



RENT THE RUNWAY

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# Q3 2024 Earnings Presentation

December 9, 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. 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 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 attract or 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 October 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 Q3 financial results. For more information, refer to our press release dated 12/9/24 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 Q3 2024 Summary
- 02 Recent Business Highlights
- 03 Q4 + FY 2024 Guidance



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# Q3 2024 Summary

# Q3'24 Key Metrics and Financial Highlights

## TOTAL REVENUE

\$75.9M

Up 5% YoY

## ACTIVE SUBSCRIBERS

132.5K, Up 1% YoY

## AVERAGE ACTIVE SUBSCRIBERS

130.8K, Down 3% YoY

## TOTAL SUBSCRIBERS

174.5K

Down 1% YoY

## GROSS PROFIT / MARGIN

\$26.3M / 35%

Margin flat YoY

## NET LOSS / MARGIN

\$(18.9)M / (25)%

Margin up 19 pts YoY

## ADJ. EBITDA / MARGIN

\$9.3M / 12%

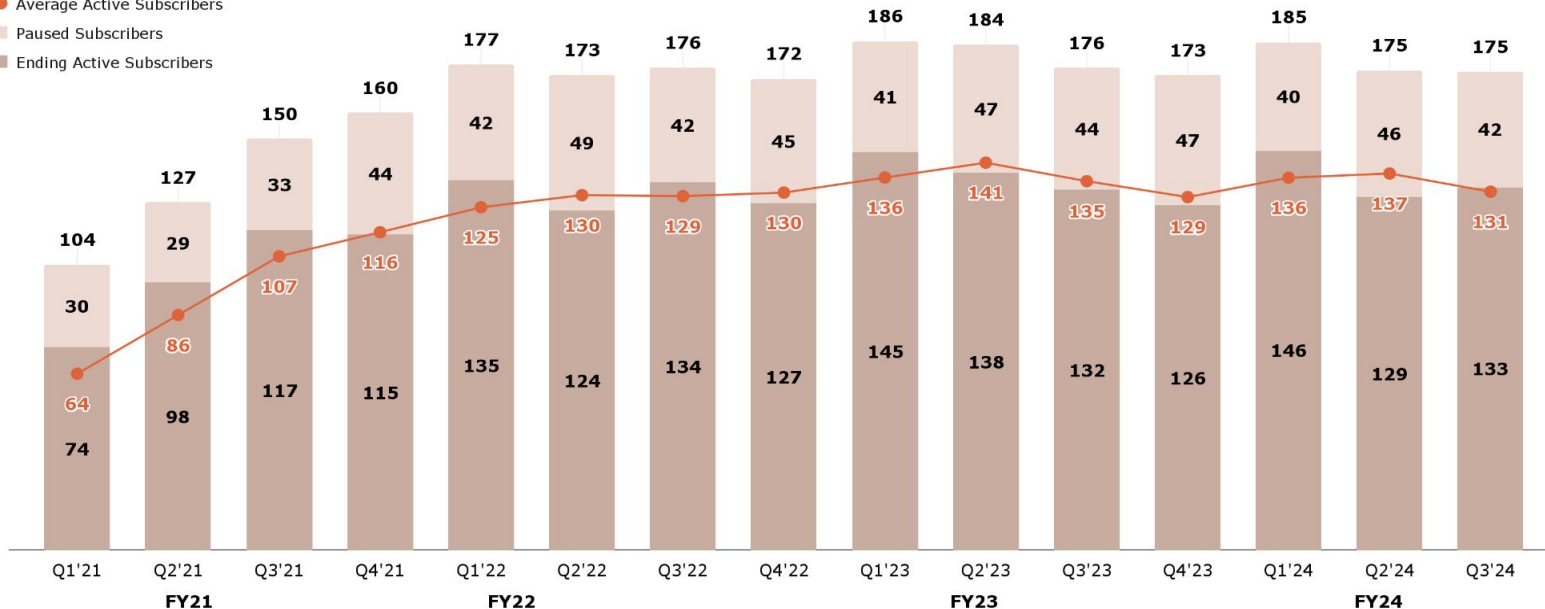
Margin up 7 pts YoY

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 October 31, 2024 Up 0.6% YoY

## SUBSCRIBERS (IN THOUSANDS)

- Average Active Subscribers
- Paused Subscribers
- Ending Active Subscribers

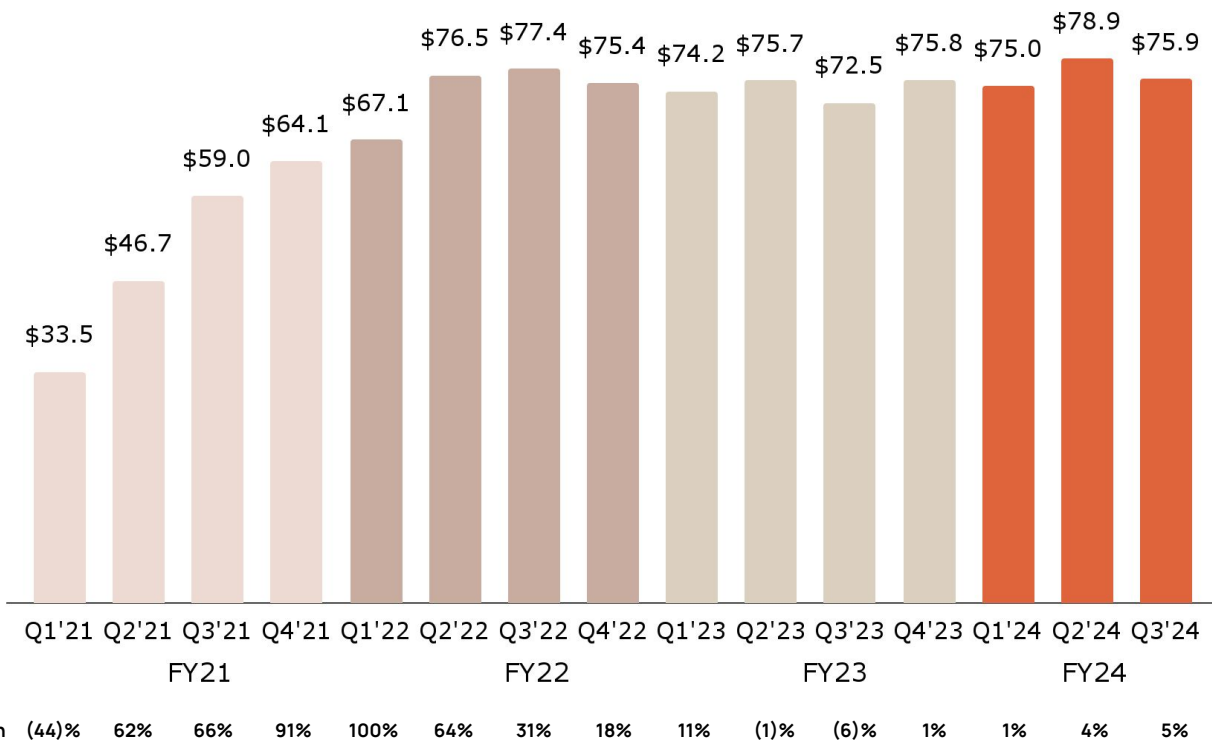


YoY Active Subs	40%	80%	78%	110%	82%	27%	15%	10%	8%	11%	(2)%	(1)%	0%	(6)%	1%
YoY Avg Active Subs	(31)%	60%	79%	93%	94%	51%	20%	12%	9%	9%	4%	(1)%	(0)%	(3)%	(3)%
Paused % of Total	29%	23%	22%	28%	24%	28%	24%	26%	22%	25%	25%	27%	21%	26%	24%

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 5% YoY in Q3'24

TOTAL REVENUE, NET (\$ IN MILLIONS)



## Subscriber Highlights

- 87% of revenue from subscribers in Q3'24
- 24% of subscribers added one or more paid items into their subscriptions in Q3'24

Note: FY21 ended January 31, 2022; FY22 ended January 31, 2023; FY23 ended January 31, 2024; Q3'24 ended October 31, 2024.

# Revenue to Gross Profit - Q3'24 and Q3'23

## FISCAL QUARTER ENDED OCTOBER 31, 2024

% of Revenue

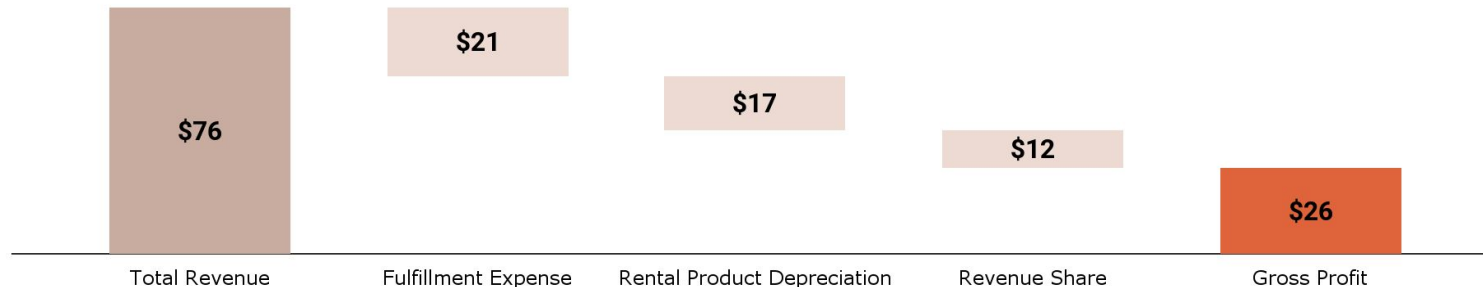
28%

22%

15%

35%

\$ IN MILLIONS



## FISCAL QUARTER ENDED OCTOBER 31, 2023

% of Revenue

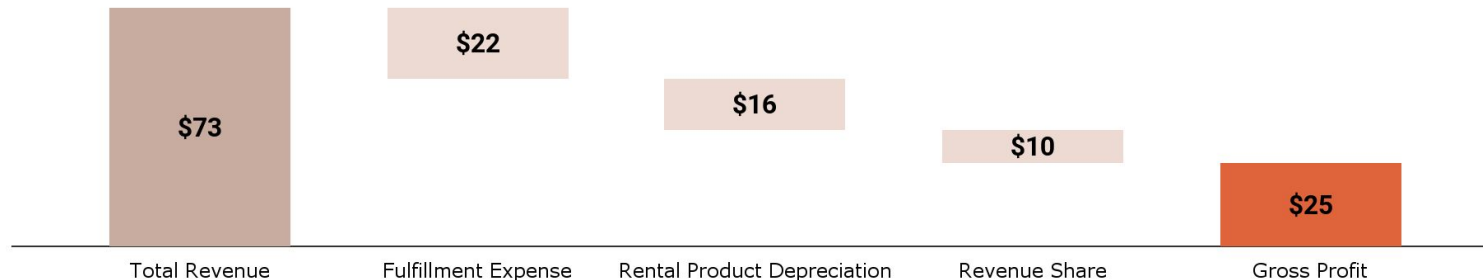
30%

21%

14%

35%

\$ IN MILLIONS

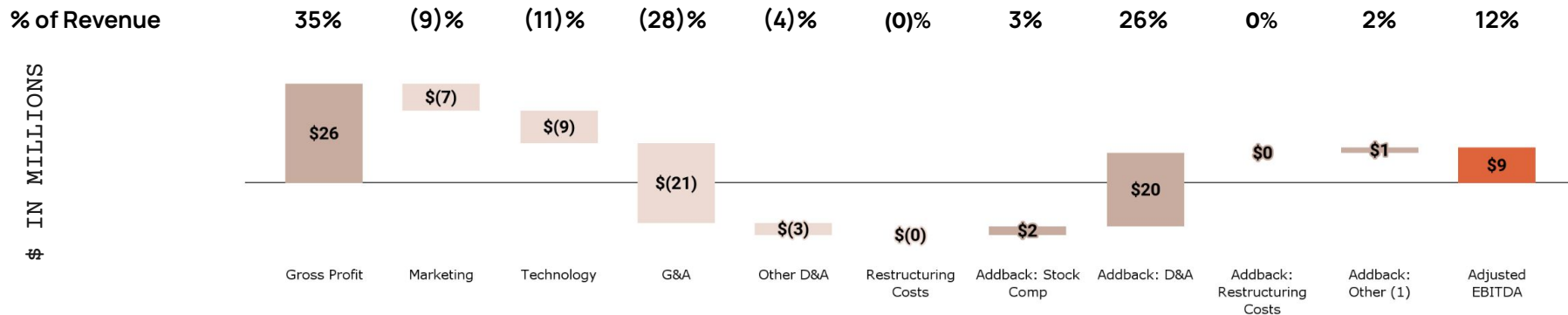


Note: Calculations are based on unrounded figures.

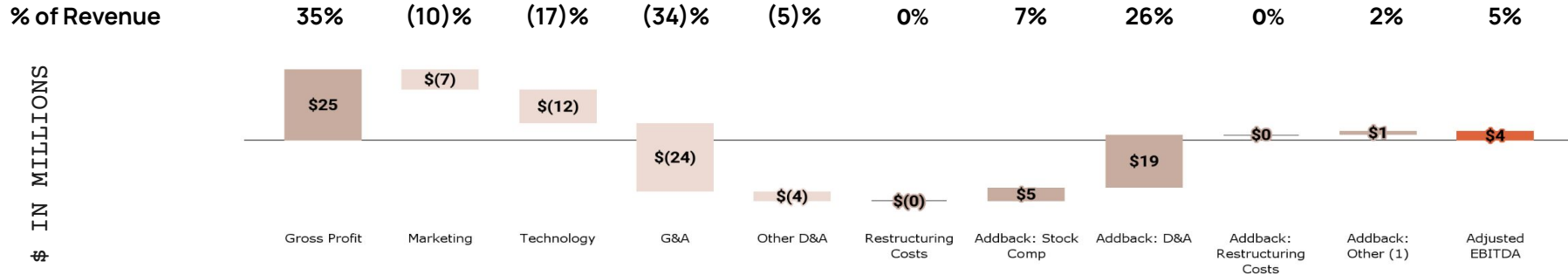


# Gross Profit to Adjusted EBITDA - Q3'24 and Q3'23

## FISCAL QUARTER ENDED OCTOBER 31, 2024



## FISCAL QUARTER ENDED OCTOBER 31, 2023

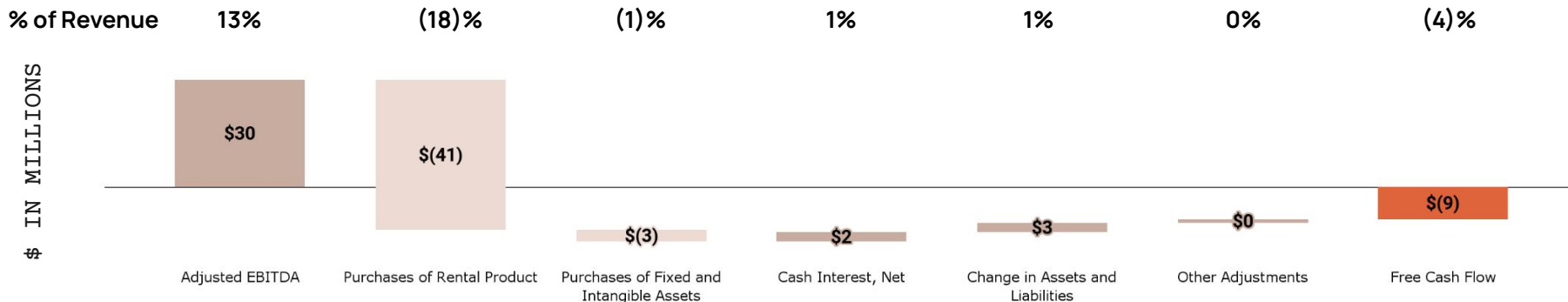


Note: See GAAP to Non-GAAP Reconciliation in appendix. Calculations based on unrounded figures.

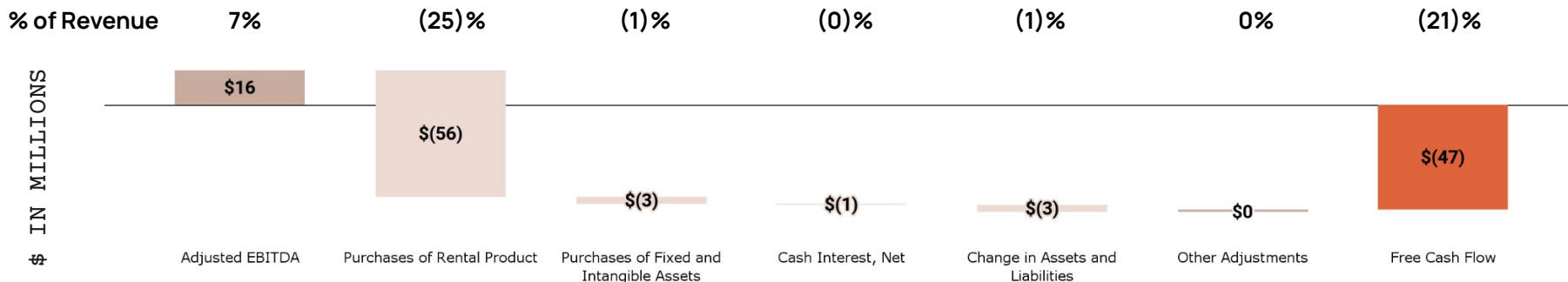
<sup>1</sup> Addback: Other includes write-offs of liquidated assets, non-recurring adjustments, and other adjustments.

# Adjusted EBITDA to Free Cash Flow - YTD'24 and YTD'23

## NINE MONTHS ENDED October 31, 2024



## NINE MONTHS ENDED October 31, 2023



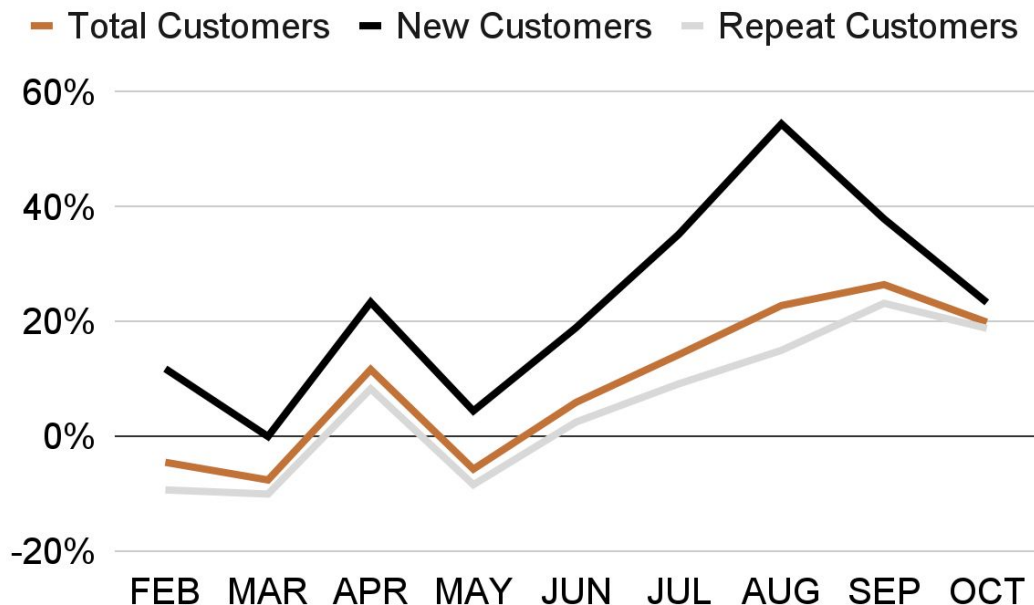
Note: See GAAP to Non-GAAP Reconciliation in appendix. Free cash flow defined as net cash (used in) provided by operating activities and net cash (used in) provided by investing activities on a combined basis. Calculations based on unrounded figures. Other adjustments primarily includes cash tax adjustments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

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# Recent Business Highlights

# Our Reserve Offering Saw Strong YoY Improvement in Orders Throughout Q3

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



## Q3 Reserve Highlights

- New Customers into Reserve were up 22% YTD YoY and 36% Q3 YoY
- Increased the productivity of our highest demanded reserve styles
- October 2024 saw a ~46% increase in the number of units that are renting 2+ times a month, compared to prior year
- Re-launched our “fit guarantee” in September 2024

# We Continue to Re-Ignite Our Brand By Highlighting Our Customers and Launching New Partnerships

In celebration of our 15 year anniversary, we launched our new tagline “Own Nothing, Have Everything” and celebrated by featuring our customers.



## 15 Years of *having it all.*

We've seen (and styled) our members through first days, big nights, and every moment in-between—so who better to star in our latest campaign?

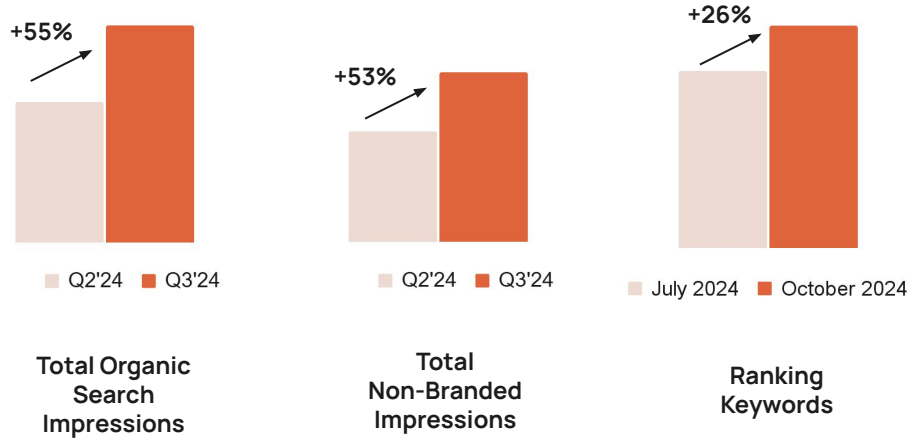
[See the Campaign](#)

As part of our ongoing RTR Icons franchise, we launched a two season partnership with Dallas Cowboy Cheerleaders



# SEO Improvements Drove Growth in Impressions

## Impressions and Ranking Growth



## Q3 SEO Highlights

- Optimized pages and content to improve the ranking for keywords
- Total site organic search impressions grew 55% Q-o-Q
- Total non-branded impressions grew 53% Q-o-Q
- Total ranking keywords grew 26% from July to October

# Launched a New Subscription Plan that for the First Time gives Access to RTR Marquee Designer Brands in a 1-Shipment a Month Plan

## \$119 5-Item/1 Shipment Plan

Select a Plan

Pause or cancel anytime.

	New	Most Loved
<b>5</b>	<b>5</b>	<b>10</b>
items/month	items/month	items/month
Limited Closet	Full Closet	Full Closet

● ○

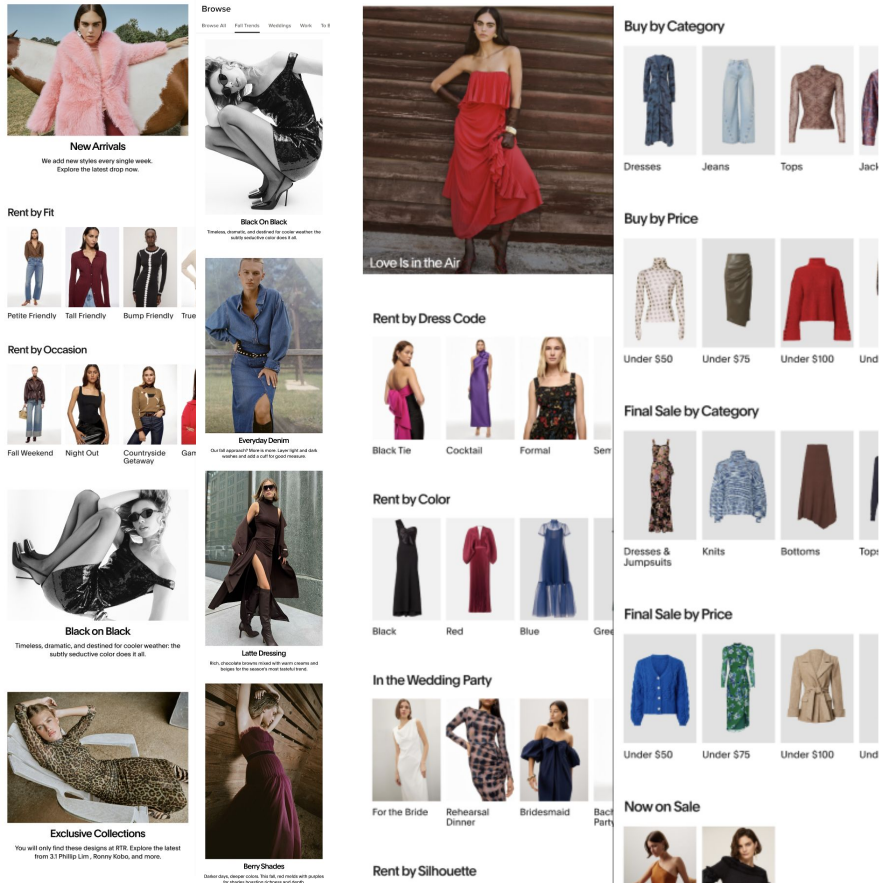
**\$95/mo for 1 month**  
\$119/mo after

- ✓ 1 shipment/month
- ✓ Full Subscription Closet
- ✓ Rent 5 items at a time

## Rationale

- For segment of customers who are more price sensitive and want 1-shipment per month (easier entry into the brand)
- First time that subscribers can access the full RTR subscription assortment in a 1-shipment per month plan
- In line with our strategy to offer a diverse product suite that appeals to different customer segments
- Capitalizes on RTR brand awareness to reach a larger audience

# We Improved How We Merchandise Inventory, Making it Easier to Discover Styles to Rent



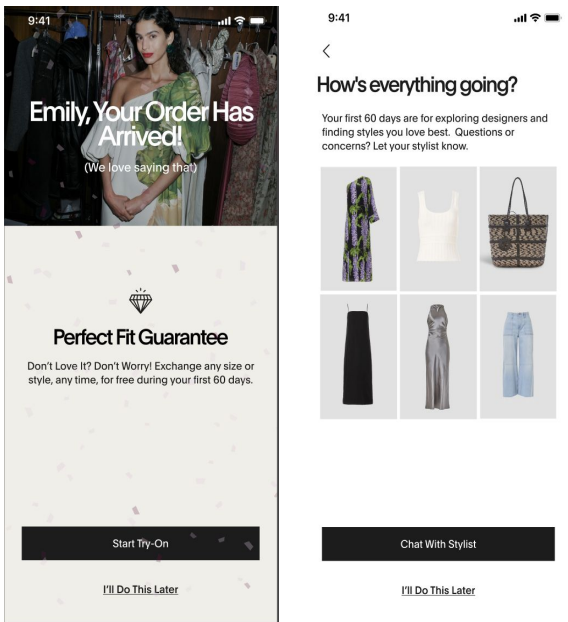
## Q3 Merchandising Highlights

- Added site placements and merchandising for top viewed categories and grids
- Personalization enhancements led to 3x improvement in CTR
- Increased frequency of visual refreshes to ensure customers see wider swath of total inventory
- Resulted in 15% lower time to pick for early term subscribers and 6.7% improved hearts per style on older inventory



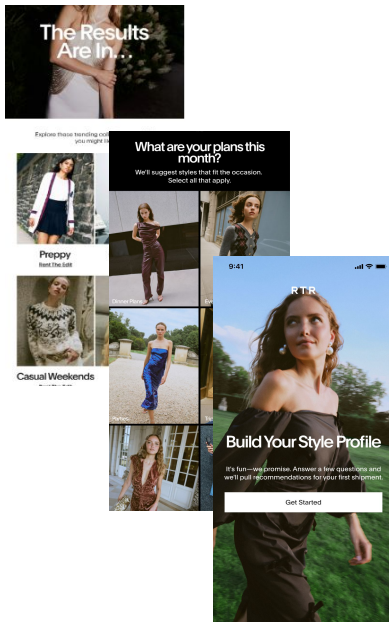
# We Launched Several Initiatives Designed to Enhance the Onboarding Experience for Our Subscribers

## Customer Promise



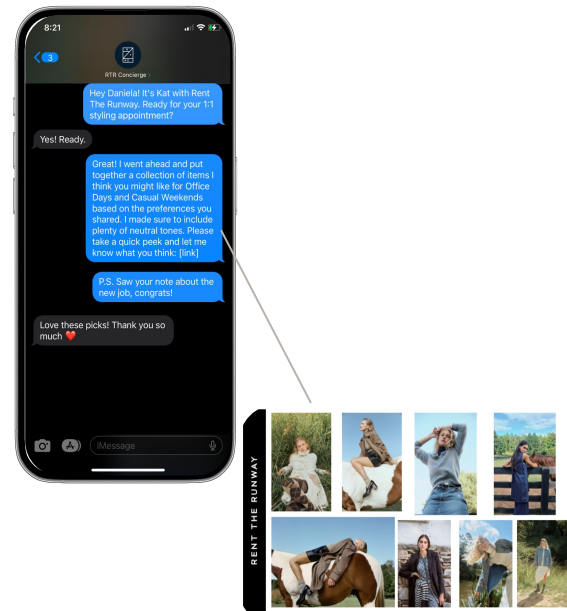
We want her to rent with confidence without any hesitation by guaranteeing her first 60 days

## Style Quiz



Right after she joins, she's asked to complete a Style Survey designed to tailor her browse and pick experience

## 1:1 Styling Appointments



She can book styling appointments over Zoom, calls or SMS.

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# Q4 + FY 2024 Guidance

# Q4 & Fiscal Year 2024 Guidance

## Q4 2024 Guidance

Total Revenue:	\$74.4 M - \$80.3 M
Adjusted EBITDA:	\$16.1 M - \$20.1 M

## FY2024 Guidance

Total Revenue:	\$304.2 M - \$310.1 M; 2% - 4% YoY Growth
Adjusted EBITDA Margin <sup>1</sup> :	15% - 16% of Total Revenue
Rental Product Acquired <sup>2</sup> :	~\$48M - \$51M
Share-based Compensation:	\$10M - \$12M
Free Cash Flow <sup>3</sup> :	Breakeven

<sup>1</sup> Reconciliation of Adjusted EBITDA, Adjusted EBITDA margin and free cash flow expectations for Q4 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.

<sup>2</sup> 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.

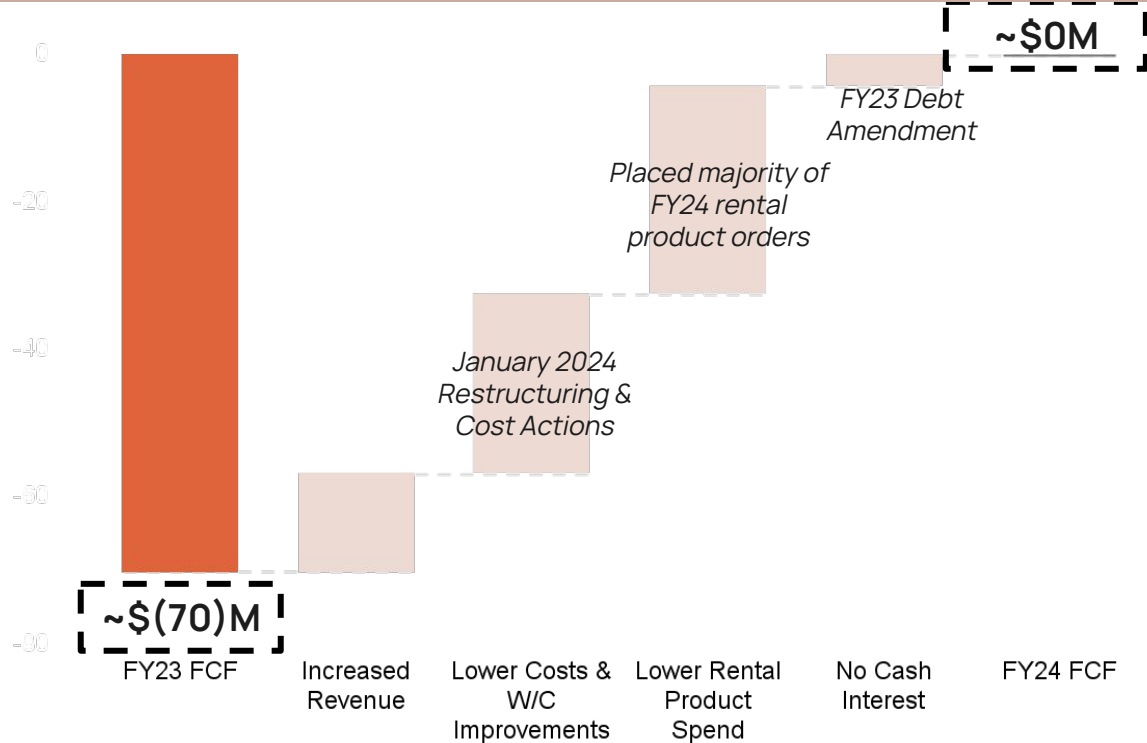
<sup>3</sup> Free cash flow defined as net cash (used in) provided by operating activities and net cash (used in) provided by investing activities on a combined basis.

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# Appendix

# Our Primary Focus is to Become FCF Breakeven for FY24

Projected Free Cash Flow Bridge FY23 vs. FY24\*



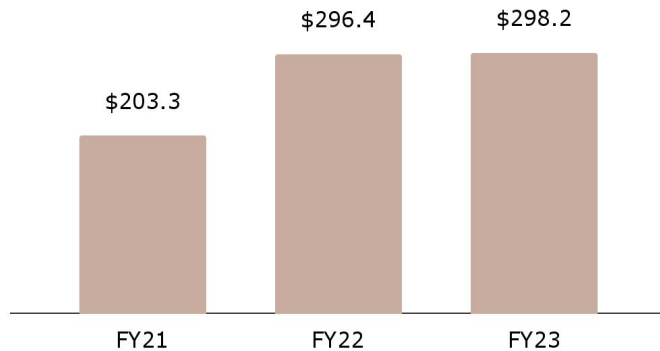
- We anticipate reaching FCF breakeven based on a wide range of revenue growth strategies
- Our cost base has reduced significantly as a result of the recent restructuring and continued fulfillment and transportation efficiencies
- Our FY24 planned inventory spend is dramatically lower than FY23 due 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.

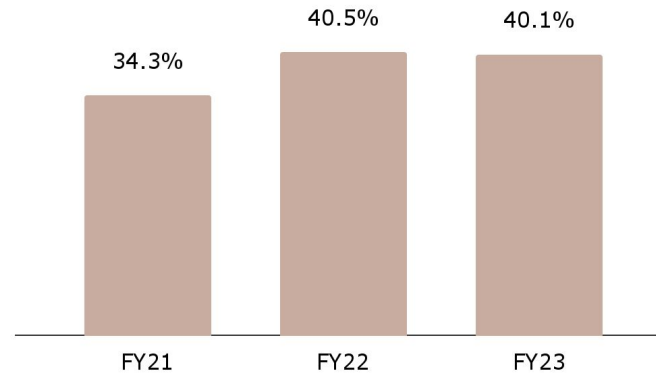
Note: Free cash flow defined as net cash (used in) provided by operating activities and net cash (used in) provided by investing activities on a combined basis.

# Improved the Financial Profile of RTR Significantly Since FY21

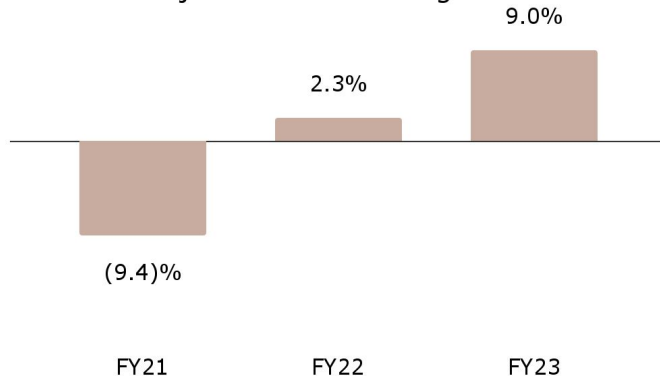
### Total Revenue (M)



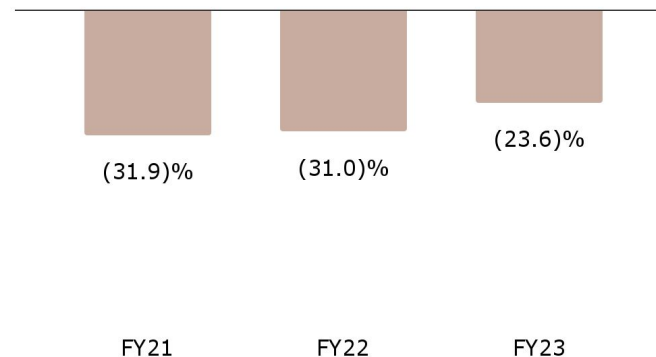
### Gross Margin %



### 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 10/31/2024	Three Months Ended 10/31/2023	Nine Months Ended 10/31/2024	Nine Months Ended 10/31/2023	Year Ended 1/31/2024	Year Ended 1/31/2023
(In millions, except per share amounts)						
Total revenue, net	\$75.9	\$72.5	\$229.8	\$222.4	\$298.2	\$296.4
Fulfillment	21.4	21.5	62.6	65.9	86.0	92.2
Technology	8.7	12.1	27.0	38.1	49.1	55.4
Marketing	7.1	7.1	23.9	24.6	31.2	35.1
General and administrative	21.2	24.4	66.2	76.8	101.6	109.0
Rental product depreciation and revenue share	28.2	25.8	80.1	66.7	92.5	84.2
Other depreciation and amortization	3.0	3.5	9.6	11.0	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	89.6	94.4	269.6	283.1	378.2	400.0
Operating loss	(13.7)	(21.9)	(39.8)	(60.7)	(80.0)	(103.6)
Interest income / (expense), net	(6.1)	(10.0)	(17.7)	(28.3)	(33.7)	(36.8)
Other income / (expense) and gains / (losses)	0.9	0.2	1.1	0.3	0.7	1.5
Income tax benefit / (expense)	-	0.2	(0.1)	0.3	(0.2)	0.2
Net loss	\$(18.9)	\$(31.5)	\$(56.5)	\$(88.4)	\$(113.2)	\$(138.7)
Net loss per share attributable to common stockholders, basic and diluted <sup>1</sup>	\$(4.94)	\$(9.09)	\$(15.12)	\$(26.15)	\$(33.12)	\$(43.17)
Weighted average basic and diluted shares outstanding	3.8	3.5	3.7	3.4	3.4	3.2
<b>Restructuring-related items:</b>						
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	\$(18.9)	\$(31.5)	\$(56.3)	\$(88.4)	\$(110.1)	\$(131.0)

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

# Condensed Consolidated Balance Sheets

(in millions)	As Of 10/31/2024	As Of 1/31/2024
Cash and cash equivalents	\$74.1	\$84.0
Restricted cash, current	4.6	5.2
Prepaid expenses and other current assets	9.6	13.0
Restricted cash, fixed	4.4	4.8
Rental product, net	89.1	94.0
Fixed and intangible assets, net	32.3	39.1
Operating lease and other assets	37.5	38.4
<b>Total assets</b>	<b>\$251.6</b>	<b>\$278.5</b>
Total current liabilities	53.5	48.1
Long-term debt, net	326.7	306.7
Operating lease and other liabilities	42.6	46.0
<b>Total liabilities</b>	<b>\$422.8</b>	<b>\$400.8</b>
<b>Total stockholders' equity (deficit)</b>	<b>\$(171.2)</b>	<b>\$(122.3)</b>
<b>Total liabilities and stockholders' equity (deficit)</b>	<b>\$251.6</b>	<b>\$278.5</b>



# Condensed Consolidated Statements of Cash Flows

	Nine Months Ended 10/31/2024	Nine Months Ended 10/31/2023	Year Ended 1/31/2024
(in millions)			
Net loss	\$(56.5)	\$(88.4)	\$(113.2)
Net cash (used in) provided by operating activities	11.5	(7.7)	(15.7)
Net cash (used in) provided by investing activities	(20.8)	(39.6)	(54.6)
Net cash (used in) provided by financing activities	(1.6)	(0.4)	0.7
Net (decrease) increase in cash and cash equivalents and restricted cash	(10.9)	(47.7)	(69.6)
Cash and cash equivalents and restricted cash at beginning of period	94.0	163.6	163.6
<b>Cash and cash equivalents and restricted cash at end of period <sup>1</sup></b>	<b>\$83.1</b>	<b>\$115.9</b>	<b>\$94.0</b>

<sup>1</sup> Includes both current and non-current restricted cash.

# Reconciliation of Net Loss to Free Cash Flow

(in millions)	Nine Months Ended 10/31/2024	Nine Months Ended 10/31/2023	Year Ended 1/31/2024	Year Ended 1/31/2023	Year Ended 1/31/2022
Net loss	\$(56.5)	\$(88.4)	\$(113.2)	\$(138.7)	\$(211.8)
Operating loss	(39.8)	(60.7)	(80.0)	(103.6)	(125.9)
Interest income / (expense), net	(17.7)	(28.3)	(33.7)	(36.8)	(53.0)
Gain / (loss) on warrant liability revaluation, net	-	-	-	-	(24.9)
Other income / (expense) and gains / (losses) <sup>1</sup>	1.1	0.3	0.7	1.5	(8.3)
Income tax benefit / (expense)	(0.1)	0.3	(0.2)	0.2	0.3
Net cash (used in) provided by operating activities	11.5	(7.7)	(15.7)	(47.7)	(42.3)
Net cash (used in) provided by investing activities	(20.8)	(39.6)	(54.6)	(44.3)	(22.5)
Free Cash Flow	\$(9.3)	\$(47.3)	\$(70.3)	\$(92.0)	\$(64.8)

<sup>1</sup>Other 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)	Nine Months Ended 10/31/2024	Nine Months Ended 10/31/2023	Year Ended 1/31/2024	Year Ended 1/31/2023
<b>INVESTING ACTIVITIES</b>				
Purchases of rental product	\$(41.4)	\$(56.3)	\$(77.9)	\$(62.1)
Proceeds from liquidation of rental product	\$3.4	\$3.7	\$4.6	\$8.8
Proceeds from sale of rental product	\$20.1	\$16.2	\$23.3	\$17.9
Purchases of fixed and intangible assets	\$(2.9)	\$(3.2)	\$(4.6)	\$(8.9)
Net cash (used in) provided by investing activities	\$(20.8)	\$(39.6)	\$(54.6)	\$(44.3)
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>				
Rental product received in the prior period	\$1.4	\$5.4	\$5.4	\$6.5
Purchases of rental product not yet settled	\$(6.7)	\$(17.3)	\$(3.3)	\$(5.4)

# Reconciliation of Purchases of Rental Product to Rental Product Acquired

	Nine Months Ended 10/31/2024	Nine Months Ended 10/31/2023	Year Ended 1/31/2024	Year Ended 1/31/2023	
(in millions)					
<b>Purchases of rental product</b>	\$ (41.4)	\$ (56.3)	\$ (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	\$ (6.7)	\$ (17.3)	\$ (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.
<b>Rental Product Acquired</b>	<b>\$ (46.7)</b>	<b>\$ (68.1)</b>	<b>\$ (75.8)</b>	<b>\$ (61.0)</b>	Cost of owned rental product received in the period.

# Reconciliation of Net Loss to Adjusted EBITDA

	Three Months Ended 10/31/2024	Three Months Ended 10/31/2023	Three Months Ended 7/31/2024	Three Months Ended 7/31/2023	Nine Months Ended 10/31/2024	Nine Months Ended 10/31/2023	Year Ended 1/31/2024	Year Ended 1/31/2023	Year Ended 1/31/2022
(in millions)									
Net loss	\$ (18.9)	\$ (31.5)	\$ (15.6)	\$ (26.8)	\$ (56.5)	\$ (88.4)	\$ (113.2)	\$ (138.7)	\$ (211.8)
Interest (income) / expense, net	6.1	10.0	6.0	9.5	17.7	28.3	33.7	36.8	53.0
Rental product depreciation	16.5	15.5	16.2	12.8	47.6	40.4	57.1	52.9	50.3
Other depreciation and amortization	3.0	3.5	3.3	3.7	9.6	11.0	14.7	16.4	19.4
Share-based compensation	2.2	4.9	2.4	7.4	7.6	21.1	26.2	25.4	26.6
Write-off of liquidated assets	1.1	0.9	1.2	0.7	3.9	2.6	3.4	5.8	4.8
Non-recurring adjustments	0.1	0.1	-	0.5	0.1	0.6	1.7	1.3	5.3
Non-ordinary course legal fees	0.1	0.2	-	-	0.1	0.2	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	-	(0.2)	0.1	(0.1)	0.1	(0.3)	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	(0.9)	(0.2)	(0.1)	(0.1)	(1.1)	(0.3)	(0.7)	(1.5)	(3.9)
Other (gains) / losses	-	0.3	0.2	0.1	0.2	0.5	0.4	0.7	0.3
Adjusted EBITDA	\$9.3	\$3.5	\$13.7	\$7.7	\$29.5	\$15.7	\$26.9	\$6.7	\$ (19.2)
Adjusted EBITDA Margin	12.3%	4.8%	17.4%	10.2%	12.8%	71%	9.0%	2.3%	(9.4)%

Note: For additional information on each line item see the footnotes to the Adjusted EBITDA reconciliations in our Q3 24 earnings press release, which is included as ex. 99.1 to our Form 8-K filed with the SEC on December 9, 2024.

# Reconciliation of Cash Used by Operating Activities to Free Cash Flow

	Nine Months Ended 10/31/2024	Nine Months Ended 10/31/2023	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	\$11.5	\$(7.7)	\$(15.7)	\$(47.7)	\$(42.3)
Purchases of rental product	(41.4)	(56.3)	(77.9)	(62.1)	(30.8)
Proceeds from liquidation of rental product	3.4	3.7	4.6	8.8	5.7
Proceeds from sale of rental product	20.1	16.2	23.3	17.9	12.9
Purchases of fixed and intangible assets	(2.9)	(3.2)	(4.6)	(8.9)	(10.3)
Free Cash Flow	\$(9.3)	\$(47.3)	\$(70.3)	\$(92.0)	\$(64.8)
Free Cash Flow Margin <sup>1</sup>	(4.0)%	(21.3)%	(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.

<sup>1</sup> Free Cash Flow Margin calculated as Free Cash Flow as a percentage of Revenue.

# Reconciliation of Net Loss to Free Cash Flow

(in millions)	Nine Months Ended 10/31/2024	Nine Months Ended 10/31/2023
Net loss	\$(56.5)	\$(88.4)
Interest (income) / expense, net	\$17.7	\$28.3
Rental product depreciation	\$47.6	\$40.4
Other depreciation and amortization	\$9.6	\$11.0
Share-based compensation	\$7.6	\$21.1
Write-off of liquidated assets	\$3.9	\$2.6
Non-recurring adjustments	\$0.1	\$0.6
Non-ordinary course legal fees	\$0.1	\$0.2
Restructuring charges	\$0.2	\$0.0
Loss on asset impairment related to restructuring	\$0.0	\$0.0
Income Tax (Benefit) / Expense	\$0.1	\$(0.3)
Other (income) / expense, net	\$(1.1)	\$(0.3)
Other (gains) / losses	\$0.2	\$0.5
<b>Adjusted EBITDA</b>	<b>\$29.5</b>	<b>\$15.7</b>
Purchases of rental product	\$(41.4)	(56.3)
Purchases of fixed and intangible assets	\$(2.9)	(3.2)
Cash interest expense	\$(0.1)	(4.8)
Cash interest earned	\$2.4	4.2
Change in assets and liabilities	\$2.5	(2.7)
Non-recurring adjustments	\$(0.1)	(0.6)
Non-ordinary course legal fees	\$(0.1)	(0.2)
Restructuring charges	\$(0.2)	-
Other adjustments <sup>1</sup>	\$1.1	0.6
<b>Free Cash Flow</b>	<b>\$(9.3)</b>	<b>\$(47.3)</b>

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.

<sup>1</sup>Other adjustments primarily includes cash tax adjustments and other cash gains (losses).

# Operating Expense Detail

	Three Months Ended 10/31/2024	Three Months Ended 10/31/2023	Nine Months Ended 10/31/2024	Nine Months Ended 10/31/2023
(in millions)				
Technology	\$8.7	\$12.1	\$27.0	\$38.1
Marketing	\$7.1	\$7.1	\$23.9	\$24.6
General and administrative	\$21.2	\$24.4	\$66.2	\$76.8
Total operating expenses	\$37.0	\$43.6	\$117.1	\$139.5
Less: Share-based compensation	\$2.2	\$4.9	\$7.6	\$21.1
Total operating expenses excluding share-based compensation	\$34.8	\$38.7	\$109.5	\$118.4
Operating expenses including share-based compensation as a % of revenue	48.7%	60.1%	51.0%	62.7%
Operating expenses excluding share-based compensation as a % of revenue	45.8%	53.4%	47.7%	53.2%

## Share-Based Compensation Details

(in millions)				
Share-based compensation				
Technology	\$0.4	\$0.9	\$1.5	\$4.6
Marketing	\$0.0	\$0.0	\$0.0	\$0.1
General and administrative	\$1.8	\$4.0	\$6.1	\$16.4
Total	\$2.2	\$4.9	\$7.6	\$21.1
Share-based compensation as a % of revenue	2.9%	6.8%	3.3%	9.5%