



Investor Presentation 2026

February 2026



This presentation contains “forward-looking statements” within the meaning of federal and state securities laws. All statements other than statements of historical fact contained in this presentation—including statements regarding our future results of operations and financial position, including our profitability goals, business strategy, plans and objectives of management for future operations and the financial impact, our plans for growth, including customer growth and physical retail expansion; developments in our technology and systems, including our use of artificial intelligence and machine learning technologies and the anticipated results of those developments—are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “aim,” “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “continues,” “could,” “intends,” “goals,” “target,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” or “potential,” 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 February 19, 2026 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.

A list and description of risks, uncertainties and other factors that could cause or contribute to differences in our results can be found under Part I, Item 1A, Risk Factors, in our most recent Annual Report on Form 10-K and the Company’s subsequent filings with the Securities and Exchange Commission. We qualify all of our forward-looking statements by these cautionary statements.

Market data, including growth rates and online penetration, used in this presentation are based on management’s knowledge of the industry and their good-faith estimates. Management has relied, to the extent available, upon their review of industry surveys and publications and other publicly available information prepared by a number of third-party sources. The market data, including indicative market growth and online penetration, provided in this presentation involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such information. Although we believe that these sources are reliable as of their respective dates, we have not verified the accuracy or completeness of this information from independent sources. In addition, this information involves important risks, uncertainties, and other factors, including those discussed above, which could cause results to differ materially.



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2. **Competitive Advantages**
3. **Growth Initiatives**
4. **Financials**
5. **Appendix**

The Home Category



Home shopping is a **customer journey** and not a commodity purchase



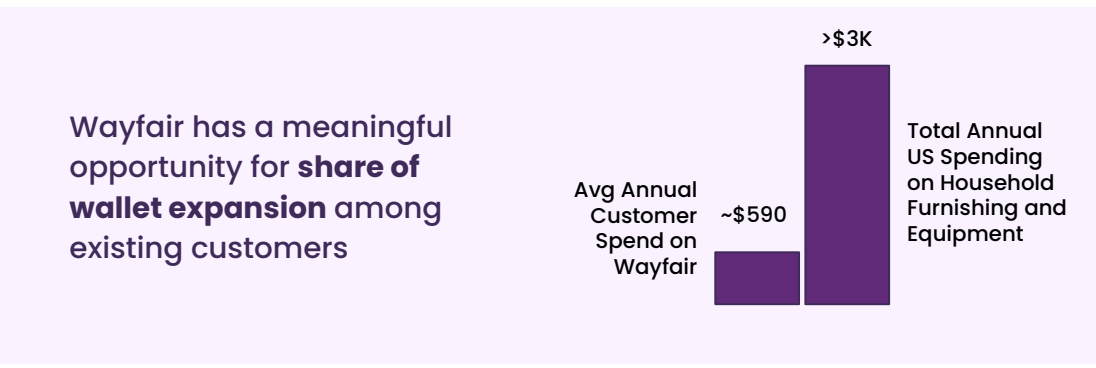
Customers value individuality and have an **emotional connection** to their homes



The Home category is largely **unbranded** and very **fragmented**



Bulky and **damage-prone** products require **tailored delivery** and **customer service**



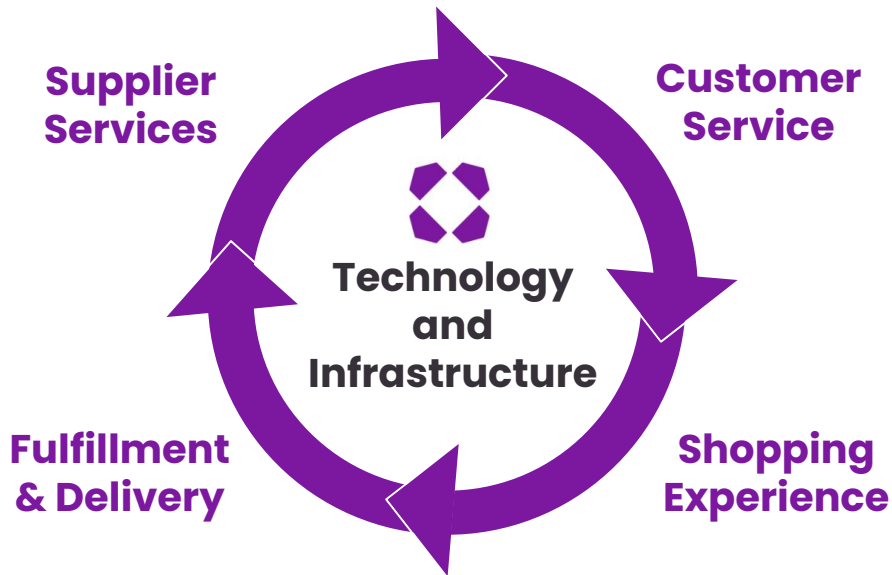


We are an e-commerce platform
exclusively focused on the home



Suppliers:
~20K

Wayfair partners with our suppliers to drive growth via our platform



Customers:
>21M active

Wayfair offers its customers a IP experience that enhances and unifies every step of shopping for the home

We bring together suppliers and customers. Our technology and services create market-leading experiences for both.

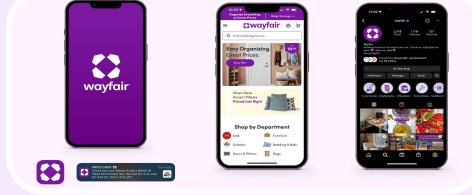
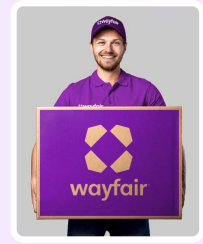
Competitive Advantages



We have enormous reach across our >100M customer file

We have a household brand across the US, Canada and the UK, with broad customer awareness

We drove ~3B visits across site/app in 2025



*Exclusions apply. Visit wayfair.com/shipping for details.



PERIGOLD

Est. 2017
An undiscovered world
of luxury design.



Est. 2011
Every Style. Every Home.



KELLY CLARKSON
home



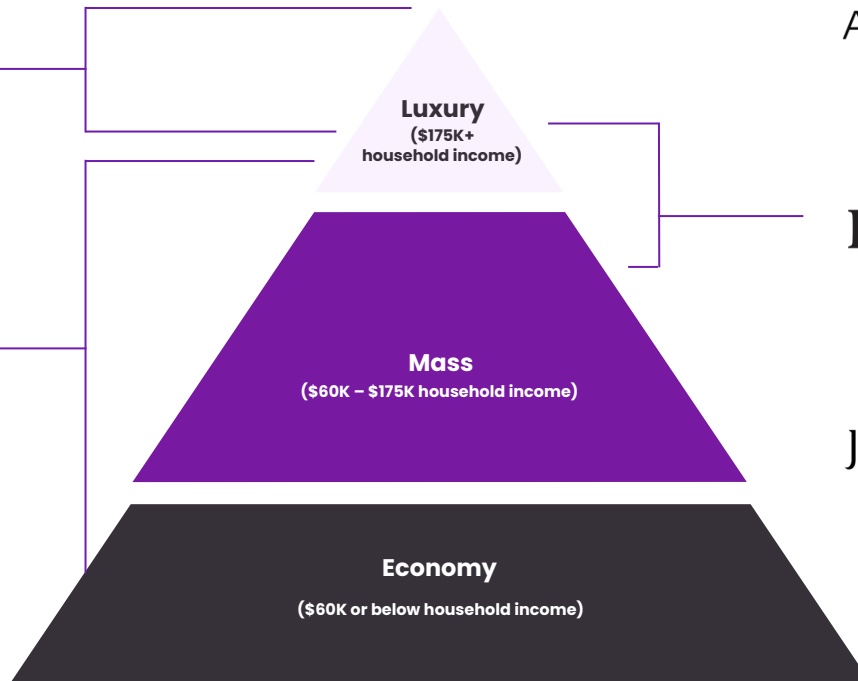
basics
by Z Gallerie



THE BOLD LOCK
OF **KOHLER**.



staub
en France



ALLMODERN

Est. 2006
All of modern, made simple.

BIRCH LN

Est. 2014
A fresh take on the classics.

JOSS & MAIN

Est. 2011
The ultimate style
edit for home.

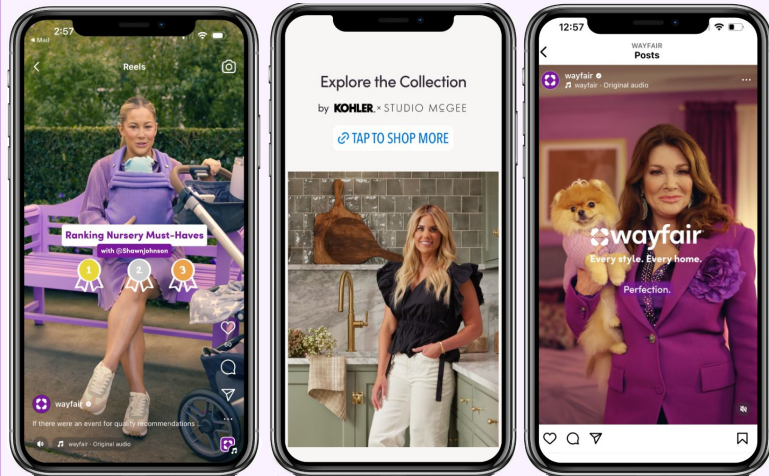


We can tell a brand story everywhere, meeting the customer where they are

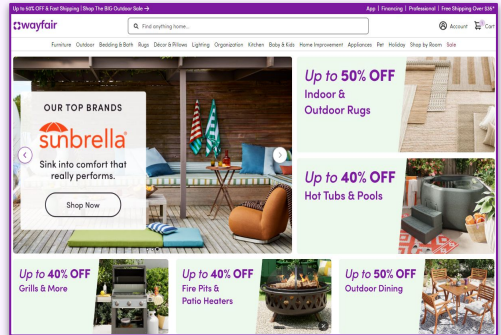
Physical Retail



Influencers & Social Media



Homepage Placement



Throughout the Funnel

DOORBUSTER DEAL

\$100 OFF
NOW \$199

Blackstone 2-Burner Gas Grill

Shop Now



Top Brands.
BIG Deals.

Up to 20% OFF spring cleaning go-tos
from BISSELL and more →



Prominent Features on Category Pages



Catalogs, Circulars & Mailers

Can't-miss kitchen scores

- Blender: \$24.99
- Blender: \$29.99
- Blender: \$34.99
- Blender: \$39.99
- Blender: \$44.99
- Blender: \$49.99
- Blender: \$54.99
- Blender: \$59.99
- Blender: \$64.99
- Blender: \$69.99
- Blender: \$74.99
- Blender: \$79.99
- Blender: \$84.99
- Blender: \$89.99
- Blender: \$94.99
- Blender: \$99.99

FREE SHIPPING **WARRANTY** **JUST A FEW FREE SHIPPING** **WARRANTY** **JUST A FEW FREE SHIPPING**

Hardworking appliances

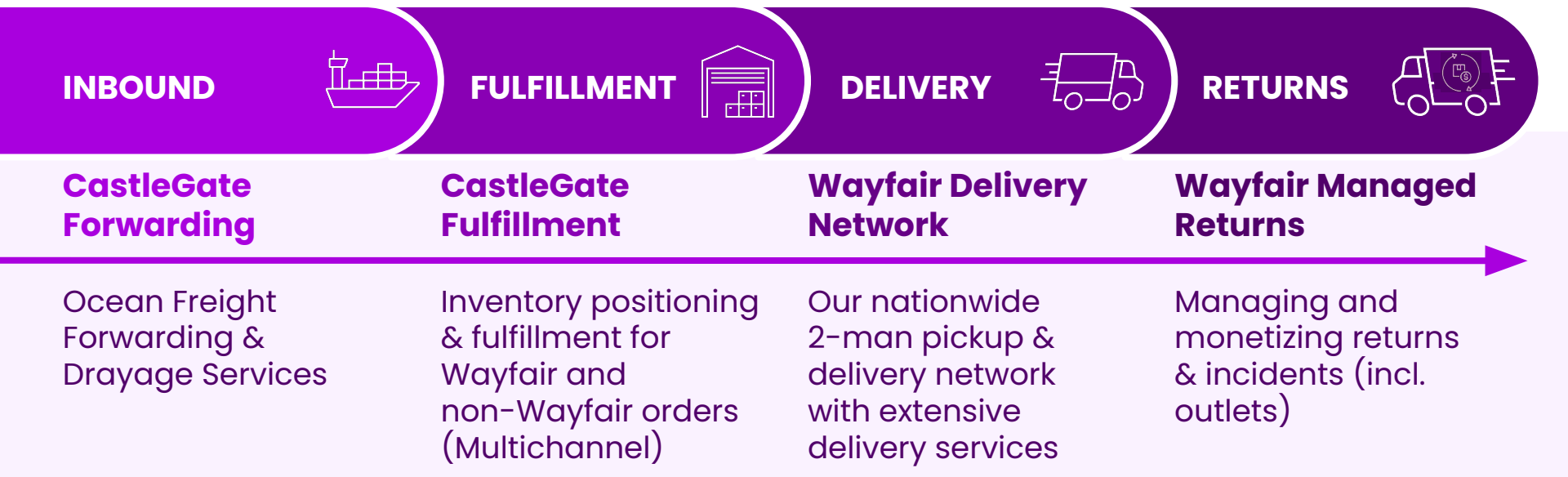
from **\$69 PER MONTH**

- WASHER: \$54.99
- WASHER: \$70.99
- WASHER: \$110.99

wayfair

Home Decor | Furniture | Lighting | Outdoor Living | Pet Supplies | Kids & Baby | Home Improvement | Appliances | Pet Holiday | Shop by Room | Size

We offer a suite of end-to-end logistics capabilities to create a best-in-class customer experience with faster speed and lower cost





US only, small parcel

		Dropship	CastleGate
Speed	Order-to-delivery time ¹ , in calendar days	5.2	2.8 ●
	Badging share ¹ , in %	49%	90% ●
Cost	Return rate ¹ , in %	4.8%	3.9% ●
	Incident rate ¹ , in %	3.8%	3.1% ●



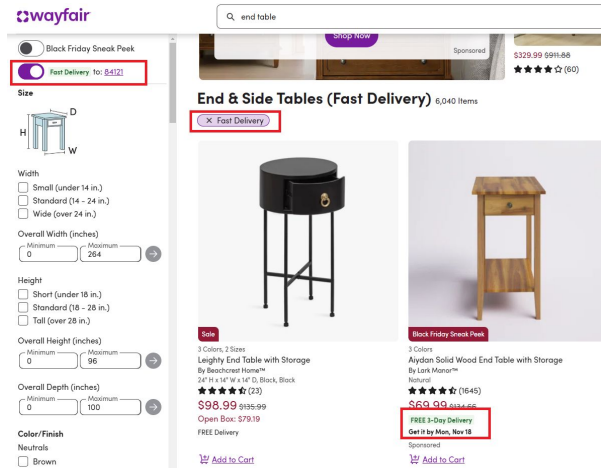
Customers love speed: Faster speed = higher conversion

Speed gets rewarded on our website

- Different speed badges for 1, 2, 3, 5 days
- More exposure on site

Sales significantly increase

- Faster badge = higher conversion
- 'No' to '1 day' badge with a **>60% conversion lift¹**



No badge

>20%

5-day badge

>10%

3-day badge

>10%

1-day badge

>60%

¹US Small Parcel, October 2024 data

Forward positioning is key

Forward-positioned items offer a lower retail, reduced incidence, and faster delivery speed - gaining better exposure and better customer conversion

1 Faster speed to customers

Forward-positioned product and quick order-to-ship capabilities enable speed, which **increases exposure on site and drives customer conversion**



2



Lower retail prices

Leveraging CastleGate's competitive ocean container rates, storage rates, free consolidation services, and lower outbound ship costs enabled via forward positioning **drives lower prices and higher customer conversion**

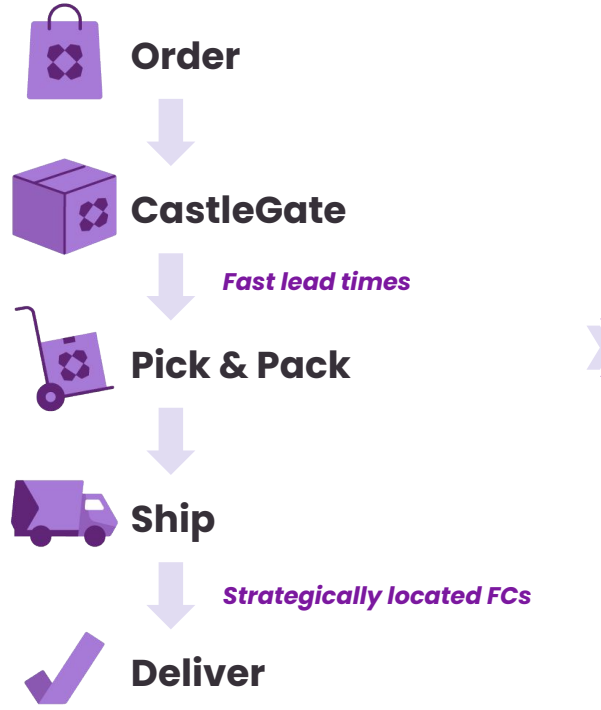
3 Better customer experience

Lower retails and speed on product creates demand; and when items **arrives on time, consistently, and without damage**, customers experience something they desire again

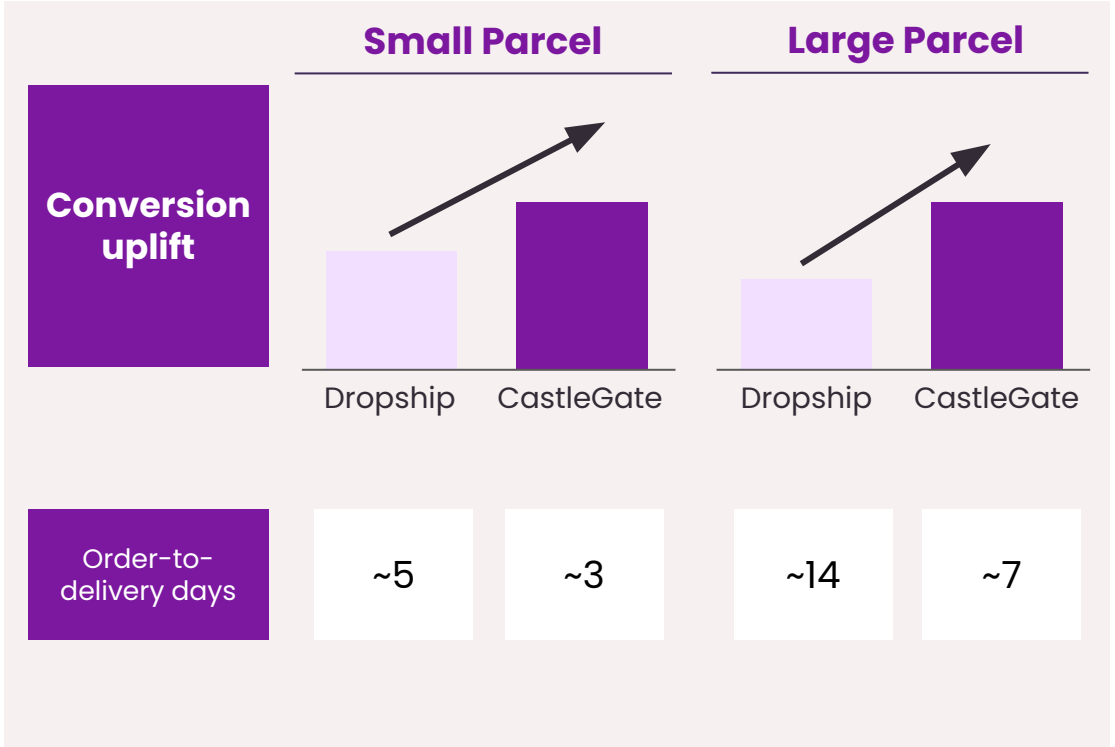




Faster ship times...

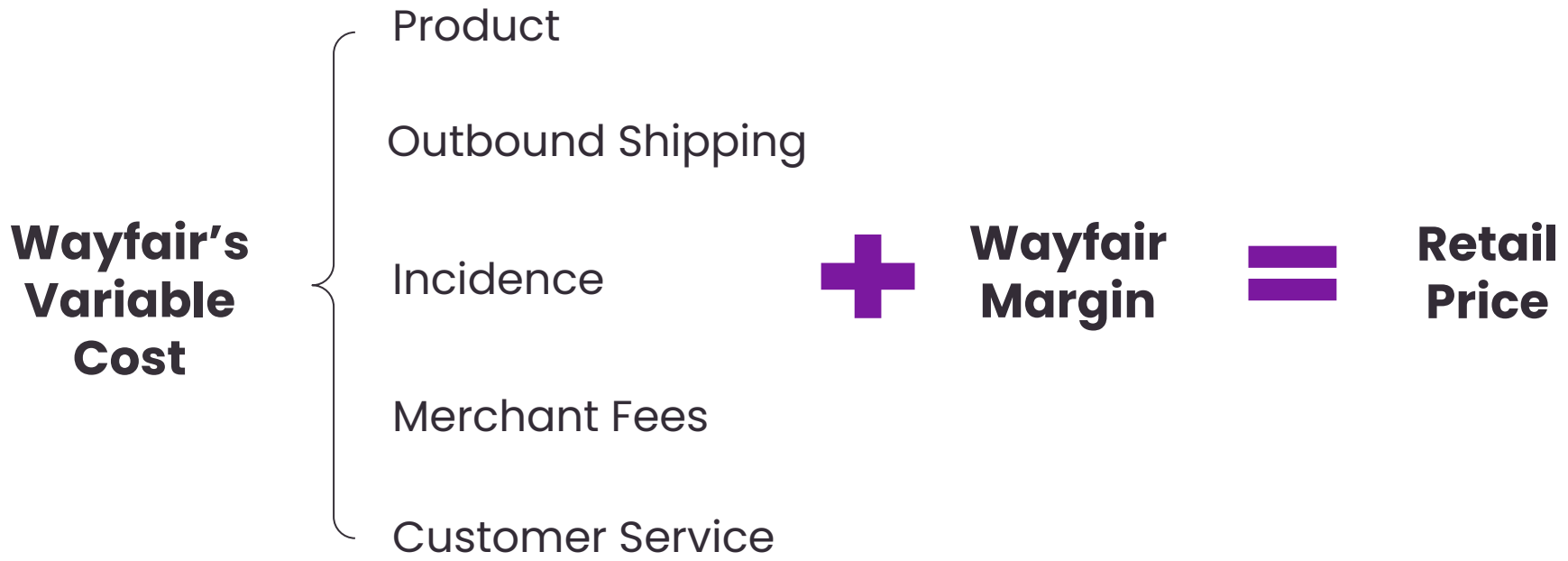


...drive higher customer conversion and NPS¹



¹US only, FY'2025 data

Costs included in pricing





CORE CATEGORIES



Sofas & Sectionals



Rugs



Bedroom Furniture



Outdoor Decor



Youth Products



Casegoods



Kitchen & Dining



Office Furniture



Entertainment Furniture



Accent Furniture

- **Consumers broadly know us for our core categories** – Sofas, Casegoods, Bedroom furniture and more
- These are areas of the business where we have **high awareness and high online market share**
- These are areas **we have invested** in from a resource and marketing perspective for many years



EMERGING CATEGORIES



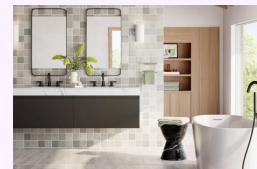
Large Appliances



Outdoor structures & Spa



Cabinetry



Plumbing



Small Electrics



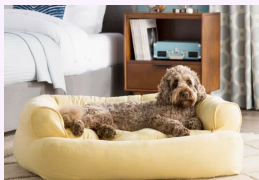
Storage & Org



Kitchen and Tabletop



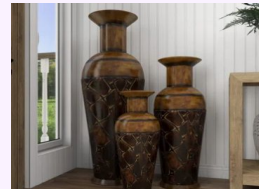
Recreation



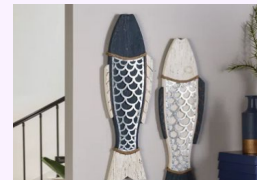
Pet



Bedding



Decor

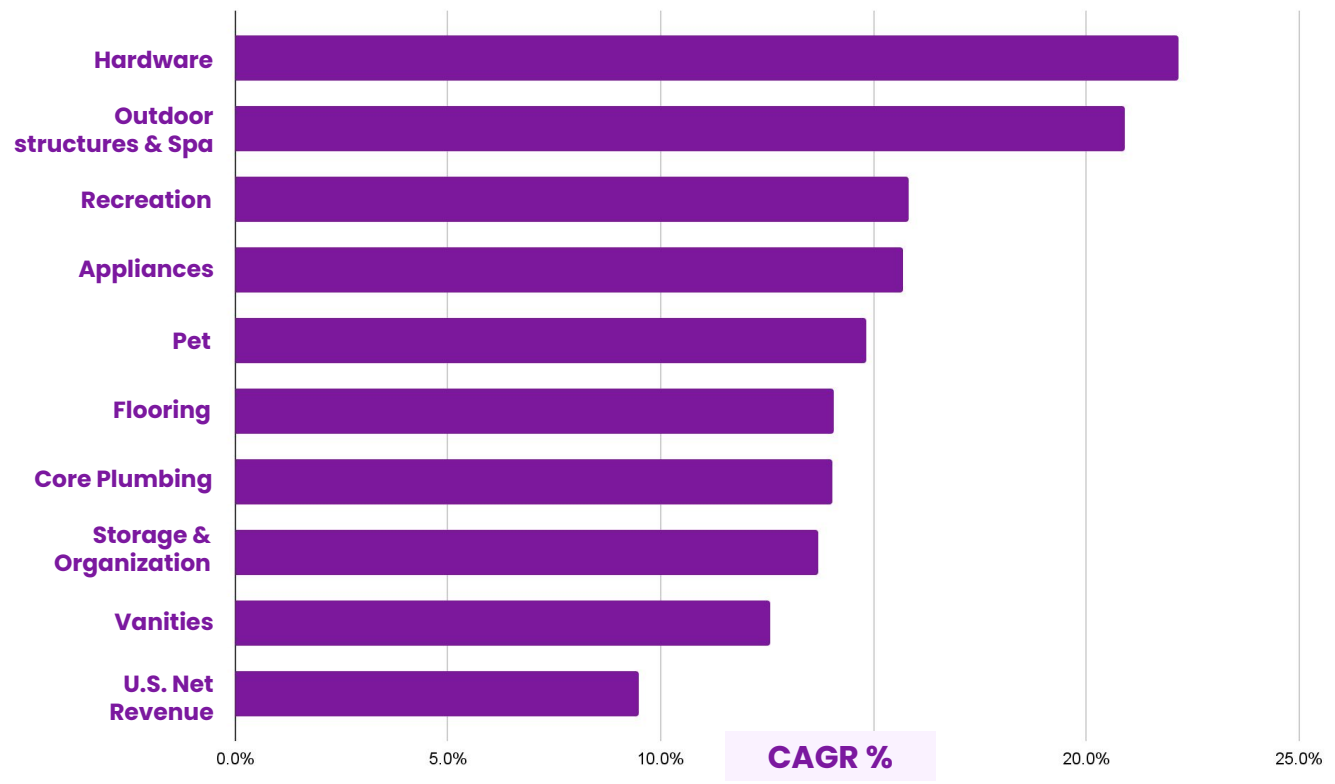


Wall Accents

We are focused on driving **share gains in frequency purchases** across these groups



Emerging Category Growth (CAGR 2018 - 2025)



Emerging category growth rates are based on gross revenue, prior to returns and cancellations. U.S. net revenue represents reported segment revenue.



Instill Confidence

A shortcut
to the *best* items

Provide inspiration

Cohesive looks
and ideas to
enhance the room

Celebrate the season

Trend-forward,
seasonally relevant
storytelling

Reinforce trust

Collaborations
with influencers
our customers
know and love


“Wayfair Verified” is how we signal premium items that have been audited by our merchant team

WAYFAIR  VERIFIED

your shortcut to the good stuff.

verified by us. valued just right. loved by you.

Furniture / Living Room Furniture / Chairs & Seating / Accent Chairs / SKU: W007930638



Dawson Boucle Barrel Chair With Metal Legs
See More by [Willis Arlo™ Interiors](#)
4.6 ★★★★★ 202 Reviews

\$195.99 ~~\$499.00~~ 61% Off or \$49 in 4 interest-free payments with Klarna or Afterpay [Learn More](#)

Sale

Earn \$9.80 in rewards with 5% back*, plus members-only sales and more when you join Wayfair Rewards [Join now for \\$29/year](#)

Body Fabric: Ivory 100% Polyester

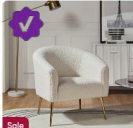


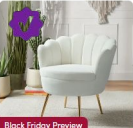

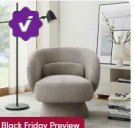
FREE 3-Day Delivery
Get it by Thu, Nov 7 to 02169

1 **Add to Cart**

Services

- Add Professional Assembly
- Add Protection Plan

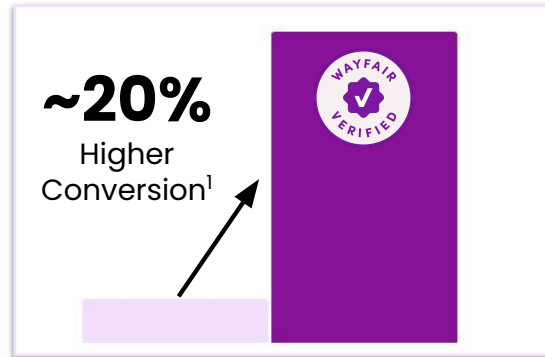
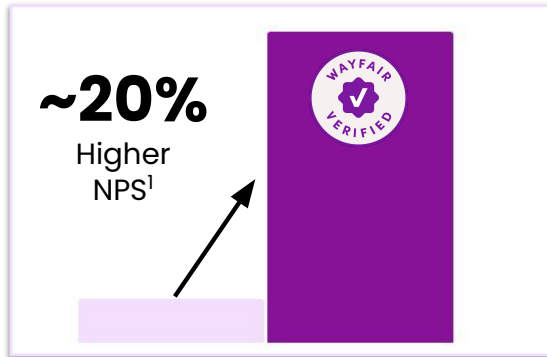
Compare Similar Items

 <p>Sale</p> <p>Dawson Boucle Barrel Chair With Metal Legs \$195.99 \$499.00 ★★★★★ (202) Current Item</p> <p>Add to Cart</p>	 <p>Audwin 27.5" W Polyester Barrel Chair (Set of 2) \$390.00 \$195.00 per item \$998.00 ★★★★★ (226)</p> <p>Add to Cart</p>	 <p>Cleo 26" Wide Contemporary Chair with... \$199.99 \$299.00 ★★★★★ (2831) Sponsored</p> <p>Add to Cart</p>	 <p>Black Friday Preview</p> <p>Hendrix Velvet Barrel Chair \$187.99 \$399.00 ★★★★★ (1940)</p> <p>Add to Cart</p>	 <p>Upholstered Barrel Chair \$155.99 \$216.99 ★★★★★ (311)</p> <p>Add to Cart</p>	 <p>Black Friday Preview</p> <p>Saboor MINIMORE Modern Style Swivel Accent Chair \$299.99 \$399.99 ★★★★★ (954)</p> <p>Add to Cart</p>
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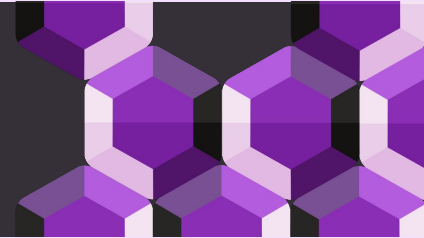


More visits, increased conversion, and higher NPS lead to higher revenue and higher repeat activity for customers who purchased a Verified SKU



¹Dec 2025 Data. Growth in SKUs reflects ending Q4 SKU counts.

wayfair REWARDS



provides **exclusive access** to elevated experiences.

\$29 annual membership fee



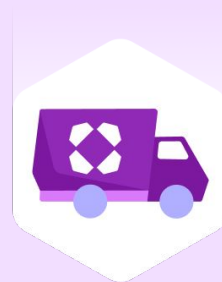
5% back in rewards¹

on every item every day.
Bonus: They never expire!



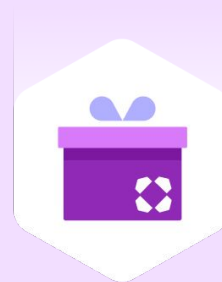
Member-exclusive sales

Steals that'll get the neighbors buzzing.



Free shipping¹

From plates to sofas, it's on us.



Special offers & perks

We'll treat you on your birthday – and just because.



Member support line

Call for fast, quality assistance.

¹Restrictions apply. See full program terms and conditions.



>1 million

Members

>15%

Wayfair U.S. Revenue Penetration

>3 orders

**Average annual orders by
members**

>50%

**Sign-ups in recent cohorts
were not active customers**



>90%

of customers give us a **5 star rating** after talking to us



*“Every customer service interaction I’ve had with Wayfair has been **top-notch. 10/10! Highly recommended Wayfair to everyone I know!**”*



*“**Excellent** customer service! **Wayfair is my #1 shopping place!** I have been a loyal customer for years and **will come back again!**”*



*“I am a **repeat customer** because any time I’ve had an issue with a purchase (which is very rare), **Customer Service consistently knocks it out of the park.**”*



High **availability** across an expansive set of **channels**

Massively leveraging **AI** to ensure **best-in-class** customer support

Brand-based **customization** and **dynamic resolution determination**



Reinventing the Customer Journey

Leveraging Gen AI to create a more personalized, intuitive, and seamless shopping experience for our customers.

Supercharging our Internal Operations and Teams

Streamlining internal workflows, automating processes, and enhancing efficiency across critical business functions - all reducing cost and improving quality.

Powering the Platform and Ecosystem

Automating day-to-day workflows, allowing suppliers to focus on scaling and winning on the Wayfair platform. Working with partners to help build the emerging AI-driven commerce ecosystem.



Inspire

AI-driven visual experiences to drive inspiration

Engage

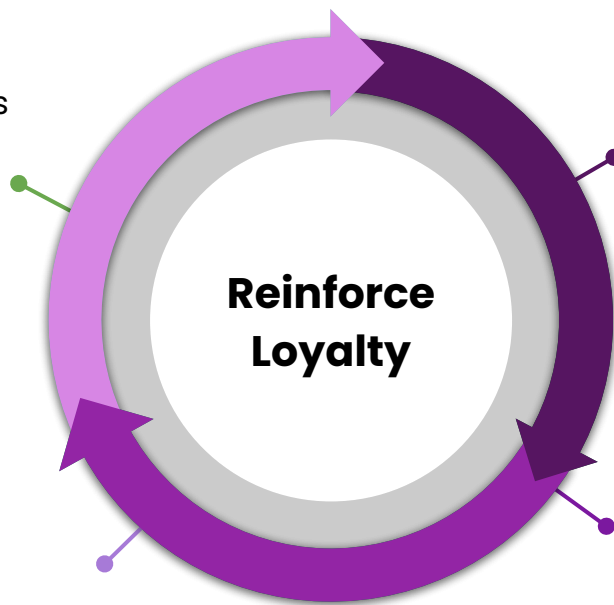
Customers explore AI-driven experiences and interact more

Personalize

Enable 100% context-aware personalization tailored to each individual customer across the customer journey

Learn

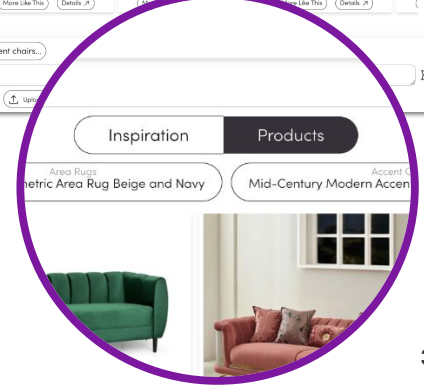
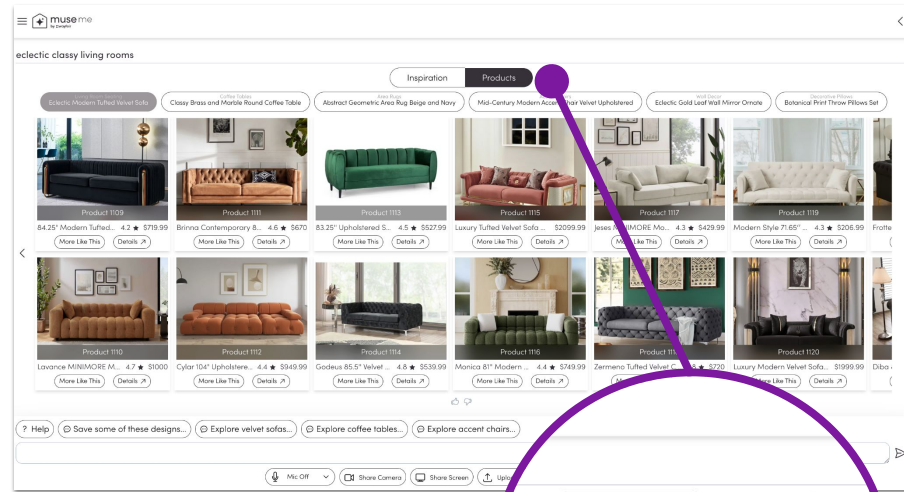
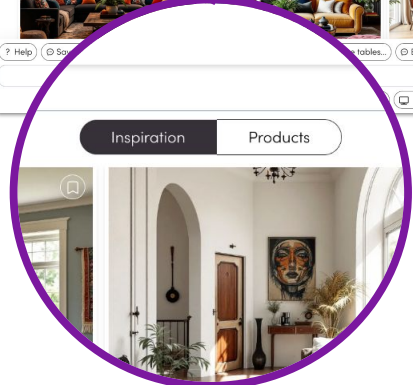
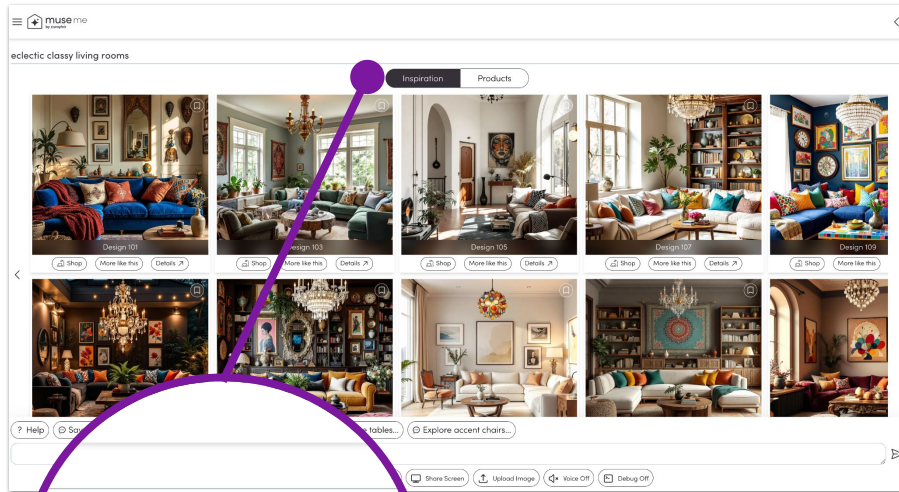
Capture rich customer insights and scale personalized experiences with advanced modeling and tech



Generative AI powers a suite of customer shopping experiences



Experiences ranging from the Discover tab on mobile, AI Inspiration page on-site, and AI Design & Product Discovery tools are all designed to help our customers navigate our catalog of more than 40 million products





Strong model foundation

State-of-the-art models amplify our understanding of customers and products

Proprietary foundation model transformer deeply personalizes most relevant SKUs

Product understanding enriched with data from merchandising and science teams

Build reusable models to support exposure in any context

Updated architecture

Highly flexible schema will enable any strategy to be used on any page, with any context

Prioritized replatforming to enable innovation and enhancements

Modular building blocks decouple product strategies from UX modules

GenAI acceleration

GenAI enhances product understanding and accelerates testing of copy and imagery

GenAI copy and imagery used in Product Listing Ads and email subject lines; testing with product carousel titles

Semantic search is powered by GenAI product attributes and multi-modal capabilities

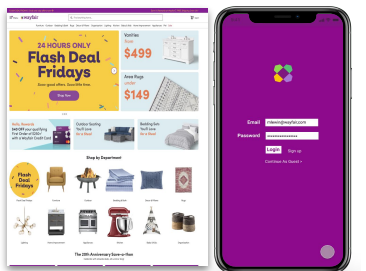


“Wayfair just gets me”

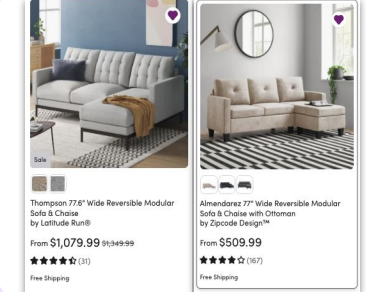
Personalized email & notifications



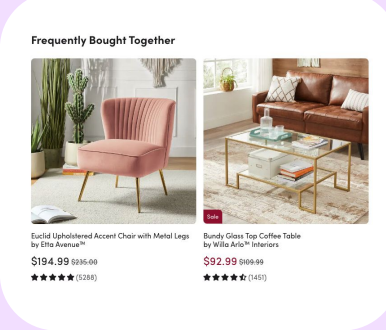
Personalized Home Page



Personalized Search & Browse



Personalized PDP & Carousels



Personalization helps us inspire, engage, build trust, retain customers, and increase share of wallet to drive long-term customer lifetime value

Growth Initiatives



wayfair PROFESSIONAL

We are a multi-billion dollar business with over 1M active customers.

- **2x Avg Visits per Customer vs B2C Shoppers**
- **2x Conversion to Purchase vs B2C Shoppers**



We leverage the Wayfair platform to drive *scale* and *growth* as we take share in the luxury market

P

2-3x
Wayfair AOV

>60M
Visits in 2025

>200K
LTM New Customers

>20%
YoY Revenue Growth in 2025



Our approach is *driven by and tailored to* our customer, building a connection to our brand and the brands we sell

Customer-Inspired Focus

- Clarity and consistency in our marketing experience
- Awareness and brand preference
- Engagement, loyalty, and affinity

Tailored to the Luxury Customer

- A unique voice with distinct messaging and an authority on the world's best brands and the designers who love them
- Elevated visual design that provides a rich platform to showcase our brands and design
- Omni-channel marketing that reflects a luxury customer's media habits





ALLMODERN

Modern made simple.



Customer

Age: 25-45 years old (avg 35)
Gender: 65% female / 35% male
Household Income: \$120K+
Location: Urban/suburban

BIRCH LN

Classic Style *for* Joyful Living



Customer

Age: 30-50 (primary), 50-70 (secondary)
Gender: Primarily female
Household income: \$120K+
Location: South & midwest, suburban/rural

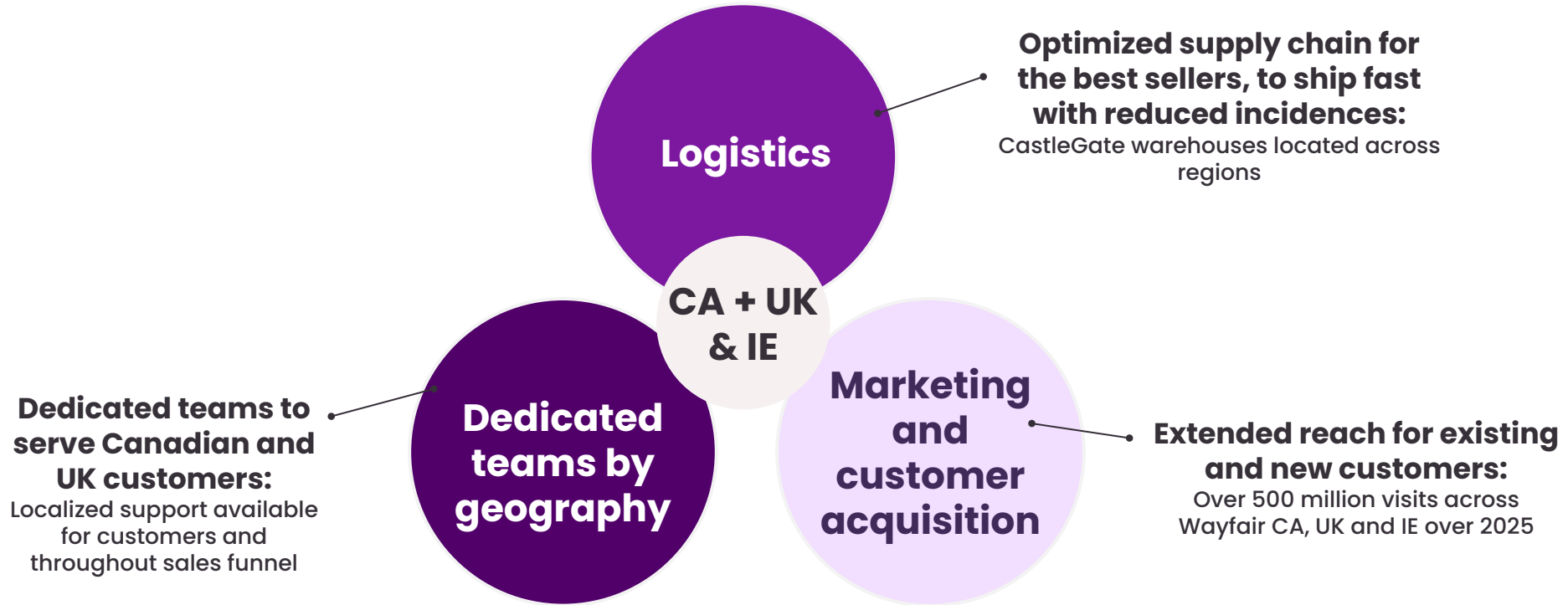
JOSS & MAIN

the ULTIMATE
STYLE EDIT *for* HOME



Customer

Age: 30-55 (avg 45)
Gender: 93% Female
Household income: \$120k+
Location: Suburban, slightly skews in South



Canada, the UK and Ireland represent ~\$50-100B of addressable market opportunity

Our flagship Wayfair store is driving noteworthy customer & order lift



>50%

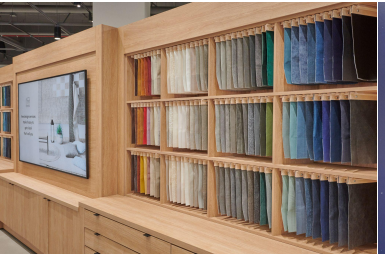
Customers new to Wayfair since opening

>10%

Illinois vs National Growth CAGR since opening

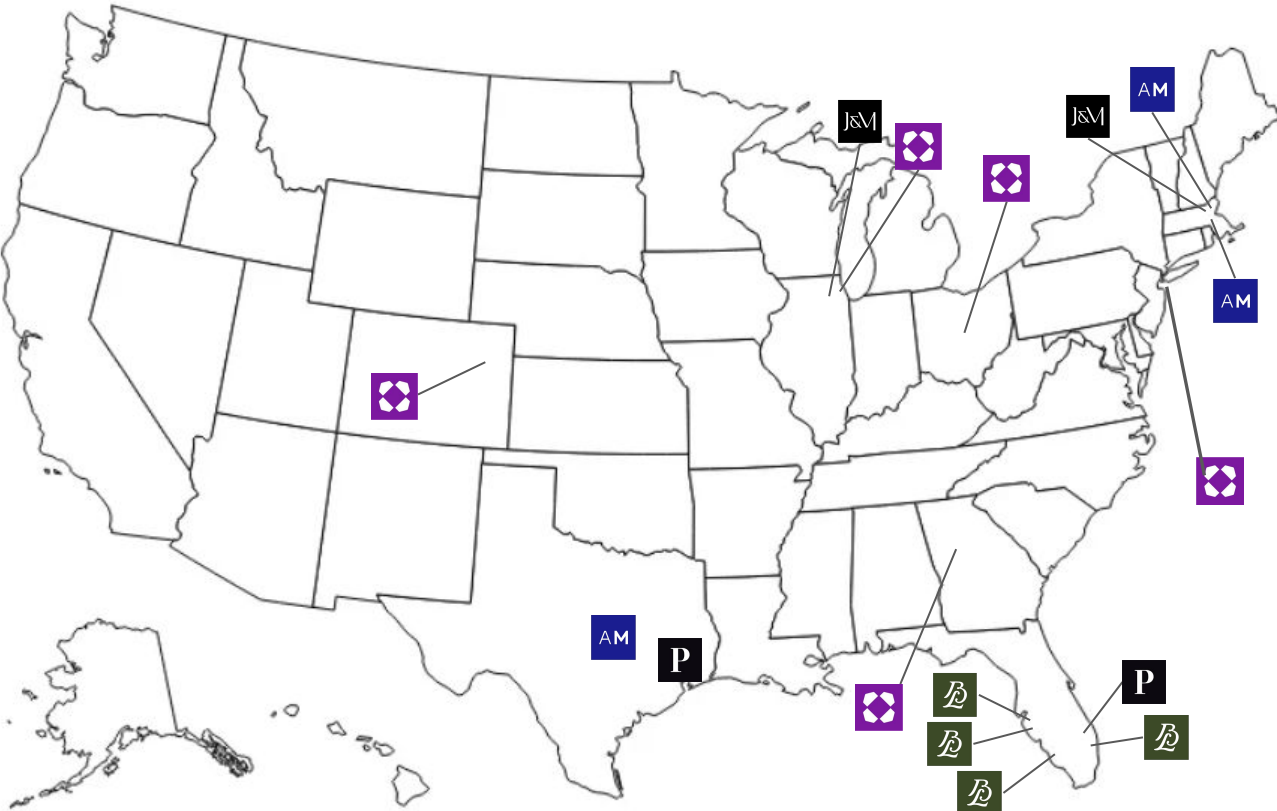
>25%

Lift in frequency category growth in Chicago DMA vs comparable DMAs



¹Internal analysis work as of Q4'25, based on time from store open to 2025 year end

12 stores are open and more are on the way, we are accelerating openings



ALLMODERN

- ★ MarketStreet, Lynnfield, MA | 2022
- ★ Legacy Place, Dedham, MA | 2022
- ★ Arboretum Market, Austin, TX | 2023

BIRCH LN

- ★ Mizner Park, Boca Raton, FL | 2024
- ★ University Town Center, Sarasota, FL | 2024
- ★ International Plaza, Tampa, FL | 2024
- ★ Mercato, Naples, FL | 2024

JOSS & MAIN

- ★ Burlington Mall, Burlington, MA | 2022
- ★ Oakbrook Center, Oakbrook, IL | 2023

wayfair

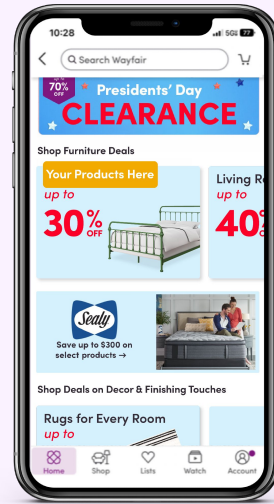
- ★ Edens Plaza, Wilmette, IL | 2024
- ★ The District at Howell Mill, Atlanta, GA | 2026
- ★ Polaris/Gemini Place, Columbus, OH | 2026
- ★ The Shops at Northfield, Denver, CO | 2026
- ★ Ridge Hill, Yonkers, NY | 2027

PERIGOLD

- ★ Highland Village, Houston, TX | 2025
- ★ CityPlace, West Palm Beach, FL | 2025



Transparent ROI and full control on how/what/when to spend



Event Sponsorships and Brand Spotlights

Display Advertising and Offsite Retargeting

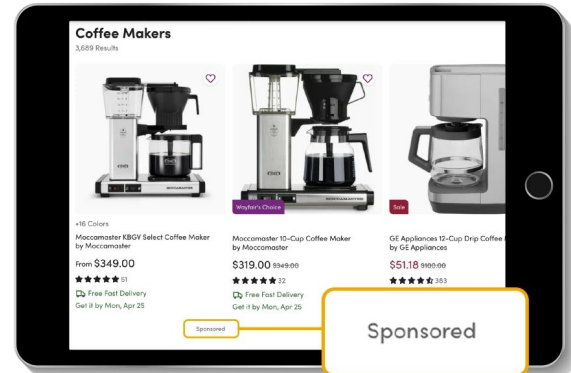
Sponsored Events in Email

Wayfair Sponsored Products



Wayfair Sponsored Shops

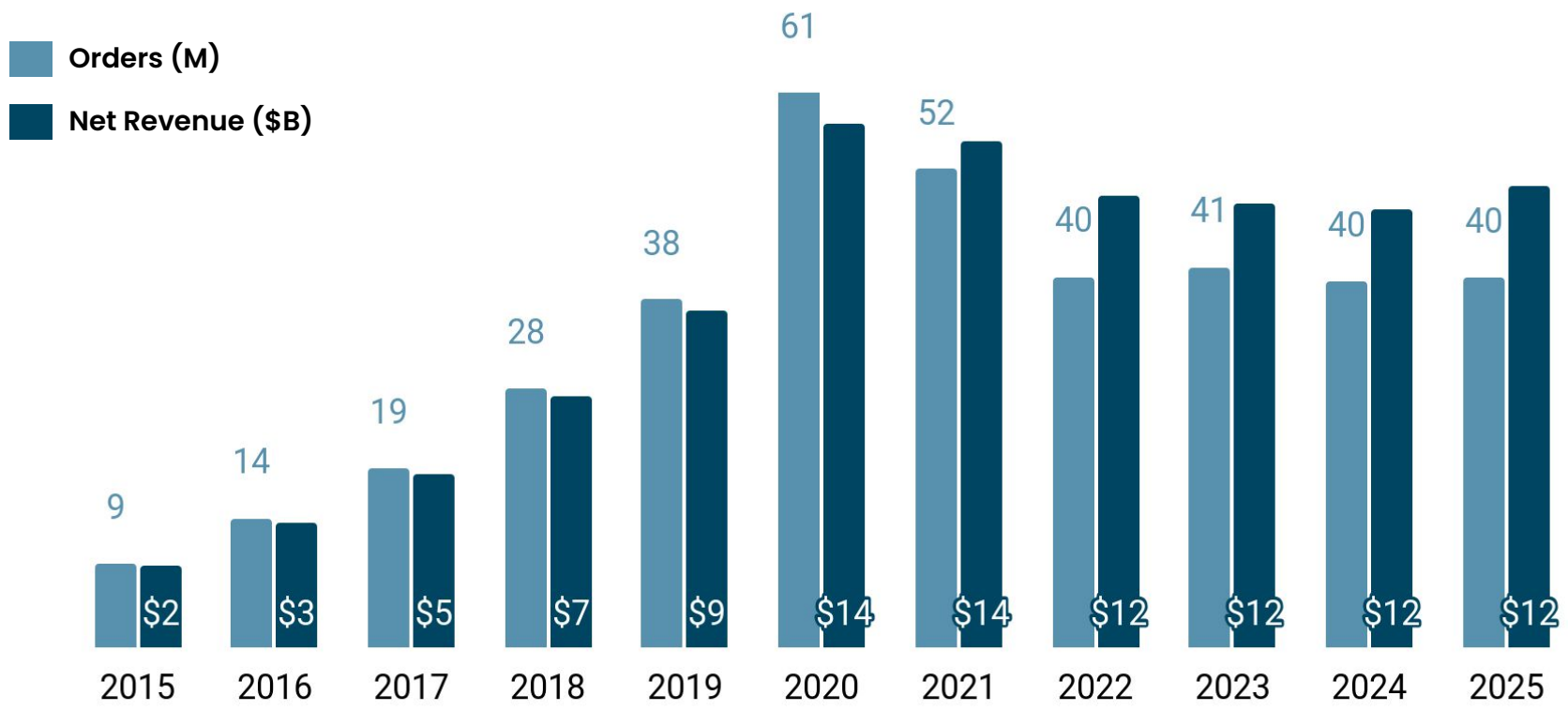
With our self-service performance advertising tools, it is easy for suppliers to create, launch, and monitor advertising campaigns from Partner Home



Financials

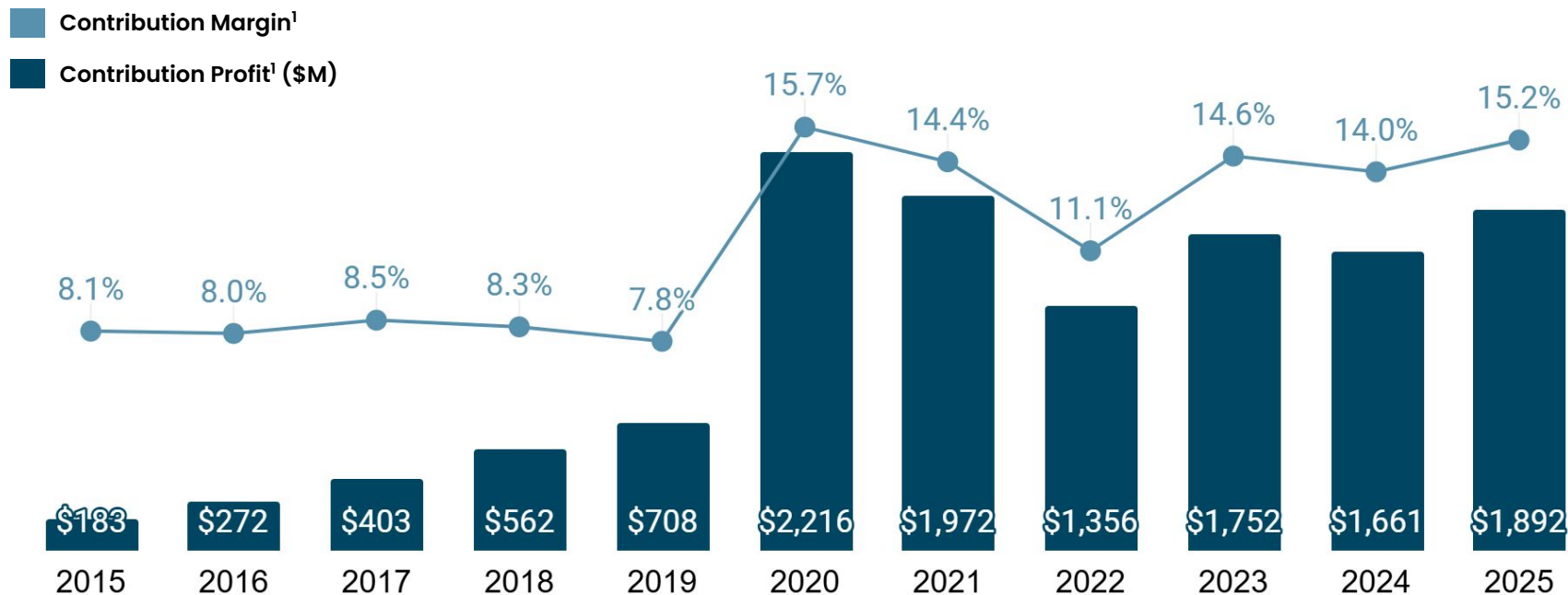


Cultivating a customer base that makes Wayfair a part of their shopping habits, with 80% of orders coming from repeat customers in 2025 and a 23% revenue CAGR since IPO





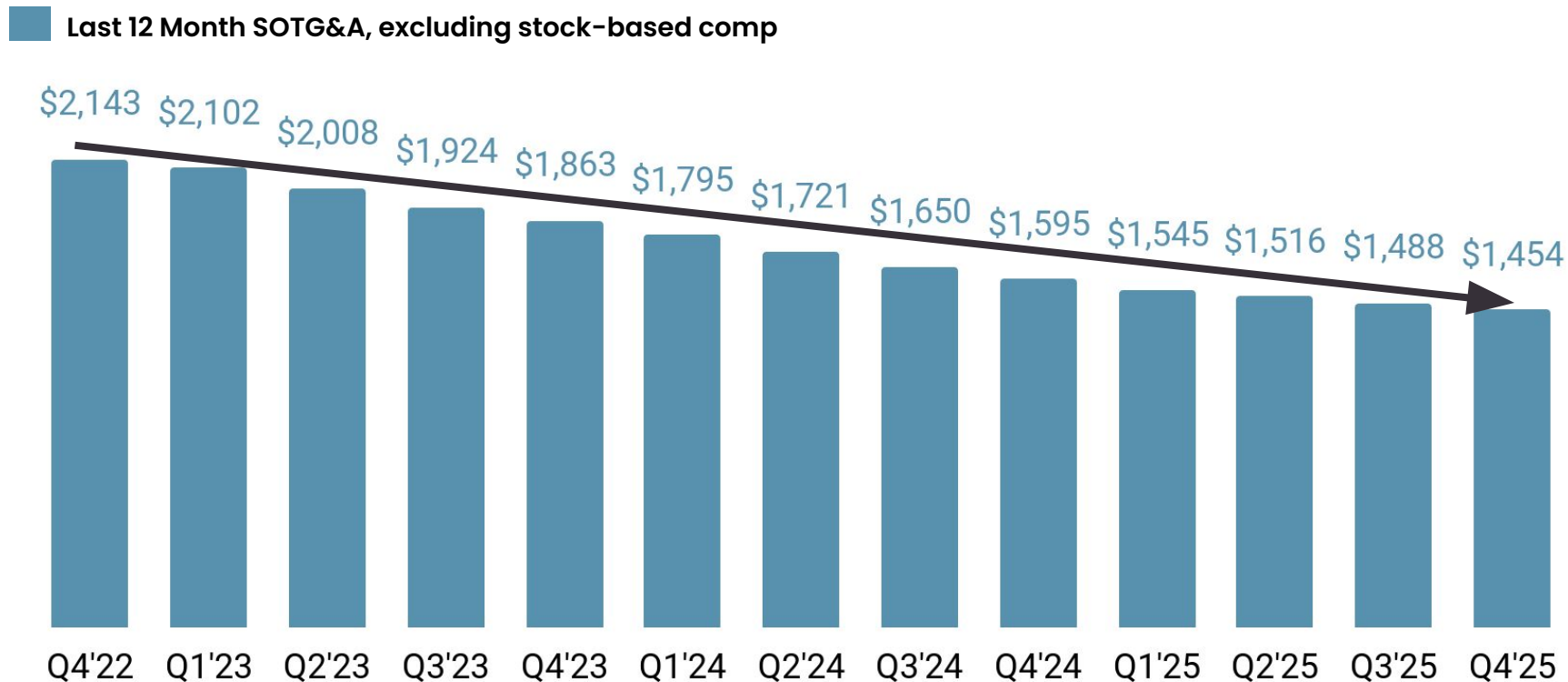
Expanding contribution margin as we structurally increase unit economics through logistics, supplier services, wholesale economics, advertising efficiency and more



¹Contribution Profit and Contribution Margin are non-GAAP measures. Please see the Appendix for a reconciliation to the nearest GAAP measure.



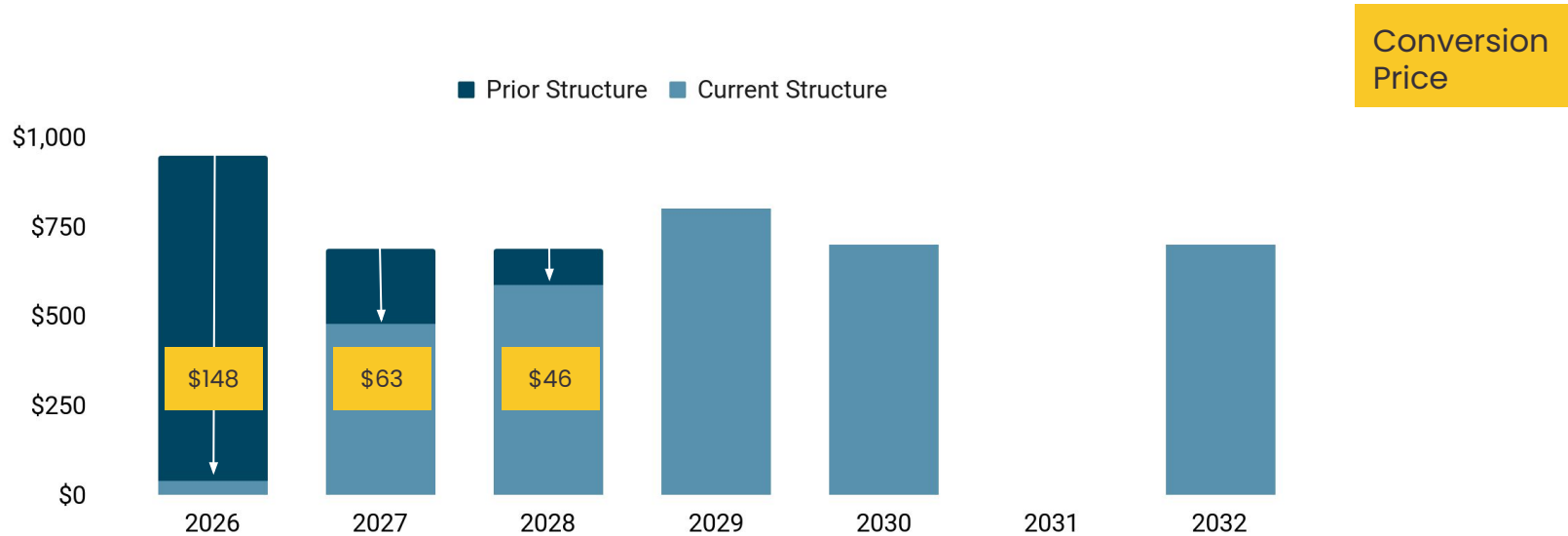
Demonstrating consistent cost discipline to achieve SOTG&A leverage despite challenging macro environment, with significant flow through as home goods demand normalizes



Note: USD Millions



Three high-yield offerings since the fall of 2024, using proceeds to clear near-term maturities and reduce dilution risk from remaining convertibles



With >\$1.5 billion of cash and short-term investments on the balance sheet as of Q4 2025, we have considerable runway and flexibility to deal with the remaining maturities across our capital structure



Step 1

**Breakeven
Adjusted
EBITDA**



Step 2

**Mid-Single Digit
Adjusted EBITDA Margin
& Positive FCF**



Step 3

**>10% Adjusted
EBITDA Margin & Sustained
Strong FCF**



**FY'23 Adjusted EBITDA
Margin of 2.5%¹**

**Executed on \$1.4 billion
of annualized cost
action across the
organization announced
in Jan '23**

**FY'25 Adjusted EBITDA
Margin of 6.0%¹**

**Years of cost efficiency
leading to significant
profitability flow through
and positive free cash flow¹**

**Ongoing Expansion Via
Multiple Drivers**

**Substantial leverage
potential across Gross
Margin, Advertising and
SOTG&A in the future**

Appendix

Non-GAAP Financial Measures

To supplement our consolidated financial statements presented in accordance with generally accepted accounting principles (“GAAP”), this presentation contains certain non-GAAP financial measures, including Contribution Profit, Contribution Margin, Adjusted EBITDA, Adjusted EBITDA Margin Free Cash Flow and Free Cash Flow Margin. We use these non-GAAP financial measures internally in analyzing our financial results and believe they are useful to investors, as a supplement to GAAP measures, in evaluating our ongoing operational performance. We have provided a reconciliation of certain of these non-GAAP financial measures to the most directly comparable GAAP financial measure in the appendix to this presentation.

We calculate Adjusted Gross Profit as gross profit plus stock-based compensation and related taxes included in cost of goods sold. Adjusted Gross Margin is calculated as Adjusted Gross Profit as a percentage of revenue for the same period. We disclose Adjusted Gross Profit and Adjusted Gross Margin because they are important indicators of our business performance, as they provide visibility into our underlying gross profitability by excluding the impact of non-cash stock-based compensation expense. Accordingly, we believe these metrics provide useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and the board of directors.

We calculate Contribution Profit as gross profit plus equity-based compensation and related taxes included in cost of goods sold, less customer service and merchant fees and less advertising expense, plus equity-based compensation and related taxes included in customer service and merchant fees. Contribution Margin is defined as Contribution Profit as a percentage of net revenue for the same period. We believe Contribution Profit and Contribution Margin provide useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and the board of directors.

We calculate Adjusted EBITDA as net income or loss before depreciation and amortization, equity-based compensation and related taxes, interest income or expense, net, other income or expense, net, provision or benefit for income taxes, net, non-recurring items and other items not indicative of our ongoing operating performance. Adjusted EBITDA Margin is calculated by dividing Adjusted EBITDA by Net Revenue. We have included Adjusted EBITDA and Adjusted EBITDA Margin because they are key measures used by our management and board of directors to evaluate our operating performance, generate future operating plans and make strategic decisions regarding the allocation of capital. In particular, we believe the exclusion of certain expenses in calculating Adjusted EBITDA facilitates operating performance comparisons on a period-to-period basis as these costs may vary independent of business performance. For instance, we exclude the impact of equity-based compensation and related taxes as we do not consider this item to be indicative of our core operating performance. Investors should, however, understand that equity-based compensation and related taxes will be a significant recurring expense in our business and an important part of the compensation provided to our employees. Accordingly, we believe that Adjusted EBITDA and Adjusted EBITDA Margin provide useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and board of directors.

We calculate Free Cash Flow as net cash provided by or used in operating activities less net cash used to purchase property and equipment and site and software development costs (collectively, “Capital Expenditures”). Free Cash Flow Margin is calculated by dividing Free Cash Flow by Net Revenue. We believe Free Cash Flow and Free Cash Flow Margin are important indicators of our business performance as they measure the amount of cash we generate. Accordingly, we believe that Free Cash Flow and Free Cash Flow Margin provide useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and board of directors.

We calculate forward-looking non-GAAP financial measures based on internal forecasts that omit certain amounts that would be included in forward-looking GAAP financial measures. We do not attempt to provide a reconciliation of forward-looking non-GAAP financial measures to forward looking GAAP financial measures because forecasting the timing or amount of items that have not yet occurred and are out of our control is inherently uncertain and unavailable without unreasonable efforts. Further, we believe that such reconciliations would imply a degree of precision and certainty that could be confusing to investors. Such items could have a substantial impact on GAAP measures of financial performance.

The non-GAAP financial measures have limitations as analytical tools. We do not, nor do we suggest that investors should consider such non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Investors should also note that the non-GAAP financial measures we use may not be the same non-GAAP financial measures and may not be calculated in the same manner as that of other companies, including other companies in our industry.

Reconciliation of Non-GAAP Financial Measures

	Year Ended December 31,				
	2015	2016	2017	2018	2019
	(In millions, except percentages)				
Reconciliation of Contribution Profit¹:					
Net revenue	\$ 2,250	\$ 3,380	\$ 4,721	\$ 6,779	\$ 9,127
Less: Cost of goods sold	1,709	2,573	3,602	5,192	6,980
Gross profit	541	807	1,119	1,587	2,147
Gross margin	24.0 %	23.9 %	23.7 %	23.4 %	23.5 %
Add: Equity-based compensation and related taxes included in cost of goods sold	—	—	1	3	5
Adjusted Gross Profit	541	807	1,120	1,590	2,152
Adjusted Gross Margin	24.0 %	23.9 %	23.7 %	23.5 %	23.6 %
Less: Customer service and merchant fees	81	128	170	260	357
Less: Advertising	278	409	550	774	1,096
Add: Equity-based compensation and related taxes included in customer service and merchant fees	1	2	3	6	9
Contribution Profit	\$ 183	\$ 272	\$ 403	\$ 562	\$ 708
Contribution Margin	8.1 %	8.0 %	8.5 %	8.3 %	7.8 %

¹Prior-period amounts rounded to millions; differences due to rounding.

Reconciliation of Non-GAAP Financial Measures

	Year Ended December 31,					
	2020	2021	2022	2023	2024	2025
	(In millions, except percentages)					
Reconciliation of Contribution Profit:						
Net revenue	\$ 14,145	\$ 13,708	\$ 12,218	\$ 12,003	\$ 11,851	\$ 12,457
Less: Cost of goods sold	10,033	9,813	8,802	8,336	8,277	8,692
Gross profit	4,112	3,895	3,416	3,667	3,574	3,765
Gross margin	29.1 %	28.4 %	28.0 %	30.6 %	30.2 %	30.2 %
Add: Equity-based compensation and related taxes included in cost of goods sold	10	12	11	10	10	9
Adjusted Gross Profit	4,122	3,907	3,427	3,677	3,584	3,774
Adjusted Gross Margin	29.1 %	28.5 %	28.0 %	30.6 %	30.2 %	30.3 %
Less: Customer service and merchant fees	510	584	632	557	470	471
Less: Advertising	1,412	1,378	1,473	1,397	1,472	1,425
Add: Equity-based compensation and related taxes included in customer service and merchant fees	16	27	34	29	19	14
Contribution Profit	\$ 2,216	\$ 1,972	\$ 1,356	\$ 1,752	\$ 1,661	\$ 1,892
Contribution Margin	15.7 %	14.4 %	11.1 %	14.6 %	14.0 %	15.2 %

Reconciliation of Non-GAAP Financial Measures

	Year Ended December 31,	
	2025	2023
	(in millions, except percentages)	
Reconciliation of Adjusted EBITDA:		
Net loss	\$ (313)	\$ (738)
Depreciation and amortization	305	417
Equity-based compensation and related taxes	345	623
Interest expense, net	119	17
Other (income) expense, net	(31)	(1)
Provision for income taxes, net	9	9
Other:		
Impairment and other related net charges ⁽¹⁾	23	14
Restructuring and other charges, net ⁽²⁾	53	65
Loss (gain) on debt extinguishment ⁽³⁾	233	(100)
Adjusted EBITDA	\$ 743	\$ 306
Net revenue	\$12,457	\$ 12,003
Net loss margin	(2.5)%	(6.1)%
Adjusted EBITDA Margin	6.0 %	2.5 %

⁽¹⁾ During the year ended December 31, 2025, we recorded net charges of \$23 million, inclusive of \$20 million associated with the Germany Restructuring and weakened macroeconomic conditions in connection with our German operations and \$3 million associated with changes in sublease market conditions for a technology center in the U.S. During the year ended December 31, 2023, Wayfair recorded net charges of \$14 million, inclusive of \$5 million related to consolidation of certain customer service centers and \$9 million related to construction in progress assets at identified U.S. locations.

⁽²⁾ During the year ended December 31, 2025, we incurred \$53 million of charges consisting primarily of one-time employee severance, benefits, relocation and transition costs. This is inclusive of \$48 million related to the Germany Restructuring and \$20 million related to the March 2025 workforce reduction. Additionally, we recorded a gain on lease modification of \$15 million, primarily related to the early exit of a portion of our corporate office location. During the year ended December 31, 2023, Wayfair incurred \$65 million of charges consisting primarily of one-time employee severance and benefit costs associated with the January 2023 workforce reductions.

⁽³⁾ During the year ended December 31, 2025, we recorded a \$233 million loss on debt extinguishment upon repurchase of \$210 million in aggregate principal amount of the 2027 notes, \$101 million in aggregate principal amount of the 2028 Notes, \$80 million in aggregate principal amount of the 2025 Notes and \$696 million in aggregate principal amount of the 2026 Notes. During the year ended December 31, 2023, Wayfair recorded a \$100 million gain on debt extinguishment upon repurchase of \$83 million in aggregate principal amount of the 1.25% Convertible Senior Notes due 2024 (the "2024 Notes") and \$535 million in aggregate principal amount of the 2025 Notes.

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