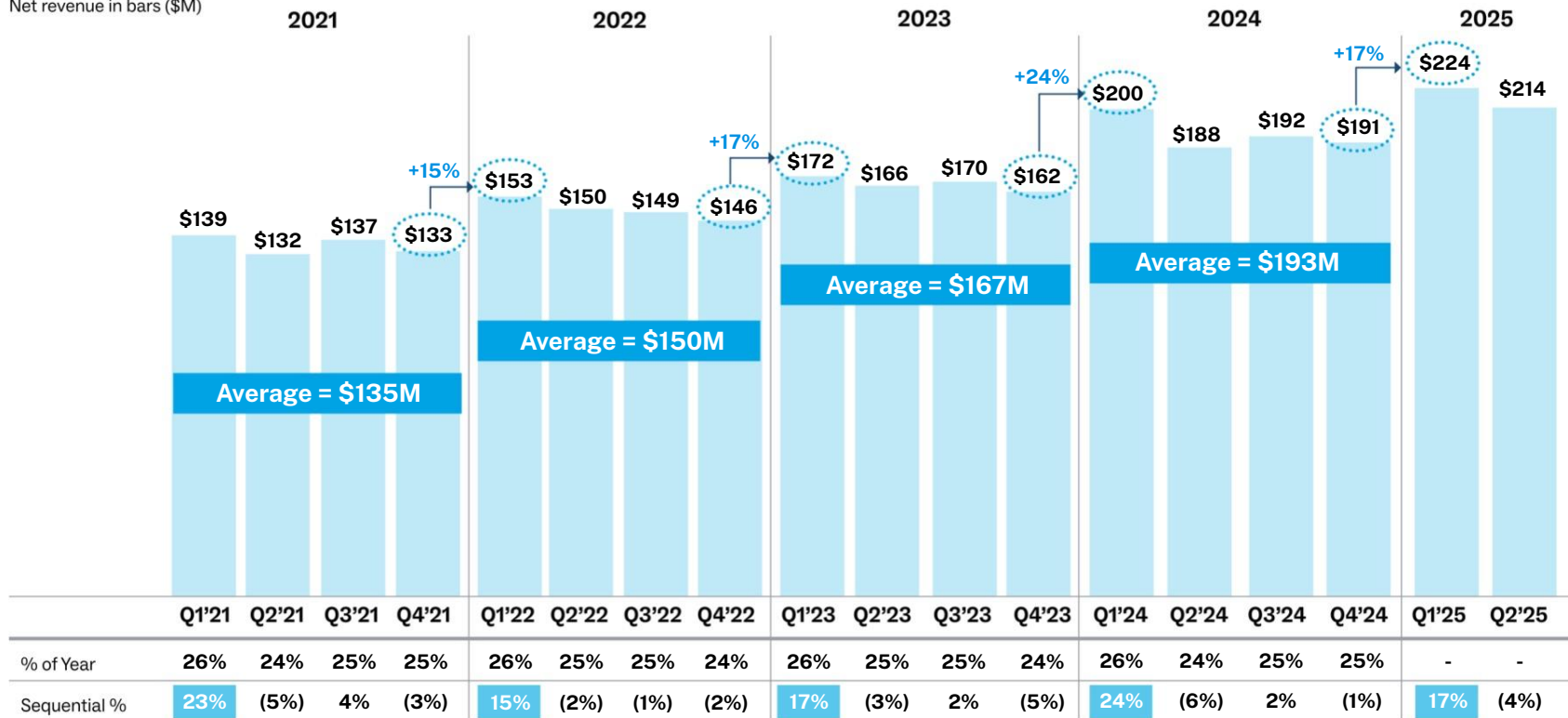
~11% margin<sup>(1)(2)</sup>

# Supplemental Details



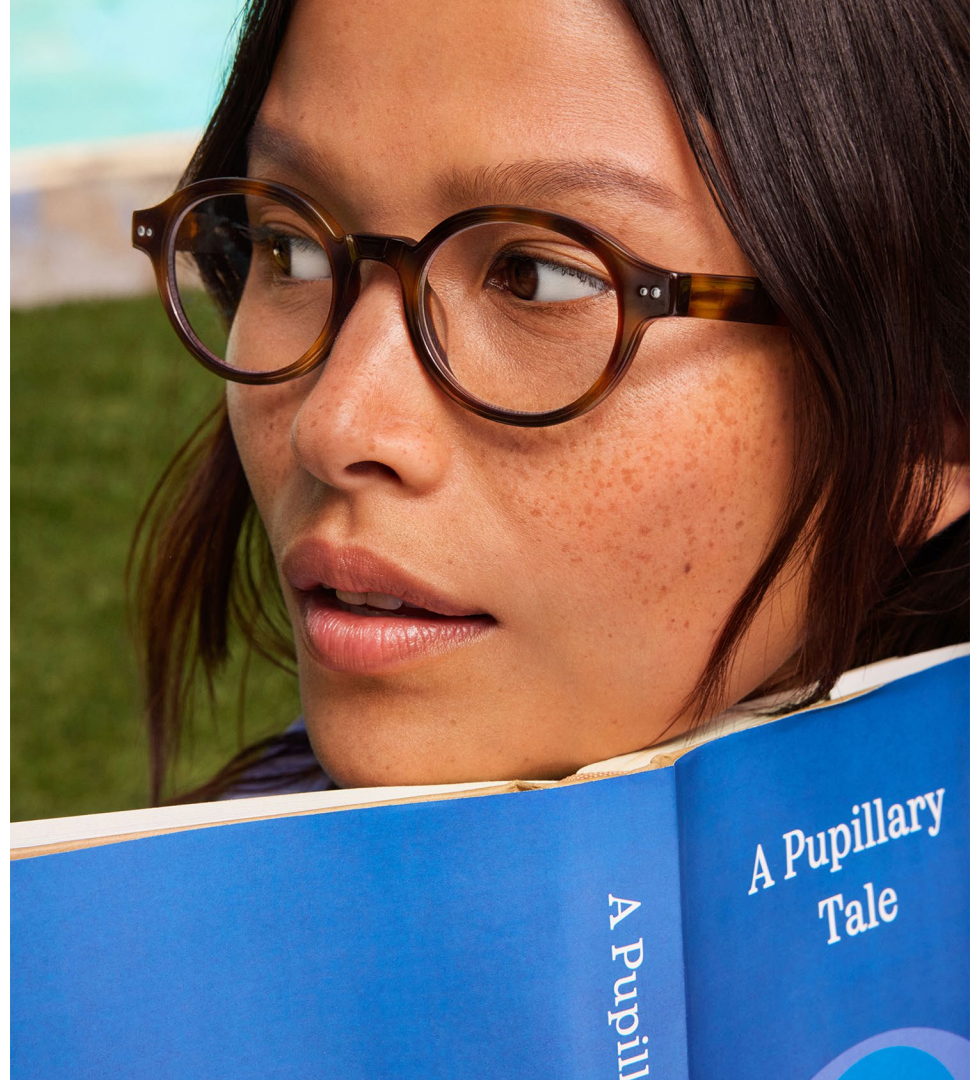
# Net Revenue by Quarter (2021–2025)

Net revenue in bars (\$M)





# Appendix



# Non-GAAP Financial Measures and Key Operating Metrics



Included in this presentation are certain financial measures that are not calculated in accordance with U.S. generally accepted accounting principles (“GAAP”) and which are designed to supplement, and not substitute, the Company’s financial information presented in accordance with GAAP. The non-GAAP measures as defined by the Company may not be comparable to similar non-GAAP measures presented by other companies. The presentation of such measures, which may include adjustments to exclude unusual or non-recurring items, should not be construed as an inference that the Company’s future results will be unaffected by other unusual or nonrecurring items. The Company uses “Adjusted EBITDA”, “Adjusted EBITDA Margin”, “Adjusted COGS”, “Adjusted Gross Profit”, “Adjusted Gross Margin”, “Adjusted SG&A” and “Free Cash Flow” to provide useful supplemental measures that assist in evaluating its ability to generate earnings, provide consistency and comparability with its past financial performance and facilitate period-to-period comparisons of its core operating results as well as the results of its peer companies.

The Company calculates “Adjusted EBITDA” as net income (loss) before interest and other income, taxes, and depreciation and amortization as further adjusted for asset impairment costs, stock-based compensation expense and related employer payroll taxes, amortization of cloud-based software implementation costs, non-cash charitable donations, charges for certain legal matters outside the ordinary course of business, and non-recurring costs such as restructuring costs and major system implementation costs. “Adjusted EBITDA Margin” is defined as Adjusted EBITDA divided by net revenue.

The Company calculates “Adjusted COGS” as cost of goods sold adjusted for stock-based compensation expense and related employer payroll taxes. The Company calculates “Adjusted Gross Profit” as net revenue minus Adjusted COGS. “Adjusted Gross Margin” is defined as Adjusted Gross Profit divided by net revenue.

The Company calculates “Adjusted SG&A” as SG&A adjusted for stock-based compensation expense and related employer payroll taxes, non-cash charitable donations, charges for certain legal matters outside the ordinary course of business, and non-recurring costs such as restructuring costs and major system implementation costs. “Adjusted Non-Marketing SG&A” is defined as Adjusted SG&A minus marketing costs.

The Company calculates “Free Cash Flow” as net cash provided by operating activities minus purchases of property and equipment.

The Company has also included in this presentation the following metrics which are operational and business metrics that are important to understanding Company performance:

“Active Customers” is defined as unique customer accounts that have made at least one purchase in the trailing 12-month period. The Company calculates “Average Revenue per Customer” as the sum of the total net revenues in the trailing 12-month period divided by the current period Active Customers.

“Customer Acquisition Cost” is defined as acquisition costs for a given period divided by the number of Active Customers during that same period. Acquisition Costs is defined as total media spend plus Home Try-On costs in a given period. Home Try-On costs include customer shipping, consumable, and product fulfillment costs related to the program.

“Sales Retention Rate” is defined as the Sales Orders attributable to a given customer cohort as a percentage of the total sales order value attributable to the same customer cohort during the initial measurement period. The initial measurement period represents the initial purchase for each customer in a given customer cohort.

“Retail Productivity” is defined as average retail sales per store, calculated as total retail Sales Orders divided by average store count in the relevant period, as compared to the prior year.

“Sales Orders” represents the dollar value of orders placed by customers in a given period



# Reconciliation of Adjusted EBITDA to Net Income

Unaudited, in thousands	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Net (loss) income	(\$1,752)	(\$6,762)	\$1,720	(\$9,441)
Adjusted to exclude the following:				
Interest and other income, net	(1,984)	(2,567)	(4,439)	(5,123)
Provision for income taxes	(789)	373	665	481
Depreciation and amortization expense	12,486	11,121	24,648	21,704
Asset impairment charges	175	22	486	421
Stock-based compensation expense <sup>(1)</sup>	9,162	14,097	22,163	28,412
Non-cash charitable donation <sup>(2)</sup>	2,821	2,196	2,821	2,196
Amortization of cloud-based software implementation costs	752	935	1,489	2,008
System implementation costs <sup>(3)</sup>	346	-	346	-
Inventory write-downs <sup>(4)</sup>	2,456	-	2,456	-
Other costs <sup>(5)</sup>	1,341	168	1,866	1,303
Adjusted EBITDA	\$25,014	\$19,583	\$54,221	\$41,961
Adjusted EBITDA Margin	11.7%	10.4%	12.4%	10.8%

- (1) Represents expenses related to the Company's equity-based compensation programs and related employer payroll taxes, which may vary significantly from period to period depending upon various factors including the timing, number, and the valuation of awards granted, and vesting of awards including the satisfaction of performance conditions. For both the three months ended June 30, 2025 and 2024, the amount includes \$0.3 million of employer payroll taxes associated with releases of RSUs and option exercises. For the six months ended June 30, 2025 and 2024, the amount includes \$0.9 million and \$0.5 million, respectively, of employer payroll taxes associated with releases of RSUs and option exercises.
- (2) Represents charitable expense recorded in connection with the donation of 178,572 shares of Class A common stock in both May 2025 and May 2024 to the Warby Parker Impact Foundation.
- (3) Represents costs related to the implementation of major new enterprise software systems.
- (4) Represents one-time inventory write-downs primarily related to the decision to sunset our Home-Try On program at the end of this year.
- (5) Represents restructuring costs incurred in the second quarter of 2025 and charges for certain legal matters outside the ordinary course of business.

# Supplemental Financial Information

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	REPORTED			REPORTED		
	Three Months Ended June 30			Six Months Ended June 30		
<i>Unaudited, in thousands</i>	2025	2024	2025 vs. 2024	2025	2024	2025 vs. 2024
Net Revenue	\$214,475	\$188,222	13.9%	\$438,257	\$388,225	12.9%
Gross Profit	\$113,609	\$105,382	7.8%	\$239,589	\$218,841	9.5%
% of Revenue	53.0%	56.0%	(300 bps)	54.7%	56.4%	(170 bps)
Total SG&A	\$118,134	\$114,338	3.3%	\$241,643	\$232,924	3.7%
% of Revenue	55.1%	60.8%	(570 bps)	55.1%	60.0%	(490 bps)
Net Loss	(\$1,752)	(\$6,762)	(74.1%)	\$1,720	(\$9,441)	(118.2%)
% of Revenue	(0.8%)	(3.6%)	280 bps	0.4%	(2.4%)	280 bps

	ADJUSTED			ADJUSTED		
	Three Months Ended June 30			Six Months Ended June 30		
<i>Unaudited, in thousands</i>	2025	2024	2025 vs. 2024	2025	2024	2025 vs. 2024
Net Revenue	\$214,475	\$188,222	13.9%	\$438,257	\$388,225	12.9%
Adjusted Gross Profit	\$116,376	\$105,667	10.1%	\$242,629	\$219,370	10.6%
% of Revenue	54.3%	56.1%	(180 bps)	55.4%	56.5%	(110 bps)
Adjusted SG&A	\$104,775	\$98,162	6.7%	\$215,031	\$201,542	6.7%
% of Revenue	48.9%	52.2%	(330 bps)	49.1%	51.9%	(280 bps)
Adjusted EBITDA	\$25,014	\$19,583	27.7%	\$54,221	\$41,961	29.2%
% of Revenue	11.7%	10.4%	130 bps	12.4%	10.8%	160 bps

# Reconciliation of Non-GAAP Measures

The following table reflects a reconciliation of each non-GAAP, or adjusted, financial measure to its most directly comparable financial measure prepared in accordance with GAAP.

Unaudited, in thousands	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Cost of goods sold	\$100,866	\$82,840	\$198,668	\$169,384
Adjusted to exclude the following:				
Stock-based compensation expense <sup>(1)</sup>	311	285	584	529
Inventory write-downs <sup>(2)</sup>	2,456	-	2,456	-
Adjusted Cost of Goods Sold	\$98,099	\$82,555	\$195,628	\$168,855
Gross profit	\$113,609	\$105,382	\$239,589	\$218,841
Adjusted to exclude the following:				
Stock-based compensation expense <sup>(1)</sup>	311	285	584	529
Inventory write-downs <sup>(2)</sup>	2,456	-	2,456	-
Adjusted Gross Profit	\$116,376	\$105,667	\$242,629	\$219,370
Selling, general, and administrative expenses	\$118,134	\$114,338	\$241,643	\$232,924
Adjusted to exclude the following:				
Stock-based compensation expense <sup>(1)</sup>	8,851	13,812	21,579	27,883
Non-cash charitable donation <sup>(3)</sup>	2,821	2,196	2,821	2,196
System implementation costs <sup>(4)</sup>	346	-	346	-
Other costs <sup>(5)</sup>	1,341	168	1,866	1,303
Adjusted Selling, General, and Administrative Expenses	\$104,775	\$98,162	\$215,031	\$201,542
Marketing	26,040	22,383	53,913	47,241
Adjusted Non-Marketing Selling, General, and Administrative Expenses	\$78,735	\$75,779	\$161,118	\$154,301
Net cash provided by operating activities	\$40,199	\$31,624	\$69,557	\$51,550
Purchases of property and equipment	(16,286)	(17,651)	(32,438)	(32,088)
Free Cash Flow	\$23,913	\$13,973	\$37,119	\$19,462

(1) Represents expenses related to the Company's equity-based compensation programs and related employer payroll taxes, which may vary significantly from period to period depending upon various factors including the timing, number, and the valuation of awards granted, and vesting of awards including the satisfaction of performance conditions. For both the three months ended June 30, 2025 and 2024, the amount includes \$0.3 million of employer payroll taxes associated with releases of RSUs and option exercises. For the six months ended June 30, 2025 and 2024, the amount includes \$0.9 million and \$0.5 million, respectively, of employer payroll taxes associated with releases of RSUs and option exercises.

(2) Represents one-time inventory write-downs primarily related to the decision to sunset our Home-Try On program at the end of this year.

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Thank You