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Eventbrite, Inc. (EB)

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MANAGEMENT DISCUSSION SECTION

Othello Lamont Williams
Analyst, Stifel, Nicolaus & Co., Inc.

Okay. I guess we can just go ahead and get started. I'm Lamont Williams. I work on the consumer Internet team here at Stifel. And I'm really pleased to have Lanny Baker, the CFO of Eventbrite here with us today.

Eventbrite is an online, self-service ticketing and experience technology platform that serves over 650,000 creators of free and paid live events, and operates in over 180 countries. The company targets the underserved middle segment of the Events industry and offers tools to plan and market and manage live events. Lanny Baker has been the CFO of Eventbrite since 2019, and we're happy to have you here today.

Charles C. Baker
Chief Financial Officer, Eventbrite, Inc.

Well, thank you, Lamont.

QUESTION AND ANSWER SECTION

Othello Lamont Williams

Analyst, Stifel, Nicolaus & Co., Inc.

Q

Yeah. It's great to be here. And with that, I can just start with the first question. So, you held your Analyst Day last week and a key theme was – the key theme you outlined was basically the transition from largely a ticketing platform to a growth engine for creators.

Some in the room may not be as familiar with Eventbrite, so could you please just provide a high-level overview of the change that has gone on [ph] over (01:35) the business over the last few years basically beginning – starting in earnest during the pandemic.

Charles C. Baker

Chief Financial Officer, Eventbrite, Inc.

A

Yeah. Sure. Sure, sure. So Eventbrite was founded 16 years ago, and its mission has been unchanged in that period of time, and that is to bring the world together through live experiences. And the company is set out to make it really easy to host and organize a ticketed live event. And the target audience was bigger than a birthday party, but smaller than a concert venue or a major sporting event. And over 15 years, the company has enabled millions of event creators to put on tens of millions of events and have more – hundreds of millions of consumers go through the turnstiles, going to events that were ticketed on the Eventbrite platform.

But what happened in that period of time was, because the company made it really easy for people to organize events, we started to see a new kind of event-creator emerge on the platform. And that was creators who made it their business to – so there was not one-off events, but they became frequent, they became series, they became courses, they became, you know, annual – sort of monthly events that were going on year after year after year. And a category of creators emerged on the platform that we deemed to be frequent creators. And these are folks who are doing more than three events in a quarter.

And the average number is quite a bit bigger than that. It's more like three events a month is the average for the frequent creators. And the frequent creators' needs' really began to change relative and diverge a bit from the one-off creator. And the needs of that frequent creator – well, gosh, they've got seven events going on at any given time, they maybe got them going on in a couple different cities, and they want to be able to manage that portfolio of events on the platform in a really simple and really efficient and really easy way.

The creators, every minute, they're not spending on the event that they're putting on stage, their show, their craft, their course, whatever it may be, every minute that they're not spending on that is something they – I think they regret and something they'd rather be devoting time to their content. And so, it's very important for us to make the platform very, very easy and very efficient for those frequent creators. So we started about 2.5 years ago with a couple small product innovations. One of them was a calendar where you could see – a creator could now see all of their events that were on the platform in one view, and they could start to change facets of their events from that one, sort of calendar view. The uptake, the adoption, the excitement around those kind of features was really surprising. Even though we knew it was going to be strong, it really surprised us. So we followed up with the calendar with a thing that made it easy to copy and duplicate events, so you could take one event that worked one time in Allison, put it on the calendar 15, 20 times. We created an ability for creators to collect all of their events and make it almost like brand themselves. And these are all the different events that I have. And each one of these multi-event product features that we launched created instant, very, very strong adoption amongst

creators. And what we saw was that as creators started to use these frequent creator tools, their retention on the platform and their customer satisfaction on the platform really started to improve.

So, today, frequent creators are about 30% of our total ticket volume, but they're 70% of our – or sorry, 30% of our customer list and 70% of our ticket volume. And there's no other category that represents anything even close to 70% of the ticket volume. And we have this unique ability, because Eventbrite goes across all kinds of categories and all different kinds of formats and geographies all around the world as you set them on, we see frequent creators everywhere we look today. And when we talk to frequent creators through events that we have or through gatherings that we do online or just through customer feedback or support team, those creators are telling us really loudly and very consistently one thing right now, and that is, hey, Eventbrite, your platform works magically for organizing, planning, executing ticketed events. What we'd like you to do now is help us grow the audience at our events.

And so we have what we feel is a very strong invitation and signal from our customers to shift our focus from making it easy to plan an event to helping them scale and market and promote and succeed with their events. And so we've started a big product shift, our big product expansion I guess that goes in the direction of helping creators grow their audiences. And we think it's a huge market opportunity expansion for us to serve customers with, arguably the number one thing they're asking for, which is, help me grow the success of our events.

Othello Lamont Williams

Analyst, Stifel, Nicolaus & Co., Inc.

Q

Okay. So that's a pretty good – it's a pretty good description of some of the changes. You talked about how you reoriented the platform to cater to frequent creators. And I think that leads into Boost, basically the – it's your marketing product which helps creators both advertise through social media and paid marketing.

You launched the product last year, so it's still fairly new. How do you – how has the initial uptake been with the frequent creator base? And how big do you think the product can become over time?

Charles C. Baker

Chief Financial Officer, Eventbrite, Inc.

A

Well, I think, really big. And I'd say – the way we think about it is kind of like a stack that says, hey, the core functionality that people want is ticketing. Ticketing transactions, we did \$2.8 billion worth of ticket sales in the last 12 months. And then, well, what's the next thing? Well, I'd like help marketing my event. What kind of help would you like marketing event? Well, I've got some ads that I'm running on Instagram and some ads that I'm running on Spotify and some ads that I'm running on YouTube, and I don't really know like how they're performing. It's hard for me to compare them. I want to be able to optimize. Can you help me make sense of the digital marketing that I'm doing?

So, we had partnered with a company going back maybe three or four years ago, a little company in Los Angeles called ToneDen that had some tools for helping people manage their digital marketing and social media. And we saw creators really succeeding with the product. So we bought that company in November of 2020. It was a pretty good time to be buying assets in the ticketing business, frankly. It was about a 25-person company, mostly engineers, who really knew how to build a, kind of a front-end on all of these different digital marketing platforms.

We bought it in November. We integrated it into our product over the winter, and we launched it as Boost, as you said, in March or May of 2021. It's now grown to where it's got 3,000 or 4,000 customers using it. We have just to put it in reference: we have about 140,000 paying creators and we've got 3,000 of them today on the Boost product.

I said earlier that about a third of the customers are frequent creators, and so the Boost product is really targeted against those frequent creators. So we're not quite out of double-digit penetration of those customers. But as we've introduced more and more features and functionalities to Boost, we've been able to really help the growth in the uptake and the adoption of that product grow pretty quickly, so that in the first quarter this year, our revenue per ticket was about \$3.09. And of that \$3.09 in revenue per ticket, Boost was \$3 of those \$3.09. Now, it's going to be a bigger contribution to the unit economics of the business as we go forward. It's a relatively small penetration today, but we added a premium e-mail product into Boost and that doubled our subscriber growth rate.

And in the second half of this year, we're going to introduce a product that customers are also really asking us for, which is the ability to use Boost to advertise and promote your event within Eventbrite's product experience. So, heretofore, you can have your product – your event listed on Eventbrite, but if you wanted to promote it in our app or on our website or in our e-mails or anywhere else, there's really not been historically any avenue to pay for increased exposure of your event on the platform. We'll be adding that into Boost, where people will be able to use Boost to advertise their product within the Eventbrite experience. And I think ultimately the adoption of it will be pretty high – of Boost, I mean, and [indiscernible] (10:08) product. We'll see. It's early days, Lamont, so we've got a long way to go.

One thing I would say that's an interesting dynamic about our business that people don't often recognize is that we have really two sets of creators: organizers of paid events, where you have to pay a price to get in the door, and organizers of free events where it's ticketed, but it's – there's no price associated with the ticket because there's something else going on at the event, whether that's a charity, or they're selling a subscription or a membership, or a class, or they're selling materials or something at the event. But they want to have a ticketed event, so they know how many people are coming. And so, they have a CRM capability to market to. Well, we, historically at Eventbrite and for the future, allow people to use our free – if you have a free event, you can use our platform for free. If you have a paid event, people pay us about 8% of the face value of the ticket when it's a paid event.

But what we're seeing is, interestingly with Boost is these marketing tools are relevant to all creators, not just the paid creators. So, today, about 20% of the subscribers on Boost are free event organizers where we've never monetized in the past. And so, this sort of advance in our product portfolio from just ticketing into digital marketing tools, and ultimately into advertising and promoted content will, I think, give us an opportunity to monetize the free side of our business, as well as the pay side of our business.

Othello Lamont Williams

Analyst, Stifel, Nicolaus & Co., Inc.

Q

Yeah, that's – it's something we're seeing a lot from these e-commerce players where their on platform marketing product is [ph] becoming even (11:45) more and more important as – with the privacy changes and things of that sort. Just wanted to shift a little bit. Where do you think we are in the recovery in live events, and particularly for that middle segment of the market? Last week, you raised your 2Q outlook, noting stronger consumer demand and an understanding that the business has gone through a transition over the last couple years. How would you just characterize where we are relative to pre-pandemic?

Charles C. Baker

Chief Financial Officer, Eventbrite, Inc.

A

Yeah. Well, let me put the pandemic just in context for a second, as it's kind of obvious. But there were very few people who decided in 2020, I'm going to create a live events business.

Othello Lamont Williams

Analyst, Stifel, Nicolaus & Co., Inc.



[ph] At the same time (12:24).

Charles C. Baker

Chief Financial Officer, Eventbrite, Inc.



So, we're still coming back a bit from kind of a divot in the industry. And – but what we're seeing right now is that the consumer demand to go to live events is just – it's awesome. I mean, the same thing that's propelling movies and propelling Paul McCartney and all the other big shows is propelling Eventbrite right now. And so when we look at event – tickets per event and events per creator, both of those sort of dimensions of our business model are expanding really rapidly right now. And creators on our platform are selling more tickets than they did in 2019.

So the consumer demand side, if you look at the sales per creator, the tickets per creator, the growth per creator, it's really, really robust. But the creator count is just now starting to accelerate. And so the way I would respond to your question about where are we in the recovery, the consumers are a little bit ahead of where the creators are. And it's been risky to plan an event. And there have been subsequent variants of Omicron and lockdowns and all those kind of things. Even right now we've had a little bit of that in the UK and other places. But I think that as we get into a more stable and predictable environment, we are seeing the growth of the creators really start to accelerate.

So, we are – I don't know if we're in the third inning of the creator side recovery. We're probably in the fifth or sixth inning in terms of the momentum on the consumer side. And as those things kind of catch up, it feels – you're right, we did – the second quarter does look to be better than we thought it would originally be. And I think the momentum on the consumer side is, I think, almost inevitably going to propel more folks to come out and create more events and reenter the marketplace. It has been – new entrants into the market were pretty lean there for a while.

Othello Lamont Williams

Analyst, Stifel, Nicolaus & Co., Inc.



Right. We often get asked about the mix of events on the platform. And at the Analyst Day, you had an interesting slide. You showed, music is still the largest category. That was followed by religion and spirituality and then business and professional. Having moved away from the high-touch music venues, which were a larger part of the platform pre-pandemic and you still – how big – I guess how big – the question is, how big do you see music as a part of the mix going forward? And as we are in this recovery, are some categories coming back faster or slower, and how do you think this could play out over the next...

Charles C. Baker

Chief Financial Officer, Eventbrite, Inc.



Well – so, let me – I'll talk about the categories – and a couple points I want to make. First is, music is huge. I mean, that's what people want to go do, right? People want to go to shows, they want to go to concerts, they want to go to live performances, they want to go to things in the park. I mean, like – I was running by the band show this morning and like – people want to go to those events. So, our business in music will be as big as the consumer interest and the demand for music is.

And so, historically it's been one of our biggest categories. It sort of goes neck in neck with business events. Some months of the year, music is bigger; some months of the year, business events are bigger. You're right. Looking back, spirituality and religious events have been a little bit bigger than business events. Right now, I'll tell

you, spirituality and religious events are kind of falling, and food and wine events and alcohol-related events and bar crawls are surging. There's a little heat in – [indiscernible] (15:50) thing going on with Bar Crawl.

Othello Lamont Williams

Analyst, Stifel, Nicolaus & Co., Inc.

Q

Apparently.

Charles C. Baker

Chief Financial Officer, Eventbrite, Inc.

A

But the beauty of our business is, like it doesn't really matter if it's eSports or it's food and wine or it's music, our platform works for frequent creators of events no matter what your format is. And so, what – I think – I would really just impress this upon, like people looking at our company: there are lots of these verticals by category. There's also formats. There's classes versus festivals versus in-a-venue. But the biggest niche – it's not niche – the biggest segment is the tickets that are sold by people who create frequent events. And the needs of a frequent event-creator are bigger and more similar than the needs of a music – of the music segment or of the food and wine segment or the yoga segment.

And only with the scale of a company like Eventbrite would you even observe that. Everybody comes in the market and says, oh, I'm going to build for music in the Southeast or for educational experiences in Texas, or – they're very geographic and category-centric because that's kind of like the most obvious way that people come into the live events business.

But once you get to scale, like our scale, you see: hey, there's really this creator need that goes across different categories. So, music's huge. It's been – honestly, in the last 12 months, it's probably been the fastest growing category on the platform until recently, as I talked about with food and wine. People want to go to music events.

So I think as I look into the future, it will follow – eSports is surging right now – it will follow what people are going to. What we're really committed to though, is that the frequent creator marketplace will be the biggest single group of our customers. It'll cut across everything. And by building for their needs, we're going to continue to drive really good growth.

Othello Lamont Williams

Analyst, Stifel, Nicolaus & Co., Inc.

Q

Right, right. And then also at your Analyst Day, you outlined your long-term financial goals, the expectations for long-term adjusted EBITDA margins of 20% plus. And you've touched on a number of – you're at about 6% now and a number of the things you've touched on today, the Boost and the catering to frequent creators do support higher margins, but could you just outline kind of the path to how you get to that – to that higher margin, kind of what are the big buckets that investors can think about?

Charles C. Baker

Chief Financial Officer, Eventbrite, Inc.

A

Sure. Sure. So as you said, our EBITDA margin – adjusted EBITDA margin the last 12 months has been about 6% and our long-term target is 20% or better. And there are a couple of points I'd make. Number one, during the pandemic, we took \$100 million of operating expenses out of the business by eliminating high-touch human-powered services. What does that mean?

How about event security? How about people in the box office taking tickets? A marketing team where we would do – build a creative foreign event on like – almost like an advertising agency within Eventbrite. Those are services that creators want, but they're very hard to scale because people taking tickets at one event can't be at another event. They're very hard to build a strong profit margin around, and they're very difficult to differentiate in any significant way, like – that you would prefer Eventbrite's event security people to somebody else's event security people.

So we looked at those businesses during the pandemic and said, we have a time and a moment in time to really reevaluate whether we want to be investing capital against a human – it's basically like Kelly Services for live events, or invest capital against a differentiated technology platform. And that was an easy call to make in those days. And so, we removed all the cost structure, all the support structure that was providing those sort of human-powered high-touch services.

So, if you look at our margins today, relative to when we had the same revenue pre-pandemic, the bottom line is 10-plus-points better than it was. So we've structurally improved there.

Now, second thing is, elimination of those high-touch services is also powering our gross margins. So our gross margins today are like 64%, 65%, and they'll continue to scale toward 70% with growth in our ticketing transaction business. Ticket volume growth and ticket revenue growth will drive the margins up to – towards 70%.

The introduction of subscription services like Boost and the advertising product have a really interesting characteristic in them compared to the ticketing business in that the gross margins of advertising and marketing tools are 20 points higher than the 65% margins that we have in our ticketing business. Why? Because in our ticketing business, we have a credit card processing fee associated with the sale of the ticket. So, we don't have a credit card processing fee associated with the sale of the ticket on the subscription revenues and on the advertising revenues. So as those businesses grow, they'll drag the gross margins up beyond 70%. So, there's 5-plus points of the journey from 6 points today to 20 points in the long term or better than 20%.

Then you look at our operating cost structure, we'll continue to invest really aggressively in our product, and our product investment will probably scale at a little bit slower rate than revenue. And there's probably, call it, 2 to 4 points of operating leverage in our product expenditures as a percentage of revenue as the business scales. There's a similar 2 to 3 points, maybe 4 points of operating leverage in our sales and marketing and support, which is a relatively small portion of our P&L, but there's some leverage there. And then our G&A does – really doesn't – we have the G&A you need to be a public company, processing almost \$3 billion of ticket sales. But as we grow, and particularly as we add services like advertising and marketing tools, the G&A – well, there's probably, call it, 8-plus – 8 to 10 points of operating leverage on the G&A side as we look at the, sort of path from where we are at 6% to getting to north of 20%. And if you go back and you just look at our numbers, Lamont – I'm sure you've done this – look at our numbers on a year-over-year basis or quarter-over-quarter basis for the last couple years, we've been really consistent in delivering between 25% and 50% of the revenue growth down to the bottom line. And that is the inherent operating leverage of our business. And we'll continue to run that model. And as we do, it'll propel the margins higher.

Othello Lamont Williams

Analyst, Stifel, Nicolaus & Co., Inc.



Yeah, I think that sometimes, might not be completely understood how moving away from that high-touch business that was largely the story kind of pre-pandemic is now there because they're – [indiscernible] (22:31) about 90% self-serve now. So, even when you bring customers on, if they're – it's not – you don't have to handhold as much as you did.

Charles C. Baker

Chief Financial Officer, Eventbrite, Inc.

A

Yeah. Yeah. I mean, I think – I think, hopefully, as the financial performance of the company continues to be strong, it'll cause people to say, well, why is this different than where it was before? And they'll spot what we've been talking about for two years. But yeah, that was a – that was a decision made in a fairly short period of time with a lot of, sort of study behind it. And it's really been empowering to the company, because I think stepping away from those sort of service as software has just given us a much better investment. So, the return on capital of our investment today is so much better than it was.

Othello Lamont Williams

Analyst, Stifel, Nicolaus & Co., Inc.

Q

Right. Just switching a little bit to the competitive landscape, you are the leader in this middle segment. You don't – sometimes, you get asked about, you don't compete really much at all with Live Nation. They kind of do everything kind of – kind of below them. Who else are you competing with in this space? It's highly fragmented, but you still have a fairly small market share given some of the numbers you've – some of the TAM numbers you put out that we talked about in the Analyst Day last week. Who – how do you kind of think about the competitive pressures? And are there any other players that you're thinking about when – in the space?

Charles C. Baker

Chief Financial Officer, Eventbrite, Inc.

A

Yeah. There are lots of ticketing companies out there. But we really – as we think about the current landscape, we try to adopt the mindset of the customer and say, like, when the customer is looking at Eventbrite, who else are they evaluating? And there – I think there are four things that the customers are looking for.

Number one, help me monetize my event: like, do the ticket processing. Number two, help me market my event. Number three, help me find an audience where I can market the event. So, one part of that's the tools to run like a CRM e-mail program. The other one is, like, where do I get the names for that to send to? Where do I advertise my product? And the fourth piece is streaming platforms. And so, those are the four things that most of our customers are evaluating.

And I'll tell you, you know, most of our customer acquisition, if you say like when we win a new customer, who loses, it's sort of a strewn-together, hand-stitched collection of like, well, I had an e-mail company that was managing my e-mail list. I was using a spreadsheet for tracking my finances. I had some QR code thing I was downloading to scan the tickets at the door and I was rolling my own for the rest of it. And I think what often happens is that creator says, God, I'm spending so much time managing all these systems. I got all these logins, and like, can somebody just simplify it. And that's where people discover Eventbrite.

Now, like, wait, there's a platform – I've seen this platform because we've all been to events on Eventbrite or seen them. And there's one platform that will do all these things for me, like scale and automate it in a very inexpensive way, and that's who we acquire customers from. So, our like competitive wins are basically against, we beat hassle across a bunch of players. The options that are – that you would weigh Eventbrite against would be, well, Eventbrite versus – as I said earlier, I'm a playhouse in the southeastern part of the United States who does ticketing for playhouses in southeast part.

And it will be like some very category-specific, geographically-specific competitor. And I think as we keep investing \$75 million, \$80 million a year in the product, we're just kind of putting more and more [ph] light (26:16)

between each one of those, sort of limited niche players who doesn't have that much, sort of avenue to continue investing in their product.

I think that we – competitively, I think people choose us for holistic. We do everything in those four dimensions. Our price is very attractive and it's kind of a proven, reliable product.

Othello Lamont Williams

Analyst, Stifel, Nicolaus & Co., Inc.

Q

Right. Right. I guess, well, we have five minutes left. Let me just open up to the audience to see if there's any questions. No? Well, so you – oh, I'm sorry, go ahead.

Othello Lamont Williams

Analyst, Stifel, Nicolaus & Co., Inc.

Q

[indiscernible] (26:58-27:11) value proposition.

Charles C. Baker

Chief Financial Officer, Eventbrite, Inc.

A

So, [indiscernible] (27:14) where we're moving the ball, which is, we are going to make it more and more and more clear that when you're in Eventbrite you're selling more tickets than you are on any other platform. And in the first quarter this year, 30% of the paid tickets on the platform were what we call Eventbrite-driven. That means that somebody came to the app or to the website and said, 'things to do with kids in Boston this weekend': that if you weren't on our platform, you didn't get that ticket. And we're – that volume, that was 30% of our ticket volume and our ticket volume has been growing really nicely over the last two years. Two years ago, that was 17% of our mix. So the Eventbrite-driven ticket volume is growing significantly faster than creators' ticket volume is on their own. And with Boost and with promoted advertising, we're going to make it clearer and clearer and clearer to people the fact that we have.

I think that your question was – there was another part of your question, was about...

Othello Lamont Williams

Analyst, Stifel, Nicolaus & Co., Inc.

Q

It was about – more about like, if I [indiscernible] (28:10)...

Charles C. Baker

Chief Financial Officer, Eventbrite, Inc.

A

Oh, yeah. What's the breaking point? So, the breaking point is time, not money. I mean, our take rate's 8%. Like, very few people are like trying to be, make 8%, 6%. The breaking point is, it's too much hassle for me to manage this e-mail product over here and this – and this website over there. And then literally, like my barcode scanner that I downloaded for QR codes and [ph] associated with (00:00) my tickets and like – because the creators, they don't want – like, these are SMBs. They don't have a marketing team. They don't have an IT team. We are their marketing team. We are their IT team. And they want to spend their time on their magic show, on their cooking class, on their roller skating in a church, or whatever it is that is their live experience. That's their passion. And so, the breaking point is when whatever other solution is taking up more time than they can stand.

Othello Lamont Williams

Analyst, Stifel, Nicolaus & Co., Inc.

Q

Okay. I didn't want to ask, but, I guess, having come from Barry's lunch, we see the consumer could potentially be weakening. But you did mention that the – it's a low price and – for a lot of these events. I think the average ticket is about \$40. If we were to go into a weakening consumer spending environment, how historically have that – has the platform kind of held up with – when you see [ph] the kind of (29:43)...

Charles C. Baker

Chief Financial Officer, Eventbrite, Inc.

We've been through a couple...

A

Othello Lamont Williams

Analyst, Stifel, Nicolaus & Co., Inc.

Yeah.

Q

Charles C. Baker

Chief Financial Officer, Eventbrite, Inc.

...of those cycles and what we've seen is, if – we'll have word out of the, like, woodshed staycation. But when things like travel are very expensive, vacations are very expensive, and people are looking for places to cut back, they look locally. And our events – most of our ticket sales are within 50 miles of – ...

A

Othello Lamont Williams

Analyst, Stifel, Nicolaus & Co., Inc.

Yeah.

Q

Charles C. Baker

Chief Financial Officer, Eventbrite, Inc.

...not – like, these are local and community and passion-driven experiences. So, we've actually performed pretty well. I mean, I was a research person...

A

Othello Lamont Williams

Analyst, Stifel, Nicolaus & Co., Inc.

Yeah.

Q

Charles C. Baker

Chief Financial Officer, Eventbrite, Inc.

...as well at one point in my career and I know well enough to not say that anything is recession-proof. But our business is fairly resistant to...

A

Othello Lamont Williams

Analyst, Stifel, Nicolaus & Co., Inc.

Right.

Q

Charles C. Baker

Chief Financial Officer, Eventbrite, Inc.

...those pressures, because it's a nice place to substitute on other things that people might be doing. So, we've done really well in that environment. There's a lot of community that actually happens in our events.

A

Othello Lamont Williams

Analyst, Stifel, Nicolaus & Co., Inc.

Q

Right.

Charles C. Baker

Chief Financial Officer, Eventbrite, Inc.

A

And so, often people connect to those communities in that kind of environment. So, I – we are super-well-financed. We have \$355 million of cash on the balance sheet. We've got a very flexible capital structure. Well, actually we have \$700 million of cash on the balance sheet. There's \$355 million of it that belongs to us. The other chunk belongs to creators as they have sold tickets for an event, but haven't yet completed the event, and we release the funds later. But so – we're really well financed, and historically we have seen things go kind of a little bit countercyclical for us...

Othello Lamont Williams

Analyst, Stifel, Nicolaus & Co., Inc.

Q

Right.

Charles C. Baker

Chief Financial Officer, Eventbrite, Inc.

A

...in the environment.

Othello Lamont Williams

Analyst, Stifel, Nicolaus & Co., Inc.

Q

Right.

Othello Lamont Williams

Analyst, Stifel, Nicolaus & Co., Inc.

Okay, great. I think with that, we're out of time. Thank you for joining us today.

Charles C. Baker

Chief Financial Officer, Eventbrite, Inc.

Well, thank you.

Othello Lamont Williams

Analyst, Stifel, Nicolaus & Co., Inc.

[indiscernible] (31:15).

Charles C. Baker

Chief Financial Officer, Eventbrite, Inc.

And appreciate being here – coming here, all, today.

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