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The RealReal, despite Q3 earnings setback, forecasts strong demand across pre-owned luxury lines

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The RealReal is the leading luxury resale platform in the United States. Image credit: The RealReal

By LUXURY DAILY NEWS SERVICE

The **RealReal**, the largest online luxury resale platform in the United States saw a drop in revenue from second quarter to third.

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The San Francisco-based company's third-quarter total revenue was \$143 million, versus \$154 million in the second quarter. That said, the company did see growth in the same period.

"During the third quarter, both GMV [gross merchandise value] and total revenue grew 20 percent year-over-year," said Robert Julian, co-interim CEO and chief financial officer of The RealReal, San Francisco, in a statement.

"We continued to see strong demand in our business in the third quarter, especially for ready-to-wear, handbags, men's, and branded fine jewelry," he said.

"We also saw strong trends in new buyers and new members. We continue to project that we are on track to achieve Adjusted EBITDA profitability on a full-year basis in 2024 and our Vision 2025 adjusted EBITDA target, assuming top-line growth, variable cost productivity and fixed cost leverage."

Getting real

The RealReal posted topline growth and sustained delivery of operating expense leverage.

Other highlights in the third-quarter earnings report include a 20 percent increase in gross merchandise value from the same period in 2021, and a net loss of \$47 million, down from \$57 million during the same time last year.

Regardless of the setback this year, executives at **The RealReal** look forward with confidence and a plan of action.

Rati Sahi Levesque, co-interim CEO and president of The RealReal, said in a statement that the company will focus on four initiatives as part of its forward-thinking strategy. This includes continuing to optimize pricing, being more aggressive about costs, capitalizing on new revenue streams and overhauling commission structures with

consignors.

"As we continue to focus on profitable growth, our objective is to accelerate our timeline to profitability and demonstrate the efficacy of our business model," Mr. Levesque said.

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