

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 8-K
CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): November 6, 2025**

Warby Parker Inc.
(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-40825
(Commission
File Number)

80-0423634
(IRS Employer
Identification No.)

233 Spring Street, 6th Floor East
New York, New York
(Address of Principal Executive Offices)

10013
(Zip Code)

(646) 847-7215
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, \$0.0001 par value	WRBY	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition

On November 6, 2025, Warby Parker Inc. (the “*Company*”) issued a press release announcing the Company’s financial results for the third quarter ended September 30, 2025. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information in this Item 2.02, including Exhibit 99.1, is furnished herewith and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (“*Exchange Act*”), or otherwise subject to the liabilities of that section, nor shall it be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release Issued by the Company dated November 6, 2025
104	Cover Page Interactive Data File (embedded within the Inline XBRL)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WARBY PARKER INC.

Dated: November 6, 2025

By: /s/ Dave Gilboa
Dave Gilboa
Co-Chief Executive Officer

Warby Parker Announces Third Quarter 2025 Results

Net revenue growth accelerated to 15% year over year

Active Customers growth accelerated to 9% on a trailing 12-month basis

NEW YORK, November 6, 2025. Warby Parker Inc. (NYSE: WRBY) (“Warby Parker” or the “Company”), a direct-to-consumer lifestyle brand focused on vision for all, today announced financial results for the third quarter ended September 30, 2025.

“This was a strong quarter for our team as we advanced our strategic priorities and accelerated both topline and customer growth. As we step into Warby Parker’s next act, one defined by innovation through AI, we’re energized to create new products like AI glasses, enhance the customer experience and drive productivity,” shared Co-Founder and Co-CEO Neil Blumenthal.

“We meaningfully expanded profitability this quarter, reflecting the strength of our operational discipline and focus on sustainable growth. We believe our differentiated value proposition continues to resonate with customers and we are well-positioned to take share in any environment,” added Co-Founder and Co-CEO Dave Gilboa.

Third Quarter 2025 Highlights

- Net revenue increased \$29.2 million, or 15.2%, to \$221.7 million, as compared to the prior year period.
- Active Customers increased 9.3% to 2.66 million on a trailing 12-month basis and Average Revenue per Customer increased 4.8% year over year to \$320.
- Net income improved \$9.9 million to \$5.9 million, as compared to the prior year period.
- Adjusted EBITDA⁽¹⁾ increased \$8.4 million year over year to \$25.7 million and Adjusted EBITDA Margin⁽¹⁾ increased 2.6 points to 11.6%.
- Opened 15 net new stores during the quarter, ending Q3 with 313 stores.

Third Quarter 2025 Year Over Year Financial Results

- Net revenue increased \$29.2 million, or 15.2%, to \$221.7 million.
- Active Customers increased 9.3% to 2.66 million on a trailing 12-month basis and Average Revenue per Customer increased 4.8% to \$320.
- Gross margin was 54.1% compared to 54.5% in the prior year. The decrease in gross margin was primarily driven by the impact of tariffs on glasses, sales growth of contact lenses, and increased customer shipping costs, partially offset by the benefit from selective price increases in glasses in the second quarter and increased penetration of precision progressives and other lens enhancements. Adjusted Gross Margin⁽¹⁾ was 54.2%, compared to 54.6% in the prior year.
- Selling, general, and administrative expenses (“SG&A”) were \$116.4 million, up \$4.9 million from the prior year, and represented 52.5% of revenue, down from 57.9% in the prior year. As a percentage of revenue, SG&A decreased primarily due to leverage from corporate expenses and our customer experience team, as well as lower stock-based compensation, partially offset by growth in marketing. Adjusted SG&A⁽¹⁾ was \$108.0

million, or 48.7% of revenue, compared to \$100.6 million, or 52.3% of revenue, in the prior year.

- Net income improved \$9.9 million to \$5.9 million primarily as a result of leveraging our expense base on higher revenue.
- Adjusted EBITDA⁽¹⁾ increased \$8.4 million to \$25.7 million and Adjusted EBITDA Margin⁽¹⁾ increased 2.6 points to 11.6%.

Balance Sheet and Cash Flow Highlights

- Ended the third quarter of 2025 with \$280.4 million in cash and cash equivalents.
- Year to date net cash provided by operating activities of \$87.5 million and Free Cash Flow⁽¹⁾ of \$35.6 million.

2025 Outlook

For the full year 2025, Warby Parker is updating its guidance as follows:

- Net revenue of \$871 million to \$874 million, representing growth of approximately 13%.
- Adjusted EBITDA⁽¹⁾ of \$98 million to \$101 million, representing an Adjusted EBITDA Margin⁽¹⁾ of 11.3% to 11.6%, and 180 to 210 basis points of year over year expansion.
- On track to open 45 new stores, including five previously opened shop-in-shops at select Target locations.

The guidance and forward-looking statements made in this press release and on our conference call are based on management's expectations as of the date of this press release.

⁽¹⁾ Please see the reconciliation of non-GAAP financial measures to the most comparable GAAP financial measure in the section titled "Non-GAAP Financial Measures" below.

Webcast and Conference Call

A conference call to discuss Warby Parker's third quarter 2025 results, as well as fourth quarter and full year 2025 outlook, is scheduled for 8:00 a.m. ET on November 6, 2025. To participate, please dial 833-470-1428 from the U.S. or 646-844-6383 from international locations. The conference passcode is 958403. A live webcast of the conference call will be available on the investors section of the Company's website at investors.warbyparker.com where presentation materials will also be posted prior to the conference call. A replay will be made available online approximately two hours following the live call for a period of 90 days.

Forward-Looking Statements

This press release and the related conference call, webcast and presentation contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements may relate to, but are not limited to, expectations of future operating results or financial performance; expectations regarding the growth of our business, delivering stakeholder value and growing market share; expectations regarding the development of new products; our guidance for the year ending December 31, 2025; expectations regarding the number of new store openings during the year ending December 31, 2025; and management's plans, priorities, initiatives and

strategies. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. In some cases, you can identify forward-looking statements because they contain words such as “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “toward,” “will,” or “would,” or the negative of these words or other similar terms or expressions. You should not put undue reliance on any forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved, if at all.

Forward-looking statements are based on information available at the time those statements are made and are based on current expectations, estimates, forecasts, and projections as well as the beliefs and assumptions of management as of that time with respect to future events. These statements are subject to risks and uncertainties, many of which involve factors or circumstances that are beyond our control, that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this press release may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements. These risks and uncertainties include our ability to manage our future growth effectively; our expectations regarding cost of goods sold, gross margin, channel mix, customer mix, and selling, general, and administrative expenses; increases in component and shipping costs and changes in supply chain; changes to U.S. or other countries' trade policies and tariff and import/export regulations; our reliance on our information technology systems and enterprise resource planning systems for our business to effectively operate and safeguard confidential information; our ability to invest in and incorporate new technologies into our products and services; risks related to our use of artificial intelligence; our ability to engage our existing customers and obtain new customers; our ability to expand in-network access with insurance providers; planned new retail stores in 2025 and going forward; an overall decline in the health of the economy and other factors impacting consumer spending, such as recessionary conditions, inflation, infectious diseases, government instability, and geopolitical unrest; our ability to compete successfully; our ability to manage our inventory balances and shrinkage; the growth of our brand awareness; our ability to recruit and retain optometrists, opticians, and other vision care professionals; the effects of seasonal trends on our results of operations; our ability to stay in compliance with extensive laws and regulations that apply to our business and operations; our ability to adequately maintain and protect our intellectual property and proprietary rights; our reliance on third parties for our products, operation and infrastructure; our duties related to being a public benefit corporation; the ability of our Co-Founders and Co-CEOs to exercise significant influence over all matters submitted to stockholders for approval; the effect of our multi-class structure on the trading price of our Class A common stock; our ability to achieve milestones necessary for Google's equity investment into the Company and Google's contribution to product development and commercialization costs; our ability to collaborate with partners with successful results; our ability to recognize the anticipated benefits from partnerships, including with Google and Samsung; and the increased expenses associated with being a public company. Additional information regarding these and other risks and uncertainties that could cause actual results to differ materially from the Company's expectations is included in our most recent reports filed with the SEC on Form 10-K and Form 10-Q. Except as required by law, we do not undertake any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments, or otherwise.

Additional information regarding these and other factors that could affect the Company's results is included in the Company's SEC filings, which may be obtained by visiting the SEC's website at www.sec.gov. Information contained on, or that is referenced or can be accessed through, our website does not constitute part of this document and inclusions of any website addresses herein are inactive textual references only.

Glossary

Active Customers is defined as unique customer accounts that have made at least one purchase in the preceding 12-month period.

Average Revenue per Customer is defined as the sum of the total net revenues in the preceding 12-month period divided by the current period Active Customers.

Non-GAAP Financial Measures

We use Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Cost of Goods Sold ("Adjusted COGS"), Adjusted Gross Margin, Adjusted Gross Profit, Adjusted Selling, General, and Administrative Expenses ("Adjusted SG&A"), and Free Cash Flow as important indicators of our operating performance. Collectively, we refer to these non-GAAP financial measures as our "Non-GAAP Measures." The Non-GAAP Measures, when taken collectively with our GAAP results, may be helpful to investors because they provide consistency and comparability with past financial performance and assist in comparisons with other companies, some of which use similar non-GAAP financial information to supplement their GAAP results.

Adjusted EBITDA is defined as net income before interest and other income, taxes, and depreciation and amortization as further adjusted for asset impairment costs, stock-based compensation expense and related employer payroll taxes, amortization of cloud-based software implementation costs, non-cash charitable donations, charges for certain legal matters outside the ordinary course of business, and non-recurring costs such as restructuring costs and major system implementation costs. Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by net revenue.

Adjusted COGS is defined as cost of goods sold adjusted for stock-based compensation expense and related employer payroll taxes and non-recurring costs.

Adjusted Gross Profit is defined as net revenue minus Adjusted COGS. Adjusted Gross Margin is defined as Adjusted Gross Profit divided by net revenue.

Adjusted SG&A is defined as SG&A adjusted for stock-based compensation expense and related employer payroll taxes, non-cash charitable donations, charges for certain legal matters outside the ordinary course of business, and non-recurring costs such as restructuring costs and major system implementation costs.

Free Cash Flow is defined as net cash provided by operating activities minus purchases of property and equipment.

The Non-GAAP Measures are presented for supplemental informational purposes only. A reconciliation of historical GAAP to Non-GAAP financial information is included under "Selected Financial Information" below.

We have not reconciled our Adjusted EBITDA Margin guidance to GAAP net income margin, or net margin, or Adjusted EBITDA guidance to GAAP net income because we do not provide

guidance for GAAP net margin or GAAP net income due to the uncertainty and potential variability of stock-based compensation and taxes, which are reconciling items between GAAP net margin and Adjusted EBITDA Margin and GAAP net income and Adjusted EBITDA, respectively. Because such items cannot be reasonably provided without unreasonable efforts, we are unable to provide a reconciliation of the Adjusted EBITDA Margin guidance to GAAP net margin and Adjusted EBITDA guidance to GAAP net income. However, such items could have a significant impact on GAAP net margin and GAAP net income.

About Warby Parker

Warby Parker (NYSE: WRBY) was founded in 2010 with a mission to inspire and impact the world with vision, purpose, and style—without charging a premium for it. Headquartered in New York City, the co-founder-led lifestyle brand pioneers ideas, designs products, and develops technologies that help people see, from designer-quality prescription glasses (starting at \$95) and contacts, to eye exams and vision tests available online and in our 313 retail stores across the U.S. and Canada.

Warby Parker aims to demonstrate that businesses can scale, do well, and do good in the world. Ultimately, the Company believes in vision for all, which is why for every pair of glasses or sunglasses sold, it distributes a pair to someone in need through its Buy a Pair, Give a Pair program. To date, Warby Parker has worked alongside its nonprofit partners to distribute more than 20 million glasses to people in need.

Selected Financial Information

Warby Parker Inc. and Subsidiaries Condensed Consolidated Balance Sheets (Unaudited) (Amounts in thousands, except par value)

	September 30, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 280,360	\$ 254,161
Accounts receivable, net	1,143	1,948
Inventory	45,592	52,345
Prepaid expenses and other current assets	16,962	17,592
Total current assets	344,057	326,046
Property and equipment, net	182,576	170,464
Right-of-use lease assets	171,508	171,284
Other assets	8,780	8,696
Total assets	\$ 706,921	\$ 676,490
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 10,886	\$ 23,519
Accrued expenses	67,641	51,609
Deferred revenue	21,997	32,358
Current lease liabilities	28,641	20,235
Other current liabilities	2,900	2,633
Total current liabilities	132,065	130,354
Non-current lease liabilities	203,885	205,120
Other liabilities	1,346	943
Total liabilities	337,296	336,417
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.0001 par value; Class A: 750,000 shares authorized at September 30, 2025 and December 31, 2024, 105,602 and 102,889 issued and outstanding at September 30, 2025 and December 31, 2024, respectively; Class B: 150,000 shares authorized at September 30, 2025 and December 31, 2024, 16,563 and 17,961 shares issued and outstanding as of September 30, 2025 and December 31, 2024, respectively, convertible to Class A on a one-to-one basis	12	12
Additional paid-in capital	1,050,899	1,029,220
Accumulated deficit	(679,627)	(687,221)
Accumulated other comprehensive loss	(1,659)	(1,938)
Total stockholders' equity	369,625	340,073
Total liabilities and stockholders' equity	\$ 706,921	\$ 676,490

Warby Parker Inc. and Subsidiaries
Condensed Consolidated Statements of Operations (Unaudited)
(Amounts in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net revenue	\$ 221,680	\$ 192,447	\$ 659,937	\$ 580,672
Cost of goods sold	101,735	87,580	300,401	256,964
Gross profit	119,945	104,867	359,536	323,708
Selling, general, and administrative expenses	116,375	111,480	358,020	344,404
Income (loss) from operations	3,570	(6,613)	1,516	(20,696)
Interest and other income, net	2,179	2,842	6,618	7,965
Income (loss) before income taxes	5,749	(3,771)	8,134	(12,731)
(Benefit from) provision for income taxes	(125)	301	540	782
Net income (loss)	<u>\$ 5,874</u>	<u>\$ (4,072)</u>	<u>\$ 7,594</u>	<u>\$ (13,513)</u>
Earnings (loss) per share:				
Basic	\$ 0.05	\$ (0.03)	\$ 0.06	\$ (0.11)
Diluted	\$ 0.05	\$ (0.03)	\$ 0.06	\$ (0.11)
Weighted average shares outstanding:				
Basic	122,963	120,886	122,495	120,042
Diluted	125,408	120,886	124,893	120,042

Warby Parker Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows (Unaudited)
(Amounts in thousands)

	Nine Months Ended September 30,	
	2025	2024
Cash flows from operating activities		
Net income (loss)	\$ 7,594	\$ (13,513)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	37,179	33,533
Stock-based compensation	28,260	38,664
Non-cash charitable contribution	2,821	2,196
Asset impairment charges	511	522
Amortization of cloud-based software implementation costs	2,391	2,862
Change in operating assets and liabilities:		
Accounts receivable, net	805	686
Inventory	6,753	9,468
Prepaid expenses and other assets	(1,847)	(1,148)
Accounts payable	(11,103)	13,267
Accrued expenses	17,132	2,728
Deferred revenue	(10,361)	(12,401)
Lease assets and liabilities	6,947	2,469
Other liabilities	449	(501)
Net cash provided by operating activities	87,531	78,832
Cash flows from investing activities		
Purchases of property and equipment	(51,928)	(46,311)
Investment in optical equipment company	—	(2,000)
Net cash used in investing activities	(51,928)	(48,311)
Cash flows from financing activities		
Proceeds from stock option exercises	149	2,686
Shares withheld for taxes on stock-based compensation	(11,001)	—
Proceeds from shares issued in connection with employee stock purchase plan	1,169	1,068
Net cash (used in) provided by financing activities	(9,683)	3,754
Effect of exchange rates on cash	279	(137)
Net change in cash and cash equivalents	26,199	34,138
Cash and cash equivalents, beginning of period	254,161	216,894
Cash and cash equivalents, end of period	\$ 280,360	\$ 251,032
Supplemental disclosures		
Cash paid for income taxes	\$ 708	\$ 782
Cash paid for interest	249	169
Non-cash investing and financing activities:		
Purchases of property and equipment included in accounts payable and accrued expenses	\$ 2,292	\$ 5,553

Warby Parker Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Measures (Unaudited)

The following table reconciles Adjusted EBITDA and Adjusted EBITDA Margin to the most directly comparable GAAP measure, which is net income:

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	<i>(unaudited, in thousands)</i>		<i>(unaudited, in thousands)</i>	
Net income (loss)	\$ 5,874	\$ (4,072)	\$ 7,594	\$ (13,513)
Adjusted to exclude the following:				
Interest and other income, net	(2,179)	(2,842)	(6,618)	(7,965)
(Benefit from) provision for income taxes	(125)	301	540	782
Depreciation and amortization expense	12,532	11,829	37,179	33,533
Asset impairment charges	25	101	511	522
Stock-based compensation expense ⁽¹⁾	7,328	10,961	29,490	39,373
Non-cash charitable donation ⁽²⁾	—	—	2,821	2,196
Amortization of cloud-based software implementation costs	903	854	2,391	2,862
System implementation costs ⁽³⁾	827	—	1,173	—
Inventory write-downs ⁽⁴⁾	—	—	2,456	—
Other costs ⁽⁵⁾	560	176	2,428	1,479
Adjusted EBITDA	\$ 25,745	\$ 17,308	\$ 79,965	\$ 59,269
Adjusted EBITDA Margin	11.6 %	9.0 %	12.1 %	10.2 %

- (1) Represents expenses related to the Company's equity-based compensation programs and related employer payroll taxes, which may vary significantly from period to period depending upon various factors including the timing, number, and the valuation of awards granted, and vesting of awards including the satisfaction of performance conditions. For the three months ended September 30, 2025 and 2024, the amount includes \$0.3 million and \$0.2 million, respectively, of employer payroll taxes associated with releases of RSUs and option exercises. For the nine months ended September 30, 2025 and 2024, the amount includes \$1.2 million and \$0.7 million, respectively, of employer payroll taxes associated with releases of RSUs and option exercises.
- (2) Represents charitable expense recorded in connection with the donation of 178,572 shares of Class A common stock in both May 2025 and May 2024 to the Warby Parker Impact Foundation.
- (3) Represents costs related to the implementation of major new enterprise software systems.
- (4) Represents one-time inventory write-downs primarily related to the decision to sunset our Home-Try On program at the end of this year.
- (5) Represents restructuring costs incurred in the second quarter of 2025 and charges for certain legal matters outside the ordinary course of business.

Warby Parker Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Measures (Unaudited)

The following table presents our non-GAAP, or adjusted, financial measures for the periods presented as a percentage of revenue. Each cost and operating expense is adjusted for stock-based compensation expense and related employer payroll taxes, non-cash charitable donations, charges for certain legal matters outside the ordinary course of business, and non-recurring costs such as restructuring costs and major system implementation costs.

	Reported		Adjusted		Reported		Adjusted	
	Three Months Ended September 30,		Three Months Ended September 30,		Nine Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024	2025	2024	2025	2024
	<i>(unaudited, in thousands)</i>		<i>(unaudited, in thousands)</i>		<i>(unaudited, in thousands)</i>		<i>(unaudited, in thousands)</i>	
Cost of goods sold	\$ 101,735	\$ 87,580	\$ 101,436	\$ 87,299	\$ 300,401	\$ 256,964	\$ 297,063	\$ 256,154
% of Revenue	45.9 %	45.5 %	45.8 %	45.4 %	45.5 %	44.3 %	45.0 %	44.1 %
Gross profit	\$ 119,945	\$ 104,867	\$ 120,244	\$ 105,148	\$ 359,536	\$ 323,708	\$ 362,874	\$ 324,518
% of Revenue	54.1 %	54.5 %	54.2 %	54.6 %	54.5 %	55.7 %	55.0 %	55.9 %
Selling, general, and administrative expenses	\$ 116,375	\$ 111,480	\$ 107,959	\$ 100,624	\$ 358,020	\$ 344,404	\$ 322,990	\$ 302,166
% of Revenue	52.5 %	57.9 %	48.7 %	52.3 %	54.2 %	59.3 %	48.9 %	52.0 %

Warby Parker Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Measures (Unaudited)

The following table reflects a reconciliation of each non-GAAP, or adjusted, financial measure to its most directly comparable financial measure prepared in accordance with GAAP:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	<i>(unaudited, in thousands)</i>		<i>(unaudited, in thousands)</i>	
Cost of goods sold	\$ 101,735	\$ 87,580	\$ 300,401	\$ 256,964
Adjusted to exclude the following:				
Stock-based compensation expense ⁽¹⁾	299	281	882	810
Inventory write-downs ⁽²⁾	—	—	2,456	—
Adjusted Cost of Goods Sold	\$ 101,436	\$ 87,299	\$ 297,063	\$ 256,154
Gross profit	\$ 119,945	\$ 104,867	\$ 359,536	\$ 323,708
Adjusted to exclude the following:				
Stock-based compensation expense ⁽¹⁾	299	281	882	810
Inventory write-downs ⁽²⁾	—	—	2,456	—
Adjusted Gross Profit	\$ 120,244	\$ 105,148	\$ 362,874	\$ 324,518
Selling, general, and administrative expenses	\$ 116,375	\$ 111,480	\$ 358,020	\$ 344,404
Adjusted to exclude the following:				
Stock-based compensation expense ⁽¹⁾	7,029	10,680	28,608	38,563
Non-cash charitable donation ⁽³⁾	—	—	2,821	2,196
System implementation costs ⁽⁴⁾	827	—	1,173	—
Other costs ⁽⁵⁾	560	176	2,428	1,479
Adjusted Selling, General, and Administrative Expenses	\$ 107,959	\$ 100,624	\$ 322,990	\$ 302,166
Net cash provided by operating activities	\$ 17,974	\$ 27,282	\$ 87,531	\$ 78,832
Purchases of property and equipment	(19,490)	(14,223)	(51,928)	(46,311)
Free Cash Flow	\$ (1,516)	\$ 13,059	\$ 35,603	\$ 32,521

- (1) Represents expenses related to the Company's equity-based compensation programs and related employer payroll taxes, which may vary significantly from period to period depending upon various factors including the timing, number, and the valuation of awards granted, and vesting of awards including the satisfaction of performance conditions. For the three months ended September 30, 2025 and 2024, the amount includes \$0.3 million and \$0.2 million, respectively, of employer payroll taxes associated with releases of RSUs and option exercises. For the nine months ended September 30, 2025 and 2024, the amount includes \$1.2 million and \$0.7 million, respectively, of employer payroll taxes associated with releases of RSUs and option exercises.
- (2) Represents one-time inventory write-downs primarily related to the decision to sunset our Home-Try On program at the end of this year.
- (3) Represents charitable expense recorded in connection with the donation of 178,572 shares of Class A common stock in both May 2025 and May 2024 to the Warby Parker Impact Foundation.
- (4) Represents costs related to the implementation of major new enterprise software systems.
- (5) Represents restructuring costs incurred in the second quarter of 2025 and charges for certain legal matters outside the ordinary course of business.

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Source: Warby Parker Inc.