

GROUPON

SHAREHOLDER
LETTER

Q1 2026





GROUPON
SCROLL LESS.
LIVE MORE.

OUR MISSION:

To get People Offline Through
Quality Local Experiences at
Great Value

OUR BELIEF:

The Best Things in Life
Happen Offline



Fellow shareholders,

As Groupon enters the next phase of its transformation, we have refreshed our mission: to get people offline through quality local experiences at great value.

We believe the best things in life happen offline. As the world becomes increasingly digitized, we believe demand will grow for analog, in-person experiences and for the digital pathways consumers use to identify, discover, and book those experiences. Groupon sits at that intersection of consumer intent and local supply, a natural bridge between the AI economy and the millions of local merchants who power Main Street.

Q1 fell short of our expectations, with Billings declining 1% year-over-year slightly below guidance, Revenue flat and within our guidance range and Adjusted EBITDA slightly below guidance. The shortfall reflected continued pressure in our managed and organic channels and a Q1 deceleration in North America Local, partly offset by continued growth in Things to Do. April performance has improved, and these Q1 results do not yet reflect the operating impact of Project Foundry, a new bet that we discuss further below.

Project Foundry

We are rebuilding Groupon as an AI-native company, and we believe this is the most consequential operating decision this team has made since arriving at Groupon three years ago. AI is collapsing the time between when a company recognizes a customer or a merchant problem and when it ships a solution to that problem. The companies that operate at AI speed will capture the value created in this transition while those that cannot will fall behind. Foundry is our commitment to move into that window with the urgency it requires.

Foundry is not a product launch or a single capability; it is a redesign of how the company works. We are embedding AI agents into the core of every function, giving our business and product owners direct access to the data, tools, and creative leverage they need to act in hours rather than weeks, and removing the traditional analytical and engineering layers that previously sat between an idea and its execution. Since March, our leaders have convened weekly, and at times daily, on Foundry, articulating a vision for transforming their function in an agentic era, mapping core workflows, deploying initial agents, and assessing the readiness of their team to scale. By end of Q2, we expect every leader to be using AI agents in their daily work.

The operating shift is already visible in several concrete examples of how work now gets done across the company.

We are piloting AI voice agents that conduct outbound outreach to small and medium-sized merchants, with the objective that the majority of new merchant meetings will be set by AI voice agents by the end of 2026 while our sales team focuses on qualified conversion conversations. This pilot is the operating engine behind our Q2 priority of re-accelerating SMB merchant acquisition.

Our marketing teams are operating an AI-driven stack across SEM and SEO that continuously evaluates campaign performance, generates creative variants, and runs optimization experiments at a pace not previously possible.

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Our product teams are starting from AI-built demos rather than written specifications, and in some workflows they are now shipping simple consumer-facing functionality without traditional engineering involvement.

We have built a complete customer segmentation framework on our new customer data platform, giving marketing, product, and support teams a level of visibility on per-customer value that was not previously available, and we are already using it to change how we engage different customer cohorts.

Beyond these examples, AI is showing up our operating engine: Groupon IQ, our AI-driven deal creation and management platform, is in production across content and sales teams; AI-generated review summaries are live across the marketplace.

This redesign is also reshaping who we hire and how the marketplace itself operates. Our talent model is evolving toward AI-first builders and we are raising the hiring bar across the organization. We believe we have the combination of scale, data, and AI ambition that resonates with builders considering where to work next. On the marketplace, we are rebuilding both sides of the experience to be AI-native, with AI embedded in how consumers discover and engage with local experiences and in the tools we put in the hands of the local merchants who run them.

The purpose of this transition is to compound speed of execution into better outcomes for customers and merchants: faster new-merchant acquisition that brings more relevant local supply onto the marketplace, faster product iteration that improves the consumer experience on a weekly cadence rather than a quarterly one, and more precise personalization that connects each customer to the experiences most likely to matter to them. We expect these operating gains to translate into improved customer engagement, merchant retention, and ultimately financial performance over the coming quarters.

Two organizational principles are anchoring this redesign. First, every leader at Groupon is expected to be an active builder, working hands-on alongside their team and shipping with them rather than only being a people manager. Second, we are reorganizing execution around small, AI-augmented teams we call speedboats: cross-functional units that own a customer or merchant outcome end-to-end and operate with the speed and autonomy of a focused startup. The combination of fewer layers and smaller teams compresses the distance between an idea and its execution and is the structural change underneath the velocity gains we are seeing.

As we rebuild our operating model toward AI-native execution, we reduced total headcount by approximately 5% in Q1. We are evaluating additional restructuring actions in Q2 that we expect will further reduce global headcount by approximately an additional 15%, along with other significant cost-reduction and automation actions to accelerate our transition to an AI-native operating model. These plans have not been finalized or approved by the Board of Directors, and we will share details on timing, expected costs, and anticipated savings as the plans are approved. In markets where employee representative bodies exist, any measures remain subject to the legally required consultation process, the outcome of which is not predetermined. The purpose of this evolution is to enable Groupon to move at the speed required to succeed in an AI-native world.



Other Strategic Bets

Outside of Foundry, we made strong progress in Q1 rebuilding our customer-facing product, with the new iOS application fully deployed across North America, the Android application launched in North America at the end of the quarter to new users, and the new international web platform live in ten markets. These platform upgrades were delivered without a material disruption to our financial results.

In parallel, we scaled our new customer data platform that powers how we reach customers through our managed channels (email, push notifications, and SMS). This is one of our key strategic bets this year, and it sits inside a broader shift in how we run demand, with a focus on customer lifetime value rather than individual transactions. With the platform now live in all major markets, weekly data through April shows the trajectory of managed channels improving, with email back to positive year-over-year growth. As we head into Q2, we will continue improving our personalization and segmentation capabilities, and expect managed channels to be a meaningful contributor to an improved growth trajectory in the second half of 2026.

Another strategic bet is in SEO and AI content, where the organic search landscape is being restructured by AI-driven search experiences and the winners will be the platforms that rebuild their content and infrastructure for that new environment. After a soft start to Q1, our SEO trajectory turned positive in mid-April, driven by hyper-local content produced by a small team augmented by AI agents, with our largest international markets leading the recovery. Heading into Q2, we are expanding the share of our supply that is indexed and discoverable alongside continued investment in AI-driven search content. We expect SEO to be a meaningful contributor to our improved growth trajectory in the second half of 2026.

The Business and Financial Updates that follow outline our current performance. We are focused on translating the operational progress we are making into improved customer and financial outcomes and remain committed to executing against this transformation in the quarters ahead. This is a company and team-wide effort, and I want to thank all of our employees for their work to deliver on our refreshed mission. Thank you all for your continued partnership.

Business and Operational Highlights

Billings of \$383 million were down 1% year-over-year and slightly below our expectations. Revenue of \$117 million was flat year-over-year and within our guidance range; Revenue as a percentage of Billings (take rate) improved 30 basis points to 31%. Adjusted EBITDA of \$12.8 million came in slightly below guidance.

\$383M

Gross Billings
(1)% year-over-year

\$117M

Revenue
flat year-over-year

8.1M

Total Units
(5)% year-over-year

16.2M

TTM Active Customers
+5% year-over-year

Our Q1 results were pressured by the same items that we flagged in Q4: North America Enterprise, and managed and organic channels. Two additional cuts emerged in Q1. Our Small Business (SMB) merchant base in North America Local softened in Q1 and Health, Beauty & Wellness posted its first soft quarter after four consecutive growth quarters. Severe winter weather in January and February also added a near-term headwind in North America. Things to Do continued to deliver growth across both North America and International, partially offsetting those pressures.

Active customers grew 5% year-over-year to 16.2 million on a trailing twelve-month basis. Average order value increased year-over-year as customers transacted on higher-value local inventory. Purchase frequency declined year-over-year and has narrowed each quarter since the Q2 2025 trough. In North America, our most loyal customers represent approximately 25% of our active base and approximately 46% of revenue, providing a stable economic core as the broader base grows.

At a traffic channel level, our paid channels grew high-single digits, faster than our growth in marketing spend, reflecting a shift to higher return on investment channels. Direct also performed well. Managed and organic channels were each in a Q1 transition period and have inflected positively in April.

Entering Q2, our commercial focus is to sustain the recovery in managed and organic channels, stabilize Health, Beauty & Wellness, rebuild the Enterprise channel, re-accelerate SMB growth with new-merchant acquisition, and continue the supply expansion driving International growth.

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Our Local category includes experiences and services from local and national merchants, and other revenue sources that are primarily generated through our relationships with those merchants. Our local inventory includes, Things to Do, Health, Beauty and Wellness, Food and Drink, Home and Automotive Services, Online Services, as well as other types of experiences and services.

North America Local

	1Q25	2Q25	3Q25	4Q25	1Q26
Billings	\$256M	\$292M	\$294M	\$300M	\$261M
<i>Year-over-year</i>	+11%	+20%	+18%	+9%	+2%
Revenue	\$86M	\$94M	\$92M	\$95M	\$86M
<i>Year-over-year</i>	(1)%	+3%	+12%	+4%	(1)%
Units	5.4M	6.0M	5.9M	6.2M	5.1M
<i>Year-over-year</i>	+5%	+13%	+11%	+3%	(4)%
Take rate	33.6%	32.3%	31.2%	31.5%	32.8%

North America Local is our largest category, representing approximately 68% of Global Billings and 73% of Global Revenue.

Billings grew 2% year-over-year to \$261 million and Revenue of \$86 million was essentially flat year-over-year, both below our expectations. Growth was driven by an increase in average order value, partially offset by a 4% decline in units. Local active customers grew 8% year-over-year. Take rate of 32.8% declined 80 basis points year-over-year, primarily reflecting higher promotional discounts.

The Q1 North America Local results reflect a mix of demand-side pressure and supply-side deceleration. On demand, paid channels continued to grow, while pressure from our managed and organic channels weighed on traffic, and severe winter weather in January and February added a headwind for several weeks.

On supply, our SMB merchant base, which is the core of our marketplace, slowed from high-single digits in Q4 to roughly flat in Q1, with the deceleration across both existing-merchant renewals and new-merchant acquisition. Our target is to roughly double new-merchant productivity to approximately 10% of North America Local total supply. Our Enterprise channel turned negative year-over-year for the first time after four quarters of growth.

At the vertical level, Health, Beauty & Wellness, our largest North America Local vertical in Q1, posted its first soft quarter after four consecutive growth quarters. Two effects compounded. Our High End vertical, which had been moderating across 2025, declined more sharply in Q1. Our growing verticals, Spa & Massage and Maintenance, continued to grow but decelerated meaningfully from their Q4 rates. At the geographic level, roughly half of our HBW markets grew while the others declined sharply, reflecting supply pipelines that have not yet replaced declining deal counts. Q2 supply addition focus is concentrated in the underperforming markets.

Things to Do continued to deliver growth, led by double-digit growth in Tours and Attractions on national operator partnerships and continued seasonal expansion.

Q2 priorities in North America Local are to re-accelerate SMB growth with new-merchant acquisition as the named priority, stabilize Health, Beauty & Wellness through accelerated supply additions in the underperforming markets, and rebuild the Enterprise channel.

International Local

	1Q25	2Q25	3Q25	4Q25	1Q26
Billings	\$80M	\$73M	\$77M	\$98M	\$78M
<i>Year-over-year</i>	(5)%	0%	1%	0%	(3)%
<i>Year-over-year Ex. Giftcloud</i>	+4%	+15%	+15%	+16%	+14%
Revenue	\$22M	\$22M	\$23M	\$30M	\$25M
<i>Year-over-year</i>	(9)%	(1)%	(1)%	+3%	+10%
<i>Year-over-year Ex. Giftcloud</i>	+1%	+7%	+8%	+9%	+19%
Units	2.4M	2.5M	2.6M	3.1M	2.5M
<i>Year-over-year</i>	(15)%	+8%	+5%	(2)%	+4%
Take rate	27.9%	30.4%	30.0%	30.2%	31.5%

International Local is our second-largest business, representing approximately 20% of Global Billings and 21% of Global Revenue.

Excluding Giftcloud, Billings grew 14% year-over-year to \$78 million and Revenue grew 19% year-over-year to \$25 million. Billings were essentially in line with our expectations and Revenue was modestly above. International Local active customers grew 10% year-over-year, units grew 4%, and average order value increased.

This was the fourth consecutive quarter of double-digit ex-Giftcloud Billings growth, despite headwind from geopolitical disruption in our UAE market. Each of our four major International markets, the UK, Germany, France, and Spain, delivered double-digit Billings growth, supported by an expansion of seasonally relevant inventory and by improved organic traffic following the deployment of our new consumer platform across the segment. Our remaining International countries, in aggregate, are roughly the size of one of our four major markets and remain a meaningful future opportunity as we scale.

At the vertical level, Things to Do continued to lead on outdoor and leisure inventory along with new merchant supply. Health, Beauty & Wellness held flat year-over-year.

Q2 priorities in International Local are to relaunch Italy, complete the consumer platform deployment in our remaining markets, and sustain the supply expansion driving the four-quarter run of double-digit growth.

Travel

Through our Travel category, we feature travel experiences at both discounted and market rates, including hotels, airfare and package deals covering both domestic and international travel. For many of our travel experiences, the customer makes reservations directly through our websites and mobile applications. However, for some travel experiences, customers must contact the merchant directly to make a travel reservation after purchasing a travel voucher from us.

In Travel, Billings were down 6%, Revenue down 9% and units down 14%. An encouraging development is in our Tours vertical, where focused experiments over the final six weeks of Q1 produced strong growth. New formats, including mystery trip packages and adventure itineraries such as Machu Picchu, are generating strong customer engagement and conversion. We are expanding these formats in Q2 to differentiate and grow the Travel category.

Goods

In our Goods category, we earn revenue from transactions in which third-party merchants sell products to customers through our marketplaces. Our Goods category includes merchandise across multiple product lines, such as electronics, sporting goods, jewelry, toys, household items and apparel.

Goods declined as expected in Q1, with Billings down 23%, Revenue down 34% and units down 39%, reflecting our de-emphasis of the category. Our Goods category represents approximately 2% of Global Revenue.





First Quarter 2026 Summary Financial Results¹

	Q1 2026	% Change YoY
Billings	\$383M	(1)%
Revenue	\$117M	—%
Take rate	31 %	
Gross Profit	\$106M	—%
Gross Profit as a % of revenue	90 %	
Marketing	\$36M	+6%
Contribution Profit	\$70M	(3)%
Selling, general, and administrative	\$73M	+5%
Adjusted EBITDA ¹	\$13M	(17)%
Adjusted EBITDA ¹ margin	11 %	
Free Cash Flow ¹	\$(14)M	(260)%

In the first quarter, Global Billings were \$383 million, a decline of approximately 1% year-over-year, below our guidance. Revenue was \$117 million, essentially flat year-over-year and within our guidance range. Take rate was 31%, an improvement of 30 basis points year-over-year.

Gross profit as a percentage of Revenue was 90%, consistent with prior periods and within the range of our expectations.

Marketing expense was \$36 million, or 31% of Revenue, an increase in marketing expense of approximately 6% year-over-year. The increase reflects higher investment in paid performance channels.

Contribution profit was \$70 million, a decrease of approximately 3% year-over-year.

SG&A was \$73 million in the quarter, an increase of 5% year-over-year, and includes \$12 million in stock-based compensation and \$2 million in depreciation and amortization. Excluding stock-based compensation and depreciation and amortization, SG&A was flat year-over-year, inclusive of roughly \$2 million in severance costs reflected in Q1.

Adjusted EBITDA was positive \$12.8 million, slightly below our guidance range.

First quarter operating cash flow from continuing operations was negative \$10 million and Free Cash Flow was negative \$14 million.

¹ Adjusted EBITDA and Free Cash Flow are non-GAAP financial measures. See the appendix for a reconciliation to the most comparable U.S. GAAP financial measure, "Income (loss) from continuing operations and "Net cash provided by (used in) operating activities from continuing operations".



Capital Allocation and Balance Sheet Updates

We ended Q1 with \$226 million in cash and cash equivalents. Please note that our cash position excludes \$30 million of restricted cash, which primarily relates to collateral posted against our outstanding letters of credit and is reported in Prepaid expenses and other current assets on our Consolidated Balance Sheet.

First quarter Free Cash Flow was negative \$14 million, reflecting the normal seasonal timing of merchant payment settlements in Q1, consistent with the pattern we have seen historically. We continue to finance the organic growth opportunities at Groupon through our P&L and maintain a healthy level of Free Cash Flow generation.

In 2018, our Board authorized us to repurchase up to \$300 million of our Common Stock. Since our last earnings release on March 10, 2026, we repurchased 2,804,479 shares for \$29.7 million at a weighted-average price of \$10.58, representing 6.9% of shares outstanding. As of May 7th, approximately \$215 million remains available under that program. As part of our capital allocation program, our first priority remains investing in the organic growth opportunities in front of us. Going forward, we expect to be opportunistic in executing against this authorization, taking into account our cash generation, investment priorities, market conditions and the trading price of our shares.

Additionally, we continue to hold a minority stake in SumUp, a privately held European fintech company, which represents a valuable non-core asset. Should we have the opportunity to generate liquidity from this investment, we would have additional capital to be deployed in our capital allocation program.



Guidance² and Closing Thoughts

As of May 7, 2026, management is issuing the following Guidance:

As of May 7, 2026	Q2 2026 Guidance		2026 Guidance	
	Low-end	High-end	Low-end	High-end
Billings	Flat	+2%	+3%	+5%
Revenue	\$126M	\$128M	\$513M	\$523M
	<i>Flat</i>	+2%	+3%	+5%
Adjusted EBITDA	\$13M	\$15M	\$70M	\$75M
Free Cash Flow	At Least \$10M		At Least \$60M	

Additional commentary:

- April performance improved versus Q1, driven by reacceleration in North America Local, supported by a recovery in both managed and organic channels.
- Despite a positive start to the quarter, we set Q2 guidance in the same range as Q1 factoring in a difficult comparison later in Q2 related to several large enterprise campaigns that have different performance expectations this year.
- We are keeping our full year guide unchanged, as we expect to see improved results in the second half related to delivery of our strategic bets, improved execution in North America Core Local, and additional marketing support.
- Marketing as a percentage of Revenue is expected to increase from Q1 levels reflecting continued investment in paid performance channels.
- SG&A, excluding stock-based compensation and depreciation and amortization, is expected to decline slightly year-over-year.

Looking ahead, we remain focused on executing against our financial commitments while continuing to invest in the initiatives that will drive durable, long-term growth. We are entering the second quarter with momentum and the fundamentals moving in the right direction. We have the foundation, the capital, and an AI-native operating agenda to translate that momentum into sustained growth. We are grateful for the continued support of our shareholders and the dedication of our team as we execute against the opportunity in front of us.

² We do not provide a reconciliation for non-GAAP estimates on a forward-looking basis where we are unable to provide a meaningful calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing or amount of various items that would impact the most directly comparable forward-looking U.S. GAAP financial measure that have not yet occurred, are out of the Company's control and/or cannot be reasonably predicted. Forward-looking non-GAAP financial measures provided without the most directly comparable U.S. GAAP financial measures may vary materially from the corresponding U.S. GAAP financial measures.

Appendix

01 Conference Call & Investor Information

03 Financial Statements & Reconciliations

INVESTOR RELATIONS

CONFERENCE CALL

Groupon will host a live webcast and question-and-answer session to discuss its Q1 2026 financial results.

DATE Friday May 8, 2026
TIME 7:00 a.m. CT / 8:00 a.m. ET
WEBCAST investor.groupon.com

A replay of the webcast will be available on Groupon's investor relations website following the call and will remain accessible for one year.

Groupon uses its investor relations website at investor.groupon.com as a means of disclosing material non-public information and for complying with its disclosure obligations under Regulation FD.

COMPANY

ABOUT GROUPON

Groupon (NASDAQ: GRPN) is a trusted local marketplace where consumers go to buy services and experiences that make life more interesting and deliver boundless value.

To find out more about Groupon, please visit press.groupon.com.

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Note on Forward-Looking Statements

The statements contained in this release that refer to plans and expectations for the next quarter, the full year or the future are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended ("Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act"), including statements regarding our future results of operations and financial position, business strategy and plans and our objectives for future operations and future liquidity. The words "may," "will," "should," "could," "expect," "anticipate," "believe," "estimate," "intend," "continue" and other similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements involve risks and uncertainties that could cause our actual results to differ materially from those expressed or implied in our forward-looking statements. Such risks and uncertainties include, but are not limited to, our ability to execute and achieve the expected benefits of our go-forward strategy, including our broader AI-native transformation; the risk that the anticipated benefits of our AI strategy may not be realized in the time frame we expect or at all and may have adverse effects on our operations, merchants and customers; the risk that our public statements regarding our AI strategy and deployment of AI agents are not adequately substantiated or are later viewed as inconsistent with our actual capabilities or results; execution of our business and marketing strategies; volatility in our operating results; challenges arising from our international operations, including fluctuations in currency exchange rates, tax, legal and regulatory developments in the jurisdictions in which we operate and geopolitical instability; global economic uncertainty, including as a result of inflationary pressures; any impact from U.S. and international financial reform legislation and regulations, and any potential trade protection measures, such as new or incremental tariffs and other trade policies; retaining and adding high quality merchants and third-party business partners; retaining existing customers and adding new customers; competing successfully in our industry; providing a strong mobile experience for our customers; managing refund risks; retaining and attracting members of our executive and management teams and other qualified employees and personnel; customer and merchant fraud; payment-related risks; our reliance on email, Internet search engines and mobile application marketplaces to drive traffic to our marketplace; cybersecurity breaches; maintaining and improving our information technology infrastructure; reliance on cloud-based computing platforms; the risks associated with our use and integration of AI and machine learning technologies; completing and realizing the anticipated benefits from acquisitions, dispositions, joint ventures and strategic investments; lack of control over minority investments; managing inventory and order fulfillment risks; claims related to product and service offerings; protecting our intellectual property; maintaining a strong brand; the impact of future and pending litigation; compliance with domestic and foreign laws and regulations, including the CARD Act, GDPR, CPRA, and other privacy-related laws and regulations of the Internet and e-commerce; classification of our independent contractors, agency workers, or employees; risks relating to information or content published or made available on our websites or service offerings we make available; exposure to greater than anticipated tax liabilities; adoption of tax laws; our ability to use our tax attributes; impacts if we become subject to the Bank Secrecy Act or other anti-money laundering or money transmission laws or regulations; our ability to raise capital if necessary; risks related to our access to capital and outstanding indebtedness, including our 2027 Notes and 2030 Notes; our Common Stock, including volatility in our stock price and financial markets; a potential economic slowdown; and those risks and other factors discussed in Part I, Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2025 and Part II, Item 1A. Risk Factors on our Quarterly Report on Form 10-Q for the quarter ended March 31, 2026, as well as in our Condensed Consolidated Financial Statements, related notes, and the other financial information appearing elsewhere in this report and our other filings with the SEC. Moreover, we operate in a very competitive and

rapidly changing environment, including with respect to emerging technologies such as AI, machine learning, and data analytics. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we make. Neither the Company nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. We undertake no obligation to publicly update any forward-looking statements for any reason after the date of this report to conform these statements to actual results or to future events or circumstances. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

Appendix - Non-GAAP Reconciliations and Financial Statements

Adjusted EBITDA³ - Quarterly (in thousands)

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

	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Income (loss) from continuing operations	\$ 8,027	\$ 20,593	\$ (117,782)	\$ 8,081	\$ (12,589)
Adjustments:					
Stock-based compensation	7,694	8,782	11,109	10,189	11,911
Depreciation and amortization	5,611	4,423	4,301	4,267	4,191
Restructuring and related charges (credits)	137	(46)	(64)	(61)	7
(Gain) on sale of business	—	(10,650)	—	—	—
Loss on extinguishment of debt	—	—	99,925	—	—
Other (income) expense, net	(7,571)	(18,466)	(1,197)	(3,595)	4,371
Provision (benefit) for income taxes	1,428	10,927	21,248	2,022	4,899
Total adjustments	7,299	(5,030)	135,322	12,822	25,379
Adjusted EBITDA	\$ 15,326	\$ 15,563	\$ 17,540	\$ 20,903	\$ 12,790

³ See Q1 2026 earnings press release posted on our Investor Relations website for additional information regarding non-GAAP financial measures



Free Cash Flow⁴ - Quarterly (in thousands)

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 from continuing operations.

	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Net cash provided by (used in) operating activities from continuing operations	\$ (22)	\$ 28,419	\$ (20,506)	\$ 56,607	\$ (9,958)
Purchases of property and equipment and capitalized software from continuing operations	(3,737)	(3,230)	(4,082)	(3,575)	(3,559)
Free cash flow	\$ (3,759)	\$ 25,189	\$ (24,588)	\$ 53,032	\$ (13,517)

Net cash provided by (used in) investing activities from continuing operations	\$ (3,737)	\$ 10,761	\$ (3,024)	\$ 2,423	\$ (3,559)
Net cash provided by (used in) financing activities	\$ (454)	\$ (2,684)	\$ (3,275)	\$ (1,097)	\$ (55,669)

Supplemental Information - Quarterly (in thousands)

	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Selling, general and administrative	\$ 69,840	\$ 70,669	\$ 68,264	\$ 64,955	\$ 73,028
Stock-based compensation in SG&A ¹	7,659	8,700	10,900	10,087	11,700
Depreciation and amortization in SG&A	3,418	2,400	2,400	2,334	2,300

⁴ See Q1 2026 earnings press release posted on our Investor Relations website for additional information regarding non-GAAP financial measures



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

	March 31, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	\$ 225,514	\$ 296,080
Accounts receivable, net	20,010	25,792
Prepaid expenses and other current assets	56,452	52,548
Total current assets	301,976	374,420
Property, equipment and software, net	15,628	16,120
Right-of-use assets - operating leases, net	5,734	6,316
Goodwill	178,685	178,685
Intangible assets, net	2,863	3,224
Investments	74,823	74,823
Deferred income taxes	8,892	9,648
Other non-current assets	7,253	7,170
Total assets	\$ 595,854	\$ 670,406
Liabilities and equity (deficit)		
Current liabilities:		
Current portion of convertible senior notes, net	\$ 45,837	\$ 33,691
Accounts payable	8,301	8,688
Accrued merchant and supplier payables	212,247	235,473
Accrued expenses and other current liabilities	107,975	106,057
Total current liabilities	374,360	383,909
Convertible senior notes, net	262,403	309,155
Operating lease obligations	2,520	3,206
Other non-current liabilities	19,044	16,526
Total liabilities	658,327	712,796
Commitments and contingencies		
Stockholders' equity (deficit)		
Common Stock, par value \$0.0001 per share, 100,500,000 shares authorized; 51,080,236 shares issued and 38,841,500 shares outstanding at March 31, 2026; 51,026,430 shares issued and 40,732,313 shares outstanding at December 31, 2025	5	5
Additional paid-in capital	2,489,853	2,478,038
Treasury stock, at cost, 12,238,736 shares at March 31, 2026 and 10,294,117 shares at December 31, 2025	(943,956)	(922,666)
Accumulated deficit	(1,605,293)	(1,592,434)
Accumulated other comprehensive income (loss)	(3,200)	(5,505)
Total Groupon, Inc. stockholders' equity (deficit)	(62,591)	(42,562)
Noncontrolling interests	118	172
Total equity (deficit)	(62,473)	(42,390)
Total liabilities and equity (deficit)	\$ 595,854	\$ 670,406



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

	Three Months Ended March 31,	
	2026	2025
Revenue	\$ 117,200	\$ 117,187
Cost of revenue	11,151	10,889
Gross profit	106,049	106,298
Operating expenses:		
Marketing	36,333	34,437
Selling, general and administrative	73,028	69,840
Restructuring and related charges	7	137
Total operating expenses	109,368	104,414
Income (loss) from operations	(3,319)	1,884
Other income (expense), net	(4,371)	7,571
Income (loss) from continuing operations before provision (benefit) for income taxes	(7,690)	9,455
Provision (benefit) for income taxes	4,899	1,428
Income (loss) from continuing operations	(12,589)	8,027
Income (loss) from discontinued operations, net of tax	(30)	(471)
Net income (loss)	(12,619)	7,556
Net (income) loss attributable to noncontrolling interests	(240)	(381)
Net income (loss) attributable to Groupon, Inc.	\$ (12,859)	\$ 7,175
Basic net income (loss) per share:		
Continuing operations	\$ (0.32)	\$ 0.19
Discontinued operations	—	(0.01)
Basic net income (loss) per share	\$ (0.32)	\$ 0.18
Diluted net income (loss) per share:		
Continuing operations	\$ (0.32)	\$ 0.18
Discontinued operations	—	(0.01)
Diluted net income (loss) per share	\$ (0.32)	\$ 0.17
Weighted average number of shares outstanding:		
Basic	40,532,674	39,809,354
Diluted	40,532,674	41,719,655



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

	Three Months Ended March 31,	
	2026	2025
Operating activities		
Net income (loss)	\$ (12,619)	\$ 7,556
Less: Income (loss) from discontinued operations, net of tax	(30)	(471)
Income (loss) from continuing operations	(12,589)	8,027
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization of property, equipment and software	3,830	5,210
Amortization of acquired intangible assets	361	401
Stock-based compensation	11,911	7,694
Deferred income taxes	2,784	461
Foreign currency (gains) losses, net	2,349	(7,074)
Change in assets and liabilities:		
Accounts receivable	5,663	2,625
Prepaid expenses and other current assets	(4,132)	860
Right-of-use assets - operating leases	963	744
Accounts payable	(175)	(873)
Accrued merchant and supplier payables	(22,019)	(7,979)
Accrued expenses and other current liabilities	2,987	(2,845)
Operating lease obligations	(1,183)	(819)
Other, net	(708)	(6,454)
Net cash provided by (used in) operating activities from continuing operations	(9,958)	(22)
Net cash provided by (used in) operating activities from discontinued operations	—	—
Net cash provided by (used in) operating activities	(9,958)	(22)
Investing activities		
Purchases of property and equipment and capitalized software	(3,559)	(3,737)
Net cash provided by (used in) investing activities from continuing operations	(3,559)	(3,737)
Net cash provided by (used in) investing activities from discontinued operations	—	—
Net cash provided by (used in) investing activities	(3,559)	(3,737)
Financing activities		
Repayment of Notes	(33,740)	—
Payments for purchases of treasury stock	(21,290)	—
Other financing activities	(639)	(454)
Net cash provided by (used in) financing activities	(55,669)	(454)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(1,329)	2,331
Net increase (decrease) in cash, cash equivalents and restricted cash	(70,515)	(1,882)
Less: Net increase (decrease) in cash classified within current assets of discontinued operations	—	—
Net increase (decrease) in cash, cash equivalents and restricted cash	(70,515)	(1,882)
Cash, cash equivalents and restricted cash, beginning of period ⁽¹⁾	325,612	262,569
Cash, cash equivalents and restricted cash, end of period ⁽¹⁾	\$ 255,097	\$ 260,687



(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 March 31, 2026, December 31, 2025, March 31, 2025 and December 31, 2024 (in thousands):

	March 31, 2026	December 31, 2025	March 31, 2025	December 31, 2024
Cash and cash equivalents	\$ 225,514	\$ 296,080	\$ 226,814	\$ 228,843
Restricted cash included in prepaid expenses and other current assets	29,583	29,532	33,873	33,726
Cash, cash equivalents and restricted cash	<u>\$ 255,097</u>	<u>\$ 325,612</u>	<u>\$ 260,687</u>	<u>\$ 262,569</u>



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

	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q1 2026			
North America Segment:									
Gross billings ⁽¹⁾ :						Y/Y Growth			
Local	\$ 255,656	\$ 292,381	\$ 293,761	\$ 300,487	\$ 260,643	2.0	%		
Travel	22,242	23,997	17,701	13,877	20,394	(8.3)			
Goods	8,621	8,380	7,645	9,431	4,991	(42.1)			
Total gross billings	<u>\$ 286,519</u>	<u>\$ 324,758</u>	<u>\$ 319,107</u>	<u>\$ 323,795</u>	<u>\$ 286,028</u>	(0.2)	%		
Revenue:									
Local	\$ 85,942	\$ 94,486	\$ 91,562	\$ 94,797	\$ 85,537	(0.5)	%		
Travel	3,659	4,342	3,221	2,338	3,482	(4.8)			
Goods	1,512	1,168	1,224	1,580	894	(40.9)			
Total revenue	<u>\$ 91,113</u>	<u>\$ 99,996</u>	<u>\$ 96,007</u>	<u>\$ 98,715</u>	<u>\$ 89,913</u>	(1.3)	%		
Gross profit:									
Local	\$ 78,464	\$ 86,567	\$ 83,766	\$ 86,295	\$ 78,090	(0.5)	%		
Travel	3,094	3,856	2,868	2,030	3,037	(1.8)			
Goods	1,314	1,009	1,074	1,382	796	(39.4)			
Total gross profit	<u>\$ 82,872</u>	<u>\$ 91,432</u>	<u>\$ 87,708</u>	<u>\$ 89,707</u>	<u>\$ 81,923</u>	(1.1)	%		
Contribution profit ⁽²⁾	\$ 56,398	\$ 58,272	\$ 55,962	\$ 53,479	\$ 55,002	(2.5)	%		
International Segment:						Q1 2026			
Gross billings:						Y/Y Growth	FX Effect	Y/Y Growth excluding FX ⁽³⁾	
Local	\$ 80,478	\$ 72,997	\$ 77,270	\$ 98,219	\$ 78,128	(2.9)	(8.7)	(11.6) %	
Travel	7,080	6,225	7,856	8,279	7,088	0.1	(10.0)	(9.9)	
Goods	12,399	12,717	11,879	16,177	11,302	(8.8)	(9.3)	(18.1)	
Total gross billings	<u>\$ 99,957</u>	<u>\$ 91,939</u>	<u>\$ 97,005</u>	<u>\$ 122,675</u>	<u>\$ 96,518</u>	(3.4)	(8.9)	(12.3) %	
Revenue:									
Local	\$ 22,419	\$ 22,195	\$ 23,182	\$ 29,710	\$ 24,597	9.7	(9.7)	— %	
Travel	1,392	1,249	1,461	1,422	1,106	(20.5)	(7.9)	(28.4)	
Goods	2,263	2,262	2,175	2,861	1,584	(30.0)	(6.9)	(36.9)	
Total revenue	<u>\$ 26,074</u>	<u>\$ 25,706</u>	<u>\$ 26,818</u>	<u>\$ 33,993</u>	<u>\$ 27,287</u>	4.7	(9.5)	(4.8) %	
Gross profit:									
Local	\$ 20,325	\$ 20,046	\$ 21,037	\$ 26,593	\$ 21,963	8.1	(8.9)	(0.8) %	
Travel	1,202	1,086	1,260	1,237	883	(26.5)	(7.1)	(33.6)	
Goods	1,899	1,862	1,831	2,442	1,280	(32.6)	(6.6)	(39.2)	
Total gross profit	<u>\$ 23,426</u>	<u>\$ 22,994</u>	<u>\$ 24,128</u>	<u>\$ 30,272</u>	<u>\$ 24,126</u>	3.0	(8.6)	(5.6) %	
Contribution profit	\$ 15,463	\$ 14,755	\$ 14,432	\$ 17,923	\$ 14,714	(4.8)		%	
Consolidated Results of Operations:									
Gross billings:									
Local	\$ 336,134	\$ 365,378	\$ 371,031	\$ 398,706	\$ 338,771	0.8	(2.2)	(1.4) %	
Travel	29,322	30,222	25,557	22,156	27,482	(6.3)	(2.4)	(8.7)	
Goods	21,020	21,097	19,524	25,608	16,293	(22.5)	(5.5)	(28.0)	
Total gross billings	<u>\$ 386,476</u>	<u>\$ 416,697</u>	<u>\$ 416,112</u>	<u>\$ 446,470</u>	<u>\$ 382,546</u>	(1.0)	(2.3)	(3.3) %	
Revenue:									
Local	\$ 108,361	\$ 116,681	\$ 114,744	\$ 124,507	\$ 110,134	1.6	(2.0)	(0.4) %	
Travel	5,051	5,591	4,682	3,760	4,588	(9.2)	(2.1)	(11.3)	
Goods	3,775	3,430	3,399	4,441	2,478	(34.4)	(4.1)	(38.5)	
Total revenue	<u>\$ 117,187</u>	<u>\$ 125,702</u>	<u>\$ 122,825</u>	<u>\$ 132,708</u>	<u>\$ 117,200</u>	—	(2.1)	(2.1) %	
Gross profit:									
Local	\$ 98,789	\$ 106,613	\$ 104,803	\$ 112,888	\$ 100,053	1.3	(1.8)	(0.5) %	
Travel	4,296	4,942	4,128	3,267	3,920	(8.8)	(1.9)	(10.7)	
Goods	3,213	2,871	2,905	3,824	2,076	(35.4)	(3.9)	(39.3)	
Total gross profit	<u>\$ 106,298</u>	<u>\$ 114,426</u>	<u>\$ 111,836</u>	<u>\$ 119,979</u>	<u>\$ 106,049</u>	(0.2)	(1.9)	(2.1) %	
Contribution profit	\$ 71,861	\$ 73,027	\$ 70,394	\$ 71,402	\$ 69,716	(3.0)		%	
Net cash provided by (used in) operating activities from continuing operations	\$ (22)	\$ 28,419	\$ (20,506)	\$ 56,607	\$ (9,958)	nm		%	
Free cash flow	\$ (3,759)	\$ 25,189	\$ (24,588)	\$ 53,032	\$ (13,517)	259.6		%	

	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Active customers⁽⁴⁾:					
North America	10.5	10.8	11.0	11.1	11.0
International	5.0	5.0	5.1	5.2	5.2
Total active customers	15.5	15.8	16.1	16.2	16.2
North America Units:					
Local	5,367	6,018	5,942	6,189	5,132
Goods	259	239	199	246	137
Travel	89	89	69	55	76
Total North America units	5,715	6,346	6,210	6,490	5,345
International Units:					
Local	2,446	2,450	2,605	3,100	2,539
Goods	336	287	272	395	227
Travel	43	33	49	48	37
Total International units	2,825	2,770	2,926	3,543	2,803
Consolidated Units:					
Local	7,813	8,468	8,546	9,289	7,671
Goods	595	526	471	641	364
Travel	132	123	119	103	113
Total consolidated units	8,540	9,117	9,136	10,033	8,148
Headcount:					
Sales ⁽⁵⁾	694	556	560	634	643
Other	1,310	1,258	1,179	1,100	1,002
Total headcount	2,004	1,814	1,739	1,734	1,645

(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.