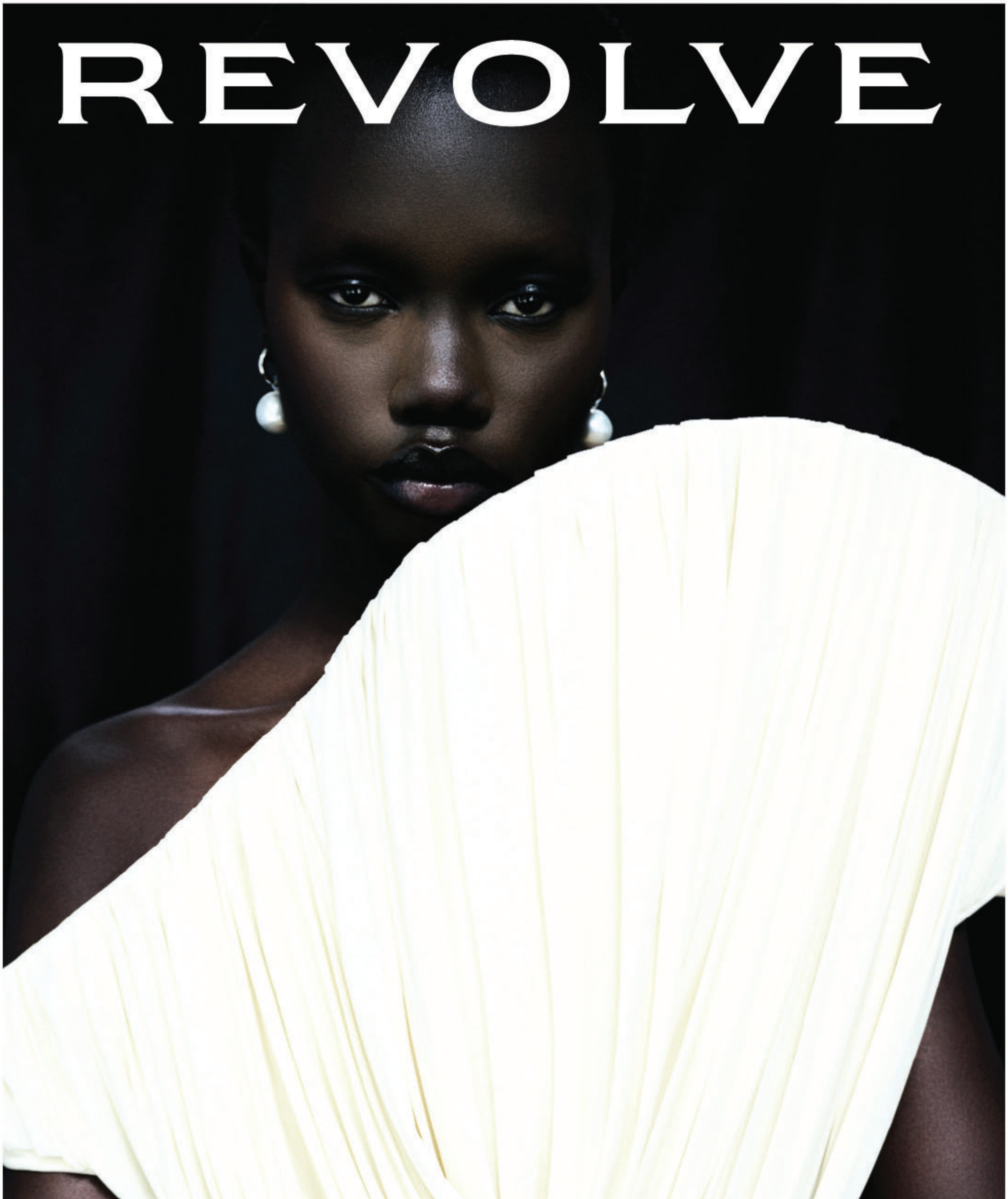
REVOLVE



2025 Annual Report

April 24, 2026

To Our Stockholders:

As a founder-led company, we have maintained an unwavering focus on building a business for the long-term on the foundation of technology, data, operational excellence, customer experience and brand building. This strong foundation and our team's agility and culture of innovation enabled us to deliver outstanding financial results in 2025, in what was a very dynamic operating environment amidst unprecedented tariff uncertainty.

The strength of our merchandising and brand, coupled with AI technology innovations across the business, helped to drive a nearly three-point improvement in net sales growth compared to 2024. Top-line results improved across both our REVOLVE and FWRD segments and were driven by key growth initiatives, including growing our share of wallet in emerging product categories, international expansion and increased penetration of owned brands. Most excitingly, our growth in revenue and active customers meaningfully improved in the fourth quarter and continued strong into early 2026.

Shifting to bottom line results, our operational excellence and financial discipline drove a 25% increase in net income year-over-year that significantly outpaced our sales growth, and a more than doubling of operating cash flows that further strengthened our balance sheet. Importantly, we achieved these strong financial results while continuing to invest in key initiatives that we believe set us up well for profitable growth and market share gains over the long term.

We are particularly excited about two longer-term initiatives that are in the early stages. After more than 20 years of building our powerful global brand to a meaningful scale online, we are excited to leverage our brand strength into a physical environment – enabling us to engage with consumers in a more meaningful, multidimensional way. While we are thoughtfully pacing our near-term investments in physical retail, we see a significant opportunity to acquire new customers, establish deeper connections with our existing customers and target a much larger addressable market opportunity since physical stores generate more than 60% of global retail sales on apparel and footwear.

We are equally excited about entering a new chapter for our owned brands assortment that we believe will be the most impactful yet, offering many synergies with our physical retail expansion. In March 2026, we introduced REVOLVE Los Angeles, our first ever namesake label, that is just the beginning of a new REVOLVE branded assortment that will extend across categories and price points. We expect this new collection to create a halo effect on the entire business, expand our market opportunity and build on the incredible brand power we have created over the past 23 years, as well as the trust and loyalty we have earned from millions of consumers.

We believe our business momentum illustrates our core competitive advantages that position us for continued success over the long term: our technology and data-driven DNA and proprietary technology infrastructure, our operational excellence and agility, and our powerful brands and connection with the next-generation consumer.

Now, let's review our performance and accomplishments for the full year 2025 in more detail.

- **Net sales** increased 8% year-over-year, a nearly three-point improvement from the prior year. Importantly, we exited 2025 on a high note with double-digit growth in the fourth quarter that has continued strong in early 2026.
- Improved growth in **active customers** contributed to the top-line gains, with particular strength in the fourth quarter, and increased revenue per active customer year-over-year.
- We delivered strength across geographies in 2025. **Net sales growth in the U.S.** accelerated by four points year-over-year and **International net sales** continued to outperform with 12% growth year-over-year.
- **Sales of Beauty and Men's products** each increased by a healthy double-digit percentage year-over-year, more than doubling our consolidated growth rate on a combined basis, and further validating our opportunity to expand our share of wallet.
- **Revenue retention of our prior-year customer cohorts** also further strengthened in 2025, benefiting from an increasing mix of tenured customers, who, on average, generate much more revenue and have higher retention rates.
- **Gross margin** increased 100 basis points year-over-year, outperforming the margin declines experienced by many retailers due to tariff pressures, further illustrating our agility, operational execution and data-driven competitive advantages. Also benefiting our gross margin, in 2025, we generated 81% of our **net sales at full price**, substantially higher than industry benchmarks.
- Expansion of our higher margin and exclusive owned brand collections also contributed to our gross margin gains. **Owned Brands** contributed 20% of REVOLVE Segment net sales in 2025, an increase of nearly two points year-over-year, with momentum building throughout the year.
- Fueled by gross margin expansion and operating efficiencies, our profitability increased at a much faster rate than sales for the second straight year. **Net income** in 2025 was $61 million and **Adjusted EBITDA** was $94 million, an increase of 25% and 35% year-over-year, respectively.
- Most importantly, we continue to generate significant cash flow. In 2025, we generated $59 million in **operating cash flow** and $46 million in **free cash flow**, an increase of 123% and 157%, respectively. This fueled a $47 million increase in **total cash and equivalents** on our balance sheet, surpassing $300 million at year end.
- Finally, we meaningfully advanced our **AI technology and personalization capabilities**, further elevating the customer experience and contributing to our strong financial results. Here are a few highlights:

On our **e-commerce websites**, we drove several million dollars in annualized revenue gains by launching AI-driven personalization enhancements and meaningfully enhancing our proprietary AI search algorithm for improved product discoverability. In **product merchandising** on our sites, we drove increased consumer engagement and conversion through AI enhancements to our product recommendations and launched an AI-styling feature enabling shoppers to virtually style recommended items. In **marketing**, we are increasingly leveraging generative AI in our processes to drive efficiency and effectiveness with great results. In **operations**, our internally developed AI algorithms now automatically transcribe customer service phone calls, automate the back-end processing of invoices and reduce the incidence of fraudulent transactions. Most excitingly, we recently rolled out and began testing an internally developed generative AI feature on our REVOLVE site that we believe will enhance the customer shopping experience by surfacing contextually relevant Q&As about each product. The test is a foundational step towards launching agentic AI conversational chat on our sites in the future.

Looking ahead to 2026 and beyond

As co-founders and the company's largest stockholders owning over 30 million shares of REVOLVE common stock, or approximately 43% of the total shares outstanding, we are very aligned and focused on maximizing value over the long term. Our strategic priorities for 2026 and beyond are guided by this long-term, owner mindset.

For 2026, we have established five key priorities aligned with our commitment to long-term value creation, that provide multiple levers that we believe will enable us to gain market share for years to come.

- **First and foremost, we will continue to invest in expanding our brand awareness, acquiring new customers and strengthening our connection with the next generation consumer**. With the positive momentum in the business entering 2026 and the launch of our first-ever namesake label, REVOLVE Los Angeles, we believe this is an opportune time to invest in further building our brands with the goal of accelerating our market share gains and fueling our next phase of growth.

- **Second, we will continue to build on the successful expansion of our product assortment to gain a greater share of our customer's spending on apparel, beauty, footwear and accessories –** including for the Men's demographic, which is showing great promise and is growing much faster than the core. We have earned our customers' trust and proven that with the right merchandising, they are eager to expand their purchases with us. Our successful launch in March 2026 of Grow Good beauty products – in partnership with Cardi B – is an exciting example of expanding our assortment and overall market potential.

- **Third, we will continue to thoughtfully invest in physical retail expansion**, including further investments in our team and our retail technology platform, as well as evaluation of potential new retail sites that are a great fit with our incredible brand. While still very early in our journey, we see physical retail as an exciting lever for future share growth over the long term.

- **Fourth, we will further expand our international presence,** where we are investing in a market opportunity that is several times larger than the U.S. Over the past four years, our international business has increased from 17% to 21% of our total net sales, and we are just getting started. With emerging markets such as China offering a compelling expansion opportunity for our offerings, we see international expansion as a key growth driver for many years to come.

- **Finally, we will further enhance our technology stack and leverage AI and other technologies across our platform to drive growth and efficiency.** Since our founding, our teams have operated with a data-driven mindset and culture of technology innovation, leveraging our proprietary technology stack that is the operating foundation for nearly all aspects of our business. Our many AI technology wins in 2025 further validate our data-driven competitive advantages, and give us even more conviction to invest in these technologies as we expand the use of AI throughout the organization.

Our ability to simultaneously execute many exciting initiatives underscores that our strong cash flow and balance sheet are key competitive advantages. Our financial strength gives us the capacity to invest in market share capture at a time when many financially challenged competitors have slashed spending out of necessity. In fact, a recent bankruptcy filing by the world's largest multi-brand luxury retailer creates an exciting opportunity for stronger players like REVOLVE and FWRD to pursue the millions of luxury customers that have been impacted.

In closing, we would like to thank our passionate and innovative REVOLVE colleagues for their incredible efforts in driving strong results and continued market share gains in 2025, while also advancing our exciting longer-term initiatives that further strengthen our foundation for future growth. It is gratifying to see our team so energized by these growth opportunities — such as physical retail, international and AI expansion — which we believe give us the opportunity to accelerate our market share gains. We also greatly appreciate the continued support and confidence from our stockholders, brand partners and others in our community.

Sincerely,

Mike and Michael

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, 2025

☐ **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** (Address of Principal Executive Offices)	**90703** (Zip Code)

(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 an 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	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		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. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

There were 41,253,121 shares of Class A common stock and 30,176,743 shares of Class B common stock outstanding as of February 17, 2026. The aggregate market value of the Registrant's common equity held by non-affiliates was approximately $804.3 million as of June 30, 2025, based upon the last reported sales price on the New York Stock Exchange on that date of $20.05.

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, 2025, are incorporated by reference in Part III of this Annual Report on Form 10-K.

Auditor PCAOB ID: 185	Auditor: KPMG LLP	Address: Los Angeles, California

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SUMMARY RISK FACTORS

Our business is subject to numerous risks and uncertainties, including those highlighted in the section of this report titled "Risk Factors." The following is a summary of the principal risks we face:

- Economic downturns and other macroeconomic conditions or trends may adversely affect consumer discretionary spending and our business, operating results and financial condition.
- Tariffs imposed by the U.S. or foreign governments have increased and may in the future continue to increase the cost of our products, which could ignite a global trade war and have a material adverse effect on our business, financial condition and results of operations.
- If we fail to effectively manage our growth, our business, financial condition and operating results could be harmed.
- We purchase inventory in anticipation of sales, and if we are unable to manage our inventory effectively, our operating results could be adversely affected.
- Elevated merchandise returns may adversely affect our operating results and financial condition.
- If we are unable to anticipate and respond to changing customer preferences and shifts in fashion and industry trends in a timely and cost-effective manner, our business, financial condition and operating results could be harmed.
- Our business depends on our ability to maintain a strong community of brands, engaged customers and influencers. We may not be able to maintain and enhance our existing brand community if we receive customer or influencer complaints, negative publicity or otherwise fail to live up to consumers' expectations, which could materially adversely affect our business, operating results and growth prospects.
- Use of social media and influencers may materially and adversely affect our reputation or subject us to regulatory and tax obligations, fines, lawsuits or other penalties.
- If we fail to acquire new customers, or fail to do so in a cost-effective manner, our financial results may be materially adversely impacted.
- If we fail to retain existing customers, or fail to maintain average order value levels, we may not be able to maintain our revenue base and margins, which would have a material adverse effect on our business and operating results.
- Our business, including our costs and supply chain, is subject to risks associated with sourcing, manufacturing and warehousing.
- We rely on third-party suppliers, manufacturers, distributors and other vendors and they may not continue to produce products or provide services that are consistent with our standards or applicable regulatory requirements, which could harm our brand, cause consumer dissatisfaction, and require us to find alternative suppliers of our products or services.
- Shipping is a critical part of our business and any changes in or interruptions to our shipping arrangements, or any damage, theft or loss of inventory during shipping, could adversely affect our business and operating results.
- Our industry is highly competitive and if we do not compete effectively, our operating results could be adversely affected.
- Our quarterly operating results may fluctuate, which could cause our stock price to decline.
- We may be unable to accurately forecast net sales and appropriately plan our expenses in the future.
- Our past growth rates are not indicative of expected results in the near term.
- If we do not successfully optimize, operate and manage the expansion of capacity of our fulfillment centers, our business, financial condition and operating results could be harmed.

- Our failure to adequately and effectively staff our fulfillment centers, with our own employees or through third parties, could adversely affect our customer experience and operating results.
- Increases in labor costs, including wages, could adversely affect our business, financial condition and results of operations.
- Our operating results could be adversely affected by natural disasters, such as wildfires and earthquakes, public health crises, political crises, terrorist attacks, wars and geopolitical tensions, social unrest and other catastrophic events.
- We may expand our business through acquisitions, joint ventures, strategic investments and commercial collaborations, which may divert management's attention, be difficult to integrate, disrupt our business, dilute stockholder value, prove to be unsuccessful and adversely affect our business, operating results and financial condition.
- Any failure by us or our vendors to comply with trade and other regulations including importation, exportation, product safety, labeling, labor or other laws, or to provide safe conditions for our or their workers, may lead to investigations or actions by government regulators, damage our reputation and brands and harm our business.
- We have operations and do business in China, which exposes us to risks inherent in doing business there.
- We are exposed to fluctuations in currency exchange rates, which could negatively affect our operating results.
- Failure to comply with federal, state and international laws and regulations and our contractual obligations relating to privacy, data protection and consumer protection, or the expansion of current or the enactment of new laws or regulations relating to privacy, data protection and consumer protection, could harm our reputation or adversely affect our business and our financial condition.
- Our use of AI and machine learning could adversely affect our business and operating results.
- If we cannot successfully protect our intellectual property, our business would suffer.
- The dual class structure of our common stock concentrates voting control with our executive officers, directors and their affiliates, which may depress the trading price of our Class A common stock.

Our risk factors are not guarantees that no such conditions exist as of the date of this report and should not be interpreted as an affirmative statement that such risks or conditions have not materialized, in whole or in part.

FORWARD-LOOKING STATEMENTS

This report contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. 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, net sales 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 others, the words "may," "will," "estimate," "intend," "continue," "believe," "expect," "anticipate," "predict" 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, or the SEC. 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:

- economic conditions and their impact on consumer demand and our business, operating results and financial condition;
- the effect of tariffs imposed by the U.S. or foreign governments or a global trade war;
- 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 sustain and expand our gross margin and Adjusted EBITDA margin, a non-GAAP financial measure;
- our ability to respond to changing consumer demand, spending habits and customer preferences, and our ability to accurately and effectively engage in predictive analytics;
- 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 keep our business model profitable, and of a quality that will continue to retain existing customers and attract new customers;
- our ability to expand our product offerings, including our owned brands;
- our reliance on overseas suppliers and manufacturing partners, particularly in China;
- our ability to expand our operations and physical store presence in an efficient and cost-effective manner;
- 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;
- the effect of claims, lawsuits, government investigations, other legal or regulatory proceedings or commercial or contractual disputes; and

- the effect of natural disasters, such as wildfires and earthquakes, or other catastrophic events.

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” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and in our condensed consolidated financial statements and the related notes thereto.

Forward-looking statements in this report speak only as of the date hereof, and forward-looking statements in documents 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.

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 exceptional service and an engaging customer experience with a vast yet curated offering totaling over 140,000 apparel and footwear styles, as well as beauty and accessories. Our dynamic platform connects a deeply engaged community of millions of consumers, thousands of global fashion influencers and over 1,600 emerging, established and owned brands. Through more than 20 years of 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.

Our co-chief executive officers founded REVOLVE in 2003 with the vision of leveraging digital channels and technology to transform the shopping experience, offering a scaled, one-stop destination for youthful, aspirational consumers. We believe that our model is more targeted and curated than premium department stores, and provides a greater selection and access than specialty retailers, which allows us to more effectively serve the next-generation consumer.

To improve on the merchandise offerings of 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 a comprehensive data net that encompasses millions of styles, attributes and customer interactions forming 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 2,400 new styles launched per week on average in 2025. Illustrating the efficacy of our data-driven merchandising, in 2025, approximately 81.4% of our net sales were at full price, which we believe is appreciably higher than industry benchmarks. We define net sales at full price as sales with a price of not less than 95% of the full retail price.

Our powerful brands and innovative marketing strategy connect with the growing next-generation customer demographic. We have built a large community of influencer and brand partners, including thousands of influencers enrolled in our proprietary brand ambassador program, as well as some of the most influential celebrities in the world. Through our strong brand, deep relationships and history of mutually beneficial partnerships, we believe we are the partner of choice for influencers worldwide. These marketing efforts deliver authentic, aspirational experiences and lifestyle content that drive long-term loyalty and engagement with our community of brands, customers and influencers. We complement our experiential brand marketing with sophisticated, data-driven performance marketing to drive customer acquisition and retention — key contributors to our customer lifetime value.

Our data-driven merchandising and marketing competencies enable an owned brand strategy that further differentiates our merchandise assortment, provides increased control of our supply chain and has the opportunity to expand gross profit margins over the long-term. We have built a portfolio of 28 owned brands, each crafted with unique attributes with pricing similar to that of premium third-party brands, supported by dedicated marketing investments. We believe our consumers perceive these as highly desirable, independent brands, rather than private labels or house brands. In 2025, our owned brands represented four out of our top ten brands in the REVOLVE segment and contributed 19.8% of the REVOLVE segment's net sales.

Representative REVOLVE Owned Brands

Our Industry

Large and Growing Addressable Market. We participate in the large and growing apparel, footwear, beauty and accessories product sectors. We believe that favorable demographic trends and continued innovation in fashion and customer experience will drive long-term growth in our addressable market.

Continued Expansion of Digital Channels Coincides with Growing Consumer Interest in Omnichannel Retail Experiences. Over time, consumers have increasingly used digital channels to make purchases, a trend supported by innovation in the digital shopping experiences, including on mobile devices enabling consumers to discover, browse and purchase anytime from anywhere. In 2025, customer orders placed through mobile devices represented 77.2% of our total orders. Nonetheless, the majority of total retail sales still occur in physical stores and many consumers prefer omnichannel retail experiences. Younger customer demographics particularly embrace the opportunity to touch and feel products during in-person shopping experiences, while also shopping through online channels.

Media Consumption and Shopping Behaviors of Next-Generation Consumers. Consumers, notably Millennials (born between 1981 and 1996) and Generation Z (born between 1997 and 2012), are increasingly dedicating a substantial portion of their time to digital media, mobile devices, and novel entertainment formats. Individuals from these demographic groups, having grown up in a highly interconnected digital environment, allocate a significant amount of their time to various social media platforms.

The nature of consumer engagement with brands and retailers continues to evolve as consumers increasingly interact with brands across a combination of digital and physical 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 brands and influencers, as well as dialogue within their social network, as their source of inspiration and discovery and to inform their purchasing decisions. These influences can have a more powerful impact than traditional advertising methods because personal tastes and preferences are communicated in a more authentic way. This evolution in consumer behavior accompanies a significant transition of purchasing power to the Millennial generation. According to U.S. Federal Reserve data, the Millennials' share of U.S. household net worth during the first half of 2025 nearly tripled compared to the same period in 2019.

We Believe There is an Opportunity to Better Serve Next-Generation Consumers. Although the apparel, footwear, beauty and accessories sectors are large, we believe the next-generation consumer remains underserved.

Conventional national retailers aim to cater to a broad demographic with widely recognized brands, but they often lag in adapting to changing trends and have subpar customer service. Specialty boutiques, while highly curated, often offer a narrow assortment and are limited in their reach. Many pure-play digital retailers tend to deliver a purely transactional customer experience, lacking original fashion content and style guidance essential for fostering inspiration and discovery.

Financial Challenges Experienced by Many High-Profile Competitors Create an Opportunity to Expand Market Share. In recent years, several key participants in luxury fashion retail have filed for bankruptcy protection, or the international equivalent, impacting luxury brand partners and millions of consumers. This industry disruption creates opportunity for financially stronger competitors, such as REVOLVE and FWRD, to invest in market share capture, supported by consistent profitability and cash flow generation.

Our Competitive Strengths

Leading Destination for Premium Fashion for the Next-Generation Consumer. We believe we are the leading U.S. online destination targeted towards next-generation consumers seeking premium fashion. In 2025, we generated $1.2 billion in net sales, served 2.8 million active customers, offered over 1,600 brands and delivered over 230,000 unique styles, which we believe makes us one of the largest standalone fashion eCommerce businesses in the United States. Our average order value was $299 in 2025, which is reflective of our focus on premium merchandise sold primarily at full price and our differentiation from mass market, low price or value-based retailers. Our business is specifically targeted towards next-generation consumers, predominantly female, and we believe this more specific targeting results in a better experience for our customer, leading to strong loyalty and increases in market share over time. We further believe our brand and positioning in the market has strong network effects among our community of customers, brands and influencers, because we are able to provide increasing value to each of those constituents as our scale increases.

Data-Driven Merchandising. Our data-driven merchandising approach allows us to offer a broad yet curated assortment of on-trend apparel, footwear, beauty and accessories while managing fashion and inventory risk. We employ a “read and react” model that combines quantitative and qualitative 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 limited overlap with other retailers. Furthermore, by introducing new products almost daily in limited quantities, we create a sense of urgency for our customers. As a result, sales of products at full retail price represented approximately 81%, 82% and 79% of total net sales in 2025, 2024 and 2023, respectively.

Our Brands. Through the REVOLVE and FWRD brands, we have established a deep connection with a loyal community of youthful, aspirational consumers through our premium positioning, strong consumer affinity and reputation as a key resource for fashion discovery and inspiration. Our customers are highly engaged, frequently coming to us for our compelling content and styling and our distinct and ever evolving assortment of on-trend fashion. As our business grows, we believe the value of our brands is an increasing and significant point of differentiation with customers, influencers and brands.

Marketing Strategy. Our 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 customer lifetime 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 thousands of influencers, elevated and aspirational social events and content that connects with our customers’ current lifestyle. 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 touchpoints and allowing us to further control our merchandise sell-through. We complement our social media and community-driven brand marketing with sophisticated performance marketing efforts, including paid search and product listing ads, affiliate marketing, paid social, retargeting, personalized email and SMS marketing and mobile “push” communications through our mobile applications.

Deep Connection with Our Loyal Customers. We understand our consumers, how they shop and where they seek fashion and lifestyle inspiration. We engage with consumers through social media, events, press and other digital channels, generating multiple touchpoints in an authentic way. We integrate our marketing content with our product curation, visual merchandising and editorial content. From day one, we have been focused on providing a best-in-class customer shopping experience spanning all consumer touchpoints from our website experience to our fulfillment speed and accuracy, including fast and free shipping, all the way through the return process. We encourage our customers to use the home as a dressing room with 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. Our customers value this level of service and reward our efforts with their loyalty. Our strong net revenue retention rates and high average order values drive attractive customer lifetime value that enables us to invest in customer acquisition and long-term brand building activities.

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 brand and performance marketing. Unlike traditional private label offerings, our owned brands command pricing similar to premium third-party brands due to their brand equity, as demonstrated by their collective social media following, which exceeded 4.3 million followers on Instagram and TikTok as of December 31, 2025. Further, the owned brand portfolio enhances loyalty, given that the substantial majority of our owned brand styles are available only on our sites. We bring new products to market by working with a flexible network of manufacturing partners and employ our “read and react” model. The broad reach of our social media–driven marketing and events generates consumer appeal and credibility for our owned brands, expanding our reach and driving incremental traffic to our sites. Net sales of owned brands represented 19.8%, 18.2% and 20.0% of REVOLVE segment net sales for 2025, 2024 and 2023, respectively.

Proprietary, Scalable Technology Platform and Robust Data Net. Our proprietary, scalable technology, data analytics and artificial intelligence and machine learning-supported platform efficiently and seamlessly manages our merchandising, marketing, website experience, fulfillment, 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, as demonstrated by our capital expenditures averaging less than one percent of net sales for the past several years. We leverage a strategic asset of hundreds of millions of data points, drawing from more than 20 years of data across hundreds of thousands of styles, up to 60 unique 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, data scientists and business analysts continuously innovate to improve our platform and business processes to best serve our customers.

Founder-Led Management and Innovative Culture. The inspiration of our co-chief executive officers, Mike Karanikolas and Michael Mente, to transform the shopping experience by leveraging data and through innovative business strategies 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, customer service and entrepreneurialism, and who are not burdened by conventional notions of traditional retail. We encourage creativity and constant improvement with a singular focus on the 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 long track record and our ability to manage through significant challenges in the macroeconomic environment over the course of our operating history.

Our Growth Strategies

Continue to Acquire New Customers. Our effective 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 core customer base. As a result, we will continue to invest in attracting new 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, engaging with consumers in ways that address more aspects of their daily life, and expanding our loyalty program and preferred customer program for high-value consumers.

Enhance and Broaden Our Offering. We intend to leverage our community and influencer network, owned brand capabilities and integrated, data-driven operating model to further expand our share of adjacent categories.

Grow International Sales. We intend to further localize and improve the shopping experience and merchandise selection for our international customers and leverage the global reach of our brands and our worldwide network of influencers to accelerate growth outside of the United States.

Grow our Owned Brand Offering. 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.

Evaluate Expansion of Physical Retail Stores. With our strong brands, unique assortment of merchandise and connection with the next-generation consumer, we believe there is an opportunity to expand our market share within our addressable market through expansion into physical retail. We intend to continue to evaluate and test physical retail as a potential growth driver over the long term, building on our early success in leveraging physical retail locations to increase brand awareness and acquire new customers.

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, increase conversion rates and further optimize our operational processes. We are increasingly leveraging artificial intelligence, or AI, and machine learning to drive growth and efficiency throughout our operations, including to optimize our product assortment and personalize our website experience through advanced search and product recommendations.

Pursue Strategic Acquisitions, Investments and Partnerships. We have and may continue to pursue strategic acquisitions, investments and partnerships that we believe will be complementary to our business and operations, including opportunities that can help us expand our brands across new and existing categories, channels, demographics and geographies, expand our product offerings, improve our technology infrastructure, and enhance the customer experience.

Our Merchandising, Assortment and Content

We leverage a single platform to sell merchandise primarily through two retail segments, REVOLVE and FWRD, which offer complementary assortments. REVOLVE offers constant newness and discovery through a broad assortment that consists primarily of premium apparel, footwear, beauty and accessories. FWRD offers a curated assortment of iconic designer and emerging luxury brands with a strong and differentiated point of view. We believe the combination of REVOLVE’s premium, trend-driven and ready-to-wear assortment and FWRD’s focus on luxury statement pieces, such as handbags and shoes, provide a powerful head-to-toe assortment for the many aspects of our customer’s life.

We offer a broad yet curated assortment of over 140,000 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 our position as the destination for discovery.

We update our sites almost daily with a constant flow of fresh, high-quality, authentic 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.

We optimize our assortment through the development of a portfolio of 28 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. We bring new owned brand products to market by working with a flexible network of manufacturing partners and third-party suppliers. We work with suppliers and manufacturers in China, the United States, India and other countries. We have developed deep relationships with a number of our suppliers and make efforts to ensure that all suppliers share our commitment to quality and ethics, including requiring them to certify adherence to our Code of Conduct.

Our Marketing Approach

We leverage a variety of marketing and advertising programs to build our brands, drive traffic to our websites and mobile applications, acquire new customers and engage with our existing customers.

We are a leader in experiential and influencer marketing, using social media channels and cultural events designed to deliver authentic aspirational experiences featuring our premium merchandise to attract and retain customers. These efforts typically lead to higher earned media value relative to that of our competitors. We have a global network of thousands of influencers who regularly create branded REVOLVE and FWRD content. We believe we are a preferred partner for influencers, as their association with REVOLVE and FWRD enhances their personal brands through our exclusive events and premium product offering. Our network is constantly evolving as we assess the breadth of individual influencers' social media followings, relevance, engagement and resonance with our target demographics. We enhance our influencer network with our brand ambassador program that leverages our proprietary technology to offer a broader range of perks and incentives for the ambassador and provides us with unique data insights.

We complement our social media efforts through a variety of brand marketing campaigns and events. Our events are attended by top influencers who promote the REVOLVE and FWRD brands and the products we offer. Our online presence includes the collective following of over 12.4 million Instagram and TikTok followers across REVOLVE, FWRD and our individual owned brands as of December 31, 2025. We complement our powerful social media and influencer marketing with a robust digital performance marketing strategy. Our digital performance marketing efforts are focused on acquiring and retaining customers through a variety of channels, including paid search and product listing ads, affiliate marketing, paid social, retargeting, search engine optimization, personalized email marketing and mobile "push" communications through our mobile applications.

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 more than 20 years of data from an internally developed database, consisting of hundreds of thousands of styles and millions of customer interactions, creating a strategic asset of hundreds of millions of data points.
- *Machine Learning and Artificial Intelligence.* We use machine learning and artificial intelligence to optimize our assortment and personalize the website experience through advanced search and product recommendations and to drive efficiencies in our inventory, fulfillment, owned brand design and back office functions.

- *Merchandising*. Our algorithms optimize pricing based on demand, automatically identify and re-order best sellers based on purchase trends and browsing feedback, and optimize the depth of available inventory to maximize our margins and net 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 use customer shopping and purchase behavior to personalize our email, SMS and retargeting efforts seamlessly across multiple customer touchpoints.
- *Site Experience*. We provide a highly differentiated site experience that leverages our visual merchandising capabilities to reflect REVOLVE's distinct point of view. We use our algorithms and A/B testing to analyze browsing and purchasing patterns and preferences. We further analyze the impressions and related conversion rates to most effectively display, style and photograph our merchandise. We leverage these learnings to optimize product placement and site navigation in order to encourage discovery and drive higher conversion and average order value.
- *Customer Service and Relationships*. Our customer service technology is complemented by third party technology and provides our representatives with up-to-date and relevant product and fulfillment information to better serve our customer regardless of the communication channel. We generate highly personalized and relevant full life-cycle email, SMS and retargeting messaging. Our systems also continue to learn about each customer through historical purchase behavior as well as direct customer feedback and these learnings are applied to future interactions.
- *Fulfillment*. The algorithms we use in our fulfillment centers enable us to efficiently position inventory, including strategically directing products returned by customers to the optimal fulfillment center location and giving customers the ability to pre-order merchandise items that are in the process of being returned to our fulfillment centers. These algorithms also determine the most efficient manner to fulfill each order, including optimizing the way in which inventory is picked and when orders are shipped, and combining orders to reduce shipping costs whenever possible. We continually invest in our fulfillment footprint, capacity and automation to provide our customers with best-in-class service.

Our proprietary technology infrastructure is highly scalable and has allowed us to efficiently grow with our customer demand, vendor base, brands and assortment. We supplement our technology team with a team of data scientists and analysts that support teams across the organization through reporting and analysis.

Our Customer Service, Fulfillment and Logistics

A key driver of our profitable growth and strong customer loyalty is our ability to provide an exceptional customer experience throughout the purchasing journey. Our ability to fulfill orders and process returns quickly and accurately is critically important to the customer experience. The vast majority of our customer service and fulfillment operations are managed directly by us allowing us to control the customer experience and provide a premium level of service to the customer. Additionally, in contrast to many eCommerce retailers that now offer many products for sale that are actually fulfilled by brands and other third parties, we directly fulfill the vast majority of customer orders from our distribution centers, which ensures that we can maintain an exceptional customer experience.

Customers can engage with us in 12 languages and pay in over 50 currencies using one of 20 payment methods, including third-party alternatives that allow our customers to make installment payments. We also offer a loyalty program for our customers that leverages in-house technology, which incentivizes cross shopping on our sites and affords participating customers benefits such as early access to new styles, early access to items on sale and invitations to exclusive events. The FWRD preferred customer program enables our top-tier customers to receive a personalized, high-touch shopping experience including early access and curated product selection created by their dedicated stylists.

Our internally developed technology platform enables our customer service, fulfillment and logistics teams to provide a premium customer experience, driving customer satisfaction and loyalty.

Our customer service team, through interactions with our customers by phone, email, chat, SMS, or social media messaging, primarily addresses questions relating to orders, deliveries and returns, and also answers questions regarding fit, color, size and other style matters to ensure customer satisfaction.

Our fulfillment and logistics team oversees order fulfillment, ensuring that orders are efficiently and accurately processed, packed, shipped and delivered to customers. We continually invest in automation and our fulfillment center network to optimize fulfillment center workflow in an effort to maintain and improve our customer experience and gain cost efficiencies.

Our investments have created a highly scalable, flexible infrastructure that optimizes inventory and order allocation, reduces shipping and fulfillment expenses and delivers merchandise quickly and efficiently to our customers. Our fulfillment, shipping and return processes create a seamless customer experience, which fosters customer loyalty. Our proprietary inventory tracking system creates a unique serial number for every individual item in our warehouse and enables our customers to receive real-time updates regarding the status of their orders. We offer free two-day shipping and free returns to customers in the United States and in certain areas we offer free next-day shipping. Our efficient operations allow us to ship over 97% of orders on the same day if placed before 3:00 p.m. Eastern Time. We are also able to ship to and service customers in over 150 countries and territories and offer shipping within two to three business days for customers representing over 80% of our international sales.

We have a proven history of leveraging our technology platform to expand capacity and increase service levels in a capital-efficient manner. We will continue to evaluate opportunities to enhance our platform in the United States and internationally.

Human Capital

As of December 31, 2025, we had 1,664 employees worldwide, most of whom are employed in the United States. On a limited basis, we may use temporary personnel to supplement our workforce as business needs arise. None of our employees are represented by a labor union or covered by a collective bargaining agreement. We consider our relationship with our employees to be good. Our human capital resources objectives are focused on the retention, development and safety of our existing employees and the recruitment of new employees. We are focused on building a team and culture that is respectful, socially engaged, digital-first, high energy, results driven and collaborative. We believe our compensation programs are competitive relative to others in our industry and geography and are designed to attract, retain and reward personnel through the combination of cash-based compensation, equity-based compensation and benefits. Our talent acquisition efforts combined with retention of our employee base yielded positive results and allowed us to grow our headcount from just over 1,000 employees at the end of 2019 to over 1,600 employees at the end of 2025. We attribute this success to our strong brand and effective recruitment process.

The following table sets forth the number of employees by team as of December 31, 2025:

Team	**As of December 31, 2025**
Fulfillment and logistics	805
Customer service	184
Owned brand design and development	173
Merchandising and planning	120
Creative photography, studio and editorial	114
Marketing	61
Technology and data science	58
Retail	35
Other	114
Total	1,664

Competition

The online and offline retail markets generally, as well as the premium lifestyle and luxury product markets more specifically, are highly competitive and rapidly evolving. We face significant competition from eCommerce websites, including apparel and accessories-oriented eCommerce websites as well as the eCommerce websites of traditional retailers and premium and luxury brands. We also face competition from brick-and-mortar stores and boutiques, including traditional retailers as well as fashion boutiques.

We compete based on product selection, differentiation and curation, brand quality and strength of brand relationships, relevance, convenience, ease of use and consumer experience, including order fulfillment and shipping timeliness and return policies. We believe we compete favorably across these factors when taken as a whole.

Intellectual Property

We primarily protect our intellectual property through the trademark, copyright and trade secret laws of the United States. As of December 31, 2025, we owned over 770 trademark registrations, over 40 trademark applications and over 120 Internet domain names. Although we have not sought copyright registration for our technology or works to date, we rely on common law copyright and trade secret protections in relation to our proprietary technology, products and the content displayed on our sites, including our photography and fabric prints that we design. Our trademark registrations and applications, which we have filed in the United States and in various jurisdictions outside the United States, have focused primarily on the REVOLVE and FWRD word marks and those marks associated with our unique individual owned brands. Our trademarks, including domain names, are material to our business and brand identity.

Government Regulation

Our business is subject to a number of domestic and foreign laws and regulations that affect companies conducting business on the Internet, many of which are still evolving and could be interpreted in ways that could harm our business. These laws and regulations include federal and state consumer protection laws and regulations, which address, among other things, the privacy and security of consumer information, sending of commercial email, and unfair and deceptive trade practices.

Our international business is subject to additional laws and regulations, including restrictions on imports from, exports to, and services provided to persons located in certain countries and territories, as well as foreign laws and regulations addressing topics such as advertising and marketing practices, customs duties and taxes, privacy, data protection, information security and consumer rights, any of which might apply by virtue of our operations in foreign countries and territories or our contacts with consumers in such foreign countries and territories.

In addition, our beauty products are subject to regulation by the Federal Trade Commission, the Food and Drug Administration and the Consumer Product Safety Commission, as well as various other federal, state, local and foreign regulatory authorities. These laws and regulations principally relate to the ingredients, proper labeling, advertising, marketing, manufacture, safety, shipment and disposal of our products.

For more information about laws and regulations applicable to our business, see the section titled "Risk Factors—Risks Related to Regulation and Taxation—Failure to comply with federal, state and international laws and regulations and our contractual obligations relating to privacy, data protection and consumer protection, or the expansion of current or the enactment of new laws or regulations relating to privacy, data protection and consumer protection, could adversely affect our business and our financial condition."

Seasonality

For information about the seasonality of our business, see the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Our Performance—Seasonality."

Information About Segment and Geographic Revenue

For information about segment and geographic revenue, see Note 12, *Segment Information*, to our consolidated financial statements included elsewhere in this report.

Corporate Information

We were originally formed as Advance Holdings, LLC in December 2012 as a Delaware limited liability company. In October 2018, we changed our name to Revolve Group, LLC. In connection with our initial public offering, or IPO, on June 6, 2019, Revolve Group, LLC converted into a Delaware corporation pursuant to a statutory conversion and changed its name to Revolve Group, Inc. so that the top-tier entity in our corporate structure was a corporation rather than a limited liability company. Our principal executive offices are located at 12889 Moore Street, Cerritos, California 90703. Our telephone number is (562) 677-9480.

Available Information

We file or furnish periodic reports and amendments thereto, including Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, proxy statements and other information with the SEC. In addition, the SEC maintains a website at *www.sec.gov* that contains reports, proxy and information statements, and other information regarding issuers that file electronically. Our website is located at *www.Revolve.com*, and our periodic reports and amendments thereto, proxy statements and other information are also made available, free of charge, on our investor relations website at *www.Investors.Revolve.com* as soon as reasonably practicable after we electronically file or furnish such information with the SEC. Information contained in, or that can be accessed through, our website is not a part of, and is not incorporated into, this report.

Item 1A. *RISK FACTORS*

Investing in our Class A common stock involves certain risks. You should carefully consider the following risk factors, in addition to the other information contained in this report, including the section of this report titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes thereto. If any of the events described in the following risk factors or the risks described elsewhere in this report occurs, our business, operating results and financial condition could be seriously harmed. This report also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of factors that are described below and elsewhere in this report. Our Risk Factors are not guarantees that no such conditions exist as of the date of this report and should not be interpreted as an affirmative statement that such risks or conditions have not materialized, in whole or in part.

Risks Related to Our Business and Industry

Economic downturns and other macroeconomic conditions or trends may adversely affect consumer discretionary spending and our business, operating results and financial condition.

Our business and operating results are subject to macroeconomic conditions and trends and their direct and indirect impacts on consumer discretionary spending in the markets in which we operate. Some of the factors and events that have negatively influenced consumer spending, and may do so in the future, include inflationary pressures, fluctuating interest rates and credit availability, increased tariffs and global trade instability, public health crises, high levels of unemployment, high consumer debt levels, reductions in net worth, declines in asset values and related market uncertainty, reductions in home values, home foreclosures, resumption of student loan payments, increases in mortgage rates and rents, adverse developments affecting the financial services industry, government shutdowns, labor strikes, fears of recession, fluctuating currency exchange rates, fluctuating fuel and other energy costs, fluctuating commodity prices, wars and conflicts, other geopolitical tensions, negative consumer sentiment toward U.S.-made products in our international markets, general uncertainty regarding the overall future political and economic environment, and social unrest. Economic conditions in certain regions may also be affected by natural disasters, such as earthquakes, hurricanes, tropical storms and wildfires. Consumer purchases of discretionary items, including the merchandise that we offer, generally decline during periods of economic uncertainty when disposable income is reduced or when there is a reduction in consumer confidence.

Adverse economic changes reduce consumer confidence and could negatively affect our operating results. We cannot predict when macroeconomic uncertainty may arise, whether or when such circumstances may improve or worsen or what impact such circumstances could have on our business. Furthermore, economic downturns could lead to reduced liquidity, decreases in the market price of our Class A common stock and decreases in the fair market value of our financial or other assets, any of which could have a material adverse effect on our business, operating results and financial condition.

Tariffs imposed by the U.S. or foreign governments have increased and may in the future continue to increase the cost of our products, which could ignite a global trade war and have a material adverse effect on our business, financial condition and results of operations.

The U.S. government has in the past made, and may in the future make, significant changes in U.S. trade policy and has taken certain actions that could negatively impact our business, including imposing tariffs on certain goods we import into the United States. In retaliation, China and other countries have in the past also implemented, and may in the future implement, their own tariffs or other trade restrictions on a wide range of American products.

For example, since February 2025, the U.S. government has imposed incremental tariffs on most goods imported from China, from which we source a significant portion of our products, subject to certain exceptions. At various points in 2025, the total tariff rate on our goods imported from China reached 152.5%. These tariffs are in addition to a pre-existing Section 301 tariff of 7.5% and baseline Harmonized Tariff Schedule, or HTS, tariffs, which vary by product. In addition, U.S. tariffs on goods imported from certain other countries from which we source products included an incremental reciprocal tariff of 10% imposed since April 2025. Since August 7, 2025, higher reciprocal tariff rates for many U.S. trading partners, including countries such as Japan, Turkey, Indonesia and India, had been imposed pursuant to additional executive orders modifying the reciprocal tariff rates for certain countries. Products of India also have been targeted since August 2025 with a current rate of 18%.

On February 20, 2026, the Supreme Court of the United States of America ruled against President Trump's use of the International Emergency Economic Powers Act, or IEEPA, to impose tariffs on global trade partners, effective immediately. The impact of this decision on previous tariffs that we have paid is undetermined while the case is returned to the Court of International Trade for reconsideration in accordance with the Supreme Court ruling.

Heightened tariffs, particularly on Chinese goods, directly impact our owned brand products and, to a lesser extent, a limited number of third-party branded products for which we are the importer of record. In addition, we face various indirect exposures to the effects of heightened tariffs from other third-party brands. If U.S. tariffs on China or other countries from which we source products are reinstated or are increased further, it will increase our cost of sales and may also increase the price of our products. Raising prices of our products could adversely impact customer demand. In addition, heightened tariffs may adversely impact our ability to acquire products on acceptable terms and may also adversely impact global logistics, which may result in our inability to purchase sufficient inventory to meet customer demand and in turn materially and adversely impact our net sales. Furthermore, these and future changes in trade policy may adversely impact the macroeconomic environment, consumer sentiment and international demand if consumers outside of the United States boycott U.S. retailers. If we are not able to adjust our inventory levels and our inventory assortment in response to reduced customer demand, our gross margin may be adversely impacted.

We cannot predict what actions may ultimately be taken with respect to tariffs or trade relations between the United States and China or other countries, what products may be subject to such actions or what actions may be taken by the other countries in retaliation. Any further deterioration in the relations between the United States and China or other countries could exacerbate these actions and other governmental intervention. Our efforts to mitigate the impact of heightened tariffs and to further diversify our supply chain may be costly and may not yield near-term results or be as effective as we intend, or at all, and may have other negative impacts on our business, operations and financial condition.

The U.S. or foreign governments may take additional administrative, legislative, or regulatory action that could materially interfere with our ability to sell products in certain countries. Sustained uncertainty about, or worsening of, current global economic conditions and further escalation of trade tensions between the United States and its trading partners, especially China, could result in a global economic slowdown and long-term changes to global trade, including trade restrictions that restrict our international operations. Any alterations to our business strategy or operations made in order to adapt to or comply with any such changes could be time-consuming and expensive and certain of our competitors may be better suited to withstand or react to these changes.

We purchase inventory in anticipation of sales, and if we are unable to manage our inventory effectively, our operating results could be adversely affected.

Our business requires us to manage a large volume of inventory effectively. We add new products to our sites every week and we depend on our forecasts of demand for and popularity of various products to make purchase decisions and to manage our inventory. Demand for products, however, is difficult to forecast and can change significantly between the time inventory is ordered and the date of sale, resulting in higher inventory levels that may adversely impact our operating results, or insufficient inventory that may adversely impact the conversion of demand for our merchandise. Demand may be affected by macroeconomic factors such as high inflation and low consumer confidence, public health crises, wars and other geopolitical tensions, new product launches, rapid changes in product cycles and pricing, product defects, promotions, changes in consumer spending patterns, changes in consumer tastes with respect to our products, and various other factors, such as political instability and social unrest, and our consumers may not purchase products in the quantities that we expect.

We generally do not have the right to return unsold products to our suppliers. If we fail to manage our inventory effectively or negotiate favorable credit terms with third-party suppliers, we may be subject to a heightened risk of inventory obsolescence, a decline in inventory values, and significant inventory valuation adjustments, liquidations or write-offs. In addition, if we are required to lower sale prices in order to reduce inventory levels or to pay higher prices to our suppliers, our profit margins might be negatively affected.

We source a significant portion of our products, directly or indirectly, from China. The imposition of significant tariffs on imports from China or other countries that we source from, if reinstated at heightened levels, may result in our inability to cost-effectively source products. If we are unable to cost-effectively source inventory, whether from China or other countries, we may not be able to meet consumer demand, which could have a material adverse effect on our business, operating results and financial condition.

Any failure to manage owned brand expansion or accurately forecast demand for owned brands could adversely affect growth, margins and inventory levels. In addition, our ability to meet customer demand may be negatively impacted by a shortage in inventory or appropriate assortment due to reduced inventory purchases or disruptions in the supply chain. Historically, a majority of our owned brand products and a substantial portion of the products we source from third parties have been manufactured in China. Various factors and events outside of our control impact our supply chain and may delay or prevent our manufacturing and may also increase the cost to manufacture or transport product that is sourced in China or other countries. In addition, the worsening of U.S. relations with China or other countries, increased tariffs and global trade instability could also negatively impact our supply chain and cost to source from China and other countries. While we seek to further diversify our supply chain and sourcing, we may not be able to diversify in a cost-effective manner, or at all, for example as a result of the imposition of future tariffs, which may materially and adversely affect our business, financial condition and operating results. In addition, the supply chain worldwide has in the past been, and may in the future be, negatively impacted by events such as wars and geopolitical tensions, tariffs, public health crises, labor shortages and other factors, and diversification of the supply chain and sourcing therefore may not yield the targeted benefits.

Elevated merchandise returns may adversely affect our operating results and financial condition.

We allow our customers to return products, subject to our return policy. If the rate of merchandise returns increases significantly or if merchandise return economics become less efficient, our business, financial condition and operating results could be harmed. Further, we modify our policies relating to returns from time to time, which may result in customer dissatisfaction or an increase in the number of product returns. From time to time our products are damaged in transit, which can increase return rates and harm our brand. We accept merchandise returns for full refund if returned within 30 days of the original purchase date and merchandise may be exchanged up to 60 days from the original purchase date. Due to our liberal return policy and consumer behavior, we have experienced and may in the future experience heightened levels of returns, which have and may continue to negatively impact our operating results and financial position. We have also experienced and may in the future experience increased levels of returns due to changes in consumer shopping behavior and discretionary spending as a result of changes in macroeconomic conditions or consumer confidence, including levels of unemployment, salaries and wage rates, high inflation, high interest rates, recession or fears of recession, housing costs, energy and fuel costs, the resumption of student loan repayments, income tax rates and the timing of tax refunds, consumer perceptions of personal well-being and security, availability of consumer credit and consumer debt levels.

If we are unable to anticipate and respond to changing customer preferences and shifts in fashion and industry trends in a timely and cost-effective manner, our business, financial condition and operating results could be harmed.

The retail apparel industry is driven in part by fashion and beauty trends, which may shift quickly. Our continued success depends on our ability to anticipate, gauge and react in a timely and cost-effective manner to changes in consumer preferences for products, consumer attitudes toward our industry and brand and where and how consumers shop for those products. We must continually work to develop, produce and market new products, maintain and enhance the recognition of our brands, maintain a favorable mix of products and develop our approach as to how and where we market and sell our products. Failure to respond to changing customer preferences and fashion trends could negatively impact our brand image with our customers and result in diminished brand loyalty.

We have an established process for the identification, development, evaluation and validation of our new products. Nonetheless, each new product launch involves risks, as well as the possibility of unexpected consequences. For example, sales of our new products may not be as high as we anticipate, due to lack of acceptance of the products themselves or their price or limited effectiveness of our marketing strategies. In addition, our ability to launch new products may be limited by delays or difficulties affecting the ability of our suppliers or manufacturers to timely manufacture, distribute and ship new products. Sales of new products may also be affected by inventory management. We may also experience a decrease in sales of certain existing products as a result of newly-launched products. Any of these occurrences could delay or impede our ability to achieve our sales objectives, which could have a material adverse effect on our business, financial condition and operating results.

We typically enter into agreements to manufacture and purchase our merchandise in advance of trends, shifts in customer preference and typical selling seasons. Our failure to anticipate, identify or react appropriately or in a timely manner to changes in customer preferences, tastes and trends or economic conditions, could lead to, among other things, missed opportunities, excess inventory or inventory shortages, markdowns, valuation adjustments, liquidations and write-offs, any of which could negatively impact our profitability and have a material adverse effect on our business, financial condition and operating results. We continue to balance our inventory levels based on shifts in demand, but we may not be able to respond quickly enough to adjust our inventory position accordingly, which may have an adverse impact on our operating results.

As part of our ongoing business strategy, we expect we will need to continue to introduce new products in our traditional product categories of apparel, footwear, beauty and accessories, while also expanding our product launches into adjacent categories in which we may have little to no operating experience. The success of product launches in adjacent categories could be hampered by our relative inexperience operating in such categories, the strength of our competitors or any of the other risks referred to above. Furthermore, any expansion into new product categories may prove to be an operational and financial constraint which inhibits our ability to successfully accomplish such expansion. Our inability to introduce successful products in our traditional categories or in adjacent categories could limit our future growth and have a material adverse effect on our business, financial condition and operating results.

There is no assurance that consumers will continue to purchase our products in the future. Customers may consider our offerings to be premium products and purchase fewer or lower-priced products if their discretionary income decreases. During periods of economic uncertainty, we may need to reduce prices in response to competitive pressures or otherwise in order to maintain sales, which may adversely affect margins and profitability.

If we fail to effectively manage our growth, our business, financial condition and operating results could be harmed.

To effectively manage future growth, we must continue to implement our operational plans and strategies, improve our business processes, improve and expand our infrastructure of people and information systems, and expand, train and manage our employee base. To support future growth, we must integrate, develop and motivate a large number of new employees while maintaining our corporate culture. We face significant competition for personnel. Our ability to sustain our growth may be complicated by the actions we have taken and their effect on service providers who may seek opportunities with other companies. To attract top talent, we offer, and expect to continue to offer, competitive compensation and benefits packages before we can validate the productivity of new employees. We may also elect to increase compensation levels to remain competitive in attracting and retaining talented employees. We may not be able to hire new employees quickly enough to meet our needs. If we fail to effectively manage our hiring needs or successfully integrate new hires, our operational efficiency, our ability to fulfill orders and provide customer service, our ability to meet forecasts and our employee morale, productivity and retention could suffer, which may have an adverse effect on our business, financial condition and operating results.

We are also required to manage numerous relationships with various suppliers, vendors and other third parties. Changes in our operations, vendor base, fulfillment centers, information technology systems or internal controls and procedures may not be adequate to support our operations. If we are unable to manage growth of our organization effectively, our business, financial condition and operating results may be adversely affected.

Our business depends on our ability to maintain a strong community of brands, engaged customers and influencers. We may not be able to maintain and enhance our existing brand community if we receive customer or influencer complaints, negative publicity or otherwise fail to live up to consumers' expectations, which could materially adversely affect our business, operating results and growth prospects.

Over the course of 2025, we offered over 1,200 emerging and established brands through REVOLVE, including 28 owned brands, and over 500 brands through FWRD. Our ability to identify new brands and maintain and enhance our relationships with our existing brands is critical to expanding our base of customers and retaining our existing customers. Third-party brands, particularly in the luxury sector, are increasingly limiting wholesale distribution, shifting to selling directly to the consumer. In 2022, we launched a handbag buyback program on FWRD, extending the life cycle of luxury handbags sold on FWRD. If our third-party brand partners perceive this program negatively, our relationships may be damaged and our ability to obtain future products from our brand partners may be limited. Furthermore, the impact of macroeconomic factors, such as inflation and supply chain challenges, on the ecosystem of emerging and established brands is unpredictable. If we are unable to maintain an assortment of brands and styles that resonates with our customer, our operating results and brand could be negatively impacted.

A significant portion of our customers' experience depends on third parties outside of our control, including vendors, suppliers and logistics providers such as UPS, FedEx and DHL. If these third parties do not meet our or our customers' expectations, our business may suffer irreparable damage. In addition, macroeconomic events have negatively impacted and may continue to impact the global supply chain. If our third-party service providers are negatively impacted and they are not able to meet our or our customers' expectations or if rates increase, our operating results and our brand may be negatively impacted. In addition, maintaining and enhancing relationships with third-party brands may require us to make substantial investments and these investments may not be successful. Also, if we fail to promote and maintain our brands, or if we incur excessive expenses in this effort, our business, operating results and financial condition may be materially adversely affected. We anticipate that, as our market becomes increasingly competitive, maintaining and enhancing our brands may become increasingly difficult and expensive. Maintaining and enhancing our brands will depend largely on our ability to provide high quality products to our customers and a reliable, trustworthy and profitable sales channel to our vendors, which we may not do successfully.

Customer or influencer complaints or negative publicity about our sites, products, product delivery times, customer data handling and security practices, customer support, brand marketing events or other actions taken by us, especially on blogs, social media websites and our sites, could rapidly and severely diminish consumer use of our sites and consumer and supplier confidence in us and result in harm to our brands. We believe that a meaningful portion of the growth in our customer base to date has originated from social media and our influencer-driven marketing strategy. Over the long term, if we are not able to develop and maintain positive relationships with our large network of influencers, our ability to promote and maintain awareness of our sites and brands and leverage social media platforms to drive visits to our sites may be adversely affected.

Use of social media and influencers may materially and adversely affect our reputation or subject us to regulatory and tax obligations, fines, lawsuits or other penalties.

We use third-party social media platforms as, among other things, marketing tools. For example, we maintain accounts on Instagram, Facebook, TikTok, Pinterest, YouTube and X. We also maintain relationships with thousands of social media influencers and engage in sponsorship initiatives. As existing eCommerce and social media platforms continue to rapidly evolve and new platforms develop, existing platforms are banned and as customer behavior and preferences evolve, we must continue to adapt to maintain an effective and authentic presence on these platforms and establish presences on new or emerging popular social media platforms. If we are unable to cost-effectively use social media platforms as marketing tools and effectively engage with our customers, our ability to maintain and acquire customers and our financial condition may suffer. In addition, social media platforms we use have and may continue to change their policies or algorithms, leading to shifts in the level of video and recommended content, which may impact our ability to fully optimize such platforms.

Furthermore, as laws and regulations and public opinion rapidly evolve to govern the use of social media platforms, our ability to use certain platforms, including TikTok in particular, as marketing tools may become limited, restricted or more expensive or complicated, which could adversely impact our business and operating results. For example, on April 24, 2024, President Biden signed into law legislation that would have required TikTok's parent company to divest TikTok or face a ban in the United States. Subsequent executive actions delayed the effectiveness of such restrictions. After months of negotiations, in January 2026, a deal was seemingly struck between the Trump Administration and TikTok that would allow TikTok to continue to operate in the United States. The failure by us, our employees, our network of social media influencers, our sponsors or third parties acting at our direction to abide by applicable laws and regulations in the use of social media platforms or otherwise, including intellectual property and consumer protection laws as well as tax reporting and compliance requirements, could subject us to regulatory investigations, class action lawsuits, liability, taxes, fines or other penalties and have a material adverse effect on our business, financial condition and operating results.

In addition, an increase in the use of social media for product promotion and marketing may increase the risk that such content could contain problematic product or marketing claims in violation of applicable regulations. For example, in some cases, the Federal Trade Commission, or the FTC, has sought enforcement action where an endorsement has failed to clearly and conspicuously disclose a financial relationship or material connection between an influencer and an advertiser. Private parties have in the past and may in the future bring claims on a similar basis. We do not prescribe what our influencers post and if we were held responsible for the content of their posts or their actions, we could be fined or forced to alter our practices, which could have an adverse impact on our business.

Negative commentary regarding us, our products or influencers and other third parties who are affiliated with us may also be posted on social media platforms and may be adverse to our reputation or business. Influencers with whom we maintain relationships could engage in behavior or use their platforms to communicate directly with our customers in a manner that reflects poorly on our brand and may be attributed to us or otherwise adversely affect us. It is not possible to prevent such behavior and the precautions we take to detect this activity may not be effective in all cases. Our target consumers often value readily available information and often act on such information without further investigation and without regard to its accuracy. The harm may be immediate, without affording us an opportunity for redress or correction.

Failure to continue to obtain or maintain high-quality endorsers of our products could harm our business.

We establish and maintain relationships with influencer and celebrity endorsers as well as design, celebrity and brand collaborators in order to develop, evaluate and promote our products as well as strengthen our brand. In a competitive environment, the costs associated with the establishment and retention of these relationships may increase and there can be no assurance that our investments and efforts will ultimately result in new customers or increased sales to existing customers. If we are unable to maintain current associations or establish new associations in the future, this could adversely affect our brand visibility and strength and result in a negative impact to our financial results. In addition, any repeated or sustained negative shifts in the public or industry perception of any of our celebrity endorsers or collaborators could also seriously harm our brand image with customers and, as a result, could have a material adverse effect on our business, financial condition and operating results.

If we fail to acquire new customers, or fail to do so in a cost-effective manner, our financial results may be materially adversely impacted.

Our success depends on our ability to acquire customers in a cost-effective manner. In order to expand our customer base, we must appeal to and acquire customers who have historically used other means of commerce in shopping for apparel and may prefer alternatives to our offerings, such as traditional brick-and-mortar retailers, the websites of our competitors and the direct websites of the brands we carry. We have made significant investments related to customer acquisition and expect to continue to invest significant amounts to acquire additional customers. For example, we engage in social media marketing campaigns and maintain relationships with thousands of social media and celebrity influencers. Such campaigns are expensive and may not result in the cost-effective acquisition of customers. In addition, the competition for relationships with influencers is increasing and the cost of maintaining such relationships will likely continue to increase. We cannot assure you that the net sales contribution from new customers we acquire will ultimately exceed the cost of acquiring those customers. If we fail to deliver a quality shopping experience, or if consumers do not perceive the products we offer to be of high value and quality, we may not be able to acquire new customers. If we are unable to acquire new customers who purchase products in numbers sufficient to grow our business, we may not be able to generate the scale necessary to drive leverage and efficiency with our suppliers, our net sales may decrease, and our business, financial condition and operating results may be materially adversely affected. The market for social media and influencer-based marketing has become increasingly competitive. We believe we have maintained the effectiveness and efficiency of these channels in recent periods; however, if competition continues to increase, it may impact our operating results.

In an effort to further engage with our customers and build awareness of our brands, we sponsor unique events and experiences, including short-term pop-up retail experiences. In 2024, we opened our first permanent brick-and-mortar store in Aspen, Colorado and in 2025, we opened a second physical store in Los Angeles, California and may open additional physical stores in the future. We have limited experience in brick-and-mortar retail. We may not be successful in opening new physical stores and we may not successfully identify the correct markets in which to open stores. If we are unable to cost-effectively expand our presence through brick-and-mortar stores, our operating results and reputation could be materially adversely impacted. Our marketing initiatives have and may continue to become increasingly expensive as competition increases and generating a meaningful return on those initiatives may be difficult. If our marketing efforts are not successful in promoting awareness of our brands and products, driving customer engagement or attracting new customers, or if we are not able to cost-effectively manage our marketing expenses, our operating results will be adversely affected.

We obtain a significant amount of traffic via social networking websites or other channels used by our current and prospective customers. As eCommerce and social networking continue to rapidly evolve, we must continue to establish relationships with these channels and may be unable to develop or maintain these relationships on acceptable terms. We also use paid and non-paid advertising. We acquire and retain customers through paid search and product listing ads, affiliate marketing, paid social media marketing, retargeting, personalized email and SMS marketing and mobile “push” communications through our mobile apps. The recent introduction of AI and LLMs within search and other marketing channels may change consumer search behavior and our ability to cost effectively acquire and retain customers. For example, in March 2025, Google introduced an experimental AI mode within its search platform and other platforms have or may in the future launch similar functionality. If we are unable to adapt to this and similar changes, our net sales growth and profitability may be adversely affected. If we are unable to cost-effectively drive traffic to our sites, our ability to acquire new customers and our financial condition would suffer.

Our ability to acquire customers in a cost-effective manner also depends on the rates we are charged by various third parties on which we rely, including vendors, suppliers and logistics providers. When these third parties increase their rates or add incremental surcharges, it increases our costs. If these third parties continue to increase their rates and add surcharges, and we do not seek to pass them on to our customers, our financial results could be materially adversely impacted.

If we fail to retain existing customers, or fail to maintain average order value levels, we may not be able to maintain our revenue base and margins, which would have a material adverse effect on our business and operating results.

A significant portion of our net sales are generated from sales to existing customers, particularly those existing customers who are highly engaged and make frequent purchases of the merchandise we offer. If existing customers no longer find our offerings appealing, or if we are unable to timely update our offerings to meet current trends and customer demands, our existing customers may make fewer or smaller purchases in the future. A decrease in the number of our customers who make repeat purchases or a decrease in their spending on the merchandise we offer could negatively impact our operating results. Further, we believe that our future success will depend in part on our ability to increase sales to our existing customers over time, and if we are unable to do so, our business may suffer. If we fail to generate repeat purchases or maintain high levels of customer engagement and average order value, our growth prospects, operating results and financial condition could be materially adversely affected.

Our business, including our costs and supply chain, is subject to risks associated with sourcing, manufacturing and warehousing.

A majority of the merchandise we offer on our sites is sourced from third-party vendors and, as a result, we may be subject to price fluctuations or demand disruptions. Our operating results would be negatively impacted by increases in the prices of our merchandise and we have no guarantees that prices will not rise. In addition, as we expand into new categories and product types, we expect that we may not have strong purchasing power in these new areas, which could lead to higher prices than we have historically seen in our current categories. We may not be able to pass increased prices on to customers, which could adversely affect our operating results. As a result of supply chain challenges caused by a number of factors and events, such as public health crises, wars and geopolitical tensions, trade wars with China and other countries, port closures, extreme weather events, strikes and labor shortages, we have in the past experienced, and may in the future experience, delays in the manufacturing and delivery of goods to us. In the event of an extended and significant disruption in the supply of the fabrics or raw materials used in the manufacture of the merchandise we offer, we and the vendors that we work with might not be able to locate alternative suppliers of materials of comparable quality at the right time and at an acceptable price.

In addition, merchandise and materials we receive from vendors and suppliers may not be of sufficient quality or free from damage or such merchandise may be damaged during shipping, while stored in our fulfillment centers or when returned by customers. We may incur additional expenses and our reputation could be harmed if customers and potential customers believe that our merchandise does not meet their expectations, is not properly labeled or is damaged.

We rely on third-party suppliers, manufacturers, distributors and other vendors and they may not continue to produce products or provide services that are consistent with our standards or applicable regulatory requirements, which could harm our brand, cause consumer dissatisfaction, and require us to find alternative suppliers of our products or services.

We do not own or operate any manufacturing facilities. We use multiple third-party suppliers and manufacturers based primarily in China and, to a lesser extent, the United States and other countries, including India, to source and manufacture all of our owned brand products. Public health crises have in the past led to, and may in the future lead to, the temporary closure and reduced capacity of our manufacturing partners for a period of time, which results in delayed delivery of product to us. In addition, the worsening of U.S.-China relations, including the U.S. government's imposition of increased tariffs at various points in time on imports from China, has and may continue to negatively impact our supply chain and our cost to source from China.

While we have maintained long-standing relationships with many of our largest suppliers, we engage our third-party suppliers and manufacturers on a purchase order basis and are not party to long-term contracts with any of them. The ability of these third parties to supply and manufacture our products may be affected by competing orders placed by other customers and the demands of those customers. If we experience significant increases in demand, or need to replace a significant number of existing suppliers or manufacturers, there can be no assurance that additional supply and manufacturing capacity will be available when required on terms that are acceptable to us, or at all, or that any supplier or manufacturer will allocate sufficient capacity to us in order to meet our requirements. Furthermore, our reliance on suppliers and manufacturers outside of the United States, the number of third parties with whom we transact and the number of jurisdictions to which we sell complicates our efforts to comply with customs duties and excise taxes; any failure to comply could adversely affect our business.

In addition, quality control problems, such as the use of materials and delivery of products that do not meet our quality control standards and specifications or comply with applicable laws or regulations, could harm our business. In the past, we have experienced negative press and government enforcement actions as a result of our vendors' failure to comply with certain applicable laws and regulations, and may experience similar negative press as a result of any future non-compliance by our vendors. We do not regularly inspect these vendors and quality control problems could result in regulatory action, such as restrictions on importation, products of inferior quality or product stock outages or shortages, harming our sales and creating inventory write-downs for unusable products.

We have also outsourced portions of our distribution process, returns processing, customer support and local marketing, as well as certain technology-related functions, to various third-party service providers, including third parties in a number of foreign countries and territories. We are also dependent on third-party vendors for credit card processing, and we use third-party hosting and networking providers to host our sites. The failure of one or more of these entities to provide the expected services on a timely basis, or at all, or at the prices we expect, or the costs and disruption incurred in changing these outsourced functions to being performed under our management and direct control or that of a third party, may have a material adverse effect on our business, financial condition and results of operations. We are not party to long-term contracts with some of our distributors, and upon expiration of these existing agreements, we may not be able to renegotiate the terms on a commercially reasonable basis, or at all.

Further, our third-party manufacturers, suppliers, distributors, fulfillment centers and other vendors may:

- have economic or business interests or goals that are inconsistent with ours;
- take actions contrary to our instructions, requests, policies or objectives;
- be unable or unwilling to fulfill their obligations under relevant purchase orders, including obligations to meet our production deadlines, quality standards, pricing guidelines and product specifications, and to comply with applicable regulations, including those regarding the safety and quality of products;
- have financial difficulties, including as a result of negative economic conditions;
- encounter raw material or labor shortages;
- encounter increases in raw material or labor costs which may affect our procurement costs;
- encounter difficulties with proper payment of custom duties or excise taxes;
- misuse our confidential information or intellectual property or disclose them to competitors or third parties;
- engage in activities or employ practices that may harm our reputation; and
- work with, be acquired by, or come under control of, our competitors.

Shipping is a critical part of our business and any changes in or interruptions to our shipping arrangements, or any damage, theft or loss of inventory during shipping, could adversely affect our business and operating results.

We primarily rely on two major vendors for our shipping. If we are not able to negotiate acceptable pricing and other terms with these entities or if they experience capacity constraints, performance problems or other difficulties, it could negatively impact our operating results and our customer experience. Furthermore, volatility in the global oil markets, including as a consequence of wars and geopolitical tensions, has in the past resulted, and may in the future result, in higher fuel prices, which many shipping companies pass on to their customers by increasing fuel surcharges. We have experienced such increased shipping costs, and may experience increasing shipping costs in the future. We have not historically passed on such increased costs to our customers, which may adversely impact our operating results. If we were to pass such cost increases on to our customers in the future, it could adversely impact the demand for our products and we may therefore not be able to pass on such cost increases.

In addition, our ability to receive inbound inventory efficiently and ship merchandise to customers may be negatively affected by public health crises, inclement weather, fire, flood, power loss, earthquakes, labor disputes, acts of war, geopolitical tensions, terrorism, trade embargoes, customs, tariffs and tax requirements, political crises, social unrest and other factors. For example, strikes at major international shipping ports have in the past adversely impacted inventory supply from our vendors. Future strikes, including at shipping ports or logistics providers may adversely impact our inventory supply and ability to ship merchandise to customers. Increased tensions and trade disputes between the United States and its trading partners have and may continue to lead to increased tariffs on our goods, elimination of the de minimis exemption on imported goods, and restrictions in the international flow of our goods and supplies. As an example, the de minimis exemption for products from China was eliminated on May 2, 2025, and certain international postal items that were eligible for de minimis treatment are now subject to a unique tariff structure with significantly heightened and variable ad valorem or specific duties. These policies may result in adverse or unknown effects, including a potential disruption in the flow of goods between the United States and China. The de minimis exemption for products from other countries was similarly eliminated on August 29, 2025.

We are also subject to risks of damage, theft or loss during delivery by our shipping vendors. If our merchandise is not delivered in a timely fashion or is damaged, stolen or lost during the delivery process, our customers could become dissatisfied and cease shopping from us, which would adversely affect our business and operating result.

Our industry is highly competitive and if we do not compete effectively, our operating results could be adversely affected.

The retail industry is highly competitive. We compete with department stores, specialty retailers, independent retail stores, the online offerings of these traditional retail competitors, brands that we offer that also offer their merchandise directly to the consumer, and eCommerce companies that market merchandise similar to the merchandise we offer. We believe our ability to compete depends on many factors within and beyond our control, including:

- attracting new customers and engaging with existing customers;
- cultivating our relationships with our customers;
- attracting and retaining personnel;
- further developing our data analytics and technology capabilities;
- maintaining favorable brand recognition and effectively marketing our services to customers;
- the amount, diversity and quality of brands and merchandise that we or our competitors offer;
- personalizing our website shopping experience;
- maintaining and curating an appealing portfolio of brands and merchandise;
- the price at which we are able to offer our merchandise;
- maintaining and growing our market share;
- price fluctuations or demand disruptions of our third-party vendors;
- the speed and cost at which we can deliver merchandise to our customers and the ease with which they can use our services to return merchandise; and
- anticipating and quickly responding to changing apparel trends and consumer shopping preferences.

We expect competition to increase as other established and emerging companies enter the markets in which we compete, as customer requirements evolve and as new products and technologies are introduced.

Many of our current competitors have, and potential competitors may have, longer operating histories, larger fulfillment infrastructures, greater technical capabilities, faster shipping times, lower-cost shipping, larger databases, larger customer bases, and greater financial, marketing, institutional and other resources than we do. These factors may allow our competitors to derive greater revenue and profits from their existing customer bases, acquire customers at lower costs or respond more quickly than we can to new or emerging technologies and changes in apparel trends and consumer shopping behavior. These competitors may engage in more extensive research and development efforts, enter into or expand their presence in the personalized retail market, undertake more far-reaching marketing campaigns, and adopt more aggressive pricing policies, which may allow them to build larger customer bases or generate revenue from their existing customer bases more effectively than we do. If we fail to execute on any of the above better than our competitors, our operating results may be adversely affected.

Competition, along with other factors such as consolidation within the retail industry and changes in consumer spending patterns, could also result in significant pricing pressure. These factors may cause us to reduce prices to our customers, which could cause our gross margins to decline if we are unable to appropriately manage inventory levels or otherwise offset price reductions with comparable reductions in our operating costs. If our prices decline and we fail to sufficiently reduce our product costs or operating expenses, our profitability may decline, which could have a material adverse effect on our business, financial condition and operating results.

Our quarterly operating results may fluctuate, which could cause our stock price to decline.

Our quarterly operating results may fluctuate for a variety of reasons, many of which are beyond our control. These reasons include those described in these risk factors as well as the following:

- fluctuations in net sales generated from the brands on our sites, including as a result of macroeconomic factors and the timing and success of large, in-person events that we host;
- fluctuations in product mix, including between sites and between product categories;
- our ability to effectively launch and manage new sites and brands;
- fluctuations in the levels or quality of inventory;
- fluctuations in the percentage of returns, full price sales, levels of markdowns and gross margins;
- fluctuations in the rate of U.S. tariffs imposed on goods imported from China and other countries;
- fluctuations in capacity as we expand our operations;
- our success in engaging existing customers and attracting new customers;
- the amount and timing of our operating expenses;
- our ability to attract and retain personnel;
- the timing and success of new products and brands we introduce;
- the impact of competitive developments and our response to those developments;
- our ability to manage our existing business and future growth;
- inflation levels and our ability to control our costs, including employee wages and benefits, shipping costs, other variable selling costs, marketing costs and other operating expenses;
- disruptions or defects in our sites, or actual or perceived privacy or data security breaches or incidents;
- the effect on our business of claims, lawsuits, government investigations, other legal or regulatory proceedings or commercial or contractual disputes that we are or may become involved in; and
- economic and market conditions, particularly those affecting our industry.

Fluctuations in our quarterly operating results may cause those results to fall below the expectations of analysts or investors, which could cause the price of our Class A common stock to decline. Fluctuations in our results could also cause a number of other problems. For example, analysts or investors might change their models for valuing our Class A common stock, we could experience short-term liquidity issues, our ability to retain or attract key personnel may diminish and other unanticipated issues may arise.

In addition, we believe that our quarterly operating results may vary in the future and that period-to-period comparisons of our operating results may not be meaningful. You should not rely on the results of one quarter as an indication of future performance.

Certain of our key operating metrics are subject to inherent challenges in measurement and real or perceived inaccuracies in such metrics may harm our reputation and negatively affect our business.

We track certain key operating metrics using internal data analytics tools, which have certain limitations. In addition, we rely on data received from third parties, including third-party platforms, to track certain performance indicators. Data from both such sources may include information relating to fraudulent accounts and interactions with our sites or the social media accounts of our influencers (including as a result of the use of bots or other automated or manual mechanisms to generate false impressions that are delivered through our sites or their accounts). We have only limited abilities to verify data from our sites or third parties and perpetrators of fraudulent impressions may change their tactics and may become more sophisticated, which would make it still more difficult to detect such activity.

Our methodologies for tracking metrics may also change over time, which could result in changes to the metrics we report. If we undercount or overcount performance due to the internal data analytics tools we use or issues with the data received from third parties, or if our internal data analytics tools contain algorithmic or other technical errors, the data we report may not be accurate or comparable with prior periods. In addition, limitations, changes or errors with respect to how we measure data may affect our understanding of certain details of our business, which could affect our longer-term strategies.

If our performance metrics are not accurate representations of the reach or monetization of our brand, if we discover material inaccuracies in our metrics or the data on which such metrics are based, or if we can no longer calculate any of our key performance metrics with a sufficient degree of accuracy and cannot find an adequate replacement for the metric, our business, financial condition and operating results could be adversely affected.

We may be unable to accurately forecast net sales and appropriately plan our expenses in the future.

We base our current and future expense levels on our operating forecasts and estimates of future net sales and gross margins. Net sales and operating results are difficult to forecast because they generally depend on the volume, timing, value and type of the orders we receive, and return rates, all of which are uncertain. In addition, we cannot be sure the same growth rates, trends and other key performance metrics are meaningful predictors of future growth. Our business is affected by general economic and business conditions in the United States and in our international markets. The rapid changes and uncertainty in global trade practices, including tariff rates, make it difficult to predict sales, inventory levels and gross margin. In addition, our mix of product offerings is highly variable from day-to-day and quarter-to-quarter. This variability makes it difficult to predict sales and could result in significant fluctuations in our net sales, margins and profitability from period-to-period.

A significant portion of our expenses are fixed, and as a result, we may be unable to adjust our spending in a timely manner to compensate for any unexpected shortfall in net sales. Furthermore, we may be unable to adjust our investments in a timely manner to support increasing demand and higher net sales or compensate for any incremental unexpected shortfall in net sales. Any failure to accurately predict net sales or gross margins could cause our operating results to be lower than expected, which could materially adversely affect our financial condition and stock price.

Our past growth rates are not indicative of expected results in the near term.

Although our net sales have grown profitably over time, this should not be considered as indicative of our future performance. We may not be successful in navigating through macroeconomic challenges and may not be successful in executing our growth strategy. Even if we manage through external challenges effectively and achieve our strategic plan, we may not be able to sustain profitability. In future periods, our net sales may decline or grow more slowly than we expect.

We believe that the sustainability of our recent net sales growth, and potential future growth, will depend upon, among other factors, our ability to:

- address the short- and long-term macroeconomic challenges by adjusting our cost structure, meeting our customers’ service expectations, shifting our marketing strategy and maintaining a relevant merchandise assortment;
- identify and develop emerging, established and owned brands while maintaining the relationships and product curation with existing, established and owned brands;
- acquire new customers and retain existing customers;
- provide a premium shopping experience for our customers;
- offer an assortment of merchandise that is attractive to consumers;

- develop new features to enhance the consumer experience on our sites;
- increase the frequency with which new and repeat customers purchase products on our sites through merchandising, data analytics and technology;
- add new suppliers and deepen our relationships with our existing suppliers;
- attract and retain personnel;
- enhance and scale the systems our consumers use to interact with our sites and invest in our infrastructure platform;
- target additional categories and price points beyond premium apparel for Millennial and Generation Z consumers, such as luxury, beauty products, and men's apparel;
- expand internationally; and
- pursue strategic acquisitions and investments.

We cannot assure you we will be able to achieve any of the foregoing. Our customer base may not continue to grow or may decline in the future due to increased competition, the maturation of our business or other factors. Failure to continue our net sales growth rates could have a material adverse effect on our financial condition and operating results. You should not rely on our historical rate of net sales growth as an indication of our future performance or the rate of growth we may experience in any new category or internationally.

If we do not successfully optimize, operate and manage the expansion of capacity of our fulfillment centers, our business, financial condition and operating results could be harmed.

If we do not optimize and operate our fulfillment centers successfully and efficiently, it could result in excess or insufficient fulfillment capacity, an increase in costs or impairment charges or harm our business in other ways. If we do not have sufficient fulfillment capacity or experience a problem fulfilling orders in a timely manner, our customers may experience delays in receiving their purchases, which could harm our reputation and our relationship with our customers.

We have designed and built our own primary fulfillment center infrastructure, including customizing third-party inventory and package handling software systems, which is tailored to meet the specific needs of our business. If we continue to add fulfillment and warehouse capabilities, add new businesses or categories with different fulfillment requirements or change the mix in products that we sell, our fulfillment network will become increasingly complex and operating it will become more challenging. Failure to successfully address such challenges in a cost-effective and timely manner could impair our ability to timely deliver our customers' purchases and could harm our reputation and ultimately, our business, financial condition and operating results.

We operate three fulfillment centers located in California and Pennsylvania. We expect that our current capacity in these facilities will support our near-term growth plans. Over the long term, we cannot assure you that we will be able to locate suitable facilities on commercially acceptable terms in accordance with our expansion plans, nor can we assure you that we will be able to recruit qualified managerial and operational personnel to support our expansion plans. If we are unable to secure new facilities for the expansion of our fulfillment operations or to effectively control expansion-related expenses, our business, prospects, financial condition and operating results could be materially and adversely affected. If we grow faster than we anticipate, we may exceed our fulfillment center capacity sooner than we anticipate, we may experience problems fulfilling orders in a timely manner or our customers may experience delays in receiving their purchases, which could harm our reputation and our relationship with our customers, and we would need to increase our capital expenditures more than anticipated. Many of the expenses and investments with respect to our fulfillment centers are fixed and any expansion of our fulfillment centers will require additional investment of capital. We expect to incur higher capital expenditures in the future for our fulfillment center operations. We may incur such expenses or make such investments in advance of expected sales and such expected sales may not occur.

Our failure to adequately and effectively staff our fulfillment centers, with our own employees or through third parties, could adversely affect our customer experience and operating results.

We operate three fulfillment centers located in California and Pennsylvania. If we are unable to adequately staff our fulfillment centers to meet demand or if the cost of such staffing is higher than historical or projected costs due to mandated wage increases, labor shortages, regulatory changes and other business limitations and restrictions, international expansion or other factors, our operating results could be harmed. In addition, operating fulfillment centers comes with potential risks, such as workplace safety issues and employment claims for the failure or alleged failure to comply with labor laws or laws respecting union organizing activities. Various health and safety restrictions imposed by state and local authorities in response to public health crises have in the past and may in the future, adversely impacted our ability to staff our fulfillment centers. If government authorities increase regulation or impose new restrictions on businesses due to public health crises or otherwise, including ones that would require closure of our fulfillment centers or adversely impact our ability to hire and retain sufficient staff, we may not be able to meet customer demand in a timely way which would have a materially adverse impact on our business, operating results, financial condition and prospects. Any such issues may result in delays in shipping times or packing quality and our reputation and operating results may be harmed.

Increases in labor costs, including wages, could adversely affect our business, financial condition and results of operations.

Labor is a significant portion of our cost structure and is subject to many external factors, including unemployment levels, inflation, prevailing wage rates, minimum wage laws, potential collective bargaining arrangements, health insurance costs and other insurance costs, and changes in employment and labor legislation or other workplace regulation. From time to time, legislative proposals are made to increase the federal minimum wage in the United States, as well as the minimum wage in California and a number of other states and municipalities, and to reform entitlement programs, such as health insurance and paid leave programs. As minimum wage rates increase or related laws and regulations change, we have and may need to continue to increase not only the wage rates of our minimum wage employees, but also the wages paid to our other hourly or salaried employees. Changes in immigration enforcement may also impact wages and the cost of recruiting and retaining employees. Any increase in the cost of our labor could have an adverse effect on our business, financial condition and results of operations or if we fail to pay such higher wages, we could suffer increased employee turnover. Increases in labor costs could force us to increase prices, which could adversely impact our sales. If competitive pressures or other factors prevent us from offsetting increased labor costs by increases in prices, our profitability may decline and could have a material adverse effect on our business, financial condition and results of operations. In particular, the job market in Southern California, where our principal offices and two of our fulfillment centers, including our largest fulfillment center, as well as the majority of our employees are located, is very competitive.

If we fail to attract and retain key personnel, or effectively manage succession, our business, financial condition and operating results could be adversely affected.

Our success, including our ability to anticipate and effectively respond to changing style trends, depends in part on our ability to attract and retain key personnel on our executive team, particularly our co-chief executive officers, and in our merchandising, data science, engineering, marketing, design and other organizations. Competition for key personnel is strong and we cannot be sure that we will be able to attract and retain a sufficient number of qualified personnel in the future or that the compensation costs of doing so will not adversely affect our operating results. We do not have long-term employment or non-competition agreements with any of our personnel. If we are unable to retain, attract and motivate talented employees with the appropriate skills at cost-effective compensation levels or if changes to our business adversely affect morale or retention, we may not achieve our objectives and our business and operating results could be adversely affected. In addition, the loss of one or more of our key personnel or the inability to promptly identify a suitable successor to a key role could have an adverse effect on our business. In particular, our co-chief executive officers have unique and valuable experiences leading our company from its inception through today. If either of them was to depart or otherwise reduce their focus on our company, our business may be disrupted. We do not currently maintain key-person life insurance policies on any member of our senior management team or other key employees.

Our operating results could be adversely affected by natural disasters, such as wildfires, floods and earthquakes, public health crises, political crises, terrorist attacks, wars and geopolitical tensions, social unrest and other catastrophic events.

Our principal offices and data centers and two of our fulfillment centers, including our largest fulfillment center, are located in Southern California, an area which has a history of earthquakes, power outages, floods and wildfires, and are thus vulnerable to damage. Natural disasters, such as earthquakes, wildfires, hurricanes, tornadoes, floods and other adverse weather and climate conditions; public health crises; political crises; terrorist attacks; wars and geopolitical tensions, including worsening U.S.-China relations; social unrest; and other catastrophic events, whether occurring in the United States or internationally, could disrupt our operations, or the operations of one or more of our third-party providers or vendors, and adversely affect our operating results.

Customer growth and activity on mobile devices depends upon effective use of mobile operating systems, networks and standards that we do not control.

Purchases using mobile devices by consumers generally, and by our customers specifically, have increased significantly and we expect this trend to continue. To optimize the mobile shopping experience, we are dependent on our customers downloading our specific mobile applications for their particular device or accessing our sites from an Internet browser on their mobile device. As new mobile devices and platforms are released, it is difficult to predict the problems we may encounter in developing applications for these alternative devices and platforms and we may need to devote significant resources to the creation, support and maintenance of such applications. In addition, our future growth and our results of operations could suffer if we experience difficulties in integrating our mobile applications into mobile devices, if problems arise with our relationships with providers of mobile operating systems or mobile application download stores, such as those of Apple Inc. or Alphabet Inc., if those providers impose restrictions on the data collection or use practices or other functionality of our applications, if our applications receive unfavorable treatment compared to competing applications, such as the order of our products in the Apple App Store, or if we face increased costs to distribute or have customers use our mobile applications. For example, Apple has imposed requirements for consumer disclosures regarding privacy practices and has implemented an application tracking transparency framework that requires opt-in consent for certain types of tracking. This transparency framework was launched in April 2021 and has negatively impacted the effectiveness of our advertising practices. In June 2023, Apple announced new SDK privacy controls that it integrated into iOS 17, which was released in September 2023, including new protections designed to limit tracking or identification of user devices. Additionally, Apple Inc. recently updated Apple Mail, including automated inbox categorization, sender-level grouping, and AI-generated email previews. These changes may reduce the visibility and engagement rates of our email communications and may adversely impact our ability to reach customers effectively through the email channel. In February 2022, Google announced its Privacy Sandbox initiative for Android, a multi-year effort expected to restrict tracking activity and limit advertisers' ability to collect app and user data across Android devices. Google began rolling out the Privacy Sandbox on January 4, 2024, and in July 2024, announced its change from a previously-announced plan to phase out third-party cookies in the second half of 2024. We also depend on the interoperability of our sites with popular mobile operating systems that we do not control, such as iOS and Android, and any changes in such systems that degrade the functionality of our sites or give preferential treatment to competitive products could adversely affect the usage of our sites on mobile devices. In the event that it is more difficult for our customers to access and use our sites on their mobile devices, or if our customers choose not to access or to use our sites on their mobile devices or to use mobile products that do not offer access to our sites, our customer growth could be harmed and our business, financial condition and operating results may be materially and adversely affected.

We are subject to payment-related risks.

We accept payments using a variety of methods, including credit card, gift cards, debit card, PayPal and other third-party payment vendors, which subjects us to certain regulations and the risk of fraud, and we may in the future offer new payment options to customers that would be subject to additional regulations and risks. We pay interchange and other fees in connection with credit card payments, which may increase over time and adversely affect our operating results. While we use a third party to process payments, we are subject to payment card association operating rules and certification requirements, including the Payment Card Industry Data Security Standard, or PCI-DSS, and rules governing electronic funds transfers. If we fail to comply with applicable rules and regulations, we may be subject to fines or higher transaction fees and may lose our ability to accept online payments or other payment card transactions. If any of these events were to occur, our business, financial condition and operating results could be adversely affected.

We may incur significant losses from fraud and theft.

We have in the past incurred and may in the future incur losses from various types of fraud and theft, including theft of merchandise, stolen credit card numbers, claims that a customer did not authorize a purchase, merchant fraud and customers who have closed bank accounts or have insufficient funds in open bank accounts to satisfy payments. Although we have measures in place and utilize third parties to detect and reduce the occurrence of theft and fraudulent activity, those measures and providers may not always be effective. In addition to the direct costs of such losses, if the fraud is related to credit card transactions and becomes excessive, it could potentially result in us paying higher fees or losing the right to accept credit cards for payment. In addition, under current credit card practices, we are liable for fraudulent credit card transactions because we do not obtain a cardholder's signature. Our failure to adequately prevent fraudulent transactions could damage our reputation, result in litigation or regulatory action and lead to expenses that could substantially impact our operating results.

If we fail to maintain effective internal controls over financial reporting or disclosure controls and procedures, we may not be able to accurately report our financial results, prevent fraud or file our periodic reports in a timely manner, which may cause investors to lose confidence in our reported financial information and may lead to a decline in our stock price.

We are subject to the SEC's rules implementing Sections 302 and 404 of the Sarbanes-Oxley Act, which require our management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of internal controls over financial reporting. Additionally, we are required to obtain an annual audit of our internal controls over financial reporting from our independent registered public accounting firm under Section 404 of the Sarbanes-Oxley Act. Our compliance with applicable provisions of Section 404 requires that we incur substantial accounting expense and expend significant management time on compliance-related issues as we implement additional practices and comply with expanded reporting requirements.

Our testing of key controls over financial reporting, or the testing by our independent registered public accounting firm, may reveal deficiencies in our internal control over financial reporting that are deemed to be material weaknesses. If we are not able to comply with the requirements of Section 404 in a timely manner, or if we or our independent registered public accounting firm identify deficiencies in our internal control over financial reporting that are deemed to be material weaknesses, the market price of our stock would likely decline and we could be subject to lawsuits, sanctions or investigations by regulatory authorities, which would require additional financial and management resources.

We continue to invest in more robust technology and in more resources in order to manage applicable reporting requirements. Implementing the appropriate changes to our internal controls and remediating a material weakness may distract our officers and employees, result in substantial costs to implement new processes or modify our existing processes and require significant time to complete. Any difficulties or delays in implementing such new processes or modifications could impact our ability to timely report our financial results. In addition, we currently rely on a manual process in some areas which increases our exposure to human error or intervention in reporting our financial results. For these reasons, we may encounter difficulties in the timely and accurate reporting of our financial results, which would impact our ability to provide our investors with information in a timely manner. As a result, our investors could lose confidence in our reported consolidated financial information and our stock price could decline. In addition, any such changes do not guarantee that we will be effective in maintaining the adequacy of our internal controls and any failure to maintain that adequacy could prevent us from accurately reporting our financial results.

We may expand our business through acquisitions, joint ventures, strategic investments and commercial collaborations, which may divert management's attention, be difficult to integrate, disrupt our business, dilute

stockholder value, prove to be unsuccessful and adversely affect our business, operating results and financial condition.

As part of our long-term growth plans, we have and may continue to acquire, invest in or partner with additional businesses, assets and technologies, and enter into commercial collaborations, which we believe could further complement or expand our business. Such transactions may divert management's time and focus from operating our business, whether or not they are ultimately completed, and they also may require us to spend a substantial portion of our available cash, incur debt or other liabilities, amortize expenses related to intangible assets or incur write-offs of goodwill or other assets. In addition, integrating acquired businesses or technologies is risky. Completed and future transactions may result in unforeseen operational difficulties and expenditures associated with:

- incorporating new businesses and technologies into our infrastructure;
- the allocation of resources;
- consolidating operational and administrative functions;
- coordinating outreach to our community;
- maintaining morale and culture and retaining and integrating key employees;
- maintaining or developing controls, procedures and policies (including effective internal control over financial reporting and disclosure controls and procedures); and
- identifying and assuming liabilities related to the activities of the acquired business before the acquisition, including liabilities for violations of laws and regulations, intellectual property issues, commercial disputes, taxes and other matters.

Moreover, we may not benefit from our acquisitions and other strategic transactions as we expect or in the timeframe we expect, which could adversely affect our business, operating results and financial condition. We also may issue additional equity securities in connection with such transactions, which could cause dilution to our stockholders.

Furthermore, our partners affiliated with such transactions could engage in behavior or use their platforms to communicate in a manner that reflects poorly on our brand and may be attributed to us or otherwise adversely affect us. Negative commentary regarding our partners affiliated with such transactions may be adverse to our reputation or business. It is not possible to prevent such behavior and the precautions we take to detect and respond to this activity may not be effective in all cases.

Finally, our acquisitions and other strategic transactions could be viewed negatively by analysts, investors or customers and cause our stock price to decline.

Adverse litigation judgments or settlements resulting from legal proceedings in which we may be involved could expose us to monetary damages or limit our ability to operate our business.

We have been and may in the future become involved in private actions, collective actions, investigations and various other legal proceedings by customers, employees, suppliers, competitors, government agencies, law enforcement, customs officials or others. The results of any such litigation, investigations and other legal proceedings are inherently unpredictable and expensive. Any claims against us, whether meritorious or not, could be time-consuming, result in costly litigation, damage our reputation, require significant amounts of management time, result in impositions of fines or other remedial measures as a result of underpayment and divert significant resources. If any of these legal proceedings were to be determined adversely to us, or we were to enter into a settlement arrangement, we could be exposed to monetary damages or limits on our ability to operate our business, which could have an adverse effect on our business, financial condition and operating results.

We may require additional capital to support business growth and this capital might not be available or may be available only by diluting existing stockholders.

We intend to continue making investments to support our business growth and may require additional funds to support this growth and respond to business challenges, including the need to develop our services, expand our inventory, enhance our operating infrastructure, expand the markets in which we operate and potentially acquire complementary businesses and technologies. Accordingly, we may need to engage in equity or debt financings to secure additional funds. If we raise additional funds through further issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our Class A common stock. Any debt financing secured by us in the future could involve restrictive covenants relating to our capital-raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities. In addition, we may not be able to obtain additional financing on terms favorable to us, if at all, including for reasons outside our control such as negative economic conditions. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly limited and our business and prospects could fail or be adversely affected.

Our credit facility contains restrictive covenants that may limit our operating flexibility.

Our credit facility contains restrictive covenants that limit our ability to, among other things, incur debt, create liens and encumbrances, engage in certain fundamental changes, dispose of assets, prepay certain indebtedness, make restricted payments, make investments, and engage in transactions with affiliates. We therefore may not be able to engage in any of the foregoing transactions unless we obtain the consent of the lender or terminate the credit facility, which may limit our operating flexibility. In addition, our credit facility is secured by all of our assets, including our intellectual property, and requires us to satisfy certain financial covenants. There is no guarantee that we will be able to generate sufficient cash flow or sales to meet these financial covenants or pay the principal and interest on any debt under our facility. Furthermore, there is no guarantee that future working capital, borrowings or equity financing will be available to repay or refinance any such debt. Any inability to make scheduled payments or meet the financial covenants on our credit facility would adversely affect our business.

Our participation in duty drawback and other programs may result in variability in the timing of cash recoveries.

We participate in duty drawback programs that allows us to recover customs duties paid on certain products imported into the U.S. and subsequently exported to another country. In addition, for merchandise returned by customers in certain countries, we refund the full amount of the customers purchase to the customer, including applicable duties and taxes and separately recover the amount of duties and taxes from the relevant government authority. The amounts eligible for recovery under these programs has increased over time as our international operations have grown.

Although we have historically recovered the full available amounts under the duty drawback program, the availability and timing of recovery depends on our continued compliance with program requirements and the administrative processing of claims by customs authorities. Delays in claim processing, changes in administrative practices, or changes in program requirements could result in extended recovery periods or reduced recoveries, which could adversely affect our working capital and operating cash flows.

Risks Related to Regulation and Taxation

Any failure by us or our vendors to comply with trade and other regulations including importation, exportation, product safety, labeling, labor or other laws, or to provide safe conditions for our or their workers, may lead to investigations or actions by government regulators, damage our reputation and brands and harm our business.

The merchandise we sell to our customers is subject to regulation by the Federal Consumer Product Safety Commission, the FTC, the Food and Drug Administration, U.S. Fish and Wildlife Services and other federal, state, local and international regulatory authorities. As a result, our merchandise could become subject to recalls and other remedial actions. Product safety, labeling and licensing regulations, including consumer disclosure and warning regarding chemical exposure, may require us to remove selected merchandise from our inventory. Such recalls or removal of merchandise can result in, among other things, lost sales, diverted resources, potential harm to our reputation and increased customer service costs and legal expenses, which could have a material adverse effect on our operating results. In addition, our failure to comply with such regulations has in the past, and may in the future, subject us to investigations, enforcement actions and the imposition of significant penalties and claims, which could harm our results of operations or our ability to conduct business. Any audits and inspections by governmental agencies related to these matters could result in significant settlement amounts, damages, fines or other penalties, divert financial and management resources, and result in significant legal fees. An unfavorable outcome of any particular proceeding could have an adverse impact on our business, financial condition and results of operations. In addition, the adoption of new regulations or changes in the interpretation of existing regulations may result in significant compliance costs or discontinuation of product sales and could impair the marketing of our products, resulting in significant loss of revenue.

We purchase our merchandise from numerous domestic and international vendors. Failure of our vendors to comply with applicable laws and regulations and contractual requirements could lead to litigation against us, resulting in increased legal expenses and costs. In addition, the failure of any such vendors to provide safe and humane factory conditions and oversight at their facilities could damage our reputation with customers or result in actual or alleged legal claims against us.

If our suppliers fail to use ethical business practices and fail to comply with changing laws and regulations, our brand image could be harmed due to negative publicity.

Developing the highest quality products while operating with integrity, is an important component of our brand image and operating philosophy, which makes our reputation sensitive to allegations of unethical or improper business practices, whether real or perceived. We do not control our suppliers and manufacturers or their business and they may not comply with our guidelines or the law. A lack of compliance could lead to reduced sales or recalls or damage to our brand or cause us to seek alternative suppliers, which could increase our costs and result in delayed delivery of our products, product shortages or other disruptions of our operations. In addition, we rely on our manufacturers' and suppliers' compliance reporting in order to comply with regulations applicable to our products. This is further complicated by the fact that expectations of ethical business practices continually evolve and may be substantially more demanding than applicable legal requirements. Ethical business practices are also driven in part by legal developments and by diverse groups active in publicizing and organizing public responses to perceived ethical shortcomings. Accordingly, we cannot predict how such regulations or expectations might develop in the future and cannot be certain that our guidelines or current practices would satisfy all parties who are active in monitoring our products or other business practices worldwide.

Developments in labor and employment law and any unionizing efforts by employees could have a material adverse effect on our results of operations.

We face the risk that Congress, federal agencies or one or more states could approve legislation or regulations significantly affecting our businesses and our relationship with our employees and other individuals providing valuable services to us, such as our influencers and models. For example, the previously proposed federal legislation referred to as the Employee Free Choice Act would have substantially liberalized the procedures for union organization. None of our domestic employees are currently covered by a collective bargaining agreement, but any attempt by our employees to organize a labor union could result in increased legal and other associated costs. Additionally, given the National Labor Relations Board's "speedy election" rule, our ability to timely and effectively address any unionizing efforts would be difficult. If we enter into a collective bargaining agreement with our domestic employees, the terms could materially adversely affect our costs, efficiency and ability to generate acceptable returns on the affected operations.

Federal and state wage and hour rules establish minimum salary requirements for employees to be exempt from overtime payments. For example, among other requirements, California law requires employers to pay employees who are classified as exempt from overtime a minimum salary of at least twice the minimum wage for executive, administrative and professional employees employed by employers that have 26 or more employees. Minimum salary requirements impact the way we classify certain employees, increase our payment of overtime wages and provision of meal or rest breaks, and increases the overall salaries we are required to pay to currently exempt employees to maintain their exempt status. As such, these requirements may have a material adverse effect on our business, financial condition and results of operations.

Further, the laws and regulations that govern the status and classification of independent contractors and other similar non-employee services providers are subject to change and divergent interpretations by various authorities, which can create uncertainty and unpredictability for us. For example, in California, Assembly Bill 5 codified and extended an employment classification test set forth by the California Supreme Court that established a new standard for determining employee or independent contractor status. This bill, and other similar initiatives throughout the United States, could lead to additional challenges to the classification of influencers and models and a potential increase in claims, lawsuits, arbitration proceedings, administrative actions, government investigations and other legal and regulatory proceedings at the federal, state and municipal levels challenging the classification of any influencers or models as independent contractors. Such regulatory scrutiny or actions over such classification practices also may create different or conflicting obligations from one jurisdiction to another. Although we are currently not involved in any material legal actions and, to our knowledge, there have been no material claims of misclassification made against us, the likelihood of misclassification claims in states like California has increased in light of laws such as Assembly Bill 5, and the results of any such litigation or arbitration are inherently unpredictable and legal proceedings related to such claims, individually or in the aggregate, could have a material impact on our business, financial condition and results of operations. Regardless of the outcome, litigation and arbitration of misclassification and wage and hour claims can have an adverse impact on us because of defense and settlement costs individually and in the aggregate, diversion of management resources and other factors, which could have a material adverse effect on our business, financial condition and results of operations.

Government regulation of the Internet and eCommerce is evolving and unfavorable changes or failure by us to comply with these regulations could substantially harm our business and results of operations.

We are subject to general business regulations and laws as well as regulations and laws specifically governing the Internet and eCommerce, including but not limited to regulations and laws involving pricing practices and online payments, taxes, privacy, data protection, data security, anti-spam, content protection, website accessibility, Internet neutrality, AI, automated decision-making, electronic contracts and communications, consumer protection, gift cards, marketplace scope or ownership, intermediary liability protections, online platform liability, content moderation, online child safety, marketplace seller regulation, packaging and recycling requirements, seller certification and representative requirements, and know-your-customer/business. Compliance or failure to comply with applicable laws and regulations could impede the growth of our eCommerce or mobile commerce operations.

These laws and regulations are continuously evolving, and compliance is costly and can require changes to our business practices and significant management time and effort. It is not always clear how existing laws governing issues such as property ownership, libel, consumer protection, sales and other taxes, and consumer privacy apply to the Internet as many of these laws were adopted prior to the advent of the Internet and do not contemplate or address the unique issues raised by the Internet or eCommerce. It is possible that general business regulations and laws, or those specifically governing the Internet or eCommerce, may subject us to inconsistent obligations across jurisdictions.

We strive to comply with all applicable laws, and compliance is often complex and operationally challenging. In addition, applicable laws may conflict with each other or our practices and by complying with the laws or regulations of one jurisdiction, we may find that we are violating the laws or regulations of another jurisdiction. We cannot be sure that our practices have complied, comply or will comply fully with all such laws and regulations. Any failure, or perceived failure, by us to comply with any of these laws or regulations could result in damage to our reputation, a loss in business and proceedings or actions against us by governmental entities or private parties. Any such proceeding or action could hurt our reputation, force us to spend significant amounts in defense of these proceedings, distract our management, increase our costs of doing business, decrease the use of our sites by consumers and suppliers and may result in the imposition of monetary liability. We may also be contractually liable to indemnify and hold harmless third parties from the costs or consequences of non-compliance with any such laws or regulations.

In addition, it is possible that governments of one or more countries or territories may seek to censor content available on our sites or may even attempt to completely block access to our sites. Adverse legal or regulatory developments could substantially harm our business. In particular, in the event that we are restricted, in whole or in part, from operating in one or more countries or territories, our ability to retain or increase our customer base may be adversely affected and we may not be able to maintain or grow our net sales and expand our business as anticipated.

We are subject to various governmental export control and trade sanctions laws and regulations that could impair our ability to compete in international markets or subject us to liability if we violate these controls.

In some cases, our merchandise is subject to export control laws and regulations, including the Export Administration Regulations administered by the U.S. Department of Commerce and export regulations administered by the U.S. Fish and Wildlife Services, and our activities are subject to trade and economic sanctions, including those administered by the U.S. Treasury Department's Office of Foreign Assets Control, or OFAC, which we collectively refer to as trade controls. As such, licenses and notices may be required to export, import or re-export our products to certain countries and end users and for certain end uses. The process for obtaining necessary licenses and making required notices may be time-consuming or unsuccessful, potentially causing delays in sales or losses of sales opportunities. Trade controls are complex and dynamic regimes and monitoring and ensuring compliance can be challenging. Any failure to comply with these regimes could subject us to both civil and criminal penalties, including substantial fines, possible incarceration of responsible individuals for willful violations, possible loss of our export or import privileges, and reputational harm. In addition, investigating or defending against any such allegations, actions or investigations will likely result in a materially significant diversion of management's attention and resources and significant defense costs and other professional fees.

We may experience fluctuations in our tax obligations and effective tax rate, which could adversely affect our operating results.

We are subject to taxes in several jurisdictions, including the United States and the UK. We record tax expense based on current tax liabilities and our estimates of future tax liabilities, which may include reserves for estimates of probable settlements of tax audits. At any one time, multiple tax years are subject to audit by various taxing jurisdictions. The results of these audits and negotiations with taxing authorities may affect the ultimate settlement of these issues. As a result, we expect that throughout the year there could be ongoing variability in our quarterly tax rates as taxable events occur and exposures are re-evaluated.

Further, our tax liability, after-tax profitability and effective tax rate in a given financial statement period may be materially impacted by changes in tax laws, including legislation implementing changes in taxation of international business activities, changes in the mix and level of earnings by taxing jurisdictions or changes to existing accounting rules or regulations. For example, the Inflation Reduction Act of 2022, among other things, imposed a one percent excise tax on certain stock repurchases by public companies. The Organization of Economic Cooperation and Development, or OECD, proposed implementing a global minimum tax of fifteen percent, which has been adopted by many jurisdictions, including the UK, and is being considered by others for implementation. Although these rules are not currently applicable to us, we operate in participating countries that have implemented or are expected to implement these rules. On January 5, 2026, the OECD announced a "side-by-side" elective safe harbor that would exempt electing U.S.-parented multinational entities from the fifteen percent global minimum tax for taxable years beginning on or after January 1, 2026. We continue to evaluate the impact of these tax developments and those under other OECD and non-U.S. rules as new guidance and regulations are published and become applicable. Further, legislation commonly known as the One Big Beautiful Bill Act enacted in July 2025 modifies certain tax provisions that could impact our tax liability and financial condition. There are numerous other factors that could affect our effective tax rate, including, among others, intercompany transactions, losses incurred in jurisdictions for which we are not able to realize the related tax benefits, exercises of stock options and vesting of restricted stock units, and entry into new businesses and geographies. Fluctuations in our tax obligations and effective tax rate could adversely affect our business, financial condition and operating results.

We could be required to collect additional sales taxes or be subject to other tax liabilities that may increase the costs our customers would have to pay for our offering and adversely affect our operating results.

Although we believe that we currently collect sales taxes in all states in which we are required to collect sales tax, a successful assertion by one or more states requiring us to collect sales taxes where we presently do not do so, or to collect more taxes in a jurisdiction in which we currently do collect some sales taxes, could result in substantial tax liabilities, including taxes on past sales, as well as penalties and interest. The imposition by state governments of sales tax collection obligations on out-of-state retailers in jurisdictions where we do not currently collect sales taxes, whether for prior years or prospectively, could also create additional administrative burdens for us, put us at a competitive disadvantage if they do not impose similar obligations on our competitors and decrease our future sales, which could have a material adverse impact on our business and operating results.

Risks Related to Our International Operations

We have operations and do business in China, which exposes us to risks inherent in doing business there.

We use multiple third-party suppliers and manufacturers based primarily in China. With the rapid development of the Chinese economy, the cost of labor has increased and may continue to increase in the future. Furthermore, pursuant to Chinese labor laws, employers in China are subject to various requirements when signing labor contracts, paying remuneration, determining the term of employees' probation and unilaterally terminating labor contracts. Our results of operations will be materially and adversely affected if the labor costs of our third-party suppliers and manufacturers increase significantly. In addition, we and our manufacturers and suppliers may not be able to find a sufficient number of qualified workers due to the intensely competitive and fluid market for skilled labor in China. We also sell our merchandise to customers in China and use Chinese-owned social media and payment platforms such as TikTok, WeChat and AliPay to market to and transact with customers inside and outside of China. In addition, imports into the United States of products from China may be subject to increased risk of seizure by Customs and Border Protection in light of enforcement directives established by the Uighur Forced Labor Prevention Act, or UFLPA, and regulations issued pursuant to UFLPA.

Operating and doing business in China and using Chinese-owned social media platforms as tools for marketing, messaging and transacting with our customers in China exposes us to political, legal and economic risks. In particular, the political, legal and economic climate in China, both nationally and regionally, and China's relationship with the United States, is fluid and unpredictable. Our ability to operate and do business in China and use Chinese-owned social media platforms may be adversely affected by changes in U.S. and Chinese laws and regulations such as those related to, among other things, taxation, import and export tariffs, custom duties, social media, environmental regulations, land use rights, intellectual property, currency controls, network security, employee benefits, hygiene supervision and other matters. In addition, we may not obtain or retain the requisite legal permits to continue to operate in China and costs or operational limitations may be imposed in connection with obtaining and complying with such permits. In addition, Chinese trade regulations are in a state of flux and we may become subject to other forms of taxation, tariffs and duties in China. Furthermore, the third parties we rely on in China may disclose our confidential information or intellectual property to competitors or third parties, which could result in the illegal distribution and sale of counterfeit versions of our products. If any of these events occur, our business, financial condition and results of operations could be materially and adversely affected. See also "—Tariffs imposed by the U.S. or foreign governments have increased and may in the future continue to increase the cost of our products, which could ignite a global trade war and have a material adverse effect on our business, financial condition and results of operations."

In addition, the U.S. government has in the past implemented restrictions, and may in the future implement additional restrictions, that affect conducting business with certain Chinese companies, including TikTok. For example, on April 24, 2024, President Biden signed into law legislation that would have required TikTok's parent company to divest TikTok or face a ban in the United States. Subsequent executive actions delayed the effectiveness of such restrictions. After months of negotiations, in January 2026, a deal was seemingly struck between the Trump Administration and TikTok that would allow TikTok to continue to operate in the United States.

However, the regulatory and political environment surrounding TikTok and other China-linked companies remains subject to ongoing review and potential change. Future legislative, executive, or regulatory actions could impose new restrictions, conditions, or compliance requirements, or could limit or prohibit certain business relationships. Due to the uncertainty regarding the timing, content, and extent of any future policy or regulatory changes, we cannot assure you that we will be able to successfully mitigate any negative impact, including any impact on our ability to procure items or services from entities linked to China or other designated countries. Depending on their scope and implementation, such actions could have a material adverse effect on our business, financial condition, and results of operations.

We are exposed to fluctuations in currency exchange rates, which could negatively affect our operating results.

Most of our sales are denominated in U.S. dollars. However, a strengthening U.S. dollar could increase the real cost of our products to our customers outside of the United States that pay in foreign currencies, which could adversely affect our operating results. Fluctuations in foreign currency exchange rates may cause us to recognize transaction gains and losses in our consolidated statements of income. If we become more exposed to currency fluctuations and are not able to successfully hedge against the risks associated with currency fluctuations, our operating results could be materially and adversely affected.

Our reliance on overseas manufacturing and supply partners, including vendors located in jurisdictions presenting an increased risk of bribery and corruption, exposes us to legal, reputational and supply chain risk through the potential for violations of federal and international anti-corruption law.

We derive a significant portion of our owned brand merchandise from third-party manufacturing and supply partners in foreign countries and territories, including countries and territories perceived to carry an increased risk of corrupt business practices. We are subject to the U.S. Foreign Corrupt Practices Act, or the FCPA, the U.K. Bribery Act of 2010, the U.S. domestic bribery statute contained in 18 U.S.C. § 201 and possibly other anti-bribery and anti-corruption laws in countries outside of the United States where we conduct our activities. Anti-corruption and anti-bribery laws have been enforced aggressively in recent years and are interpreted broadly to generally prohibit companies, and their employees, agents, representatives, business partners and third-party intermediaries, from offering, promising, authorizing or making, directly or indirectly, improper payments to any foreign government official, government staff member, political party or political candidate or private sector individual in an attempt to obtain or retain business. Likewise, the U.S. Department of Justice, as well as foreign regulatory authorities, continue to enforce anti-corruption laws across industries.

We sometimes leverage third-parties to sell our products and conduct our business abroad. We and our employees, agents, representatives, business partners and third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities and we may be held liable for the corrupt or other illegal activities of these employees, agents, representatives, business partners or third-party intermediaries even if we do not explicitly authorize such activities. These laws also require that we keep accurate books and records and maintain internal controls and compliance procedures designed to prevent any such actions. While we have policies and procedures to address compliance with such laws, and notwithstanding our efforts to conduct our operations in material compliance with these regulations, we cannot assure you that all of our employees, agents, representatives, business partners or third-party intermediaries will not take actions in violation of applicable law for which we may be ultimately held responsible.

Any allegations or violations of the FCPA, the U.K. Bribery Act of 2010 or any of the anti-corruption and anti-bribery laws in the countries and territories where we and our vendors do business, could result in severe fines and penalties, profit disgorgement, injunctions on future conduct, securities litigation, prosecution, enforcement actions, fines, damages, investigations, loss of export privileges, bans on transacting certain business, and other consequences that may have a material adverse effect on our business, financial condition, results of operations and prospects. In addition, investigating or defending against any such allegations, actions or investigations will likely result in a materially significant diversion of management's attention and resources and significant defense costs and other professional fees. Moreover, any actual or alleged corruption in our supply chain could carry significant reputational harms, including negative publicity, loss of good will and decline in stock price.

Expansion of our operations internationally will require management attention and resources, involves additional risks and may be unsuccessful.

There is inherent risk associated with operating in regions outside of the United States. We recently opened an office in the Philippines to support our customer service and certain administrative functions and a small number of our employees and contractors are working remotely in other regions outside the United States. If we choose to expand further internationally, we would need to adapt to different local cultures, laws, regulations, standards and policies. The business model we employ and the merchandise we currently offer may not have the same appeal to consumers outside of the United States. Furthermore, to succeed with customers in international locations, it likely will be necessary to locate fulfillment centers in foreign markets and hire local employees in those international centers and we may have to invest in these facilities before proving we can successfully run foreign operations. We may not be successful in expanding into international markets or in generating net sales from foreign operations for a variety of reasons, including:

- localization of our merchandise offerings, including translation into foreign languages and adaptation for local practices;

- navigating shipping and returns in a more fragmented geography, particularly following the UK's departure from the EU and if the EU were to lose other members or change its policies regarding the flow of goods across country borders;
- different consumer demand dynamics, which may make our model and the merchandise we offer less successful compared to the United States;
- competition from local incumbents that understand the local market and may operate more effectively;
- regulatory requirements, taxes, trade laws, trade sanctions and economic embargoes, tariffs, export quotas, custom duties or other trade restrictions or any unexpected changes thereto;
- laws and regulations regarding anti-bribery and anti-corruption compliance;
- differing labor regulations where labor laws may be more advantageous to employees as compared to the United States and increased labor costs;
- more stringent regulations relating to privacy, data protection, and data security and access to, or use of, commercial and personal information, particularly in Europe;
- changes in a specific country's or region's political or economic conditions; and
- risks resulting from changes in currency exchange rates.

If we invest substantial time and resources to establish and expand our operations internationally and are unable to do so successfully and in a timely manner, our operating results would suffer.

Risks Related to Privacy, Cybersecurity and Our Technology

Failure to comply with federal, state and international laws and regulations and our contractual obligations relating to privacy, data protection and consumer protection, or the expansion of current or the enactment of new laws or regulations relating to privacy, data protection and consumer protection, could adversely affect our business and our financial condition.

We collect and maintain significant amounts of personal data and other data relating to our customers and employees. A variety of federal, state and international laws and regulations, and certain industry standards, govern or apply to our collection, use, retention, sharing, transfer and security of consumer data. We are subject to certain laws, regulations, contractual obligations and industry standards (including, for example, the PCI-DSS) relating to privacy, data protection, information security and consumer protection, including California's Consumer Legal Remedies Act and unfair competition and false advertising laws, which are evolving and subject to potentially differing interpretations. Separately, for example, the Department of Justice has issued a final rule that took effect in April 2025 and imposes limitations, and in some cases prohibitions, on certain transfers of sensitive personal data to business partners located in China and other designated countries, or with other specified links to China and other designated countries. These requirements may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another or may conflict with other rules or our practices. As a result, our practices likely have not complied or may not comply in the future with all such laws, regulations, requirements and obligations. Any failure, or perceived failure, by us to comply with our privacy policies or with any federal, state or international laws, regulations, industry self-regulatory principles, industry standards or codes of conduct, regulatory guidance, orders to which we may be subject or other actual or alleged legal or contractual obligations relating to privacy, data protection, information security, consumer protection or the collection, use, retention, sharing, transfer and security of consumer data could adversely affect our reputation, brand and business, and may result in claims, proceedings or actions against us by governmental entities or others or other liabilities or require us to change our operations and/or cease or modify our use of certain data sets. Any actual or alleged claim, proceeding or action could hurt our reputation, brand and business, force us to incur significant expenses in defense of such proceedings, distract our management, increase our costs of doing business, result in a loss of customers and suppliers or an inability to process credit card payments and may result in the imposition of monetary penalties. We may also be contractually required to indemnify and hold harmless third parties from the costs or consequences of non-compliance with any laws, regulations or other legal obligations relating to privacy or consumer protection or any inadvertent or unauthorized use or disclosure of data that we store or handle as part of operating our business. Additionally, any failure by us to comply with the PCI-DSS may violate payment card association operating rules, applicable laws and regulations, and contractual obligations to which we are subject. Any such failure to comply with the PCI-DSS also may subject us to fines, penalties, damages, and civil liability, or the loss of our ability to accept credit and debit card payments, any of which may materially adversely affect our business, financial condition and operating results.

Federal, state and international governmental authorities continue to evaluate the privacy implications inherent in the use of third-party "cookies" and other methods of online tracking for behavioral advertising and other purposes. The United States and foreign governments have enacted, have considered or are considering legislation or regulations that could significantly restrict the ability of companies and individuals to engage in these activities, such as by regulating the level of consumer notice and consent required before a company can employ cookies or other electronic tracking tools or the use of data gathered with such tools. Additionally, some providers of consumer devices and web browsers have implemented, or announced plans to implement, means to make it easier for Internet users to prevent the placement of cookies or to block other tracking technologies, which could if widely adopted result in the use of third-party cookies and other methods of online tracking becoming significantly less effective. Regulation of the use of these cookies and other online tracking and advertising practices, or a loss in our ability to make effective use of services that employ such technologies, could increase our costs of operations and limit our ability to track trends, optimize our product assortment or acquire new customers on cost-effective terms and consequently, materially adversely affect our business, financial condition and operating results. For example, Apple has imposed requirements for consumer disclosures regarding privacy practices, and has implemented an application tracking transparency framework that requires opt-in consent for certain types of tracking. This transparency framework was launched in April 2021. This transparency framework has and may continue to negatively impact the effectiveness of our advertising practices. Apple Inc. introduced new SDK privacy controls in 2023 that it integrated into iOS 17, including new protections designed to limit tracking or identification of user devices. Apple Inc. has also updated Apple Mail, including automated inbox categorization, sender-level grouping, and AI-generated email previews. These changes may reduce the visibility and engagement rates of our email communications and may adversely impact our ability to reach customers effectively through the email channel. In February 2022, Google announced its Privacy Sandbox initiative for Android, a multi-year effort expected to restrict tracking activity and limit advertisers' ability to collect app and user data across Android devices. Google began rolling out the Privacy Sandbox on January 4, 2024, and in July 2024, announced its change from a previously-announced plan to phase out third-party cookies in the second half of 2024.

Foreign laws and regulations relating to privacy, data protection, information security, and consumer protection often are more restrictive than those in the United States. The EU, for example, traditionally has imposed stricter obligations under its laws and regulations relating to privacy, data protection and consumer protection than the United States. The General Data Protection Regulation, or GDPR, governs the EU's data practices and privacy. The GDPR requires companies to meet more stringent requirements regarding the handling of personal data of individuals in the EU than were required under predecessor EU requirements. The GDPR provides for substantial penalties for non-compliance, which may result in monetary penalties of up to 20.0 million Euros or 4% of a company's worldwide turnover, whichever is higher.

European privacy and data protection laws, including the GDPR, regulate the transfer of personal data from Europe, including the European Economic Area, or EEA, the UK, and Switzerland, to third countries that have not been found to provide adequate protection to such personal data, including the United States, unless the parties to the transfer have implemented specific safeguards to protect the transferred personal information. The safeguard on which we have primarily relied for such transfers has been use of the European Commission's standard contractual clauses, or SCCs. We have undertaken certain efforts to conform transfers of personal data from the EEA to the United States based on our understanding of current regulatory obligations and the guidance of data protection authorities. In the "Schrems II" decision issued by the Court of Justice of the European Union, or CJEU, on July 16, 2020, the CJEU invalidated one mechanism for cross-border personal data transfer, the EU-U.S. Privacy Shield, and imposed additional obligations on companies relying on the SCCs to transfer personal data. The Swiss-U.S. Privacy Shield framework also was invalidated. Following issuance of a U.S. executive order, a new framework, the EU-U.S. Data Privacy Framework, or DPF, was created. Following an adequacy decision issued by the European Commission on July 10, 2023, the DPF, along with a UK extension to the DPF that allows the transfer of personal data from the UK to the U.S., or the UK DPF Extension, are available for companies to use to legitimize personal data transfers to the U.S. from the EEA and UK. Additionally, on September 15, 2024, the Swiss Federal Council announced an adequacy finding regarding the Swiss-U.S. Data Privacy Framework, or the Swiss-U.S. DPF, which is available for companies to use to legitimize personal data transfers from Switzerland to the U.S. The DPF has faced a legal challenge, and it, the Swiss-U.S. DPF, and the UK DPF Extension may be modified and subject to legal challenges in the future, and it remains unclear whether the DPF, the Swiss-U.S. DPF, or the UK DPF Extension will be appropriate for us to rely on. Developments relating to cross-border data transfer may result in data protection regulators applying differing standards for, and requiring ad hoc verification of, transfers of personal data from Europe or other regions to the U.S. The European Commission has released revised SCCs addressing the CJEU concerns. The UK has also adopted new standard contractual clauses, or the UK SCCs, which became effective on March 21, 2022. The CJEU's Schrems II decision, the revised SCCs and the UK SCCs, regulatory guidance and opinions, and other developments relating to cross-border data transfer may require us to implement additional contractual and technical safeguards for any personal data transferred out of the EEA, the UK and Switzerland, which may increase compliance costs, lead to increased regulatory scrutiny or liability, may require additional contractual negotiations, and may adversely impact our business, financial condition and operating results.

The UK has implemented legislation similar to the GDPR, including the UK Data Protection Act and legislation similar to the GDPR referred to as the UK GDPR, which provides for fines of up to the greater of 17.5 million British Pounds or 4% of organizational worldwide turnover, whichever is higher. Additionally, the relationship between the UK and the EU in relation to certain aspects of data protection law remains unclear following the UK's exit from the EU, including with respect to data transfers between EU member states and the UK. On June 28, 2021, the European Commission announced a decision of "adequacy" concluding that the UK ensures an equivalent level of data protection to the GDPR, which generally permits continued personal data flows from the EEA to the UK. The UK enacted the UK Data (Use and Access) Act 2025, or DUAA, on June 19, 2025, which made targeted amendments to the UK GDPR and the Data Protection Act. The European Commission has renewed the UK's adequacy decision after assessing the DUAA, but some uncertainty remains in the long term regarding the UK's adequacy determination. We cannot fully predict how the Data Protection Act, the UK GDPR, and other UK data protection laws or regulations may develop in the medium to longer term nor the effects of divergent laws and guidance regarding how data transfers to and from the UK will be regulated. Further, the GDPR and other similar regulations require companies to give specific types of notice and in some cases seek consent from consumers and other data subjects before collecting or using their data for certain purposes, including some marketing activities. Further, data protection authorities in the EU increasingly are focused on the use of online analytics and tracking tools, with some contending that the use of these tools may violate EU data protection laws. Interpretation of the ePrivacy Directive's requirements regarding the use of cookies and similar technologies may lead to regulators imposing measures that could impact our use of such technologies or lead to significant penalties for actual or alleged non-compliance. On January 13, 2022, the Austrian data protection authority published a decision ruling that the collection of personal data and transfer to the United States through Google Analytics and other analytics and tracking tools used by website operators violates the GDPR. On February 10, 2022, the French data protection authority issued a press release announcing that the French data protection authority had issued a similar decision. Other data protection authorities in the EU are increasingly focused on the use of online tracking tools and have indicated that they plan to issue similar rulings. We may find it necessary or appropriate to develop or use alternative methods to replace the functionality of cookies.

Outside of the EU, many countries and territories have laws, regulations, or other requirements relating to privacy, data protection, information security, localized storage of data, consumer protection, and the collection, use, retention, sharing, transfer and security of consumer data, and new countries and territories are adopting such legislation or other obligations with increasing frequency. In China, for example, the Personal Information Protection Law, or PIPL, was adopted on August 20, 2021 and went into effect on November 1, 2021. The PIPL shares similarities with the GDPR, including extraterritorial application, data minimization, data localization and purpose limitation requirements, as well as obligations to provide certain notices and rights to citizens of China. The PIPL allows for fines of up to 50 million renminbi, or 5% of a covered company's revenue in the prior year. More generally, many of these foreign laws and regulations may require consent from consumers for the use of data for various purposes, including marketing, which may reduce our ability to market our products. There is no harmonized approach to these laws and regulations globally. Consequently, international activities and operations increase our risk of non-compliance with applicable laws and regulations, and we would increase our risk of non-compliance with applicable foreign data protection laws by expanding internationally. We may need to change and limit the way we use personal information in operating our business, may be required to make additional investments in compliance programs, may be required to update our policies and procedures and may have difficulty maintaining a single operating model that is compliant. In addition, various federal, state and foreign legislative and regulatory bodies, or self-regulatory organizations, may expand current laws or regulations, enact new laws or regulations or issue revised rules or guidance regarding privacy, data protection, information security, consumer protection, and the collection, use, retention, sharing, transfer and security. For example, in 2018, California enacted the California Consumer Privacy Act, or CCPA, which, among other things, requires certain disclosures to California consumers and affords such consumers new abilities to opt out of certain sales of personal information. The CCPA, which became effective January 1, 2020, provides for civil penalties for violations, as well as a private right of action for certain data breaches. This private right of action may increase the likelihood of, and risks associated with, data breach litigation. Moreover, California voters approved the California Privacy Rights Act, or CPRA, in November 2020. The CPRA significantly modified the CCPA, creating obligations relating to consumer data effective as of January 1, 2022. Numerous other states have proposed, and in certain cases enacted, legislation addressing privacy or cybersecurity matters, many of which are comprehensive privacy laws that share similarities with the CCPA and the CPRA. Aspects of these privacy statutes remain unclear, resulting in further uncertainty and potentially requiring us to modify our practices and policies and to incur substantial additional costs and expenses in an effort to comply. As a general matter, compliance with laws, regulations, and any applicable rules or guidance from self-regulatory organizations relating to privacy, data protection, information security, consumer protection, and the collection, use, retention, sharing, transfer and security may result in substantial costs and may necessitate changes to our business practices, which may compromise our growth strategy, adversely affect our ability to acquire customers, and otherwise adversely affect our business, financial condition and operating results.

If sensitive information, including such information about our customers, is disclosed or accessed without authorization, or if we or our third-party providers are subject to real or perceived cyberattacks or other security breaches or incidents, our customers may curtail use of our platform, we may be exposed to liability and our reputation would suffer.

We collect, transmit, store and otherwise process personal and financial information provided by our customers, such as names, phone numbers, email addresses, the details of transactions and credit card and other financial information. Some of our third-party service providers, such as identity verification and payment processing providers, also regularly have access to customer data. Additionally, we maintain other confidential, proprietary, or otherwise sensitive information relating to our business and from third parties. In an effort to protect sensitive information, we rely on a variety of security measures, including encryption and authentication technology licensed from third parties. However, advances in computer capabilities, increasingly sophisticated tools and methods used by hackers and cyber terrorists, new discoveries in the field of cryptography or other developments may result in our failure or inability to adequately protect sensitive information.

The majority of our servers are located in close proximity to one another in Southern California and are vulnerable to power outages, telecommunications failures and catastrophic events. Like other online services, they are also vulnerable to computer viruses, malware, computer hacking, fraudulent use, credential stuffing attacks, unauthorized access, phishing or social engineering attacks, ransomware attacks, denial-of-service attacks, exploitation of bugs and vulnerabilities, system malfunctions, failures, terrorism, inadvertent or intentional acts by our employees and contractors and other real or perceived cyberattacks. Any of these incidents could lead to interruptions or shutdowns of our platform, loss, unavailability or corruption of data, or unauthorized access to or alteration, use, acquisition or disclosure of personal data or other sensitive information. Cyberattacks could also result in the theft of our intellectual property. We have been subject to phishing and social engineering attacks in the past and may continue to be subject to such attacks in the future. If we gain greater visibility, we may face a higher risk of being targeted by cyberattacks. Advances in computer capabilities, new technological discoveries or other developments may result in cyberattacks becoming more sophisticated and more difficult to detect. We and our third-party service providers may not have the resources or technical sophistication to anticipate or prevent all such cyberattacks, and we or they may face difficulties or delays in identifying and responding to cyberattacks and data security breaches and incidents. In particular, our vendors and service providers may also be the targets of cyberattacks, malicious software, phishing schemes, and fraud, and our third-party vendors' and service providers' systems and networks may be, or may have been, breached or contain exploitable defects or bugs that could result in a breach of or disruption to our or their systems and networks. Our ability to monitor our vendors and service providers' data security is limited, and, in any event, third parties may be able to circumvent those security measures, resulting in the unauthorized access to, misuse, acquisition, disclosure, loss, alteration, or destruction of our and our customers' data, including confidential, sensitive, and other information about individuals. Moreover, techniques used to obtain unauthorized access to systems change frequently and may not be known until launched against us or our third-party service providers. Security breaches and incidents can also occur as a result of non-technical issues, including phishing attacks, social engineering, and other intentional or inadvertent actions by our employees, our third-party service providers, or their personnel. Our third-party service providers also face these risks. Additionally, with many of our employees and employees of our service providers now working remotely, we and our service providers have less capability to monitor and enforce our data protection and data security policies and face increased privacy, data protection and data security risks.

Also, due to political uncertainty and military actions associated with geopolitical tensions, including wars and conflicts in Ukraine/Russia, Israel/Gaza and the Middle East, we and our vendors and service providers are vulnerable to heightened risks of cybersecurity incidents and security and privacy breaches from or affiliated with nation-state actors.

We are taking steps to monitor and enhance the security of our systems, information technology infrastructure, networks, and data, including with respect to remote access to systems and data. Our efforts to address remote access and other potential risks to our systems, information technology infrastructure, networks and data may require additional personnel and resources, which cannot be guaranteed to fully safeguard all systems, information technology infrastructure, networks and data upon which we rely.

We incur significant costs in an effort to detect and prevent security breaches and other security-related incidents and we expect our costs will increase as we make improvements to our systems and processes to prevent further breaches and incidents. In the event of a future breach or incident, we could be required to expend additional significant capital and other resources in an effort to prevent further breaches or incidents, which may require us to divert substantial resources. Moreover, we could be required or otherwise find it appropriate to expend significant capital and other resources to respond to, notify third parties of, and otherwise address the incident or breach and its root cause. Each of these could require us to divert substantial resources.

We and our third-party service providers regularly experience cyberattacks aimed at disrupting our and their services, and both we and certain of our third-party service providers have suffered from system disruptions resulting from cyberattacks or other causes. If we or our third-party service providers experience, or are believed to have experienced, security breaches or incidents that result in marketplace performance or availability problems or the loss or corruption of, or unauthorized access to or disclosure of, personal data or confidential information, people may become unwilling to provide us the information necessary to make purchases on our sites and our reputation and market position could be harmed. Existing customers may also decrease their purchases or close their accounts altogether. We could also face potential claims, investigations, regulatory proceedings, liability and litigation, and bear other substantial costs in connection with remediating and otherwise responding to any data security breach or incident, all of which may not be adequately covered by insurance, and which may result in an increase in our costs for insurance or insurance not being available to us on economically feasible terms or at all. Insurers may also deny us coverage as to any future claim. Any of these results could harm our growth prospects, financial condition, business and reputation.

System interruptions that impair customer access to our sites or other performance failures in our technology infrastructure could damage our business, reputation and brand and substantially harm our business and results of operations.

The satisfactory performance, reliability and availability of our sites, transaction-processing systems and technology infrastructure are critical to our reputation and our ability to acquire and retain customers, as well as maintain adequate customer service levels.

We currently use two redundant third-party data center hosting facilities in Los Angeles County, California. If the facilities where the computer and communications hardware are located fail, or if we suffer an interruption or degradation of services at our main facility, we could lose customer data and miss order fulfillment deadlines, which could harm our business. Our systems and operations are vulnerable to damage or interruption from fire, flood, power loss, telecommunications failure, terrorist attacks, cyberattacks, data loss, acts of war, break-ins, earthquakes and similar events. For example, in September 2018, a distributed denial of service, or DDoS, attack caused our sites to be down for several hours, and we could be the subject of similar attacks in the future. In the event of a failure of our main facility, the failover to our back-up facility could take substantial time, during which time our sites could be completely shut down. Our back-up facility is designed to support transaction volume at a level slightly above our average daily sales, but is not adequate to support spikes in demand. The back-up facility may not process effectively during times of higher traffic to our sites and may process transactions more slowly and may not support all of our sites' functionality.

We use complex custom-built proprietary software in our technology infrastructure, which we seek to continually update and improve. We may not always be successful in executing these upgrades and improvements, and the operation of our systems may be subject to failure. In particular, we have in the past and may in the future experience slowdowns or interruptions in some or all of our sites when we are updating them, and new technologies or infrastructures may not be fully integrated with existing systems on a timely basis or at all. Additionally, if we expand our use of third-party services, including cloud-based services, our technology infrastructure may be subject to increased risk of slowdown or interruption as a result of integration with such services and/or failures by such third parties, which are out of our control. Our net sales depend on the number of visitors who shop on our sites and the volume of orders we can handle. Unavailability of our sites or reduced order fulfillment performance would reduce the volume of goods sold and could also materially adversely affect consumer perception of our brand. We may experience periodic system interruptions from time to time. In addition, continued growth in our transaction volume, as well as surges in online traffic and orders associated with promotional activities, place additional demands on our technology platform and could cause or exacerbate slowdowns or interruptions. If there is a substantial increase in the volume of traffic on our sites or the number of orders placed by customers, we will be required to further expand, scale and upgrade our technology, transaction processing systems and network infrastructure. There can be no assurance that we will be able to accurately project the rate or timing of increases, if any, in the use of our sites or expand, scale and upgrade our technology, systems and infrastructure to accommodate such increases on a timely basis. In order to remain competitive, we must continue to enhance and improve the responsiveness, functionality and features of our sites, which is particularly challenging given the rapid rate at which new technologies, customer preferences and expectations and industry standards and practices are evolving in the eCommerce industry. Accordingly, we redesign and enhance various functions on our sites on a regular basis and we may experience instability and performance issues as a result of these changes.

Any slowdown or failure of our sites and the underlying technology infrastructure could harm our business, reputation and our ability to acquire, retain and serve our customers, which could materially adversely affect our results of operations and our business interruption insurance may not be sufficient to compensate us for the losses that could occur.

If we are unable to protect against service interruptions, data corruption, cyber-based attacks or network security breaches, our operations could be disrupted.

We rely on information technology networks and systems to market and sell our products, to process, transmit and store electronic and financial information, to manage a variety of business processes and activities and to comply with regulatory, legal and tax requirements. We depend on a variety of information systems to effectively process customer orders and we depend on our information technology infrastructure for digital marketing activities and for electronic communications among our personnel, customers, manufacturers and suppliers around the world. These information technology systems, some of which are managed by third parties, may be susceptible to damage, disruptions or shutdowns due to failures during the process of upgrading or replacing software, databases or components, power outages, hardware failures, computer viruses, attacks by computer hackers, other security breaches and incidents, telecommunication failures, user errors or catastrophic events. Any material disruption of our systems or the systems of our third-party service providers could disrupt our ability to track, record and analyze the products that we sell and could negatively impact our operations, shipment of goods, ability to process financial information and transactions, and our ability to receive and process retail customers' orders and eCommerce orders or engage in normal business activities. If our information technology systems suffer damage, disruption or shutdown and we do not effectively resolve the issues in a timely manner, our business, financial condition and results of operations may be materially and adversely affected and we could experience delays in reporting our financial results.

Our eCommerce operations are important to our business. Our website serves as an effective extension of our marketing strategies by exposing potential new consumers to our brand, product offerings and enhanced content. Due to the importance of our website and eCommerce operations, we are vulnerable to website downtime and other technical failures. Our failure to successfully respond to these risks could reduce eCommerce sales and damage our brand's reputation. Additionally, the information technology networks and systems used in our business and operations, some of which are managed by third parties, may suffer cyberattacks and otherwise be subject to security breaches and incidents. Any such security breaches and incidents may result in, in addition to network and system disruptions, damage, and shutdowns, consequences such as loss or corruption of, or unauthorized access to or acquisition of, data stored or processed on those networks and systems. The risks described here are heightened due to the increase in remote working since 2020. See also "—If sensitive information, including such information about our customers, is disclosed or accessed without authorization, or if we or our third-party providers are subject to real or perceived cyberattacks or other security breaches or incidents, our customers may curtail use of our platform, we may be exposed to liability and our reputation would suffer."

We must successfully maintain, scale and improve our information technology systems and personnel, and failure to do so could have a material adverse effect on our business, financial condition and results of operations.

We must successfully maintain, scale and improve our information technology systems and personnel to support our current operations and future growth. As such, we will continue to invest in and implement significant modifications and upgrades to our information technology systems and procedures, including replacing legacy systems with successor systems, making changes to legacy systems or acquiring new systems with new functionality, hiring employees with information technology expertise and building new policies, procedures, training programs and monitoring tools. These types of activities subject us to inherent costs and risks associated with replacing and changing these systems, including impairment of our ability to leverage our eCommerce channels, fulfill customer orders, potential disruption of our internal control structure, substantial capital expenditures, additional administration and operating expenses, acquisition and retention of sufficiently skilled personnel to implement and operate the new systems, demands on management time, the introduction of errors or vulnerabilities and other risks and costs of delays or difficulties in transitioning to or integrating new systems into our current systems. These implementations, modifications and upgrades may not result in productivity improvements at a level that outweighs the costs of implementation or at all. Additionally, difficulties with implementing new technology systems, delays in our timeline for planned improvements, significant system failures, or our inability to successfully modify our information systems to respond to changes in our business needs may cause disruptions in our business operations and have a material adverse effect on our business, financial condition and results of operations.

Some of our software and systems contain open source software, which may pose particular risks to our proprietary applications.

We use open source software in the applications we have developed to operate our business and will use open source software in the future. We may face claims from third parties demanding the release or license of the open source software or derivative works that we develop from such software (which could include our proprietary source code) or otherwise seeking to enforce the terms of the applicable open source license. These claims could result in litigation and could require us to purchase a costly license, publicly release the affected portions of our source code, or cease offering the implicated solutions unless and until we can re-engineer them to avoid infringement. In addition, our use of open source software may present additional security risks because the source code for open source software is publicly available, which may make it easier for hackers and other third parties to determine how to breach our website and systems that rely on open source software. For example, in December 2021, a vulnerability in a popular logging software, Log4j, was publicly announced. Any of these risks could be difficult to eliminate or manage and, if not addressed, could have an adverse effect on our business and operating results.

Our software is highly complex and may contain undetected errors.

The software underlying our sites is highly complex and may contain undetected errors or vulnerabilities, some of which may only be discovered after the code has been released. We rely heavily on a software engineering practice known as "continuous deployment," meaning that we typically release software code multiple times per day. This practice may result in the more frequent introduction of errors or vulnerabilities into the software underlying our platform. Any errors or vulnerabilities discovered in our code after release could result in damage to our reputation, loss of customers, disruption to our eCommerce channels, loss of net sales or liability for damages, any of which could adversely affect our growth prospects and our business.

Our business may be adversely affected if we are unable to provide our customers a cost-effective shopping platform that is able to respond and adapt to rapid changes in technology.

The majority of our customer orders are placed from a mobile device. As existing mobile devices and other platforms evolve and new mobile devices and platforms are released, it is difficult to predict the problems we may encounter in adjusting and developing applications for changed and alternative devices and platforms, and we may need to devote significant resources to the creation, support and maintenance of such applications. If we are unable to attract consumers to our websites through these devices or are slow to develop a version of our websites that is more compatible with alternative devices or a mobile application, we may fail to capture a significant share of consumers in the fashion retail market, which could materially and adversely affect our business.

Further, we continually upgrade existing technologies and business applications, and we may be required to implement new technologies or business applications in the future. The implementation of upgrades and changes requires significant investments. Our results of operations may be affected by the timing, effectiveness and costs associated with the successful implementation of any upgrades or changes to our systems and infrastructure. In the event that it is more difficult for our customers to buy products from us on their mobile devices, or if our customers choose not to buy products from us on their mobile devices or to use mobile products that do not offer access to our websites, our customer growth could be harmed and our business, financial condition and operating results may be materially adversely affected.

Our use of AI and machine learning could adversely affect our business and operating results.

We use AI and machine learning in our business to, among other things, optimize our product assortment and personalize our website experience through advanced search and product recommendations. We may expand our use of AI and machine learning into other areas of our business including the design and development of owned brand merchandise and general administrative functions. Issues relating to our use of new and evolving technologies such as AI may cause us to experience brand or reputational harm, competitive harm, legal liability and new or enhanced governmental or regulatory scrutiny, and to incur additional costs to resolve such issues. For example, AI algorithms are based on machine learning and predictive analytics, which can include unexpected biases and lead to discriminatory outcomes. In addition, perceived or actual technical, legal, compliance, privacy, security, ethical or other issues relating to the use of AI could undermine the decisions, predictions or analysis that AI applications produce and create additional risks, such as risks of cybersecurity incidents, all of which could adversely affect our business and operating results. The use of AI involves significant technical complexity and requires specialized expertise. Any disruption or failure in our AI-based systems or technology infrastructure could result in delays or errors in our operations, which could harm our business and operating results. Moreover, developing, testing and deploying AI systems may also increase our operating expenses due to the nature of the computing costs involved in such systems.

Risks Related to Our Intellectual Property

If we cannot successfully protect our intellectual property, our business would suffer.

We rely on trademark, copyright, trade secrets, confidentiality agreements and other practices to protect our brands, designs, proprietary information, technologies and processes. Our principal trademark assets include the registered trademarks "REVOLVE," "FWRD" and multiple other brand names and our logos. Our trademarks are valuable assets that support our brand and consumers' perception of our services and merchandise. We also hold the rights to the "revolve.com" and "fwrd.com" Internet domain names and various other related domain names, which are subject to Internet regulatory bodies and trademark and other related laws of each applicable jurisdiction. We have copyrights and other proprietary rights associated with our owned brands' apparel and other products.

If we are unable to protect our trademarks or domain names in the United States or in other jurisdictions in which we may ultimately operate, our brand recognition and reputation would suffer, we would incur significant expense establishing new brands and our operating results would be adversely impacted. We expend substantial resources in the development of new high-quality products but are susceptible to counterfeiting, which may harm our reputation for producing such products and force us to incur expenses in enforcing our intellectual property rights. Counterfeiting of our products may be difficult or costly to detect and any related claims or lawsuits to enforce our rights can be expensive to resolve, require management time and resources, and may not provide a satisfactory or timely result. Despite our efforts to enforce our intellectual property rights, counterfeiters may continue to violate our intellectual property rights by using our trademarks or imitating or copying our products, which could harm our brand, reputation and financial condition. Since our products are sold internationally, we are also dependent on the laws of a range of countries and territories to protect and enforce our intellectual property rights.

We currently have no registered copyrights, applications for copyright registrations, patents issued or applications pending in the United States or internationally. Any registered copyrights or patents that may be issued in the future may not provide us with any competitive advantages or may be challenged by third parties, and future registered copyrights or patent applications may never be granted. Even if issued, there can be no assurance that these registered copyrights or patents will adequately protect our intellectual property or survive an actual or alleged legal challenge, as the legal standards relating to the validity, enforceability and scope of protection of registered copyright, patent and other intellectual property rights are uncertain. Our limited registered copyright and patent protection may restrict our ability to protect our technologies and processes from competition. We primarily rely on unregistered copyrights to protect our designs and products and on trade secret laws to protect our technologies and processes, including the algorithms we use throughout our business. Others may independently develop the same or similar designs, products, technologies and processes, or may improperly acquire and use information about our technologies and processes, which may allow them to provide products or services similar to ours, which could harm our competitive position.

We may be required to spend significant resources to monitor and protect our intellectual property rights, and the efforts we take to protect our proprietary rights may not be sufficient.

The inability to acquire, use or maintain our marks and domain names for our sites could substantially harm our business, financial condition and operating results.

We currently are the registrant of marks for our brands in numerous jurisdictions and are the registrant of the Internet domain name for the websites of revolve.com and fwrd.com and our other sites, as well as various related domain names. However, we have not registered our marks or domain names in all major international jurisdictions. Domain names generally are regulated by Internet regulatory bodies. As our business grows, we may incur material costs in connection with the registration, maintenance and protection of our marks. If we do not have, or cannot obtain on reasonable terms, the ability to use our marks in a particular country, or to use or register our domain name, we could be forced either to incur significant additional expenses to market our products within that country, including the development of a new brand and the creation of new promotional materials and packaging, or to elect not to sell products in that country. Either result could materially adversely affect our business, financial condition and operating results.

Furthermore, the regulations governing domain names and laws protecting marks and similar proprietary rights could change in ways that block or interfere with our ability to use relevant domains or our current brand. Also, we might not be able to prevent third parties from registering, using or retaining domain names that interfere with our consumer communications or infringe or otherwise decrease the value of our marks, domain names and other proprietary rights. Regulatory bodies also may establish additional generic or country-code top-level domains or may allow modifications of the requirements for registering, holding or using domain names. As a result, we might not be able to register, use or maintain the domain names that use the name REVOLVE, FWRD or the names of our other brands in all of the countries and territories in which we currently or intend to conduct business.

We may be accused of infringing intellectual property or other proprietary rights of third parties.

We have in the past received, and may in the future receive, claims by various third-parties that we have infringed their copyrights, trademarks or patents, or improperly used or disclosed their trade secrets, or otherwise infringed or violated their proprietary rights, such as licensing or publicity rights.

Our active engagement in social media activities and large network of social media influencer partners increases these risks for us. The costs of supporting any litigation or disputes related to these claims can be considerable, and we cannot assure you that we will achieve a favorable outcome of any such claim. If any such claim is valid, we may be compelled to cease our use of such intellectual property or other proprietary rights and pay damages, including statutory damages of up to $150,000 per work infringed in the event of willful copyright infringement. We could also be subject to actual damages, the amounts of which may be difficult to quantify. In addition, in some cases we may be obligated to pay the attorneys' fees for a plaintiff in a lawsuit filed against us. Such damages and attorneys' fees, if any, could adversely affect our business, operating results and financial condition. Even if such claims were not valid, defending them could be expensive and distracting, adversely affecting our operating results. Because of the potential risks, expenses and uncertainties of litigation, we may, from time to time, choose to enter into settlement agreements with third parties to avoid or settle litigation, the amounts of which could be substantial and adversely affect our operating results.

Risks Related to Our Class A Common Stock

The market price of our Class A common stock may be volatile or may decline steeply or suddenly regardless of our operating performance, and we may not be able to meet investor or analyst expectations.

The market price of our Class A common stock has, and may continue to, fluctuate or decline significantly in response to numerous factors, including those described in this "Risk Factors" section, many of which are beyond our control and may not be related to our operating performance. These fluctuations could cause you to lose all or part of your investment in our Class A common stock. Factors that could cause fluctuations in the market price of our Class A common stock include the following:

- market volatility and economic disruption caused by macroeconomic factors, including but not limited to inflation, consumer confidence, tariffs and global trade instability, and events such as natural disasters and public health crises;
- actual or anticipated fluctuations in our customer base, the level of customer engagement, net sales or other operating results;
- variations between our actual operating results and the expectations of securities analysts, investors and the financial community;
- any forward-looking financial or operating information we may provide to the public or securities analysts, any changes in this information or our failure to meet expectations based on this information;
- actions of securities analysts who initiate or maintain coverage of us, changes in financial estimates by any securities analysts who follow our company or our failure to meet these estimates or the expectations of investors;
- whether investors or securities analysts view our stock structure unfavorably, particularly our dual-class structure and the significant voting control of our executive officers, directors and their affiliates;
- additional shares of our Class A common stock being sold into the market by us or our existing stockholders, or the anticipation of such sales;
- repurchases of our Class A common stock pursuant to our stock repurchase program and any announcement of a termination of the program;
- announcements by us or our competitors of significant products or features, technical innovations, acquisitions, strategic partnerships, joint ventures or capital commitments;
- changes in operating performance and stock market valuations of companies in our industry, including our vendors and competitors;
- price and volume fluctuations in the overall stock market, including as a result of trends in the economy as a whole;
- lawsuits threatened or filed against us;
- developments in new legislation and pending lawsuits or regulatory actions, including interim or final rulings by judicial or regulatory bodies;
- imposition of fines or other remedial measures as a result of the underpayment of customs duties; and
- other events or factors, including those resulting from war and geopolitical tensions, or incidents of terrorism, or responses to these events.

In addition, extreme price and volume fluctuations in the stock markets have affected and continue to affect many eCommerce and other technology companies' stock prices. Often, their stock prices have fluctuated in ways unrelated or disproportionate to the companies' operating performance. In the past, stockholders have filed securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management from our business and seriously harm our business.

Moreover, because of these fluctuations, comparing our operating results on a period-to-period basis may not be meaningful. You should not rely on our past results as an indication of our future performance. This variability and unpredictability could also result in our failing to meet the expectations of industry or financial analysts or investors for any period. If our operating results fall below the expectations of analysts or investors or below any forecasts we may provide to the market, or if the forecasts we provide to the market are below the expectations of analysts or investors, the price of our Class A common stock could decline substantially. Such a stock price decline could occur even when we have met any previously publicly stated operating results forecasts that we may provide. In addition, the price of our Class A common stock could decline if our results fail to meet investor expectations driven by certain investors and analysts having access to third-party credit card data used to estimate our net sales.

We cannot guarantee that our stock repurchase program will be fully consummated or that it will enhance long-term stockholder value. Share repurchases could also increase the volatility of the trading price of our stock and could diminish our cash reserves.

In August 2023, our board of directors authorized a stock repurchase program of up to $100 million of our outstanding Class A common stock. Although our board of directors has authorized this repurchase program, the program does not obligate us to repurchase any specific dollar amount or number of shares. The actual timing and amount of repurchases remain subject to a variety of factors, including stock price, trading volume, market conditions and other general business considerations. In addition, the terms of our credit agreement impose certain limitations on our ability to repurchase shares. The repurchase program has no expiration date but it may be modified, suspended or terminated at any time, and we cannot guarantee that the program will be fully consummated or that it will enhance long-term stockholder value. The program could affect the trading price of our stock and increase volatility, and any announcement of a termination of the program may result in a decrease in the trading price of our stock. In addition, the repurchase program could diminish our cash reserves.

Future sales of shares could cause our stock price to decline.

Sales of a substantial number of shares of our Class A common stock into the public market, particularly sales by our directors, executive officers and principal stockholders, or the perception that such sales might occur, could cause our stock price to decline. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate.

Our outstanding shares of Class A common stock, including shares issuable upon conversion of our outstanding Class B common stock, may be resold in the public market in the United States subject to registration under the Securities Act or under an exemption from registration, including Rule 144. The holders of all of our Class B common stock have rights, subject to certain conditions, to require us to file registration statements for the public resale of the shares of Class A common stock issuable upon conversion of their shares of Class B common stock, or to include such shares in registration statements that we may file. If we register the offer and sale of shares for the holders of registration rights, those shares can be freely sold in the public market upon issuance.

In addition, we register the offer and sale of all shares of common stock that we may issue under our equity incentive plans, including the shares subject to outstanding options and restricted stock units, or RSUs. As a result, the sale of shares to be issued under our equity incentive plans can be freely resold in the public market upon issuance, subject to the restrictions of Rule 144 under the Securities Act in the case of our affiliates.

The dual class structure of our common stock concentrates voting control with our executive officers, directors and their affiliates, which may depress the trading price of our Class A common stock.

Our Class A common stock has one vote per share and our Class B common stock has ten votes per share. As of December 31, 2025, our co-chief executive officers and MMMK Development, Inc., an entity controlled by our co-chief executive officers, collectively beneficially owned approximately 43% of the outstanding shares of common stock and collectively controlled approximately 88% of the voting power of our outstanding common stock. Our co-chief executive officers therefore are able to control all matters submitted to our stockholders for approval, including the election of directors and approval of significant corporate transactions, such as a merger or other sale of our company or our assets, even though their stockholdings represent less than 50% of the number of outstanding shares of our capital stock. Our co-chief executive officers may have interests that differ from yours and may vote in a way with which you disagree and which may be adverse to your interests. This concentration of ownership will limit the ability of other stockholders to influence corporate matters and may cause us to make strategic decisions that could involve risks to you or that may not be aligned with your interests.

If securities or industry analysts either do not publish research about us or publish inaccurate or unfavorable research about us, our business or our market, or if they adversely change their recommendations regarding our Class A common stock, the trading price or trading volume of our Class A common stock could decline.

The trading market for our Class A common stock is influenced in part by the research and reports that securities or industry analysts publish about us, our business, our market or our competitors. The impact of analyst research and reports on the trading market for our Class A common stock may be greater than on that of other companies in our sector. If one or more of the analysts initiate research with an unfavorable rating or downgrade our Class A common stock, provide a more favorable recommendation about our competitors or publish inaccurate or unfavorable research about our business, our Class A common stock price would likely decline. If any analyst who may cover us were to cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the trading price or trading volume of our Class A common stock to decline.

We have elected to take advantage of the "controlled company" exemption to the corporate governance rules for NYSE-listed companies, which could make our Class A common stock less attractive to some investors or otherwise harm our stock price.

Because we qualify as a "controlled company" under the corporate governance rules for NYSE-listed companies, we are not required to have a majority of our board of directors be independent, nor are we required to have a compensation committee or an independent nominating function. In light of our status as a controlled company, in the future we could elect not to have a majority of our board of directors be independent or not to have a compensation committee or nominating and corporate governance committee. Accordingly, should the interests of our management and MMMK Development, Inc., an entity controlled by our co-chief executive officers, differ from those of other stockholders, the other stockholders may not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance rules for NYSE-listed companies. Our status as a controlled company could make our Class A common stock less attractive to some investors or otherwise harm our stock price.

Future securities issuances could result in significant dilution to our stockholders and impair the market price of our Class A common stock.

Future issuances of shares of our Class A common stock or the conversion of a substantial number of shares of our Class B common stock, or the perception that these issuances or conversions may occur, could depress the market price of our Class A common stock and result in dilution to our existing stockholders. Also, to the extent outstanding options are exercised or RSUs or other equity-based awards become vested, there will be further dilution which could be substantial. Furthermore, we may issue additional equity securities that could have rights senior to those of our Class A common stock.

All of the shares of Class A common stock issuable upon the conversion of the shares of Class B common stock that are subject to outstanding options have been registered for public resale under the Securities Act. Accordingly, these shares will be able to be freely resold in the public market upon issuance as permitted by any applicable vesting requirements and subject to compliance with applicable securities laws.

In addition, the holders of all of our Class B common stock have rights, subject to certain conditions, to require us to file registration statements for the public resale of the shares of Class A common stock issuable upon conversion of their shares of Class B common stock or to include such shares in registration statements that we may file.

Delaware law and provisions in our certificate of incorporation and bylaws could make a merger, tender offer or proxy contest difficult, thereby depressing the trading price of our Class A common stock.

Our certificate of incorporation and bylaws contain provisions that could depress the trading price of our Class A common stock by acting to discourage, delay or prevent a change of control of our company or changes in our management that the stockholders of our company may deem advantageous. These provisions include the following:

- permit the board of directors to establish the number of directors and fill any vacancies and newly created directorships;
- require super-majority voting to amend some provisions in our certificate of incorporation and bylaws;
- authorize the issuance of "blank check" preferred stock that our board of directors could use to implement a stockholder rights plan;
- eliminate the ability of our stockholders to call special meetings of stockholders;
- prohibit stockholder action by written consent, which requires all stockholder actions to be taken at a meeting of our stockholders;
- provide that the board of directors is expressly authorized to make, alter or repeal our bylaws;
- restrict the forum for certain litigation against us to Delaware;
- reflect the dual class structure of our common stock; and
- establish advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at annual stockholder meetings.

Any provision of our certificate of incorporation or bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock and could also affect the price that some investors are willing to pay for our Class A common stock.

Our bylaws designate a state or federal court located within the State of Delaware as the exclusive forum for substantially all disputes between us and our stockholders, and also provide that the federal district courts are the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act, each of which could limit our stockholders' ability to choose the judicial forum for disputes with us or our directors, officers, stockholders or employees.

Our bylaws provide that, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum for (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, stockholders, officers or other employees to us or our stockholders, (3) any action arising pursuant to any provision of the Delaware General Corporation Law, our certificate of incorporation or our bylaws or (4) any other action asserting a claim that is governed by the internal affairs doctrine shall be the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, another State court in Delaware or the federal district court for the District of Delaware), except for any claim as to which such court determines that there is an indispensable party not subject to the jurisdiction of such court (and the indispensable party does not consent to the personal jurisdiction of such court within ten days following such determination), which is vested in the exclusive jurisdiction of a court or forum other than such court or for which such court does not have subject matter jurisdiction. This provision does not apply to any action brought to enforce a duty or liability created by the Exchange Act and the rules and regulations thereunder.

Section 22 of the Securities Act establishes concurrent jurisdiction for federal and state courts over Securities Act claims. Accordingly, both state and federal courts have jurisdiction to hear such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our bylaws also provide that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States are the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act.

Any person or entity purchasing or otherwise acquiring or holding or owning (or continuing to hold or own) any interest in any of our securities shall be deemed to have notice of and consented to the foregoing bylaw provisions. Although we believe these exclusive forum provisions benefit us by providing increased consistency in the application of Delaware law and federal securities laws in the types of lawsuits to which each applies, the exclusive forum provisions may limit a stockholder's ability to bring a claim in a judicial forum of its choosing for disputes with us or our current or former directors, officers, stockholders or other employees, which may discourage such lawsuits against us and our current and former directors, officers, stockholders and other employees. Our stockholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder as a result of our exclusive forum provisions.

Further, the enforceability of similar exclusive forum provisions in other companies' organizational documents has been challenged in legal proceedings, and it is possible that a court of law could rule that these types of provisions are inapplicable or unenforceable if they are challenged in a proceeding or otherwise. If a court were to find either exclusive forum provision contained in our bylaws to be inapplicable or unenforceable in an action, we may incur significant additional costs associated with resolving such action in other jurisdictions, all of which could harm our results of operations.

Item 1B. *UNRESOLVED STAFF COMMENTS*

None.

Item 1C. *CYBERSECURITY*

Risk Management and Strategy

We have implemented policies and processes to evaluate and manage cybersecurity risks, incorporating them into our broader risk management framework. We regularly examine cybersecurity threats that could compromise our information systems' security or data.

Every quarter we evaluate our cybersecurity posture and reassess whether significant changes in our business could impact our digital infrastructure. These assessments aim to identify potential internal and external threats, estimate their probability and possible impact, and gauge the effectiveness of our current policies and processes in mitigating these threats.

Following these risk assessments, we evaluate whether and, if so, how to re-design, implement and maintain reasonable safeguards to minimize identified risks and reasonably address any identified gaps in existing safeguards. We also regularly monitor the effectiveness of our safeguards. We devote significant resources and designate high-level personnel, including our chief architect, who reports to our co-chief executive officer, to manage the risk assessment and mitigation process.

We regularly check and improve our security measures and educate our employees about them with the help of our information technology team. Key personnel are made aware of our cybersecurity policies through trainings.

We engage third parties in connection with our risk assessment processes. We require all external service providers who may impact our cybersecurity risks to certify that they can set up and maintain proper security consistent with all applicable laws, manage security effectively for their work with us, and quickly inform us if they think their security has been breached.

We have never experienced a cybersecurity incident that was determined to be material, although, like many technology-dependent companies operating in the current environment, we have experienced cybersecurity incidents in the past.

For additional information regarding whether any risks from cybersecurity threats are reasonably likely to materially affect our company, including our business strategy, results of operations or financial condition, please see the section titled "Risk Factors."

Governance

One of the key functions of our board of directors is informed oversight of our risk management process, including risks from cybersecurity threats. Our board of directors monitors and assesses strategic risk exposure, and our executive officers manage the material risks we face. Our board of directors administers its cybersecurity risk oversight function directly as a whole and through the audit committee.

We have established a cybersecurity committee, composed of members of senior management, to provide guidance, management and oversight of our cybersecurity and data responsibility initiatives and risk assessment and mitigation protocols, including those described in the "Risk Management and Strategy" section above. Our chief architect, who has over 16 years of experience in software engineering and has served as our chief architect for nine years, is a member of our cybersecurity committee and works to manage our cybersecurity policies and processes. Our chief architect and cybersecurity committee stay informed and manage how we identify, address, prevent and resolve cybersecurity issues and related matters. This is done through regular checks of our systems, tests to identify security weaknesses and maintaining our incident response plan.

Our chief architect and the cybersecurity committee are responsible for our cybersecurity rules and methods, like those described in the "Risk Management and Strategy" section. They stay updated and track how we prevent, identify, lessen and address cybersecurity issues. This is done through regular checks of our systems, tests to find security weaknesses and having a plan ready to respond to any incidents.

In addition to regular meetings and participation on the cybersecurity committee, the chief architect and co-chief executive officer regularly discuss active, emerging and potential cybersecurity risks. They keep each other informed about significant changes affecting cybersecurity, and they periodically update our board of directors or the audit committee about these changes as well as our cybersecurity risks, so that our board of directors can administer its oversight function as part of its broader oversight and risk management.

Item 2. *PROPERTIES*

The following table sets forth information with respect to our facilities, all of which are used by both our REVOLVE and FWRD segments:

Location	Type	Square Footage (approximate)	Lease Expiration
Cerritos, California	Corporate headquarters and fulfillment center	281,100	2028
Berks County, Pennsylvania	Fulfillment center	95,600	2027
La Palma, California	Fulfillment center	75,000	2027
Los Angeles, California	Office space	42,200	2028
Cerritos, California	Office and studio space	37,000	2032
Los Angeles, California	Retail store	8,500	2032
Lipa City, Philippines	Office space	7,900	2030
Los Angeles, California	Office and studio space	6,100	2027
Aspen, Colorado	Retail store	3,200	2028

We believe that our facilities are adequate for our needs and believe that we should be able to renew any of the above leases or secure similar property without an adverse impact on our operations.

Item 3. *LEGAL PROCEEDINGS*

From time to time, we may be subject to legal proceedings and claims that arise in the ordinary course of business, as well as governmental and other regulatory investigations and proceedings. In addition, third parties may from time to time assert claims against us in the form of letters and other communications. We are not currently a party to any legal proceedings that, if determined adversely to us, would, in our opinion, have a material adverse effect on our business, financial condition, results of operations or cash flows. Future litigation may be necessary to defend ourselves and to determine the scope, enforceability and validity of third-party proprietary rights, or to establish our proprietary rights. The results of any litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

Item 4. ***MINE SAFETY DISCLOSURES***

Not applicable.

PART II

Item 5. *MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES*

Information with Respect to our Common Stock

Our Class A common stock is listed on the New York Stock Exchange, or NYSE, and began trading under the symbol "RVLV" on June 7, 2019.

Holders of Record

As of February 17, 2026, we had two registered holders of record of our Class A common stock and two registered holders of record of our Class B common stock. Because many of our shares of Class A common stock are held by brokers and other institutions on behalf of stockholders, we are unable to estimate the total number of beneficial owners of our Class A common stock represented by these holders.

Information with Respect to Dividends

We have never declared or paid cash dividends on our capital stock. We currently intend to retain all available funds and future earnings, if any, to fund the development and expansion of our business, and we do not anticipate paying any cash dividends in the foreseeable future. Any future determination regarding the declaration and payment of dividends, if any, will be at the discretion of our board of directors and will depend on then-existing conditions, including our financial condition, operating results, contractual restrictions, capital requirements, business prospects and other factors our board of directors may deem relevant. Our future ability to pay cash dividends on our capital stock is limited by the terms of our existing credit facility and may be limited by any future debt instruments or preferred securities.

Unregistered Sales of Equity Securities

None.

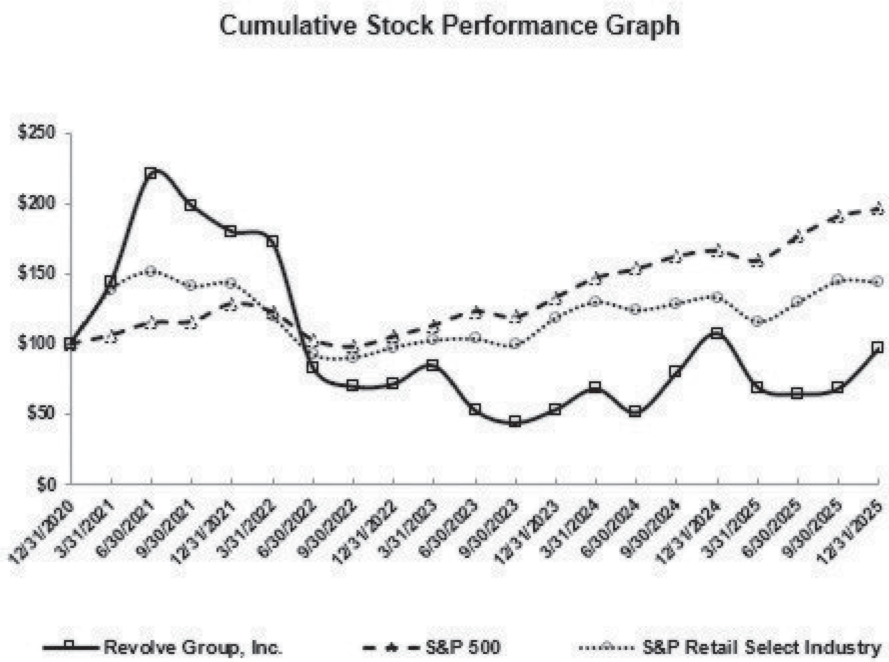
Issuer's Repurchases of Equity Securities

In August 2023, our board of directors authorized a stock repurchase program of up to $100 million of our outstanding Class A common stock. The timing and amount of any stock repurchases is determined based on market conditions, stock price and other factors, and the program does not require us to repurchase any specific number of shares of Class A common stock. The program has no expiration date but it may be modified, suspended or terminated at any time. The stock repurchase program is funded from available cash and cash equivalents.

There were no shares of our Class A common stock repurchased during the three months ended December 31, 2025. As of December 31, 2025, the approximate dollar value of shares that may yet be repurchased under the existing stock repurchase program was $55.6 million.

Cumulative Stock Performance Graph

The following graph and table compare the performance of (1) an investment in our Class A common stock over the period from December 31, 2020 through December 31, 2025, with (2) an investment in the S&P 500 and the S&P Retail Select Industry, in each case beginning with an investment at the closing price on December 31, 2020 and thereafter based on the closing price of the index. The graph and table assume $100 was invested on the starting date at the price indicated above and that dividends, if any, were reinvested. The comparisons are based on historical data and are not indicative of, nor intended to forecast, the future performance of our Class A common stock.



(in dollars)	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2024	December 31, 2025
Revolve Group, Inc.	$ 100.00	$ 179.79	$ 71.41	$ 53.19	$ 107.44	$ 96.86
S&P 500	$ 100.00	$ 128.71	$ 105.40	$ 133.10	$ 166.40	$ 196.16
S&P Retail Select Industry	$ 100.00	$ 142.97	$ 97.63	$ 118.65	$ 133.04	$ 143.95

The graph and the table above shall not be deemed "filed" with the SEC for the purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing made by us with the SEC, regardless of any general incorporation language in such filing.

Item 6. ***[RESERVED]***

Item 7. *MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS*

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this report. This discussion contains forward-looking statements based upon current plans, expectations and beliefs that involve risks and uncertainties. Our actual results and the timing of certain events could differ materially from those anticipated in or implied by these forward-looking statements as a result of several factors, including those discussed in the sections titled "Risk Factors" and "Forward-Looking Statements."

For discussion regarding our financial condition and results of operations for the year ended December 31, 2024 compared to the year ended December 31, 2023, refer to Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for year ended 2024, which was filed with the SEC on February 25, 2025.

Overview

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 exceptional service and an engaging customer experience with a vast yet curated offering totaling over 140,000 apparel and footwear styles, as well as beauty and accessories. Our dynamic platform connects a deeply engaged community of millions of consumers, thousands of global fashion influencers and over 1,600 emerging, established and owned brands. Through more than 20 years of 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.

We sell merchandise through two complementary segments, REVOLVE and FWRD, that leverage one platform. Through REVOLVE, we offer an assortment of premium apparel, footwear, beauty and accessories from emerging, established and owned brands. Through FWRD, we offer an assortment of curated and elevated iconic and emerging luxury brands. REVOLVE has historically been focused on the discovery of trend-driven, ready-to-wear styles, while FWRD has been more heavily weighted toward the statement pieces in our customers' wardrobe, such as shoes and handbags. We believe that FWRD provides our customer with a unique destination for luxury products as our customers' spending power increases and their desire for fashion and inspiration remains central to their self-expression.

We believe our product mix reflects the desires of the next-generation consumer and we optimize this mix through the selection of established brands that resonate with our consumer, the identification and incubation of emerging brands and the continued development of owned brands. The focus on emerging and owned brands minimizes our assortment overlap with other retailers, supporting marketing efficiency, conversion and sales at full price.

We have invested in our robust and scalable internally-developed technology platform to meet the specific needs of our business and to support our customers' experience. We use proprietary algorithms and more than 20 years of data to efficiently manage our merchandising, marketing, product development, sourcing and pricing decisions. Our platform works seamlessly across devices and analyzes browsing and purchasing patterns and preferences to help us make purchasing decisions, which when combined with the small initial orders for new products, allows us to manage inventory and fashion risk. We have also invested in our creative capabilities to produce high-quality visual merchandising that caters to our customers by focusing on style with a distinct point of view rather than on individual products. The combination of our online sales platform and our in-house creative photography allows us to showcase brands in a distinctive and compelling manner.

We use social channels and cultural events designed to deliver authentic and aspirational, yet attainable, experiences to attract and retain next-generation consumers, and these efforts have historically led to higher earned media value than competitors. We complement our social media efforts through a variety of brand marketing campaigns and events, which generate a constant flow of authentic and inspiring content. Our social media and brand marketing strategy is combined with robust and sophisticated digital performance marketing activities and our proprietary brand ambassador program. Once we have attracted potential new customers to our sites, our goal is to convert them into active customers and then encourage repeat purchases. We acquire and retain customers through paid search/product listing ads, affiliate marketing, our brand ambassador program, paid social, retargeting, personalized email and SMS marketing and mobile "push" communications through our mobile applications.

We have developed an efficient logistics infrastructure, which allows us to provide free shipping and returns to our customers in the United States. We support our logistics network with proprietary algorithms to optimize inventory allocation, reduce shipping and fulfillment expenses and deliver merchandise quickly and efficiently to our customers, which allows us to ship over 97% of orders on the same day if placed before 3:00 p.m. Eastern Time. We continue to modify and expand our fulfillment network to support our growth and the demand for our products.

To date, we have successfully expanded internationally with limited investment and physical presence. Our ongoing initiative to elevate the international service levels and customer experience has been a key contributor to our growth. We also offer REVOLVE products on international marketplaces such as Tmall Global, RED and Douyin in China and Nykaa Fashion in India, to expand our distribution reach in these key geographies. For 2025 and 2024, we generated $253.3 million and $226.4 million, respectively, in net sales shipped to customers internationally, or 20.7% and 20.0% of total net sales, respectively. We intend to continue to invest in and develop international markets while maintaining our focus on the core U.S. market.

Key Operating and Financial Metrics

We use the following metrics to assess the progress of our business, make decisions on where to allocate capital, time and technology investments and assess the near-term and longer-term performance of our business.

	Year Ended December 31,		
	2025	**2024**	**2023**
	(in thousands, except average order value and percentages)		
Gross margin	53.5%	52.5%	51.9%
Adjusted EBITDA	$ 93,796	$ 69,516	$ 43,409
Free cash flow	$ 46,184	$ 18,005	$ 39,144
Active customers	2,841	2,668	2,543
Total orders placed	9,477	8,867	8,701
Average order value	$ 299	$ 302	$ 297

Adjusted EBITDA and free cash flow are non-GAAP measures. See the sections captioned "—Adjusted EBITDA" and "—Free Cash Flow" below for information regarding our use of Adjusted EBITDA and free cash flow and their reconciliation to net income and net cash provided by operating activities, respectively.

Gross Margin

Gross profit is equal to our net sales less cost of sales. Gross profit as a percentage of our net sales is referred to as gross margin. Cost of sales consists of our purchase price of merchandise sold to customers and includes import duties and other taxes, inbound freight costs, receiving costs, defective merchandise returned from customers, inventory valuation adjustments, and other miscellaneous shrinkage.

Gross margin is impacted by the mix of brands and categories of styles that we sell on our sites. Gross margin on sales of owned brands is typically higher than that for third-party brands. Gross margin is also affected by the percentage of sales through the REVOLVE segment, which consists primarily of emerging third-party, established third-party and owned brands, compared to our FWRD segment, which consists primarily of established third-party brands. Merchandise mix will vary from period to period and if we do not accurately forecast demand, our growth, margins and inventory levels may be adversely affected.

We review our inventory levels on an ongoing basis to identify slow-moving merchandise and use product markdowns to efficiently sell these products. We have maintained a high percentage of sales that occur at full price, which we believe reflects our data-driven merchandising strategy, customer acceptance of our merchandise and the sense of urgency we create through frequent product introductions in limited quantities. Gross margin is impacted by the mix of sales at full price and markdowns, as well as the level of markdowns.

Gross margin is also impacted by inbound freight costs and the level of tariffs and duties placed on imported products. In the near-term, given the significant increase in tariff rates on imported products from April 2, 2025 through February 20, 2026, particularly from China, our gross margin may be adversely impacted by the effects of tariffs, though any long-term impact remains unclear. See the section titled "—Factors Affecting Our Performance—Overall Economic Trends."

Certain of our competitors and other retailers report cost of sales differently than we do. As a result, the reporting of our gross profit and gross margin may not be comparable to other companies.

Adjusted EBITDA

To provide investors with additional information regarding our financial results, we have disclosed in the table above and elsewhere in this report Adjusted EBITDA, a non-GAAP financial measure that we calculate as net income before other income, net; taxes; and depreciation and amortization; adjusted to exclude the effects of equity-based compensation expense, certain transaction costs and certain non-routine items. We have provided below a reconciliation of Adjusted EBITDA to net income, the most directly comparable GAAP financial measure. 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.

We have included Adjusted EBITDA in this report because it is a key measure used by our management and board of directors to evaluate our operating performance, generate future operating plans and make strategic decisions regarding the allocation of capital. In particular, the exclusion of certain expenses in calculating Adjusted EBITDA facilitates operating performance comparisons on a period-to-period basis and, in the case of exclusion of the impact of equity-based compensation, excludes an item that we do not consider to be indicative of our core operating performance. Accordingly, we believe that Adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and board of directors.

Adjusted EBITDA has limitations as an analytical tool and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not consider the potentially dilutive impact of equity-based compensation;
- Adjusted EBITDA does not reflect tax payments that may represent a reduction in cash available to us;
- Adjusted EBITDA does not reflect certain transaction costs that may represent a reduction in cash available to us;
- Adjusted EBITDA does not reflect certain non-routine items that may represent a reduction in cash available to us; and
- other companies, including companies in our industry, may calculate Adjusted EBITDA differently, which reduces its usefulness as a comparative measure.

Because of these limitations, you should consider Adjusted EBITDA alongside other financial performance measures, including various cash flow metrics, net income and our other GAAP results.

A reconciliation of Adjusted EBITDA to net income is as follows:

	Year Ended December 31,		
	2025	2024	2023
		(in thousands)	
Net income	$ 61,146	$ 48,771	$ 28,147
Excluding:			
Other income, net	(8,040)	(13,030)	(15,627)
Provision for income taxes	21,157	15,676	9,614
Depreciation and amortization	4,601	4,429	5,094
Equity-based compensation	10,566	10,028	5,839
Transaction costs (1)	2,224	1,194	—
Non-routine items (2)	2,142	2,448	10,342
Adjusted EBITDA	$ 93,796	$ 69,516	$ 43,409

(1) Includes legal and professional service fees related to potential and consummated strategic acquisitions and investments.

(2) Non-routine items in 2025 primarily represent an accrual for certain pending legal matters. Non-routine items in 2024 included a $2.0 million non-routine loss related to a shipment theft incident, which was recovered in full through our insurance in 2025, and a $0.5 million charge for a settled matter related to non-routine import and export fees. Non-routine items in 2023 included $7.5 million in legal fees and charges for two separate settled legal matters and $2.8 million related to non-routine import and export fees.

Free Cash Flow

To provide investors with additional information regarding our financial results, we have also disclosed in the table above and elsewhere in this report free cash flow, a non-GAAP financial measure that we calculate as net cash provided by operating activities less cash used in purchases of property and equipment, and purchases of rental product, net of proceeds from the sale of rental product. We have provided below a reconciliation of free cash flow to net cash provided by operating activities, the most directly comparable GAAP financial measure.

We have included free cash flow in this report because it is a key measure used by our management and board of directors, which we believe is an important indicator of our liquidity because it measures the amount of cash we generate. Free cash flow also reflects changes in working capital. Our working capital fluctuates over time primarily as a result of the timing of our inventory purchases to support growth, our effective tax rate and the timing of tax payments, and changes in the level of merchandise that is returned by our customers, which in turn impacts our return reserve. Accordingly, we believe that free cash flow provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and board of directors.

Free cash flow has limitations as an analytical tool and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. There are limitations to using non-GAAP financial measures, including that other companies, including companies in our industry, may calculate free cash flow differently. Because of these limitations, you should consider free cash flow alongside other financial performance measures, including net cash provided by operating activities, purchases of property and equipment and our other GAAP results.

The following table presents a reconciliation of free cash flow to net cash provided by operating activities, as well as information regarding net cash used in investing activities and net cash used in financing activities, for each of the periods indicated:

	Year Ended December 31,		
	2025	2024	2023
		(in thousands)	
Net cash provided by operating activities	$ 59,396	$ 26,692	$ 43,342
Purchases of property and equipment	(11,405)	(5,649)	(4,198)
Purchases of rental product, net of proceeds from the sale of rental product	(1,807)	(3,038)	—
Free cash flow	$ 46,184	$ 18,005	$ 39,144
Net cash used in investing activities	$ (14,869)	$ (9,114)	$ (4,198)
Net cash used in financing activities	$ (1,387)	$ (5,363)	$ (30,377)

Active Customers

We define an active customer as a unique customer account from which a purchase was made across our platform at least once in the preceding 12-month period. We calculate the number of active customers on a trailing 12-month basis given the volatility that can be observed when calculating it on the basis of shorter periods that may not be reflective of longer-term trends; however, such a methodology may not be indicative of other short-term trends, such as changes in new customers. In any particular period, we determine our number of active customers by counting the total number of customers who have made at least one purchase in the preceding 12-month period, measured from the last date of such period. We view the number of active customers as a key indicator of our growth, the reach of our sites, the value proposition and consumer awareness of our brands, the continued use of our sites by our customers and their desire to purchase our products. We believe the number of active customers is a measure that is useful to investors and management in understanding our growth, brand awareness and market opportunity. Our number of active customers drives both net sales and our appeal to brands and partners.

Active customers increased during 2025 as compared to 2024 primarily due to our ability to engage with our existing customers and acquire new customers through our sales and marketing efforts.

Total Orders Placed

We define total orders placed as the total number of orders placed by our customers, prior to product returns, across our platform in any given period. We view total orders placed as a key indicator of the velocity of our business and an indication of the desirability of our products and sites to our customers. Total orders placed, together with average order value, is an indicator of the net sales we expect to recognize in a given period. We believe that total orders placed is a measure that is useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends. Total orders placed and total orders shipped in any given period may differ slightly due to orders that are in process at the end of any particular period.

Total orders placed increased in 2025 as compared to 2024 primarily due to our ability to engage with our existing customers and acquire new customers through our sales and marketing efforts.

Average Order Value

We define average order value as the sum of the total gross sales from our sites in a given period, prior to product returns, divided by the total orders placed in that period. In 2025, average order value for merchandise sold through the REVOLVE and FWRD segments was approximately $279 and $640, respectively, reflecting the brands sold, category mix and typical profile of the shoppers on such sites. We believe that average order value is a measure that is useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends. Average order value varies depending on the site through which we sell merchandise, the percentage of sales at full price, and for sales at less than full price, the level of markdowns on these products, product mix, and the number of units per order. Average order value can be adversely impacted by negative consumer sentiment, including as a result of tariffs. A shift in product mix toward lower-priced products or categories may also reduce our average order value. In the near-term, average order value may decrease year-over-year given the challenging macroeconomic environment, as customers seek to purchase products at more accessible price points. We expect this potential decrease to be at least partially offset by price increases as a result of the actual or anticipated effects of incremental tariffs that were in effect at various times and rates over the course of 2025 and early 2026, though any long-term impact remains unclear. The impact of tariffs may also impair comparability of average order value with prior periods. See the section titled "—Factors Affecting Our Performance—Overall Economic Trends."

Average order value decreased slightly during 2025 as compared to 2024, primarily due to a lower average selling price and a shift in product mix.

Factors Affecting Our Performance

Overall Economic Trends

The overall economic environment and related changes in consumer behavior have a significant impact on our business. In general, positive conditions in the broader economy promote customer spending on our sites, while economic weakness, which generally results in a reduction of customer spending, may have a more pronounced negative effect on spending on our sites. Macro factors that can affect consumer confidence, shopping behavior and spending patterns, and thereby our near-term and long-term results of operations, include tariffs imposed by the U.S. or foreign governments or a global trade war, inflation levels, employment rates, business conditions, changes in the housing market, changes in the stock market, adverse developments affecting the financial services industry, the availability of credit, resumption of student loan payments, interest rates, foreign currency exchange rates, fuel, energy and raw material costs, supply chain challenges, and wars and geopolitical tensions. In addition, during periods of low unemployment, we generally experience higher labor costs.

For example, since February 2025, the U.S. government has imposed incremental tariffs on most goods imported from China, from which we source a significant portion of our products, subject to certain exceptions. At various points in 2025, the total tariff rate on our goods imported from China reached 152.5%. These tariffs are in addition to a pre-existing Section 301 tariff of 7.5% and baseline Harmonized Tariff Schedule, or HTS, tariffs, which vary by product. In addition, U.S. tariffs on goods imported from certain other countries from which we source products included an incremental reciprocal tariff of 10% imposed since April 2025. Since August 7, 2025, higher reciprocal tariff rates for many U.S. trading partners, including countries such as Japan, Turkey, Indonesia and India, had been imposed pursuant to additional executive orders modifying the reciprocal tariff rates for certain countries. Products of India also have been targeted since August 2025 with a current rate of 18%.

On February 20, 2026, the Supreme Court of the United States of America ruled against President Trump's use of the International Emergency Economic Powers Act, or IEEPA, to impose tariffs on global trade partners, effective immediately. The impact of this decision on previous tariffs that we have paid is undetermined while the case is returned to the Court of International Trade for reconsideration in accordance with the Supreme Court ruling.

Heightened tariffs, particularly on Chinese goods, directly impact our owned brand products and, to a lesser extent, a limited number of third-party branded products for which we are the importer of record. In addition, we face various indirect exposures to the effects of heightened tariffs from other third-party brands. If U.S. tariffs on China or other countries from which we source products are reinstated or are increased further, it will increase our cost of sales and may also increase the price of our products. Raising prices of our products could adversely impact customer demand. In addition, heightened tariffs may adversely impact our ability to acquire products on acceptable terms and may also adversely impact global logistics, which may result in our inability to purchase sufficient inventory to meet customer demand and in turn materially and adversely impact our net sales. Furthermore, these and future changes in trade policy may adversely impact the macroeconomic environment, consumer sentiment and international demand if consumers outside of the United States boycott U.S. retailers. If we are not able to adjust our inventory levels and our inventory assortment in response to reduced customer demand, our gross margin may be adversely impacted.

We are undertaking a series of actions and initiatives to mitigate the impact of heightened tariffs, including cost-sharing discussions with our owned brand manufacturing partners, diversifying our owned brand manufacturing sources outside of China, partnering with our third-party brands to mitigate the impact of tariffs, optimizing our product import logistics, selectively increasing prices for our products and further optimizing our supply chain. However, our mitigation efforts may be costly and may not yield near-term results or be as effective as we intend, or at all, and may have other negative impacts on our business, operations and financial condition. See the sections titled "Risk Factors—Risks Related to Our Business and Industry—Tariffs imposed by the U.S. or foreign governments have increased and may in the future continue to increase the cost of our products, which could ignite a global trade war and have a material adverse effect on our business, financial condition and results of operations" and "—We purchase inventory in anticipation of sales, and if we are unable to manage our inventory effectively, our operating results could be adversely affected."

Customer Acquisition and Growth in Brand Awareness

Our focus since inception has been on profitable growth, which has created our disciplined approach to acquiring new customers and retaining existing customers at a reasonable cost, relative to the contributions we expect from such customers. Failure to attract new visitors to our sites and convert them to customers would impact future net sales growth.

If our marketing efforts do not connect with our customer or fail to cost-effectively promote our brands or convert impressions into new customers, our net sales growth and profitability will be adversely affected. The social media and influencer-based marketing landscape continues to shift and competition remains intense, which may adversely impact our ability to differentiate ourselves and cost-effectively acquire and retain customers. Furthermore, changes in the user experience on search, social media and other platforms, including recent developments in artificial intelligence, or AI, and the introduction of large language models, or LLMs, a shift towards video and the level of recommended content as well as changes in privacy practices by third parties, may make it more difficult to gain customer awareness and cost-effectively acquire and retain customers. For example, in March 2025, Google introduced an experimental AI mode within its search platform and other platforms have or may in the future launch similar functionality, which may change consumer search behavior and affect our ability to cost-effectively acquire and retain customers. Additionally, Apple Inc. has imposed requirements for consumer disclosures regarding privacy practices, and has implemented an application tracking transparency framework that requires opt-in consent for certain types of tracking. This transparency framework was launched in April 2021 and has made it more difficult and costly to acquire and retain customers. Apple Inc. introduced new SDK privacy controls in 2023 that it integrated into iOS 17, including new protections designed to limit tracking or identification of user devices. Apple Inc. has also updated Apple Mail, including automated inbox categorization, sender-level grouping, and AI-generated email previews. These changes may reduce the visibility and effectiveness of our email communications, which could negatively impact customer engagement and, over time, affect customer retention. In February 2022, Google announced its Privacy Sandbox initiative for Android, a multi-year effort expected to restrict tracking activity and limit advertisers' ability to collect app and user data across Android devices, and in July 2024, announced its change from a previously-announced plan to stop supporting third-party cookies in its Google Chrome browser as a part of this initiative.

We seek to engage with our customers and build awareness of our brands through delivering unique events and experiences, as well as select retail experiences. We plan to continue to conduct events at varying levels of scale in the future and make opportunistic investments in marketing initiatives that could increase marketing as a percentage of net sales to levels in excess of historical levels for certain quarters or periods of time in the future. This incremental investment may not deliver a meaningful return in the short term and may adversely impact our operating income in the short term.

Customer Retention

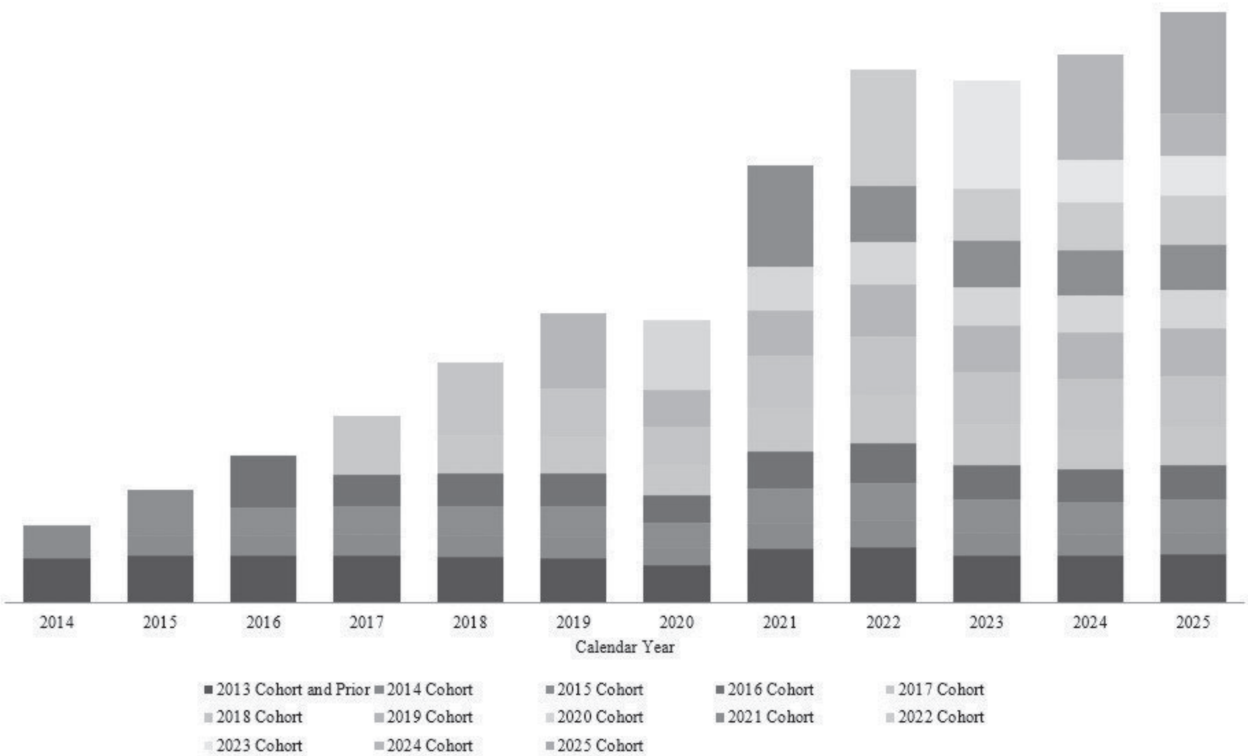
Our success is impacted not only by efficient and effective customer acquisition and growth in brand awareness, but also by our ability to retain customers, engage with our community and encourage repeat purchases. Existing customers, whom we define as customers in a year who have purchased from us in any prior year, account for a greater and greater share of active customers over time. Existing customers as a percentage of total active customers were 56%, 54%, 52% and 50% for 2025, 2024, 2023 and 2022, respectively.

Existing customers typically place more orders annually than new customers and at higher average order values, resulting in existing customers representing approximately 81% of orders and approximately 83% of net sales in 2025, up from 80% of orders and 81% of net sales in 2024, and 79% of orders and 80% of net sales in 2023. Orders placed by existing customers and net sales from existing customers have each increased each year since 2014. We believe these increases are reflective of our ability to engage and retain our customers through our differentiated marketing and compelling merchandise offering and shopping experience. The increasing share of our net sales from existing customers reflects our customer loyalty and the net sales retention behavior we see in our customer cohorts.

The following table presents the percentage of orders placed by and the net sales generated from existing customers.

	Year Ended December 31,			
	2025	2024	2023	2022
% of Orders placed by existing customers	81%	80%	79%	77%
% of Net sales generated from existing customers	83%	81%	80%	79%

The following chart illustrates the spending behavior of our customer cohorts over time, as reflected in customer purchases of our products annually. Cohort net sales retention rate is calculated as net sales attributable to a given customer cohort divided by the total net sales attributable to the same customer cohort from one year prior. Cohort net sales retention rate was 89% in 2025 compared to 85% in 2024, 77% in 2023 and 97% in 2022. If we are unable to maintain our historically strong retention rates, our operating results could be adversely impacted.



Merchandise Mix

We offer merchandise across a variety of product types, brands and price points. The brands we sell on our platform consist of a mix of emerging third-party, established third-party (including iconic luxury brands) and owned brands. Our product mix consists primarily of apparel, footwear, beauty and accessories.

Our merchandise mix across our two reporting segments carry a range of margin profiles and may cause fluctuations in our gross margin. Shifts in our segment mix and our broader category merchandise mix may result in fluctuations in our gross margin from period to period.

Inventory Management

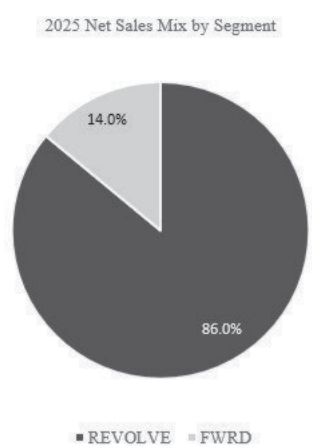
We leverage our platform and technology to buy and manage our inventory, including merchandise assortment and fulfillment center optimization. We utilize a data-driven "read and react" buying process to merchandise and curate the latest on-trend fashion. We generally make shallow initial inventory buys and then use our proprietary technology tools to identify and re-order best sellers, taking into account customer feedback across a variety of key metrics, which allows us to manage inventory and fashion risk. To ensure sufficient availability of merchandise, we generally purchase inventory in advance and frequently before apparel trends are confirmed. As a result, we are vulnerable to demand and pricing shifts and to suboptimal selection and timing of merchandise purchases. In the normal course of business, we incur inventory valuation adjustments, which impacts our gross margin. Moreover, our inventory investments will fluctuate with the needs of our business. For example, entering new categories will require additional investments in inventory. Shifts in inventory levels may result in fluctuations in the percentage of full price sales, levels of markdowns, merchandise mix, as well as gross margin.

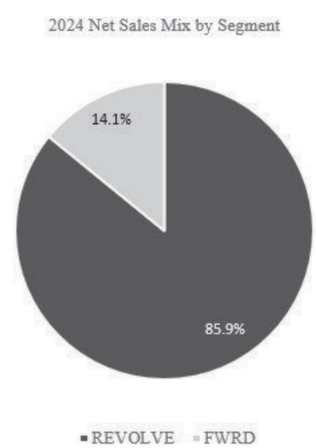
Investment in our Operations and Infrastructure

We have made investments over time to grow our customer base, enhance our offerings and deliver best-in-class service to our customers. Over the long term, we expect to continue to make capital investments in our inventory, fulfillment centers, and logistics infrastructure as we grow our customer base, launch new brands, expand internationally and drive operating efficiencies. We believe these investments will yield positive returns in the long term; however, we cannot be certain that these efforts will grow our customer base or be cost-effective in the short term.

Segment and Geographic Performance

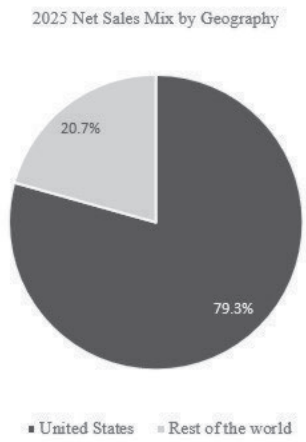
Our financial results are affected by the performance across our two reporting segments, REVOLVE and FWRD, as well as across the various geographies in which we serve our customers.

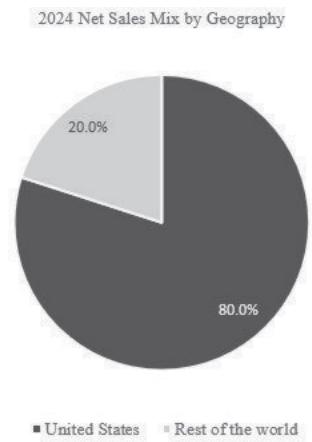




The REVOLVE segment contributes to a majority of our net sales, representing 86.0% and 85.9% of our net sales for 2025 and 2024, respectively. During 2025 and 2024, REVOLVE generated $1,054.0 million and $970.5 million in net sales, respectively, representing an increase of 8.6%. The net sales increase in 2025 compared to 2024 was primarily due to an increase in the number of orders shipped and a lower proportion of returned purchases.

The FWRD segment contributes to a smaller portion of our overall net sales, representing 14.0% and 14.1% of our net sales for 2025 and 2024, respectively. During 2025 and 2024, FWRD generated $171.6 million and $159.4 million in net sales, respectively, representing an increase of 7.7%. The net sales increase in 2025 compared to 2024 was primarily due to an increase in the number of orders shipped, partially offset by a lower average order value.





Net sales to customers in the United States contributed to 79.3% and 80.0% of our net sales for 2025 and 2024, respectively. During 2025 and 2024, net sales to customers in the United States were $972.4 million and $903.5 million, respectively, representing an increase of 7.6%.

Net sales to customers outside of the United States contributed to 20.7% and 20.0% of our net sales for 2025 and 2024, respectively. During 2025 and 2024, net sales to customers outside of the United States were $253.3 million and $226.4 million, respectively, representing an increase of 11.9%.

Net sales to customers outside of the United States are impacted by various factors including import and export taxes, currency fluctuations and other macroeconomic conditions described in "—Overall Economic Trends" above. In addition, any weakening of a local currency versus the U.S. dollar results in our products becoming more expensive in that local currency, which at times has had, and may continue to have, a negative impact on demand for our products in the geographies that use such currency.

Seasonality

Seasonality in our business has not historically followed that of traditional retailers which typically experience concentration of net sales in the fourth quarter in connection with the holidays. Our seasonality trends have also been impacted by macroeconomic conditions described in "—Overall Economic Trends" above.

The following table presents quarterly net sales expressed as a percentage of total net sales.

	Year Ended December 31,				
	2025	2024	2023	2022	2021
First quarter	24%	24%	26%	26%	20%
Second quarter	25%	25%	26%	26%	26%
Third quarter	24%	25%	24%	24%	27%
Fourth quarter	26%	26%	24%	24%	27%
Total	100%	100%	100%	100%	100%

Our business is directly affected by the behavior of consumers. Economic conditions and competitive pressures can significantly impact, both positively and negatively, the level of demand by customers for our products. Consequently, the results of any prior quarterly or annual periods should not be relied upon as indications of our future operating performance.

Components of Our Results of Operations

Net Sales

Net sales consist primarily of sales of apparel, footwear, beauty and accessories. We recognize product sales at the time control is transferred to the customer, which is when the product is shipped. Net sales represent the sales of these items and shipping revenue when applicable, net of estimated returns and promotional discounts. Net sales are primarily driven by growth in the number of our customers, the frequency with which customers purchase, the proportion of returned merchandise and average order value. Net sales may be impacted by tariffs and other changes to trade policy, particularly in the near term. See the section titled "—Factors Affecting Our Performance—Overall Economic Trends."

Cost of Sales

Cost of sales consists of our purchase price for merchandise sold to customers and includes import duties, net of drawback claims, and other taxes, inbound freight costs, receiving costs, defective merchandise returned from customers, inventory valuation adjustments, and other miscellaneous shrinkage. Cost of sales is primarily driven by the cost of the product, the number of total orders placed by customers, the mix of the product available for sale on our sites and transportation costs related to inventory receipts from our vendors. We expect our cost of sales to fluctuate as a percentage of net sales primarily due to how we manage our inventory and merchandise mix. We have recently experienced and may continue to experience an increase in the cost of goods due to an increase in the cost of materials and as a result of increased tariffs, particularly on products with a China origin.

Fulfillment Expenses

Fulfillment expenses represent those costs incurred in operating and staffing our fulfillment centers, including costs attributed to inspecting and warehousing inventories and picking, packaging and preparing customer orders for shipment. Fulfillment expenses also include the cost of warehousing facilities. We expect fulfillment expenses to fluctuate as a percentage of net sales due to pressure from increased costs such as wages and other input cost pressure, expansion of our fulfillment network footprint and capacity, and our customers' propensity to return merchandise. Longer term, we expect operating efficiencies from increased scale as well as automation of the fulfillment center workflow.

Selling and Distribution Expenses

Selling and distribution expenses consist primarily of shipping and other transportation costs incurred delivering merchandise to customers and from customers returning merchandise, merchant processing fees, and customer service. We expect selling and distribution expenses to fluctuate as a percentage of net sales reflecting changes to input costs, particularly freight charges and fuel surcharges, from changes in our return rates, investments in international markets to offer hassle-free returns and efficiencies realized from optimized shipping methods.

Marketing Expenses

Marketing expenses consist primarily of costs to execute targeted marketing campaigns across free and paid channels, such as paid search/product listing ads, affiliate marketing, paid social, retargeting, search engine optimization, personalized email and SMS marketing, and mobile "push" communications through our mobile applications. Marketing expenses also consist of investment in brand marketing channels, including events, payments to influencers and other forms of online and offline marketing. Marketing expenses are primarily related to growing and retaining our customer base and building the REVOLVE and FWRD brands. Over the long term, we expect marketing expenses to increase in absolute dollars as we continue to scale our business, and may fluctuate as a percentage of sales depending on net sales volume, the level of marketing investment in a particular period and the competitive environment. We may make opportunistic investments in marketing initiatives that may increase marketing as a percentage of net sales to levels in excess of historical levels for certain quarters or periods of time in the future.

General and Administrative Expenses

General and administrative expenses consist primarily of payroll and related benefit costs and equity-based compensation expense for our employees involved in general corporate functions, as well as costs associated with the use by these functions of facilities and equipment, such as depreciation, rent and other occupancy expenses. Over the long-term, we expect general and administrative expenses to continue to increase in absolute dollars to support business growth with general and administrative expenses as a percentage of net sales declining over the long-term as we leverage our investments and as our business scales. General and administrative expenses as a percentage of net sales may also increase if we are unable to adjust our cost structure for changes in customer demand and net sales.

Other Income, Net

Other income, net consists primarily of interest income on our money market funds, partially offset by foreign currency exchange gains and losses and fees associated with our line of credit. For 2025, other income, net includes $4.5 million of insurance proceeds related to a previously disclosed shipment theft incident and a $2.4 million loss on deconsolidation of a subsidiary. For 2024 and 2023, other income, net also includes $2.8 million and $5.1 million of insurance proceeds related to settled legal matters, respectively.

Results of Operations

The following tables set forth our results of operations for the periods presented and express the relationship of certain line items as a percentage of net sales for those periods. The period-to-period comparison of financial results is not necessarily indicative of future results.

	Year Ended December 31,		
	2025	2024	2023
		(in thousands)	
Net sales	$ 1,225,682	$ 1,129,911	$ 1,068,719
Cost of sales	569,898	536,638	514,520
Gross profit	655,784	593,273	554,199
Operating expenses:			
Fulfillment expenses	39,509	37,389	36,654
Selling and distribution expenses	209,623	195,169	197,052
Marketing expenses	175,397	167,176	171,774
General and administrative expenses	156,992	142,122	126,585
Total operating expenses	581,521	541,856	532,065
Income from operations	74,263	51,417	22,134
Other income, net	(8,040)	(13,030)	(15,627)
Income before income taxes	82,303	64,447	37,761
Provision for income taxes	21,157	15,676	9,614
Net income	$ 61,146	$ 48,771	$ 28,147

	Year Ended December 31,		
	2025	2024	2023
Net sales	100.0%	100.0%	100.0%
Cost of sales	46.5	47.5	48.1
Gross profit	53.5	52.5	51.9
Operating expenses:			
Fulfillment expenses	3.2	3.3	3.4
Selling and distribution expenses	17.1	17.3	18.4
Marketing expenses	14.3	14.8	16.1
General and administrative expenses	12.8	12.6	11.9
Total operating expenses	47.4	48.0	49.8
Income from operations	6.1	4.5	2.1
Other income, net	(0.6)	(1.2)	(1.4)
Income before income taxes	6.7	5.7	3.5
Provision for income taxes	1.7	1.4	0.9
Net income	5.0%	4.3%	2.6%

Comparison of Years Ended 2025 and 2024

Net Sales

	Year Ended December 31,		Change	
	2025	2024	$	%
	(dollars in thousands)			
Net sales	$ 1,225,682	$ 1,129,911	$ 95,771	8.5%

The increase in net sales for 2025 compared to 2024 was primarily due to a 6.9% increase in the number of orders shipped combined with a lower proportion of returned purchases, partially offset by a 1.0% decrease in the average order value.

Net sales in the REVOLVE segment increased 8.6% to $1,054.0 million in 2025 compared to net sales of $970.5 million in 2024. Net sales generated from our FWRD segment increased 7.7% to $171.6 million in 2025 as compared to net sales of $159.4 million in 2024.

Cost of Sales

	Year Ended December 31,		Change	
	2025	2024	$	%
	(dollars in thousands)			
Cost of sales	$ 569,898	$ 536,638	$ 33,260	6.2%
Percentage of net sales	46.5%	47.5%		

The increase in cost of sales in 2025, as compared to 2024, was primarily due to an increase in net sales. The decrease in cost of sales as a percentage of net sales was primarily due to a lower mix of third-party brand sales and shallower markdowns within markdown sales, partially offset by a lower percentage of full price sales and the impact of increased import tariff rates.

Fulfillment Expenses

	Year Ended December 31,		Change	
	2025	2024	$	%
	(dollars in thousands)			
Fulfillment expenses	$ 39,509	$ 37,389	$ 2,120	5.7%
Percentage of net sales	3.2%	3.3%		

The increase in fulfillment expenses in 2025, as compared to 2024, was primarily due to an increase in the number of units processed. The decrease in fulfillment expenses as a percentage of net sales was primarily due to a lower proportion of returned purchases, partially offset by a decrease in average order value.

Selling and Distribution Expenses

	Year Ended December 31,		Change	
	2025	2024	$	%
	(dollars in thousands)			
Selling and distribution expenses	$ 209,623	$ 195,169	$ 14,454	7.4%
Percentage of net sales	17.1%	17.3%		

The increase in selling and distribution expenses in 2025, as compared to 2024, was primarily due to increases in orders placed and net sales that resulted in a $8.1 million increase in shipping and handling costs, a $2.4 million increase in customer service expenses, a $2.2 million increase in merchant processing fees and a $1.8 million increase in other selling expenses. The decrease in selling and distribution expenses as a percentage of net sales was primarily due to efficiencies gained in our shipping logistics and lower proportion of returned purchases, partially offset by lower average order value.

Marketing Expenses

	Year Ended December 31,		Change	
	2025	2024	$	%
	(dollars in thousands)			
Marketing expenses	$ 175,397	$ 167,176	$ 8,221	4.9%
Percentage of net sales	14.3%	14.8%		

The increase in marketing expenses in 2025, as compared to 2024, was due to a $16.5 million increase in performance marketing expense, partially offset by a $8.3 million decrease in brand marketing expense. The decrease in marketing expenses as a percentage of net sales was primarily due to efficiencies in our brand marketing investments.

General and Administrative Expenses

	Year Ended December 31,		Change	
	2025	2024	$	%
	(dollars in thousands)			
General and administrative expenses	$ 156,992	$ 142,122	$ 14,870	10.5%
Percentage of net sales	12.8%	12.6%		

The increase in general and administrative expenses in 2025, as compared to 2024, was primarily due to a $7.2 million increase related to professional services and other occupancy costs, a $5.0 million increase in salaries and related benefits and equity-based compensation expense, a $0.7 million increase in non-routine and transaction costs and a $2.0 million increase in other operating expenses. The slight increase in general and administrative expenses as a percentage of net sales was driven by increased investment in strategic growth initiatives and an increase in non-routine and transaction costs.

Income Taxes

	Year Ended December 31,	
	2025	2024
	(dollars in thousands)	
Income before income taxes	$ 82,303	$ 64,447
Provision for income taxes	21,157	15,676
Effective tax rate	25.7%	24.3%

The increase in the effective tax rate in 2025, as compared to 2024, was primarily due to a decrease in excess tax benefits related to the exercise of non-qualified stock options.

Liquidity and Capital Resources

The following table shows our cash and cash equivalents, accounts receivable and working capital as of the dates indicated:

	As of	
	December 31, 2025	December 31, 2024
	(in thousands)	
Cash and cash equivalents	$ 292,256	$ 256,600
Accounts receivable, net	16,561	10,338
Working capital	416,482	364,991

(1) Working capital for all periods presented above is defined as current assets less current liabilities.

As of December 31, 2025, the majority of our cash and cash equivalents was held for working capital purposes.

We believe that our existing cash and cash equivalents, cash flows from operations as well as the available borrowing capacity under our line of credit will be sufficient to meet our anticipated cash needs for at least the next 12 months. However, our liquidity assumptions may prove to be incorrect, and we could exhaust our available financial resources sooner than we currently expect. We may seek to borrow funds under our line of credit or raise additional funds at any time through equity, equity-linked or debt financing arrangements. Our future capital requirements and the adequacy of available funds will depend on many factors, including those described in the section titled “Risk Factors.” We may not be able to secure additional financing to meet our operating requirements on acceptable terms, or at all.

Sources of Liquidity

Since our inception, we have financed our operations and capital expenditures primarily through cash flows generated by operations and to a much lesser extent private sales of equity securities, the incurrence of debt, the net proceeds we received through our IPO, as well as proceeds received from the exercise of stock options.

Line of Credit

On February 2, 2026, we amended our existing credit agreement to, among other things, extend the maturity date from March 23, 2026 to February 2, 2031. The line of credit provides us with up to $75.0 million aggregate principal in revolver borrowings, based on eligible inventory and accounts receivable less reserves. Borrowings under the credit agreement accrue interest at a per annum rate equal to, at our option, (1) a base rate equal to the highest of (a) the federal funds rate, plus 0.50%, (b) the prime rate and (c) a term SOFR rate determined on the basis of a one-month interest period, plus 1.00%, or (2) a term SOFR rate, subject to a floor of 0.00%, in each case, plus a margin ranging from 0.25% to 0.75% per year in the case of base rate loans, and 1.25% to 1.75% per year in the case of term SOFR rate loans, depending upon availability under the credit agreement as of the most recently ended fiscal quarter. No borrowings were outstanding as of December 31, 2025 and 2024.

We are also obligated to pay other customary fees for a credit facility of this size and type, including an unused commitment fee. The credit agreement also permits us, in certain circumstances, to request an increase in the facility by an additional amount of up to $25.0 million (in an initial minimum amount of $10.0 million and in increments of $5.0 million thereafter) at the same maturity, pricing and other terms as the existing revolving commitments. Our obligations under the credit agreement are secured by substantially all of our assets and the assets of our subsidiaries that are borrowers or guarantors under the credit agreement. The credit agreement also contains customary covenants restricting certain of our activities, including limitations on our ability to sell assets, engage in mergers and acquisitions, enter into transactions involving related parties, obtain letters of credit, incur indebtedness, repurchase stock or grant liens or negative pledges on our assets, make loans or make other investments. Under these covenants, we are prohibited from paying cash dividends with respect to our capital stock, subject to certain exceptions. We are also required to maintain a minimum consolidated fixed charge coverage ratio of 1.00 to 1.00 for any twelve consecutive fiscal month period, determined as of the last date of each fiscal quarter.

Uses of Cash

Our short-term and long-term liquidity requirements primarily arise from operating costs such as merchandise purchases, compensation and benefits, lease obligations, marketing and other expenditures necessary to support our business growth.

In addition, in August 2023, our board of directors authorized a stock repurchase program of up to $100 million of our outstanding Class A common stock. The timing and amount of any stock repurchases is determined based on market conditions, stock price and other factors, and the program does not require us to repurchase any specific number of shares of Class A common stock. The program has no expiration date but it may be modified, suspended or terminated at any time. The stock repurchase program is funded from available cash and cash equivalents. For more information about repurchases made under our stock repurchase program, see “Part II, Item 5.

Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities—Issuer's Repurchases of Equity Securities."

Historical Cash Flows

	Year Ended December 31,		
	2025	2024	2023
		(in thousands)	
Net cash provided by operating activities	$ 59,396	$ 26,692	$ 43,342
Net cash used in investing activities	(14,869)	(9,114)	(4,198)
Net cash used in financing activities	(1,387)	(5,363)	(30,377)

Net Cash Provided by Operating Activities

Cash from operating activities consists primarily of net income adjusted for certain non-cash items, including depreciation, equity-based compensation, and the effect of changes in working capital and other activities.

We generated $59.4 million of operating cash flow in 2025 compared to $26.7 million in 2024. The increase in our operating cash flow was primarily due to higher net income adjusted for certain non-cash items and positive impact from changes in working capital.

Net Cash Used in Investing Activities

Our primary investing activities have consisted of purchases of property and equipment to support our fulfillment centers and our overall business growth and internally developed software for the continued development of our proprietary technology infrastructure, leasehold improvements in our retail store locations, purchases of rental product and proceeds from sale of rental product. Purchases of property and equipment may vary from period-to-period depending on the timing and extent of the expansion of our operations.

Net cash used in investing activities was $14.9 million and $9.1 million in 2025 and 2024, respectively.

Net Cash Used in Financing Activities

Our financing activities primarily consist of repurchases of our Class A common stock and proceeds from the exercise of stock options, when applicable.

Net cash used in financing activities was $1.4 million in 2025 compared to $5.4 million in 2024 and was primarily attributable to repurchases of shares of our Class A common stock under our stock repurchase program, partially offset by cash proceeds from the exercise of stock options.

Contractual Obligations

As of December 31, 2025, our principal contractual obligations consist of obligations under operating leases for office and fulfillment facilities. For a description of our leases, please see Note 5, *Leases*, to our consolidated financial statements included elsewhere in this report.

Inflation

We have been impacted by high levels of inflation in recent periods resulting in part from various supply chain disruptions, increased shipping and transportation costs, increased merchandise and labor costs and other disruptions caused by general economic and market conditions. We continue to monitor the impact of inflation in order to minimize its effects through pricing strategies, productivity improvements and cost reductions. These mitigating actions may adversely impact demand for our products. Furthermore, if costs were to become subject to significant incremental inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition and results of operations.

Critical Accounting Policies and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, net sales, expenses and related disclosures. We evaluate our estimates and assumptions on an ongoing basis. Our estimates are based on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Our actual results could differ from these estimates.

We believe that the assumptions and estimates associated with revenue recognition and inventory have the greatest potential impact on our consolidated financial statements. Therefore, we consider these to be our critical accounting policies and estimates. For further information on all of our significant accounting policies, please see Note 2, *Significant Accounting Policies*, of the accompanying notes to our consolidated financial statements included elsewhere in this report.

Net Sales

Revenue is primarily derived from the sale of apparel merchandise through our sites and, when applicable, shipping revenue. We recognize revenue through the following steps: (1) identification of the contract, or contracts, with the customer; (2) identification of the performance obligations in the contract; (3) determination of the transaction price; (4) allocation of the transaction price to the performance obligations in the contract; and (5) recognition of revenue when, or as, we satisfy a performance obligation. A contract is created with our customer at the time the order is placed by the customer, which creates a performance obligation to deliver the product to the customer. We recognize revenue for the performance obligation at the time control of the merchandise passes to the customer, which is at the time of shipment. In addition, we have elected to treat shipping and handling as fulfillment activities and not a separate performance obligation.

In accordance with our policy on returns and exchanges, merchandise returns are generally accepted for full refund if returned within 30 days of the original purchase date and merchandise may be exchanged up to 60 days from the original purchase date. At the time of sale, we establish a reserve for merchandise returns, based on historical experience, merchandise mix and expected future returns, which is recorded as a reduction of sales. Accordingly, cost of sales is also reduced and an offsetting asset is recorded within prepaid expenses and other current assets for expected merchandise to be returned. Our returns reserve as of December 31, 2025 and 2024 was $77.0 million and $69.7 million, respectively, and the provisions recorded for returns were $1,604.1 million and $1,544.1 million, during 2025 and 2024, respectively. Actual levels of returns may vary from our estimates as of period ends and would be recorded in future periods.

We have a Loyalty Club program within the REVOLVE and FWRD segments. Eligible customers who enroll in the program will generally earn points for every dollar spent and will automatically receive a $20 reward once they earn 2,000 points. We defer revenue based on an allocation of the price of the customer purchase and the estimated standalone selling price of the points earned. Revenue is recognized once the reward is redeemed or expires or once unconverted points expire. Rewards generally expire 90 days after they are issued and unconverted points generally expire if a customer fails to engage in any activity that generates points for a period of one year or if their participation in the program is otherwise terminated.

We may also issue store credit in lieu of cash refunds or exchanges and sell gift cards without expiration dates to our customers. Store credits issued and proceeds from the issuance of gift cards are recorded as deferred revenue and recognized as revenue when the store credit or gift cards are redeemed or upon inclusion in our store credit and gift card breakage estimates. Revenue recognized in net sales on breakage on store credit and gift cards was $4.2 million and $3.3 million for 2025 and 2024, respectively.

Sales taxes and duties collected from customers and remitted to governmental authorities are accounted for on a net basis and therefore are excluded from net sales. We currently collect sales taxes in all states that have adopted laws imposing sales tax collection obligations on out-of-state retailers and are subject to audits by state governments of sales tax collection obligations on out-of-state retailers in jurisdictions where we do not currently collect sales taxes, whether for prior years or prospectively. No significant interest or penalties related to sales taxes are recognized in the accompanying consolidated financial statements.

We have exposure to losses from fraudulent credit card charges. We record losses when incurred related to fraudulent charges as such amounts have historically been insignificant.

Inventory

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the specific identification method. Cost of inventory includes import duties and other taxes and transport and handling costs. We make inventory valuation adjustments where it appears that the carrying cost of the inventory may not be recovered through subsequent sale of the inventory. We analyze the quantity of inventory on hand, the quantity sold in the past year, the anticipated sales volume, the expected sales price and the cost of making the sale when evaluating the value of our inventory. If the sales volume or sales price of specific products declines, additional write-downs may be required.

Recent Accounting Pronouncements

See Note 2, *Significant Accounting Policies*, to our consolidated financial statements included elsewhere in this report for information regarding recently issued accounting pronouncements.

Item 7A. *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK*

We have operations both within the United States and internationally, and we are exposed to market risks in the ordinary course of our business, including the effects of foreign currency fluctuations, interest rate changes and inflation. Information relating to quantitative and qualitative disclosures about these market risks is set forth below.

Interest Rate Sensitivity

Cash and cash equivalents are held primarily in money market funds and cash deposits. The fair value of our cash and cash equivalents would not be significantly affected by either an increase or decrease in interest rates due mainly to the short-term nature of these instruments. Interest on our line of credit borrowings incurred pursuant to the credit agreement described above accrue at a floating rate based on a formula tied to certain market rates at the time of incurrence; however, we do not expect that any change in prevailing interest rates will have a material impact on our results of operations.

Foreign Currency Risk

Most of our sales are denominated in U.S. dollars, and therefore, our net sales are not currently subject to significant foreign currency risk. However, our products for sale in foreign countries are generally priced in the country's local currency based on the currency exchange rate in effect at the time. When the U.S. dollar strengthens, prices for customers in these regions may be more expensive relative to that of competition in those markets, thus adversely impacting consumer demand for our products. Furthermore, the general purchasing power of consumers in foreign countries is weakened by a stronger U.S. dollar. Fluctuations in foreign currency exchange rates may cause us to recognize transaction gains and losses in our consolidated statements of income. To date, foreign currency transaction gains and losses have not been material to our consolidated financial statements and we have not engaged in any foreign currency hedging transactions.

Item 8. *FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA*

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Revolve Group, Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Revolve Group, Inc. and subsidiaries (the Company) as of December 31, 2025 and December 31, 2024, the related consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2025, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and December 31, 2024, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 25, 2026 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Sales return reserve

As discussed in Note 2 to the consolidated financial statements, the Company has recorded a sales return reserve as of December 31, 2025 of $77.0 million. The Company establishes a reserve for merchandise returns, based on historical experience, merchandise mix, and expected future returns, which is recorded as a reduction of sales.

We identified the evaluation of the sales return reserve as a critical audit matter. There was auditor judgment required to evaluate the impact of recent sales return experience that could impact the rate of historical experience used to estimate the sales return reserve.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of an internal control related to the Company's lookback analysis over the sales return reserve based on actual returns received subsequent to period end. We evaluated expected future returns by assessing the timing of the number of days between actual sales dates and actual return dates for the year ended December 31, 2025. In addition, we analyzed actual returns received by the Company after December 31, 2025 to evaluate management's estimate as of December 31, 2025. We assessed the Company's ability to estimate by comparing the historically recorded sales return reserve to actual subsequent period returns.

/s/ KPMG LLP

We have served as the Company's auditor since 2014.

Los Angeles, California
February 25, 2026

Report of Registered Independent Public Accounting Firm

To the Stockholders and Board of Directors
Revolve Group, Inc.:

Opinion on Internal Control Over Financial Reporting

We have audited Revolve Group, Inc. and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2025 and December 31, 2024, the related consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2025, and the related notes (collectively, the consolidated financial statements), and our report dated February 25, 2026 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

Los Angeles, California
February 25, 2026

REVOLVE GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)

	December 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 292,256	$ 256,600
Restricted cash	10,943	—
Accounts receivable, net	16,561	10,338
Inventory	251,844	229,244
Income taxes receivable	1,717	1,195
Prepaid expenses and other current assets	73,706	63,711
Total current assets	647,027	561,088
Property and equipment (net of accumulated depreciation of $26,245 and $22,230 as of December 31, 2025 and December 31, 2024, respectively)	15,371	8,937
Right-of-use lease assets	28,832	36,259
Intangible assets, net	2,410	2,294
Goodwill	2,042	2,042
Other assets	29,560	18,067
Deferred income taxes, net	39,759	36,860
Total assets	$ 765,001	$ 665,547
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 56,409	$ 45,098
Income taxes payable	1,357	4
Accrued expenses	44,297	38,524
Returns reserve	76,985	69,661
Current lease liabilities	10,534	9,066
Other current liabilities	40,963	33,744
Total current liabilities	230,545	196,097
Non-current lease liabilities	21,921	31,665
Total liabilities	252,466	227,762
Stockholders' equity:		
Class A common stock, $0.001 par value; 1,000,000,000 shares authorized as of December 31, 2025 and December 31, 2024; 40,861,973 and 39,699,150 shares issued and outstanding as of December 31, 2025 and December 31, 2024, respectively.	41	40
Class B common stock, $0.001 par value; 125,000,000 shares authorized as of December 31, 2025 and December 31, 2024; 30,509,949 and 31,501,330 shares issued and outstanding as of December 31, 2025 and December 31, 2024, respectively.	30	32
Additional paid-in capital	144,249	133,046
Retained earnings	368,215	305,070
Non-controlling interest	—	(403)
Total stockholders' equity	512,535	437,785
Total liabilities and stockholders' equity	$ 765,001	$ 665,547

The accompanying notes are an integral part of these consolidated financial statements.

REVOLVE GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share data)

	Year Ended December 31,		
	2025	**2024**	**2023**
Net sales	$ 1,225,682	$ 1,129,911	$ 1,068,719
Cost of sales	569,898	536,638	514,520
Gross profit	655,784	593,273	554,199
Operating expenses:			
Fulfillment	39,509	37,389	36,654
Selling and distribution	209,623	195,169	197,052
Marketing	175,397	167,176	171,774
General and administrative	156,992	142,122	126,585
Total operating expenses	581,521	541,856	532,065
Income from operations	74,263	51,417	22,134
Other income, net	(8,040)	(13,030)	(15,627)
Income before income taxes	82,303	64,447	37,761
Provision for income taxes	21,157	15,676	9,614
Net income	61,146	48,771	28,147
Less: Net loss attributable to non-controlling interest	563	786	—
Net income attributable to Revolve Group, Inc. stockholders	$ 61,709	$ 49,557	$ 28,147
Earnings per share of Class A and Class B common stock:			
Basic	$ 0.87	$ 0.70	$ 0.39
Diluted	$ 0.86	$ 0.69	$ 0.38
Weighted average number of shares of Class A and Class B common stock outstanding:			
Basic	71,297	70,846	72,961
Diluted	72,087	71,677	73,583

The accompanying notes are an integral part of these consolidated financial statements.

REVOLVE GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)

	Year Ended December 31,		
	2025	2024	2023
Net income	$ 61,146	$ 48,771	$ 28,147
Other comprehensive income (loss):			
Cumulative translation adjustment	3,459	(1,064)	1,958
Total other comprehensive income (loss)	3,459	(1,064)	1,958
Total comprehensive income	64,605	47,707	30,105
Less: Comprehensive loss attributable to non-controlling interest	124	(4)	—
Comprehensive income attributable to Revolve Group, Inc. stockholders	$ 64,481	$ 47,711	$ 30,105

The accompanying notes are an integral part of these consolidated financial statements.

REVOLVE GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(In thousands, except share data)

	Common Stock		Additional Paid-in	Retained	Non-controlling	Total Stockholders'
	Number	Amount	Capital	Earnings	Interest	Equity
Balance as of December 31, 2022	73,363,629	$ 74	$ 110,338	$ 269,161	$ —	$ 379,573
Issuance of Class A common stock from exercise of stock options and vesting of restricted stock units	125,933	—	536	—	—	536
Repurchases of Class A common stock	(2,198,854)	(2)	—	(30,911)	—	(30,913)
Equity-based compensation	—	—	5,839	—	—	5,839
Cumulative translation adjustment	—	—	—	1,958	—	1,958
Net income	—	—	—	28,147	—	28,147
Balance as of December 31, 2023	71,290,708	72	116,713	268,355	—	385,140
Issuance of Class A common stock from exercise of stock options and vesting of restricted stock units	676,970	1	6,414	—	—	6,415
Repurchases of Class A common stock	(767,198)	(1)	—	(11,778)	—	(11,779)
Equity-based compensation	—	—	10,028	—	—	10,028
Cumulative translation adjustment	—	—	—	(1,064)	—	(1,064)
Issuance of non-controlling interest at fair value	—	—	(109)	—	383	274
Net income	—	—	—	49,557	(786)	48,771
Balance as of December 31, 2024	71,200,480	72	133,046	305,070	(403)	437,785
Issuance of Class A common stock from exercise of stock options and vesting of restricted stock units	278,637	—	637	—	—	637
Repurchases of Class A common stock	(107,195)	(1)	—	(2,023)	—	(2,024)
Equity-based compensation	—	—	10,566	—	—	10,566
Cumulative translation adjustment	—	—	—	3,459	—	3,459
Disposal of subsidiary	—	—		—	966	966
Net income (loss)	—	—	—	61,709	(563)	61,146
Balance as of December 31, 2025	71,371,922	$ 71	$ 144,249	$ 368,215	$ —	$ 512,535

The accompanying notes are an integral part of these consolidated financial statements.

REVOLVE GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,		
	2025	2024	2023
Operating activities:			
Net income	$ 61,146	$ 48,771	$ 28,147
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	4,601	4,429	5,094
Rental product depreciation	1,792	736	—
Gain on sale of rental product	(294)	—	—
Equity-based compensation	10,566	10,028	5,839
Loss on disposal of subsidiary	2,425	—	—
Deferred income taxes, net	(2,899)	(6,855)	(5,251)
Changes in operating assets and liabilities:			
Accounts receivable	(6,223)	2,067	(6,984)
Inventories	(23,552)	(24,791)	11,637
Income taxes receivable	(522)	430	1,349
Prepaid expenses and other current assets	(9,983)	1,812	(5,649)
Other assets	(11,389)	(13,593)	(1,365)
Accounts payable	11,846	(2,723)	(2,968)
Income taxes payable	1,353	4	(229)
Accrued expenses	5,930	(2,190)	2,448
Returns reserve	7,324	5,881	399
Right-of-use lease assets and lease liabilities	(684)	(77)	3,010
Other current liabilities	7,959	2,763	7,865
Net cash provided by operating activities	59,396	26,692	43,342
Investing activities:			
Purchases of property and equipment	(11,405)	(5,649)	(4,198)
Purchases of rental product	(3,573)	(3,038)	—
Proceeds from sale of rental product	1,766	—	—
Cash divested upon disposal of subsidiary	(1,657)	—	—
Cash paid for acquisition	—	(427)	—
Net cash used in investing activities	(14,869)	(9,114)	(4,198)
Financing activities:			
Proceeds from the exercise of stock options, net of tax withholdings on share-based payment awards	637	6,415	536
Repurchases of Class A common stock	(2,024)	(11,778)	(30,913)
Net cash used in financing activities	(1,387)	(5,363)	(30,377)
Effect of exchange rate changes on cash and cash equivalents	3,459	(1,064)	1,958
Net increase in cash and cash equivalents	46,599	11,151	10,725
Cash, cash equivalents and restricted cash, beginning of year	256,600	245,449	234,724
Cash, cash equivalents and restricted cash, end of year	$ 303,199	$ 256,600	$ 245,449
Supplemental disclosure of cash flow information:			
Cash paid during the period for:			
Income taxes, net of refund	$ 22,770	$ 22,203	$ 12,995
Operating leases	$ 12,927	$ 9,305	$ 7,012
Supplemental disclosure of non-cash activities:			
Lease assets obtained in exchange for new operating lease liabilities	$ 6,096	$ 7,180	$ 20,452

The accompanying notes are an integral part of these consolidated financial statements.

REVOLVE GROUP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Description of Business

Revolve Group, Inc., or REVOLVE, is a fashion retailer for Millennial and Generation Z consumers. Through our websites, mobile applications and stores, we deliver an aspirational customer experience from a vast yet curated offering. Our dynamic platform connects a deeply engaged community of consumers, global fashion influencers, and a broad yet curated collection of brands. We are headquartered in Los Angeles County, California.

Note 2. Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States, or GAAP, and applicable rules and regulations of the Securities and Exchange Commission. The accompanying consolidated financial statements include the balances of Revolve Group, Inc. and all of its subsidiaries. All intercompany transactions and balances have been eliminated in consolidation. These reclassifications had no effect on the reported results of operations. Our fiscal year ends on December 31 of each year.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of net sales and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include: the allowance for sales returns, the valuation of deferred tax assets, inventory, equity-based compensation, valuation of goodwill, reserves for income tax uncertainties and other contingencies, and breakage of store credit and gift cards.

Net Sales

Revenue is primarily derived from the sale of apparel merchandise through our sites and, when applicable, shipping revenue. We recognize revenue through the following steps: (1) identification of the contract, or contracts, with the customer; (2) identification of the performance obligations in the contract; (3) determination of the transaction price; (4) allocation of the transaction price to the performance obligations in the contract; and (5) recognition of revenue when, or as, we satisfy a performance obligation. A contract is created with our customer at the time the order is placed by the customer, which creates a performance obligation to deliver the product to the customer. We recognize revenue for the performance obligation at the time control of the merchandise passes to the customer, which is at the time of shipment. In addition, we have elected to treat shipping and handling as fulfillment activities and not a separate performance obligation.

We have a Loyalty Club program within the REVOLVE and FWRD segments. Eligible customers who enroll in the program will generally earn points for every dollar spent and will automatically receive a $20 reward once they earn 2,000 points. We defer revenue based on an allocation of the price of the customer purchase and the estimated standalone selling price of the points earned. Revenue is recognized once the reward is redeemed or expires or once unconverted points expire. Rewards generally expire 90 days after they are issued and unconverted points generally expire if a customer fails to engage in any activity that generates points for a period of one year or if their participation in the program is otherwise terminated.

In accordance with our policy on returns and exchanges, merchandise returns are generally accepted for full refund if returned within 30 days of the original purchase date and merchandise may be exchanged up to 60 days from the original purchase date. At the time of sale, we establish a reserve for merchandise returns, based on historical experience, merchandise mix and expected future returns, which is recorded as a reduction of sales.

Accordingly, cost of sales is also reduced and an offsetting asset is recorded within prepaid expenses and other current assets for expected merchandise to be returned.

The following table presents a roll-forward of our sales return reserve for the years ended December 31, 2025, 2024 and 2023 (in thousands):

	December 31,		
	2025	2024	2023
Beginning balance	$ 69,661	$ 63,780	$ 63,381
Returns	(1,596,761)	(1,538,265)	(1,505,490)
Provisions	1,604,085	1,544,146	1,505,889
Ending balance	$ 76,985	$ 69,661	$ 63,780

We may also issue store credit in lieu of cash refunds or exchanges and sell gift cards without expiration dates to our customers. Store credits issued and proceeds from the issuance of gift cards are recorded as deferred revenue and recognized as revenue when the store credit or gift cards are redeemed or upon inclusion in our store credit and gift card breakage estimates. Revenue recognized in net sales on breakage on store credit and gift cards was $4.2 million, $3.3 million and $2.6 million for the years ended December 31, 2025, 2024 and 2023, respectively.

Sales taxes and duties collected from customers and remitted to governmental authorities are accounted for on a net basis and therefore are excluded from net sales. We currently collect sales taxes in all states that have adopted laws imposing sales tax collection obligations on out-of-state retailers and are subject to audits by state governments of sales tax collection obligations on out-of-state retailers in jurisdictions where we do not currently collect sales taxes, whether for prior years or prospectively. No significant interest or penalties related to sales taxes are recognized in the accompanying consolidated financial statements.

We have exposure to losses from fraudulent credit card charges. We record losses when incurred related to these fraudulent charges as amounts have historically been insignificant.

See Note 12, *Segment Information*, for disaggregation of net sales by reportable segment, geographic area and major product category.

Rental Product, Net

During the second quarter of 2024, we entered into a consignment agreement with a third party to rent a limited quantity of our product assortment, primarily handbags, to customers. We consider rental product to be a long-term productive asset and classify it as other assets within the Company's condensed consolidated balance sheets.

Rental product is stated at cost, less accumulated depreciation. We depreciate rental product, less an estimated salvage value, over its estimated useful life, using the straight-line method. The estimated useful life of our rental product is typically two years. Rental product depreciation is included in cost of sales in the condensed consolidated statements of income. Rental product, net amounted to $2.6 million and $2.3 million as of December 31, 2025 and 2024, respectively, and was included within other assets. Rental product depreciation was $1.8 million and $0.7 million for the year ended December 31, 2025 and 2024, respectively.

Our consignment partner offers customers an opportunity to purchase items in rentable condition prior to the end of their useful life. In such instances, we consider the disposal of rental product to be a sale and record the proceeds as net sales and record the net book value of the items at the time of sale as cost of sales in the condensed consolidated statements of income. Write-offs for losses on lost, damaged, and unreturned products are recorded as rental product depreciation within cost of sales.

Rental Product Revenues

Rental product revenues are recognized ratably over the subscription period, commencing on the date the subscriber enrolls in the rental program, net of discounts, customer credits and refunds and are recorded within net sales in the condensed consolidated statements of income. The subscription fees are collected from the customer upon enrollment. The subscription has a minimum period of three months after which it renews automatically on a monthly basis until cancelled by the customer.

Cost of Sales

Cost of sales consists of the purchase price of merchandise sold to customers and includes import duties, net of drawback claims, and other taxes, inbound freight costs, receiving costs, defective merchandise returned from customers, inventory valuation adjustments, and other miscellaneous shrinkage.

Fulfillment

Fulfillment expenses primarily consist of those costs incurred in operating and staffing the fulfillment centers, including costs attributable to inspecting and warehousing inventories, picking, packaging and preparing customer orders for shipment. Fulfillment expenses also include the cost of warehousing facilities.

Selling and Distribution

Selling and distribution expenses consist of shipping and other transportation costs incurred delivering merchandise to customers and customers returning merchandise, customer service costs, merchant processing fees, shipping supplies and other selling expenses. The amount of shipping and handling costs included in selling and distribution is $129.1 million, $121.0 million, and $128.1 million for the years ended December 31, 2025, 2024 and 2023, respectively.

Marketing

Marketing expenses are expensed as incurred and consist primarily of targeted online performance marketing costs, such as paid search/product listing ads, affiliate marketing, paid social, retargeting, search engine optimization, personalized email marketing and mobile "push" communications through our mobile applications. Marketing expenses also include brand marketing investments, including events, fees paid to influencers, and other forms of online and offline marketing. Marketing expenses are primarily related to growing and retaining the customer base.

General and Administrative

General and administrative expenses consist primarily of payroll and related benefit costs and equity‑based compensation expense for employees involved in general corporate functions including merchandising, marketing, studio and technology, as well as costs associated with the use by these functions of facilities and equipment, including depreciation, rent and other occupancy expenses.

Earnings per Share

Basic earnings per share is computed by dividing the net income attributable to common stockholders by the weighted-average number of common shares outstanding during the period. Diluted earnings per share represents net income divided by the weighted-average number of common shares outstanding, inclusive of the effect of dilutive stock options and restricted stock units, or RSUs. See Note 10, *Earnings per Share*, for further information.

Cash and Cash Equivalents

We maintain the majority of our cash and cash equivalents in money market funds and checking accounts with major financial institutions within the United States. Deposits in these institutions may exceed federally insured limits.

Accounts Receivable, Net

Accounts receivable are composed primarily of amounts due from financial institutions related to credit card sales. We do not maintain an allowance for doubtful accounts related to these receivables as payment is typically received in full within a few business days after the sale. We carry the remaining portion of accounts receivable at invoiced amounts less allowances for doubtful accounts and other deductions. Allowance for doubtful accounts was insignificant at both December 31, 2025 and 2024. Management evaluates the ability to collect accounts receivable based on a combination of factors. An allowance for doubtful accounts is maintained based on the length of time receivables are past due and the status of a customer's financial position. Receivables are written off in the period deemed uncollectible after collection efforts have proven unsuccessful. We do not accrue interest on our trade receivables.

Inventory

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the specific identification method. Cost of inventory includes import duties and other taxes and transport and handling costs. We make inventory valuation adjustments when it appears that the carrying cost of the inventory may not be recovered through subsequent sale of the inventory. We analyze the quantity of inventory on hand, the quantity sold in the past year, the anticipated sales volume, the expected sales price and the cost of making the sale when evaluating the value of our inventory. If the sales volume or sales price of specific products declines, additional write-downs may be required.

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist primarily of expected merchandise returns net of related costs, advanced payments on inventory to be delivered from vendors, prepaid packaging, and prepaid insurance.

Other Assets

Other assets primarily consist of receivables related to duty drawback and other programs. These amounts represent refunds of customs duties previously paid on imported merchandise that is subsequently exported to another country. In addition, other assets consist of rental product, net and equity investments.

Business Combinations

We account for business combinations using the acquisition method. All of the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree are recorded at their acquisition date fair values. The difference between the aggregate consideration paid for an acquisition and the fair value of the net assets acquired is recorded as either goodwill or a bargain purchase gain. Identifiable intangible assets with finite lives are amortized over their useful lives. Amortization of intangible assets is recorded within general and administrative expenses.

We use estimates and assumptions available to us as a part of the determination of fair value to accurately value assets acquired, liabilities assumed and any noncontrolling interest on the business combination date. These estimates are subject to measurement period adjustments. As a result, during the preliminary determination of fair value, which may be up to one year from the business combination date, we may record adjustments to the assets acquired or liabilities assumed subsequent to the completion of the determination of fair value in the period in which the adjustments were determined. Noncontrolling interest, if any, is measured using the fair value of the subsidiaries' identifiable assets and liabilities at the date of acquisition, subject to possible adjustments for up to one year from the business combination date.

We also may incur acquisition-related and other expenses including legal, banking, accounting and other advisory fees of third parties which are recorded within general and administrative expenses in the period in which they were incurred. The results of operations of acquired businesses are included in the consolidated financial statements from the acquisition date.

Disposal of Subsidiary

During the second quarter of 2024, pursuant to a decision rendered by the Commercial Court of Paris, Revolve Group, Inc. acquired the business of Alexandre Vauthier, a French luxury fashion brand, for $0.4 million. The acquisition was made through L.A. Rive Droite, a newly incorporated French joint stock company. Under the terms of the agreement, until recently, Revolve Group owned an 80% interest and Mr. Alexandre Vauthier owned the remaining 20% interest in L.A. Rive Droite.

During the second quarter of 2025, we ceased funding the operations of our majority-owned foreign subsidiary, L.A. Rive Droite. Shortly thereafter, the subsidiary initiated formal insolvency proceedings under local law, which was approved on May 28, 2025. As a result, we no longer exercise control over the subsidiary and deconsolidated its financial results effective May 28, 2025.

We recognized a $2.4 million loss on deconsolidation in the second quarter of 2025, reflecting the derecognition of net assets, the write-off of our investment and shareholder loans and the elimination of non-controlling interest. This amount is included in other income, net in our condensed consolidated statements of income.

Equity Investments

We hold an equity investment in a privately held company without readily determinable fair value. This investment is measured at cost, less impairment and included in other assets in the accompanying consolidated balance sheets. Changes in fair value resulting from observable transactions for identical or similar investments of the same issuer are recorded in other income, net.

Variable Interest Entities

We evaluate our interests in other entities to determine whether such entities are variable interest entities ("VIEs") and whether we are the primary beneficiary of such VIEs. A VIE is an entity in which the equity investment at risk is not sufficient to permit the entity to finance its activities without additional subordinated financial support or in which the holders of the equity investment at risk lack the characteristics of a controlling financial interest.

The Company is considered the primary beneficiary of a VIE and is required to consolidate the VIE if it has both (i) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (ii) the obligation to absorb losses of, or the right to receive benefits from, the VIE that could potentially be significant to the VIE. We may be the primary beneficiary of a VIE even when our ownership interest is less than a majority, including when control is achieved through contractual arrangements or other rights.

We reassess whether we are the primary beneficiary of a VIE on an ongoing basis as facts and circumstances change. VIEs for which we are determined to be the primary beneficiary are consolidated, and the interests of other variable interest holders are reflected as noncontrolling interests.

Property and Equipment, Net

Property and equipment are stated at cost net of accumulated depreciation and amortization. Repair and maintenance costs are expensed as incurred.

Depreciation is calculated on the straight‑line method over the estimated useful lives of the assets. The estimated useful lives of equipment and fixtures, and leasehold improvements range from three to five years or if shorter, the remaining lease term for leasehold improvements. The estimated useful life of our capitalized software is three years.

Leases

We lease office, warehouse and retail space and equipment used in connection with our operations under various operating leases, some of which provide for rental payments on a graduated basis, rent holidays and other incentives. Operating leases with a term greater than one year are recorded on the consolidated balance sheets as right-of-use lease assets and lease liabilities at the commencement date. These balances are initially recorded at the present value of future minimum lease payments calculated using our incremental borrowing rate and expected lease term, which includes options to extend or terminate the lease which we are reasonably certain to exercise and adjusted for items such as initial direct costs paid or incentives received. A right-of-use lease asset and lease liability are not recognized for leases with an initial term of 12 months or less, and the lease expense is recognized on a straight-line basis over the lease term. We also elected to combine lease and non-lease components on all new or modified leases into a single lease component.

Impairment of Long-Lived Assets

We review long‑lived assets for possible impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. This determination includes evaluation of factors such as future asset utilization and future net undiscounted cash flows expected to result from the use of the assets. If circumstances require a long‑lived asset or asset group be tested for possible impairment, we first compare undiscounted cash flows expected to be generated by that asset group to its carrying amount. If the carrying amount of the long‑lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying amount exceeds its fair value. No impairment losses were recognized during the years ended December 31, 2025, 2024 and 2023.

Goodwill

Goodwill represents the excess of acquisition cost over the fair value of the related net assets acquired and is not subject to amortization. As of December 31, 2025 and 2024, we had goodwill of $2.0 million. We review our goodwill annually for impairment or when circumstances indicate its carrying value may not be recoverable.

We perform this evaluation at the reporting unit level, comprised of the principle business units within our REVOLVE segment. In order to test for goodwill impairment, we compare the fair value of the reporting unit to its carrying value, including goodwill. If the fair value of the reporting unit is less than its carrying amount, goodwill is written down for the amount by which the carrying amount exceeds the reporting unit's fair value. However, the loss recognized cannot exceed the carrying amount of goodwill.

We perform our annual impairment review of goodwill at December 31, and when a triggering event occurs between annual impairment tests. No goodwill impairment was recorded for the years ended December 31, 2025, 2024 and 2023.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and are recorded net on the face of the balance sheet. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. We recognize the effect of income tax positions only if those positions are more-likely than-not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

Deferred tax assets are recognized to the extent it is believed that these assets are more likely than not to be realized. In assessing the realizability of deferred tax assets, management considers whether it is more-likely than-not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities (including the impact of available carryback and carryforward periods), projected future taxable income, and tax-planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more-likely than-not that we will realize the benefits of these deductible differences, net of the valuation allowance. The amount of the deferred tax asset considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carryforward period are reduced.

Equity-based Compensation

We measure equity-based compensation expense associated with the awards granted based on their estimated fair values at the grant date. For awards with service conditions only, equity-based compensation expense is recognized over the requisite service period using the straight-line method. For awards with service and performance conditions, we recognize the compensation expense if and when we conclude that it is probable that the performance condition will be achieved. The Company reassesses the probability of achieving the performance condition at each reporting date. Forfeitures are recorded as they occur. See Note 9, *Equity-based Compensation*, for additional details.

Employee Benefit Plan

We sponsor a qualified 401(k) defined contribution plan covering eligible employees. Participants may contribute a percentage of their pretax earnings annually, subject to limitations imposed by the Internal Revenue Service. We have the ability to make discretionary contributions to the 401(k) plan but have not done so to date.

Commitments and Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

Fair Value Measurements

We utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. We determine fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. The carrying amounts for our cash and cash equivalents, accounts receivable, accounts payable, line of credit and accrued expenses approximate fair value due to their short-term maturities. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 Inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full-term of the asset or liability.
- Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

We consider all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. Our cash equivalents are comprised of money market funds, which are valued based on Level 1 inputs consisting of quoted prices in active markets. Our cash equivalents as of December 31, 2025 and 2024 were $240.9 million and $211.6 million, respectively.

Comprehensive Income

Comprehensive income consists of net income and foreign currency translation adjustments.

Certain Risks and Concentrations

We are subject to certain risks, including dependence on third‑party technology providers and hosting services for our website servers, exposure to risks associated with online commerce security, credit card fraud, as well as the interpretation of state and local laws and regulations related to the collection and remittance of sales and use taxes. We do not have significant vendor concentrations.

Recently Adopted Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board, or FASB, issued Accounting Standards Update, or ASU, 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which enhances income tax disclosures, primarily through changes to the rate reconciliation and disaggregation of income taxes paid. ASU 2023-09 is effective for us for annual periods beginning after December 15, 2024, with early adoption permitted. We adopted ASU 2023-09 in 2025 on a retrospective basis and presented the required new disclosures within Note 8, *Income Taxes*.

Accounting Pronouncements Not Yet Effective

In September 2025, the FASB, issued ASU 2025-06, Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350‑40): Targeted Improvements to the Accounting for Internal-Use Software, which replaces the previous project-stage model with a principles-based approach for capitalizing internal-use software costs. This guidance is effective for annual periods beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. We are currently evaluating the impact that this new guidance may have on our consolidated financial statements and related disclosures.

In December 2025, the FASB issued ASU 2025-11, Interim Reporting (Topic 270): Narrow-Scope Improvements, which clarifies the guidance in Topic 270 to improve the consistency of interim financial reporting. The ASU provides a comprehensive list of required interim disclosures and introduces a disclosure principle requiring entities to disclose events since the end of the last annual reporting period that have a material impact on the entity. ASU 2025-11 is effective for annual periods beginning after December 15, 2027, including interim periods within those fiscal years, with early adoption permitted. We are currently evaluating the impact that this new guidance may have on our disclosures.

Note 3. Goodwill and Other Intangible Assets, Net

The carrying value of goodwill as of December 31, 2025 and 2024, was $2.0 million. No goodwill impairment was recorded for the years ended December 31, 2025, 2024 and 2023.

The gross amounts and accumulated amortization of our acquired identifiable intangible assets with finite useful lives as of December 31, 2025 and 2024, included in intangible assets, net in the accompanying consolidated balance sheets, are as follows (in thousands):

		December 31,	
	Useful life	2025	2024
Customer relationships	3 – 6 years	$ 381	$ 381
Trademarks [(1)]	4 – 10 years	5,095	4,728
Total intangible assets		5,476	5,109
Less accumulated amortization		(3,066)	(2,815)
Total intangible assets, net		$ 2,410	$ 2,294

(1) Includes $1.0 million and $0.9 million of intangible assets not subject to amortization as of December 31, 2025 and 2024, respectively.

Our amortization expense for acquired identifiable intangible assets with finite useful lives was $0.2 million, $0.2 million and $0.1 million for the years ended December 31, 2025, 2024 and 2023, respectively. Future estimated amortization expense for acquired identifiable intangible assets is as follows (in thousands):

	Amortization Expense
Year ending December 31:	
2026	$ 252
2027	235
2028	217
2029	190
2030	163
Thereafter	356
Total amortization expense	$ 1,413

Note 4. Property and Equipment, Net

Property and equipment, net is summarized as follows (in thousands):

	December 31,	
	2025	2024
Office and warehouse equipment and fixtures	$ 14,048	$ 13,621
Computer equipment and capitalized software	14,726	12,137
Leasehold improvements	5,088	4,374
Other	7,754	1,035
Total property and equipment	41,616	31,167
Less accumulated depreciation and amortization	(26,245)	(22,230)
Total property and equipment, net	$ 15,371	$ 8,937

Total depreciation and amortization expense for the years ended December 31, 2025, 2024 and 2023 was $4.4 million, $4.3 million, and $5.0 million, respectively. For the years ended December 31, 2025, 2024 and 2023, $3.7

million, $2.9 million, and $2.7 million, respectively, was recorded in general and administrative expense and $0.7 million, $1.4 million, and $2.3 million, respectively, was recorded in fulfillment expense in the accompanying consolidated statements of income.

Note 5. Leases

We lease office, warehouse and retail space and equipment used in connection with our operations under various operating leases, some of which provide for rental payments on a graduated basis, rent holidays and other incentives. Operating leases with a term greater than one year are recorded on the consolidated balance sheets as right-of-use lease assets and lease liabilities at the commencement date. These balances are initially recorded at the present value of future minimum lease payments calculated using our incremental borrowing rate and expected lease term and adjusted for items such as initial direct costs paid or incentives received.

The following table includes the components of our lease expense recorded in fulfillment expenses and general and administrative expenses in the accompanying consolidated statements of income.

	Year Ended December 31,		
	2025	2024	2023
		(in thousands)	
Operating lease expense	$ 11,389	$ 10,658	$ 8,991
Short-term lease expense	94	115	105
Variable lease expense	1,630	1,301	876
Total	$ 13,113	$ 12,074	$ 9,972

The following table presents future minimum lease payments and the impact of discounting as of December 31, 2025.

	December 31, 2025
	(in thousands)
2026	$ 12,744
2027	11,212
2028	8,234
2029	1,970
2030	1,874
Thereafter	1,814
Total minimum lease payments	37,848
Less imputed interest	(5,393)
Present value of lease liabilities	$ 32,455

The weighted-average remaining term for our leases as of December 31, 2025 and 2024 was 3.6 years and 4.4 years, respectively. The weighted-average discount rate for our leases as of December 31, 2025 and 2024 was 8.0% and 8.3%, respectively.

Note 6. Line of Credit

On February 2, 2026, we amended our existing credit agreement to, among other things, extend the maturity date from March 23, 2026 to February 2, 2031. The line of credit provides us with up to $75.0 million aggregate principal in revolver borrowings, based on eligible inventory and accounts receivable less reserves. Borrowings under the credit agreement accrue interest at a per annum rate equal to, at our option, (1) a base rate equal to the highest of (a) the federal funds rate, plus 0.50%, (b) the prime rate and (c) a term SOFR rate determined on the basis of a one-month interest period, plus 1.00%, or (2) a term SOFR rate, subject to a floor of 0.00%, in each case, plus a margin ranging from 0.25% to 0.75% per year in the case of base rate loans, and 1.25% to 1.75% per year in the case of term SOFR rate loans, depending upon availability under the credit agreement as of the most recently ended fiscal quarter. No borrowings were outstanding as of December 31, 2025 and 2024.

We are also obligated to pay other customary fees for a credit facility of this size and type, including an unused commitment fee. The credit agreement also permits us, in certain circumstances, to request an increase in the facility by an additional amount of up to $25.0 million (in an initial minimum amount of $10.0 million and in increments of $5.0 million thereafter) at the same maturity, pricing and other terms as the existing revolving commitments. Our obligations under the credit agreement are secured by substantially all of our assets and the assets of our subsidiaries that are borrowers or guarantors under the credit agreement. The credit agreement also contains customary covenants restricting certain of our activities, including limitations on our ability to sell assets, engage in mergers and acquisitions, enter into transactions involving related parties, obtain letters of credit, incur indebtedness, repurchase stock or grant liens or negative pledges on our assets, make loans or make other investments. Under these covenants, we are prohibited from paying cash dividends with respect to our capital stock, subject to certain exceptions. We are also required to maintain a minimum consolidated fixed charge coverage ratio of 1.00 to 1.00 for any twelve consecutive fiscal month period, determined as of the last date of each fiscal quarter.

Note 7. Commitments and Contingencies

Contingencies

We record a loss contingency when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. We also disclose material contingencies when we believe a loss is not probable but reasonably possible. Accounting for contingencies requires us to use judgment related to both the likelihood of a loss and the estimate of the amount or range of loss. Although we cannot predict with assurance the outcome of any litigation or tax matters, we do not believe there are currently any such actions that, if resolved unfavorably, would have a material impact on our operating results, financial position and cash flows.

Indemnifications

In the ordinary course of business, we may provide indemnifications of varying scope and terms to vendors, directors, officers and other parties with respect to certain matters. We have not incurred any material costs as a result of such indemnifications and have not accrued any liabilities related to such obligations in our consolidated financial statements.

Tax Contingencies

We are subject to income taxes in the United States, the United Kingdom, or UK, France, Philippines and Netherlands. Significant judgment is required in evaluating our tax positions and determining our provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. We establish reserves for tax-related uncertainties based on estimates or whether, and the extent to which, additional taxes will be due. These reserves are established when we believe that certain positions might be challenged despite our belief that our tax return positions are fully supportable. We adjust these reserves in light of changing facts and circumstances, such as the outcome of tax audits. Our provision for income taxes does not include any reserve provision because we believe that all of our tax positions are highly certain.

Legal Proceedings

In March 2023, we received a separate cease-and-desist letter alleging copyright infringement and related claims. During 2023, we accrued $7.3 million to general and administrative expenses for estimated losses and legal fees that we expected to incur in connection with these claims. In November 2023, we entered into a final settlement agreement with the claimant and paid $7.3 million in settlement costs and legal fees related to this matter. During the three months ended March 31, 2024, we received $2.8 million in insurance proceeds related to this matter. We record insurance proceeds related to legal matters within other income, net in the period in which they are received.

In February 2024, the U.S. Fish and Wildlife Service served us with a notice of violation and proposed civil penalty, alleging that we have violated certain administrative requirements under the Endangered Species Act and the Lacey Act in connection with our export and import of certain items of merchandise. During the fourth quarter of 2023, we accrued $2.8 million to general and administrative expenses for estimated losses and legal fees related to this matter and during the second quarter of 2024, we accrued an additional $0.4 million to general and administrative expenses for estimated losses and legal fees related to this matter. In June 2024, we entered into a final settlement with the U.S. Fish and Wildlife Service and paid $3.2 million in settlement cost and legal fees related to this matter.

During the second quarter of 2025, we accrued $1.0 million to general and administrative expenses for estimated losses and legal fees related to certain pending legal matters. An additional $1.0 million was accrued during the third quarter of 2025 for estimated losses and legal fees related to these matters. While the outcome of these matters cannot be predicted with certainty, we do not believe they will have a material adverse effect on our financial condition or results of operations.

In December 2025, we became subject to two lawsuits filed by the former founder and executive of a majority-owned subsidiary acquired in 2024 and subsequently liquidated in May 2025. The complaints allege fraudulent misrepresentation, breach of the shareholders' agreement, breach of the bylaws and mismanagement of the majority-owned subsidiary by REVOLVE and seek related monetary damages. At this time, we are unable to reasonably estimate the possible loss or range of loss, if any, associated with this matter.

Leases

We have obligations under operating leases for office, fulfillment facilities and retail stores. For a description of our leases, please see Note 5, *Leases*.

Note 8. Income Taxes

The components of income before income tax expense are as follows (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Domestic	$ 70,523	$ 55,503	$ 31,942
Foreign	11,780	8,944	5,819
	$ 82,303	$ 64,447	$ 37,761

The components of the provision for income tax expense (benefit) are as follows (in thousands):

	December 31, 2025		
	Current	Deferred	Total
U.S. federal	$ 14,555	$ (1,835)	$ 12,720
State and local	5,965	(1,064)	4,901
Foreign	3,536	—	3,536
	$ 24,056	$ (2,899)	$ 21,157

	December 31, 2024		
	Current	Deferred	Total
U.S. federal	$ 14,865	$ (5,373)	$ 9,492
State and local	5,429	(1,482)	3,947
Foreign	2,237	—	2,237
	$ 22,531	$ (6,855)	$ 15,676

	December 31, 2023		
	Current	Deferred	Total
U.S. federal	$ 8,758	$ (2,853)	$ 5,905
State and local	4,740	(2,398)	2,342
Foreign	1,367	—	1,367
	$ 14,865	$ (5,251)	$ 9,614

A reconciliation of the provision for income taxes to the amount computed by applying the 21% statutory U.S. federal income tax rate to income before income taxes after the adoption of ASU 2023-09 is as follows:

	Year Ended December 31,					
	2025		2024		2023	
	(in thousands)	Percent	(in thousands)	Percent	(in thousands)	Percent
U.S. federal statutory tax rate	$ 17,284	21.0%	$ 13,534	21.0%	$ 7,930	21.0%
State and local income taxes [1]	3,872	4.7	3,118	4.8	1,874	5.0
Foreign tax effects						
Netherlands						
Rate differential	(302)	(0.4)	5	—	—	—
Permanent tax differences related to disallowed intercompany and investment write-offs	1,598	2.0	—	—	—	—
France						
Rate differential	181	0.2	(157)	(0.2)	—	—
Permanent tax differences related to disallowed intercompany and investment write-offs	(1,134)	(1.4)	—	—	—	—
Others	718	0.9	511	0.8	145	0.4
Effect of cross-border tax laws						
Foreign-derived intangible income	(1,090)	(1.3)	(450)	(0.7)	(561)	(1.4)
Tax credits						
Work opportunity tax credit	2	—	—	—	-	—
Changes in valuation allowances	621	0.8	(23)	—	(3)	—
Nontaxable and nondeductible items						
Equity-based compensation	(284)	(0.3)	(1,821)	(2.8)	(122)	(0.3)
Return to provision adjustments	(1,141)	(1.4)	183	0.3	(110)	(0.3)
Others	832	0.9	776	1.1	461	1.1
Effective tax rate	$ 21,157	25.7%	$ 15,676	24.3%	$ 9,614	25.5%

(1) The states that contribute to the majority (greater than 50%) of the tax effect in this category include California and New York for 2025, 2024 and 2023.

The components of net deferred tax assets (liabilities) are as follows (in thousands):

	December 31, 2025	December 31, 2024
Deferred tax assets:		
Accrued liabilities, reserves and other	$ 23,106	$ 19,369
UNICAP	8,555	8,108
Tax basis goodwill	465	753
Investment in FWRD	4,016	4,381
Equity-based compensation	6,354	4,836
Deferred revenue	5,929	4,564
Research and development expenses	—	1,953
Lease liabilities	9,274	10,052
Capital loss	779	—
Net operating loss	—	—
Gross deferred tax assets	58,478	54,016
Valuation allowance	(779)	—
Deferred tax assets, net of valuation allowance	57,699	54,016
Deferred tax liabilities:		
Accrued expenses and reserves	(6,947)	(6,766)
State taxes	(1,697)	(1,504)
Depreciation	(1,157)	(69)
Right-of-use lease assets	(8,139)	(8,817)
Total gross deferred liabilities	(17,940)	(17,156)
Net deferred tax assets	$ 39,759	$ 36,860

As of December 31, 2025 and 2024, there were no gross federal and state operating loss carryforwards.

In accordance with ASC 740-30-25-17, we intend that the undistributed net earnings from continuing operations as well as the future net earnings of the foreign subsidiaries to be permanently reinvested in our operations outside of the U.S.

The amounts of cash paid for income taxes were as follows:

	Year Ended December 31, 2025	2024	2023
		(in thousands)	
Federal	$ 14,500	$ 14,500	$ 9,005
State and local			
California	2,210	2,988	1,487
Others	2,382	2,364	915
Foreign			
United Kingdom	3,678	2,351	1,588
Total	$ 22,770	$ 22,203	$ 12,995

For the years ended December 31, 2025, 2024 and 2023, we filed a consolidated federal and state income tax return for Revolve Group, Inc. We believe that there are no uncertain tax positions that would impact the accompanying consolidated financial statements.

The tax years ended December 31, 2022 through 2025 remain subject to possible examination by the Internal Revenue Service and the tax years ended December 31, 2021 through 2025 remain subject to possible examination by state tax jurisdictions. No interest or penalties related to income taxes are recognized in the accompanying consolidated financial statements.

In October 2021, the OECD issued a statement updating and finalizing the key components of the two-pillar plan on global tax reform, intended to be effective on January 1, 2024. Pillar One focuses on nexus and profit allocation. Pillar Two provides for a global minimum effective corporate tax rate of 15%, applied on a jurisdiction-by-jurisdiction basis. While the U.S. has not adopted the Pillar Two rules, various other governments around the world are enacting legislation. Although these rules are not currently applicable to us, we operate in participating countries that have implemented or are expected to implement these rules. On January 5, 2026, the OECD announced a "side-by-side" elective safe harbor that would exempt electing U.S.-parented multinational entities from the fifteen percent global minimum tax for taxable years beginning on or after January 1, 2026. We continue to evaluate the impact of these tax developments and those under other OECD and non-U.S. rules as new guidance and regulations are published and become applicable. Further, legislation commonly known as the One Big Beautiful Bill Act enacted in July 2025 modified certain tax provisions that had an impact our tax liability and financial condition.

Note 9. Equity-based Compensation

In 2013, Twist Holdings, LLC, or Twist, and Advance Holdings, LLC, or Advance, which subsequently became part of Revolve Group, Inc., adopted equity incentive plans that we refer to collectively as the 2013 Plan, pursuant to which the board of managers could grant options to purchase Class A units to officers and employees. Options could be granted with an exercise price equal to or greater than the unit's fair value at the date of grant. All issued awards have 10 year terms and generally vest and become fully exercisable annually over five years of service from the date of grant. Awards will become fully vested upon the sale of the company. The then-outstanding options to purchase Class A units were converted into options to purchase shares of our Class B common stock in connection with our corporate conversion in June 2019.

In September 2018, the board of directors adopted the 2019 Equity Incentive Plan, or the 2019 Plan, which became effective in June 2019. Under the 2019 Plan, a total of 4,500,000 shares of our Class A common stock are reserved for issuance as options, stock appreciation rights, restricted stock, restricted stock units, or RSUs, performance units or performance shares. Upon the completion of our IPO, the 2019 Plan replaced the 2013 Plan, however, the 2013 Plan continues to govern the terms and conditions of the outstanding awards previously granted under that plan. The number of shares that will be available for issuance under our 2019 Plan also will increase annually on the first day of each year in an amount equal to the least of: (1) 6,900,000 shares, (2) 5% of the outstanding shares of all classes of our common stock as of the last day of the immediately preceding year and (3) such other amount as our board of directors may determine. As of December 31, 2025, approximately 8.4 million common shares remain available for future issuance under the 2019 Plan. Our board of directors determined not to increase the number of shares reserved for issuance under the 2019 Plan as of January 1, 2026.

The grant-date fair value of RSUs is measured on the grant date based on the closing fair market value of our Class A common stock. The grant-date fair value of each option award is estimated on the date of grant using the Black-Scholes option pricing model. The Black-Scholes option pricing model requires inputs such as expected term, fair value per unit of our Class A shares, expected volatility and risk-free interest rate. These inputs are subjective and generally require significant analysis and judgment to develop. We utilized the simplified method for calculating expected term using the average of the vesting period and the contractual life of the option. The dividend yield is 0%, as we have not paid, nor do we expect to pay, dividends. The risk-free interest rate is based on the implied yield available on U.S. Treasury issues with an equivalent remaining term. Expected volatility is estimated based on the average historical volatility of the Company's stock. The fair value of options granted is based on observable market prices. For awards with service and performance conditions, we recognize the compensation expense if and when we conclude that it is probable that the performance condition will be achieved. The Company reassesses the probability of achieving the performance condition at each reporting date.

The weighted average assumptions for the grants in the years ended December 31, 2025, 2024 and 2023 are provided in the following table:

	December 31, 2025	December 31, 2024	December 31, 2023
Valuation assumptions:			
Expected dividend yield	—%	—%	—%
Expected volatility	52.0%	51.3%	46.2%
Expected term (years)	6.5	6.5	6.5
Risk-free interest rate	4.1%	4.2%	4.3%

Option activity under the 2013 and 2019 Plans is as follows:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value (in thousands)
Balance at January 1, 2025	4,666,009	$ 16.23	7.4	$ 85,899
Granted	444,718	25.27	8.9	
Exercised	(165,722)	11.06	—	
Forfeited	(147,515)	18.89	—	
Expired	(21,541)	39.41	—	
Balance at December 31, 2025	4,775,949	17.06	6.7	68,926
Exercisable at December 31, 2025	1,771,960	16.88	4.8	27,622
Vested and expected to vest	3,609,567	18.36	6.4	48,946

RSU award activity under the 2019 Plan is as follows:

	Class A Common Stock	Weighted Average Grant Date Fair Value	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value (in thousands)
Unvested at January 1, 2025	71,195	$ 22.68	1.0	$ 2,384
Granted	221,959	24.27	1.0	—
Vested	(158,548)	25.12		
Forfeited	—	—		
Unvested at December 31, 2025	134,606	22.43	1.8	4,064

There were 444,718 options and 221,959 RSUs granted during 2025. The weighted average grant-date fair value of options and RSUs granted during 2025 was $14.10 per share and $24.27 per share, respectively.

As of December 31, 2025, there was $15.0 million of total unrecognized compensation cost related to unvested RSUs and time-based options granted under the 2013 Plan and 2019 Plan, which is expected to be recognized over a weighted average service period of 3.5 years.

2023 Performance Option Awards

On September 15, 2023, the Company granted an aggregate of 1,701,479 performance-based options to certain members of management with an exercise price of $13.05 and a grant-date fair value of $6.79. In addition, on November 3, 2023, the Company granted 49,971 performance-based options to a member of management with an exercise price of $13.35 and a grant-date fair value of $6.94. Collectively, we refer to these option awards as the 2023 Performance Option Awards. The 2023 Performance Option Awards are subject to multiple vesting tranches that vest upon achievement of certain predefined financial milestones. As of December 31, 2025, we had $1.3 million of total unrecognized stock-based compensation expense for the financial milestones that were considered probable of achievement, which will be recognized over a weighted-average period of 1.3 years. As of December 31, 2025, we had unrecognized stock-based compensation expense of $7.9 million for the operational milestones that were considered not probable of achievement. During 2025 and 2024, we recorded stock-based compensation expense of $2.0 million and $0.1 million, respectively, related to the 2023 Performance Option Awards.

Equity‑based compensation cost that has been included in general and administrative expense in the accompanying consolidated statements of income amounted to $10.6 million, $10.0 million, and $5.8 million for the years ended December 31, 2025, 2024 and 2023, respectively. An excess income tax benefit of $0.3 million, $1.8 million and $0.1 million was recognized in the consolidated statements of income for equity‑based compensation arrangements for the years ended December 31, 2025, 2024 and 2023, respectively.

Note 10. Earnings per Share

Basic and diluted earnings per share is presented in conformity with the two-class method required for multiple classes of common stock. The rights of the holders of Class A and Class B common stock are identical, except for voting and conversion rights. Each share of Class A common stock is entitled to one vote per share. Each share of Class B common stock is entitled to ten votes per share and is convertible at any time into one share of Class A common stock.

Basic earnings per share is computed by dividing the net income attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period.

Diluted earnings per share represents net income attributable to common stockholders divided by the weighted-average number of shares of common stock outstanding, inclusive of the effect of dilutive stock options and RSUs. The undistributed earnings are allocated based on the participation rights of shares of Class A and Class B common stock as if the earnings for the year have been distributed. As the liquidation and dividend rights are identical for both classes, the undistributed earnings are allocated on a proportionate basis.

The calculation of diluted earnings per share for Class A common stock assumes the conversion of Class B common stock, while diluted earnings per share of Class B common stock does not assume the conversion of Class A common stock as Class A common stock is not convertible into Class B common stock. Similarly, outstanding options to purchase Class B common stock and RSUs that are dilutive are included in the calculation of diluted earnings for both Class A and Class B common stock.

In August 2023, our board of directors authorized a stock repurchase program of up to $100 million of our outstanding Class A common stock. Repurchases during any given fiscal period under the repurchase program reduce the weighted-average number of shares of common stock outstanding for the period.

The following table presents the calculation of basic and diluted earnings per share:

	Year Ended December 31,					
	2025		2024		2023	
	Class A	Class B	Class A	Class B	Class A	Class B
Numerator						
Net income	$ 34,612	$ 26,534	$ 26,414	$ 22,357	$ 15,572	$ 12,575
Net loss attributable to non-controlling interest	319	244	426	360	—	—
Net income attributable to common stockholders - basic	34,931	26,778	26,840	22,717	15,572	12,575
Reallocation of undistributed earnings as a result of conversion of Class B to Class A shares	26,778	—	22,717	—	12,575	—
Reallocation of undistributed earnings to Class B shares	—	384	—	311	—	132
Net income attributable to common stockholders - diluted	$ 61,709	$ 27,162	$ 49,557	$ 23,028	$ 28,147	$ 12,707
Denominator						
Weighted average shares used to compute earnings per share — basic	40,358	30,939	38,370	32,476	40,364	32,597
Conversion of Class B to Class A common shares outstanding	30,939	—	32,476	—	32,597	—
Effect of dilutive stock options and RSUs	790	790	831	831	622	622
Weighted average number of shares used to compute earnings per share — diluted	72,087	31,729	71,677	33,307	73,583	33,219
Earnings per share:						
Basic	$ 0.87	$ 0.87	$ 0.70	$ 0.70	$ 0.39	$ 0.39
Diluted	$ 0.86	$ 0.86	$ 0.69	$ 0.69	$ 0.38	$ 0.38

The following have been excluded from the computation of basic and diluted earnings per share as their effect would have been anti-dilutive (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Stock options to purchase Class A and Class B common stock, and RSUs	1,197	1,265	1,365

Note 11. Stock Repurchase Program

In August 2023, our board of directors authorized a stock repurchase program of up to $100 million of our outstanding Class A common stock. The timing and amount of any stock repurchases is determined based on market conditions, stock price and other factors, and the program does not require us to repurchase any specific number of shares of Class A common stock. The program has no expiration date but it may be modified, suspended or terminated at any time. The stock repurchase program is funded from available cash and cash equivalents. All repurchased shares under the share repurchase program will be retired. During 2025, we repurchased and retired 107,195 shares of Class A common stock for a total cost of $2.0 million, exclusive of broker fees and excise tax, at an average price of $18.86 per share. During 2024, we repurchased and retired 767,198 shares of Class A common stock for a total cost of $11.8 million, exclusive of broker fees and excise tax, at an average price of $15.35 per share. Broker fees and excise taxes incurred on share repurchases represent direct costs of the repurchase and are recorded as part of the cost basis.

Note 12. Segment Information

We have two reportable segments, REVOLVE and FWRD, each offering apparel, shoes, accessories and beauty products available for sale to customers through their respective websites. Our reportable segments have been identified based on how our chief operating decision makers manage our business, make operating decisions, and evaluate operating performance. Our chief operating decision makers are our co-chief executive officers. We evaluate the performance of our reportable segments based on net sales and gross profit. Management does not evaluate the performance of our reportable segments using asset measures. During the years ended December 31, 2025, 2024 and 2023, no customer represented over 10% of net sales.

The following tables summarize our net sales, cost of sales and gross profit for each of our reportable segments (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Net sales			
REVOLVE	$ 1,054,042	$ 970,517	$ 904,525
FWRD	171,640	159,394	164,194
Total	$ 1,225,682	$ 1,129,911	$ 1,068,719
Cost of sales			
REVOLVE	$ 471,547	$ 435,918	$ 412,708
FWRD	98,351	100,720	101,812
Total	$ 569,898	$ 536,638	$ 514,520
Gross profit			
REVOLVE	$ 582,495	$ 534,599	$ 491,817
FWRD	73,289	58,674	62,382
Total	$ 655,784	$ 593,273	$ 554,199

All of our long-lived assets and goodwill are located in the United States as of the years ended December 31, 2025, 2024 and 2023. The following table lists net sales by geographic area (in thousands):

	Year Ended December 31,		
	2025	2024	2023
United States	$ 972,419	$ 903,484	$ 870,405
Rest of the world (1)	253,263	226,427	198,314
Total net sales	$ 1,225,682	$ 1,129,911	$ 1,068,719

(1) No individual country exceeded 10% of total net sales for any period presented.

The following tables summarize net sales and percentage of net sales by product category for the years ended December 31, 2025, 2024 and 2023 (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Net Sales			
Fashion Apparel	$ 555,867	$ 499,089	$ 469,718
Dresses	344,475	331,414	315,237
Handbags, Shoes and Accessories	248,428	237,947	235,085
Beauty	58,784	48,989	41,612
Other [(1)]	18,128	12,472	7,067
Total net sales	$ 1,225,682	$ 1,129,911	$ 1,068,719
As a percentage of net sales			
Fashion Apparel	45%	45%	44%
Dresses	28%	29%	29%
Handbags, Shoes and Accessories	20%	21%	22%
Beauty	5%	4%	4%
Other [(1)]	2%	1%	1%
Total net sales	100%	100%	100%

(1) Includes deferred revenue, shipping revenue, rental product revenue and other revenue.

Note 13. Detail of Certain Balance Sheet Accounts

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of the following (in thousands):

	December 31,	
	2025	2024
Expected merchandise returns, net	$ 30,515	$ 28,663
Advanced payments on inventory to be delivered from vendors	18,236	10,557
Prepaid marketing	5,912	5,118
Other	19,043	19,373
Total prepaid expenses and other current assets	$ 73,706	$ 63,711

Accrued Expenses

Accrued expenses consist of the following (in thousands):

	December 31,	
	2025	2024
Marketing	$ 17,928	$ 15,342
Consumption taxes	7,879	7,108
Salaries and related benefits	5,433	3,779
Selling and distribution	5,383	4,761
Other	7,674	7,534
Total accrued expenses	$ 44,297	$ 38,524

Other Current Liabilities

Other current liabilities consist of the following (in thousands):

	December 31,	
	2025	2024
Store credit	$ 23,433	$ 18,570
Loyalty Club liability	7,620	6,463
Gift cards	5,651	5,130
Other	4,259	3,581
Total other current liabilities	$ 40,963	$ 33,744

Item 9. ***CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE***

None.

Item 9A. ***CONTROLS AND PROCEDURES***

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of the end of the period covered by this report. Based on that evaluation, our co-chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective as of December 31, 2025.

Management's Report on Internal Control over Financial Reporting

Our management, including our principal executive officer and principal financial officer, is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act. Our internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Under the supervision and with the participation of our management, including our co-chief executive officer and chief financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2025, based on the framework in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that evaluation, our co-chief executive officer and chief financial officer concluded that our internal control over financial reporting was effective as of December 31, 2025.

Our independent registered public accounting firm, KPMG LLP, has audited the effectiveness of our internal control over financial reporting as of December 31, 2025, as stated in their report which is included herein.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting during the three months ended December 31, 2025, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitation on Effectiveness of Internal Control

The effectiveness of any system of internal control over financial reporting, including ours, is subject to inherent limitations, including the exercise of judgment in designing, implementing, operating and evaluating the controls and procedures and the inability to eliminate misconduct completely. Accordingly, any system of internal control over financial reporting, including ours, no matter how well designed and operated, can only provide reasonable, not absolute assurances. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate. We intend to continue to monitor and upgrade our internal controls as necessary or appropriate for our business, but cannot assure you that such improvements will be sufficient to provide us with effective internal control over financial reporting.

Item 9B. *OTHER INFORMATION*

Securities Trading Plans of Directors and Executive Officers

During our last fiscal quarter, no director or officer, as defined in Rule 16a-1(f), adopted or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement,” each as defined in Regulation S-K Item 408.

Item 9C. *DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS*

Not applicable.

PART III

Item 10. ***DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE***

The information required under this Item is incorporated herein by reference to the information set forth in our Proxy Statement for the 2026 Annual Meeting of Stockholders, or the Proxy Statement.

Item 11. ***EXECUTIVE COMPENSATION***

The information required under this Item is incorporated herein by reference to the information set forth in the Proxy Statement.

Item 12. ***SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS***

The information required under this Item is incorporated herein by reference to the information set forth in the Proxy Statement.

Item 13. ***CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE***

The information required under this Item is incorporated herein by reference to the information set forth in the Proxy Statement.

Item 14. ***PRINCIPAL ACCOUNTANT FEES AND SERVICES***

The information required under this Item is incorporated herein by reference to the information set forth in the Proxy Statement.

PART IV

Item 15. ***EXHIBITS AND FINANCIAL STATEMENT SCHEDULES***

The following documents are filed as part of this report or incorporated herein by reference:

(a) *Financial Statements.* Our Consolidated Financial Statements listed in the “Index to Consolidated Financial Statements” under Part II, Item 8 of this report.

(b) *Financial Statement Schedules*. Schedules are omitted because the required information is inapplicable or immaterial, or the information is presented in the consolidated financial statements or related notes.

(c) *Exhibits.* The exhibits listed in the Exhibit Index immediately below are filed as part of this report or are incorporated by reference herein.

EXHIBIT INDEX

Exhibit Number	Description	Form	File No.	Exhibit No.	Filing Date	Filed/ Furnished Herewith
3.1	Certificate of Incorporation of Revolve Group, Inc.	10-Q	001-38927	3.1	August 12, 2019	
3.2	Certificate of Amendment to Certificate of Incorporation of Revolve Group, Inc., as filed with the Secretary of State of the State of Delaware on June 7, 2024	8-K	001-38927	3.1	June 10, 2024	
3.3	Amended and Restated Bylaws of Revolve Group, Inc.	8-K	001-38927	3.1	October 27, 2022	
4.1	Specimen Common Stock Certificate of the registrant	S-1/A	333-227614	4.1	November 21, 2018	
4.2	Description of Securities	10-K	001-38927	4.2	February 23, 2023	
10.1+	Form of Director and Executive Officer Indemnification Agreement	S-1/A	333-227614	10.1	October 9, 2018	
10.2+	Form of Registration Rights Agreement	S-1/A	333-227614	10.2	October 9, 2018	
10.3+	Advance Holdings, LLC 2013 Equity Incentive Plan	S-1/A	333-227614	10.3	October 9, 2018	
10.4+	Form of Option Agreement under the 2013 Advance Holdings, LLC Equity Incentive Plan	S-1/A	333-227614	10.4	October 9, 2018	
10.5+	2019 Equity Incentive Plan	S-1/A	333-227614	10.5	March 14, 2019	
10.6+	Form of Notice of Stock Option Grant and Stock Option Agreement under the 2019 Equity Incentive Plan	S-1/A	333-227614	10.6	March 14, 2019	
10.7+	Form of Notice of Restricted Stock Unit Grant and Restricted Stock Unit Agreement under the 2019 Equity Incentive Plan	S-1/A	333-227614	10.7	March 14, 2019	
10.8+	2019 Employee Stock Purchase Plan	S-1/A	333-227614	10.8	March 14, 2019	
10.9+	Revolve Group, Inc. Executive Incentive Compensation Plan	S-1/A	333-227614	10.9	October 9, 2018	
10.10+	Outside Director Compensation Policy	S-1/A	333-227614	10.16	October 9, 2018	
10.11	Amended and Restated Credit Agreement, dated as of March 23, 2021, by and among Alliance Apparel Group, Inc., Eminent, Inc., Advance Development, Inc, Revolve Group, Inc., Twist Holdings, LLC, the other guarantors from time to time party thereto, the lenders from time to time party thereto and Bank of America, N.A., as administrative agent and collateral agent for the lenders.	8-K	001-38927	10.1	March 26, 2021	
10.12+	Executive Employment Agreement between Eminent, Inc. and Michael Karanikolas	S-1/A	333-227614	10.12	October 9, 2018	
10.13+	Executive Employment Agreement between Eminent, Inc. and Michael Mente	S-1/A	333-227614	10.13	October 9, 2018	
10.14+	Executive Employment Agreement between Eminent, Inc. and Jesse Timmermans	S-1/A	333-227614	10.14	October 9, 2018	
10.15	LIBOR Transition Amendment, dated as of May 11, 2023, to Amended and Restated Credit Agreement, dated as of March 23, 2021, by and among Alliance Apparel Group, Inc., Eminent, Inc., Advance Development, Inc, Revolve Group, Inc., Twist Holdings, LLC, the other guarantors from time to time party thereto, the lenders from time to time	10-Q	001-38927	10.1	August 2, 2023	

	party thereto and Bank of America, N.A., as administrative agent and collateral agent for the lenders					
10.16	First Amendment to Amended and Restated Credit Agreement, dated as of February 2, 2026, by and among Alliance Apparel Group, Inc., Eminent, Inc., Advance Development, Inc, Revolve Group, Inc., Twist Holdings, LLC, FWRD, LLC, the lenders party thereto and Bank of America, N.A., as administrative agent and collateral agent for the lenders	8-K	001-38927	10.1	February 2, 2026	
19.1	Insider Trading Policy	10-K	001-38927	10.1	February 25, 2025	
21.1	Subsidiaries of the Registrant					X
23.1	Consent of KPMG LLP, Independent Registered Public Accounting Firm					X
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-15(d) and 15d-15(e) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
32.1*	Certifications of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
97.1	Compensation Recovery Policy	10-K	001-38927	97.1	February 27, 2024	
101.INS	Inline XBRL Instance Document					X
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents					X
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)					X

+ Indicates a management contract or compensatory plan.

* The certifications attached as Exhibit 32.1 accompanying this report are deemed furnished and not filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of Revolve Group, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this report, irrespective of any general incorporation language contained in such filing.

Item 16. ***FORM 10-K SUMMARY***

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

REVOLVE GROUP, INC.

By: /s/ JESSE TIMMERMANS
Jesse Timmermans
Chief Financial Officer

Dated: February 25, 2026

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Michael Karanikolas, Michael Mente and Jesse Timmermans, and each of them, with full power of substitution and resubstitution and full power to act without the other, as his or her true and lawful attorney-in-fact and agent to act in his or her name, place and stead and to execute in the name and on behalf of each person, individually and in each capacity stated below, and to file, any and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing, ratifying and confirming all that said attorneys-in-fact and agents or any of them or their and his or her substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

Signature	Title	Date
/s/ Michael Karanikolas Michael Karanikolas	Co-Chief Executive Officer and Director (Principal Executive Officer)	February 25, 2026
/s/ Michael Mente Michael Mente	Co-Chief Executive Officer and Director	February 25, 2026
/s/ Jesse Timmermans Jesse Timmermans	Chief Financial Officer (Principal Financial and Accounting Officer)	February 25, 2026
/s/ Melanie Cox Melanie Cox	Director	February 25, 2026
/s/ Jennifer Baxter Moser Jennifer Baxter Moser	Director	February 25, 2026
/s/ Oana Ruxandra Oana Ruxandra	Director	February 25, 2026

BOARD OF DIRECTORS

BOARD OF DIRECTORS
(1) Member – Nominating and Corporate Governance Committee
(2) Member – Compensation Committee
(3) Member – Audit Committee
(4) Lead Independent Director

MIKE KARANIKOLAS (1)

CO-FOUNDER, CO-CHIEF EXECUTIVE OFFICER AND CHAIRMAN OF THE BOARD

MICHAEL MENTE (1)

CO-FOUNDER AND CO-CHIEF EXECUTIVE OFFICER

MELANIE COX (2) (3) (4)

BOARD DIRECTOR

OANA RUXANDRA (2) (3)

BOARD DIRECTOR

ERINN MURPHY (2) (3)

BOARD DIRECTOR

EXECUTIVE TEAM

MIKE KARANIKOLAS
CO-CEO AND CO-FOUNDER

JESSE TIMMERMANS
CHIEF FINANCIAL OFFICER

DIVYA MATHUR
CHIEF MERCHANDISING OFFICER AND FASHION DIRECTOR

RAY LINGAO
CHIEF PLANNING OFFICER

DANIEL WU
CHIEF BUSINESS INTELLIGENCE OFFICER

GRACE HONG
CHIEF PRODUCT DEVELOPMENT OFFICER

MITCH MOSELEY
PRESIDENT, OWNED BRANDS

KAI LI
SVP OF INTERNATIONAL

HEATHER BURKE
SVP OF LOGISTICS AND CUSTOMER SERVICE

MICHAEL MENTE
CO-CEO AND CO-FOUNDER

RAISSA GERONA
CHIEF BRAND OFFICER

SARA SARIC
CHIEF CREATIVE OFFICER

CARLOS CAMPOS
CHIEF ARCHITECT

APRIL KOZA
CHIEF MERCHANDISING OFFICER, FWRD AND RETAIL

CANDACE LEE
CHIEF PRODUCT OFFICER

JODI LUMSDAINE CHAPIN
GENERAL COUNSEL AND CORPORATE SECRETARY

SAPAN VORA
SVP OF ENGINEERING

ERIK RANDERSON
SVP OF INVESTOR RELATIONS


REVOLVE
BYREDO
GYPSY WATER