



RENT THE RUNWAY

RENT THE RUNWAY

Q2 2024 Earnings Presentation

September 5, 2024

Forward-Looking Statements Disclaimer

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements in this presentation that do not relate to matters of historical fact should be considered forward-looking statements. These statements include, but are not limited to, statements regarding Rent the Runway, Inc.'s (the "Company," "our" or "we") future results of operations, financial position, revenue, Adjusted EBITDA Margin and free cash flow, including the trends underlying expected free cash flow breakeven for FY2024; expected operational efficiencies; planned capital expenditures; expected sales growth; marketing initiatives and goals; and other business objectives and strategic initiatives. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. In some cases, you can identify forward-looking statements because they contain words such as "aim," "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "will," or "would," or the negative of these words or other similar terms or expressions. You should not put undue reliance on any forward-looking statements, which are not a guarantee of future results and will not necessarily be accurate indications of the times at, or by, which such results will be achieved, if at all. These statements are subject to risks and uncertainties, many of which involve factors or circumstances that are beyond our control, that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this presentation may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements. These risks and uncertainties include our ability to drive future growth or manage our growth effectively; the highly competitive and rapidly changing nature of the global fashion industry; risks related to the macroeconomic environment; our ability to cost-effectively grow our customer base; any failure to retain customers; our ability to accurately forecast customer demand, acquire and manage our offerings effectively and plan for future expenses; risks arising from the restructuring of our operations; our reliance on the effective operation of proprietary technology systems and software as well as those of third-party vendors and service providers; risks related to shipping, logistics and our supply chain; our ability to remediate our material weaknesses in our internal control over financial reporting; laws and regulations applicable to our business; our reliance on the experience and expertise of our senior management and other key personnel; our ability to adequately obtain, maintain, protect and enforce our intellectual property and proprietary rights; compliance with data privacy, data security, data protection and consumer protection laws and industry standards; risks associated with our brand and manufacturing partners; our reliance on third parties to provide payment processing infrastructure underlying our business; our dependence on online sources to attract consumers and promote our business which may be affected by third-party interference or cause our customer acquisition costs to rise; failure by us, our brand partners, or third party manufacturers to comply with our vendor code of conduct or other laws; risks related to our debt, including our ability to comply with covenants in our credit facility; risks related to our Class A capital stock and ownership structure; and risks related to future pandemics/public health crises. Additional information regarding these and other risks and uncertainties that could cause actual results to differ materially from the Company's expectations is included in our Quarterly Report on Form 10-Q for the quarter ended April 30, 2024, to be updated in our Quarterly Report on Form 10-Q for the quarter ended July 31, 2024. Except as required by law, we do not undertake any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments, or otherwise. **This presentation is a high-level summary of our fiscal Q2 financial results. For more information, refer to our press release dated 9/5/24 and filings with the SEC.** The reconciliation of presented non-GAAP financial metrics to the most directly comparable GAAP financial measure is included in the Appendix.

- 01 Q2 2024 Summary
- 02 Recent Business Highlights
- 03 Q3 + FY 2024 Guidance



RENT
THE
RUNWAY

Q2 2024 Summary

Q2'24 Key Metrics and Financial Highlights

TOTAL REVENUE

\$78.9M

Up 4% YoY

ACTIVE SUBSCRIBERS

129.1K, Down 6% YoY

AVERAGE ACTIVE SUBSCRIBERS

137.5K, Down 3% YoY

TOTAL SUBSCRIBERS

175.1K

Down 5% YoY

GROSS PROFIT / MARGIN

\$32.4M / 41%

Margin down 3 pts YoY

NET LOSS / MARGIN

\$(15.6)M / (20)%

Margin up 16 pts YoY

ADJ. EBITDA / MARGIN

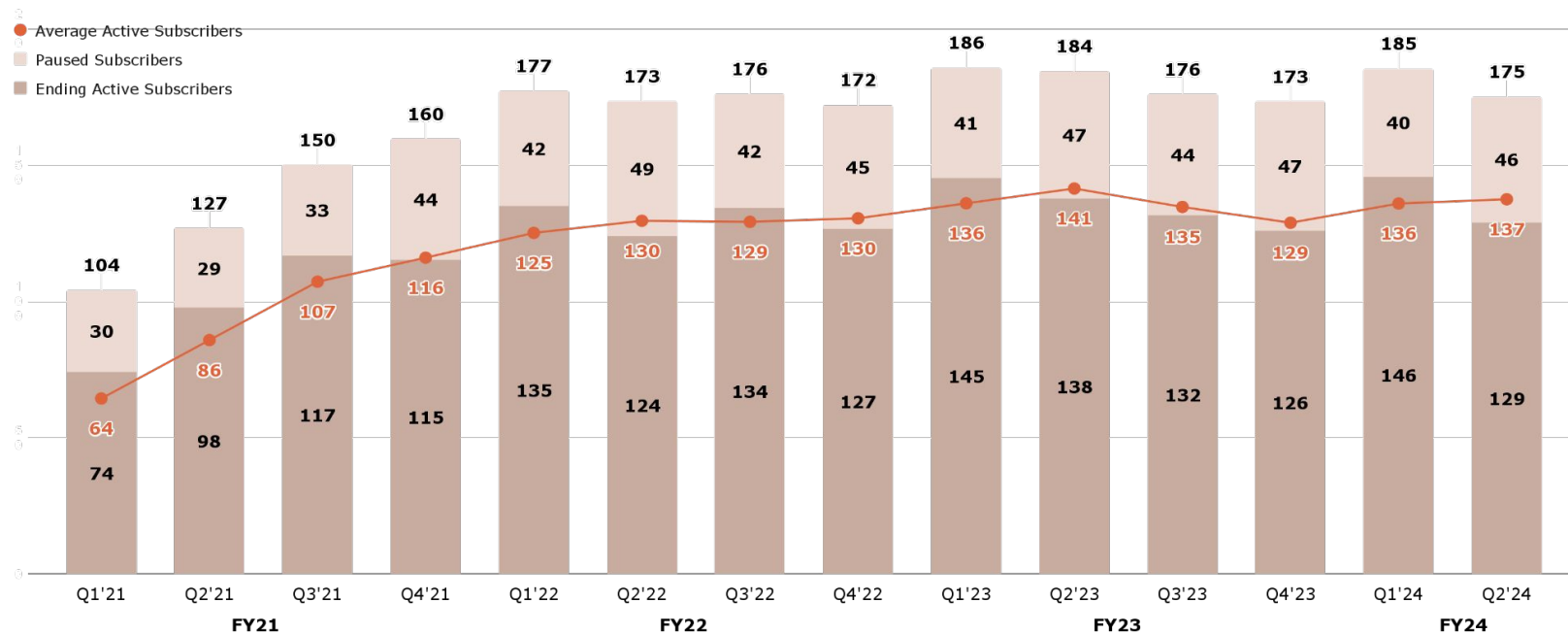
\$13.7M / 17%

Margin up 7 pts YoY

Note: Active Subscribers represent the number of subscribers with an active membership as of the last day of any given period and excludes paused subscribers. Average Active Subscribers represents the mean of the beginning of quarter and end of quarter Active Subscribers for a quarterly period, and for other periods, represents the mean of the Average Active Subscribers of every quarter within that period. Total Subscribers includes both active and paused subscribers.

Active Subscribers as of July 31, 2024 Down 6.2% YoY

SUBSCRIBERS (IN THOUSANDS)

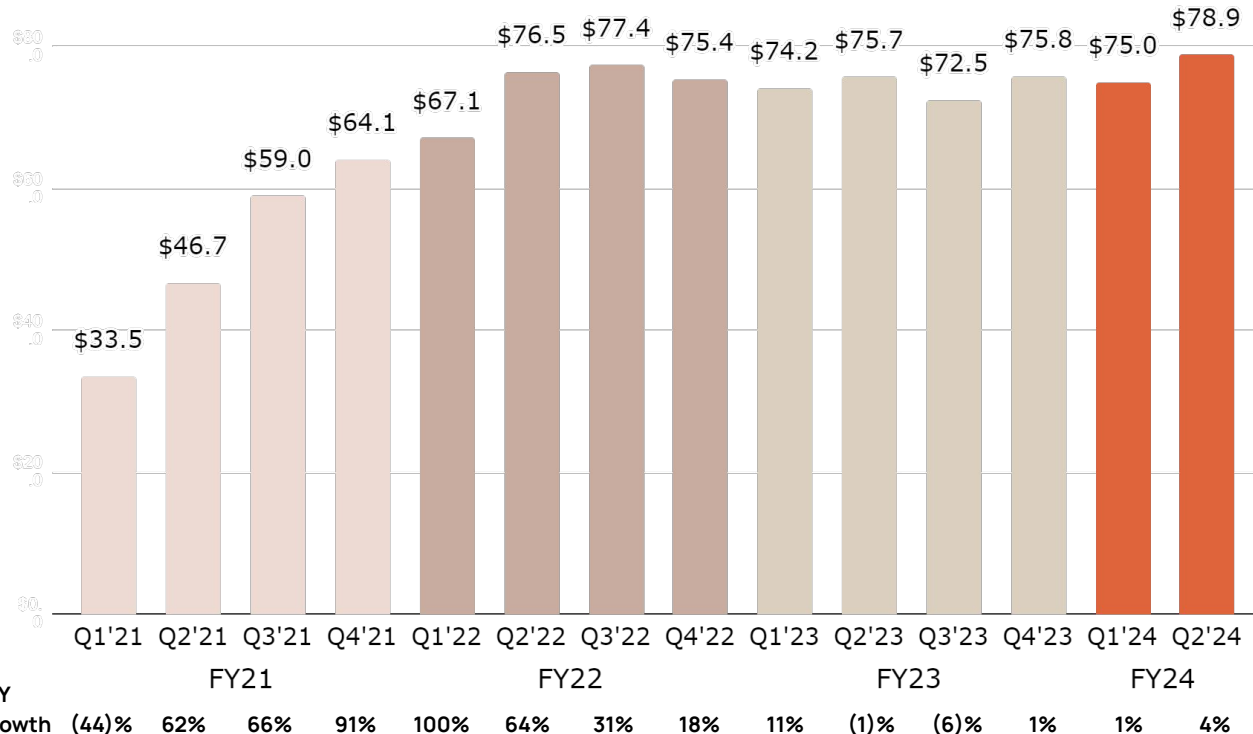


	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24
YoY Active Subs	40%	80%	78%	110%	82%	27%	15%	10%	8%	11%	(2)%	(1)%	0%	(6)%
YoY Avg Active Subs	(31)%	60%	79%	93%	94%	51%	20%	12%	9%	9%	4%	(1)%	(0)%	(3)%
Paused % of Total	29%	23%	22%	28%	24%	28%	24%	26%	22%	25%	25%	27%	21%	26%

Note: Active Subscribers represent the number of subscribers with an active membership as of the last day of any given period and excludes paused subscribers. Total subscribers includes both active and paused subscribers. Average Active Subscribers represents the mean of the beginning of quarter and end of quarter Active Subscribers for a quarterly period; and for other periods, represents the mean of the Average Active Subscribers of every quarter within that period. Calculations are based on unrounded figures.

Total Revenue Up 4% YoY in Q2'24

TOTAL REVENUE, NET (\$ IN MILLIONS)



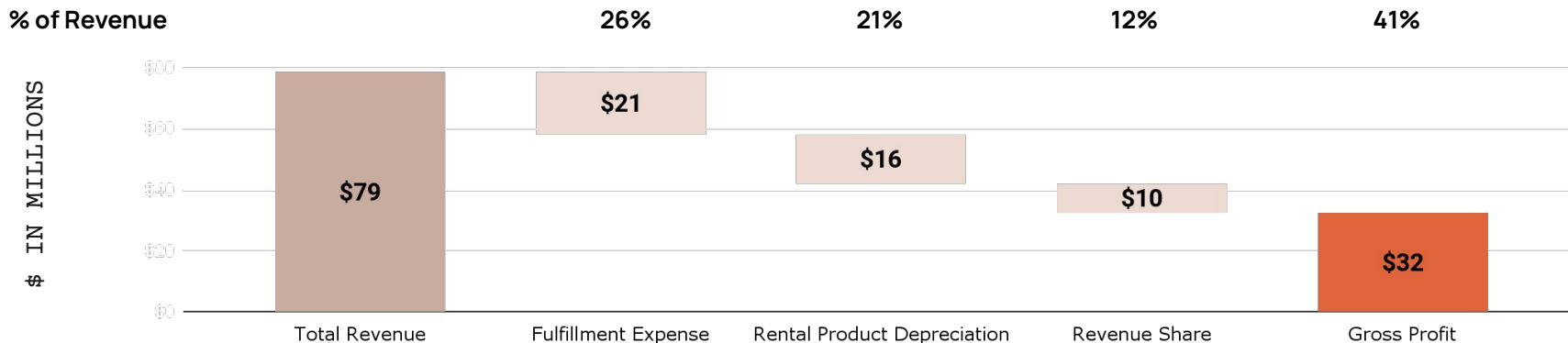
Subscriber Highlights

- 89% of revenue from subscribers in Q2'24
- 25% of subscribers added one or more paid items into their subscriptions in Q2'24

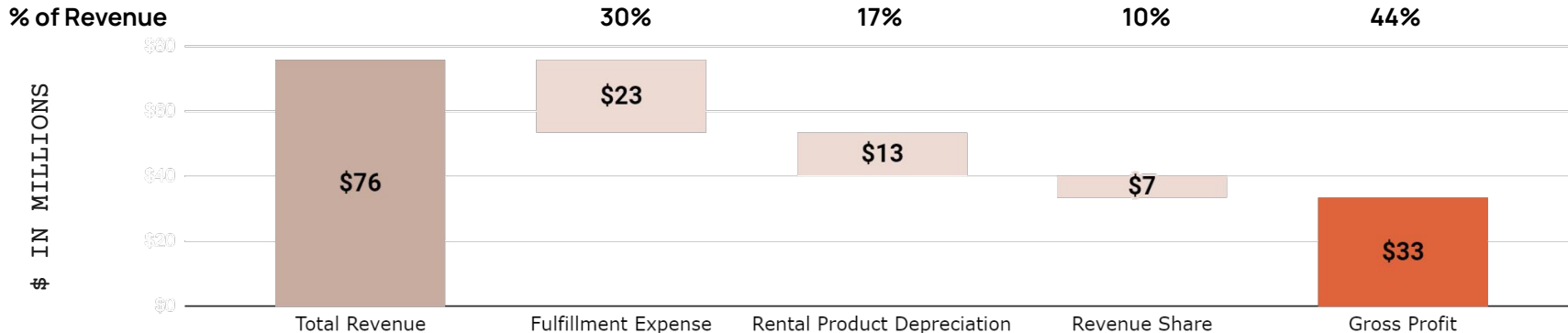
Note: FY21 ended January 31, 2022; FY22 ended January 31, 2023; FY23 ended January 31, 2024; Q2'24 ended July 31, 2024.

Revenue to Gross Profit - Q2'24 and Q2'23

FISCAL QUARTER ENDED JULY 31, 2024



FISCAL QUARTER ENDED JULY 31, 2023



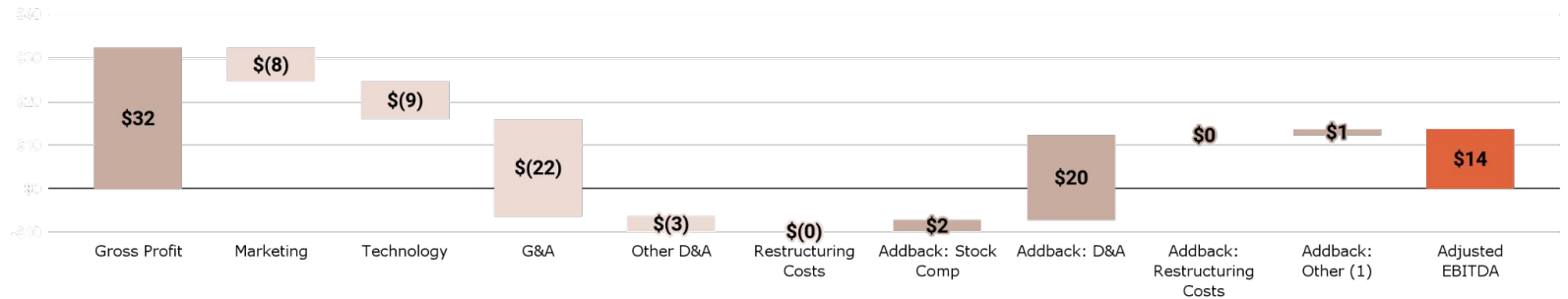
Note: Calculations are based on unrounded figures.

Gross Profit to Adjusted EBITDA - Q2'24 and Q2'23

FISCAL QUARTER ENDED JULY 31, 2024

% of Revenue **41%** **(10)%** **(11)%** **(28)%** **(4)%** **(0)%** **3%** **25%** **0%** **2%** **17%**

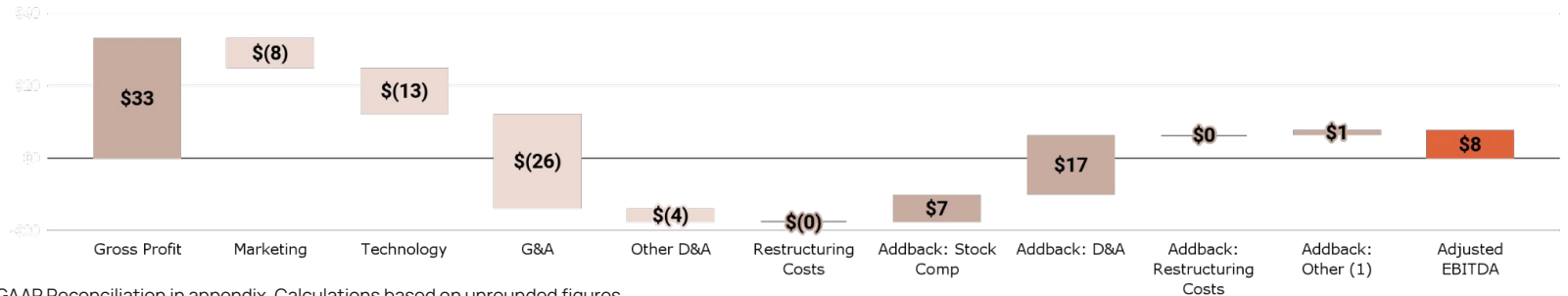
\$ IN MILLIONS



FISCAL QUARTER ENDED JULY 31, 2023

% of Revenue **44%** **(11)%** **(17)%** **(34)%** **(5)%** **0%** **10%** **22%** **0%** **2%** **10%**

\$ IN MILLIONS

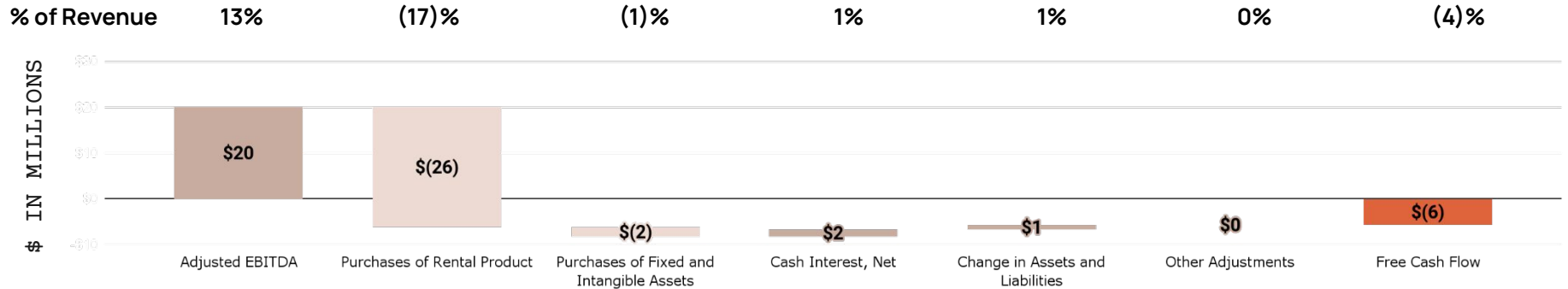


Note: See GAAP to Non-GAAP Reconciliation in appendix. Calculations based on unrounded figures.

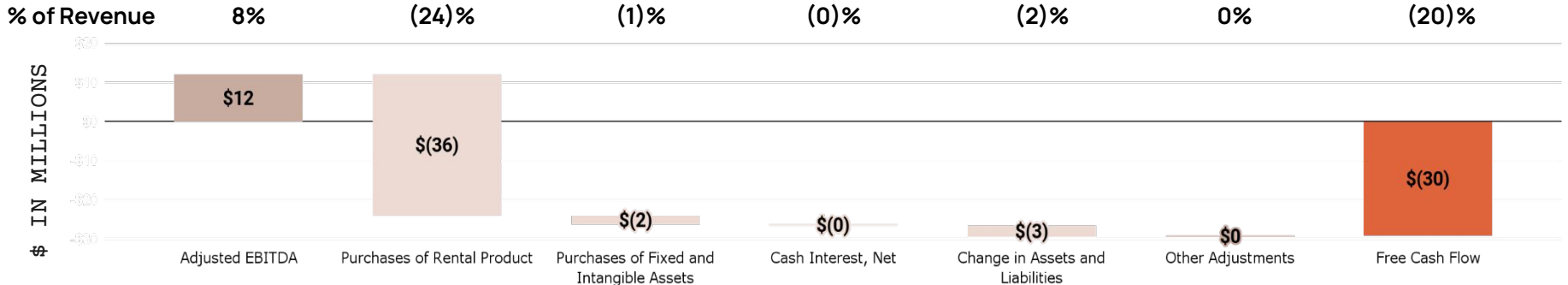
¹ Addback: Other includes write-offs of liquidated assets, non-recurring adjustments, and other adjustments.

Adjusted EBITDA to Free Cash Flow - 1H'24 and 1H'23

SIX MONTHS ENDED JULY 31, 2024



SIX MONTHS ENDED JULY 31, 2023



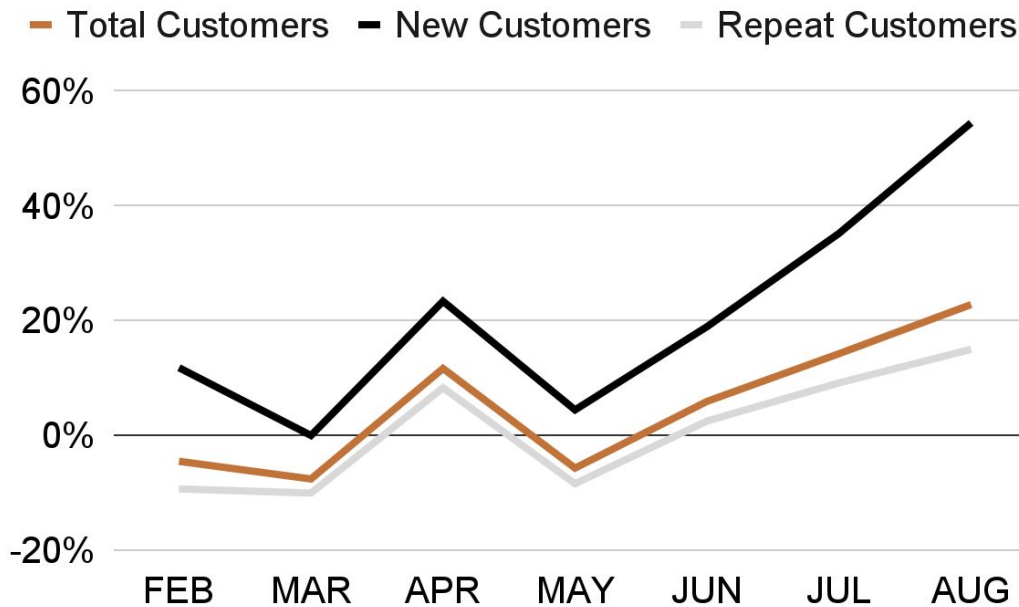
Note: See GAAP to Non-GAAP Reconciliation in appendix. Free cash flow defined as net cash (used in) provided by operating activities and net cash (used in) provided by investing activities on a combined basis. Calculations based on unrounded figures. Other adjustments primarily includes cash tax adjustments and other cash gains (losses).

RENT
THE
RUNWAY

Recent Business Highlights

Our Reserve Business is Seeing Impressive YoY Improvement in Orders Due to Recent Cross-Functional Focus and Business Changes

YoY Reserve Orders (Overall, New to Brand, Repeat)



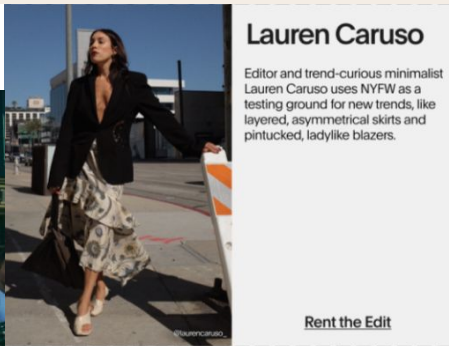
Recent / Upcoming Changes

Increase Booking Window	✓
Improve End to End Customer Experience	Ongoing
Maximize Inventory Availability	Ongoing
Reignite Flywheel through Lifecycle Marketing	2H
Search Engine Optimization	2H
Reinforce Fit Guarantee	2H
Improve Upsell Experience	2H

We are Continuing to See Momentum in Our Marketing as We Bring Our Brand Back to Life This Fall

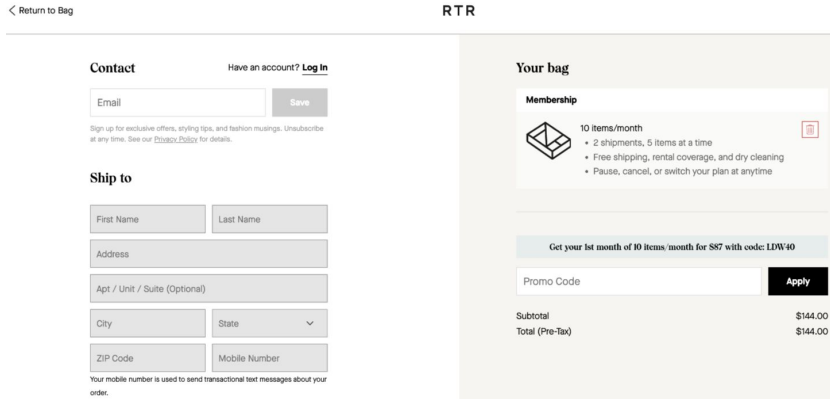
We are expanding our creative partnerships during New York Fashion Week to showcase how to make the most of RTR during fashion's busiest week of the season.

Southeast roadshow and mobile tour launching this Fall focused on growing market share and Gen Z customer base, targeting universities with strong Greek life & sports culture.

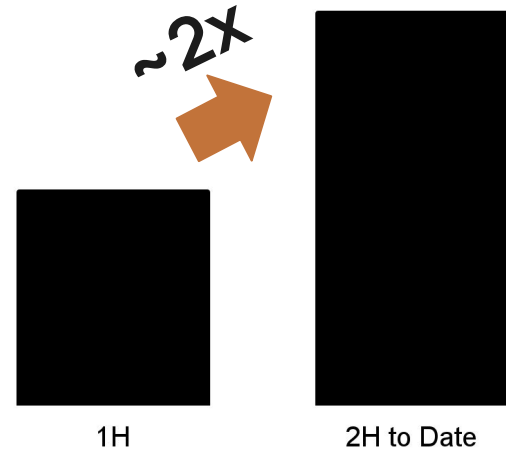


1H Tech and Product Projects are Showing Positive Results

Launch of Delayed Account Creation



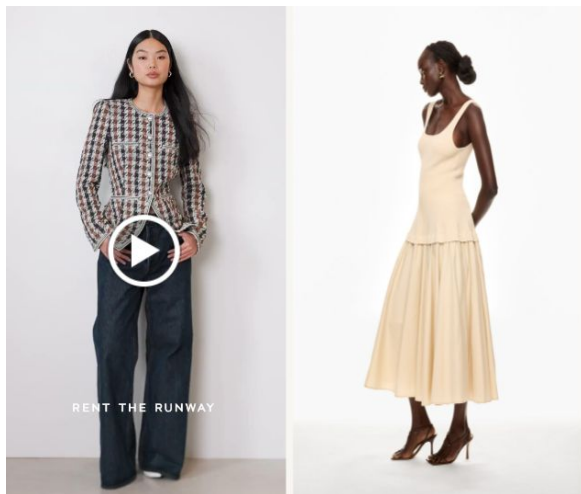
Checkout Completion Rate



Our Improved Site Experience Combined With Enhanced Merchandising is Designed to Set Us Up for Success in 2H

In 1H 24, we accomplished ~10x faster site load times, which resulted in around 30% lower bounce rate on our grids page.

Better PDPs



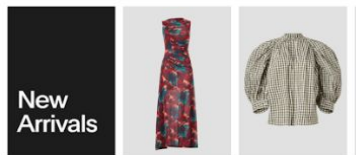
New Browse Features

Browse

Clothing Accessories To Buy

Rent by Category

View All



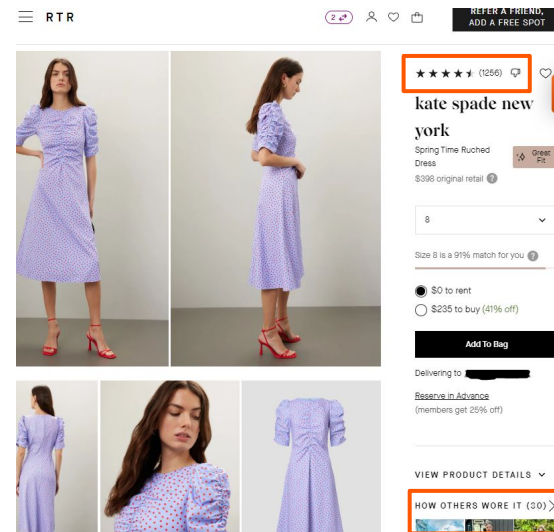
New Arrivals Dresses Tops D

For Every Workplace



HOME BROWSE BAG HEARTS MY RTR

Increased Photo Reviews



RENT
THE
RUNWAY

Q3 + FY2024 Guidance

Q3 & Fiscal Year 2024 Guidance

Q3 2024 Guidance

Total Revenue:	\$75M - \$77M
Adjusted EBITDA Margin ¹ :	13%-15% of Total Revenue

FY2024 Guidance

Total Revenue:	\$304M - \$316M; 2% - 6% YoY Growth
Adjusted EBITDA Margin ¹ :	15% - 16% of Total Revenue
Rental Product Acquired ² :	~\$48M - \$50M
Share-based Compensation:	\$10M - \$16M
Free Cash Flow ³ :	Breakeven

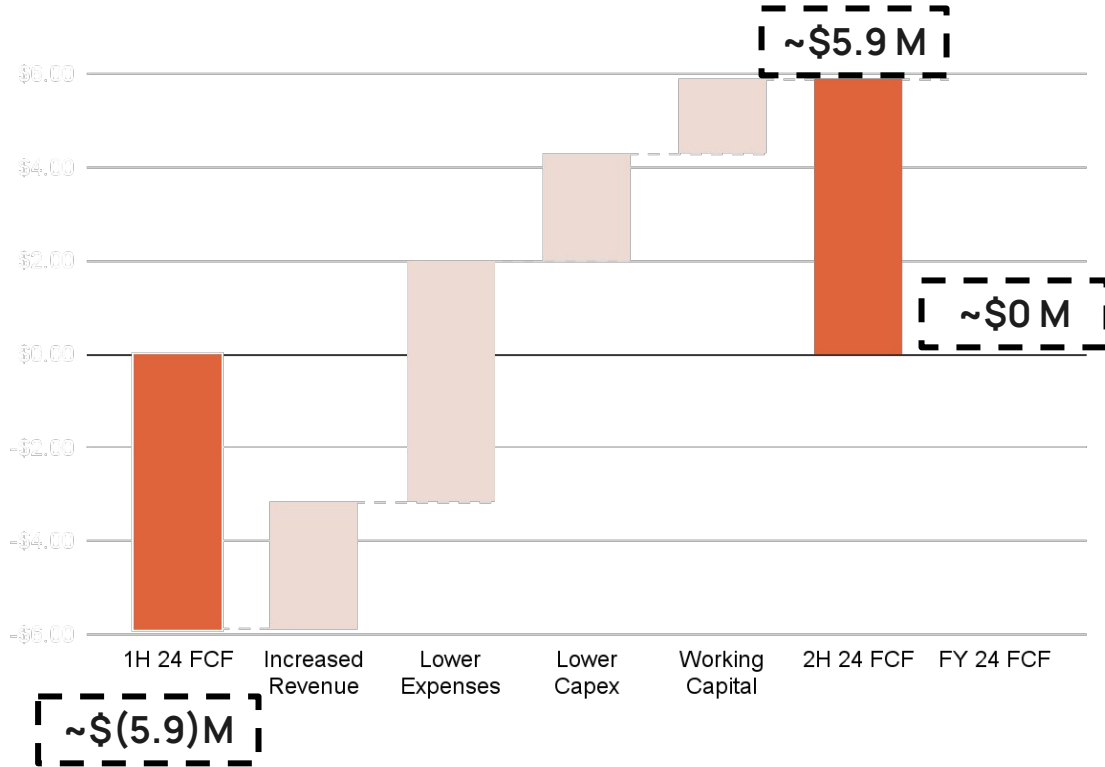
¹ Reconciliation of Adjusted EBITDA, Adjusted EBITDA margin and free cash flow expectations for Q3 2024 and fiscal year 2024 (as applicable) to the closest corresponding GAAP measure is not available without unreasonable efforts on a forward-looking basis due to the high variability, complexity, and low visibility with respect to the charges excluded from these non-GAAP measures, in particular, share-based compensation expense, and non-recurring expenses, which can have unpredictable fluctuations based on unforeseen activity that is out of our control and/or cannot reasonably be predicted.

² Purchases of Rental Product as presented on the Consolidated Statement of Cash Flows may vary from Rental Product Acquired (presented above) due to timing of payments for rental product. Rental Product Acquired reflects the cost of owned rental product received in the period. See appendix for reconciliation of Purchases of Rental Product to Rental Product Acquired.

³ Free cash flow defined as net cash (used in) provided by operating activities and net cash (used in) provided by investing activities on a combined basis.

Projected Free Cash Flow - 1H 24 to 2H 24

Projected Free Cash Flow Bridge 1H24 to 2H24*



- We anticipate reaching FCF breakeven in FY 24 largely due to the contribution from expenses, capex and working capital in 2H 24
- High visibility on lower operating expenses and capital expenditures
- Lower operating expenses primarily driven by timing of marketing expenditures

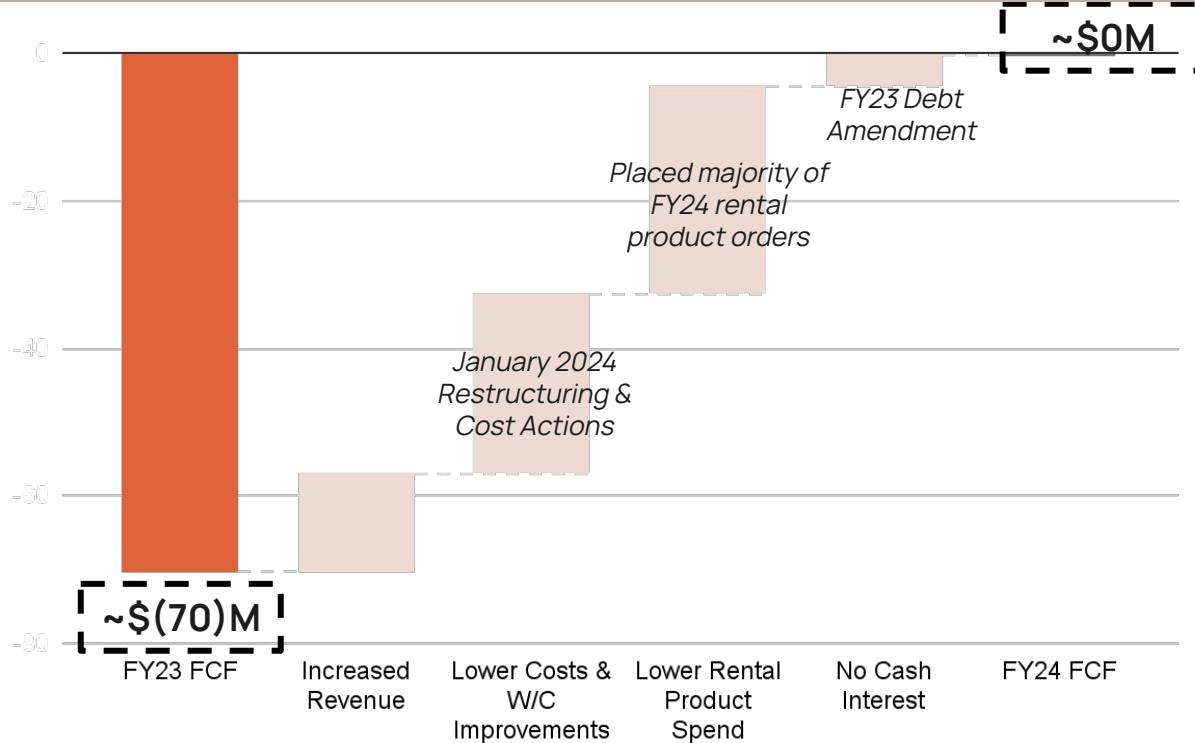
*Exact figures are illustrative and not to scale.
 Note: Free cash flow defined as net cash (used in) provided by operating activities and net cash (used in) provided by investing activities on a combined basis.

RENT
THE
RUNWAY

Appendix

Our Primary Focus is to Become FCF Breakeven for FY24

Projected Free Cash Flow Bridge FY23 vs. FY24*



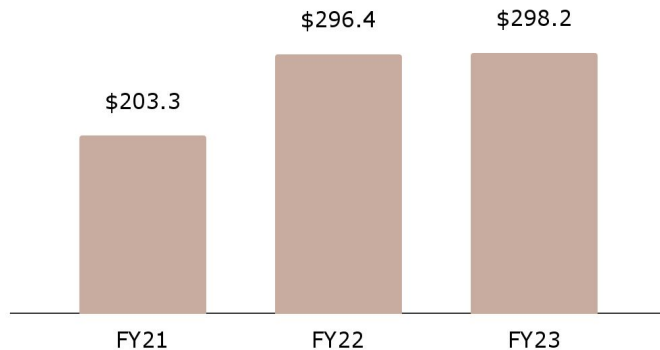
- We anticipate reaching FCF breakeven based on a wide range of revenue growth strategies
- Our cost base has reduced significantly as a result of the recent restructuring and continued fulfillment and transportation efficiencies
- Our planned inventory spend is dramatically lower than FY23 due to the right sized depth strategy
- Cash interest on credit facility reduced to zero until Q2 2025

*Exact figures are illustrative and not to scale.

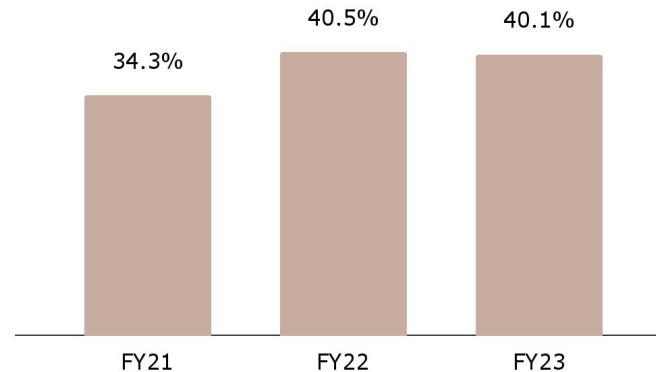
Note: Free cash flow defined as net cash (used in) provided by operating activities and net cash (used in) provided by investing activities on a combined basis.

Improved the Financial Profile of RTR Significantly Since FY21

Total Revenue (M)



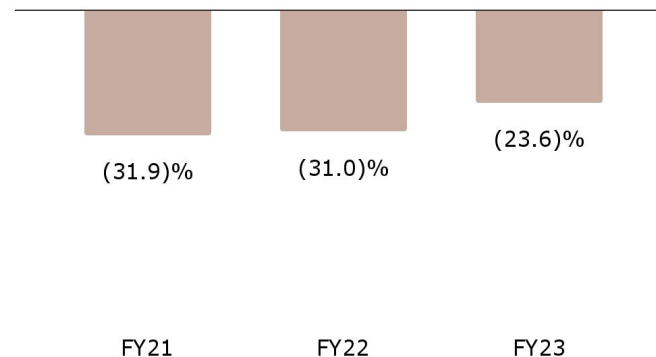
Gross Margin %



Adjusted EBITDA Margin %



FCF Margin %



Note: See GAAP to Non-GAAP Reconciliation in appendix. Free cash flow defined as net cash (used in) provided by operating activities and net cash (used in) provided by investing activities on a combined basis. Margins calculated as percentage of revenue in respective fiscal years based on unrounded figures.

Condensed Consolidated Statements of Operations

	Three Months Ended 7/31/2024	Three Months Ended 7/31/2023	Six Months Ended 7/31/2024	Six Months Ended 7/31/2023	Year Ended 1/31/2024	Year Ended 1/31/2023
(In millions, except per share amounts)						
Total revenue, net	\$78.9	\$75.7	\$153.9	\$149.9	\$298.2	\$296.4
Fulfillment	20.6	22.5	41.2	44.4	86.0	92.2
Technology	8.7	12.9	18.3	26.0	49.1	55.4
Marketing	7.8	8.2	16.8	17.5	31.2	35.1
General and administrative	22.2	25.9	45.0	52.4	101.6	109.0
Rental product depreciation and revenue share	25.9	20.0	51.9	40.9	92.5	84.2
Other depreciation and amortization	3.3	3.7	6.6	7.5	14.7	16.4
Restructuring charges	-	-	0.2	-	2.0	2.4
Loss on asset impairment related to restructuring	-	-	-	-	1.1	5.3
Total costs and expenses	88.5	93.2	180.0	188.7	378.2	400.0
Operating loss	(9.6)	(17.5)	(26.1)	(38.8)	(80.0)	(103.6)
Interest income / (expense), net	(6.0)	(9.5)	(11.6)	(18.3)	(33.7)	(36.8)
Other income / (expense) and gains / (losses)	0.1	0.1	0.2	0.1	0.7	1.5
Income tax benefit / (expense)	(0.1)	0.1	(0.1)	0.1	(0.2)	0.2
Net loss	\$(15.6)	\$(26.8)	\$(37.6)	\$(56.9)	\$(113.2)	\$(138.7)
Net loss per share attributable to common stockholders, basic and diluted ¹	\$(4.17)	\$(7.93)	\$(10.18)	\$(17.05)	\$(33.12)	\$(43.17)
Weighted average basic and diluted shares outstanding	3.7	3.4	3.7	3.3	3.4	3.2
Restructuring-related items:						
Restructuring charges	-	-	(0.2)	-	(2.0)	(2.4)
Loss on asset impairment related to restructuring	-	-	-	-	(1.1)	(5.3)
Total Restructuring-Related Items	\$0.0	\$0.0	\$(0.2)	\$0.0	\$(3.1)	\$(7.7)
Restructuring-related items per share attributable to common stockholders, basic and diluted	\$0.00	\$0.00	\$(0.05)	\$0.00	\$(0.91)	\$(2.40)
Net loss excl. restructuring charges & loss on asset impairment related to restructuring	\$(15.6)	\$(26.8)	\$(37.4)	\$(56.9)	\$(110.1)	\$(131.0)

¹ Amounts have been adjusted to reflect the 1-for-20 reverse stock split that became effective on April 2, 2024.

Condensed Consolidated Balance Sheets

	As Of 7/31/2024	As Of 1/31/2024
(in millions)		
Cash and cash equivalents	\$76.6	\$84.0
Restricted cash, current	5.2	5.2
Prepaid expenses and other current assets	10.8	13.0
Restricted cash, fixed	4.8	4.8
Rental product, net	85.9	94.0
Fixed and intangible assets, net	34.7	39.1
Operating lease and other assets	39.4	38.4
Total assets	\$257.4	\$278.5
Total current liabilities	48.3	48.1
Long-term debt, net	319.8	306.7
Operating lease and other liabilities	43.8	46.0
Total liabilities	\$411.9	\$400.8
Total stockholders' equity (deficit)	\$(154.5)	\$(122.3)
Total liabilities and stockholders' equity (deficit)	\$257.4	\$278.5

Condensed Consolidated Statements of Cash Flows

	Six Months Ended 7/31/2024	Six Months Ended 7/31/2023	Year Ended 1/31/2024
(in millions)			
Net loss	\$(37.6)	\$(56.9)	\$(113.2)
Net cash (used in) provided by operating activities	6.8	(4.1)	(15.7)
Net cash (used in) provided by investing activities	(12.7)	(25.5)	(54.6)
Net cash (used in) provided by financing activities	(1.5)	(0.3)	0.7
Net (decrease) increase in cash and cash equivalents and restricted cash	(7.4)	(29.9)	(69.6)
Cash and cash equivalents and restricted cash at beginning of period	94.0	163.6	163.6
Cash and cash equivalents and restricted cash at end of period ¹	\$86.6	\$133.7	\$94.0

¹ Includes both current and non-current restricted cash.

Reconciliation of Net Loss to Free Cash Flow

	Six Months Ended 7/31/2024	Six Months Ended 7/31/2023	Year Ended 1/31/2024	Year Ended 1/31/2023	Year Ended 1/31/2022
(in millions)					
Net loss	\$(37.6)	\$(56.9)	\$(113.2)	\$(138.7)	\$(211.8)
Operating loss	(26.1)	(38.8)	(80.0)	(103.6)	(125.9)
Interest income / (expense), net	(11.6)	(18.3)	(33.7)	(36.8)	(53.0)
Gain / (loss) on warrant liability revaluation, net	-	-	-	-	(24.9)
Other income / (expense) and gains / (losses) ¹	0.2	0.1	0.7	1.5	(8.3)
Income tax benefit / (expense)	(0.1)	0.1	(0.2)	0.2	0.3
Net cash (used in) provided by operating activities	6.8	(4.1)	(15.7)	(47.7)	(42.3)
Net cash (used in) provided by investing activities	(12.7)	(25.5)	(54.6)	(44.3)	(22.5)
Free Cash Flow	\$(5.9)	\$(29.6)	\$(70.3)	\$(92.0)	\$(64.8)

¹Other income / (expense) in prior years primarily consists of proceeds from previous insurance claims, proceeds from monetizing tax credits associated with growth and the loss on debt extinguishment.

Selected Cash Flows Detail and Supplemental Cash Flow Information

(in millions)	Six Months Ended 7/31/2024	Six Months Ended 7/31/2023	Year Ended 1/31/2024	Year Ended 1/31/2023
INVESTING ACTIVITIES				
Purchases of rental product	\$(26.3)	\$(36.3)	\$(77.9)	\$(62.1)
Proceeds from liquidation of rental product	\$2.2	\$2.2	\$4.6	\$8.8
Proceeds from sale of rental product	\$13.6	\$10.8	\$23.3	\$17.9
Purchases of fixed and intangible assets	\$(2.2)	\$(2.2)	\$(4.6)	\$(8.9)
Net cash (used in) provided by investing activities	\$(12.7)	\$(25.5)	\$(54.6)	\$(44.3)
SUPPLEMENTAL CASH FLOW INFORMATION				
Rental product received in the prior period	\$1.4	\$5.4	\$5.4	\$6.5
Purchases of rental product not yet settled	\$(0.9)	\$(5.0)	\$(3.3)	\$(5.4)

Reconciliation of Purchases of Rental Product to Rental Product Acquired

	Six Months Ended 7/31/2024	Six Months Ended 7/31/2023	Year Ended 1/31/2024	Year Ended 1/31/2023	
(in millions)					
Purchases of rental product	\$ (26.3)	\$ (36.3)	\$ (77.9)	\$ (62.1)	Cost of owned rental product paid for in the period, as presented on the Condensed Consolidated Statements of Cash Flows.
Plus: Rental product received in the prior period	\$ 1.4	\$ 5.4	\$ 5.4	\$ 6.5	Cost of owned rental product paid for in the period, but received in the period immediately preceding, as presented on the Supplemental Cash Flow Information table.
Plus: Purchases of rental product not yet settled	\$ (0.9)	\$ (5.0)	\$ (3.3)	\$ (5.4)	Cost of owned rental product received in the period, but not yet paid for, as presented on the Supplemental Cash Flow Information table.
Rental Product Acquired	\$ (25.8)	\$ (35.9)	\$ (75.8)	\$ (61.0)	Cost of owned rental product received in the period.

Reconciliation of Net Loss to Adjusted EBITDA

	Three Months Ended 7/31/2024	Three Months Ended 7/31/2023	Six Months Ended 7/31/2024	Six Months Ended 7/31/2023	Year Ended 1/31/2024	Year Ended 1/31/2023	Year Ended 1/31/2022
(in millions)							
Net loss	\$ (15.6)	\$ (26.8)	\$ (37.6)	\$ (56.9)	\$ (113.2)	\$ (138.7)	\$ (211.8)
Interest (income) / expense, net	6.0	9.5	11.6	18.3	33.7	36.8	53.0
Rental product depreciation	16.2	12.8	31.1	24.9	57.1	52.9	50.3
Other depreciation and amortization	3.3	3.7	6.6	7.5	14.7	16.4	19.4
Share-based compensation	2.4	7.4	5.4	16.2	26.2	25.4	26.6
Write-off of liquidated assets	1.2	0.7	2.8	1.7	3.4	5.8	4.8
Non-recurring adjustments	-	0.5	-	0.5	1.7	1.3	5.3
Non-ordinary course legal fees	-	-	-	-	0.3	0.1	-
Restructuring charges	-	-	0.2	-	2.0	2.4	-
Loss on asset impairment related to restructuring	-	-	-	-	1.1	5.3	-
Income Tax (Benefit) / Expense	0.1	(0.1)	0.1	(0.1)	0.2	(0.2)	(0.3)
(Gain) / loss on warrant liability revaluation, net	-	-	-	-	-	-	24.9
(Gain) / loss on debt extinguishment, net	-	-	-	-	-	-	12.2
Other (income) / expense, net	(0.1)	(0.1)	(0.2)	(0.1)	(0.7)	(1.5)	(3.9)
Other (gains) / losses	0.2	0.1	0.2	0.2	0.4	0.7	0.3
Adjusted EBITDA	\$13.7	\$7.7	\$20.2	\$12.2	\$26.9	\$6.7	\$ (19.2)
Adjusted EBITDA Margin	17.4%	10.2%	13.1%	8.1%	9.0%	2.3%	(9.4)%

Note: For additional information on each line item see the footnotes to the Adjusted EBITDA reconciliations in our Q2 24 earnings press release, which is included as ex. 99.1 to our Form 8-K filed with the SEC on September 5, 2024.

Reconciliation of Cash Used by Operating Activities to Free Cash Flow

	Six Months Ended 7/31/2024	Six Months Ended 7/31/2023	Year Ended 1/31/2024	Year Ended 1/31/2023	Year Ended 1/31/2022
(in millions)					
Net cash (used in) provided by operating activities	\$6.8	\$(4.1)	\$(15.7)	\$(47.7)	\$(42.3)
Purchases of rental product	(26.3)	(36.3)	(77.9)	(62.1)	(30.8)
Proceeds from liquidation of rental product	2.2	2.2	4.6	8.8	5.7
Proceeds from sale of rental product	13.6	10.8	23.3	17.9	12.9
Purchases of fixed and intangible assets	(2.2)	(2.2)	(4.6)	(8.9)	(10.3)
Free Cash Flow	\$ (5.9)	\$ (29.6)	\$ (70.3)	\$ (92.0)	\$ (64.8)
Free Cash Flow Margin ¹	(3.8)%	(19.7)%	(23.6)%	(31.0)%	(31.9)%

Free Cash Flow defined as net cash (used in) provided by operating activities and net cash (used in) provided by investing activities on a combined basis.

¹ Free Cash Flow Margin calculated as Free Cash Flow as a percentage of Revenue.

Reconciliation of Net Loss to Free Cash Flow

	Six Months Ended 7/31/2024	Six Months Ended 7/31/2023
(in millions)		
Net loss	\$(37.6)	\$(56.9)
Interest (income) / expense, net	\$11.6	\$18.3
Rental product depreciation	\$31.1	\$24.9
Other depreciation and amortization	\$6.6	\$7.5
Share-based compensation	\$5.4	\$16.2
Write-off of liquidated assets	\$2.8	\$1.7
Non-recurring adjustments	\$0.0	\$0.5
Non-ordinary course legal fees	\$0.0	\$0.0
Restructuring charges	\$0.2	\$0.0
Loss on asset impairment related to restructuring	\$0.0	\$0.0
Income Tax (Benefit) / Expense	\$0.1	\$(0.1)
Other (income) / expense, net	\$(0.2)	\$(0.1)
Other (gains) / losses	\$0.2	\$0.2
Adjusted EBITDA	\$20.2	\$12.2
Purchases of rental product	(26.3)	(36.3)
Purchases of fixed and intangible assets	(2.2)	(2.2)
Cash interest expense	(0.1)	(3.0)
Cash interest earned	1.6	2.8
Change in assets and liabilities	1.0	(2.8)
Non-recurring adjustments	-	(0.5)
Restructuring charges	(0.2)	-
Other adjustments ¹	0.1	0.2
Free Cash Flow	\$(5.9)	\$(29.6)

Free Cash Flow defined as net cash (used in) provided by operating activities and net cash (used in) provided by investing activities on a combined basis.

¹Other adjustments primarily includes cash tax adjustments and other cash gains (losses).

Operating Expense Detail

	Three Months Ended 7/31/2024	Three Months Ended 7/31/2023	Six Months Ended 7/31/2024	Six Months Ended 7/31/2023
(in millions)				
Technology	\$8.7	\$12.9	\$18.3	\$26.0
Marketing	\$7.8	\$8.2	\$16.8	\$17.5
General and administrative	\$22.2	\$25.9	\$45.0	\$52.4
Total operating expenses	\$38.7	\$47.0	\$80.1	\$95.9
Less: Share-based compensation	\$2.4	\$7.4	\$5.4	\$16.2
Total operating expenses excluding share-based compensation	\$36.3	\$39.6	\$74.7	\$79.7
Operating expenses including share-based compensation as a % of revenue	49.0%	62.1%	52.0%	64.0%
Operating expenses excluding share-based compensation as a % of revenue	46.0%	52.3%	48.5%	53.2%

Share-Based Compensation Details

(in millions)				
Share-based compensation				
Technology	\$0.5	\$1.8	\$11	\$3.7
Marketing	\$0.0	\$0.0	\$0.0	\$0.1
General and administrative	\$1.9	\$5.6	\$4.3	\$12.4
Total	\$2.4	\$7.4	\$5.4	\$16.2
Share-based compensation as a % of revenue	3.0%	9.8%	3.5%	10.8%