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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 7, 2022

Rent the Runway, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-40958
(Commission
File Number)

80-0376379
(IRS Employer
Identification Number)

Rent the Runway, Inc.
10 Jay Street
Brooklyn, New York 11201
(Address of principal executive offices, including Zip Code)

Registrant's telephone number, including area code: (212) 524-6860

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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

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

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|----------------------|---|
| Class A common stock, \$0.001 par value per share | RENT | The Nasdaq Global Select Market |

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

Emerging growth company

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

Item 2.02 Results of Operations and Financial Condition.

On December 7, 2022, Rent the Runway, Inc. (the “Company”) issued a press release announcing its financial results for the quarter ended October 31, 2022. A copy of the press release is furnished as Exhibit 99.1 to this Form 8-K and is incorporated by reference.

Information in Exhibit 99.1 of this Form 8-K shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise incorporated by reference into any filing pursuant to the Securities Act of 1933, as amended, or the Exchange Act, except as otherwise expressly stated in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|--|
| 99.1 | Press Release issued by Rent the Runway, Inc. on December 7, 2022 |
| 104 | Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document |

SIGNATURES

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

Date: December 7, 2022

RENT THE RUNWAY, INC.

By: /s/ Scarlett O'Sullivan

Scarlett O'Sullivan
Chief Financial Officer

Rent the Runway, Inc. Announces Third Quarter 2022 Results & Raises Guidance

Achieved record quarterly Revenue: Q3 2022 Revenue up 31% YoY

Significant progression in Gross Margin to 41%, up 7 percentage points YoY
Q3 2022 Net Loss of \$(36.1)M vs. \$(87.8)M in Q3 2021; Q3 2022 includes \$5.8M of restructuring-related charges

Strong Adjusted EBITDA of \$6.6M, up from \$(5.6)M in Q3 2021

Company raises annual Revenue and Adjusted EBITDA margin outlook

New York (December 7, 2022) - Rent the Runway, Inc. ("Rent the Runway" or "RTR") (NASDAQ: RENT), the world's first and largest shared designer closet platform, today reported financial results for the fiscal quarter ended October 31, 2022.

"I'm pleased to share that we exceeded our Q3 '22 Revenue and Adjusted EBITDA guidance. Revenue for the quarter was \$77.4 million, up 31% compared to Q3 '21. We're proud of our strong Adjusted EBITDA margin this quarter, which was up significantly versus the same period last year. We are also raising guidance for the year despite a tough environment," said Jennifer Hyman, CEO and Co-Founder of Rent the Runway. "Our restructuring plan, now substantially complete, allows us to invest in our customer proposition while significantly improving cash burn. We made considerable progress in 2022 in key foundational technology and customer initiatives. Over the coming year, we look forward to providing even more value to our customers and brand partners."

CFO Scarlett O'Sullivan stated, "We believe that our strong gross margins over 40% in the past two quarters and our continued expectation of \$25-\$27 million in annualized fixed cost savings from our restructuring sets us up for strong Adjusted EBITDA in fiscal 2023, in spite of the challenging macro environment. We continue to believe that our gross margin and fixed cost leverage improvements help to ensure RTR can navigate potentially rougher macro conditions, while improving our profitability and accelerating our path to free cash flow breakeven. As a result, we are raising our annual Adjusted EBITDA margin outlook. Over the medium-term, we continue to believe we can generate 15% profitability on Adjusted EBITDA after product depreciation."

Third Quarter 2022 Key Metrics and Financial Highlights

- Revenue was \$77.4 million, a 31% increase year-over-year from \$59.0 million in the third quarter of fiscal year 2021.
- 134,240 ending Active Subscribers, representing an increase of 15% year-over-year from 116,833 at the end of the third quarter of fiscal year 2021.
- 176,167 ending Total Subscribers, representing an increase of 17% year-over-year from 150,075 at the end of the third quarter of fiscal year 2021.

- Gross Profit was \$31.8 million, representing an increase of 60% from \$19.9 million in the third quarter of 2021. Gross Margin was 41.1%, as compared to 33.7% in the third quarter of fiscal year 2021.
- Net Loss was \$(36.1) million, as compared to \$(87.8) million in the third quarter of fiscal year 2021. Net Loss as a percentage of revenue was (46.6)%, as compared to (148.8)% in the third quarter of fiscal year 2021. In the three months ended October 31, 2022, Net Loss included \$5.8 million of restructuring and related charges.
- Adjusted EBITDA was \$6.6 million, as compared to \$(5.6) million in the third quarter of fiscal year 2021. Adjusted EBITDA margin was 8.5%, as compared to (9.5)% in the third quarter of fiscal year 2021.

Third Quarter and Recent Business Highlights

- Continued strong subscriber engagement, with 28% of subscribers adding one or more paid additional items into their subscription program.
- Completed key foundational work to connect our proprietary inventory data system into our on-site search and discovery experiences. This initiative is expected to greatly enhance our customers' ability to find and rent products they love on our site next year.
- In November, launched our first celebrity collection with Ashley Park, co-star of Netflix's "Emily in Paris." Celebrity collections provide important marketing and awareness benefits to RTR, and provide noteworthy collaborators with access to our platform.
- Four new Exclusive Design brands, including Atlein, Ronny Kobo, Marina Moscone and Toccin launched in Fall 2022; on track to offer 18 Exclusive Design partners during fiscal year 2022, around half of which are new this year.
- Launched a pilot selling our brand new Exclusive Design products wholesale to a third-party retailer, highlighting the potential of the RTR platform and data, and customer appeal of our designs.
- Launched a new liquidation partnership to broaden our liquidation network and drive additional monetization of our products while giving our rental garments a second life.
- Expanded at-home pickup to over 30 markets covering 55% of our subscriber base, ahead of our goal of bringing the offering to over half of our subscriber base by year-end. Subscriber adoption of at-home pickup within eligible zip codes grew from 29% to 39% during Q3.

Outlook

For the fourth quarter of fiscal year 2022, Rent the Runway expects:

- Revenue in the range of \$72 million to \$74 million
- Adjusted EBITDA margin of 4% to 5%

For the fiscal year 2022, Rent the Runway expects:

- Revenue in the range of \$293 million to \$295 million
- Adjusted EBITDA margin of 1%

Please see our third quarter 2022 earnings presentation at <https://investors.renttherunway.com/> under the "Presentations" section for supplemental guidance.

Earnings Presentation, Conference Call and Webcast

The third quarter 2022 Earnings Presentation is now accessible through the Investor Relations section of Rent the Runway's website at <https://investors.renttherunway.com/> under the "Presentations" section.

Rent the Runway will host a conference call and webcast to discuss its third quarter 2022 financial results and provide a business update today at 4:30 pm EST.

The financial results and live webcast will be accessible through the Investor Relations section of Rent the Runway's website at <https://investors.renttherunway.com/> under the "Events" section. To access the call through a conference line, dial 1-877-407-3982 (in the U.S.) or 1-201-493-6780 (international callers).

A replay of the conference call will be posted shortly after the call and will be available for at least fourteen days. To access the replay, dial 1-844-512-2921 (in the U.S.) or 1-412-317-6671 (international callers). The access code for the replay is 13734327.

About Rent the Runway, Inc.

Founded in 2009, Rent the Runway is disrupting the trillion-dollar fashion industry and changing the way women get dressed through the Closet in the Cloud, the world's first and largest shared designer closet. RTR's mission has remained the same since its founding: powering women to feel their best every day. Through RTR, customers can subscribe, rent items a-la-carte and shop resale from over 800 designer brands. The Closet in the Cloud offers a wide assortment of millions of items for every occasion, from evening wear and accessories to ready-to-wear, workwear, denim, casual, maternity, outerwear, blouses, knitwear, loungewear, jewelry, handbags, activewear, ski wear, home goods and kidswear. RTR has built a two-sided discovery engine, which connects deeply engaged customers and differentiated brand partners on a powerful platform built around its brand, data, logistics and technology. Under CEO and Co-Founder Jennifer Hyman's leadership, RTR has been named to CNBC's "Disruptor 50" five times in ten years, and has been placed on Fast Company's Most Innovative Companies list four times, while Hyman herself has been named to the "TIME 100: Most Influential People in the World" and as one of People Magazine's "Women Changing the World."

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this press release 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 our future results of operations, financial position, and revenue, future product launches, strategic initiatives, business objectives, anticipated macroeconomic environment, anticipated impacts of and the anticipated charges and cost savings associated with our restructuring plan, and subscriber trends. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. In some cases, you can identify forward-looking statements because they contain words such as “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “toward,” “will,” or “would,” or the negative of these words or other similar terms or expressions. You should not put undue reliance on any forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved, if at all.

Forward-looking statements are based on information available at the time those statements are made and were based on current expectations, estimates, forecasts, and projections as well as the beliefs and assumptions of management as of that time with respect to future events. These statements are subject to risks and uncertainties, many of which involve factors or circumstances that are beyond our control, that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this press release may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements. These risks and uncertainties include our ability to manage our growth effectively; risks related to the macroeconomic environment; the COVID-19 pandemic; the highly competitive and rapidly changing nature of the global fashion industry; our ability to cost-effectively grow our customer base; any failure to retain customers; our ability to accurately forecast customer demand, manage our offerings effectively and plan for future expenses; changes in consumer discretionary spending; risks arising from the restructuring of our operations; risks related to shipping, logistics and our supply chain; our reliance on the effective operation of proprietary technology systems and software as well as those of third-party vendors and service providers; our ability to remediate our material weaknesses in our internal control over financial reporting; laws and regulations applicable to our business; failure to adequately maintain and protect 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 partners; reliance on third parties for elements of the payment processing infrastructure underlying our business; 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 associated with our need for additional capital and indebtedness, including that financing or refinancing may not be available on acceptable terms at all; and risks related to our Class A capital stock and ownership structure. 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 Annual Report on Form 10-K for the year ended January 31, 2022, as will be updated in our Quarterly Report on Form 10-Q for the quarter ended October 31, 2022. 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.

Key Business and Financial Metrics

Active Subscribers is defined as the number of subscribers with an active membership as of the last day of any given period and excludes paused subscribers.

Gross Profit is defined as total revenue less fulfillment expense, revenue share and rental product depreciation. We depreciate owned apparel assets over three years and owned accessory assets over two years net of 20% and 30% salvage values, respectively, and recognize the depreciation and remaining cost of items when sold or retired on our statement of operations. Rental product depreciation expense is time-based and reflects all items we own. We use Gross Profit and Gross Profit as a percentage of revenue, or Gross Margin to measure the continued efficiency of our business after the cost of our products and fulfillment costs are included.

Non-GAAP Financial Measures

This press release and the accompanying tables contain the non-GAAP financial measures of Adjusted EBITDA and Adjusted EBITDA margin and Adjusted EBITDA after product depreciation margin. In addition to our results determined in accordance with GAAP, we believe that Adjusted EBITDA and Adjusted EBITDA margin and Adjusted EBITDA after product depreciation margin are useful in evaluating our performance. Adjusted EBITDA is a key performance measure used by management to assess our operating performance and the operating leverage of our business prior to capital expenditures. Adjusted EBITDA after product depreciation margin is used by management to assess our operating performance and the operating leverage of our business after all product costs. These non-GAAP financial metrics are not meant to be considered as indicators of our financial performance in isolation from or as a substitute for our financial information prepared in accordance with GAAP and should be read only in conjunction with financial information presented on a GAAP basis. There are limitations to the use of the non-GAAP financial metrics presented in this press release. For example, our non-GAAP financial metrics may not be comparable to similarly titled measures of other companies. Other companies, including companies in our industry, may calculate non-GAAP financial metrics differently than we do, limiting the usefulness of those measures for comparative purposes.

We define Adjusted EBITDA as net loss, adjusted to exclude interest expense, rental product depreciation, other depreciation and amortization, share-based compensation expense, write-off of liquidated assets, certain non-recurring, one-time costs (see below footnotes to reconciliation table), restructuring charges, loss on asset impairment related to restructuring, income taxes, other income and expense, gain / loss on warrant liability revaluation, net, gain / loss on debt extinguishment, net, and other gains / losses. Adjusted EBITDA margin is defined as Adjusted EBITDA calculated as a percentage of revenue. Adjusted EBITDA after product depreciation margin is defined as Adjusted EBITDA less product depreciation, calculated as a percentage of revenue.

The reconciliation of the non-GAAP financial metrics to the most directly comparable GAAP financial measure is presented below. We encourage reviewing the reconciliation in conjunction with the presentation of the non-GAAP financial metrics for each of the periods presented. In future periods, we may exclude similar items, may incur income and expenses similar to these excluded items, and may include other expenses, costs and non-recurring items. Reconciliation of Adjusted EBITDA and Adjusted EBITDA margin guidance and our Adjusted EBITDA after product depreciation margin target 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.

Investor Contact

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Rent the Runway, Inc.
Condensed Consolidated Balance Sheets
(in millions)
(unaudited)

| | October 31, 2022 | January 31, 2022 |
|---|---------------------|---------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 176.0 | \$ 247.6 |
| Restricted cash, current | 4.1 | 5.4 |
| Prepaid expenses and other current assets | 14.8 | 11.7 |
| Total current assets | 194.9 | 264.7 |
| Restricted cash | 5.8 | 6.6 |
| Rental product, net | 81.6 | 76.3 |
| Fixed assets, net | 48.2 | 57.2 |
| Intangible assets, net | 5.4 | 6.4 |
| Operating lease right-of-use assets | 27.3 | 31.5 |
| Other assets | 4.0 | 4.8 |
| Total assets | \$ 367.2 | \$ 447.5 |
| Liabilities and Stockholders' Equity (Deficit) | | |
| Current liabilities: | | |
| Accounts payable | \$ 24.8 | \$ 15.9 |
| Accrued expenses and other current liabilities | 25.7 | 30.0 |
| Deferred revenue | 13.0 | 10.4 |
| Customer credit liabilities | 6.8 | 6.9 |
| Operating lease liabilities | 4.5 | 5.6 |
| Total current liabilities | 74.8 | 68.8 |
| Long-term debt, net | 274.6 | 260.8 |
| Operating lease liabilities | 39.4 | 46.4 |
| Other liabilities | 0.8 | 0.4 |
| Total liabilities | 389.6 | 376.4 |
| Stockholders' equity (deficit) | | |
| Class A common stock | 0.1 | 0.1 |
| Class B common stock | — | — |
| Preferred stock | — | — |
| Additional paid-in capital | 891.2 | 872.2 |
| Accumulated deficit | (913.7) | (801.2) |
| Total stockholders' equity (deficit) | (22.4) | 71.1 |
| Total liabilities and stockholders' equity (deficit) | \$ 367.2 | \$ 447.5 |

Rent the Runway, Inc.
Condensed Consolidated Statements of Operations
(in millions, except share and per share amounts)
(unaudited)

| | Three Months Ended October 31, | | Nine Months Ended October 31, | |
|---|--------------------------------|-------------------|-------------------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Revenue: | | | | |
| Subscription and Reserve rental revenue | \$ 68.8 | \$ 54.3 | \$ 200.2 | \$ 127.0 |
| Other revenue | 8.6 | 4.7 | 20.8 | 12.2 |
| Total revenue, net | <u>77.4</u> | <u>59.0</u> | <u>221.0</u> | <u>139.2</u> |
| Costs and expenses: | | | | |
| Fulfillment | 23.2 | 19.2 | 69.5 | 41.5 |
| Technology | 14.1 | 12.8 | 42.6 | 33.0 |
| Marketing | 9.7 | 10.8 | 27.4 | 18.2 |
| General and administrative | 25.3 | 35.8 | 84.1 | 76.4 |
| Rental product depreciation and revenue share | 22.4 | 19.9 | 64.8 | 51.5 |
| Other depreciation and amortization | 3.9 | 4.7 | 12.6 | 14.6 |
| Restructuring charges | 2.0 | — | 2.0 | — |
| Loss on asset impairment related to restructuring | 3.8 | — | 3.8 | — |
| Total costs and expenses | <u>104.4</u> | <u>103.2</u> | <u>306.8</u> | <u>235.2</u> |
| Operating loss | (27.0) | (44.2) | (85.8) | (96.0) |
| Interest income / (expense), net | (9.3) | (14.3) | (28.2) | (43.7) |
| Gain / (loss) on warrant liability revaluation, net | — | (17.4) | — | (24.9) |
| Gain / (loss) on debt extinguishment, net | — | (12.2) | — | (12.2) |
| Other income / (expense), net | 0.1 | — | 1.4 | 3.9 |
| Net loss before income tax benefit / (expense) | <u>(36.2)</u> | <u>(88.1)</u> | <u>(112.6)</u> | <u>(172.9)</u> |
| Income tax benefit / (expense) | 0.1 | 0.3 | 0.1 | 0.4 |
| Net loss | <u>\$ (36.1)</u> | <u>\$ (87.8)</u> | <u>\$ (112.5)</u> | <u>\$ (172.5)</u> |
| Net loss per share attributable to common stockholders, basic and diluted | <u>\$ (0.56)</u> | <u>\$ (6.72)</u> | <u>\$ (1.76)</u> | <u>\$ (14.35)</u> |
| Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted | <u>64,521,433</u> | <u>13,063,034</u> | <u>64,015,444</u> | <u>12,018,879</u> |

Rent the Runway, Inc.
Condensed Consolidated Statements of Cash Flow
(in millions)
(unaudited)

| | Nine Months Ended October 31, | |
|---|-------------------------------|-----------------|
| | 2022 | 2021 |
| OPERATING ACTIVITIES | | |
| Net loss | \$ (112.5) | \$ (172.5) |
| Adjustments to reconcile net loss to net cash (used in) provided by operating activities: | | |
| Rental product depreciation and write-offs | 35.9 | 33.9 |
| Write-off of rental product sold | 5.1 | 3.7 |
| Other depreciation and amortization | 12.6 | 14.6 |
| (Gain) / loss from write-off of fixed assets | 2.5 | — |
| Loss on asset impairment related to restructuring | 3.4 | — |
| Proceeds from rental product sold | (13.7) | (9.0) |
| (Gain) / loss from liquidation of rental product | (2.7) | (0.8) |
| Accrual of paid-in-kind interest | 10.6 | 35.4 |
| Settlement of paid-in-kind interest | — | (6.3) |
| Amortization of debt discount | 3.2 | 4.9 |
| Loss on debt extinguishment | — | 12.2 |
| Share-based compensation expense | 19.0 | 21.4 |
| Remeasurement of warrant liability | — | 24.9 |
| Changes in operating assets and liabilities: | | |
| Prepaid expenses and other current assets | (3.1) | (0.7) |
| Operating lease right-of-use assets | 4.2 | 2.5 |
| Other assets | 0.8 | (2.6) |
| Accounts payable, accrued expenses and other current liabilities | 0.2 | 13.9 |
| Deferred revenue and customer credit liabilities | 2.5 | 5.1 |
| Operating lease liabilities | (8.1) | (4.9) |
| Other liabilities | 0.7 | 0.8 |
| Net cash (used in) provided by operating activities | <u>(39.4)</u> | <u>(23.5)</u> |
| INVESTING ACTIVITIES | | |
| Purchases of rental product | (43.6) | (17.0) |
| Proceeds from liquidation of rental product | 7.9 | 4.8 |
| Proceeds from sale of rental product | 13.7 | 9.0 |
| Purchases of fixed and intangible assets | (8.5) | (6.2) |
| Net cash (used in) provided by investing activities | <u>(30.5)</u> | <u>(9.4)</u> |
| FINANCING ACTIVITIES | | |
| Proceeds from issuance of common stock upon IPO, net of offering costs | — | 331.5 |
| Proceeds from issuance of redeemable preferred stock | — | 21.2 |
| Proceeds from exercise of stock options under stock incentive plan | — | 3.1 |
| Principal repayments on long-term debt | — | (135.0) |
| Deferred financing costs paid | — | (0.2) |
| Debt extinguishment costs | — | (4.7) |
| Other financing payments | (3.8) | (0.2) |
| Net cash (used in) provided by financing activities | <u>(3.8)</u> | <u>215.7</u> |
| Net (decrease) increase in cash and cash equivalents and restricted cash | (73.7) | 182.8 |
| Cash and cash equivalents and restricted cash at beginning of period | 259.6 | 109.2 |
| Cash and cash equivalents and restricted cash at end of period | <u>\$ 185.9</u> | <u>\$ 292.0</u> |

Rent the Runway, Inc.
Condensed Consolidated Statements of Cash Flow
(in millions)
(unaudited)

| | Nine Months Ended October 31, | |
|---|-------------------------------|----------|
| | 2022 | 2021 |
| RECONCILIATION OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH TO THE CONDENSED CONSOLIDATED BALANCE SHEETS | | |
| Cash and cash equivalents | \$ 176.0 | \$ 278.7 |
| Restricted cash, current | 4.1 | 5.6 |
| Restricted cash, noncurrent | 5.8 | 7.7 |
| Total cash and cash equivalents and restricted cash | \$ 185.9 | \$ 292.0 |
| Supplemental Cash Flow Information: | | |
| Cash payments (receipts) for: | | |
| Fixed operating leases payments (reimbursements), net | \$ 10.6 | \$ 12.0 |
| Fixed assets and intangibles received in the prior period | 0.8 | 0.5 |
| Rental product received in the prior period | 6.5 | 3.6 |
| Non-cash financing and investing activities: | | |
| Financing leases right-of-use asset amortization | \$ 0.4 | \$ 0.2 |
| ROU assets obtained in exchange for lease liabilities | 1.3 | 0.7 |
| Purchases of fixed assets and intangibles not yet settled | 0.8 | 0.7 |
| Purchases of rental product not yet settled | 14.0 | 10.4 |
| Reconciliation of loss on asset impairment: | | |
| Accrued expense related to the loss on asset impairment | 0.4 | — |

Rent the Runway, Inc.
Reconciliation of GAAP to Non-GAAP Financial Measures
(in millions)
(unaudited)

The following table presents a reconciliation of net loss, the most comparable GAAP financial measure, to Adjusted EBITDA for the periods presented:

| | Three Months Ended October 31, | | Nine Months Ended October 31, | |
|--|--------------------------------|-----------|-------------------------------|------------|
| | 2022 | 2021 | 2022 | 2021 |
| | (in millions) | | (in millions) | |
| Net loss | \$ (36.1) | \$ (87.8) | \$ (112.5) | \$ (172.5) |
| Interest (income) / expense, net ⁽¹⁾ | 9.3 | 14.3 | 28.2 | 43.7 |
| Rental product depreciation | 13.9 | 13.7 | 41.0 | 37.6 |
| Other depreciation and amortization ⁽²⁾ | 3.9 | 4.7 | 12.6 | 14.6 |
| Share-based compensation ⁽³⁾ | 6.6 | 17.1 | 19.0 | 21.4 |
| Write-off of liquidated assets ⁽⁴⁾ | 2.5 | 1.2 | 4.9 | 4.0 |
| Non-recurring adjustments ⁽⁵⁾ | 0.3 | 1.8 | 1.3 | 4.6 |
| Restructuring charges ⁽⁶⁾ | 2.0 | — | 2.0 | — |
| Loss on asset impairment related to restructuring ⁽⁷⁾ | 3.8 | — | 3.8 | — |
| Income tax (benefit) / expense | (0.1) | (0.3) | (0.1) | (0.4) |
| (Gain) / loss on warrant liability revaluation, net ⁽⁸⁾ | — | 17.4 | — | 24.9 |
| (Gain) / loss on debt extinguishment, net ⁽⁹⁾ | — | 12.2 | — | 12.2 |
| Other (income) / expense, net ⁽¹⁰⁾ | (0.1) | — | (1.4) | (3.9) |
| Other (gains) / losses ⁽¹¹⁾ | 0.6 | 0.1 | 0.8 | 0.1 |
| Adjusted EBITDA | \$ 6.6 | \$ (5.6) | \$ (0.4) | \$ (13.7) |
| Adjusted EBITDA Margin ⁽¹²⁾ | 8.5 % | (9.5)% | (0.2)% | (9.8)% |

⁽¹⁾ Includes debt discount amortization of \$1.2 million in the three months ended October 31, 2022, \$1.0 million in the three months ended October 31, 2021, \$3.2 million in the nine months ended October 31, 2022 and \$4.9 million in the nine months ended October 31, 2021.

⁽²⁾ Reflects non-rental product depreciation and capitalized software amortization.

⁽³⁾ Reflects the non-cash expense for share-based compensation. The three and nine months ended October 31, 2021 includes \$14.4 million of costs incurred for one-time IPO-related RSU vesting events.

⁽⁴⁾ Reflects the write-off of the remaining book value of liquidated rental product that had previously been held for sale.

⁽⁵⁾ Non-recurring adjustments for the three months ended October 31, 2022 includes \$0.3 million of costs related to public company SOX readiness and the three months ended October 31, 2021 includes \$1.8 million of costs primarily associated with public readiness preparation. Non-recurring adjustments for the nine months ended October 31, 2022 includes \$1.3 million of public company SOX readiness and for the nine months ended October 31, 2021 includes \$4.5 million of costs primarily associated with public readiness preparation.

⁽⁶⁾ Reflects restructuring charges primarily related to severance and related costs in connection with the September 2022 restructuring plan.

⁽⁷⁾ Reflects the asset impairment charge related to discontinuing a warehouse operations project in connection with the September 2022 restructuring plan.

⁽⁸⁾ Reflects the expense associated with revaluing prior liability classified lender warrants to the respective fair value at period end, or prior to conversion. As of October 31, 2022, all outstanding warrants are equity classified and therefore do not require remeasurement going forward.

⁽⁹⁾ Includes debt extinguishment costs related to debt paydown in the periods presented.

⁽¹⁰⁾ Primarily includes \$1.4 million of monetized tax credits for the nine months ended October 31, 2022 and \$4.0 million of insurance claim proceeds for the nine months ended October 31, 2021. Includes gains / losses recognized in relation to foreign exchange, operating lease

terminations and the related surrender of fixed assets (see "Note 5 - Leases – Lessee Accounting" in the Notes to the Condensed Consolidated Financial Statements).

⁽¹¹⁾ Includes costs associated with the write-off of non-rental product asset disposals, operating lease termination and foreign exchange.

⁽¹²⁾ Adjusted EBITDA Margin calculated as Adjusted EBITDA as a percentage of revenue.