



# The RealReal

## Investor Presentation

August 2021

# Safe Harbor

This presentation contains forward-looking statements relating to, among other things, the future performance of The RealReal that are based on the company's current expectations, forecasts and assumptions and involve risks and uncertainties. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “could,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “intend,” “potential,” “continue,” “ongoing” or the negative of these terms or other comparable terminology. These statements include, but are not limited to, statements about future operating results, including the amounts of our operating expense and capital expenditure investments or reductions and our strategies, plans, commitments, objectives and goals, in particular in the context of the impacts of the COVID-19 pandemic and the recent social unrest. Actual results could differ materially from those predicted or implied and reported results should not be considered as an indication of future performance. Other factors that could cause or contribute to such differences include, but are not limited to, the impact of the COVID-19 pandemic and the social unrest on our operations and business environment, any failure to generate a supply of consigned goods, pricing pressure on the consignment market resulting from discounting in the market for new goods, failure to efficiently and effectively operate our merchandising and fulfillment operations and other reasons.

More information about factors that could affect the company's operating results is included under the captions “Risk Factors” and “Management's Discussion and Analysis of Financial Condition and Results of Operations” in the company's most recent Annual Report on Form 10-K and subsequent quarterly reports on Form 10-Q, copies of which may be obtained by visiting the company's Investor Relations website at <https://investor.therealreal.com> or the SEC's website at [www.sec.gov](http://www.sec.gov). Undue reliance should not be placed on the forward-looking statements in this press release, which are based on information available to the company on the date hereof. The company assumes no obligation to update such statements.

In addition to financial information presented in accordance with U.S. generally accepted accounting principles (“GAAP”), this presentation includes non-GAAP financial measures adjusted EBITDA, Contribution Margin and Contribution Profit. These non-GAAP measures are presented for supplemental informational purposes only and should not be considered a substitute for financial information presented in accordance with GAAP. These non-GAAP measures have limitations as analytical tools, and should not be considered in isolation or as a substitute for analysis of other GAAP financial measures. A reconciliation of these measures to the most directly comparable GAAP measures are included at the end of this presentation.

This presentation and the accompanying oral presentation also contain statistical data, estimates and forecasts that are based on independent industry publications or other publicly available information, as well as other information based on our internal sources. This information involves many assumptions and limitations, and you are cautioned not to give undue weight to such information. We have not independently verified the accuracy or completeness of the information contained in the industry publications and other publicly available information. Accordingly, we make no representations as to the accuracy or completeness of that information nor do we undertake to update such information after the date of this presentation.



# The Real Real

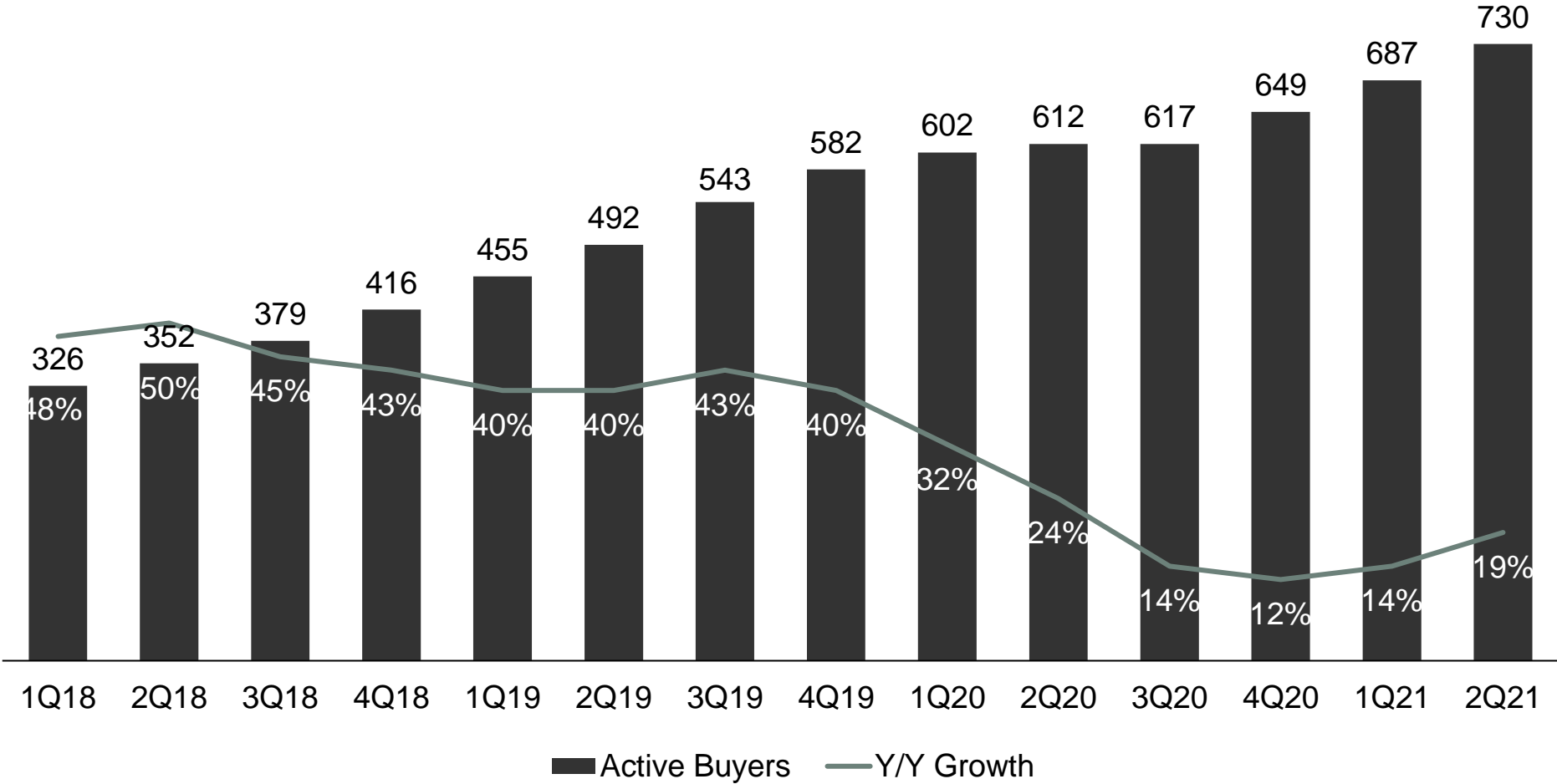
## Q2 Highlights

## Q2 GMV increased 91% Y/Y

- GMV of \$350.0 million increased 91% Y/Y and increased 53% compared to Q2 2019
- Q2 Y/Y GMV growth accelerated Q/Q versus both 2020 and 2019
- Gross profit per order improved \$9 Q/Q to \$94 per order
- Opened neighborhood stores in Austin, Dallas and Atlanta in Q2
- 84.5% of GMV from repeat buyers
- Total revenue of \$104.9 million increased 83% Y/Y and 46% compared to Q2 2019
- Direct revenue of \$22.5 million increased 113% Y/Y and 85% compared to Q2 2019
- Gross Profit of \$63.4 million increased 78% Y/Y and 38% compared to Q2 2019
- Opened Arizona facility on-time and under-budget
- Ended Q2 with \$491.6 million in cash, short term investments and cash equivalents

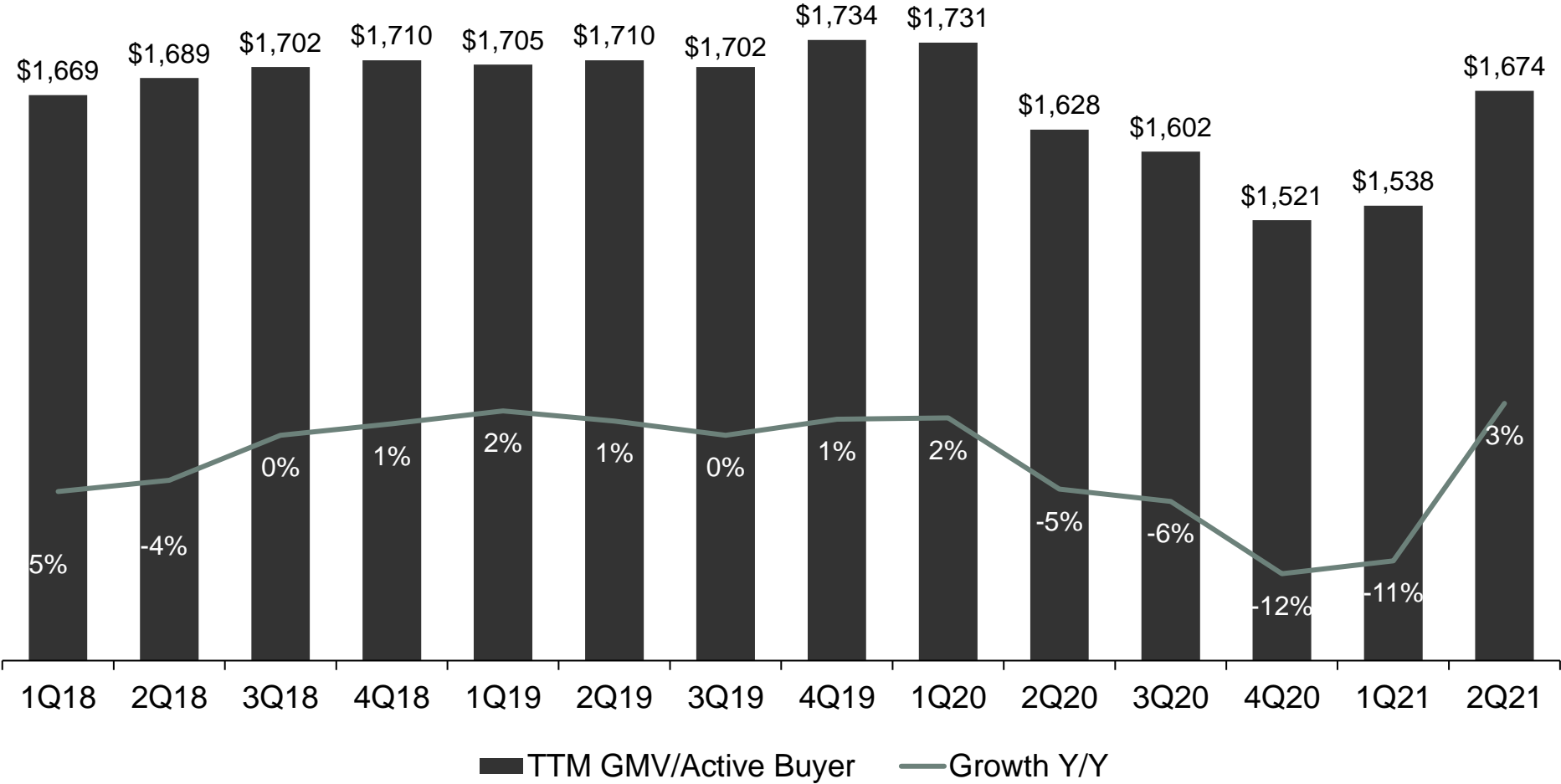
# Q2 TTM Active Buyer Growth +19% Y/Y

(in thousands)



**TTM Active buyer growth continues to recover off the Q4 lows**

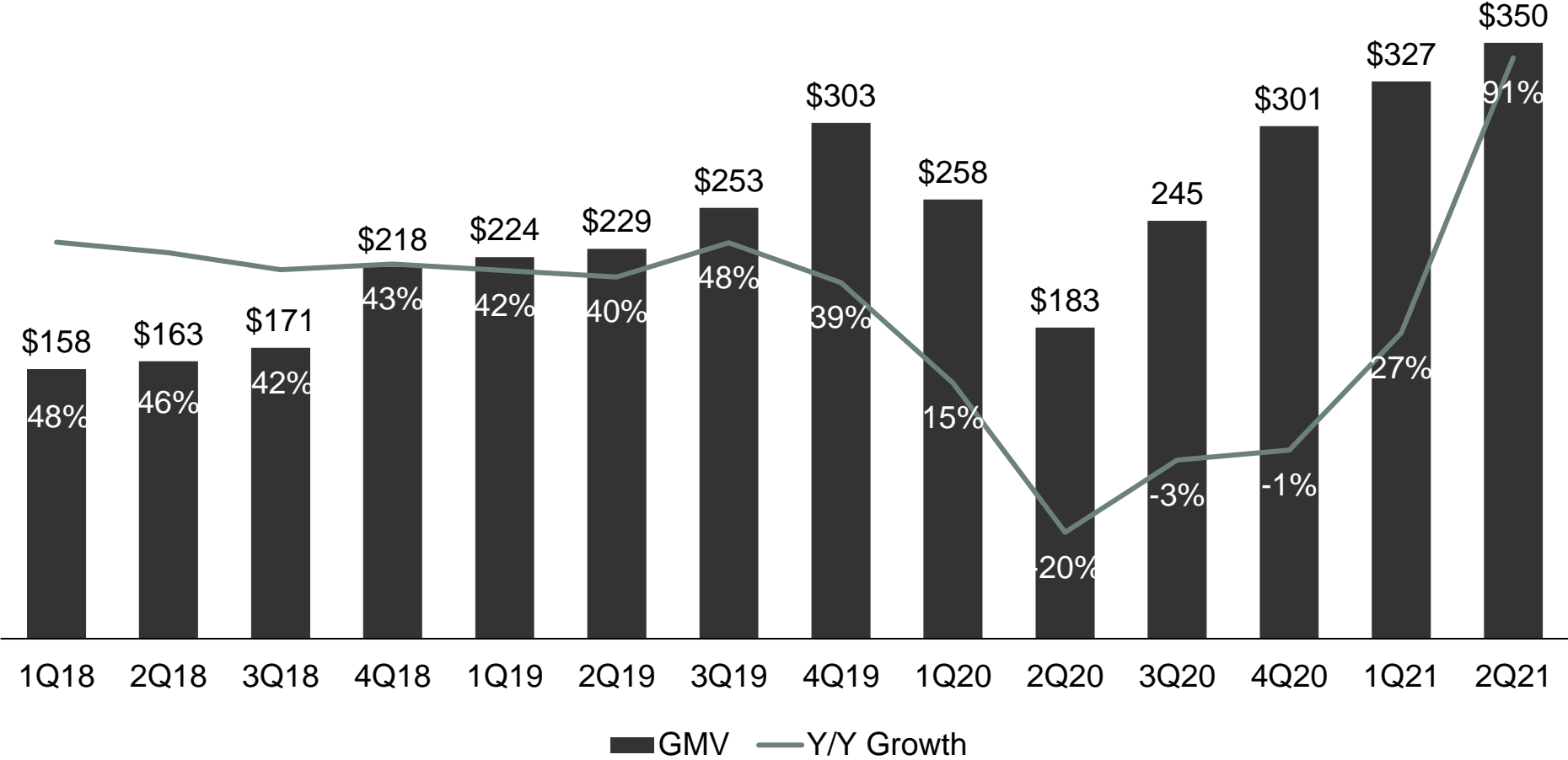
# TTM GMV per TTM Active Buyer +3% Y/Y; Approaching pre-COVID Levels



TTM GMV per TTM active buyer approaching pre-COVID levels, a positive indication of strengthening buyer engagement trends on our marketplace.

# Q2 GMV Increased 91% Y/Y and 53% vs. Q2 2019

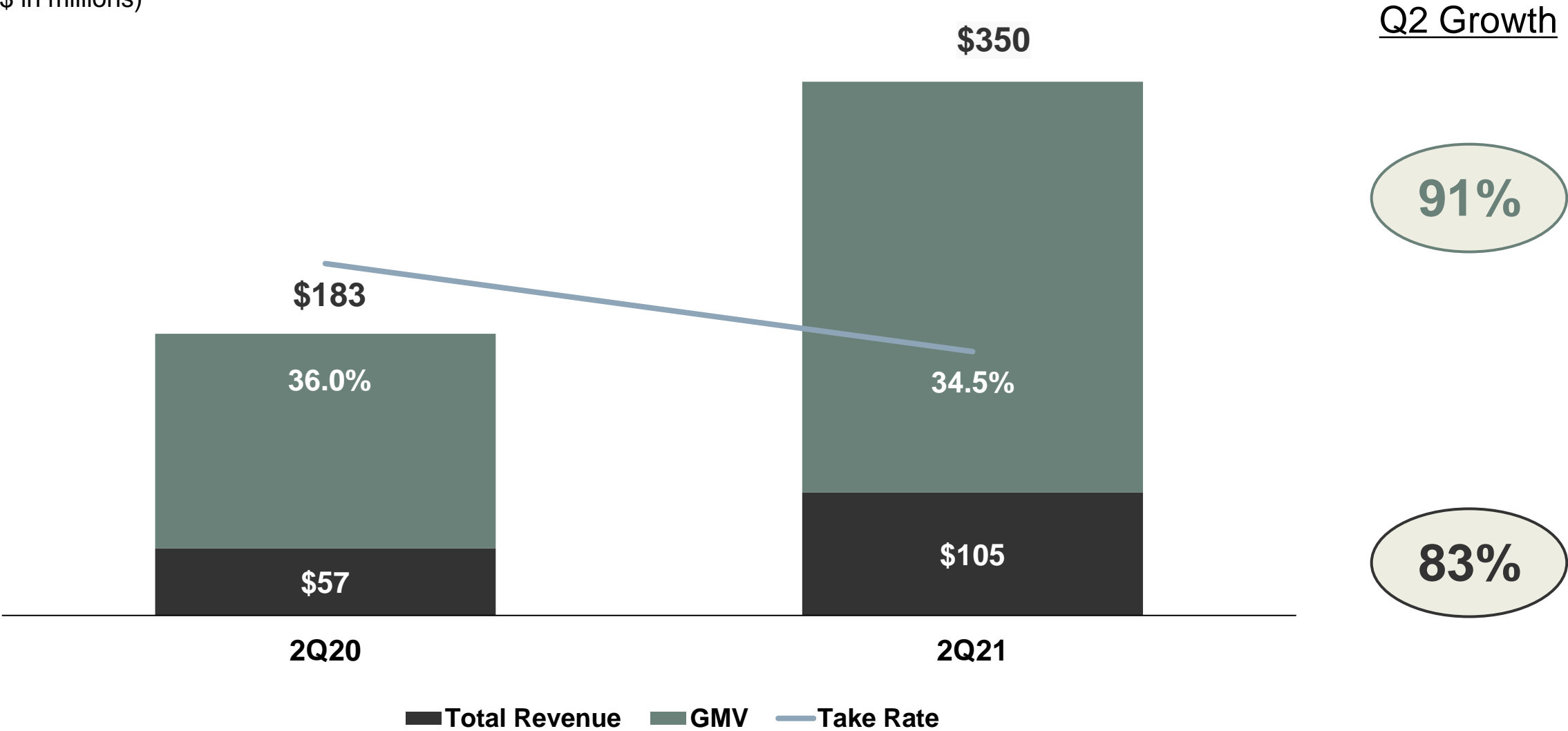
(\$MM)



**GMV Y/Y growth accelerated Q/Q when compared to both 2020 and 2019**

# Q2 Take Rate Decreased 150bps Y/Y Due Primarily to Mix of Higher ASP Products

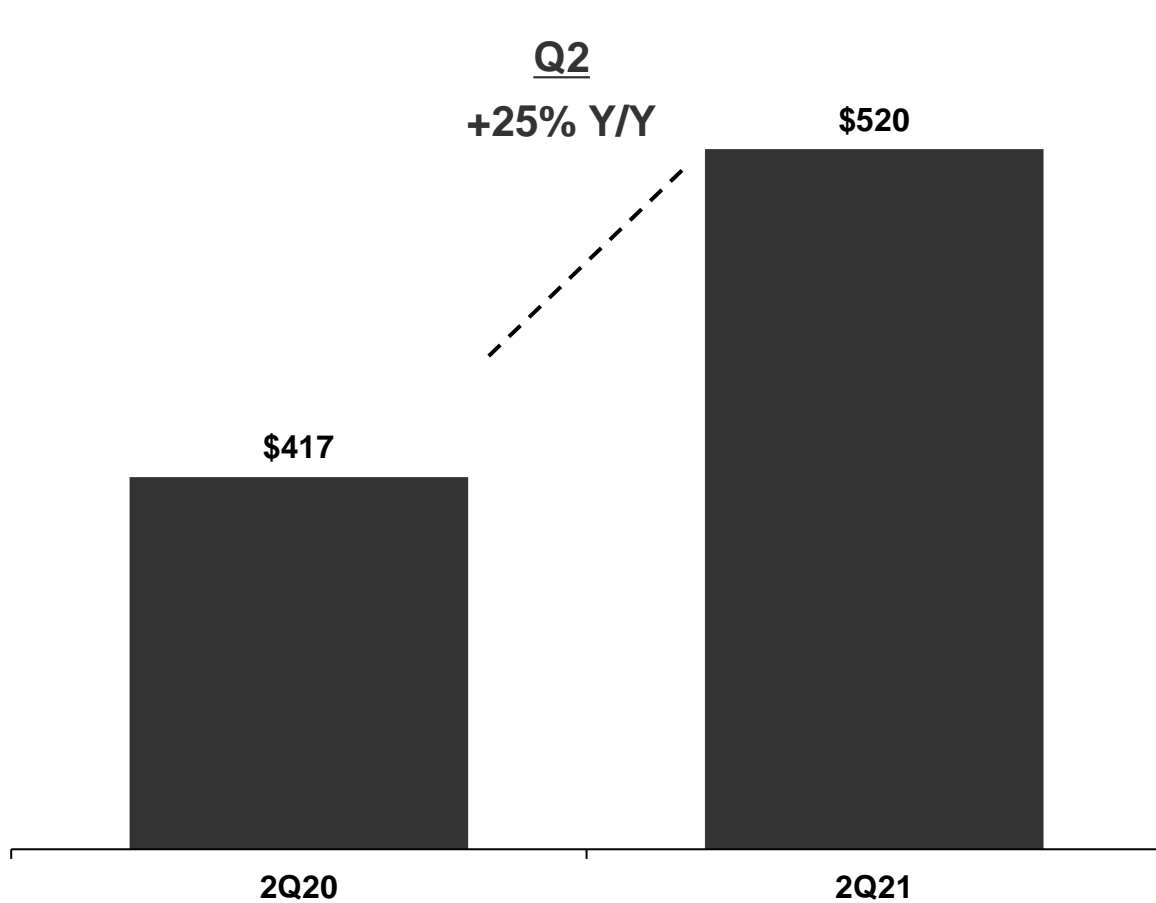
(\$ in millions)





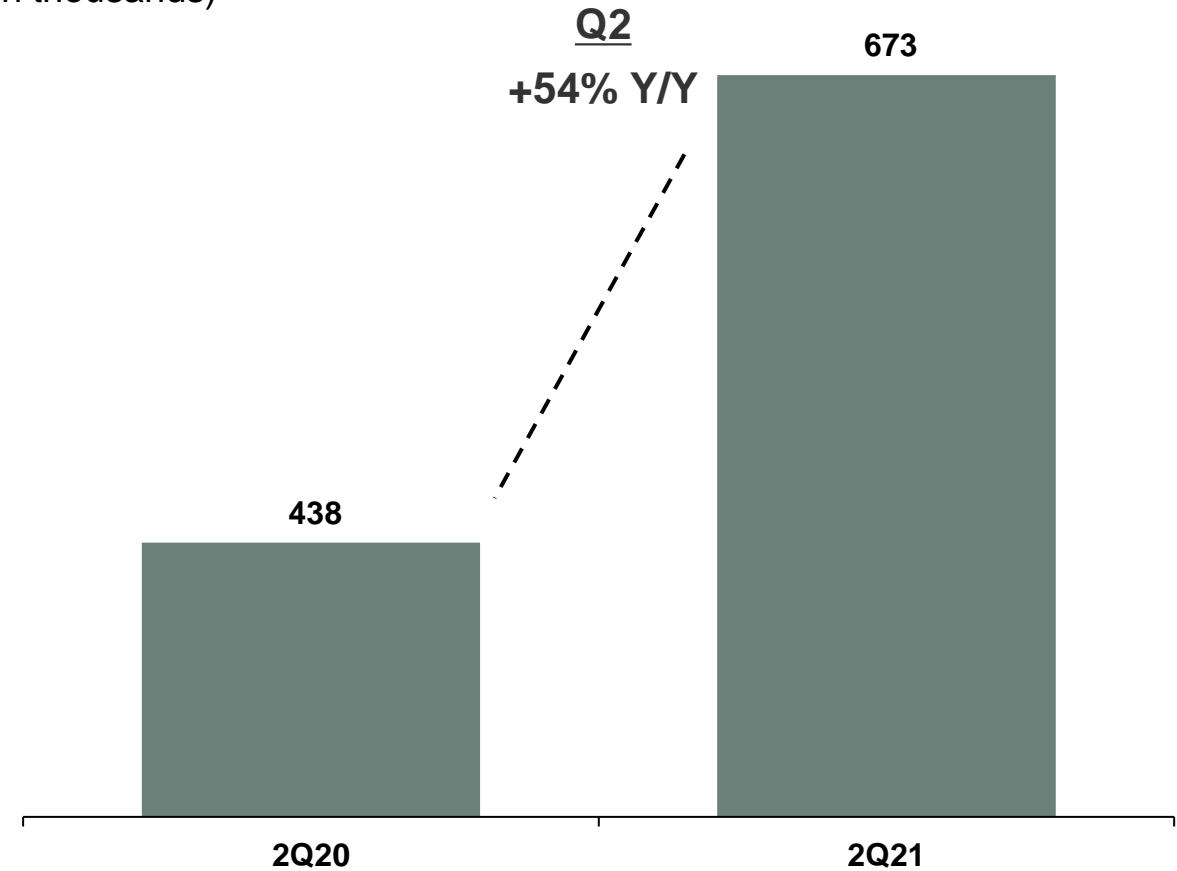
# AOV Increased 25% Y/Y; Orders Increased 54% Y/Y

Average order value (AOV)



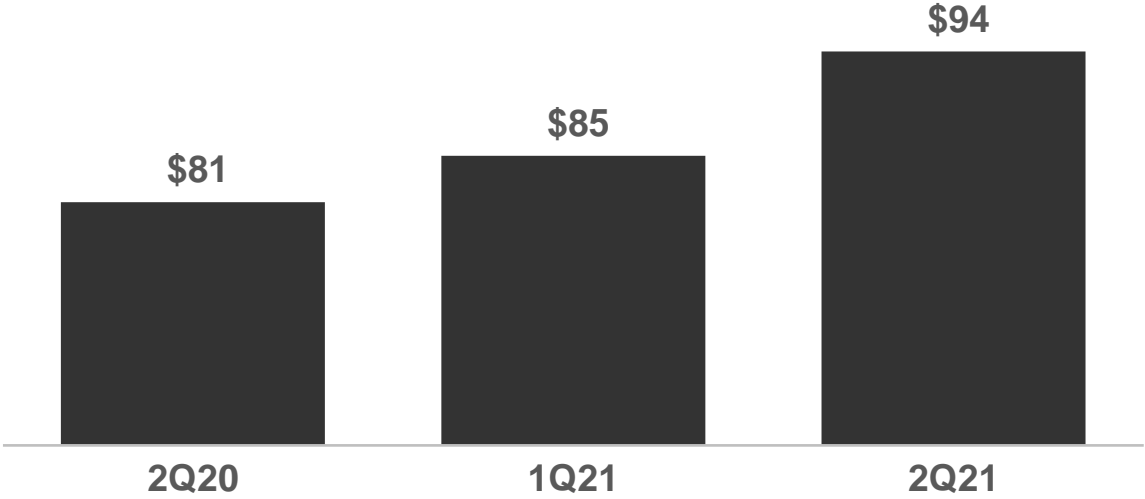
Number of orders

(in thousands)



The driver of the higher AOV was a 17% Y/Y increase in ASP and 7% Y/Y increase in units per transaction (UPT).

# Gross Profit per Order Improved \$9 Q/Q and increased 16% Y/Y to \$94



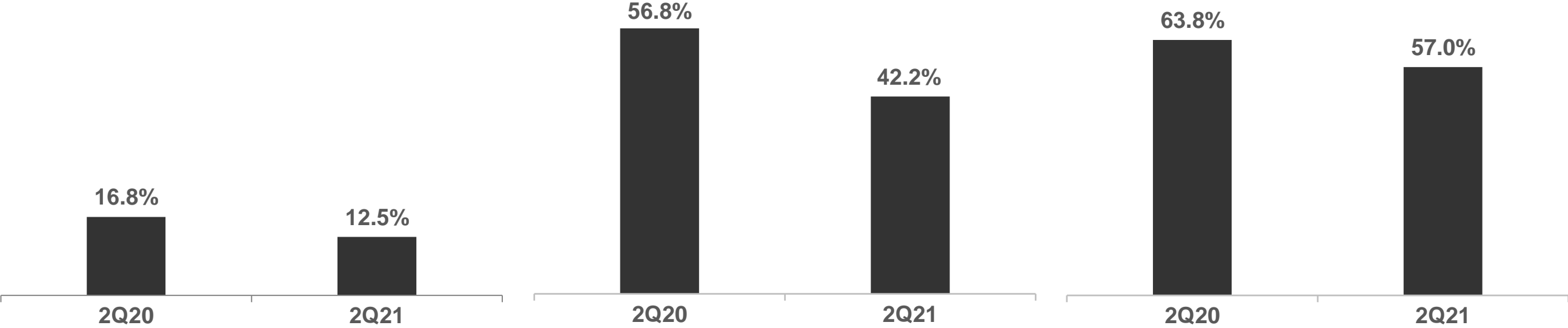
**Gross Profit per Order<sup>1</sup>**

Gross profit per order improved \$9 Q/Q driven by a 42% Q/Q decline in buyer incentives and higher AOV, partially offset by a lower take rate.

(1) Calculated by dividing Gross Profit by the number of orders for the applicable quarter.

# Operating Leverage

## Operating Expenses (% of Revenue)



**Marketing**

Leverage driven by GMV growth, healthy retention trends and a Y/Y decline in BAC. Q2 Marketing was 12.5% of revenue vs. 16.8% in 2Q20.

**SG&A<sup>1</sup>**

Leverage driven by GMV growth and moderate growth of fixed G&A expenses. Q2 SG&A was 42.2% of revenue vs. 56.8% in 2Q20.

**Ops & Tech**

Leverage driven by GMV growth and automation offset by technology headcount, new occupancy expenses and SBC. Q2 Ops & Tech was 57.0% of revenue vs. 63.8% in 2Q20.

(1) SG&A expense included approximately \$1.0mn of COVID-related expenses.

# Investment Highlights



Largest Online Marketplace for Authenticated, Consigned Luxury Goods

Large and Attractive TAM, Supported by Sustainability and ESG focus

Superior Marketplace Due to Service, Trust, Technology and Data

Powerful Financial Model

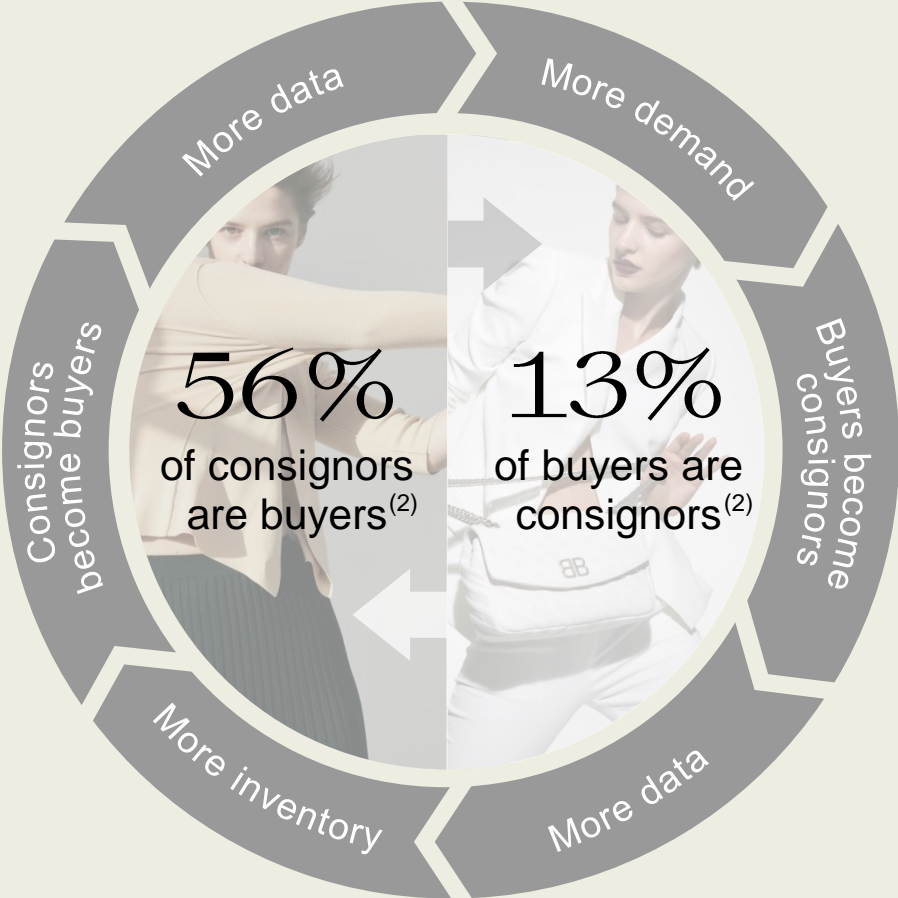
# Largest Online Marketplace for Authenticated, Consigned Luxury Goods with Powerful Flywheel Driving Growth

~\$1bn  
2020 GMV

\$298mm  
2020 Total Revenue

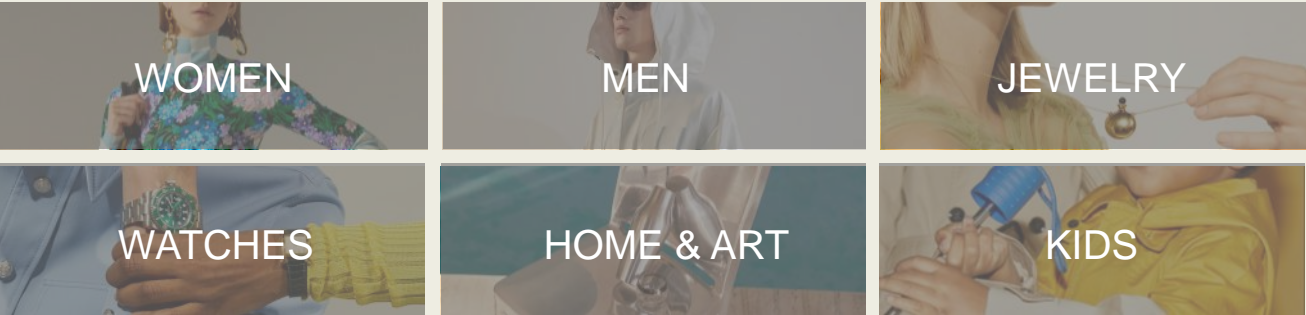
730k  
TTM Active Buyers<sup>(2)</sup>

\$442  
2020 AOV



84%  
of GMV from  
repeat consignors<sup>(2)</sup>

85%  
of GMV from  
repeat buyers<sup>(2)</sup>



Note: Average Order Value (AOV).  
(1) As of December 31, 2020.  
(2) As of June 30, 2021.

# TAM is Large and Propelled by Strong Luxury Tailwinds

## The RealReal

**\$198bn**

US luxury goods available for resale<sup>(1)</sup>

**5.3 years**

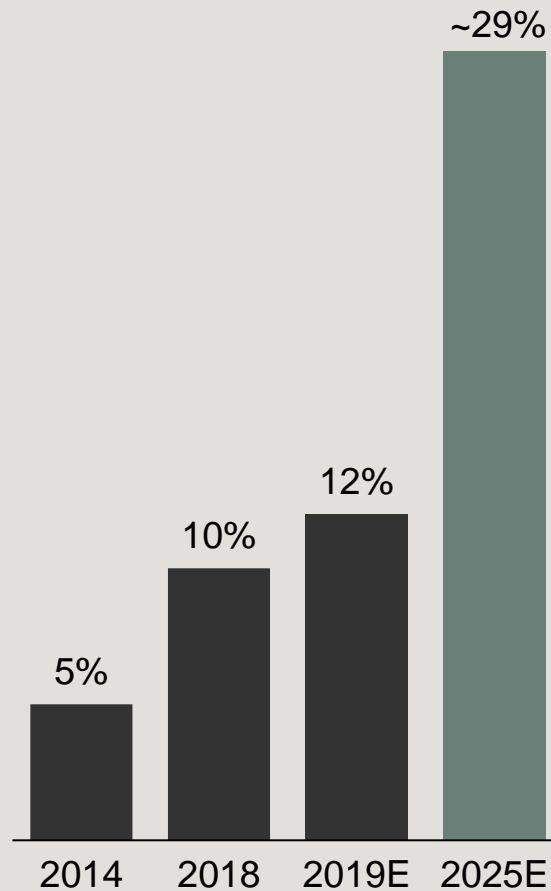
Average time consumers keep luxury products<sup>(1)</sup>

**~\$37bn**

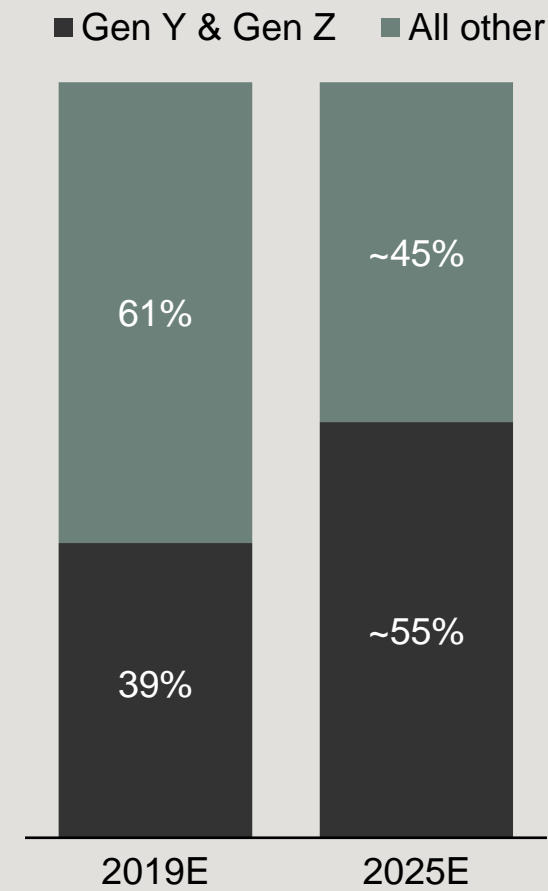
Annual new supply of US luxury goods for resale<sup>(1)</sup>



### LUXURY RETAIL IS SHIFTING ONLINE<sup>(2)</sup>



### YOUNGER GENERATIONS ARE DRIVING GROWTH<sup>(2)</sup>



### SHIFTS IN CONSUMER MINDSET

“Buying better and buying less is what I believe in. Welcome to the '20s!”

Edward Enninful,  
Editor-in-chief of British Vogue



Focus on maximizing value for money with high quality products with utility

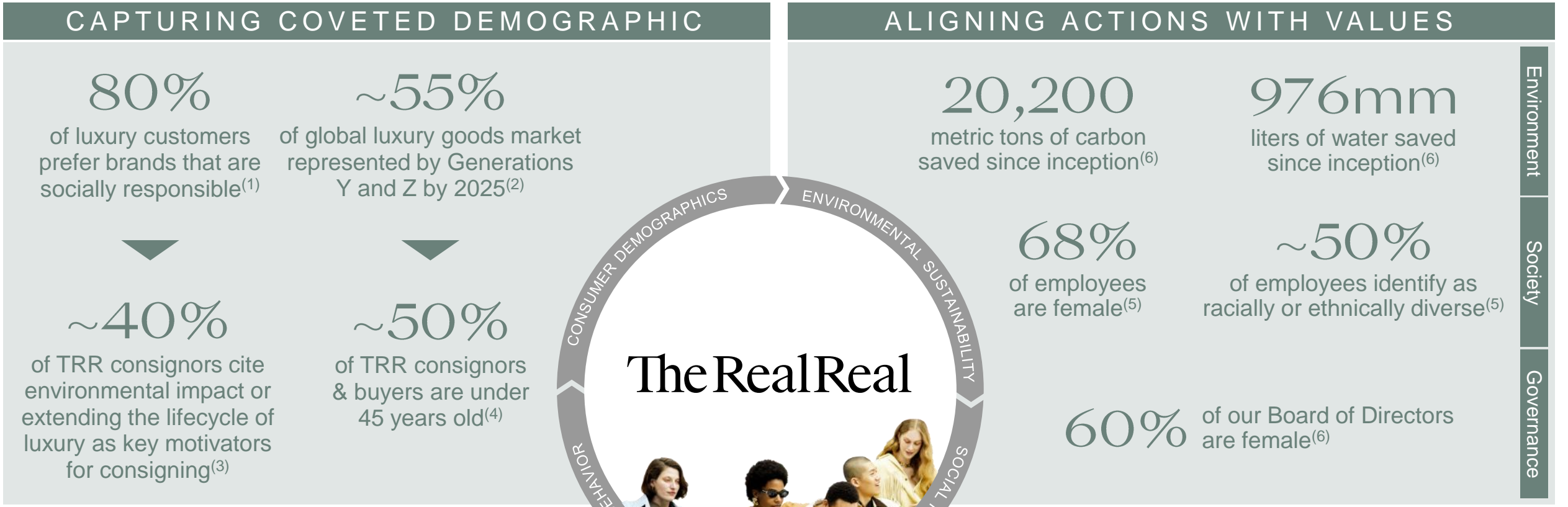


Move away from trend-right fast fashions that have a short shelf-life

(1) Frost & Sullivan Total Addressable Market assessment for the Luxury Resale Market.

(2) Bain-Altgamma Luxury Goods Worldwide Market Study, May 2020.

# Sustainability and Diversity at the Core of Our Business



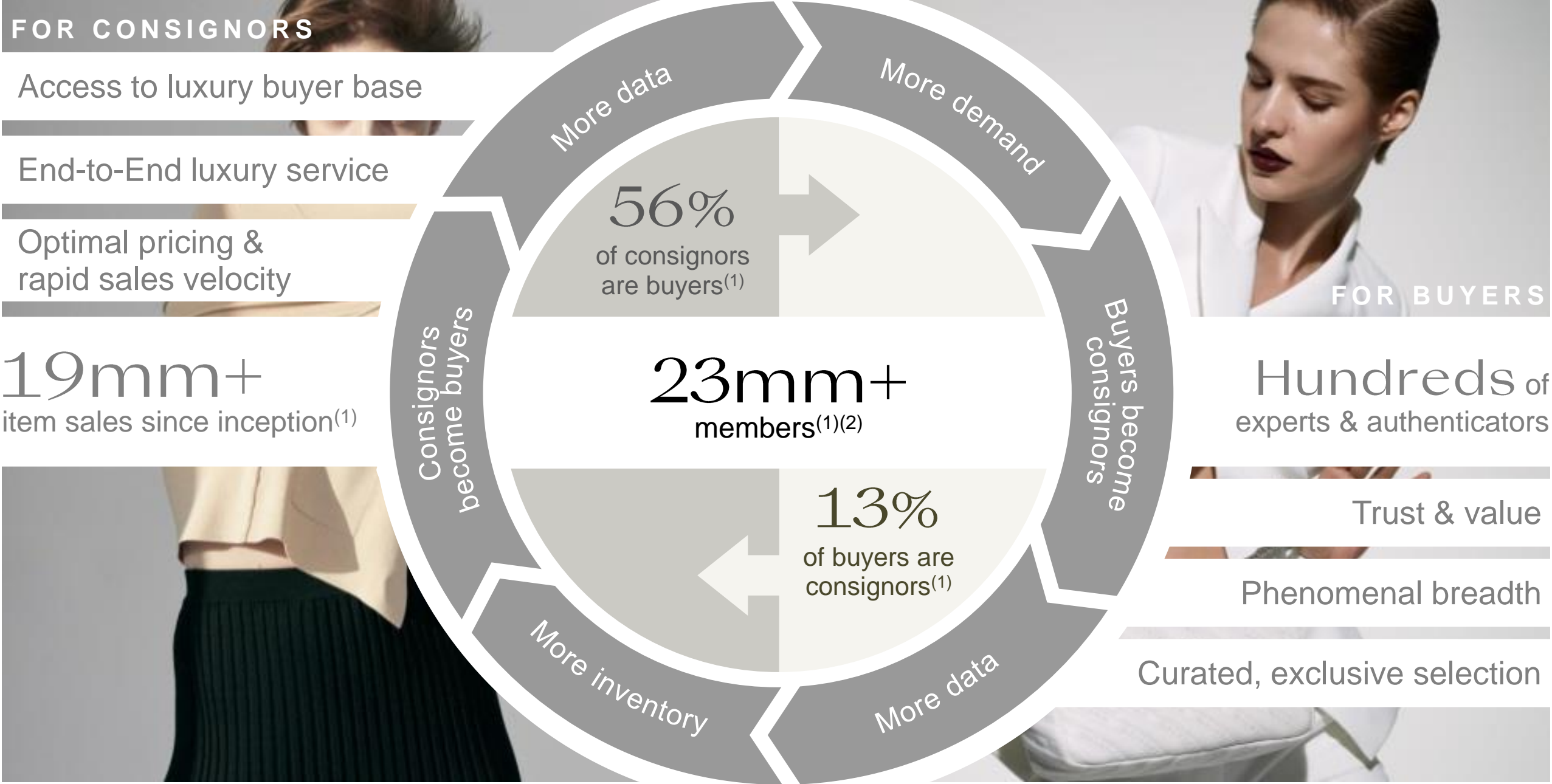
80+ partnerships with brands to promote sustainable fashion and the circular economy



(1) Bain Altagamma Worldwide Luxury Market Monitor, November 2019.  
 (2) Bain Altagamma Luxury Goods Worldwide Market Study, May 2020.  
 (3) According to The RealReal customer survey results as of March 31, 2021.

(4) As of December 31, 2019.  
 (5) As of December 31, 2020.  
 (6) As of June 30, 2021.

# We Offer a Superior Marketplace for Consignors and Buyers

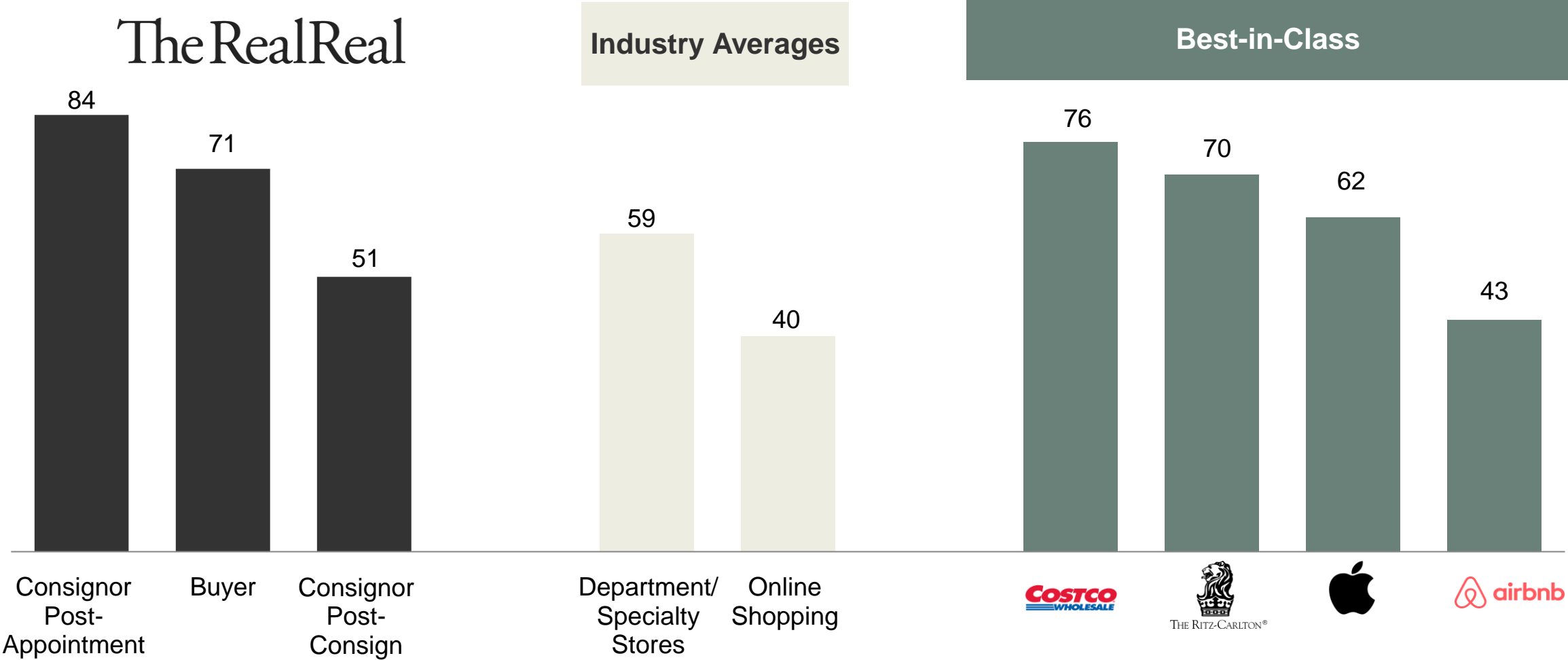


(1) As June 30, 2021.  
 (2) Any user who has registered an email address on our website or downloaded our mobile app, thereby agreeing to our terms of service, counts as a member.



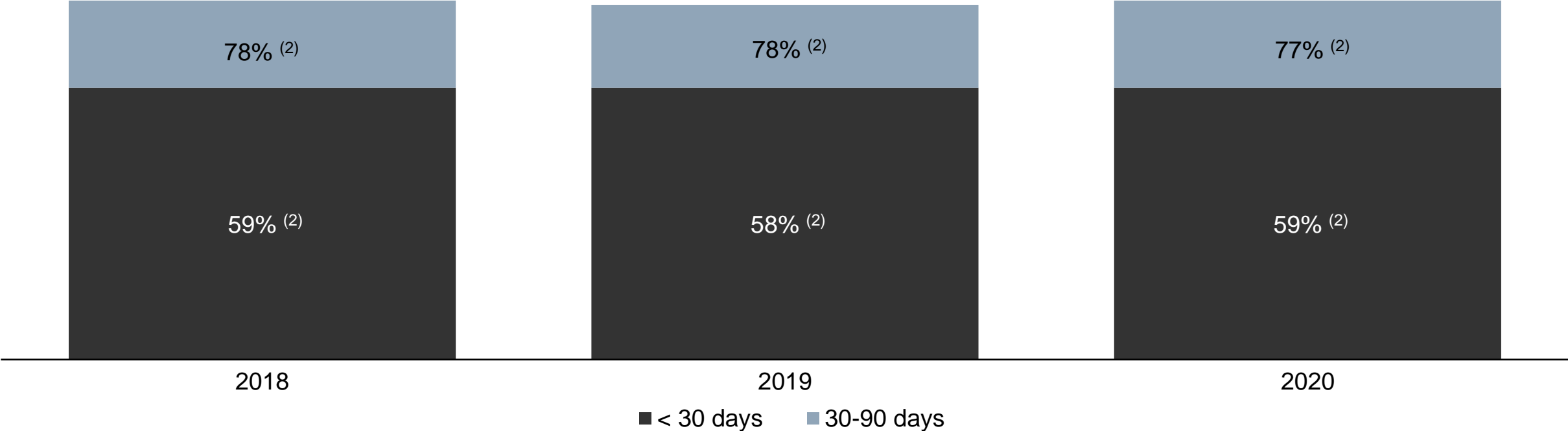
# Our NPS Compares Favorably with Best-in-Class Consumer Companies

The RealReal has a high Net Promoter Score (NPS)<sup>(1)</sup>



(1) Reflects TRR 2020 NPS scores and NICE Satmetrix U.S. Consumer 2020 data.

# Supply Drives the Business and Essentially Everything Sells



(1) Represents ratio of GMV to initial supply value for the specified year.  
 (2) Represents unit sell through rate for the specified period.

# Increasingly Diversified Supply Acquisition Model



**AT-HOME  
CONCIERGE  
SERVICE**

**40+**  
Markets<sup>(3)</sup>

*Resumed in March*



**STORES / LCOS**

**4**

Flagship stores<sup>(1)</sup>

**10**

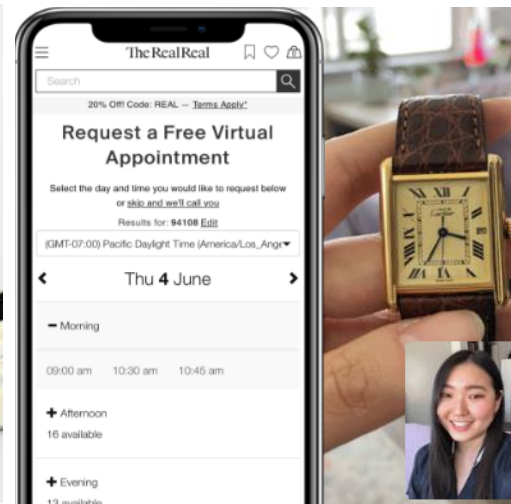
Neighborhood stores<sup>(2)</sup>

**CURBSIDE DROP-OFF**



**THE REALREAL  
B2B VENDOR  
PROGRAM**

Opportunistic sourced  
supply

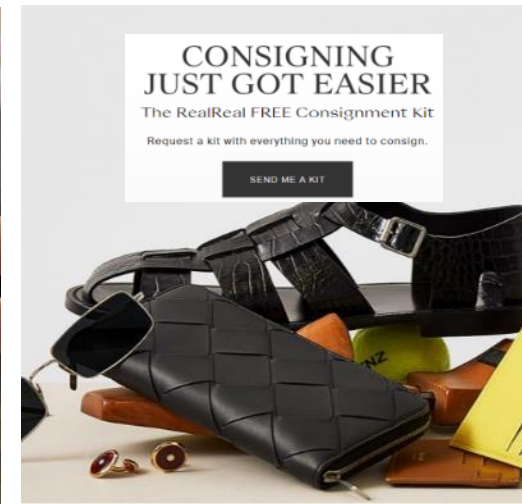


**VIRTUAL  
CONSULTATION**

**100k+**

virtual appointments via  
email, phone and video,  
achieving equivalent unit  
volume to in-home<sup>(1)</sup>

**CURBSIDE PICK-UP**



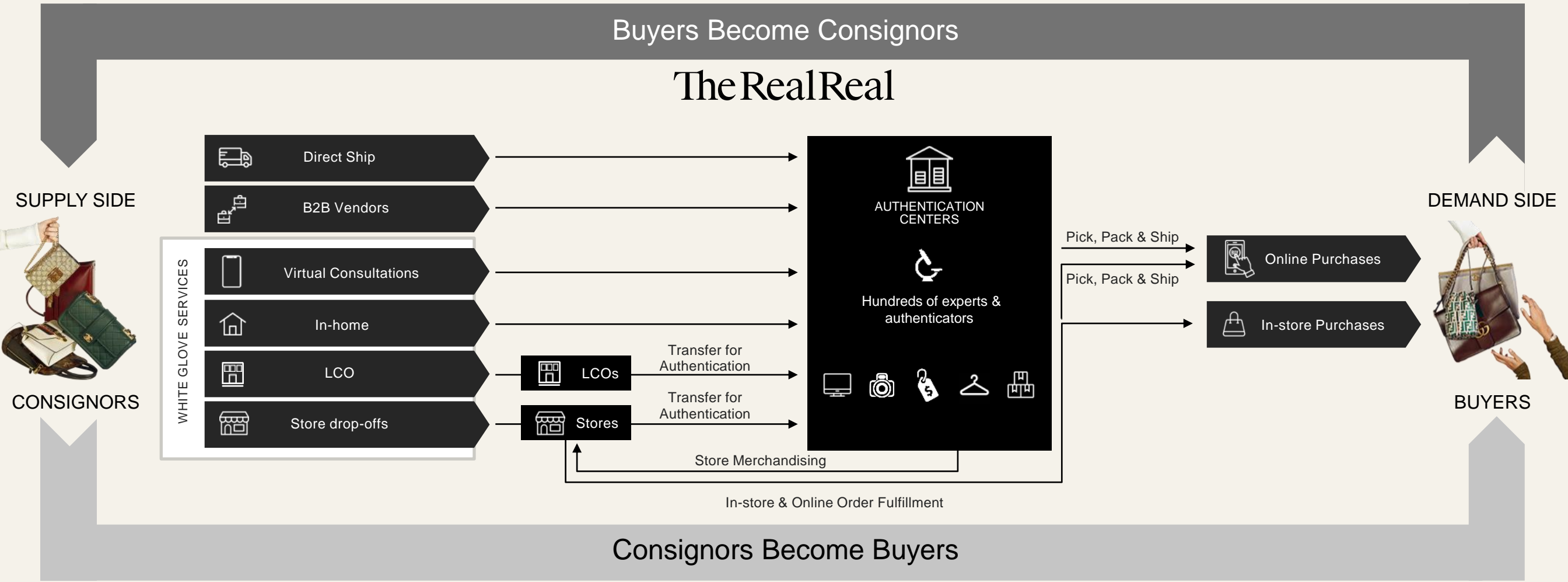
**DIRECT SHIPPING**

Complimentary shipping  
directly to our  
authentication centers

**FREE SHIPPING LABEL**

(1) For the year ended December 31, 2020.  
(2) Planned by the end of Q3 2021.  
(3) As of June 30, 2021

# Our Single-SKU Inventory Management is Both Unique and Very Complex



Note: Luxury Consignment Office (LCO).

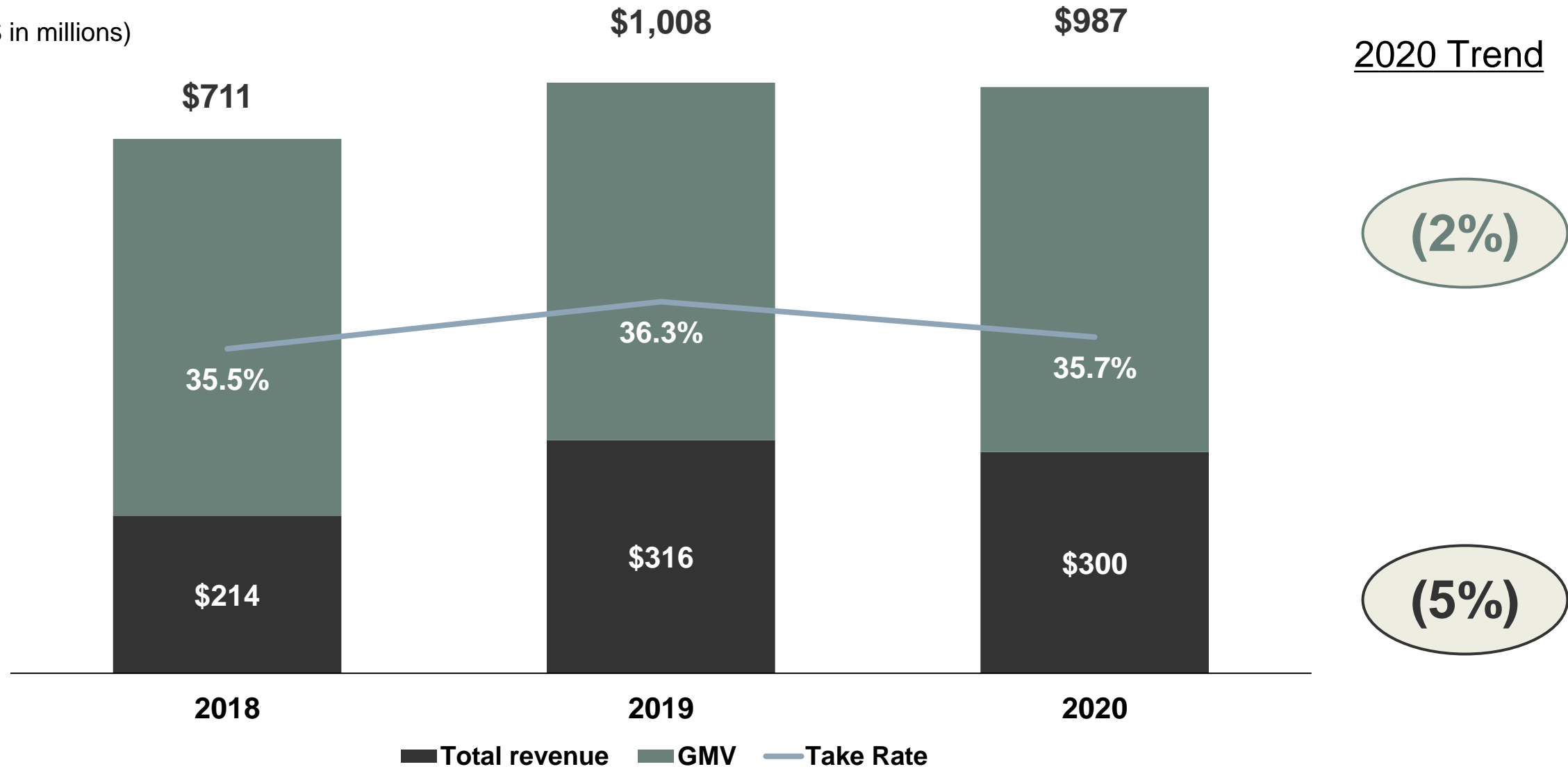
# Long Term Financial Profile

- ① Strong & sustainable growth
- ② Significant operating leverage
- ③ Substantial liquidity



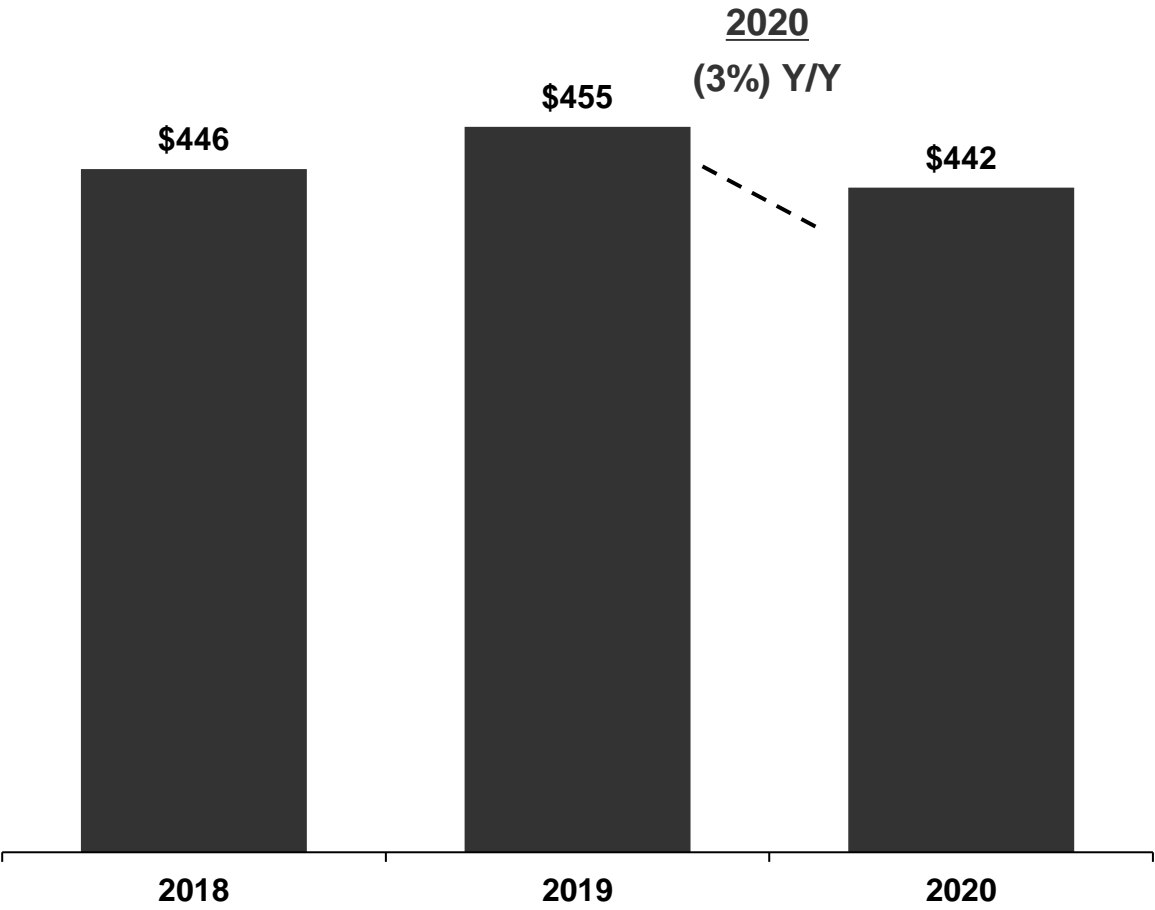
# Revenue Growth Driven By GMV Growth and Take Rate

(\$ in millions)

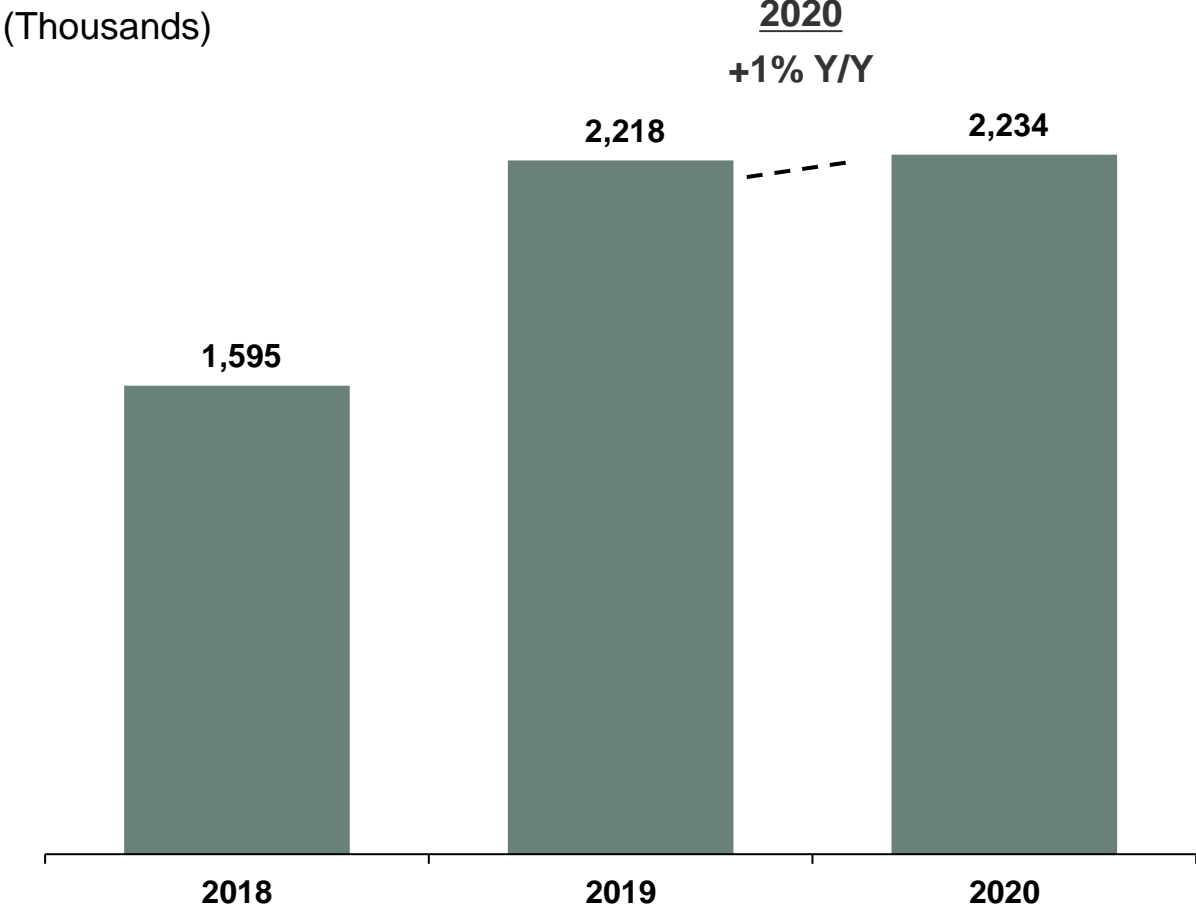


# GMV Growth Driven By Order Growth and AOV

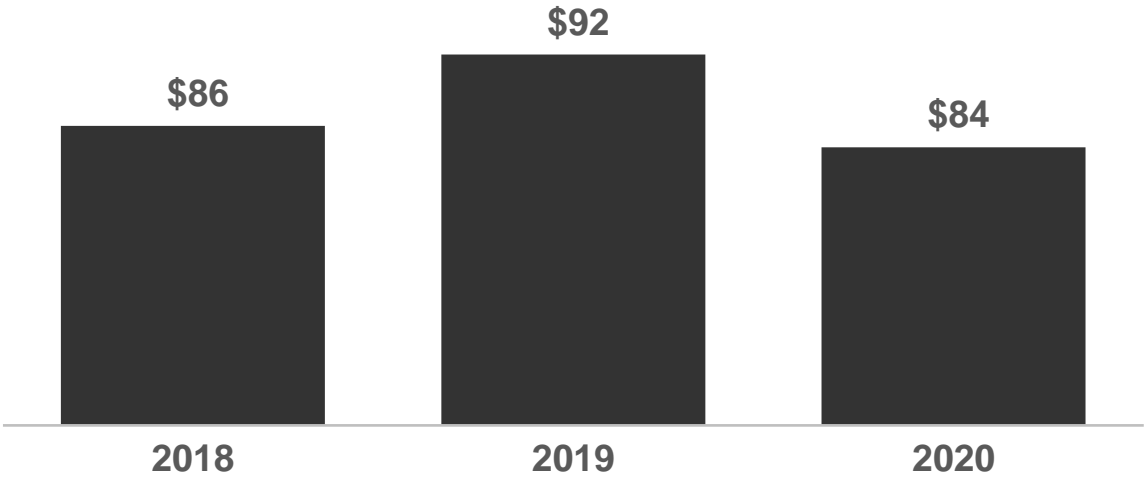
Average order value (AOV)



Number of orders



# Gross Profit per Order Key Driver Towards Profitability



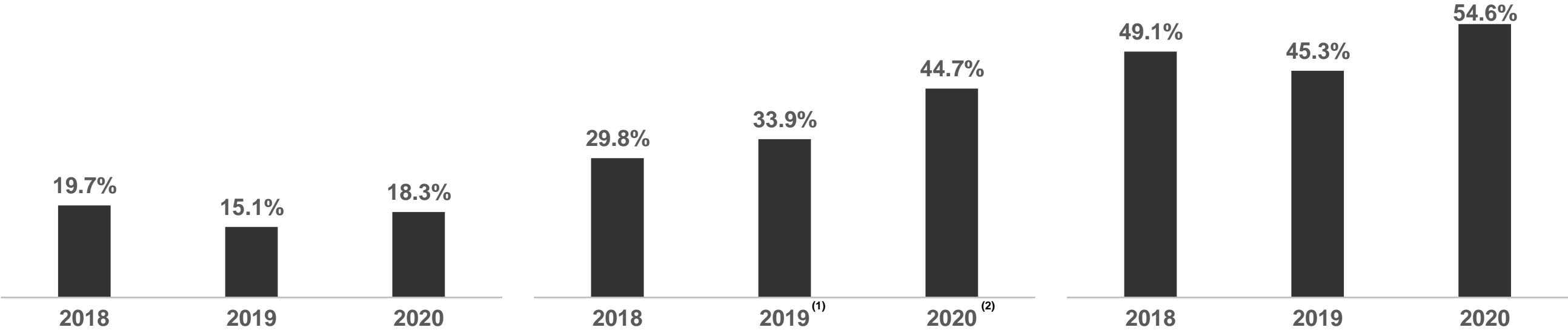
**Gross Profit per Order<sup>1</sup>**  
Down 8% Y/Y in 2020 as shipping leverage was offset by lower AOV and take rate and higher buyer incentives.



(1) Calculated by dividing Gross Profit by the number of orders for the applicable quarter.



# Operating Leverage Delayed by COVID



**Marketing**

Increase due to the rev. decline and our investments to drive GMV recovery. '20 marketing was 5.6% of GMV vs. 4.7% in '19.

**SG&A**

Increase due to the rev. decline, investments in public company costs and COVID related expenses. '20 SG&A was 14.4% of GMV vs. 11.0% in '19.

**Ops & Tech**

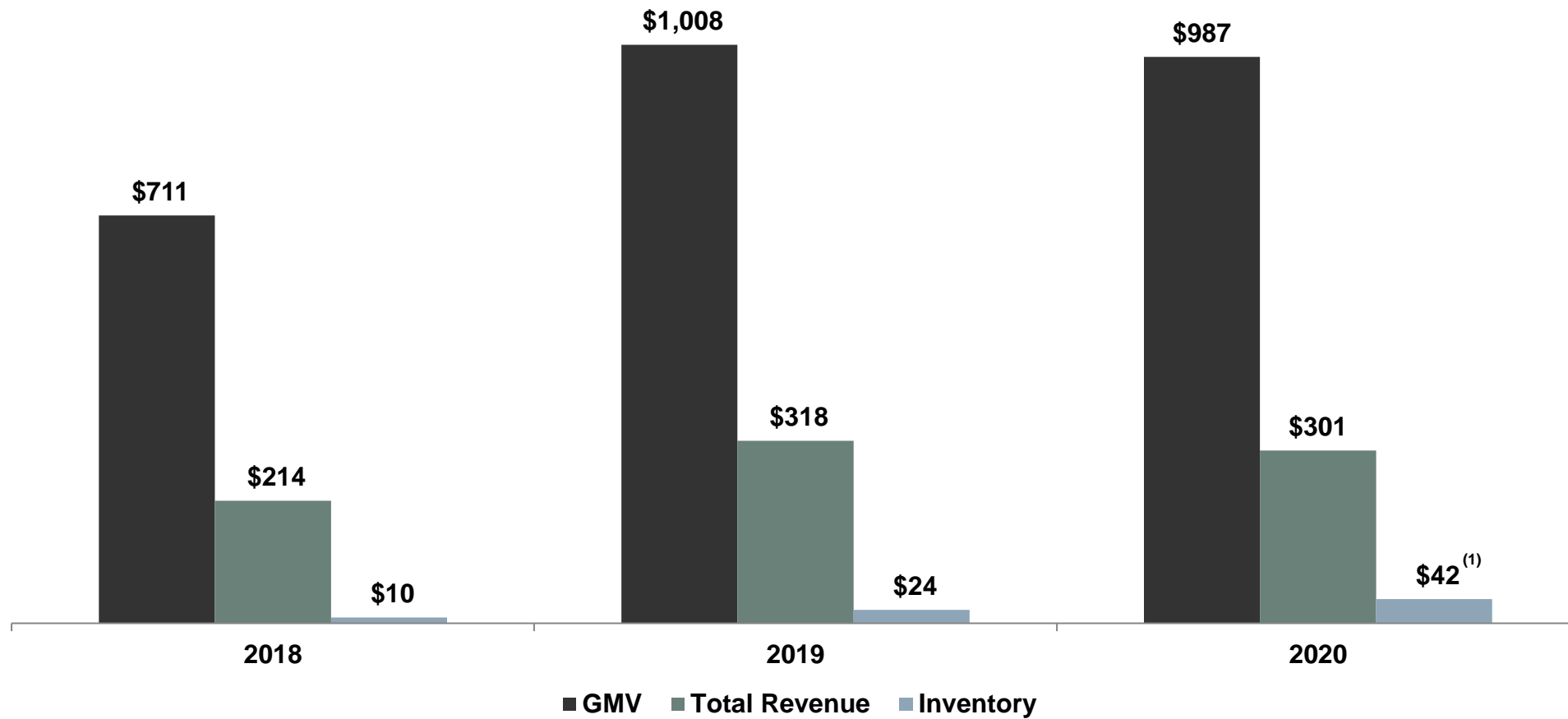
Increase due to the rev. decline, headcount and occupancy expense. '20 Ops & Tech was 16.6% of GMV vs. 14.2% in '19

Note: Buyer Acquisition Cost or BAC for a given period is comprised of our total advertising spend divided by the number of buyers acquired in that period.  
 (1) Excluding the \$3.2 million donation to establish The RealReal Foundation and \$0.3 million in abandoned offering costs, SG&A as a percent of revenue was 33.9% in 2019.  
 (2) Excluding \$6.2 million in COVID related expenses and \$1.6 million in Sarbanes-Oxley expenses, SG&A as a percent of revenue was 44.7% in 2020.

# Capital Efficient Marketplace Model

## GMV, Total Revenue and Inventory

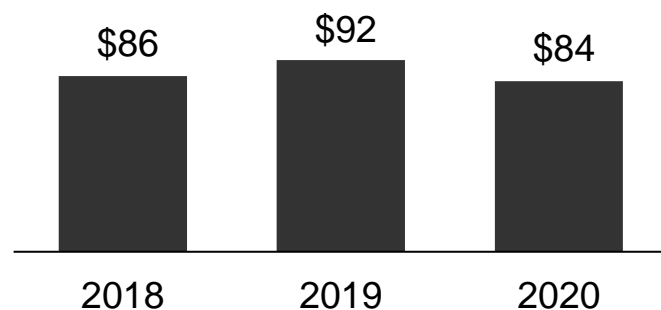
(\$ in millions)



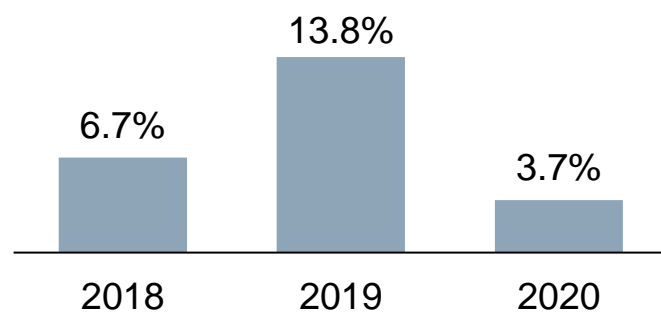
(1) The increase in our inventory balance was primarily driven by vendor transactions.

# Clear Path to Profitability – Temporary Setback in 2020

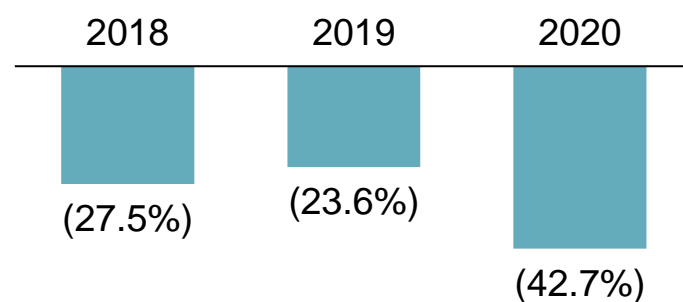
## GROSS PROFIT PER ORDER



## CONTRIBUTION MARGIN<sup>(1)</sup>



## ADJUSTED EBITDA (% OF REVENUE)<sup>(2)</sup>



## DRIVERS OF OPERATING LEVERAGE

<b>REVENUE DRIVERS</b>	<b>Strong Retention</b>	<b>Consignment Take Rate</b>	<b>AOV</b>
<b>GROSS MARGIN DRIVERS</b>	<b>Shipping Expense</b>	<b>Consignment Take Rate</b>	<b>Direct Sales Mix</b>
<b>VARIABLE EXPENSE LEVERAGE</b>	<b>Marketing</b> Improving BAC	<b>Ops &amp; Tech</b> Process automation	<b>SG&amp;A</b> Sales team productivity
<b>FIXED EXPENSE LEVERAGE</b>	<b>Ops &amp; Tech</b> Rent and headcount	<b>SG&amp;A</b> Headcount and public company expenses	<b>Marketing</b> Headcount

Note: The figures above are non-GAAP financial measures. Please see the reconciliation from GAAP to Non-GAAP measures contained in the appendix to this presentation.

(1) Contribution margin is a non-GAAP financial measure that is calculated as gross profit per order minus variable expenses including variable marketing, operations, sales and merchandising expenses as a percentage of sales.

(2) Adjusted EBITDA means net loss before net interest expense, income tax provision and depreciation and amortization, further adjusted to exclude stock-based compensation and certain one-time expenses. See adjusted EBITDA reconciliation in Appendices.

# Reconciliation to Contribution Profit per Order

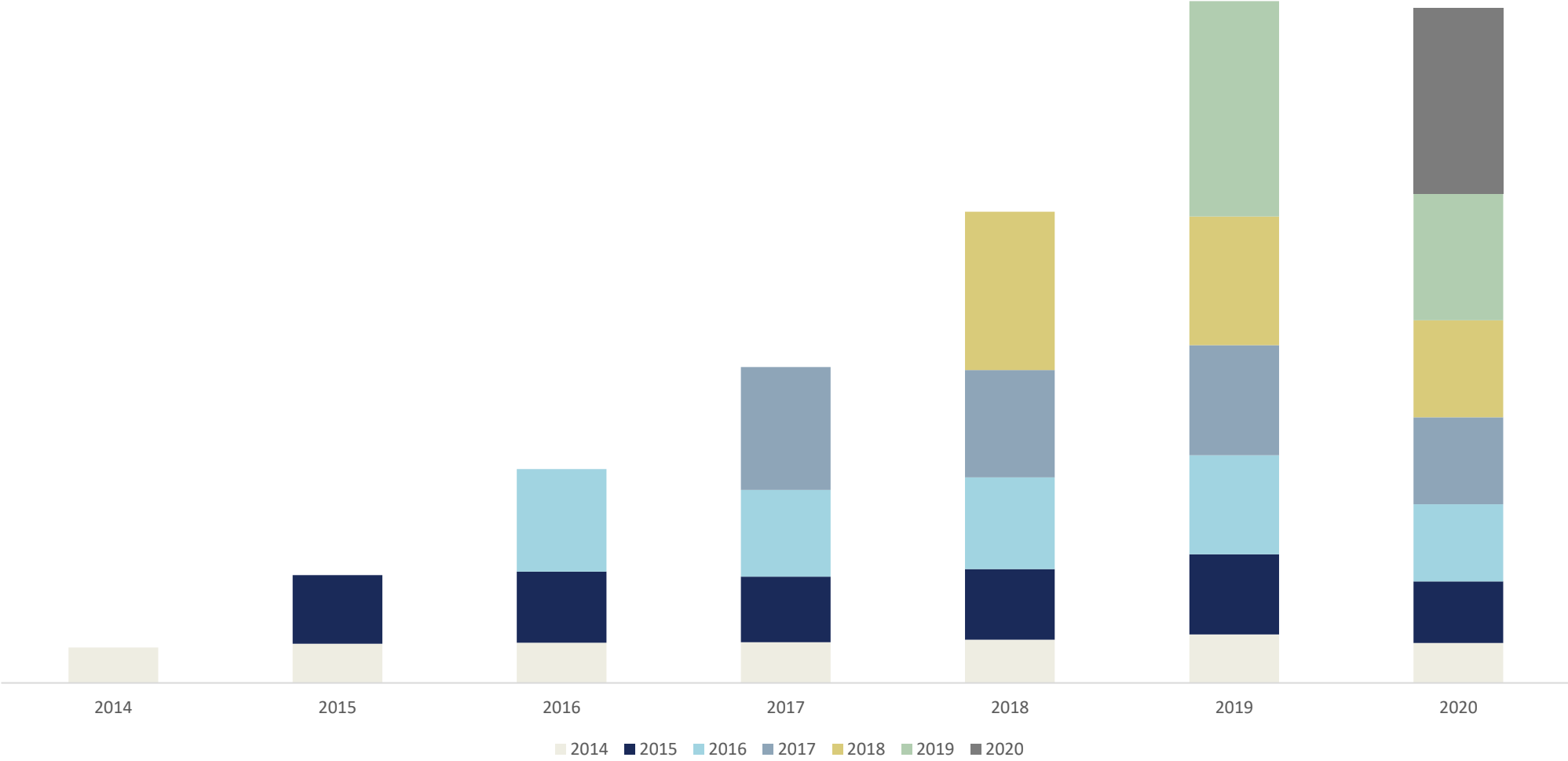
	2018	2019	2020	Y/Y Change
AOV	\$446	\$455	\$442	(3%)
Revenue per Order	\$130	\$143	\$134	(6%)
<b>Take Rate</b>	<b>35.5%</b>	<b>36.3%</b>	<b>35.7%</b>	<b>(60bps)</b>
Gross Profit per Order	\$86	\$92	\$84	(8%)
Variable Cost per Order	\$77	\$72	\$79	10%
<b>Contribution Profit per Order<sup>(1)</sup></b>	<b>\$9</b>	<b>\$20</b>	<b>\$5</b>	<b>(75%)</b>
Fixed Cost per Order	\$46	\$53	\$63	20%
<b>Adjusted EBITDA per Order</b>	<b>(\$37)</b>	<b>(\$33)</b>	<b>(\$58)</b>	<b>(76%)</b>

Note: The figures above are non-GAAP financial measures. Please see the reconciliation from GAAP to Non-GAAP measures.

(1) Contribution Profit is a non-GAAP financial measure that is calculated as gross profit per order minus variable expenses including variable marketing, operations, sales and merchandising expenses.

# Consistent Retention Across Buyer Cohorts Prior to COVID

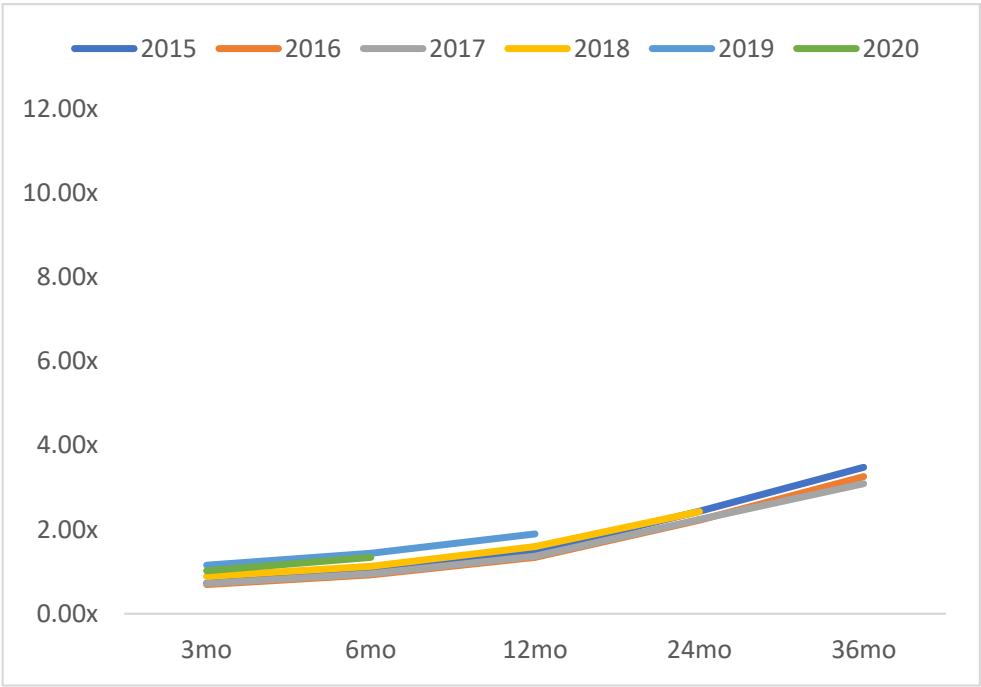
Annual GMV by Buyer Cohort Year  
*(\$ in millions)*



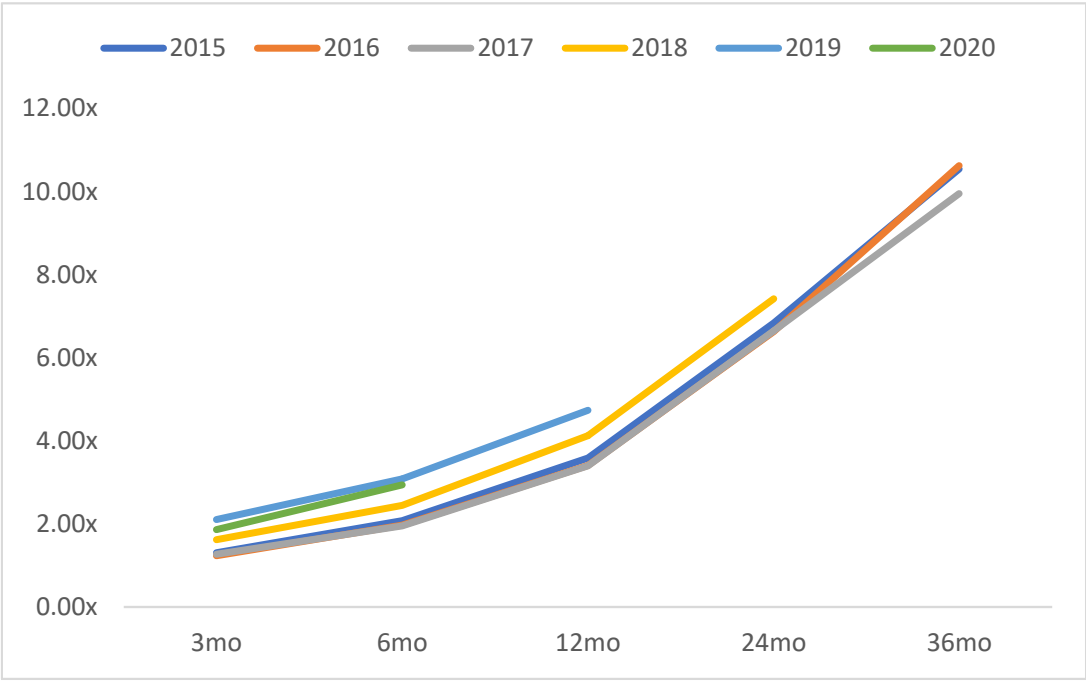
Note: Each cohort represents all buyers that first purchased across our online marketplace in the designated year and the aggregate GMV purchased by such cohort for the initial year and each year thereafter.

# 2020 Buyer LTV : BAC Payback Less Than 3 Months With Flywheel Enhancing The Network Effect of Our Marketplace

**Buyer LTV : BAC – All Buyers<sup>1</sup>**



**BLTV : BAC – Buyers who are also consignors<sup>1</sup>**



**2020 BAC payback in less than 3 months**

	3mo	6mo	12mo	24mo	36mo
<b>2015</b>	0.73x	0.99x	1.48x	2.44x	3.48x
<b>2016</b>	0.69x	0.92x	1.34x	2.22x	3.26x
<b>2017</b>	0.72x	0.94x	1.36x	2.24x	3.09x
<b>2018</b>	0.88x	1.13x	1.59x	2.43x	
<b>2019</b>	1.15x	1.43x	1.89x		
<b>2020</b>	1.02x	1.34x			

**Further acceleration of BAC payback**

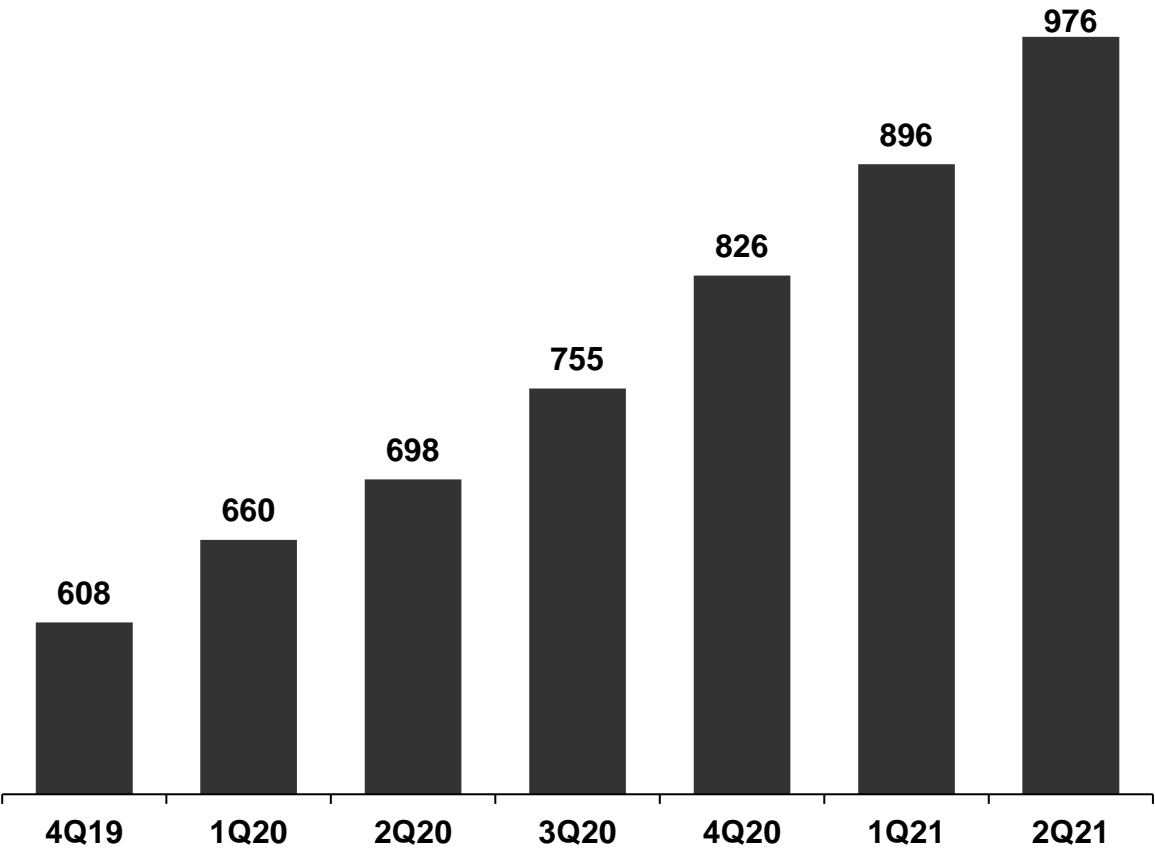
	3mo	6mo	12mo	24mo	36mo
<b>2015</b>	1.30x	2.08x	3.59x	6.84x	10.55x
<b>2016</b>	1.24x	1.97x	3.41x	6.63x	10.63x
<b>2017</b>	1.27x	1.96x	3.40x	6.65x	9.95x
<b>2018</b>	1.62x	2.44x	4.13x	7.42x	
<b>2019</b>	2.11x	3.08x	4.74x		
<b>2020</b>	1.87x	2.94x			

Note: BLTV refers to cumulative gross profit attributable to purchases by buyers in a given period. BAC for a given period is comprised of our total advertising spend divided by the number of buyers acquired in that period. BLTV in the graph on the right includes only gross profit attributable to transactions in which the members participated as buyers and does not include gross profit attributable to transactions in which the member participated as a consignor

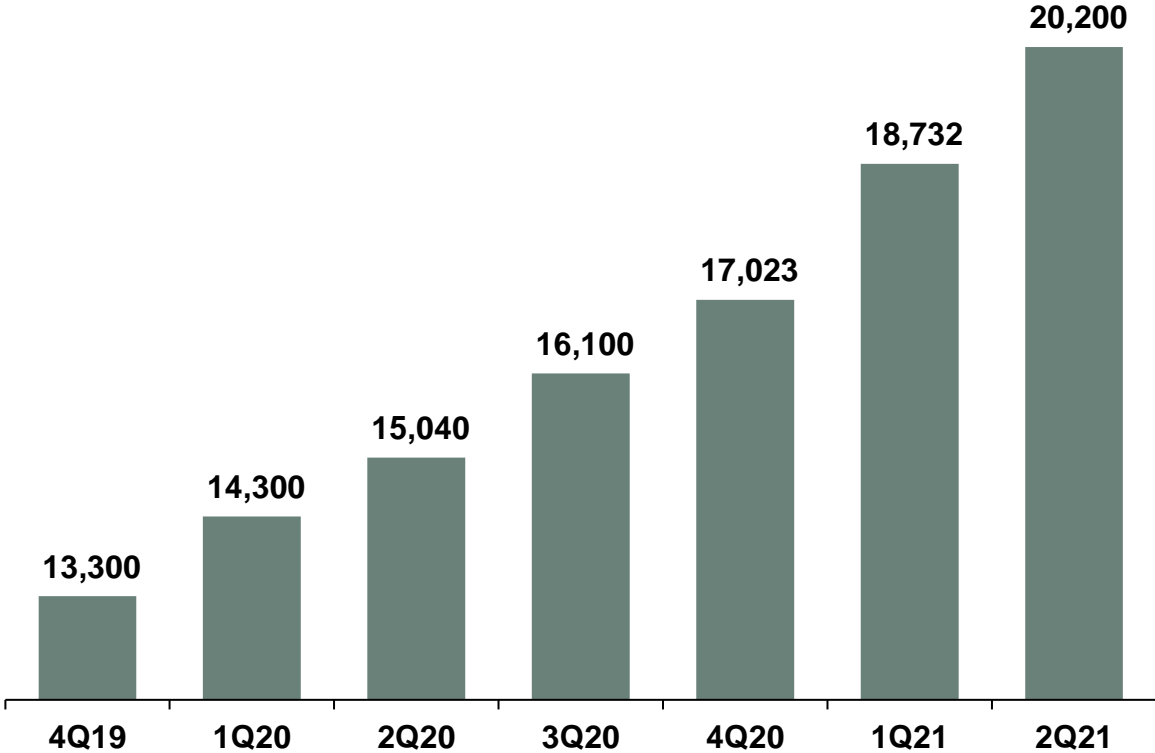
(1) The 2020 cohorts in the graphs reflect buyers that first purchased across our online marketplace through June 30, 2020 for the 6 month period and September 30, 2020 for the 3 month period.

# Our Model is Inherently Sustainable

Millions of liters of water saved since inception <sup>(1)</sup>



Metric tons of carbon saved since inception <sup>(1)</sup>



(1) See <https://www.therealreal.com/sustainability> for methodology.

# Building a Strong ESG Foundation

## ■ Sustainability is a core value

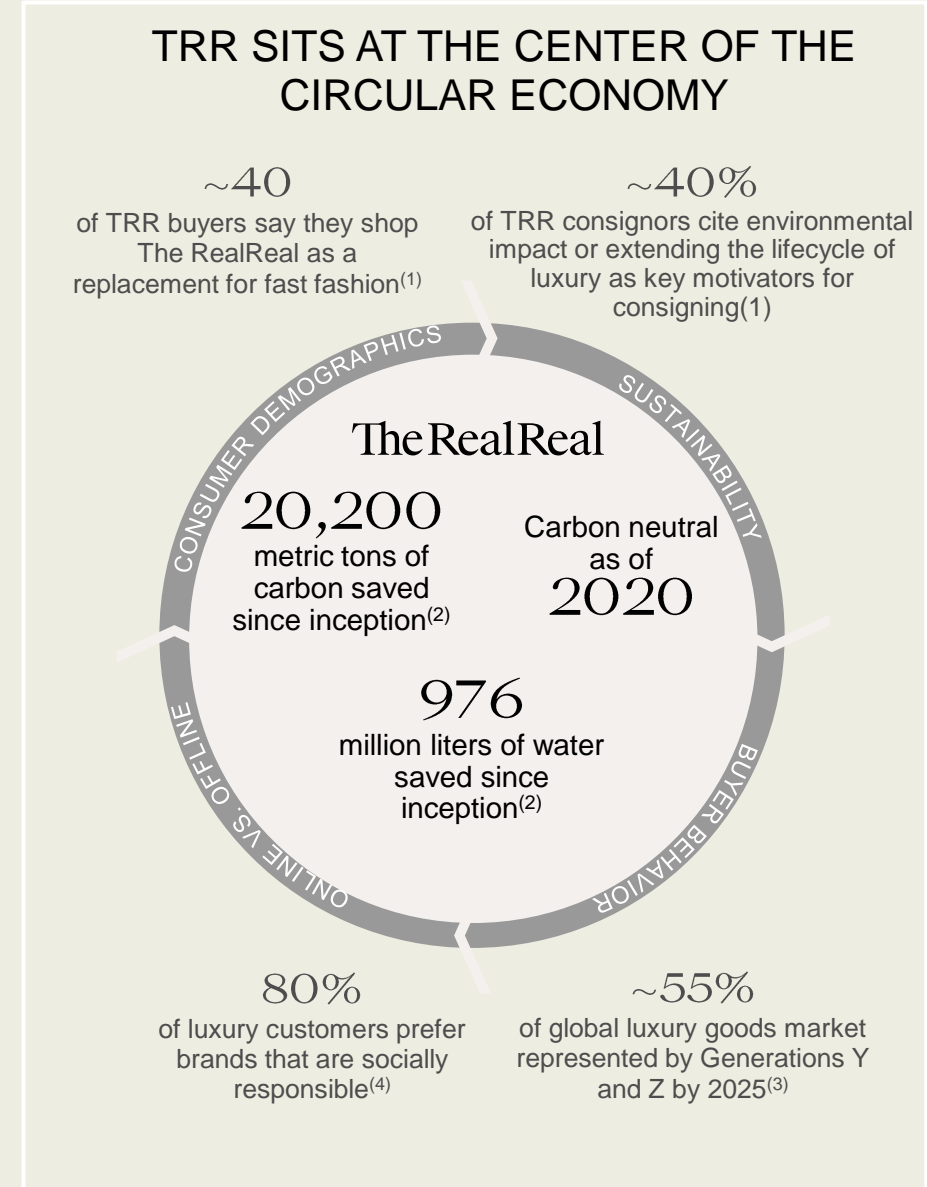
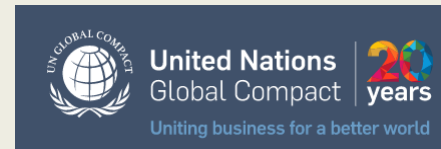
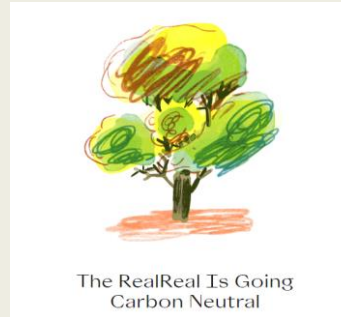
- Saving water and carbon emissions
- Pioneering the circular economy
- Extending the lifecycle of luxury products
- 3Rs: Resell, Revive & Reimagine

## ■ Social

- Diversity and inclusion
- Employee safety
- Human capital management
- Data privacy

## ■ Governance

- Board and Committee oversight of Diversity and Inclusion
- Board and Committee oversight of ESG
- Ethics



(1) According to The RealReal customer survey results as of March 31, 2021

(2) As of June 30, 2021

(3) Bain Altagamma Luxury Goods Worldwide Market Study, May 2020.

(4) Bain Altagamma Worldwide Luxury Market Monitor, November 2019.



# ESG Highlights

## Environment

- Model drives significant water and emissions savings
- First carbon neutral resale company
- Circular economy advocacy and thought leadership: **Resell, Revive & Reimagine**
- Reduce greenhouse gas (GHG) emissions by 30% by 2030; achieve net-zero emissions by 2050
- Partnerships with Gucci, Burberry and Stella McCartney promote the recirculation of their products on TRR
- Sustainability calculator embedded in our buyer and consignor experience
- Sustainability Task Force works cross-functionally to identify projects that can drive sustainable outcomes
- Environmental Management System (EMS)
- Submitted CDP Climate Change survey response
- UN Global Compact Signatory
- UN Climate Change’s Fashion Industry Charter
- The Ellen MacArthur Foundation Member
- Sustainable Apparel Coalition

## Society

- 68% of employees are female <sup>(1)</sup>
- ~50% of employees identify as racially or ethnically diverse <sup>(1)</sup>
- Implementing a company wide diversity & inclusion plan
- 98.3% of employees received an annual performance review; our people managers have quarterly meetings with their employees to address performance and development<sup>(1)</sup>
- Employee safety is our top priority and we have implemented numerous new safety measures to protect our employees during the pandemic
- Committed to high standards for our working environments that protect the well-being of all employees
- Data protection policy governs business
- All employees are eligible to participate in ESPP Plan; all full-time employees receive awards through our Equity Incentive Plan.
- UN Global Compact Signatory
- Supplier Responsibility Program

## Governance

- 60% of our Board of Directors were female <sup>(2)</sup>
- Majority independent Board of Directors
- Board of oversight of risk management, ESG and Diversity & Inclusion
- Fully independent Compensation, Diversity and Inclusion Committee, Corporate Governance and Nominating Committee and Audit Committee
- Classified Board Structure – promotes continuity of leadership, Board stability and long-term planning
- Quarterly reporting to the Governance committee
- Annual Director and Committee evaluations
- Anti-hedging and anti-pledging requirements
- Single-class capital structure: one share, one vote

(1) As of December 31, 2020

(2) As of February 22, 2021

# Aligned with SASB; Engagement with ESG Ratings Agencies

## ▪ SASB

- Aligned our ESG disclosures with SASB disclosure framework

## ▪ ISS

- **Environment Score:** 3
- **Social Score:** 1
- *Continue to work closely with ISS to improve overall scores<sup>(1)</sup>*

## ▪ MSCI

- **Overall rating:** A
- *Above industry average<sup>(2)</sup>*

## ▪ Sustainalytics

- **Overall rating:** 23.6 (Medium Risk)
- *In line with industry average<sup>(3)</sup>*

## ▪ CDP

- Submitted CDP Climate Change survey response



(1) ISS data as of June 30, 2021  
(2) MSCI data as of January 2021  
(3) Sustainalytics data as of January 2021

# Innovative and Experienced Team



**Julie Wainwright**  
Founder, President and  
Chief Executive Officer



**Rati Sahi Levesque**  
President



**Matt Gustke**  
Chief Financial Officer



**Arnie Katz**  
Chief Product and Technology  
Officer



**Zaina Orbai**  
Chief People Officer



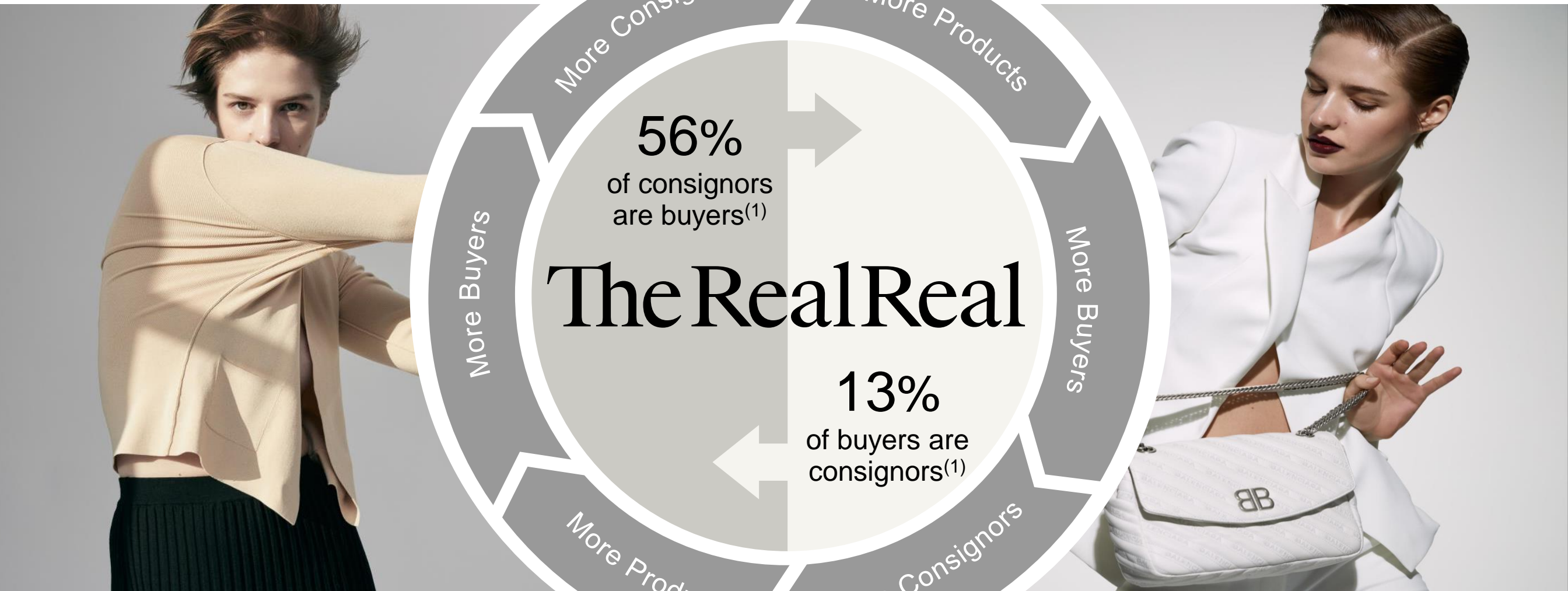
**Orr Shaked**  
Chief Marketing Officer



**Todd Suko**  
Chief Legal Officer



**Frank Zhu**  
Chief Analytics Officer



More Consignors

More Products

56%  
of consignors  
are buyers<sup>(1)</sup>

# The RealReal

13%  
of buyers are  
consignors<sup>(1)</sup>

More Buyers

More Buyers

More Products

More Consignors

(1) As of June 30, 2021.

# The RealReal

## Appendix



# Reconciliation to Adjusted EBITDA

(\$ in millions)

FYE December 31

	2017	2018	2019	2020
<b>Total Revenue</b>	<b>\$137.5</b>	<b>\$213.7</b>	<b>\$316.4</b>	<b>\$299.9</b>
<b>Net loss</b>	<b>(\$52.3)</b>	<b>(\$75.8)</b>	<b>(\$98.4)</b>	<b>(\$175.8)</b>
Depreciation and amortization	5.6	9.3	13.4	18.8
Stock-based compensation expense	1.9	2.9	7.7	24.3
Compensation expense related to stock sales by current and former employees	–	0.8	0.8	–
Legal Settlement	–	–	–	1.1
Abandoned Offering Costs	–	–	0.3	–
Restructuring	–	–	–	0.5
Donation to TRR Foundation	–	–	3.2	–
Vendor service settlement	–	2.0	–	–
Interest income	(0.4)	(1.0)	(4.6)	(2.5)
Interest expense	0.8	1.2	0.6	5.3
Other expense, net	0.1	1.7	2.1	0.2
Provision for income taxes	0.1	0.1	0.2	0.1
<b>Adjusted EBITDA</b>	<b>(\$44.3)</b>	<b>(\$58.9)</b>	<b>(\$74.7)</b>	<b>(\$128.0)</b>
Adjusted EBITDA (% of Revenue)	-32.2%	-27.6%	-23.6%	-42.7%

# Reconciliation to Adjusted EBITDA

(\$ in millions)

FYE December 31	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
<b>Total Revenue</b>	<b>\$78.0</b>	<b>\$57.3</b>	<b>\$77.8</b>	<b>\$86.8</b>	<b>\$98.8</b>	<b>\$104.9</b>
<b>Net loss</b>	<b>(\$38.5)</b>	<b>(\$43.0)</b>	<b>(\$43.6)</b>	<b>(\$50.8)</b>	<b>(\$56.0)</b>	<b>(\$70.7)</b>
Depreciation and amortization	4.1	4.6	4.9	5.2	5.4	6.4
Stock-based compensation expense	3.4	6.1	7.4	7.4	10.9	12.8
Compensation expense related to stock sales by current and former employees	—	—	—	—	—	—
Payroll tax expense on employee stock transactions	—	—	—	—	0.5	0.2
Legal Settlement	1.1	—	—	—	0.3	11.0
Abandoned Offering Costs	—	—	—	—	—	—
Restructuring	—	0.4	0.1	—	—	1.5
Donation to TRR Foundation	—	—	—	—	—	—
Vendor service settlement	—	—	—	—	—	—
Interest income	(1.3)	(0.6)	(0.4)	(0.2)	(0.1)	(0.1)
Interest expense	0.0	0.4	2.4	2.5	3.3	6.0
Other expense, net	(0.0)	0.1	—	0.1	(0.0)	—
Provision for income taxes	—	0.1	(0.0)	0.1	0.0	0.0
<b>Adjusted EBITDA</b>	<b>(\$31.1)</b>	<b>(\$31.9)</b>	<b>(\$29.3)</b>	<b>(\$35.8)</b>	<b>(\$35.6)</b>	<b>(\$32.9)</b>
Adjusted EBITDA (% of Revenue)	-39.9%	-55.7%	-37.6%	-41.2%	-36.1%	-31.4%

# Reconciliation to Contribution Margin

(\$ per order) FYE December 31	2018	2019	2020
<b>AOV</b>	<b>\$445.6</b>	<b>\$454.7</b>	<b>\$441.8</b>
Revenue	130.0	142.7	134.3
Gross profit <sup>1</sup>	136.9	201.5	187.6
Gross Profit per order	85.8	90.9	84.0
Variable expenses	77.1	71.9	79.0
<b>Contribution profit</b>	<b>\$8.7</b>	<b>\$19.0</b>	<b>\$5.0</b>
Contribution margin	6.7%	13.3%	3.7%



The RealReal