Reconciliation of Non-GAAP Measures
Chewy, Inc.
(Unaudited)

($ in thousands, except percentages)	13 Weeks Ended August 1, 2021	13 Weeks Ended August 2, 2020	$ Change	% Change	26 Weeks Ended August 1, 2021	26 Weeks Ended August 2, 2020	$ Change	% Change
Consolidated Reconciliation of GAAP Net (Loss) Income to Adjusted Net (Loss) Income [1]								
Net (loss) income	$ (16,686)	$ (32,817)	$ 16,131	49.2 %	$ 22,033	$ (80,687)	$ 102,720	127.3 %
Add:								
Share-based compensation expense and related taxes, net of income tax [2]	25,589	37,797	(12,208)	(32.3)%	50,361	80,138	(29,777)	(37.2)%
Adjusted net (loss) Income	$ 8,903	$ 4,980	$ 3,923	78.8 %	$ 72,394	$ (549)	$ 72,943	n/m
Net sales	$ 2,155,036	$ 1,699,859	$ 455,177	26.8 %	$ 4,290,214	$ 3,321,252	$ 968,962	29.2 %
Net margin	*(0.8)%*	*(1.9)%*			0.5 %	(2.4)%		
Adjusted net margin	*0.4 %*	*0.3 %*			1.7 %	— %		

($ per share, except percentages)	13 Weeks Ended August 1, 2021	13 Weeks Ended August 2, 2020	$ Change	% Change	26 Weeks Ended August 1, 2021	26 Weeks Ended August 2, 2020	$ Change	% Change
Consolidated Reconciliation of GAAP Net (Loss) Income Per Share to Adjusted Net (Loss) Income Per Share [1]								
Net (loss) income per share attributable to common Class A and Class B stockholders, basic and diluted	$ (0.04)	$ (0.08)	$ 0.04	50.0 %	$ 0.05	$ (0.20)	$ 0.25	125.0 %
Add:								
Share-based compensation expense and related taxes, net of income tax [2]	0.06	0.09	(0.03)	(33.3)%	0.12	0.20	(0.08)	(40.0)%
Adjusted net (loss) income per share attributable to common Class A and Class B stockholders, basic and diluted	$ 0.02	$ 0.01	$ 0.01	100.0 %	$ 0.17	$ —	$ 0.17	n/m

[1] To provide investors with additional information regarding our financial results, we have disclosed consolidated adjusted net (loss) income and adjusted net margin, non-GAAP financial measures that we calculate as net (loss) income excluding share-based compensation expense and related taxes and adjusted net (loss) income divided by net sales, respectively. In addition, we have disclosed adjusted net (loss) income per share, which we calculate as net (loss) income per share excluding the impact of share-based compensation expense and related taxes. We have included adjusted net (loss) income, adjusted net margin, and adjusted net (loss) income per share as they are key measures used by our management and board of directors to evaluate our operating performance, generate future operating plans and make strategic decisions regarding the allocation of capital. Other companies may calculate consolidated adjusted net (loss) income, adjusted net margin, and adjusted net (loss) income per share differently, which reduces their usefulness as comparative measures. Because of these limitations, you should consider consolidated adjusted net (loss) income, adjusted net margin, and adjusted net (loss) income per share alongside other financial performance measures.

[2] The Company maintains a deferred tax valuation allowance; no income tax benefit associated with any period presented.

n/m - not meaningful