
**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): November 16, 2017

RH

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-35720
(Commission
File Number)

45-3052669
(I.R.S. Employer
Identification No.)

15 Koch Road, Suite K, Corte Madera, California
(Address of principal executive offices)

94925
(Zip Code)

Registrant's telephone number, including area code: (415)924-1005

N/A
(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 (see General Instruction A.2. below):

- 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))

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 November 16, 2017, RH held an Investor Day in West Palm Beach, Florida to discuss details of its strategy and outlook, including certain updated guidance for the third quarter, fourth quarter and fiscal 2017 and preliminary fiscal 2018 outlook.

RH has also made available on its website the presentation materials from the Investor Day (the "Presentation Materials"). A copy of the Presentation Materials is attached hereto as Exhibit 99.1. The information concerning historical financial information with respect to the second quarter of fiscal 2017 and the information concerning preliminary guidance, outlook and financial information with respect to the third quarter of fiscal 2017 included in such Presentation Materials are provided under this Item 2.02.

Item 7.01. Regulation FD Disclosure.

On November 16, 2017, RH held an Investor Day in West Palm Beach, Florida to discuss details of its strategy and outlook, including certain updated guidance for the third quarter, fourth quarter and fiscal 2017 and preliminary fiscal 2018 outlook.

RH has also made available on its website Presentation Materials. A copy of the Presentation Materials is attached hereto as Exhibit 99.1. All of the information in the Presentation Materials that is not provided under Item 2.02 of this Current Report on Form 8-K is provided under this Item 7.01, including the information concerning preliminary guidance, outlook, strategy and financial information with respect to the fourth quarter of fiscal 2017, fiscal 2017 and fiscal 2018 included in such Presentation Materials.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	<u>Investor Day presentation, dated November 16, 2017.</u>

The information provided in Items 2.02, 7.01 and 9.01, including Exhibit 99.1, is intended to be "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 into any other filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

RH is also disclosing that it may use the rh.com, restorationhardware.com, and ir.rh.com websites as means of disclosing material non-public information and for complying with its disclosure obligations under Regulation FD.

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.

RH

Dated: November 17, 2017

By: /s/ Karen Boone
Karen Boone
Co-President, Chief Financial and Administrative Officer

RH

INVESTOR DAY

NOVEMBER 16, 2017

SAFE HARBOR STATEMENT

This presentation contains forward-looking statements that are subject to risks and uncertainties. Forward-looking statements give the Company's current expectations and projections relating to its financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as "anticipate," "estimate," "expect," "project," "plan," "intend," "believe," "may," "will," "should," "likely" and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events.

For example, forward-looking statements include statements the Company makes relating to: the Company's expectations regarding the retail industry, consumer confidence, consumer spending, consumer preferences and buying trends and general economic conditions; our expectations concerning the strength of the RH brand including that RH is positioned as an authority, that RH has no peer, that RH is the leading luxury design firm in the country, that RH has total control of its brand and that brands with more control will be more valuable; our expectations regarding attracting and amplifying the best design and manufacturing talent; our ability to leverage Waterworks; our expectations concerning the strength of our product platform, including that we have the most comprehensive collection of luxury products in home furnishings and the potential of the RH Modern product offering; the expansion and potential of RH Interior Design Services; the anticipated benefits of our business investments and strategies including (i) our membership model and our new operating model, (ii) the transformation of our real estate and the potential for 60 to 70 Galleries in North America, (iii) opening of new Gallery locations and the cadence of such openings, (iv) efforts to optimize inventories and rationalize our product offer, (v) efforts to implement a more disciplined approach to capital allocation, and (vi) the redesign of our supply chain network; the anticipated benefits of our real estate transformation, including the potential to double our retail sales in every market while lifting our direct revenues; our plans and expectations related to new business investments and in particular with respect to RH Hospitality; our expectations that we are in the early innings of our concerning the Company's confidence in the long-term goal to reach \$4 billion to \$5 billion in North American revenues, with industry-leading operating margins and return on invested capital; the Company's expectation that it can grow revenues 8% to 12% and earnings 15% to 20% over the next ten years; expectations regarding the Company's long-term potential for international expansion; the ability of our new membership model to enable us to simplify and streamline our business and develop deeper connection with our customers and that we are creating a customer experience that cannot be replicated; estimated volatility in weekly demand sales as a result of our new membership model; our plan to close two furniture distribution centers and run the business with two coastal distribution centers; the anticipated benefits of our new distribution network design, including (i) total projected annual expense savings of approximately \$15M and (ii) total projected inventory savings of approximately \$400M; the anticipated benefit of our reverse logistics and outlet business redesign, including expected annual cost savings and margin enhancement of approximately \$15 to \$20M; the anticipated benefits of changes in our home delivery program; our belief that transitioning from a leasing to RE development model will significantly reduce our capital requirements and increase return on invested capital and the anticipated benefits of a RE development model, including (i) the opportunity to develop unique retail locations, (ii) the ability to structure sale-leasebacks of RE with significantly lower rents, (iii) the elimination of percentage rent and expensive triple net charges and pass throughs, (iv) the establishment of sales price to recoup capital investment, shorten payback and increase return on invested capital and (v) the ability to minimize depreciation and amortization; and estimated and projected costs, expenditures, compensation charges, cash flows, growth rates, operating margins and financial results.

SAFE HARBOR STATEMENT

The Company derives many of its forward-looking statements from its operating budgets and forecasts, which are based upon many detailed assumptions. While the Company believes that its assumptions are reasonable, you are cautioned that it is very difficult to predict the impact of known factors, and it is impossible for the Company to anticipate all factors that could affect its actual results. Forward-looking statements are based on information available at the time those statements are made and/or management's good faith belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Such risks and uncertainties include, without limitation, the risks and uncertainty of the many business initiatives that we are pursuing as well as those risks and uncertainties disclosed under the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in RH's most recent Form 10-K and Form 10-Q filed with the Securities and Exchange Commission, and similar disclosures in subsequent reports filed with the SEC, which are available on our investor relations website at ir.rh.com and on the SEC website at www.sec.gov.

All written and oral forward-looking statements attributable to the Company, or persons acting on its behalf, are expressly qualified in their entirety by the cautionary statements in our most recent Form 10-K and Form 10-Q filed with the SEC, and similar disclosures in subsequent reports filed with the SEC as well as other cautionary statements that are made from time to time in the Company's public communications. You should evaluate all forward-looking statements made in this presentation in the context of these risks and uncertainties.

The Company's adjusted net income, free cash flow and adjusted operating margins guidance does not include certain charges and costs. The adjustments to net income, net cash provided by (used in) operating activities and operating margins in future periods are generally expected to be similar to the kinds of charges and costs excluded from adjusted net income, free cash flow and adjusted operating margins in prior periods, such as unusual non-cash and other compensation expense; out of the ordinary income tax expense or benefits; expenses related to legal claims and contingencies; reorganization costs including severance costs and related taxes; non-cash amortization of debt discount; and charges and costs in connection with the acquisition of Waterworks, among others. The exclusion of these charges and costs in future periods will have a significant impact on the Company's adjusted net income, free cash flow and adjusted operating margins. The Company is not able to provide a reconciliation of the Company's non-GAAP financial guidance to the corresponding GAAP measures without unreasonable effort because of the uncertainty and variability of the nature and amount of these future charges and costs. This presentation includes a presentation of the Company's cumulative free cash flow for the second quarter of 2017 based on the reported free cash flow for the six months ended July 29, 2017 as disclosed the Company's Current Report on Form 8-K filed with the SEC on September 6, 2017, which includes a full reconciliation to the most directly comparable GAAP measure.

TEAM RH

KAREN BOONE CO-PRESIDENT, CHIEF FINANCIAL & ADMINISTRATIVE OFFICER

ERI CHAYA CO-PRESIDENT, CHIEF CREATIVE & MERCHANDISING OFFICER

DEMONTY PRICE CO-PRESIDENT, CHIEF OPERATING, SERVICE & VALUES OFFICER

DAVE STANCHAK CHIEF REAL ESTATE & DEVELOPMENT OFFICER

SANDRA STANGL PRESIDENT, NEW BUSINESS DEVELOPMENT

BRENDAN SODIKOFF PRESIDENT, RH HOSPITALITY

AGENDA

OUR VIEW

THE RETAIL INDUSTRY

OUR STRATEGY

WHY IT WILL PROVE TO BE WORTH THE RIDE

OUR NEW MODEL

BACK ON THE RACE TRACK WITH AN ENTIRELY NEW & SUPERIOR VEHICLE

OUR VIEW



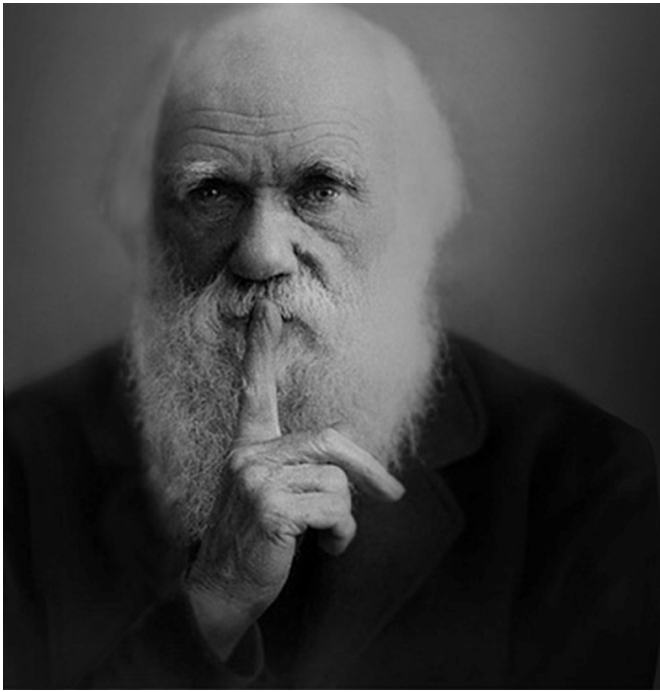
“NO ONE EVER MADE A
DIFFERENCE BEING LIKE
EVERYONE ELSE.”

– P. T. BARNUM

RETAILERS HAVE SPENT THE PAST 20 YEARS BECOMING
MORE, RATHER THAN LESS LIKE EVERYONE ELSE

THE AGE OF AMAZON & THE DEATH OF THE DEPARTMENT STORES

AMAZON IS FALSELY ACCUSED
DYING FROM OLD AGE AND LACK OF INNOVATION



"IT'S NOT THE STRONGEST OF THE SPECIES THAT SURVIVES, NOR THE MOST INTELLIGENT, IT'S THE ONE MOST ADAPTABLE TO CHANGE."

– CHARLES DARWIN

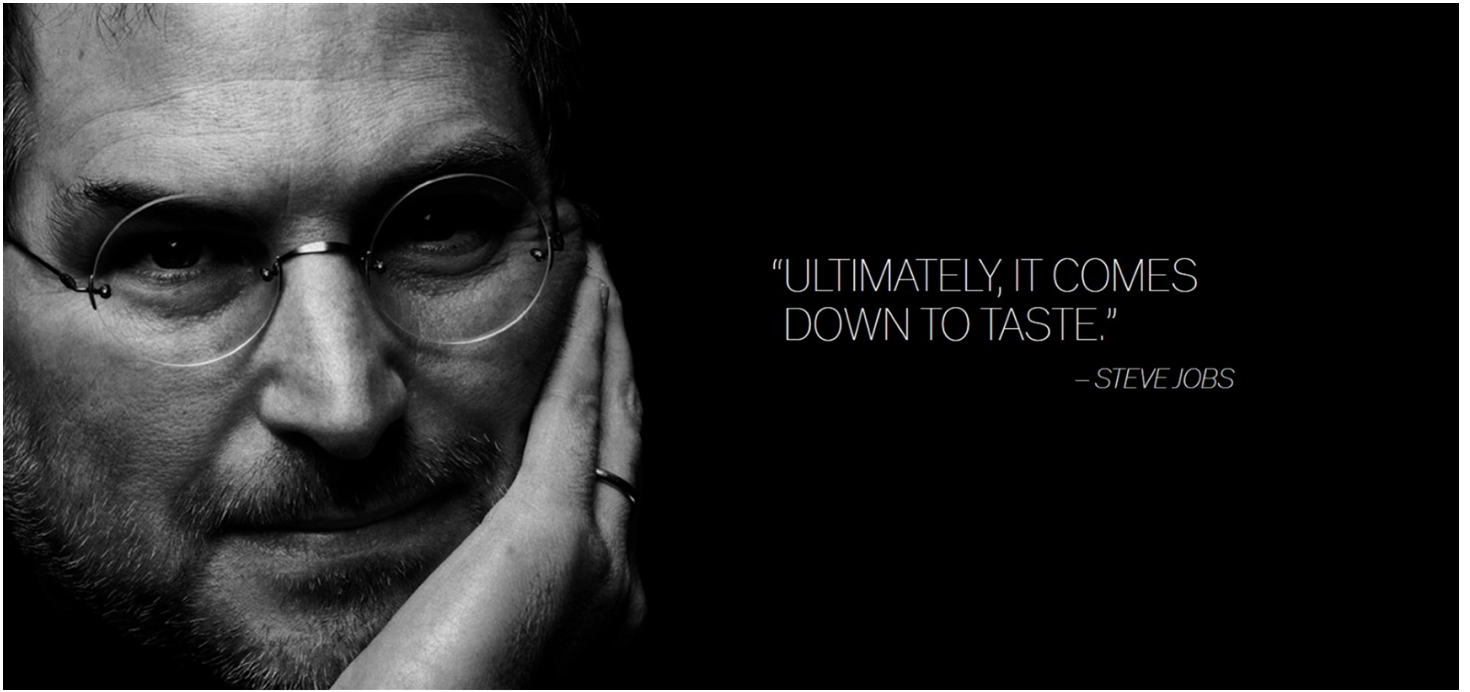
“PROGRESS IS A NICE WORD,
BUT CHANGE IS ITS MOTIVATOR,
AND CHANGE HAS ITS ENEMIES.”

— *ROBERT F. KENNEDY*



THERE ARE THOSE WITH TASTE AND NO SCALE,
AND THOSE WITH SCALE AND NO TASTE

WE BELIEVE THE IDEA OF SCALING TASTE IS LARGE AND FAR REACHING



“ULTIMATELY, IT COMES
DOWN TO TASTE.”

—STEVE JOBS

IT'S NOT ABOUT PHYSICAL VERSUS DIGITAL,
IT'S ABOUT PHYSICAL WITH DIGITAL

IT'S ABOUT THE SEAMLESS INTEGRATION OF A BRAND ACROSS ALL CHANNELS

THE WEB *IS* THE MOST DEMOCRATIC CHANNEL

MOST DIFFICULT TO DIFFERENTIATE
HOLLY'S HOME STORE LOOKS AS BIG AS RH ONLINE

THE WEB *IS NOT* THE MOST PROFITABLE CHANNEL

MOST RETAILERS WHO HAVE INCREASED ONLINE SALES HAVE DECREASED OPERATING MARGINS
NAME AN ONLINE-ONLY RETAIL BRAND THAT HAS REACHED A BILLION DOLLARS PROFITABLY

THE PHYSICAL MANIFESTATION OF A BRAND WILL PROVE
TO BE MORE RATHER THAN LESS IMPORTANT

ESPECIALLY FOR BRANDS NOT SELLING COMMODITIES
MOST CAPITAL-EFFICIENT WAY TO SCALE IN A PHYSICAL WORLD

WE LIVE IN A WORLD OF COMPLEXITY AND CLUTTER

BOMBARDED WITH INFORMATION AND CHOICES

GREAT BRANDS CAN BE A SILVER BULLET

BREAKING THROUGH THE CHAOS AND SIMPLIFYING OUR LIVES BY DELIVERING A PREDICTABLE PROMISE

TIME IS THE ULTIMATE LUXURY

BUSINESSES OR BRANDS THAT DON'T DELIVER TIME VALUE WILL BECOME LESS VALUABLE

BRANDS WITH MORE CONTROL WILL BECOME MORE VALUABLE

BIGGEST ISSUE BRANDS FACE TODAY IS THE DANGER IMBEDDED IN THEIR DISTRIBUTION CHANNELS
WE BELIEVE THOSE WITH CONTROL FROM CONCEPT TO CUSTOMER WILL BE REWARDED

IT'S NOT ABOUT MARKETING, IT'S ABOUT TRUTH

IT'S NOT WHAT WE SAY, IT'S WHAT WE DO THAT DEFINES US

IF WE WANT TO BE PART OF THE CONVERSATION,
WE HAVE TO CREATE THE CONVERSATION

OUR PRODUCTS, SOURCEBOOKS AND GALLERIES HAVE LED RH TO BECOME
THE MOST PINNED, INSTAGRAMMED AND TWEETED BRAND IN OUR SPACE

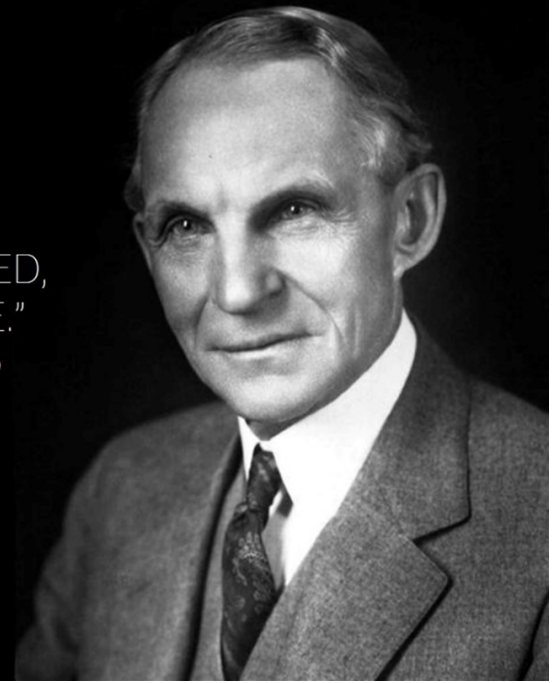
GREAT BRANDS DON'T CHASE CUSTOMERS,
CUSTOMERS CHASE GREAT BRANDS

GREAT BRANDS ARE VISION, NOT CUSTOMER LED

THE IPHONE®, TESLA, INSTAGRAM OR DISNEYLAND DID NOT COME FROM A FOCUS GROUP

"IF I ASKED MY CUSTOMERS WHAT THEY WANTED,
THEY WOULD HAVE TOLD ME A FASTER HORSE."

— HENRY FORD



OUR STRATEGY

OUR JOURNEY BEGINS WITH A QUESTION...

WHO IS THE HOME BRAND FOR THE LUXURY CUSTOMER?

THIS QUESTION FRAMES OUR OPPORTUNITY



RH HAS CREATED THE
MOST COMPREHENSIVE
COLLECTION OF LUXURY
HOME FURNISHINGS
PRESENTED IN THE MOST
INSPIRING SPACES IN THE
WORLD

RH BOSTON
THE GALLERY AT THE HISTORIC
MUSEUM OF NATURAL HISTORY

WE BEGAN AS A RETAILER OF NOSTALGIC DISCOVERY ITEMS
WITH A \$20M MARKET CAP



**RESTORATION
HARDWARE**
WWW.RESTORATIONHARDWARE.COM

Ever since *The Full Monty*, I've been intrigued with trolls yet not convinced that trolls as mere garden ornament justified their strange existence. And then, I was introduced to Aqua-Troll. Fitted with an industrial-grade sprinkler where it is conceivable he might house a brain, his head pops up with normal household water pressure (revealing the sprinkler), emitting a 72-foot diam. lawn and garden spray. The Aqua-Troll connects to an ordinary garden hose or may be directly connected to existing sprinkler systems. Neighbors will marvel at your bravery, your *je ne sais quoi*, in exhibiting Aqua-Troll on your manicured lawn.

Summer 2001

FROM AN 84-PAGE CATALOG

TRANSFORMED INTO A \$2.5B LUXURY DESIGN PLATFORM



WITH OVER 3,000 PAGES OF INSPIRED DESIGN



FURNITURE OF THIS
QUALITY HAS NEVER
BEEN MADE IN THESE
QUANTITIES

WE ARE BUILDING THE FIRST
LUXURY HOME FURNISHINGS
RAILROAD THAT WILL BE VERY
HARD TO REPLICATE



WE'VE BUILT A POWERFUL
PRODUCT PLATFORM THAT
ATTRACTS AND AMPLIFIES
THE BEST DESIGN AND
MANUFACTURING TALENT IN
THE WORLD



THIS LEVEL OF DESIGN
WAS ONLY AVAILABLE
BEHIND THE IRON CURTAIN
OF TO-THE-TRADE
DESIGN CENTERS

HIGHLY FRAGMENTED MARKET
WITH LACK OF ACCESSIBILITY,
TRANSPARENCY AND SCALE



WE'VE ADDED THE MOST
PRESTIGIOUS BATH &
KITCHEN BRAND IN THE
WORLD TO OUR PLATFORM –
WATERWORKS

POSITIONS RH AS AN AUTHORITY
IN TWO OF THE MOST IMPORTANT
ROOMS OF THE HOME – BATH &
KITCHEN



RH
MODERN

WE'VE LAUNCHED ONE OF
THE MOST EXCITING NEW
CONCEPTS IN RETAIL –
RH MODERN

POISED TO BECOME A BILLION-
DOLLAR PLUS BRAND

OUR FIRST FREESTANDING RH
MODERN GALLERY IN LOS
ANGELES



RH

INTERIOR DESIGN

WE'RE BUILDING AN
INTERIOR DESIGN BUSINESS
THAT MOVES THE BRAND
BEYOND CREATING AND
SELLING PRODUCTS TO
CONCEPTUALIZING AND
SELLING SPACES

QUICKLY BECOMING THE
LEADING LUXURY INTERIOR
DESIGN FIRM IN THE COUNTRY



IMAGINE

YOURSELF HERE



RH

INTERIOR DESIGN

THE INFINITE
POTENTIAL OF
A BLANK CANVAS.
THE HOME YOU
HOPE TO CREATE.
ALL YOU HAVE
TO DO IS IMAGINE.

OUR INTERIOR DESIGNERS WORK TO
REALIZE THE POTENTIAL OF YOUR HOME
AND BRING YOUR VISION TO LIFE.

FOR AN APPOINTMENT, VISIT ALL RH GALLERIES NEAR YOU
OR RH.COM. JOIN THE RH MEMBERS PROGRAM AND
RECEIVE COMPLIMENTARY INTERIOR DESIGN SERVICES.



RH

the
MEMBERS PROGRAM

WE MADE THE BRAVE MOVE
FROM A PROMOTIONAL TO A
MEMBERSHIP MODEL THAT
HAS ENHANCED OUR BRAND,
STREAMLINED OUR BUSINESS
AND DRAMATICALLY
IMPROVED THE CUSTOMER
EXPERIENCE

THE TRANSFORMATION OF OUR REAL ESTATE HAS THE
POTENTIAL TO DOUBLE OUR RETAIL SALES IN EVERY MARKET
WHILE LIFTING OUR DIRECT REVENUES

LESS THAN 10% OF OUR ASSORTMENT IS PRESENTED IN OUR LEGACY GALLERIES
THE KEY TO UNLOCKING THE VALUE OF OUR ASSORTMENT IS TO TRANSFORM OUR RETAIL PLATFORM

IT'S NOT ABOUT THE INTERNET

ONLY 12% OF RETAIL SALES ARE DONE ONLINE



IT'S ABOUT THE
LACK OF
IMAGINATION
AT RETAIL

MOST RETAIL STORES
ARE ARCHAIC
WINDOWLESS BOXES
THAT LACK ANY SENSE
OF HUMANITY

NO NATURAL LIGHT OR
FRESH AIR

(THE FORMER SAKS IN DENVER, CHERRY CREEK)



RH

DENVER
THE GALLERY AT
CHERRY CREEK

WE'RE BUILDING INSPIRING
SPACES THAT BLUR THE
LINES BETWEEN RESIDENTIAL
AND RETAIL, THAT ARE MORE
HOME THAN STORE

SPACES THAT ARE FLOODED
WITH NATURAL LIGHT
AND FRESH AIR,
WITH GARDEN COURTYARDS
AND ROOFTOP PARKS



RH
SEATTLE
THE GALLERY AT
UNIVERSITY VILLAGE



RH
LOS ANGELES
THE GALLERY ON
MELROSE AVENUE



RH

AUSTIN
THE GALLERY AT
THE DOMAIN



RH
LAS VEGAS
THE GALLERY AT
TIVOLI VILLAGE



RH

ATLANTA

THE GALLERY AT
THE ESTATE IN BUCKHEAD



RH

CHICAGO
THE GALLERY AT
THE THREE ARTS CLUB

THE NEXT LOGICAL STEP WAS
TO BLUR THE LINES BETWEEN
HOME AND HOSPITALITY BY
SEAMLESSLY INTEGRATING A
RESTAURANT, WINE VAULT
AND COFFEE BAR

REVOLUTIONARY NEW
RETAIL EXPERIENCE THAT
CANNOT BE REPLICATED
ONLINE

ONE THAT ACTIVATES ALL
OF THE SENSES AND
DRIVES SIGNIFICANT
CUSTOMER TRAFFIC

RH CHICAGO VIDEO



RH

CHICAGO
THE GALLERY AT
THE THREE ARTS CLUB

THE LINE EVERY WEEKEND TO
GET A TABLE FOR BRUNCH

NAME ANOTHER RETAIL
STORE THAT HAS A LINE
EVERY WEEKEND BEFORE
IT OPENS

THE MAJORITY OF OUR NEW GALLERIES GOING FORWARD
WILL INCLUDE HOSPITALITY

INCLUDING NEW GALLERIES THIS YEAR IN TORONTO AND PALM BEACH



RH

TORONTO
THE GALLERY IN
YORKDALE

ANCHORING A NEW WING IN
THE HIGHEST VOLUME MALL
IN CANADA



RH

TORONTO
THE GALLERY IN
YORKDALE

INTERIOR ELEVATION WITH
DRAMATIC 140-FOOT
SKYLIGHT ILLUMINATING THE
COURTYARD RESTAURANT
ACROSS THE STOREFRONT,
WHERE YOU WILL DINE
UNDER BEAUTIFUL OLIVE
TREES AND HEAR THE SOUND
OF TRICKLING FOUNTAINS



RH

WEST PALM
THE GALLERY ON
OKEECHOBEE

DRAMATIC GARDEN
COURTYARD, ROOFTOP
RESTAURANT, WINE VAULT,
PANTRY AND COFFEE BAR



RH

WEST PALM
THE GALLERY ON
OKEECHOBEE

ROOFTOP RESTAURANT



RH

WEST PALM
THE GALLERY ON
OKEECHOBEE

WINE VAULT



RH

WEST PALM
THE GALLERY ON
OKEECHOBEE

PANTRY AND BARISTA BAR



RH

NEW YORK

THE GALLERY IN THE HISTORIC
MEATPACKING DISTRICT

QUICKLY BECOMING ONE OF
THE ICONIC CORNERS IN
NEW YORK, ANCHORED BY
THE ENTRANCE TO THE
HIGH LINE AND THE NEW
WHITNEY MUSEUM



RH

NEW YORK

THE GALLERY IN THE HISTORIC
MEATPACKING DISTRICT

SIX FLOORS THAT
SEAMLESSLY INTEGRATE
OUR MULTIPLE BUSINESSES
AND HOSPITALITY OFFERING



RH

NEW YORK

THE GALLERY IN THE HISTORIC
MEATPACKING DISTRICT

ROOFTOP PARK WITH A
BEAUTIFUL INDOOR /
OUTDOOR SKY-LIT ATRIUM
RESTAURANT



RH

NEW YORK

THE GALLERY IN THE HISTORIC
MEATPACKING DISTRICT

DELAYED

WITH ONLY 15 NEW GALLERIES, WE ARE IN THE EARLY
INNINGS OF OUR TRANSFORMATION

POTENTIAL FOR 60 TO 70 IN NORTH AMERICA

WE REMAIN CONFIDENT IN OUR LONG-TERM GOAL OF REACHING \$4 TO \$5 BILLION IN NORTH AMERICAN REVENUES WITH INDUSTRY-LEADING OPERATING MARGINS AND RETURN ON INVESTED CAPITAL

BELIEVE WE CAN GROW REVENUES 8% TO 12%, EARNINGS 15% TO 20% FOR THE NEXT 10 YEARS

LONG-TERM OPPORTUNITY FOR INTERNATIONAL
EXPANSION, AS WE BELIEVE RH HAS THE POTENTIAL
TO BE A GLOBAL BRAND

EXPLORING LOCATIONS TO OPEN OUR FIRST GALLERY IN LONDON

WHEN YOU STEP BACK AND CONSIDER...

ONE, WE ARE BUILDING A BRAND WITH NO PEER

TWO, WE ARE CREATING A CUSTOMER EXPERIENCE THAT CANNOT BE REPLICATED ONLINE

THREE, WE HAVE TOTAL CONTROL OF OUR BRAND FROM CONCEPT TO CUSTOMER

YOU REALIZE WHAT WE ARE BUILDING IS VERY RARE
IN TODAY'S RETAIL LANDSCAPE

AND WE WOULD ARGUE, WILL ALSO PROVE TO BE VERY VALUABLE

BREAK

OUR NEW MODEL

WE ARE ARCHITECTING AN ENTIRELY NEW OPERATING PLATFORM

NEW MEMBERSHIP MODEL

NEW OPERATING MODEL

NEW REAL ESTATE MODEL

NEW MEMBERSHIP MODEL

NEW MEMBERSHIP MODEL

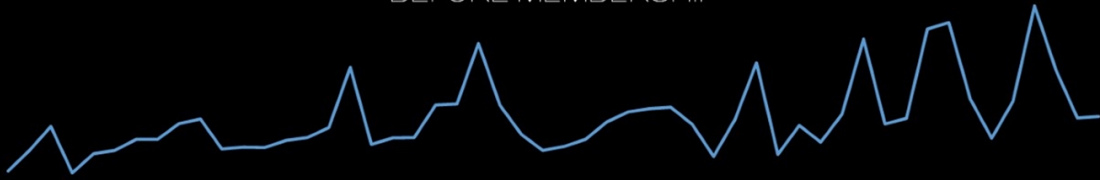
TWO OBJECTIVES:

SIMPLIFY AND STREAMLINE OUR BUSINESS

DEVELOP DEEPER CONNECTION WITH OUR CUSTOMERS

WE BELIEVE THAT MEMBERSHIP HAS ELIMINATED THE FRANTIC BUYING PATTERNS AND ASSOCIATED RETURNS, EXCHANGES, AND CANCELED ORDERS THAT ARE THE RESULT OF A CHAOTIC PROMOTIONAL MODEL

BEFORE MEMBERSHIP



AFTER MEMBERSHIP



NEW MEMBERSHIP MODEL

DRAMATICALLY SIMPLIFIES SALES FORECASTING AND IMPROVES INVENTORY ACCURACY

CREATES MANUFACTURING EFFICIENCIES AND LOWER COSTS

IMPROVES EXECUTION AND PRODUCTIVITY THROUGHOUT OUR SUPPLY CHAIN AND GALLERY NETWORK

NEW MEMBERSHIP MODEL

WE ARE DEVELOPING A DEEPER CONNECTION WITH OUR CUSTOMERS

65% OF OUR RETAIL BUSINESS IS DRIVEN BY MEMBERS WHO USE RH INTERIOR DESIGN

WE CURRENTLY HAVE 380K MEMBERS THAT DRIVE 95% OF OUR CORE RH BUSINESS

MEMBERSHIP FEE INCOME IS UP 37% YTD

NEW OPERATING MODEL

NEW OPERATING MODEL

THREE KEY AREAS OF FOCUS:

DISTRIBUTION NETWORK REDESIGN

REVERSE LOGISTICS AND OUTLET REDESIGN

HOME DELIVERY

DISTRIBUTION NETWORK DESIGN

16 MONTHS AGO WE PEAKED AT 1.1M FURNITURE UNITS ACROSS 4 FURNITURE DC'S, 2 FURNITURE STORAGE DC'S, AND 1,000 STORAGE TRAILERS

16 MONTHS LATER WE ARE ON TRACK TO END THE YEAR WITH 535K FURNITURE UNITS WITH PLANS TO CLOSE 2 FURNITURE DC'S BY YEAR END, AND WE HAVE ELIMINATED STORAGE TRAILERS

WE ALSO AVOIDED THE CONSTRUCTION OF A PLANNED 1.5M SQ FT FURNITURE DC IN SAVANNAH THAT WOULD HAVE OPENED THIS YEAR

DISTRIBUTION NETWORK DESIGN

OUR PLAN IS TO RUN THE BUSINESS WITH TWO COASTAL DISTRIBUTION CENTERS

WE EXPECT IN-STOCKS TO IMPROVE AND INVENTORY TURNS TO SIGNIFICANTLY INCREASE

TOTAL PROJECTED ANNUAL EXPENSE SAVINGS OF APPROXIMATELY \$15M

TOTAL PROJECTED INVENTORY SAVINGS OF APPROXIMATELY \$400M VERSUS PREVIOUS LONG RANGE PLAN

REVERSE LOGISTICS & OUTLET BUSINESS REDESIGN

WE ARE NOW LIQUIDATING 90% OF RETURNS IN MARKET, ELIMINATING THE NEED TO TRANSPORT PRODUCT BACK TO OUR DISTRIBUTION CENTERS

WE EXPECT THIS WILL RESULT IN COST SAVINGS AND MARGIN ENHANCEMENT OF APPROXIMATELY \$15-20M ANNUALLY

HOME DELIVERY

OUR EVALUATION OF THE HOME DELIVERY NETWORK HAS LED US TO SEVERAL CONCLUSIONS:

THE CURRENT PROVIDER NETWORKS ARE NOT DESIGNED TO DELIVER A LUXURY CUSTOMER EXPERIENCE – MOST ARE LOW-COST, COMMODITY MODELS

OUR SCALE CREATES THE OPPORTUNITY TO INSOURCE AND/OR BUILD EXCLUSIVE PARTNERSHIPS

OUR CURRENT TEST IN THE BAY AREA, WHILE STILL EARLY, INDICATES THERE IS A SIGNIFICANT OPPORTUNITY

HOME DELIVERY

AN INDEPENDENT SURVEY SENT TO OUR CUSTOMERS SERVICED BY OUR OWN IN-SOURCED OPERATION RECEIVED A 93% SATISFACTION SCORE, VERSUS OUR OUTSOURCED PROVIDERS WITH A SCORE OF 62%

OUR IN-SOURCED OPERATION SCORED 100% WHEN ASKED IF YOU WOULD REQUEST/RECOMMEND OUR DELIVERY DRIVERS/SERVICE, VERSUS OUR OUTSOURCED PROVIDERS WITH A SCORE OF 77%

NEW REAL ESTATE MODEL

NEW REAL ESTATE MODEL

TRANSITIONING FROM A LEASE TO A DEVELOPMENT MODEL THROUGH A SALE LEASEBACK
STRUCTURE THAT WILL REDUCE OUR CAPITAL REQUIREMENTS AND INCREASE ROIC

TWO KEY LEARNINGS FROM OUR CHICAGO DESIGN GALLERY

SUCCESSFUL IN CREATING A STAND ALONE RETAIL DESTINATION

THE ADDITION OF AN INTEGRATED HOSPITALITY EXPERIENCE CREATES A MORE IMMERSIVE
CUSTOMER EXPERIENCE THAT DRIVES SIGNIFICANT TRAFFIC

WE HAVE RETAINED EASTDIL SECURED

THIS PREMIER REAL ESTATE INVESTMENT BANKING GROUP WILL IDENTIFY CAPITAL PARTNERS AND ARRANGE SALE LEASE BACK TRANSACTIONS

WE BELIEVE THE VAST MAJORITY OF NEW GALLERIES WILL REQUIRE LITTLE IF ANY UPFRONT CAPITAL FROM RH

KEY BENEFITS OF A DEVELOPMENT MODEL

OPPORTUNITY TO BUY AND DEVELOP UNIQUE RETAIL LOCATIONS

ABILITY TO STRUCTURE SALE-LEASEBACK WITH SIGNIFICANTLY LOWER RENTS

ELIMINATE PERCENTAGE RENT, EXPENSIVE TRIPLE NET CHARGES AND PASS THROUGHs

MINIMIZE DEPRECIATION AND AMORTIZATION



RH

MINNEAPOLIS

FREESTANDING PAD SITE AT
SOUTHDALE MALL



DEVELOPMENT AND LEASE MODEL COMPARISON

DEVELOPMENT MODEL – SALE / LEASEBACK

INVEST \$33M TO OWN LAND AND GALLERY

SELL PROPERTY FOR \$33M

LEASEBACK PROPERTY FOR \$1.8M ANNUALLY

LEASE MODEL

NO OWNERSHIP OF LAND AND GALLERY

INVEST \$15M IN GALLERY LEASEHOLD IMPROVEMENTS WITH \$1M DEPRECIATION PER YEAR

LEASE PROPERTY FOR \$1.8M ANNUALLY PLUS \$400K PERCENTAGE RENT

MODEL COMPARISON – MINNEAPOLIS

RH DEVELOPMENT MODEL HAS A NET ZERO CAPITAL INVESTMENT AND NO PERCENTAGE RENT, GENERATING \$25M OF INCREMENTAL CASH FLOW VERSUS THE LEASE MODEL OVER A 15-YEAR LEASE TERM

	DEVELOPMENT MODEL	LEASE MODEL
SALES	\$30M	\$30M
RENT	\$1.8M	\$2.2M
CASH CONTRIBUTION	\$9.0M	\$8.6M
NET CAPITAL	\$0M	\$15M

IN CLOSING...

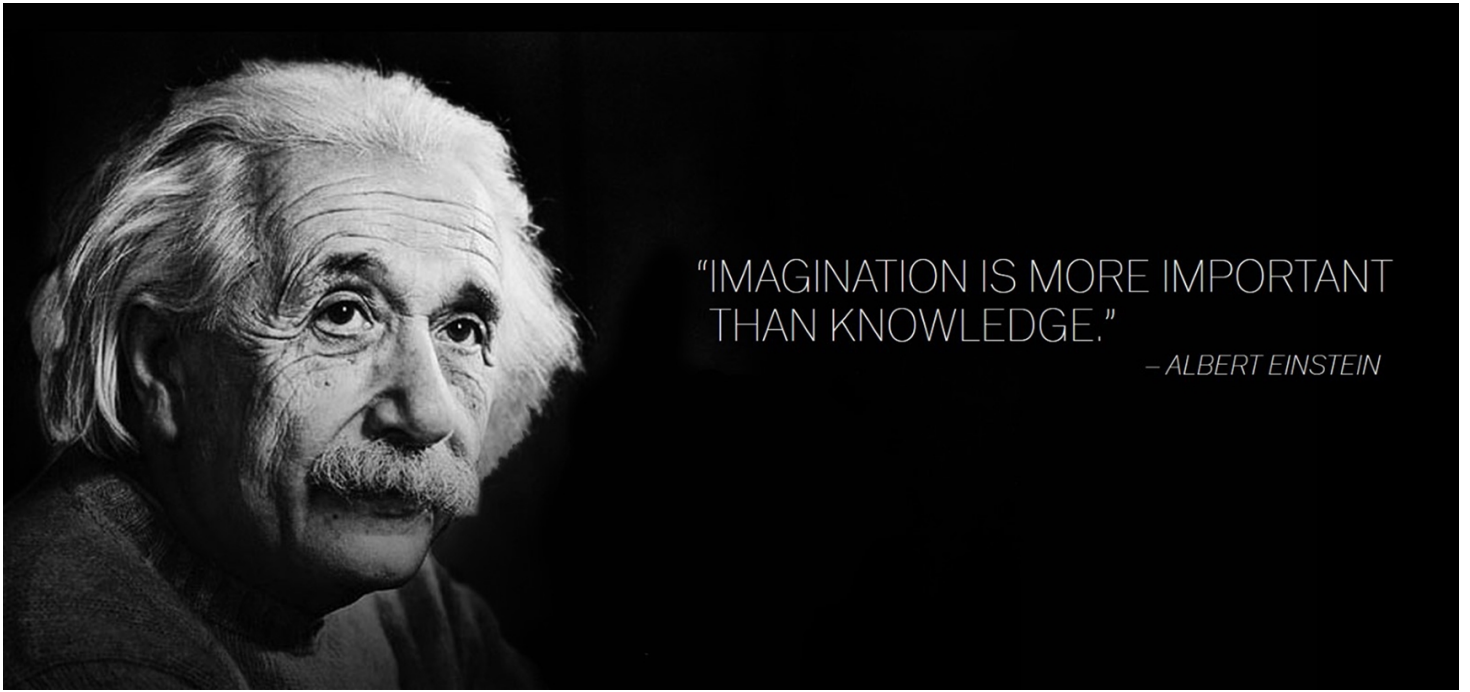
IT'S NOT ABOUT AMAZON

WITH ALL DUE RESPECT – THEY ARE AMAZING AT WHAT THEY DO

IT'S NOT ABOUT BIG DATA

WITH ALL DUE RESPECT – WE LOVE DATA

IT'S ABOUT IMAGINATION



"IMAGINATION IS MORE IMPORTANT
THAN KNOWLEDGE."

- ALBERT EINSTEIN

IT'S ABOUT IMAGINING...

A NEW AND REVOLUTIONARY MEMBERSHIP MODEL

A NEW AND DRAMATICALLY MORE EFFICIENT OPERATING PLATFORM

A NEW AND SIGNIFICANTLY MORE ACCRETIVE REAL ESTATE STRATEGY

A NEW AND INSPIRING WAY TO LIVE

AND IN THE DISMAL DAYS OF BRICK & MORTAR RETAILING...

IT'S ABOUT IMAGINING A NEW AND REVOLUTIONARY
RETAIL EXPERIENCE

IMAGINE...

A RETAIL STORE WHERE YOU VALET YOUR CAR IN FRONT OF A 12 FT HIGH WALL OF WATER, INSPIRED BY THE FAMOUS FOUNTAIN IN NEW YORK'S PAYLEY PARK. WHERE YOU ADMIRE A 70X140 FT INSTALLATION BY THE WORLD RENOWNED CONTEMPORARY ARTIST, RETNA. WHERE YOU WANDER THROUGH 10,000 SQ FT OF TROPICAL GARDENS FEATURING ARTISTIC COMPOSITIONS OF OUTDOOR FURNITURE. WHERE YOU NAVIGATE THREE FLOORS OF INTERIOR INSTALLATIONS AND IMAGINE THE HOME OF YOUR DREAMS WITH AN INTERIOR DESIGN PROFESSIONAL. WHERE YOU SAVOR YOUR FAVORITE COFFEE DRINK AND A PASTRY FROM A BARISTA BAR. WHERE YOU ENJOY A GLASS OF ROSÉ IN A DRAMATIC WINE VAULT. WHERE YOU DINE UNDER HERITAGE OLIVE TREES BENEATH A SOARING GLASS ATRIUM WHILE LISTENING TO THE SOUND OF TRICKLING FOUNTAINS AND TAKING IN THE SUNSET IN A ROOFTOP RESTAURANT

NOW TRY TO IMAGINE THAT ONLINE

IT'S NO DIFFERENT THAN P. T. BARNUM IMAGINING
THE GREATEST SHOW ON EARTH

AND TRULY UNDERSTANDING THAT YOU CAN NEVER
MAKE A DIFFERENCE BY BEING LIKE EVERYONE ELSE

THE GREATEST SHOWMAN CLIP

NOW LET'S GET READY TO TOUR, THE GREATEST STORE ON EARTH

RIGHT AFTER OUR Q&A SESSION

Q&A

BALANCE SHEET

DEBT SUMMARY

SIGNIFICANT IMPROVEMENT IN LEVERAGE RATIOS EXPECTED IN Q4 THROUGH CONTINUED DEBT PAYDOWN FROM FREE CASH FLOW AND ADJUSTED EBITDA GROWTH

\$ in millions	RATE	FY2017		
		Q2	Q3	Q4
ABL REVOLVER	2.75%	283	341	210
OTHER SECURED DEBT	4.00%	94	114	114
2ND LIEN TERM LOAN	9.50%	100	-	-
2019 CONVERTIBLE SENIOR NOTES	0.00%	350	350	350
2020 CONVERTIBLE SENIOR NOTES	0.00%	300	300	300
NOTES PAYABLE & CAPITAL LEASES	~5.00%	27	27	27
TOTAL DEBT	1.35%	1,154	1,132	~1,000
TOTAL NON-CONVERT DEBT		404	482	~350
CUMULATIVE FREE CASH FLOW		282	~300	~430
TOTAL DEBT / ADJUSTED EBITDA		6.5x	5.4x	~4.2x

CASH FLOW GENERATION TO RETIRE CONVERTS

EXPECT TO GENERATE SUFFICIENT FREE CASH FLOW TO REPAY
BOTH CONVERTIBLE NOTES IN CASH

<i>\$ in millions</i>	FREE CASH FLOW	CUMULATIVE FCF	OTHER DEBT (3.2%)	CONVERTIBLE DEBT (0%)
Q4 2017	\$130	\$130	\$482	\$650
FY 2018	240	370		
H1 2019	100	470		(350)
H2 2019	120	590		
H1 2020	120	710		(300)

FINANCING ALTERNATIVES

LOW-COUPON CONVERTIBLE DEBT

INSTITUTIONAL TERM LOAN

CONVERTIBLE DEBT PRIMER

WE EXPECT TO SETTLE THE CONVERTIBLE NOTES IN CASH AND ACCORDINGLY DO NOT EXPECT DILUTION RELATED TO THE CONVERTS UNLESS THE STOCK REACHES \$172 OR \$189 BEFORE THE RESPECTIVE MATURITIES

MATURITY	JUNE 2019	JUNE 2020
AMOUNT	\$350M	\$300M
COUPON	0%	0%
CONVERSION PRICE	\$116	\$118
BASE UNDERLYING SHARES	3.0M	2.5M
UPPER STRIKE (BOND HEDGE)	\$172	\$189
ASSUMED SETTLEMENT	CASH	CASH

BUILD TO SUIT LEASES

NOT AN OPERATING LEASE. NOT A CAPITAL LEASE. NOT A HYBRID.

MANY OF OUR LEASES REQUIRE BUILD TO SUIT ACCOUNTING TREATMENT UNDER GAAP,
WHICH CAN RESULT IN:

GROSS UP OF OUR BALANCE SHEET TO INCLUDE LANDLORD ASSETS (I.E., VALUE OF THE LAND AND
LANDLORD FUNDED IMPROVEMENTS)

BTS ASSET WITHIN PP&E

CORRESPONDING BTS LIABILITY

BTS LIABILITY DOES NOT RESULT IN PAYMENTS

GROSS UP DOES NOT IMPACT P&L OR CASH FLOW

PORTION OF RENT EXPENSE CLASSIFIED AS INTEREST EXPENSE

NEW LEASE ACCOUNTING GUIDANCE IS EXPECTED IN FISCAL 2019

BRIDGE

2018 PRELIMINARY OUTLOOK

NET REVENUE IN THE RANGE OF \$2.58B TO \$2.62B

8% – 9% GROWTH ON A COMPARABLE 52 WEEK BASIS

ADJUSTED OPERATING MARGIN IN THE RANGE OF 9% TO 10%

ADJUSTED NET INCOME IN THE RANGE OF \$125M TO \$145M

NET CAPITAL EXPENDITURES IN THE RANGE OF \$65M TO \$75M

FREE CASH FLOW IN EXCESS OF \$240M

BRIDGE TO 2018 OPERATING MARGIN

FY 2017 OPERATING MARGIN MIDPOINT	6.8%
GROSS MARGIN	170 – 220 BPS
SG&A	50 – 100 BPS
OPERATING MARGIN EXPANSION	<u>220 – 330 BPS</u>
FY 2018 OPERATING MARGIN OUTLOOK RANGE	9% – 10%

THIRD QUARTER HIGHLIGHTS

Q3 2017 HIGHLIGHTS

SALES

TOTAL REVENUE GROWTH: +8%

COMPARABLE BRAND: +6%

HURRICANE IMPACT

GROSS MARGIN

HIGH END OF GUIDANCE RANGE: +460BPS VS. LY

Q3 2017 HIGHLIGHTS

SG&A

BEAT DRIVEN BY COMPENSATION, OTHER G&A

INTEREST

5 CENT BENEFIT RELATED TO DEBT EXTINGUISHMENT CHARGE

TAXES

EFFECTIVE TAX RATE OF 32%

BEAT DRIVEN BY STOCK COMPENSATION "WINDFALL" BENEFITS FROM OPTION EXERCISES
EXPECTED TO CONTINUE IN Q4 AND FY 2018

RH

INVESTOR DAY

NOVEMBER 16, 2017