

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

Form 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2025
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____
Commission File Number: 001-36666

Wayfair Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

4 Copley Place

(Address of principal executive offices)

Boston, MA

(617) 532-6100

(Registrant's telephone number, including area code)

36-4791999

(I.R.S. Employer
Identification Number)

02116

(Zip Code)

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, \$0.001 par value	W	The New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large Accelerated Filer	☒ Accelerated filer	☐
Non-accelerated filer	☐ Smaller reporting company	☐
	☐ 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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Class	Outstanding at October 24, 2025
Class A Common Stock, \$0.001 par value per share	106,879,786
Class B Common Stock, \$0.001 par value per share	23,458,295

WAYFAIR INC.
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For the Quarterly Period Ended September 30, 2025

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

WAYFAIR INC. CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

	September 30, 2025	December 31, 2024
	(in millions, except share and per share data)	
Assets:		
Current assets		
Cash and cash equivalents	\$ 1,171	\$ 1,316
Short-term investments	54	56
Accounts receivable, net	129	155
Inventories	70	76
Prepaid expenses and other current assets	254	274
Total current assets	1,678	1,877
Operating lease right-of-use assets	854	925
Property and equipment, net	523	603
Other non-current assets	61	54
Total assets	\$ 3,116	\$ 3,459
Liabilities and Stockholders' Deficit		
Current liabilities		
Accounts payable	\$ 1,199	\$ 1,246
Other current liabilities	1,055	1,124
Total current liabilities	2,254	2,370
Long-term debt	2,748	2,882
Operating lease liabilities, net of current	857	929
Other non-current liabilities	25	33
Total liabilities	5,884	6,214
Commitments and contingencies (Note 5)		
Stockholders' deficit:		
Convertible preferred stock, \$0.001 par value per share: 10,000,000 shares authorized and none issued at September 30, 2025 and December 31, 2024	—	—
Class A common stock, par value \$0.001 per share, 500,000,000 shares authorized, 106,255,970 and 100,762,581 shares issued and outstanding at September 30, 2025 and December 31, 2024, respectively	—	—
Class B common stock, par value \$0.001 per share, 164,000,000 shares authorized, 23,458,295 and 24,658,295 shares issued and outstanding at September 30, 2025 and December 31, 2024, respectively.	—	—
Additional paid-in capital	1,971	1,751
Accumulated deficit	(4,707)	(4,510)
Accumulated other comprehensive (loss) income	(32)	4
Total stockholders' deficit	(2,768)	(2,755)
Total liabilities and stockholders' deficit	\$ 3,116	\$ 3,459

See notes to unaudited condensed consolidated financial statements.

WAYFAIR INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in millions, except per share data)			
Net revenue	\$ 3,117	\$ 2,884	\$ 9,120	\$ 8,730
Cost of goods sold	2,183	2,011	6,365	6,097
Gross profit	934	873	2,755	2,633
Operating expenses:				
Customer service and merchant fees	118	112	346	350
Advertising	330	354	1,046	1,043
Selling, operations, technology, general and administrative	445	480	1,339	1,503
Impairment and other related net charges	—	1	23	2
Restructuring charges	3	—	68	79
Total operating expenses	896	947	2,822	2,977
Income (Loss) from operations	38	(74)	(67)	(344)
Interest expense, net	(31)	(5)	(83)	(15)
Other (expense) income, net	(5)	8	28	3
Loss on debt extinguishment, net	(99)	—	(68)	—
Loss before income taxes	(97)	(71)	(190)	(356)
Provision for income taxes, net	2	3	7	8
Net loss	<u>\$ (99)</u>	<u>\$ (74)</u>	<u>\$ (197)</u>	<u>\$ (364)</u>
Loss per share				
Basic	<u>\$ (0.76)</u>	<u>\$ (0.60)</u>	<u>\$ (1.54)</u>	<u>\$ (2.98)</u>
Diluted	<u>\$ (0.76)</u>	<u>\$ (0.60)</u>	<u>\$ (1.54)</u>	<u>\$ (2.98)</u>
Weighted-average number of shares of common stock outstanding used in computing per share amounts:				
Basic	130	123	128	122
Diluted	130	123	128	122

See notes to unaudited condensed consolidated financial statements

WAYFAIR INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in millions)			
Net loss	\$ (99)	\$ (74)	\$ (197)	\$ (364)
Other comprehensive loss:				
Foreign currency translation adjustments	—	(4)	(36)	(3)
Comprehensive loss	<u>\$ (99)</u>	<u>\$ (78)</u>	<u>\$ (233)</u>	<u>\$ (367)</u>

See notes to unaudited condensed consolidated financial statements.

WAYFAIR INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
(Unaudited)

	Three Months Ended					
	Class A and Class B Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Deficit
	Shares	Amount				
	(in millions)					
Balance at June 30, 2024	122	\$ —	\$ 1,552	\$ (4,308)	\$ (4)	\$ (2,760)
Net loss	—	—	—	(74)	—	(74)
Other comprehensive loss	—	—	—	—	(4)	(4)
Issuance of common stock upon vesting of RSUs	2	—	—	—	—	—
Equity-based compensation	—	—	105	—	—	105
Balance at September 30, 2024	124	\$ —	\$ 1,657	\$ (4,382)	\$ (8)	\$ (2,733)
Balance at June 30, 2025	128	\$ —	\$ 1,921	\$ (4,608)	\$ (32)	\$ (2,719)
Net loss	—	—	—	(99)	—	(99)
Other comprehensive loss	—	—	—	—	—	—
Issuance of common stock upon vesting of RSUs	2	—	—	—	—	—
Shares withheld for employee taxes	—	—	(45)	—	—	(45)
Equity-based compensation	—	—	95	—	—	95
Balance at September 30, 2025	130	\$ —	\$ 1,971	\$ (4,707)	\$ (32)	\$ (2,768)

See notes to unaudited condensed consolidated financial statements.

WAYFAIR INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
(Unaudited)

	Nine Months Ended					
	Class A and Class B Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Deficit
	Shares	Amount				
	(in millions)					
Balance at December 31, 2023	118	\$ —	\$ 1,316	\$ (4,018)	\$ (5)	\$ (2,707)
Net loss	—	—	—	(364)	—	(364)
Other comprehensive loss	—	—	—	—	(3)	(3)
Issuance of common stock upon vesting of RSUs	6	—	—	—	—	—
Equity-based compensation	—	—	338	—	—	338
Unwind of capped calls	—	—	3	—	—	3
Balance at September 30, 2024	124	\$ —	\$ 1,657	\$ (4,382)	\$ (8)	\$ (2,733)
Balance at December 31, 2024	125	\$ —	\$ 1,751	\$ (4,510)	\$ 4	\$ (2,755)
Net loss	—	—	—	(197)	—	(197)
Other comprehensive loss	—	—	—	—	(36)	(36)
Issuance of common stock upon vesting of RSUs	5	—	—	—	—	—
Shares withheld for employee taxes	—	—	(54)	—	—	(54)
Equity-based compensation	—	—	274	—	—	274
Balance at September 30, 2025	130	\$ —	\$ 1,971	\$ (4,707)	\$ (32)	\$ (2,768)

See notes to unaudited condensed consolidated financial statements.

WAYFAIR INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended September 30,	
	2025	2024
	(in millions)	
Cash flows from operating activities		
Net loss	\$ (197)	\$ (364)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	234	297
Equity-based compensation expense	252	309
Amortization of debt discount and issuance costs	7	7
Impairment and other related net charges	23	2
Loss on debt extinguishment, net	68	—
Other non-cash adjustments	21	(5)
Changes in operating assets and liabilities:		
Accounts receivable, net	33	(34)
Inventories	7	(7)
Prepaid expenses and other assets	18	3
Accounts payable and other liabilities	(134)	(53)
Net cash provided by operating activities	332	155
Cash flows from investing activities		
Purchase of short- and long-term investments	(76)	(37)
Sale and maturities of short- and long-term investments	74	33
Purchase of property and equipment	(45)	(53)
Site and software development costs	(103)	(121)
Net cash used in investing activities	(150)	(178)
Cash flows from financing activities		
Proceeds from issuance of debt, net of issuance costs	691	—
Payments to extinguish debt	(940)	—
Payments of taxes related to net share settlement of equity awards	(54)	—
Other financing activities, net	—	3
Net cash (used in) provided by financing activities	(303)	3
Effect of exchange rate changes on cash and cash equivalents	(28)	(6)
Net decrease in cash, cash equivalents and restricted cash	(149)	(26)
Cash, cash equivalents and restricted cash		
Beginning of period	\$ 1,320	\$ 1,326
End of period	\$ 1,171	\$ 1,300

See notes to unaudited condensed consolidated financial statements

WAYFAIR INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended September 30,	
	2025	2024
	(in millions)	
Supplemental cash flow information:		
Cash paid for interest on long-term debt	\$ 98	\$ 49
Purchase of property and equipment included in accounts payable and other liabilities	\$ 8	\$ 20
Reconciliation of cash, cash equivalents and restricted cash to condensed consolidated balance sheets		
Cash and cash equivalents	\$ 1,171	\$ 1,296
Restricted cash included within prepaid expenses and other current assets	—	4
Total cash, cash equivalents and restricted cash	<u>\$ 1,171</u>	<u>\$ 1,300</u>

See notes to unaudited condensed consolidated financial statements

Wayfair Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements contained in this Quarterly Report on Form 10-Q are those of Wayfair Inc. and its wholly-owned subsidiaries. Unless the context indicates otherwise, “Wayfair,” “the Company” or similar terms refer to Wayfair Inc. and its subsidiaries. In the Company’s opinion, the accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States (“GAAP”) and applicable rules and regulations of the United States (“U.S.”) Securities and Exchange Commission (“SEC”) regarding interim financial reporting and reflect all adjustments, consisting of normal recurring adjustments, necessary for a fair statement of the results of the interim periods presented. Certain information and note disclosures normally included in the audited financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. The information included in this Quarterly Report on Form 10-Q should be read in conjunction with the audited consolidated financial statements and accompanying notes included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024. Furthermore, interim results are not necessarily indicative of the results for the full year ended December 31, 2025 or future periods.

The Company has identified significant accounting policies that are critical to understanding its business and results of operations. Wayfair believes that there have been no significant changes during the three and nine months ended September 30, 2025 to the items disclosed in Note 1, *Summary of Significant Accounting Policies*, included in Part II, Item 8, Financial Statements and Supplementary Data, of the Company’s Annual Report on Form 10-K for the year ended December 31, 2024.

Recently Issued Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, to update reportable income tax disclosure requirements, primarily through enhanced disclosures on the rate reconciliation table and other disclosures, including total income taxes paid by jurisdiction. The amendment is effective for annual periods beginning after December 15, 2024, with early adoption permitted. The amendment should be applied prospectively, with retrospective adoption permitted. Wayfair is currently evaluating the impact that the adoption of this standard will have on its consolidated financial statements and related disclosures.

In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which requires disclosure of specific expense categories in the notes to the financial statements. The amendment is effective for annual periods beginning after December 15, 2026, with early adoption permitted. The amendment should be applied prospectively to financial statements issued for reporting periods after the effective date of this ASU or retrospectively to any or all prior periods presented in the financial statements. Wayfair is currently evaluating the impact that the adoption of this standard will have on its consolidated financial statements and related disclosures.

In November 2024, the FASB issued ASU 2024-04, *Debt - Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments*, which clarifies the assessment of whether certain settlements of convertible debt instruments should be accounted for as an induced conversion. The amendment is effective for annual periods beginning after December 15, 2025, with early adoption permitted. The amendment can be applied either on a prospective or retrospective basis. Wayfair is currently evaluating the impact that the adoption of this standard will have on its consolidated financial statements and related disclosures.

In September 2025, the FASB issued ASU 2025-06, *Intangibles - Goodwill and Other Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*, which clarifies and modernizes the accounting for costs related to internal-use software, and clarifies the threshold entities apply to begin capitalizing costs. The amendment is effective for annual periods beginning after December 15, 2027, and interim periods within those fiscal years. The amendment can be applied on a fully prospective basis, a modified basis for in-process projects, or on a retrospective basis. Wayfair is currently evaluating the impact that the adoption of this standard will have on its consolidated financial statements and related disclosures.

2. Supplemental Financial Statement Disclosures

Accounts Receivable, Net

As of September 30, 2025, accounts receivable was \$129 million, net of allowance for credit losses of \$25 million. As of December 31, 2024, accounts receivable was \$155 million, net of allowance for credit losses of \$18 million. The changes in the allowance for credit losses were not material for the three and nine months ended September 30, 2025. Management believes credit risk is mitigated for the three and nine months ended September 30, 2025, as approximately 98.6% and 98.7%, respectively, of the net revenue recognized was collected in advance of recognition.

Contract Liabilities

Contract liabilities included in other current liabilities were \$236 million at September 30, 2025 and \$224 million at December 31, 2024. During the nine months ended September 30, 2025, Wayfair recognized \$163 million of net revenue that was included within other current liabilities as of December 31, 2024. During the nine months ended September 30, 2024, Wayfair recognized \$139 million of net revenue that was included within other current liabilities as of December 31, 2023.

Net revenue from contracts with customers is disaggregated by geographic region because this manner of disaggregation best depicts how the nature, amount, timing and uncertainty of net revenue and cash flows are affected by economic factors. Refer to Note 9, *Segment and Geographic Information*, for additional information.

Impairment and Other Related Net Charges

During the nine months ended September 30, 2025, Wayfair recorded net charges of \$23 million, inclusive of \$20 million associated with its decision to exit the German market (the “Germany Restructuring”) and weakened macroeconomic conditions in connection with its German operations and \$3 million associated with changes in sublease market conditions for a technology center in the U.S. The \$20 million of charges associated with the Germany Restructuring is inclusive of \$9 million related to operating lease right-of-use (“ROU”) assets, \$19 million related to property, plant and equipment, partially offset by a recovery of \$8 million related to the termination of its office lease in Germany.

Restructuring Charges

During the three and nine months ended September 30, 2025, Wayfair incurred \$3 million and \$68 million, respectively, of charges consisting primarily of one-time employee severance, benefits, relocation and transition costs. During the three and nine months ended September 30, 2025, this includes \$2 million and \$48 million, respectively, related to the Germany Restructuring and \$1 million and \$20 million, respectively, related to the March 2025 workforce reduction, which impacted members of the technology team.

As of September 30, 2025, Wayfair expects the total cost to be incurred under both actions to be \$73 million, of which \$68 million has been recorded to date. Wayfair expects to incur the remainder of the charges through the year ended December 31, 2025. As of September 30, 2025, \$19 million and \$1 million, is accrued within other current liabilities, for employee severance benefits for the Germany Restructuring and the March 2025 workforce reduction, respectively.

Income Tax

On July 4, 2025, the One Big Beautiful Bill Act was signed into law in the U.S., which contains a broad range of tax reform provisions affecting businesses. Wayfair continues to evaluate the full effects on the full year income tax provision and cash tax position, but the legislation is not expected to have a material impact on the financial statements. The impacts are not material to operating results for the nine months ended September 30, 2025.

Equity-based Compensation

In September 2025, under the 2023 Plan, the Company granted 5,000,000 performance stock units (“PSUs”) to the Company’s Chief Executive Officer (the “CEO Award”). The CEO Award consists of six tranches of PSUs over specified performance periods that each vest based upon the satisfaction of both: (i) the CEO’s continued employment as CEO through the applicable vesting date, and (ii) the achievement of certain stock price hurdles. If the stock price hurdle for a particular tranche of PSUs is not met during the applicable performance period for such tranche, or if the CEO’s service is terminated before achieving such stock price hurdle, no portion of that tranche will vest.

The Company recognizes stock-based compensation expense for awards with market conditions over the derived service period of the awards. The estimated fair value and derived service period for the awards with market conditions are calculated using a Monte Carlo simulation. Assumptions used in valuing awards with market conditions include expected volatility.

3. Cash, Cash Equivalents and Restricted Cash, Investments and Fair Value Measurements

Investments

As of September 30, 2025 and December 31, 2024, Wayfair's marketable securities, which primarily consisted of corporate bonds and other government obligations that are priced at fair value, were classified as available-for-sale investments. During the three and nine months ended September 30, 2025 and 2024, Wayfair did not have any realized gains or losses. Interest income includes interest earned from cash and cash equivalents and marketable securities. During the three and nine months ended September 30, 2025, Wayfair recorded \$11 million and \$34 million of interest income, respectively. During the three and nine months ended September 30, 2024, Wayfair recorded \$13 million and \$39 million of interest income, respectively.

The following table presents details of Wayfair's investment securities as of September 30, 2025 and December 31, 2024:

	September 30, 2025			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
	(in millions)			
Short-term:				
Investment securities	\$ 54	\$ —	\$ —	\$ 54
Total	\$ 54	\$ —	\$ —	\$ 54
	December 31, 2024			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
	(in millions)			
Short-term:				
Investment securities	\$ 56	\$ —	\$ —	\$ 56
Total	\$ 56	\$ —	\$ —	\$ 56

Fair Value Measurements

Wayfair's financial assets and liabilities are measured at fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The three levels of inputs used to measure fair value are as follows:

- Level 1—Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2—Unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable or can be corroborated by observable market data for substantially the full-term of the asset or liability
- Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liability

This hierarchy requires Wayfair to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value. Wayfair classifies cash equivalents and certificate of deposits within Level 1 because these are valued using quoted market prices. The fair value of Level 1 financial assets is based on quoted market prices of the identical underlying security. Wayfair classifies short-term investments within Level 2 because unadjusted quoted prices for identical or similar assets in markets are not active. Wayfair does not have assets that are classified as Level 3.

The following tables set forth the fair value of Wayfair's financial assets measured at fair value on a recurring basis as of September 30, 2025 and December 31, 2024:

	September 30, 2025			
	Level 1	Level 2	Level 3	Total
(in millions)				
Cash and cash equivalents:				
Cash	\$ 549	\$ —	\$ —	\$ 549
Cash equivalents	622	—	—	622
Total cash and cash equivalents	1,171	—	—	1,171
Short-term investments:				
Investment securities	—	54	—	54
Total	\$ 1,171	\$ 54	\$ —	\$ 1,225

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
(in millions)				
Cash and cash equivalents:				
Cash	\$ 461	\$ —	\$ —	\$ 461
Cash equivalents	855	—	—	855
Total cash and cash equivalents	1,316	—	—	1,316
Short-term investments:				
Investment securities	—	56	—	56
Prepaid expenses and other current assets:				
Certificate of deposit ⁽¹⁾	4	—	—	4
Total	\$ 1,320	\$ 56	\$ —	\$ 1,376

⁽¹⁾ The certificate of deposit is classified as restricted cash that is primarily restricted to funds held in collateral.

4. Debt and Other Financing

The following table presents the outstanding principal amount and carrying value of debt and other financing:

Debt Instrument	September 30, 2025			December 31, 2024		
	Principal Amount	Unamortized Debt Discount	Net Carrying Amount	Principal Amount	Unamortized Debt Discount	Net Carrying Amount
(in millions)						
Revolving Credit Facility			\$ —			\$ —
2025 Notes	157	—	157	237	(1)	236
2026 Notes	39	—	39	734	(3)	731
2027 Notes	690	(5)	685	690	(7)	683
2028 Notes	589	(6)	583	690	(9)	681
2029 Secured Notes	800	(12)	788	800	(13)	787
2030 Secured Notes	700	(8)	692	—	—	—
Total Debt			\$ 2,944			\$ 3,118
Short-term debt ⁽¹⁾			196			236
Long-term debt			\$ 2,748			\$ 2,882

⁽¹⁾ Short-term debt consists of \$157 million for the 2025 Notes and \$39 million for the 2026 Notes (as defined below) as of September 30, 2025 and \$236 million for the 2025 Notes as of December 31, 2024. Short-term debt is presented within other current liabilities in the condensed consolidated balance sheets.

Wayfair's indebtedness includes unsecured 0.625% Convertible Senior Notes due 2025 (the "2025 Notes"), unsecured 1.00% Convertible Senior Notes due 2026 (the "2026 Notes"), unsecured 3.25% Convertible Senior Notes due 2027 (the "2027 Notes"), unsecured 3.50% Convertible Senior Notes due 2028 (the "2028 Notes", and together with the 2025 Notes, 2026 Notes and 2027 Notes, the "Convertible Notes"), 7.250% Senior Secured Notes due 2029 (the "2029 Secured Notes") and 7.750% Senior Secured Notes due 2030 (the "2030 Secured Notes", together with the 2029 Secured Notes, the "Senior Secured Notes" and together with the Convertible Notes, the "Notes").

Revolving Credit Facility

Wayfair has a five-year senior secured revolving credit facility (the "Revolver"), which matures on March 13, 2030, and provides for revolving loans in an aggregate amount of \$500 million. As of September 30, 2025, there were no revolving loans outstanding under the Revolver. Under the Revolver, Wayfair may, from time to time, request letters of credit, which reduce the availability of credit under the Revolver. Wayfair had \$74 million outstanding letters of credit as of September 30, 2025, primarily as security for lease agreements, which reduced the availability of credit under the Revolver.

Senior Secured Notes

The following table summarizes certain terms related to the Company's current outstanding Senior Secured Notes:

Senior Secured Notes	Maturity Date	Annual Coupon Rate	Annual Effective Interest Rate	Payment Dates for Semi-Annual Interest Payments in Arrears
2029 Secured Notes	October 31, 2029	7.250%	7.50%	April 15 and October 15
2030 Secured Notes	September 15, 2030	7.750%	7.90%	March 15 and September 15

Convertible Notes

The following table summarizes certain terms related to the Company's current outstanding Convertible Notes:

Convertible Notes	Maturity Date	Annual Coupon Rate	Annual Effective Interest Rate	Payment Dates for Semi-Annual Interest Payments in Arrears
2025 Notes	October 1, 2025	0.625%	0.9%	April 1 and October 1
2026 Notes	August 15, 2026	1.000%	1.2%	February 15 and August 15
2027 Notes	September 15, 2027	3.250%	3.6%	March 15 and September 15
2028 Notes	November 15, 2028	3.500%	3.8%	May 15 and November 15

Conversion and Redemption Terms of the Notes

Wayfair's Convertible Notes will mature at their maturity date unless earlier repurchased, redeemed or converted. The Convertible Notes' initial conversion terms are summarized below:

Convertible Notes	Maturity Date	Free Convertibility Date	Initial Conversion Rate per \$1,000 Principal	Initial Conversion Price	Redemption Date
2025 Notes	October 1, 2025	July 1, 2025	2.3972	\$417.15	October 4, 2022
2026 Notes	August 15, 2026	May 15, 2026	6.7349	\$148.48	August 20, 2023
2027 Notes	September 15, 2027	June 15, 2027	15.7597	\$63.45	September 20, 2025
2028 Notes	November 15, 2028	August 15, 2028	21.8341	\$45.80	May 20, 2026

The conversion rate is subject to adjustment upon the occurrence of certain specified events, including certain distributions and dividends to all or substantially all of the holders of Wayfair's Class A common stock, but will not be adjusted for accrued and unpaid interest.

Wayfair will settle any conversions of the Convertible Notes in cash, shares of Wayfair's Class A common stock or a combination thereof, with the form of consideration determined at Wayfair's election. The holders of the Convertible Notes may convert all or a portion of such Notes prior to certain specified dates (each, a "Free Convertibility Date") under the following circumstances (in each case, as applicable to each series of Convertible Notes):

- during any calendar quarter (and only during such calendar quarter), if the last reported sale price of Wayfair's Class A common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day;
- during the five-business day period after any ten consecutive trading day period (the "measurement period") in which the trading price (as defined in the applicable indenture) per \$1,000 principal amount of the notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of Wayfair's Class A common stock and the conversion rate on each such trading day;
- if Wayfair calls the notes for redemption, at any time prior to 5:00 p.m. (New York City time) ("the close of business") on the second scheduled trading day immediately preceding the redemption date; and
- upon the occurrence of specified corporate events (as set forth in the applicable indenture).

On or after the applicable Free Convertibility Date until the close of business on the second scheduled trading day immediately preceding the applicable maturity date, holders of the Convertible Notes may convert their Convertible Notes at any time.

The conditional conversion features of the 2028 Notes were triggered during the calendar quarter ended September 30, 2025, therefore the 2028 Notes are convertible during the calendar quarter ended December 31, 2025. The conditional conversion features of the 2026 Notes and 2027 Notes were not triggered during the calendar quarter ended September 30, 2025, therefore, the 2026 Notes and 2027 Notes are not convertible during the calendar quarter ended December 31, 2025 pursuant to the applicable last reported sales price conditions. On July 1, 2025, the 2025 Notes became freely convertible and the holders of the 2025 Notes could have converted all or a portion of their 2025 Notes at any time prior to the close of business on the second scheduled trading day immediately preceding the maturity date. On October 1, 2025, the 2025 Notes matured and Wayfair paid in cash the remaining outstanding principal of \$157 million to the holders of the 2025 Notes.

Upon the occurrence of a fundamental change (as defined in the applicable indenture), holders of the applicable series of the Convertible Notes may require Wayfair to repurchase all or a portion of such Notes for cash at a price equal to 100% of the principal amount of such Notes to be repurchased plus any accrued but unpaid interest to, but excluding, the fundamental change repurchase date. Holders of the Convertible Notes who convert their respective Notes in connection with a make-whole fundamental change or a notice of redemption (each as defined in the applicable indenture) may be entitled to a premium in the form of an increase in the conversion rate of the respective Notes.

Wayfair may not redeem the Convertible Notes prior to certain dates (the "Redemption Date"). On or after the applicable Redemption Date, Wayfair may redeem for cash all or part of the applicable series of the Convertible Notes if the last reported sale price of Wayfair's Class A common stock equals or exceeds 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive), including at least one of the five trading days immediately preceding the date on which Wayfair provides notice of redemption, during any 30 consecutive trading days ending on, and including the trading day immediately preceding the date on which Wayfair provides notice of the redemption. The redemption price will be either 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest, if any, or the if-converted value if the holder elects to convert their Convertible Notes upon receiving notice of redemption. The Company has not called for redemption or redeemed any of the Convertible Notes as of September 30, 2025.

Partial Extinguishment of Convertible Notes

On March 14, 2025, in connection with the issuance of the 2030 Secured Notes, Wayfair repurchased \$578 million in aggregate principal amount of the 2026 Notes. In accounting for the repurchases, Wayfair recorded a \$25 million gain on debt extinguishment, representing the difference between the cash paid for principal, plus accrued and unpaid interest and transaction fees of \$551 million and the net carrying value of the 2026 Notes of \$576 million.

On May 9, 2025, Wayfair used the remaining proceeds from the 2030 Secured Notes offering, together with cash on hand, to repurchase \$80 million in aggregate principal amount of the 2025 Notes and \$118 million in aggregate principal amount of the 2026 Notes. In accounting for these repurchases, Wayfair recorded a \$6 million gain on debt extinguishment, representing the difference between the cash paid for principal, plus accrued and unpaid interest and transaction fees of \$191 million and the combined net carrying value of the 2025 Notes and the 2026 Notes of \$197 million.

On August 20, 2025, Wayfair repurchased \$101 million in aggregate principal amount of the 2028 Notes. In accounting for the repurchases, Wayfair recorded a \$99 million loss on debt extinguishment, representing the difference between the cash paid for principal, plus accrued and unpaid interest and transaction fees of \$200 million and the net carrying value of the 2028 Notes of \$101 million.

Conversions of Convertible Notes

During the three and nine months ended September 30, 2025, there were no conversions of the Convertible Notes.

Interest Expense

During the three months ended September 30, 2025, Wayfair recognized contractual interest expense and debt discount amortization of \$41 million and \$4 million, respectively, and during the nine months ended September 30, 2025, contractual interest expense and debt discount amortization of \$114 million and \$9 million, respectively.

During the three months ended September 30, 2024, Wayfair recognized contractual interest expense and debt discount amortization of \$17 million and \$2 million, respectively, and during the nine months ended September 30, 2024, contractual interest expense and debt discount amortization of \$48 million and \$7 million, respectively.

Fair Value of the Notes

As of September 30, 2025, the estimated fair value of each of the 2025 Notes, 2026 Notes, 2027 Notes, 2028 Notes, 2029 Secured Notes and 2030 Secured Notes was \$156 million, \$38 million, \$1,046 million, \$1,222 million, \$827 million and \$736 million, respectively. The estimated fair values of the Notes were determined through consideration of quoted market prices. The fair values of the Notes are classified as Level 2 as defined in Note 3, *Cash, Cash Equivalents and Restricted Cash, Investments and Fair Value Measurements*. As of September 30, 2025, the if-converted value of the 2027 Notes and of the 2028 Notes exceeded the principal value by \$281 million and \$560 million, respectively. As of September 30, 2025, the if-converted value of the 2025 Notes and 2026 Notes did not exceed the principal value.

Capped Calls

The 2025 Capped Calls, 2026 Capped Calls, 2027 Capped Calls and 2028 Capped Calls (collectively, the “Capped Calls”) are expected generally to reduce the potential dilution and/or offset the cash payments Wayfair is required to make in excess of the principal amount of the Convertible Notes upon conversion of the Convertible Notes if the market price per share of Wayfair’s Class A common stock is greater than the strike price of the applicable Capped Call (which corresponds to the initial conversion price of the applicable Convertible Notes and is subject to certain adjustments under the terms of the applicable Capped Call), with such reduction and/or offset subject to a cap based on the cap price of the applicable Capped Calls (the “Initial Cap Price”). The Capped Calls can, at Wayfair’s option, remain outstanding until their maturity date, even if all or a portion of the Convertible Notes are converted, repurchased or redeemed prior to such date.

Each of the Capped Calls has an initial cap price per share of Wayfair’s Class A common stock, which represented a premium over the last reported sale price (or, with respect to the 2025 Capped Calls, the volume-weighted average price) of Wayfair’s Class A common stock on the date the corresponding Convertible Notes were priced (the “Cap Price Premium”), and is subject to certain adjustments under the terms of the corresponding agreements. Collectively, the Capped Calls cover, initially, the number of shares of Wayfair’s Class A common stock underlying the Convertible Notes, subject to anti-dilution adjustments substantially similar to those applicable to the Convertible Notes.

The initial terms for the Capped Calls are presented below:

Capped Calls	Maturity Date	Initial Cap Price	Cap Price Premium
2025 Capped Calls	October 1, 2025	\$787.08	150%
2026 Capped Calls	August 15, 2026	\$280.15	150%
2027 Capped Calls	September 15, 2027	\$97.62	100%
2028 Capped Calls	November 15, 2028	\$73.28	100%

The Capped Calls are separate transactions from the Convertible Notes, are not subject to the terms of the Convertible Notes and will not affect any holder’s rights under the Convertible Notes. Similarly, holders of the Convertible Notes do not have any rights with respect to the Capped Calls. The Capped Calls do not meet the criteria for separate accounting as a derivative as they are indexed to Wayfair’s stock and meet the requirements to be classified in equity. The premiums paid for the Capped Calls were

included as a net reduction to additional paid-in capital within stockholders' deficit when they were entered. The Capped Calls for the 2025 Notes expired on October 1, 2025.

5. Commitments and Contingencies

Legal Matters

From time to time, Wayfair is involved in litigation matters and other legal claims that arise during the ordinary course of business. The Company records a liability when it believes that it is both probable that a liability has been incurred and the amount of loss can be reasonably estimated. Significant judgment is required to determine both the probability of having incurred a liability and the estimated amount of the liability. As a result, it is at least reasonably possible that any such estimate could change and the effect of the potential change could be material. The Company does not record a gain contingency until the period in which the contingency is resolved and the gain is realizable or realized.

Litigation and legal claims are inherently unpredictable and claims cannot be predicted with certainty. An unfavorable resolution of one or more legal matters could have a material adverse effect on the Company's results of operations or financial condition, and regardless of the outcome, these matters can be costly and time consuming, as it can divert management's attention from important business matters and initiatives, negatively impacting Wayfair's overall operations. In addition, Wayfair may also find itself at greater risk to outside party claims as it increases its operations in jurisdictions where the laws with respect to the potential liability of online retailers are uncertain, unfavorable, or unclear. However, as of the date of this report, Wayfair does not believe that the outcome of any current legal matters will have a material adverse effect on Wayfair's results of operations or financial condition.

Canada Border Services Agency

The Canada Border Services Agency ("CBSA") is examining Wayfair's payment of duties under the Special Import Measures Act (the "CBSA Review") for goods imported into Canada for the years ended December 31, 2023 and 2022 and part of the year ended December 31, 2021. Periodically, Wayfair receives assessments from the CBSA and Wayfair is required to pay all assessed amounts in order to exercise its appeal rights. Wayfair believes there are substantial factual and legal grounds to appeal and partially recoupate these amounts and is exploring other options to mitigate exposure. During the nine months ended September 30, 2025, in connection with the CBSA Review, Wayfair incurred approximately \$14 million to cost of goods sold within the condensed consolidated statements of operations and made payments of approximately \$11 million and \$19 million of duties based on assessments received during the three and nine months ended September 30, 2025, respectively, related to the year ended December 31, 2023. No costs were incurred during the three months ended September 30, 2025. As of September 30, 2025, there were no costs recorded within other current liabilities in the condensed consolidated balance sheets.

The CBSA is also examining Wayfair's valuation of duties under the Customs Act for goods imported into Canada for the years ended December 31, 2025, 2024, 2023, 2022, 2021 and 2020. During the three months ended June 30, 2025, Wayfair recorded a benefit of \$7 million to cost of goods sold within the condensed consolidated statements of operations related to the examinations for the three months ended December 31, 2024 and March 31, 2025. The examinations for part of the year ended December 31, 2024 and the years ended December 31, 2023 and 2022 resulted in a benefit of \$38 million recorded during the three months ended March 31, 2025 to cost of goods sold within the condensed consolidated statement of operations. This was related to an overpayment of duties during those years, and the refunds from this audit will primarily be used to offset future normal course custom duties payments and payments due under the CBSA Review.

6. Stockholders' Deficit

Common Stock

Since Wayfair's initial public offering through September 30, 2025, 58,580,119 shares of Class B common stock were converted to Class A common stock.

Stock Repurchase Programs

During the three and nine months ended September 30, 2025 and 2024, Wayfair did not repurchase any shares of Class A Common stock under the authorized repurchase programs.

7. Equity-Based Compensation

In April 2023, Wayfair’s stockholders approved the 2023 Incentive Award Plan (the “2023 Plan”) to replace Wayfair’s 2014 Incentive Award Plan, as amended (the “2014 Plan” and, together with the 2023 Plan, the “Incentive Plans”). The Incentive Plans were adopted by the board of directors (the “Board”) to grant cash and equity incentive awards to eligible participants in order to attract, motivate and retain talent. The Incentive Plans are administered by the Board for awards to non-employee directors and by the compensation committee of the Board for other participants and provide for the issuance of equity-based awards including stock options, stock appreciation rights, restricted stock, restricted stock units (“RSUs”), performance awards and stock payments.

Beginning in April 2025, Wayfair primarily withholds shares of Class A common stock upon vesting of restricted stock units to cover necessary tax withholding obligations as permitted by the 2023 Plan. The value of the withheld shares was classified as a reduction to common stock and additional paid-in capital. Shares subject to awards that are forfeited, expire or are otherwise terminated without shares being issued, or shares withheld to satisfy tax withholding obligations, will be returned to the pool of shares available for grant and issuance under the 2023 Plan.

As of September 30, 2025, 7,095,187 shares of Class A common stock remained available for future grant under the 2023 Plan.

Restricted Stock Units

The following table presents activity relating to RSUs for the nine months ended September 30, 2025:

	Shares	Weighted-Average Grant Date Fair Value
Unvested at December 31, 2024	2,455,486	\$ 72.11
RSUs granted	4,565,040	\$ 50.88
RSUs vested ⁽¹⁾	(5,429,729)	\$ 51.18
RSUs forfeited/canceled	(255,645)	\$ 76.89
Unvested at September 30, 2025	1,335,152	\$ 83.73

⁽¹⁾ The amount of RSUs vested includes shares withheld by Wayfair to cover taxes.

As of September 30, 2025, unrecognized equity-based compensation expense related to RSUs expected to vest over time is \$30 million with a weighted-average remaining vesting term of 0.1 years.

The following table summarizes activity for the nine months ended September 30, 2025 and 2024:

	Nine Months Ended September 30,	
	2025	2024
Weighted average grant date fair value of RSUs	\$ 50.88	\$ 54.67
Total fair value of vested RSUs (in millions)	\$ 278	\$ 399
Intrinsic value of RSUs vested (in millions)	\$ 240	\$ 310

As of September 30, 2025, the aggregate intrinsic value of unvested RSUs was \$119 million.

Performance Stock Units with Market-Based Conditions

In September 2025, under the 2023 Plan, the Company granted 5,000,000 performance stock units ("PSUs") to the Company's Chief Executive Officer (the "CEO Award"). The CEO Award consists of six tranches of PSUs over specified performance periods that each vest based upon the satisfaction of both: (i) the CEO's continued employment as CEO through the applicable vesting date, and (ii) the achievement of certain stock price hurdles. If the stock price hurdle for a particular tranche of PSUs is not met during the applicable performance period for such tranche, or if the CEO's service is terminated before achieving such stock price hurdle, no portion of that tranche will vest.

The estimated fair value and derived service period for awards with market conditions are calculated using a Monte Carlo simulation. Expected volatility assumptions applied within the valuation model are derived from the market-based implied volatility levels of the Company's options at the time of grant. The expected volatility used to estimate the fair value of the CEO Award was 60%.

The following table summarizes activity for the nine months ended September 30, 2025:

	Shares	Weighted-Average Grant Date Fair Value
Unvested at December 31, 2024	—	\$ —
PSUs granted	5,000,000	\$ 56.11
PSUs vested	—	\$ —
PSUs forfeited/cancelled	—	\$ —
Unvested at September 30, 2025	5,000,000	\$ 56.11

As of September 30, 2025, there was \$278.3 million of unrecognized stock-based compensation expense related to PSUs. The Company expects to recognize this amount over a remaining weighted-average period of 4.3 years.

As of September 30, 2025, the aggregate intrinsic value of unvested PSUs was \$447 million.

Equity-based compensation was classified as follows in the condensed consolidated statements of operations for the three and nine months ended September 30, 2025 and 2024:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in millions)			
Cost of goods sold	\$ 2	\$ 2	\$ 6	\$ 7
Customer service and merchant fees	4	4	11	14
Selling, operations, technology, general and administrative	82	89	235	288
Total equity-based compensation expense	\$ 88	\$ 95	\$ 252	\$ 309

Equity-based compensation costs capitalized as software costs were \$7 million and \$22 million for the three and nine months ended September 30, 2025, respectively, and \$10 million and \$29 million for the three and nine months ended September 30, 2024, respectively.

8. Loss per Share

Wayfair follows the two-class method when computing earnings or loss per share for its two issued classes of common stock - Class A and Class B. Basic earnings or loss per share is computed using the weighted-average number of shares of common stock outstanding during the period. Diluted earnings or loss per share is computed using the weighted-average number of shares of common stock outstanding during the period plus, if dilutive, common stock equivalents outstanding during the period and stock issuable upon conversion of the convertible debt instruments. Wayfair's common stock equivalents consist of shares issuable upon the release of restricted stock units and performance stock units. The dilutive effect of these common stock equivalents is reflected in diluted earnings or loss per share by application of the treasury stock method. The dilutive effect of shares issuable upon conversion of the convertible debt instruments are included in the calculation of diluted earnings or loss per share under the if-converted method.

For periods in which Wayfair has reported net losses, diluted loss per share is the same as basic loss per share, as the effects of common stock equivalents outstanding and shares issuable upon conversion of convertible debt instruments are antidilutive and therefore excluded from the calculation of diluted loss per share.

Wayfair allocates undistributed earnings between the classes on a one-to-one basis when computing earnings or loss per share. As a result, basic and diluted earnings or loss per share per Class A and Class B shares are equivalent.

The following table presents the calculation of basic and diluted loss per share:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
(in millions, except per share data)				
Numerator:				
Numerator for basic and diluted loss per share - net loss	\$ (99)	\$ (74)	\$ (197)	\$ (364)
Denominator:				
Denominator for basic loss per share - weighted-average number of shares of common stock outstanding	130	123	128	122
Denominator for diluted loss per share - weighted-average number of shares of common stock outstanding after the effect of dilutive securities	130	123	128	122
Loss per share				
Basic	\$ (0.76)	\$ (0.60)	\$ (1.54)	\$ (2.98)
Diluted	\$ (0.76)	\$ (0.60)	\$ (1.54)	\$ (2.98)

The potential common shares from anti-dilutive securities excluded from the weighted-average shares of common stock used to calculate diluted loss per share were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
(in millions)				
Unvested restricted stock units	1	3	1	3
Unvested performance stock units	5	—	5	—
Shares related to convertible debt instruments	24	36	24	36
Total	30	39	30	39

Wayfair may settle conversions of the Convertible Notes in cash, shares of Wayfair's Class A common stock or any combination thereof at its election. The Capped Calls are generally expected to reduce the potential dilution of Wayfair's Class A common stock upon any conversion of the Convertible Notes and/or offset the cash payments Wayfair is required to make in excess of the principal amount of the Notes upon conversion of the Convertible Notes to the extent the market price per share of Wayfair's Class A common stock is greater than the strike price of the Capped Calls (which corresponds to the initial conversion prices of the Convertible Notes, subject to certain adjustments under the terms of the Capped Calls), with such reduction and/or offset capped at the Initial Cap Price.

For more information on the structure of the Notes and the Capped Calls, see Note 4, *Debt and Other Financing*.

9. Segment and Geographic Information

Operating segments are defined as components of an enterprise for which separate financial information is available that is evaluated on a regular basis by the Chief Operating Decision Maker ("CODM") in deciding how to allocate resources to an individual segment and in assessing performance. Wayfair's CODM is its Chief Executive Officer.

Wayfair's operating and reportable segments are the U.S. and International. These segments reflect the way the CODM allocates resources and evaluates financial performance, which is based upon each segment's Adjusted EBITDA. Adjusted EBITDA is defined 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 ongoing operating performance. These charges are excluded from the evaluation of segment performance because it facilitates reportable segment performance comparisons on a period-to-period basis as these costs may vary independent of business performance. The CODM uses Adjusted EBITDA to assess segment performance while deciding how to allocate resources as a benchmark to evaluate operating performance, generate future operating plans and make strategic decisions regarding the allocation of capital.

The accounting policies of the segments are the same as those described in Note 1, *Summary of Significant Accounting Policies*, included in Part II, Item 8, *Financial Statements and Supplementary Data*, of Wayfair's Annual Report on Form 10-K for the year ended December 31, 2024. Wayfair allocates certain operating expenses to the operating and reportable segments, including customer service and merchant fees and selling, operations, technology, general and administrative expenses based on the usage and relative contribution provided to the segments. It excludes from the allocations certain operating expense lines, including depreciation and amortization, equity-based compensation and related taxes, impairment and other related net charges and restructuring charges, as well as interest income or expense, net, other income or expense, net, gain or loss on debt extinguishment and provision or benefit for income taxes, net. There are no net revenue transactions between Wayfair's reportable segments.

U.S.

The U.S. segment primarily consists of amounts earned through product sales through Wayfair's family of sites in the U.S.

International

The International segment primarily consists of amounts earned through product sales through Wayfair's international sites.

Net revenue from external customers for each group of similar products and services are not reported to the CODM. Separate identification of this information for purposes of segment disclosure is impractical, as it is not readily available and the cost to develop it would be excessive. No individual country outside the U.S. provided greater than 10% of consolidated net revenue.

The following tables present net revenue, significant segment expenses and Adjusted EBITDA attributable to Wayfair's reportable segments for the periods presented:

	Three Months Ended September 30,					
	2025			2024		
	(in millions)					
	U.S.	International	Total	U.S.	International	Total
Net revenue	\$ 2,728	\$ 389	\$ 3,117	\$ 2,512	\$ 372	\$ 2,884
Less:						
Cost of goods sold ⁽¹⁾	1,883	285	2,168	1,723	274	1,997
Advertising	289	41	330	308	46	354
Other segment items ⁽²⁾	347	64	411	340	74	414
Adjusted EBITDA	<u>\$ 209</u>	<u>\$ (1)</u>	<u>\$ 208</u>	<u>\$ 141</u>	<u>\$ (22)</u>	<u>\$ 119</u>
Less: reconciling items ⁽³⁾			307			193
Net loss			<u><u>\$ (99)</u></u>			<u><u>\$ (74)</u></u>
	Nine Months Ended September 30,					
	2025			2024		
	(in millions)					
	U.S.	International	Total	U.S.	International	Total
Net revenue	\$ 8,031	\$ 1,089	\$ 9,120	\$ 7,633	\$ 1,097	\$ 8,730
Less:						
Cost of goods sold ⁽¹⁾	5,540	783	6,323	5,224	828	6,052
Advertising	921	125	1,046	914	129	1,043
Other segment items ⁽²⁾	1,042	190	1,232	1,034	244	1,278
Adjusted EBITDA	<u>\$ 528</u>	<u>\$ (9)</u>	<u>\$ 519</u>	<u>\$ 461</u>	<u>\$ (104)</u>	<u>\$ 357</u>
Less: reconciling items ⁽³⁾			716			721
Net loss			<u><u>\$ (197)</u></u>			<u><u>\$ (364)</u></u>

⁽¹⁾ Cost of goods sold excludes costs that are excluded from Wayfair's evaluation of segment performance. Excluded from Wayfair's evaluation of segment performance and from cost of goods sold are depreciation and amortization and equity-based compensation and related taxes.

⁽²⁾ Other segment items include customer service and merchant fees and selling, operations, technology, general and administrative, and exclude any costs that are excluded from Wayfair's evaluation of segment performance. Excluded from Wayfair's evaluation of segment performance and from other segment items are 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 ongoing operating performance.

⁽³⁾ The following adjustments are made to reconcile total reportable segments Adjusted EBITDA to consolidated net loss:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in millions)			
Depreciation and amortization	\$ 75	\$ 94	\$ 234	\$ 297
Equity-based compensation and related taxes	92	98	261	323
Interest expense, net	31	5	83	15
Other (expense) income, net	5	(8)	(28)	(3)
Provision for income taxes, net	2	3	7	8
Other:				
Impairment and other related net charges ^(a)	—	1	23	2
Restructuring charges ^(b)	3	—	68	79
Loss on debt extinguishment, net ^(c)	99	—	68	—
Total reconciling items	\$ 307	\$ 193	\$ 716	\$ 721

^(a) During the nine months ended September 30, 2025, Wayfair recorded net charges of \$23 million, inclusive of \$20 million associated with the Germany Restructuring and weakened macroeconomic conditions in connection with its German operations and \$3 million associated with changes in sublease market conditions for a technology center in the U.S. Refer to Note 2, *Supplemental Financial Statement Disclosures*, for additional information.

^(b) During the three and nine months ended September 30, 2025, Wayfair incurred \$3 million and \$68 million, respectively, 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. During the nine months ended September 30, 2024, Wayfair incurred \$79 million of charges consisting primarily of one-time employee severance and benefit costs associated with the January 2024 workforce reduction. Refer to Note 2, *Supplemental Financial Statement Disclosures*, for additional information.

^(c) During the three and nine months ended September 30, 2025, Wayfair recorded a \$99 million and \$68 million loss on debt extinguishment upon repurchase of \$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.

The following table presents long-lived assets attributable to Wayfair's reportable segments reconciled to the consolidated amounts:

	September 30, 2025	December 31, 2024
	(in millions)	
Geographic long-lived assets:		
U.S.	\$ 674	\$ 789
International	266	279
Total reportable segment long-lived assets	940	1,068
Plus: reconciling corporate long-lived assets	437	460
Total long-lived assets	\$ 1,377	\$ 1,528

U.S. and International long-lived assets consist of property and equipment, net and operating lease ROU assets. Corporate long-lived assets consist of property and equipment, net, including capitalized internal-use software and website development costs, and operating lease ROU assets at corporate facilities.

The following table presents total assets attributable to Wayfair's reportable segments reconciled to consolidated amounts:

	September 30, 2025	December 31, 2024
	(in millions)	
Assets by segment:		
U.S.	\$ 1,076	\$ 1,245
International	317	328
Total reportable segment assets	1,393	1,573
Plus: reconciling corporate assets	1,723	1,886
Total assets	\$ 3,116	\$ 3,459

U.S. and International segment assets consist primarily of accounts receivable, net, inventories, prepaid expenses and other current assets, property and equipment, net and operating lease ROU assets. Corporate assets include cash and cash equivalents, short-term investments, long-lived assets at corporate facilities, capitalized internal-use software and website development costs and other non-current assets.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical fact contained in this Quarterly Report on Form 10-Q are forward-looking statements, including statements regarding our investment plans and anticipated returns on those investments; our future customer growth; our future results of operations and financial position; including the exit of our German business; available liquidity and access to financing sources; our business strategy, plans and objectives of management for future operations, including our international growth and omni-channel strategy; consumer activity and behaviors; developments in our technology and systems and anticipated results of those developments; and the impact of macroeconomic events, including tariffs, interest rates, inflation and changes in tariffs and global trade relations, and our response to such events. 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 known or unknown risks or uncertainties materialize, actual results could vary materially from Wayfair's forward-looking statements, including our expectations and projections. Investors are therefore cautioned not to place undue reliance on any forward-looking statements. These forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q and, except as required by applicable law, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of any new information, future events or otherwise.

Factors that could cause or contribute to differences in our future results include, without limitation, the following:

- adverse macroeconomic conditions, including: economic instability; changes in laws and regulations and other governmental actions or policies, including those related to taxes and new or increased tariffs, and the uncertainty surrounding potential changes in such laws and regulations or other potential governmental actions or policies; export controls; sustained higher interest rates and inflation; slower growth or the potential for recession; disruptions in the global supply chain and other conditions affecting the retail environment for products we sell; and other matters that influence consumer spending and preferences, as well as our ability to plan for and respond to the impact of these conditions;
- our ability to manage the impacts of our restructurings and workforce reductions, including the exit of our German business;
- our ability to acquire and retain customers in a cost-effective manner;
- our ability to increase our net revenue per active customer;

- our ability to build and maintain strong brands;
- our ability to expand our business and compete successfully;
- disruptions, capacity constraints or inefficiencies in our information systems network, or any potential cybersecurity incident;
- geopolitical events, natural disasters, public health emergencies, civil disturbances and terrorist attacks; and
- developments in, and the outcome of, legal and regulatory proceedings and investigations to which we are a party or are subject, and the liabilities, obligations and expenses, if any, that we may incur in connection therewith.

A further list and description of risks, uncertainties and other factors that could cause or contribute to differences in our future results include the cautionary statements herein and in our other filings with the Securities and Exchange Commission, including those set forth under Part I, Item 1A, *Risk Factors*, in our Annual Report on Form 10-K for the year ended December 31, 2024. We qualify all of our forward-looking statements by these cautionary statements.

All dollar and percentage comparisons made herein refer to the three and nine months ended September 30, 2025 compared to the three and nine months ended September 30, 2024, unless otherwise noted.

Overview

Wayfair is the destination for all things home. Through our e-commerce business model, we offer visually inspired browsing, compelling merchandising, easy product discovery and attractive prices for over 30 million products from over 20 thousand suppliers.

We believe an increasing portion of the dollars spent on home goods will be spent online and that there is an opportunity to acquire more market share. Our business model is designed to grow our net revenue by acquiring new customers as well as stimulating repeat purchases from our existing customers. Through increasing brand awareness as well as paid and unpaid advertising, we attract new and repeat customers to our family of sites. We aim to turn these customers into recurring shoppers by creating a seamless shopping experience across their entire journey — offering best-in-class product discovery, purchasing, fulfillment and customer service.

During the three months ended September 30, 2025, net revenue increased by 8.1% compared to the same period in 2024. As of September 30, 2025, we had 21 million active customers and during the three months ended September 30, 2025, 80.1% of orders came from repeat buyers. The increased sales represents our ongoing execution of business initiatives amid persistent macroeconomic pressures on consumers. We also continued to manage our advertising spend according to a return on investment-oriented approach that carefully tracks and monitors the results of advertising campaigns as we seek to maintain appropriate return targets.

Global Considerations

As disclosed in Part I, Item 1A, *Risk Factors*, of our Annual Report on Form 10-K for the year ended December 31, 2024, our business is subject to risks related to trade policy, including new or increased tariffs by the United States (“U.S.”) and/or other foreign governments. Starting in the first quarter of 2025, the U.S. government announced additional tariffs on goods imported into the U.S. from numerous countries, including the home goods category, and starting in the fourth quarter of 2025, the U.S. government began imposing additional tariffs applicable to certain home goods, which as of the date of this report are scheduled to increase in January 2026. Multiple nations have announced tariffs and other actions in response. While some trade deals have been reached and trade negotiations are ongoing, overall the global trade environment remains fluid and highly uncertain. Despite this uncertainty, we believe the structural characteristics of our retail platform position us to capture incremental market share within a category that is largely unbranded and highly substitutable. We have and will continue to partner with our suppliers to help them strategize and deliver value for our customers.

Further, we continue to closely monitor additional macroeconomic conditions, including, but not limited to, general economic instability, changes in tax laws or regulations or other governmental actions or policies, sustained higher interest rates and inflationary pressures, on our business, results of operations and financial results. For example, on July 4, 2025, the One Big Beautiful Bill Act was signed into law, which contains a broad range of tax reform provisions affecting businesses. We continue to evaluate the full effects on the full year income tax provision and cash tax position, but the legislation is not expected to have a material impact on the financial statements. Nevertheless, these types of developments have and may continue to negatively impact global economic activity and consumer behavior, which have and may continue to adversely affect our business and our

results of operations. As our customers react to these global economic conditions, we may take precautionary measures to limit or delay expenditures and preserve capital and liquidity.

While it is difficult to quantify and predict the impacts on our business of these global and domestic economic events, including fluctuating interest rates, inflationary pressures and changes in global trade policy, and to predict consumer spending in the near term, we believe the long-term opportunity we see for shopping for the home online remains unchanged.

We will continue to monitor economic conditions as we work to manage our business to meet the evolving needs of our customers, employees, suppliers, partners, stockholders and communities.

Factors Affecting our Performance

We believe that our performance and future success depend on a number of factors that present significant opportunities for us but also pose risks and challenges, including those discussed in Part I, Item 1A, *Risk Factors*, in our Annual Report on Form 10-K for the year ended December 31, 2024.

Key Financial Statement and Operating Metrics

We measure our business using the key financial statement, operating metrics and non-GAAP financial measures that are reflected in the below table. See “Non-GAAP Financial Measures” below for more information regarding our use of Adjusted EBITDA, Free Cash Flow and Adjusted Diluted Earnings or Loss per Share and a reconciliation of these non-GAAP financial measures to the most directly comparable financial measure that is prepared in accordance with accounting principles generally accepted in the United States of America or “GAAP.”

Our Free Cash Flow and Adjusted Diluted Earnings or Loss per Share are measured on a consolidated basis, while our Adjusted EBITDA is measured on a consolidated and reportable segment basis. All other key financial statement and operating metrics are derived and reported from our consolidated net revenue.

We use the following metrics to assess the performance of our overall business:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
(in millions, except LTM net revenue per active customer, average order value and per share data)				
Key Financial Statement Metrics:				
Net revenue	\$ 3,117	\$ 2,884	\$ 9,120	\$ 8,730
Gross profit	\$ 934	\$ 873	\$ 2,755	\$ 2,633
Income (Loss) from operations	\$ 38	\$ (74)	\$ (67)	\$ (344)
Net loss	\$ (99)	\$ (74)	\$ (197)	\$ (364)
Loss per share				
Basic	\$ (0.76)	\$ (0.60)	\$ (1.54)	\$ (2.98)
Diluted	\$ (0.76)	\$ (0.60)	\$ (1.54)	\$ (2.98)
Net cash provided by operating activities	\$ 155	\$ 49	\$ 332	\$ 155
Key Operating Metrics:				
Active customers ⁽¹⁾	21	22	21	22
LTM net revenue per active customer ⁽²⁾	\$ 578	\$ 545	\$ 578	\$ 545
Orders delivered ⁽³⁾	10	9	29	29
Average order value ⁽⁴⁾	\$ 317	\$ 310	\$ 315	\$ 303
Non-GAAP Financial Measures:				
Adjusted EBITDA	\$ 208	\$ 119	\$ 519	\$ 357
Free Cash Flow	\$ 93	\$ (9)	\$ 184	\$ (19)
Adjusted Diluted Earnings per Share	\$ 0.70	\$ 0.22	\$ 1.73	\$ 0.38

⁽¹⁾ The number of active customers represents the total number of individual customers who have purchased at least once directly from our sites during the preceding twelve-month period. The change in active customers in a reported period captures both the inflow of new customers as well as the outflow of existing customers who have not made a purchase in the last twelve months. We view the number of active customers as a key indicator of our growth.

⁽²⁾ Last twelve months (“LTM”) net revenue per active customer represents our total net revenue in the last twelve months divided by our total number of active customers for the same preceding twelve-month period. We view LTM net revenue per active customer as a key indicator of our customers’ purchasing patterns, including their initial and repeat purchase behavior.

⁽³⁾ Orders delivered represent the total orders delivered in any period, inclusive of orders that may eventually be returned. As we ship a large volume of packages through multiple carriers, actual delivery dates may not always be available, and as such we estimate delivery dates based on historical data. We recognize net revenue when an order is delivered, and therefore orders delivered, together with average order value, is an indicator of the net revenue we expect to recognize in a given period. We view orders delivered as a key indicator of our growth.

⁽⁴⁾ We define average order value as total net revenue in a given period divided by the orders delivered in that period. We view average order value as a key indicator of the mix of products on our sites, the mix of offers and promotions and the purchasing behavior of our customers.

Results of Consolidated Operations

Comparison of the three months ended September 30, 2025 and 2024

Net revenue

During the three months ended September 30, 2025, net revenue increased by \$233 million, or 8.1%, compared to the same period in 2024, which reflects our ongoing execution of business initiatives amid persistent macroeconomic pressures on consumers. The increase in net revenue is primarily due to higher order volume in addition to higher average order value resulting from brand and consumer mix shifts, compared to the same period in 2024.

During the three months ended September 30, 2025, our U.S. net revenue increased by 8.6%. During the three months ended September 30, 2025, our International net revenue increased by 4.6% compared to the same period in 2024, driven by growth across our remaining international markets, partially offset by the exit of our German business. During the three months ended September 30, 2025, International Net Revenue Constant Currency Growth was 3.5% (see “Non-GAAP Financial Measures” below for more information regarding our use of Net Revenue Constant Currency Growth).

	Three Months Ended September 30,		% Change
	2025	2024	
	(in millions)		
U.S. net revenue	\$ 2,728	\$ 2,512	8.6 %
International net revenue	389	372	4.6 %
Net revenue	\$ 3,117	\$ 2,884	8.1 %

For more information on our segments, see Note 9, *Segment and Geographic Information*, included in Part I, Item 1, *Financial Statements*, in this Quarterly Report on Form 10-Q.

Cost of goods sold

Cost of goods sold is sensitive to many factors, including quarter-to-quarter variability in product mix, pricing strategies, changes in wholesale, shipping and fulfillment costs, including associated applicable customs duties and fees earned for supplier services rendered. During the three months ended September 30, 2025, cost of goods sold increased by \$172 million, or 8.6%, compared to the same period in 2024. The increase in cost of goods sold is driven by higher net revenue, compared to the same period in 2024.

As a percentage of net revenue, cost of goods sold increased to 70.0% for the three months ended September 30, 2025 compared to 69.7% in the same period in 2024, due to investments in the customer experience, partially offset by the growth of our supplier services.

	Three Months Ended September 30,		% Change
	2025	2024	
	(in millions)		
Cost of goods sold	\$ 2,183	\$ 2,011	8.6 %
<i>As a percentage of net revenue</i>	70.0 %	69.7 %	

Operating expenses

Operating expenses consist of customer service and merchant fees; advertising; selling, operations, technology, general and administrative expenses; impairment and other related net charges and restructuring charges. We disclose separately the equity-based compensation and related taxes that are included in customer service and merchant fees and selling, operations, technology and general and administrative expenses.

	Three Months Ended September 30,		% Change
	2025	2024	
	(in millions)		
Customer service and merchant fees ⁽¹⁾	\$ 118	\$ 112	5.4 %
Advertising	330	354	(6.8)%
Selling, operations, technology, general and administrative ⁽¹⁾	445	480	(7.3)%
Impairment and other related net charges	—	1	(100.0)%
Restructuring charges	3	—	100.0 %
Total operating expenses	\$ 896	\$ 947	(5.4)%
<i>As a percentage of net revenue:</i>			
<i>Customer service and merchant fees ⁽¹⁾</i>	3.8 %	3.9 %	
<i>Advertising</i>	10.6 %	12.3 %	
<i>Selling, operations, technology, general and administrative ⁽¹⁾</i>	14.3 %	16.6 %	
<i>Impairment and other related net charges</i>	— %	— %	
<i>Restructuring charges</i>	0.1 %	— %	
	28.8 %	32.8 %	

⁽¹⁾ Includes equity-based compensation and related taxes as follows:

	Three Months Ended September 30,	
	2025	2024
	(in millions)	
Customer service and merchant fees	\$ 4	\$ 4
Selling, operations, technology, general and administrative	\$ 85	\$ 92

During the three months ended September 30, 2025, our equity-based compensation and related taxes included in customer service and merchant fees and selling, operations, technology, general and administrative decreased by \$7 million, or 7.3%, compared to the same period in 2024, as a result of a decrease in restricted stock units awarded during the three months ended September 30, 2025.

The following table summarizes operating expenses as a percentage of net revenue, excluding equity-based compensation and related taxes:

	Three Months Ended September 30,	
	2025	2024
<i>Customer service and merchant fees</i>	3.7 %	3.7 %
<i>Selling, operations, technology, general and administrative</i>	11.5 %	13.5 %

Customer Service and Merchant Fees

During the three months ended September 30, 2025, excluding the impact of equity-based compensation, our expenses for customer service and merchant fees increased by \$6 million, or 5.6%, compared to the same period in 2024. The increase in customer service and merchant fees is primarily due to higher net revenue, partially offset by lower compensation costs.

As a percentage of net revenue, total customer service and merchant fees decreased to 3.8% for the three months ended September 30, 2025 compared to 3.9% in the same period in 2024 primarily due to increased net revenue during the period.

Advertising

During the three months ended September 30, 2025, our advertising expenses decreased by \$24 million, or 6.8%, compared to the same period in 2024. The decrease reflects our response to changing market conditions and changes in our advertising channel mix, as we seek to maintain our return targets across various channels.

As a percentage of net revenue, advertising expenses decreased to 10.6% for the three months ended September 30, 2025 compared to 12.3% in the same period in 2024 due to changes in our advertising channel mix as we seek to maximize returns on advertising spend within our efficiency parameters.

Selling, operations, technology, general and administrative

During the three months ended September 30, 2025, excluding the impact of equity-based compensation and related taxes, our expenses for selling, operations, technology, general and administrative activities decreased by \$28 million, or 7.2%, compared to the same period in 2024. The decrease is primarily due to decreased compensation costs, driven by workforce reductions.

As a percentage of net revenue, total selling, operations, technology, general and administrative expenses decreased to 14.3% for the three months ended September 30, 2025, compared to 16.6% in the same period in 2024, primarily due to decreased compensation costs.

Impairment and other related net charges

During the three months ended September 30, 2025, impairment and other related charges remained relatively flat compared to the same period in 2024.

Restructuring charges

During the three months ended September 30, 2025, restructuring charges increased by \$3 million, or 100.0%, compared to the same period in 2024. As a percentage of net revenue, restructuring charges increased to 0.1% from 0.0% in the same period in 2024.

During the three months ended September 30, 2025, we incurred \$3 million of charges consisting primarily of one-time employee severance, benefits, relocation and transition costs. This is inclusive of \$2 million related to the Germany Restructuring and \$1 million related to the March 2025 workforce reduction.

Interest expense, net

During the three months ended September 30, 2025, interest expense, net increased by \$26 million compared to the same period in 2024, primarily driven by the issuance of the 2029 Secured Notes in October 2024 and of the 2030 Secured Notes in March 2025.

	Three Months Ended September 30,		% Change
	2025	2024	
	(in millions)		
Interest expense, net	\$ (31)	\$ (5)	NM

NM - Not Meaningful

Other income (expense), net

During the three months ended September 30, 2025, other (expense) income, net increased by \$13 million compared to the same period in 2024, primarily driven by foreign currency rate fluctuations between the U.S. Dollar and the Canadian Dollar. Included in other (expense) income, net are changes in foreign currency transaction gains and losses and long-term investment income or losses.

	Three Months Ended September 30,		
	2025	2024	% Change
	(in millions)		
Other income (expense), net	\$ (5)	\$ 8	NM

NM - Not Meaningful

Loss on debt extinguishment

During the three months ended September 30, 2025, loss on debt extinguishment increased by \$99 million, or 100.0%, compared to the same period in 2024.

During the three months ended September 30, 2025, we recorded a \$99 million loss on debt extinguishment, representing the difference between the cash paid for principal, plus accrued and unpaid interest and transaction fees of \$200 million and the net carrying value of the 2028 Notes of \$101 million.

Refer to Note 4, *Debt and Other Financing*, included in Part I, Item 1, *Financial Statements*, in this Quarterly Report on Form 10-Q for additional information.

	Three Months Ended September 30,		
	2025	2024	% Change
	(in millions)		
Loss on debt extinguishment	\$ (99)	\$ —	100.0 %

Provision for income taxes, net

During the three months ended September 30, 2025, our provision for income taxes, net decreased by \$1 million, or 33.3% compared to the same period in 2024.

	Three Months Ended September 30,		
	2025	2024	% Change
	(in millions)		
Provision for income taxes	\$ 2	\$ 3	(33.3)%

Results of Consolidated Operations

Comparison of the nine months ended September 30, 2025 and 2024

Net revenue

During the nine months ended September 30, 2025, net revenue increased by \$390 million, or 4.5%, compared to the same period in 2024, which reflects our ongoing execution of business initiatives amid persistent macroeconomic pressures on consumers. The increase in net revenue is due to higher average order value resulting from brand and consumer mix shifts compared to the same period in 2024.

During the nine months ended September 30, 2025, our U.S. net revenue increased by 5.2% and International net revenue decreased by 0.7% compared to the same period in 2024, primarily due to the exit of our German business. During the nine months ended September 30, 2025, International Net Revenue Constant Currency Growth was (0.2)% (see “Non-GAAP Financial Measures” below for more information regarding our use of Net Revenue Constant Currency Growth).

	Nine Months Ended September 30,		% Change
	2025	2024	
	(in millions)		
U.S. net revenue	\$ 8,031	\$ 7,633	5.2 %
International net revenue	1,089	1,097	(0.7)%
Net revenue	\$ 9,120	\$ 8,730	4.5 %

For more information on our segments, see Note 9, *Segment and Geographic Information*, included in Part I, Item 1, *Financial Statements*, in this Quarterly Report on Form 10-Q.

Cost of goods sold

Cost of goods sold is sensitive to many factors, including quarter-to-quarter variability in product mix, pricing strategies, changes in wholesale, shipping and fulfillment costs, including associated applicable customs duties and fees earned for supplier services rendered. During the nine months ended September 30, 2025, cost of goods sold increased by \$268 million, or 4.4%, compared to the same period in 2024. The increase in cost of goods sold is driven by higher net revenue, compared to the same period in 2024.

As a percentage of net revenue, cost of goods sold remained relatively constant at 69.8% for the nine months ended September 30, 2025, compared the same period in 2024.

	Nine Months Ended September 30,		% Change
	2025	2024	
	(in millions)		
Cost of goods sold	\$ 6,365	\$ 6,097	4.4 %
<i>As a percentage of net revenue</i>	<i>69.8 %</i>	<i>69.8 %</i>	

Operating expenses

Operating expenses are comprised of customer service and merchant fees, advertising, selling, operations, technology, general and administrative expenses, impairment and other related net charges and restructuring charges. We disclose separately the equity-based compensation and related taxes that are included in customer service and merchant fees and selling, operations, technology and general and administrative expenses.

	Nine Months Ended September 30,		% Change
	2025	2024	
	(in millions)		
Customer service and merchant fees ⁽¹⁾	\$ 346	\$ 350	(1.1)%
Advertising	1,046	1,043	0.3 %
Selling, operations, technology, general and administrative ⁽¹⁾	1,339	1,503	(10.9)%
Impairment and other related net charges	23	2	NM
Restructuring charges	68	79	(13.9)%
Total operating expenses	\$ 2,822	\$ 2,977	(5.2)%
<i>As a percentage of net revenue:</i>			
Customer service and merchant fees ⁽¹⁾	3.8 %	4.0 %	
Advertising	11.5 %	11.9 %	
Selling, operations, technology, general and administrative ⁽¹⁾	14.7 %	17.2 %	
Impairment and other related net charges	0.3 %	— %	
Restructuring charges	0.7 %	0.9 %	
	31.0 %	34.0 %	

NM - Not Meaningful

⁽¹⁾ Includes equity-based compensation and related taxes as follows:

	Nine Months Ended September 30,	
	2025	2024
	(in millions)	
Customer service and merchant fees	\$ 11	\$ 15
Selling, operations, technology, general and administrative	\$ 243	\$ 300

During the nine months ended September 30, 2025, our equity-based compensation and related taxes included in customer service and merchant fees and selling, operations, technology, general and administrative decreased by \$61 million, or 19.4%, compared to the same period in 2024, driven by workforce reductions.

The following table summarizes operating expenses as a percentage of net revenue, excluding equity-based compensation and related taxes:

	Nine Months Ended September 30,	
	2025	2024
Customer service and merchant fees	3.7 %	3.8 %
Selling, operations, technology, general and administrative	12.0 %	13.8 %

Customer Service and Merchant Fees

During the nine months ended September 30, 2025, excluding the impact of equity-based compensation, our expenses for customer service and merchant fees remained constant compared to the same period in 2024.

As a percentage of net revenue, total customer service and merchant fees decreased to 3.8% for the nine months ended September 30, 2025, compared to 4.0% in the same period in 2024 due to increased net revenue during the period.

Advertising

During the nine months ended September 30, 2025, our advertising expenses increased by \$3 million, or 0.3%, compared to the same period in 2024. The increase reflects our response to changing market conditions and renewed investment opportunities, as we sought to maintain our return targets across various channels.

As a percentage of net revenue, advertising expenses decreased to 11.5% for the nine months ended September 30, 2025 compared to 11.9% in the same period in 2024 due to changes in our advertising channel mix as we seek to maximize returns on advertising spend within our efficiency parameters.

Selling, operations, technology, general and administrative

During the nine months ended September 30, 2025, excluding the impact of equity-based compensation and related taxes, our expenses for selling, operations, technology, general and administrative activities decreased by \$107 million, or 8.9% compared to the same period in 2024. The decrease is primarily due to decreased compensation costs, driven by workforce reductions.

As a percentage of net revenue, total selling, operations, technology, general and administrative expenses decreased to 14.7% for the nine months ended September 30, 2025, compared to 17.2% in the same period in 2024, primarily due to decreased compensation costs.

Impairment and other related net charges

During the nine months ended September 30, 2025, impairment and other related charges increased by \$21 million compared to the same period in 2024. As a percentage of net revenue, impairment and other related net charges increased to 0.3% from 0.0% in the same period in 2024.

During the nine months ended September 30, 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. Refer to Note 2, *Supplemental Financial Statement Disclosures*, included in Part I, Item 1, *Financial Statements*, in this Quarterly Report on Form 10-Q for additional information.

During the nine months ended September 30, 2024, we recorded charges of \$2 million related to changes in sublease market conditions for an identified U.S. office location.

Restructuring charges

During the nine months ended September 30, 2025, restructuring charges decreased by \$11 million, or 13.9%, compared to the same period in 2024. As a percentage of net revenue, restructuring charges decreased to 0.7% from 0.9% in the same period in 2024.

During the nine months ended September 30, 2025, Wayfair incurred \$68 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. During the nine months ended September 30, 2024, Wayfair incurred \$79 million of charges consisting primarily of one-time employee severance and benefit costs associated with the January 2024 workforce reduction.

Interest expense, net

During the nine months ended September 30, 2025, interest expense, net increased to \$83 million, compared to \$15 million in the same period in 2024, primarily driven by the issuances of the 2029 Secured Notes in October 2024 and of the 2030 Secured Notes in March 2025.

	Nine Months Ended September 30,		% Change
	2025	2024	
	(in millions)		
Interest expense, net	\$ (83)	\$ (15)	453.3 %

Other income (expense), net

During the nine months ended September 30, 2025, other (expense) income, net increased by \$25 million compared to the same period in 2024, primarily driven by foreign currency rate fluctuations between the U.S. Dollar and the Canadian Dollar. Included in other (expense) income, net are changes in foreign currency transaction gains and losses and long-term investment income or losses.

	Nine Months Ended September 30,		% Change
	2025	2024	
	(in millions)		
Other income (expense), net	\$ 28	\$ 3	NM

NM - Not Meaningful

Loss on debt extinguishment

During the nine months ended September 30, 2025, loss on debt extinguishment increased by \$68 million, or 100.0%, compared to the same period in 2024.

During the nine months ended September 30, 2025, Wayfair recorded a \$68 million loss on debt extinguishment upon repurchase of \$101 million, \$80 million, and \$696 million in aggregate principal amount of the 2028 Notes, 2025 Notes, and 2026 Notes, respectively.

Refer to Note 4, *Debt and Other Financing*, included in Part I, Item 1, *Financial Statements*, in this Quarterly Report on Form 10-Q for additional information.

	Nine Months Ended September 30,		% Change
	2025	2024	
	(in millions)		
Loss on debt extinguishment	\$ (68)	\$ —	100.0 %

Provision for income taxes, net

During the nine months ended September 30, 2025, our provision for income taxes, net decreased by \$1 million, or 12.5% compared to the same period in 2024.

	Nine Months Ended September 30,		% Change
	2025	2024	
	(in millions)		
Provision for income taxes, net	\$ 7	\$ 8	(12.5)%

Liquidity and Capital Resources

Sources of Liquidity

As of September 30, 2025, our principal source of liquidity was cash and cash equivalents and short-term investments totaling \$1.2 billion. Additionally, we have a \$500 million senior secured revolving credit facility that matures on March 13, 2030 (the “Revolver”). As of September 30, 2025, there were no revolving loans outstanding under the Revolver. We had outstanding letters of credit, primarily as security for certain lease agreements, for \$74 million as of September 30, 2025, which reduced the availability of credit under the Revolver. Excluding liquidity available through our Revolver, the following table shows sources of liquidity for the periods presented:

	September 30, 2025	December 31, 2024
	(in millions)	
Cash and cash equivalents	\$ 1,171	\$ 1,316
Short-term investments	54	56
Total liquidity	<u>\$ 1,225</u>	<u>\$ 1,372</u>

We believe that our existing cash and cash equivalents and investments, cash generated from operations and the borrowing availability under our Revolver will be sufficient to meet our anticipated cash needs for at least the foreseeable future including planned capital expenditures, contractual obligations and other such requirements. However, our liquidity assumptions may prove to be incorrect, and we could exhaust our available financial resources sooner than we currently expect. We may elect to raise additional funds at any time through equity, equity-linked or debt financing arrangements. Further, we have and may from time to time seek to retire, restructure, repurchase or redeem, or otherwise mitigate the equity dilution associated with our outstanding convertible debt through cash purchases, stock buybacks of some or all of the shares underlying convertible notes and/or exchanges for equity or debt in open-market purchases, privately negotiated transactions or otherwise. Such repurchases, exchanges or liability management exercises, if any, will be upon such terms and at such prices and sizes as we may determine, and will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

Our future capital requirements and the adequacy of available funds will depend on many factors, including those described herein and in our other filings with the SEC, including those set forth in Part I, Item 1A, *Risk Factors* in our Annual Report on 10-K for the year ended December 31, 2024. In addition, macroeconomic events have caused disruption in the capital markets, including increased inflation and interest rates, which could make obtaining financing more difficult and/or expensive. As a consequence, we may not be able to secure additional financing to meet our operating requirements or strategic goals on acceptable terms, in a timely manner, or at all. If we raise additional funds through the issuance of equity, equity-linked or debt financing arrangements, those securities and instruments may have rights, preferences or privileges senior to the rights of our common stock, and the holders of our equity securities may experience dilution. We will continue to monitor our liquidity during this time of historic disruption and volatility in the global capital markets.

Credit Agreement and Debt Arrangements

As of September 30, 2025, we had \$3.0 billion principal amount of indebtedness outstanding. Our indebtedness includes unsecured 0.625% Convertible Senior Notes due 2025 (the “2025 Notes”), unsecured 1.00% Convertible Senior Notes due 2026 (the “2026 Notes”), unsecured 3.25% Convertible Senior Notes due 2027 (the “2027 Notes”), unsecured 3.50% Convertible Senior Notes due 2028 (the “2028 Notes”, and together with the 2025 Notes, 2026 Notes and 2027 Notes, the “Convertible Notes”), 7.250% Senior Secured Notes due 2029 (the “2029 Secured Notes”) and 7.750% Senior Secured Notes due 2030 (the “2030 Secured Notes”, together with the 2029 Secured Notes, the “Senior Secured Notes” and together with the Convertible Notes, the “Notes”).

Under the terms of our Revolver, we may use proceeds to finance working capital, to refinance existing indebtedness and to provide funds for permitted acquisitions, repurchases of equity interests and other general corporate purposes. Any amounts outstanding under the Revolver are due at maturity.

On March 14, 2025, in connection with the issuance of the 2030 Secured Notes, we repurchased \$578 million in aggregate principal amount of the 2026 Notes. On May 9, 2025, we used the remaining proceeds from the 2030 Secured Notes offering, together with cash on hand, to repurchase \$80 million in aggregate principal amount of the 2025 Notes and \$118 million in aggregate principal amount of the 2026 Notes. On August 20, 2025, we repurchased \$101 million in aggregate principal amount of the 2028 Notes. See Note 4, *Debt and Other Financing*, included in Part I, Item 1, *Financial Statements*, in this Quarterly Report on Form 10-Q for additional information on debt and other financing transactions.

The conditional conversion features of the 2028 Notes were triggered during the calendar quarter ended September 30, 2025, therefore the 2028 Notes are convertible during the calendar quarter ended December 31, 2025. The conditional conversion features of the 2026 Notes and 2027 Notes were not triggered during the calendar quarter ended September 30, 2025, therefore, the 2026 Notes and 2027 Notes are not convertible during the calendar quarter ended December 31, 2025 pursuant to the applicable last reported sales price conditions. On July 1, 2025, the 2025 Notes became freely convertible and the holders of the 2025 Notes could have converted all or a portion of their 2025 Notes at any time prior to the close of business on the second scheduled trading day immediately preceding the maturity date. On October 1, 2025, the 2025 Notes matured and Wayfair paid in cash the remaining outstanding principal of \$157 million to the holders of the 2025 Notes.

During the three months ended September 30, 2025, there were no conversions of the Convertible Notes. Whether any of the Convertible Notes will be convertible in future quarters will depend on the satisfaction of the applicable last reported sales price condition or another conversion condition in the future. If one or more holders elect to convert their Convertible Notes at a time when any such Convertible Notes are convertible, unless we elect to satisfy our conversion obligation by delivering solely shares of our Class A common stock (other than paying cash in lieu of delivering any fractional share), we would be required to settle a portion or all of our conversion obligation through the payment of cash, which could adversely affect our liquidity.

The credit agreement and indentures governing our convertible notes contain restrictions and covenants that may limit our operating flexibility. Specifically, the Revolver contains affirmative and negative covenants customarily applicable to senior secured credit facilities, including covenants that, among other things, limit or restrict our ability, subject to negotiated exceptions, to incur additional indebtedness and additional liens on our assets, engage in mergers or acquisitions or dispose of assets, pay dividends or make other distributions, voluntarily prepay other indebtedness, enter into transactions with affiliated persons, make investments, or change the nature of our businesses. The Revolver also requires us to maintain certain levels of performance in order to maintain our access to the Revolver. For instance, we are required to maintain a Consolidated Senior Secured Debt to Consolidated EBITDA Ratio (as defined in the credit agreement governing the Revolver) of 4.0 to 1.0, subject to a 0.5 step-up following certain permitted acquisitions. For information regarding our credit agreement and debt agreements, see Note 4, *Debt and Other Financing*, included in Part I, Item 1, *Financial Statements*, in this Quarterly Report on Form 10-Q and Note 6, *Debt and Other Financing*, included in Part II, Item 8, *Financial Statements and Supplementary Data*, in our Annual Report on Form 10-K for the year ended December 31, 2024. As of September 30, 2025, we were in compliance with all the terms and conditions of our debt agreements.

Stock Repurchase Program

On August 21, 2020, the board of directors (the “Board”) authorized the repurchase of up to \$700 million of our Class A common stock in the open market, through privately negotiated transactions, or otherwise, including pursuant to a Rule 10b5-1 plan (the “2020 Repurchase Program”). On August 10, 2021, the Board authorized a new \$1.0 billion share repurchase program on the same terms (the “2021 Repurchase Program” together with the 2020 Repurchase Program, the “Repurchase Programs”). There is no stated expiration date for the Share Repurchase Programs. We will begin repurchasing shares under the 2021 Repurchase Program upon the completion of the 2020 Repurchase Program.

The Repurchase Programs do not obligate us to purchase any shares of our Class A common stock and have no expiration but may be suspended or terminated by the Board at any time. The actual timing, number and value of shares repurchased under the Repurchase Programs in the future will be determined by us in our discretion and will depend on a number of factors, including market conditions, applicable legal requirements, our capital needs and whether there is a better alternative use of capital. As of September 30, 2025, we have repurchased 2,354,491 shares of Class A common stock for approximately \$612 million under the Repurchase Programs.

Trends and Historical Cash Flows

	Nine Months Ended September 30,	
	2025	2024
	(in millions)	
Net loss	\$ (197)	\$ (364)
Net cash provided by operating activities	\$ 332	\$ 155
Net cash used in investing activities	\$ (150)	\$ (178)
Net cash (used in) provided by financing activities	\$ (303)	\$ 3

Operating Activities

Cash flows in connection with operating activities consisted of net loss adjusted for certain non-cash items including depreciation and amortization, equity-based compensation and certain other non-cash expenses, as well as the effect of changes in working capital and other activities. Operating cash flows can be volatile and are sensitive to many factors, including changes in working capital and our net loss.

Cash flows provided by operating activities increased by \$177 million during the nine months ended September 30, 2025, compared to the same period in 2024, primarily due to a decrease in net loss adjusted for non-cash items of \$162 million, partially offset by an increase of \$15 million for cash changes in operating assets and liabilities.

Investing Activities

Cash flows used in investing activities decreased by \$28 million during the nine months ended September 30, 2025, compared to the same period in 2024, due to an increase in purchases of short- and long-term investments of \$39 million, increases in sales and maturities of short- and long-term investments of \$41 million, decreases in purchases of property and equipment and site and software development costs of \$26 million.

Purchases of property and equipment and site and software development costs (collectively, “Capital Expenditures”) were 1.6% of net revenue for the nine months ended September 30, 2025 and related primarily to equipment purchases and improvements for leased warehouses within our expanding logistics network and ongoing investments, including our physical retail store expansion, proprietary technology and operational platform.

Financing Activities

Cash flows used in financing activities increased by \$306 million during the nine months ended September 30, 2025, compared to the same period in 2024. The increase in cash used is primarily due to payments to extinguish debt of \$940 million, partially offset by proceeds from the issuance of debt of \$691 million.

Off-Balance Sheet Arrangements

We do not engage in any off-balance sheet activities. We do not have any off-balance sheet interest in variable interest entities, which include special purpose entities and other structured finance entities.

Contractual Obligations

During the nine months ended September 30, 2025, we issued \$700 million in aggregate principal amount of the 2030 Secured Notes and repurchased \$80 million in aggregate principal amount of the 2025 Notes, \$696 million in aggregate principal amount of the 2026 Notes, and \$101 million in aggregate principal amount of the 2028 Notes. See Note 4, *Debt and Other Financing*, included in Part I, Item 1, *Financial Statements*, in this Quarterly Report on Form 10-Q for additional information. Other than these financing transactions, there have been no material changes to our contractual obligations and estimates as compared to the contractual obligations described in Contractual Obligations included in Part II, Item 7, *Management’s Discussion and Analysis of Financial Condition and Results of Operations*, in our Annual Report on Form 10-K for the year ended December 31, 2024.

Non-GAAP Financial Measures

To provide investors with additional information regarding our financial results, we have disclosed in this Quarterly Report on Form 10-Q the following non-GAAP financial measures: Adjusted EBITDA, Free Cash Flow, Net Revenue Constant Currency Growth and Adjusted Diluted Earnings or Loss per Share.

Adjusted EBITDA

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. We have provided a reconciliation below of Adjusted EBITDA to net income or loss, the most directly comparable GAAP financial measure.

We disclose Adjusted EBITDA because it is a key measure used by our management and the Board 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 provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and the Board.

Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements;
- Adjusted EBITDA does not reflect equity-based compensation and related taxes;
- Adjusted EBITDA does not reflect changes in our working capital;
- Adjusted EBITDA does not reflect income tax payments that may represent a reduction in cash available to us;
- Adjusted EBITDA does not reflect interest expenses associated with our borrowings;
- Adjusted EBITDA does not include other items not indicative of our ongoing operating performance; and
- Other companies, including companies in our industry, may calculate Adjusted EBITDA differently, which reduces its usefulness as a comparative measure.

Because of these limitations, you should consider Adjusted EBITDA alongside other financial performance measures, including various cash flow metrics, net income or loss and our other GAAP results.

The following table reflects the reconciliation of net income or loss to Adjusted EBITDA for each of the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
(in millions)				
Reconciliation of Adjusted EBITDA:				
Net loss	\$ (99)	\$ (74)	\$ (197)	\$ (364)
Depreciation and amortization	75	94	234	297
Equity-based compensation and related taxes	92	98	261	323
Interest expense, net	31	5	83	15
Other expense (income), net	5	(8)	(28)	(3)
Provision for income taxes, net	2	3	7	8
Other:				
Impairment and other related net charges ⁽¹⁾	—	1	23	2
Restructuring charges ⁽²⁾	3	—	68	79
Loss on debt extinguishment ⁽³⁾	99	—	68	—
Adjusted EBITDA	\$ 208	\$ 119	\$ 519	\$ 357

⁽¹⁾ During the nine months ended September 30, 2025, Wayfair recorded net charges of \$23 million, inclusive of \$20 million associated with the Germany Restructuring and weakened macroeconomic conditions in connection with its German operations and \$3 million associated with changes in sublease market conditions for a technology center in the U.S. Refer to Note 2, *Supplemental Financial Statement Disclosures*, for additional information.

⁽²⁾ During the three and nine months ended September 30, 2025, we incurred \$3 million and \$68 million, respectively, 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. During the nine months ended September 30, 2024, we incurred \$79 million of charges consisting primarily of one-time employee severance and benefit costs associated with the January 2024 workforce reduction.

⁽³⁾ During the three and nine months ended September 30, 2025, we recorded a \$99 million and \$68 million, respectively, loss on debt extinguishment upon repurchase of \$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.

Free Cash Flow

We calculate Free Cash Flow as net cash provided by or used in operating activities less Capital Expenditures. We have provided a reconciliation below of Free Cash Flow to net cash provided by or used in operating activities, the most directly comparable GAAP financial measure.

We disclose Free Cash Flow because it is an important indicator of our business performance as it measures the amount of cash we generate. Accordingly, we believe that Free Cash Flow provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management.

Free Cash Flow has limitations as an analytical tool because it omits certain components of the cash flow statement and does not represent the residual cash flow available for discretionary expenditures. Further, other companies, including companies in our industry, may calculate Free Cash Flow differently. Accordingly, you should not consider Free Cash Flow in isolation or as a substitute for analysis of our results as reported under GAAP. Because of these limitations, you should consider Free Cash Flow alongside other financial performance measures, including net cash provided by or used in operating activities, Capital Expenditures, and our other GAAP results.

The following table presents a reconciliation of net cash provided by or used in operating activities to Free Cash Flow for each of the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in millions)			
Net cash provided by operating activities	\$ 155	\$ 49	\$ 332	\$ 155
Purchase of property and equipment	(27)	(17)	(45)	(53)
Site and software development costs	(35)	(41)	(103)	(121)
Free Cash Flow	<u>\$ 93</u>	<u>\$ (9)</u>	<u>\$ 184</u>	<u>\$ (19)</u>

Net Revenue Constant Currency Growth

We calculate Net Revenue Constant Currency Growth by translating the current period local currency net revenue by the currency exchange rates used to translate our financial statements in the comparable prior-year period.

We disclose Net Revenue Constant Currency Growth because it is an important indicator of our operating results. Accordingly, we believe that Net Revenue Constant Currency Growth provides useful information to investors and others in understanding and evaluating trends in our operating results in the same manner as our management.

Net Revenue Constant Currency Growth has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. For example, Net Revenue Constant Currency Growth rates, by their nature, exclude the impact of foreign exchange, which may have a material impact on net revenue.

Adjusted Diluted Earnings or Loss per Share

We calculate Adjusted Diluted Earnings or Loss per Share as net income or loss plus equity-based compensation and related taxes, provision or benefit for income taxes, net, non-recurring items, other items not indicative of our ongoing operating performance, and, if dilutive, interest expense associated with convertible debt instruments under the if-converted method divided by the weighted-average number of shares of common stock used in the computation of diluted earnings or loss per share. Accordingly, we believe that these adjustments to our adjusted diluted net income or loss before calculating per share amounts for all periods presented provide a more meaningful comparison between our operating results from period to period.

Adjusted Diluted Earnings or Loss per Share has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. For example, Adjusted Diluted Earnings or Loss per Share, by their nature, excludes equity-based compensation and related taxes, provision or benefit for income taxes, net, non-recurring items, other items not indicative of our ongoing operating performance, and, if dilutive, interest expense associated with convertible debt instruments under the if-converted method.

Because of these limitations, you should consider Adjusted Diluted Earnings or Loss per Share alongside other financial performance measures.

A reconciliation of the numerator and denominator for diluted earnings or loss per share, the most directly comparable GAAP financial measure, to the numerator and denominator for Adjusted Diluted Earnings or Loss per Share in order to calculate Adjusted Diluted Earnings or Loss per Share, is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
(in millions, except per share data)				
Numerator:				
Numerator for basic and diluted loss per share - net loss	\$ (99)	\$ (74)	\$ (197)	\$ (364)
<i>Adjustments to net income (loss)</i>				
Interest expense associated with convertible debt instruments	13	—	40	—
Equity-based compensation and related taxes	92	98	261	323
Provision for income taxes, net	2	3	7	8
Other:				
Impairment and other related net charges	—	1	23	2
Restructuring charges	3	—	68	79
Loss on debt extinguishment, net	99	—	68	—
Numerator for Adjusted Diluted Earnings per Share - Adjusted net income	<u>\$ 110</u>	<u>\$ 28</u>	<u>\$ 270</u>	<u>\$ 48</u>
Denominator:				
Denominator for basic loss per share - weighted-average number of shares of common stock outstanding	130	123	128	122
Denominator for diluted loss per share - weighted-average number of shares of common stock outstanding after the effect of dilutive securities	<u>130</u>	<u>123</u>	<u>128</u>	<u>122</u>
<i>Adjustments to effect of dilutive securities:</i>				
Restricted stock units	—	—	—	1
Convertible debt instruments	<u>26</u>	<u>—</u>	<u>27</u>	<u>—</u>
Denominator for Adjusted Diluted Earnings per Share - Adjusted weighted-average number of shares of common stock outstanding after the effect of dilutive securities	<u>156</u>	<u>123</u>	<u>155</u>	<u>123</u>
Diluted Loss per Share	<u>\$ (0.76)</u>	<u>\$ (0.60)</u>	<u>\$ (1.54)</u>	<u>\$ (2.98)</u>
Adjusted Diluted Earnings per Share	<u>\$ 0.70</u>	<u>\$ 0.22</u>	<u>\$ 1.73</u>	<u>\$ 0.38</u>

Critical Accounting Policies and Estimates

Our financial statements are prepared in accordance with accounting principles generally accepted in the U.S. The preparation of our financial statements and related disclosures requires us to make estimates, assumptions and judgments that affect the reported amount of assets, liabilities, net revenue, costs and expenses and related disclosures. We believe that the estimates, assumptions and judgments involved in the accounting policies described below have the greatest potential impact on our financial statements and, therefore, we consider these to be our critical accounting policies. Accordingly, we evaluate our estimates and assumptions on an ongoing basis. Our actual results may differ from these estimates under different assumptions and conditions.

There have been no material changes to our critical accounting policies and estimates since December 31, 2024. See Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, in our Annual Report on Form 10-K for the year ended December 31, 2024 for a description of our critical accounting policies and estimates.

Recent Accounting Pronouncements

For information about recent accounting pronouncements, see Note 1, *Summary of Significant Accounting Policies*, included in Part I, Item 1, *Financial Statements*, in this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no significant changes in our exposures to market risk since December 31, 2024. See Part II, Item 7A, *Quantitative and Qualitative Disclosures about Market Risk* included in our Annual Report on Form 10-K for the year ended December 31, 2024 for a discussion on our exposures to market risk.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the SEC. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q, our chief executive officer and chief financial officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rules 13a-15(d) or 15d-15(d) of the Exchange Act during the period covered by this Quarterly Report on Form 10-Q, that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we are involved in litigation matters and other legal claims that arise during the ordinary course of business. Litigation and legal claims are inherently unpredictable and cannot be predicted with certainty. An unfavorable resolution of one or more legal matters could have a material adverse effect on our results of operations or financial condition, and regardless of the outcome, these matters can be costly and time consuming, as they can divert management's attention from important business matters and initiatives, negatively impacting our overall operations. In addition, we may be at greater risk from outside party claims as we increase our operations in jurisdictions where the laws with respect to the potential liability of online retailers are uncertain, unfavorable or unclear.

We do not believe that the outcome of any legal matters to which we are presently a party will have a material adverse effect on our results of operations or financial condition.

Item 1A. Risk Factors

As of the date of this report, there are no material changes from the risk factors previously disclosed in Part I, Item 1A, *Risk Factors*, in our Annual Report on Form 10-K for the year ended December 31, 2024.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Recent Purchases of Equity Securities

See Part II, Item 5, *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities Certain Information Regarding the Trading of Our Common Stock* included in our Annual Report on Form 10-K for the

year ended December 31, 2024 for information regarding our authorized share repurchase programs. As of September 30, 2025, the approximate dollar value of shares that may yet be purchased under the authorized share repurchase programs is \$1.1 billion. There were no repurchases made during the three months ended September 30, 2025.

Item 5. Other Information

(c) Rule 10b5-1 Trading Plans

During the three months ended September 30, 2025, the following directors or officers informed us of the adoption or termination of a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(c) of Regulation S-K, that is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c):

Name & Title	Action	Date	Plans		Aggregate number/dollar value of securities to be purchased or sold	Plan expiration date ⁽¹⁾
			Rule 10b5-1 Plan	Non-Rule 10b5-1 Plan		
Jon Blotner, President, Commercial and Operations	Termination	August 12, 2025	X		Up to approximately 2,495,000.00 in value of shares to be sold	February 27, 2026
Jon Blotner, President, Commercial and Operations	Adoption	August 12, 2025	X		Up to approximately \$4,000,000 in value of shares to be sold	July 31, 2026
Kate Gulliver, Chief Financial Officer and Chief Administrative Officer	Adoption	August 6, 2025	X		Up to 46,109 shares to be sold	August 5, 2026
Fiona Tan, Chief Technology Officer	Termination	August 5, 2025	X		Up to 18,797.00 shares to be sold	November 28, 2025
Fiona Tan, Chief Technology Officer ⁽²⁾	Adoption	August 5, 2025	X		Up to 32,792 shares to be sold	September 30, 2026

⁽¹⁾

Except as indicated by footnote, each trading arrangement permitted or permits transactions through and including the earlier to occur of (a) the completion of all purchases or sales or (b) the date listed in the table. Each trading arrangement marked as a “Rule 10b5-1 Plan” only permitted or only permits transactions upon expiration of the applicable mandatory cooling-off period under Rule 10b5-1(c), as amended.

⁽²⁾ Represents the adoption of a Rule 10b5-1 trading plan by Fiona Tan as trustee on behalf of a revocable trust of which members of Fiona Tan’s immediate family are the sole beneficiaries.

Other than those disclosed above, none of our directors or officers adopted or terminated, a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement” during the three months ended September 30, 2025.

Item 6. Exhibits

Exhibit Number	Exhibit Description	Filed or Furnished Herewith	Incorporated by Reference			
			Form	File No.	Filing Date	Exhibit Number
10.1	Form of Performance Stock Unit Award Agreement		8-K	001-36666	9/19/2025	10.1
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X				
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X				
32.1#	Certification of Chief Executive Officer pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X				
32.2#	Certification of Chief Financial Officer pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X				
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.	X				
101.SCH	XBRL Taxonomy Extension Schema Document	X				
101.CAL	XBRL Taxonomy Calculation Linkbase Document	X				
101.DEF	XBRL Taxonomy Definition Linkbase Document	X				
101.LAB	XBRL Taxonomy Labels Linkbase Document	X				
101.PRE	XBRL Taxonomy Presentation Linkbase Document	X				
104	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101.*)	X				

This certification is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (Exchange Act), or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended or the Exchange Act.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: October 28, 2025

WAYFAIR INC.

By: /s/ NIRAJ SHAH

Niraj Shah

Chief Executive Officer and President

(Principal Executive Officer)

Date: October 28, 2025

By: /s/ KATE GULLIVER

Kate Gulliver

Chief Financial Officer and Chief Administrative Officer

(Principal Financial and Accounting Officer)

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Niraj Shah, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Wayfair Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an Annual Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

October 28, 2025

(Date)

/s/ NIRAJ SHAH

Niraj Shah
Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Kate Gulliver, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Wayfair Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an Annual Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

October 28, 2025

(Date)

/s/ KATE GULLIVER

Kate Gulliver

Chief Financial Officer and Chief Administrative Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Wayfair Inc. (the "Company") for the quarter ended September 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Niraj Shah, Chief Executive Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

- 1) the Report which this statement accompanies fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- 2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the SEC or its staff upon request.

October 28, 2025

(Date)

/s/ NIRAJ SHAH

Niraj Shah

Chief Executive Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Wayfair Inc. (the "Company") for the quarter ended September 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kate Gulliver, Chief Financial Officer and Chief Administrative Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

- 1) the Report which this statement accompanies fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- 2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the SEC or its staff upon request.

October 28, 2025

(Date)

/s/ KATE GULLIVER

Kate Gulliver

Chief Financial Officer and Chief Administrative Officer