

## Pinterest Announces Second Quarter 2023 Results

SAN FRANCISCO, Calif. - August 1, 2023 - Pinterest, Inc. (NYSE: PINS) today announced financial results for the quarter ended June 30, 2023.

- Q2 revenue grew 6% year over year to \$708 million.
- Global Monthly Active Users (MAUs) increased 8% year over year to 465 million.
- GAAP net loss was \$35 million for Q2. Adjusted EBITDA was \$107 million for Q2.
- Total costs and expenses were \$781 million.
- We completed our \$500 million stock repurchase program.

"In Q2, we continued to build momentum with consumers and advertisers while further accelerating our pace of innovation," said Bill Ready, CEO of Pinterest. "Over the past year, we've been laser-focused on our key differentiators and we're seeing results. Users are coming back more often and engaging more deeply, Pinterest is increasingly shoppable and actionable, and we're delivering better and more measurable performance for our advertisers. Furthermore, due to our focus on cost efficiencies we returned to adjusted EBITDA margin expansion in Q2. Our results demonstrate that our strategy is working and we're making the right investments to create a durable company for the long term."

### Q2 2023 Financial Highlights

The following table summarizes our consolidated financial results (in thousands, except percentages, unaudited):

	Three Months Ended June 30,		% Change
	2023	2022	
Revenue	\$ 708,025	\$ 665,930	6 %
Net loss	\$ (34,942)	\$ (43,076)	19 %
Non-GAAP net income*	\$ 142,089	\$ 77,365	84 %
Adjusted EBITDA*	\$ 107,019	\$ 92,043	16 %
<u>Adjusted EBITDA margin*</u>	15 %	14 %	

\* For more information on these non-GAAP financial measures, please see "—About non-GAAP financial measures" and the tables under "—Reconciliation of GAAP to non-GAAP financial results" included at the end of this release.

## Q2 2023 Other Highlights

The following table sets forth our revenue, MAUs and ARPU based on the geographic location of our users (in millions, except ARPU and percentages, unaudited):

	Three Months Ended June 30,		% Change
	2023	2022	
Revenue - Global	\$ 708	\$ 666	6 %
Revenue - U.S. and Canada	\$ 565	\$ 542	4 %
Revenue - Europe	\$ 114	\$ 102	12 %
Revenue - Rest of World	\$ 29	\$ 22	32 %
MAUs - Global	465	433	8 %
MAUs - U.S. and Canada	95	92	3 %
MAUs - Europe	124	117	6 %
MAUs - Rest of World	246	223	10 %
ARPU - Global	\$ 1.53	\$ 1.54	(1)%
ARPU - U.S. and Canada	\$ 5.92	\$ 5.82	2 %
ARPU - Europe	\$ 0.91	\$ 0.86	6 %
ARPU - Rest of World	\$ 0.12	\$ 0.10	20 %

## Guidance

We currently expect Q3 revenue to grow in the high single digits range year over year. We expect our Q3 Non-GAAP operating expenses to grow in the low single digits range year over year.\*

We intend to provide further details on our outlook during the conference call.

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\*We have not provided the forward-looking GAAP equivalents for certain forward-looking non-GAAP operating expenses or a GAAP reconciliation as a result of the uncertainty regarding, and the potential variability of, reconciling items such as share-based compensation expense, which is impacted by, among other things, employee retention and decisions around future equity grants to employees. Accordingly, a reconciliation of these non-GAAP guidance metrics to their corresponding GAAP equivalents is not available without unreasonable effort. However, it is important to note that material changes to reconciling items could have a significant effect on future GAAP results and, as such, we also believe that any reconciliations provided would imply a degree of precision that could be confusing or misleading to investors.

## **Webcast and conference call information**

A live audio webcast of our second quarter 2023 earnings release call will be available at [investor.pinterestinc.com](http://investor.pinterestinc.com). The call begins today at 1:30 PM (PT) / 4:30 PM (ET). This press release, including the reconciliations of certain non-GAAP measures to their nearest comparable GAAP measures and slide presentation are also available. A recording of the webcast will be available at [investor.pinterestinc.com](http://investor.pinterestinc.com) for 90 days.

We have used, and intend to continue to use, our investor relations website at [investor.pinterestinc.com](http://investor.pinterestinc.com) as a means of disclosing material nonpublic information and for complying with our disclosure obligations under Regulation FD.

## **Forward-looking statements**

This press release may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act of 1934, as amended, about us and our industry that involve substantial risks and uncertainties, including, among other things, statements about our future operational and financial performance. Words such as "believe," "project," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," "plan" and similar expressions are intended to identify forward-looking statements. These forward-looking statements are only predictions and may differ materially from actual results due to a variety of factors including: general economic and political uncertainty in global markets and a worsening of global economic conditions or low levels of economic growth, including inflation, fear of recession, foreign exchange fluctuations and supply-chain issues; our ability to provide useful and relevant content; our ability to attract and retain creators that create relevant and engaging content on our platform; risks associated with new products and changes to existing products as well as other new business initiatives; our ability to maintain and enhance our brand and reputation; compromises in security; our financial performance and fluctuations in operating results; our dependency on online application stores' and internet search engines' methodologies and policies; discontinuation, disruptions or outages in authentication by third-party login providers; changes by third-party login providers that restrict our access or ability to identify users; competition; our ability to scale our business and revenue model; our reliance on advertising revenue and our ability to attract and retain advertisers and effectively measure advertising campaigns; our ability to effectively manage growth and expand and monetize our platform internationally; our lack of operating history and ability to sustain profitability; decisions that reduce short-term revenue or profitability or do not produce expected long-term benefits; the impact of the COVID-19 pandemic, including its impact on our business as well as on global and regional economies and economic activity; risks associated with government actions, laws and regulations that could restrict access to our products or impair our business; litigation and government inquiries; privacy, data and other regulatory concerns; real or perceived inaccuracies in metrics related to our business; disruption, degradation or interference with our hosting services and infrastructure; our ability to attract and retain personnel; and the dual class structure of our common stock and its effect of concentrating voting control with stockholders who held our capital stock prior to the completion of our initial public offering. These and other potential risks and uncertainties that could cause actual results to differ from the results predicted are more fully detailed in our Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2023, which is available on our investor relations website at [investor.pinterestinc.com](http://investor.pinterestinc.com) and on the SEC website at [www.sec.gov](http://www.sec.gov). All information provided in this release and in the earnings materials is as of August 1, 2023. Undue reliance should not be placed on the forward-looking statements in this press release, which are based on information available to us on the date hereof. We undertake no duty to update this information unless required by law.

## About 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, non-GAAP costs and expenses (including non-GAAP cost of revenue, research and development, sales and marketing, and general and administrative), non-GAAP income from operations, non-GAAP net income, non-GAAP net income per share and constant currency revenue growth rates. The presentation of these financial measures is not intended to be considered in isolation, 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.

We define Adjusted EBITDA as net income (loss) adjusted to exclude depreciation and amortization expense, share-based compensation expense, interest income (expense), net, other income (expense), net, provision for (benefit from) income taxes and restructuring charges. Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by revenue. Non-GAAP costs and expenses (including non-GAAP cost of revenue, research and development, sales and marketing, and general and administrative) and non-GAAP net income exclude amortization of acquired intangible assets, share-based compensation expense and restructuring charges. Non-GAAP income from operations is calculated by subtracting non-GAAP costs and expenses from revenue. Non-GAAP net income per share is calculated by dividing non-GAAP net income by diluted weighted-average shares outstanding. We use Adjusted EBITDA, Adjusted EBITDA margin, non-GAAP costs and expenses, non-GAAP income from operations, non-GAAP net income and non-GAAP net income per share to evaluate our operating results and for financial and operational decision-making purposes. We believe these non-GAAP financial measures help identify underlying trends in our business that could otherwise be masked by the effect of the income and expenses they exclude. We also believe Adjusted EBITDA, Adjusted EBITDA margin, non-GAAP costs and expenses, non-GAAP income from operations, non-GAAP net income and non-GAAP net income per share provide useful information about our operating results, enhance the overall understanding of our past performance and future prospects and allow for greater transparency with respect to key metrics we use for financial and operational decision-making. We present Adjusted EBITDA, Adjusted EBITDA margin, non-GAAP costs and expenses, non-GAAP income from operations, non-GAAP net income and non-GAAP net income per share to assist potential investors in seeing our operating results through the eyes of management and because we believe these measures provide an additional tool for investors to use in comparing our operating results over multiple periods with other companies in our industry. There are a number of limitations related to the use of Adjusted EBITDA, Adjusted EBITDA margin, non-GAAP costs and expenses, non-GAAP income from operations, non-GAAP net income and non-GAAP net income per share rather than net income (loss), net margin, total costs and expenses, income (loss) from operations, net income (loss) and net income (loss) per share, respectively, the nearest GAAP equivalents. For example, Adjusted EBITDA excludes certain recurring, non-cash charges such as depreciation of fixed assets and amortization of acquired intangible assets, although these assets may have to be replaced in the future, and share-based compensation expense, which has been, and will continue to be for the foreseeable future, a significant recurring expense and an important part of our compensation strategy.

For a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures, please see the tables under "—Reconciliation of GAAP to non-GAAP financial results" included at the end of this release.

## **Limitation of key metrics and other data**

The numbers for our key metrics, which include our MAUs and 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. Unless otherwise indicated, we present MAUs based on the number of MAUs measured on the last day of the current period. 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 the average of the number of 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.

## **Contact**

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**PINTEREST, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
*(in thousands, except par value)*  
*(unaudited)*

	June 30, 2023	December 31, 2022
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,179,852	\$ 1,611,063
Marketable securities	1,115,556	1,087,164
Accounts receivable, net of allowances of \$12,074 and \$12,672 as of June 30, 2023 and December 31, 2022, respectively	544,055	681,532
Prepaid expenses and other current assets	101,680	74,918
<b>Total current assets</b>	<b>2,941,143</b>	<b>3,454,677</b>
Property and equipment, net	28,414	59,575
Operating lease right-of-use assets	93,580	206,253
Goodwill and intangible assets, net	121,142	124,822
Other assets	17,517	17,403
<b>Total assets</b>	<b>\$ 3,201,796</b>	<b>\$ 3,862,730</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 64,080	\$ 87,920
Accrued expenses and other current liabilities	255,799	292,611
<b>Total current liabilities</b>	<b>319,879</b>	<b>380,531</b>
Operating lease liabilities	163,015	178,694
Other liabilities	25,820	21,851
<b>Total liabilities</b>	<b>508,714</b>	<b>581,076</b>
Commitments and contingencies		
Stockholders' equity:		
Class A common stock, \$0.00001 par value, 6,666,667 shares authorized, 581,002 and 593,918 shares issued and outstanding as of June 30, 2023 and December 31, 2022, respectively; Class B common stock, \$0.00001 par value, 1,333,333 shares authorized, 88,514 and 89,284 shares issued and outstanding as of June 30, 2023 and December 31, 2022, respectively	7	7
Additional paid-in capital	5,059,960	5,407,724
Accumulated other comprehensive loss	(8,706)	(11,419)
Accumulated deficit	(2,358,179)	(2,114,658)
<b>Total stockholders' equity</b>	<b>2,693,082</b>	<b>3,281,654</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 3,201,796</b>	<b>\$ 3,862,730</b>

**PINTEREST, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
*(in thousands, except per share amounts)*  
*(unaudited)*

	<b>Three Months Ended June 30,</b>	
	<b>2023</b>	<b>2022</b>
Revenue	\$ 708,025	\$ 665,930
Costs and expenses:		
Cost of revenue	168,740	164,896
Research and development	269,391	233,508
Sales and marketing	243,239	212,037
General and administrative	99,898	89,994
Total costs and expenses	<u>781,268</u>	<u>700,435</u>
Loss from operations	(73,243)	(34,505)
Interest income (expense), net	24,888	3,365
Other income (expense), net	2,180	(9,252)
Loss before provision for (benefit from) income taxes	(46,175)	(40,392)
Provision for (benefit from) income taxes	(11,233)	2,684
Net loss	<u>\$ (34,942)</u>	<u>\$ (43,076)</u>
Net loss per share, basic and diluted	<u>\$ (0.05)</u>	<u>\$ (0.07)</u>
Weighted-average shares used in computing net loss per share, basic and diluted	<u>674,280</u>	<u>662,242</u>



**PINTEREST, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
*(in thousands)*  
*(unaudited)*

	<b>Six Months Ended June 30,</b>	
	<b>2023</b>	<b>2022</b>
<b>Operating activities</b>		
Net loss	\$ (243,521)	\$ (48,357)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	11,283	16,355
Share-based compensation	312,752	190,653
Impairment and abandonment charges for leases and leasehold improvements	117,315	—
Other	(4,501)	12,473
Changes in assets and liabilities:		
Accounts receivable	136,827	143,877
Prepaid expenses and other assets	(23,048)	(31,057)
Operating lease right-of-use assets	34,595	25,103
Accounts payable	(24,295)	40,557
Accrued expenses and other liabilities	(31,663)	10,605
Operating lease liabilities	(39,568)	(26,752)
Net cash provided by operating activities	<u>246,176</u>	<u>333,457</u>
<b>Investing activities</b>		
Purchases of property and equipment and intangible assets	(2,800)	(19,916)
Purchases of marketable securities	(654,349)	(367,806)
Sales of marketable securities	29,271	4,168
Maturities of marketable securities	609,402	393,784
Acquisition of business, net of cash acquired	—	(86,059)
Net cash used in investing activities	<u>(18,476)</u>	<u>(75,829)</u>
<b>Financing activities</b>		
Proceeds from exercise of stock options, net	3,216	4,080
Repurchases of Class A common stock	(500,000)	—
Shares repurchased for tax withholdings on release of restricted stock units and restricted stock awards	(163,203)	(37,953)
Net cash used in financing activities	<u>(659,987)</u>	<u>(33,873)</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	1,075	(1,947)
Net increase (decrease) in cash, cash equivalents and restricted cash	(431,212)	221,808
Cash, cash equivalents and restricted cash, beginning of period	1,617,660	1,427,064
Cash, cash equivalents and restricted cash, end of period	<u>\$ 1,186,448</u>	<u>\$ 1,648,872</u>
<b>Supplemental cash flow information</b>		
Operating lease right-of-use assets obtained in exchange for operating lease liabilities	\$ 13,809	\$ 15,899
<b>Reconciliation of cash, cash equivalents and restricted cash to condensed consolidated balance sheets</b>		
Cash and cash equivalents	\$ 1,179,852	\$ 1,641,509
Restricted cash included in prepaid expenses and other current assets	2,243	1,834
Restricted cash included in other assets	4,353	5,529
Total cash, cash equivalents and restricted cash	<u>\$ 1,186,448</u>	<u>\$ 1,648,872</u>

**PINTEREST, INC.**  
**RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL RESULTS**  
*(in thousands)*  
*(unaudited)*

	<b>Three Months Ended June 30,</b>	
	<b>2023</b>	<b>2022</b>
<b>Share-based compensation by function:</b>		
Cost of revenue	\$ 2,740	\$ 1,417
Research and development	108,580	81,436
Sales and marketing	26,398	18,501
General and administrative	31,912	16,059
Total share-based compensation	<u>\$ 169,630</u>	<u>\$ 117,413</u>
<b>Amortization of acquired intangible assets by function:</b>		
Cost of revenue	\$ 1,508	\$ 938
Sales and marketing	135	1,893
General and administrative	197	197
Total amortization of acquired intangible assets	<u>\$ 1,840</u>	<u>\$ 3,028</u>
<b>Restructuring charges by function:</b>		
Research and development	\$ 603	\$ —
Sales and marketing	72	—
General and administrative	4,886	—
Total restructuring charges	<u>\$ 5,561</u>	<u>\$ —</u>
<b>Reconciliation of total costs and expenses to non-GAAP costs and expenses:</b>		
Total costs and expenses	\$ 781,268	\$ 700,435
Share-based compensation	(169,630)	(117,413)
Amortization of acquired intangible assets	(1,840)	(3,028)
Restructuring charges	(5,561)	—
Total non-GAAP costs and expenses	<u>\$ 604,237</u>	<u>\$ 579,994</u>
<b>Reconciliation of net loss to Adjusted EBITDA:</b>		
Net loss	\$ (34,942)	\$ (43,076)
Depreciation and amortization	5,071	9,135
Share-based compensation	169,630	117,413
Interest income (expense), net	(24,888)	(3,365)
Other income (expense), net	(2,180)	9,252
Provision for (benefit from) income taxes	(11,233)	2,684
Restructuring charges	5,561	—
Adjusted EBITDA	<u>\$ 107,019</u>	<u>\$ 92,043</u>

**PINTEREST, INC.**  
**RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL RESULTS**  
*(in thousands, except per share amounts)*  
*(unaudited)*

	<b>Three Months Ended June 30,</b>	
	<b>2023</b>	<b>2022</b>
<b>Reconciliation of net loss to non-GAAP net income:</b>		
Net loss	\$ (34,942)	\$ (43,076)
Share-based compensation	169,630	117,413
Amortization of acquired intangible assets	1,840	3,028
Restructuring charges	5,561	—
Non-GAAP net income	<u>\$ 142,089</u>	<u>\$ 77,365</u>
Basic weighted-average shares used in computing net loss per share	674,280	662,242
Weighted-average dilutive securities <sup>(1)</sup>	18,107	25,463
Diluted weighted-average shares used in computing non-GAAP net income per share	692,387	687,705
Non-GAAP net income per share	<u>\$ 0.21</u>	<u>\$ 0.11</u>

<sup>(1)</sup> Gives effect to potential common stock instruments such as stock options, unvested restricted stock units and unvested restricted stock awards.