Groupon, Inc.
Condensed Consolidated Balance Sheets
(in thousands, except share and per share amounts)
(unaudited)

	September 30, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 159,710	$ 141,563
Accounts receivable, net	40,126	50,373
Prepaid expenses and other current assets	46,775	63,647
Total current assets	246,611	255,583
Property, equipment and software, net	20,326	30,530
Right-of-use assets - operating leases, net	2,830	2,197
Goodwill	178,685	178,685
Intangible assets, net	5,170	11,404
Investments	74,823	74,823
Deferred income taxes	11,864	11,639
Other non-current assets	7,705	6,095
Total assets	$ 548,014	$ 570,956
Liabilities and equity (deficit)		
Current liabilities:		
Short-term borrowings	$ —	$ 42,776
Accounts payable	12,749	15,016
Accrued merchant and supplier payables	152,262	209,423
Accrued expenses and other current liabilities	99,237	101,939
Total current liabilities	264,248	369,154
Convertible senior notes, net	227,650	226,470
Operating lease obligations	933	2,382
Other non-current liabilities	14,973	13,262
Total liabilities	507,804	611,268
Commitment and contingencies		
Stockholders' equity (deficit)		
Common Stock, par value $0.0001 per share, 100,500,000 shares authorized; 50,057,026 shares issued and 39,762,909 shares outstanding at September 30, 2024; 42,147,266 shares issued and 31,853,149 shares outstanding at December 31, 2023	5	4
Additional paid-in capital	2,432,705	2,337,565
Treasury stock, at cost, 10,294,117 shares at September 30, 2024 and December 31, 2023	(922,666)	(922,666)
Accumulated deficit	(1,458,265)	(1,449,887)
Accumulated other comprehensive income (loss)	(11,785)	(5,647)
Total Groupon, Inc. stockholders' equity (deficit)	39,994	(40,631)
Noncontrolling interests	216	319
Total equity (deficit)	40,210	(40,312)
Total liabilities and equity (deficit)	$ 548,014	$ 570,956

Groupon, Inc.
Condensed Consolidated Statements of Operations
(in thousands, except share and per share amounts)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Revenue	$ 114,479	$ 126,474	$ 362,178	$ 377,194
Cost of revenue	11,584	15,796	36,059	48,840
Gross profit	102,895	110,678	326,119	328,354
Operating expenses:				
Marketing	36,258	28,898	101,587	76,013
Selling, general and administrative	71,327	80,016	222,937	277,913
Restructuring and related charges	896	2,228	613	10,333
Gain on sale of assets	—	—	(5,160)	—
Total operating expenses	108,481	111,142	319,977	364,259
Income (loss) from operations	(5,586)	(464)	6,142	(35,905)
Other income (expense), net	22,429	(39,525)	5,264	(41,260)
Income (loss) before provision (benefit) for income taxes	16,843	(39,989)	11,406	(77,165)
Provision (benefit) for income taxes	2,321	817	17,802	4,258
Net income (loss)	14,522	(40,806)	(6,396)	(81,423)
Net (income) loss attributable to noncontrolling interests	(594)	(552)	(1,982)	(1,689)
Net income (loss) attributable to Groupon, Inc.	$ 13,928	$ (41,358)	$ (8,378)	$ (83,112)
Net income (loss) per share:				
Basic	$ 0.35	$ (1.31)	$ (0.22)	$ (2.68)
Diluted	$ 0.33	$ (1.31)	$ (0.22)	$ (2.68)
Weighted average number of shares outstanding				
Basic	39,748,268	31,500,489	38,966,238	31,039,668
Diluted	45,014,446	31,500,489	38,966,238	31,039,668

Groupon, Inc.
Condensed Consolidated Statements of Cash Flows
(in thousands) (unaudited)

	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Operating activities				
Net income (loss)	$ 14,522	$ (40,806)	$ (6,396)	$ (81,423)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization of property, equipment and software	6,492	10,550	21,903	34,110
Amortization of acquired intangible assets	403	2,018	2,609	6,206
Stock-based compensation	8,890	3,889	17,682	13,771
(Gain) loss from changes in fair value of investment	—	25,751	—	25,751
Foreign currency (gains) losses, net	(18,461)	9,687	(4,801)	9,528
Foreign VAT assessments	4,600	—	8,692	—
Gain on sale of assets	—	—	(5,160)	—
Change in assets and liabilities:				
Accounts receivable	2,419	(238)	10,678	10,225
Prepaid expenses and other current assets	5,199	8,973	19,294	14,357
Right-of-use assets - operating leases	572	1,796	1,830	7,985
Accounts payable	1,861	(9,655)	(2,290)	(49,082)
Accrued merchant and supplier payables	(23,089)	(4,050)	(57,749)	(52,497)
Accrued expenses and other current liabilities	(13,041)	(14,159)	(9,616)	(44,716)
Operating lease obligations	(775)	(6,268)	(4,618)	(22,011)
Payment for early lease termination	—	—	(1,832)	(9,724)
Other, net	(5,850)	(1,343)	(1,295)	5,035
Net cash provided by (used in) operating activities	(16,258)	(13,855)	(11,069)	(132,485)
Investing activities				
Purchases of property and equipment and capitalized software	(3,408)	(4,120)	(11,591)	(15,917)
Proceeds from sale of assets, net	—	—	9,116	1,475
Acquisitions of intangible assets and other investing activities	(34)	(1,349)	(595)	(2,523)
Net cash provided by (used in) investing activities	(3,442)	(5,469)	(3,070)	(16,965)
Financing activities				
Payments of borrowings under revolving credit agreement	—	—	(42,776)	(28,300)
Proceeds from Rights Offering, net of issuance costs	—	—	79,619	—
Taxes paid related to net share settlements of stock-based compensation awards	(201)	(932)	(1,457)	(3,126)
Other financing activities	(490)	2,115	(2,457)	473
Net cash provided by (used in) financing activities	(691)	1,183	32,929	(30,953)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	2,153	(1,933)	1,788	34
Net increase (decrease) in cash, cash equivalents and restricted cash	(18,238)	(20,074)	20,578	(180,369)
Cash, cash equivalents and restricted cash, beginning of period [(1)]	206,454	121,401	167,638	281,696
Cash, cash equivalents and restricted cash, end of period [(1)]	$ 188,216	$ 101,327	$ 188,216	$ 101,327

(1) The following table provides a reconciliation of Cash, cash equivalents and restricted cash shown above to amounts reported within the Condensed Consolidated Balance Sheets as of September 30, 2024, December 31, 2023, September 30, 2023 and December 31, 2022 (in thousands)

	September 30, 2024	December 31, 2023	September 30, 2023	December 31, 2022
Cash and cash equivalents	$ 159,710	$ 141,563	$ 86,085	$ 281,279
Restricted cash included in prepaid expenses and other current assets	28,506	26,075	15,242	417
Cash, cash equivalents and restricted cash	$ 188,216	$ 167,638	$ 101,327	$ 281,696

Groupon, Inc.
Supplemental Financial and Operating Metrics
(dollars and units in thousands; TTM active customers in millions)
(unaudited)

	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q3 2024 Y/Y Growth	
North America Segment:							
Gross billings [1]:							
Local	$ 260,425	$ 257,192	$ 231,053	$ 243,587	$ 248,751	(4.5)	%
Travel	19,811	18,856	26,911	21,881	15,078	(23.9)	
Goods	18,749	24,223	14,968	13,501	11,234	(40.1)	
Total gross billings	$ 298,985	$ 300,271	$ 272,932	$ 278,969	$ 275,063	(8.0)	%
Revenue:							
Local	$ 88,558	$ 91,550	$ 86,460	$ 91,707	$ 81,479	(8.0)	%
Travel	2,577	3,583	4,596	3,858	2,919	13.3	
Goods	3,801	4,790	3,078	2,792	2,491	(34.5)	
Total revenue	$ 94,936	$ 99,923	$ 94,134	$ 98,357	$ 86,889	(8.5)	%
Gross profit:							
Local	$ 77,588	$ 80,720	$ 77,826	$ 83,259	$ 73,026	(5.9)	%
Travel	1,763	2,830	3,640	3,191	2,513	42.5	
Goods	3,123	3,934	2,662	2,429	2,199	(29.6)	
Total gross profit	$ 82,474	$ 87,484	$ 84,128	$ 88,879	$ 77,738	(5.7)	%
Contribution profit [2]	$ 63,484	$ 63,046	$ 62,346	$ 59,402	$ 49,095	(22.7)	%

	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q3 2024 Y/Y Growth	Q3 2024 FX Effect	Q3 2024 Y/Y Growth excluding FX [3]	
International Segment:									
Gross billings:									
Local	$ 93,645	$ 105,664	$ 85,033	$ 72,932	$ 76,793	(18.0)	(1.5)	(19.5)	%
Travel	9,294	9,510	8,700	7,284	7,659	(17.6)	(0.8)	(18.4)	
Goods	16,923	20,883	14,481	14,422	13,877	(18.0)	(0.8)	(18.8)	
Total gross billings	$ 119,862	$ 136,057	$ 108,214	$ 94,638	$ 98,329	(18.0)	(1.3)	(19.3)	%
Revenue:									
Local	$ 26,900	$ 32,004	$ 24,750	$ 22,401	$ 23,473	(12.7)	(1.7)	(14.4)	%
Travel	1,584	1,857	1,755	1,588	1,383	(12.7)	(0.9)	(13.6)	
Goods	3,054	3,932	2,445	2,269	2,734	(10.5)	(1.2)	(11.7)	
Total revenue	$ 31,538	$ 37,793	$ 28,950	$ 26,258	$ 27,590	(12.5)	(1.6)	(14.1)	%
Gross profit:									
Local	$ 24,367	$ 29,672	$ 22,832	$ 20,522	$ 21,614	(11.3)	(1.8)	(13.1)	%
Travel	1,346	1,644	1,559	1,407	1,192	(11.4)	(0.9)	(12.3)	
Goods	2,491	3,510	2,038	1,859	2,351	(5.6)	(1.2)	(6.8)	
Total gross profit	$ 28,204	$ 34,826	$ 26,429	$ 23,788	$ 25,157	(10.8)	(1.7)	(12.5)	%
Contribution profit	$ 18,296	$ 24,772	$ 19,402	$ 16,745	$ 17,542	(4.1) %			
Consolidated Results of Operations:									
Gross billings:									
Local	$ 354,070	$ 362,856	$ 316,086	$ 316,519	$ 325,544	(8.1)	(0.4)	(8.5)	%
Travel	29,105	28,366	35,611	29,165	22,737	(21.9)	(0.3)	(22.2)	
Goods	35,672	45,106	29,449	27,923	25,111	(29.6)	(0.4)	(30.0)	
Total gross billings	$ 418,847	$ 436,328	$ 381,146	$ 373,607	$ 373,392	(10.9)	(0.3)	(11.2)	%
Revenue:									
Local	$ 115,458	$ 123,554	$ 111,210	$ 114,108	$ 104,952	(9.1)	(0.4)	(9.5)	%
Travel	4,161	5,440	6,351	5,446	4,302	3.4	(0.3)	3.1	
Goods	6,855	8,722	5,523	5,061	5,225	(23.8)	(0.5)	(24.3)	
Total revenue	$ 126,474	$ 137,716	$ 123,084	$ 124,615	$ 114,479	(9.5)	(0.4)	(9.9)	%
Gross profit:									
Local	$ 101,955	$ 110,392	$ 100,658	$ 103,781	$ 94,640	(7.2)	(0.4)	(7.6)	%
Travel	3,109	4,474	5,199	4,598	3,705	19.2	(0.4)	18.8	
Goods	5,614	7,444	4,700	4,288	4,550	(19.0)	(0.5)	(19.5)	
Total gross profit	$ 110,678	$ 122,310	$ 110,557	$ 112,667	$ 102,895	(7.0)	(0.5)	(7.5)	%
Contribution profit	$ 81,780	$ 87,818	$ 81,748	$ 76,147	$ 66,637	(18.5) %			
Net cash provided by (used in) operating activities	$ (13,855)	$ 54,500	$ (10,111)	$ 15,300	$ (16,258)	(17.3) %			
Free cash flow	$ (17,975)	$ 51,132	$ (13,820)	$ 10,826	$ (19,666)	(9.4) %			

	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Active customers: (4)					
North America	10.4	10.3	10.2	10.2	10.2
International	6.6	6.2	5.9	5.6	5.3
Total active customers	17.0	16.5	16.1	15.8	15.5
North America Units:					
Local	5,426	5,832	5,102	5,308	5,376
Goods	706	966	574	487	379
Travel	79	85	108	87	61
Total North America units	6,211	6,883	5,784	5,882	5,816
International Units:					
Local	3,306	3,536	2,888	2,259	2,475
Goods	550	684	404	381	352
Travel	49	55	49	39	41
Total International units	3,905	4,275	3,341	2,679	2,868
Consolidated Units:					
Local	8,732	9,368	7,990	7,567	7,851
Goods	1,256	1,650	978	868	731
Travel	128	140	157	126	102
Total consolidated units	10,116	11,158	9,125	8,561	8,684
Headcount:					
Sales (5)	659	655	647	657	716
Other	1,763	1,558	1,431	1,403	1,434
Total headcount	2,422	2,213	2,078	2,060	2,150

(1) Represents the total dollar value of customer purchases of goods and services.

(2) Represents gross profit less marketing expense.

(3) Represents the change in financial measures that would have resulted had average exchange rates in the reporting periods been the same as those in effect in the prior year periods.

(4) Reflects the total number of unique user accounts that have made a purchase during the TTM either through one of our online marketplaces or directly with a merchant for which we earned a commission.

(5) Includes merchant sales representatives, as well as sales support personnel.

Groupon, Inc.
Non-GAAP Reconciliation Schedules
(in thousands, except share and per share amounts)
(unaudited)

The following is a quarterly reconciliation of Adjusted EBITDA to the most comparable U.S. GAAP performance measure, Net income (loss):

	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Net income (loss)	$ (40,806)	$ 28,489	$ (11,506)	$ (9,412)	$ 14,522
Adjustments:					
Stock-based compensation	3,889	710	2,374	6,418	8,890
Depreciation and amortization	12,568	10,902	9,677	7,824	6,895
Restructuring and related charges(1)	2,228	(2,327)	96	(379)	896
Gain on sale of assets	—	—	(116)	(5,044)	—
Foreign VAT assessments (2)	—	—	—	3,302	3,672
Other (income) expense, net (3)	39,525	(16,086)	12,682	4,483	(22,429)
Provision (benefit) for income taxes	817	5,250	6,194	9,287	2,321
Total adjustments	59,027	(1,551)	30,907	25,891	245
Adjusted EBITDA	$ 18,221	$ 26,938	$ 19,401	$ 16,479	$ 14,767

(1) Includes a settlement of $4.25 million related to Uptake for the three months ended December 31, 2023

(2) The Foreign VAT assessments adjustment excludes related interest expense $0.8 million for the three months ended June 30, 2024 and $0.9 million for the three months ended September 30, 2024 as the interest expense is included within Other (income) expense, net for the three months ended June 30, 2024 and September 30, 2024.

(3) Includes a $25.8 million remeasurement of our investment in SumUp during the three months ended September 30, 2023.

Free cash flow is a non-GAAP liquidity measure. The following is a reconciliation of free cash flow to the most comparable U.S. GAAP liquidity measure, Net cash provided by (used in) operating activities.

	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Net cash provided by (used in) operating activities	$ (13,855)	$ 54,500	$ (10,111)	$ 15,300	$ (16,258)
Purchases of property and equipment and capitalized software	(4,120)	(3,368)	(3,709)	(4,474)	(3,408)
Free cash flow	$ (17,975)	$ 51,132	$ (13,820)	$ 10,826	$ (19,666)
Net cash provided by (used in) investing activities	$ (5,469)	$ 15,568	$ (3,931)	$ 4,303	$ (3,442)
Net cash provided by (used in) financing activities	$ 1,183	$ (4,737)	$ 35,341	$ (1,721)	$ (691)