This presentation contains forward-looking statements. All statements other than statements of historical fact contained in this presentation, including statements regarding our future results of operations and financial position, business strategy and plans and objectives of management for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these terms or other similar expressions.

Forward-looking statements are based on current expectations of future events. We cannot guarantee that any forward-looking statement will be accurate, although we believe that we have been reasonable in our expectations and assumptions. Investors should realize that if underlying assumptions prove inaccurate or that known or unknown risks or uncertainties materialize, actual results could vary materially from the Company’s expectations and projections. Investors are therefore cautioned not to place undue reliance on any forward-looking statements. These forward-looking statements speak only as of the date of this presentation and, except as required by applicable law, we undertake no obligation to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events or otherwise.

Factors that could cause or contribute to differences in our future results include, but are not limited to: economic factors, such as interest rates and currency exchange fluctuations; our ability to acquire new customers and retain existing customers; our ability to sustain and/or manage our growth; our ability to increase our net revenue per active customer; and our ability to build and maintain strong brands. A further list and description of these risks, uncertainties and other factors can be found under Part I, Item 1A, Risk Factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 and the Company’s subsequent filings with the Securities and Exchange Commission. We qualify all of our forward-looking statements by these cautionary statements.
Our Mission

To transform the way people shop for their homes
MASSIVE ONLINE CATALOG with over 8,000,000 home products
INVENTORY-LIGHT MODEL partnering with over 10,000 suppliers
FOUNDER-LED since inception; co-founders own significant equity
$3.38 BILLION of annual net revenue with minimal inventory
40% Q4 YoY GROWTH in direct retail, 33% total growth
Large, Highly Fragmented Market Moving Online

US Home Market Growth by Channel

<table>
<thead>
<tr>
<th>Year</th>
<th>Online (Billions)</th>
<th>Offline (Billions)</th>
<th>Total (Billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$27</td>
<td>$242</td>
<td>$269</td>
</tr>
<tr>
<td>2020</td>
<td>$48</td>
<td>$268</td>
<td>$316</td>
</tr>
<tr>
<td>2025</td>
<td>$96</td>
<td>$291</td>
<td>$386</td>
</tr>
</tbody>
</table>

CAGR

<table>
<thead>
<tr>
<th>Period</th>
<th>Home Goods</th>
<th>Apparel</th>
<th>Consumer Electronics</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016-20</td>
<td>9%</td>
<td>20%</td>
<td>35%</td>
</tr>
<tr>
<td>2020-25</td>
<td>15.0%</td>
<td>15.0%</td>
<td></td>
</tr>
</tbody>
</table>

Significant Upside in Online Penetration

Estimated Online Penetration of Selected Verticals

- Home Goods: 9%
- Apparel: 20%
- Consumer Electronics: 35%

Millennials Beginning to Enter Our Target Demo

Illustrative Distribution of Home Goods Customers by Age

- Millennials: Age 21 - 34
- Age 35
- Age 65

Source: Euromonitor for market size and penetration, Wayfair estimates for growth 2015-2025
Home Is Largely Browsed...
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
Unlike Other Retail Categories, Home Shoppers Desire Uniqueness

CPG Category Example: Paper Towels

VS.

Home Category Example: Lighting
Our typical customer: **35 to 65 year old woman** with annual household income of **$50k to $250k**; comScore **median household income of $82k**
Five Distinct Home Sites Each with Unique Brand Identity

**wayfair.com**
Est. 2011
An online destination for all things home

**Joss & Main**
Est. 2011
Where beautiful furniture and finds meet irresistible savings

**ALLMODERN**
Est. 2006
Your home for affordable modern design

**BIRCH LANE**
Est. 2014
A collection of classic furnishings and timeless home décor

**DwellStudio**
Acq. 2013
A design house with a decidedly modern vibe
Brand Awareness Has Grown to 81% Since Wayfair Brand Launch in 2011

- 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

Source: Qualtrics
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
- Proprietary advertising technology stack

<table>
<thead>
<tr>
<th>Online</th>
<th>TV</th>
<th>Direct Mail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Display</td>
<td>Social</td>
<td>Transactional</td>
</tr>
</tbody>
</table>

- Online:
  - Display
  - Social
  - Transactional

- TV:

- Direct Mail:

UP TO 70% OFF Everything Home
Award-Winning, In-House Customer Service Organization

- Over 1,400 customer service employees located in the US and Ireland
- Winner of multiple awards for best retail customer service
- Specialists with deeper expertise and training for select areas of the catalog, such as lighting, flooring and upholstery
Proprietary Software Powers Key Parts of Our Business

- Company culture deeply rooted in technology and data
- Over 1,000 engineers and data scientists
- Becoming employer of choice for engineering and developer talent in Boston

Examples of Proprietary Technology

**Ad Tech Stack**
- Keyword Search and Retargeting Bidding
- Campaign Management
- Measurement and Analytics

**Storefront**
- Product Discovery
- Stability and Performance
- Desktop and Mobile
- Personalization
- Conversion
- Product Globalization

**Business Operations**
- Warehouse Mgmt
- Transportation
- Product Catalog
- Pricing
- Infrastructure
- Order Mgmt
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 styles and price points, enabling customers to more easily discover the products they are looking for.
Investing in New Categories to Grow Share of Wallet

- ~$45 billion US addressable market
- Focused on the finished areas of plumbing, lighting, flooring that our customer chooses herself

**Home Improvement**

- ~$5 billion US wedding registry market and $25 billion US housewares market
- Opportunity to capture millennials as they enter key age for buying home goods

**Wedding Registry & Housewares**

- Other category investment areas include mattresses, seasonal décor, and decorative accents
Large Incremental Addressable Markets in Canada, UK & Germany

- Europe total addressable market approximately equal to North America
- Localized Wayfair sites currently live in Canada, the United Kingdom and Germany
- Fragmented markets with no real online market leader; competitive landscape similar to US
3D Models Enable Visual Imagery and Exciting Future A/R Applications

- 3D images allow for inspiring visual imagery without the expense of product samples and physical photo studios
- Experimenting with augmented reality applications using Wayfair app on Tango enabled smartphones
Home Category Characterized by Heavy, Bulk, and Damage-Prone Items

**Average Wayfair Small Parcel Item**
- ~30 pounds
- ~3 cubic feet

**Average Wayfair Large Parcel Item**
- ~80 pounds
- ~22 cubic feet
Proprietary Logistics Network Purpose-Built for the Home Category

- Traditional drop-ship network leverages technology integration into supplier warehouses
- CastleGate warehouses forward-position supplier inventory to create very fast delivery for small parcel (1 – 2 day) and large parcel (1 week plus)
- Wayfair Delivery Network (WDN) directly manages Wayfair’s large parcel deliveries via consolidation centers, cross docks and last mile home delivery facilities, thereby speeding up deliveries, reducing damage and improving the customer delivery experience

CastleGate and Wayfair Delivery Network (WDN) Locations
Traditional Drop Ship Model for Small Parcel Example

SUPPLIER WAREHOUSE IN SOUTHERN CALIFORNIA

FEDEX / UPS

END CUSTOMER IN NEW YORK

6-8 total touches, 4 – 5 day delivery time

CastleGate for Small Parcel Example¹

CASTLEGATE WAREHOUSE IN KENTUCKY

WAYFAIR DEDICATED TRANSPORTATION

FEDEX / UPS

END CUSTOMER IN NEW YORK

• Pre-sorting at CastleGate warehouse

• Wayfair builds dedicated trailer for destination hubs

2 -4 total touches, 1 -2 day delivery time

1. Large parcel shipments can also go out of CastleGate but would use WDN instead of FedEx / UPS for last mile
Wayfair Delivery Network (WDN) for Large Parcel Deliveries

- Wayfair Delivery Network (WDN) describes several areas of our large parcel network where we are taking direct operating control instead of relying on contracted third party operators.
- Enables schedule in cart, faster delivery speeds, increased customer satisfaction, reduced damage and costs.
- By end of 2017, expect to have 90% of large parcel shipments flowing through Wayfair-controlled “middle mile” and Wayfair last mile delivery facilities covering 60% of US population.

**Traditional Drop Ship Model for Large Parcel Example**

SUPPLIER WAREHOUSE IN SOUTHERN CALIFORNIA → 3RD PARTY CARRIERS TRAVELING LESS THAN TRUCKLOAD (MULTIPLE STOPS AND CARRYING NON-WAYFAIR PRODUCTS) → 3RD PARTY LAST MILE DELIVERY AGENT → END CUSTOMER IN NEW YORK

6-8 total touches, 2 – 3 week delivery time

**Wayfair Delivery Network (WDN) Example**

SUPPLIER WAREHOUSE IN SOUTHERN CALIFORNIA → WAYFAIR CONSOLIDATION CENTER & CROSS DOCKS → FULL TRUCKLOAD TRANSPORTATION (ONLY WAYFAIR PRODUCTS) → WAYFAIR LAST MILE DELIVERY AGENT (MAJOR MARKETS) OR 3RD PARTY (OTHER AREAS) → END CUSTOMER IN NEW YORK

3 -4 total touches, 1+ week delivery time
Wayfair Delivery Network (WDN) for Large Parcel Deliveries

- Wayfair employees inside the four walls of the last mile home delivery facility; highly trained drivers running trucks out to the customer’s home
- Feedback loop and incentives consistent with our brand, including bonuses based on the NPS score provided by the customer post-delivery
Wayfair.com Annual Cohort Performance as of 12/31/16

- Each cohort line is a function of the percent of customers in the cohort who make repeat purchases and how much these repeating customers spend.
- Cohort lines show a steady tail of repeating revenue.
- Newer cohorts have higher revenue yield per customer due to improvements in Wayfair site, selection, merchandising and delivery since early days of Wayfair brand in 2011.

Note on Methodology: First data point in chart is 31-60 days after the customer’s initial purchase. Cohort numerator includes revenue (indexed) from cohort customers in all future periods with at least 4 cohort data points through 12/31/16.
Customer Economics Continue to Improve: Strong Customer Acquisition

Direct Retail Net Revenue / Active Customer

Active Customers (mil)

Q1'13 | Q2'13 | Q3'13 | Q4'13 | Q1'14 | Q2'14 | Q3'14 | Q4'14 | Q1'15 | Q2'15 | Q3'15 | Q4'15 | Q1'16 | Q2'16 | Q3'16 | Q4'16

$305 | $313 | $315 | $322 | $323 | $332 | $342 | $342 | $346 | $357 | $371 | $381 | $392 | $404 | $406 | $395

1.37 | 1.51 | 1.77 | 2.09 | 2.41 | 2.64 | 2.86 | 3.22 | 3.60 | 4.04 | 4.59 | 5.36 | 6.07 | 6.67 | 7.36 | 8.25

Direct Retail Net Revenue / Active Customer

Active Customers (mil)
Customer Economics Continue to Improve: Growing Repeat Orders

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Orders from Repeat Customers ('000s)</th>
<th>Orders from New Customers ('000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1'13</td>
<td>263</td>
<td>337</td>
</tr>
<tr>
<td>Q2'13</td>
<td>416</td>
<td>468</td>
</tr>
<tr>
<td>Q3'13</td>
<td>549</td>
<td>560</td>
</tr>
<tr>
<td>Q4'13</td>
<td>577</td>
<td>524</td>
</tr>
<tr>
<td>Q1'14</td>
<td>654</td>
<td>659</td>
</tr>
<tr>
<td>Q2'14</td>
<td>846</td>
<td>829</td>
</tr>
<tr>
<td>Q3'14</td>
<td>968</td>
<td>952</td>
</tr>
<tr>
<td>Q4'14</td>
<td>1,109</td>
<td>1,042</td>
</tr>
<tr>
<td>Q1'15</td>
<td>1,282</td>
<td>1,042</td>
</tr>
<tr>
<td>Q2'15</td>
<td>1,678</td>
<td>1,142</td>
</tr>
<tr>
<td>Q3'15</td>
<td>1,697</td>
<td>1,337</td>
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<tr>
<td>Q4'15</td>
<td>1,943</td>
<td>1,243</td>
</tr>
<tr>
<td>Q1'16</td>
<td>1,943</td>
<td>1,473</td>
</tr>
<tr>
<td>Q2'16</td>
<td>2,739</td>
<td>1,473</td>
</tr>
<tr>
<td>Q3'16</td>
<td>1,983</td>
<td></td>
</tr>
<tr>
<td>Q4'16</td>
<td>2,739</td>
<td></td>
</tr>
</tbody>
</table>

- % Orders from Repeat Customers:
  - Q1'13: 47.3%
  - Q2'13: 48.0%
  - Q3'13: 47.1%
  - Q4'13: 46.8%
  - Q1'14: 50.7%
  - Q2'14: 51.6%
  - Q3'14: 49.8%
  - Q4'14: 50.3%
  - Q1'15: 53.9%
  - Q2'15: 56.6%
  - Q3'15: 55.2%
  - Q4'15: 54.3%
  - Q1'16: 55.4%
  - Q2'16: 57.6%
  - Q3'16: 56.9%
  - Q4'16: 58.0%
FCF Performance Consistently Better than Adjusted EBITDA

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Revenue ($M)</th>
<th>Inventory ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$916</td>
<td>$15</td>
</tr>
<tr>
<td>2014</td>
<td>$1,319</td>
<td>$20</td>
</tr>
<tr>
<td>2015</td>
<td>$2,250</td>
<td>$20</td>
</tr>
<tr>
<td>2016</td>
<td>$3,380</td>
<td>$19</td>
</tr>
</tbody>
</table>

Days Receivable: 1.6

Days Payable: 42.0

1 Average of last four quarters.
<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>Q4’ 16</th>
<th>Long-Term Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Long-Term Target Model</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td><strong>Net Revenue</strong></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Gross Margin</strong></td>
<td>23.6%</td>
<td>24.0%</td>
<td>24.0%</td>
<td>24.4%</td>
<td>25 - 27%</td>
</tr>
<tr>
<td>Customer Service +</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Merchant Fees</td>
<td>4.1%</td>
<td>3.6%</td>
<td>3.7%</td>
<td>3.7%</td>
<td>4%</td>
</tr>
<tr>
<td>Advertising</td>
<td>14.5%</td>
<td>12.4%</td>
<td>12.1%</td>
<td>11.8%</td>
<td>6 - 8%</td>
</tr>
<tr>
<td>Merchandising, Marketing,</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>and Sales</td>
<td>3.9%</td>
<td>4.0%</td>
<td>4.5%</td>
<td>4.1%</td>
<td>2 - 3%</td>
</tr>
<tr>
<td>Operations, Technology,</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General &amp; Administrative</td>
<td>5.9%</td>
<td>4.9%</td>
<td>6.2%</td>
<td>6.1%</td>
<td>3 - 4%</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>28.4%</td>
<td>24.8%</td>
<td>26.6%</td>
<td>25.6%</td>
<td>15 - 19%</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>(4.7%)</td>
<td>(0.7%)</td>
<td>(2.6%)</td>
<td>(1.2%)</td>
<td>8 - 10%</td>
</tr>
</tbody>
</table>

*2016 US ad spend leverage muted by investment in international
Note: All expense line items exclude equity based compensation and depreciation and amortization
Key Strategic Priorities

• Continue building our leading retail home brands
• Grow active customer base
• Increase repeat purchasing
• Continue scaling depth, breadth and penetration of our house brands
• Invest in product/technology to further improve the customer experience
• Grow newer categories such as home improvement and housewares
• Enhance logistics infrastructure for faster and higher quality customer delivery experience
• Invest in and grow international business
• Opportunistically pursue strategic acquisitions
Appendix
2016 represents our fifteenth year since we started this business in 2002. As we reflect back on the values, investments and people that got us here, we could not be more proud of our evolution into the Wayfair of today. In 2016, we reached $3.4 billion of net revenue, grew active customers to 8.3 million, reached 81% aided brand awareness in the U.S. today, grew our international Direct Retail revenue by 180% year over year, and scaled our logistics network from 1 million to 5 million square feet. As we look forward to the next fifteen years of growth, we see even more opportunity to lead the way in bringing shopping for home goods online, and we will do it by staying true to - and building on - the core values that brought us here.

**We want everyone to live in a home they love.**

We believe that the long-term success of our business rests on our ability to delight and serve our customer. In the home category, delighting our customer means making home decorating fun, approachable and easy. By offering a vast array of over eight million products, we provide our customer with the selection she desires, and we use technology and our strong visual merchandising to help her quickly zero in on the exact item that meets her needs and matches her style. We feature beautiful lifestyle photography to inspire her, and we offer her design ideas to help her complete her look. We also provide Idea Boards, where she can easily flag "wish list" items for her home, as well as customer reviews and photos so she can see how things look and work in real life. We believe that home items - both shopping for them, and the process of bringing them home - are vastly different from other retail categories. Therefore, a business focused just on the home category, as we are, is necessary to deliver an outstanding shopping experience.

We believe that the whole experience should be easy, and that is why we are fixated on providing a superior customer service and home delivery experience. That experience is supported by over 1,400 highly trained Wayfair employees, who are available day and night via phone, email and online chat to answer questions and resolve issues. We care more about what our customers think than winning awards, but we are honored that our customer service organization has recently been recognized with 3 awards for excellent customer service. We also do a lot of work on the logistics to ensure that the customer has a good delivery experience that is both fast and damage-free. In 2016, we began taking more direct control of meaningful aspects of our logistics network and forward-positioning supplier inventory in our CastleGate warehouses. These steps enable more next-day and 2-day deliveries and further reduce damage - a huge advantage in the home category, where items can be large, heavy and difficult to deliver.

Focusing on what the customer wants makes for happy, satisfied shoppers. We believe this is what will ensure we remain top of mind the next time our customer thinks about buying something for their home - tomorrow, next week, and next year.
We take the long view.

In business circles, and especially in large and growing companies, employees are often advised to "think like an owner." As co-founders who remain significant shareholders today, that is a phrase we have always taken to heart. That ethos has informed our decisions to make investments that may seem complicated, overly ambitious or costly in the short run, but that have big potential payoffs over time. From day one, for example, we committed to investing in our own proprietary technology and running our customer service operation in-house. And over the course of the next fifteen years, we continued to make bold, sometimes unconventional decisions that led us to significant growth. In late 2011, for example, almost a decade after starting the company, we decided to take a $500 million revenue business and effectively abandon it by shuttering the CSN Stores micro-sites and launching the Wayfair brand. Today, the Wayfair brand is a multibillion revenue business with 81% aided awareness in the United States. More recently, it was scaling our international business, which we believe will allow us to access an additional addressable market of more than $300 billion in Canada and Europe. Similarly, ramping our CastleGate warehouses and building out our large parcel proprietary logistics network, WDN, requires significant investment, but we believe the payoff will come over time in customer satisfaction and higher sales conversion, as well as reduced damage and lower transportation costs. The beauty of focusing on the long view is that we and our customer can all win together.

We stick to our tight focus on the home category, and we pursue these strategic initiatives "to the nth degree," including developing customized software where it makes sense. The ramp-up phase of these strategic initiatives can be long and costly, and can require large-scale upfront investment in talent and infrastructure to do it right. To ensure we are advancing toward our return on investment targets as we go, we rigorously track quantitative metrics, including everything we can concerning cost, progress, customer behavior, customer satisfaction, and any other kind of customer insight.

We are ready for the massive shift ahead.

Only approximately 9% of the total $270 billion home goods category in the U.S is sold online today. We have seen the market for online home goods grow at approximately 15% for the last few years, significantly outpacing the growth of brick-and-mortar home retail, and therefore increasing the online penetration of the market. If the online home category continues to grow at 15% for the next ten years, that would put approximately $80 billion of consumer spend up for grabs as the industry moves online. We intend to take a meaningful share of that $80 billion, and we believe we are well-positioned to do so given our growing brand awareness and the outstanding customer experience we offer every day.
We are also taking steps to make it even easier to "shop for your home from your home" by leveraging exciting augmented-reality applications that allow the customer to see how an item would actually look in her very own living room via her mobile phone.

But there is even more change afoot. If you consider the impact of millennials, the opportunity we are going after is even larger. There are 70 million millennials aged 21 to 34 in the U.S., and they are more comfortable than previous generations making purchases online. More importantly, they are about to age into our demographic group since home becomes very important as one goes through the life stage changes tied to getting married, buying a home and starting a family.

Even without the potential future impact of augmented reality and millennials, we believe we more than doubled the size of our addressable market by entering Canada and Europe.

**We do the most by working with the best.**

The biggest differentiator between companies is the people working in them (in truth it is really the only differentiator). We look to hire people who are incredibly bright, quantitative, team-oriented and innately ambitious. We believe that coupling data and transparency with strong acumen and collaboration is the key to good decision-making and rapid execution. Our employees must feel comfortable pushing the envelope, and sometimes failing, because you win by trying more things, even when you know you will have the occasional failure. From the failure you can learn a lot and put it to work again that same day.

The success we have enjoyed has allowed us to attract amazing people to work at our company. To support our growth and undertake our new initiatives, we increased the size of our team by almost 50% in 2016. We have hired across the board in customer service, warehousing, operations, engineering, marketing and merchandising, and have promoted from within while also bringing in amazing external talent. As we grow, we are working hard to protect and further the culture that has brought us our success to date and extend it from Boston to new locations like Berlin and Bangor.

To us, 2016 showcases what we have been building for the last fifteen years. It is hard to believe, but we are actually more excited today about our prospects and the opportunity ahead than we were fifteen years ago.

- Niraj Shah & Steve Conine, Co-Founders
## Segment Adjusted EBITDA ($ in Millions)

<table>
<thead>
<tr>
<th></th>
<th>Q1'15</th>
<th>Q2'15</th>
<th>Q3'15</th>
<th>Q4'15</th>
<th>2015</th>
<th>Q1'16</th>
<th>Q2'16</th>
<th>Q3'16</th>
<th>Q4'16</th>
<th>2016</th>
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</thead>
<tbody>
<tr>
<td><strong>US Direct Net Revenue</strong></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US Other Net Revenue</td>
<td>49.3</td>
<td>46.4</td>
<td>44.4</td>
<td>50.1</td>
<td>190.1</td>
<td>33.2</td>
<td>30.3</td>
<td>28.1</td>
<td>25.5</td>
<td>117.1</td>
</tr>
<tr>
<td>Total US Net Revenue</td>
<td>400.6</td>
<td>464.7</td>
<td>566.2</td>
<td>704.0</td>
<td>2,135.5</td>
<td>705.9</td>
<td>732.7</td>
<td>787.8</td>
<td>884.1</td>
<td>3,110.5</td>
</tr>
<tr>
<td><strong>YoY Direct Growth</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>YoY Other Growth</strong></td>
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<tr>
<td><strong>YoY Total Growth</strong></td>
<td></td>
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</tr>
<tr>
<td><strong>US Adjusted EBITDA</strong></td>
<td>(3.9)</td>
<td>7.1</td>
<td>9.9</td>
<td>17.9</td>
<td>31.0</td>
<td>(1.0)</td>
<td>(2.9)</td>
<td>(7.9)</td>
<td>12.0</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Margin</strong></td>
<td>-1.0%</td>
<td>1.5%</td>
<td>1.8%</td>
<td>2.5%</td>
<td>1.5%</td>
<td>-0.1%</td>
<td>-0.4%</td>
<td>-1.0%</td>
<td>1.4%</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>International Direct Net Revenue</strong></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>International Other Net Revenue</td>
<td>5.7</td>
<td>5.1</td>
<td>4.6</td>
<td>4.2</td>
<td>19.6</td>
<td>2.3</td>
<td>1.0</td>
<td>1.0</td>
<td>0.0</td>
<td>4.3</td>
</tr>
<tr>
<td>Total International Net Revenue</td>
<td>23.8</td>
<td>27.1</td>
<td>27.7</td>
<td>35.8</td>
<td>114.4</td>
<td>41.4</td>
<td>54.3</td>
<td>73.7</td>
<td>100.5</td>
<td>269.9</td>
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<tr>
<td><strong>YoY Direct Growth</strong></td>
<td></td>
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<tr>
<td><strong>YoY Other Growth</strong></td>
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</tr>
<tr>
<td><strong>YoY Total Growth</strong></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>International Adjusted EBITDA</strong></td>
<td>(8.4)</td>
<td>(12.1)</td>
<td>(11.4)</td>
<td>(15.1)</td>
<td>(46.9)</td>
<td>(19.9)</td>
<td>(21.9)</td>
<td>(23.0)</td>
<td>(24.0)</td>
<td>(88.9)</td>
</tr>
<tr>
<td><strong>Margin</strong></td>
<td>-35.3%</td>
<td>-44.5%</td>
<td>-41.0%</td>
<td>-42.2%</td>
<td>-41.0%</td>
<td>-48.1%</td>
<td>-40.4%</td>
<td>-31.2%</td>
<td>-23.9%</td>
<td>-32.9%</td>
</tr>
</tbody>
</table>
# Reconciliation of Adjusted EBITDA ($ in Millions)

<table>
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<tr>
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</thead>
<tbody>
<tr>
<td><strong>Net Loss</strong></td>
<td>($148.1)</td>
<td>($77.4)</td>
<td>($194.4)</td>
<td>($15.5)</td>
<td>($44.0)</td>
</tr>
<tr>
<td><strong>Depreciation and Amortization</strong></td>
<td>$22.0</td>
<td>$32.4</td>
<td>$55.6</td>
<td>$9.1</td>
<td>$17.0</td>
</tr>
<tr>
<td><strong>Equity-Based Compensation¹</strong></td>
<td>$63.2</td>
<td>$33.0</td>
<td>$52.0</td>
<td>$9.7</td>
<td>$14.7</td>
</tr>
<tr>
<td><strong>Interest (Income) Expense, net</strong></td>
<td>($0.4)</td>
<td>($1.3)</td>
<td>($0.7)</td>
<td>($0.4)</td>
<td>$0.1</td>
</tr>
<tr>
<td><strong>Other Expense (Income), net</strong></td>
<td>$0.5</td>
<td>($2.7)</td>
<td>($1.8)</td>
<td>($0.2)</td>
<td>$0.0</td>
</tr>
<tr>
<td><strong>Taxes</strong></td>
<td>$0.2</td>
<td>$0.1</td>
<td>$0.6</td>
<td>$0.1</td>
<td>$0.0</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>($62.5)</td>
<td>($15.9)</td>
<td>($88.7)</td>
<td>$2.8</td>
<td>($12.0)</td>
</tr>
</tbody>
</table>

¹ Includes related taxes
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Cash Provided by Operating Activities</td>
<td>$4.1</td>
<td>$135.1</td>
<td>$62.8</td>
<td>$90.4</td>
<td>$73.5</td>
</tr>
<tr>
<td>Purchase of Property and Equipment</td>
<td>($31.9)</td>
<td>($44.6)</td>
<td>($96.7)</td>
<td>($8.0)</td>
<td>($14.9)</td>
</tr>
<tr>
<td>Site and Software Development Costs</td>
<td>($14.1)</td>
<td>($17.5)</td>
<td>($31.4)</td>
<td>($4.4)</td>
<td>($9.9)</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>($41.9)</td>
<td>$72.9</td>
<td>($65.3)</td>
<td>$78.0</td>
<td>$48.7</td>
</tr>
</tbody>
</table>
Headcount Summary

- Total headcount of 5,636; 27 net new FTEs in Q4 2016
- These employees augment existing business areas (e.g., customer service) but also help us build new revenue streams (e.g., international, new product and service offerings)

Note: Totals may not match regulatory filings due to rounding. The expense related to a portion of the headcount in Technology is included in capitalized software development costs.

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Total Headcount</td>
<td>= 50 FTEs</td>
<td></td>
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</tr>
</tbody>
</table>

= 50 FTEs
### Illustrative Customer Acquisition Cost

*(All units in millions, except per customer figures)*

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Advertising Spend</td>
<td>$409.1</td>
</tr>
<tr>
<td>Assumed Partner Ad Spend (1)</td>
<td>$11.0</td>
</tr>
<tr>
<td>Direct Retail Ad Spend</td>
<td>$398.1</td>
</tr>
<tr>
<td>Active Customers</td>
<td>8.25</td>
</tr>
<tr>
<td>Total Orders</td>
<td>14</td>
</tr>
<tr>
<td>% of Orders from Repeat Customers</td>
<td>57.1%</td>
</tr>
<tr>
<td>Implied New Customers (2)</td>
<td>6.04</td>
</tr>
<tr>
<td>Customer Acquisition Cost (3)</td>
<td>$66</td>
</tr>
<tr>
<td>Annual Direct Retail Revenue per Customer</td>
<td>$395</td>
</tr>
<tr>
<td>Annual Contribution per Customer (4)</td>
<td>$79</td>
</tr>
<tr>
<td>Contribution Margin</td>
<td>20.0%</td>
</tr>
</tbody>
</table>

**Notes:**
1. Retail partner fees disclosed in the 10K
2. Calculated as *(1% of Orders from Repeat Customers)* *Total Orders.*
3. Calculated as Direct Retail Ad Spend divided by Implied New Customers.