



Q4 2022 *Earnings Report*



Non-GAAP Financial Measures

To supplement our condensed consolidated financial statements, which are prepared and presented in accordance with generally accepted accounting principles in the United States (“GAAP”), we use the following non-GAAP financial measures: Adjusted EBITDA, Adjusted EBITDA margin, and non-GAAP costs and expenses (including non-GAAP cost of revenue, research and development, sales and marketing, and general and administrative). The presentation of these financial measures is not intended to be considered in isolation, or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. Investors are cautioned that there are material limitations associated with the use of non-GAAP financial measures as an analytical tool. In addition, these measures may be different from non-GAAP financial measures used by other companies, limiting their usefulness for comparative purposes. We compensate for these limitations by providing specific information regarding GAAP amounts excluded from these non-GAAP financial measures.

For a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures, please see the Appendix.

Limitation of Key Metrics and Other Data

The numbers for our key metrics, which include our monthly active users (MAUs) and average revenue per user (ARPU), are calculated using internal company data based on the activity of user accounts. We define a monthly active user as an authenticated Pinterest user who visits our website, opens our mobile application or interacts with Pinterest through one of our browser or site extensions, such as the Save button, at least once during the 30-day period ending on the date of measurement. The number of MAUs do not include Shuffles users unless they would otherwise qualify as MAUs. We measure monetization of our platform through our average revenue per user metric. We define ARPU as our total revenue in a given geography during a period divided by average MAUs in that geography during the period. We calculate average MAUs based on the average of the number of MAUs measured on the last day of the current period and the last day prior to the beginning of the current period. We calculate ARPU by geography based on our estimate of the geography in which revenue-generating activities occur. We use these metrics to assess the growth and health of the overall business and believe that MAUs and ARPU best reflect our ability to attract, retain, engage and monetize our users, and thereby drive revenue. While these numbers are based on what we believe to be reasonable estimates of our user base for the applicable period of measurement, there are inherent challenges in measuring usage of our products across large online and mobile populations around the world. In addition, we are continually seeking to improve our estimates of our user base, and such estimates may change due to improvements or changes in technology or our methodology.

All information provided in this presentation is as of February 6th, 2023. We undertake no duty to update this information unless required by law. All information provided in this presentation is unaudited.

Pinterest Predicts

2023 Annual Report

pinterestpredicts.com

People use Pinterest to plan their future, which means we have unique signals of where user interests are heading. Enter Pinterest Predicts: our not-yet-trending report that forecasts 27 global trends we expect will rise in the year ahead. For the last three years, 80% of our trend predictions came true.¹ In other words, Predicts trends are a window into the future, from the place where 450 million monthly users go to plan it.

When brands understand up-and-coming trends and the demographics that drive them, they can create impactful content that resonates with high-value audiences. This means the Pinterest Predicts Annual Report drives meaningful growth and opportunity for advertisers.

Source: 1. Pinterest, global search data, analysis period Jul 2018 to Jun 2022.

Here are some of our top predictions for 2023:



The fourth trimester

Newborn, now what? Taking better care of parents after baby.

Driven by Millennials

“Postpartum gift” +140%

“Postpartum meals” +70%

“Postpartum essentials” +85%



Free Spirits

Cocktails, mocktails and everything in between. Now that's refreshing.

Driven by Gen X

“mocktail bar” +75%

“fancy non-alcoholic drinks” +220%

“creative cocktails presentation” +555%



All aboard

More sustainable travel? That tracks. In 2023, train travel will make a major comeback.

Driven by Gen Z and Millennials

“Train quotes travel” +285%

“Train trip aesthetic” +205%

“Interrailing europe aesthetic” +105%

Percentages are year over year

Swoon



“Trends move fast, but our brand is about selling home decor people want to keep forever. Using Pinterest’s data and insights, we’re able to create ads that position our designs within growing trends. With this strategy, we stay true to our brand, while also grabbing the attention of shoppers.”

Josh Rushby, Head of Content, Swoon

Using the Pinterest Trends tool, home decor brand Swoon noticed substantial growth on searches for terms related to green living areas. Coupled with the 2022 Pinterest Predicts data that spotted biophilic design as an emerging trend, they created a campaign dubbed Green Living. This campaign encouraged people to increase their connection with nature by investing in some of Swoon’s distinctive designs in shades of green. Swoon’s campaign resulted in full funnel results, with a 48% increase in ROAS year over year, and a 25% lift in conversion rates compared to other platforms.

“Creating an audience on Pinterest is different from other platforms. Pinterest is a place where positivity and creativity are fostered, and people are genuinely here to learn new things and create a more beautiful life for themselves”

Isabelle Dias is a lifestyle and wellness creator who has been creating on Pinterest since 2020, but has been a loyal user for many years prior. Over the last few years, Isabelle has amassed a following of users as dedicated to finding creative ways to explore wellness as she is. Isabelle is a homegrown creator, and has spent her time growing her following primarily on Pinterest. She was also the creator ambassador for the 2023 Pinterest Predicts trend *Now Processing*, a trend driven by Gen Z and Millennials seeking new, creative ways to work on their mental wellbeing. Isabelle’s success on the platform shows, as she’s been able to harness her global following and influence on the platform to secure large brand partnerships.



Isabelle D.
@isabelledias

Peachtree City, GA
United States

Inspired on Pinterest

Some of Isabelle’s boards:

- Simple Daily Self Care Ideas
- Powerful Daily Affirmations
- My Favorite Healthy Living Tips
- Guided Meditation for Self Love
- Life Changing Books to Read
- Chic Pantry Spice Organization

Q422 Business Highlights

We're growing our revenue and inspired engagement

- Revenue grew 4% year over year or 6% on a constant currency basis.
- We grew our global user base sequentially for the second quarter in a row.
- Sessions continued to grow faster than MAUs, indicating we're deepening our engagement with our user base.
- Mobile app MAUs grew 14% year over year, and our U.S. and Canada mobile app users grew 5% year over year, accelerating from last quarter.
- Gen Z was the fastest growing demographic on the platform, and grew double digits year over year. Gen Z sessions grew much faster year over year than sessions from older demographics.
- Nearly half of all new videos pinned in Q4 were from Gen Z users.
- We grew our supply of video content on the platform by 30% quarter over quarter.

We're improving our inspired content offering

- We GA launched Shuffles, our collage making app, in the US and select countries globally.
- Pinterest and the Louvre museum partnered to create an original content series, "A Look at the Louvre," to show users a unique view of the museum and its exhibits.
- This holiday season, we kicked off 'Shop the Holidays on Pinterest TV' with over 40 hours of shoppable content and over 60 brands participating. This launch included shopping tips and tricks, and exclusive access to product drops and deals in time for holiday shopping.
- We expanded our language options and Pinterest is now available for users globally in Afrikaans, Croatian and Bulgarian.
- In January, we announced a deal with Condé Nast Entertainment to create high quality video content aligned with Pinterest's key seasonal and cultural moments like Fashion Month, Wedding Season, Summer, and Back to School.

Q422 Business Highlights

We're expanding our advertiser solutions

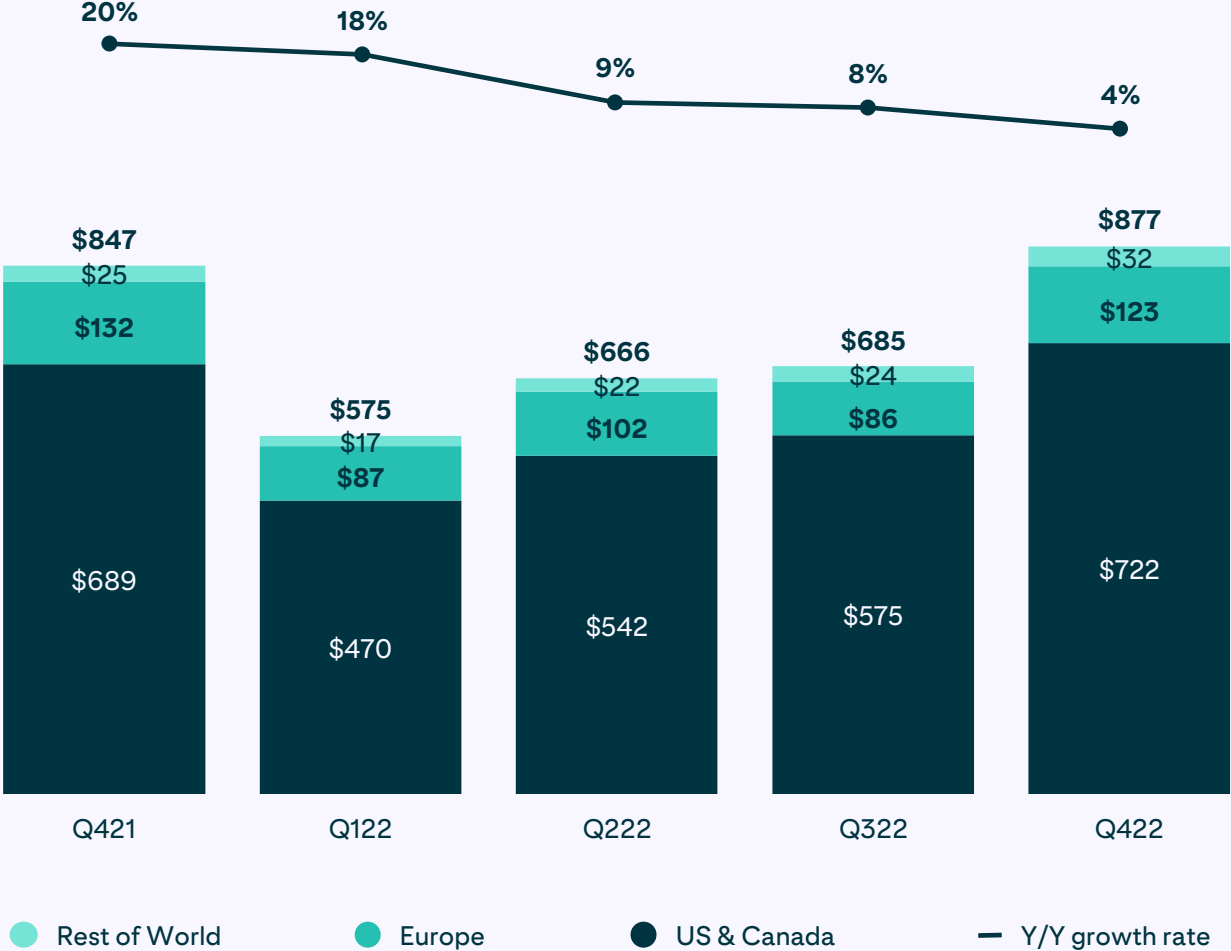
- We launched whole page optimization to flex ad load dynamically where it's more relevant for the user in their journey. As a result, we saw an increase in ad relevance and improvement in advertiser value.
- We launched our Conversion API, and recently integrated this API with Shopify, so their merchants can use our conversion measurement tool.
- In January, we announced our new clean room solution with LiveRamp and Albertsons. Pinterest's integration with LiveRamp provides a protected, third-party space where brands can join their first-party data and Pinterest platform data in a secure environment.

We're doubling down on what makes us different

- We continued our brand campaign in Q4, educating viewers on Pinterest as a place for creativity and self-expression.
- We launched our annual Pinterest Predicts report, with our view of trends we anticipate will take off in 2023. Given Pinterest is a place for planning, these signals provide unique insight into where consumer demand is heading in the future.

Revenue

(in millions)



Note: Revenue is geographically apportioned based on our estimate of the geographic location of our users when they perform a revenue-generating activity. Geographic breakdown may not sum to Global due to rounding; quarterly amounts may not sum to annual due to rounding.

+4%
Global Y/Y

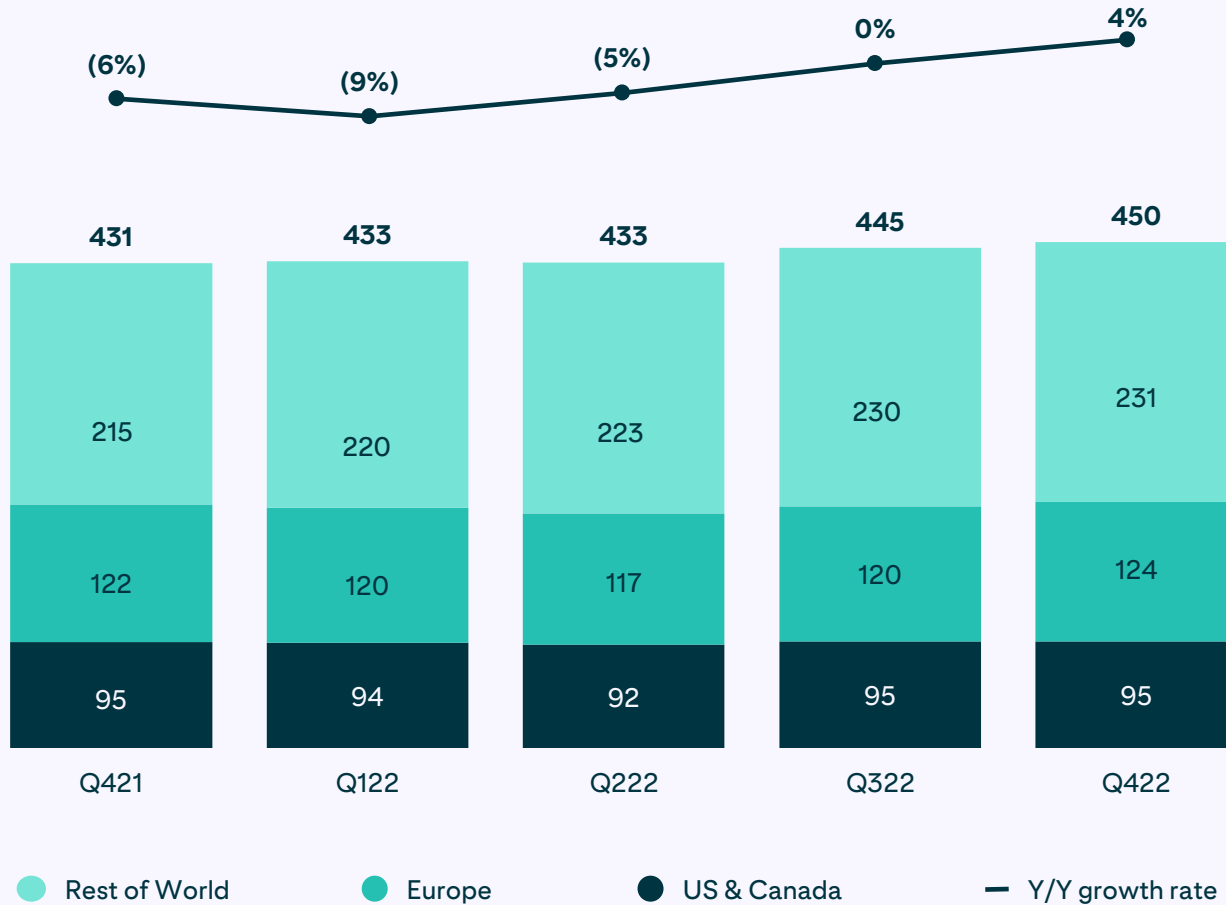
+5%
US & Canada Y/Y

(7%)
Europe Y/Y

+26%
Rest of World Y/Y

Monthly active users

(in millions)



+4%
Global Y/Y

+0%
US & Canada Y/Y

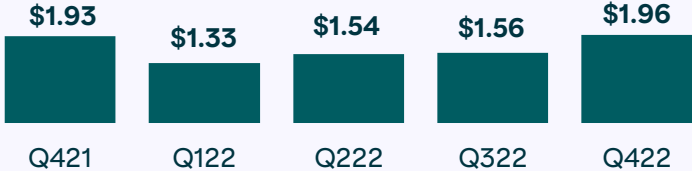
+2%
Europe Y/Y

+8%
Rest of World Y/Y

Note: We define a monthly active user as an authenticated Pinterest user who visits our website, opens our mobile application or interacts with Pinterest through one of our browser or site extensions, such as the Save button, at least once during the 30-day period ending on the date of measurement. We present MAUs based on the number of MAUs measured on the last day of the current period. Geographic breakdown may not sum to Global due to rounding.

Average revenue per user

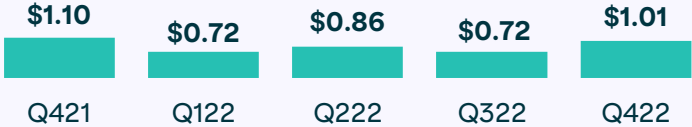
Global



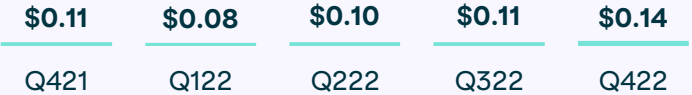
US & Canada



Europe



Rest of World



+1%
Global Y/Y

+6%
US & Canada Y/Y

(9%)
Europe Y/Y

+21%
Rest of World Y/Y

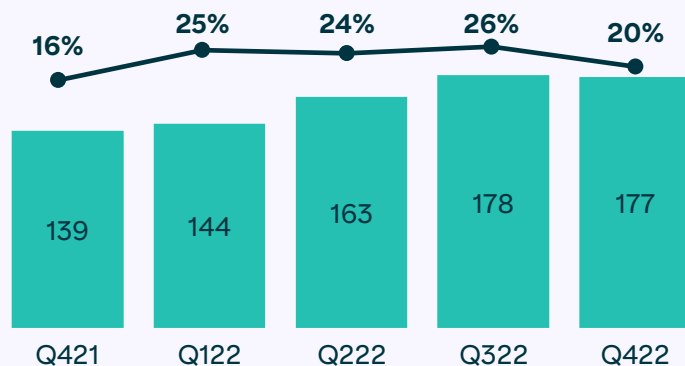
Note: We measure monetization of our platform through our average revenue per user metric. We define ARPU as our total revenue in a given geography during a period divided by average MAUs in that geography during the period. We calculate average MAUs based on the average of the number of MAUs measured on the last day of the current period and the last day prior to the beginning of the current period. We calculate ARPU by geography based on our estimate of the geography in which revenue-generating activities occur.

Non-GAAP costs and expenses

(in millions)

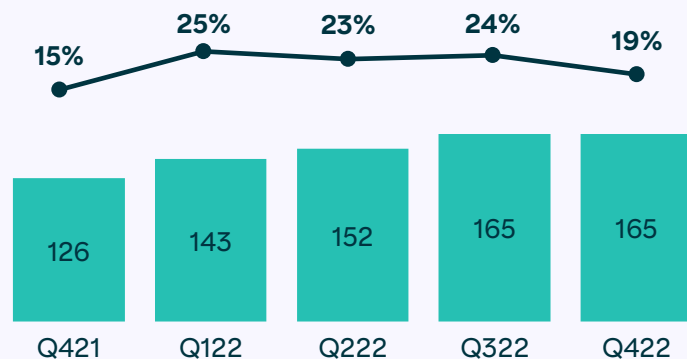
Cost of Revenue

— % of revenue



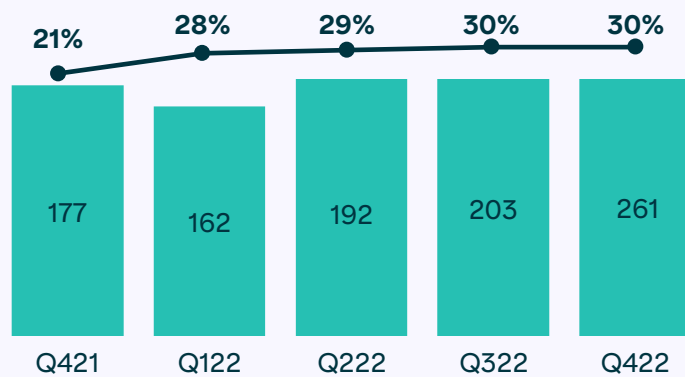
R&D

— % of revenue



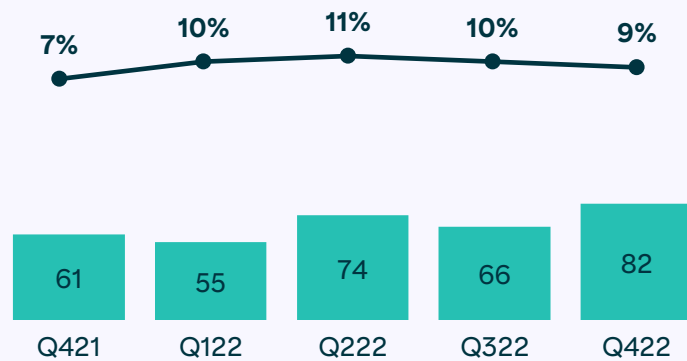
S&M

— % of revenue



G&A

— % of revenue



+27%

COR Y/Y

+31%

R&D Y/Y

+48%

S&M Y/Y

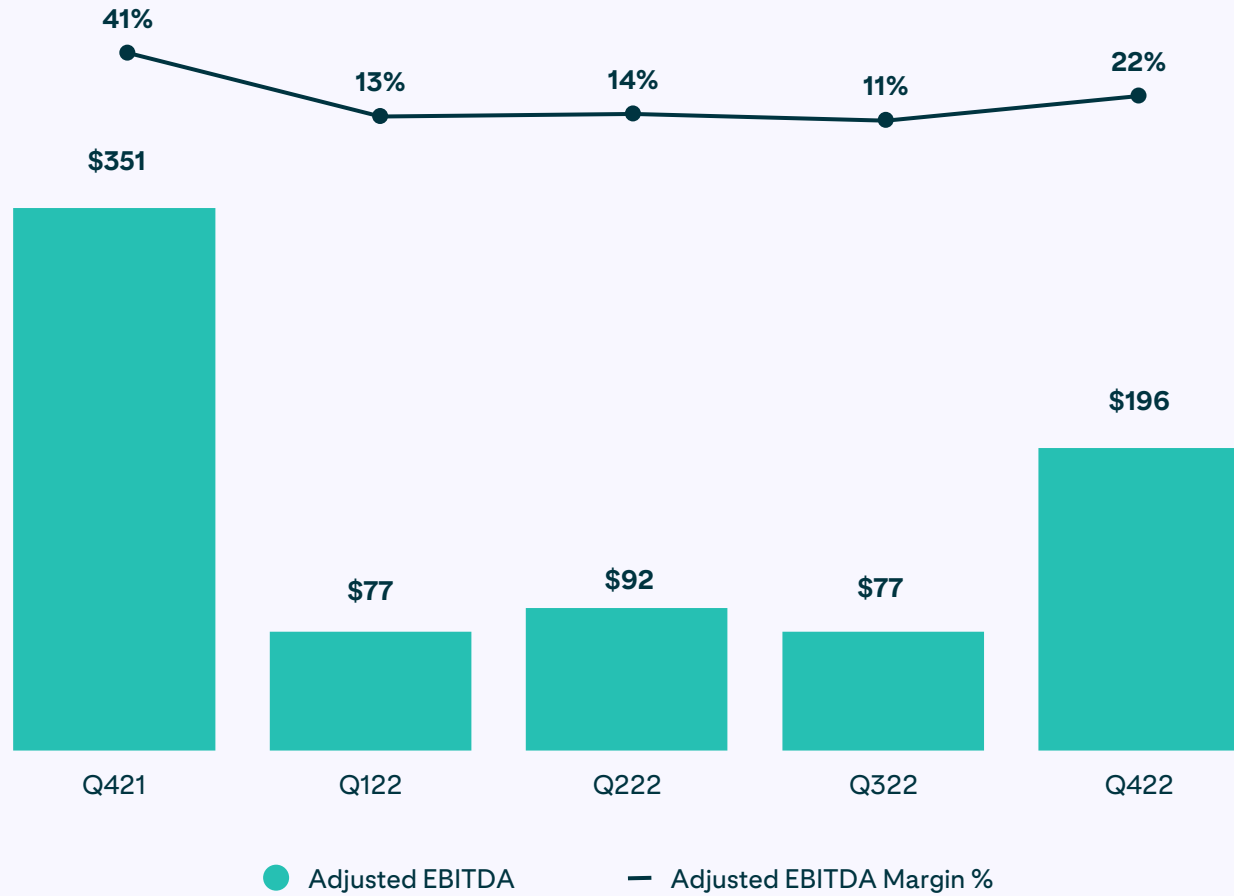
+36%

G&A Y/Y

Note: Costs and expenses are non-GAAP financial measures, which exclude share-based compensation (SBC), amortization of acquired intangible assets, and non-cash charitable contributions. For a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures, please see the tables included in the Appendix at the end of this release.

Adjusted EBITDA

(in millions)



(44%)
Adj. EBITDA Y/Y

Note: Adjusted EBITDA is a non-GAAP financial measure. We define adjusted EBITDA as net income (loss) adjusted to exclude depreciation and amortization expense, share-based compensation expense, interest and other (income) expense, net and provision for (benefit from) income taxes, and non-cash charitable contributions. For a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures, please see the tables included in the Appendix at the end of this release.

Appendix

GAAP to non-GAAP costs and expenses reconciliation

(in millions)

Quarter ended December 31, 2022

	GAAP	Share-based compensation	Amortization	Other expense	Non-GAAP
Cost of revenue	\$185.0	\$2.8	\$5.0	\$0.0	\$177.2
Research and development	265.2	100.2	0.0	0.0	165.1
Sales and marketing	317.3	45.9	10.1	0.0	261.2
General and administrative	103.8	21.4	0.2	0.0	82.2
Total costs and expenses	\$871.3	\$170.3	\$15.3	0.0	\$685.7

Quarter ended September 30, 2022

	GAAP	Share-based compensation	Amortization	Other expense	Non-GAAP
Cost of revenue	\$182.6	\$2.2	\$2.0	\$0.0	\$178.4
Research and development	254.7	89.7	0.0	0.0	165.0
Sales and marketing	229.9	23.3	3.4	0.0	203.2
General and administrative	86.8	21.0	0.2	0.0	65.6
Total costs and expenses	\$753.9	\$136.2	\$5.5	0.0	\$612.2

Note: Totals may not sum due to rounding.

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GAAP to non-GAAP costs and expenses reconciliation

(in millions)

Quarter ended June 30, 2022

	GAAP	Share-based compensation	Amortization	Other expense	Non-GAAP
Cost of revenue	\$164.9	\$1.4	\$0.9	\$0.0	\$162.5
Research and development	233.5	81.4	0.0	0.0	152.1
Sales and marketing	212.0	18.5	1.9	0.0	191.6
General and administrative	90.0	16.1	0.2	0.0	73.7
Total costs and expenses	\$700.4	\$117.4	\$3.0	0.0	\$580.0

Quarter ended March 31, 2022

	GAAP	Share-based compensation	Amortization	Other expense	Non-GAAP
Cost of revenue	\$146.1	\$1.2	\$0.7	\$0.0	\$144.2
Research and development	195.5	52.9	0.0	0.0	142.7
Sales and marketing	174.0	11.8	0.1	0.0	162.0
General and administrative	63.0	7.4	0.2	0.0	55.4
Total costs and expenses	\$578.6	\$73.2	\$1.0	0.0	\$504.3

Note: Totals may not sum due to rounding.

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GAAP to non-GAAP costs and expenses reconciliation

(in millions)

Quarter ended December 31, 2021

	GAAP	Share-based compensation	Amortization	Other expense	Non-GAAP
Cost of revenue	\$141.2	\$1.9	\$0.3	\$0.0	\$139.0
Research and development	240.9	115.0	0.0	0.0	125.8
Sales and marketing	190.5	13.4	0.0	0.0	177.1
General and administrative	94.6	9.0	0.2	24.8 ¹	60.6
Total costs and expenses	\$667.2	\$139.4	\$0.5	\$24.8	\$502.5

Note: Totals may not sum due to rounding.

1: Other expense is comprised of non-cash charitable contributions.

Adjusted EBITDA reconciliation

Reconciliation of net income (loss) to adjusted EBITDA

(in millions)

Three months ended

	December 31, 2021	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022
Net income (loss)	\$174.7	\$(5.3)	\$(43.1)	\$(65.2)	\$17.5
Depreciation and amortization	7.2	7.2	9.1	10.5	19.6
Share-based compensation	139.4	73.2	117.4	136.2	170.3
Interest income	(0.8)	(1.1)	(3.4)	(9.3)	(17.2)
Interest and other expense (income), net	3.4	1.6	9.3	10.1	(5.7)
Provision for (benefit from) income taxes	2.1	1.1	2.7	(5.0)	11.3
Non-cash charitable contributions	24.8	0.0	0.0	0.0	0.0
Adjusted EBITDA	\$350.9	\$76.8	\$92.0	\$77.3	\$195.8

Note: Adjusted EBITDA is a non-GAAP financial measure. We define adjusted EBITDA as net income (loss) adjusted to exclude depreciation and amortization expense, share-based compensation expense, interest and other (income) expense, net and provision for (benefit from) income taxes, and non-cash charitable contributions.

Note: Totals may not sum due to rounding.

