

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 5, 2024

THREDUP

ThredUp Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

001-40249

(Commission File Number)

26-4009181

(IRS Employer Identification No.)

969 Broadway, Suite 200
Oakland, California

(Address of principal executive offices)

94607

(Zip Code)

(415) 402-5202

(Registrant's telephone number, including area code)

Not applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.0001 per share	TDUP	The Nasdaq Stock Market LLC Long-Term Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition

On August 5, 2024, ThredUp Inc. (the “Company”) issued a press release announcing its financial results for the quarter ended June 30, 2024. A copy of the press release is attached hereto as Exhibit 99.1. In addition, a copy of the supplemental financial information is attached hereto as Exhibit 99.2. The press release and supplemental financial information are incorporated herein by reference.

The information in this Current Report on Form 8-K and the exhibits attached hereto is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

Exhibit Number	Description
99.1	Press Release dated August 5, 2024
99.2	Supplemental Financial Information dated August 5, 2024
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

THREDUP INC.

By: /s/ SEAN SOBERS
Sean Sobers
Chief Financial Officer
(Principal Financial and Accounting Officer)

Date: August 5, 2024

THREDUP

ThredUp Announces Second Quarter 2024 Results

- Second quarter revenue of \$79.8 million, representing a decrease of 4% year-over-year.
- Second quarter gross margin of 70.4% and an increase in gross profit of 1% year-over-year.
- Active Buyers of 1.7 million and Orders of 1.7 million in Q2 2024, representing a decrease of 3% and a decrease of 6%, respectively, year-over-year.
- Evaluating strategic alternatives for its European business; providing Q3, Q4, and updated FY 2024 guidance for both consolidated and U.S. only operations.

Oakland, CA — August 5, 2024 — ThredUp Inc. (Nasdaq: TDUP, LTSE: TDUP), one of the largest online resale platforms for apparel, shoes, and accessories, announced today its financial results for the second quarter ended June 30, 2024 and updated full year 2024 financial outlook.

“While this quarter presented challenges in both the U.S. and Europe, we have emerged with a renewed focus,” said ThredUp CEO and co-founder James Reinhart. “Looking ahead, we are intent on enhancing our product experience through gen-AI, improving our unit economics and driving process improvements throughout our operations. As we become a US only business again, we expect to grow faster, with structurally higher gross margins, positive adjusted EBITDA, and free cash flow.”

Second Quarter 2024 Financial Highlights

- **Revenue:** Total revenue of \$79.8 million, a decrease of 4% year-over-year.
 - U.S. revenue of \$66.7 million, flat year-over-year.
 - Europe revenue of \$13.0 million, a decrease of 18% year-over-year.
- **Gross Profit and Gross Margin:** Gross profit totaled \$56.1 million, an increase of 1% year-over-year. Gross margin was 70.4% as compared to 67.4% for the second quarter 2023.
 - U.S. gross profit of \$52.6 million, an increase of 3% year-over-year. Gross margin was 78.8% as compared to 76.4% for the second quarter 2023.
 - Europe gross profit of \$3.6 million, a decrease of 25% year-over-year. Gross margin was 27.3% as compared to 29.8% for the second quarter 2023.
- **Net Loss:** Net loss was \$14.0 million, or a negative 17.5% of revenue, for the second quarter 2024, compared to a net loss of \$18.8 million, or a negative 22.7% of revenue, for the second quarter 2023.

- **Adjusted EBITDA Loss and Adjusted EBITDA Loss Margin¹:** Adjusted EBITDA loss was \$1.5 million, or a negative 1.9% of revenue, for the second quarter 2024, compared to an Adjusted EBITDA loss of \$5.0 million, or a negative 6.1% of revenue, for the second quarter 2023.
- **Active Buyers and Orders:** Active Buyers of 1.666 million and Orders of 1.686 million, representing a decrease of 3% and a decrease of 6%, respectively, over the second quarter 2023.

Recent Business Highlights

- **Evaluating Strategic Alternatives for its European Business:** Following a review of its European operations, ThredUp intends to exit the European market and is evaluating strategic alternatives for its Remix business. In 2023, Remix generated net revenue of \$63.5 million and gross margin of 24.2%.
- **Launched AI-powered Search Features:** ThredUp launched a new suite of AI-enabled search features to personalize the shopping experience, including improved search, image search, and style chat. These features are designed to enable ThredUp customers to easily discover and shop the company inventory of over 4 million single-SKU items. These algorithms continuously learn and improve, providing customers with relevant and personalized results.
- **Published Third Annual Impact Report:** ThredUp released its third annual Impact Report in August 2024. Through transparent reporting and disclosures, the report provides a comprehensive view of ThredUp's environmental, social, and governance (ESG) profile, outlining the company's business and brand-aligned ESG strategy and detailing the progress the company made across ESG initiatives in 2023. Read the report here <https://ir.thredup.com/impact-at-thredUp>.

Financial Outlook

For the third quarter 2024, ThredUp expects:

- Consolidated Revenue in the range of \$69 million to \$71 million.
 - U.S. Revenue in the range of \$59 million to \$61 million.
- Consolidated Gross margin in the range of 69.8% to 71.8%.
 - U.S. Gross margin in the range of 77.5% to 79.5%.
- Consolidated Adjusted EBITDA margin in the range of (6.0)% to (4.0)%.
 - U.S. Adjusted EBITDA margin in the range of (1.0)% to 1.0%.

For the fourth quarter 2024, ThredUp expects:

- Consolidated Revenue in the range of \$70 million to \$72 million.
 - U.S. Revenue in the range of \$57 million to \$59 million.
- Consolidated Gross margin in the range of 68.8% to 70.8%.

¹ Adjusted EBITDA loss and Adjusted EBITDA loss margin are non-GAAP measures. See "Reconciliation of GAAP to Non-GAAP Financial Measures" for a detailed reconciliation of Adjusted EBITDA loss and Adjusted EBITDA loss margin to the most directly comparable GAAP measures and "Non-GAAP Financial Measures" for a discussion of why we believe these non-GAAP measures are useful.

- U.S. Gross margin in the range of 77.5% to 79.5%.
- Consolidated Adjusted EBITDA margin in the range of (4.5)% to (2.5)%.
- U.S. Adjusted EBITDA margin in the range of 0.0% to 2.0%.

For the full fiscal year 2024, ThredUp expects:

- Consolidated Revenue in the range of \$298 million to \$302 million.
 - U.S. Revenue in the range of \$247 million to \$251 million.
- Consolidated Gross margin in the range of 69.6% to 70.6%.
 - U.S. Gross margin in the range of 78.5% to 79.5%.
- Consolidated Adjusted EBITDA margin in the range of (3.3)% to (2.3)%.
- U.S. Adjusted EBITDA margin in the range of 1.0% to 2.0%.

ThredUp is not providing a quantitative reconciliation of forward-looking guidance of the Non-GAAP measure Adjusted EBITDA loss to net loss because certain items are out of ThredUp's control or cannot be reasonably predicted. Historically, these items have included, but are not limited to, stock-based compensation expense, depreciation and amortization, severance and other reorganization costs, interest expense, provision (benefit) for income taxes, acquisition and offering-related expenses, and impairment of non-marketable equity investment. Accordingly, a reconciliation for Adjusted EBITDA loss in order to calculate forward-looking Adjusted EBITDA loss margin is not available without unreasonable effort. However, for the third and the fourth quarters of 2024 and full year 2024, depreciation and amortization is expected to be \$4.8 million, \$4.8 million and \$19.4 million, respectively. In addition, for the third and the fourth quarters of 2024 and full year 2024, stock-based compensation expense is expected to be \$6.9 million, \$6.8 million and \$28.0 million, respectively. These items are uncertain, depend on various factors, and could result in projected net loss being materially less than is indicated by the currently estimated Adjusted EBITDA loss margin.

ThredUp is not providing a quantitative reconciliation for free cash flow estimates on a forward-looking basis because it is unable, without making unreasonable efforts, to provide a meaningful or reasonably accurate calculation or estimation of net cash provided by (used in) operating activities and certain reconciling items on a forward-looking basis, which could be significant to the Company's results.

Conference Call and Webcast Information

- The live and archived webcast and all related earnings materials will be available at ThredUp's investor relations website: ir.thredup.com/news-events/events-and-presentations.

ThredUp Inc.
Condensed Consolidated Balance Sheets
(unaudited)

	June 30, 2024	December 31, 2023
<i>(in thousands)</i>		
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 44,755	\$ 56,084
Marketable securities	10,525	8,100
Accounts receivable, net	5,888	7,813
Inventory	10,313	15,687
Other current assets	6,698	6,204
Total current assets	78,179	93,888
Operating lease right-of-use assets	45,624	42,118
Property and equipment, net	82,839	87,672
Goodwill	11,608	11,957
Intangible assets	6,628	8,156
Other assets	6,333	6,176
Total assets	<u>\$ 231,211</u>	<u>\$ 249,967</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 10,897	\$ 9,457
Accrued and other current liabilities	34,210	35,934
Seller payable	19,182	21,495
Operating lease liabilities, current	5,513	5,949
Current portion of long-term debt	3,847	3,838
Total current liabilities	73,649	76,673
Operating lease liabilities, non-current	48,068	44,621
Long-term debt, net of current portion	20,080	22,006
Other non-current liabilities	2,925	2,750
Total liabilities	144,722	146,050
Commitments and contingencies		
Stockholders' equity:		
Class A and B common stock, \$0.0001 par value; 1,120,000 shares authorized as of June 30, 2024 and December 31, 2023; 112,386 and 108,784 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively	11	11
Additional paid-in capital	599,333	585,156
Accumulated other comprehensive loss	(3,472)	(2,375)
Accumulated deficit	(509,383)	(478,875)
Total stockholders' equity	86,489	103,917
Total liabilities and stockholders' equity	<u>\$ 231,211</u>	<u>\$ 249,967</u>

ThredUp Inc.
Condensed Consolidated Statements of Operations
(unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	<i>(in thousands, except per share amounts)</i>			
Revenue:				
Consignment	\$ 63,855	\$ 53,415	\$ 125,080	\$ 99,894
Product	15,900	29,243	34,263	58,686
Total revenue	79,755	82,658	159,343	158,580
Cost of revenue:				
Consignment	12,266	9,580	22,768	18,800
Product	11,369	17,346	25,129	32,955
Total cost of revenue	23,635	26,926	47,897	51,755
Gross profit	56,120	55,732	111,446	106,825
Operating expenses:				
Operations, product, and technology	38,921	39,771	79,972	78,118
Marketing	16,053	18,643	29,466	35,513
Sales, general, and administrative	15,440	16,030	33,013	32,089
Total operating expenses	70,414	74,444	142,451	145,720
Operating loss	(14,294)	(18,712)	(31,005)	(38,895)
Interest expense	(652)	(721)	(1,329)	(798)
Other income, net	998	685	1,843	1,161
Loss before provision for income taxes	(13,948)	(18,748)	(30,491)	(38,532)
Provision for income taxes	6	12	17	21
Net loss	\$ (13,954)	\$ (18,760)	\$ (30,508)	\$ (38,553)
Loss per share, basic and diluted	\$ (0.13)	\$ (0.18)	\$ (0.28)	\$ (0.37)
Weighted-average shares used in computing loss per share, basic and diluted	110,997	103,905	110,145	102,911

ThredUp Inc.
Condensed Consolidated Statements of Comprehensive Loss
(unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	<i>(in thousands)</i>			
Net loss	\$ (13,954)	\$ (18,760)	\$ (30,508)	\$ (38,553)
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	(231)	(236)	(1,095)	308
Unrealized gain (loss) on available-for-sale securities	4	303	(2)	913
Total other comprehensive income (loss)	(227)	67	(1,097)	1,221
Total comprehensive loss	<u>\$ (14,181)</u>	<u>\$ (18,693)</u>	<u>\$ (31,605)</u>	<u>\$ (37,332)</u>

ThredUp Inc.
Condensed Consolidated Statements of Cash Flows
(unaudited)

	Six Months Ended	
	June 30, 2024	June 30, 2023
<i>(in thousands)</i>		
Cash flows from operating activities:		
Net loss	\$ (30,508)	\$ (38,553)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	9,798	8,517
Stock-based compensation expense	14,220	17,019
Reduction in carrying amount of right-of-use assets	3,093	3,177
Other	(691)	291
Changes in operating assets and liabilities:		
Accounts receivable, net	1,842	916
Inventory	5,029	(2,670)
Other current and non-current assets	(10)	(699)
Accounts payable	1,105	177
Accrued and other current liabilities	(1,635)	(1,750)
Seller payable	(2,293)	3,301
Operating lease liabilities	(3,585)	(4,240)
Other non-current liabilities	56	(325)
Net cash used in operating activities	(3,579)	(14,839)
Cash flows from investing activities:		
Purchases of marketable securities	(15,153)	(7,878)
Maturities of marketable securities	13,000	49,479
Purchases of property and equipment	(2,790)	(12,292)
Net cash provided by (used in) investing activities	(4,943)	29,309
Cash flows from financing activities:		
Repayment of debt	(2,000)	(2,000)
Proceeds from issuance of stock-based awards	1,788	2,136
Payments of withholding taxes on stock-based awards	(2,450)	(1,885)
Net cash used in financing activities	(2,662)	(1,749)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(160)	324
Net change in cash, cash equivalents, and restricted cash	(11,344)	13,045
Cash, cash equivalents, and restricted cash, beginning of period	61,469	44,051
Cash, cash equivalents, and restricted cash, end of period	\$ 50,125	\$ 57,096

ThredUp Inc.
Reconciliation of GAAP to Non-GAAP Financial Measures
(unaudited)

Adjusted EBITDA Reconciliation

	Three Months Ended		Six Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	<i>(in thousands)</i>			
Net loss	\$ (13,954)	\$ (18,760)	\$ (30,508)	\$ (38,553)
Stock-based compensation expense	7,009	7,628	14,220	17,019
Depreciation and amortization	4,865	4,836	9,798	8,517
Severance and other reorganization costs	(122)	551	2,864	551
Interest expense	652	721	1,329	798
Provision for income taxes	6	12	17	21
Non-GAAP Adjusted EBITDA loss	<u>\$ (1,544)</u>	<u>\$ (5,012)</u>	<u>\$ (2,280)</u>	<u>\$ (11,647)</u>
Total revenue	\$ 79,755	\$ 82,658	\$ 159,343	\$ 158,580
Non-GAAP Adjusted EBITDA loss margin	(1.9)%	(6.1)%	(1.4)%	(7.3)%

Free Cash Flow Reconciliation

	Six Months Ended	
	June 30, 2024	June 30, 2023
	<i>(in thousands)</i>	
Net cash used in operating activities	\$ (3,579)	\$ (14,839)
Less: Purchases of property and equipment	(2,790)	(12,292)
Non-GAAP free cash flow	<u>\$ (6,369)</u>	<u>\$ (27,131)</u>

Investors

ir@thredup.com

Media

media@thredup.com

About ThredUp

ThredUp is transforming resale with technology and a mission to inspire the world to think secondhand first. By making it easy to buy and sell secondhand, ThredUp has become one of the world's largest online resale platforms for apparel, shoes and accessories. Sellers enjoy ThredUp because we make it easy to clean out their closets and unlock value for themselves or for the charity of their choice while doing good for the planet. Buyers enjoy shopping value, premium and luxury brands all in one place, at up to 90% off estimated retail price. Our proprietary operating platform is the foundation for our managed marketplace and consists of distributed processing infrastructure, proprietary software and systems and data science expertise. With ThredUp's Resale-as-a-Service, some of the world's leading brands and retailers are leveraging our platform to deliver customizable, scalable resale experiences to their customers. ThredUp has processed over 200 million unique secondhand items from 60,000 brands across 100 categories. By extending the life cycle of clothing, ThredUp is changing the way consumers shop and ushering in a more sustainable future for the fashion industry.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the federal securities laws, which are statements that involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as "may," "will," "shall," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential", "looking ahead", "seeking" or "continue" or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. Forward-looking statements in this release include, but are not limited to, guidance on financial results for the third and the fourth quarters and full year of 2024; the Company's intention to exit the European market and to seek strategic alternatives for its European business; statements about future operating results, capital expenditures and other developments in our business, our long term growth and the focus of the Company's resources and attention in the United States; trends, consumer demand and growth in the global and U.S. online resale markets; the momentum of our business; our investments in technology and infrastructure, including with respect to AI technologies such as AI enabled search features; our ability to successfully integrate and realize the benefits of our past or future strategic acquisitions, investments or reorganization activities, including our intention to reshape ThredUp into an AI-powered resale company; the impact, including on an annualized basis, of our reduction in corporate expenses and headcount; the success and expansion of our RaaS[®] model and the timing and plans for future RaaS[®] clients; and our ability to attract new Active Buyers.

Forward-looking statements are neither historical facts nor assurances of future performance. Forward-looking statements involve substantial risks and uncertainties that may cause actual results to differ materially from those that we expect. These risks and uncertainties include, but are not limited to: our ability to exit our European business and identify and execute a strategic alternative for our European business; our ability to attract new users and convert users into buyers and Active Buyers; our ability to achieve profitability; the sufficiency of our cash, cash equivalents and capital resources to meet our liquidity needs; our ability to effectively manage or sustain our growth and to effectively expand our operations; our ability to continue to generate revenue from new RaaS® offerings as sources of revenue; risks from an intensely competitive market; our ability to effectively deploy new and evolving technologies, such as artificial intelligence and machine learning, in our offerings; risks arising from economic and industry trends, including the effects of foreign currency exchange rate fluctuations, inflationary pressures, increased interest rates, changing consumer habits, climate change and general global economic uncertainty; our ability to comply with applicable laws and regulations; and our ability to successfully integrate and realize the benefits of our past or future strategic acquisitions or investments. More information on these risks and other potential factors that could affect the Company's business, reputation, results of operations, financial condition, and stock price is included in the Company's filings with the Securities and Exchange Commission ("SEC"), including in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of the Company's most recently filed periodic reports on Form 10-K and Form 10-Q and subsequent filings. The forward-looking statements in this release are based on information available to us as of the date hereof, and we disclaim any obligation to update any forward-looking statements, except as required by law. These forward-looking statements should not be relied upon as representing ThredUp's views as of any date subsequent to the date of this press release.

Additional information regarding these and other factors that could affect ThredUp's results is included in ThredUp's SEC filings, which may be obtained by visiting our Investor Relations website at ir.thredup.com or the SEC's website at www.sec.gov.

Channels for Disclosure of Information

ThredUp intends to announce material information to the public through the ThredUp Investor Relations website ir.thredup.com, SEC filings, press releases, public conference calls, and public webcasts. ThredUp uses these channels, as well as social media, to communicate with its investors, customers, and the public about the company, its offerings, and other issues. It is possible that the information ThredUp posts on social media could be deemed to be material information. As such, ThredUp encourages investors, the media, and others to follow the channels listed above, including the social media channels listed on ThredUp's investor relations website, and to review the information disclosed through such channels.

Non-GAAP Financial Measures and Other Operating and Business Metrics

This press release and the accompanying tables contain non-GAAP financial measures, including: Adjusted EBITDA loss and Adjusted EBITDA loss margin, free cash flow and other operating and business metrics. In addition to our results determined in accordance with GAAP, we believe that these non-GAAP measures and other operating and business metrics, are useful in evaluating our operating performance and enhancing an overall understanding of our financial position. We use these measures and metrics to evaluate and assess our operating performance, and for internal planning and forecasting purposes. We believe that these non-GAAP measures, when taken collectively with our GAAP results, may be helpful to investors because they provide consistency and comparability with past financial performance and assist in comparisons with other companies, some of which use similar non-GAAP financial information to supplement their GAAP results. Our non-GAAP measures and other operating and business metrics are presented for supplemental informational purposes only, should not be considered a substitute for financial information presented in accordance with GAAP and may be different from similarly-titled non-GAAP measures and other operating and business metrics used by other companies.

We encourage investors to review our results determined in accordance with GAAP and the accompanying reconciliations for more information.

A reconciliation is provided above for Adjusted EBITDA loss to net loss, the most directly comparable financial measure stated in accordance with GAAP. We calculate Adjusted EBITDA loss as net loss adjusted to exclude, where applicable in a given period, stock-based compensation expense, depreciation and amortization, severance and other reorganization costs, interest expense, and provision for income taxes. Non-GAAP Adjusted EBITDA loss margin represents Non-GAAP Adjusted EBITDA loss divided by total revenue for the same period.

A reconciliation is provided above for free cash flow to cash flows from operations, the most directly comparable financial measure stated in accordance with GAAP. We calculate free cash flow as Net cash used in operating activities adjusted to exclude Purchases of property and equipment.

An Active Buyer is a ThredUp buyer who has made at least one purchase in the last twelve months. A ThredUp buyer is a customer who has created an account and purchased in our marketplaces, including through our RaaS® clients, and is identified by a unique email address. A single person could have multiple ThredUp accounts and count as multiple Active Buyers.

Orders are defined as the total number of orders placed by buyers across our marketplaces, including through our RaaS® clients, in a given period, net of cancellations.

THREDUP

ThredUp Inc. Second Quarter 2024 Supplemental Financials

Key Financial Metrics for the Quarter

- Revenue of \$79.8 million
 - vs. \$82.7 million in 2Q23
 - Decline of 3.5% YoY
- Gross profit of \$56.1 million
 - vs. \$55.7 million in 2Q23
 - Growth of 0.7% YoY
- Gross margin of 70.4%
 - vs. 67.4% in 2Q23
- GAAP net loss of \$14.0 million
 - vs. net loss of \$18.8 million in 2Q23
- Adjusted EBITDA loss of \$1.5 million
 - vs. loss of \$5.0 million in 2Q23
- Adjusted EBITDA loss margin of 1.9%
 - vs. loss margin of 6.1% in 2Q23
- Cash, cash equivalents, restricted cash and short-term marketable securities were \$60.7 million at the quarter end
- Total quarter Active Buyers of 1.666 million
 - vs. 1.710 million in 2Q23
 - A decrease of 2.6% YoY
- Total Orders of 1.686 million
 - vs. 1.789 million in 2Q23
 - A decrease of 5.8% YoY

Financial Outlook

For third quarter 2024, ThredUp expects:

- Consolidated Revenue in the range of \$69 million to \$71 million
 - U.S. Revenue in the range of \$59 million to \$61 million
- Consolidated Gross margin in the range of 69.8% to 71.8%
 - U.S. Gross margin in the range of 77.5% to 79.5%
- Consolidated Adjusted EBITDA margin in the range of (6.0)% to (4.0)%
 - U.S. Adjusted EBITDA margin in the range of (1.0)% to 1.0%
- Consolidated Depreciation and amortization of approximately \$4.8 million
- Consolidated Stock-based compensation of approximately \$6.9 million

- Weighted-average shares of approximately 113 million

For fourth quarter 2024, ThredUp expects:

- Consolidated Revenue in the range of \$70 million to \$72 million
 - U.S. Revenue in the range of \$57 million to \$59 million
- Consolidated Gross margin in the range of 68.8% to 70.8%
 - U.S. Gross margin in the range of 77.5% to 79.5%
- Consolidated Adjusted EBITDA margin in the range of (4.5)% to (2.5)%
 - U.S. Adjusted EBITDA margin in the range of 0.0% to 2.0%
- Consolidated Depreciation and amortization of approximately \$4.8 million
- Consolidated Stock-based compensation of approximately \$6.8 million
- Weighted-average shares of approximately 115 million

For fiscal year 2024, ThredUp expects:

- Consolidated Revenue in the range of \$298 million to \$302 million
 - U.S. Revenue in the range of \$247 million to \$251 million
- Consolidated Gross margin in the range of 69.6% to 70.6%
 - U.S. Gross margin in the range of 78.5% to 79.5%
- Consolidated Adjusted EBITDA margin in the range of (3.3)% to (2.3)%
 - U.S. Adjusted EBITDA margin in the range of 1.0% to 2.0%
- Depreciation and amortization of approximately \$19.4 million
- Stock-based compensation of approximately \$28.0 million
- Weighted-average shares of approximately 114 million

Conference Call and Webcast

- The live and archived webcast and all related earnings materials will be available at ThredUp's investor relations website: ir.thredup.com/news-events/events-and-presentations.

ThredUp Inc.								
Condensed Consolidated Statements of Operations								
(in thousands, except percentages, unaudited)								
Three Months Ended	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024
Revenue:								
Consignment	\$ 41,553	\$ 37,470	\$ 46,479	\$ 53,415	\$ 57,838	\$ 55,877	\$ 61,225	\$ 63,855
Product	26,392	33,848	29,443	29,243	24,211	25,516	18,363	15,900
Total revenue	67,945	71,318	75,922	82,658	82,049	81,393	79,588	79,755
Cost of revenue:								
Consignment	9,087	7,661	9,220	9,580	10,131	10,801	10,502	12,266
Product	14,362	18,691	15,609	17,346	15,291	20,239	13,760	11,369
Total cost of revenue	23,449	26,352	24,829	26,926	25,422	31,040	24,262	23,635
Gross profit	44,496	44,966	51,093	55,732	56,627	50,353	55,326	56,120
Gross margin % of revenue	65.5 %	63.1 %	67.3 %	67.4 %	69.0 %	61.9 %	69.5 %	70.4 %
Operating expenses:								
Operations, product and technology	38,702	33,818	38,347	39,771	40,355	38,239	41,051	38,921
Marketing	14,752	12,999	16,870	18,643	19,406	11,354	13,413	16,053
Sales, general and administrative	15,232	14,538	16,059	16,030	15,058	15,510	17,573	15,440
Total operating expenses	68,686	61,355	71,276	74,444	74,819	65,103	72,037	70,414
Operating expenses % of revenue	101.1 %	86.0 %	93.9 %	90.1 %	91.2 %	80.0 %	90.5 %	88.3 %
Operating loss	(24,190)	(16,389)	(20,183)	(18,712)	(18,192)	(14,750)	(16,711)	(14,294)
Operating loss % of revenue	(35.6)%	(23.0)%	(26.6)%	(22.6)%	(22.6)%	(18.1)%	(21.0)%	(17.9)%
Interest expense	(103)	(41)	(77)	(721)	(732)	(709)	(677)	(652)
Other income (expense), net	624	(3,065)	476	685	845	841	845	998
Loss before income taxes	(23,669)	(19,495)	(19,784)	(18,748)	(18,079)	(14,618)	(16,543)	(13,948)
Provision (benefit) for income taxes	9	4	9	12	3	(5)	11	6
Net loss	\$ (23,678)	\$ (19,499)	\$ (19,793)	\$ (18,760)	\$ (18,082)	\$ (14,613)	\$ (16,554)	\$ (13,954)
Net loss margin	(34.8)%	(27.3)%	(26.1)%	(22.7)%	(22.0)%	(18.0)%	(20.8)%	(17.5)%

ThredUp Inc.								
Reconciliation of Net Loss to Adjusted EBITDA								
(in thousands, except percentages, unaudited)								
Three Months Ended	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024
Net loss	\$ (23,678)	\$ (19,499)	\$ (19,793)	\$ (18,760)	\$ (18,082)	\$ (14,613)	\$ (16,554)	\$ (13,954)
Stock-based compensation expense	7,177	6,059	9,391	7,628	7,888	6,775	7,211	7,009
Depreciation and amortization	3,539	3,816	3,681	4,836	5,364	4,851	4,933	4,865
Severance and other reorganization costs	1,809	(14)	—	551	507	138	2,986	(122)
Interest expense	103	41	77	721	732	709	677	652
Provision (benefit) for income taxes	9	4	9	12	3	(5)	11	6
Impairment of non-marketable equity investment	—	3,750	—	—	—	—	—	—
Adjusted EBITDA loss	<u>\$ (11,041)</u>	<u>\$ (5,843)</u>	<u>\$ (6,635)</u>	<u>\$ (5,012)</u>	<u>\$ (3,588)</u>	<u>\$ (2,145)</u>	<u>\$ (736)</u>	<u>\$ (1,544)</u>
Adjusted EBITDA loss margin	(16.2)%	(8.2)%	(8.7)%	(6.1)%	(4.4)%	(2.6)%	(0.9)%	(1.9)%

ThredUp Inc.								
Reconciliation of GAAP Operating Expenses to Non-GAAP Operating Expenses (in thousands, except percentages, unaudited)								
Three Months Ended	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024
Operations, product, and technology	\$ 38,702	\$ 33,818	\$ 38,347	\$ 39,771	\$ 40,355	\$ 38,239	\$ 41,051	\$ 38,921
Marketing	14,752	12,999	16,870	18,643	19,406	11,354	13,413	16,053
Sales, general, and administrative	15,232	14,538	16,059	16,030	15,058	15,510	17,573	15,440
Total operating expenses	68,686	61,355	71,276	74,444	74,819	65,103	72,037	70,414
Less: Stock-based compensation expense	(7,177)	(6,059)	(9,391)	(7,628)	(7,888)	(6,775)	(7,211)	(7,009)
Less: Severance and other	(1,809)	14	—	(551)	(507)	(138)	(2,986)	122
Total non-GAAP operating expenses	\$ 59,700	\$ 55,310	\$ 61,885	\$ 66,265	\$ 66,424	\$ 58,190	\$ 61,840	\$ 63,527
Non-GAAP operating expenses % of revenue	87.9 %	77.6 %	81.5 %	80.2 %	81.0 %	71.5 %	77.7 %	79.7 %

ThredUp Inc.								
Stock-Based Compensation Expense Details (in thousands, unaudited)								
Three Months Ended	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024
Operations, product, and technology	\$ 2,480	\$ 2,193	\$ 3,671	\$ 2,913	\$ 2,858	\$ 2,625	\$ 2,571	\$ 2,867
Marketing	818	767	1,205	923	1,264	392	202	161
Sales, general, and administrative	3,879	3,099	4,515	3,792	3,766	3,758	4,438	3,981
Total stock-based compensation expense	\$ 7,177	\$ 6,059	\$ 9,391	\$ 7,628	\$ 7,888	\$ 6,775	\$ 7,211	\$ 7,009

ThredUp Inc.								
Severance and Other Reorganization Costs Details (in thousands, unaudited)								
Three Months Ended	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024
Operations, product, and technology	\$ 1,260	\$ (22)	\$ —	\$ 115	\$ 148	\$ 78	\$ 1,197	\$ (94)
Marketing	99	—	—	255	243	59	537	(2)
Sales, general, and administrative	450	8	—	181	116	1	1,252	(26)
Total severance and other reorganization costs	\$ 1,809	\$ (14)	\$ —	\$ 551	\$ 507	\$ 138	\$ 2,986	\$ (122)

ThredUp Inc.				
Condensed Consolidated Balance Sheets				
(in thousands, unaudited)				
	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024
Assets:				
Current assets:				
Cash and cash equivalents	\$ 68,552	\$ 56,084	\$ 50,112	\$ 44,755
Marketable securities	5,575	8,100	12,399	10,525
Accounts receivable, net	5,993	7,813	6,929	5,888
Inventory	18,173	15,687	11,582	10,313
Other current assets	7,199	6,204	5,834	6,698
Total current assets	<u>105,492</u>	<u>93,888</u>	<u>86,856</u>	<u>78,179</u>
Operating lease right-of-use assets	43,090	42,118	47,138	45,624
Property and equipment, net	90,270	87,672	85,083	82,839
Goodwill	11,455	11,957	11,677	11,608
Intangible assets	8,460	8,156	7,329	6,628
Other assets	6,621	6,176	6,196	6,333
Total assets	<u>\$ 265,388</u>	<u>\$ 249,967</u>	<u>\$ 244,279</u>	<u>\$ 231,211</u>
Liabilities and Stockholders' Equity:				
Current liabilities:				
Accounts payable	\$ 12,426	\$ 9,457	\$ 9,133	\$ 10,897
Accrued and other current liabilities	40,225	35,934	37,541	34,210
Seller payable	21,516	21,495	21,037	19,182
Operating lease liabilities, current	6,383	5,949	5,517	5,513
Current portion of long-term debt	3,834	3,838	3,843	3,847
Total current liabilities	<u>84,384</u>	<u>76,673</u>	<u>77,071</u>	<u>73,649</u>
Operating lease liabilities, non-current	45,257	44,621	49,750	48,068
Long-term debt, net of current portion	22,968	22,006	21,044	20,080
Other non-current liabilities	3,231	2,750	2,884	2,925
Total liabilities	<u>155,840</u>	<u>146,050</u>	<u>150,749</u>	<u>144,722</u>
Commitments and contingencies				
Stockholders' equity:				
Common stock	11	11	11	11
Additional paid-in capital	577,740	585,156	592,193	599,333
Accumulated other comprehensive loss	(3,941)	(2,375)	(3,245)	(3,472)
Accumulated deficit	(464,262)	(478,875)	(495,429)	(509,383)
Total stockholders' equity	<u>109,548</u>	<u>103,917</u>	<u>93,530</u>	<u>86,489</u>
Total liabilities and stockholders' equity	<u>\$ 265,388</u>	<u>\$ 249,967</u>	<u>\$ 244,279</u>	<u>\$ 231,211</u>

ThredUp Inc.				
Condensed Consolidated Statements of Cash Flows				
(in thousands, unaudited)				
Three Months Ended	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024
Cash flows from operating activities:				
Net loss	\$ (18,082)	\$ (14,613)	\$ (16,554)	\$ (13,954)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:				
Depreciation and amortization	5,364	4,851	4,933	4,865
Stock-based compensation expense	7,888	6,775	7,211	7,009
Reduction in carrying amount of right-of-use assets	1,611	1,567	1,667	1,426
Other	(232)	798	28	(719)
Changes in operating assets and liabilities:				
Accounts receivable, net	(2,289)	(1,753)	815	1,027
Inventory	1,797	3,082	3,825	1,204
Other current and non-current assets	1,754	125	312	(322)
Accounts payable	3,872	(2,352)	(223)	1,328
Accrued and other current liabilities	(2,581)	(4,761)	1,742	(3,377)
Seller payable	2,057	(46)	(442)	(1,851)
Operating lease liabilities	(1,186)	(1,669)	(1,986)	(1,599)
Other non-current liabilities	250	21	65	(9)
Net cash provided by (used in) operating activities	<u>223</u>	<u>(7,975)</u>	<u>1,393</u>	<u>(4,972)</u>
Cash flows from investing activities:				
Purchases of marketable securities	(1,973)	(8,064)	(8,665)	(6,488)
Maturities of marketable securities	22,500	5,600	4,500	8,500
Purchases of property and equipment	(1,483)	(2,209)	(1,620)	(1,170)
Net cash provided by (used in) investing activities	<u>19,044</u>	<u>(4,673)</u>	<u>(5,785)</u>	<u>842</u>
Cash flows from financing activities:				
Repayment of debt	(1,000)	(1,000)	(1,000)	(1,000)
Proceeds from issuance of stock-based awards	1,625	1,401	727	1,061
Payment of withholding taxes on stock-based awards	(1,859)	(1,021)	(1,207)	(1,243)
Net cash used in financing activities	<u>(1,234)</u>	<u>(620)</u>	<u>(1,480)</u>	<u>(1,182)</u>
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	<u>(554)</u>	<u>162</u>	<u>(115)</u>	<u>(45)</u>
Net change in cash, cash equivalents, and restricted cash	17,479	(13,106)	(5,987)	(5,357)
Cash, cash equivalents, and restricted cash, beginning of period	57,096	74,575	61,469	55,482
Cash, cash equivalents, and restricted cash, end of period	<u>\$ 74,575</u>	<u>\$ 61,469</u>	<u>\$ 55,482</u>	<u>\$ 50,125</u>

ThredUp Inc.**Reconciliation of GAAP Net Cash Provided By (Used In) Operating Activities to Non-GAAP Free Cash Flow
(in thousands, unaudited)**

Three Months Ended	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024
Net cash provided by (used in) operating activities	\$ 223	\$ (7,975)	\$ 1,393	\$ (4,972)
Less: Purchases of property and equipment	(1,483)	(2,209)	(1,620)	(1,170)
Non-GAAP free cash flow	<u>\$ (1,260)</u>	<u>\$ (10,184)</u>	<u>\$ (227)</u>	<u>\$ (6,142)</u>

ThredUp Inc.						
Geographic Information for Revenue, Gross Profit and Gross Margin (in thousands, except percentages, unaudited)						
Three Months Ended	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024
Revenue:						
U.S.	\$ 62,244	\$ 66,720	\$ 68,084	\$ 61,447	\$ 64,533	\$ 66,717
Europe	13,678	15,938	13,965	19,946	15,055	13,038
Total	<u>\$ 75,922</u>	<u>\$ 82,658</u>	<u>\$ 82,049</u>	<u>\$ 81,393</u>	<u>\$ 79,588</u>	<u>\$ 79,755</u>
Gross Profit:						
U.S.	\$ 46,400	\$ 50,986	\$ 53,454	\$ 47,622	\$ 51,713	\$ 52,558
Europe	4,693	4,746	3,173	2,731	3,613	3,562
Total	<u>\$ 51,093</u>	<u>\$ 55,732</u>	<u>\$ 56,627</u>	<u>\$ 50,353</u>	<u>\$ 55,326</u>	<u>\$ 56,120</u>
Gross Margin:						
U.S.	74.5 %	76.4 %	78.5 %	77.5 %	80.1 %	78.8 %
Europe	34.3 %	29.8 %	22.7 %	13.7 %	24.0 %	27.3 %

ThredUp Inc.						
U.S. Active Buyers (in millions, unaudited)						
Three Months Ended	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024
U.S. Active Buyers	1.330	1.332	1.346	1.357	1.296	1.257

Investors

ir@thredup.com

Media

media@thredup.com

About ThredUp

ThredUp is transforming resale with technology and a mission to inspire the world to think secondhand first. By making it easy to buy and sell secondhand, ThredUp has become one of the world's largest online resale platforms for apparel, shoes and accessories. Sellers enjoy ThredUp because we make it easy to clean out their closets and unlock value for themselves or for the charity of their choice while doing good for the planet. Buyers enjoy shopping value, premium and luxury brands all in one place, at up to 90% off estimated retail price. Our proprietary operating platform is the foundation for our managed marketplace and consists of distributed processing infrastructure, proprietary software and systems and data science expertise. With ThredUp's Resale-as-a-Service, some of the world's leading brands and retailers are leveraging our platform to deliver customizable, scalable resale experiences to their customers. ThredUp has processed over 200 million unique secondhand items from 60,000 brands across 100 categories. By extending the life cycle of clothing, ThredUp is changing the way consumers shop and ushering in a more sustainable future for the fashion industry.

Forward-Looking Statements

This financial supplement contains forward-looking statements within the meaning of the federal securities laws, which are statements that involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as "may," "will," "shall," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential," "looking ahead," "seeking" or "continue" or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. Forward-looking statements in this financial supplement include, but are not limited to, guidance on financial results for the third and the fourth quarters and full year of 2024; statements about the Company's intention to exit the European market and to seek strategic alternatives for its Remix business; statements about future operating results and our long term growth and the focus of the Company's resources and attention in the United States; trends, consumer demand and growth in the global and U.S. online resale markets; the momentum of our business; our investments in technology and infrastructure, including with respect to AI technologies; our ability to successfully integrate and realize the benefits of our past or future strategic acquisitions, investments or reorganization activities, including our intention to reshape ThredUp into an AI-powered resale company; the impact, including on an annualized basis, of our reduction in corporate expenses and headcount; the success and expansion of our RaaS[®] model and the timing and plans for future RaaS[®] clients; and our ability to attract new Active Buyers.

More information on these risks and other potential factors that could affect the Company's business, reputation, results of operations, financial condition, and stock price is included in the Company's filings with the Securities and Exchange Commission ("SEC"), including in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of the Company's most recently filed periodic reports on Form 10-K and Form 10-Q and subsequent filings. The forward-looking statements in this financial supplement are based on information available to us as of the date hereof, and we disclaim any obligation to update any forward-looking statements, except as required by law. These forward-looking statements should not be relied upon as representing ThredUp's views as of any date subsequent to the date of this financial supplement.

Additional information regarding these and other factors that could affect ThredUp's results is included in ThredUp's SEC filings, which may be obtained by visiting our Investor Relations website at ir.thredup.com or the SEC's website at www.sec.gov.

Non-GAAP Financial Measures and Other Operating and Business Metrics

This financial supplement and the accompanying tables contain non-GAAP financial measures: Adjusted EBITDA loss, Adjusted EBITDA loss margin, free cash flow, Non-GAAP operating expenses, and other operating and business metrics. In addition to our results determined in accordance with GAAP, we believe that these non-GAAP financial measures and other operating and business metrics are useful in evaluating our operating performance and enhancing an overall understanding of our financial position. We use these measures and metrics to evaluate and assess our operating performance, and for internal planning and forecasting purposes. We believe that these non-GAAP financial measures, when taken collectively with our GAAP results, may be helpful to investors because they provide consistency and comparability with past financial performance and assist in comparisons with other companies, some of which use similar non-GAAP financial information to supplement their GAAP results. Our non-GAAP financial measures and other operating and business metrics are presented for supplemental informational purposes only, should not be considered a substitute for financial information presented in accordance with GAAP and may be different from similarly-titled non-GAAP measures and other operating and business metrics used by other companies.

A reconciliation is provided above for Adjusted EBITDA loss to net loss and Non-GAAP operating expenses to total operating expenses, the most directly comparable financial measures stated in accordance with GAAP. We calculate Adjusted EBITDA loss as net loss adjusted to exclude, where applicable in a given period, stock-based compensation expense, depreciation and amortization, severance and other reorganization costs, interest expense, provision (benefit) for income taxes, and impairment of non-marketable equity investment. Non-GAAP Adjusted EBITDA loss margin represents Non-GAAP Adjusted EBITDA loss divided by total revenue for the same period. Non-GAAP operating expenses are operating expenses adjusted to exclude stock-based compensation expense and severance and other reorganization costs.

A reconciliation is provided above for Non-GAAP free cash flow to Net cash provided by (used in) operating activities, the most directly comparable financial measure stated in accordance with GAAP. We calculate free cash flow as Net cash provided by (used in) operating activities adjusted to exclude Purchases of property and equipment.

We encourage investors to review our results determined in accordance with GAAP and the accompanying reconciliations for more information.

An Active Buyer is a ThredUp buyer who has made at least one purchase in the last twelve months. A ThredUp buyer is a customer who has created an account and purchased in our marketplaces, including through our RaaS® clients, and is identified by a unique email address. A single person could have multiple ThredUp accounts and count as multiple Active Buyers.

Orders are defined as the total number of orders placed by buyers across our marketplaces, including through our RaaS® clients, in a given period, net of cancellations.