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Earnings Call

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Call Participants

EXECUTIVES

Matt Meeker

*Co-Founder, CEO & Executive
Chairman*

Michael K. Mougias

*Vice President of Investor
Relations*

Zahir M. Ibrahim

Chief Financial Officer

ANALYSTS

Keith Fordyce

Maria Ripps

*Canaccord Genuity Corp.,
Research Division*

Ryan Robert Meyers

*Lake Street Capital Markets, LLC,
Research Division*

Ygal Arounian

Citigroup Inc., Research Division

Presentation

Operator

Good afternoon, and welcome to BARK's Third Quarter Fiscal 2024 Earnings Conference Call. This call is being recorded. [Operator Instructions].

I will now turn the call over to Mike Mougias, Vice President, Investor Relations. You may begin your conference.

Michael K. Mougias

Vice President of Investor Relations

Good afternoon, everyone, and welcome BARK's Third Quarter Fiscal Year 2024 Earnings Call. Joining me today are Matt Meeker, Co-Founder and CEO; and Zahir Ibrahim, Chief Financial Officer. Today's conference call is being webcast in its entirety on our website and a replay of the webcast will be made available shortly after the call.

Additionally, a press release covering the company's financial results was issued this afternoon and can be found on our Investor Relations website.

Before I pass it over to Matt, I would like to remind you of the following information regarding forward-looking statements. The statements made on today's call are based on management's current expectations and are subject to risks and uncertainties that could cause actual future results and outcomes to differ. Please refer to our SEC filings for more information on some of the factors that could affect our future results and outcomes. Also during today's call, we will discuss certain non-GAAP financial measures. Reconciliations to our non-GAAP financial measures is contained in this afternoon's press release.

And with that, let me now pass it over to Matt.

Matt Meeker

Co-Founder, CEO & Executive Chairman

Thanks, Mike, and good afternoon, everyone. We have momentum. These past 2 quarters are the best we've performed in several years, and that momentum is building. We delivered our strongest customer acquisition quarter in 2 years, surpassing the high end of our revenue guidance range. Through the first 9 months of fiscal '24, we've improved our gross margin by over 350 basis points versus last year.

We've also generated \$13 million of free cash flow last quarter and \$17 million on a trailing 12-month basis, ending the quarter with a cash balance of \$131 million. In addition to our strong financial performance, we secured commitments from 2 of the country's leading retailers to offer our new treat line in over 2,400 doors nationwide beginning this spring.

In addition, on the back of our successful pilot program, we have an opportunity to significantly expand our partnership with the Girl Scouts of America. This broad distribution will greatly increase revenue and customer awareness of our consumables offerings.

Strong customer acquisition, gross margin expansion, cash flow generation and revenue diversification are all coming together. We believe our financial profile is strong and expect to carry this momentum into fiscal 2025. This puts us in a great position.

Now let's talk about our fiscal third quarter. Starting at the top of the P&L, we delivered total revenue of over \$125 million, ahead of the high end of our guidance range for the quarter. Driving this outperformance was our strongest customer acquisition quarter in 2 years across our BarkBox and Super Chewer products. This is particularly encouraging given the challenging macro environment for discretionary products.

As I discussed on our last call, there was room for us to execute better and so we evolved our acquisition approach. First, we reorganized our creative and marketing functions, bringing our creative talent closer to the customer. This shift mitigated the dilution of some of our previous creative and yielded content with a stronger resonance among our customer base.

Additionally, we've been leveraging AI to a much greater extent. Previously, we had individual designers creating each piece of content. Today, a designer can create a blueprint for content and leverage our AI tools to create thousands of different iterations within minutes. This approach enables more robust testing of ads across various platforms, helping us identify the most impactful content in an efficient way. And lastly, the holiday themes of our boxes this year really resonated with customers.

All in all, we were very encouraged with how small changes to the organization had material benefits to customer acquisition. It's too early to call this a trend, but we're optimistic we'll continue to deliver improvements.

Moving on, we achieved another quarter of healthy gross margin expansion. On a consolidated basis, our gross margin improved by 210 basis points versus last year, and 30 basis points versus Q2. This is a 600 basis point improvement in the past 2 years, which annualized is nearly \$30 million falling to the bottom line. We expect further improvement in the current quarter and throughout fiscal 2025.

In terms of adjusted EBITDA, we reported a loss of \$6.4 million last quarter, slightly ahead of the midpoint of our guidance range. It's worth noting we invested more in marketing this holiday period given the efficiency at which we were able to acquire new customers. Total marketing expense was about \$3 million higher than the same holiday quarter last year. Notwithstanding the greater investment in marketing, we improved our adjusted EBITDA loss by 50% year-over-year, and we're confident we'll continue to improve our profitability profile.

And finally, we generated over \$13 million of free cash flow in the quarter, ending the period with \$131 million of cash on the balance sheet. Remember, our current cash figure reflects the \$45 million we used to pay down over half of our outstanding convertible notes.

Given the significant profitability improvements we've already delivered and our anticipated ongoing future cash generation, we believe we are in an advantageous position from a balance sheet perspective. This affords us a number of opportunities to help drive long-term shareholder value, including investing in marketing to drive top line growth and/or buying back stock.

All in all, we are ending the year in a strong position and look forward to what's in store in the coming fiscal year.

On that note, let me touch on our strategic priorities for the remainder of the year and fiscal 2025. As we've discussed throughout the year, our top priority is profitability. We've come a long way and our next milestone is to deliver a full year of profitability. Zahir will discuss this in more detail in a moment, but let me briefly touch on some of the factors that will drive this.

First, we believe we will return to top line growth in fiscal 2025. Given the broader market uncertainty, we'll take a cautious approach to guidance. However, we are aiming for growth for the full year. Second, we continue to expect healthy improvements in gross margin for a number of quarters to come. Much of the growth we achieved this fiscal year was driven by reducing the number of toy vendors we use, which in turn reduced our cost of goods.

I'm pleased to report we recently consolidated our consumables vendors, and we will begin to see the benefits of that flow through in the current quarter and to a greater extent in fiscal 2025. And remember, consumables represent about 1/3 of our business, so the impact is meaningful.

We also expect improvements in other G&A and shipping and fulfillment. For example, as we migrate our BarkBox products to our unified platform, there will be efficiencies created from not having to manage multiple sites. We will also see the full year benefit from the cost reduction exercises that we carried out in the first half of 2023. And lastly, we have new shipping contracts that will benefit the P&L beginning

this quarter. Collectively, we expect these dynamics to improve our profitability profile over the coming quarters.

Our second priority is consumables, which is something we've discussed a lot over the past year. There are 2 overarching avenues for growth in this category, retail and direct-to-consumer. Let's start with retail, where we have made solid progress recently. As I mentioned earlier, we received our second major retail commitment last month. To date, we have commitments from 2 leading national retailers to sell our treats in over 2,400 doors beginning this spring. Together, these agreements consist of over a half dozen different SKUs and a combination of them will be available both in-store and on our partners' online sites.

In addition to the revenue opportunity, we expect these agreements to raise awareness of our full consumables offering given the millions of customers that will see our new product offerings on a daily basis. We also started selling our new treats on bark.co and began including samples of them in our BarkBoxes. The initial feedback has been great, and we expect this to help build awareness ahead of their official retail launch in a few months.

At the end of the day, we won our full product portfolio available wherever the customer is, and these agreements are a great first step in our broader retail expansion. In addition to these recent partnerships, we have more retail opportunities in the pipeline. For example, Costco began selling our advent calendar in store this holiday and the feedback was great. In fact, we've had outreach from other retail partners who want to offer the product next holiday season.

As I mentioned earlier, we also expect to build on our relationship for the Girl Scouts over the coming years. We launched our pilot program with them last fall, where we ended up selling out ahead of schedule, and they ultimately doubled their order with us. This year, we expect to grow our pilot relationship with them with the goal of becoming part of their annual cookie program. Given the early success of the partnership, we are optimistic about this opportunity. This partnership has the opportunity to be significantly larger than any individual retail partnership we land. We'll know more on specific timing later this year, so stay tuned.

And finally, we plan to pitch additional products to our retail partners this year, including toppers and dental products. Overall, we're thrilled with our progress to date and look forward to updating you more over the year.

Turning to the direct-to-consumer side of the business, bark.co has been delivering consistent improvements in traffic conversion and total orders. Fiscal year-to-date, we've generated over \$15 million of D2C consumables revenue outside of what's included in our subscription box products. This is up over 30% compared to last year, and we expect continued improvements on this side of the business.

When we fully migrate to a single unified site, we expect notable upticks in traffic, which we expect to drive improvements in our cross-selling capabilities. For example, barkbox.com sees millions of unique monthly visitors. Today, those prospective customers only see our BarkBox offering. In the future, they'll see our full suite of products, which could be significant from a conversion and cross-sell perspective.

Part of driving long-term growth of our business will be through more diverse marketing. Today, 99% of our marketing budget is allocated to direct response ads. This has been highly successful for impulse purchases like a BarkBox. However, that will be less effective for more considered purchases like food. We need to build more awareness for BARK and our products in new ways. And with bark.co alive and well, it's a perfect time to begin to show the world that we are a lot more than a subscription box company or rather a company that strives to improve the lives of dogs and their people with best-in-class products and services.

Over the coming quarters, we plan to invest more of our marketing budget towards driving brand awareness with creative campaigns that showcase BARK's mission of making all dogs happy. It's too soon to give specifics but you'll start to see us launch some of these campaigns throughout 2024. So stay tuned.

In closing, we're executing the road map that we laid out when I returned to the CEO role. In those 2 years, we improved our gross margin by 600 basis points and another 300 basis points on shipping

and fulfillment. We reduced our adjusted EBITDA loss by roughly \$50 million and expect to continue to improve our profitability profile going forward. And we generated positive free cash flow of \$13 million last quarter and \$17 million over the trailing 12 months.

In our view, this progress is not yet reflected in our share price. However, we continue to believe we will make significant improvements to the financial health of the business. In light of these dynamics, we have the ability to continue to opportunistically repurchase shares.

With that, I will turn the call over to Zahir.

Zahir M. Ibrahim

Chief Financial Officer

Thanks, Matt, and good afternoon, everyone. I'll begin today's call with an overview of our third quarter results, followed by our outlook for the remainder of fiscal 2024. Overall, it was a strong quarter across the board. Starting with the P&L. We generated \$125 million of revenue, which came in ahead of our guidance range, driven by the better-than-expected new subscribers that Matt discussed. Our direct-to-consumer segment came in at \$111 million, which was down 7.6% compared to last year. The year-over-year decline is largely a factor of entering the quarter with fewer BarkBox and Super Chewer customers compared to the same period last year. Total orders in the period were down 5.8% compared to last year, largely related to the same dynamic.

In the quarter itself, we saw a healthy growth in new customer acquisition, which will benefit the top line in the periods ahead. It's also worth highlighting while new customer acquisition was challenging in the first half of fiscal 2024, we've been very pleased with our customer retention this year, which is near all-time size.

From a category basis, we generated \$71 million from toys and accessories and \$40 million from consumables.

Turning to the Commerce segment. We delivered \$14 million of revenue, which is roughly in line with last year. Our retail partners continue to see headwinds across various discretionary categories, which is all the more reason why we are excited to be answering their doors with less discretionary consumables products this spring. And as macro discretionary challenges eventually ease, we expect the retail toy sales to return to growth.

Moving down the P&L. Our consolidated gross margin improved 210 basis points to 61.8%. As Matt mentioned, we anticipate further margin improvements in Q4 and into fiscal 2025. Total B2C gross margin improved 200 basis points year-over-year to 63.8%. As a reminder, D2C margins tend to be a bit lower in the holiday quarter as there is more promotional activity and we continue to expect them to improve from here.

Commerce gross margin improved 340 basis points to 45.5%. The benefits from renegotiating our contracts with toy vendors has had a bigger impact to our commerce segment given virtually all of our current retail sales or toys.

Moving on. Other G&A expenses were \$30.6 million, down \$8.3 million compared to last year. As a percent of revenue, other G&A improved by 450 basis points. The year-over-year improvement is largely driven by the cost reduction exercises we carried out earlier in calendar 2023. Shipping and fulfillment expense came in at \$35.5 million, down \$5.8 million. This improvement was partially driven by lower order volume as well as efficiencies we have derived from more favorable shipping contracts and improved productivity across our supply chain network.

In addition to the progress made in FY '24, we believe there are additional opportunities to deliver improvements in both of these line items in the future.

Total sales and marketing expense was \$25 million in the quarter, up \$3 million compared to last year. As we've discussed, the progress we have made in improving the financial health of the business affords us the opportunity to invest more in areas like marketing, particularly given the efficiency at which we've

been able to acquire new customers recently. We will continue to balance growth and profitability as it relates to this line item. If we're not seeing attractive returns on our investment, we will pay back marketing spend and allow more revenue to fall to the bottom line.

And finally, our adjusted EBITDA loss was \$6.4 million, landing at the midpoint of our guidance range and reflecting a 50% improvement versus last year despite the higher marketing investment last quarter. From a cash flow standpoint, we generated \$13 million of cash in the quarter. There are some timing benefits related to inventory and accounts payable. Collectively, these benefited the quarter to the tune of around \$10 million.

Regardless, we were very pleased to have delivered another quarter of positive free cash flow, and we expect more of them in the future. Fiscal year-to-date, we've generated approximately \$400,000 of positive free cash flow. However, we do expect fiscal Q4 to be negative as a result of the reversal of the timing benefits that flowed into the third quarter.

Turning to the balance sheet. We ended the period with \$131 million of cash and outstanding convertible debt of roughly \$40 million. As Matt noted, this number reflects our repurchase in November of \$45 million of the outstanding note at a 6% discount. We also further reduced our inventory last quarter. On a sequential basis, our inventory balance came down by \$11 million to \$98 million. And over the past 18 months, we have reduced our inventory balance by over \$60 million. This frees up working capital and reduced expenses associated with the inventory carrying costs.

Overall, I'm happy with the significant balance sheet improvements we have delivered in a relatively short period of time. This puts us in an advantageous position to deploy capital efficiently and further improve the financial health of the business.

Let me now turn to the guidance for the fiscal fourth quarter and full year 2024. Starting with the full year, we are reiterating the high end of our revenue guidance range of minus 8% year-over-year and raising the low end to minus 9% versus the previous minus 11%. The improvement in the low end of the range reflects the strong holiday quarter and the benefits that will carry into future quarters. Our full year revenue guidance implies total fourth quarter revenue of between \$123.8 million and \$118.4 million.

Turning to adjusted EBITDA. For the fiscal fourth quarter, we currently expect to deliver positive adjusted EBITDA of \$3 million to \$1 million. This implies full year adjusted EBITDA of minus \$9.8 million to minus \$11.8 million versus our previous guidance of minus \$6 million to minus \$12 million. The change in the high end of our adjusted EBITDA range is almost entirely the result of our decision to invest more in marketing, given the efficiency at which we were able to acquire new customers and from which we will benefit in the periods ahead.

In conclusion, we've been very pleased with our ability to deliver consistent improvements in our profitability profile. There is still work to do. However, we believe the business has reached an inflection point from a profitability standpoint. We expect to be adjusted EBITDA profitable in the current quarter and have good visibility to bottom line improvements next year. This dynamic, coupled with our healthy balance sheet and recent consumables momentum affords us a lot of opportunity to grow the business and deliver strong value to our shareholders.

With that, I will turn the call over to the operator for Q&A.

Question and Answer

Operator

[Operator Instructions] Your first question comes from Maria Ripps with Canaccord Genuity.

Maria Ripps

Canaccord Genuity Corp., Research Division

I wanted to ask about your strong customer acquisition trends in Q3 and thanks for all the color there. I guess how sustainable do you think this trends can be going forward? Are there any other areas that could drive sort of further improvements? And how does this inform your sort of marketing strategy and budgeting as you look into calendar 2024?

Matt Meeker

Co-Founder, CEO & Executive Chairman

Maria, thanks for that. We're -- I would say we're cautiously optimistic about it. It's 1 good quarter of customer acquisition activity. And we're attributing to that mainly to some of the reorganization of our team and putting some of our creative resources closer to the customer. We're really encouraged by that performance. But again, it's 1 quarter. So let's see a couple before we call it a trend.

And how that factors in? Obviously, today, those activities are almost entirely direct response oriented. And that will continue to be a big part of our marketing playbook or mix as we go forward. It works really well for a product like BarkBox that is more impulse purchase in nature. So we'll use it there, where we've been, I don't even want to say weak, but underutilized in the past is awareness marketing. And so I'd expect to see that ramp up and become some percentage of our overall spend and share and so you'll see some of the dollars shift over there especially to promote bark.co as a platform and the consumable products that aren't as impulsive in nature.

Maria Ripps

Canaccord Genuity Corp., Research Division

Got it. That's very helpful. And then, Matt, you touched on this a little bit, but you've had a pretty strong retail presence for some time. But now that you're sort starting to introduce consumables in the retail channel. Can you maybe talk about what kind of sort of impact to Bark's brand recognition do you expect to see as a result?

Matt Meeker

Co-Founder, CEO & Executive Chairman

Well, if the toy business is any indication, then a very positive one, we certainly had, I'd say, okay brand awareness for the first 5 or 6 years of BarkBox being a product and then our toys started to appear in Target stores and then on to other retail partners. And we saw a significant lift in our brand awareness, and that's spilled over into an acceleration in our subscription or direct-to-consumer businesses. And so as we introduce consumables and you put them in 2,500 doors of major national retailers like that, Target, for example, has 30 million people every week walking the aisle right past what is often our end cap. So that kind of traffic puts your brand front and center. And then it's up to us to capitalize on that and build recognition from there. So hopefully, a very positive effect.

Operator

Your next question comes from Ryan Meyers with Lake Street Capital Markets.

Ryan Robert Meyers

Lake Street Capital Markets, LLC, Research Division

First one for me, obviously, set to launch in the retail this spring with the treat. Just wondering if you could provide any commentary on the potential revenue impact that you guys expect to see. And then maybe if you expect to see any of that in FY '24 or most of that will come from FY '25?

Zahir M. Ibrahim

Chief Financial Officer

Ryan, how's it going. In terms of fiscal '24, the impacts not material. Obviously, we'll be loading in some initial orders to both of the national retailers and then they'll clear through and hit shelf for the early part of fiscal '25. Obviously, a lot more traction during the course of fiscal '25. That, coupled with some of the momentum we're also seeing on the Girl Scouts, which Matt mentioned. When we look at our commerce business, the additional revenue from the 2 retailers plus Girl Scout will add about double-digit percentage-wise to our overall commerce revenue for fiscal '25.

Ryan Robert Meyers

Lake Street Capital Markets, LLC, Research Division

Okay. Got it. That's helpful. And then if we think about the gross margins in FY '25, it sounded like you guys expect to see margin improvement there. But I just want to make sure I understand that, especially as retail begins to make a larger contribution.

Zahir M. Ibrahim

Chief Financial Officer

Yes. On a like-for-like basis, as you've seen during fiscal '24, sequentially, our margin has improved, and we expect that to continue through until the end of the year. Most of that has been driven by the consolidation of the toy suppliers. We've got some improvement as well as we've managed down our inventory levels, you're doing better from an aging and obsolescence cost management as well. So both of those have helped in terms of drive the 300-plus margin improvement for this year.

Q4, we'll start seeing the benefit of consumer vendor consolidation as well. And then you'll see that coming through for the bulk of fiscal 2025, and that will be the major driver. The level of that lift won't be as much as what we saw this year, but it will still be a healthy improvement. We don't expect significant shift in fiscal '25 in terms of the channel mix to all stay pretty similar. That will probably be a bigger factor beyond fiscal '25.

Operator

Your next question comes from Ygal Arounian with Citigroup.

Ygal Arounian

Citigroup Inc., Research Division

I want to dig into the D2C side a little bit more in the comments, maybe in particular about the consumables or the products -- sales in general coming outside of the subscription box that being up 30% year-over-year. Can you expand on that opportunity a little bit more? How much of a mix do you think that could be over time? What to expect from that in the coming quarters? And then I guess that's all that's tied into the unified platform. Just give us an update on timing around that when we get the full transition and the time line?

Matt Meeker

Co-Founder, CEO & Executive Chairman

Yes. On the consumables question, like we said, \$15 million and that 30% growth, and that's obviously continuing to grow quarter-over-quarter as we get more of that emphasis on bark.co. And it's really as more traffic moves over there, either as we take the legacy BarkBox customers in that direction. And we take the ad spend in that direction. It's going to accelerate the cross-sell and upsell opportunities. But the timing of that, we're looking for that to happen in fiscal year '25 ideally before the holidays, but it's a big move. So we'll go when we're ready, but in fiscal year '25.

Where that takes us in terms of the consumables. If I look out like over 4 or 5 years, you're looking for something like 35% to 40% of the business moving into the consumables realm instead of the toys -- or counter the choice.

Zahir M. Ibrahim

Chief Financial Officer

And that's across D2C and commerce.

Matt Meeker

Co-Founder, CEO & Executive Chairman

Yes.

Ygal Arounian

Citigroup Inc., Research Division

Okay. All right. Great. And then just a big picture one. Matt, at ICR, you made a comment about the current valuation. It's got about 50% of your market cap has been in net cash and so I just don't see the opportunity maybe that the company would. And I just wanted to see if we could expand on that thought a little bit. How do you think about that? How much time do you give it, what else can you talk about there that might be helpful for investors?

Matt Meeker

Co-Founder, CEO & Executive Chairman

I think the situation remains the same that we -- given all these dynamics, the strength of the balance sheet, we talked about having over \$130 million of cash, the free cash flow over the past 12 months, the inventory position, the gross margin expansion, just everything, we feel really good about the business overall. And when you -- I'd say like when I or we look at that objectively and look at the value of the company, we would say to investors, we think it's a great opportunity. And so we also have to look at ourselves as potential investors, again, given the cash balance and what our cash needs or generation that we expect in the future will be. So we have to take that same lens and view it as an opportunity. And that's exactly how we'll behave.

Operator

Your next question comes from Kaumil Gajrawala with Jefferies.

Keith Fordyce

This is Keith Fordyce on for Kaumil. I'd love to jump back to the customer acquisition on the quarter. And if you could provide any context really on any differences you're seeing in the cohorts from a purchasing habits standpoint, the types of products are in the box, any initial term assumptions? I think in the past, you shared that some of the cohorts during COVID, et cetera, were unprofitable. So I'm trying to get a sense of the difference between the 2, if you could.

Matt Meeker

Co-Founder, CEO & Executive Chairman

Just so I make sure I answer that question, and thank you for this. Rre you talking about the recent cohorts where we associated with those customers we acquired here in this quarter, this past quarter.

Keith Fordyce

That's right.

Matt Meeker

Co-Founder, CEO & Executive Chairman

Okay. Well, in some ways, a little too early to tell because we have anywhere from 1 month of renewal to the 2 or 3. So a little bit early in the life spend. But from a retention point of view, from an average order

point of view and all the dynamics that go around that, pretty on par, pretty steady with what we've seen over the last call it, at least 4 quarters, maybe 8 quarters. And those have been strong. And so when we sort of bubble all that up together and you look at the trend line of our lifetime value, we're seeing a real acceleration there to our highest point current -- this quarter was our highest point of lifetime value. And of course, that's propelled by really solid or strong retention, combined with the gross margin expansion you're seeing that's leading to, on a gross profit basis that very high lifetime value.

So feeling great about that. Obviously, we'll continue to monitor it, but often running that cohort looks historically pretty consistent.

Keith Fordyce

Got it. And then on the retail rollout, I know you guys are there with toys. Now you're going into treats. I am trying to get a sense of where you need to incrementally invest to kind of capture that different customer understanding that maybe they're already devoted to certain treat brands, et cetera. So how do you kind of capture that customer as you roll out into retail and where do you need to invest to do so?

Zahir M. Ibrahim

Chief Financial Officer

Keith, this is Zahir. We're launching with the 2 retailers that we've already shared. And we hit the shelves at the start of fiscal 2025. We've got strong distribution, so 6 to 7 SKUs in each of the retailers national distribution. That's going to give us a lot of visibility in both of those retail chains, good shelf placement. We will maximize opportunities to do things like end aisle placements, seasonal opportunities and things like that. So you'll amplify the in-line performance with doing other things as well. We will have a comprehensive shopper marketing and in-store marketing program to go with it. And then beyond that, we'll be having conversations with other retailers in parallel. And based on their research, we'll be looking to expand distribution to other retailers towards the back end of fiscal 2025.

Matt Meeker

Co-Founder, CEO & Executive Chairman

Maybe just to add a point or 2 to that as well, Zahir. One of the -- we also bring to this a couple of unique advantages and 1 of those we've already got in motion here, which is we are sending out millions of BarkBoxes every month to people and their dogs. And starting in November, we started to preview this new line of treats in every BarkBox with 1 ounce sample packages. That continues today. That will continue through next month and through the launch. And so we're also creating habit in millions of homes, which is, again, a really unique advantage. That should give us a leg up and have people looking for the replenishment on shelf at their favorite retailers. .

In addition, we get to be cost competitive right out of the gate. If we were a start-up company doing our first deal in a big retailer with treats, we probably wouldn't have significant volume and we have higher costs and maybe be pressured on price, but being 1 of the largest treat companies in the U.S. by revenue today, it allows us to come out of the gate really strong with great buying power, price it really appropriately, have good margins right there. And so we're not fighting an un-winning battle as a new brand. We're a recognized brand with a lot of trial already in the market at a really competitive price point.

Operator

This will conclude BARK's third quarter fiscal 2024 earnings conference call. Thank you all for joining us today. You may now disconnect.

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