
**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): June 6, 2024

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	NASDAQ

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 June 6, 2024, Rent the Runway, Inc. (the “Company”) issued a press release announcing its financial results for the quarter ended April 30, 2024. 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.

Exhibit No.	Description
99.1	Press Release issued by Rent the Runway, Inc. on June 6, 2024
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: June 6, 2024

RENT THE RUNWAY, INC.

By: /s/ Siddharth Thacker

Siddharth Thacker
Chief Financial Officer

Rent the Runway, Inc. Announces First Quarter 2024 Results

Exceeded Revenue and Adjusted EBITDA Guidance for Q1 2024. Improved Business Momentum in Q1 2024.

Record Low Quarterly Cash Consumption in Q1 2024.

Reiterates Expectation for Revenue Growth and Free Cash Flow Breakeven in FY 2024.

New York (June 6, 2024) - 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 April 30, 2024.

Fiscal First Quarter and Recent Business Highlights

- **Record low quarterly free cash flow consumption of less than \$2M**, which is \$11M lower than Q1 2023 and \$27M lower than Q1 2022. We are reiterating our guidance to be free cash flow breakeven this year.
- **Strong retention rates** fueled by enhanced inventory and product experiences and new lifecycle marketing strategies. We believe that strong, sustained in-stock rates, combined with improved merchandising through use-case hubs, have made it easier for her to get dressed for every occasion.
- **Strong rejoin rates** of pausers and former customers driven by multi-channel lifecycle marketing and customer segmentation initiatives.
- **Return to in-real-life events and customer interactions** kicked off in our Flagship NYC store and in Atlanta, GA. The success of these events have informed our plans to return to retail and officially re-open our Flagship NYC store this summer.
- **Transformed marketing strategy and team** to significantly increase our in-house expertise in brand marketing, creative, content and lifecycle. The new talent is bringing fresh innovative solutions to RTR and an enhanced, more aspirational look and feel as we plan to reignite growth across all of our products and services.

"Rent the Runway had a strong start to fiscal 2024," said Jennifer Hyman, Co-Founder, President, and CEO, Rent the Runway. "I am excited about our progress in reigniting our growth engine. Our renewed focus on marketing and digital product innovation puts our customer at the center of everything we do. We are committed to delivering her a luxury rental experience that is magical. Our initiatives across expanding selection and styling are only the beginning as we expect to roll out significant improvements in merchandising and life cycle marketing in the quarters to come. Equally exciting is our renewed emphasis on the Rent the Runway brand, powerful and engaging content, and in-person customer interactions through our stores and events. I'm confident that the combination of our improved financial position and customer focused orientation will lead Rent the Runway to realize the significant opportunities ahead."

“Our business exhibited improved momentum in Q1 2024,” said Sid Thacker, Chief Financial Officer, Rent the Runway. “Ending active subscribers grew year over year during the quarter and we added almost 20,000 subscribers since Q4 2023. Our Reserve business has shown improved year over year trends this quarter relative to the past three quarters. Resale continued to be strong in the quarter. We also made noticeable progress on profitability with record low free cash flow consumption during Q1 2024. We are reiterating our Revenue growth expectations and our commitment to achieving free cash flow breakeven for FY24.”

First Quarter 2024 Key Metrics and Financial Highlights

- Revenue was \$75.0 million, a 1.1% increase year-over-year from \$74.2 million in the first quarter of fiscal year 2023.
- 145,837 ending Active Subscribers, up slightly year-over-year from 145,220 at the end of the first quarter of fiscal year 2023.
- 135,896 Average Active Subscribers, relatively flat year-over-year from 135,966 at the end of the first quarter of fiscal year 2023.
- 185,346 ending Total Subscribers, relatively flat year-over-year from 185,720 at the end of the first quarter of fiscal year 2023.
- Gross Profit was \$28.4 million, representing a change of (9.6)% from \$31.4 million in the first quarter of fiscal year 2023. Gross Margin was 37.9%, as compared to 42.3% in the first quarter of fiscal year 2023.
- Net Loss was \$(22.0) million, as compared to \$(30.1) million in the first quarter of fiscal year 2023. Net Loss as a percentage of revenue was (29.3)%, as compared to (40.6)% in the first quarter of fiscal year 2023.
- Adjusted EBITDA was \$6.5 million, as compared to \$4.5 million in the first quarter of fiscal year 2023. Adjusted EBITDA margin was 8.7%, as compared to 6.1% in the first quarter of fiscal year 2023.

Outlook

For the fiscal second quarter of 2024, Rent the Runway expects:

- Revenue of between \$76 million and \$78 million
- Adjusted EBITDA Margin of 14% to 15%

For fiscal year 2024, Rent the Runway continues to expect:

- Revenue growth of between 1% to 6% versus fiscal year 2023
- Adjusted EBITDA Margin of 15% to 16%
- Free Cash Flow Breakeven on a full year basis

Please see our first quarter 2024 earnings presentation at <https://investors.renttherunway.com/> under the “Presentations” section for supplemental guidance.

Earnings Presentation, Conference Call and Webcast

The first quarter 2024 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 first quarter 2024 financial results and provide a business update today, June 6, 2024, at 4:30 pm ET.

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 13746504.

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 hundreds of 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 and ski wear. 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, revenue and free cash flow, business objectives and strategic initiatives, including our plans to reduce fixed costs and reignite growth, marketing and digital product innovation plans, and expectations regarding subscriber trends, customer retention and satisfaction. 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,” “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 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 the Company's debt, including the Company's ability to comply with covenants in the Company's credit facility; risks related to our Class A capital stock and ownership structure; and risks related to future pandemics or 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 Annual Report on Form 10-K for the year ended January 31, 2024, as will be updated in our Quarterly Report on Form 10-Q for the quarter ended April 30, 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.

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.

Average Active Subscribers is defined as 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.

Gross Profit is defined as total revenue less costs related to activities to fulfill customer orders and rental product acquisition costs, presented as fulfillment and rental product depreciation and revenue share, respectively, on the consolidated statement of operations. 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 on a straight line basis and remaining cost of items when sold or retired on our consolidated statement of operations. Rental product depreciation expense is time-based and reflects all rental product 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, Adjusted EBITDA margin, free cash flow, and free cash flow margin. In addition to our results determined in accordance with GAAP, we believe that Adjusted EBITDA and Adjusted EBITDA margin are useful in evaluating our performance and free cash flow and free cash flow margin are useful in evaluating our performance and liquidity. 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. 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 rental product assets, restructuring charges, income tax (benefit) expense, other income and expense, and other gains / losses. Adjusted EBITDA margin is defined as Adjusted EBITDA calculated as a percentage of total revenue, net for a period.

We define free cash flow as net cash used in operating activities and net cash used in investing activities on a combined basis. Free cash flow margin is defined as free cash flow as a percentage of revenue.

The reconciliation of presented 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, Adjusted EBITDA margin and free cash flow expectations for Q2 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.

Investor Contact

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Media Contact

Press

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

	April 30, 2024	January 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 82.0	\$ 84.0
Restricted cash, current	5.2	5.2
Prepaid expenses and other current assets	12.1	13.0
Total current assets	99.3	102.2
Restricted cash	4.8	4.8
Rental product, net	99.7	94.0
Fixed assets, net	33.4	35.7
Intangible assets, net	3.1	3.4
Operating lease right-of-use assets	33.2	33.9
Other assets	4.9	4.5
Total assets	\$ 278.4	\$ 278.5
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable	\$ 16.4	\$ 5.8
Accrued expenses and other current liabilities	22.2	21.7
Deferred revenue	13.3	10.9
Customer credit liabilities	6.0	6.3
Operating lease liabilities	3.7	3.4
Total current liabilities	61.6	48.1
Long-term debt, net	313.1	306.7
Operating lease liabilities	44.3	45.3
Other liabilities	0.7	0.7
Total liabilities	419.7	400.8
Stockholders' equity (deficit)		
Class A common stock	—	—
Class B common stock	—	—
Preferred stock	—	—
Additional paid-in capital	933.8	930.8
Accumulated deficit	(1,075.1)	(1,053.1)
Total stockholders' equity (deficit)	(141.3)	(122.3)
Total liabilities and stockholders' equity (deficit)	\$ 278.4	\$ 278.5

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

	Three Months Ended April 30,	
	2024	2023
Revenue:		
Subscription and Reserve rental revenue	\$ 66.1	\$ 66.8
Other revenue	8.9	7.4
Total revenue, net	75.0	74.2
Costs and expenses:		
Fulfillment	20.6	21.9
Technology	9.6	13.1
Marketing	9.0	9.3
General and administrative	22.8	26.5
Rental product depreciation and revenue share	26.0	20.9
Other depreciation and amortization	3.3	3.8
Restructuring charges	0.2	—
Total costs and expenses	91.5	95.5
Operating loss	(16.5)	(21.3)
Interest income / (expense), net	(5.6)	(8.8)
Other income / (expense), net	0.1	—
Net loss before income tax benefit / (expense)	(22.0)	(30.1)
Income tax benefit / (expense)	—	—
Net loss	\$ (22.0)	\$ (30.1)
Net loss per share attributable to common stockholders, basic and diluted	\$ (6.03)	\$ (9.14)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	3,646,202	3,293,295

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

	Three Months Ended April 30,	
	2024	2023
OPERATING ACTIVITIES		
Net loss	\$ (22.0)	\$ (30.1)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Rental product depreciation and write-offs	11.3	9.6
Write-off of rental product sold	3.6	2.5
Other depreciation and amortization	3.3	3.8
Loss from write-off of fixed assets	—	0.1
Proceeds from rental product sold	(6.8)	(5.4)
(Gain) / loss from liquidation of rental product	0.4	(0.2)
Accrual of paid-in-kind interest	—	7.1
Amortization of debt discount	6.4	1.6
Share-based compensation expense	3.0	8.8
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	0.9	1.6
Operating lease right-of-use assets	0.7	0.7
Other assets	(0.4)	0.3
Accounts payable, accrued expenses and other current liabilities	2.8	(3.7)
Deferred revenue and customer credit liabilities	2.1	1.3
Operating lease liabilities	(0.7)	(1.1)
Other liabilities	—	(0.2)
Net cash (used in) provided by operating activities	4.6	(3.3)
INVESTING ACTIVITIES		
Purchases of rental product	(13.1)	(14.6)
Proceeds from liquidation of rental product	1.1	1.3
Proceeds from sale of rental product	6.8	5.4
Purchases of fixed and intangible assets	(0.8)	(0.9)
Net cash (used in) provided by investing activities	(6.0)	(8.8)
FINANCING ACTIVITIES		
Other financing payments	(0.6)	(0.1)
Net cash (used in) provided by financing activities	(0.6)	(0.1)
Net (decrease) increase in cash and cash equivalents and restricted cash	(2.0)	(12.2)
Cash and cash equivalents and restricted cash at beginning of period	94.0	163.6
Cash and cash equivalents and restricted cash at end of period	\$ 92.0	\$ 151.4

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

	Three Months Ended April 30,	
	2024	2023
RECONCILIATION OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH TO THE CONDENSED CONSOLIDATED BALANCE SHEETS:		
Cash and cash equivalents	\$ 82.0	\$ 141.4
Restricted cash, current	5.2	4.2
Restricted cash, noncurrent	4.8	5.8
Total cash and cash equivalents and restricted cash	\$ 92.0	\$ 151.4
Supplemental Cash Flow Information:		
Cash payments (receipts) for:		
Fixed operating lease payments, net	\$ 2.7	\$ 2.8
Fixed assets and intangibles received in the prior period	0.3	0.1
Rental product received in the prior period	3.3	5.4
Non-cash financing and investing activities:		
Financing lease right-of-use asset amortization	\$ 0.1	\$ 0.2
Purchases of fixed assets and intangibles not yet settled	0.2	—
Purchases of rental product not yet settled	12.3	13.0

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 April 30,	
	2024	2023
	(in millions)	
Net loss	\$ (22.0)	\$ (30.1)
Interest (income) / expense, net ⁽¹⁾	5.6	8.8
Rental product depreciation	14.9	12.1
Other depreciation and amortization ⁽²⁾	3.3	3.8
Share-based compensation ⁽³⁾	3.0	8.8
Write-off of liquidated assets ⁽⁴⁾	1.6	1.0
Restructuring charges ⁽⁵⁾	0.2	—
Other (income) / expense, net ⁽⁶⁾	(0.1)	—
Other (gains) / losses ⁽⁷⁾	—	0.1
Adjusted EBITDA	<u>\$ 6.5</u>	<u>\$ 4.5</u>
Adjusted EBITDA Margin ⁽⁸⁾	<u>8.7 %</u>	<u>6.1 %</u>

⁽¹⁾ Includes debt discount amortization of \$6.4 million in the three months ended April 30, 2024 and \$1.6 million in the three months ended April 30, 2023.

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

⁽³⁾ Reflects the non-cash expense for share-based compensation.

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

⁽⁵⁾ Reflects restructuring charges primarily related to severance and related costs in connection with the January 2024 restructuring plan.

⁽⁶⁾ Includes other (income) / expense recognized in the period.

⁽⁷⁾ 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).

⁽⁸⁾ Adjusted EBITDA Margin calculated as Adjusted EBITDA as a percentage of revenue.

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

The following table presents a reconciliation of net cash (used in) provided by operating activities, the most comparable GAAP financial measure, to Free Cash Flow and Free Cash Flow Margin for the periods presented:

	Three Months Ended April 30,	
	2024	2023
	(in millions)	
Net cash (used in) provided by operating activities	\$ 4.6	\$ (3.3)
Purchases of rental product	(13.1)	(14.6)
Proceeds from liquidation of rental product	1.1	1.3
Proceeds from sale of rental product	6.8	5.4
Purchases of fixed and intangible assets	(0.8)	(0.9)
Free Cash Flow	<u>\$ (1.4)</u>	<u>\$ (12.1)</u>
Free Cash Flow Margin	<u>(1.9)%</u>	<u>(16.3)%</u>

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

The following table presents a reconciliation of net loss, the most comparable GAAP financial measure, to Free Cash Flow and Free Cash Flow Margin for the periods presented:

	Three Months Ended April 30,	
	2024	2023
	(in millions)	
Net loss	\$ (22.0)	\$ (30.1)
Interest (income) / expense, net	5.6	8.8
Rental product depreciation	14.9	12.1
Other depreciation and amortization	3.3	3.8
Share-based compensation	3.0	8.8
Write-off of liquidated assets	1.6	1.0
Restructuring charges	0.2	—
Other (income) / expense, net	(0.1)	—
Other (gains) / losses	—	0.1
Adjusted EBITDA	\$ 6.5	\$ 4.5
Purchases of rental product	(13.1)	(14.6)
Purchases of fixed and intangible assets	(0.8)	(0.9)
Cash interest expense	—	(1.5)
Cash interest earned	0.8	1.4
Change in assets and liabilities	5.4	(1.1)
Restructuring charges	(0.2)	—
Other adjustments (1)	—	0.1
Free Cash Flow	\$ (1.4)	\$ (12.1)
Free Cash Flow Margin	(1.9)%	(16.3)%

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