

Q2 2025

 **FIGS** Earnings
Presentation



DANIELLE L., RN, DNP, ACNP

DISCLAIMER

Nothing contained in this presentation is, or should be construed as, a recommendation, promise or representation by FIGS, Inc. (the "Company") or any officer, director, employee, agent or advisor of the Company. This presentation does not purport to be all inclusive or to contain all of the information you may desire in connection with your investigation of the Company. Information provided in this presentation speaks only as of the date hereof. This presentation shall not constitute an offer to sell or the solicitation of an offer to buy securities, nor shall there be any sale of securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

This presentation also contains estimates and other statistical data relating to the Company's industry and estimated total addressable market. Such estimates and data are based on studies, publications, and surveys obtained from third-party sources and the Company's own internal estimates and research. While the Company believes these third-party sources and the Company's internal estimates and own research to be reliable as of the date of this presentation, it has not independently verified, and makes no representation as to the adequacy, fairness, accuracy or completeness of, any information obtained from third-party sources, and the Company's internal research has not been verified by any independent source. In addition, projections, assumptions and estimates regarding the Company's industry are subject to a number of assumptions and limitations and involve a high degree of uncertainty and risk. Accordingly, you are urged not to give undue weight to such estimates and statistical data. Information that can be accessed through any website address or hyperlink provided herein is not a part of this presentation and is not incorporated by reference herein. We have included any such website address in this presentation solely for informational purposes.

FORWARD-LOOKING STATEMENTS

This presentation contains various forward-looking statements about the Company within the meaning of the Private Securities Litigation Reform Act of 1995, as amended, that are based on current management expectations, and which involve substantial risks and uncertainties that could cause actual results to differ materially from the results expressed in, or implied by, such forward-looking statements. All statements contained in this presentation that do not relate to matters of historical fact should be considered forward-looking. These forward-looking statements generally are identified by the words "anticipate", "believe", "contemplate", "continue", "could", "estimate", "expect", "forecast", "future", "intend", "may", "might", "opportunity", "outlook", "plan", "possible", "potential", "predict", "project," "should", "strategy", "strive", "target", "will", or "would", the negative of these words or other similar terms or expressions. The absence of these words does not mean that a statement is not forward-looking. These forward-looking statements address various matters, including: the Company's brand differentiators; the Company's growth opportunities and strategies, including product innovation, building and deepening connections with its community, international, TEAMS and retail; the Company's plans to operate with financial discipline and invest in the future; the Company's plans to continue to improve its infrastructure; the Company's plans to drive awareness and engagement; the Company's international expansion plans, including plans to open new markets, including in Asia, and the Company's focus on localization; the Company's TEAMS opportunity and strategy, including internationally; the Company's advocacy efforts; the Company's future retail stores and retail strategy, including its plans to open additional locations in 2025; the Company's total addressable market and plans to grow its total addressable market and market share; the future growth and growth fundamentals of the healthcare and social assistance industry sector, including the expectation that secular growth of the healthcare industry will be driven by a significant shortage of healthcare workers, aging population and focus on health and wellness; growing demand from healthcare institutions to professionalize their staff; the Company's belief that it is moving further past the COVID overhang towards a more normalized purchasing and replenishment backdrop; the Company's growing confidence, supported by heightened focus on reinvigorating its customer funnel and accelerating growth in its core business; the Company's approach to the dynamic trade environment; and the Company's outlook as to net revenues growth and adjusted EBITDA margin for the full year ending December 31, 2025, all of which reflect the Company's expectations based upon currently available information and data. Because such statements are based on expectations as to future financial and operating results and are not statements of fact, the Company's actual results, performance or achievements may differ materially from those expressed or implied by the forward-looking statements, and you are cautioned not to place undue reliance on these forward-looking statements. The following important factors and uncertainties, among others, could cause actual results, performance or achievements to differ materially from those described in these forward-looking statements: the Company's ability to maintain its historical growth; the Company's ability to maintain profitability; the Company's ability to maintain the value and reputation of its brand; the Company's ability to attract new customers, retain existing customers, and to maintain or increase sales to those customers; the success of the Company's marketing efforts; the Company's ability to maintain a strong community of engaged customers and Ambassadors; negative publicity related to the Company's marketing efforts or use of social media; the Company's ability to successfully develop and introduce new, innovative and updated products; the competitiveness of the market for healthcare apparel; the Company's ability to maintain its key employees; the Company's ability to attract and retain highly skilled team members; risks associated with expansion into, and conducting business in, international markets; changes in, or disruptions to, the Company's shipping arrangements; the successful operation of the Company's fulfillment operations; the Company's ability to accurately forecast customer demand, manage its inventory, and plan for future expenses; the impact of changes in consumer confidence, shopping behavior and consumer spending on demand for the Company's products; the impact of macroeconomic trends on the Company's operations; the Company's reliance on a limited number of third-party suppliers; the impact of global trade policy on our ability to source and distribute our products; the fluctuating costs of raw materials; the Company's ability to execute on its B2B growth strategy; the Company's ability to execute on its retail growth strategy; the Company's failure to protect proprietary, confidential or sensitive information or personal customer data or risks of cyberattacks; the Company's failure to protect its intellectual property rights; the fact that the operations of many of the Company's suppliers and vendors are subject to additional risks that are beyond its control; and other risks, uncertainties, and factors discussed in the "Risk Factors" section of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2025 to be filed with the Securities and Exchange Commission ("SEC"), the Company's Annual Report on Form 10-K for the year ended December 31, 2024 filed with the SEC on February 27, 2025, and the Company's other periodic filings with the SEC. The forward-looking statements in this presentation speak only as of the time made and the Company does not undertake to update or revise them to reflect future events or circumstances.

A dark, grayscale background image showing a group of healthcare professionals, likely nurses or doctors, in scrubs. They are standing in a line, looking forward, with their hands clasped in front of them. The image is slightly blurred and has a dark overlay.

OUR MISSION

To celebrate,
empower, &
serve those
who serve others

WHY FIGS?

- Large, replenishment-driven sector with strong long-term growth fundamentals
- Disrupting the healthcare apparel industry globally with best-in-class product and storytelling that centers around an underserved community
- Sustainable brand differentiators within marketing, product innovation, and merchandising strategy
- Numerous growth opportunities within the US, International, TEAMS (B2B), and Community Hubs (Retail)
- Strong balance sheet and cash flow provide flexibility to both invest in growth and return value to shareholders



Q2 at a Glance

- Delivered year-over-year net revenues growth of 6% in Q2 2025, exceeding our outlook and reflecting momentum of our efforts across product merchandising, impactful marketing, and promotional repositioning
 - Average order value ("AOV")⁽¹⁾ increased 4% to \$117
 - Active customers⁽¹⁾ grew 4% to 2.7 million, supported by solid gains in both customer acquisition and returning customers
 - Scrubwear grew 8%; non-scrubwear declined 3%
 - U.S. grew 4%; international grew 20%
- Adjusted EBITDA margin⁽²⁾ of 12.9% also outpaced expectations, supported by top line results and the success of our efficiency and mitigation strategies across both fulfillment and shipping
- Maintained strong financial flexibility with end of period cash, cash equivalents and short-term investments position of \$238.8 million

(1) AOV and active customers are key operational and business metrics that are important to understanding our performance. See "Non-GAAP Financial Measures and Key Operating Metrics" in the Appendix for additional information on this metric.

(2) Adjusted EBITDA and adjusted EBITDA margin are non-GAAP financial measures. See "Non-GAAP Financial Measures and Key Operating Metrics" in the Appendix for additional information on non-GAAP financial measures and reconciliations to the most directly comparable GAAP measures.



NET REVENUES

\$152.6M

GROSS MARGIN

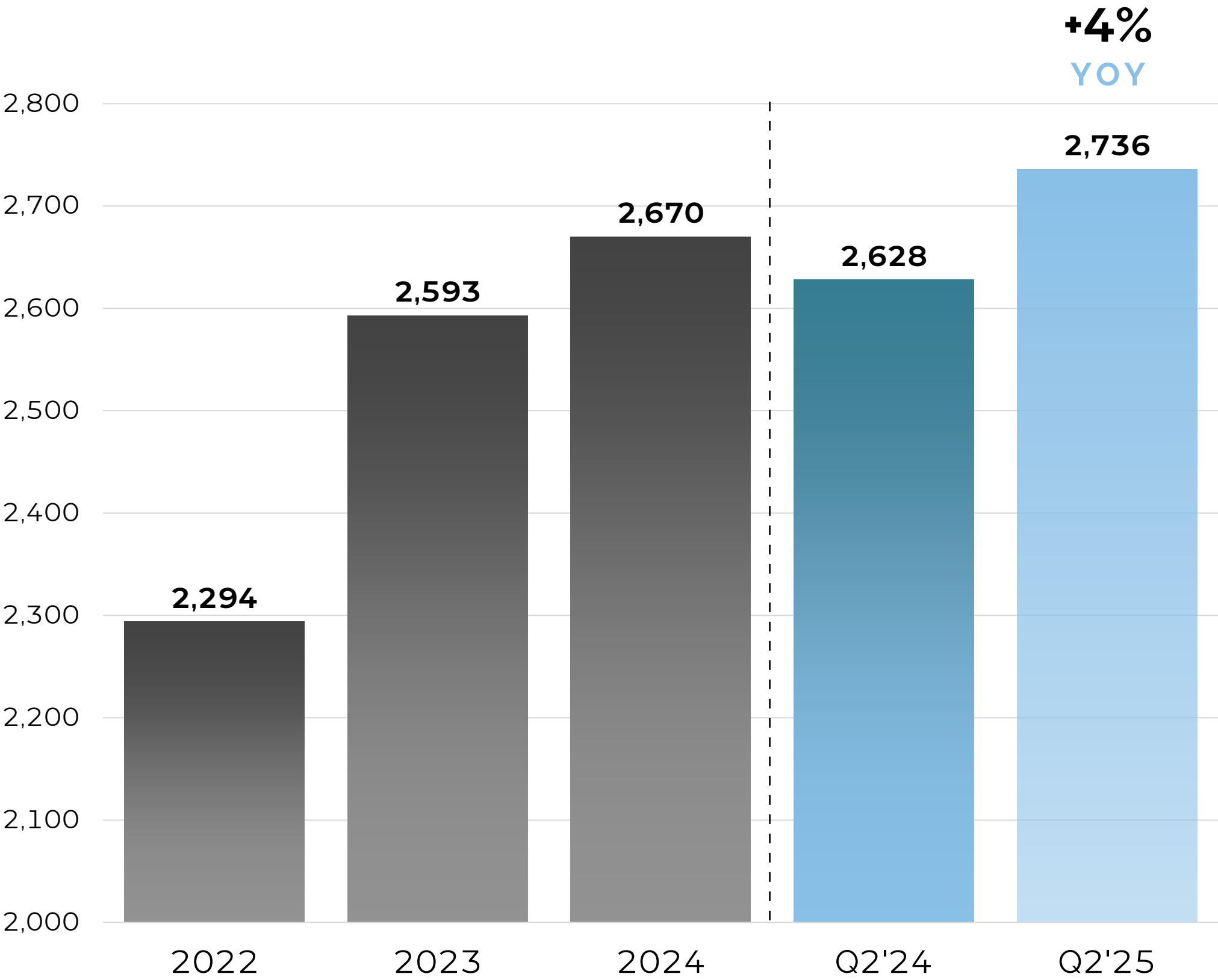
67.0%

ADJ. EBITDA MARGIN⁽²⁾

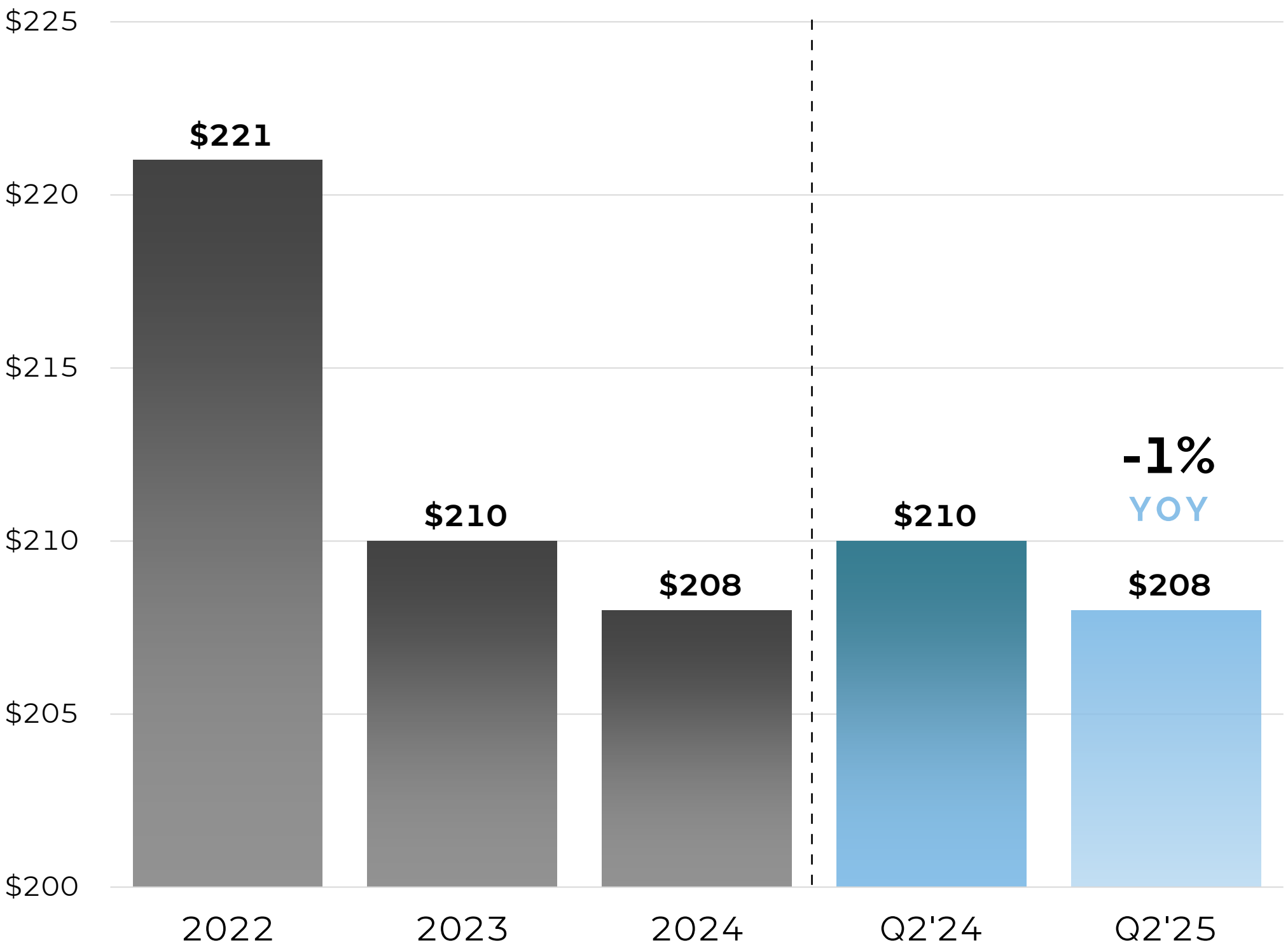
12.9%

KEY OPERATING METRICS

Active Customers⁽¹⁾
(TRAILING TWELVE MONTHS, IN THOUSANDS)



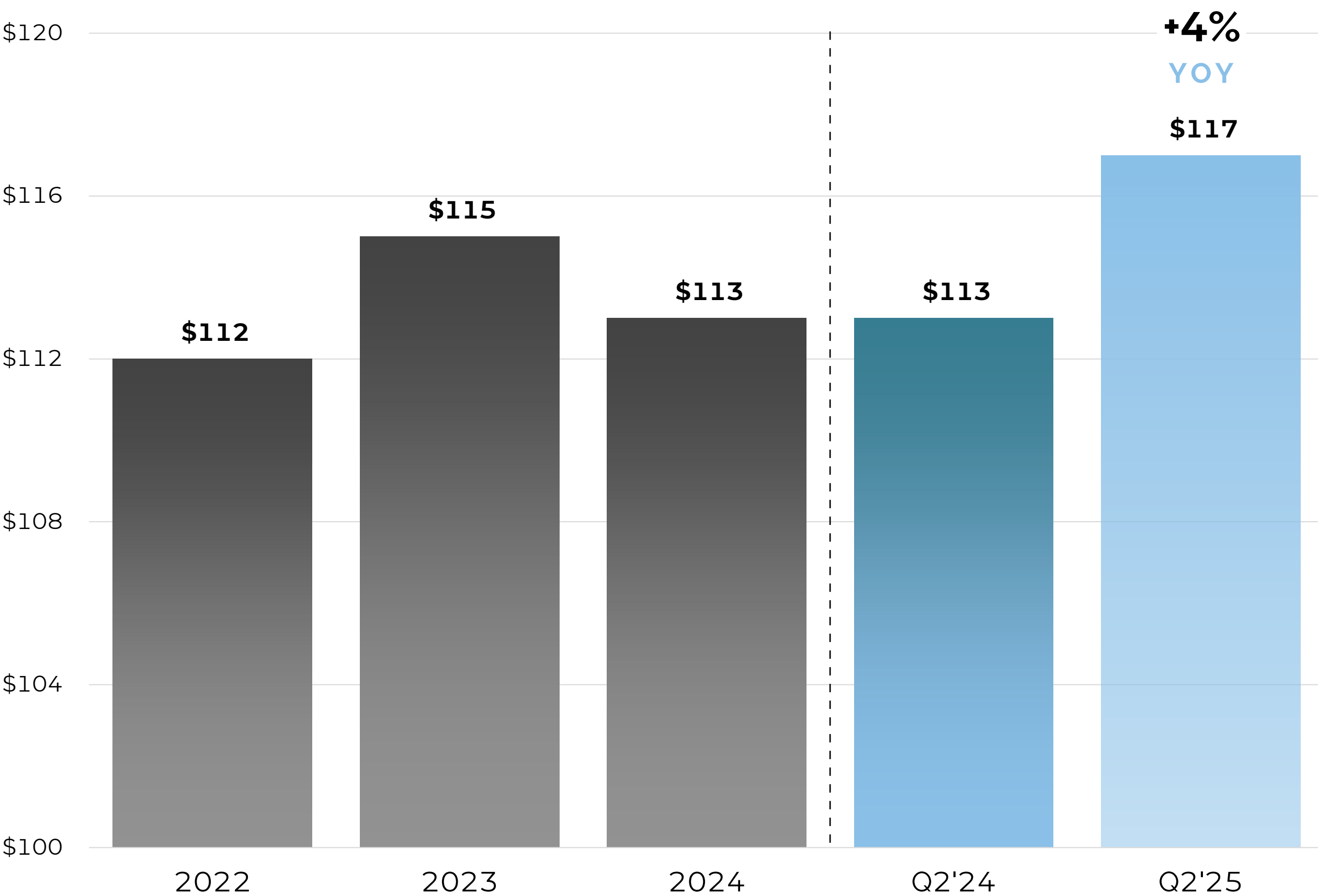
Net Revenues Per Active Customer⁽¹⁾
(TRAILING TWELVE MONTHS)



(1) Active customers and net revenues per active customer are key operational and business metrics that are important to understanding our performance. See "Non-GAAP Financial Measures and Key Operating Metrics" in the Appendix for additional information on these metrics.

KEY OPERATING METRICS

Average Order Value (AOV)⁽¹⁾



(1) AOV is a key operational and business metrics that is important to understanding our performance. See "Non-GAAP Financial Measures and Key Operating Metrics" in the Appendix for additional information on this metric.

DIVERSIFIED GROWTH STRATEGY

Product Innovation with Purpose

Continued disruption and technical innovation across styles, categories, and fabrications to better serve our healthcare professionals.

Deep Connection with the Healthcare Community

Drive awareness and engagement through powerful, purposeful storytelling, and unwavering commitment to advocacy.

Reach New and Existing Customers

International

Continue to expand and penetrate the global healthcare community by reaching them where they are (45 current countries outside the U.S.).

TEAMS

Opportunity to serve institutions around the world who want to professionalize and standardize their teams.

Retail

Deepen connection to our community by engaging with them in new ways.

Operate with Financial Discipline and Invest in the Future

Optimize infrastructure to support scale, increase reliability, flexibility, and speed to market

Product Innovation

We introduced new products across the layering system designed for maximum comfort, versatility, and durability, including:

- **On-Shift Float Shacket™**: Part shirt. Part jacket. 100% Awesome. The newest style in our Float fabrication is a mix of stretch and lightweight warmth without the weight.
- **Salta & Makato Shortsleeve Underscrub**: The shortsleeve expansion of our best-selling Salta and Makato franchise, engineered for non-stop performance with Ionic+™ Nylon.
- **Farida Scrub Cap**: Nurse-designed, satin-lined. We teamed up with Farida L., BSN, RN to create a scrub specifically designed to protect natural hair.



Build and Deepen Connection with Community

This May, we showed up for nurses like never before. **Nurses Week 2025** was the most ambitious, community-powered celebration in FIGS history.

From rooftop gatherings and hospital pop-ups to in-store activations, we brought the love to 18 events across the country. We met nurses in breakrooms, on sidewalks, and mid-shift (with energy, gratitude, and so much heart!).

We launched a bold new chapter of *Where Do You Wear FIGS*, spotlighting real nurses and the places, moments, and meanings behind their work. We also wrapped the week with a feature on *The Jennifer Hudson Show*, putting nurses center stage on national television.

The impact was unprecedented: 900M impressions (the biggest reach in Nurses Week history), a 10X increase in film views YOY, and a 5X increase in social engagement YOY.



Impact

AWESOME HUMANS ON THE HILL

FIGS advocates year-round on Capitol Hill, consistently bringing healthcare professionals' voices directly to policymakers. Each year, our Awesome Humans on the Hill event amplifies this ongoing advocacy, spotlighting critical issues and driving legislative action. In June, we held our third—and most impactful—event yet, with 18 extraordinary healthcare professionals sharing their stories and calling for solutions.

They were joined by Noah Wyle—producer and star of *The Pitt*—alongside his mother Marty, an orthopedic nurse of about 50 years. Noah has spent decades portraying healthcare professionals with empathy and integrity. Together, we used this moment to elevate their voices on a national stage—highlighting the real barriers they face and the bipartisan solutions they deserve.

OUR IMPACT

30+ congressional meetings

100+ Capitol Hill staff, press, and policymakers at our packed Congressional Staff Briefing

3 bipartisan bills spotlighted:

- **The Dr. Lorna Breen Health Care Provider Protection Act:** to restore and fund mental health support programs for healthcare professionals
- **The AWESOME HUMANS Act:** to create a first-of-its-kind federal tax credit that values the work of frontline healthcare workers
- **The Reducing Medically Unnecessary Delays in Care Act:** to cut red tape that takes time away from patients and fuels burnout

OUR BIGGEST MOMENT YET

National spotlight with coverage from *CBS Mornings*, *NBC*, *ABC*, and more; a *USA Today* op-ed; and 5M+ organic social views



INTERNATIONAL

Expanding Global Presence

Disrupting global healthcare apparel with product innovation, powerful top of funnel marketing campaigns and localized engagement with the community

- **Opportunity:** over 80% of global healthcare professionals are outside the U.S. yet represented only 15% of our net revenues in FY 2024 and Q2 2025.
- Experienced strong Q2 2025 net revenues growth of 20%.
- Market expansion strategy included the introduction to Japan in June 2025 with South Korea slated for later in Q3 2025. Also deployed our regional strategy in Latin America early in Q3 2025, opening 12 new markets across the region.
- Our 2025 focus also includes efforts to invest in localization, awareness and engagement, while also building out TEAMS functionality.





TEAMS

Serving Healthcare Institutions

Serving hospitals, medical offices, and concierge clinics to professionalize and standardize their teams

- **Opportunity:** ~15% of the U.S. scrubs industry has historically been driven by institutions buying for their teams, while the commercialization of healthcare is increasingly driving premium experiences including scrubs.
- 2025 investment focus includes adding talent and driving sharper focus in how we build relationships across the industry, technology to support flexible customer solutions and a streamlined user experience, and marketing to support the overall awareness of the platform.
- Continue to see an outsized international TEAMS opportunity given buying behavior in many of these markets.

COMMUNITY HUBS

Creating Community Presence

Executing a retail strategy that enables healthcare professionals to connect with FIGS and their peers

- **Opportunity: over 60% of non-FIGS customers want to try and feel a product before a purchase.**
- Continue to employ a thoughtful and disciplined “Test, Learn, Apply and Win” rollout strategy.
- Currently operate two existing Community Hubs with Century City opened in Q4 2023 and Philadelphia opened in Q3 2024.
- Three additional Community Hubs are planned to open in Q4 2025: Houston, New York City and Chicago.
- Ongoing focus in driving operational support to ensure an omni-channel mentality.



WHY FIGS?

Large Industry Sector with Strong Long Term Growth Fundamentals

- Largely non-discretionary, replenishment-driven industry with approximately 23 million workers in the U.S.⁽¹⁾
- Creating TAM by expanding and evolving the FIGS layering system with both new innovation and new categories
- Expect secular growth to be driven by significant shortage of healthcare workers, aging population, and focus on health and wellness
- Healthcare and social assistance is projected to have the largest growth and be the fastest growing industry sector from 2023-2033⁽²⁾

Numerous Growth Opportunities

- Long runway in U.S. with untapped brand awareness and high NPS
- Significant international potential with less than 1% market share globally
- TEAMS (B2B) capitalizing on growing demand from healthcare institutions to professionalize their staff
- Retail (Community Hubs) to drive brand awareness, deepen connection, and increase lifetime value of customers

Sustainable Differentiators

- Authentic, category-defining brand with deeply passionate, loyal community
- Industry leading product innovation
- Highly efficient marketing engine due to strong word of mouth (about two-thirds of net revenues driven by repeat customers)
- Proven merchandising strategy with highly concentrated and productive core assortment
- Vast data set informs product innovation and drives personalization

Strong Margin and Cash Flow Dynamics

- Structurally high gross margin with concentrated seasonless scrubs assortment
- Healthy, debt-free balance sheet
- Strong free cash flow⁽³⁾ generation

(1) According to the U.S. Bureau of Labor Statistics for the number of healthcare and social assistance industry sector workers in the U.S. as of July 2025.

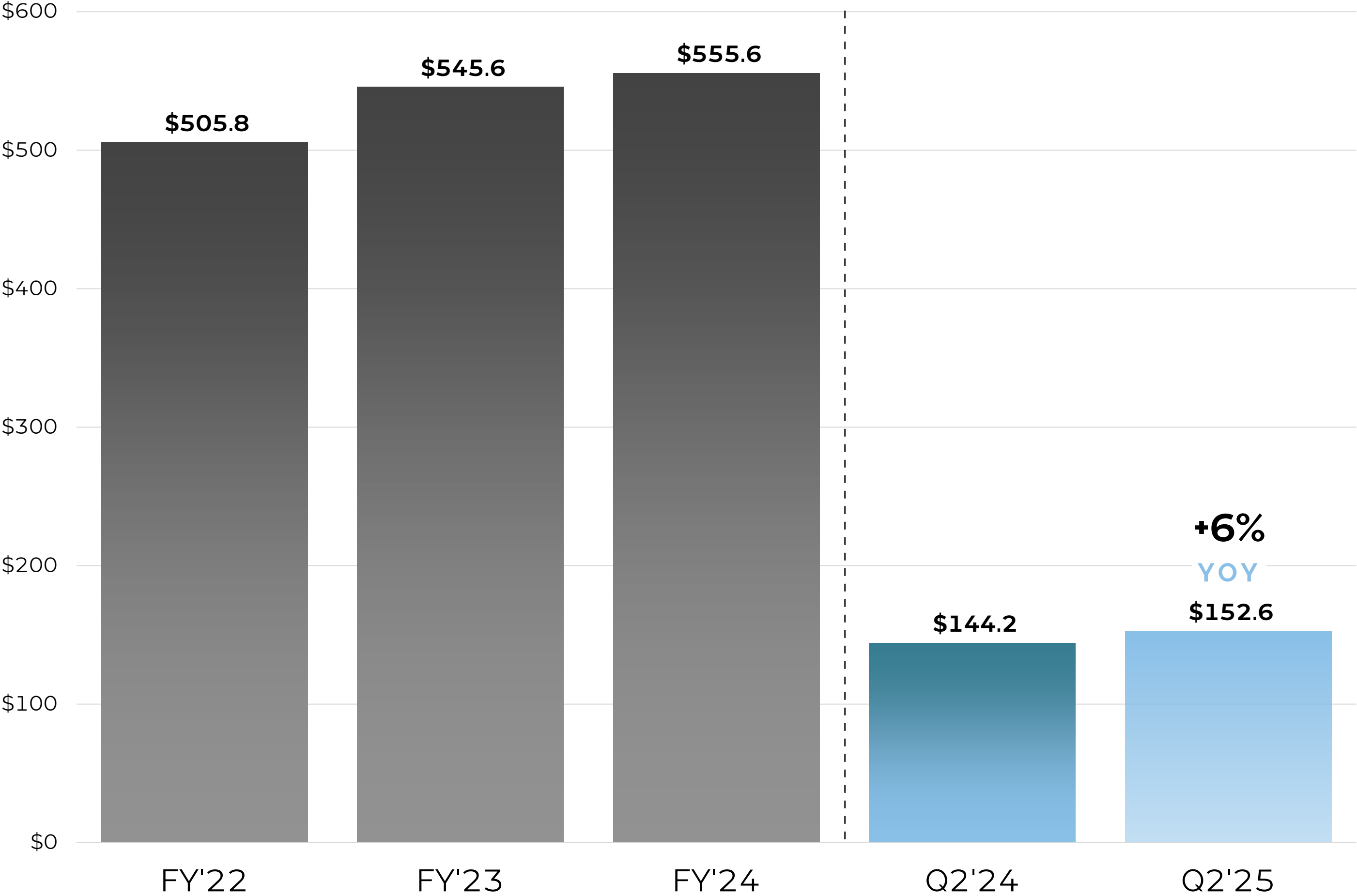
(2) See News Release, U.S. Bureau of Labor Statistics, Employment Projections – 2023-2033 (Aug. 29, 2024).

(3) Free cash flow is a non-GAAP metric. See “Non-GAAP Financial Measures and Key Operating Metrics” in the Appendix for additional information on non-GAAP financial measures and reconciliations to the most directly comparable GAAP measures.

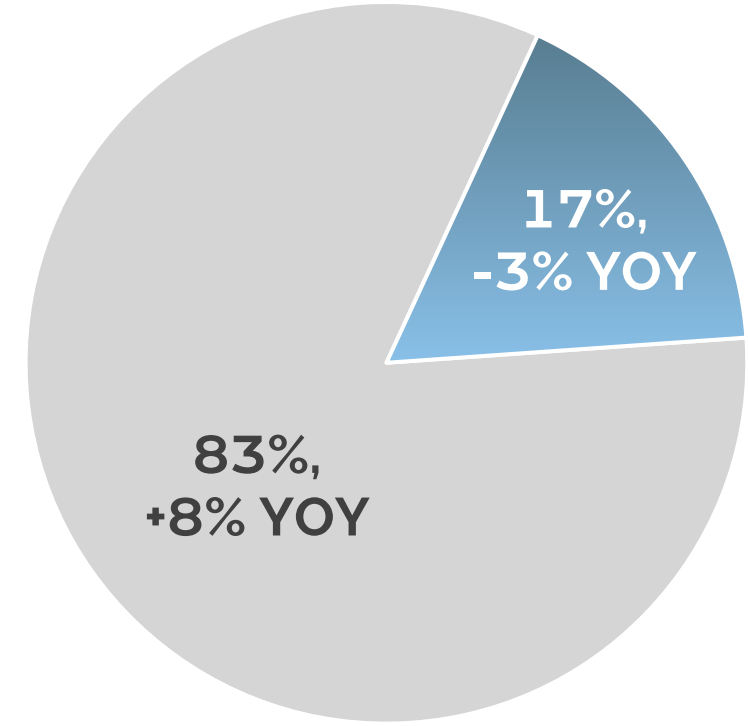
Financials

Q2 2025 NET REVENUES

(IN MILLIONS)

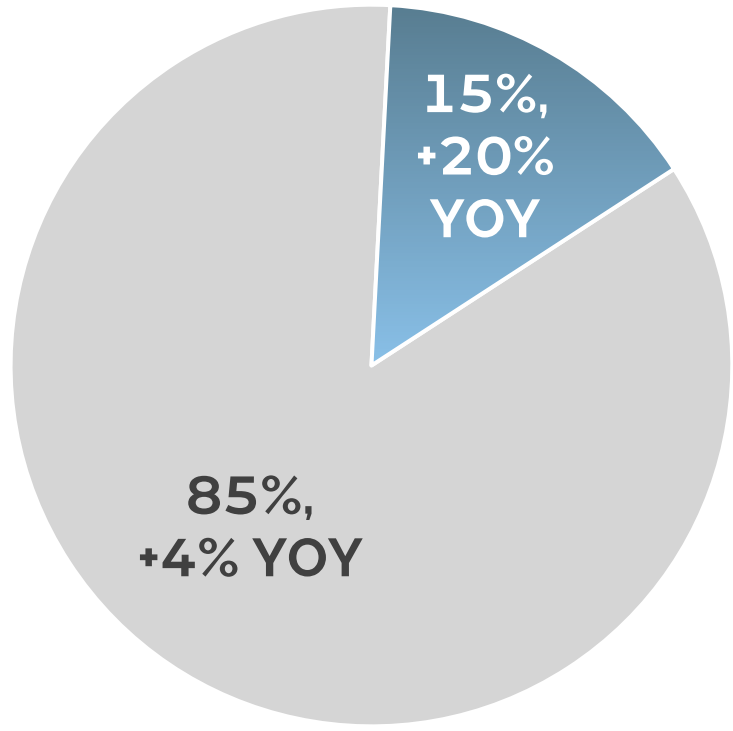


SCRUBWEAR / NON-SCRUBWEAR NET REVENUES MIX AND YOY GROWTH



■ Scrubwear ■ Non-Scrubwear

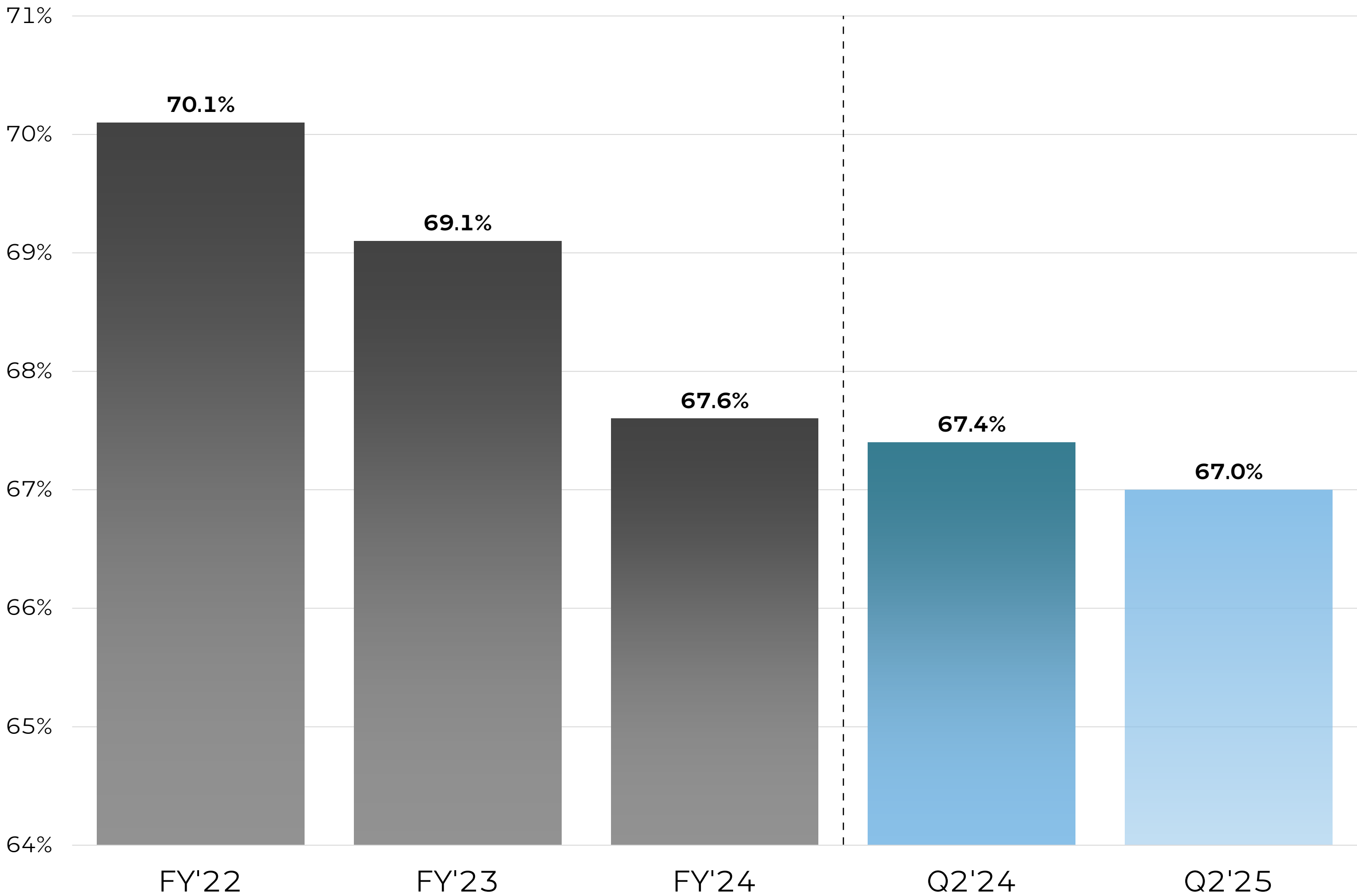
US / INTERNATIONAL NET REVENUES MIX AND YOY GROWTH



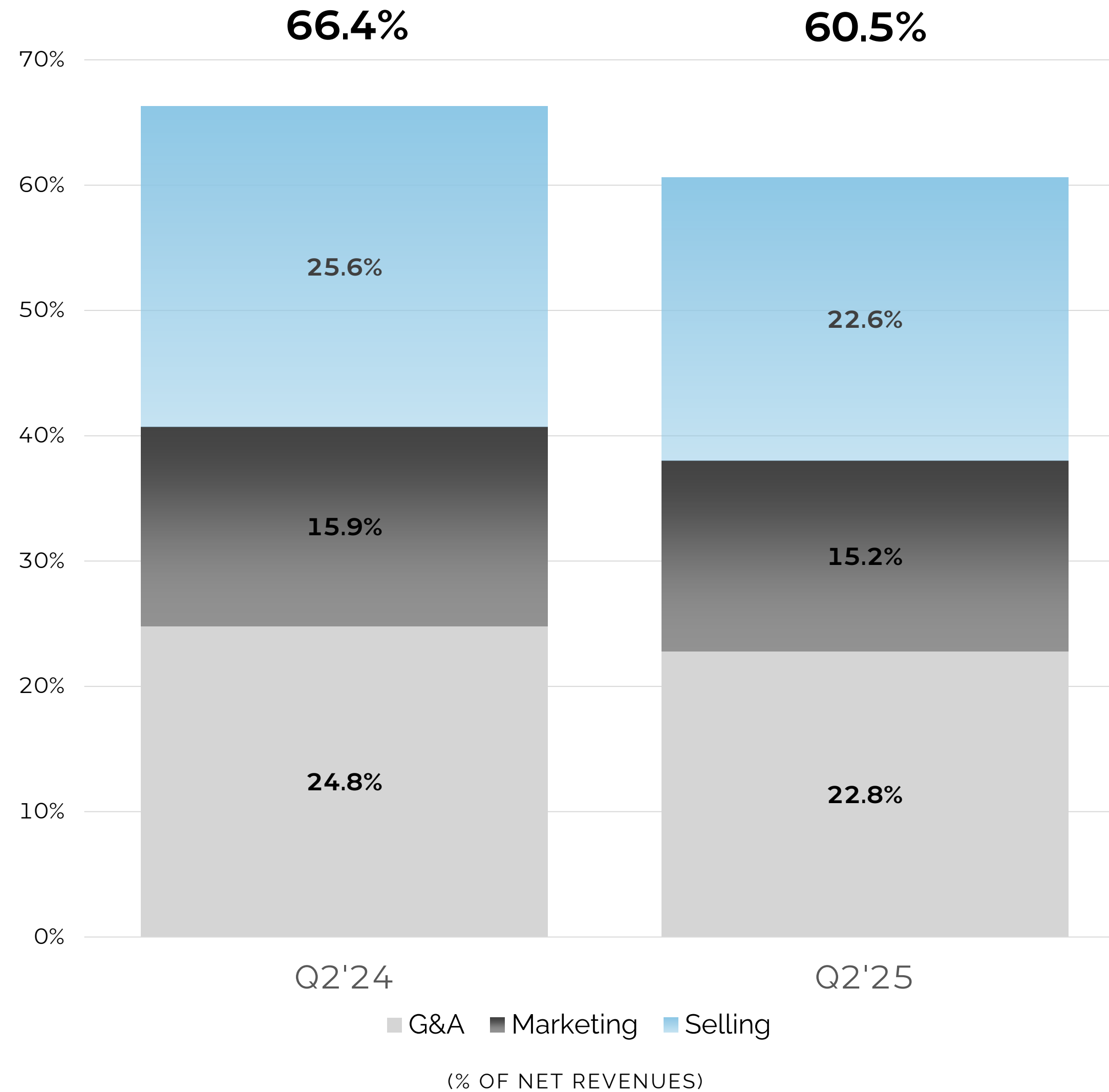
■ U.S. ■ International

Q2 2025 GROSS MARGIN

The decline in gross margin compared to Q2 2024 primarily reflected a higher inventory reserve as well as higher tariffs. This impact was partially offset by higher duty drawback and a lower return rate.



Q2 2025 OPERATING EXPENSE



The decrease in selling expense in Q2 2025 as a percentage of net revenues primarily reflects the success of our efficiency and mitigation strategies across both fulfillment and shipping.

The decrease in marketing expenses in Q2 2025 as a percentage of net revenues was generally in line with expectations.

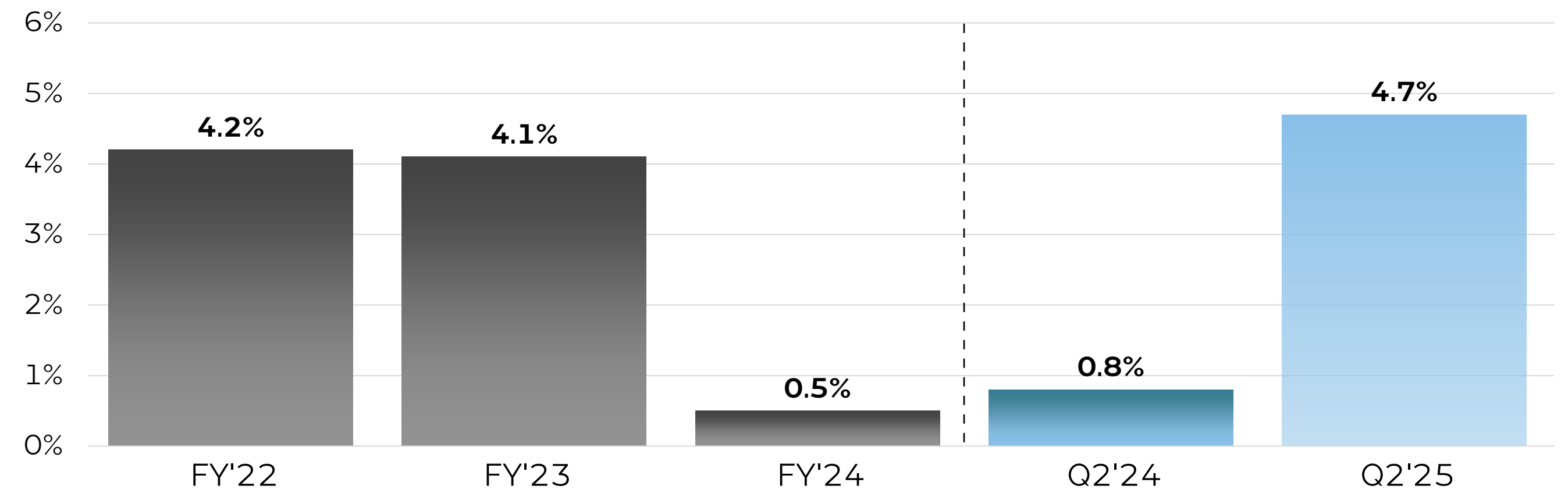
The decrease in G&A expenses in Q2 2025 as a percentage of net revenues was primarily related to meaningfully lower stock-based compensation expense, partially offset by higher people costs as we invest to scale the business and higher depreciation related to asset purchases for the fulfillment center.



Q2 2025 PROFITABILITY

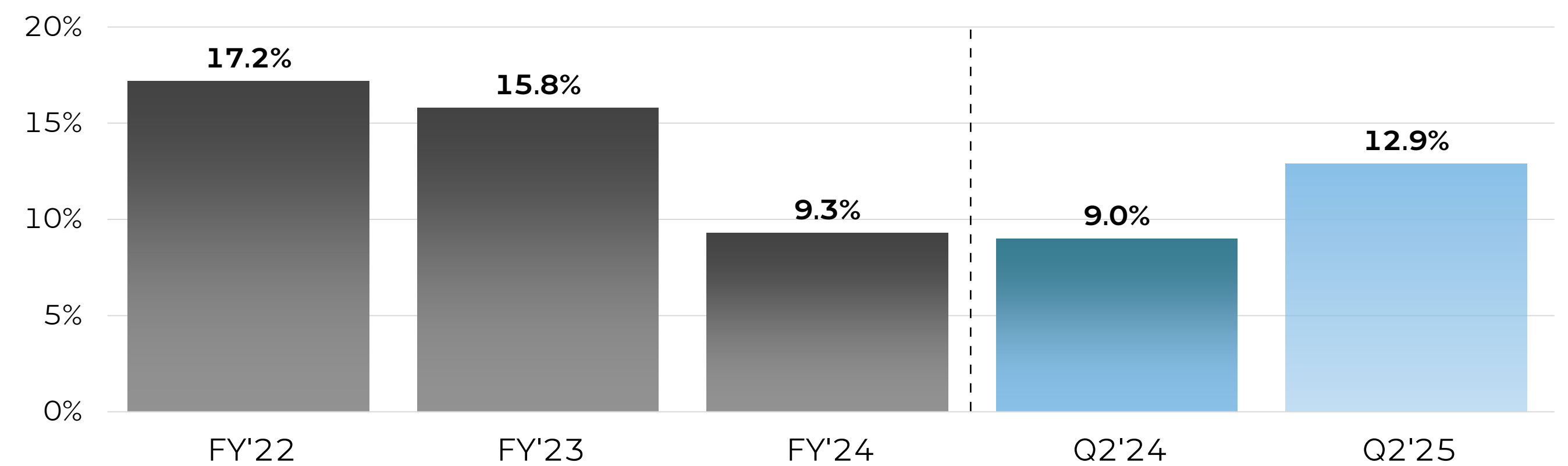
Net Income Margin

(% OF NET REVENUES)



Adjusted EBITDA Margin⁽¹⁾

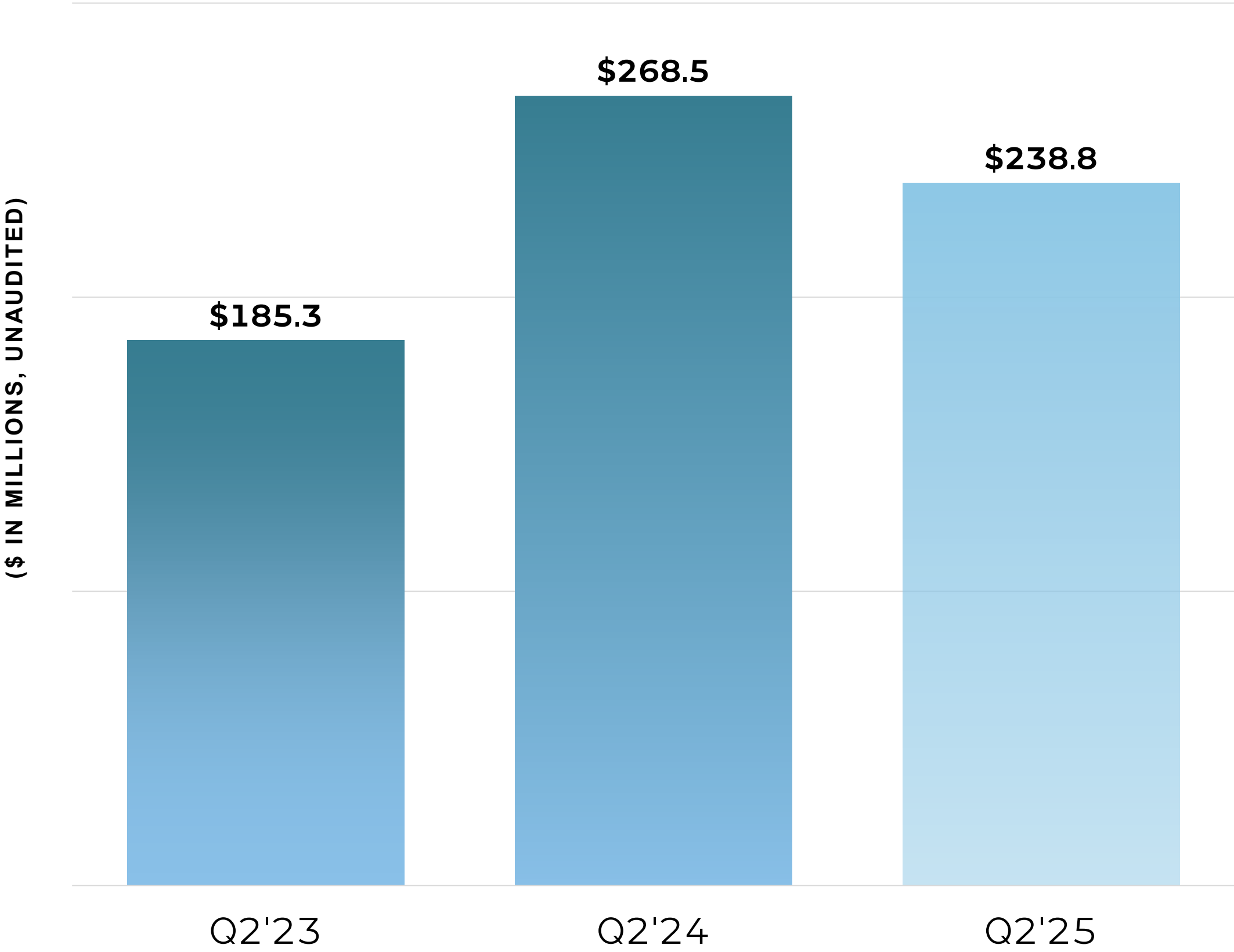
(% OF NET REVENUES)



(1) Adjusted EBITDA margin is a non-GAAP financial measure. See "Non-GAAP Financial Measures and Key Operating Metrics" in the Appendix for additional information on non-GAAP financial measures and reconciliations to the most directly comparable GAAP measures.

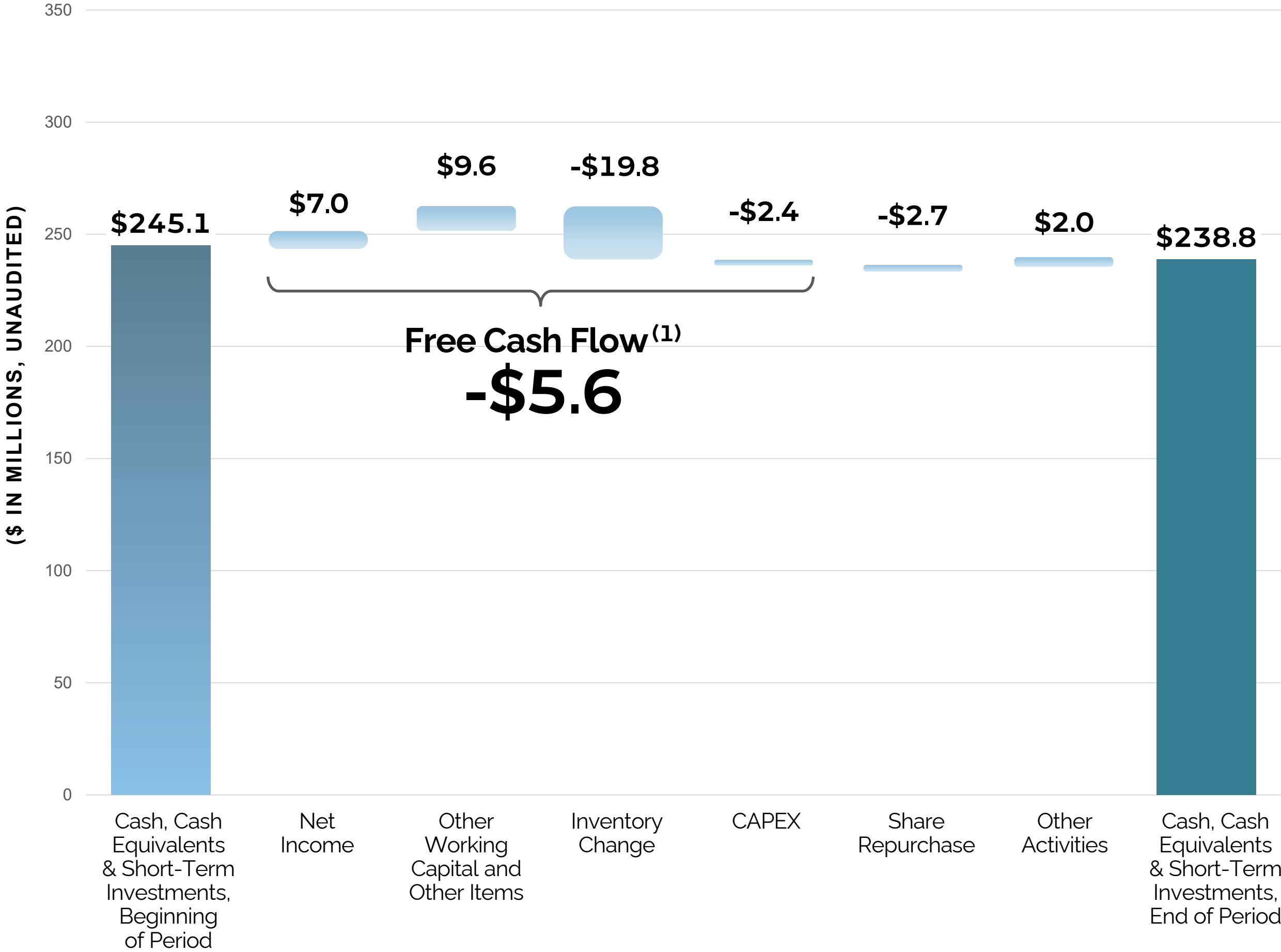
Q2 2025 BALANCE SHEET AND CASH FLOW RESULTS

Cash, Cash Equivalents & Short-Term Investments



Cash Flow Changes

(FOR THE YTD PERIOD ENDED JUNE 30, 2025)



(1) Free cash flow is a non-GAAP financial measure. See "Non-GAAP Financial Measures and Key Operating Metrics" in the Appendix for additional information on non-GAAP financial measures and reconciliations to the most directly comparable GAAP measures.

Updated Full Year 2025 Outlook

“ We were encouraged to see our momentum continue in Q2, where strong execution drove our largest revenue quarter in our history and powered overall results ahead of expectations. We delivered product merchandising actions that our community loves and impactful marketing that make our Awesome Humans feel truly seen. Adding to this strategic focus, we also believe we are continuing to move further past the COVID overhang towards a more normalized purchasing and replenishment backdrop. The result is top-line growth that when combined with our profitability, demonstrated the true power of our model in the quarter.

- Trina Spear, Chief Executive Officer and Co-Founder

“ Our growing confidence is supported by our heightened focus on reinvigorating our customer funnel and accelerating growth in our core business. Thoughtful action has positioned us to drive strong year-to-date demand, while also supporting decisive strategic actions as we continue to manage the business in this dynamic trade environment. This overall revenue strength and early cost mitigation success give us confidence in raising our full year 2025 top- and bottom-line outlooks.

- Sarah Oughtred, Chief Financial Officer

NET REVENUES GROWTH VS. 2024

Up
low-single-digits

Prior outlook: down low-single-digits

ADJUSTED EBITDA MARGIN⁽¹⁾

8.5% to 9.0%

Prior outlook: 7.5% to 8.5%

(1) "adjusted EBITDA" and "adjusted EBITDA margin" are non-GAAP financial measures. We have not provided a quantitative reconciliation of our adjusted EBITDA margin outlook to a GAAP net income margin outlook because we are unable, without making unreasonable efforts, to project certain reconciling items. These items include, but are not limited to, future stock-based compensation expense, income taxes, expenses related to non-ordinary course disputes, and transaction costs. These items are inherently variable and uncertain and depend on various factors, some of which are outside of our control or ability to predict. For more information on our use of non-GAAP metrics, see "Non-GAAP Financial Measures and Key Operating Metrics" in the Appendix.

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 as a substitute for, the Company's financial information presented in accordance with GAAP. The non-GAAP financial measures as defined by the Company may not be comparable to similar non-GAAP financial 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 "net income (loss), as adjusted," "diluted earnings per share, as adjusted," "adjusted EBITDA" and "adjusted EBITDA margin" 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 uses "free cash flow" as a useful supplemental measure of liquidity and as an additional basis for assessing its ability to generate cash. The Company calculates "net income, as adjusted" as net income adjusted to exclude transaction costs, expenses related to non-ordinary course disputes, other than temporary impairment of held-to-maturity investments, stock-based compensation, including expense related to award modifications, accelerated performance awards and associated payroll taxes and costs, ambassador grants in connection with its initial public offering, and expense resulting from the retirement of a former CFO of the Company, and the income tax impact of these adjustments. The Company calculates "diluted earnings per share, as adjusted" as net income, as adjusted divided by diluted shares outstanding. The Company calculates "adjusted EBITDA" as net income (loss) adjusted to exclude: other income, net; gain/loss on disposal of assets; provision for income taxes; depreciation and amortization expense; stock-based compensation and related expense; transaction costs; and expenses related to non-ordinary course disputes. The Company calculates "adjusted EBITDA margin" by dividing adjusted EBITDA by net revenues. The Company calculates "free cash flow" as net cash (used in) provided by operating activities reduced by capital expenditures, including purchases of property and equipment and capitalized software development costs.

NON-GAAP FINANCIAL MEASURES AND KEY OPERATING METRICS (CONT.)

The following table presents a reconciliation of adjusted EBITDA to net income, which is the most directly comparable financial measure calculated in accordance with GAAP, and presents adjusted EBITDA margin with net income margin, which is the most directly comparable financial measure calculated in accordance with GAAP:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|------------|------------------------------|------------|
| | 2025 | 2024 | 2025 | 2024 |
| <i>(in thousands, except margin)</i> | | | | |
| Net income | \$ 7,099 | \$ 1,100 | \$ 6,997 | \$ 2,535 |
| Add (deduct): | | | | |
| Other income, net | (2,116) | (2,830) | (4,191) | (5,667) |
| Provision for income taxes | 4,932 | 3,283 | 6,898 | 5,128 |
| Depreciation and amortization expense ⁽¹⁾ | 2,153 | 1,113 | 4,152 | 1,963 |
| Stock-based compensation and related expense ⁽²⁾ | 7,659 | 10,266 | 15,046 | 21,963 |
| Adjusted EBITDA ⁽³⁾ | \$ 19,727 | \$ 12,932 | \$ 28,902 | \$ 25,922 |
| Net revenues | \$ 152,640 | \$ 144,225 | \$ 277,541 | \$ 263,518 |
| Net income margin ⁽⁴⁾ | 4.7% | 0.8% | 2.5% | 1.0% |
| Adjusted EBITDA margin | 12.9% | 9.0% | 10.4% | 9.8% |

Footnote explanations:

(1) Excludes amortization of debt issuance costs included in “Other income, net.”

(2) Includes stock-based compensation expense, payroll taxes and costs related to equity award activity.

(3) For the six months ended June 30, 2025, reflects \$171,000 of stock-based compensation expense and payroll taxes inadvertently not reflected in our previously disclosed Adjusted EBITDA results for the three months ended March 31, 2025.

(4) Net income margin represents net income as a percentage of net revenues.

The following table presents a reconciliation of free cash flow to net cash provided by operating activities, which is the most directly comparable financial measure calculated in accordance with GAAP:

| | Six Months Ended June 30, | |
|---|------------------------------|-----------|
| | 2025 | 2024 |
| <i>(in thousands)</i> | | |
| Net cash (used in) provided by operating activities | \$ (3,195) | \$ 28,158 |
| Less: capital expenditures | (2,399) | (9,489) |
| Free cash flow | \$ (5,594) | \$ 18,669 |

NON-GAAP FINANCIAL MEASURES AND KEY OPERATING METRICS (CONT.)

The Company has also included herein “active customers,” “net revenues per active customer” and “average order value,” which are key operational and business metrics that are important to understanding Company performance. The Company believes the number of active customers is an important indicator of growth as it reflects the reach of the Company’s digital platform, brand awareness and overall value proposition. The Company defines an active customer as a unique customer account that has made at least one purchase in the preceding 12-month period. In any particular period, the Company determines the 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. The Company believes measuring net revenues per active customer is important to understanding engagement and retention of customers, and as such, the value proposition for its customer base. The Company defines net revenues per active customer as the sum of total net revenues in the preceding 12-month period divided by the current period active customers. The Company defines average order value as the sum of the total net revenues in a given period divided by the total orders placed in that period. Total orders are the summation of all completed individual purchase transactions in a given period. The Company believes its relatively high average order value demonstrates the premium nature of its products. As the Company expands into and increases its presence in additional product categories, price points and international markets, average order value may fluctuate.