

SIKULI CAPITAL

Conviction through contrarian research

Warby Parker (WRBY)

Valuation Snapshot — Fair Value Range

As of May 20, 2026 | DTC + retail eyewear brand

CURRENT PRICE	PROBABILITY-WEIGHTED FAIR VALUE	FAIR VALUE RANGE
\$24.37	~\$30	\$20 - \$42
May 2026	Bull 25% / Base 50% / Bear 25%	Approximately fair value

Verdict: WRBY delivered Q1 2026 revenue beat (\$242M, +8.3%) but missed EPS materially (\$0.03 vs. \$0.15)^[1], causing post-print volatility. The Adj EBITDA of \$29.6M beat guide, and the company reaffirmed FY26 outlook of \$959-976M revenue with \$117-119M Adj EBITDA^[2]. At 46x forward P/E^[3], WRBY trades like a high-growth specialty retailer but execution disappointments and slower active-customer growth (+4.8%) raise risk. Net cash position (\$288M) provides downside cushion.

CURRENT SNAPSHOT

Metric	Value	Notes / Source
Stock price	\$28.50	Post-Q1 volatility ^[4]
Market cap	\$2.79B	^[3]
Diluted shares	~122M	^[3]
Cash	\$288M	Net cash; no debt ^[2]
Q1 2026 revenue	\$242.5M (+8.3%)	Beat ^[2]
Q1 2026 Adj EBITDA	\$29.6M	Beat guidance ^[2]
Q1 2026 GM	54.0%	Down from 56.3% ^[2]
Active customers	2.69M (+4.8%)	Decelerating ^[2]
FY26 revenue guide	\$959M - \$976M	Reaffirmed ^[2]
FY26 Adj EBITDA guide	\$117M - \$119M	^[2]
Forward P/E	46x	Premium specialty retail ^[3]

BULL / BASE / BEAR SCENARIOS

Scenario (weight)	Assumptions	Fair Value
Bull (25%)	RevPAR-like comp acceleration to +12%, 50 new stores, EBITDA mgn expands to 14%, multiple stays 35x EPS	\$42
Base (50%)	Hit guide (\$968M / \$118M EBITDA), modest store growth, multiple compresses to 25x EPS	\$30
Bear (25%)	Active customer growth stalls, GM pressure continues, multiple compresses to 18x EPS	\$22
Probability-weighted	<i>Asymmetric to upside if comp re-accelerates; net cash provides \$2/share floor.</i>	~\$30

Key Risks

- **Active customer deceleration:** +4.8% growth is slowest in years; suggests acquisition saturation.
- **GM compression:** 54% vs. 56% YoY on freight + occupancy; trend bears watching.
- **Store-rollout execution:** 50 new stores in 2026 is aggressive; productivity must hold.
- **Macro discretionary:** Eyewear is replacement-driven but premium pricing exposed to consumer weakness.

What Would Change Our View

- **Upside:** Comp re-acceleration to +10%+, GM stabilization, new store productivity in line.
- **Downside:** Guidance cut, active customer decline, sustained GM erosion.

Sources

- [1] <https://ca.investing.com/news/company-news/warby-parker-q1-2026-slides-revenue-beats-but-profit-miss-reveals-pressure-93CH-4631637>
- [2] <https://www.sec.gov/Archives/edgar/data/0001504776/000150477626000009/warbyparkerinearningsrele.htm>
- [3] <https://stockanalysis.com/stocks/wrby/statistics/>
- [4] <https://finance.yahoo.com/quote/WRBY/>

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