



REVOLVE

Q3 2019 RESULTS

November 7, 2019

Note on Forward-Looking Statements

Information in this presentation contains forward-looking statements as defined within the meaning of U.S. federal securities laws, including, but not limited to, statements about REVOLVE and the environment in which REVOLVE operates, including statements regarding future results of operations and financial position of REVOLVE. Forward-looking statements include all statements that are not historical facts and can be identified by terms such as “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will,” “would,” or similar expressions and the negatives of those terms.

Forward-looking statements are based on information available at the time those statements are made and on our current expectations and projections about future events, and are subject to risks and uncertainties. If any of these risks or uncertainties materialize or if any assumptions prove incorrect, actual performance or results may differ materially from those expressed in or suggested by the forward-looking statements. These risks and uncertainties include, without limitation, risks related to general economic conditions, our fluctuating operating results, seasonality in our business, our ability to acquire products on reasonable terms, our online business model, demand for our products, our ability to attract customers in a cost effective manner, the strength of our brand, competition, fraud, system interruptions, and our ability to fulfill orders. Additional risks and uncertainties are described in greater detail under the heading “Risk Factors” in our Quarterly Report on Form 10-Q filed with the U.S. Securities and Exchange Commission and our other filings with the SEC.

We undertake no obligation to update any forward-looking statements made in this presentation to reflect events or circumstances after the date of this presentation or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements.

Unless otherwise indicated, all references in this presentation to “REVOLVE”, “we”, “our”, “us”, or similar terms refer to REVOLVE and Revolve Group, Inc. and its subsidiaries.

Use of Non-GAAP Financial Measures

In addition to U.S. GAAP financials, this presentation includes certain non-GAAP financial measures, including Adjusted EBITDA and free cash flow. These non-GAAP measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP. The non-GAAP financial measures used by REVOLVE may differ from the non-GAAP financial measures used by other companies. We use these non-GAAP financial measures to evaluate our operating performance, generate future operating plans and make strategic decisions regarding the allocation of capital. Our management believes that these non-GAAP financial measures provide meaningful supplemental information regarding our performance and liquidity by excluding certain expenses that may not be indicative of our ongoing core operating performance. We believe that both management and investors benefit from referring to these non-GAAP financial measures in assessing our performance and when analyzing historical performance and liquidity and when planning, forecasting, and analyzing future periods.

For a reconciliation of these non-GAAP financial measures to GAAP measures, please see the tables on slide 14 titled “GAAP to Non-GAAP Reconciliation.”



TOTAL NET SALES GREW 22% YoY, DRIVEN BY A 24% INCREASE IN REVOLVE SEGMENT NET SALES

FORWARD SEGMENT NET SALES INCREASED 14% YoY; 2nd CONSECUTIVE QUARTER OF DOUBLE-DIGIT GROWTH

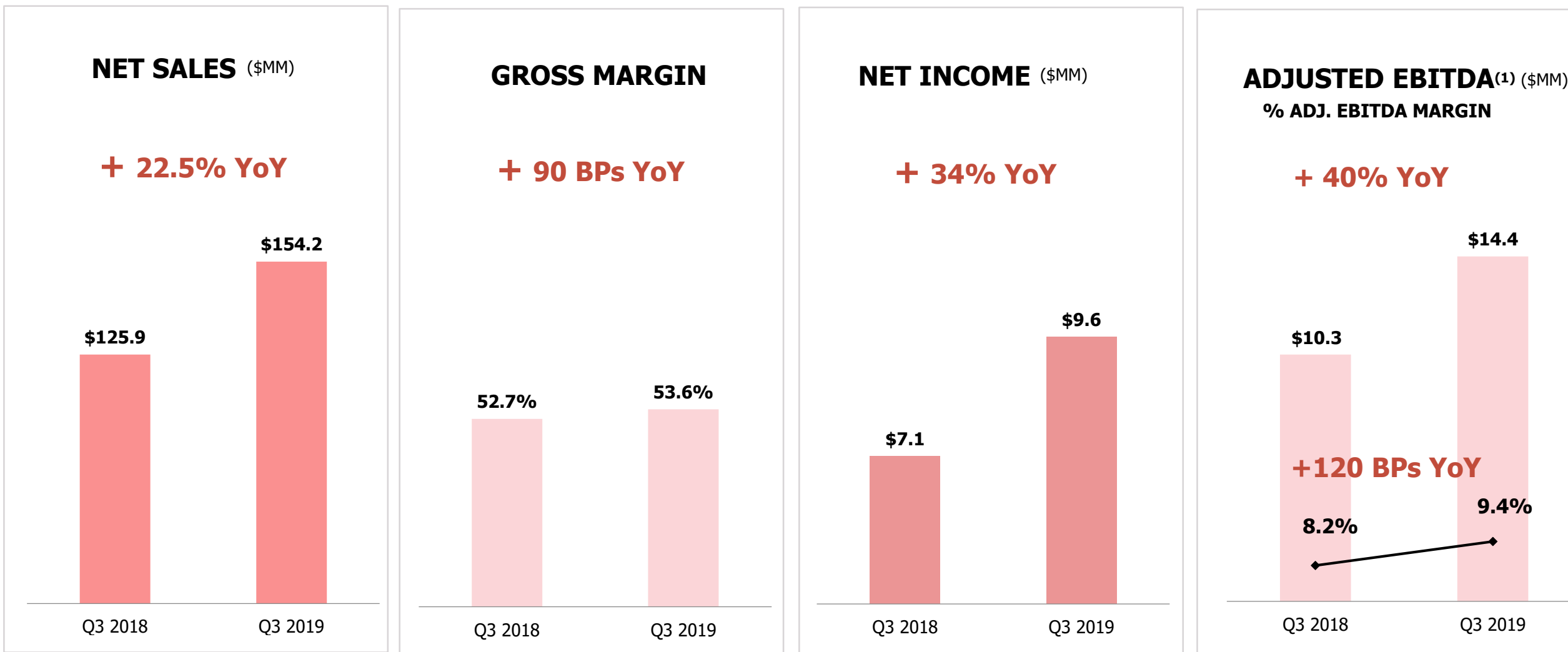
CONSOLIDATED GROSS MARGIN UP 90 BASIS POINTS YoY

NET INCOME UP 34% YoY, ADJ. EBITDA UP 40% YOY (ADJ. EBITDA MARGIN EXPANDS ~120 BPS YoY)

NET CASH PROVIDED BY OPERATING ACTIVITIES AND FREE CASH FLOW WERE EACH UP ~4X YoY IN Q3

NOTE: Q3 2019 results reflect \$1.5 million in net sales realized as a result of a change in estimate related to store credit breakage.

INCOME STATEMENT HIGHLIGHTS



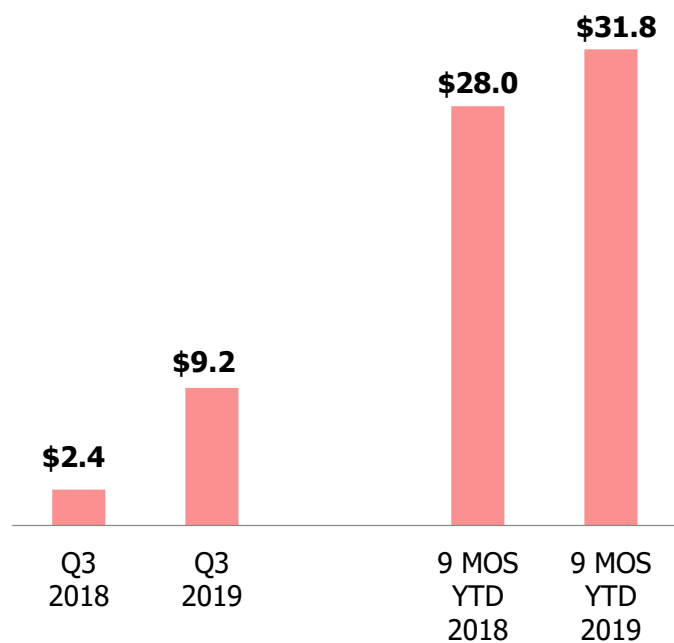
NOTE: Q3 2019 results reflect \$1.5 million in net sales realized as a result of a change in estimate related to store credit breakage.

Notes:

1. See slide 13 for a definition of Adjusted EBITDA and slide 14 for a reconciliation to Net Income, its corresponding GAAP financial measure.

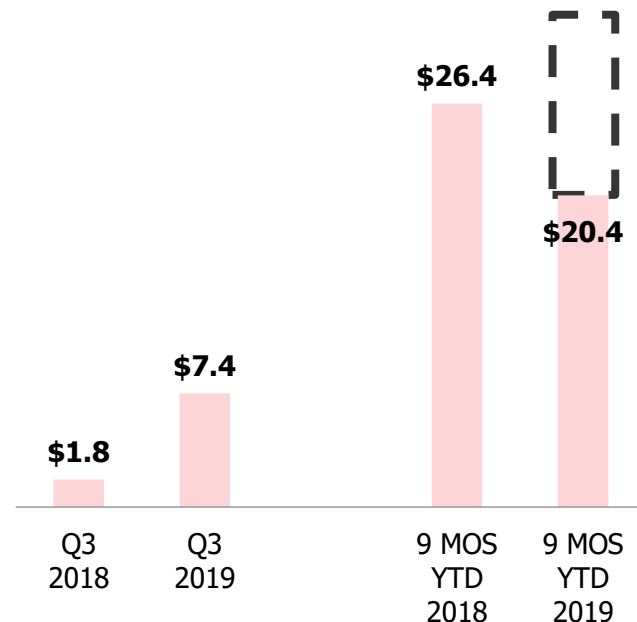
CASH FLOW AND BALANCE SHEET HIGHLIGHTS

NET CASH PROVIDED BY OPERATING ACTIVITIES (\$MM)



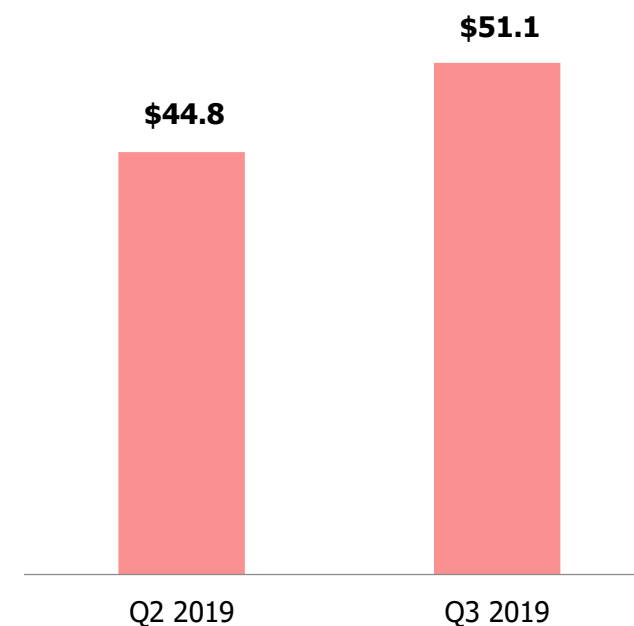
FREE CASH FLOW⁽¹⁾ (\$MM)

~\$10M CapEx investment in 2019 to consolidate five fulfillment centers into one newly-modernized center



CASH ON BALANCE SHEET (\$MM)

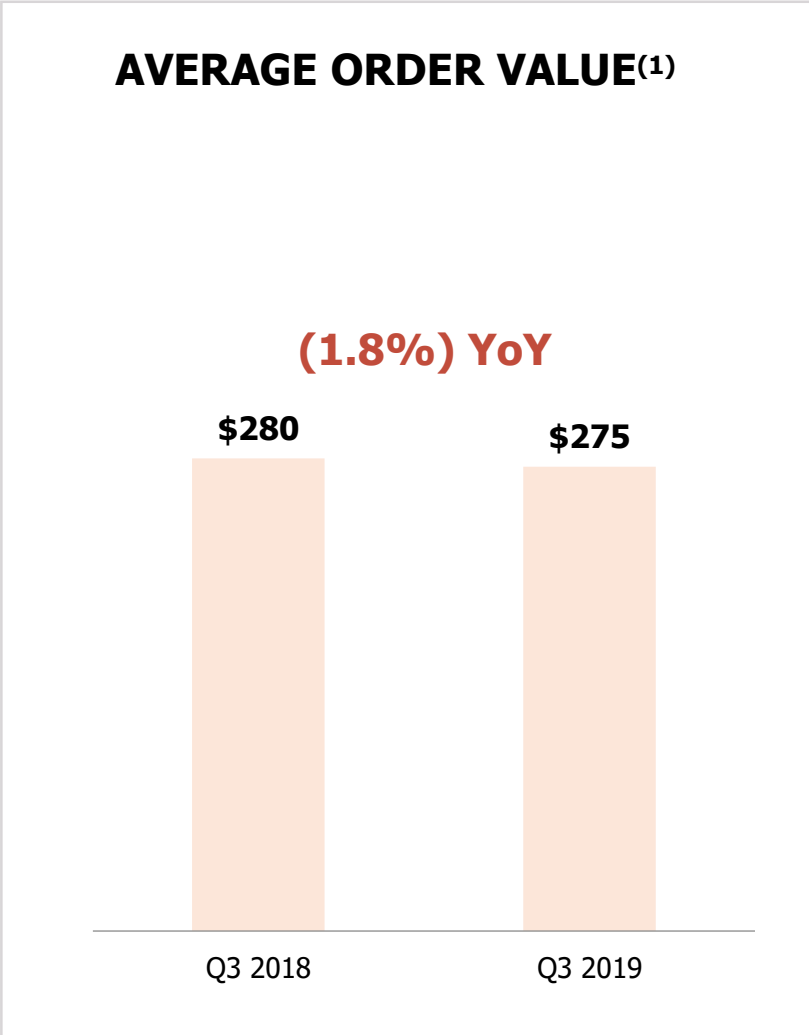
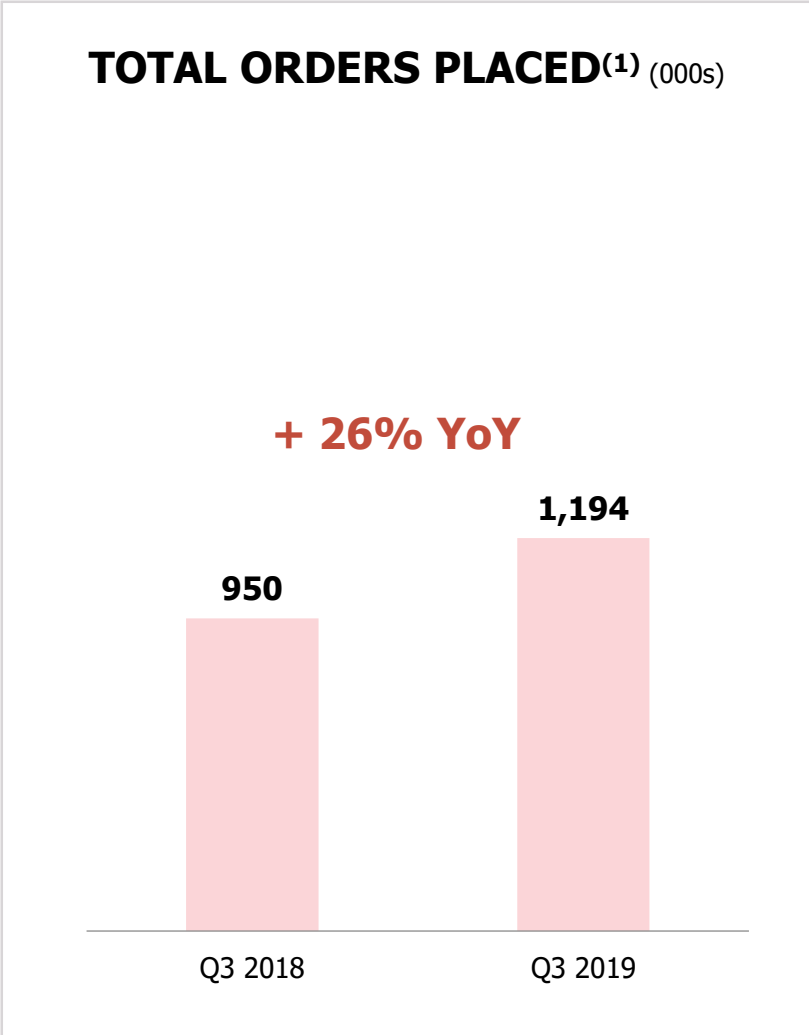
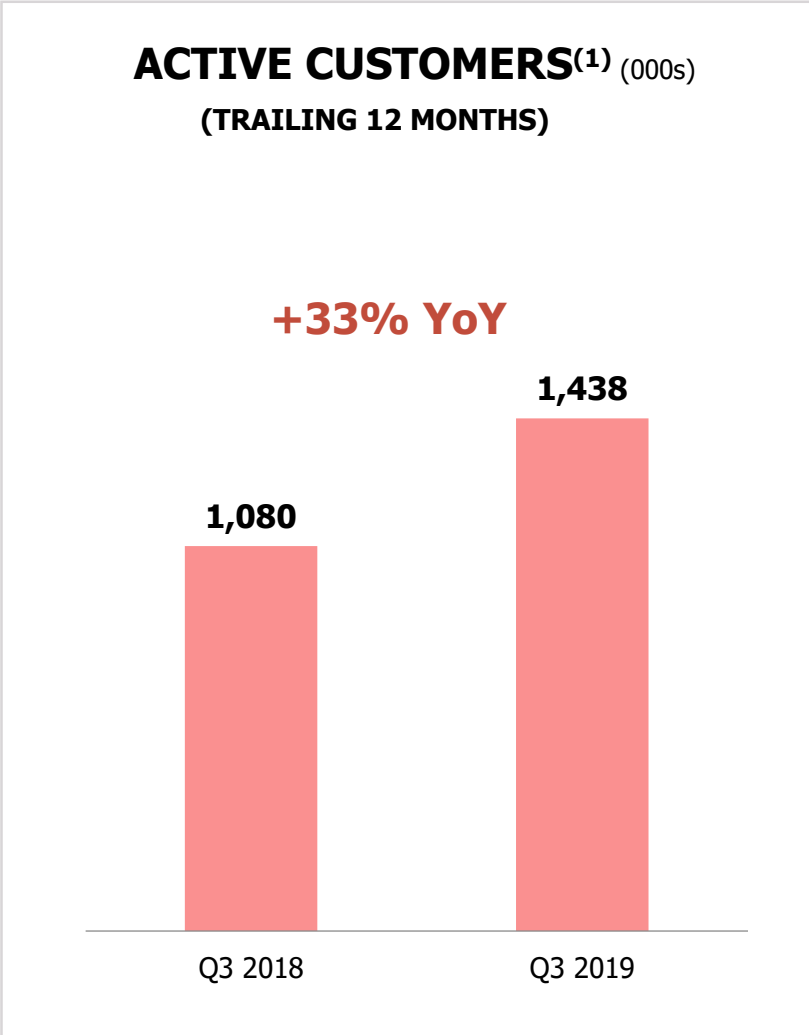
+ 14% QoQ



Notes:

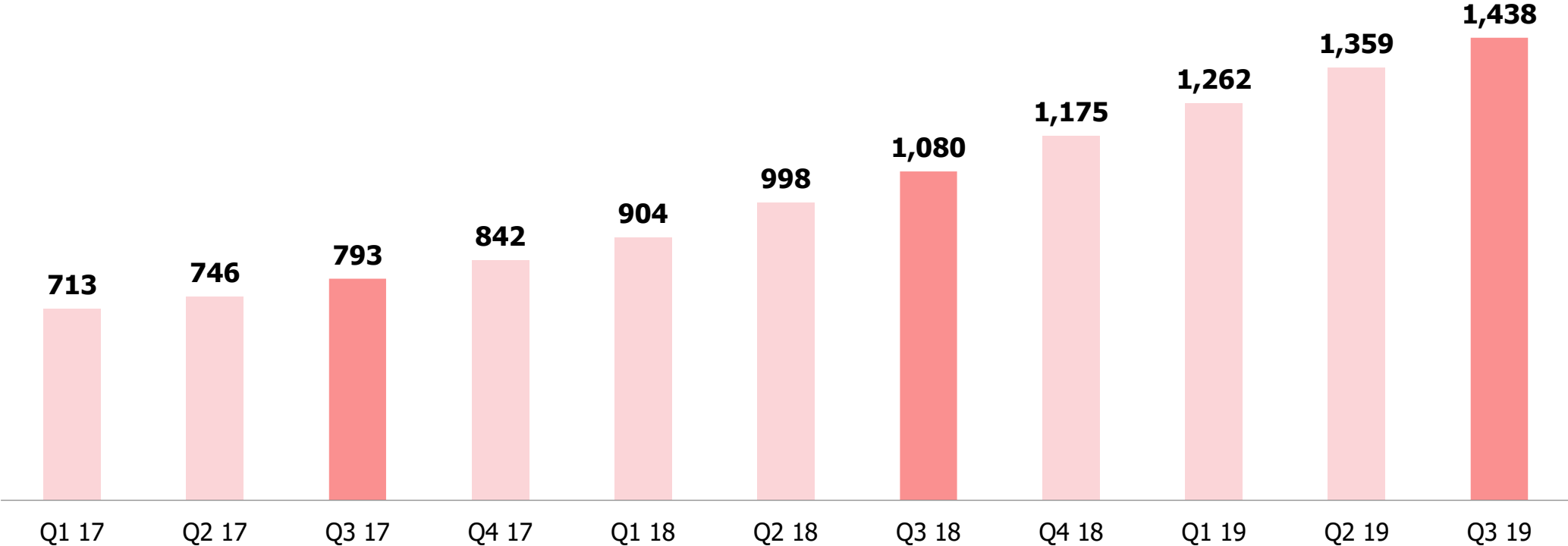
1. See Slide 13 for a definition of Free Cash Flow and Slide 14 for a reconciliation to Net Cash Provided by Operating Activities, its corresponding GAAP financial measure.

OPERATING METRICS HIGHLIGHTS



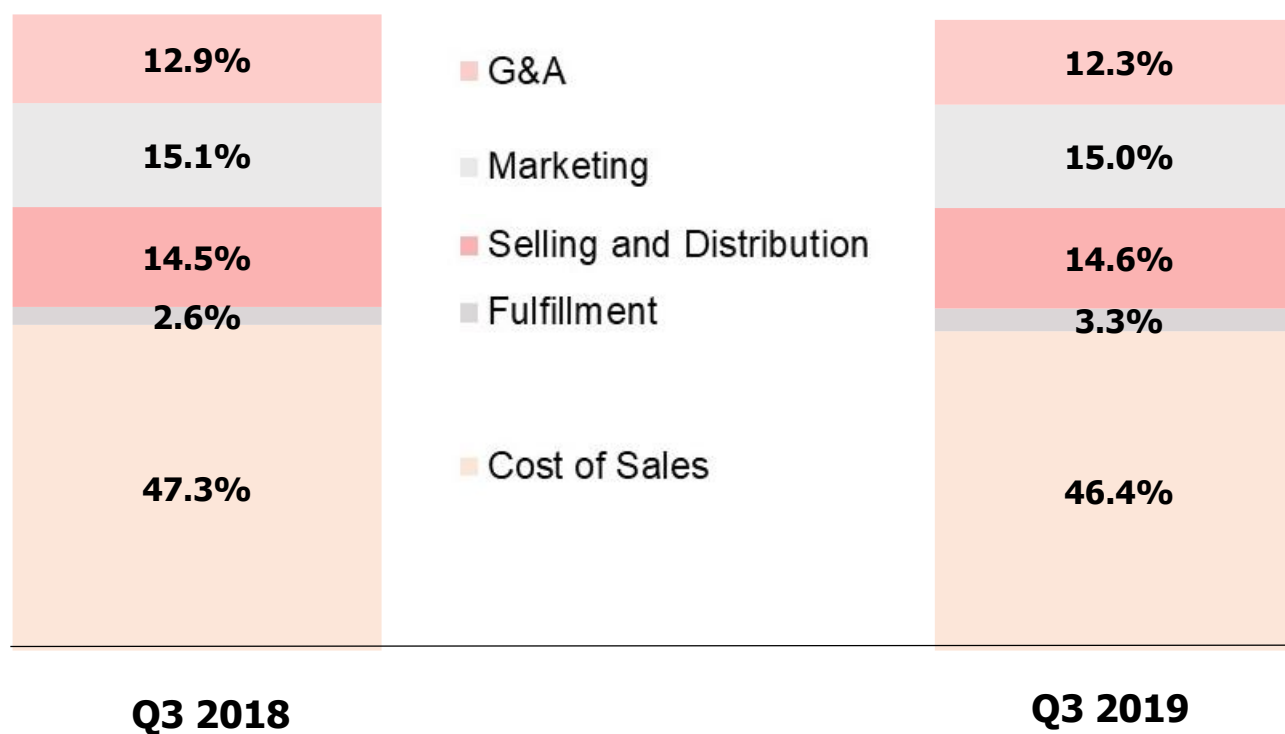
Note:
1. See slide 13 for a definition of Active Customers, Total Orders Placed and Average Order Value (AOV).

ACTIVE CUSTOMERS (000s) (TRAILING 12 MONTHS)



GAAP COST STRUCTURE

AS A % OF NET SALES



YoY CHANGE

(60 BPs)

(10 BPs)

+10 BPs

+70 BPs

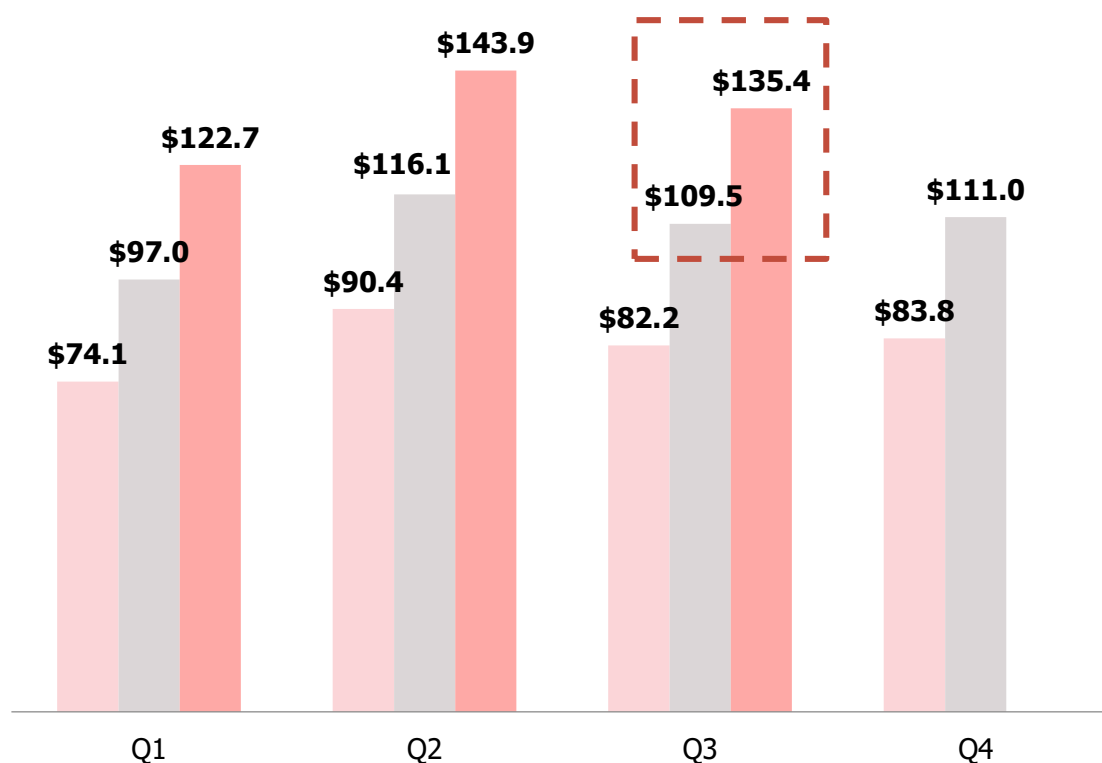
(90 BPs)

SEGMENT NET SALES

REVOLVE SEGMENT NET SALES (\$MM)

2017 2018 2019

Q3 2019 Up 24% YoY

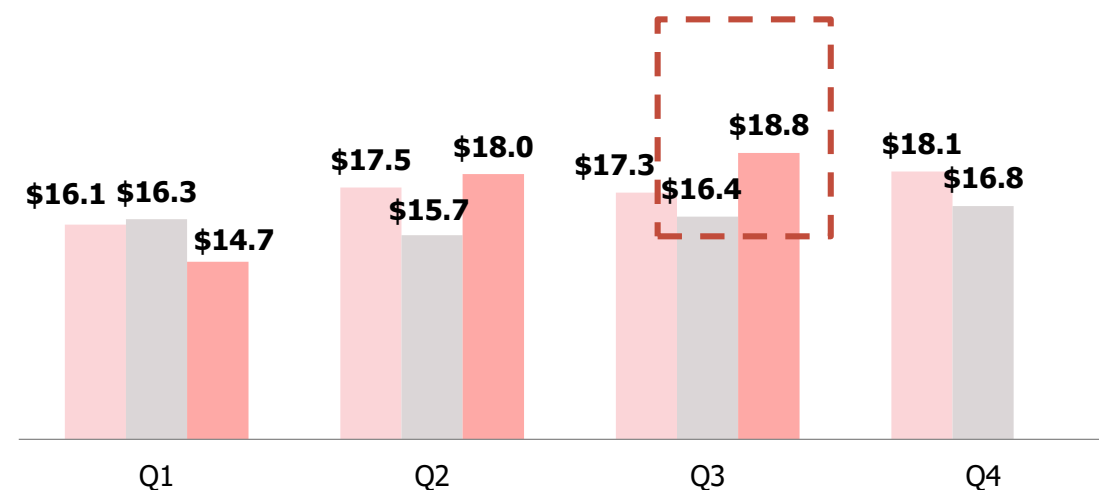


NOTE: Q3 2019 REVOLVE segment results include \$1.5 million in net sales realized as a result of a change in estimate related to store credit breakage.

FORWARD SEGMENT NET SALES (\$MM)

2017 2018 2019

Q3 2019 Up 14% YoY

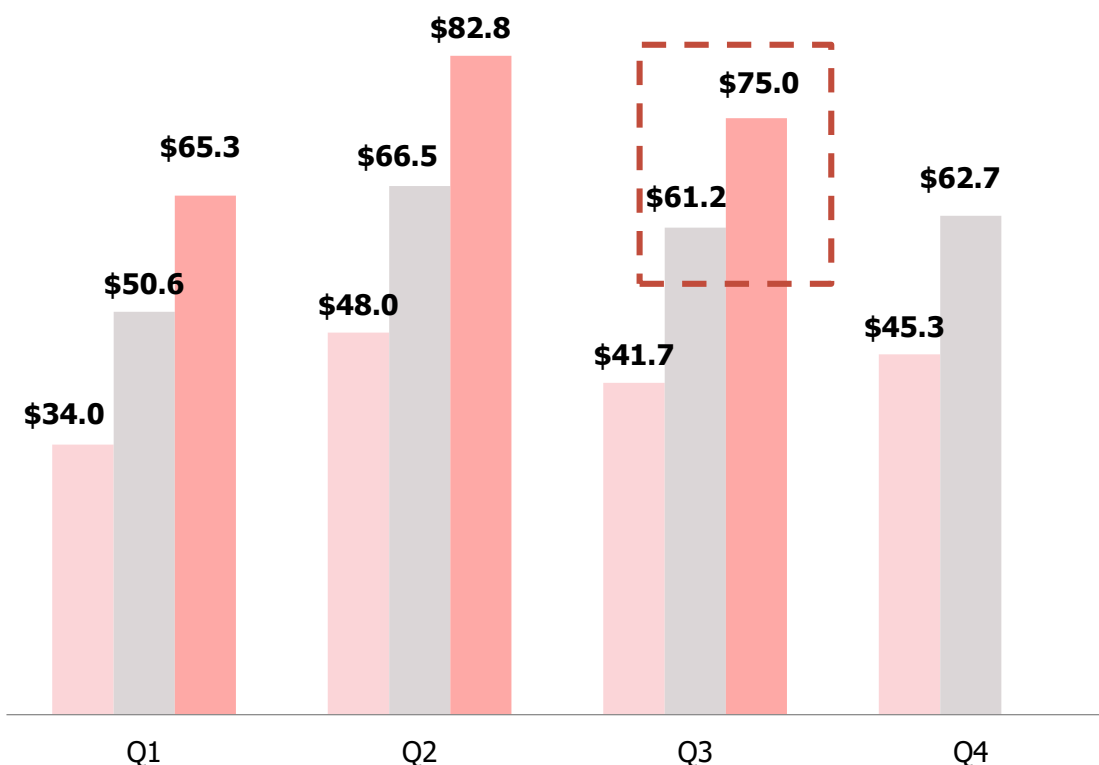


SEGMENT GROSS PROFIT

REVOLVE SEGMENT GROSS PROFIT (\$MM)

2017 2018 2019

Q3 2019 Up 22% YoY

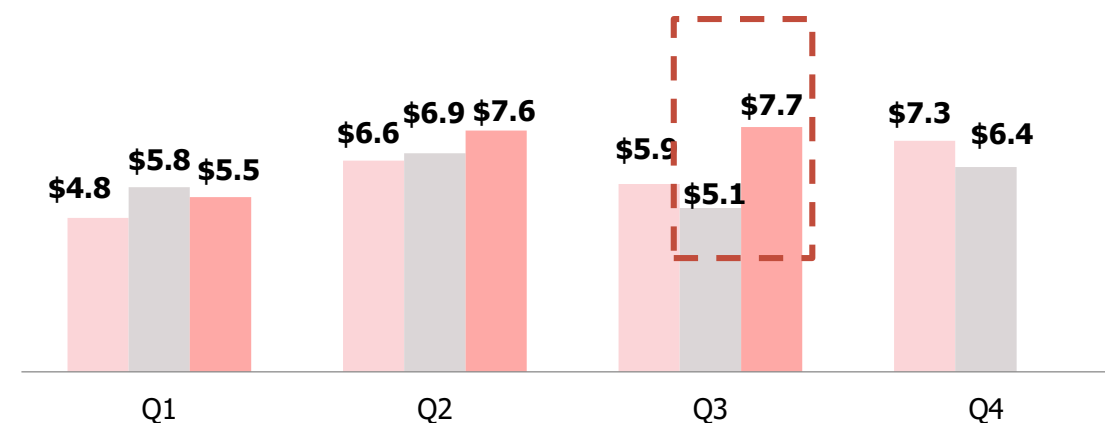


NOTE: Q3 2019 REVOLVE segment results include \$1.5 million in net sales realized as a result of a change in estimate related to store credit breakage.

FORWARD SEGMENT GROSS PROFIT (\$MM)

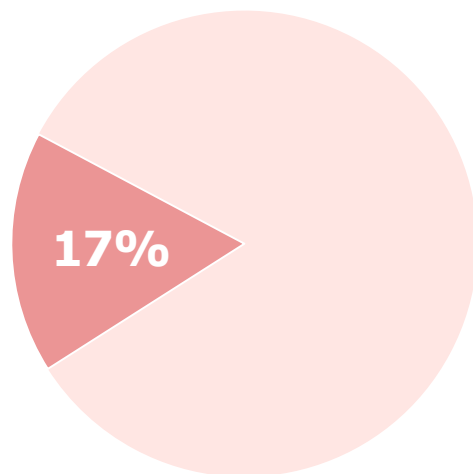
2017 2018 2019

Q3 2019 Up 49% YoY



NET SALES BY GEOGRAPHY

INTERNATIONAL NET SALES MIX: Q3 2019



- INT'L NET SALES
- U.S. NET SALES

INTERNATIONAL NET SALES GROWTH IN Q3

+15% YoY

KEY PERFORMANCE DRIVERS



- UK and Western Europe remained solid
- Improved YoY growth in Australia
- Stabilization in Greater China during Q3

(\$MM)	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
U.S.	\$91.2	\$107.0	\$103.3	\$107.8	\$115.4	\$136.1	128.2
Rest of World	22.1	24.8	22.6	19.9	21.9	25.8	26.0
Total Net Sales	\$113.3	\$131.8	\$125.9	\$127.7	\$137.3	\$161.9	\$154.2
International %	20%	19%	18%	16%	16%	16%	17%



MORGAN STANLEY CONSUMER AND RETAIL CONFERENCE

WEDNESDAY, DECEMBER 4

BARCLAYS GLOBAL TMT CONFERENCE

THURSDAY, DECEMBER 12

METRICS DEFINITIONS

Non-GAAP Financial Measures

Adjusted EBITDA is a non-GAAP financial measure that we calculate as net income before other expense, net, taxes, depreciation and amortization, adjusted to exclude the effects of equity-based compensation expense, and certain one-time expenses.

Free Cash Flow is a non-GAAP financial measure that we calculate as net cash provided by (used in) operating activities less net cash used in capital expenditures. We view free cash flow as an important indicator of our liquidity because it measures the amount of cash we generate. Free cash flow also reflects changes in working capital.

Operating Metrics

An **Active Customer** is a unique customer account from which a purchase was made across our platform at least once in the preceding 12-month period. In any particular period, we determine our number of active customers by counting the total number of customers who have made at least one purchase in the preceding 12-month period, measured from the last date of such period.

Average Order Value (AOV) is the sum of the total gross sales from our sites in a given period divided by the total orders placed in that period.

Total Orders Placed reflects the total number of customer orders placed by our customers across our platform in any period.

GAAP TO NON-GAAP RECONCILIATION

ADJ. EBITDA (\$MM)	Q3 2019	Q3 2018	9 MOS 2019	9 MOS 2018
NET INCOME	\$9.6	\$7.1	\$27.3	\$22.9
(+) OTHER (INCOME) EXPENSE, NET	(0)	0.2	0.7	0.5
(+) PROVISION FOR INCOME TAXES	3.3	2.2	9.5	7.7
(+) DEPRECIATION AND AMORTIZATION	1.1	0.8	2.7	2.2
(+) EQUITY-BASED COMPENSATION	0.5	0.4	1.5	0.9
(+) ONE-TIME EXPENSES	(0.0)	(0.3)	0.2	0.4
ADJUSTED EBITDA	\$14.4	\$10.3	\$42.0	\$34.6

FREE CASH FLOW (\$MM)	Q3 2019	Q3 2018	9 MOS 2019	9 MOS 2018
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$9.2	\$2.4	\$31.8	\$28.0
(-) PURCHASES OF PROPERTY AND EQUIPMENT	(1.7)	(0.6)	(11.5)	(1.7)
FREE CASH FLOW	\$7.4	\$1.8	\$20.4	\$26.4