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# Eventbrite, Inc. (EB)

Q2 2021 Earnings Call

## CORPORATE PARTICIPANTS

**Katherine Chen**  
*Head-Investor Relations, Eventbrite, Inc.*

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

**Julia D. Hartz**  
*Co-Founder, Chief Executive Officer & Director, Eventbrite, Inc.*

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## OTHER PARTICIPANTS

**Ryan Sundby**  
*Analyst, William Blair & Co. LLC*

**Dae K. Lee**  
*Analyst, JPMorgan Securities LLC*

**Youssef Squali**  
*Analyst, Truist Securities, Inc.*

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## MANAGEMENT DISCUSSION SECTION

**Operator:** Ladies and gentlemen, thank you for standing by, and welcome to the Eventbrite Second Quarter 2021 Earnings Conference Call. At this time, all participants are in listen-only mode. After the speakers' presentation, there'll be a Q&A answer session. [Operator Instructions] Please be advised that today's conference is being recorded.

I'd like to now hand over the conference to Ms. Katherine Chen, Head of Investor Relations. Please [audio gap] (00:31).

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**Katherine Chen**  
*Head-Investor Relations, Eventbrite, Inc.*

Good afternoon and welcome to Eventbrite second quarter 2021 earnings call. Prior to this call, we released our Shareholder Letter announcing our financial results which can be found on our website at [investor.eventbrite.com](http://investor.eventbrite.com).

Before we begin, I would like to remind you that during today's call, we will be making forward-looking statements regarding future events and financial performance. We caution that such statements reflects our best judgment as of today, August 5, based on factors that are currently known to us, and that actual future events or results could differ materially due to several factors, many of which are beyond our control.

For a more detailed discussion of the risks and uncertainties affecting our future results, we refer you to the section titled Forward-Looking Statements in our Shareholder Letter and our filings with the SEC. We undertake no obligation to update any forward-looking statements made during the call to reflect events or circumstances after today, or to reflect new information or the occurrence of unanticipated events, except as required by law.

During this call, we will present adjusted EBITDA, a non-GAAP financial measure. This non-GAAP financial measure is not prepared in accordance with generally accepted accounting principles and has limitations as an

analytical tool. You should not consider in isolation or as a substitute for analysis of our results of operations as reported under GAAP.

A reconciliation to the most directly comparable GAAP financial measure is available in our Shareholder Letter. We encourage you to read our Shareholder Letter as it contains important information about GAAP and non-GAAP results.

And with that, I'll now turn the call over to Julia Hartz, Co-Founder and Chief Executive Officer.

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## Julia D. Hartz

*Co-Founder, Chief Executive Officer & Director, Eventbrite, Inc.*

Thank you, Katherine. Hi, everyone, and thank you for joining us this afternoon. Eventbrite is fueled with a mission of bringing people together through live experiences. And the second quarter of 2021 was a testament to the enduring nature of that mission. As restrictions lifted across many regions, we hosted an all-time record number of events nearly 1.5 million in the quarter, and demand for in-person events came roaring back as evidenced in our results.

Our platform helped millions of people get back to doing what they love and reclaim an important part of their normal lives. At the same time, we all recognize by now that our collective recovery as a society from this pandemic will not be perfectly linear. We are well-positioned for any recovery scenario because of three key reasons. First, the decisive actions we've taken have created a stronger more profitable business model that can effectively weather a volatile period. Second, we built and strengthened our format-agnostic platform such that we can successfully meet the need [ph] for event (03:32) creators whether they are hosting in-person or virtual events. And finally, the creators that are using Eventbrite today are battle tested. They've survived or even created new business through this tumultuous year. And they know that when people can gather safely, their content is in high demand.

Eventbrite's second quarter results paint a clear picture of the desire to gather and be together is stronger than ever. The demand for unique and local in-person events accelerated revenue and adjusted EBITDA to year-over-year growth. We also continue to build a structurally more powerful company. Thanks to our focus go-to-market strategy, products like growth, and improved cost structure. Lanny will share more details on how we're thinking about that framework later in this call.

Let me give a little color on the growth drivers that led to our strong results. Second quarter sales were more than five times higher than that of the same period last year, thanks to strong paid ticket volumes around the globe. In the US alone, paid ticket volume nearly quadrupled from a year ago. And in Australia, we saw a new all-time quarterly record for paid ticket volume. It was almost five times higher year-over-year. Whether it's author readings at the local bookshop or a weekend food festival or workout classes with friends, these events filled our social calendar and gave us the much needed respite from social isolation.

The demand signals we're seeing underscore this point, 86% of paid tickets in the second quarter were for in-person events compared to 67% in the first quarter of this year. This rapid uptick in tickets sold for in-person experiences as soon as restrictions were lifted is a very promising sign that our core creators are ready and able to support the recovery.

The Church of 8 Wheels is a great embodiment of that momentum. After more than a year of leading his congregation outdoors, David Miles Jr., aka, the Father of Skate (sic) [Godfather of Skate] welcomed them home to his historic church turned roller rink. With the use of key information and our event safety playbook, automated

waivers in the [ph] checkout flow (05:56) and following local mass mandates, this temple of disco and skating can safely host up to five separate events in a single day resulting in over 6,000 tickets sold this year so far. And they're just getting started.

This is just one example of how creators are successfully navigating the world of pandemic era safety and health restrictions. Throughout it all, Eventbrite has been their trusted partner not only building and improving product features to save them time and expand their reach, but also providing relevant content so that they can focus on what they do best. Case in point, our inaugural virtual customer summit in May titled RECONVENE was an example of our deep connectedness to the creator community. Thousands of new returning and prospective creators gathered online to learn from thought leaders, industry experts, and each other.

Over the two-day experience, our community was bolstered by connectivity and inspiration to redefine the live events industry for the future. Of that RECONVENE audience, more than two-thirds reported that they either were new customers or returning customers to Eventbrite. In fact, for the second quarter, we acquired over 88,000 total new creators, a 13% increase versus last quarter. All of these signs point to confidence around the return of live events and creators choosing Eventbrite as their platform of choice to help produce events and reconnected with audiences.

As we said before, frequent creators are central to our strategy. For the second quarter of 2021, paid ticket volume for this group more than tripled from the year ago. Frequent creators comprise roughly two-thirds of total paid ticket volume in the second quarter, up from 64% a year ago and 58% in the second quarter of 2019. Looking through the lens of paid events, the numbers are just as compelling with frequent creators accounting for more than 80% of paid events organized on the Eventbrite platform in the second quarter.

I'm proud to report that our product and engineering teams delivered more new products and enhancements through existing features in the month of May than any other month in the past year. We are rolling out features that makes multi-event management easier and more intuitive, and we're strengthening our infrastructure to ensure an improved user experience.

In addition to making it easier to create events and sell tickets, we're also focused on expanding audiences and reach. Demand generation and audience discovery are an important part of our long-term strategy and we'll keep Eventbrite at the forefront of meeting the needs of independent and entrepreneurial creators.

Eventbrite Boost, which was launched in May, aims to help event creators increase audience size through marketing and analytical tools like automated ad campaigns and branded event pages. This product has been available to creators for just a few months and we are pleased with the early results.

We're also evaluating the potential of the future growth and monetization channel with our Eventbrite-driven tickets, in other words, directing audiences to events through the Eventbrite website and mobile apps. These Eventbrite-driven tickets already accounted for 24% of total ticket volume for the second quarter and our goal is to continue growing that number over time.

To conclude, our second quarter results showed a glimpse of what is to come and it's an exciting picture. We're adaptable and nimble to move quickly and better enable our customers to thrive in any environment. We have the power of a horizontal platform that can empower any creator to produce their event in-person or virtually to meet their audiences where they are and those creators are enjoying powerful demand for live experiences. My team and I are thankful for the partnership and support of our resilient creators, our talented and dedicated employees,

and our valued shareholders. We are proud of what we've achieved and excited to keep you updated on our progress.

With that, I'll now turn the call over to Lanny.

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## Charles C. Baker

*Chief Financial Officer, Eventbrite, Inc.*

Thank you, Julia. Our second quarter results were strong in the top line and bottom line, and they also showcased the strength of our strategy and the appeal of our business model. Let me explain by teasing apart some of the key trends and developments in Q2.

As vaccinations became more widespread and restrictions on social gatherings relaxed, Eventbrite's revenue rose 67% between the first quarter and second quarter of 2021. That acceleration reflects not only strong consumer demand for in-person experiences, but also the logistical nimbleness of our creators who have shown their resilience and an ability to scale-up quickly and successfully whether that's pivoting to online or returning to in-person events as they did in the first half.

Paid tickets have grown each month year-to-date, with volume rising 5% sequentially month-to-month in April, 15% in May, and 11% in June. In July, paid ticket volume rose another 9% month-over-month, continuing to buck the normal seasonal trend that typically sets July as our seasonal low point for the year.

Our creators' agility is even more clearly evident within the second quarter metrics that power our revenue model. The number of paid event creators active on our platform rose 24% quarter-to-quarter, reaching 97,000 in total. More than 95% of that growth came via our highly efficient self sign-on acquisition channel.

With healthy growth in paid creators, we also saw a big lift in the number of events hosted on the Eventbrite platform. Paid events rose by almost 50% from the first quarter to the second quarter and the number of events per creator increased by 20% quarter-on-quarter. Matching the surge in supply, consumer demand across our platform was outstanding and paid tickets per event increased by 5% from the first quarter to the second quarter.

Putting the pieces together, our creators' total paid ticket volume rose by 57% quarter-to-quarter and Eventbrite's revenue grew at a slightly faster pace, a great demonstration of the inner workings of our ticketing revenue model and the alignment between our own financial objectives and the goals of the creators we serve.

The second quarter results also provide a view into the operating leverage and profitability potential of Eventbrite's refocused technology-centered operating model. Notably, more than 40% of the increase in revenue between Q1 and Q2 flowed through to drive improvement in adjusted EBITDA. Furthermore, excluding the impact of adjustments we made to reserves in the second quarter, adjusted EBITDA was slightly positive for the second quarter, two quarters ahead of our expectations and on a far smaller revenue base than was required previously.

The improvement in profitability compared to the first quarter was driven by a combination of higher gross margins as well as controlled operating expense growth. The second quarter gross margin of 61% was 10 percentage points higher than the first quarter of 2021 thanks to increased ticket volume and higher net revenue. Given the elimination in 2020 of certain costs of revenue and the fact that a portion of cost of revenue is relatively fixed, we believe there's room for gross margins to move into the high 60% range in the future when ticket volume and revenue scale further.

Turning to operating expenses, we supported the quarter-to-quarter surge in volume and revenue with modest expense growth, displaying the long-term margin muscle in our model and our cost discipline. Specifically, total operating expenses were \$47 million in the second quarter and that included a \$5 million reversal of reserves for estimated events payout losses as well as an offsetting \$5.6 million expense related to reserves associated with litigation.

Excluding those two adjustments, underlying operating expenses in the second quarter of 2021 were \$46 million. For comparison, reporting operating expenses were \$40 million in the first quarter of 2021 and \$42.2 million after adjusting for non-operating expenses recognized in that quarter. Accordingly, our underlying operating expenses rose just under 10% from quarter-to-quarter even as paid ticket volume jumped 57% and the increases that we did see in our spending were primarily investment in product and engineering rather than variable expense growth associated with higher creator and ticket volumes.

The operating leverage of the first half of 2021 is an intentional outcome of our product-first business strategy and our redesigned financial model. Our per ticket economics now include only one major variable cost item, which is the standard transaction processing fee, meaning strong revenue flow-through to gross profit.

New add-on product offerings such as Eventbrite Boost provide additional revenue opportunities with even higher gross margin prospects down the road. Our focus on product development to drive creator adoption means that growth will be driven by scalable software solutions, also with minimal per unit variable operating expense characteristics.

And finally, we're committed to maintaining the cost discipline we've established. We believe that the changes we've made strategically and operationally will allow us to continue to make differentiating investments in product, engineering, and support for our creators while also delivering strong bottom line results for shareholders in the long-term.

In the near-term, based on our current outlook, we expect paid ticket volume and net revenue to be higher in the third quarter of 2021 and in the comparable period of 2020. We anticipate that month-to-month paid ticket trends could become more variable in the near-term based on the potential impact of COVID variants. However, we also have the confidence that Julia expressed earlier in the resilience of our creators, the demand for live experiences, and our own ability to serve and lead our market in whatever format live events take.

We will continue to manage operating expenses carefully in the second half, prioritizing strategic investment and product. We expect cash costs, excluding processing fees, of between \$34 million and \$36 million for the third quarter compared with \$34 million in the second quarter.

In closing, we are encouraged by our second quarter performance, which reflects our ability to scale with our creators and deliver roughly breakeven-adjusted EBITDA despite a still muted environment for live events. We have confidence in a stronger, more profitable business model we've created and our capacity to meet the needs of our creators whether they're hosting in-person or virtual events and in the resilience and ingenuity of Eventbrite creators. We look forward to continuing onward in our mission to bring the world together through live experiences.

And with that, I'll turn the call over to the operator for the question-and-answer portion of the call.

## QUESTION AND ANSWER SECTION

**Operator:** [Operator Instructions] We have our first question in from Ryan Sundby of William Blair. Ryan, your line is open. Please go ahead.

**Ryan Sundby**

*Analyst, William Blair & Co. LLC*

Q

Yeah. Hi, Julia. Hi, Lanny. Thanks for taking my questions and great to see in-person events coming back so strongly [ph] then (18:08).

Lanny, you mentioned with the variants out there that results could get more variable month-to-month going forward. I know you talked about July being up sequentially but can you give a little more color there with Delta strain that drive cases higher here in the last couple weeks? Are you starting to see that impact demand at all? And then are you seeing anything on the creator side? Are they pulling back in terms of events that are on the system?

**Charles C. Baker**

*Chief Financial Officer, Eventbrite, Inc.*

A

Yeah. So as we said, we continue to grow really nicely through July and as we look forward, we're appropriately planning and anticipating that the Delta variant, as it spreads; vaccination, as we hopefully see more of it, could create more variability in the second half of the year than we saw in the first half of the year.

We haven't seen that to date. We haven't seen the changes in – you asked about whether there are creators that were pulling back. We haven't seen that. We've seen strong growth in creators, really strong growth in events per creator and as we said, great demand across the platform for the events that our creators are putting on.

We have, as you know, made some pretty significant changes over the last year, including the integrations we now have with really best-in-class video platforms for virtual events. So any event that becomes more challenging for creators to have safe in-person gatherings we would anticipate will see a shift back toward virtual events and we stand ready and standby to help them do that.

**Ryan Sundby**

*Analyst, William Blair & Co. LLC*

Q

Got it. And then if we see more events start to require proof of vaccination or a negative test result, is that something that Eventbrite can help with in terms of even that process to get people through the gate, I guess?

**Julia D. Hartz**

*Co-Founder, Chief Executive Officer & Director, Eventbrite, Inc.*

A

Yeah. Hi, Ryan. I think that when we look forward at what our creators will need as they get back into hosting in-person events and certainly with the booming growth we saw in Q2, we feel like we can be a great sounding board for our creators by publishing more content that's really – it's in demand, it's real-time, it's actionable, it's based on science. And that's what we've done with our Event Safety Playbook that we saw really be adopted quite strongly in Q2 particularly.

We think that the versatility of the platform is so key for our creators. They're battle-tested. They've been through a really tumultuous past year and they're looking forward to both bringing back these in-person events that are in such high demand by doing it safely. And I think that – whether that [ph] sort of (21:00) baseline on the event – the typical Eventbrite event, about 75% of the events on our platform are actually fewer than 43 attendees. So it's a very different sort of gathering than a 10,000-person event.

However, we really think that as our creators are demanding a solution to be able to quickly and easily and efficiently get their attendees in the door and verify the vaccine pass, we're obviously going to be game to integrate. That's the beauty of the platform. This is so agnostic that we can move quickly and we can be flexible based on what they need for in-person events or virtual events.

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**Ryan Sundby**

*Analyst, William Blair & Co. LLC*

Q

Got it. That makes sense and you brought up the battle-tested creators. [indiscernible] (21:49) after some – it sounds like starts and stops [ph] beginning (21:52). It sounds like the [ph] SBAs (21:53) really picked up the aid under the Shuttered Venue Grant program in June and July. As you see those funds start to get awarded, are you seeing that creator community start to come back in a bigger way or has that had an impact on your business at all?

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**Julia D. Hartz**

*Co-Founder, Chief Executive Officer & Director, Eventbrite, Inc.*

A

Absolutely. Our venue business is a really important part of the Eventbrite story because these are live, independent music venues and small business owners that have really had to shut their doors, among the first of the businesses and as you know, have been some of the last to be able to open.

So the federal relief actually making its way from the passing of the bill which Eventbrite was on the front lines lobbying for and actually making it into the bank accounts of these small business owners is a huge win in Q2. I think that's really going to set them up to be able to invest in the infrastructure that they need to be able to bring people back safely and we're starting to see that happen in these iconic independent music venues. And also the bar around the corner where you go watch live music and you want to feel safe and you want to know that that business owner is in good shape. And I think that's really going – that's certainly a difference between today and even three months ago is that underlying investment in those independent music venues is key for them to be able to really adapt to the new normal.

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**Ryan Sundby**

*Analyst, William Blair & Co. LLC*

Q

That's great to hear. I guess one more, if I could squeeze it in here. I think in the past, you've talked about full-service customers. It represents something like 40% of ticket volume. As you start to see creators trying on events again here, do you have a feel for how many of those customers will still use Eventbrite as a ticketer and then look somewhere else for some of the other services that were provided? Or maybe I guess how many would shop around for a full-service option from someone else?

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**Charles C. Baker**

*Chief Financial Officer, Eventbrite, Inc.*

A

Ryan, it's been – it was hard during the early days to make a – really make a good read of that because so many of those customers were really shuttered by the pandemic. As you've seen the vaccinations roll out and the virus



recede, the restrictions on social gatherings recede in some places, we have performed better than our original expectations with those customers.

Today, 100% of our customers who are on the Eventbrite platform are using it in a self-serve fashion. We invested in our infrastructure and in our product pretty significantly during the pandemic period, in the height of it, to improve the self-serviceability of many of the key features and functions we had supported in the past with people.

And so we're really pleased with the progress we made there. We think it's a really important strategic transition for us because it's allowed us to reallocate resources toward product development. Julia made the comment that in the middle of the second quarter in May, we had one of the most fruitful periods of new releases of products that we've had in really a couple years and that was very much a function of the work we did to improve the infrastructure, to improve the self-serviceability, and really focus the company's resources on our product software solution.

So, we're doing well and I think we're doing well primarily because of the investments we continue to make in the product.

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**Ryan Sundby**

*Analyst, William Blair & Co. LLC*

Okay, great. Thanks for the color, guys.

Q

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**Charles C. Baker**

*Chief Financial Officer, Eventbrite, Inc.*

Thank you.

A

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**Operator:** Our next question comes from Youssef Squali of Truist Securities. Youssef, your line is open. Please go ahead.

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**Youssef Squali**

*Analyst, Truist Securities, Inc.*

Great. Thank you very much. Hey, guys – and that's – congrats. Great to see the business bouncing back so quickly and profitably.

Q

Lanny, just going back to the guide or almost a guide, you're not really guiding. But if I just use that plus 9% number that you gave for July month-on-month, just some back of the envelope math would imply that July revenues could be already in the mid-teens millions. And if I look at Q3 of last year, you did \$22 million. You just said you were not seeing any kind of pullback – material pullback. Maybe can you just provide maybe more color as to what's driving your conservatism?

We know that Australia and New Zealand are starting to go under lockdown, et cetera, so – and I know you have operations there. Maybe you can speak to that and anything there would be helpful. Or is it just a matter of we just don't know and therefore, you're trying to be maybe overly conservative?

And then Julia, on – I was wondering if maybe you can flesh out a little bit what you said about trying to move into more customer acquisition channels for your creators, helping them acquire customers by offering marketing solutions, et cetera. Just maybe you can expand on your thinking there would be great. Thank you.

**Charles C. Baker**

*Chief Financial Officer, Eventbrite, Inc.*

A

Let me start with the financial question just about the third quarter and one of the reasons why we're not providing an outlook is that in the near-term, a lot of ticketing dynamics are a bit outside of our control. And I will tell you that over the last year and a half we've gone through the pandemic, you could pretty much read the headlines in the newspapers about infection rates, vaccination rates, restrictions on local gatherings and infer pretty directly what's happening in our live events business and so it's pretty simple and straightforward.

So when you're noticing that places like Australia and New Zealand are moving back into lockdown, you can – [ph] I think you're expecting (28:01) that you'd also be seeing live gatherings being put back on restrictions. So I think what we're signaling is not anything surprising. It shouldn't be surprising. I would not – I don't view it sort of really conservative. I think what all us are [indiscernible] (28:21) seeing and reading just points to an environment that looks a little choppy and a little bit more difficult in coming months.

**Julia D. Hartz**

*Co-Founder, Chief Executive Officer & Director, Eventbrite, Inc.*

A

Right. And that being said, when our creators are thinking about and really actioning on growing their businesses during this time, what we found is that the most active creators on Eventbrite are actually creating new business through this moment. So, I'll kind of explain that. Most frequent creators have been hosting events both in-person and virtually in a hybrid business model. They're not today really predominantly hosting the same event virtually and in-person, but they actually have two parts of their business now.

The reason why this applies the demand generation question you asked is that this is a new opportunity, a new space for Eventbrite to show up as a clear partner and enabler for our creators to be able to find new audiences and convert those audiences into new attendees for their event series. And the cornerstone of our effort here has really been around Boost this year which is a new product that we've brought to market and it's builds on the foundation of the acquired company ToneDen.

ToneDen and Eventbrite worked for years together as partners delivering the solution to our core customer, so we know exactly where that product market fit live. And it's really helping to automate marketing activities to be able to create demand for these events. We're effectively teaching our customers how to fish for their own customers and they're seeing these strong return on advertising dollars as a signal of efficacy for their marketing activity.

When we look at industry trends, about 40% of the face value of a ticket is spent on marketing that event. And so, we can help to create efficiency in that spend and also if you look at our take rate, it's 8%, start to build value through that activity in that motion. That's really what we're focused on, is helping creators build their businesses over the long-term.

So, I think as we move forward, you can expect that we're looking at the Eventbrite marketplace and the sort of surface area that we own in our destination as being a great place for some of those promotional activities. And every time we help a creator sell an incremental ticket that is flowing through into a place where they're generating more profit because events have a fixed cost. And so, we really see that incrementality and that growth as being key to the Eventbrite value proposition. And it keeps coming back as one of the top things that our creators need from us is to be able to really see that tailwind to the growth of their business. And so that's the genesis of what we're talking about in here.

**Youssef Squali**

*Analyst, Truist Securities, Inc.*

Q

And if I'm correct – if I remember correctly, I think you're charging for Boost on a subscription basis not a transactional model. Correct?

**Julia D. Hartz**

*Co-Founder, Chief Executive Officer & Director, Eventbrite, Inc.*

A

That's correct.

**Charles C. Baker**

*Chief Financial Officer, Eventbrite, Inc.*

A

That's right.

**Julia D. Hartz**

*Co-Founder, Chief Executive Officer & Director, Eventbrite, Inc.*

A

And it's early days. We're very encouraged by the adoption that we're seeing of this product. Again, it's not a complete shock since we absolutely built it with the creators' needs in mind and has really built it in partnership with our customers. But I think that it's very early days and we think there's a lot of room to grow to be selling this new product to the vast creator base on Eventbrite. I mean, again, just in Q2 alone, we added 88,000 new creators to the Eventbrite service.

**Youssef Squali**

*Analyst, Truist Securities, Inc.*

Q

Got it. Okay. Thank you.

**Operator:** Our final question today comes from Dae Lee of JPMorgan. Dae, your line is open. Please go ahead.

**Dae K. Lee**

*Analyst, JPMorgan Securities LLC*

Q

Great. Thanks for taking the question. First one maybe for Julia, you talked about frequent creators growing in the overall mix. As you look out longer term, what's the optimal mix of frequent creators versus new and – assuming new creators [ph] are now coming (32:33) to platform performing the same – performing at the same level as frequent creators, what's the normal lead time for newer creators to get to the same level of performance as the frequent creators?

And then secondly, maybe this one's for you Lanny, you talked about the sequential month-over-month growth from January to June. I was wondering if there's any regions that are outperforming versus other. Like what are some puts and takes when you look across regions?

**Julia D. Hartz**

*Co-Founder, Chief Executive Officer & Director, Eventbrite, Inc.*

A

Thanks so much, Dae. So, for frequent creators, we're seeing them become a stronger mix of our total creator base, that's growing over time, and where we see strength is in not only acquiring more but also seeing them host more events by creator, obviously. That's a strong signal that we've seen throughout the pandemic. And it signals

to us that they have content that is in demand and they are resilient through these volatile periods, and that's a customer that you want to bet on all day long.

So I think that our strategic focus over the next few years on strengthening Eventbrite to be a better platform for these frequent creators by making it easier to manage multi-event series on the platform as well as build out more sophisticated marketing to reach audiences for and different events. And then the third thing I would say is to help them drive demand by offering things like the follow feature where a creator can be followed by a consumer on Eventbrite and get the updated events as they are posted.

I think these are all ways in which we can start to turn that flywheel more and start to help them gain more traction as well as – choose more events more frequently. Frequency, I think you've heard us say it a lot is really important to our business because it effectively makes Eventbrite the operating system for this small business owner, and it starts to really lock in that consistency of recurring revenue from our paid frequent creators. And so that's really underlying some of our focus on frequency. And I think that when we see successful creators ramp on the platform, we have a saying at Eventbrite that these creators are – they're really born, they're not made by Eventbrite. So they come with a great idea and it takes off, I wouldn't say quite easily, but I'd say that it has a strong clear signal of success within the first 45 days from publishing to ticket sales or to the event happening and the ticket sales in between. So that's what I would say around frequent creators. Hopefully I answered your question.

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**Charles C. Baker**

*Chief Financial Officer, Eventbrite, Inc.*

A

And I think in terms of the regional – sorry, regions around the world, we had talked about Australia and New Zealand which two countries did a really strong job comparatively in controlling the virus early on and being able to reopen pretty quickly. And within five quarters of the onset of COVID, Australia and New Zealand are at new all-time record levels of paid tickets.

We didn't – it was later that the sort of starting gun was fired in the United States and in UK. UK had their reopening plan announced early in the spring. In United States as we went to March, April, May you saw the vaccinations being rolled out across various age groups and those markets accelerated at the time. So, we saw in the second quarter all of our major markets were really very strong across the board, and that continued all the way to the end of the quarter.

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**Dae K. Lee**

*Analyst, JPMorgan Securities LLC*

Q

Thank you, both. And as a follow-up, if I can. I think, Lanny, you talked about not seeing the impact of Delta variant in your numbers right now. So I'm curious is there something different about live events or maybe the restrictions that are maybe not targeting live events but might be [indiscernible] (36:47) that? Or I mean, is there something structure that different about the events that you guys are hosting that might be more [ph] shouldered (36:55) from the Delta variant?

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**Charles C. Baker**

*Chief Financial Officer, Eventbrite, Inc.*

A

Well, I do think there are some differences in our events. As Julia said, 75% of the events in the quarter had 45 or fewer attendees. I think only about 5% of our events were more than 150 people. And so that's the size of event that is, I think, easier to move online move offline. It is a size of event that is I think we see creators really accelerating the frequency to accommodate what's very strong demand from consumers. And those are

presumably safer kind of venues – or safer gatherings in the pandemic situation. They are – we talk a lot about the nimbleness and the agility of our creators and there – these events are not without their logistical challenges, but our creators, the frequent creators are really very good at being able to turn them up and move them online if they need to. So I think to some degree that's helped our marketplace come back really strongly during the first half of this year.

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**Dae K. Lee**

*Analyst, JPMorgan Securities LLC*



That makes sense. Thank you, both.

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**Operator:** We have no further questions on the line, so that concludes today's call. Thank you all very much for joining us today. Have a good evening all.

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