WARBY PARKER

THIRD QUARTER 2022 EARNINGS REPORT

Speakers:

DAVE GILBOA | Co-Founder & Co-CEO

NEIL BLUMENTHAL | Co-Founder & Co-CEO

STEVE MILLER | SVP & Chief Financial Officer

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, delivering stakeholder value, growing market share, and our GAAP and non-GAAP guidance for the quarter and year ending December 31, 2022; expectations regarding the number of new store openings during 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 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. 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**.

Chloe Sevigny x Warby Parker

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 helped pioneer the vertically integrated, direct-to-consumer model
4. Warby Parker has 190 stores[(1)] 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 sold, a pair of glasses is distributed to someone in need



(1) Includes 4 stores in Canada.

THIRD QUARTER 2022: FINANCIAL HIGHLIGHTS



(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) Net Promoter Score is calculated on a trailing twelve-month basis weighted for the number of responses received.
(3) Non-GAAP financial term. See appendix for reconciliation of non-GAAP measures.



Pike & Rose (North Bethesda, MD)



Shoppes at DePiero Farm (Montvale, NJ)


WARBY PARKER
WP

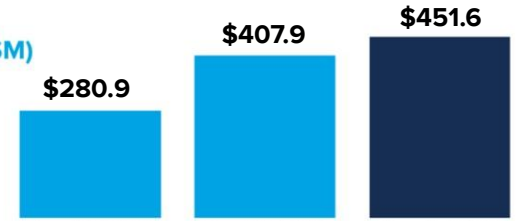
NET REVENUE PERFORMANCE

Q3 Net Revenue ($M)



	Q3'20	Q3'21	Q3'22
Revenue Growth %	10%	32%	8%
3-Year CAGR %	25%	26%	16%
Active Customers (M)	1.76	2.15	2.26
Avg. Revenue per Customer (LTM)	$213	$242	$258
Store Count	123	154	190

Sep YTD Net Revenue ($M)



	Sep YTD'20	Sep YTD'21	Sep YTD'22
Revenue Growth %	1%	45%	11%
3-Year CAGR %	21%	26%	18%

Key Takeaways

Q3 2022 Highlights

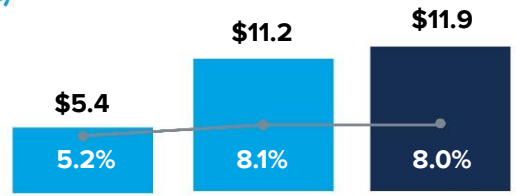
- Q3'22 net revenue growth of 8% vs. Q3'21 and up 16% on a 3-year CAGR basis vs. Q3'19
- Active Customers as of Q3'22 at 2.26M, an increase of 110K active customers, or 5%, y/y vs. Q3'21
- Opened 13 new stores in Q3'22, ending the quarter with 190 stores

Year-to-date 2022 Highlights

- Sep YTD'22 net revenue of $452M representing growth of 11% vs. YTD'21 and up 18% on a 3-year CAGR basis vs. YTD'19
- Opened 30 new stores YTD through 9/30/2022

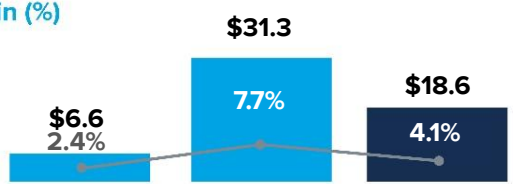
ADJUSTED EBITDA PERFORMANCE

Q3 Adjusted EBITDA ($M) and Adjusted EBITDA Margin (%)



% of Revenue	Q3'20	Q3'21	Q3'22
Adj. Gross Margin % [1]	61.5%	58.7%	56.9%
Adj. SG&A %[1]	60.5%	54.6%	55.2%

Sep YTD Adjusted EBITDA ($M) and Adjusted EBITDA Margin (%)



% of Revenue	Sep YTD'20	Sep YTD'21	Sep YTD'22
Adj. Gross Margin % [1]	59.4%	59.4%	57.8%
Adj. SG&A %[1]	61.8%	55.5%	59.1%

Key Takeaways

Q3 2022 Highlights

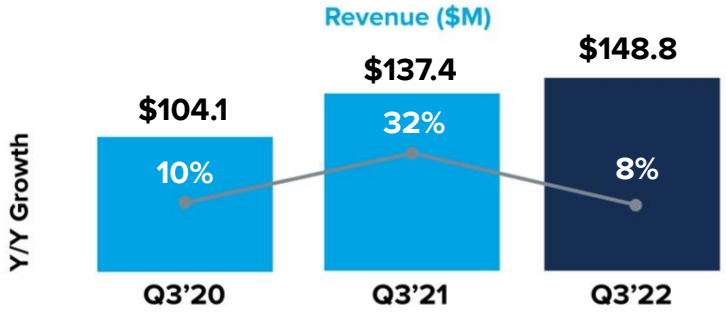
- Adjusted EBITDA margin[1] of 8.0%, down 0.1 pts from Q3'21
- Adjusted gross margin[1] was 56.9% compared to 58.7% in Q3'21, primarily driven by increased penetration of contacts reflecting strategy to grow contact lens offering
- Adjusted SG&A[1] at 55.2% of revenue driven by headcount growth in retail and investments in corporate overhead to support initiatives and operating as a public company

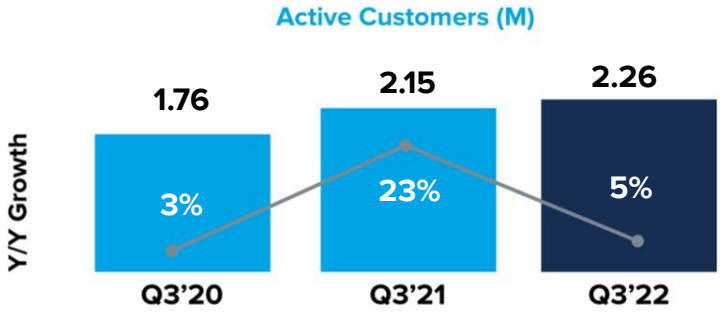
Year-to-date 2022 Highlights

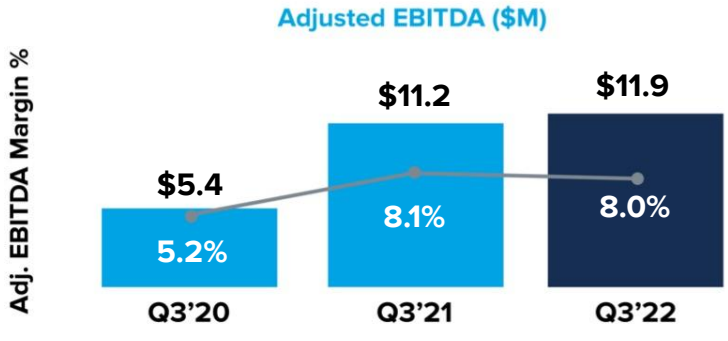
- Adjusted EBITDA margin[1] 4.1%, down 3.6 pts from September YTD'21
- Adjusted gross margin[1] was 57.8% compared to 59.4% in September YTD'21
- Adjusted SG&A[1] as a percent of revenue of 59.1% compared to 55.5% in September YTD'21

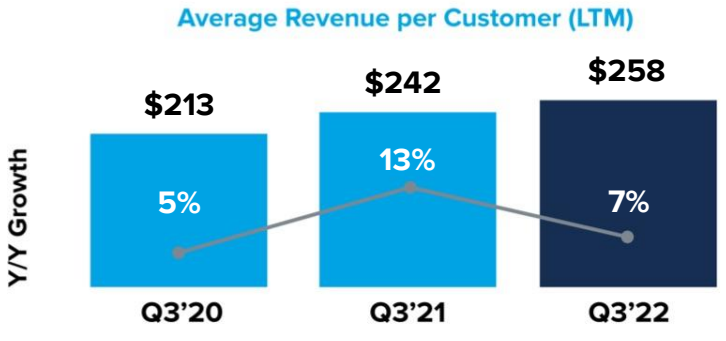
(1) Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Gross Margin, and Adjusted SG&A are non-GAAP measures. See the appendix for reconciliations to the nearest GAAP metrics

THIRD QUARTER FINANCIAL DETAILS



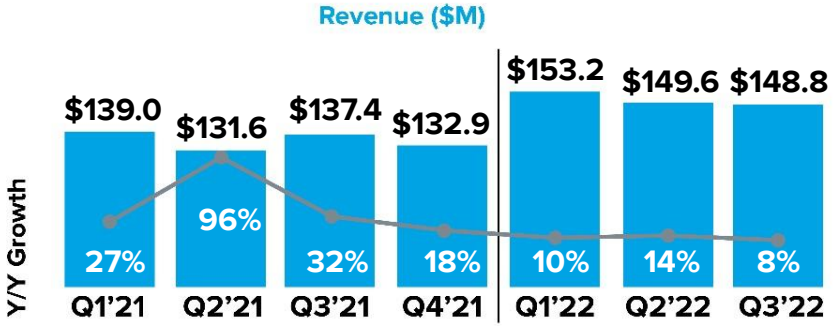


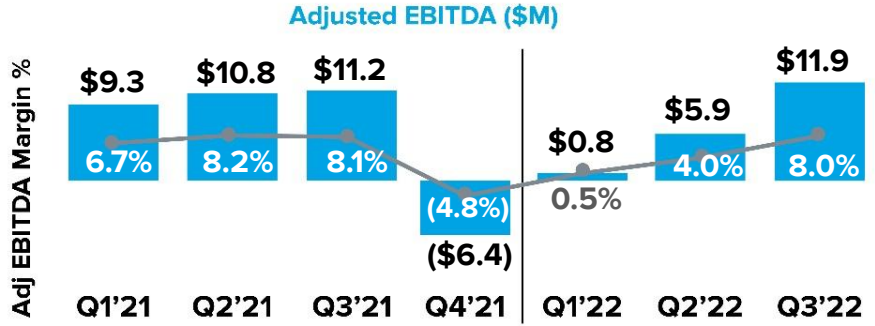




Adjusted EBITDA and Adjusted EBITDA Margin % are non-GAAP measures. See the appendix for reconciliations to the nearest GAAP metrics.

QUARTERLY FINANCIAL DETAILS



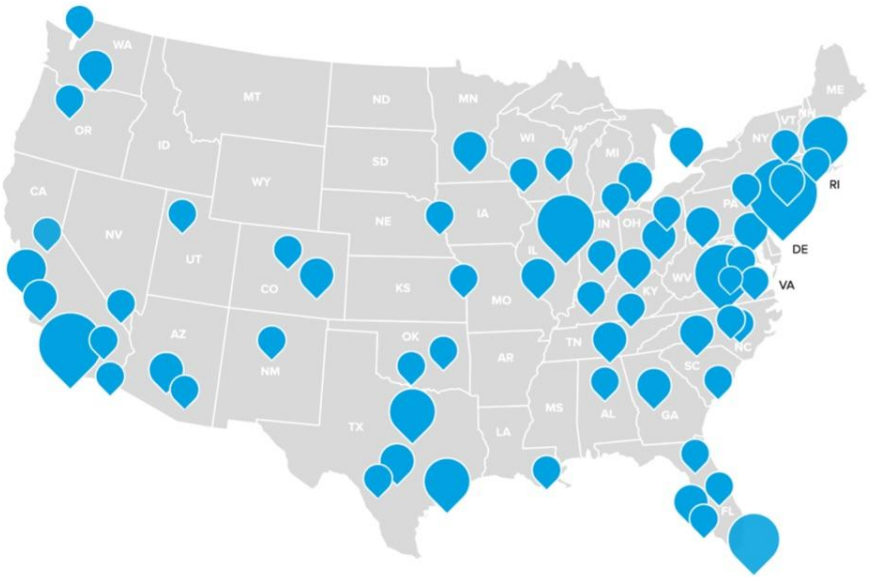






Adjusted EBITDA and Adjusted EBITDA Margin % are non-GAAP measures. See the appendix for reconciliations to the nearest GAAP metrics.
**Reflects trailing 28-day productivity as of the closest Sunday to the end of each month shown*

EXPANDING RETAIL FOOTPRINT WITH SIGNIFICANT WHITE SPACE FOR NEW STORES



190 open retail stores
186 U.S. and **4** Canada
65 markets
38 states/provinces
136 cities
40 target new retail stores in 2022 (**30** opened through 9/30/2022)
Store presence in **47** of the **50** most populous markets in the U.S.
Location types: ~37% street, ~37% outdoor center, ~26% indoor center



As of 9/30/2022

Note: Data above is as of 9/30/2022. Markets defined as CBSAs (core-based statistical areas).



Andersonville (Chicago, IL)



Optical lab in Sloatsburg, NY

FY 2022 OUTLOOK

$590–596M
NET REVENUE

$24.8–27.0M
ADJUSTED EBITDA

9.1–10.2%
NET REVENUE GROWTH

4.2–4.5%
ADJUSTED EBITDA MARGIN



Q4 2022 OUTLOOK

4.0–8.7%
NET REVENUE GROWTH

4.5–5.8%
ADJUSTED EBITDA MARGIN




ACUVUE
oasys
1-Day
1-DAY ACUVUE MOIST
MULTIFOCAL



Waterside (Marina del Rey, CA)

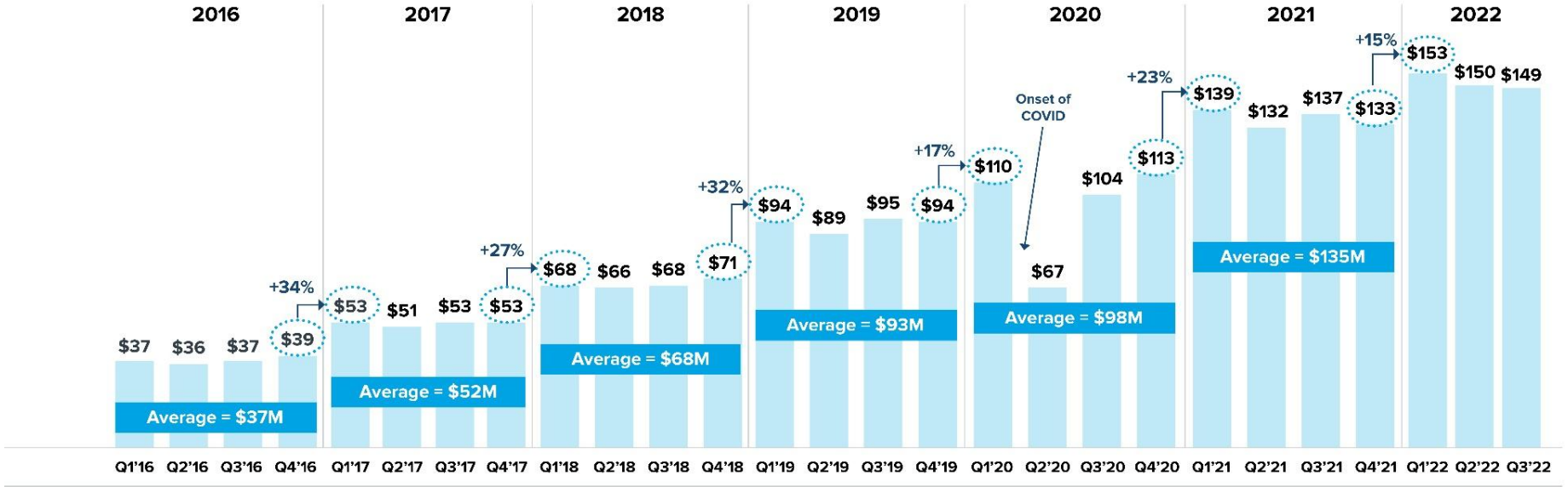


Watters Creek (Allen, TX)

SUPPLEMENTAL DETAILS

NET REVENUE BY QUARTER (2016 - Q3 2022)

Net revenue in bars ($M)



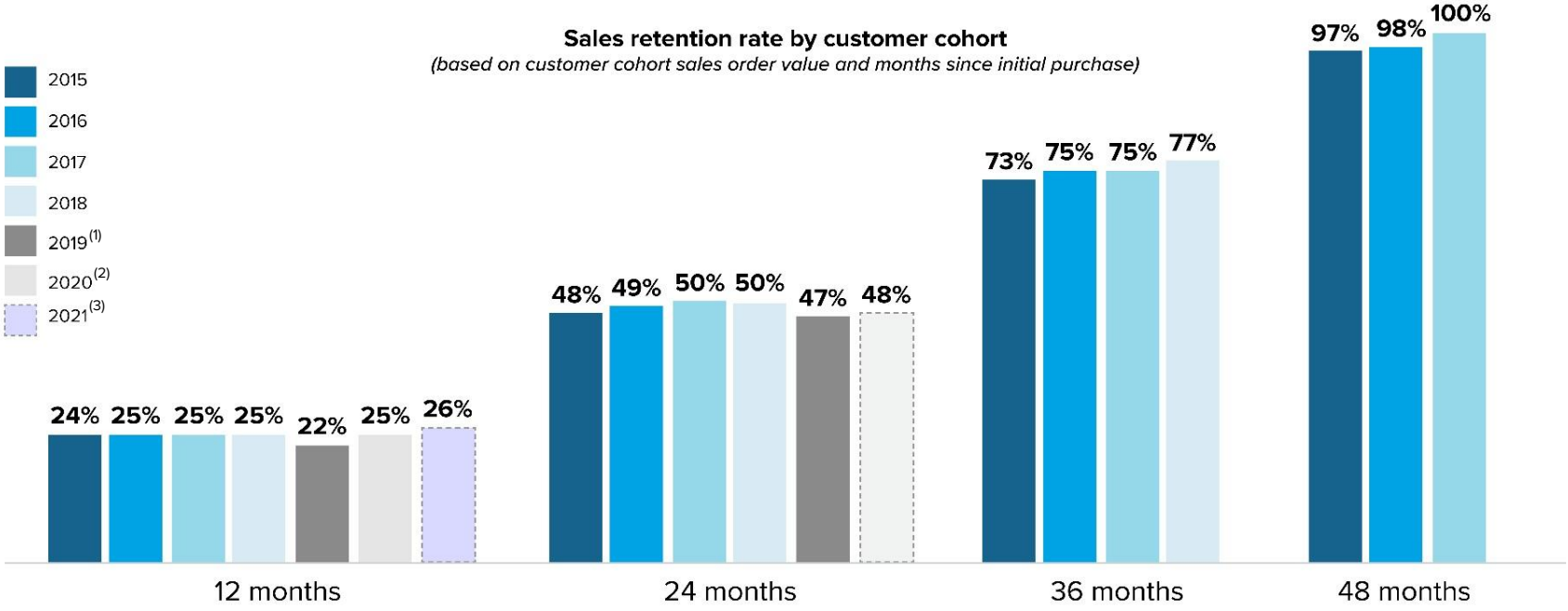
	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22
% of Year	25%	24%	25%	26%	25%	25%	25%	25%	25%	24%	25%	26%	25%	24%	26%	25%	28%	17%	26%	29%	26%	24%	25%	25%	--	--	--
Sequential %	40%	(2%)	3%	6%	34%	(3%)	4%	1%	27%	(2%)	3%	3%	32%	(5%)	7%	(1%)	17%	(39%)	55%	8%	23%	(5%)	4%	(3%)	15%	(2%)	(1%)

Onset and continuation of pandemic

Onset of Omicron

Figures presented may not be recalculated due to rounding
Quarterly net revenue figures are unaudited

COMPELLING AND CONSISTENT SALES RETENTION RATES



Source: Company data
Note: Sales retention based on customer cohort sales order value and months since initial purchase.
(1) 2019 cohort was impacted by onset and continuation of COVID pandemic in 2020 and 2021, which is reflected in that cohort's retention rate after 12 and 24 months.
(2) 24 month retention rate for the 2020 cohort reflects the Q1 2020, Q2 2020, and Q3 2020 new customer cohorts only, as these cohorts were the only cohorts from 2020 with a full 24 months of retention data available as of 9/30/2022.
(3) 2021 cohort reflects the Q1 2021, Q2 2021, and Q3 2021 new customer cohorts only, as these cohorts were the only cohorts from 2021 with a full 12 months of retention data available as of 9/30/2022.

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 net income", "adjusted COGS", "adjusted SG&A", "adjusted earnings per share" 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, and non-recurring costs such as restructuring costs, major system implementation costs, and direct listing or other transaction costs. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by net revenue.

The Company calculates "adjusted net income" as net income (loss) adjusted for stock-based compensation expense and related employer payroll taxes, amortization of cloud-based software implementation costs, non-cash charitable donations, and non-recurring costs such as restructuring costs, major system implementation costs, and direct listing or other transaction costs, and as further adjusted for estimated income tax on such adjusted items. The Company calculates "adjusted earnings per share" as adjusted net income divided by diluted shares outstanding.

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.

The Company calculates "adjusted SG&A" as SG&A adjusted for stock-based compensation expense and related employer payroll taxes, amortization of cloud-based software implementation costs, non-cash charitable donations, and non-recurring costs such as restructuring costs, major system implementation costs, and direct listing or other transaction costs, and as further adjusted for estimated income tax on such adjusted items.

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 preceding 12-month period. The Company calculates "net revenues per active customer" as the sum of the total net revenues in the preceding 12-month period divided by the current period Active Customers.

Average Revenue Per Customer is defined as net revenue for a given period divided by the number of Active Customers as of the end of that same period.

RECONCILIATION OF ADJUSTED EBITDA TO NET INCOME

All numbers in thousands, unaudited	Three Months Ended September 30		Nine Months Ended September 30	
	2022	2021	2022	2021
Net loss	($23,843)	($91,073)	($90,142)	($98,368)
Adjusted to exclude the following:				
Interest and other income, net	183	146	75	452
Provision for income taxes	(12)	(1,052)	574	151
Depreciation and amortization expense	8,342	5,587	22,947	15,273
Asset impairment charges	1,097	-	1,509	137
Stock-based compensation expense[1]	24,358	65,929	78,603	77,599
Non-cash charitable donation[2]	-	7,757	3,270	7,757
Transaction costs[3]	-	23,893	-	28,262
Amortization of cloud-based software implementation costs[4]	96	-	96	-
ERP implementation costs[5]	170	-	170	-
Restructuring costs[6]	1,535	-	1,535	-
Adjusted EBITDA	$11,926	$11,187	$18,637	$31,263
Adjusted EBITDA margin	8.0%	8.1%	4.1%	7.7%

(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, vesting of awards including the satisfaction of performance conditions, and the impact of repurchases of awards from employees. For the three and nine months ended September 30, 2022, the amount includes $0.1 million and $0.4 million of employer payroll costs, respectively, associated with releases of RSUs and option exercises. For the three and nine months ended September 30, 2021, the amount includes $1.6 million of employer payroll costs associated with releases of RSUs in connection with our direct listing.

(2) Represents charitable expense recorded in connection with the donation of 178,572 shares of Class A common stock to the Warby Parker Impact Foundation in each of August 2021 and May 2022.

(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.

(4) Represents the amortization of costs capitalized in connection with the implementation of cloud-based software.

(5) Represents internal and external non-capitalized costs related to the implementation of our new Enterprise Resource Planning ("ERP") system which is expected to be live in 2023.

(6) Represents employee severance and related costs for our restructuring plan that was executed in August 2022.

SUPPLEMENTAL FINANCIAL INFORMATION

	AS REPORTED			AS REPORTED		
	Three Months Ended September 30			Nine Months Ended September 30		
Unaudited, in thousands	2022	2021	2022 vs. 2021	2022	2021	2022 vs. 2021
Net Revenue	$148,777	$137,373	8.3%	$451,619	$407,906	10.7%
Gross Profit	$84,418	$79,664	6.0%	$260,411	$241,499	7.8%
% of Revenue	56.7%	58.0%	(125 bps)	57.7%	59.2%	(154 bps)
Total SG&A	$108,090	$171,643	(37.0%)	$349,904	$339,264	3.1%
% of Revenue	72.6%	124.9%	(5,229 bps)	77.5%	83.2%	(569 bps)
Net Loss	($23,843)	($91,073)	(73.8%)	($90,142)	($98,368)	(8.4%)
% of Revenue	(16.0%)	(66.3%)	5,027 bps	(20.0%)	(24.1%)	416 bps

	ADJUSTED			ADJUSTED		
	Three Months Ended September 30			Nine Months Ended September 30		
Unaudited, in thousands	2022	2021	2022 vs. 2021	2022	2021	2022 vs. 2021
Net Revenue	$148,777	$137,373	8.3%	$451,619	$407,906	10.7%
Adjusted Gross Profit	$84,657	$80,587	5.1%	$261,120	$242,422	7.7%
% of Revenue	56.9%	58.7%	(176 bps)	57.8%	59.4%	(161 bps)
Adjusted SG&A	$82,170	$74,987	9.6%	$266,939	$226,569	17.8%
% of Revenue	55.2%	54.6%	64 bps	59.1%	55.6%	356 bps
Adjusted Net Income (Loss)	$1,614	$3,912	(58.7%)	($4,129)	$11,046	(137.4%)
% of Revenue	1.1%	2.8%	(176 bps)	(0.9%)	2.7%	(362 bps)
Adjusted EBITDA	$11,926	$11,187	6.6%	$18,637	$31,263	(40.4%)
% of Revenue	8.0%	8.1%	(13 bps)	4.1%	7.7%	(354 bps)

SUPPLEMENTAL FINANCIAL INFORMATION

All numbers in thousands, unaudited	REPORTED Three Months Ended September 30 2022	REPORTED Three Months Ended September 30 2021	ADJUSTED Three Months Ended September 30 2022	ADJUSTED Three Months Ended September 30 2021	REPORTED Nine Months Ended September 30 2022	REPORTED Nine Months Ended September 30 2021	ADJUSTED Nine Months Ended September 30 2022	ADJUSTED Nine Months Ended September 30 2021
Cost of goods sold	$64,359	$57,709	$64,120	$56,786	$191,208	$166,407	$190,499	$165,484
% of Revenue	43.3%	42.0%	43.1%	41.3%	42.3%	40.8%	42.2%	40.6%
Gross profit	$84,418	$79,664	$84,657	$80,587	$260,411	$241,499	$261,120	$242,422
% of Revenue	56.7%	58.0%	56.9%	58.7%	57.7%	59.2%	57.8%	59.4%
Selling, general, and administrative	$108,090	$171,643	$82,170	$74,987	$349,904	$339,264	$266,939	$226,569
% of Revenue	72.6%	124.9%	55.3%	54.6%	77.5%	83.2%	59.1%	55.6%
Net (loss) income	($23,843)	($91,073)	$1,614	$3,912	($90,142)	($98,368)	($4,129)	$11,046
% of Revenue	(16.0%)	(66.3%)	1.1%	2.8%	(20.0%)	(24.1%)	(0.9%)	2.7%

RECONCILIATION OF ADJUSTED EBITDA TO NET INCOME

Unaudited, in thousands	Three Months Ended																		
	3/31/2018	6/30/2018	9/30/2018	12/31/2018	3/31/2019	6/30/2019	9/30/2019	12/31/2019	3/31/2020	6/30/2020	9/30/2020	12/31/2020	3/31/2021	6/30/2021	9/30/2021	12/31/2021	3/31/2022	6/30/2022	9/30/2022
Net (loss) income	($15,865)	$2,141	($253)	($8,900)	$6,425	$4,050	$1,383	($11,856)	$2,778	($12,786)	($41,612)	($4,301)	$3,011	($10,307)	($91,073)	($45,902)	($34,133)	($32,166)	($23,843)
Adjusted to exclude the following:																			
Interest and other income, net	(79)	(329)	(536)	(429)	(613)	(889)	(58)	(379)	49	496	81	(529)	(134)	440	146	(105)	(146)	38	183
Provision for income taxes	59	59	59	62	998	410	154	(1,288)	189	93	196	(287)	144	1,059	(1,052)	112	539	47	(12)
Depreciation and amortization expense	2,592	2,692	2,832	2,998	3,187	3,378	3,671	4,043	4,378	4,350	4,395	4,641	4,658	5,028	5,587	6,370	6,911	7,694	8,342
Asset impairment charges	18,762	9	23	598	-	161	590	-	40	208	-	366	46	90	-	180	226	186	1,097
Stock-based compensation expense[1]	2	950	386	801	2,604	862	615	4,418	649	723	42,377	1,164	1,261	10,409	65,929	32,946	27,377	26,867	24,358
Non-cash charitable donation[2]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,757	-	-	3,270	-
Transaction costs[3]	-	-	-	-	-	-	-	-	-	-	-	-	278	4,091	23,893	-	-	-	-
Amortization of cloud-based software implementation costs[4]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	96
ERP implementation costs[5]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	170
Restructuring costs[6]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,535
Adjusted EBITDA	$5,472	$5,522	$2,511	($4,870)	$12,601	$7,972	$6,355	($5,062)	$8,083	($6,916)	$5,437	$1,054	$9,264	$10,810	$11,187	($6,399)	$774	$5,936	$11,926
Adjusted EBITDA margin	8.1%	8.3%	3.7%	(6.9%)	13.5%	9.0%	6.7%	(5.4%)	7.4%	(10.3%)	5.2%	0.9%	6.7%	8.2%	8.1%	(4.8%)	0.5%	4.0%	8.0%

(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, vesting of awards including the satisfaction of performance conditions, and the impact of repurchases of awards from employees. For the three and nine months ended September 30, 2022, the amount includes $0.1 million and $0.4 million of employer payroll costs, respectively, associated with releases of RSUs and option exercises. For the three and nine months ended September 30, 2021, the amount includes $1.6 million of employer payroll costs associated with releases of RSUs in connection with our direct listing.

(2) Represents charitable expense recorded in connection with the donation of 178,572 shares of Class A common stock to the Warby Parker Impact Foundation in each of August 2021 and May 2022.

(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.

(4) Represents the amortization of costs capitalized in connection with the implementation of cloud-based software.

(5) Represents internal and external non-capitalized costs related to the implementation of our new Enterprise Resource Planning ("ERP") system which is expected to be live in 2023.

(6) Represents employee severance and related costs for our restructuring plan that was executed in August 2022.

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:

	Three Months Ended September 30			Nine Months Ended September 30		
Unaudited, in thousands	2022	2021	2020	2022	2021	2020
Cost of goods sold	$64,359	$57,709	$40,111	$191,208	$166,407	$114,125
Adjusted to exclude the following:						
Stock-based compensation expense[1]	239	923	-	709	923	1
Adjusted cost of goods sold	$64,120	$56,786	$40,111	$190,499	$165,484	$114,124
Gross profit	$84,418	$79,664	$63,980	$260,411	$241,499	$166,756
Adjusted to exclude the following:						
Stock-based compensation expense[1]	239	923	-	709	923	1
Adjusted gross profit	$84,657	$80,587	$63,980	$261,120	$242,422	$166,757
Selling, general, and administrative expenses	$108,090	$171,643	$105,315	$349,904	$339,264	$217,271
Adjusted to exclude the following:						
Stock-based compensation expense[1]	24,119	65,006	42,377	77,894	76,676	43,748
Non-cash charitable donation[2]	-	7,757	-	3,270	7,757	-
Transaction costs[3]	-	23,893	-	-	28,262	-
Amortization of cloud-based software implementation costs[4]	96	-	-	96	-	-
ERP implementation costs[5]	170	-	-	170	-	-
Restructuring costs[6]	1,535	-	-	1,535	-	-
Adjusted selling, general, and administrative expenses	$82,170	$74,987	$62,938	$266,939	$226,569	$173,523
Net loss	($23,843)	($91,073)	($41,612)	($90,142)	($98,368)	($51,619)
Provision for income taxes	(12)	(1,052)	196	574	151	478
Loss before income taxes	(23,855)	(92,125)	(41,416)	(89,568)	(98,217)	(51,141)
Adjusted to exclude the following:						
Stock-based compensation expense[1]	24,358	65,929	42,377	78,603	77,599	43,749
Non-cash charitable donation [2]	-	7,757	-	3,270	7,757	-
Transaction costs[3]	-	23,893	-	-	28,262	-
Amortization of cloud-based software implementation costs[4]	96	-	-	96	-	-
ERP implementation costs[5]	170	-	-	170	-	-
Restructuring costs[6]	1,535	-	-	1,535	-	-
Adjusted provision for income taxes[4]	(690)	(1,542)	(272)	1,765	(4,355)	2,090
Adjusted net income (loss)	$1,614	$3,912	$689	($4,129)	$11,046	($5,302)
Less: undistributed adjusted net income attributable to participating securities	-	(1,648)	(340)	-	(5,221)	-
Adjusted net income (loss) attributable to common stock	$1,614	$2,264	$349	($4,129)	$5,825	($5,302)
Adjusted weighted average shares - diluted	115,844,962	69,189,226	59,515,607	114,681,893	63,717,358	52,818,555
Adjusted diluted earnings (loss) per share	$0.01	$0.03	$0.01	($0.04)	$0.09	($0.10)

(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, vesting of awards including the satisfaction of performance conditions, and the impact of repurchases of awards from employees. For the three and nine months ended September 30, 2022, the amount includes $0.1 million and $0.4 million of employer payroll costs, respectively, associated with releases of RSUs and option exercises. For the three and nine months ended September 30, 2021, the amount includes $1.6 million of employer payroll costs associated with releases of RSUs in connection with our direct listing.
(2) Represents charitable expense recorded in connection with the donation of 178,572 shares of Class A common stock to the Warby Parker Impact Foundation in each of August 2021 and May 2022.
(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.
(4) Represents the amortization of costs capitalized in connection with the implementation of cloud-based software.
(5) Represents internal and external non-capitalized costs related to the implementation of our new ERP system which is expected to be live in 2023.
(6) Represents employee severance and related costs for our restructuring plan that was executed in August 2022.
(7) The adjusted provision for income taxes is based on long-term estimated annual effective tax rates of 29.94% in 2022 and 28.28% in 2021. 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