

# REVOLVE

## Revolve Group Annual Report 2020

Form 10-K (NYSE:RVLV)

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**Form 10-K**

(Mark One)

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2019

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number: 001-38927

**REVOLVE GROUP, INC.**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**46-1640160**  
(I.R.S. Employer  
Identification No.)

**12889 Moore Street**  
**Cerritos, California 90703**  
(Address of Principal Executive Offices)

**(562) 677-9480**  
(Registrant's telephone number, including area code)

**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, par value \$0.001 per share	RVLV	New York Stock Exchange

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

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input checked="" type="checkbox"/>		

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.

Indicate by check mark whether registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

There were 15,779,401 shares of Class A common stock and 53,568,912 shares of Class B common stock outstanding as of February 19, 2020. The aggregate market value of the Registrant's common equity held by non-affiliates was approximately \$466.8 million as of June 30, 2019, based upon the last reported sales price on the New York Stock Exchange on that date of \$34.50.

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the registrant's Definitive Proxy Statement to be filed with the Securities and Exchange Commission no later than 120 days after the end of the Registrant's fiscal year ended December 31, 2019, are incorporated by reference in Part III of this Annual Report on Form 10-K.

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## FORWARD-LOOKING STATEMENTS

*This report contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact are “forward-looking statements” for purposes of federal and state securities laws, including any projections of earnings, revenue or other financial items; any statements of the plans, strategies and objectives of management for future operations; any statements concerning proposed new services or developments; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing. Forward-looking statements may include, among other, the words “may,” “will,” “estimate,” “intend,” “continue,” “believe,” “expect,” “anticipate” or any other similar words.*

*Although we believe that the expectations reflected in any of our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any of our forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and to inherent risks and uncertainties, such as those disclosed or incorporated by reference in our filings with the Securities and Exchange Commission. Important factors that could cause our actual results, performance and achievements, or industry results to differ materially from estimates or projections contained in our forward-looking statements include, among others, the following:*

- our ability to effectively manage or sustain our growth and to effectively expand our operations;
  - our ability to retain our existing customers and acquire new customers;
  - our ability to retain existing vendors and brands and to attract new vendors and brands;
  - our ability to obtain and maintain differentiated high-quality products from appropriate brands in sufficient quantities from vendors;
  - our ability to obtain and maintain sufficient inventory at prices that will make our business model profitable, and of a quality that will continue to retain existing customers and attract new customers;
  - our reliance on overseas suppliers and manufacturing partners, particularly in China;
  - our ability to respond to consumer demand, spending and tastes, and our ability to accurately and effectively engage in predictive analytics;
  - general economic conditions and their impact on consumer demand;
  - our ability to expand our operations in an efficient and cost-effective manner;
  - our ability to sustain and expand our gross margin and Adjusted EBITDA margin, a non-GAAP financial measure;
  - our ability to maintain and enhance our brand;
  - our ability to optimize, operate, manage and expand our network infrastructure and our fulfillment center and delivery channels;
  - the growth of the market for premium lifestyle and luxury products, and the online market for premium lifestyle and luxury products in particular;
  - our ability to accurately forecast demand for our products and our results of operations;
  - seasonal sales fluctuations, and
  - our ability to expand our product offerings, including our owned brands.
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*Additional factors that could cause actual results to differ materially from our forward-looking statements are set forth in this report, including under the headings “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and in our Consolidated Financial Statements and the related Notes.*

*Forward-looking statements in this Annual Report on Form 10-K speak only as of the date hereof, and forward-looking statements in documents attached that are incorporated by reference speak only as of the date of those documents. We do not undertake any obligation to update or release any revisions to any forward-looking statement or to report any events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as required by law.*

*In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this report, and although we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted a thorough inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame, or at all. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.*

*In this report, “we,” “our,” “us,” “Company” and “Revolve” refer to Revolve Group, Inc., and where appropriate its subsidiaries.*

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## PART I

### Item 1. **BUSINESS**

#### **Our Business**

REVOLVE is the next-generation fashion retailer for Millennial and Generation Z consumers. As a trusted, premium lifestyle brand, and a go-to online source for discovery and inspiration, we deliver an engaging customer experience from a vast yet curated offering totaling over 45,000 apparel, footwear, accessories and beauty styles. Our dynamic platform connects a deeply engaged community of millions of consumers, thousands of global fashion influencers, and more than 500 emerging, established and owned brands. Through 17 years of continued investment in technology, data analytics, and innovative marketing and merchandising strategies, we have built a powerful platform and brand that we believe is connecting with the next generation of consumers and is redefining fashion retail for the 21st century.

REVOLVE was founded in 2003, with the vision of leveraging digital channels and technology to transform the shopping experience. REVOLVE was created to offer a scaled, one-stop destination for youthful, aspirational consumers. We believe that our model, which is more targeted than department stores or mass market online retailers, and provides a greater selection than specialty retailers, allows us to more effectively serve consumers.

To improve on the merchandise offerings from traditional retail, we have built a custom, proprietary technology platform to manage nearly all aspects of our business, with a particular focus on developing sophisticated and highly automated inventory management, pricing, and trend-forecasting algorithms. Our proprietary technology leverages data from a vast net of styles, attributes and customer interactions to create a strategic asset of hundreds of millions of data points. We have complemented these efforts with an organization built from the ground-up to make decisions in a data-first, customer centric way. Our approach facilitates constant newness, with over 1,000 new styles launched per week on average. Illustrating the efficacy of our data-driven merchandising, in 2019, approximately 79% of our net sales were at full price, which we define as sales at not less than 95% of the full retail price.

Our powerful brand and innovative marketing strategy connect with the increasingly important Millennial and Generation Z demographics. We are recognized as a pioneer and a leader in social media and influencer marketing. We have built a community of thousands of influencers and brand partners, including many of the most influential social media celebrities in the world. Through our recognized leadership position, deep relationships and history of mutually beneficial partnerships, we believe we have become a partner of choice for influencers worldwide, leading to a significant competitive advantage. These marketing efforts deliver authentic, aspirational experiences and lifestyle content that drive loyalty and engagement. We pair this emotional brand marketing with sophisticated, data-driven performance marketing to further drive efficient customer acquisition and strong customer retention and lifetime value.

Our data-driven merchandising and innovative marketing competencies enable a powerful owned brand strategy that drives consumer demand, increases control of our supply chain, and expands gross profit margins. We have built a portfolio of 24 owned brands, each crafted with unique attributes and supported by independent marketing investments. We believe our consumers perceive these as highly desirable, independent brands, rather than private labels or house brands. As a result, during the year ended December 31, 2019, our owned brands represented eight out of our top 10 brands and contributed 36.1% of the REVOLVE segment's net sales.

#### **Our Industry**

**Large and Growing Addressable Market.** We participate in the large and growing apparel and footwear, accessories and beauty sectors. We believe the key drivers shaping growth within these markets include favorable demographic trends, constant product newness and the proliferation of emerging brands, as well as an increased focus on fashion and beauty as a reflection of self-expression.

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**Significant Growth in Digital Channels.** Consumers are increasingly using digital channels to make purchases, and as a result, the growth of online sales has outpaced that of traditional brick-and-mortar channels. Mobile sales in particular have rapidly increased as consumers leverage their ability to discover, browse and purchase anytime from anywhere through their smartphones. As evidence, in 2019, customer orders placed through mobile devices represented 56.2% of our total orders and revenue from mobile devices represented 53.7% of our total net sales.

**Media Consumption and Shopping Behaviors of Next-Generation Consumers.** Consumers, especially Millennials (born between 1982 and 2000) and Generation Z (born after 2000), are spending more and more time on digital media and less time on more traditional forms of print media. Millennials, who came of age in a hyper-connected, digital world, spend a significant amount of time on digital media, especially social media.

The nature of consumer engagement with brands and retailers is evolving in tandem with the transition to digital channels. Next-generation consumers often aspire to express their individual style through fashion and beauty. More than older generations of consumers, they frequently seek an emotional connection with brands that are unique and on-trend and resonate with their values. They look to social media and digital content from influencers as their source of inspiration and discovery and to inform their purchasing decisions. Influencers have an outsized impact on the purchasing behaviors of next-generation consumers. Influencers maintain a social media presence on platforms such as Instagram and YouTube, and have thousands or even millions of engaged followers. Influencers can have a more powerful impact than traditional advertising methods because they bring their followers into their daily lives and share their personal tastes and preferences in an authentic way. This evolution in consumer behavior accompanies a significant transition of purchasing power to the Millennial generation. According to the 2015 U.S. Census Bureau, Millennials accounted for more than 25% of the U.S. population, exceeding the number of baby boomers and making it the largest percentage of the workforce in the United States. Further, according to the U.S. Bureau of Labor Statistics, people born after 1981, including Millennials and Generation Z, accounted for approximately \$1.7 trillion or 22% of the nation's total consumer expenditure in 2017. We expect this number to significantly increase as Millennials enter their peak earning years and an increasing percentage of Generation Z joins the workforce.

**Next-Generation Consumers are Underserved by Retail and eCommerce.** Although the apparel and footwear, accessories and beauty sectors are large, next-generation consumers are currently underserved by traditional brick-and-mortar and online retailers. Department stores and national retailers try to serve a broad demographic with ubiquitous brands and are slow to react to changing trends. Specialty boutiques, while highly curated, often offer a narrow assortment and are limited in their reach. Many online retailers tend to deliver a purely transactional customer experience, with limited original fashion content and style advice to facilitate inspiration and discovery.

## **Our Competitive Strengths**

**Leading Millennial Destination for Online Fashion.** We believe we are the leading U.S. online destination targeted towards Millennial consumers seeking premium fashion. In 2019, we generated \$601.0 million in net sales, served approximately 1.5 million active customers, offered over 500 brands and delivered over 110,000 unique styles, which we believe makes us one of the largest standalone fashion eCommerce businesses in the United States. Our average order value was \$275 in 2019, which is reflective of our focus on premium merchandise and our differentiation from mass market or value-based retailers. Our business is specifically targeted towards Millennial consumers and we believe this more specific targeting results in a better experience for our customer, leading to strong customer loyalty and increases in market share over time. We further believe our scaled leadership position has strong network effects among our customers, brands, and influencers, as we are able to provide increasing value to each of those constituents as our scale and leadership position increases.

**Data-driven Merchandising Model.** Our disciplined, data-driven merchandising approach allows us to offer a broad, yet curated assortment of on-trend apparel and accessories while managing fashion and inventory risk. We employ a "read and react" model that combines qualitative and quantitative decision-making to identify trends, curate assortments, facilitate our merchandise planning and re-order processes, and manage pricing. Our technology enables us to automate the rapid identification of new trends and emerging brands, allowing us to offer a vast and diversified product assortment that does not rely on any given trend or style and has minimal overlap with other retailers. Furthermore, by introducing products daily in limited quantities, we create a sense of urgency for our customers. As a result, in 2019, sales of products at full retail price represented approximately 79% of total net sales.

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**The REVOLVE Brand.** Since inception, we have worked to build a deep connection with our community of youthful, aspirational consumers. Our consumers frequently engage with us, coming to us for our inspiring content and styling, and our distinct and constantly changing assortment of on-trend fashion. REVOLVE is a brand in its own right, commanding a premium positioning, strong consumer affinity and reputation as a key fashion influencer for the Millennial consumer. As our scale grows, our brand value is increasingly becoming a significant point of differentiation with customers, influencers and third-party brands.

**Innovative Marketing Approach.** REVOLVE's marketing approach is integrated across all parts of the customer funnel and allows us to efficiently increase brand awareness, promote customer acquisition, encourage retention and maximize lifetime customer value. We have a history of being a leader in innovative digital and community-driven marketing and we believe we have positioned ourselves as a preferred partner for influencers and traditional marketing providers. We continuously provide our customers with aspirational and engaging content and amplify our message in a highly efficient manner through our network of over 4,500 influencers and buzzworthy social events. In 2019, we drove 51% of traffic for REVOLVE from free and low-cost sources, as measured by the visitors that landed on the REVOLVE website or mobile application directly, via email marketing links, or through paid branded search terms and organic search results (regardless of whether a purchase was made). Our brand marketing reach has increased rapidly, particularly surrounding events. We tightly integrate our marketing messaging into the shopping experience through compelling product curation, editorial content and daily product stories, creating a consistent experience for our customers across all touch points and allowing us to further control our merchandise sell-through. We pair our social media and community-driven brand marketing with sophisticated performance marketing efforts, including retargeting, paid search/product listing ads, affiliate marketing, paid social, search engine optimization, personalized email marketing and mobile "push" communications through our apps, which together support our highly attractive customer acquisition and retention metrics.

**Deep Connection with Our Loyal Customers.** We understand the next-generation consumer, how she communicates and where she seeks fashion and lifestyle inspiration. We engage with her through social media, events, press and other digital channels, generating multiple touchpoints in a way that we believe traditional retailers and brands do not. We integrate our marketing content with our product curation, visual merchandising, and editorial content, using our "Hot List," daily product stories, and head-to-toe style suggestions to create an inspirational user experience and enhance our reputation as a fashion discovery destination. We enhance our customer experience and encourage our customers to use the home as a dressing room through exceptional customer service and a no-hassle free shipping and returns policy, which we have offered since our launch in 2003, making us one of the pioneers of free returns. She rewards our efforts with her loyalty, as demonstrated by our strong customer economics. Our efficient customer acquisition, strong net revenue retention rates and high average order values drive attractive customer lifetime value and rapid payback, with the average contribution margin from a customer exceeding our average customer acquisition cost within a short timeframe.

**Unique Owned Brand Platform.** We leverage our data-driven merchandising model to optimize our product assortment through the development of new owned brands and additional styles within our existing portfolio of owned brands. Our team develops brands that embody a unique aesthetic and authentic point of view, using our proprietary data analytics to identify trends and assortment gaps and inform design and merchandising decisions, and supporting them with robust brand marketing. Unlike traditional private label, our owned brands command pricing similar to third-party brands due to their brand equity, as demonstrated by their collective social media following, which exceeded 3.0 million followers on Instagram as of December 31, 2019. Further, the owned brand portfolio enhances loyalty, given that the substantial majority of our owned brand styles are available only on the REVOLVE site. We bring new products to market quickly by working with a flexible network of manufacturing partners and employ our "read and react" model. The broad reach of our pioneering social media-driven marketing and events generate instant consumer appeal and credibility for our owned brands, expanding our reach and driving incremental traffic to our sites. The expansion of owned brands, with their higher gross margin profile, has provided us with the opportunity to expand profitability and further invest in our business. Net sales of owned brands represented 36.1%, 30.9% and 20.2% of REVOLVE segment net sales for 2019, 2018, and 2017 respectively.

**Proprietary, Scalable Technology and Data Analytics Platform .** Our proprietary, scalable technology and data analytics platform efficiently and seamlessly manages our merchandising, marketing, product development, sourcing, and pricing decisions. We have a proven history of leveraging our technology platform to flexibly expand capacity in a capital-efficient manner. We leverage a strategic asset of hundreds of millions of data points, drawing from 17 years of data across hundreds of thousands of styles, up to 60 attributes per style, and millions of customer interactions. This data is leveraged throughout our operations to provide an optimized product offering, tailor our marketing efforts and continually enhance the experience on our sites. Our team of engineers and data scientists continuously innovates to improve our platform and business processes to best serve our customers.

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**Founder-led Management and Innovative Culture.** The inspiration of our co-CEOs, Michael Mente and Mike Karanikolas, to transform the apparel shopping experience by leveraging data, innovative business strategies and the emerging eCommerce channel continues to influence everything we do. Our company culture and team mirror the attributes of our core customer; we are socially engaged, digital-first, high energy, results driven and collaborative. We hire people who are passionate about fashion, technology and entrepreneurialism, and who are not burdened by conventional notions of traditional retail. We encourage creativity and constant improvement with a singular focus on customer experience. We give our employees the opportunity to make an immediate contribution to our business, while maintaining our commitment to maximizing value over the long term. The success of our managerial strategies and innovative culture is evident in our track record.

## **Our Growth Strategies**

**Continue to Acquire New Customers.** Our efficient customer acquisition combines with strong repeat purchase behavior to generate an attractive ratio of customer lifetime value to customer acquisition cost. We believe we are well-positioned in the market and there is significant room to expand our customer base. As a result, we will continue to invest in attracting new customers to the REVOLVE community and convert them into active customers.

**Continue to Increase Customer Loyalty and Wallet Share.** We intend to deepen our existing customer relationships to improve our already strong revenue retention and increase our wallet share through enhancing our customer experience and expanding our nascent loyalty and preferred customer programs for high-value consumers.

**Grow Sales of Owned Brands.** We intend to continue optimizing our assortment to drive revenue and profitability growth by introducing new owned brands and expanding our current owned brands into additional styles and categories.

**Grow International Sales.** We intend to further localize and improve the shopping experience for our international customers and leverage the global reach of the REVOLVE brand and our influencer network to accelerate growth outside of the United States.

**Enhance and Broaden Our Offering.** We intend to leverage our community and influencer network and integrated, data-driven operating model to expand our share of adjacent categories through a strategic mix of third-party and owned brands.

**Continue to Innovate.** We are innovating across our user interface, technology platform, supply chain and distribution capabilities to improve service levels, further enhance and personalize the customer experience, and reduce lead times for our owned brands portfolio.

## **Our Merchandising, Assortment and Content**

We leverage one platform to sell merchandise primarily through two differentiated retail segments, REVOLVE and FORWARD. We believe we are well-positioned in the market and that REVOLVE offers a highly-curated assortment of premium apparel and footwear, accessories and beauty products. FORWARD offers a full assortment of iconic and emerging luxury brands.

We offer a broad yet curated assortment totaling over 45,000 apparel and footwear styles, as well as accessories and beauty products, presented in a visually compelling manner to encourage discovery and engagement. Since our inception, we have attracted and maintained strong relationships with a diversified group of premium lifestyle and luxury brands, from emerging designers to globally recognized brands. These brand relationships provide customers with breadth across product categories and styles, while reinforcing REVOLVE's position as the destination for discovery. We continuously identify new brands and refine the brands we feature to foster a sense of newness and encourage discovery. We optimize our assortment through the development of a portfolio of 24 owned brands that span multiple categories. We apply market insights and proprietary data analytics to identify gaps and emerging trends within the marketplace. We then develop new styles for existing brands or launch new brands with a unique aesthetic or category focus to address these areas. When coupled with our innovative marketing approach, we develop strong brand equity for each owned brand. In 2019, emerging third-party brands, established third-party brands, owned brands and other net sales contributed approximately 40%, 23%, 36% and 1% of net sales through the REVOLVE segment, respectively. In 2019, approximately 84% of net sales came from apparel and substantially all of net sales came from women's products. No third-party brand accounted for more than 2% of 2019 net sales.

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We bring new owned brand products to market quickly by working with a flexible network of manufacturing partners and third -party suppliers. We work with suppliers and manufacturers in China, India, the United States , and other countries . A substantial majority of our owned brand products and a substantial portion of the products we source from third parties are manufactured in China. The COVID-19 coronavirus will impact our supply chain and may delay or prevent the manufacturing or transport of product that is sourced in China. As of the date of this report, the magnitude of the impact is unclear; however, it may materially and adversely impact net sales and other operating results, growth prospects and financial condition. We will continue to evaluate our supplier network in existing and other geographies. We have developed deep relationships with a number of our suppliers and make efforts to ensure that they share our commitment to quality and ethics. We do not, however, have any long-term agreements requiring us to use any manufacturer, and no manufacturer is required to produce our products in the long term.

We update the sites daily with new editorial content to generate a constant flow of fresh, high-quality, authentic and engaging content to provide an inspiring and engaging experience for our customers, driving frequent visits to our sites and helping to promote the discovery of new, relevant brands and products.

### **Our Marketing Approach**

We leverage a variety of marketing and advertising programs to increase brand awareness, acquire new customers, drive customer traffic across our channels, and strengthen and reinforce our brand.

We are pioneers of social media and influencer marketing, using social channels and cultural events designed to deliver authentic and aspirational, yet attainable, experiences to attract and retain customers and these efforts have led to higher earned media value than competitors. We have a global network of thousands of influencers who regularly post about REVOLVE content. We believe we are a preferred partner for influencers, as their association with REVOLVE enhances our influencers' personal brands. Our network is constantly evolving as we assess the breadth of individual influencers' social media followings and resonance with our core demographic. We complement our social media efforts through a variety of brand marketing campaigns and events, including the #REVOLVEfestival, #REVOLVEsummer, #REVOLVEaroundtheworld and the #REVOLVEawards. Our brand marketing events are attended by our top influencers, who promote both the REVOLVE brand and our merchandise. Our online presence includes over 7.0 million Instagram followers across REVOLVE, FORWARD and our owned brands as of December 31, 2019. While social media and influencer marketing are key components of our strategy, approximately 75% of our marketing expense is devoted to performance marketing efforts. We acquire and retain customers through retargeting, paid search/product listing ads, affiliate marketing, paid social, personalized email marketing and mobile "push" communications through our apps.

### **Our Technology Platform**

Our technology integrates seamlessly across multiple functions throughout the organization, connecting in a way that allows constant iteration and optimization. Our proprietary algorithms and technology infrastructure create the foundation for everything we do and include:

- *Data Science.* Our technology mines data from a database we have built over 17 years, consisting of hundreds of thousands of styles and millions of customer interactions, creating a strategic asset of hundreds of millions of data points.
- *Merchandising.* Our algorithms optimize pricing based on demand, automatically identify and re-order best sellers based on purchase trends and browsing feedback, and maintain the right depth of available inventory to maximize margins and sales at full price.
- *Marketing.* Our algorithms analyze the billions of impressions generated by our influencer network and the number of click-throughs and conversion rates from our performance marketing efforts to cost-efficiently and effectively market to consumers. We utilize customer shopping and purchase behavior to personalize our email and retargeting efforts seamlessly across multiple customer touch points.