

Random Walk Promotional Ensemble Use Cases

Q2, 2023

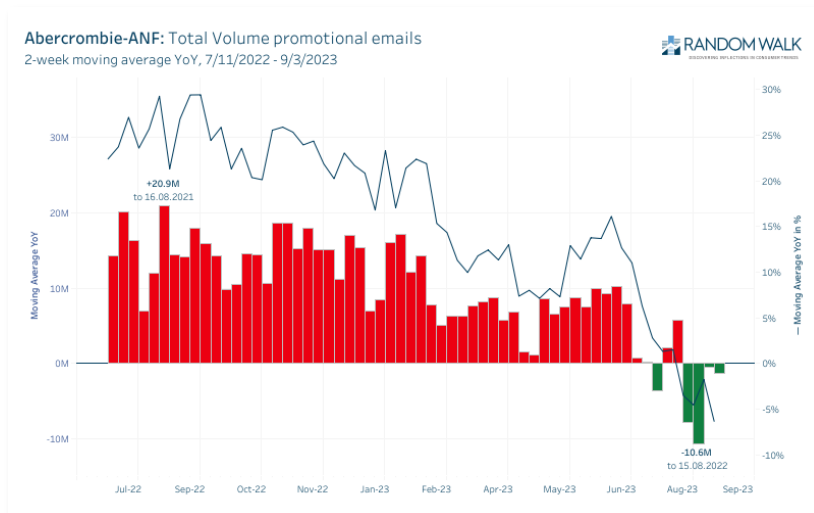
Random Walk email intelligence through our promotional ensemble delivers the most quantitative and predictive tracking of implied discounts and promotional cadence available. When brands are struggling to generate organic demand they ramp up sending volume to their leads and customers. We capture these potential inflections in near real-time and alert our investor partners ahead of the street.

▪ Abercrombie & Fitch (ANF)	<i>TOTAL PROMOTIONAL VOLUME + 9%</i>	<i>GROSS MARGIN +460bps</i>
▪ Crocs (CROX)	<i>STEEP DISCOUNT VOLUME +75%</i>	<i>GROSS MARGIN: -480bps</i>
▪ The Children's Place (PLCE)	<i>STEEP DISCOUNT VOLUME +75%</i>	<i>GROSS MARGIN: -480bps</i>
▪ Farfetch Limited (FTCH)	<i>SIGNIFICANT DISCOUNT VOLUME +127%</i>	<i>GROSS MARGIN -370bps</i>
▪ Foot Locker, Inc. (FL)	<i>STEEP DISCOUNT VOLUME +79%</i>	<i>GROSS MARGIN: -460bps</i>
▪ Hibbett, Inc. (HIBB)	<i>STEEP DISCOUNT VOLUME +108%</i>	<i>GROSS MARGIN: -160bps</i>
▪ Olaplex Holdings, Inc. (OLPX)	<i>TOTAL PROMOTIONAL VOLUME +650%</i>	<i>GROSS MARGIN: -550bps</i>
▪ Petco (WOOF)	<i>STEEP DISCOUNT VOLUME +780%</i>	<i>GROSS MARGIN: -140bps</i>
▪ Ulta Beauty (ULTA)	<i>STEEP DISCOUNT VOLUME +107%</i>	<i>GROSS MARGIN -110bps</i>
▪ Walmart Inc. (WMT)	<i>STEEP DISCOUNT VOLUME -37%</i>	<i>GROSS MARGIN 40bps</i>

Random Walk's proprietary promotional ensembles provide investors unique insights into consumer demand and helps uncover inflections. For additional information, please contact us at sales@ranwalk.com.

Abercrombie & Fitch. (ANF)

PROMOTIONAL ENSEMBLE METRIC: TOTAL DISCOUNT VOLUME MAY-JULY 2023



Total Promotional Volumes rose just 9%, one of the slowest in apparel, and turned negative into August

ANF Q2 KEY METRICS & RELEVANT COMMENTARY

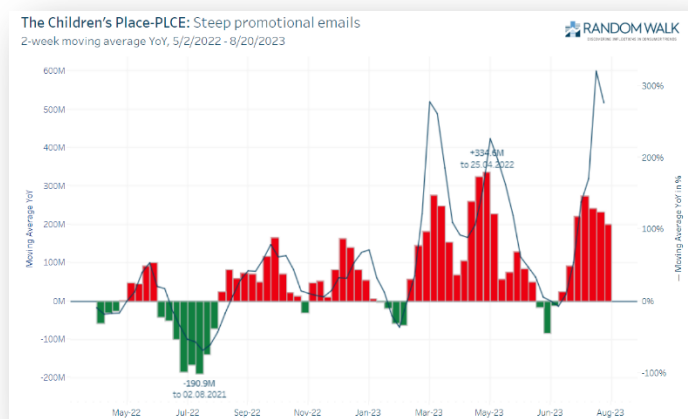
AUGUST 23, 2023

- Revenue growth accelerated from just 3% to 16% yoy in Q2 with Abercrombie brand increasing 26%.
- Gross margin improved nearly 5% rising from 57.9% to 62.5%.
- “Lower promotional activity” cited by management as key contributor.

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The Children's Place, Inc. (PLCE)

PROMOTIONAL ENSEMBLE METRIC: STEEP DISCOUNTS MAY-JULY 2023



Steep discount volume increased by ~68% Y/Y for the May through July period.

PLCE Q2 KEY METRICS & RELEVANT COMMENTARY AUGUST 17, 2023

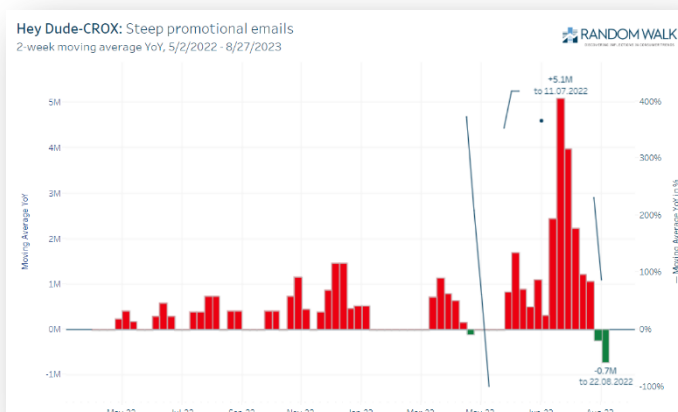
- “Gross profit margin for the second quarter decreased to 25.4% of net sales as compared to 30.2% of net sales in prior year”
- “Net Sales -9.3% to last year, -9.0% on comp basis”
- “Impact of slowing in consumer demand, resulting from inflation impacting our customer.”

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Crocs, Inc. (HEYDUDE)

PROMOTIONAL ENSEMBLE: STEEP DISCOUNTS

APRIL-JUNE, 2023



Steep promotional volume from HEYDUDE increased by ~500% Y/Y for the May through July period

CROX Q2 RELEASE & KEY METRICS

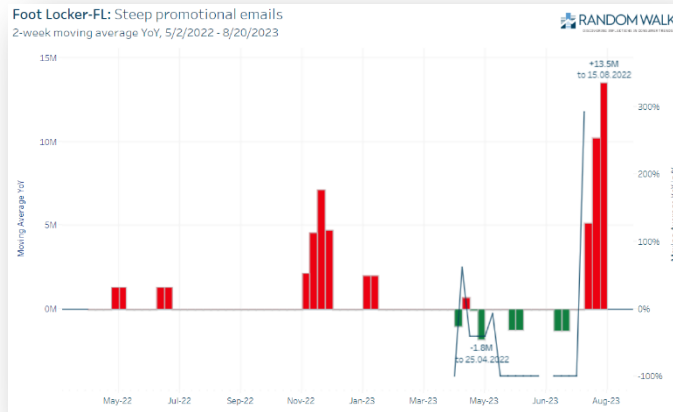
JULY 27, 2023

- “As we look towards the remainder of the year for HEYDUDE, we are lowering our outlook for revenues.”
- “So for Q3 we do expect HEYDUDE to be down”

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Foot Locker, Inc. (FL)

PROMOTIONAL ENSEMBLE METRIC: STEEP DISCOUNTS MAY-JULY 2023



Steep discount volume increased by ~79% Y/Y for the May through July period.

FL Q2 KEY METRICS & RELEVANT COMMENTARY AUGUST 23, 2023

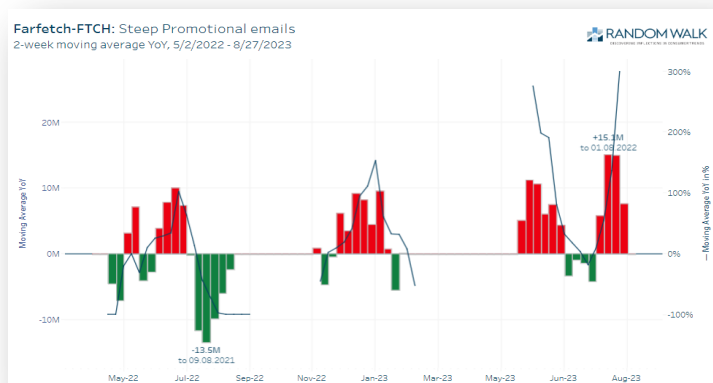
- “Gross margin declined by 460 basis points as compared with the prior-year period, driven by an increase in promotional activity, which included higher markdowns.”
- “Total sales decreased by 9.9% to \$1,861 million, as compared with sales of \$2,065 million in the second quarter of 2022.”
- “Comparable-store sales decreased by 9.4%, driven by ongoing consumer softness..”
- “Lowering 2023 Sales and Earnings Guidance”

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Farfetch Limited (FTCH)

PROMOTIONAL ENSEMBLE: SIGNIFICANT DISCOUNTS

APRIL-JUNE 2023



Significant discount volume increased by ~127% Y/Y for the April through June period

FARFETCH Q2 RELEASE KEY METRICS & COMMENTARY

AUGUST 17, 2023

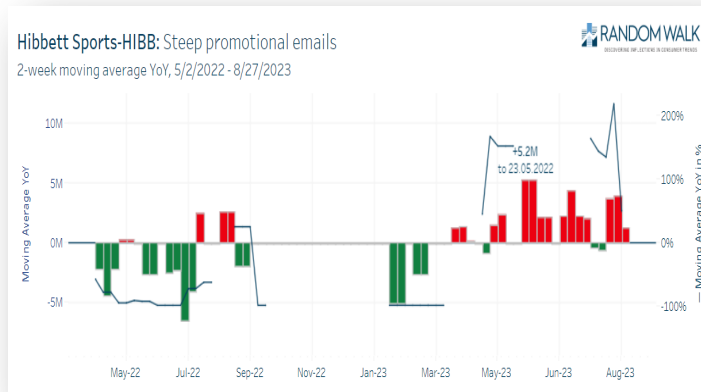
- “Gross Profit Margin decreased 370 bps year-over-year to 42.5%”
- “Brand Platform Gross Profit Margin decreased 20 bps year-over-year to 52.5%, primarily due to a higher mix of lower margin sales.”

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Hibbett, Inc. (HIBB)

PROMOTIONAL ENSEMBLE: STEEP DISCOUNT GROWTH

APRIL-JUNE, 2023



Steep promotional volume increased by ~108% Y/Y for the May through July period

HIBB Q2 RELEASE KEY METRICS & COMMENTARY

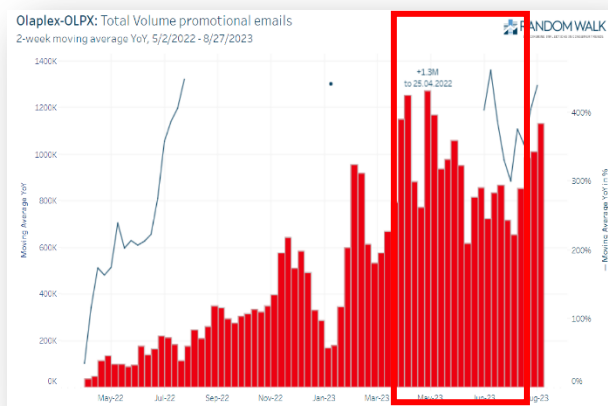
AUGUST 25

- “Gross margin was 32.8% of net sales for the second quarter of fiscal ’24, compared with 34.4% in the second quarter of last year.”
- “This unfavorable product margin performance is attributed to higher promotional activity across both footwear and apparel categories”

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Olaplex Holdings, Inc. (OLPX)

PROMOTIONAL ENSEMBLE: TOTAL PROMOTIONAL VOLUME APRIL - JUNE, 2023



Total promotional volume increased by ~650% Y/Y for the May through July period.

OLPX Q2 RELEASE & KEY METRICS AUGUST 8

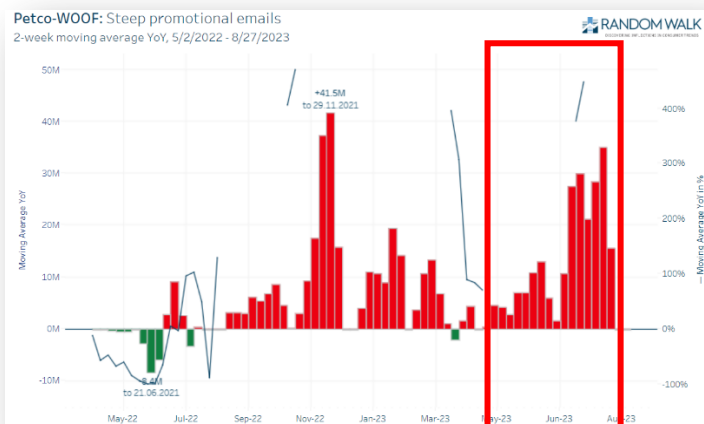
- “During the second quarter of 2023, the Company experienced a continued lower level of demand for its products.”
- “The Company now anticipates a 500 to 600 basis point decline in gross profit margin for fiscal year 2023, compared to its prior assumption of 300 to 400 basis points of contraction.”
- “Our business continues to be negatively impacted by competition, a more promotional environment, and misinformation related to our brand.

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Petco Health and Wellness Company, Inc. (WOOF)

PROMOTIONAL ENSEMBLE: STEEP DISCOUNTS

MAY – JULY, 2023



Steep discount volume increased by ~780% Y/Y for the May through July period.

WOOF Q2 RELEASE KEY METRICS & COMMENTARY

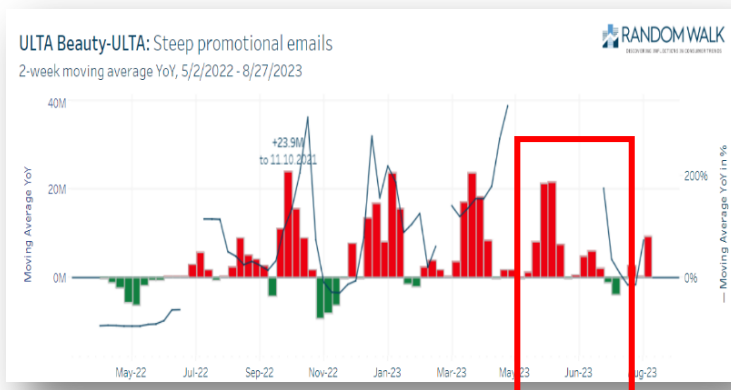
AUGUST 24, 2023

- “Q2 gross margin of 38.7% was down 140 basis points year-over-year.”
- “Our updated adjusted EBITDA guide anticipates continued pressure on gross margins.”
- “We’re operating in a tougher consumer discretionary environment than we forecasted as we entered the year.”

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Ulta Beauty, Inc (ULTA)

PROMOTIONAL ENSEMBLE: STEEP DISCOUNTS MAY-JUNE, 2023



Steep promotional volume increased ~107% Y/Y for the May through July period

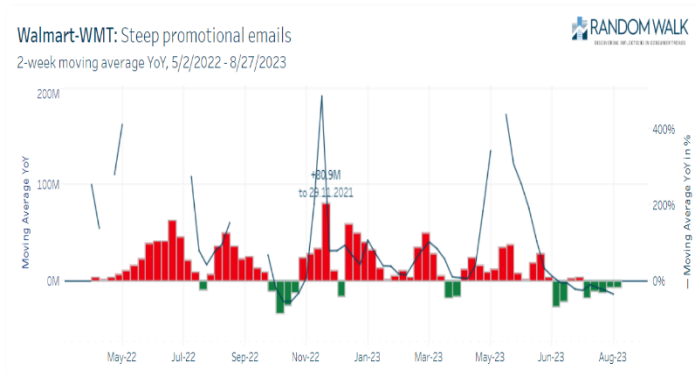
ULTA Q2 RELEASE KEY METRICS & COMMENTARY AUGUST 24, 2023

- “Second quarter gross margin decreased 110 basis points to 39.3% compared to 40.4% last year.”
- “Overall merchandise margin was lower due primarily to increased promotional activity.”

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Walmart Inc. (WMT)

PROMOTIONAL ENSEMBLE: STEEP DISCOUNTS MAY-JULY, 2023



Steep promotional volume
decreased ~58% Y/Y for
the May through July
period

WALMART Q2 RELEASE KEY METRICS & COMMENTARY

AUGUST 17

- “Lower markdowns and supply chain cost resulted in a gross margin rate increase of 40 basis points.”
- “The biggest contributors to the gross margin expansion were really just the lapping of some of the markdowns that we had last year.”

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