

REVOLVE

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Q2 2022 FINANCIAL HIGHLIGHTS

August 3, 2022

Note on Forward-Looking Statements

This presentation contains forward-looking statements as defined 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 economic conditions and their impact on consumer demand and our business, operating results and financial condition; the continued impact of the COVID-19 pandemic on our business, operations and financial results; demand for our products; supply chain challenges; inflation; Russia’s war against Ukraine; 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; 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, 2021 and our subsequent Quarterly Reports on Form 10-Q, including for the quarter ended June 30, 2022, which we expect to file with the SEC on August 3, 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.

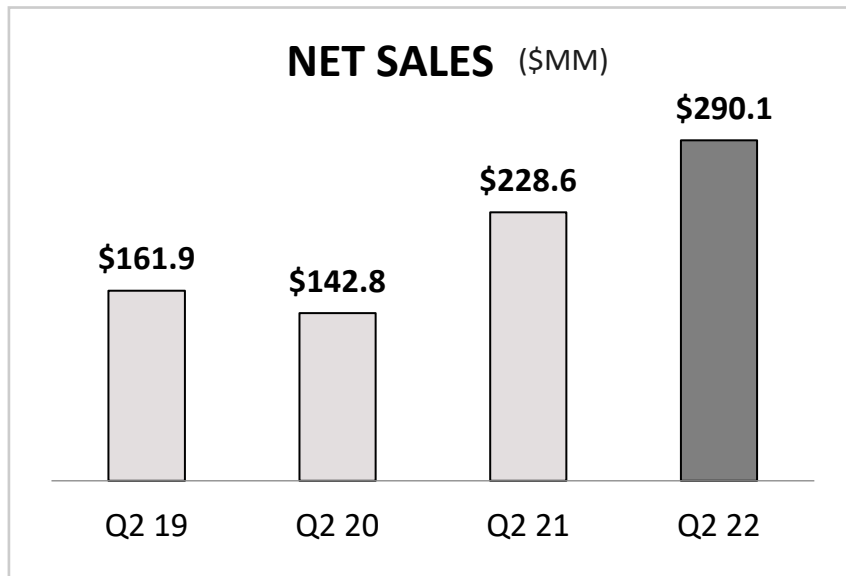
Unless otherwise indicated, all references in this presentation to “we,” “our,” “us,” or similar terms refer to Revolve Group, Inc. and its subsidiaries.

Use of Non-GAAP Financial Measures

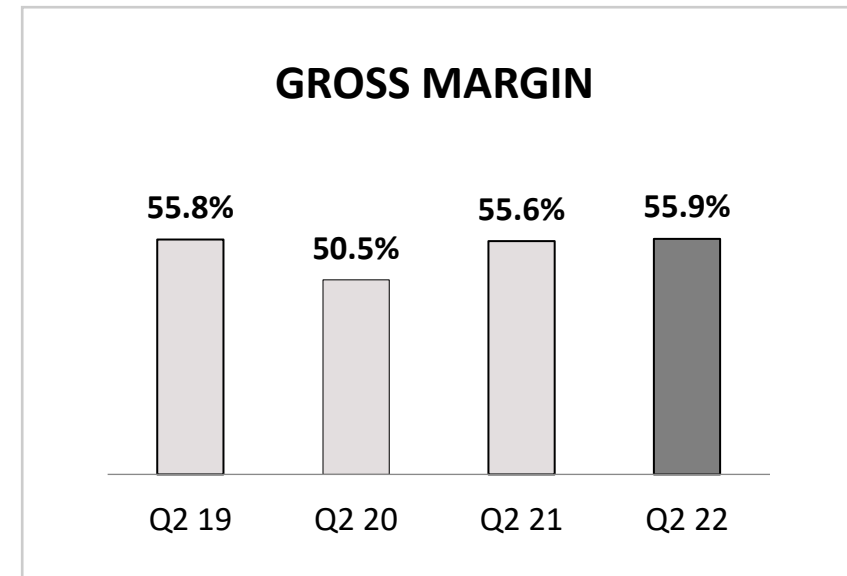
In addition to U.S. GAAP financials, this presentation includes certain non-GAAP financial measures, including Adjusted EBITDA, Adjusted EBITDA margin, and free cash flow. These non-GAAP measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance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

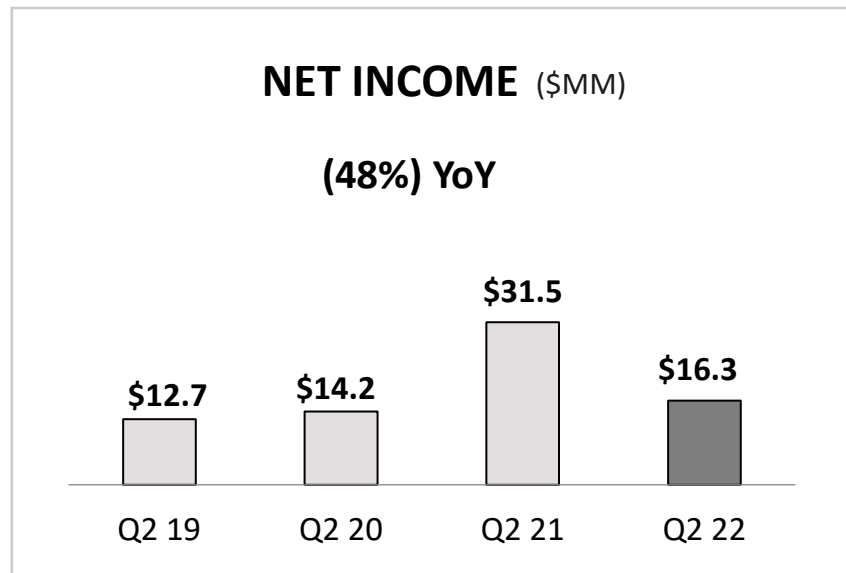
Q2 2022 SUMMARY



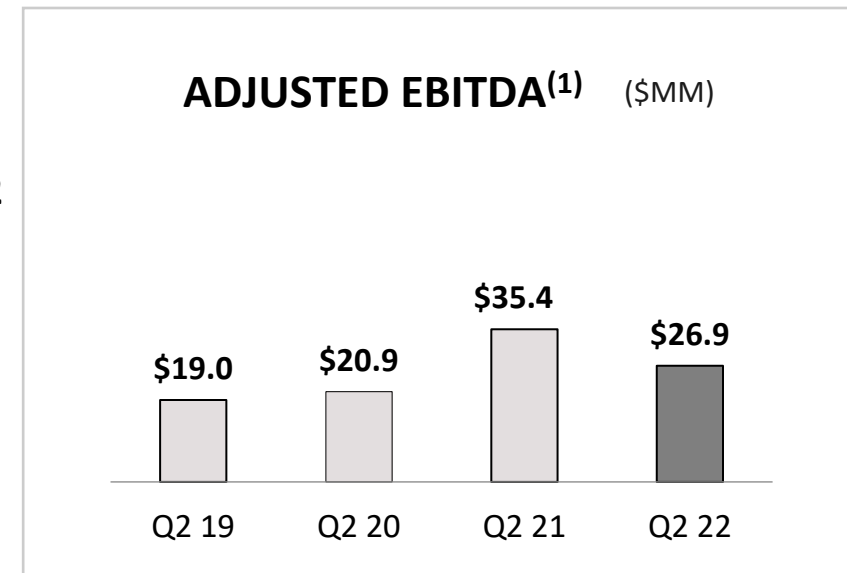
+ 27% YoY
21% 3-Year CAGR



+ 29 BPs YoY
Highest ever Q2 gross margin



Tax rates and a non-routine item in Q2 22 skew net income comparison:
3% tax rate Q2 21 vs. 23% tax rate Q2 22



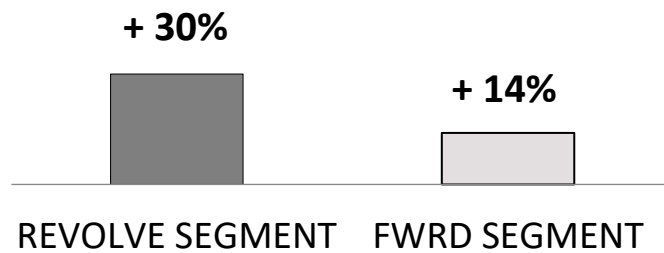
(24%) YoY
+42% vs. Q2 19

NET SALES BY SEGMENT AND GEOGRAPHY

YoY GROWTH IN Q2 2022 NET SALES BY SEGMENT

FWRD faced tougher comps in Q2:

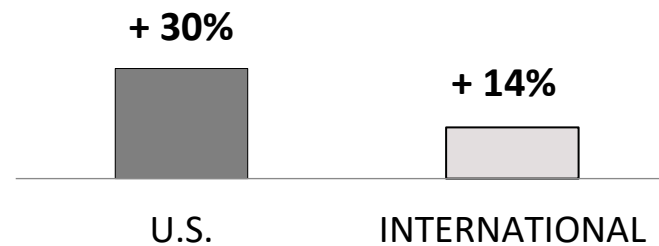
- FWRD grew 151% YoY in Q2 21
- FWRD 3-Year CAGR of 36%



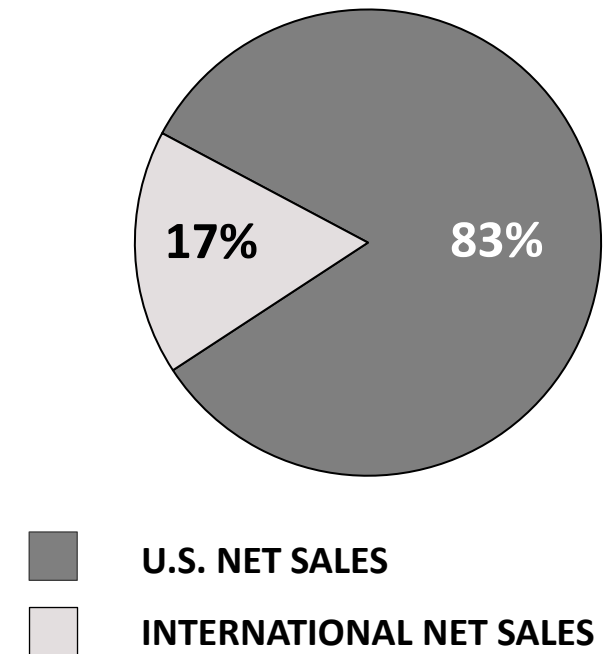
YoY GROWTH IN Q2 2022 NET SALES BY GEOGRAPHY

Factors contributing to slower Int'l:

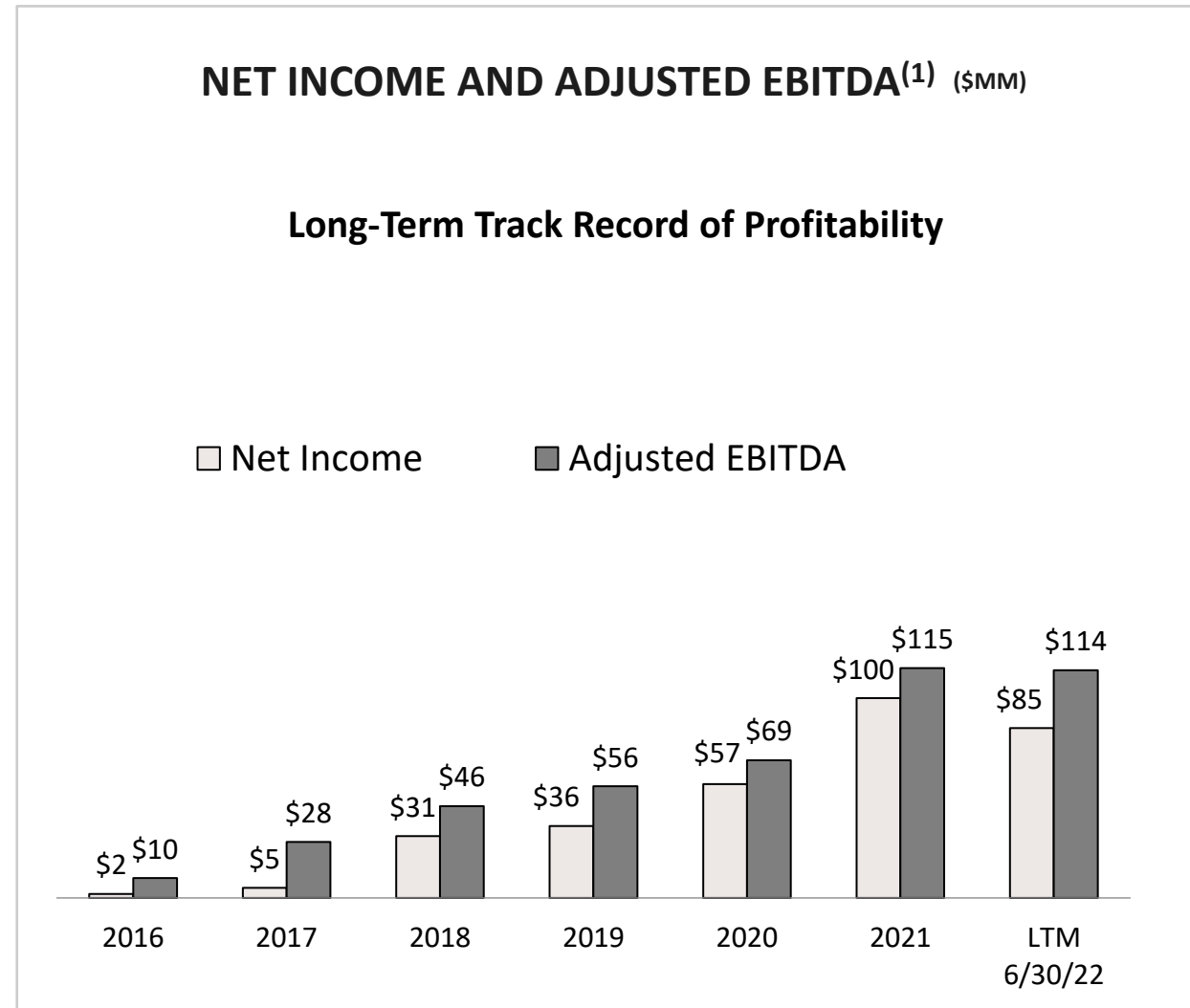
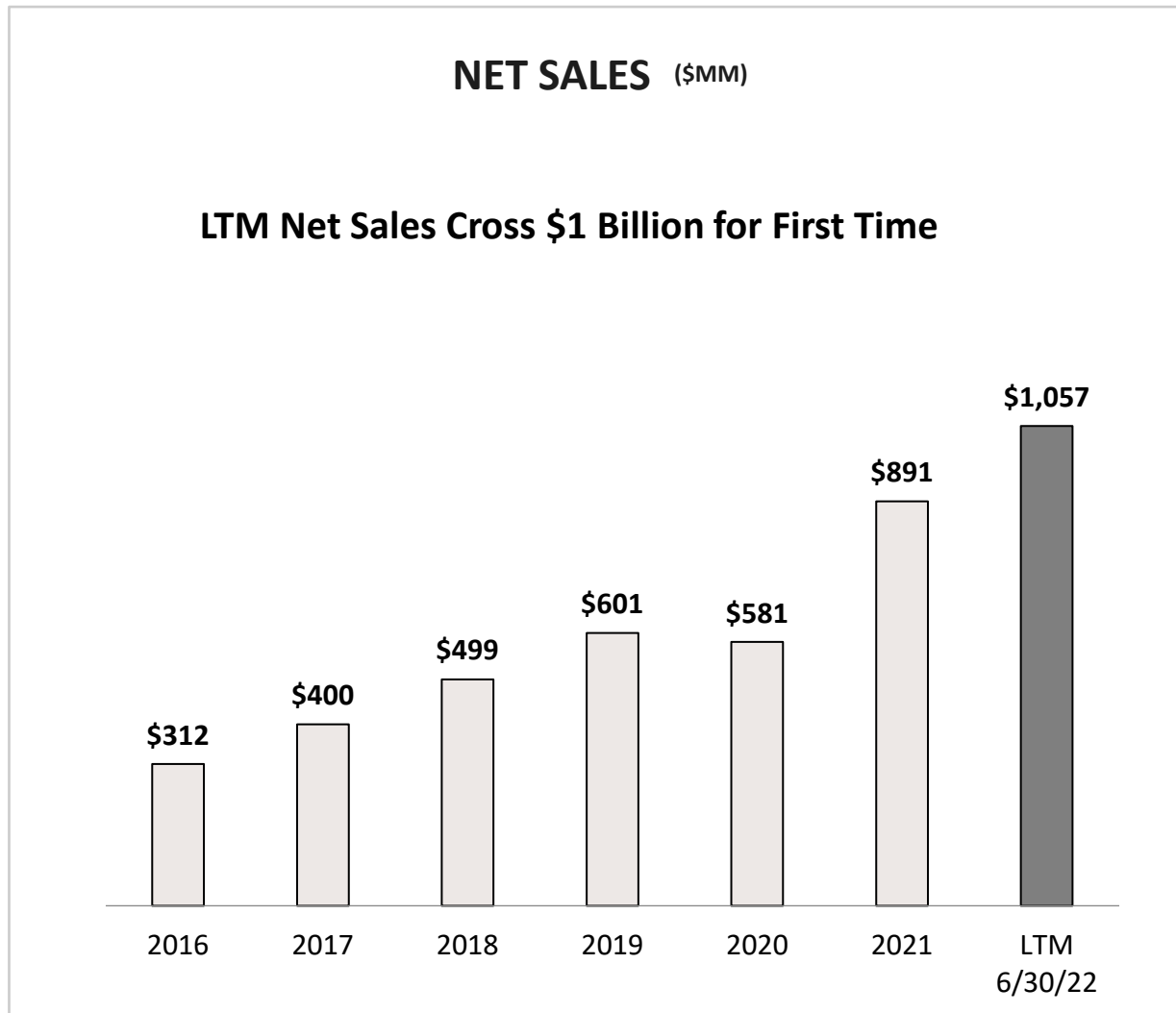
- China restrictions for COVID-19
- Currency headwinds



NET SALES BY GEOGRAPHY IN Q2 2022

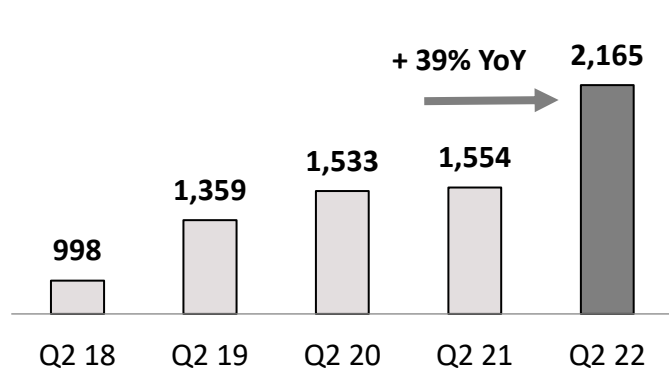


Q2 RESULTS BUILD ON LONG-TERM TRACK RECORD OF PROFITABLE GROWTH AT SCALE

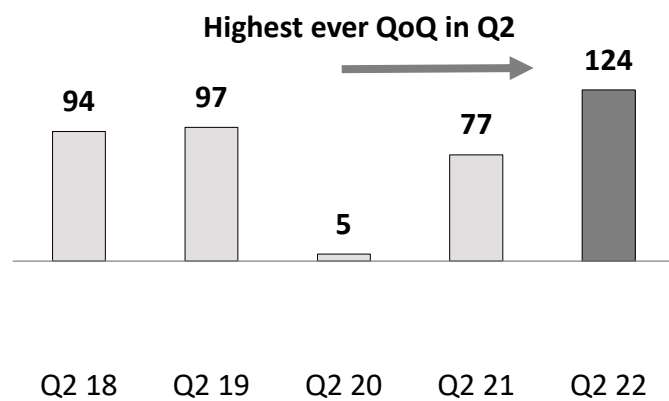


OPERATING METRICS HIGHLIGHTS

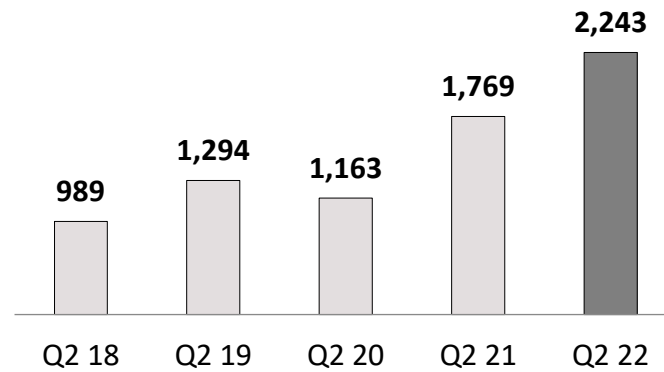
ACTIVE CUSTOMERS⁽¹⁾ (000s)
(TRAILING 12 MONTHS)



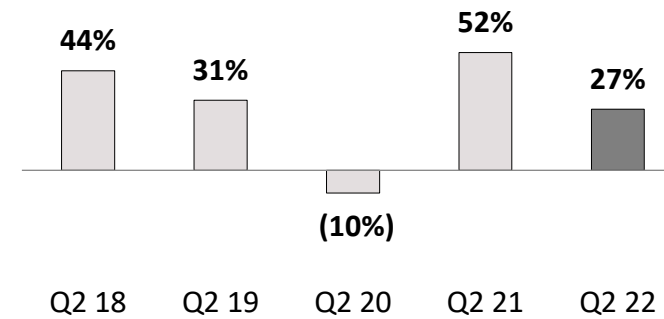
QoQ GROWTH (000s)



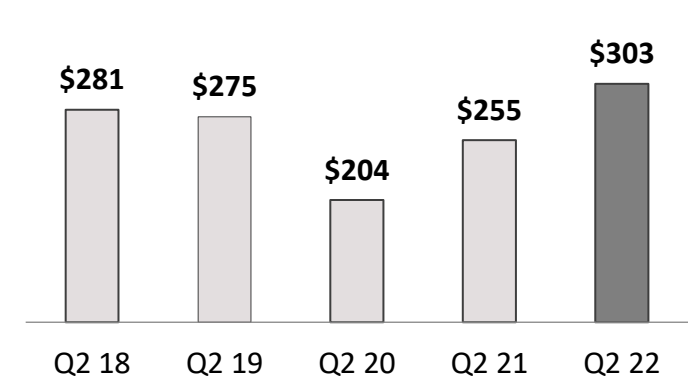
TOTAL ORDERS PLACED⁽¹⁾ (000s)



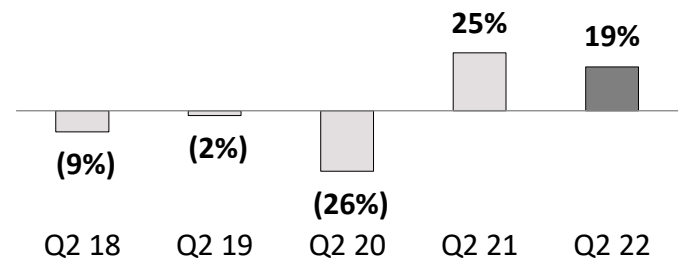
YoY GROWTH TREND



AVERAGE ORDER VALUE⁽¹⁾



YoY GROWTH TREND

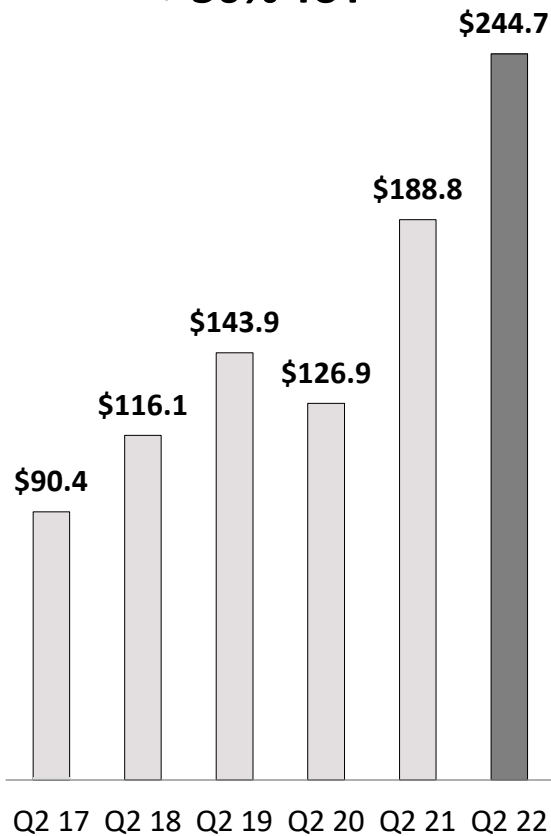


SEGMENT RESULTS

SEGMENT NET SALES (\$MM)

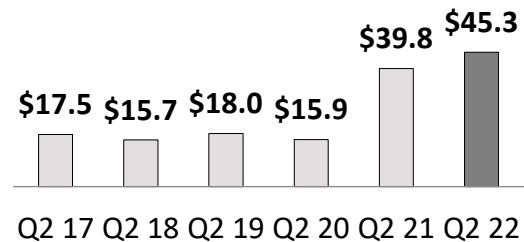
REVOLVE

+ 30% YoY



FWRD

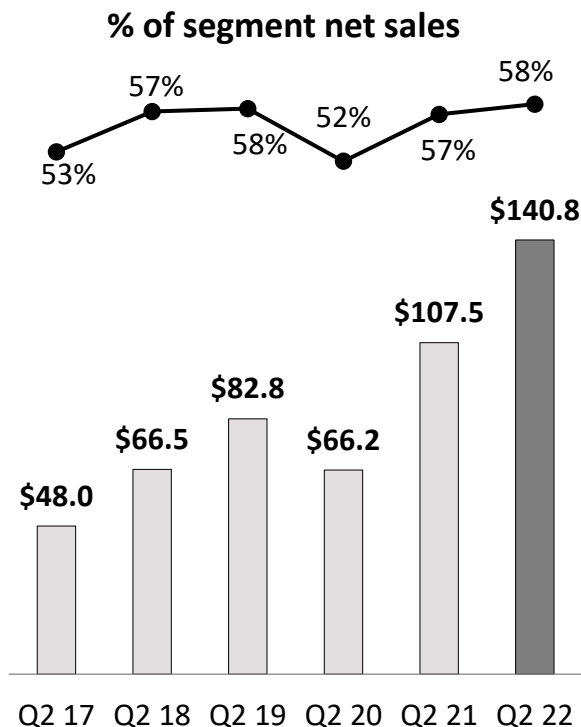
+ 14% YoY



SEGMENT GROSS PROFIT (\$MM)

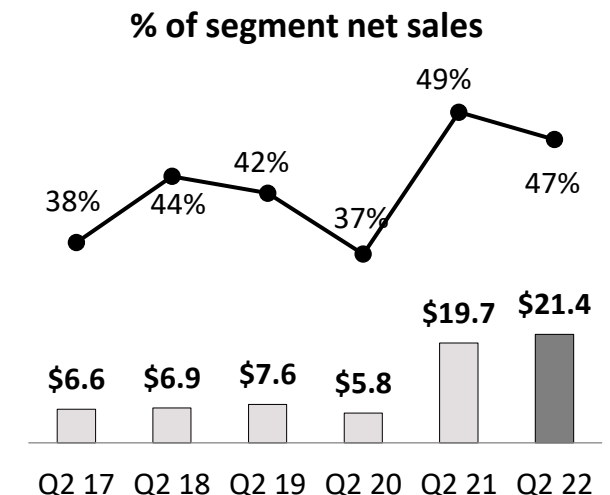
REVOLVE

+ 31% YoY



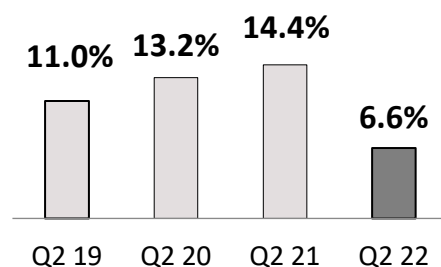
FWRD

+ 9% YoY

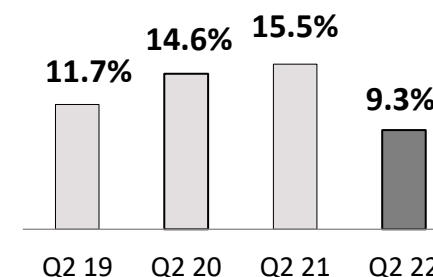


COST AND MARGIN STRUCTURE

GAAP OPERATING INCOME MARGIN



ADJUSTED EBITDA MARGIN⁽¹⁾

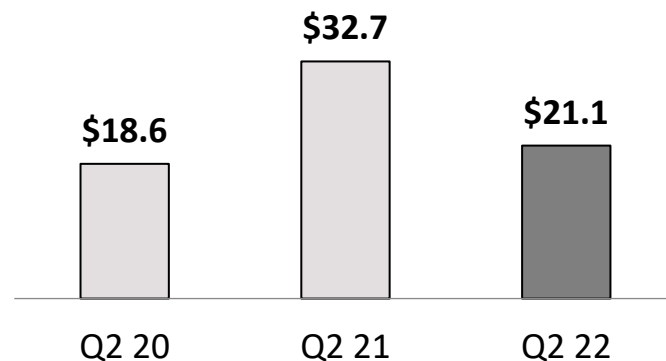


AS A % OF NET SALES	Q2 22	Q2 21	CHANGE	OBSERVATIONS
Gross Profit	55.9%	55.6%	+29 BPs	Strong full price selling, favorable mix shift and an increased owned brands mix of net sales year-over-year, partially offset by inventory valuation adjustments due to the higher inventory levels.
Fulfillment	(2.7%)	(2.3%)	+40 BPs	Efficiencies gained resulting from our higher average order values, increased volume and scale and continued automation efforts were offset by a higher return rate year-over-year and input cost pressures.
Selling and Distribution	(17.9%)	(14.1%)	+386 BPs	Higher return rate year-over-year as product mix normalized to the pre-COVID mix and higher shipping rates, partially driven by increased fuel surcharges. The high return rate dresses category grew to 32% of net sales in Q2 2022 from 24% of net sales in Q2 2021.
Marketing	(17.9%)	(15.3%)	+265 BPs	Reflects an increase in performance marketing and brand marketing investment YoY, including for our large-scale REVOLVE Festival event held in Q2 2022 that was not held in the prior-year quarter, Q2 2021.
General and Administrative	(10.7%)	(9.6%)	+113 BPs	The YoY increase in G&A expense as a percentage of net sales was driven entirely by a non-routine \$5 million accrual for a pending legal matter. Excluding the \$5 million legal accrual, G&A expense would have leveraged 59 basis points YoY.
GAAP Operating Income Margin ⁽²⁾	6.6%	14.4%	(776) BPs	

Notes:

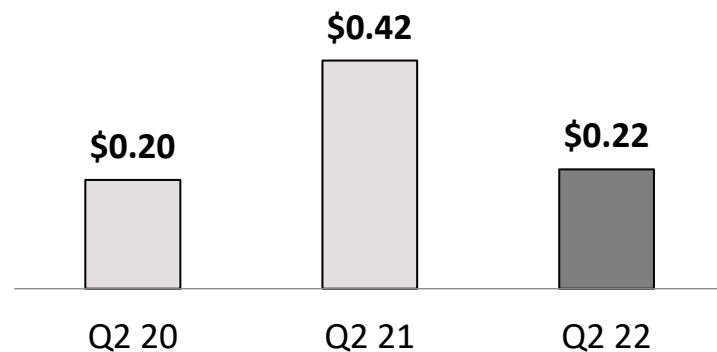
1. See the Appendix for a definition of Adjusted EBITDA margin and reconciliations to its corresponding GAAP financial measure.
2. Due to rounding, some numbers presented may not add up precisely to the totals provided.

EARNINGS PER SHARE

Q2 INCOME BEFORE
INCOME TAXES (\$MM)

Q2 DILUTED EPS

TAX RATE 19 PTS HIGHER YoY + Q2 22
INCL. NON-ROUTINE LEGAL ACCRUAL (\$0.05)



THE EPS MATH

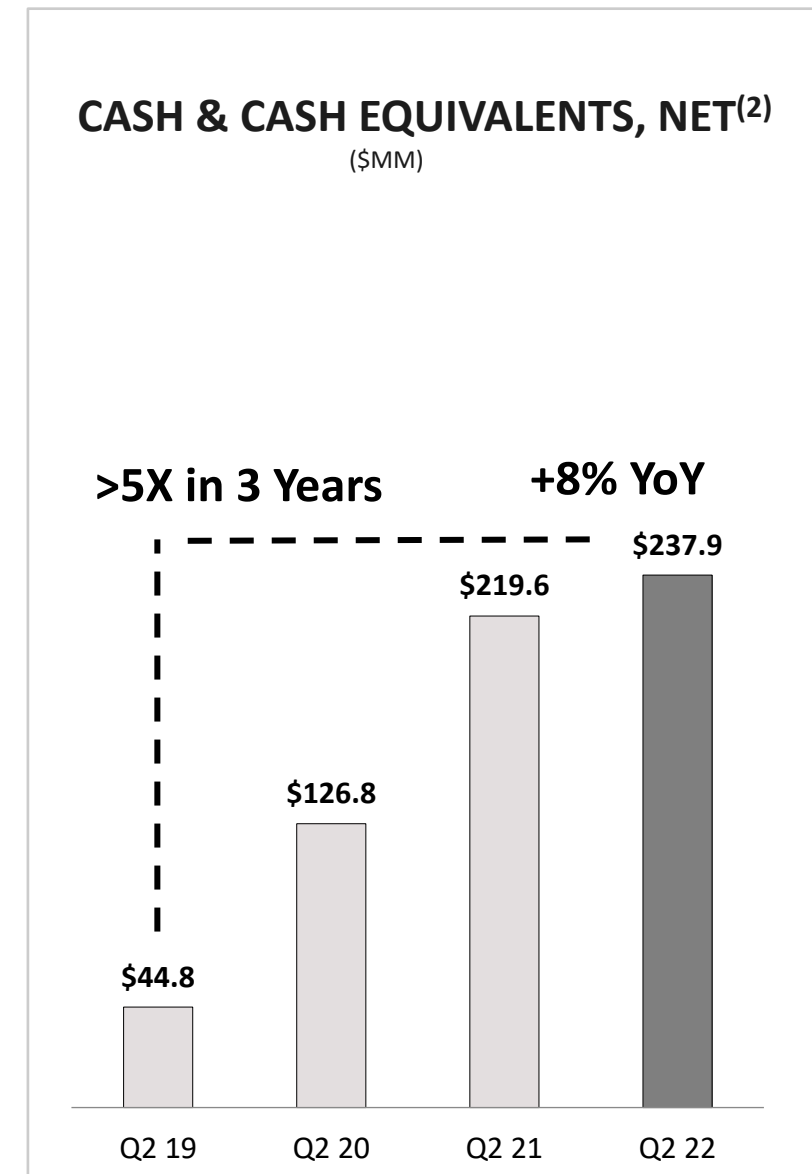
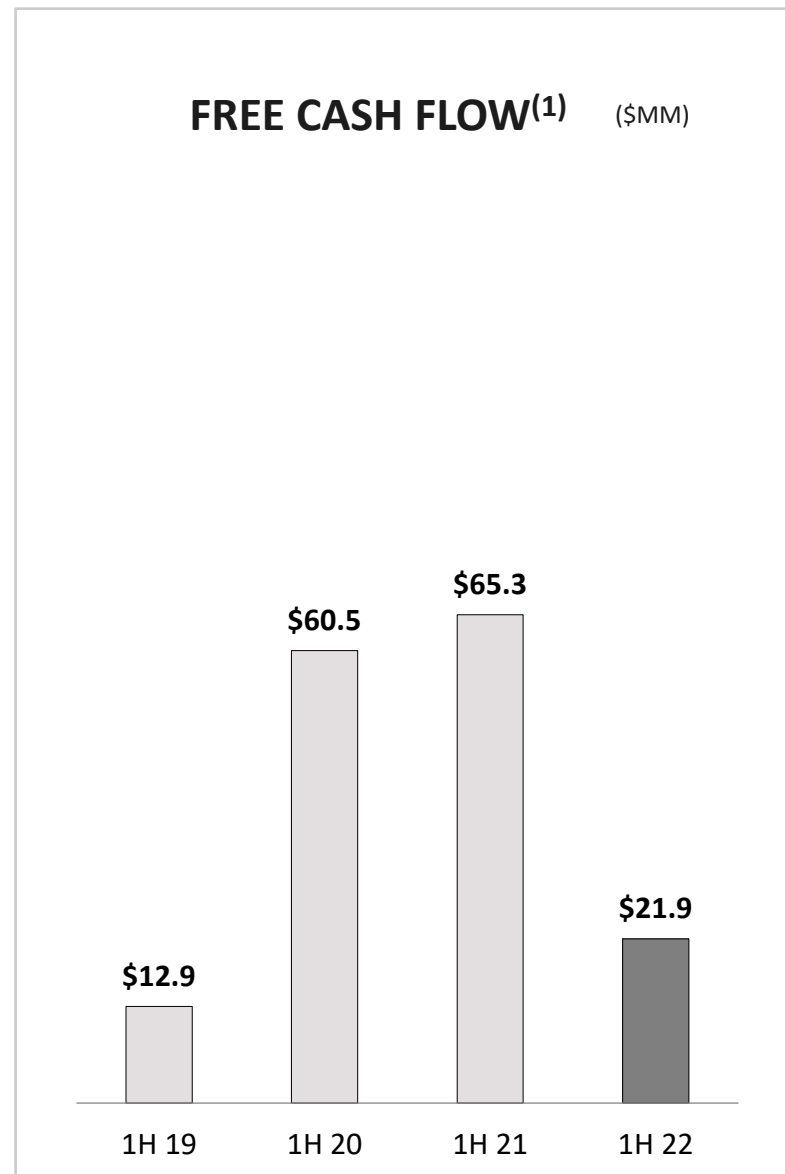
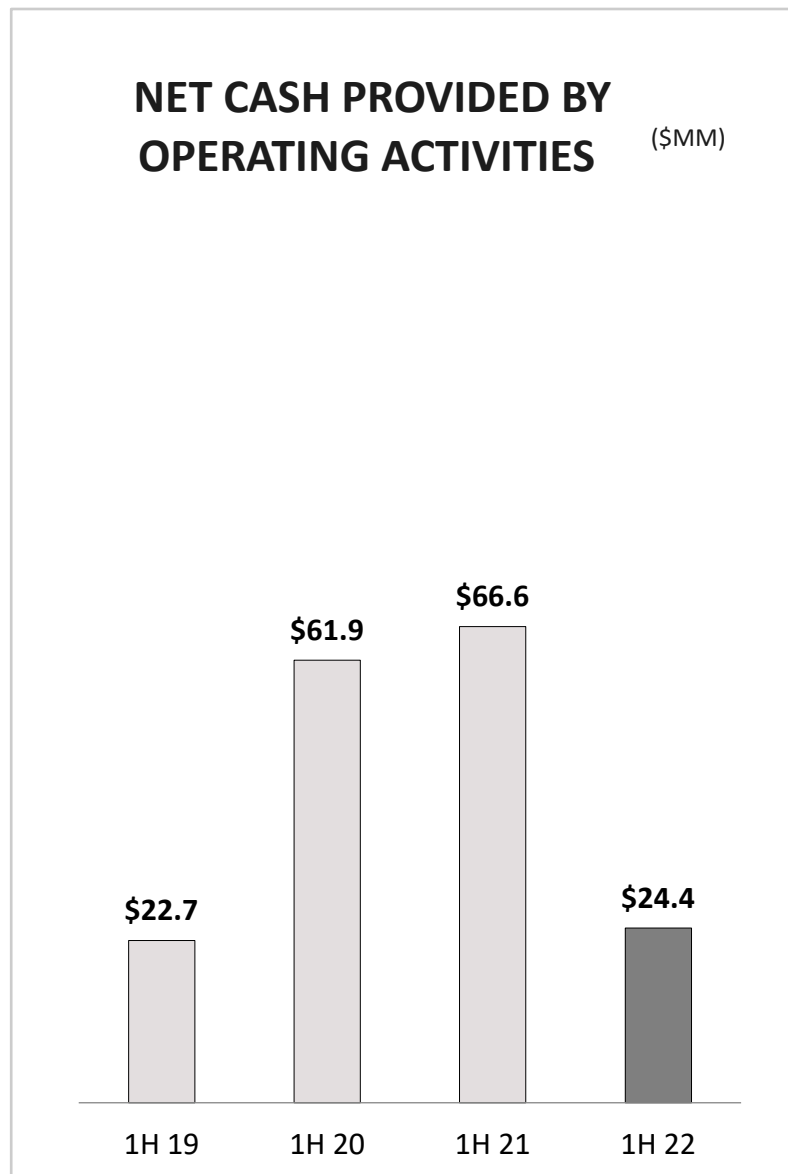
(000s, except per share figures and percentages)	Q2 22	Q2 21	YoY
Income before income taxes	\$21,093	\$32,665	(35%)
Provision for income taxes	4,820	1,127	328%
Effective tax rate	23%	3%	19 PTs
Net income (GAAP)	\$16,273	\$31,538	(48%)
Weighted average basic shares	73,312	72,387	1%
+ Effect of dilutive stock options and RSUs	1,323	2,035	(35%)
Weighted average diluted shares	74,635	74,422	—
Diluted EPS (GAAP)	\$0.22	\$0.42	(48%)

The much lower effective tax rate in Q2 2021 was primarily due to excess tax benefits realized as a result of the exercise of non-qualified stock options in the prior-year period. Absent discrete items in future quarters, we expect an effective tax rate of approximately 25%.



CASH FLOW AND BALANCE SHEET

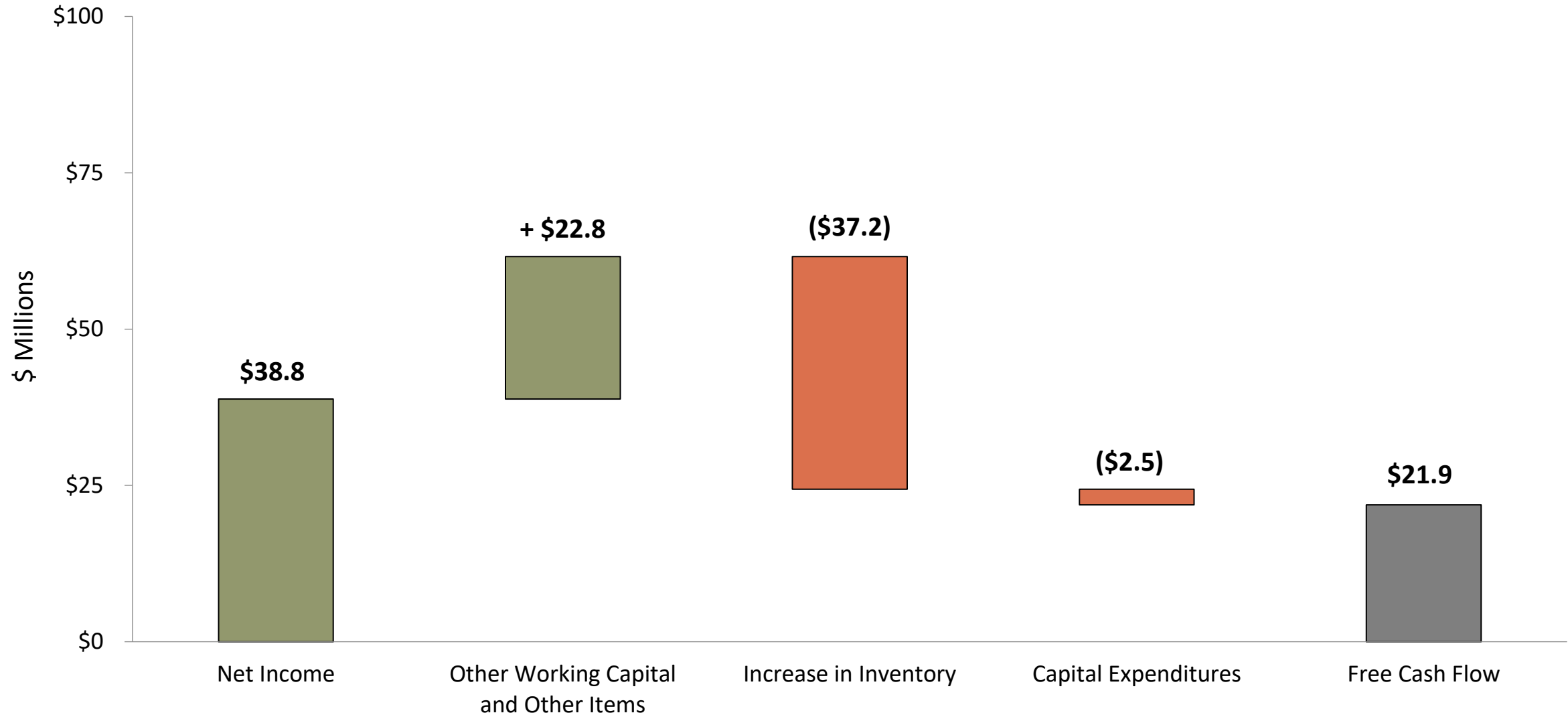
CASH FLOW AND BALANCE SHEET HIGHLIGHTS



Note:

1. See the Appendix for a definition of Free Cash Flow and reconciliations to its corresponding GAAP financial measure.
2. Net of borrowings for the quarter ended June 30, 2020. There were no other borrowings in other periods presented.

BUILD UP OF FREE CASH FLOW IN 1H 2022





UPCOMING INVESTOR CONFERENCE

PIPER SANDLER GROWTH FRONTIERS CONFERENCE

- **SEPTEMBER 13, 2022**

REVOLVE

APPENDIX: DEFINITIONS AND RECONCILIATIONS

GAAP TO NON-GAAP RECONCILIATION – SECOND QUARTER RESULTS

ADJUSTED EBITDA (\$MM) ⁽¹⁾	Q2 2019	Q2 2020	Q2 2021	Q2 2022
NET INCOME	\$12.7	\$14.2	\$31.5	\$16.3
(+) OTHER EXPENSE (INCOME), NET	0.4	0.2	0.3	(1.8)
(+) PROVISION FOR INCOME TAXES	4.5	4.4	1.1	4.8
(+) DEPRECIATION AND AMORTIZATION	0.9	1.2	1.1	1.2
(+) EQUITY-BASED COMPENSATION	0.5	0.9	1.4	1.4
(+) NON-ROUTINE ITEMS ⁽²⁾	(0.2)	--	--	5.0
ADJUSTED EBITDA	\$19.0	\$20.9	\$35.4	\$26.9
NET INCOME MARGIN	7.9%	10.0%	13.8%	5.6%
ADJUSTED EBITDA MARGIN	11.7%	14.6%	15.5%	9.3%
FREE CASH FLOW (\$MM) ⁽¹⁾	1H 2019	1H 2020	1H 2021	1H 2022
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$22.7	\$61.9	\$66.6	\$24.4
PURCHASE OF PROPERTY AND EQUIPMENT	(9.8)	(1.4)	(1.3)	(2.5)
FREE CASH FLOW	\$12.9	\$60.5	\$65.3	\$21.9

Note:

1. Due to rounding, some numbers presented may not add up precisely to the totals provided.
2. Non-routine items for Q2 2022 relate to an accrual for a pending legal matter.

GAAP TO NON-GAAP RECONCILIATION – FULL YEAR AND LTM RESULTS

ADJUSTED EBITDA (\$MM) ⁽¹⁾	2016	2017	2018	2019	2020	2021	LTM 6-22
NET INCOME	\$2.2	\$5.0	\$30.6	\$35.7	\$56.8	\$99.8	\$84.9
(+) OTHER EXPENSE (INCOME), NET	0.9	1.4	0.6	0.9	1.0	0.6	(2.3)
(+) PROVISION FOR INCOME TAXES	2.4	14.1	10.5	11.5	3.3	4.9	16.2
(+) DEPRECIATION AND AMORTIZATION	2.4	2.8	2.9	4.0	4.8	4.5	4.5
(+) EQUITY-BASED COMPENSATION	--	0.9	1.4	2.1	3.4	4.8	5.3
(+) NON-ROUTINE ITEMS ⁽²⁾	1.6	4.1	0.4	1.5	--	--	5.5
ADJUSTED EBITDA	\$9.5	\$28.4	\$46.5	\$55.6	\$69.3	\$114.6	\$114.3

Notes:

1. Due to rounding, some numbers presented may not add up precisely to the totals provided.
2. Non-routine items for LTM 6-2022 and 2019 relate to an accrual for a pending legal matter and legal settlements, respectively.

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. 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.