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PRESENTATION

Operator

Good afternoon, ladies and gentlemen, and welcome to the Allbirds Fourth Quarter and Full Year 2021 Conference Call. (Operator Instructions)

Now I would like to turn the call over to Kyle Khasigian, VP of Finance at Allbirds.

Kyle Khasigian

Good afternoon, and thank you for joining us. With me on the call today are Joey Zwillinger and Tim Brown, Allbirds' Co-Founders and Co-CEOs; and Mike Bufano, Allbirds' Chief Financial Officer.

Before we start, I would remind you that we will make certain statements today that are forward-looking within the meaning of the federal securities laws, including statements about our financial outlook and other matters referenced in our earnings release issued today. These forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially. Please also note that these forward-looking statements reflect our opinions only as of the date of this call, and we undertake no obligation to revise any statements to reflect changes that occur after this call.

Please refer to our SEC filings as well as our earnings release and Form 8-K filed today for a more detailed description of the risk factors that may affect our results.

Also, during this call, we may discuss non-GAAP financial measures, which adjust our GAAP results to eliminate the impact of certain items. These non-GAAP items should be used in addition to and not as a substitute for any GAAP results. You will find additional information regarding these non-GAAP financial measures and a reconciliation of these non-GAAP measures to their most direct comparable GAAP measures in today's earnings release.

Now I'll turn the call over to Joey to begin the formal remarks.

Joseph Z. Zwillinger ***Allbirds, Inc. - Co-Founder, Co-CEO, President, Treasurer, Secretary & Director***

Kyle, thanks, and hello to everyone on the call. We are pleased to report a strong finish to a successful year for Allbirds, headlined by annual sales growth of 27% and 43% 2-year basis including record-breaking sales performance in Q4.

Underpinning this success is our continued brand momentum across multiple geographies. We believe that this brand [heat] atop a healthy consumer spending backdrop positions us to accelerate our growth rate for a second year in a row in 2022, with year-over-year sales growth projected between 28% and 32% at or above the high end of our medium-term targets.

We are also laser-focused on generating meaningful and durable profitability. We saw great progress here as well in 2021, with adjusted EBITDA coming in ahead of our expectations for the fourth quarter and full year, continuing our disciplined march towards our long-term profitability targets.

Given this is the close of our fiscal year, I'd like to remind everyone of the core elements that underpin our value creation model, the integration of unique advantages in product, distribution and brand in this enormous market.

We put natural material innovation at the center of our product engine, unlocking magical consumer experiences across lifestyle and performance while fulfilling our brand promise of treading lighter on the planet.

Many people still know us well for the iconic product that we launched the company with in 2016, the Wool Runners. In 2018, we added Tree as our second hero material. Both of these have been successful. In fact, one of the most exciting developments in 2021 was seeing Tree surpass Wool as our top-selling material. This is an example of the multiyear growth opportunity from each material platform that we create, with more in store in the coming years.

Our go-to-market process is vertical, making it unique in the footwear industry. This model unlocks significant value for us. In fact, for a third year in a row, we acquired over 1 million new customers. It also helps to protect our premium brand position, enabling our 27% year-over-year growth while maintaining 97% full price yield in 2021.

And it helped deliver a great experience, too. Our average Net Promoter Score for 2021 was 85, and our physical retail experience is especially strong at an NPS of 88. This is an important indicator of future purchasing tests. And in 2021, we continued this trend with more than 40% of customers that are at least 1 year in age purchasing again. And those customers who came back spent 30% more in their second year than they did in their first.

The power is not just in the vertical nature of our distribution but in the omnichannel approach. In 2021, we opened 13 new doors, expanding our portfolio to 35 locations globally. We ended the year with omnichannel repeat customers representing 14% of those who purchased twice or more. This is an important metric as we continue to see these omnichannel repeat customers of at least 1 year old spend 1.5x when compared to single channel repeat customers, hence, our focus on expanding the fleet.

This is not just true in the U.S., but also in our key international locations, and our early investment in a global infrastructure is paying off. Our international business continues to grow quickly at elevated gross margins and now accounts for 24% of our total business.

In 2021, China was our single largest country of sales outside the U.S. for the first time, and we are optimistic that the Chinese consumer is increasingly aware of the environmental impact of consumption, positioning our brand for future success in that region.

Of course, our product engine and distribution model would be nothing without our brand. We are purpose native, meaning that we started with an approach that aligned our financial outcomes with the positive environmental impact such that the more market share we earn, the better our planet will be. And 2021 was a great year in terms of us extending our leadership in the industry on this topic.

Tim will talk more about some of our brand highlights, but I'd like to remind everyone of the sustainability principles and objectives framework that we released during our IPO in November. Introducing this framework was a major milestone on our journey to cement Allbirds as a sustainable leader in consumer products.

Relatedly, in 2021, we also launched the Allbirds Flight Plan, a set of initiatives aimed at reducing our per unit carbon dioxide equivalent emissions by 50% by the end of 2025 and by 95% by 2030, all while targeting to grow rapidly and expand margins.

We believe our sales will have expanded by multiples between 2020 and 2030. But to put our goals in context, we estimate that we will emit approximately 40% less CO_2 in 2030 than we did in 2020 on absolute terms if we achieve these goals.

In 2021, as part of this plan, we surpassed our annual carbon reduction goal and dropped the average carbon footprint of our top 10 products by 14% year-over-year. These carbon reduction initiatives are aligned with our financial goals, and in fact, are a large part of the reason we expect to grow so quickly. In 2022, we aim to reduce the average carbon footprint of our top 10 products by an additional 6%, and we'll update you on progress along the way.

To bring this all together, I'll reiterate 3 outcomes that embody the effectiveness of our strategy. In 2021, we grew sales by 27%, grew gross profit by 30% and reduced carbon emissions on our top 10 products by volume by 14%. That is what Allbirds is all about, profit and purpose coming together. When we improve our impact, our business gets better.

Now to the fourth quarter, our biggest quarter ever and an appropriate end to a strong 2021. We reported top line results ahead of our targets with growth of 23% versus a strong Q4 in 2020 and 43% versus Q4 2019. This quarterly growth rate marks an acceleration of our 2-year growth rate from the 40% we posted in the third quarter. We experienced a notable strength in the U.S., punctuated by a strong holiday season.

Consumers had a positive reaction to product offerings, particularly our Fluff footwear collection, our slippers that we call the Dwellers, the rerelease of Smallbirds for kids and on the apparel side, to our comfy and cozy loungewear.

The peak period of Black Friday through Cyber Monday was exceptional for us and included 2 record sales days, demonstrating the power of our omnichannel model. We also delivered a superior customer experience on these high-volume days, evidenced by our stellar NPS scores.

On Black Friday, more than 10 of our U.S. stores were in what we refer to as the 100 club, meaning they recorded an NPS of 100 on an incredibly high-volume day. This doesn't come easy, and we want to recognize the excellence of our store leadership has demonstrated this year.

During December, our scores grappled with COVID exposures that forced us to temporarily shut down a number of locations in the U.S., and we also saw the Omicron surge impact international markets. Cyber Monday was the first time we utilized markdowns on old models and colors as well as on styles with broken size runs, and we were encouraged by our consumers' reaction, including full price sales that alone would have been our biggest day ever.

We previously noted that we successfully navigated a very tough supply chain environment throughout Q2 and Q3 with full continuity of our manufacturing operations while pulling forward critical inventory that we were able to weaponize during the holidays. This strength has continued in Q4. We have yet to face a government-mandated shutdown in any of our manufacturing operations. We are, of course, contending with ongoing bottlenecks and inbound transportation that are facing the entire industry. And Mike will unpack the deliberate increases we've taken on inventory to mitigate possible impacts of an elongated supply chain.

The many successes and strong financial outcomes of 2021 are a result of investment in our people, the Flock, and continued belief in the power and potential of our product engine, our brand and our distribution model.

In 2020 and 2021, we were named one of America's Best Startup Employers by Forbes, taking the top spot in 2020.

The magnetism of our brand for top talent is augmented by our investment in culture and our mission. And while we felt the benefits of this throughout 2021, it has accelerated since our IPO in November. We expect our strong employer brand to create tailwinds for us for many years to come.

In total, our 2021 performance gives us tremendous confidence in our business and keeps us firmly on track to achieve our medium-term financial targets of 20% to 30% revenue growth, more than 60% gross margin and mid- to high teens adjusted EBITDA margin.

As we turn to 2022, we're excited to add a tool that we expect to be incremental to our core operating and value creation model.

Beginning in Q2, we will selectively enter third-party retail relationships to build brand awareness and to establish greater credibility in the performance category, all while accelerating our ability to drive top and bottom line growth.

We've talked previously about the fact that our Aided Brand Awareness in the U.S. is 11%, leaving us unknown to a vast majority of Americans. In the relationships we choose to engage with, we expect our presence in their multi-brand environment to be additive to our vertical business and the Allbirds brand more broadly.

Many of these partnerships will also be instrumental in educating runners about the quality of our performance product offering. Fortunately, we have experience in this via partnerships we've successfully engaged in previously. As an example, we've worked with Nordstrom on 2 separate occasions and saw excellent uplift in our Aided Brand Awareness and a positive halo into our direct sales channel.

Before anyone gets ahead of us on this, I want to note that while we believe this will be incremental to our business, in 2022, we expect that sales from these partnerships will be modestly accretive. And in terms of profitability, the overall impact will be slightly dilutive to overall gross margin and be cash flow neutral to positive as we support these early efforts with a small team internally.

I'll close my section with a note on the overall trends we are seeing in the marketplace. Some companies enjoyed a significant bump during the peak of COVID. We were not one of those companies. We believe that in many cases, the significant help these tailwinds provided has been underestimated and similarly, how quickly these tailwinds may recede as COVID dissipates.

In contrast to this, we are seeing consumer demand shift in our favor as the world tires of restrictions related to the pandemic. This leaves us even more confident than ever that we will continue to accelerate our growth and profitability with notable progress expected in 2022.

Now I'll pass it over to Tim to talk product and then over to Mike for specifics on our financials.

Timothy O. Brown ***Allbirds, Inc. - Co-Founder, Co-CEO & Director***

Thanks, Joey. Allbirds is still a young brand with a tremendous runway hit. We have a great deal of confidence in the product and material innovation platform we built to meet what we believe is a transformational consumer shift in our category towards natural materials.

2021 was a solid year for product with our best product cadence and selection of the year coming in Q4. You heard Joey say we acquired over 1 million new customers to the brand, which is a testament to our ability to consistently create products with groundbreaking natural materials, building product franchises that resonate with consumers around the globe.

While we know that sustainability is becoming an increasingly important part of purchase consideration, especially among younger consumers, our focus remains on creating great products with differentiated consumer benefits built from our natural material innovation.

One future innovation we've expressed our excitement publicly is a plant-based leather alternative. We also plan to introduce a new-to-the-world mid-sole technology that will fuel our lifestyle and performance product pipeline. Combining these novel materials across product franchises like the Lounger, Runner and Dasher, along with continued activation through color and collaboration is at the core of our product strategy.

From my nearly decade-long career as a professional athlete, I know the bar for making performance products is a high one. Forging this path is not going to happen overnight. In a short space of time, Allbirds has earned credibility in a highly competitive arena, and we're just getting started. Simply put, we continue to believe that natural materials can create better-performing products for athletes, including runners of all levels in this journey.

In 2021, we expanded our presence in the performance category with The Trail Runner SWT and performance apparel launches. And we're thrilled to be embarking on another significant chapter in our performance story this year.

The first notable step on that part is the arrival of the Dasher 2 just yesterday, a meaningful upgrade to an already successful franchise that was born from the deep level of engagement we have with our customers and the ongoing feedback they impart to us. This upgrade brings a streamlined look, less carbon, less weight, introduces reflectivity with improved fit and greater traction.

As we look forward to a greatly expanded product portfolio across all our categories, you should expect to see consistent technical upgrades and versions of our performance footwear products. This will lead us to naturally wind down early versions at times they can select pricing actions as we have done with the Dasher 1 in recent weeks and the lead-up to yesterday's launch. We look forward to sharing more in future calls on our performance pipeline and the consumer trends that are reshaping the footwear and apparel industry.

In addition to performance, we also made big strides on the lifestyle front in 2021 with new product introductions across both footwear and apparel. In Q4, we leveraged our positioning and comfort and brought new energy to our Smallbirds, Fluff and Dwellers franchises, all of which performed well during the holiday season.

In apparel, we launched a Sweats product that has been well received by our customers and embodies our key differentiator, leveraging unique natural materials to deliver next-to-skin comfort, a hallmark of the Allbirds brand, which we expect will help us win long term.

We've brought tremendous excitement to the brand through our partnerships and collaborations in the past year. A great example of this is our Marshawn Lynch series, which brought humor and a grounded sensibility to the complex topic of sustainability. This series generated viral content around our core purpose and enabled us to educate, entertain and connect our unique purpose to culture. You'll see more of this from Allbirds in the year ahead.

Another 2021 partnership highlight was the Allbirds Adidas FUTURECRAFT. This provocative partnership drove substantial traffic to our site and sold out within hours.

Another moment I'll point to is from last Earth Day in April, when we open-sourced our carbon emissions calculator on freethefootprint.com, empowering other brands to take ownership of their carbon emissions.

We'll continue to tap into partnerships and thought leadership as a way to amplify not only our product franchises, but also our thought leadership and sustainability.

Relatedly, last week, we were excited to announce the official launch of Allbirds ReRun, our resale platform. This launch has 2 key components: the U.S. digital marketplace with slightly imperfect and gently used products and an in-store trade-in program. Allbirds ReRun is a small step on our circularity journey that allows us to extend the lives of our products while also acquiring new customers.

As our product assortment grows, we are placing an emphasis on community with our growing collective of Allbirds' ambassadors, which we call the Allgood Collective, or AGC. The AGC brings together a cross-section of young leaders and influential everyday athletes, connected with the red thread of our sustainability purpose to engage with our customers through in-store events, run clubs and digital content.

The AGC also provides another mechanism to explain the provenance of the materials we use in our products, our carbon methodology and unique material innovation behind our performance forward products.

As I mentioned, our product lineup was solid in 2021. But as we enter 2022, we believe we are on a trajectory for the most compelling product road map in the history of the company, and we look forward to revealing more of that story as the year unfolds.

Now I'll turn the call to Mike to discuss the financials.

Michael J. Bufano ***Allbirds, Inc. - CFO***

Thanks, Tim. I'm excited to walk you through our Q4 and full year results. Our strong materials and product innovation engine, authentic purpose-led brand, deep connection with customers and an omnichannel distribution model all came together to deliver fourth quarter net revenue, gross profit and adjusted EBITDA performance above our guidance targets.

In the press release, we noted the drivers of the year-over-year change in each line of the P&L. I'll use my prepared remarks to add some color starting at the top of the P&L and breaking down what drove our accelerating top line and record revenue performance of $97 million in Q4.

In Q4, orders increased 6%, and average order value was up 17%. For the full year, orders increased 13% and AOV increased 11%. Our strong product launches, which attracted new customers and delighted repeat customers were the big factor here. The other contributor to the growth in AOV was a small price increase we took in August. Our internal analysis shows that we saw effectively no drop off in demand, which speaks to the power of our brand and the quality of our products.

Looking at revenue by geography. For the full year, we saw balanced growth with 26% growth in the U.S. and 29% in international. In the quarter, the U.S. grew faster at 25%, with international at 14%.

The last view of revenue I'll share is by channel. In Q4, we are pleased with the growth in both digital and physical retail. Physical retail was the biggest driver of Q4 growth. That being said, in December, the Omicron surge shifted shopping habits and drove a notable uptick in digital, especially in the U.S. This builds on the point Joey made earlier about how our omnichannel model allowed us to have a strong holiday season. We were able to meet our customers wherever they wanted to engage with Allbirds, and our supply chain had us in a position to meet that demand.

I want to provide a bit more color on how the channels performed for full year 2021. We won't get this level of detail each quarter because we believe geography is the more instructive way to look at our revenue growth. That being said, we know for some of you, the channel data is helpful on how you think about our business, so we're including more detail for this year-end call.

In 2021, digital grew 16% to $225 million and accounted for over 80% of sales. Said simply, we remain a digitally led business.

The 2 drivers of digital growth come back to what we shared during the road show. One, we continue to consistently and profitably acquire new customers with the digital channel remaining far and away the largest source of new customer acquisition. Two, we delight repeat customers of new products, colors and styles. Our product innovation, combined with our data-driven personalized marketing drove strong repeat purchase behavior, as you heard from Joey.

In 2021, physical retail more than doubled, growing 112% to $52 million. We opened 13 new stores in 2021 going from 22 to 35 stores, and the class of 2021 contributed 43% of the total physical retail dollar growth this year.

The 22 stores opened before 2021 contributed the rest of the dollar growth in physical retail. Within this group of stores, the 7 U.S. stores opened in 2019 and prior saw a nice bounce back from the depths of COVID, with 63% year-over-year growth in Q4 in spite of the Omicron surge in December. These stores continue to work their way back towards pre-COVID sales levels and also saw a marked improvement in four-wall profitability in 2021 when compared to 2020.

Looking forward on U.S. retail. We previously shared pro forma U.S. new store targets of $3.5 million to $4.5 million in gross sales and low 20% four-wall EBITDA margins. When adjusted for the estimated impact of COVID, the performance of our U.S. store fleet, especially the classes of 2020 and 2021, continue to give us confidence in these targets.

I'll keep moving down the P&L. In Q4, gross profit was $49 million, an increase of 24% and gross margin expanded by 45 basis points to 50.2%. For the full year, gross profit was $147 million, an increase of 30% and ahead of our guidance target while gross margin expanded by 145 basis points to 52.9%, in line with our gross margin guidance target of 52.9% to 53.4%.

For both Q4 and the full year, the year-over-year improvement in gross profit and gross margin was driven by a faster growth in physical retail and international, both of which are gross margin accretive. The other tailwinds here were the price increase, a decrease in product costs and favorable product mix. These tailwinds were partially offset by headwinds in logistics costs, both inbound and outbound, and distribution center costs. Altogether, these headwinds created an estimated 200 basis points year-over-year drag on gross margin for both Q4 and the full year.

Staying on the subject of COVID headwinds, I'll wrap up on gross margin by providing color on the impact that Omicron had on our business in December and how that affected Q4 gross margin. One, we saw choppiness in physical retail traffic with some of that demand shifting to digital. Two, given the channel shift compared to our expectations, U.S. digital made up a greater percentage of sales mix versus physical retail, which is gross margin accretive. Three, labor issues in our East Coast DC led to excess cost in that facility and forced us to ship volume at a higher cost to us from our West Coast DC. These factors landed us at the low end of our gross margin guidance target range.

In spite of the COVID headwinds for the year, we delivered a 145 basis point improvement in gross margin and have now improved our gross margin by 600 basis points from 2018 through the end of 2021.

Moving below gross profit, the drivers of change of SG&A and marketing are discussed in our earnings release. On marketing, I did want to proactively address the likely question around the impact of Apple's privacy changes. As we've shared in the past, we have built a diversified marketing mix and are not overly dependent on Facebook or any other single media channel for our ad spend. While ad costs are increasing in certain segments of our spend, our Q4 digital advertising costs were in line with our expectations.

I'll wrap up the P&L walk with adjusted EBITDA, which improved markedly in both Q4 and the full year. We were adjusted EBITDA positive in Q4 and delivered an improvement of 24% on a full year basis, narrowing our adjusted EBITDA loss to $11.7 million. This adjusted EBITDA performance exceeded the high end of our guidance targets by $3.3 million, primarily due to the flow-through of the sales upside and some favorability in SG&A. Knocking out approximately $4 million of public company costs, our full year 2021 adjusted EBITDA loss would have been a 48% improvement versus 2020 on an apples-to-apples basis.

Turning now to inventory. We ended the year with $107 million of inventory on the balance sheet. That's an increase of 8% from the end of Q3, so I want to walk through it.

In this logistics environment, we separate out the noise from higher freight costs and elongated shipping times due to ongoing supply chain disruptions by looking at those factors separately from our on-hand inventory. We feel that this cut of the data gives us a cleaner view of what's happening and better informs our planning.

Using that lens, we saw our inventory on hand at our distribution centers and in our stores decreased meaningfully in the quarter. That means that all of the sequential increase in inventory was attributable to a combination of higher in-transit inventory given the extended lead times as well as the impact of higher inbound freight costs. For added context, a year ago, in-transit was about 20% of our finished goods inventory, and this year, it's almost 1/3.

As I mentioned earlier, we believe our strong inventory position contributed to our ability to meet consumer demand in Q4. In this environment, we believe it's prudent to maintain a somewhat elevated inventory position to meet accelerating demand into 2022. To summarize how we hold our Q4 and full year 2021 financial results in the midst of another year of unprecedented challenges for our industry, we are pleased that we grew net revenue by 27% while continuing to improve our profitability as evidenced by a 30% year-over-year improvement in gross profit, a 145 basis point improvement in gross margin and a 24% year-over-year improvement in adjusted EBITDA.

Now let's turn to 2022. I'll start with a couple of notes on what's included in our 2022 guidance targets. One, as Joey talked about, while we believe the expanded retail partnerships will be incremental to our business over time, in 2022, we expect them to be only modestly accretive to net revenue and to be adjusted EBITDA neutral to positive. Two, I'd like to provide an update on 2022 pricing. Despite the fact that some of the cost headwinds our industry is facing may prove to be transitory, we believe taking deliberate pricing actions in 2022 is prudent. After experiencing effectively no drop-off in demand after taking a small price increase last year, we have confidence that our premium brand positioning and quality products will allow us to take price in the coming months. At this time, we estimate the pricing actions will add approximately 1% to 3% to 2022 net revenue growth depending on timing and elasticity. Again, both these items are factored into the following guidance targets.

For net revenue, we're raising our 2022 guidance target from $350 million to a range of $355 million to $365 million. NAV represents growth versus 2021 of 28% to 32% and growth versus 2020 of 62% to 66%. That's an acceleration on both a 1-year and 2-year basis and at the high end is above our medium-term target of 20% to 30%.

This net revenue guidance target assumes we will open 16 to 17 new stores in 2022, primarily in the U.S. In 2022, we expect to spend $25 million to $30 million in CapEx, primarily on those new stores.

Next, we are establishing our 2022 guidance target for gross profit at a range of $187.5 million to $195 million. At the midpoint of our net revenue and gross profit guidance target ranges, gross margin would be 53.1%, a 27 basis point improvement from 2021.

One note here. Consistent with my comments earlier about cost inflation, we are not factoring in any sort of normalization in logistics or distribution center costs in 2022. Indeed, for these items, our guidance target assumes another 200 basis points of gross margin headwinds compared to 2021.

For adjusted EBITDA, we are establishing our 2022 guidance target at a range of minus $13 million to minus $9 million. The midpoint of that range represents an improvement versus 2021 of 6%. As a reminder, this includes $8 million of expected public company costs, a $4 million year-over-year increase.

Finally, our 2022 targets are not just financial targets. As Joey mentioned earlier, in 2022, we aim to reduce the average carbon footprint of our top 10 products by an additional 6%.

If we achieve these 2022 guidance targets, we will continue to make meaningful progress towards our medium-term targets of 20% to 30% net revenue growth, 60%-plus gross margin, mid- to high teens adjusted EBITDA margin and a 50% reduction in our carbon footprint per unit by 2025 and a 95% reduction by 2030.

Looking quickly at Q1. We are providing a net revenue guidance target range of $60 million to $62 million. That represents growth versus Q1 2021 of 21% to 25% and growth versus Q1 2020 of 42% to 47%, with the high-end representing an acceleration on the 2-year when compared to Q4. After experiencing a bit of Omicron choppiness early in January, trends improved later in the month and into February thus far, setting us up for a strong start to the year.

For adjusted EBITDA, we are providing a Q1 guidance target at a range of minus $13 million to minus $11 million, including an estimated $2 million of public company cost. I'd like to remind you that Q1 is historically our lowest sales quarter of the year, which affects the absolute EBITDA dollars in the quarter. Per our full year guidance target range of minus $13 million to minus $9 million, we expect EBITDA to build throughout the year.

We're excited about the year ahead and look forward to providing updates on progress on future calls. With that, let's open things up to Q&A.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Our first question or comment comes from the line of Jim Duffy from Stifel.

James Vincent Duffy ***Stifel, Nicolaus & Company, Incorporated, Research Division - MD***

Nice work in the fourth quarter. Wanted to start by talking about the fourth quarter marketing spend, that came in a little higher than I expected. You mentioned performance marketing was aligned with your expectations. Could you step-up top of the funnel marketing investments in the fourth quarter? And then I have a follow-up.

Michael J. Bufano ***Allbirds, Inc. - CFO***

Yes. We ended up with a little bit slightly higher spend, especially early in the quarter because we saw customers moving up their demand ahead of the holiday season. And then as we got into December, we did a little bit more remarketing on repeat customers, which we think help land the overall quarter in a good spot on marketing. And the point on me, in line with our expectations is the rates we are paying across the different channels on performance marketing.

James Vincent Duffy ***Stifel, Nicolaus & Company, Incorporated, Research Division - MD***

I see. Okay. And then through the lens of marketing strategy, I wanted to talk about your decision to embrace wholesale. Has there been some sort of change in consumer response to marketing that's inspiring new direction here? Or was this kind of a card you had in your back pocket and had anticipated playing in 2022, even through the IPO process?

Joseph Z. Zwillinger ***Allbirds, Inc. - Co-Founder, Co-CEO, President, Treasurer, Secretary & Director***

Yes. Jim, this is Joey. We've been pretty up-front about this. We've talked about awareness as a really important indicator for our future growth and being at 11% in the U.S., which is our biggest market, of course, and highest brand awareness, that's something we got to work in every day. So awareness is one aspect that we're focused on. And as we mentioned, it's also about credibility with performance.

It's about 25% of the mix, and it's not something we take for granted that we're going to build that overnight. And so showing up in the right places in front of the right consumers is something that's important. But as we said, first of all, a couple of points to remind you of when you're thinking about this, Jim. One is that it's incremental to the core model. So meaning that additional sales and EBITDA are all going to be accretive to kind of the medium-term targets that we've set out there.

And further, we actually think that this will accelerate our ability to capture the demand in our core channels. So that halo, we've seen it before. And I think it's kind of -- it's something we can really bank on that, that should translate to great owned channel sales, and we're focused on a lot of execution there.

And I'll just reiterate that we're doing it really slowly and methodically. And we tried to make that clear as we introduced this topic that this is about working with third parties that we think show up great in front of the right consumers. And it should be just purely brand additive. And we've also done this with a differentiated mix in our product assortment, and that's an important element here that we haven't had all of the weapons that we have today in our product assortment to enable this. And so this is absolutely not what I would say as reactive, very proactive and deliberate strategy, and one we're going to do very slow and expect to be quite incremental to the model.

James Vincent Duffy ***Stifel, Nicolaus & Company, Incorporated, Research Division - MD***

Understood. No doubt we're going to get questions about this, but can you share a little detail on just the scope of it and who some of those channel partners might be? Mike, maybe you could speak to what's embedded in -- get deliberate about what's embedded in the 2022 revenue numbers?

Joseph Z. Zwillinger ***Allbirds, Inc. - Co-Founder, Co-CEO, President, Treasurer, Secretary & Director***

I think what we'll do, Jim, for now is, the reason we want to introduce this is we're going to some up in some fantastic partners. And this is something we've been working on for a while. And so we want to make sure that we can share it with this community very proactively, but we don't want to get ahead of ourselves here. This is something we're going to do, like slow, and methodical as a word I'll probably repeat a few times into the future.

This isn't about near-term financial results. This is about building a brand and continuing to build what is a really strong brand, not a sales strategy. That's how we think about ourselves. We're really a brand first. And so that's something we're going to do just real slowly and consider this like a very early heads up and something we'll certainly share a lot. And there's not -- if we're nothing else, we're going to be transparent about this. So we'll share more as this unfolds.

Michael J. Bufano ***Allbirds, Inc. - CFO***

All right. Let's move on to the next question. And we'll chat with you more on the follow-up, Jim. Thanks for the question.

Operator

Our next question or comment comes from the line of Lorraine Hutchinson from Bank of America.

Lorraine Corrine Maikis Hutchinson ***BofA Securities, Research Division - MD in Equity Research***

I wanted to ask a question about flow-through. If sales growth does continue to outpace your expectations, what's your confidence in that flowing through to reach breakeven adjusted EBITDA sooner than the previous goal of 2023?

Michael J. Bufano ***Allbirds, Inc. - CFO***

Yes. So some of the upside that we saw in Q4, like I mentioned in the prepared remarks was that sales upside flowing through the bottom line. We're obviously pleased with how that worked. I think it's reasonable to assume some of that in the future. I'd say we want to continue to invest towards the future. So I don't know if that will be the same with that level of flow-through that you saw happen in Q4.

And when I look at sort of the broader question on this path to adjusted EBITDA, we were very pleased to be in the bottom line in this quarter and for the full year when we look at Q4. We feel like it's a good improvement we're putting out there right now, especially with the headwinds of public company costs. So we think we're really on the right path and the right pace here, and we're building this business for the long term.

Operator

Our next question or comment comes from the line of Kimberly Greenberger from Morgan Stanley.

Kimberly Conroy Greenberger ***Morgan Stanley, Research Division - MD***

Mike, I wanted to ask about store revenues. You talked about some nice recovery here in 2021. When you look at those stores that were open pre-COVID, can you help us understand what the run rate in volume looks like compared to 2019 run rate? Are we still down 30%, 40%, 50%? And are we on an improving trajectory?

Michael J. Bufano ***Allbirds, Inc. - CFO***

Yes. The latter part, I think, is really what you should focus on because we feel like we run a very good trajectory with those stores, plus that class of 2020, all of which opened during COVID and '21, so we feel like it gives us -- continues to give us confidence in that $3.5 million to $4.5 million new store sales target.

We're not going to get any more granular right now on like the class of '19 and breaking things out by cohort because there's just so much noise in there with COVID and new stores and everything going on there. What I would just share, like I said in the prepared remarks, they've made a really strong recovery and they're working right all the way back to those pre-COVID levels. And that continues to give us confidence in retail channel is a really good use of our capital.

Kimberly Conroy Greenberger ***Morgan Stanley, Research Division - MD***

Excellent. Okay. Great. And then, Joey, just a follow-up for you on the wholesale strategy. Can you just articulate for us what are the criteria that you are looking for in some of the select wholesale partners that you are looking at here in 2022?

Joseph Z. Zwillinger ***Allbirds, Inc. - Co-Founder, Co-CEO, President, Treasurer, Secretary & Director***

Yes. It's a great question. Thanks. So a couple of things that when we are thinking about the landscape, we had 5 years under our belt of a lot of inbounds that we've chosen not to enter into. And so when we think about it today, it's really about awareness and credibility. And let me unpack a little bit of what I mean on that.

So these partners need to be very brand additive to us. We're going to show up in premium locations with -- even within premium retailers. So this is focused on showing up in front of the right people and meeting a lot of new people. With that 11%, we're showing up for the first time for a lot of customers who are going to walk through the doors of these select partnerships. So that's very important for us to crisply convey our message and do it with a robust assortment.

And so noting that a lot of people found out about us for the first time when we went in and did the Nordstrom partnership, some of those people don't know the breadth of the assortment that we've now grown and increasing the use performance.

And so secondly, on the credibility side, there's a little bit on the style side that we're looking for, and that's where you can get partners that really add something meaningful from a style curation and convey that well to customers. But the biggest aspect of credibility we're trying to gain here is in performance. And this can be really important when a consumer is walking into a store and thinking about running for the first time in a long time and asking what's going to be a great entry-level running shoe that's going to be safe for the body, not create any injuries. They rely on the sales associates at select retailers to inform them of what's the best in the market, what's new and where the best technology is. And so that's something we're really leaning into the strategy to make sure that we show up in the right way for those kind of runners and consumers.

Operator

Our next question or comment comes from the line of Erinn Murphy from Piper Sandler.

Erinn Elisabeth Murphy ***Piper Sandler & Co., Research Division - MD & Senior Research Analyst***

Great. I wanted to focus a little bit more on product innovation. And curious, I guess, for Tim and Joey, what's the right balance between upgrading existing franchises like we're seeing with the Dasher 2 right now versus creating brand-new franchises altogether?

And then just secondarily, have the supply chain or logistics pressures, have they created any meaningful shift of product launches? Curious on if Q1 is seeing any revenue shift out of Q1 into Q2 just based on maybe product availability to the market.

Joseph Z. Zwillinger ***Allbirds, Inc. - Co-Founder, Co-CEO, President, Treasurer, Secretary & Director***

Yes. Thanks, Erinn. I'll take the last part of that and then pass it over to Tim on the innovation product side. So for the last part, there hasn't been meaningful changes. We've really navigated this in a great way and then a lot of thoughtful forward planning on timing, including buffering our lead times quite substantially, given the environment that we're in with ocean shipping.

So it's not a lot of meaningful thing, but we have done some moves which have pushed some product introductions into Q2, which isn't meaningful from an overall annual revenue perspective but does, of course, shift some things between quarters, which I hope you guys are expecting given our size and nascency of the company. So that's a small thing.

And I'll pass it over to Tim on the core of your question.

Timothy O. Brown ***Allbirds, Inc. - Co-Founder, Co-CEO & Director***

Yes, sure. Thanks for the question, Erinn. From the beginning with our lifestyle products, the focus on continuous improvement has been there. We've upgraded every aspect of the product from the beginning. We'll continue to do that.

What you won't see is version upgrades in the lifestyle, but what you're seeing is we add material platforms looking it to 2022, we're able to offer and extend and augment existing franchises in really powerful ways. And I think it will lead to greatly increased product cadence and merchandising cadence through '22, which we're really excited about.

Performance is a different story. For the first time, our second version of the Dasher is, a couple of days ago, is really proud moment. And it shows sort of how far we've come, really advanced methods of make, really noble feature upgrades. And you should expect that to be quite consistent sort of focus for us across all our performance franchises, and we'll add more of those to this year.

Operator

Our next question comment comes from the line of Sharon Zackfia from William Blair.

Sharon Zackfia ***William Blair & Company L.L.C., Research Division - Partner & Group Head of Consumer***

Ask about wholesale, which I guess a lot of us are asking about. I appreciate the color there. I'm also curious, though, in addition to awareness and credibility, if there's any psychographic or geographic area that you think wholesale can be particularly impactful for you with. And I didn't catch whether this was a North American strategy or a global strategy. And then I know you mentioned you've done some before with Nordstrom. Do you have anything you can share on kind of what the capture rate is of those customers then converting over -- coming over to the Allbirds ecosystem at some point?

Joseph Z. Zwillinger ***Allbirds, Inc. - Co-Founder, Co-CEO, President, Treasurer, Secretary & Director***

Sharon, thank you. So on the geographic approach here, we're going to start for the most part in the U.S., and you'll see a little bit in Europe. And I think Asia will follow that well behind. And there's just some dynamics in each of these marketplaces that make us want to crawl before we run here.

And in terms of the psychographics, it's not just psychographics. I mean with 11%, we have a lot of just basic demographics to hit. And of course, we're also looking to reach the consumer that we see shifting back demand, particularly as COVID restrictions kind of loosen, people are looking for style and versatility in their footwear again, and we're seeing that demand shift back really nicely.

We want to show up when those customers are coming back and thinking about upgrading their wardrobe this year. And so we want to show up in particular places that meet new people and just meet people that are well within our psychographic target that, frankly, just don't know about us yet.

And on the capture rate, yes, the capture rate, I mean, we did -- the 2 partnerships we did with Nordstrom earlier, Sharon, were too small to really give us a great read on that. It's something we'll obviously sharpen as we do this. And we've focused a lot on loyalty, and our CRM efforts are very data driven. And that's for our own channel. We expect to deploy some of those same tools to the extent possible with some of our third-party partnerships.

And of course, with an expanded assortment, we're not going to give our entire breadth of product line to every retailer. We need to show up at the right mix in the right retailer for the consumer who's walking through those doors. And so a lot of that, obviously when you think about our own channel of the primary major driver of our business, the best stuff is going to be there. And that's something we'll stay true for a very long time.

Sharon Zackfia ***William Blair & Company L.L.C., Research Division - Partner & Group Head of Consumer***

Just one follow-up question. Do you have any assurances that you could have these retailers maintain the pricing architecture that you want them to maintain and we won't see 20% off sales lines?

Joseph Z. Zwillinger ***Allbirds, Inc. - Co-Founder, Co-CEO, President, Treasurer, Secretary & Director***

Yes, that would be really disappointing to us. And given the fact that we've built this business for over 5 years fully direct, it allows us to enter into these conversations where we don't need these retailers to build our business. This is incremental to the core strategy. And so if we're fine that we're doing business with partners that are not supporting our brand-building efforts and price is a critical one there, that would be really disappointing for us. And that's a lot of the reason why we're going to move slowly and methodically.

We don't want to expand doors or anything without maintaining full price. And as we said, 97% full price yield for the year last year, fairly impressive number for the industry and really high, maybe even unhelpfully high, frankly, but high enough that we want to maintain our premium brand position and we would never enter into a relationship, particularly this early in the journey with someone who we thought might degrade that.

Operator

Our next question or comment comes from the line of Dana Telsey from Telsey Group.

Dana Lauren Telsey ***Telsey Advisory Group LLC - CEO & Chief Research Officer***

Two things. As you think about the path of logistics costs for the balance of the year, how do you break it out either between the first half and the second half of the year and what it means for inventory levels?

And secondly, on the product innovation portion, how do you think of -- when we sit here a year from now, what are the highlights going to be of product innovation? And will you have any limited addition inventory for any of these new wholesale partners? Or will it be all the same inventory?

Michael J. Bufano ***Allbirds, Inc. - CFO***

Yes. So on the logistics cost piece, so we said it's a 200 basis point headwind for the full year, Dana. So I would say that's probably going to be a little bit more front-loaded than back-loaded across the year. The price increase, you'll start to see some of that show up relatively soon. But it's going to have a greater impact, obviously, kind of like as the year goes on along the way.

And just remember on that whole logistics cost piece, it's 200 basis points in 2022 and on top of 200 basis points in 2021 on a full year basis, so it's 400 basis points in aggregate. That's part of why we're moving forward on the price increase to balance that. So that's how we think about that.

In terms of inventory, the comments that I made in the prepared remarks, I think that's really the extent that we're going to share there. A lot of what we saw happened in Q4 was really about in-transit times and the increased freight costs. I think the reality is those things are staying with us, right? That's why we're not being -- we're continuing to put the trends forward within 2022. And then the inventory that we had on hand really did help us meet the demand in Q4. So we think it's prudent to have the inventory position we do right now.

Timothy O. Brown ***Allbirds, Inc. - Co-Founder, Co-CEO & Director***

Just to the first part of the question on product. I'll point you towards the prepared remarks that hit the real highlights there: the plant leather and a new midsole technology. These are multiyear efforts that are going to land this year that we're beyond excited about. And that will kind of [magic sauce] across existing franchises. We'll also add new franchises. These materials will impact both performance and lifestyle. And in the case of the plant leather, it's a category-leading innovation that we suspect will be a real headline and a great story for us.

As we've touched on the performance, you should expect to see us add a lot in performance to serve different running moments. We're really excited by the potential there and the tailwinds of a running community that they're starting to demand natural materials in these products, and no one is really doing that. So that's really exciting. All that will add up to increased merchandising cadence across color, materials that will allow us within our digital ecosystem to serve different products to different customers.

We're excited about this, really it's expanding. We're 5, 6 years into this journey and starting to build out our product portfolio through our emotional territory of comfort to serve different products to different people in different moments. So that's very exciting.

And then lastly, apparel is a journey. We continue to see that as something that can augment footwear franchises, increase average order value, repeat purchase rate. This strategy is working. And we're very, very excited about the potential for apparel to build on these franchises, too. And lots to come. Like I sort of said, the most exciting road map we have in the history of the company in the next year or 2.

Operator

Our next question or comment comes from the line of Matthew Boss from JPMorgan.

Matthew Robert Boss ***JPMorgan Chase & Co, Research Division - MD and Senior Analyst***

Great. So on fourth quarter revenues, could you just help walk through the drivers of the 900 basis points upside versus your forecast, maybe what you're seeing from your customer file in terms of new customers to the brand relative to larger order values from your existing base? And then Mike, just on 2022, is there a way to help bridge the 300 basis points of revenue growth acceleration that you've embedded relative to the performance you saw this year?

Michael J. Bufano ***Allbirds, Inc. - CFO***

Yes. I'll -- let me try to take those piece by piece. So I'll start with the last one. I think it's the easiest. We raised the range from $350 million to $355 million to $365 million. That's really a combination primarily of 2 factors. Some of the upside that we saw in Q4 carrying over into 2022. And the rest of it really is the price increase, which we're estimating a 1% to 3% impact, again, depending on timing elasticity. So I think that kind of hopefully unpacks that pretty there, Matt.

In terms of what drove the Q4 net revenue beat, it really starts first -- but it was the strongest product pipeline that we had all year. We felt great about what we had in front of the customer in Q4. And so a really positive response to that.

The second piece is the omnichannel model really works for us. Like Joey referenced, like I referenced, we're able to win across wherever customers were, and then we saw like Omicron sort of having an impact in physical retail. We saw that shift kind of go over to digital business. So we felt like it was really the combination of those 2 things, the great product and the omnichannel model all sitting on top of really strong brand position is what led to the upside within the quarter.

Then in terms of breaking it down in terms of like new customer acquisition, AOV, those sorts of things, I went through in the prepared remarks, the increase in orders, the increase in AOV and some of the drivers within AOV. I don't want to go any deeper on that in terms of like a quarter-by-quarter like NCA trend or repeat rate trend. We shared some of the full year numbers in the prepared remarks, so I think that gives you a good sense of how things would have played out in the quarter.

Matthew Robert Boss ***JPMorgan Chase & Co, Research Division - MD and Senior Analyst***

Great. And then maybe just a follow-up on profitability. Could you just walk through the puts and takes that's built into the 53.1% gross margin forecast for this year? More so, any material call-outs for -- on cadence between the first versus second half of the year? And is there any change to your low 60s medium-term target if we think about drivers from here?

Michael J. Bufano ***Allbirds, Inc. - CFO***

So I'll start with the second part of that. Definitely no change on the 60%. I think Joey and I talked about that both in the script that, that's definitely kind of the medium-term target that we're trying to hit here, and the fact that we improved by 145 basis points in 2021 in spite of those headwinds, and we've improved 600 basis points over the last 3 years continues to give us confidence in that target. So we feel really good about where that's coming together.

In terms of the puts and takes on the gross margin side, we have the 200 basis points headwind from logistics costs, both inbound and outbound, as well as warehousing. That's really being offset by the channel shift. So a very similar story to what you saw in 2021, the channel and region shift, the benefit of new products and product mix shift and then in this case, the pricing as well will offset that. That's one more reason why we felt it was really important to have this balance between the top line growth, continuing to make the material improvements we are in gross profit and gross margin and then make material improvements on the bottom line as well.

Operator

Our next question or comment comes from the line of Bob Drbul from Guggenheim.

Robert Scott Drbul ***Guggenheim Securities, LLC, Research Division - Senior MD***

I think the first one is you called out China, but just wondering if you could just give us a little more color in terms of what shoes are doing well there. Is it lifestyle performance? And I don't know if apparel is doing anything for you there. I'd be curious for a little more color on that side.

And then I think you talked a lot about growing -- I mean the Boston market was the study that you highlighted a lot. Just curious if maybe give us an update on that market or any other examples of some of the markets that you're getting some traction in and you're encouraged by.

Joseph Z. Zwillinger ***Allbirds, Inc. - Co-Founder, Co-CEO, President, Treasurer, Secretary & Director***

Thanks, Bob. So on China, we called that out intentionally. This is an interesting marketplace right now where I'd say a lot of brands within our industry are seeing a lot of struggle, frankly, in that region. We put up really impressive high double-digit growth in that region last year. And as we noted, surpassed our previously highest single country sales. So we're really encouraged by the process. I'll couch that by saying it's still a smaller part of the business in the U.S. is our dominant focus. But as we scale, when we position the brand correctly in China, you know things can move very quickly, and we're really focused there on building a great team and positioning the brand effectively in front of the consumers.

And as the government and other key influencers in that region shifting to a kind of greener consumption trend, we think we're in a fantastic position to accelerate there. And in terms of product, I think it's pretty consistent, frankly, across our portfolio of countries.

And then on the U.S., look, there's still some noise going into our store reads in geography, given what's happening in COVID and how we've gone through, I think, 3 spikes in 2021 of COVID cases. So it's still quite a noisy environment to read through a general retail traffic and idiosyncratic stuff.

But Boston is a great one to point to, and we note that because we're now in 2 separate regions in Boston, and you'll see us add more in the near future into that marketplace. We see a great resonance for our product there.

We've added a store in Cambridge, which is just down the road, and you've seen almost no cannibalization, really great incremental lift to the business in that region. And that omnichannel impact that we mentioned in the prepared remarks around those repeat customers spending 1.5x versus single channel that's still killing it for us there. So that's the model, and that's the core of what we're doing, Bob.

Michael J. Bufano ***Allbirds, Inc. - CFO***

I think we have time for a couple more questions in the queue. We're okay going a few minutes over, if you all are. Thanks for the flexibility. We know it went long in prepared remarks, but there's a lot to get through at the end of the year.

Operator

Our next question or comment comes from the line of Mark Altschwager from Baird.

Mark R. Altschwager ***Robert W. Baird & Co. Incorporated, Research Division - Senior Research Analyst***

I guess following up on the store traffic for a moment. Just first, can you give us some color on your expected pace of store openings through the year in 2022? And then in the broader context of building brand awareness, any anecdotes you can share on what you're seeing in the market performance for the stores that you've opened in the back half of 2021?

Michael J. Bufano ***Allbirds, Inc. - CFO***

Yes. In terms of pace of opens, it's going to be pretty even across the quarter, and we can talk a little bit more on the follow-up call, Mark, if there's specific questions you have in your model, but we always like to try to get them open if we can ideally kind of Q1, Q2, Q3 before we get into the busy holiday season.

In terms of the second part of the question, just about brand awareness and store openings, I think to Joey's point, it's obviously an interesting environment with COVID and all the different surges. So we're not quite getting a new update right now on the market performance trend market-by-market in the U.S. or how we're kind of look at total business, but we're certainly hearing that as a question. And something we'll definitely kind of follow through with investors over time. And just kind of keep going back to the, for us, this power of the omnichannel model came together in Q4 and how we saw the ability to overall meet demand from the customer. Joey referenced the value of that 14% of repeat customers who spend 50% more than people who repeat just in one channel, and that's why we keep going back to it's really important for us to have this balance across the channels and pursue the strategy.

Operator

Our next question or comment comes from the line of Edward Yruma from KeyBanc Capital.

Edward James Yruma ***KeyBanc Capital Markets Inc., Research Division - MD & Senior Research Analyst***

I guess just would like to dig down a little bit on The Tree Dasher 2. I know this is the first time you guys have really done kind of a rethink of a product. I know you're mostly iterative with your other products. From a margin perspective, are there any changes? I know you lightened up the product, were you able to take any cost out?

And as a follow-up, as we think about the model transition, I know it was planned as you guys have expected with the discount of the initial model. Any learnings from that as you think about releasing new products?

Michael J. Bufano ***Allbirds, Inc. - CFO***

I would say Tim is much more prepared to answer the second half of that question. Tim will do a much better answer than I will add.

In terms of the margin question, if you look at the Dasher 2, we launched at a higher price point than where the Dasher was -- Dasher 1 was, and we continue to always sort of cost engineer. One of the things we referenced in the release around the improvement in gross margin in 2021 was product cost savings.

And that's a great example, right, whether it's on current products or when we do new generations of products, we're always kind of looking to continue to be able to make improvements in those products over time and improve the margin profile. But Tim, why don't you get more to the heart of this question on the movement of the product itself.

Timothy O. Brown ***Allbirds, Inc. - Co-Founder, Co-CEO & Director***

This is an exciting [moment]. I think, for us, we're able to really flow through everything we've learned. Remember, the Dasher was our first-ever performance product. It was a very successful franchise, really performing out of the gate. But we knew quite quickly, there was a bunch of things we could improve on, and fit traction, reflectivity.

And just -- it speaks also to our growing innovation capability that we're able to flow advanced methods of make into this product. And you'll see that through this year with the addition of new performance franchises. There's a real momentum here for us in the performance category. We continue to believe we can win and do something that no one has really done with natural materials there to create better product experiences. So the Dasher 2 is just a start for us. But again, you should expect to see that consistently for us from here on in.

Michael J. Bufano ***Allbirds, Inc. - CFO***

All right. We have one more question in the queue, which we'll try to answer quickly. And thanks again, everybody, for your flexibility and going over with us a few minutes here. We'll try to get to this one quickly if we can now.

Operator

Our final question is from the line of Brian McNamara from Berenberg Capital Markets.

Brian Christopher McNamara ***Joh. Berenberg, Gossler & Co. KG, Research Division - Analyst***

With upgraded 2022 full year guidance, including pricing of 1% to 3%, I'm curious how much pricing was contemplated in your prior guidance? And secondly, I'm curious if you could talk to the split between your sales to new and existing customers and how we should think about that in terms of that mix in 2022?

Michael J. Bufano ***Allbirds, Inc. - CFO***

Yes. There was no pricing contemplated in the last guidance we gave. We were only a couple of months into having taken the modest price increase, Brian. So if that had been factored in, we would have shared the context like we did in the call today. So definitely new news, especially as we saw the macro environment.

Then in terms of thinking about that split between new and repeat customers, that's not something we're really kind of breaking out as you think about the guidance and sort of the going forward. So we feel good about that for sure.

And then going back to the sort of on the overall guidance point for us, we definitely see what we saw happen in 2021, both on the full year basis and in Q4 and now what we're seeing into Q1 and for the full year of 2022. This is an acceleration in the business, especially in the top line. We feel really good about the position we're entering the year, and we're excited to have a great year in 2022.

Operator

I'm showing no additional questions in the queue at this time.

Joseph Z. Zwillinger ***Allbirds, Inc. - Co-Founder, Co-CEO, President, Treasurer, Secretary & Director***

Yes. Maybe I'll just close out, operator. Thanks. I appreciate all the thoughtful questions then. Hopefully, we've conveyed everyone the strength of the underlying business and how this translated to our financial output, both for Q4 but also for the full year '21 and our continued growth and expectations for '22. So I think I'll point to the momentum.

What's most exciting for us is the product lineup that we are coming to, Tim alluded to it a couple of times, and also the team to deliver against these goals. We're really eager to execute against our impact and our financial targets and start this year with a lot of optimism for the growth in our brand this year. So thanks again, and look forward to talking with you guys next quarter.

Operator

Ladies and gentlemen, thank you for participating in today's conference. This concludes the program. You may now disconnect. Everyone, have a wonderful day.