

REAL BULLISH ALERT

Oct. 22, 2020



Bullish Opportunity Alert: **REAL**

Actionable Trade Idea

Buy The RealReal, Inc. (NASDAQ:REAL) stock below \$15/share**

Alternative approaches would include selling OTM put options with a strike price 5% below the current price of the stock each month to generate income until a position is established.

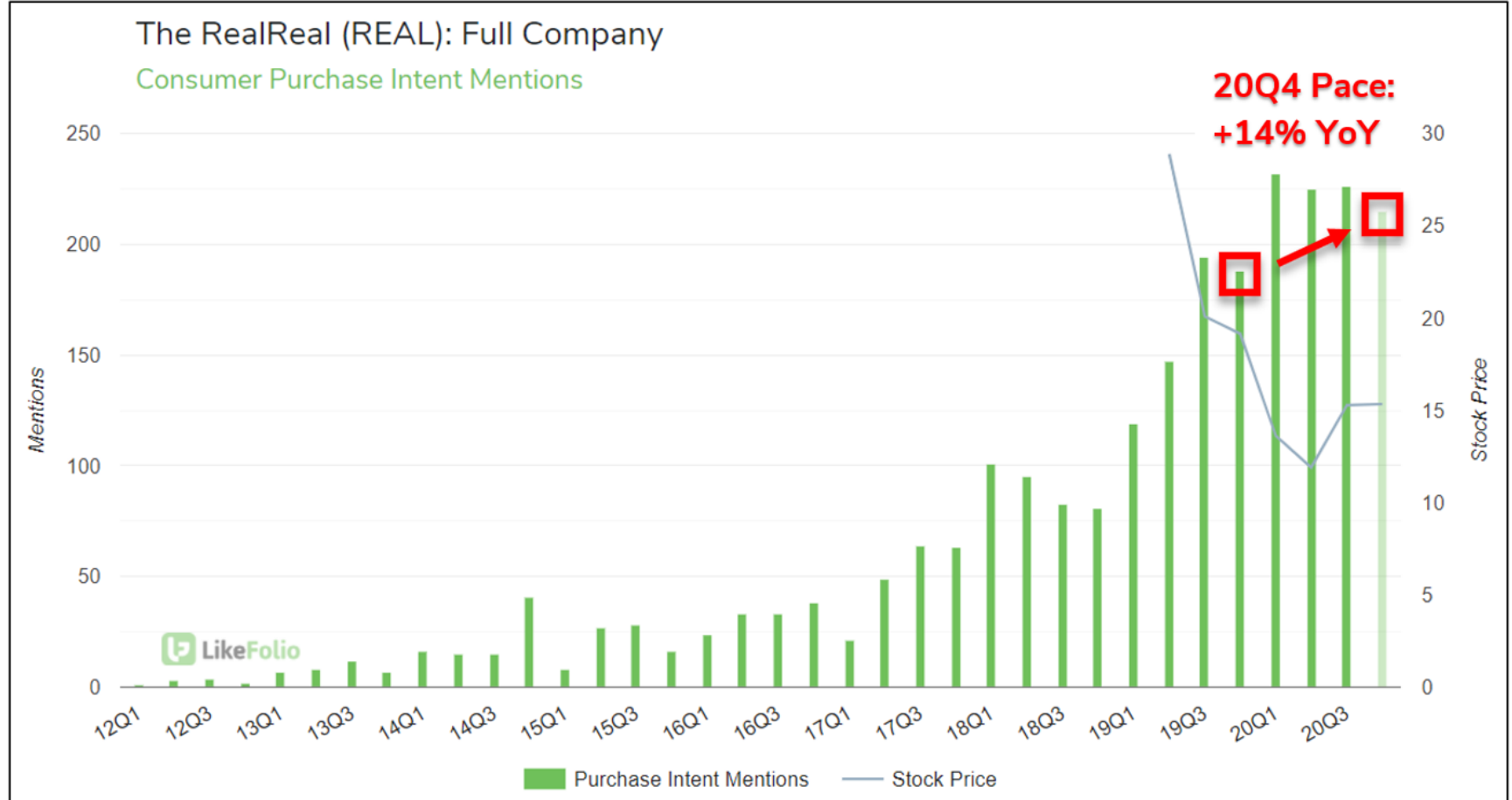
We believe the stock could gain by more than 100% in the next two years.

**ON ALL TRADES, it is important to use proper risk management to correctly allocate and protect your capital. One popular option for an exit strategy on bullish trades is a 25% trailing stop.

Consumer Demand:

- **+11%** year-over-year (in the past 90 days)
- Purchase Intent volume has been steadily rising on a YoY basis since 17Q2 (14 straight quarters of growth!)
- Purchase Intent Mentions for 20Q4 are on pace to continue the trend, currently pacing **+14%** higher than the previous year.

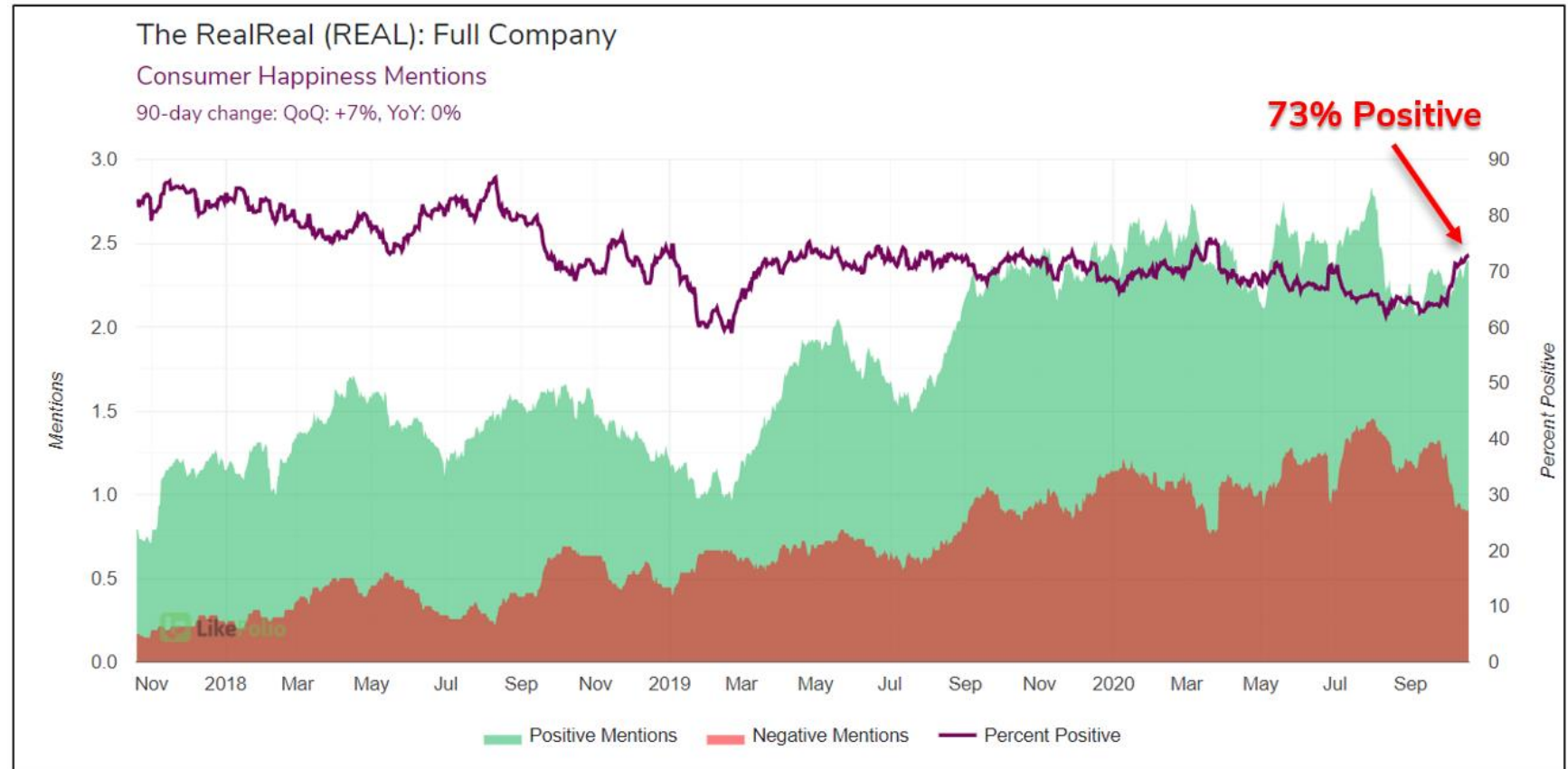
REAL: Demand Rising Year-Over-Year



Consumer Happiness:

- Sentiment has been **73% positive** over the past 90 days
- Consumer Sentiment has remained consistently positive while Demand has grown.

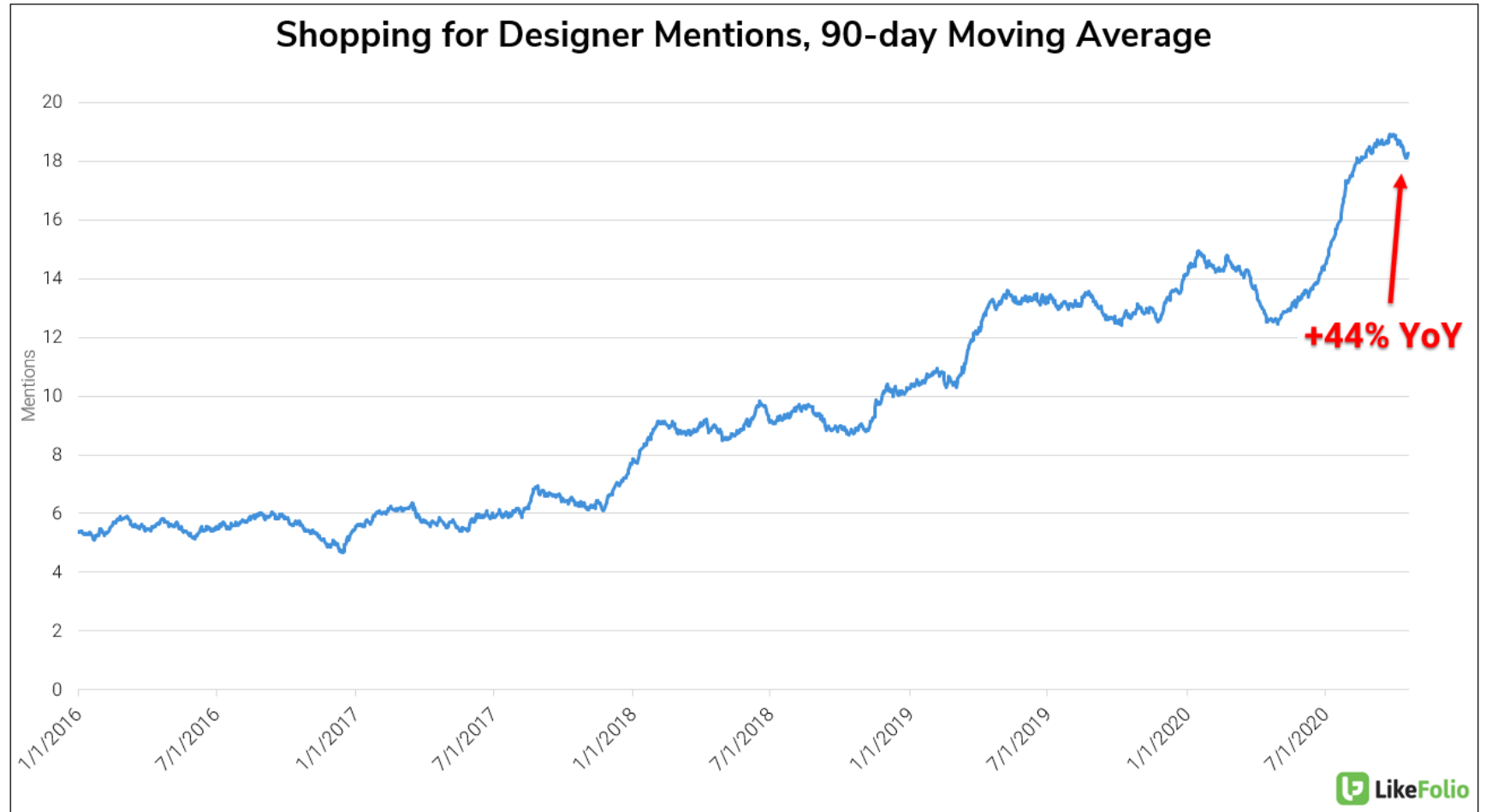
REAL: Sentiment Largely Positive



Designer Demand:

- Consumer Mentions of shopping for and purchasing non-specific designer clothing rose **+44%** in the last 90 days vs. prior year.
- REAL's consignment-style business model allows it to market legitimate designer goods at an affordable price point

REAL: Demand for Designer is Rising



REAL: The Bottom Line

- All three key metrics (Consumer Demand, Consumer Happiness, and Designer Demand) are green for the RealReal.
- American Consumers' [desire for name-brand fashion is an undeniable force](#) that has allowed companies like The RealReal to thrive
- LikeFolio data shows that consumer preferences are shifting towards clothing that is perceived as **high-quality** and **durable** –
Consumer Demand for “high-quality” clothing has improved +18% in the past 90-days vs. the prior year.
- Designer brands are buying in: The RealReal just announced an [exclusive partnership with Gucci](#), adding to its extensive list of high-profile partners.
- **Moral of the story: This company has a lot going for it: online-based business model, notable brand partnerships, and impressive top-line sales. LikeFolio Data adds further credence to a Bullish thesis. Still, REAL shares are trading roughly -30% lower than the previous year and even further below their IPO price. Considering the stated long-term growth potential, consider using the current price level to establish a long-term position.**

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LikeFolio

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