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
- **INVENTORY-LIGHT MODEL** partnering with over 7,000 suppliers
- **FOUNDER-LED** since inception
- **$1,919 MILLION** of LTM net revenue with minimal inventory
- **91% Q3 YoY GROWTH** in direct retail, 77% total growth

![Graph showing revenue growth from 2002 to LTM with categories: Direct Retail, Other, 240+ Niche Websites, Platform Development, Brand Consolidation, Brand Building.]

- 2002
  - Direct Retail: $1,319
  - Other: $916

- 2003
  - Direct Retail: $517
  - Other: $601

- 2004
  - Direct Retail: $601
  - Other: $916

- 2005
  - Direct Retail: $916

- 2006
  - Direct Retail: $1,319

- 2007
  - Direct Retail: $1,919

- 2008
  - Direct Retail: $1,919

- 2009
  - Direct Retail: $1,919

- 2010
  - Direct Retail: $1,919

- 2011
  - Direct Retail: $1,919

- 2012
  - Direct Retail: $1,919

- 2013
  - Direct Retail: $1,919

- 2014
  - Direct Retail: $1,919

- LTM
  - Direct Retail: $1,919
FIVE DISTINCT HOME BRANDS

Typical customer: **35 to 65 year old woman** with an annual household income of **$50,000 to $250,000**

comScore **median HHI of $82,000**

wayfair.com | Joss & Main | ALL MODERN | Dwell Studio | BIRCH LANE
---|---|---|---|---
LARGE, HIGHLY FRAGMENTED MARKET MOVING ONLINE

Home Market Growth by Channel

<table>
<thead>
<tr>
<th>Year</th>
<th>Online (Billions)</th>
<th>Offline (Billions)</th>
<th>CAGR '15-'20</th>
<th>CAGR '20-'25</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$245</td>
<td>$225</td>
<td>2.5%</td>
<td>2.4%</td>
</tr>
<tr>
<td>2020</td>
<td>$277</td>
<td>$234</td>
<td>15.0%</td>
<td>15.0%</td>
</tr>
<tr>
<td>2025</td>
<td>$312</td>
<td>$226</td>
<td>0.9%</td>
<td>(0.6%)</td>
</tr>
</tbody>
</table>

Significant Upside in Online Penetration

Source: Euromonitor for market size, comScore for online penetration; Wayfair management estimates for projections of online penetration 2015-2025; eMarketer for millennial statistics

*Millenials defined as individuals currently between the ages of 19 and 33. Based on 2013 data.
HOME SHOPPERS DESIRE UNIQUENESS

Home Category Example: Lighting

INDUSTRY SIZE: $7B

Source: 2013 data from Freedonia, Fisher International, Euromonitor

CPG Category Example: Paper Towels

INDUSTRY SIZE: $7B
Most ecommerce shopping is done via branded search. This is not possible in home where brands are not known...

Leading Furniture and Home Décor Brands

... And consumers can’t describe what they are looking for
HOME IS LARGELY BROWSED NOT SEARCHED

Inspiring Imagery

Detailed Product Shots
WAYFAIR IS WELL POSITIONED RELATIVE TO OTHER RETAILERS...

High End
($175K+)

Mass Market
($60K-$175K)

Low End
($60K)

Design Centers

ALL MODERN

DwellStudio

BIRCH LANE

Joss & Main

wayfair.com

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wayfair.com
...AND THEREFORE GAINING MARKET SHARE

Estimated 2015 Online Home Décor and Furniture Sales

2015 Incremental Sales at 15% Growth Rate

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (US$ in Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014E</td>
<td>$18.0B</td>
</tr>
<tr>
<td>2015E</td>
<td>$18.0B</td>
</tr>
</tbody>
</table>

W Market Share at Q3’15 YoY Annualized Run-rate

<table>
<thead>
<tr>
<th>Market Share</th>
<th>Sales (US$ in Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wayfair</td>
<td>$1.0B</td>
</tr>
<tr>
<td>Others</td>
<td>$1.7B</td>
</tr>
</tbody>
</table>

Based on Q3’15 YoY growth of ~$260M Wayfair gained more than a 1/3 of 2015E online growth

Source: comScore 2015 e-commerce market growth; Wayfair management estimates for implied home furnishings 2014 and 2015 size and growth
SCALE ENABLES ONGOING INVESTMENT IN KEY AREAS: HEADCOUNT

- ~900 net new FTEs added 2015 YTD and nearly 1,700 since the beginning of 2014
- These employees augment existing business areas (e.g., customer service) but also help us build new revenue streams (e.g., registry, better onsite personalization)

Note: Totals may not match regulatory filings due to rounding.

(1) The expense related to a portion of the headcount in Technology are included in capitalized technology labor and therefore this growth in headcount will not correlate directly with future growth in labor expense.
SCALE ENABLES ONGOING INVESTMENT IN KEY AREAS: PRIVATE LABEL

• Partnering with suppliers to develop proprietary brands with exclusive products and no inventory
• Products are photographed and merchandized by Wayfair to create a curated brand experience across multiple aesthetics and price points
SCALE ENABLES ONGOING INVESTMENT IN KEY AREAS: ENGINEERING

Over 380 Engineers Today

Key Engineering Priorities:
• Personalization
• Product discovery
• Desktop/Mobile feature parity
• Product globalization

Business Platform

Warehouse Mgmt
Transportation
Marketing Platform
Pricing
Product Catalog
Order Mgmt
Financials
Infrastructure

Storefront Platform

Search
Stability & Performance
Mobile
Growth
Trust & Conversion
Frequency

• Logistics support
• Resiliency
• Tools for Trade and Premier customers
SCALE ENABLES ONGOING INVESTMENT IN KEY AREAS: LOGISTICS

- Proprietary large parcel delivery network allows us to deliver products from thousands of suppliers quickly, safely and efficiently
- End to end process management has reduced damage and delivery times
SCALE DRIVES POWERFUL NETWORKS EFFECTS

Active Customers\(^1\)
(in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Q3 2014</th>
<th>Q3 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>LTM Q3’14</td>
<td>2,858</td>
<td>4,591</td>
</tr>
</tbody>
</table>

Repeat Orders

<table>
<thead>
<tr>
<th></th>
<th>Q3 2014</th>
<th>Q3 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>LTM Q3’14</td>
<td>654</td>
<td>1,282</td>
</tr>
</tbody>
</table>

Advertising Spend ($M)

<table>
<thead>
<tr>
<th></th>
<th>LTM Q3’14</th>
<th>LTM Q3’15</th>
</tr>
</thead>
<tbody>
<tr>
<td>LTM Q3’14</td>
<td>173</td>
<td>245</td>
</tr>
</tbody>
</table>

Net Revenue ($M)

<table>
<thead>
<tr>
<th></th>
<th>LTM Q3’14</th>
<th>LTM Q3’15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Retail</td>
<td>$978</td>
<td>$1,206</td>
</tr>
<tr>
<td>Other</td>
<td>$227</td>
<td>$1,701</td>
</tr>
<tr>
<td>Total</td>
<td>$1,206</td>
<td>$1,919</td>
</tr>
</tbody>
</table>

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

Brand

More Customers

More Repeat Purchases

Net Revenue

Enables Strategic Investment

Fuels More Revenue

Ability to Invest in Merchandising, Marketing, Technology, and Operations
INVESTING IN ADVERTISING ACROSS MULTIPLE CHANNELS

- Three broad advertising channels - Online, TV and Direct Mail
- Online is the largest channel followed by TV and Direct Mail
- Strict adherence to channel derived ROIs

### Online
- Display
- Social
- Transactional

### TV

### Direct Mail
Most 2011 and 2012 customers first purchased before site rebranding.

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

Brand awareness has grown to 72% since Wayfair launch in 2011¹

- Tested TV Ads
- Began Ramping TV Ads
- Launched first magazine partnership with Coastal Living
- First HGTV integration launched with “Brother vs. Brother”
- All TV buying moved in-house

February 2012 to November 2015

Source: Hanover Research

¹ Aided Brand Awareness as of November 2015.
CUSTOMER ECONOMICS CONTINUE TO IMPROVE—STRONG CUSTOMER ACQUISITION

Net Revenue / Active Customer

ACTIVE CUSTOMERS (mil)

Q4 2012 $300
Q1 2013 $305
Q2 2013 $313
Q3 2013 $315
Q4 2013 $322
Q1 2014 $323
Q2 2014 $332
Q3 2014 $342
Q4 2014 $342
Q1 2015 $346
Q2 2015 $357
Q3 2015 $371

CUSTOMER ECONOMICS CONTINUE TO IMPROVE - STRONG CUSTOMER ACQUISITION
CUSTOMER ECONOMICS CONTINUE TO IMPROVE- GROWING REPEAT ORDERS

Orders from repeat customers ('000s)

Orders from new customers ('000s)

% Orders from Repeat Customers


243 263 337 416 549 561 524 654 850 53.9% 56.6% 55.2%
40.2% 47.1% 46.8% 50.7% 51.6% 49.8% 50.3% 56.6% 49.8% 50.3% 56.6%
CAPITAL EFFICIENT WITH MINIMAL INVENTORY

Minimal Inventory

- 2013: $916
- 2014: $1,319
- LTM: $1,991

Net Revenue: $15
Inventory: $20
Mean: $23

Capital Efficient

- Days Receivable: 1.5
- Days Payable: 38.5

FCF Performance Consistently Better than Adjusted EBITDA

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

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>Q1 2014</th>
<th>Q3 2015</th>
<th>Long-Term Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenue</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>24.5%</td>
<td>23.6%</td>
<td>23.5%</td>
<td>23.8%</td>
<td>25 - 27%</td>
</tr>
<tr>
<td>Customer Service + Merchant Fees</td>
<td>3.9%</td>
<td>4.1%</td>
<td>3.9%</td>
<td>3.5%</td>
<td>4%</td>
</tr>
<tr>
<td>Advertising</td>
<td>11.8%</td>
<td>14.5%</td>
<td>15.9%</td>
<td>11.9%</td>
<td>6 - 8%</td>
</tr>
<tr>
<td>Merchandising, Marketing, and Sales</td>
<td>3.7%</td>
<td>3.9%</td>
<td>4.1%</td>
<td>4.0%</td>
<td>2 - 3%</td>
</tr>
<tr>
<td>Operations, Technology, General &amp; Administrative</td>
<td>5.4%</td>
<td>5.9%</td>
<td>6.6%</td>
<td>4.7%</td>
<td>3 - 4%</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>24.8%</td>
<td>28.4%</td>
<td>30.4%</td>
<td>24.1%</td>
<td>15 - 19%</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>(0.3%)</td>
<td>(4.7%)</td>
<td>(7.0%)</td>
<td>(0.2%)</td>
<td>8 - 10%</td>
</tr>
</tbody>
</table>

Note: Cost of Goods Sold, 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.
CONTINUE BUILDING LEADING RETAIL HOME BRANDS

- Grow active customer base
- Increase repeat behavior
- Invest in product/technology to further improve the customer experience
- Enhance logistics infrastructure for faster and higher quality customer delivery experience
- Invest in and grow international business
## RECONCILIATION OF ADJUSTED EBITDA
($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>Q3 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Loss</td>
<td>($15.526)</td>
<td>($148.098)</td>
<td>($15.478)</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>$13.091</td>
<td>$22.003</td>
<td>$9.207</td>
</tr>
<tr>
<td>Equity-Based Compensation</td>
<td>-</td>
<td>$63.244</td>
<td>$7.985</td>
</tr>
<tr>
<td>Interest Income, net</td>
<td>($0.245)</td>
<td>($0.350)</td>
<td>($0.325)</td>
</tr>
<tr>
<td>Other (Income) Expense, net</td>
<td>($0.294)</td>
<td>$0.489</td>
<td>($2.746)</td>
</tr>
<tr>
<td>Taxes</td>
<td>$0.046</td>
<td>$0.175</td>
<td>($0.088)</td>
</tr>
<tr>
<td></td>
<td>2013</td>
<td>2014</td>
<td>Q3 2015</td>
</tr>
<tr>
<td>-----------------------------------------------------------------</td>
<td>------------</td>
<td>------------</td>
<td>------------</td>
</tr>
<tr>
<td>Net Cash Provided by Operating Activities, Net of Acquisition</td>
<td>$34.413</td>
<td>$11.692</td>
<td>$51.504</td>
</tr>
<tr>
<td>Purchase of Property, Equipment and Leasehold Improvements</td>
<td>($6.739)</td>
<td>($39.422)</td>
<td>($11.491)</td>
</tr>
<tr>
<td>Site and Software Development Costs</td>
<td>($9.040)</td>
<td>($14.130)</td>
<td>($4.681)</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>$18.634</td>
<td>($41.860)</td>
<td>$35.332</td>
</tr>
</tbody>
</table>
REVENUE GROWTH INCREASING WHILE AD SPEND % DECREASING

YoY Net Revenue Growth vs. Ad Spend %

- YoY Net Revenue Growth
- Ad Spend as a % of Net Revenue
## 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 (1)</td>
<td>$24,300</td>
</tr>
<tr>
<td>Direct Retail Ad Spend</td>
<td>$166,984</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<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 (2)</td>
<td>2,590</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Acquisition Cost (3)</td>
<td>$64</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Direct Retail Revenue per Customer</td>
<td>$342</td>
</tr>
<tr>
<td>Annual Contribution per Customer (4)</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.