This presentation includes forward-looking statements. Wayfair Inc. ("Wayfair" or the "Company") has based these forward-looking statements largely on its current expectations and projections about future events and financial trends affecting its business. Forward-looking statements should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking statements are based on information available at the date of this presentation and management’s good faith belief as of such date with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors that could cause such differences include, but are not limited to: our ability to acquire new customers, our ability to sustain and/or manage our growth, our ability to increase our net revenue per active customer, our ability to build and maintain strong brands and other factors discussed under “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in periodic filings with the Securities and Exchange Commission (the “SEC”). In addition, in this presentation, the words “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “expect,” “predict,” “potential” and similar expressions, as they relate to the Company, business and management, are intended to identify forward-looking statements. In light of these risks and uncertainties, the future events and circumstances discussed in this presentation may not occur, and actual results could differ materially from those anticipated or implied in the forward-looking statements. Forward-looking statements speak only as of the date of this presentation. You should not put undue reliance on any forward-looking statement. The Company assumes no obligation to update any forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting future performance or results, except to the extent required by applicable laws. If the Company updates one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements.
OUR MISSION

To transform the way people shop for their homes
A CLEAR ONLINE LEADER IN HOME GOODS

MASSIVE ONLINE CATALOG with over 7,000,000 home products
SUPPLIER DIRECT FULFILLMENT NETWORK connecting over 7,000 suppliers
$1,465 MILLION of LTM net revenue with minimal inventory
63% Q1 YoY GROWTH in direct retail, 52% total growth
• Founded as **CSN STORES** in 2002
• **BOOTSTRAPPED** for the first 9 years
• **FOUNDER-LED** since inception
• **REBRANDED AS WAYFAIR** in 2011
• **63% Q1 YoY DIRECT RETAIL GROWTH**; 52% total LTM growth
FIVE DISTINCT HOME BRANDS

Typical customer: 35 to 65 year old woman with an annual household income of $60,000 to $175,000
LARGE, HIGHLY FRAGMENTED MARKET MOVING ONLINE

Growth Potential of U.S. Home Goods Market

- 2013: $233
- 2023: $297
- $90 (15%-30%)
- $45
- $16 (7%)

**Millennials defined as individuals currently between the ages of 18 and 32. Based on 2013 data**

Source: Euromonitor for market size, comScore for online statistics, eMarketer for millennial statistics, Furniture Today

**Top 10 Retailers: Williams Sonoma, Ikea, Ashley’s, Berkshire Hathaway Companies, Rooms to Go, Pier 1, Restoration Hardware, Mattress Firm, Raymour & Flanigan, La-Z-Boy

Significant Upside in Online Penetration

2013 Online Penetration of Selected Verticals

- Home Goods: 7%
- Apparel: 15%
- Consumer Electronics: 54%

Of the 73 million millennials in the U.S., 29% buy essential goods online**

Total Furniture Sales by Retailer

- 2013: $233
- 100%
- 90%
- 80%
- 70%
- 60%
- 50%
- 40%
- 30%
- 20%
- 10%
- 0%
- Top 10
- Other

**Millennials defined as individuals currently between the ages of 18 and 32. Based on 2013 data**
WELL POSITIONED RELATIVE TO OTHER RETAILERS

High End ($175K+)
  - Restoration Hardware
  - Pottery Barn
  - Ethan Allen
  - Design Centers

Mass Market ($60K-$175K)
  - Wayfair
  - Target
  - Amazon
  - eBay
  - Home Depot
  - Homegoods
  - Lowe's
  - JCPenney
  - Macy's
  - Ashley Furniture
  - Bob's Discount Furniture
  - Havertys
  - Raymour & Flanigan
  - Rooms To Go

Low End ($60K)
  - Wayfair
  - Target
  - Amazon
  - eBay
  - Home Depot
  - Homegoods
  - Lowe's
  - JCPenney
  - Macy's
  - Ashley Furniture
  - Bob's Discount Furniture
  - Havertys
  - Raymour & Flanigan
  - Rooms To Go
We do not all sleep in the same style bed...

...but a lot of us own the same TV and view it as reassuring
Search Based Site

HOME IS SHOPPED VISUALLY
DIFFICULT TO INVENTORY

Home Category Example: Lighting

INDUSTRY SIZE: $7B

Source: 2013 data from Freedonia, Fisher International, Euromonitor

CPG Category Example: Paper Towels

INDUSTRY SIZE: $7B
REQUIRES CUSTOM-BUILT TECHNOLOGY AND OPERATIONAL PLATFORM

Technology Platform

- Proprietary and purpose built
- Real-time data, dynamic changes
- Personalization
- Mobile optimized
- Running at massive scale
- 300+ engineers / data scientists

Operational Platform

- Over 17 million orders since inception
- 2014 North America average time to ship of 2.2 days
- Extensive supplier integration and direct fulfillment network
- Proprietary transportation network
- Minimal inventory and capex
- 700+ customer service reps
PLATEFORM SHIFT TO MOBILE AMPLIFIES OPPORTUNITY

US eCommerce Mobile Sales ($B)\(^1\)

- 2013: $41
- 2018: $131

26.2% CAGR

Source: eMarketer as of 2014.

1 Includes impact of smartphones and tablets.

2 Direct Retail orders generated primarily through the sites of our five brands.

34% Direct Retail orders via mobile in Q1 2015\(^2\)

SIGNIFICANT OPPORTUNITY GOING FORWARD
INCREASING PERSONALIZATION DRIVES GROWTH AND REPEAT BEHAVIOR

Emails from 12/2; Ability to send 1M+ variations

“Prep for in-laws and overnight guests with holiday furniture for every room”

“Tikes’ top picks: Playroom furniture and toys by KidKraft”

“Purrr-fectly affordable finds for cats (and feline fans)”
TECHNOLOGY AND OPERATIONS ARE RUN AT SCALE: 1 DAY OF ORDERS
Active Customers\(^1\)  
(in thousands)  

<table>
<thead>
<tr>
<th></th>
<th>Q1 2014</th>
<th>Q1 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,410</td>
<td>3,597</td>
</tr>
</tbody>
</table>

\(^1\) Defined as customers who have purchased at least once on our brands’ sites during the preceding 12 month period.

Repeat Orders\(^2\)  
(as % of total orders)  

<table>
<thead>
<tr>
<th></th>
<th>Q1 2014</th>
<th>Q1 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>51%</td>
<td>54%</td>
</tr>
</tbody>
</table>

\(^2\) Defined as total orders delivered from repeat customers.

Advertising Spend  
($M)  

<table>
<thead>
<tr>
<th></th>
<th>LTM Q1’14</th>
<th>LTM Q1’15</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>133</td>
<td>205</td>
</tr>
</tbody>
</table>

Net Revenue  
($M)  

<table>
<thead>
<tr>
<th></th>
<th>LTM Q1’14</th>
<th>LTM Q1’15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Retail</td>
<td>$1,015</td>
<td>$1,465</td>
</tr>
<tr>
<td>Other</td>
<td>$779</td>
<td>$1,245</td>
</tr>
</tbody>
</table>

Ability to Invest in Merchandising, Marketing, Technology, and Operations

Brand Awareness

More Customers

7 million+ Home Products

More Repeat Purchases

Enables Strategic Investment

Fuels More Revenue

720.0x540.0
INVESTMENT IN ADVERTISING SPEND RESULTS IN HIGHER REVENUE/CUSTOMER...

- Customers acquired in more recent periods consistently spend more over time than customers acquired in older periods.
- For example in the 6th month post their initial order 2014 customers spent >2x 2011 customers.
...AND GROWING AWARENESS

Google Trends – Interest in “Wayfair” over time
Grew to 62% brand awareness since Wayfair launch in 2011

Source: Hanover Research

1 Aided Brand Awareness as of April 2014.
CUSTOMER ECONOMICS CONTINUE TO IMPROVE


Net Revenue / Active Customer

% Orders from Repeat Customers

Active Customers

$273 $278 $287 $300 $305 $313 $315 $322 $323 $332 $342 $342 $346

30.7% 35.2% 41.1% 40.2% 47.3% 48.0% 47.1% 46.8% 50.7% 51.6% 49.8% 50.3% 53.9%

3.60
CAPITAL EFFICIENT WITH MINIMAL INVENTORY

FCF Performance Consistently Better than Adjusted EBITDA

1 Average of last four quarters.
## Long Term Target Model

<table>
<thead>
<tr>
<th>Category</th>
<th>2013</th>
<th>2014</th>
<th>Q1 2015</th>
<th>Long-Term Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Revenue</strong></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Gross Margin</strong></td>
<td>24.5%</td>
<td>23.6%</td>
<td>24.2%</td>
<td>25 - 27%</td>
</tr>
<tr>
<td>Customer Service + Merchant Fees</td>
<td>3.9%</td>
<td>4.1%</td>
<td>3.7%</td>
<td>4%</td>
</tr>
<tr>
<td>Advertising</td>
<td>11.8%</td>
<td>14.5%</td>
<td>13.7%</td>
<td>6 - 8%</td>
</tr>
<tr>
<td>Merchandising, Marketing, and Sales</td>
<td>3.7%</td>
<td>3.9%</td>
<td>4.6%</td>
<td>2 - 3%</td>
</tr>
<tr>
<td>Operations, Technology, General &amp; Administrative</td>
<td>5.4%</td>
<td>5.9%</td>
<td>5.2%</td>
<td>3 - 4%</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>24.8%</td>
<td>28.4%</td>
<td>27.2%</td>
<td>15 - 19%</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>(0.3)%</td>
<td>(4.7)%</td>
<td>(2.9)%</td>
<td>8 - 10%</td>
</tr>
</tbody>
</table>

Note: Merchandising, Marketing, and Operations, Technology, General & Administrative have been adjusted to exclude equity-based compensation expenses and depreciation and amortization expense. See GAAP to Non-GAAP Reconciliation Appendix.
WELL DEFINED GROWTH STRATEGY

CONTINUE BUILDING LEADING RETAIL HOME BRANDS

• Acquire More Customers
• Invest in Consumer Experience
• Increase Repeat Purchasing
• Add New Suppliers
• Invest in Technology and Operations

ADDITIONAL GROWTH STRATEGIES

• Expand Internationally
• Pursue Strategic Acquisitions
• Opportunistically Launch New Brands
<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>Q1 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Loss</td>
<td>($15.526)</td>
<td>($148.098)</td>
<td>($27.136)</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>$13.091</td>
<td>$22.003</td>
<td>$6.744</td>
</tr>
<tr>
<td>Equity-Based Compensation</td>
<td>-</td>
<td>$63.244</td>
<td>$8.162</td>
</tr>
<tr>
<td>Interest Income, net</td>
<td>($0.245)</td>
<td>($0.350)</td>
<td>($0.264)</td>
</tr>
<tr>
<td>Other (Expense) Income, net</td>
<td>($0.294)</td>
<td>$0.489</td>
<td>$0.108</td>
</tr>
<tr>
<td>Taxes</td>
<td>$0.046</td>
<td>$0.175</td>
<td>$0.046</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>($2.928)</td>
<td>($62.537)</td>
<td>($12.340)</td>
</tr>
</tbody>
</table>
## RECONCILIATION OF FREE CASH FLOW
($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>Q1 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Cash Provided by Operating Activities, Net of Acquisition</td>
<td>$34.413</td>
<td>$11.692</td>
<td>($35.202)</td>
</tr>
<tr>
<td>Purchase of Property, Equipment and Leasehold Improvements</td>
<td>($6.739)</td>
<td>($39.422)</td>
<td>($12.051)</td>
</tr>
<tr>
<td>Site and Software Development Costs</td>
<td>($9.040)</td>
<td>($14.130)</td>
<td>($4.115)</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>$18.634</td>
<td>($41.860)</td>
<td>($51.368)</td>
</tr>
</tbody>
</table>
## Illustrative Customer Acquisition Cost

*(All units in 000s, except per customer figures)*

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Advertising Spend</td>
<td>$191,284</td>
</tr>
<tr>
<td>Assumed Partner Ad Spend</td>
<td>$24,300</td>
</tr>
<tr>
<td>Direct Retail Ad Spend</td>
<td>$166,984</td>
</tr>
<tr>
<td>Active Customers</td>
<td>3,217</td>
</tr>
<tr>
<td>Total Orders</td>
<td>5,237</td>
</tr>
<tr>
<td>% of Orders from Repeat Customers</td>
<td>50.5%</td>
</tr>
<tr>
<td>Implied “Gross” New Customers</td>
<td>2,590</td>
</tr>
<tr>
<td>Customer Acquisition Cost</td>
<td>$64</td>
</tr>
<tr>
<td>Annual Direct Retail Revenue per Customer</td>
<td>$342</td>
</tr>
<tr>
<td>Annual Contribution per Customer</td>
<td>$67</td>
</tr>
<tr>
<td>Contribution Margin</td>
<td>19.5%</td>
</tr>
</tbody>
</table>

**Notes:**
1. Assumes partner advertising spend is 11.18% of Other revenue as seen in the first six months of 2014 (as disclosed in our S-1).
2. Calculated as (1-Repeat Rate)*Total Orders.
3. Calculated as Direct Retail Ad Spend divided by Implied “Gross” New Customers.
4. Represents 2014 gross margin of 23.6% less an assumed 4.1% for customer service and processing fees.