

WARBY PARKER

Q4 AND FULL-YEAR 2021 EARNINGS REPORT

Speakers:

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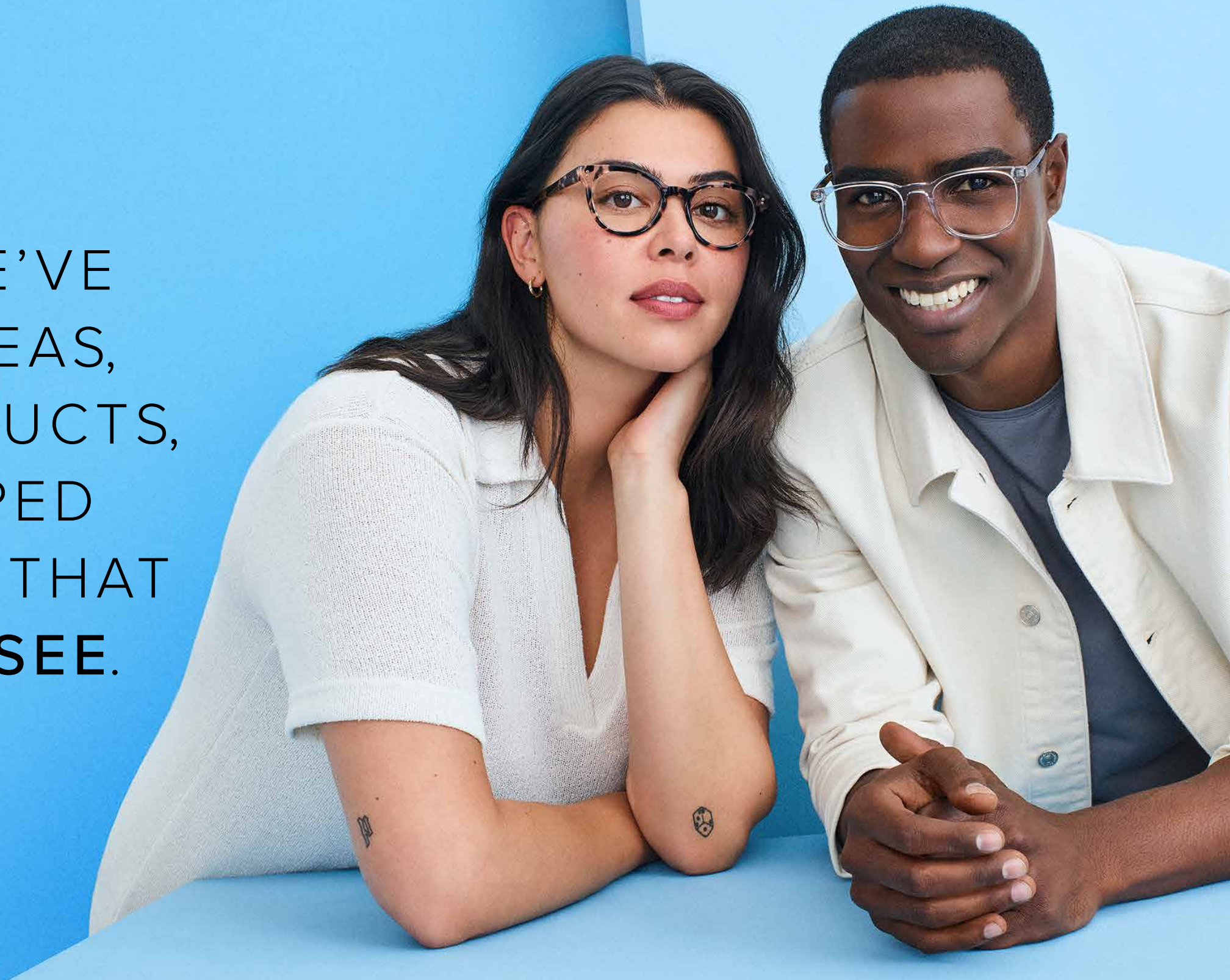
FORWARD-LOOKING STATEMENTS / NON-GAAP FINANCIAL MEASURES



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 our GAAP and non-GAAP guidance for the quarter ending March 31, 2022 and the year ending December 31, 2022; management's plans, priorities, initiatives and strategies; and expectations regarding growth of our business. 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 Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2021 and will be included in our Annual Report on Form 10-K for the year ended December 31, 2021. 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. Reconciliations to the most directly comparable financial measure calculated and presented in accordance with GAAP are provided in the appendix to this presentation.

SINCE OUR
FOUNDING, WE'VE
PIONEERED IDEAS,
DESIGNED PRODUCTS,
AND DEVELOPED
TECHNOLOGIES THAT
HELP PEOPLE SEE.



COMPANY OVERVIEW

.....

1. Our sales represent just 1% of the \$44 billion U.S. eyewear market
2. We maintain a best-in-class NPS of 80+, with low unaided brand awareness of less than 15%
3. We've helped pioneer the vertically integrated, direct-to-consumer model
4. Warby Parker has 161 stores out of 41,000 optical shops in the U.S.
5. We are evolving from a glasses-only product offering into a holistic vision care company
6. Our ultimate objective is vision for all, which is why for every pair of glasses or sunglasses we sell, a pair of glasses is distributed to someone in need



FULL-YEAR 2021: FINANCIAL HIGHLIGHTS

.....

\$541M

NET REVENUE

37%

NET REVENUE
GROWTH

2.20M

ACTIVE CUSTOMERS

\$246

AVERAGE REVENUE
PER CUSTOMER⁽¹⁾

80+

NET PROMOTER
SCORE

161

STORES

\$25M

ADJUSTED EBITDA⁽²⁾

4.6%

ADJUSTED EBITDA
MARGIN⁽²⁾

⁽¹⁾ Defined as net revenue for the trailing twelve-month period divided by the number of Active Customers as of the end of that same period.

⁽²⁾ Non-GAAP financial term. See appendix for definition and reconciliation of non-GAAP measures.



2021 MILESTONES AND ACCOMPLISHMENTS

.....

Grew active customer base to **2.20 million**

Opened **35 stores**

Doubled revenue from our contact lens offering

Opened a **second** in-house optical lab,
this time in Las Vegas

Launched **21** collections

Became the **first public benefit corporation**
to go public through a direct listing





Downtown Crown (Gaithersburg, MD)



Shops at Yale (Yale, CT)



The Mall at Short Hills (Short Hills, NJ)

ADVANCING OUR MISSION

.....

Became a **public benefit corporation**

Re-certified as a **B Corporation**

Publicly launched the
Warby Parker Impact Foundation

Surpassed more than **10 million**
pairs of glasses via our
Buy a Pair, Give a Pair program

Expanded Pupils Project to
70+ new school districts





Shops at Yale (Yale, CT)



Winter Park (Winter Park, FL)



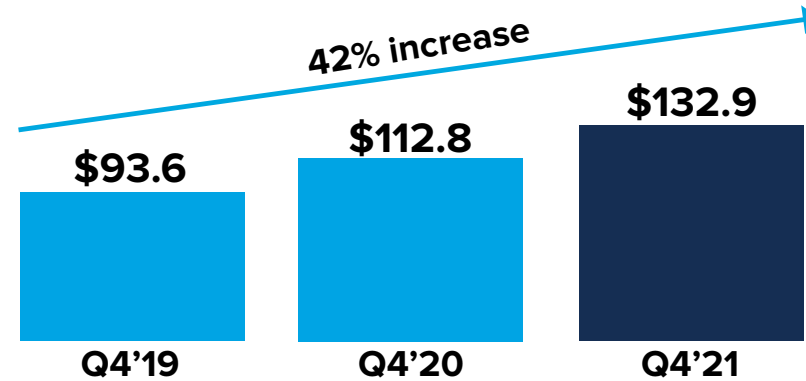
Short Pump (Richmond, VA)



Town Center Crossing (Leawood, KA)

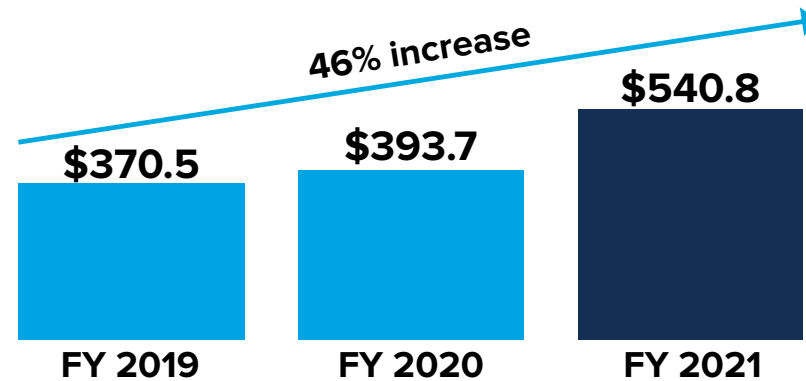
NET REVENUE PERFORMANCE

Quarterly Net Revenue (\$M)



Revenue Growth %	33%	21%	18%
2-Year Growth %	76%	60%	42%
Active Customers (M)	1.78	1.81	2.20
Avg. Revenue per Customer (LTM)	\$208	\$218	\$246
Store Count	119	126	161

Full-Year Net Revenue (\$M)



Revenue Growth %	36%	6%	37%
2-Year Growth %	76%	44%	46%

Key Takeaways

Q4 2021 Highlights

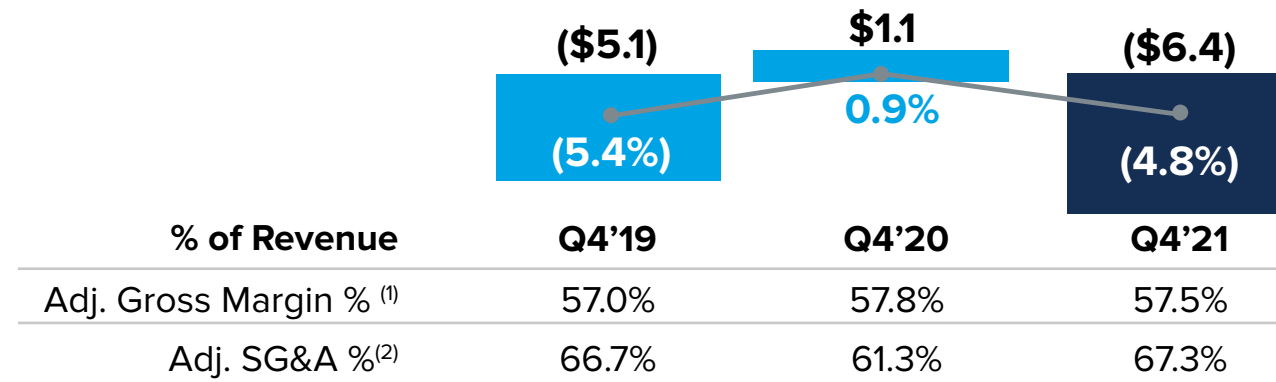
- Q4'21 net revenue growth of 18% vs. Q4'20 and up 42% vs. Q4'19
- Active Customers as of Q4'21 at 2.20M, an increase of 392K active customers or 22% y/y vs. Q4'20
- Opened 7 new stores in Q4'21, ending the quarter with 161 stores open

FY 2021 Highlights

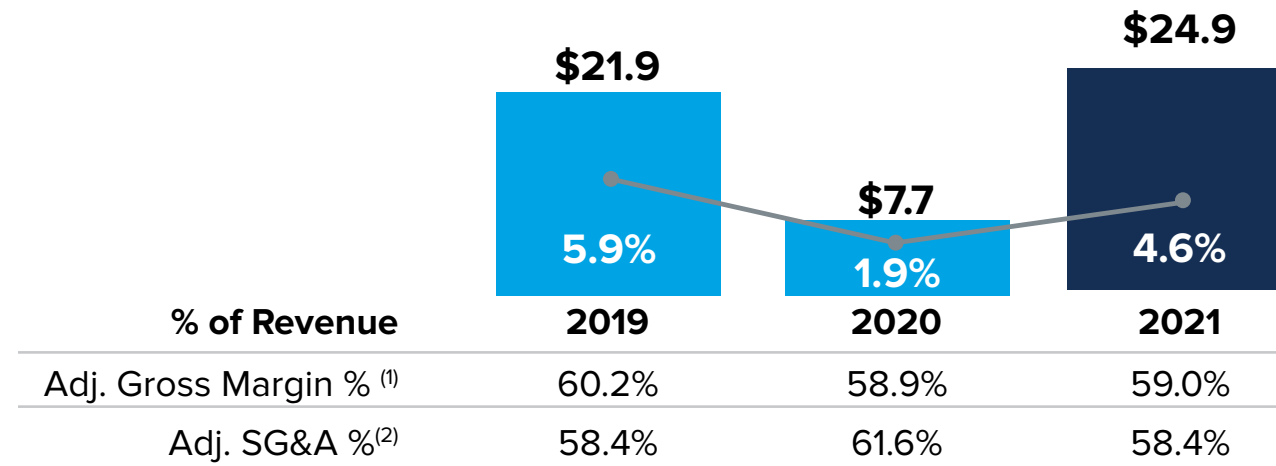
- FY 2021 net revenue of \$541M representing growth of 37% vs. FY 2020 and up 46% vs. FY 2019
- Opened 35 new stores through 12/31/2021

ADJUSTED EBITDA MARGIN PERFORMANCE

Quarterly Adjusted EBITDA (\$M)



Full-Year Adjusted EBITDA (\$M)



Key Takeaways

Q4 2021 Highlights

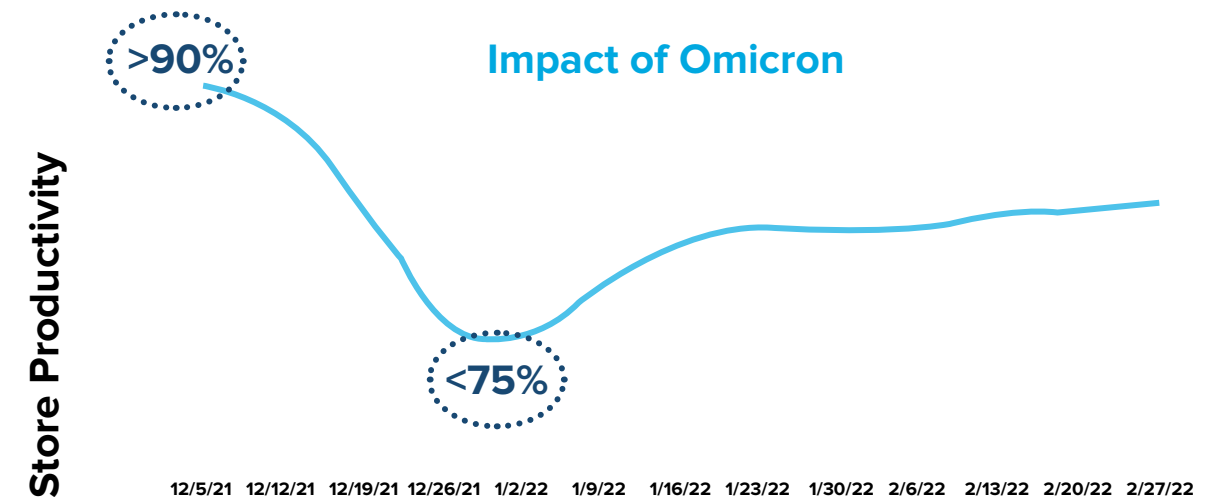
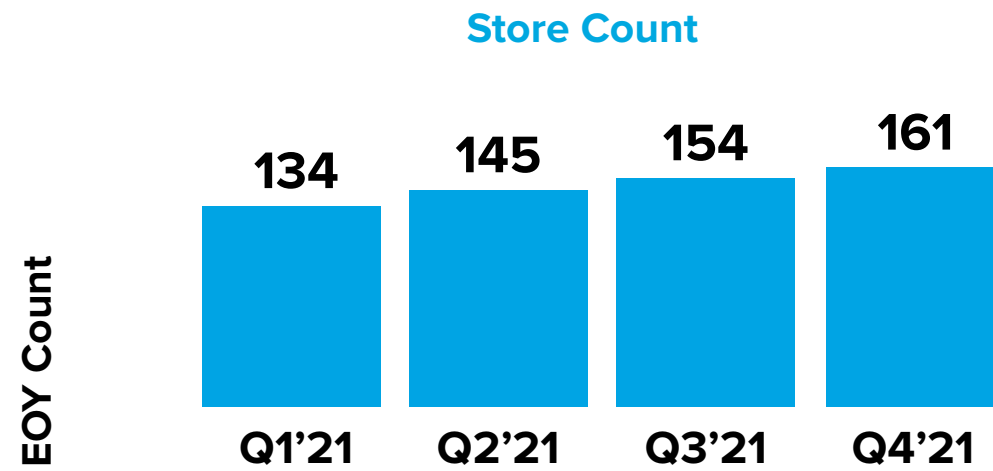
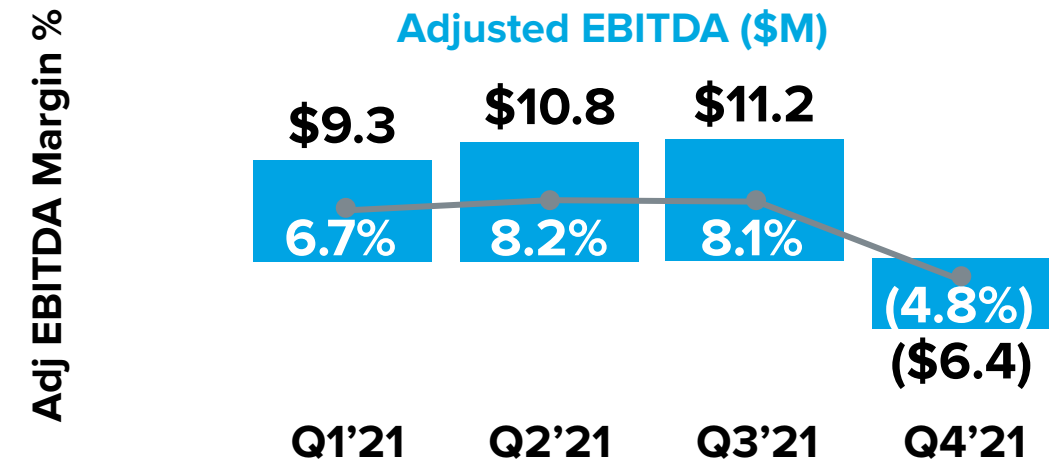
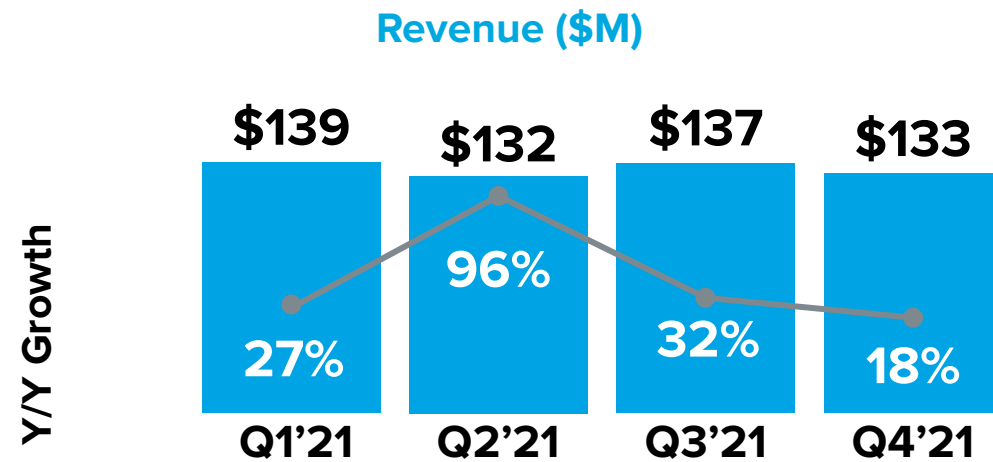
- Adjusted EBITDA margin of (4.8%) down 570 basis points from Q4'20 and up 60 basis points from Q4'19
- Adjusted gross margin was 57.5% compared to 57.8% in Q4'20, primarily driven by increased penetration of contacts reflecting Warby Parker's strategy to grow its contact lens offering
- Adjusted SG&A increased 600 basis points vs. Q4'20 primarily driven by increased marketing spend supporting growth

FY 2021 Highlights

- Adjusted EBITDA margin of 4.6% up 270 basis points from FY 2020 and down 130 basis points from FY 2019
- Adjusted gross margin of 59.0% up 10 basis points from FY 2020 driven largely by scaling of contacts partially offset by improved leverage on retail occupancy
- Adjusted SG&A improved 320 basis points vs. FY 2020 driven by leverage on corporate overhead as a result of strong net revenue growth y/y

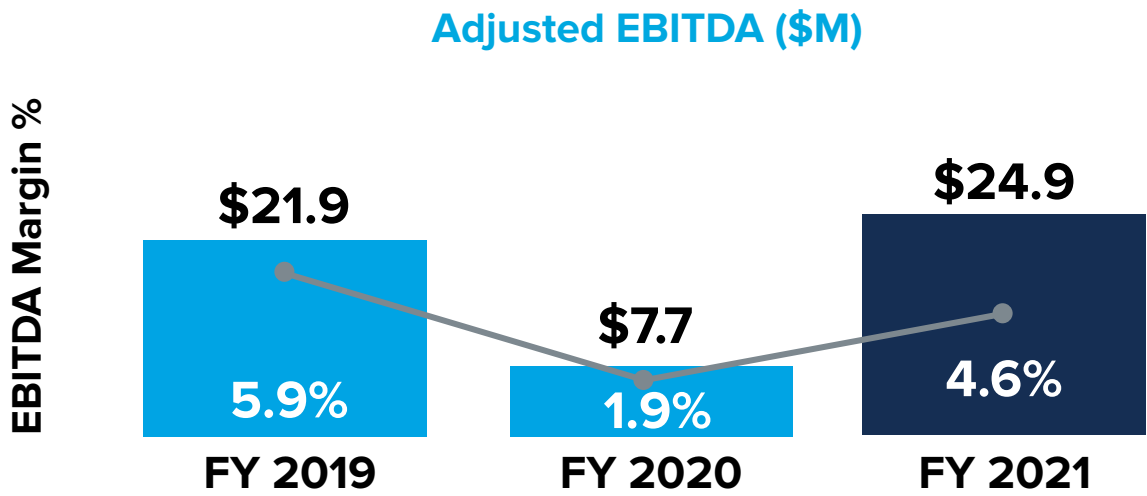
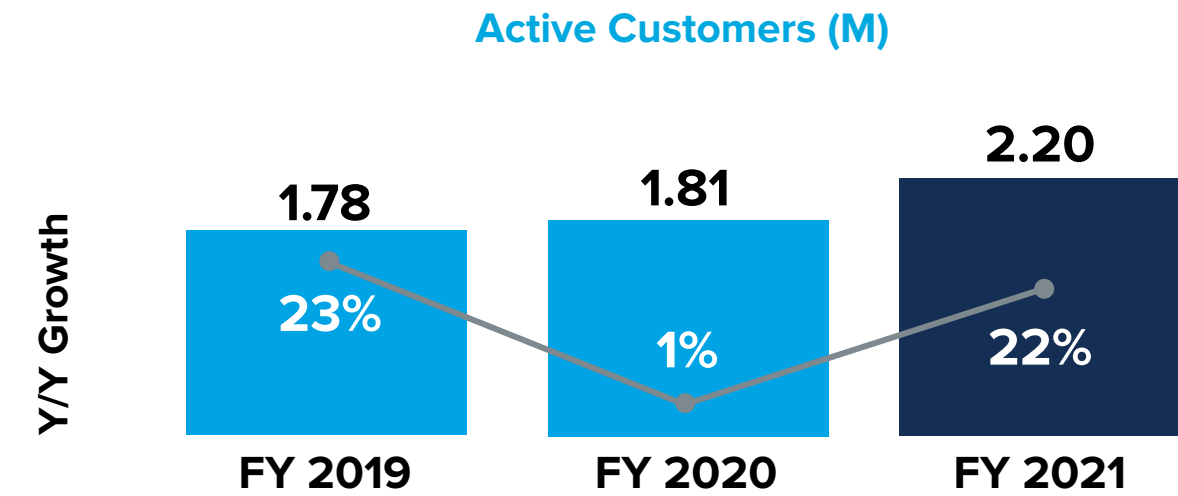
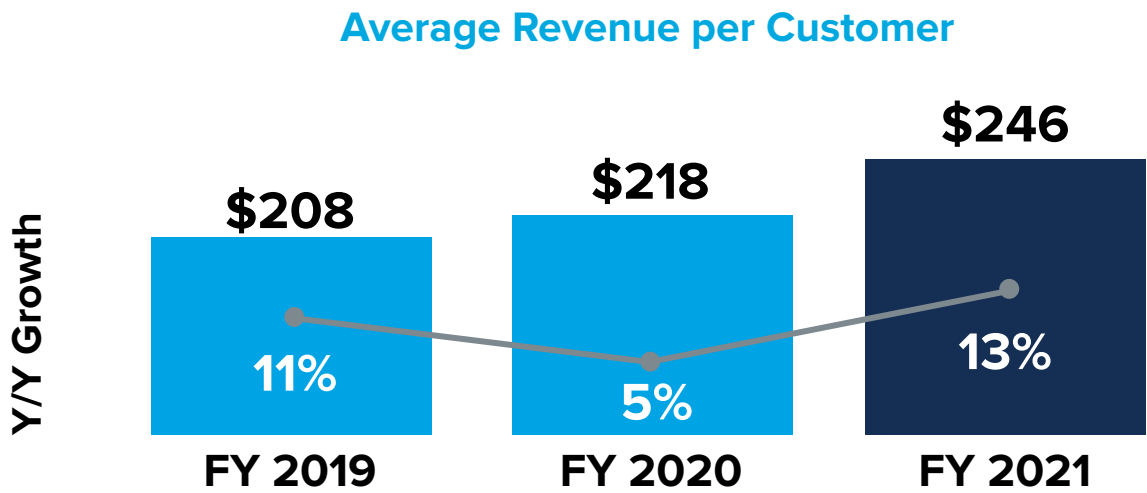
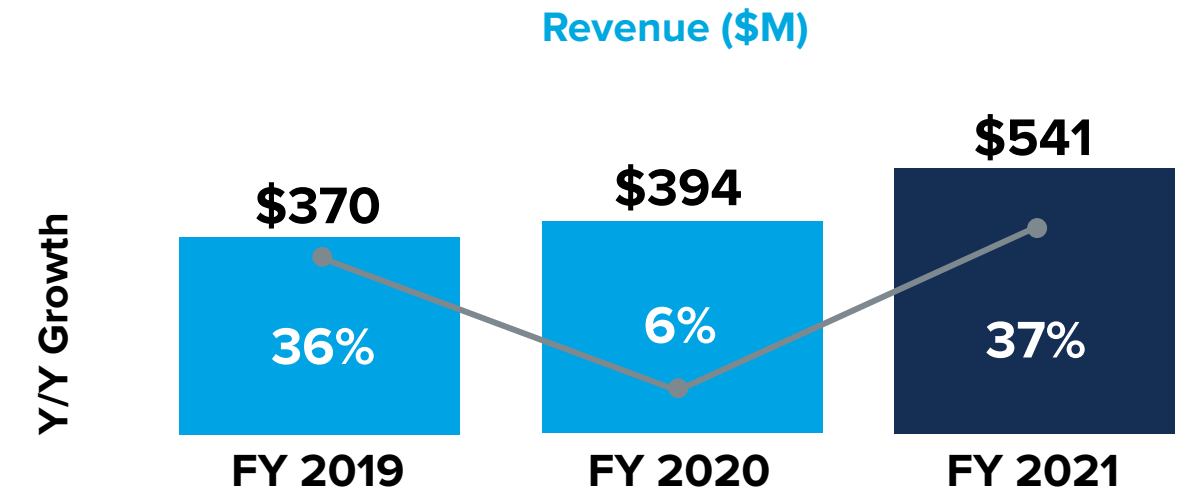
Q4 FINANCIAL DETAILS

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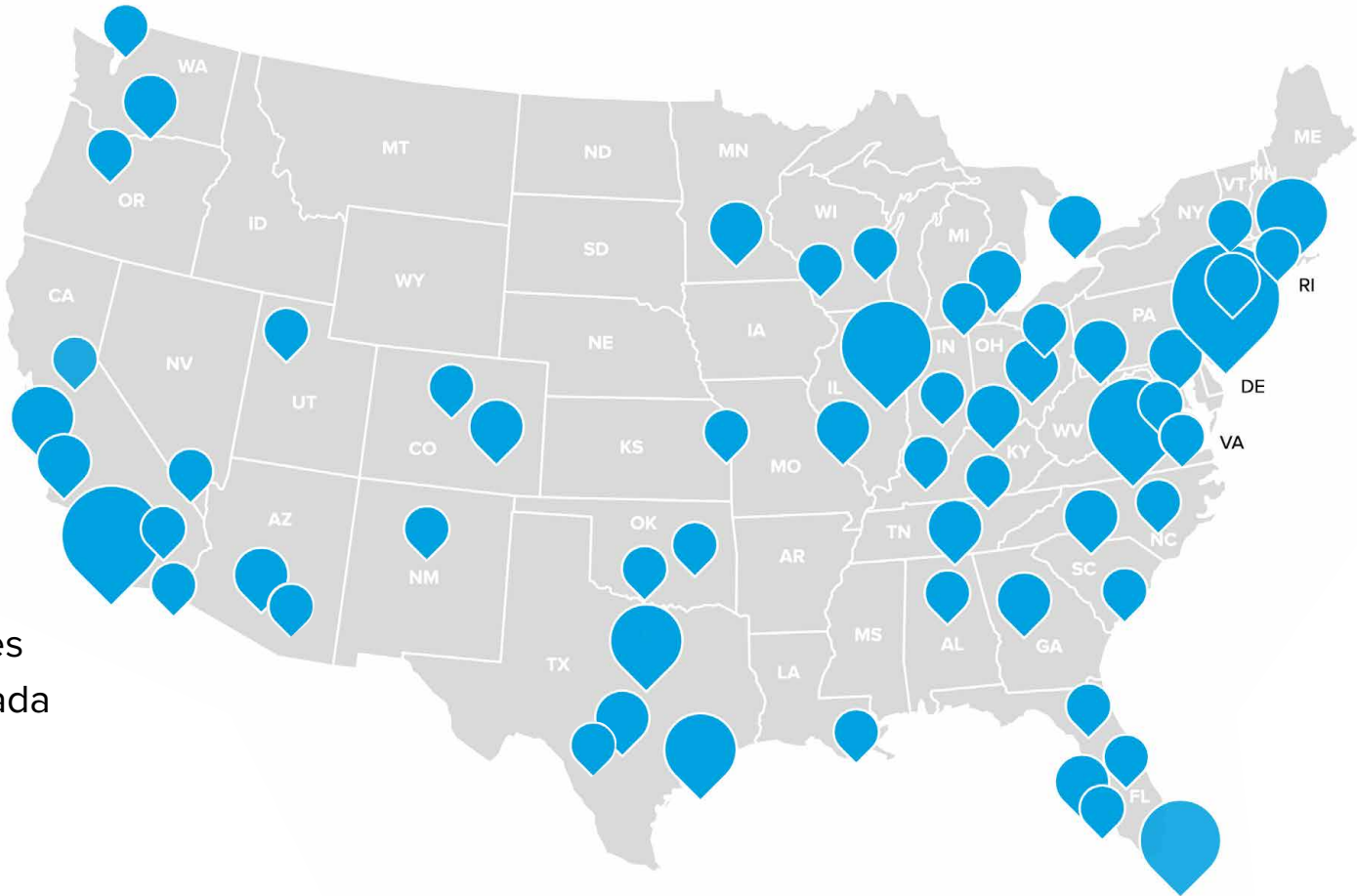
FULL-YEAR FINANCIAL DETAILS

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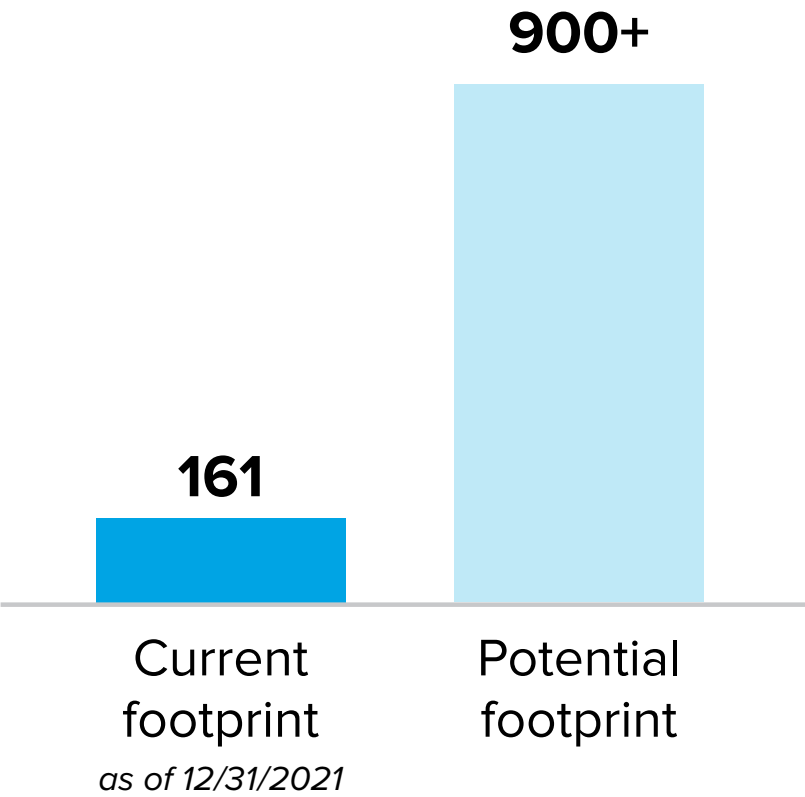
EXPANDING RETAIL FOOTPRINT WITH SIGNIFICANT
WHITE SPACE FOR NEW STORES

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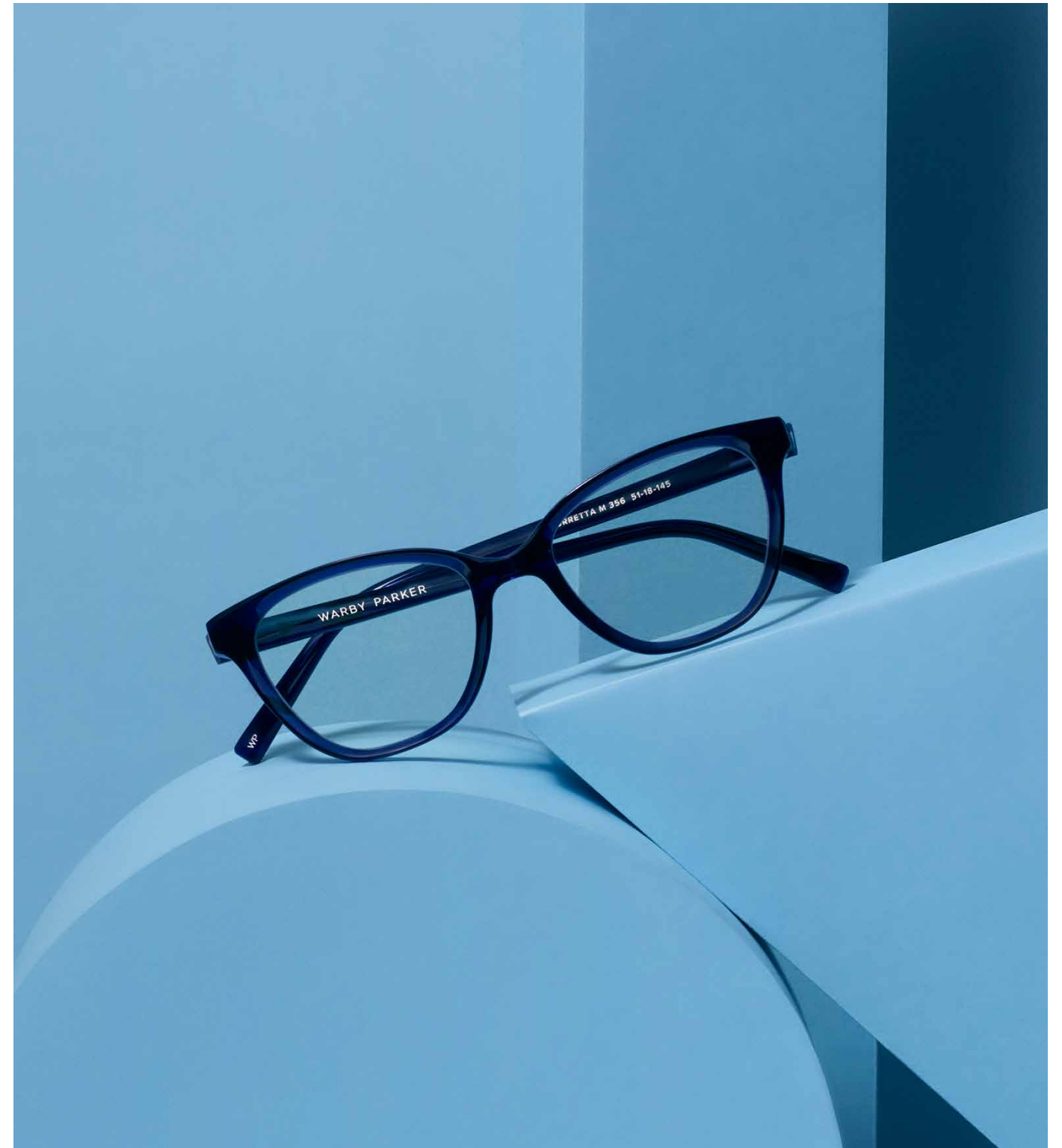


161 open retail stores
158 U.S. and **3** Canada
61 markets
37 states/provinces
111 cities
40 target new retail stores in 2022
Store presence in **47** of the **50** most populous markets in the U.S.
Location types: ~45% street, ~30% outdoor center, ~25% indoor center

WARBY PARKER
Number of Store Locations



Note: Data above is as of 12/31/2021. Markets defined as CBSAs (core-based statistical areas).





Optical lab in Sloatsburg, NY



Optical lab in Las Vegas, NV

2022 STRATEGIC PRIORITIES

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SCALING OUR OMNICHANNEL EXPERIENCE

Open 40 stores to end
the year with 200+

Maintain highly productive
store economics

Continue to focus on
innovation in our
category-leading
ecommerce experience
and digital tools

EXPANDING OUR CORE GLASSES BUSINESS

Deepen penetration of
progressives customers

Introduce new sizes,
shapes, widths,
and lens offerings

EVOLVING INTO A HOLISTIC VISION CARE COMPANY

Scale contacts business

Grow eye exam business
through improved end-to-end
experience

Expand capabilities of Virtual
Vision Test telehealth app

DRIVING BRAND AWARENESS

Amplify reach by utilizing
strategic mix of organic
and paid initiatives

Experiment with more
dynamic and segmented
messaging

Cross-sell users into
new categories



FULL-YEAR 2022 OUTLOOK

.....

\$650–660M

NET REVENUE

20–22%

NET REVENUE GROWTH

5.6–6.6%

ADJUSTED EBITDA MARGIN

Guidance takes into account the estimated \$15M of lost sales in Q1 as a result of Omicron

Q1 2022 OUTLOOK

.....

\$153.0–154.5M

NET REVENUE

10–11%

NET REVENUE GROWTH



Guidance takes into account the estimated \$15M of lost sales in Q1 as a result of Omicron

LONG-TERM OUTLOOK FOR SUSTAINABLE GROWTH

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20%+

NET REVENUE GROWTH

58–60%

GROSS MARGINS

20%+

ADJUSTED EBITDA MARGIN



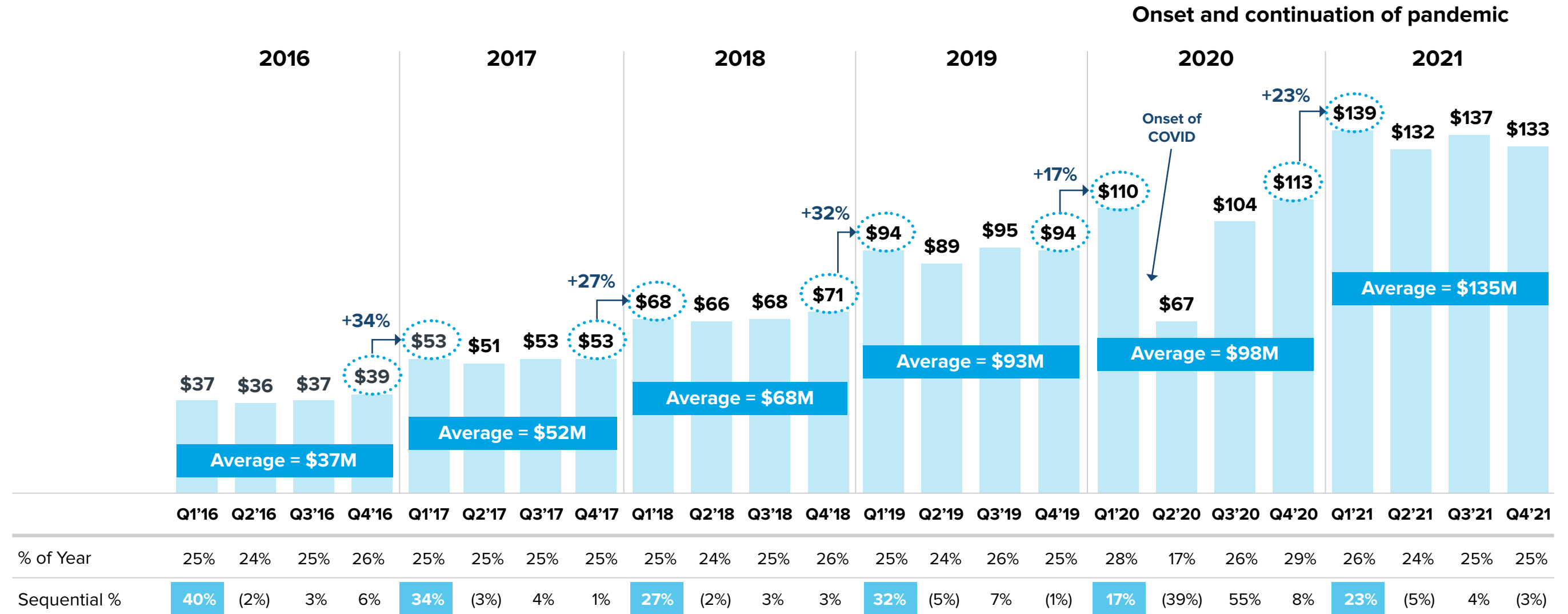


SUPPLEMENTAL DETAIL

CONSISTENT REVENUE SEASONALITY PRE-COVID

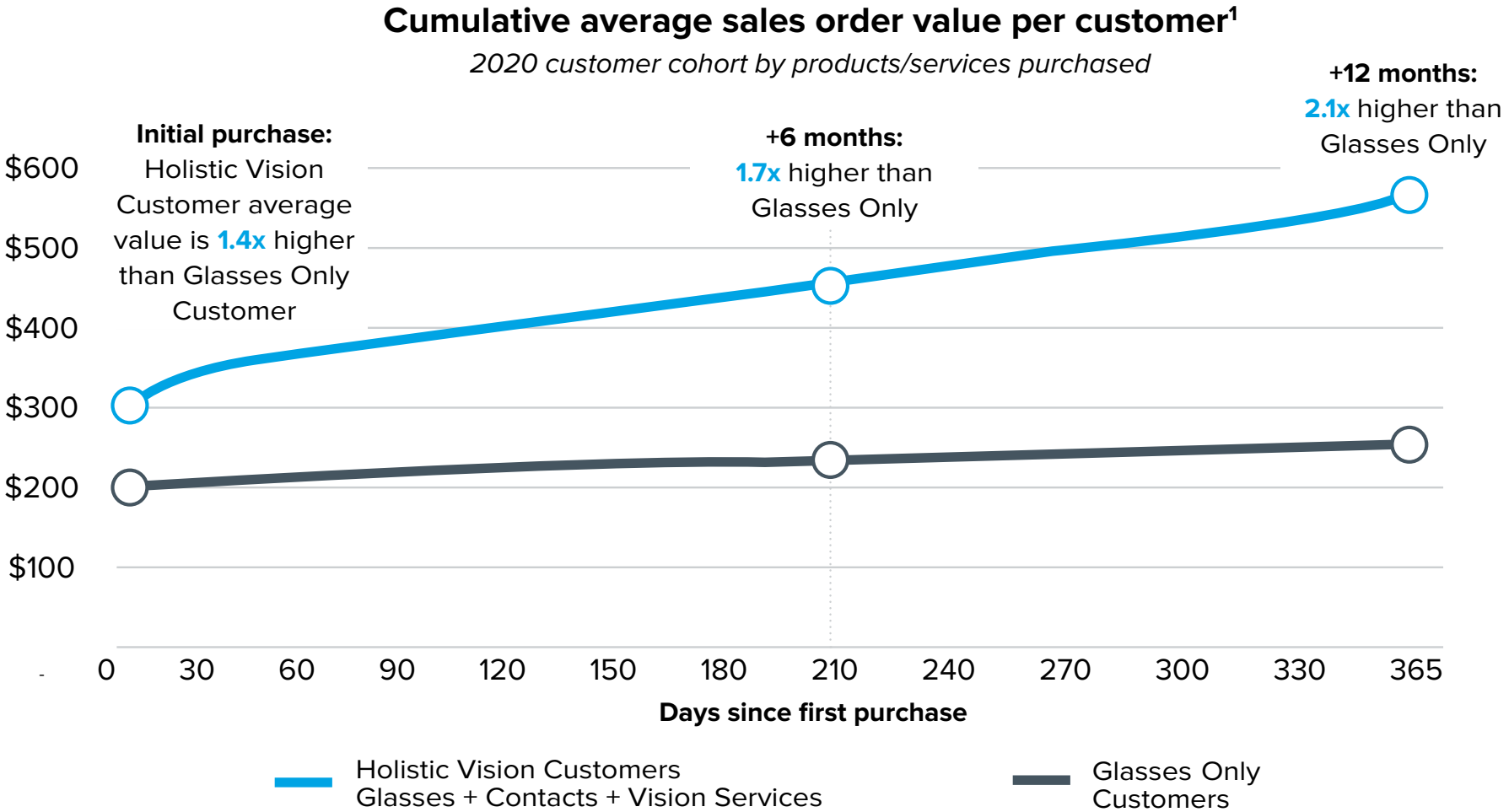
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Net Revenue by Quarter (2016 - 2021)



FUTURE GROWTH OPPORTUNITIES LEAD TO HIGHER,
“STICKIER” CUSTOMER VALUE OVER TIME

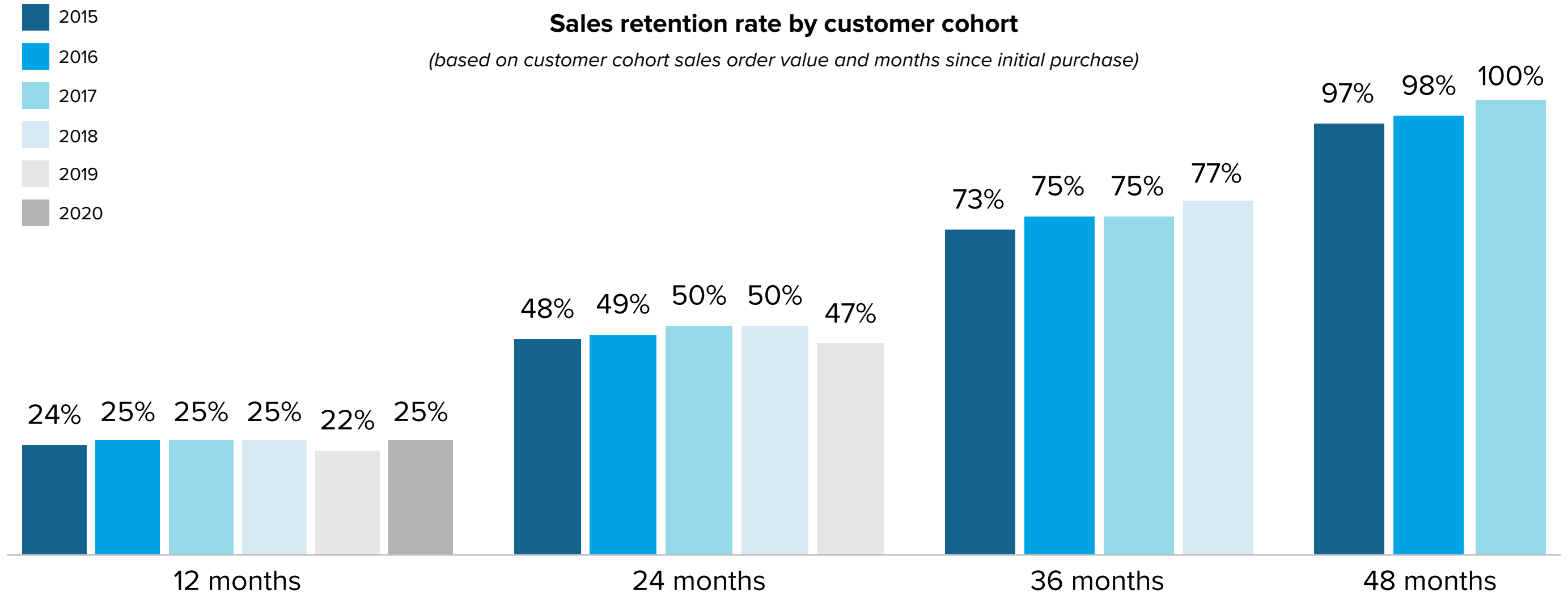
Customers who **purchase holistic offering (glasses, contacts, and exams)** have a **cumulative average value¹** that is **~2x higher after one year** than customers who just purchase glasses (and ~1.5x higher at initial purchase)



Source: Company data. Holistic Vision Customers in 2020 cohort represent just 0.5% of all 2020 cohort customers.
¹Average value per customer represents sales including refunds; equal to cumulative customer sales order value divided by total unique customers in each product and service grouping

COMPELLING AND CONSISTENT SALES RETENTION RATES

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Source: Company data

Note: Sales retention based on customer cohort sales order value and months since initial purchase.

APPENDIX

SUPPLEMENTAL FINANCIAL INFORMATION

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	AS REPORTED				
<i>Unaudited, in thousands</i>	Q4'21	Q4'20	Q4'19	Q4'21 vs. Q4'20	Q4'21 vs. Q4'19
Net Revenue	\$132,892	\$112,837	\$93,620	18%	42%
Gross Profit	\$76,251	\$65,178	\$53,332	17%	43%
<i>% of Revenue</i>	57.4%	57.8%	57.0%	(39 bps)	40 bps
Total SG&A	\$122,146	\$70,295	\$66,855	74%	83%
<i>% of Revenue</i>	91.9%	62.3%	71.4%	2,962 bps	2,050 bps
Net Income (Loss)	(\$45,902)	(\$4,301)	(\$11,855)	(967%)	(287%)
<i>% of Revenue</i>	(34.5%)	(3.8%)	(12.7%)	(3,073 bps)	(2,180 bps)

	ADJUSTED				
<i>Unaudited, in thousands</i>	Q4'21	Q4'20	Q4'19	Q4'21 vs. Q4'20	Q4'21 vs. Q4'19
Net Revenue	\$132,892	\$112,837	\$93,620	18%	42%
Adjusted Gross Profit	\$76,474	\$65,178	\$53,335	17%	43%
<i>% of Revenue</i>	57.5%	57.8%	57.0%	(22 bps)	50 bps
Adjusted SG&A	\$89,423	\$69,131	\$62,440	29%	43%
<i>% of Revenue</i>	67.3%	61.3%	66.7%	602 bps	60 bps
Adjusted Net Income (Loss)	(\$8,999)	(\$2,399)	(\$6,113)	(275%)	(47%)
<i>% of Revenue</i>	(6.8%)	(2.1%)	(6.5%)	(465 bps)	(30 bps)
Adjusted EBITDA	(\$6,399)	\$1,054	(\$5,061)	(707%)	(26%)
<i>% of Revenue</i>	(4.8%)	0.9%	(5.4%)	(575 bps)	60 bps

RECONCILIATION OF ADJUSTED EBITDA TO NET INCOME

.....

	Three Months Ended December 31			Year Ended December 31		
<i>All numbers in thousands, unaudited</i>	2021	2020	2019	2021	2020	2019
Net loss	(\$45,902)	(\$4,301)	(\$11,855)	(\$144,271)	(\$55,919)	—
Adjusted to exclude the following:						
Interest and other (loss), net	(105)	(529)	(379)	347	97	(1,939)
Provision for income taxes	112	(287)	(1,288)	263	190	276
Depreciation and amortization expense	6,551	5,007	4,043	21,960	18,377	15,032
Stock-based compensation expense ⁽¹⁾	32,945	1,164	4,418	110,543	44,913	8,499
Non-cash charitable donation ⁽²⁾	—	—	—	7,757	—	—
Transaction costs ⁽³⁾	—	—	—	28,262	—	—
Adjusted EBITDA	(\$6,399)	\$1,054	(\$5,061)	\$24,861	\$7,658	\$21,868
Adjusted EBITDA margin	(4.8%)	0.9%	(5.4%)	4.6%	1.9%	5.9%

⁽¹⁾ Represents expenses related to the Company's equity-based compensation programs, which may vary significantly from period to period depending upon various factors including the timing, number, and the valuation of awards granted, vesting of awards including the satisfaction of performance conditions, and the impact of repurchases of awards from employees. The amount includes \$1.8 million and \$3.4 million of employer payroll costs associated with the release of RSUs and option exercises for the three and twelve months ended December 31, 2021, respectively.

⁽²⁾ Represents charitable expense recorded in connection with the donation of 178,572 shares of Series A common stock to the Warby Parker Impact Foundation in August 2021.

⁽³⁾ Represents (i) costs directly attributable to the preparation for our Direct Listing and (ii) expenses incurred in connection with the cash tender offer completed in June 2021 (the "Tender Offer").

SUPPLEMENTAL FINANCIAL INFORMATION

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	REPORTED			ADJUSTED			REPORTED			ADJUSTED		
	Three Months Ended December 31			Three Months Ended December 31			Year Ended December 31			Year Ended December 31		
<i>All numbers in millions, unaudited</i>	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019
Cost of goods sold	\$56.6	\$47.7	\$40.3	\$56.4	\$47.7	\$40.3	\$223.0	\$161.8	\$147.4	\$221.9	\$161.8	\$147.3
% of Revenue	42.6%	42.2%	43.0%	42.5%	42.2%	43.0%	41.2%	41.1%	39.8%	41.0%	41.1%	39.8%
Gross profit	\$76.3	\$65.2	\$53.3	\$76.5	\$65.2	\$53.3	\$317.7	\$231.9	\$223.1	\$318.9	\$231.9	\$223.1
% of Revenue	57.4%	57.8%	57.0%	57.5%	57.8%	57.0%	58.8%	58.9%	60.2%	59.0%	58.9%	60.2%
Selling, general, and administrative	\$122.1	\$70.3	\$66.9	\$89.4	\$69.1	\$62.4	\$461.4	\$287.6	\$224.8	\$316.0	\$242.7	\$216.3
% of Revenue	91.9%	62.3%	71.4%	67.3%	61.3%	66.7%	85.3%	73.0%	60.7%	58.4%	61.6%	58.4%
Net (loss) income	(\$45.9)	(\$4.3)	(\$11.9)	(\$9.0)	(\$2.4)	(\$6.1)	(\$144.3)	(\$55.9)	—	\$1.8	(\$7.6)	\$6.1
% of Revenue	(34.5%)	(3.8%)	(12.7%)	(6.8%)	(2.1%)	(6.5%)	(26.7%)	(14.2%)	—	0.3%	(1.9%)	1.7%

RECONCILIATION OF NON-GAAP MEASURES

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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 December 31			Year Ended December 31		
	2021	2020	2019	2021	2020	2019
Cost of goods sold	\$56,641	\$47,659	\$40,288	\$223,049	\$161,784	\$147,355
Adjusted to exclude the following:						
Stock-based compensation expense ⁽¹⁾	223	—	3	1,145	1	14
Adjusted cost of goods sold	\$56,418	\$47,659	\$40,285	\$221,904	\$161,783	\$147,341
Gross profit	\$76,251	\$65,178	\$53,332	\$317,749	\$231,935	\$223,108
Adjusted to exclude the following:						
Stock-based compensation expense ⁽¹⁾	223	—	3	1,145	1	14
Adjusted gross profit	\$76,474	\$65,178	\$53,335	\$318,894	\$231,936	\$223,122
Selling, general, and administrative expenses	\$122,146	\$70,295	\$66,855	\$461,410	\$287,567	\$224,771
Adjusted to exclude the following:						
Stock-based compensation expense ⁽¹⁾	32,723	1,164	4,415	109,399	44,912	8,485
Non-cash charitable donation ⁽²⁾	—	—	—	7,757	—	—
Transaction costs ⁽³⁾	—	—	—	28,262	—	—
Adjusted selling, general, and administrative expenses	\$89,423	\$69,131	\$62,440	\$315,992	\$242,655	\$216,286
Net (loss) income	(\$45,902)	(\$4,301)	(\$11,856)	(\$144,271)	(\$55,919)	—
Provision for income taxes	112	(287)	(1,288)	263	190	276
(Loss) income before income taxes	(45,790)	(4,588)	(13,144)	(144,008)	(55,729)	276
Adjusted to exclude the following:						
Stock-based compensation expense ⁽¹⁾	32,945	1,164	4,418	110,543	44,913	8,499
Non-cash charitable donation ⁽²⁾	—	—	—	7,757	—	—
Transaction costs ⁽³⁾	—	—	—	28,262	—	—
Adjusted provision for income taxes ⁽⁴⁾	3,846	1,025	2,613	(765)	3,238	(2,627)
Adjusted net income (loss)	(\$8,999)	(\$2,399)	(\$6,113)	\$1,789	(\$7,578)	\$6,148
Less: undistributed adjusted net income (loss attributable to participating securities						
	—	—	(711)	(13,137)	—	(57,537)
Adjusted net income (loss) attributable to common stock	(\$8,999)	(\$2,399)	(\$6,824)	(\$11,348)	(\$7,578)	(\$51,389)
Adjusted weighted average shares - diluted	112,501,252	53,671,842	52,541,206	71,249,257	53,033,936	54,424,978
Adjusted diluted earnings per share	(\$0.08)	(\$0.04)	(\$0.13)	(\$0.16)	(\$0.14)	(\$0.98)

⁽¹⁾ Represents expenses related to the Company's equity-based compensation programs, which may vary significantly from period to period depending upon various factors including the timing, number, and the valuation of awards granted, vesting of awards including the satisfaction of performance conditions, and the impact of repurchases of awards from employees. For the period ending September 30, 2021, the amount includes \$1.6 million of employer payroll costs associated with the release of RSUs in connection with our Direct Listing, of which \$0.1 million is included in COGS and \$1.5 million is included in SG&A.

⁽²⁾ Represents charitable expense recorded in connection with the donation of 178,572 shares of Series A common stock to the Warby Parker Impact Foundation in August 2021.

⁽³⁾ Represents (i) costs directly attributable to the preparation for our Direct Listing and (ii) expenses incurred in connection with the cash tender offer completed in June 2021 (the "Tender Offer").

⁽⁴⁾ The adjusted provision for income taxes is based on long-term estimated annual effective tax rates of 29.94%. The Company may adjust its adjusted tax rate as additional information becomes available or events occur which may materially affect this rate, including impacts from the rapidly evolving global tax environment, significant changes in our geographic mix, merger and acquisition activity, or changes in our business outlook.

THANK YOU