

Etsy

# Q2 2025 Financial Results

July 30, 2025

# Forward-looking Statements

This presentation contains forward-looking statements within the meaning of the federal securities laws. Forward-looking statements include but are not limited to statements relating to: our financial guidance for the third quarter of 2025 and underlying assumptions; our customer relationship flywheel; the impact of AI, ML, and LLMs; our ability to become a leader in agentic shopping; our product development investments and marketing initiatives; the impact of our investment in our app; the updates to our Insider beta program; the impact of our new ranking and recommendation models; the strength of our financial foundation; our resiliency and ability to provide a dependable place to buy and sell; our ability to reignite Etsy marketplace growth; our ability to tailor buyer engagement and retention strategies; the impact of personalized browsing, discovery, and buyer experiences; expected changes in our brand media mix; our approach through 2025 and beyond; and the success of our capital light business model.

Forward-looking statements include all statements that are not historical facts. In some cases, forward-looking statements can be identified by terms such as “aim,” “anticipate,” “believe,” “could,” “enable,” “estimate,” “expect,” “goal,” “intend,” “may,” “optimistic,” “outlook,” “plan,” “potential,” “should,” “target,” “will,” or similar expressions and derivative forms and/or the negatives of those words.

Forward-looking statements involve substantial risks and uncertainties that may cause actual results to differ materially from those that we expect. These risks and uncertainties include but are not limited to: (1) macroeconomic, geopolitical, and other events outside of our control; (2) the level of demand for our services or products sold in our marketplaces; (3) the importance to our success of the trustworthiness of our marketplaces and our ability to attract and retain active and engaged communities of buyers and sellers; (4) any real or perceived inaccuracies in our operational metrics; (5) if we or our third-party providers are unable to protect against technology vulnerabilities, service interruptions, security breaches, or other cyber incidents; (6) our dependence on continued and unimpeded access to third-party services, platforms, and infrastructure; (7) operational and compliance risks related to our payments systems; (8) the global scope of our business; (9) our ability to recruit and retain employees; (10) our ability to compete effectively; (11) our ability to enhance our current offerings and develop new offerings to respond to the changing needs of sellers and buyers; (12) risks related to our environmental, social, and governance activities and disclosures; (13) barriers to international trade and our efforts to grow our markets globally; (14) acquisitions, dispositions, or strategic partnerships that may prove unsuccessful or divert management attention; (15) our ability to deal effectively with fraud or other illegal activity; (16) the impact of artificial intelligence on our business and industry; and (17) litigation and evolving global legal and regulatory requirements, including privacy and data protection laws, tax laws, product liability laws, laws regulating speech and platform moderation, antitrust laws, and intellectual property and counterfeiting regulations. These and other risks and uncertainties are more fully described in our filings with the Securities and Exchange Commission, including in the section entitled “Risk Factors” in our most recent Quarterly Report on Form 10-Q, and subsequent reports that we file with the Securities and Exchange Commission. Moreover, we operate in a very competitive and rapidly changing environment. 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 may make. In light of these risks, uncertainties, and assumptions, we cannot guarantee future results, levels of activity, performance, achievements, or events and circumstances reflected in the forward-looking statements will occur. Forward-looking statements represent our beliefs and assumptions only as of the date hereof. We disclaim any obligation to update forward-looking statements.

This presentation is a high-level summary of our Q2 2025 financial results. For more information please refer to our press release dated July 30, 2025 and filings with the SEC. **Please see the appendix for a reconciliation of the non-GAAP financial measures used in this presentation to their respective most directly comparable financial measures, where available, calculated in accordance with GAAP.**

For information about how we define active buyers, new buyers, reactivated buyers, repeat buyers and habitual buyers, see our most recent Annual Report on Form 10-K.

Q2 25 Consolidated  
top-line results  
ahead of  
expectations;  
adjusted EBITDA  
margin in line with  
guidance

Excluding Reverb, Q2 25  
Consolidated GMS was \$2.7  
billion, down 2.6% Y/Y on  
the same basis

Q2 25 Consolidated GMS

**\$2.8B**

-4.8% Y/Y, and -5.8% Y/Y on a  
currency neutral basis

Q2 25 Consolidated Revenue

**\$673M**

+3.8% Y/Y

Q2 25 Consolidated Adj. EBITDA

**\$169M**

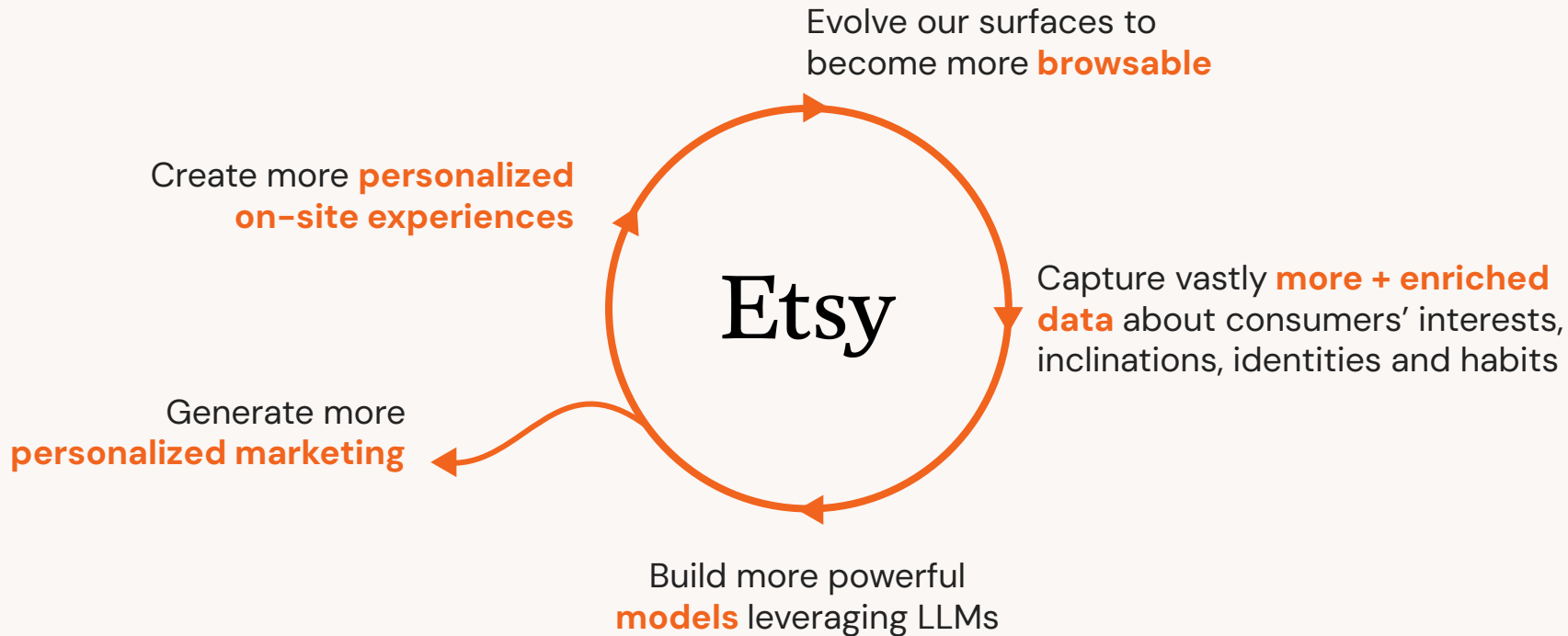
25.1% Adj. EBITDA Margin

Q2 25 Take Rate

**24%**

Etsy completed the sale of Reverb on June 2, 2025. Reverb is included in our consolidated results for the first two months of the second quarter of 2025, representing \$153.0 million of GMS and \$17.6 million of revenue, and for the full three months of the second quarter of 2024, where it represented \$225.2 million of GMS and \$24.4 million of revenue.

# Creating a powerful customer relationship flywheel





**GMS \$2.4B**, down 5.4%<sup>1</sup> Y/Y, ahead of expectations; a 3.5 pp improvement from the first quarter result

**Key GMS drivers:**

- Direct, owned marketing efforts contributing meaningfully to GMS
- Benefits from increased Paid Social investments
- Helpful competitive dynamics in paid search channels amplified internal efficiency gains
- Strong mobile app trends



**GMS \$250M**, up 35.3%<sup>2</sup> Y/Y; continued US strength (up 54% Y/Y)

**Key GMS drivers:**

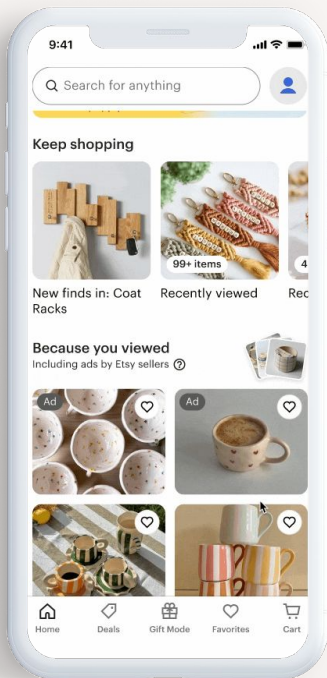
- Continued growth in app download share, MAUs for the U.S. market
- New buyer and active seller growth Y/Y
- Improved search and recommendation relevance and freshness
- Better new seller experience from enabling free item boosts for recently onboarded sellers and enhancing pricing techniques

<sup>1</sup> Etsy marketplace GMS down 6.3% Y/Y on a currency neutral basis

<sup>2</sup> Depop marketplace GMS up 34.7% Y/Y on a currency neutral basis

# Making the Etsy app the centerpiece of our shopping experience is beginning to impact buyer satisfaction and GMS

Q2 24 View



Less relevant content

Completed mission

"Pick up the thread" on last session's mission

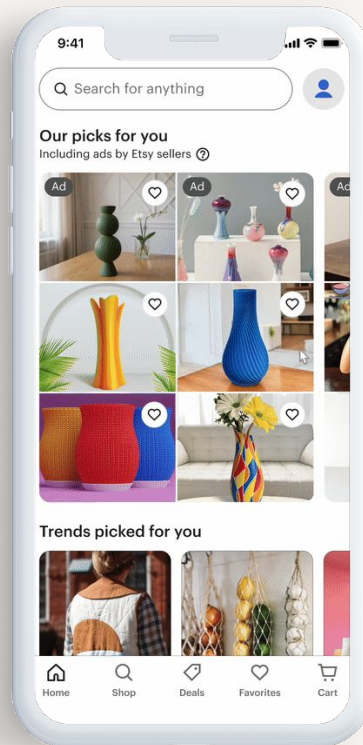
Intuitive navigation

Inspirational and engaging home surface

Improved app performance and speed

Streamlined notification, listing, and cart experiences

In progress



**Q2 25 App GMS grew Y/Y and represented ~45% of total GMS**

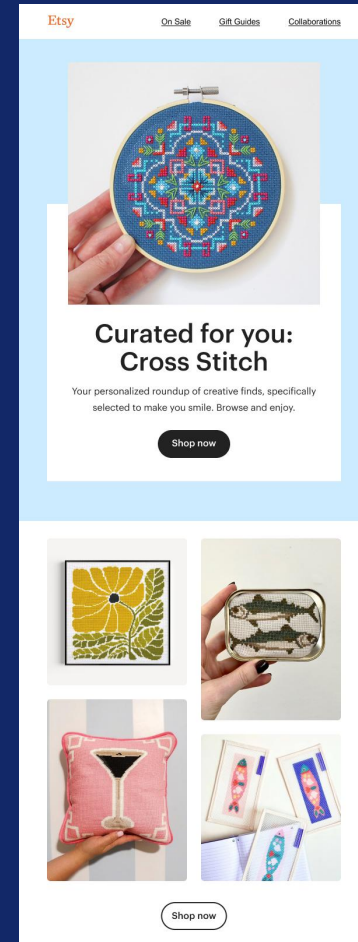
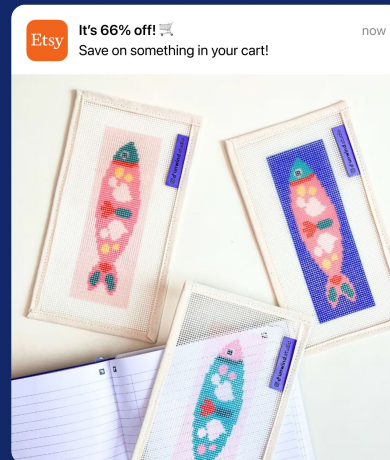
# Our efforts to show buyers 'we know them' is driving momentum

- Q2 GMS<sup>1</sup> from owned marketing channels (email, push notifications) **grew by a third year-over-year**
- These channels are now driving a **much larger share of overall GMS<sup>1</sup>**, nearing the impact of product listing ads and non-brand search engine marketing
- **~40% of messages are now personalized** (up from ~27% Q4 24); Aiming for near-total personalization by year-end

**Personalized messages perform better** across metrics such as conversion rate, visits, and GMS

All results on this slide are for the Etsy marketplace.

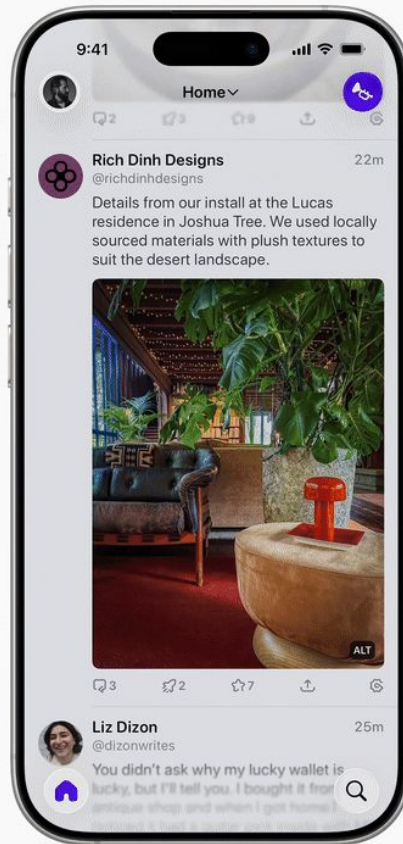
<sup>1</sup>GMS measured on an attributed basis, with internal multipliers assigned



# Making continued progress in AI for Search, and positioning Etsy to be a leader in Agentic Shopping

Etsy identified as a **top retail ecommerce recipient of agentic chatbot traffic**<sup>1</sup>

<sup>1</sup> Similarweb, "Top Recipients of AI Chatbot Traffic: Traffic driven by AI chatbot prompts, Worldwide", May 2025. (Similarweb offers estimated data derived from various third party sources, and is not a direct traffic measurement tool.)



**Etsy integrates seamless product discovery with Apple's Visual Intelligence**



# Getting the Etsy marketplace back to GMS growth is our #1 priority: four initiatives designed to drive the greatest near-term impact

1

Show up where  
shoppers discover  
– on and off Etsy

2

Match shoppers  
with the right  
inventory through  
(even better!) ML

3

Retain and reward  
our most valuable  
customers

4

Further amplify  
human connection

1

## Show up where shoppers discover – on and off Etsy

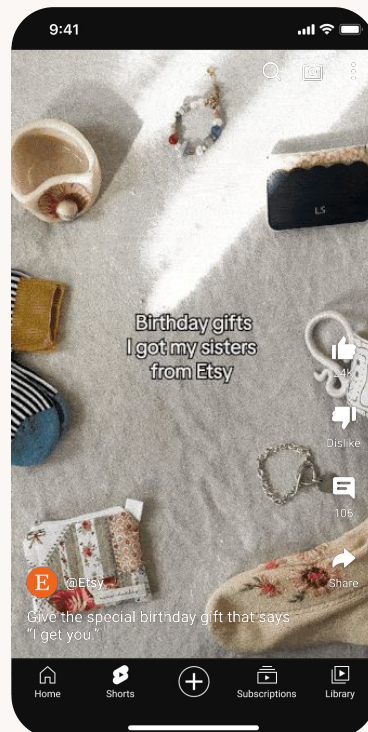
Combining our strong ROI-first mindset with an audience-first approach by:

- **Ramping down** spend on linear TV
- Accelerating **social investment** on certain platforms
- **Streaming** now the core of our brand media approach
- Improving **app usability and discovery**

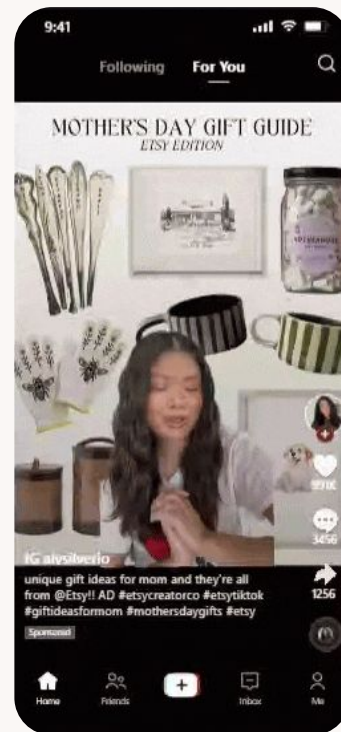
...to help more people explore and be inspired by all that Etsy has to offer



Low funnel,  
product-focused

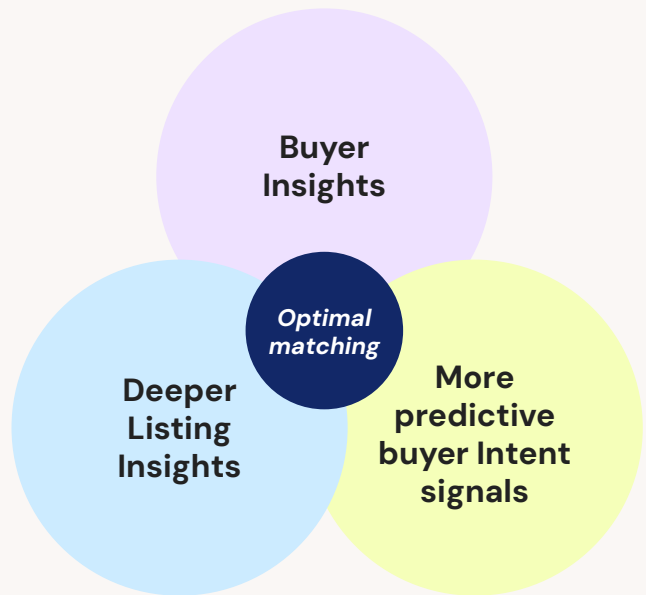


Mid funnel,  
consideration-focused



Creator and Influencer  
Programs

- ② Match shoppers with the right inventory through (even better!) ML — showing we understand their tastes and needs



### *New Ranking Models*

Improving search by using the power of LLMs and generative AI to **more deeply understand our listings, users, and their activity**

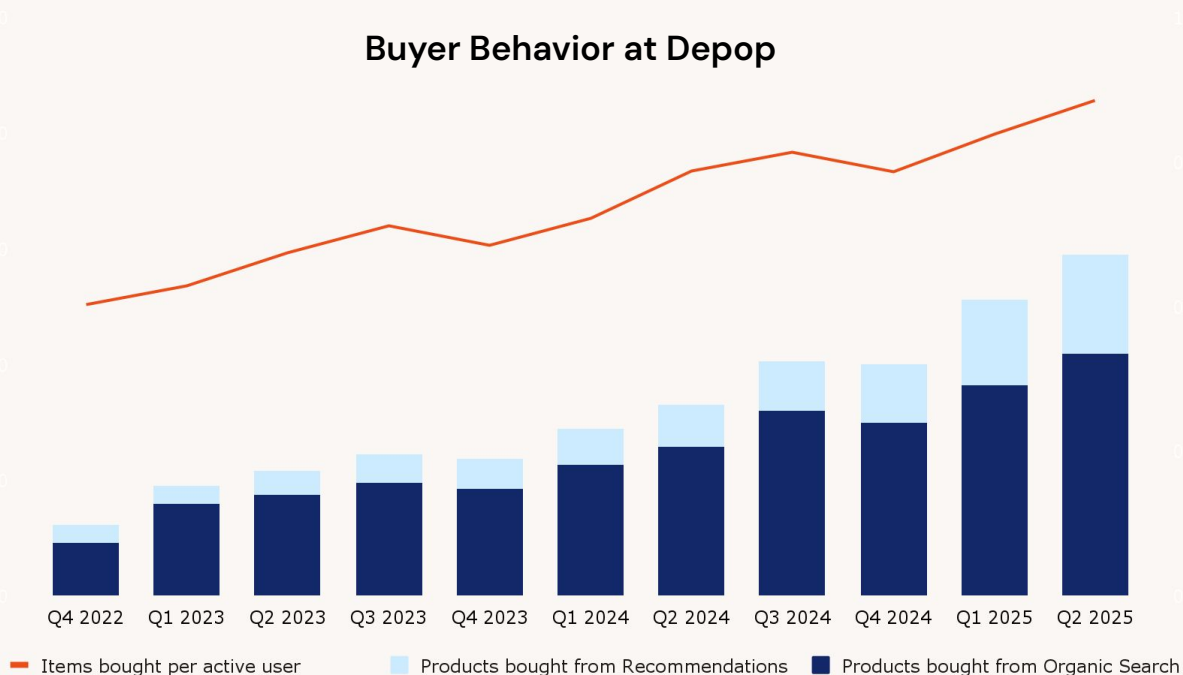


### *Cutting-edge approach to Recommendations*

Leveraging LLMs to capture non-obvious relationships between items, **leveraging both explicit and implicit signals**

## ② Evolving 'Recommendations' has been a key growth unlock for Depop

Buyer Behavior at Depop



**2x increase** in the share of products bought from recommendations<sup>1</sup> since late 2022

<sup>1</sup> Products bought from recommendations refers to purchased items that were first viewed through recommendations (within a 30-day attribution window).

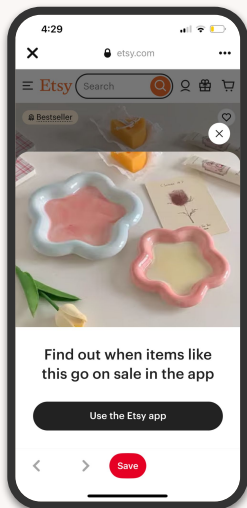
Note: Chart excludes attributed purchases outside of recommendations and search.

### ③ Retain and reward our most valuable customers with a portfolio of tactics, including...

#### Setup & Nudges

Getting buyers to take key actions helps us serve them better – and increases lifetime value

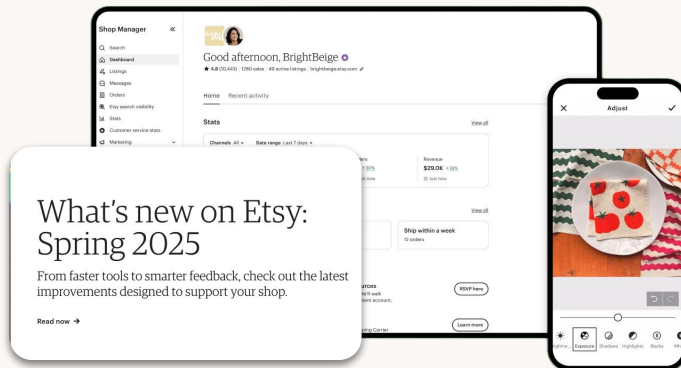
Continued opportunity to **drive app downloads**



#### Simpler Selling

Launched 'quick actions' in Shop Manager and improved Sell on Etsy app latency

We made it **easy for sellers to see what's new** from Etsy with our first-ever spring bundle release



#### Rewards & Premium Programs

Evolving our Etsy Insider beta program... and more

By Holiday 2025, **Etsy Insider beta program will be expanded** to include top buyers, and we'll test new features and updated benefits



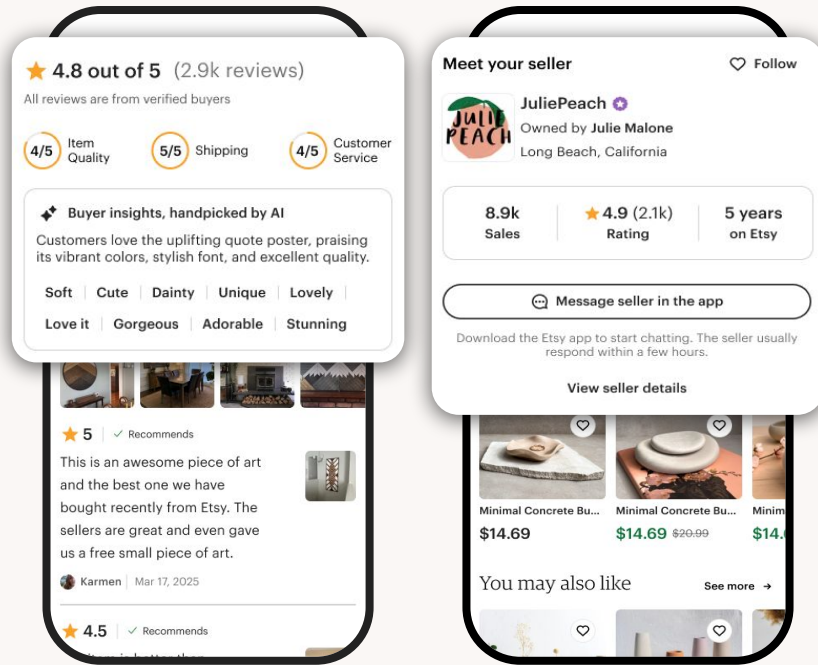
4

# Further amplify human connection on Etsy

To stand apart, we must amplify our sellers and the human connections that only Etsy offers



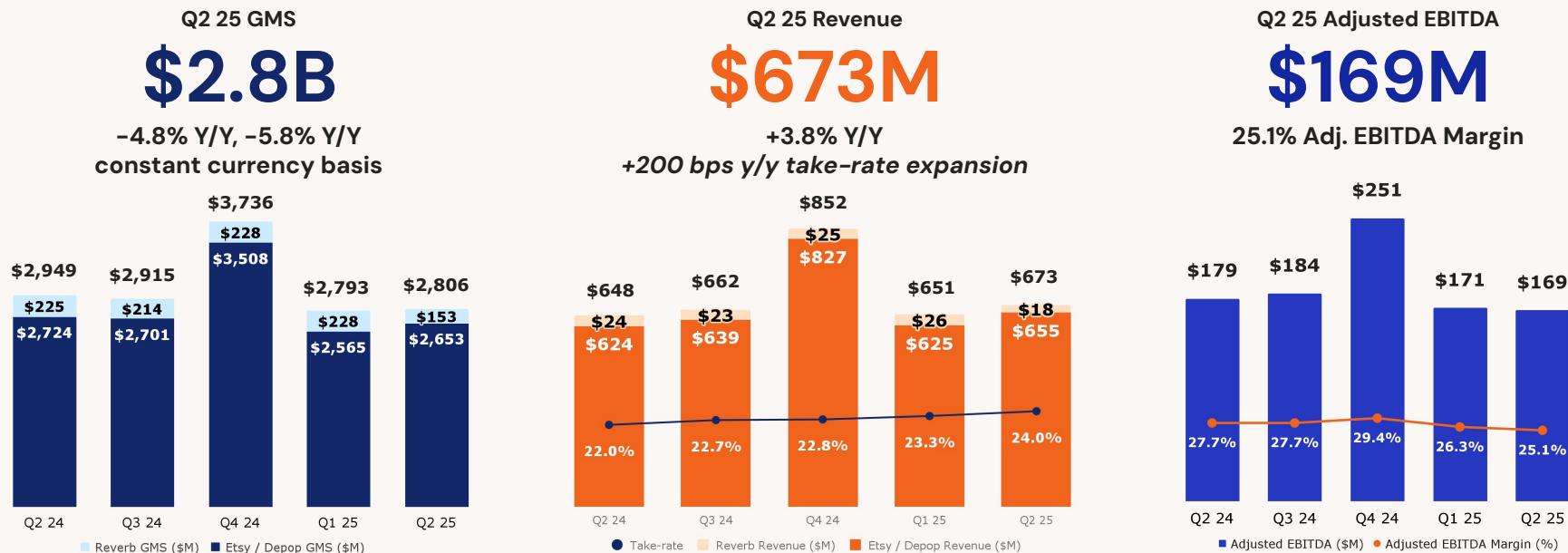
Recent 'brand mission' campaign



Illustrative examples of work in progress to highlight sellers in the core shopping experience

# Top-line results ahead of expectations, with adjusted EBITDA margin on pace with guidance

## Consolidated Results



Excluding Reverb, consolidated GMS was ~\$2.7 billion, down 2.6% Y/Y

Etsy completed the sale of Reverb on June 2, 2025. Reverb is included in our consolidated results for the first two months of the second quarter of 2025, representing \$153.0 million of GMS and \$17.6 million of revenue, and for the full three months of the second quarter of 2024, where it represented \$225.2 million of GMS and \$24.4 million of revenue.

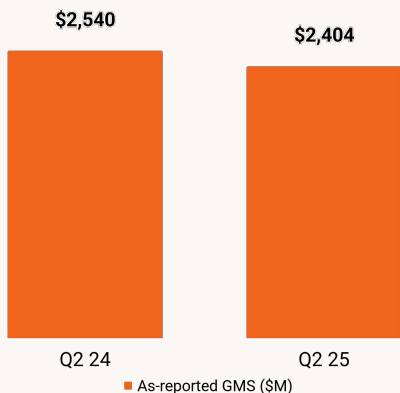
For reference as of June 1, 2025, Reverb's employee headcount was approximately 180 and the marketplace had 0.8 million active buyers and 0.2 million active sellers.



# Q2 25 Etsy marketplace GMS ahead of expectations; App investments are bearing fruit

**\$2.4B**

-5.4% Y/Y, -6.3% Y/Y  
constant currency basis



Q2 25 Active Buyers

**87.3M**

-4.6% Y/Y

Q2 25 GMS / Active Buyer<sup>1</sup>

**\$120**

-2.9% Y/Y

Compared with Q1 25, this metric was flat; and the Y/Y decline moderated

Metrics presented are for the Etsy marketplace and do not include Depop or Reverb.  
Y/Y reflects Q2 2024 vs. Q2 2025.

<sup>1</sup> TTM GMS per Active Buyer on the Etsy marketplace.  
See appendix for additional buyer metrics data



## Etsy App growth trends

- App GMS grew on a year-over-year basis; **represented ~45% of total Q2 25 GMS**
- **Monthly active users increased 7%** year-over-year
- **App downloads were up** year-over-year



# A higher percentage of sellers are making sales on Etsy

## 5.4M

Active Etsy marketplace sellers

- Active seller count declined 18% Y/Y, a moderation in Y/Y decline from Q1 and flat sequentially
- The new seller set-up fee and stepped up enforcement actions have meaningfully slowed the onboarding of new sellers

**A higher % of current active sellers have made a sale in the last 12 months vs before the new fee**

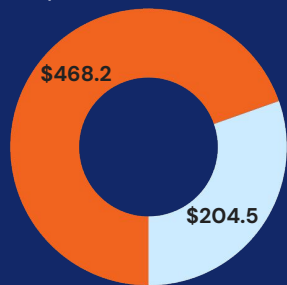
**AND: the number of *new* sellers who made a sale in Q2 25 improved on a Y/Y basis**

Metrics presented are for the Etsy marketplace.  
Y/Y reflects Q2 2024 vs. Q2 2025.  
Active seller count is a TTM figure



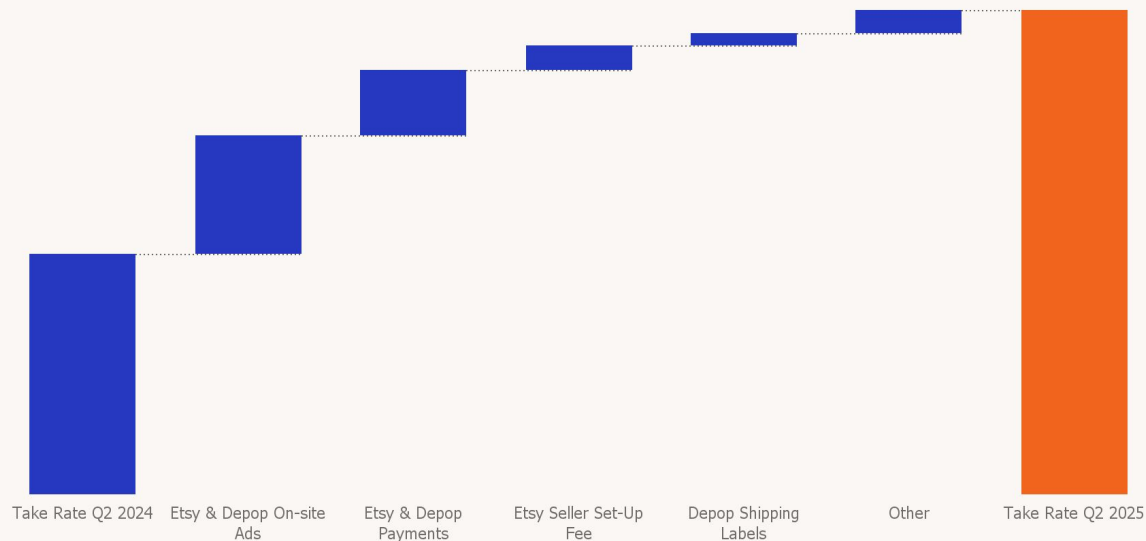
Consolidated take rate ahead of expectations, primarily due to continued on-site ads expansion, and contribution from payments

**Marketplace Revenue (\$M)**  
-0.5% Y/Y



**Seller Services Revenue (\$M)**  
+15.3% Y/Y

### Incremental Consolidated Take Rate Bridge Q2 24 vs. Q2 25

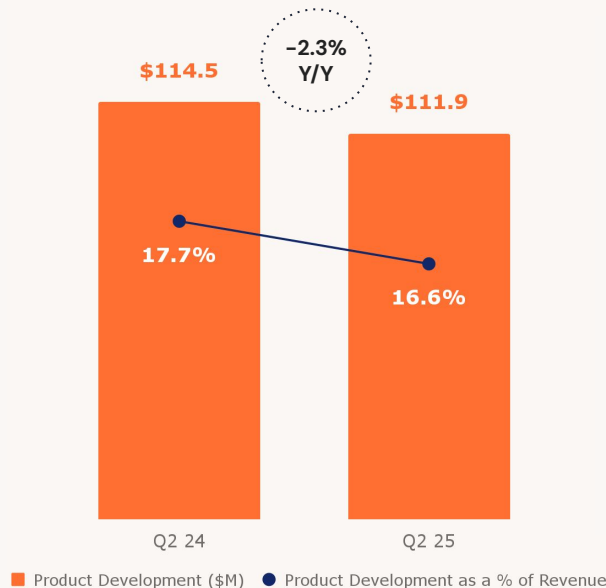


Q2 25 Consolidated Revenue **\$673M, up 3.8% Y/Y**

\*Revenue items above include the impact of lower Y/Y GMS where applicable. 'Other' includes Etsy Insider revenue, Etsy shipping label revenue, transaction fee revenue (inclusive of OSA revenue), as well as a slight tailwind to consolidated take rate as a result of the sale of Reverb on June 2, 2025.

# Product development teams are accelerating contribution and impact

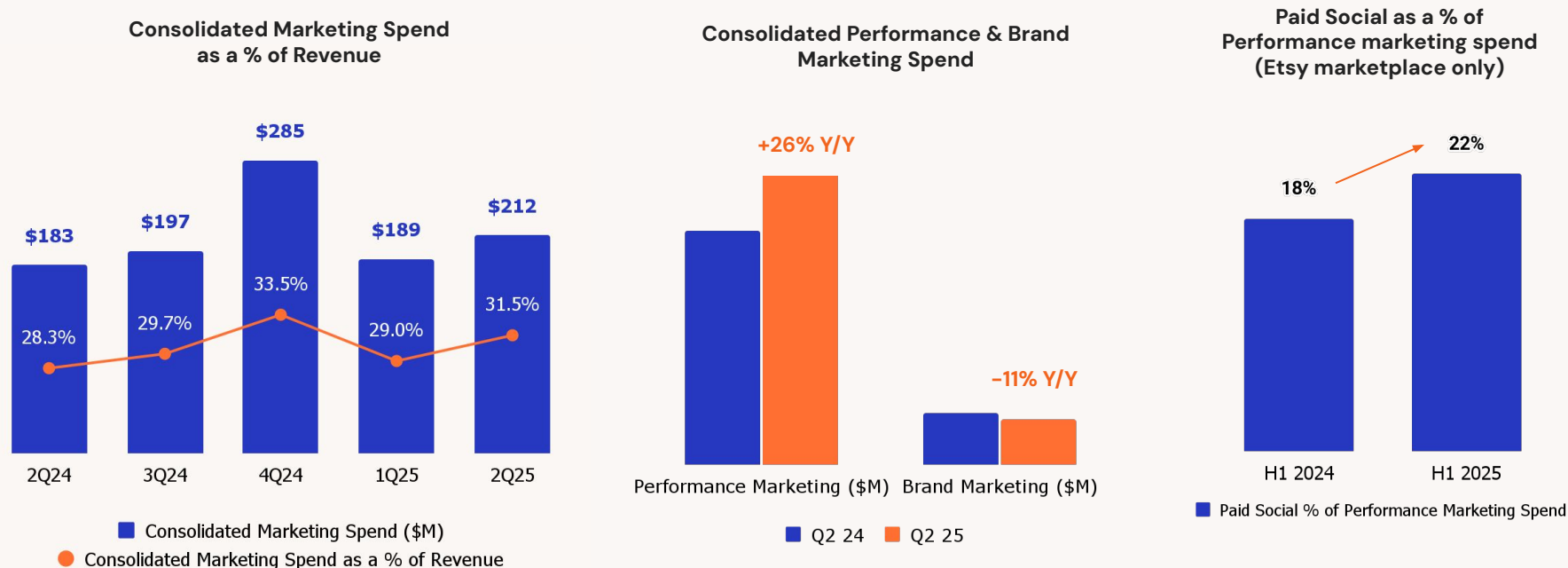
## Consolidated Q2 25 Product Development spend reflects leverage gained as a % of revenue



## Etsy Marketplace Product Development Q2 25 Highlights

- Balanced portfolio of initiatives designed to get Etsy GMS on a growth trajectory
- Our teams' velocity, as well as experimentation GMS win size, are back in line with, or ahead of, where we were this time last year
- Key product initiatives in the quarter included:
  - Advancing search quality by incorporating more signals into our algorithms
  - Growing our AI-powered discovery experience with additional themes
  - Releasing new seller tools to simplify shop operations

We believe deeper marketing spend is a sensible and opportunistic investment in our future, as we simultaneously work to build more direct relationships with our customers



\*Paid social includes paid social video, creator collective, and affiliates

Financial flexibility to continue share repurchases, manage our debt balance, and make ongoing investments in the business

Cash Balance 6/30/25<sup>1</sup>

**~\$1.5B**

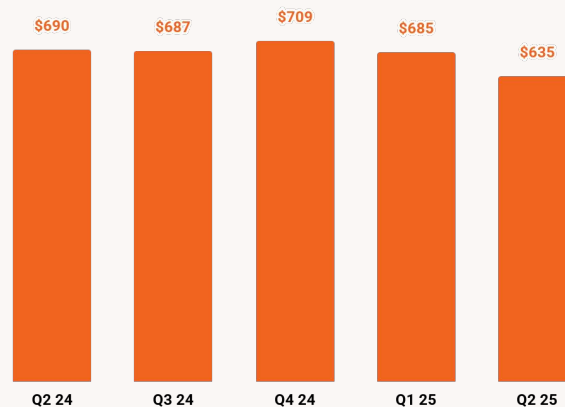
Share repurchases during Q2 25

**~\$335M**

Q2 25 Consolidated Free Cash Flow

**\$90M**

Trailing Twelve Month Consolidated Free Cash Flow (\$M)



In Q2 2025, we converted **~82%** of our Adj. EBITDA to free cash flow on a trailing twelve month basis

<sup>1</sup>Cash and Cash Equivalents, Short-term and Long-term Investments.

# Consolidated Guidance as of July 30, 2025

<b>Q3 25 Guidance</b>	
<b>GMS</b>	\$2.6B to \$2.7B <i>which, at the midpoint, would represent further quarter-over-quarter improvement in the apples-to-apples growth rate</i>
<b>Take Rate</b>	~24.5%
<b>Adjusted EBITDA Margin</b>	~25%

Please note that our guidance assumes currency exchange rates remain unchanged at current levels. With respect to our expectations above, reconciliation of Adjusted EBITDA margin guidance to the closest corresponding GAAP measure is not available without unreasonable efforts on a forward-looking basis due to the high variability, complexity, and low visibility with respect to the charges excluded from Adjusted EBITDA; in particular, stock-based compensation expense and related payroll taxes, foreign exchange (gain) loss, acquisition, divestiture, and other corporate structure-related expenses; and other non-recurring expenses can have unpredictable fluctuations based on unforeseen activity that is out of our control and/or cannot reasonably be predicted.

Q&A

# Appendix



# Q2 25 Active buyer metrics

Q2 25 Active Buyers

**87.3M**

-4.6% Y/Y

Q2 25 New Buyers

**4.8M**

-14.5% Y/Y

Q2 25 Reactivated Buyers

**6.5M**

+2.8% Y/Y

Q2 25 Repeat Buyers

**35.3M**

-4.7% Y/Y

Q2 25 Habitual Buyers

**6.1M**

-12.2% Y/Y

Q2 25 GMS / Active Buyer<sup>1</sup>

**\$120**

-2.9% Y/Y

Metrics presented are for the Etsy marketplace and do not include Depop.

Y/Y reflects Q2 2025 vs. Q2 2024

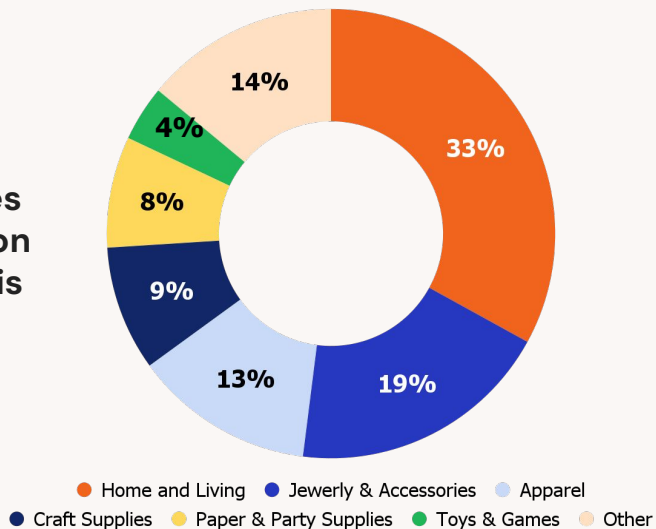
<sup>1</sup> TTM GMS per Active Buyer on the Etsy marketplace.



# Q2 25 Etsy Marketplace GMS breakdown by category and geography

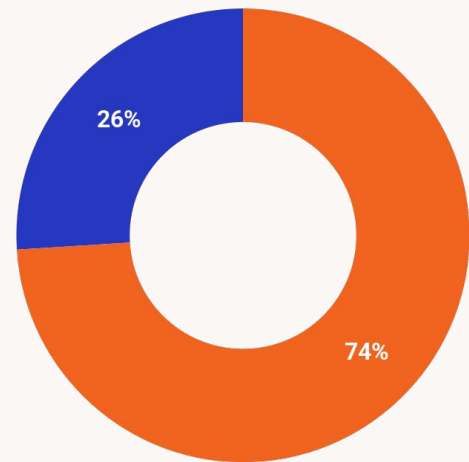
Etsy marketplace Category GMS (%)

Our top categories declined on a Y/Y basis



**Top 6 categories represented ~86% of GMS**

Etsy marketplace Geography GMS (%)



**U.S. Buyer GMS and non-U.S. Buyer GMS both declined Y/Y**

Metrics presented represent the Etsy marketplace only.

Percent U.S. buyer GMS is GMS from transactions in which the shipping address entered by the buyer at the time of sale is in the U.S., net of refunds. GMS from transactions in which the shipping address entered by the buyer at the time of sale is not in the U.S. is referred to as non-U.S. buyer GMS.

# Condensed Consolidated Balance Sheets

	As of June 30, 2025	As of December 31, 2024
<b>(in thousands)</b>		
Cash and cash equivalents	\$ 1,183,357	\$ 811,178
Short-term investments	228,979	228,322
Accounts receivable, net	6,474	8,702
Funds receivable and seller accounts	140,596	189,558
Property and equipment, net	230,233	236,706
Goodwill and intangible assets, net	355,087	550,987
Other current and non-current assets	412,423	392,329
<b>Total assets</b>	<b>\$ 2,557,149</b>	<b>\$ 2,417,782</b>
Accounts payable	\$ 15,165	\$ 25,979
Accrued expenses	254,204	374,947
Funds payable and amounts due to sellers	140,596	189,558
Long-term debt, net	2,978,971	2,288,083
Other current and non-current liabilities	292,783	298,081
<b>Total liabilities</b>	<b>3,681,719</b>	<b>3,176,648</b>
<b>Total stockholders' deficit</b>	<b>(1,124,570)</b>	<b>(758,866)</b>
<b>Total liabilities and stockholders' deficit</b>	<b>\$ 2,557,149</b>	<b>\$ 2,417,782</b>

# Condensed Consolidated Statement of Operations

	Three months ended 6/30/25	Three months ended 6/30/24
<b>(in thousands)</b>		
<b>Revenue</b>	<b>\$ 672,663</b>	<b>\$ 647,806</b>
Cost of revenue	193,548	184,090
Gross profit	479,115	463,716
<i>Marketing</i>	212,110	183,063
<i>Product development</i>	111,861	114,493
<i>General and administrative</i>	78,715	95,991
Operating expenses	402,686	393,547
Income from operations	76,429	70,169
Other (expense) income, net	(25,283)	8,808
Income before income taxes	51,146	78,977
Provision for income taxes	(22,306)	(25,972)
<b>Net income</b>	<b>\$ 28,840</b>	<b>\$ 53,005</b>
Net income per share — diluted	\$ 0.25	\$ 0.41

# Condensed Consolidated Statement of Operations

	Six months ended 6/30/25	Six months ended 6/30/24
<b>(in thousands)</b>		
<b>Revenue</b>	<b>\$ 1,323,839</b>	<b>\$ 1,293,760</b>
Cost of revenue	385,609	371,223
Gross profit	938,230	922,537
Marketing	401,114	374,874
Product development	222,371	224,339
General and administrative	158,940	185,065
Asset impairment charge	101,703	-
Operating expenses	884,128	784,278
Income from operations	54,102	138,259
Other (expense) income, net	(36,275)	20,373
Income before income taxes	17,827	158,632
Provision for income taxes	(41,083)	(42,623)
<b>Net (loss) income</b>	<b>\$ (23,256)</b>	<b>\$ 116,009</b>
Net (loss) income per share — diluted	\$ (0.22)	\$ 0.89

# Condensed Consolidated Statement of Cash Flows

	Six months ended 6/30/25	Six months ended 6/30/24
<b>(in thousands)</b>		
<b>Net (loss) income</b>	<b>\$ (23,256)</b>	<b>\$ 116,009</b>
<i>Net cash provided by operating activities</i>	157,320	220,094
<i>Net cash provided by (used in) investing activities</i>	55,546	(27,744)
<i>Net cash provided by (used in) financing activities</i>	122,072	(338,263)
<i>Effect of exchange rate changes on cash</i>	37,241	(9,199)
<i>Net increase (decrease) in cash and cash equivalents</i>	372,179	(155,112)
<i>Cash and cash equivalents at beginning of period</i>	811,178	914,323
<b>Cash and cash equivalents at end of period</b>	<b>\$ 1,183,357</b>	<b>\$ 759,211</b>

# Reconciliation of Quarterly Net Income to Adj. EBITDA

	2Q25	1Q25	4Q24	3Q24	2Q24
<b>(in thousands)</b>					
<b>Net income (loss)</b>	<b>\$ 28,840</b>	<b>\$ (52,096)</b>	<b>\$ 129,906</b>	<b>\$ 57,366</b>	<b>\$ 53,005</b>
Excluding:					
Stock-based compensation expense and related payroll taxes (1)	60,974	63,573	68,155	69,292	74,717
Depreciation and amortization	25,398	27,290	26,402	27,739	27,087
Provision for income taxes	22,306	18,777	48,427	16,444	25,972
Interest and other non-operating income, net	(4,939)	(4,902)	(4,111)	(3,808)	(3,947)
Foreign exchange loss (gain)	25,444	15,894	(19,090)	16,815	(4,861)
Asset impairment charge	-	101,703	-	-	-
Acquisition, divestiture, and corporate structure-related expenses	5,903	1,263	43	(697)	234
Loss on sale of business	5,097	-	-	-	-
Retroactive non-income tax expense	-	-	-	(1,120)	7,244
Restructuring and other exit (income) costs	(3)	(400)	909	1,556	(76)
<b>Adjusted EBITDA</b>	<b>\$ 169,020</b>	<b>\$ 171,102</b>	<b>\$ 250,641</b>	<b>\$ 183,587</b>	<b>\$ 179,375</b>
Divided by:					
Revenue	\$ 672,663	\$ 651,176	\$ 852,162	\$ 662,410	\$ 647,806
<b>Adjusted EBITDA Margin</b>	<b>25.1%</b>	<b>26.3%</b>	<b>29.4 %</b>	<b>27.7 %</b>	<b>27.7 %</b>

(1) Beginning in the first quarter of 2025, the Company is excluding payroll tax expense related to stock-based compensation from Adjusted EBITDA because these taxes are directly related to stock-based compensation expense which is excluded from Adjusted EBITDA. The Company did not retrospectively apply this change to prior periods as the impact was immaterial to such periods.

# Reconciliation of Operating Cash Flow to Free Cash Flow

*Free cash flow is considered to be a non-GAAP financial measure. We believe that free cash flow, which measures our ability to generate cash from our business operations, is an important financial measure for use in evaluating the Company's financial performance. Free cash flow should be considered in addition to, rather than as a substitute for, consolidated net income as a measure of our performance and net cash provided by operating activities as a measure of our liquidity. We believe it is important to view free cash flow as a measure that provides supplemental information to our Consolidated Statements of Cash Flows.*

	Q2'25 (TTM) <sup>1</sup>	Q1'25 (TTM) <sup>1</sup>	Q4'24 (TTM) <sup>1</sup>	Q3'24 (TTM) <sup>1</sup>	Q2'24 (TTM) <sup>1</sup>
<b>(in thousands)</b>					
Net cash provided by operating activities	\$ 689,695	\$ 732,619	\$ 752,469	\$ 732,615	\$ 733,705
Purchases of property and equipment	(18,412)	(15,199)	(14,208)	(15,372)	(14,994)
Website and app development	(36,661)	(32,496)	(29,290)	(30,224)	(28,448)
<b>Free Cash Flow</b>	<b>\$ 634,622</b>	<b>\$ 684,924</b>	<b>\$ 708,971</b>	<b>\$ 687,019</b>	<b>\$ 690,263</b>

<sup>1</sup>TTM is defined as Trailing Twelve Month.



# Reconciliation of Operating Cash Flow to Free Cash Flow

*Free cash flow is considered to be a non-GAAP financial measure. We believe that free cash flow, which measures our ability to generate cash from our business operations, is an important financial measure for use in evaluating the Company's financial performance. Free cash flow should be considered in addition to, rather than as a substitute for, consolidated net income as a measure of our performance and net cash provided by operating activities as a measure of our liquidity. We believe it is important to view free cash flow as a measure that provides supplemental information to our Consolidated Statements of Cash Flows.*

	Q2'25
<b>(in thousands)</b>	
Net cash provided by operating activities	\$ 108,137
Purchases of property and equipment	(6,864)
Website and app development	(10,802)
<b>Free Cash Flow</b>	<b>\$ 90,471</b>