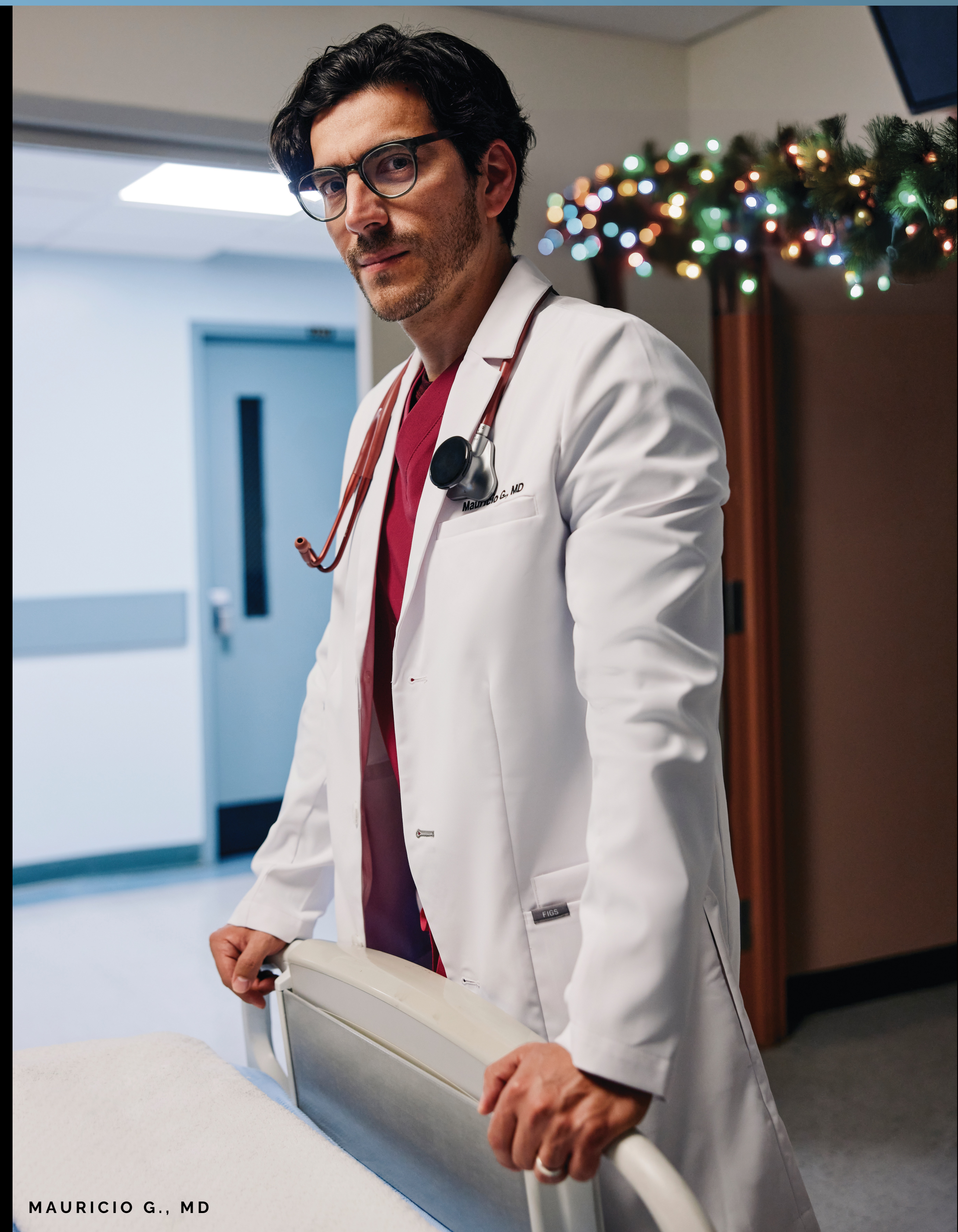


Q4 and Full Year 2025

 **FIGS** Earnings Presentation



MAURICIO G., MD

DISCLAIMER

Nothing contained in this presentation is, or should be construed as, a recommendation, promise or representation by FIGS, Inc. (the "Company") or any officer, director, employee, agent or advisor of the Company. This presentation does not purport to be all inclusive or to contain all of the information you may desire in connection with your investigation of the Company. Information provided in this presentation speaks only as of the date hereof. This presentation shall not constitute an offer to sell or the solicitation of an offer to buy securities, nor shall there be any sale of securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

This presentation also contains estimates and other statistical data relating to the Company's industry and estimated total addressable market. Such estimates and data are based on studies, publications, and surveys obtained from third-party sources and the Company's own internal estimates and research. While the Company believes these third-party sources and the Company's internal estimates and own research to be reliable as of the date of this presentation, it has not independently verified, and makes no representation as to the adequacy, fairness, accuracy or completeness of, any information obtained from third-party sources, and the Company's internal research has not been verified by any independent source. In addition, projections, assumptions and estimates regarding the Company's industry are subject to a number of assumptions and limitations and involve a high degree of uncertainty and risk. Accordingly, you are urged not to give undue weight to such estimates and statistical data. Information that can be accessed through any website address or hyperlink provided herein is not a part of this presentation and is not incorporated by reference herein. We have included any such website address in this presentation solely for informational purposes.

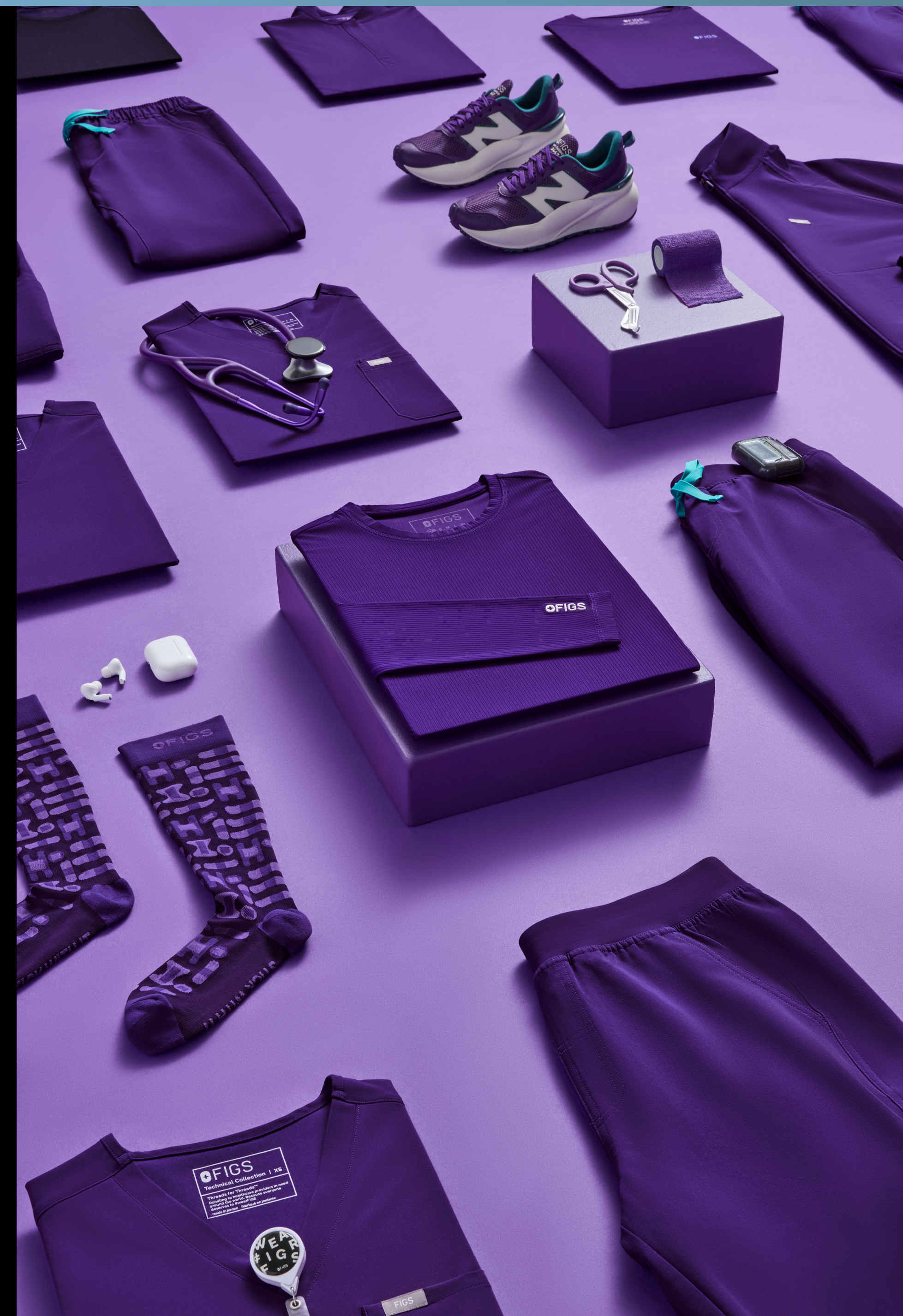
FORWARD-LOOKING STATEMENTS

This presentation contains various forward-looking statements about the Company within the meaning of the Private Securities Litigation Reform Act of 1995, as amended, that are based on current management expectations, and which involve substantial risks and uncertainties that could cause actual results to differ materially from the results expressed in, or implied by, such forward-looking statements. All statements contained in this presentation that do not relate to matters of historical fact should be considered forward-looking. These forward-looking statements generally are identified by the words "anticipate", "believe", "contemplate", "continue", "could", "estimate", "expect", "forecast", "future", "intend", "may", "might", "opportunity", "outlook", "plan", "possible", "potential", "predict", "project," "should", "strategy", "strive", "target", "will", or "would", the negative of these words or other similar terms or expressions. The absence of these words does not mean that a statement is not forward-looking. These forward-looking statements address various matters, including: the Company's brand differentiators; the Company's growth opportunities and strategies, including product innovation, building and deepening connections with its community, international, TEAMS and retail; the Company's plans to operate with financial discipline and invest in the future; the Company's plans to continue to improve its infrastructure; the Company's plans to drive awareness and engagement; the Company's international expansion strategy, including plans to open new markets; the Company's TEAMS opportunity and strategy, including its TEAMS Store experience; the Company's impact and advocacy efforts, including the plans and strategy of the FIGS Awesome Humans Foundation; the Company's retail strategy, including its plans to open additional locations; the Company's total addressable market and plans to grow its total addressable market and market share; the future growth and growth fundamentals of the healthcare and social assistance industry sector, including the expectation that secular growth of the healthcare industry will be driven by a significant shortage of healthcare workers, aging population and the surge in wellness and aesthetic trends; growing demand from healthcare institutions to professionalize and invest in their staffs; the Company's financial flexibility; the Company's tailwinds, the Company's opportunity and positioning to serve healthcare professionals globally; the Company's expectations for 2026 with continuing growth from the core foundational elements of its business and from International, TEAMS and Community Hubs; the Company's expectation of topline growth in 2026 of 10-12%, including its growth expectations for Q1; the Company's expectation of increased profitability; the Company's tariff expectations; the Company's expectations regarding its balance sheet; the Company's expectation that strong cash flow will drive expanded shareholder value; and the Company's outlook as to net revenues growth and adjusted EBITDA margin for the full year ending December 31, 2025, all of which reflect the Company's expectations based upon currently available information and data. Because such statements are based on expectations as to future financial and operating results and are not statements of fact, the Company's actual results, performance or achievements may differ materially from those expressed or implied by the forward-looking statements, and you are cautioned not to place undue reliance on these forward-looking statements. The following important factors and uncertainties, among others, could cause actual results, performance or achievements to differ materially from those described in these forward-looking statements: the Company's ability to maintain its historical growth; the Company's ability to maintain profitability; the Company's ability to maintain the value and reputation of its brand; the Company's ability to attract new customers, retain existing customers, and to maintain or increase sales to those customers; the success of the Company's marketing efforts; the Company's ability to maintain a strong community of engaged customers and Ambassadors; negative publicity related to the Company's marketing efforts or use of social media; the Company's ability to successfully develop and introduce new, innovative and updated products; the competitiveness of the market for healthcare apparel; the Company's ability to maintain its key employees; the Company's ability to attract and retain highly skilled team members; risks associated with expansion into, and conducting business in, international markets; changes in, or disruptions to, the Company's shipping arrangements; the successful operation of the Company's fulfillment operations; the Company's ability to accurately forecast customer demand, manage its inventory, and plan for future expenses; the impact of changes in consumer confidence, shopping behavior and consumer spending on demand for the Company's products; the impact of macroeconomic trends on the Company's operations; the Company's reliance on a limited number of third-party suppliers; the impact of global trade policy on the Company's ability to source and distribute its products; the fluctuating costs of raw materials; the Company's ability to execute on its B2B growth strategy; the Company's ability to execute on its retail growth strategy; the Company's failure to protect proprietary, confidential or sensitive information or personal customer data or risks of cyberattacks; the Company's failure to protect its intellectual property rights; the fact that the operations of many of the Company's suppliers and vendors are subject to additional risks that are beyond its control; and other risks, uncertainties, and factors discussed in the "Risk Factors" section of the Company's Annual Report on Form 10-K for the year ended December 31, 2025 to be filed with the Securities and Exchange Committees ("SEC") on February 26, 2026, and the Company's other periodic filings with the SEC. The forward-looking statements in this presentation speak only as of the time made and the Company does not undertake to update or revise them to reflect future events or circumstances.

To celebrate,
empower, &
serve those
who serve others

WHY FIGS?

- Large, replenishment-driven sector with strong long-term growth fundamentals
- Disrupting the healthcare apparel industry globally with best-in-class product and storytelling that centers around an underserved community
- Sustainable brand differentiators within marketing, product innovation, and merchandising strategy
- Numerous growth opportunities within the US, International, TEAMS (B2B), and Community Hubs (Retail)
- Strong balance sheet and cash flow provide flexibility to both invest in growth and return value to shareholders



FY 2025 at a Glance

- Delivered year-over-year net revenues growth of 14% in FY 2025, exceeding our outlook and underscored by net revenues growth of 33% in Q4 2025
 - Average order value ("AOV")⁽¹⁾ increased 6% to \$120
 - Active customers⁽¹⁾ grew 9% to 2.9 million, supported by strong gains in new and repeat customers
 - Scrubwear grew 14% (81% of net revenues); non-scrubwear grew 11% (19% of net revenues)
 - U.S. grew 11% (84% of net revenues); international grew 28% (16% of net revenues)
- Adjusted EBITDA margin⁽²⁾ expanded 250 basis points to 11.8%, also ahead of expectations with strong sales leverage and operational execution offsetting 120 basis points of tariff headwinds
- Generated free cash flow⁽²⁾ of \$53 million and ended the period with record cash, cash equivalents and short-term investments of \$301 million

[Click Here for our 2025 Recap Video](#)

(1) AOV and active customers are key operational and business metrics that are important to understanding our performance. See "Non-GAAP Financial Measures and Key Operating Metrics" in the Appendix for additional information on this metric.

(2) Adjusted EBITDA, adjusted EBITDA margin and free cash flow are non-GAAP financial measures. See "Non-GAAP Financial Measures and Key Operating Metrics" in the Appendix for additional information on non-GAAP financial measures and reconciliations to the most directly comparable GAAP measures.

NET REVENUES
\$631.1M

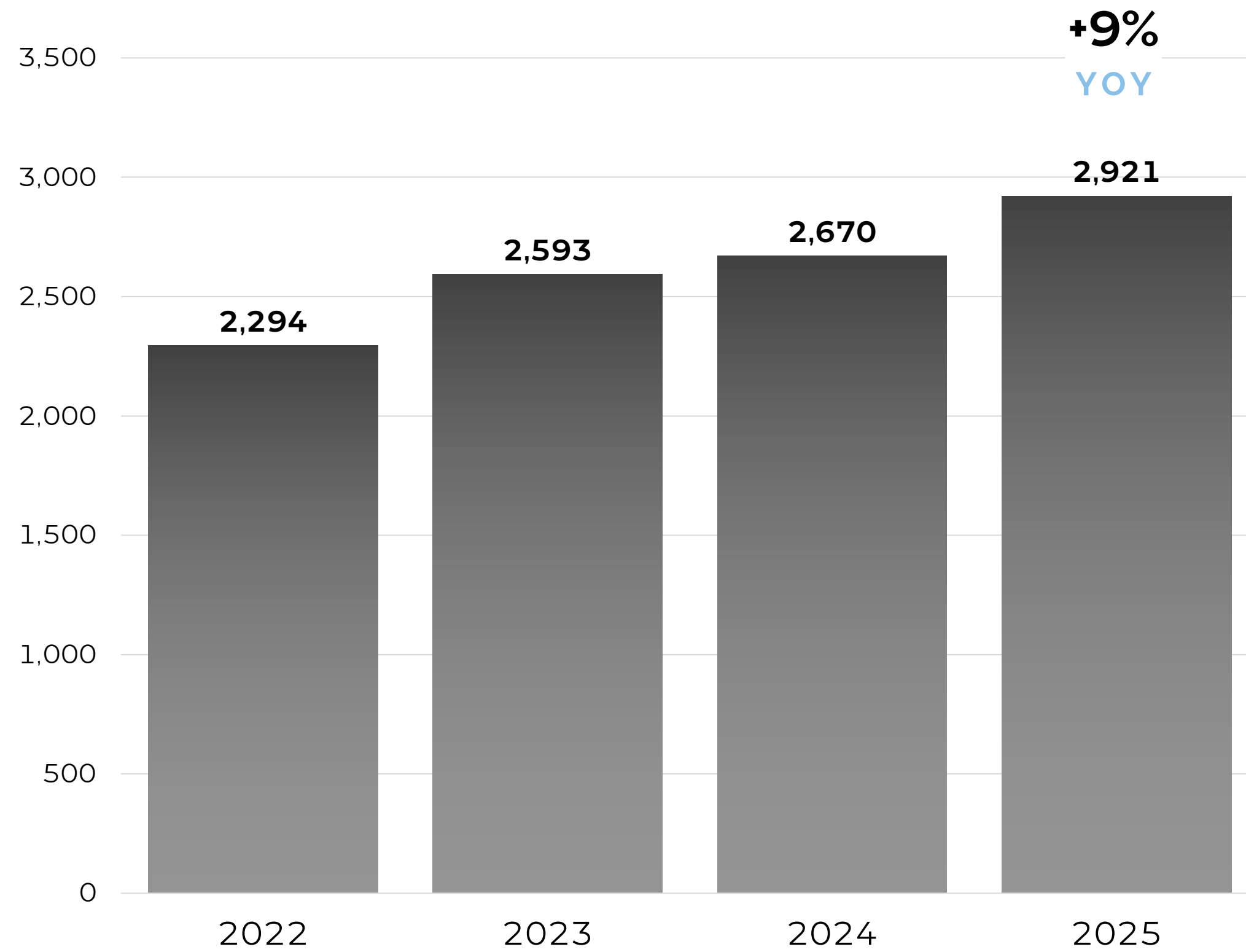
GROSS MARGIN
66.5%

ADJ. EBITDA MARGIN⁽²⁾
11.8%

KEY OPERATING METRICS

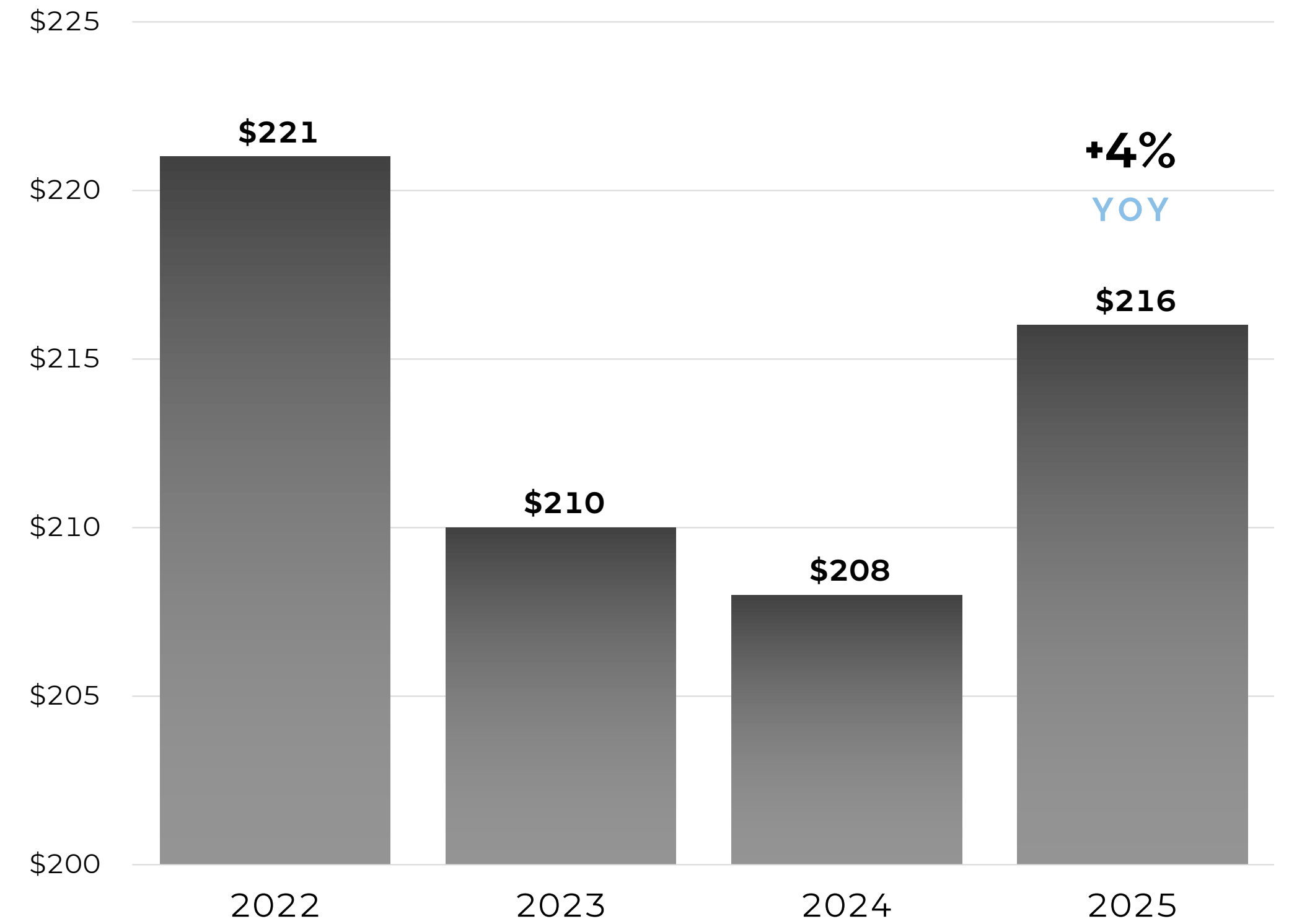
Active Customers⁽¹⁾

(TRAILING TWELVE MONTHS, IN THOUSANDS)



Net Revenues Per Active Customer⁽¹⁾

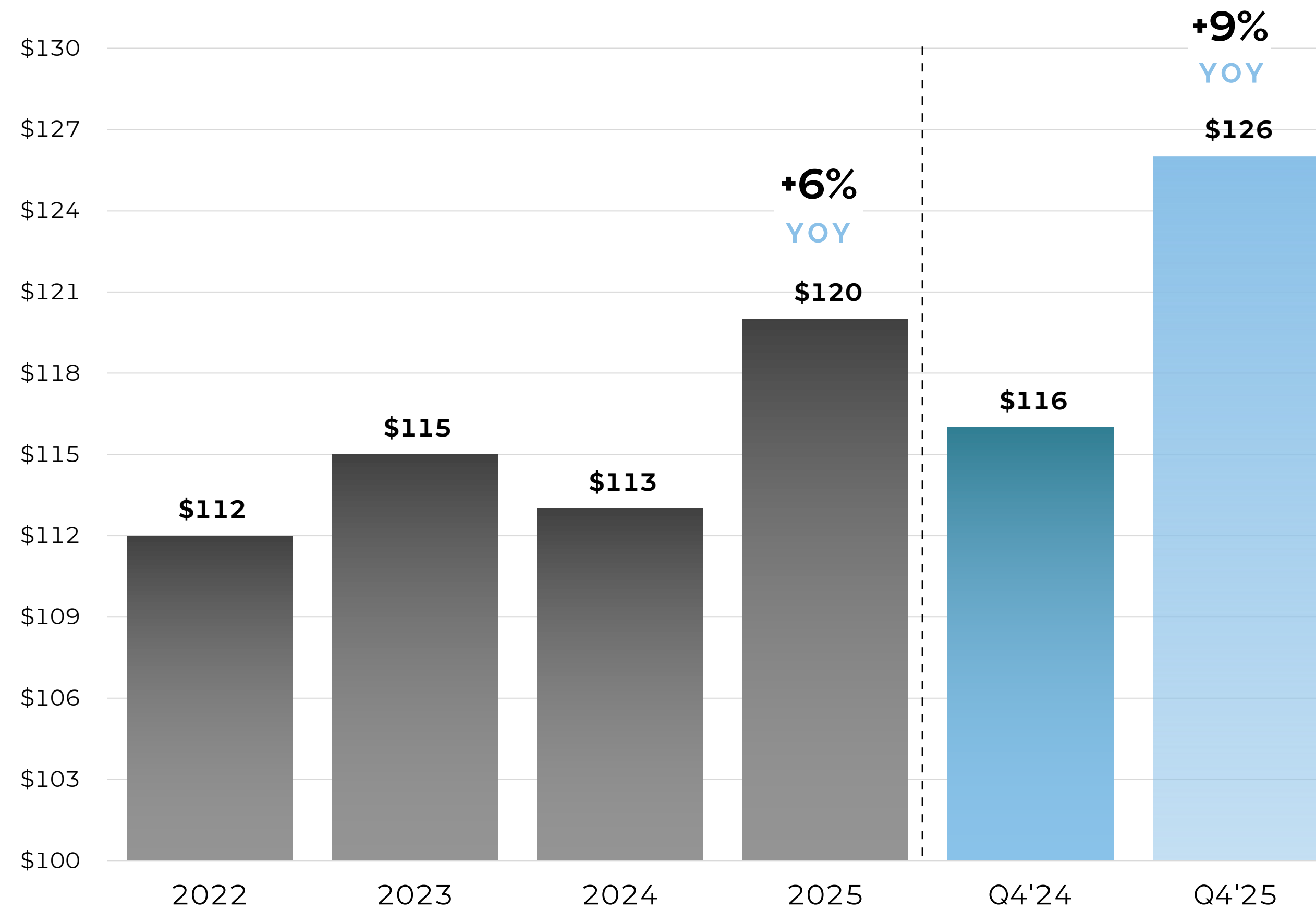
(TRAILING TWELVE MONTHS)



(1) Active customers and net revenues per active customer are key operational and business metrics that are important to understanding our performance. See "Non-GAAP Financial Measures and Key Operating Metrics" in the Appendix for additional information on these metrics.

KEY OPERATING METRICS

Average Order Value (AOV)⁽¹⁾



(1) AOV is a key operational and business metrics that is important to understanding our performance. See "Non-GAAP Financial Measures and Key Operating Metrics" in the Appendix for additional information on this metric.

DIVERSIFIED GROWTH STRATEGY

Product Innovation

Continued disruption and technical innovation across styles, categories, and fabrications to better serve our healthcare professionals.

Community & Engagement

Drive awareness and engagement through powerful, purposeful storytelling, and unwavering commitment to advocacy.

Market Expansion

International

Expanding to better reach the global healthcare community with 58 countries outside the U.S. at the end of 2025.

TEAMS

Opportunity to serve institutions around the world that want to professionalize and standardize their teams.

Community Hubs

Deepen connection to our community by engaging with them in person.

Operate with Financial Discipline and Invest in the Future

Optimize infrastructure to support scale, increase reliability, flexibility, and speed to market



XOCHITL R., PA-C

Product Innovation

We introduced new products across the layering system designed for maximum comfort, versatility, and durability, including:

- **FORMx Expansion:** We expanded our FORMx franchise with new offerings, building on strong early traction for this high-stretch, high-comfort fabric platform launched in early 2025.
- **Wide Leg Style Expansion:** We added new limited-edition wide-leg silhouettes, complementing the continued success of our core Isabel Wide Leg and reinforcing our leadership in modern scrub silhouettes.
- **Ribbed Underscrub Expansion:** We broadened our ribbed underscrub assortment, extending a proven franchise that supports layering and drives incremental outfit completion.
- **Shift Bag Collection:** We introduced a new line of functional bags designed for healthcare professionals, including a backpack, tote, and belt bag, created to support both structured workdays and everyday use, while continuing to extend the brand beyond apparel.

Build and Deepen Connection with Community

WHERE DO YOU WEAR FIGS HOLIDAY

We celebrated the Holiday season with the last installment of our year-long *Where Do You Wear FIGS* campaign. Our community felt seen as we reflected the unique reality of being a healthcare professional during one of the busiest (and most injury-prone!) times of the year. We saw unprecedented engagement with the campaign thanks to some of the highest followed ambassadors featured together, including 8M+ followers combined for Dr. Meghan Martin (aka @Dr.Beachgem10) and Dr. Mauricio Gonzalez.

OUR EXPANDED AMBASSADOR COMMUNITY

Our network of FIGS Ambassadors grew meaningfully in 2025 as we continued expanding globally. Nearly 30% of our total Ambassadors are now located in international markets spread across 13 countries. Our Ambassadors act as powerful microphones for both our brand and product—inspiring others to see themselves in FIGS.

COMMUNITY HUB OPENINGS

Adding to our first two locations, we officially opened three new community hubs in NYC, Houston, and Chicago, building on our goal to provide dedicated healthcare community spaces to shop, connect, and recharge live. The craving for a gathering place in these cities was real—we saw long lines and palpable excitement at our opening events for these new destinations to engage with us and each other.



Impact

LAUNCHED FIRST-OF-ITS-KIND AWESOME HUMANS FOUNDATION

From day one, FIGS has been focused on improving the lives of healthcare professionals—through products, storytelling, community and impact. We've now taken our impact to the next level with our all-new 501(c)(3) non-profit, the Awesome Humans Foundation.

The Foundation builds on more than a decade of FIGS impact work—from donating over a million FIGS globally to date to supporting disaster relief, mental health initiatives, medical research, and global access to care. Now, for the first time, we're able to combine our own giving with third-party contributions, significantly expanding the scale, reach, and sustainability of our impact.

The Foundation also expands how we can deliver that support. In addition to continuing long-standing nonprofit partnerships, the Foundation provides support directly to our Awesome Humans through grants and scholarships—allowing faster response, broader reach, and more targeted support across the healthcare community.

At its core, the Awesome Humans Foundation reflects a simple idea: healthcare professionals give everything to care for others, and FIGS is committed to showing up for them with the same consistency and care—now and for the long term.

Awesome Humans *Foundation*



INTERNATIONAL

Expanding Global Presence

Disrupting global healthcare apparel with product innovation, powerful top of funnel marketing campaigns and localized engagement with the community

- **Opportunity: over 80% of global healthcare professionals are outside the U.S. yet represented only 16% and 19% of our net revenues in FY 2025 and Q4 2025, respectively.**
- Q4 2025 international net revenues grew 55% highlighted by balanced growth across new and returning customers with the majority of growth coming from our existing markets.
- Leveraged our “Go Broad” strategy to efficiently open new markets in the Middle East and Africa (11 in Q4 2025) with additional markets planned in Europe and Asia-Pacific during 1H 2026.
- Leveraged our “Go Deep” strategy to open high potential markets (South Korea and China in Q4 2025) while driving expansion in more established markets.
- Expect to increase our reach from 58 countries in FY 2025 to over 80 countries in FY 2026.





TEAMS

Serving Healthcare Institutions

Serving hospitals, medical offices, and concierge clinics to professionalize and standardize their teams

- **Opportunity:** ~15% of the U.S. scrubs industry has historically been driven by institutions buying for their teams, while the commercialization of healthcare is increasingly driving premium experiences including scrubs.
- 2025 focused on building a scalable foundation for growth including new leadership, investments in our team, and the development of our go-forward strategy.
- 2026 focus will be on rolling out the next evolution of our TEAMS Store experience—a platform designed to give organizations greater flexibility and functionality to purchase in ways that work best for their teams.

COMMUNITY HUBS

Creating Community Presence

Executing a retail strategy that enables healthcare professionals to connect with FIGS and their peers

- **Opportunity: over 60% of non-FIGS customers want to try and feel a product before a purchase.**
- Continue to see compelling trends with 40% of Hub shoppers new to the brand, higher mixes of men's products and embroidery services, and improved LTV measures for retail customers and omni-channel customers.
- Currently operate five Community Hubs with Q4 2025 openings in New York City, Houston and Chicago joining our two existing locations in Los Angeles (opened in Q4 2023) and Philadelphia (opened in Q3 2024).
- 2026 focus will be on optimizing our existing Hubs, implementing a store development engine, and expanding our market presence with a current plan to open our next four locations in 2H 2026.



WHY FIGS?

Large Industry Sector with Strong Long Term Growth Fundamentals

- Largely non-discretionary, replenishment-driven industry with nearly 24 million workers in the U.S.⁽¹⁾
- Creating TAM by expanding and evolving the FIGS layering system with both new innovation and new categories
- Expect secular growth to be driven by significant shortage of healthcare workers, the growing needs of an aging population, and the surge in wellness and aesthetic trends
- Healthcare and social assistance is projected to have the largest growth and be the fastest growing industry sector from 2024-2034⁽²⁾

Numerous Growth Opportunities

- Long runway in U.S. to drive brand awareness and share of wallet
- Significant international potential with less than 1% market share globally
- TEAMS (B2B) capitalizing on growing demand from healthcare institutions to professionalize and invest in their staffs
- Community Hubs (retail) to meet healthcare professionals where they work and live, driving awareness, connection, and lifetime value of customers

Sustainable Differentiators

- Authentic, category-defining brand with deeply passionate, loyal community
- Industry leading product innovation
- Highly efficient marketing engine due to strong word of mouth (about two-thirds of net revenues driven by repeat customers)
- Proven merchandising strategy with highly concentrated and productive core assortment
- Vast data set informs product innovation and drives personalization

Strong Margin and Cash Flow Dynamics

- Structurally high gross margin with concentrated seasonless scrubs assortment
- Healthy, debt-free balance sheet with strong financial flexibility
- Strong free cash flow⁽³⁾ generation

(1) According to the U.S. Bureau of Labor Statistics for the number of healthcare and social assistance industry sector workers in the U.S. as of January 2026.

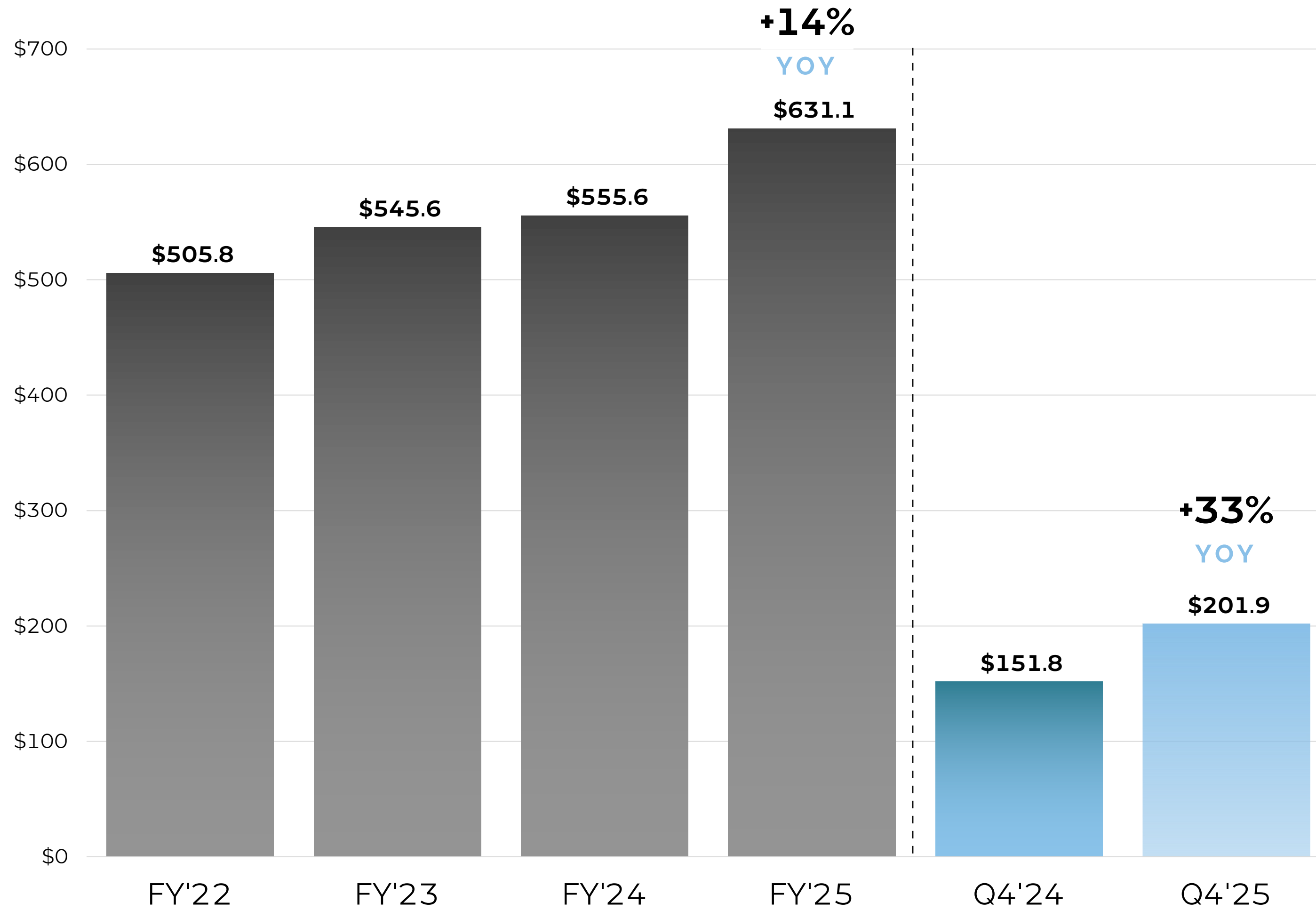
(2) See News Release, U.S. Bureau of Labor Statistics, Employment Projections — 2024-2034 (Aug. 28, 2025).

(3) Free cash flow is a non-GAAP metric. See "Non-GAAP Financial Measures and Key Operating Metrics" in the Appendix for additional information on non-GAAP financial measures and reconciliations to the most directly comparable GAAP measures.

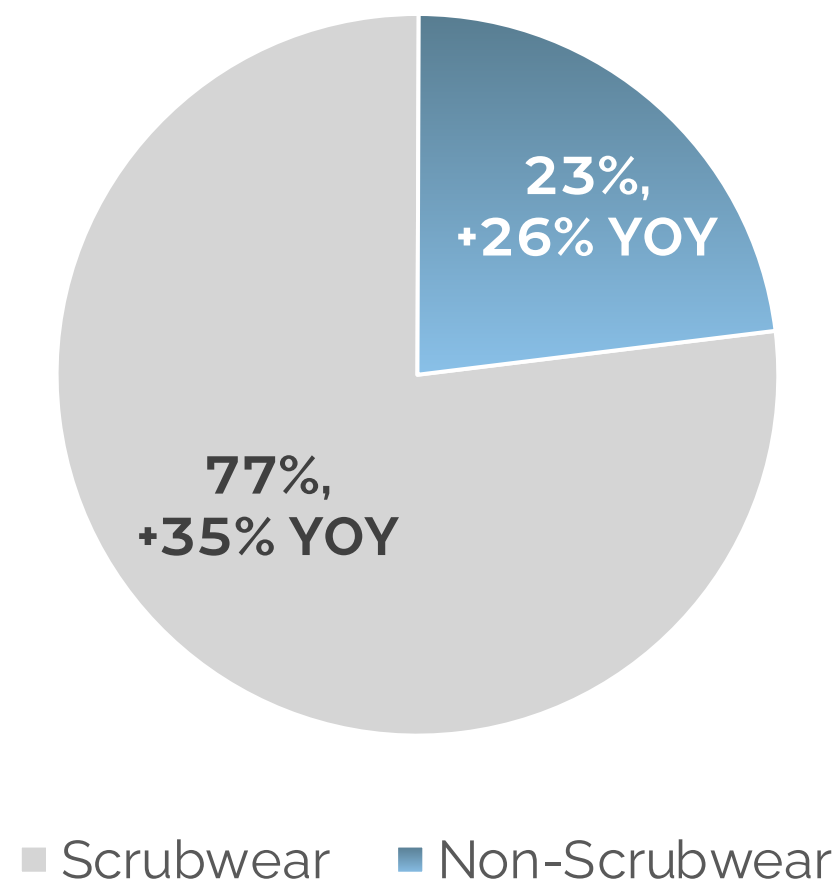
Financials

Q4 AND FY 2025 NET REVENUES

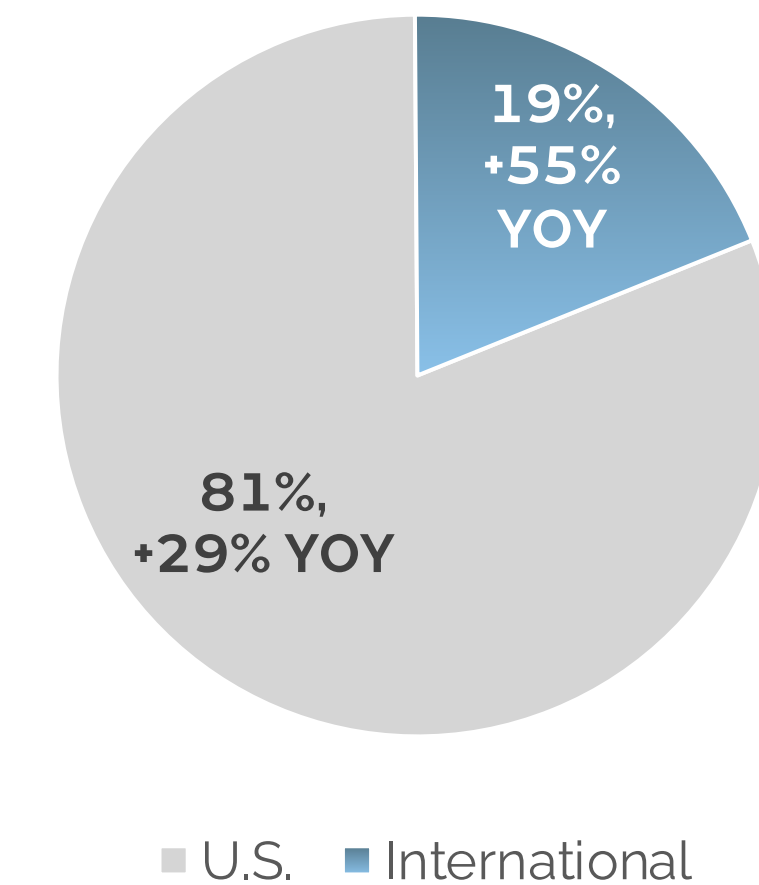
(IN MILLIONS)



Q4 2025 SCRUBWEAR / NON-SCRUBWEAR NET REVENUES MIX AND YOY GROWTH

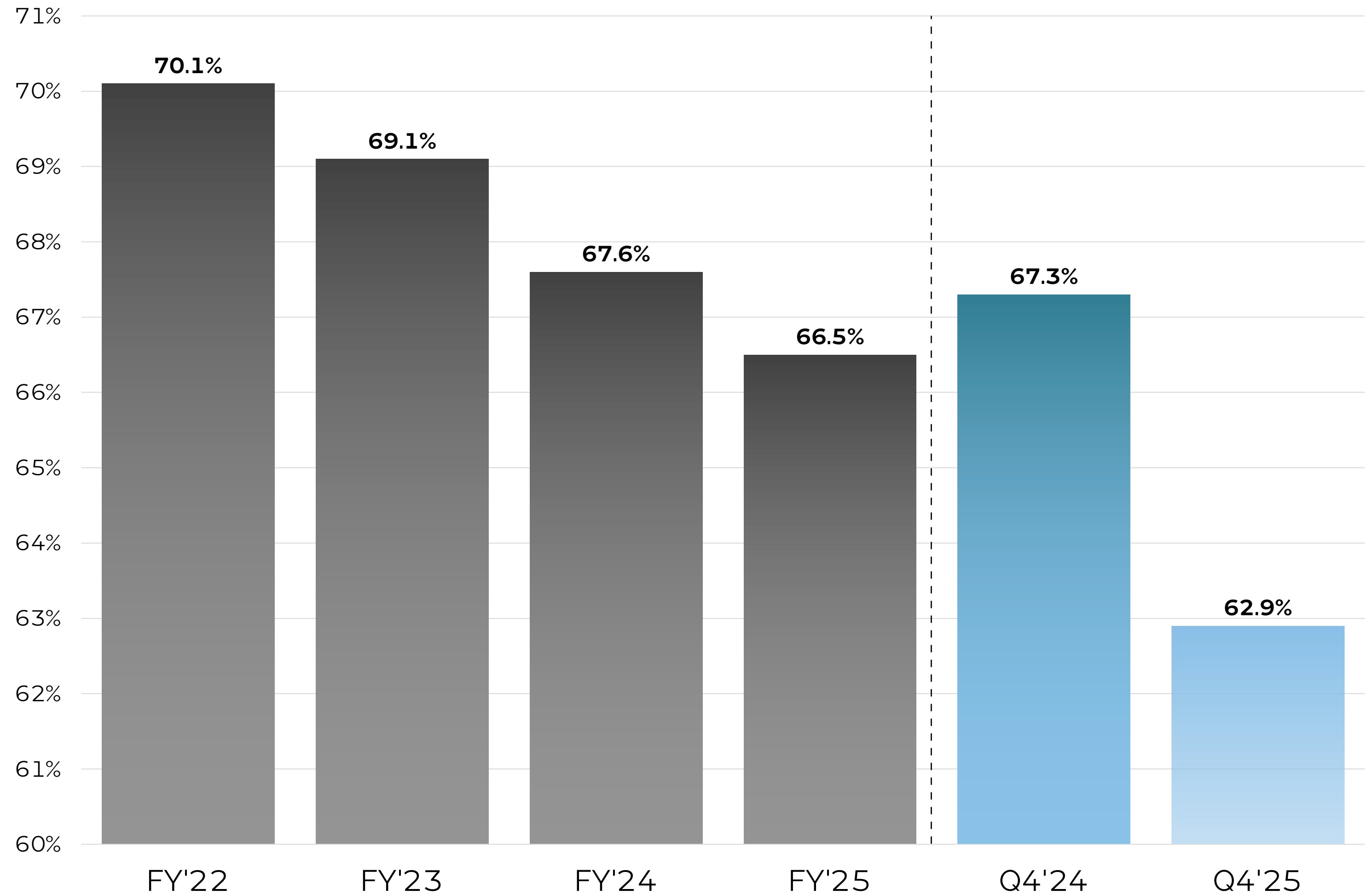


Q4 2025 US / INTERNATIONAL NET REVENUES MIX AND YOY GROWTH

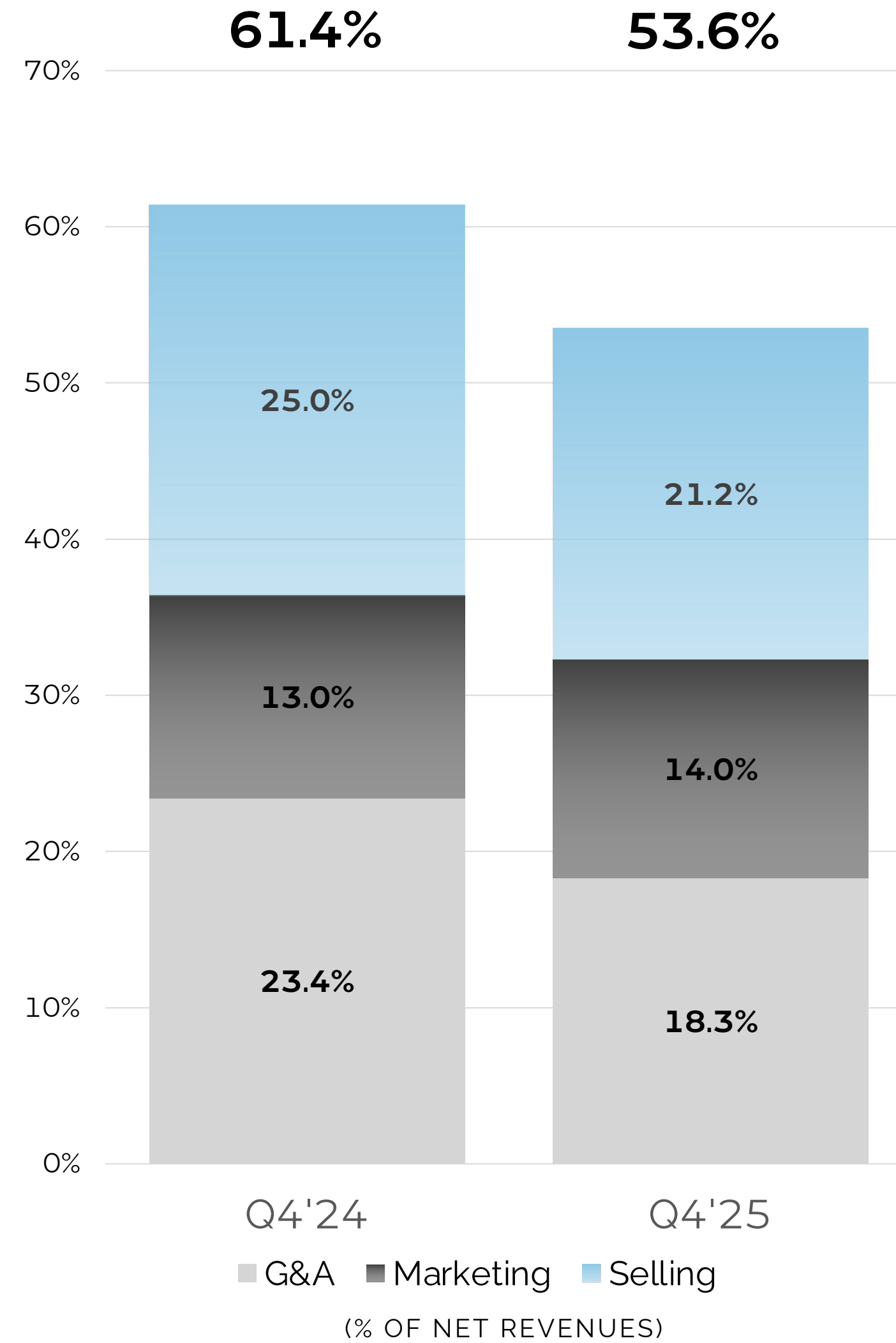
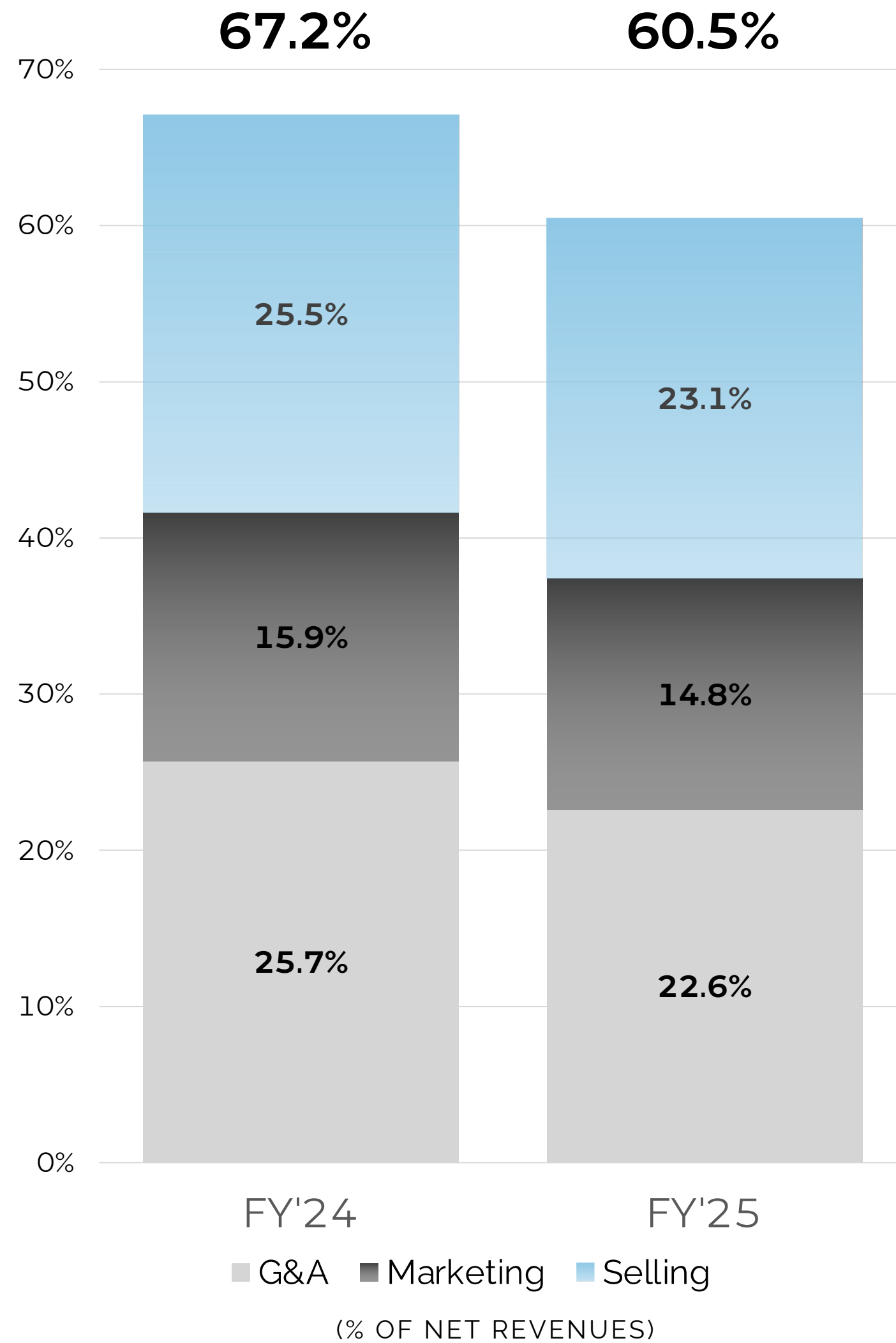


Q4 AND FY 2025 GROSS MARGIN

The decrease in gross margin compared to Q4 2024 included two expected headwinds for the period: sequentially higher tariff pressure and the lapping of a sizeable one-time benefit from duty drawback claims in the same period last year. Additionally, results included a \$5.6 million inventory write-off recorded during the period. Partially offsetting these pressures, we experienced a lower discount rate, as well as favorable freight costs.



Q4 AND FY 2025 OPERATING EXPENSE



The decrease in **selling** expense in Q4 2025 as a percentage of net revenues primarily reflects our continued success with our fulfillment center optimization efforts as well as outbound freight mix and rate improvements.

The increase in **marketing** expenses in Q4 2025 as a percentage of net revenues primarily reflects production costs for our Winter Olympic campaign, as well as increased investments across digital marketing, international, and other strategic initiatives.

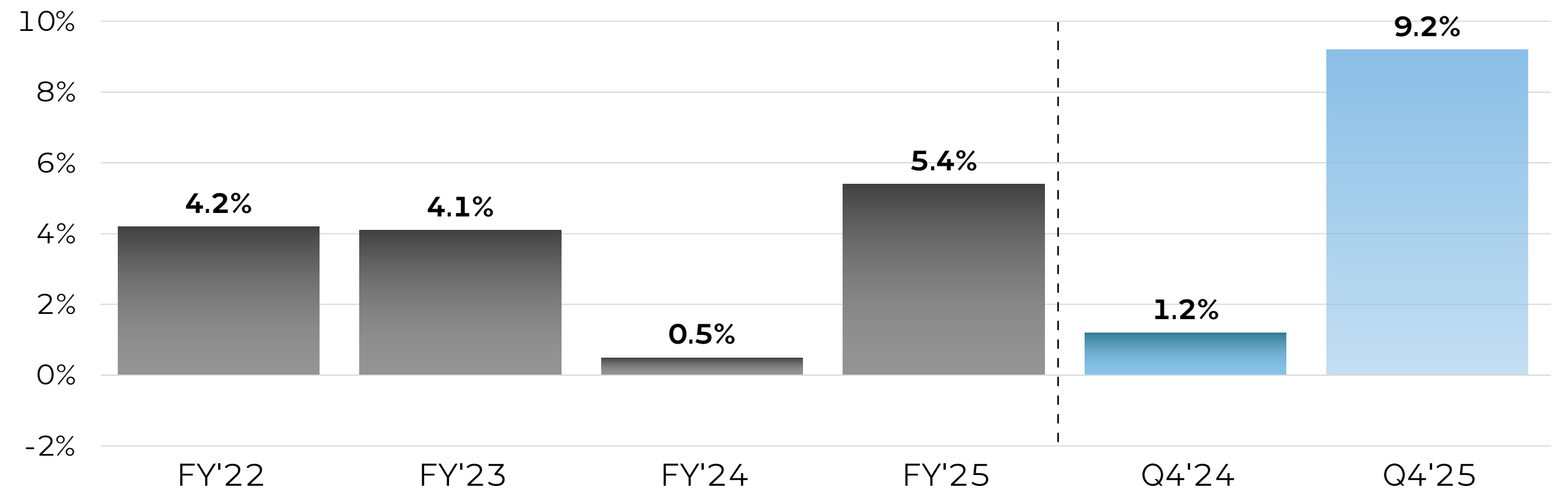
The decrease in **G&A** expenses in Q4 2025 as a percentage of net revenues was primarily related to meaningful net revenues leverage and lower stock-based compensation expense.



Q4 AND FY 2025 PROFITABILITY

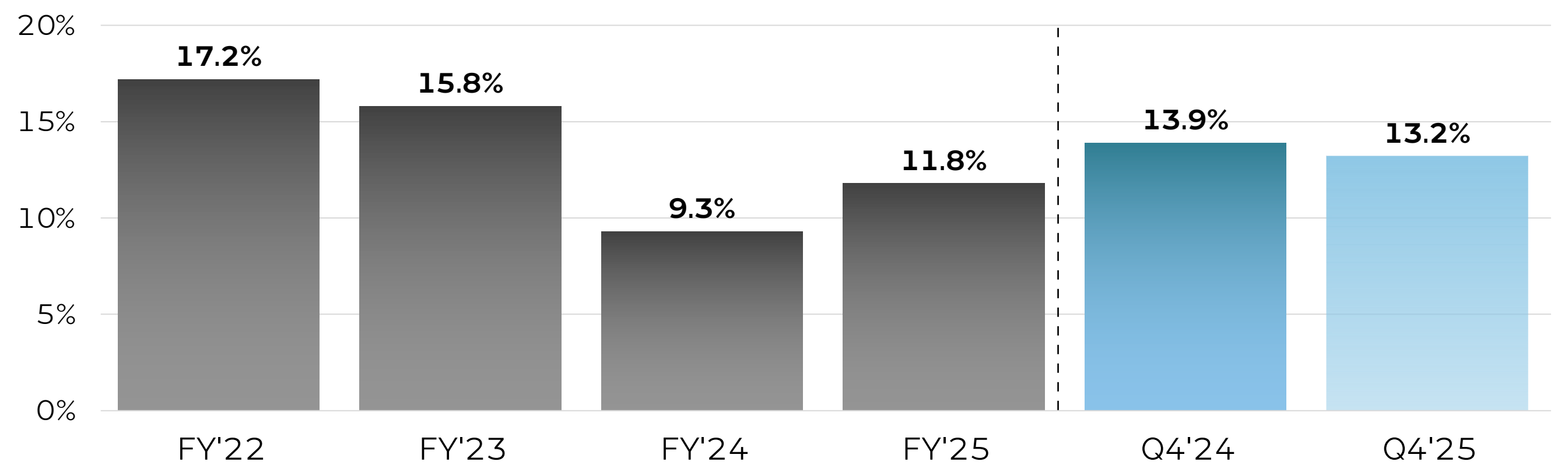
Net Income Margin

(% OF NET REVENUES)



Adjusted EBITDA Margin ⁽¹⁾

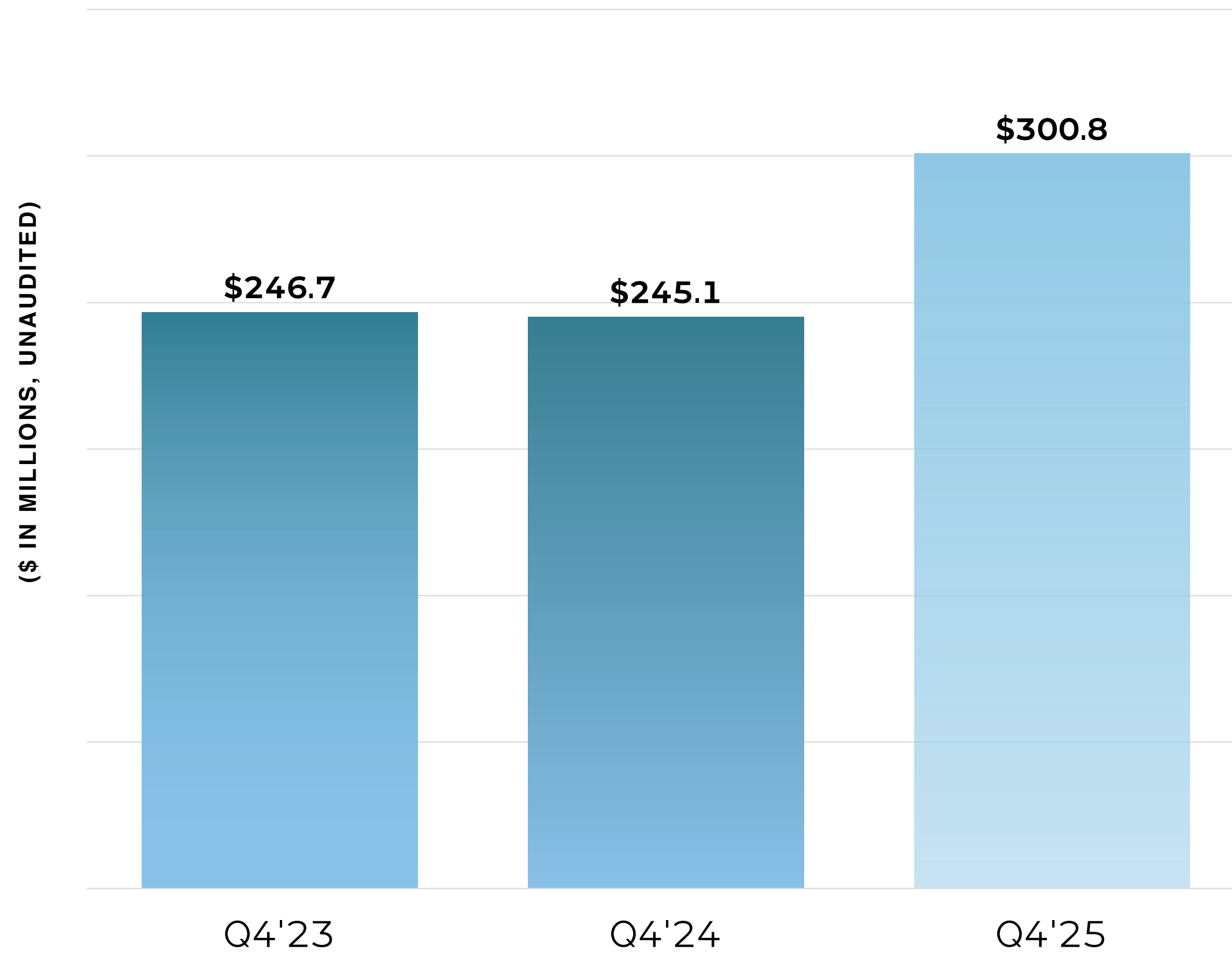
(% OF NET REVENUES)



(1) Adjusted EBITDA margin is a non-GAAP financial measure. See "Non-GAAP Financial Measures and Key Operating Metrics" in the Appendix for additional information on non-GAAP financial measures and reconciliations to the most directly comparable GAAP measures.

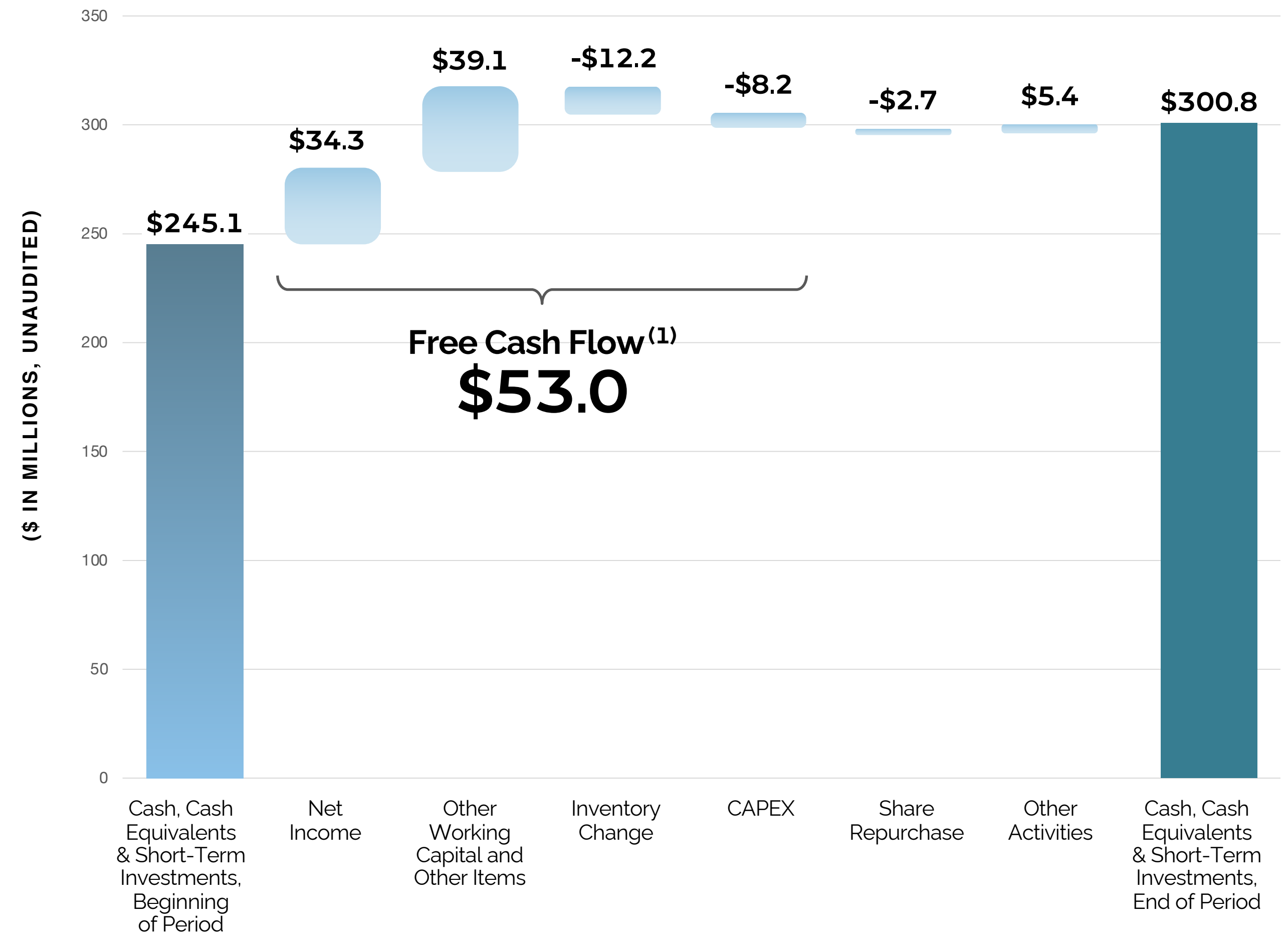
2025 BALANCE SHEET AND CASH FLOW RESULTS

Cash, Cash Equivalents & Short-Term Investments



Cash Flow Changes

(FOR THE YTD PERIOD ENDED DECEMBER 31, 2025)



(1) Free cash flow is a non-GAAP financial measure. See "Non-GAAP Financial Measures and Key Operating Metrics" in the Appendix for additional information on non-GAAP financial measures and reconciliations to the most directly comparable GAAP measures.

Full Year 2026 Outlook

“ FIGS' fourth quarter performance capped off a remarkable 2025, driven by execution that gained steady momentum throughout the year. Our 33% surge in Q4 net revenues was driven by successes across virtually every part of the business, while also lowering our discount rate for the period. With the COVID overhang past us and the structural advantages of this industry as tailwinds, we're excited to see our sustained success over the past few quarters continue into 2026. The opportunity to serve healthcare professionals globally is massive, and no one is better positioned than FIGS to capitalize on it. ”

- Trina Spear, Chief Executive Officer and Co-Founder

“ We exited 2025 with tremendous demand momentum, improving profitability and record cash on the balance sheet – each measure well ahead of expectations and a testament to the strength of our strategy and execution of our team. Our success positions us for a great 2026 with continuing growth from the core foundational elements of our business as well as from International, TEAMS and Community Hubs. Given our momentum and while still adopting a prudent mindset, we expect top line growth in 2026 of 10-12%, including growth in the low-20% range for Q1. At the same time, we expect increased profitability, even with the latest announcement calling for 15% global tariffs. Finally, our balance sheet remains a source of strength and financial flexibility, and we expect that to improve even further with strong cash flow driving expanded shareholder value. ”

- Sarah Oughtred, Chief Financial Officer

NET REVENUES GROWTH VS. 2025

Up 10% to 12%

ADJUSTED EBITDA MARGIN⁽¹⁾

12.7% to 12.9%

(1) "adjusted EBITDA" and "adjusted EBITDA margin" are non-GAAP financial measures. We have not provided a quantitative reconciliation of our adjusted EBITDA margin outlook to a GAAP net income margin outlook because we are unable, without making unreasonable efforts, to project certain reconciling items. These items include, but are not limited to, future stock-based compensation expense, income taxes, expenses related to non-ordinary course disputes, and transaction costs. These items are inherently variable and uncertain and depend on various factors, some of which are outside of our control or ability to predict. For more information on our use of non-GAAP metrics, see "Non-GAAP Financial Measures and Key Operating Metrics" in the Appendix.

OPERATION

SURGERY SO FUN —
IT'S SHOCKING!

BY +FIGS

RINGWORM

STOMACH BUG

Appendix

Adult Assembly
Required
AGES 6+
1+ PLAYERS

SCRUB IN. CRUSH THE COMPETITION

BATTERIES REQUIRED

WARNING:
CHOKING HAZARD—Small parts.

OPERATION
BY +FIGS

AGES 6+
1+ PLAYERS

OPERATION BY +FIGS

NON-GAAP FINANCIAL MEASURES AND KEY OPERATING METRICS

Included in this presentation are certain financial measures that are not calculated in accordance with U.S. generally accepted accounting principles ("GAAP") and which are designed to supplement, and not as a substitute for, the Company's financial information presented in accordance with GAAP. The non-GAAP financial measures as defined by the Company may not be comparable to similar non-GAAP financial measures presented by other companies. The presentation of such measures, which may include adjustments to exclude unusual or non-recurring items, should not be construed as an inference that the Company's future results will be unaffected by other unusual or nonrecurring items.

The Company uses "net income, as adjusted," "diluted earnings per share, as adjusted," "adjusted EBITDA" and "adjusted EBITDA margin" to provide useful supplemental measures that assist in evaluating its ability to generate earnings, provide consistency and comparability with its past financial performance and facilitate period-to-period comparisons of its core operating results as well as the results of its peer companies. The Company uses "free cash flow" as a useful supplemental measure of liquidity and as an additional basis for assessing its ability to generate cash. The Company calculates "net income, as adjusted" as net income adjusted to exclude transaction costs, expenses related to non-ordinary course disputes, other than temporary impairment of held-to-maturity investments, stock-based compensation, including expense related to award modifications, accelerated performance awards and associated payroll taxes and costs, ambassador grants in connection with its initial public offering, and expense resulting from the retirement of a former CFO of the Company, and the income tax impact of these adjustments. The Company calculates "diluted earnings per share, as adjusted" as net income, as adjusted divided by diluted shares outstanding. The Company calculates "adjusted EBITDA" as net income (loss) adjusted to exclude: other income, net; gain/loss on disposal of assets; provision for income taxes; depreciation and amortization expense; stock-based compensation and related expense; transaction costs; and expenses related to non-ordinary course disputes. The Company calculates "adjusted EBITDA margin" by dividing adjusted EBITDA by net revenues. The Company calculates "free cash flow" as net cash (used in) provided by operating activities reduced by capital expenditures, including purchases of property and equipment and capitalized software development costs.

NON-GAAP FINANCIAL MEASURES AND KEY OPERATING METRICS (CONT.)

The following table presents a reconciliation of adjusted EBITDA to net income, which is the most directly comparable financial measure calculated in accordance with GAAP, and presents adjusted EBITDA margin with net income margin, which is the most directly comparable financial measure calculated in accordance with GAAP:

	Three Months Ended December 31,		Year Ended December 31,	
	2025	2024	2025	2024
<i>(in thousands, except margin)</i>				
Net income	\$ 18,507	\$ 1,885	\$ 34,250	\$ 2,720
Add (deduct):				
Other income, net	(2,545)	(3,481)	(9,060)	(12,075)
Provision for income taxes	2,846	10,494	12,957	11,620
Depreciation and amortization expense ⁽¹⁾	2,557	1,847	9,035	6,694
Stock-based compensation and related expense ⁽²⁾	5,369	10,331	27,304	42,837
Adjusted EBITDA ⁽³⁾	\$ 26,734	\$ 21,076	\$ 74,486	\$ 51,796
Net revenues	\$ 201,896	\$ 151,832	\$ 631,098	\$ 555,558
Net income margin ⁽⁴⁾	9.2%	1.2%	5.4%	0.5%
Adjusted EBITDA margin	13.2%	13.9%	11.8%	9.3%

Footnote explanations:

(1) Excludes amortization of debt issuance costs included in "Other income, net."

(2) Includes stock-based compensation expense, payroll taxes and costs related to equity award activity.

(3) For the year ended December 31, 2025, reflects \$171,000 of stock-based compensation expense and payroll taxes inadvertently not reflected in our previously disclosed Adjusted EBITDA results for the three months ended March 31, 2025.

(4) Net income margin represents net income as a percentage of net revenues.

The following table presents a reconciliation of free cash flow to net cash provided by operating activities, which is the most directly comparable financial measure calculated in accordance with GAAP:

	Year Ended December 31,	
	2025	2024
<i>(in thousands)</i>		
Net cash provided by operating activities	\$ 61,170	\$ 81,162
Less: capital expenditures	(8,168)	(17,021)
Free cash flow	\$ 53,002	\$ 64,141

NON-GAAP FINANCIAL MEASURES AND KEY OPERATING METRICS (CONT.)

The Company has also included herein “active customers,” “net revenues per active customer” and “average order value,” which are key operational and business metrics that are important to understanding Company performance. The Company believes the number of active customers is an important indicator of growth as it reflects the reach of the Company’s digital platform, brand awareness and overall value proposition. The Company defines an active customer as a unique customer account that has made at least one purchase in the preceding 12-month period. In any particular period, the Company determines the 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. The Company believes measuring net revenues per active customer is important to understanding engagement and retention of customers, and as such, the value proposition for its customer base. The Company defines net revenues per active customer as the sum of total net revenues in the preceding 12-month period divided by the current period active customers. The Company defines average order value as the sum of the total net revenues in a given period divided by the total orders placed in that period. Total orders are the summation of all completed individual purchase transactions in a given period. The Company believes its relatively high average order value demonstrates the premium nature of its products. As the Company expands into and increases its presence in additional product categories, price points and international markets, average order value may fluctuate.