

# Lulu's Fashion Lounge Holdings

NASDAQ: LVLU | Women's Occasion Wear &amp; DTC Fashion

PRICE	12-MO TARGET	BULL TARGET	MARKET CAP	EV	SHARES OUT
<b>\$11.33</b>	<b>\$30</b> Base Case	<b>\$54</b> 0.5x P/S	<b>\$34M</b>	<b>\$46M</b> incl. \$11.7M net debt	<b>2.97M</b> Float ~600-700K

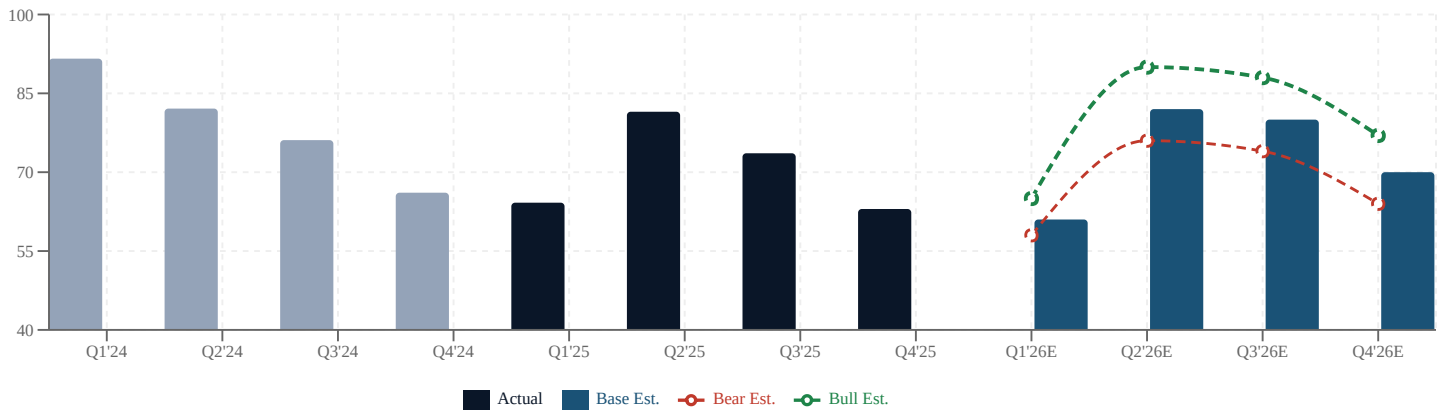
## THESIS

LVLU is executing a legitimate operational turnaround (44.3% gross margins, three consecutive positive EBITDA quarters, 143% wholesale growth) while trading at 0.12x revenue versus peer REVOLVE Group at 1.3x. The valuation disconnect is driven by governance deficiencies, minimal institutional engagement, and zero analyst coverage rather than fundamental business problems. A constructive activist campaign (Friedland Enterprises, ~5% ownership) has already produced the hiring of a permanent CFO and board approval to reduce authorized shares from 250M to 15M. Our base case models \$293M revenue (+4%) and \$3.5M positive EBITDA for FY2026, driven by wholesale channel expansion to ~\$29M across 12+ major retail partners including Nordstrom (all ~93 stores), Amazon, and Victoria's Secret. At just 0.3x P/S (still a significant discount to REVOLVE), the stock reaches \$30. Any normalization of the multiple represents significant upside from current levels.

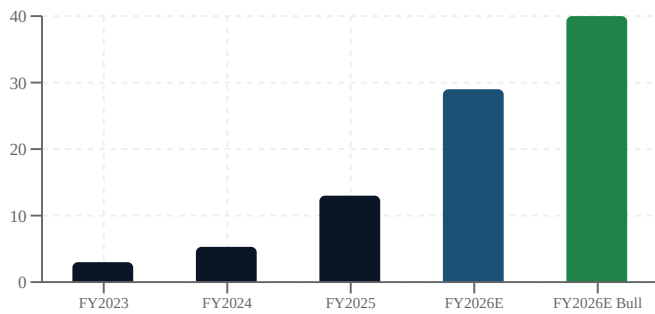
## FINANCIAL SUMMARY

METRIC	FY2024	FY2025	FY26E Bear	FY26E Base	FY26E Bull
Revenue (\$M)	\$315.9	\$282.3	\$272	\$293	\$320
YoY Growth	-11%	-11%	-4%	+4%	+13%
Gross Margin	41.2%	43.2%	42.5%	43.3%	43.5%
Adj. EBITDA (\$M)	(\$9.7)	(\$1.2)	(\$2.5)	\$3.5	\$11.0
EBITDA Margin	-3.1%	-0.4%	-0.9%	1.2%	3.4%
Wholesale Rev (\$M)	~\$5	~\$13	~\$21	~\$29	~\$40
Active Customers (M)	2.62	2.33	2.10	2.20	2.30
AOV	\$137	\$140	\$141	\$143	\$145
Net Debt (\$M)	\$8.6	\$11.7	\$12	\$9	\$6
EV/Revenue	–	0.16x	0.17x	0.15x	0.12x
P/S (at current)	–	0.12x	0.12x	0.11x	0.10x

## QUARTERLY REVENUE: ACTUALS AND FY2026 ESTIMATES (\$M)

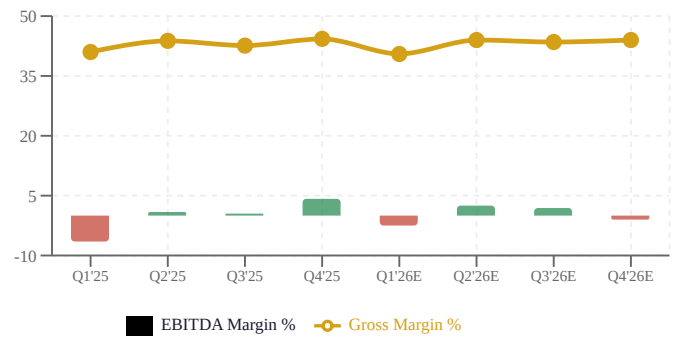


### WHOLESALE REVENUE TRAJECTORY (\$M)



Partners: 2 (FY23) → 4 (FY24) → 9 (FY25) → 12+ (FY26E). Same-store growth: 62% in FY25.

### GROSS MARGIN & EBITDA MARGIN (%)



Five consecutive quarters of product margin expansion. Q4'25 gross margin of 44.3% is highest Q4 since 2021.

### LEADING INDICATORS: WHY WE BELIEVE H2 2026 INFLECTS (SOURCE: Q4 EARNINGS CALL)

#### UNITS PER NEW LAUNCH

Q4'25: **+21%** | Q1'26: **+50%**

YoY improvement. Fewer SKUs, each selling dramatically more units.

#### CASUAL/FW NEW LAUNCHES

Q4'25: **-28%** | Q1'26: **-50%**

vs. prior year. Deliberate pullback to reset assortment quality.

#### EVENT WEAR RETURN RATE

Q4'25: **>5% decline** | Q1'26: **—**

Core return rate (non-markdown, vol-adjusted) improving YoY.

#### CASUAL/FW NEW CUSTOMER ACQUISITION SHARE

**41% → 31% → 31%**

Q4'22 → Q4'24 → Q4'25

Held flat after decline. Recovery expected as new assortment launches in Q3/Q4'26.

#### SKU RATIONALIZATION (AS OF EARNINGS CALL)

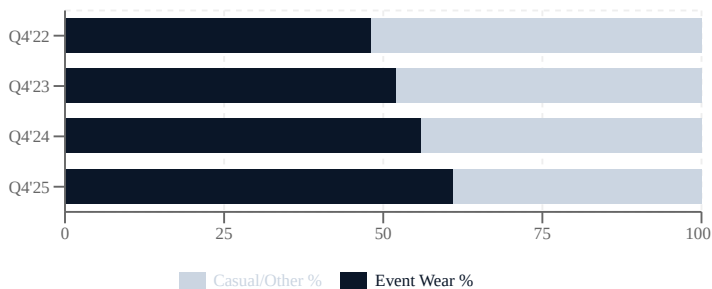
**FW: -17% | Casual: -39%**

vs. prior year SKU count

Happy Returns integration live early Q2'26, reducing return shipping costs.

These metrics were disclosed verbally by President/CIO Mark Vos on the Q4 2025 earnings call (March 30, 2026). They represent the first time LVLU has provided this level of operational granularity. The units-per-launch improvement is the key leading indicator: it validates that the casual/footwear reset is producing higher-quality product introductions before the revenue impact shows up in H2 2026.

### REVENUE MIX SHIFT: EVENT WEAR DOMINANCE (% OF REVENUE)



### Wholesale Partner Expansion

Partner	FY25E	FY26E Base
Nordstrom (93 stores)	\$4.5M	\$10M
Dillard's (100 doors)	\$2.5M	\$4M
Urban Outfitters	\$1.3M	\$2M
Amazon (new Mar'26)	–	\$4M
Victoria's Secret (new Q1'26)	–	\$2M
Other majors + boutiques	\$4.7M	\$7M
<b>Total Wholesale</b>	<b>~\$13M</b>	<b>~\$29M</b>

### VALUATION MATRIX: PRICE PER SHARE AT VARIOUS P/S MULTIPLES

P/S Multiple	Bear (\$272M)	Base (\$293M)	Bull (\$320M)	RVLV Current
0.12x (current)	\$11	\$12	\$13	–
0.30x	\$27	\$30	\$32	–
0.50x	\$46	\$49	\$54	–
0.75x	\$69	\$74	\$81	–
1.00x	\$92	\$99	\$108	–
1.31x (RVLV parity)	\$120	\$129	\$141	~\$22

Highlighted rows: green = base case 12-month target (\$30 at 0.3x P/S); blue = bull case target (\$54 at 0.5x P/S). REVOLVE Group (RVLV) currently trades at ~1.3x P/S on ~\$1.2B revenue. Shares outstanding: 2.97M.

### ACTIVIST PLATFORM SCORECARD (87 DAYS SINCE 13D FILING)

#### Governance Progress

Reduce auth. shares (250M to 15M)	WIN
Permanent CFO hired	WIN
Data-driven merchandising	PROGRESSING
Enhanced KPI disclosure	PROGRESSING
Stock options over RSUs	OPEN
Activate IR plan	OPEN
Strategic review of alternatives	OPEN
Wholesale segment reporting	NEW
Tariff exposure disclosure	NEW
Board reconstitution	WITHDRAWN

#### Upcoming Catalysts

<b>Q1 2026 results</b>	June 2026
First quarter with full wholesale	
<b>Annual meeting / proxy</b>	Q2 2026
Auth. shares vote, director elections	
<b>Casual reset launch</b>	Q3 2026
New assortment hits, inflection test	
<b>Analyst initiation</b>	TBD
Contingent on IR upgrade	
<b>Revenue inflection</b>	H2 2026
First positive YoY quarter	
<b>Index eligibility</b>	2027+
Requires higher market cap	

### KEY RISKS

**Tariff exposure:** Import-heavy fashion brand with unquantified exposure to tariff-affected countries. Margin expansion story at risk if rates increase materially.

**Customer attrition accelerating:** Active customers declined 11% in FY25, up from 7% in FY24. If DTC customer base continues shrinking at this rate, wholesale growth may not offset.

**Liquidity constraints:** \$2.7M cash, \$14.4M ABL drawn on \$20M borrowing-base facility. Limited headroom for working capital needs as wholesale scales.

**Wholesale margin dilution:** No channel-level margin disclosure. If wholesale runs 30-35% gross margin vs. 44%+ DTC, mix shift compresses blended margins.

**Casual/footwear reset execution:** Entire H2 revenue improvement thesis depends on new assortment resonating. Units-per-launch metrics are encouraging but unproven at scale.

**Micro-cap liquidity:** Float of ~600-700K shares. Position exits require elevated volume. Daily trading can be volatile and illiquid.

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**Friedland Enterprises | Independent Shareholder Analysis** | 350 Lincoln Road, Miami Beach, FL 33139 | Published April 6, 2026

Christian B. Friedland is the beneficial owner of approximately 5% of LVLU common stock as disclosed in a Schedule 13D filed with the SEC in January 2026. The author is not a registered investment advisor or broker-dealer. This analysis represents the independent views of a shareholder and should not be relied upon as professional investment advice. This report is based entirely on public information including SEC filings, earnings press releases, and public earnings call transcripts. Wholesale revenue estimates are the author's calculations based on publicly disclosed data. Past performance does not guarantee future results. All forward-looking estimates involve significant uncertainty.