

Etsy

Q2 2024

Financial Results

July 31, 2024

# Forward-looking Statements

This presentation contains forward-looking statements within the meaning of the federal securities laws. Forward-looking statements include but are not limited to: statements relating to our financial guidance for the third quarter 2024 and full year 2024 and underlying assumptions; our ability to drive consideration, retain relevancy, reignite GMS growth, and achieve our full potential; our ability to differentiate ourselves from other online marketplaces; the impact of our marketing strategies, including the shift towards paid social, on buyer retention, purchase frequency, consideration and GMS; the impact of highlighting quality and the best of Etsy; our expectations around the performance of our app and the launch of Etsy Insider; the impact of consumer discretionary product spending trends on GMS; our expectations around our new seller-focused brand campaign; and the impact of Gen AI & Advanced ML on our business.

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

Forward-looking statements involve substantial risks and uncertainties that may cause actual results to differ materially from those that we expect. These risks and uncertainties include but are not limited to: (1) the level of demand for our services or products sold in our marketplaces; (2) the importance to our success of the trustworthiness of our marketplaces and our ability to attract and retain active and engaged communities of buyers and sellers; (3) the fluctuation of our quarterly operating results; (4) our failure to meet our publicly announced guidance or other expectations; (5) any real or perceived inaccuracies in our operational metrics; (6) if we or our third-party providers are unable to protect against technology vulnerabilities, service interruptions, security breaches, or other cyber-related events; (7) our dependence on continued and unimpeded access to third-party services, platforms, and infrastructure; (8) macroeconomic events that are outside of our control; (9) operational and compliance risks related to our payments systems; (10) our ability to recruit and retain employees; (11) our ability to compete effectively; (12) enforcement of our marketplace policies; (13) our ability to enhance our current offerings and develop new offerings to respond to the changing needs of sellers and buyers; (14) risks related to our environmental, social, and governance activities and disclosures; (15) our efforts to expand our operations outside of the United States; (16) acquisitions that may prove unsuccessful or divert management attention; (17) failure to deal effectively with fraud; (18) compliance with evolving regulations, including in the area of privacy and data protection; and (19) litigation and regulatory matters, including intellectual property claims. These and other risks and uncertainties are more fully described in our filings with the Securities and Exchange Commission, including in the section entitled "Risk Factors" in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, and subsequent reports that we file with the Securities and Exchange Commission. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, we cannot guarantee future results, levels of activity, performance, achievements, or events and circumstances reflected in the forward-looking statements will occur. Forward-looking statements represent our beliefs and assumptions only as of the date hereof. We disclaim any obligation to update forward-looking statements.

This presentation is a high-level summary of our Q2 2024 financial results. For more information please refer to our press release dated July 31, 2024 and filings with the SEC. **Please see the appendix for a reconciliation of the non-GAAP financial measures used in this presentation to their respective most directly comparable financial measures, where available, calculated in accordance with GAAP.**

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

Q2 24 consolidated results came in at high end of or ahead of guidance

Etsy Marketplace GMS accelerated from the Q1 performance (-5.3% Y/Y vs. -3.2% Y/Y), showing improvement across most categories

Q2 24 Consolidated GMS

**\$2.9B**

-2.1% Y/Y and -1.9% Y/Y on a currency neutral basis

Q2 24 Consolidated Revenue

**\$648M**

+3.0% Y/Y

Q2 24 Consolidated Adj. EBITDA

**\$179M**

27.7% Adj. EBITDA Margin

GMS, revenue, and adjusted EBITDA are consolidated unless otherwise indicated.

# Our 'Bold Moves' to drive Consideration and reignite GMS are moving the needle



## Consideration

Get buyers to think of Etsy more often

Gift Mode™ + Loyalty Program



## Quality

Make it easier to find 'the good stuff' on Etsy

Search & Listing Quality



## Great Value

Drive association that there are great deals on Etsy

Highlighting and promoting great value  
More predictable Delivery Cost



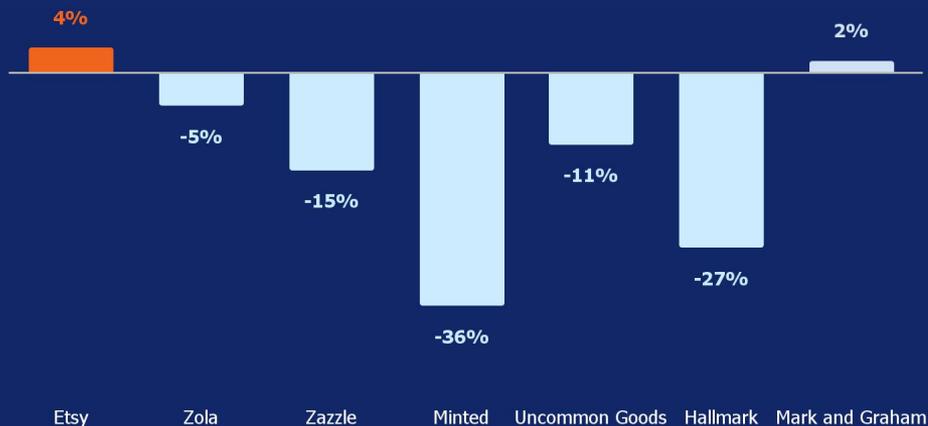
## Reliability

Make shopping on Etsy more convenient

Machine learning investments in Delivery Speed  
X-Border in Europe  
Payment Improvements

# Gift-giving is a winning theme: driving growth as a key source of differentiation

Q2 24 Etsy sitewide 'Gifting' GMS vs Peers<sup>1,2</sup>



Etsy Q2 24 actual Y/Y U.S. GMS compared to NRF forecasted performance for these events<sup>3,4</sup>



**'Gifting' GMS meaningfully outpaced overall Etsy marketplace performance – up 4% Y/Y; outperformed peers<sup>1,2</sup>**

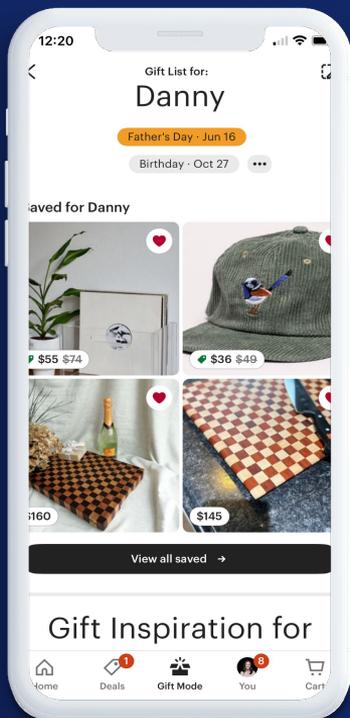
<sup>1</sup> Etsy Gifting GMS: Estimate based upon word 'gift' in the listing title, shipped with a gift message, or other signal the item was purchased as a gift.

<sup>2</sup> Source: Consumer Edge spend data from sampling of credit card transactions from U.S. online 'gifting' peers Zola, Zazzle, Minted, Uncommon Goods, Hallmark, and Mark and Graham.

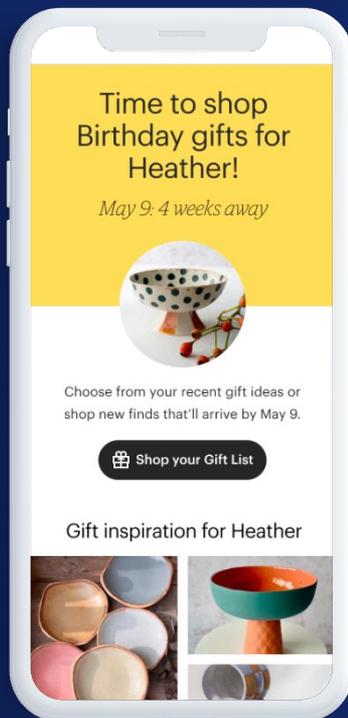
<sup>3</sup> Etsy U.S. GMS estimate is based upon the relative holiday being used in the listing title.

<sup>4</sup> NRF's 2024 Mother's Day, Father's Day and Graduation Spending Survey, conducted by Prosper Insights & Analytics.

Launched significant improvements to the Gift Mode shopping experience, and we are building brand awareness and consideration



*Gift Lists*



*Occasion Reminders*



Prompted consideration  
of Etsy for Gifts

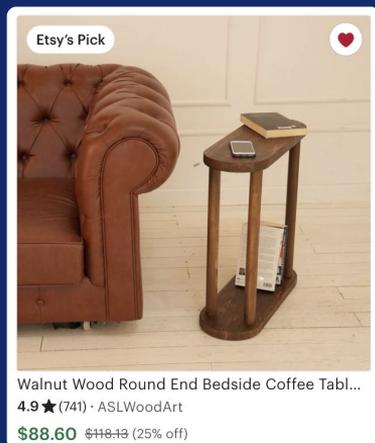
*"Etsy makes it easy to  
find a great gift"*

# Doing more than ever to ensure we highlight the very best of Etsy - differentiating us in a sea of commoditized merchandise



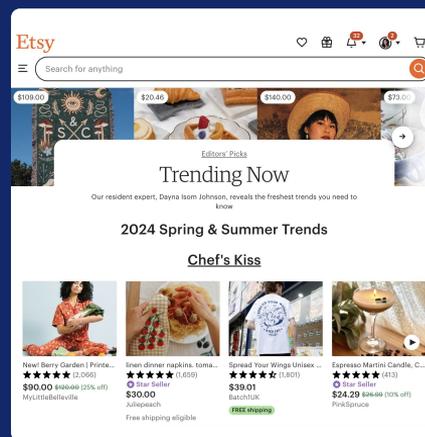
## Suppress & Remove

listings that violate Etsy's policies



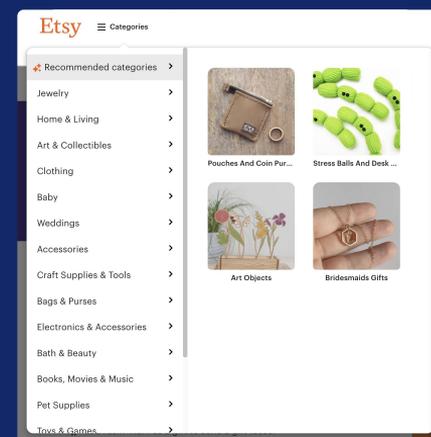
## Elevate

better-quality listings in Search & Recommendations



## Curate

the marketplace to show the newest and best listings on Etsy



## Organize

quality listings on our marketplace through better site segmentation

Search team made excellent progress highlighting the Quality and Diversity of Etsy's inventory - **better buyer experiences**

**Cut in half**

the percentage of searches where a high percentage of the listings seen on page one are from a single seller

**Over 70% reduction**

in the percentage of searches that have two or more listings that may appear identical

Early research suggests these search changes are having a positive **impact on buyer perception of the quality of Etsy's search results**



## And better seller experiences

~70% of shops\* had more visibility in search...

...With the share of search impressions from **small and medium shops increasing by nearly 30%**

Data on this slide represents recent search experimentation.

\*Share of all shops that had at least one impression during the respective period of experiment.



# Doing more than ever to make it easier to find our sellers' best merchandise – introducing new 'Creativity Standards'

## 👉 Made by ShopName

- Handcrafted items
- Hand-assembled items
- Seller produced using automated / computerized tools



## 👉 Handpicked by ShopName

- Vintage
- Items from nature
- Collection of items that the seller selected and creatively packaged



## 👉 Designed by ShopName

- Sellers' original designs produced by a production partner
- Seller-prompted AI art
- Digital downloads of sellers' original designs
- Most items using a production partner



## 👉 Sourced by ShopName

- Craft supplies not made or designed by a seller
- Party decor
- Personalizable
- Print-on-Demand items



🥳👍!! Thank you Etsy! So wonderful to be a part of this! Handmade forever 🌸

57m 3 likes Reply

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❤️❤️❤️👍

2h 2 likes Reply

---

Almost 10 years selling on Etsy! I love it here thank you so much for including me 🙏💕

1h 4 likes Reply

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Love the focus on the faces behind the shops. People buy from people! ❤️

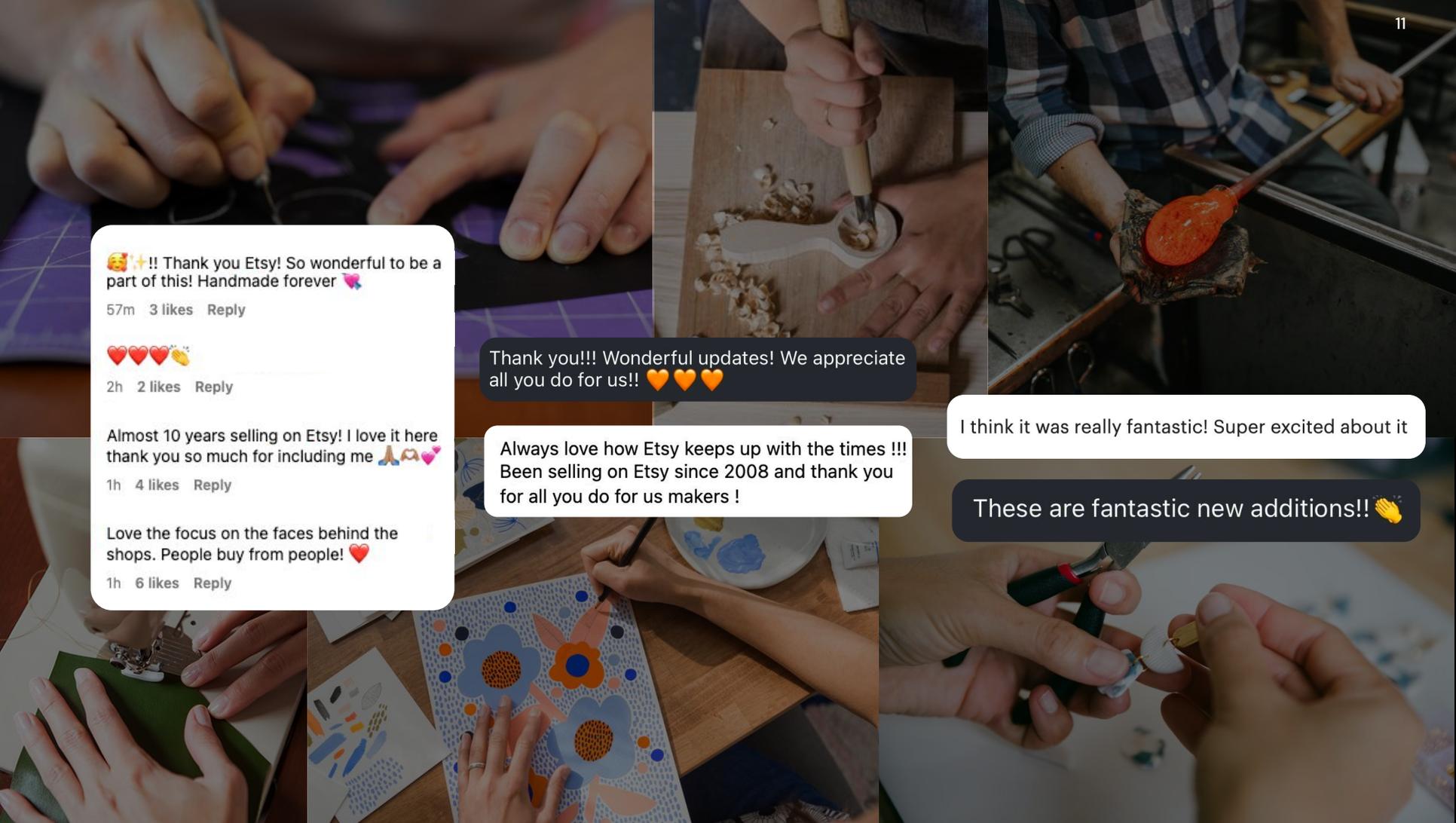
1h 6 likes Reply

Thank you!!! Wonderful updates! We appreciate all you do for us!! 🧡🧡🧡

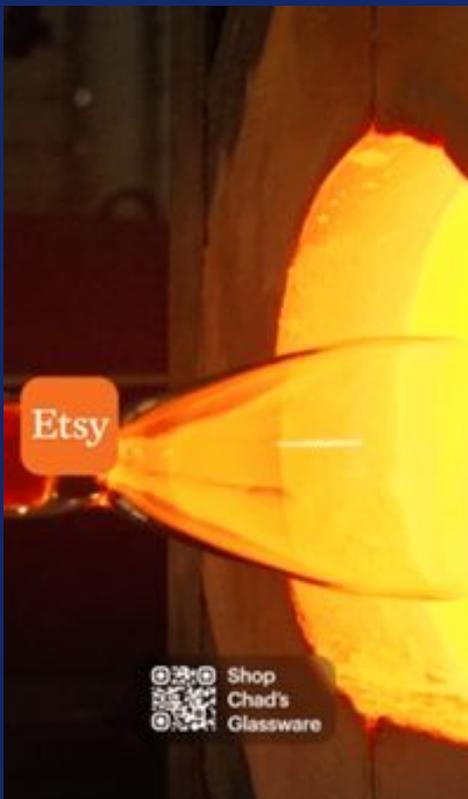
Always love how Etsy keeps up with the times !!! Been selling on Etsy since 2008 and thank you for all you do for us makers !

I think it was really fantastic! Super excited about it

These are fantastic new additions!! 🙌



'Made By' label comes to life in our creative: putting real Etsy sellers front and center to reinforce how we are Keeping Commerce Human





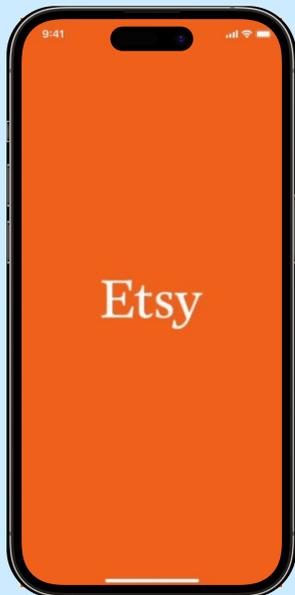
**Authentic & Accessible**



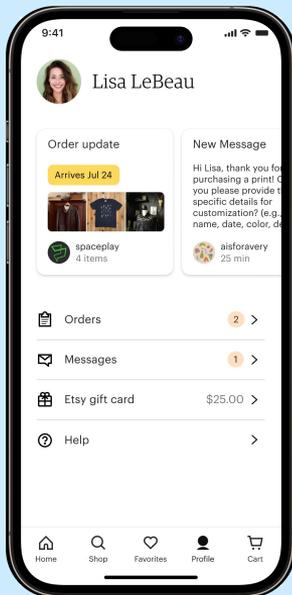
**Actionable & Aspirational**

# Making the 'Buy on Etsy' app the center of our customer experience\*

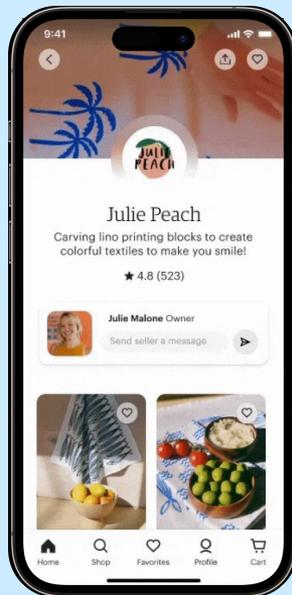
## A tailored welcome



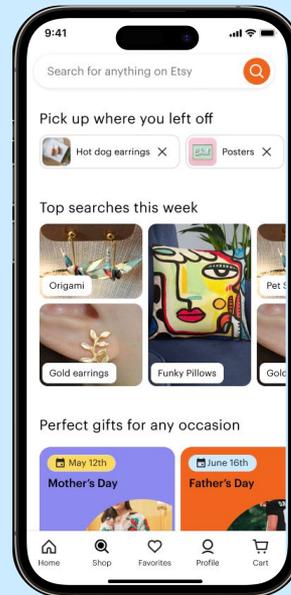
## Organized pathways



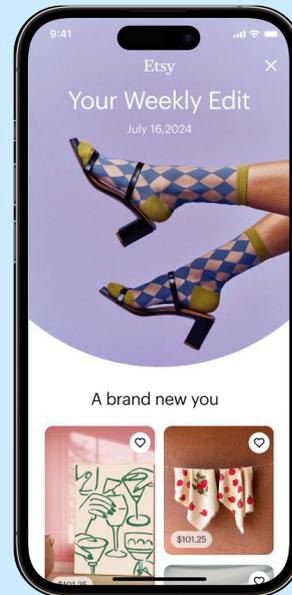
## Human connection



## Relevant exploration



## Fresh



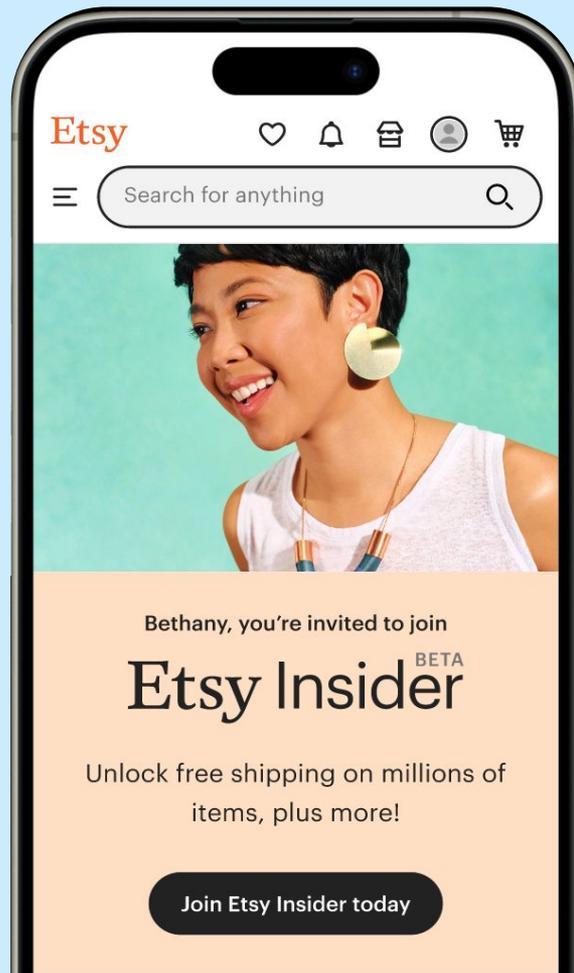
Drive frequency and engagement with low-intent shoppers, while continuing to convert buyers on clear shopping missions

\*Slide is illustrative

**‘Etsy Insider’** beta will launch mid-September to highly targeted U.S. buyers - ‘North Star’ to drive frequency and GMS/ buyer

### **Paid program with benefits:**

- Free U.S. domestic shipping on millions of items
- Discounts and first-access Merch
- And More!



# Gen AI & Advanced ML fueling efficiencies and future growth

## ✨ Gen AI at Etsy

Usage & experimentation across 20+ use cases...in Product Development alone!

### Strategy

- Remove barriers to experimentation.
- Experiment freely, keeping what works.
- Prefer buying / partnering to building in order to increase the speed and breadth of adoption.



Improving **user experience** with Conversational Search, Review summaries



**Search Optimizations** including query understanding and mission understanding



**Fraud detection** including convo spam detection



**Productivity** with tools like Copilot, Glean Search and Chat



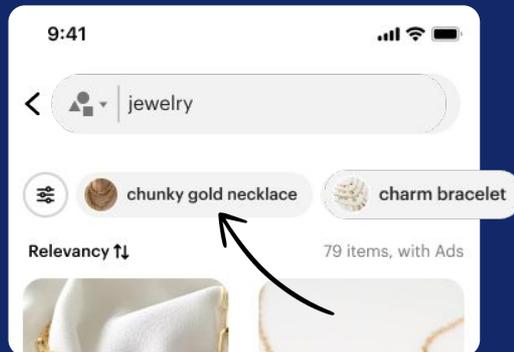
**Inventory Understanding** including attributes & taxonomy



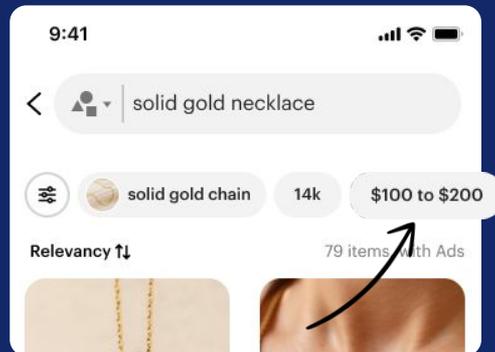
**Customer Support** including support bots and agent assist technology

# One example of the journey we are on to utilize Gen AI and Advanced ML to improve Search and Discovery... and positively impact GMS

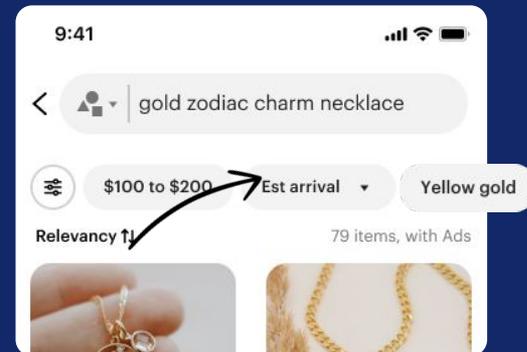
**Demi-fine jewelry sub category:** helping buyers **refine** what they are looking for, **discover** new items, **narrow** their search, and **weed out** irrelevant items....



Assisting buyers in adding **more specific keywords**



Exposing **attributes** that allow for quick access when moving towards relevant merchandise



Making it easier for buyers to navigate and have **maximum control** in their buying experience



MEDIUM CLARITY

HIGHEST CLARITY

# Q2 24 consolidated results at high end or ahead of guidance

## Consolidated Results

### Q2 24 GMS

# \$2.9B

-2.1% Y/Y, -1.9%  
currency neutral basis



### Q2 24 Revenue

# \$648M

+3.0% Y/Y



### Q2 24 Adjusted EBITDA\*

# \$179M

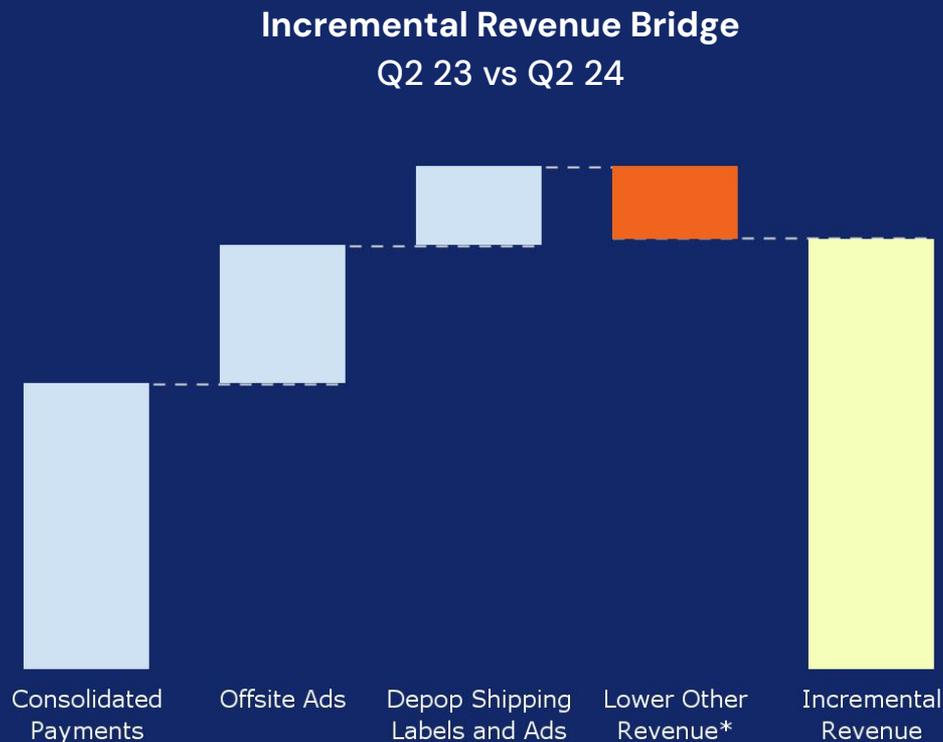
27.7% Adj. EBITDA Margin



\*Reconciliation of non-GAAP financial measures is contained in the Appendix.

Solid revenue performance driven by Payments and Offsite Ads, complemented by Depop's strong growth in shipping label and Ad revenue

**Q2 2024 consolidated take rate was 22.0%, ahead of guidance**

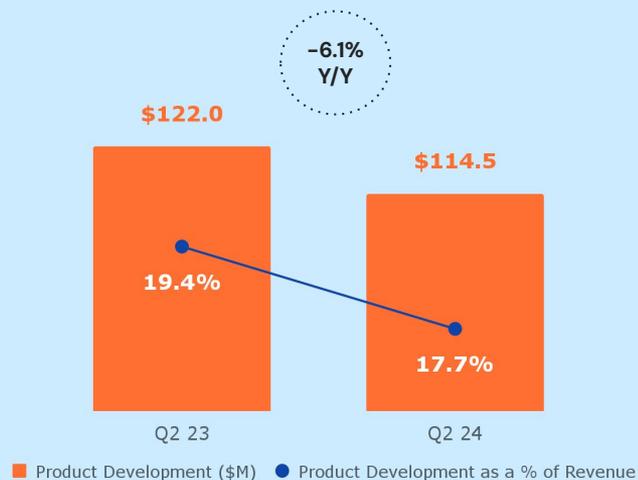


**Q2 24 Consolidated Revenue**  
**\$648M, up 3.0% Y/Y**

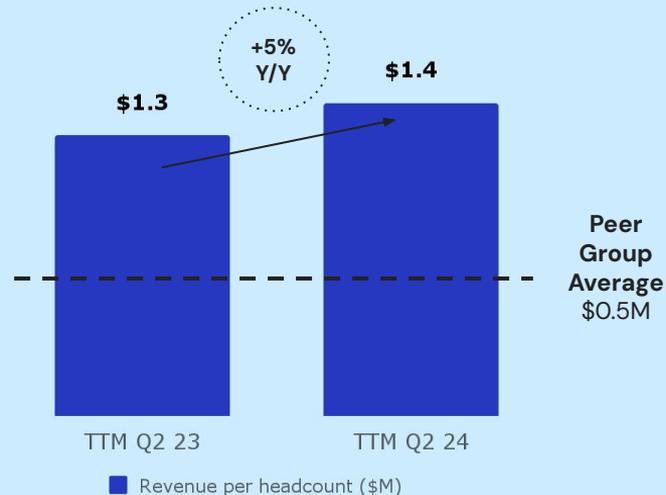
\*Revenue items above include the impact of lower Y/Y GMS where applicable. Other revenue primarily includes listing and transaction fee revenue and excludes Offsite Ads which is included elsewhere in the chart.

# We continue to drive leverage in product development spend, while also increasing revenue per headcount

## Consolidated Q2 24 Product Dev spend reflects leverage gained as a % of revenue



## Continued growth in Revenue per Headcount for the Etsy marketplace\*



\*Based on revenue and average headcount for TTM ended Q2 2023 and TTM ended Q2 2024

Peer average based on 2023 TTM headcount and Revenue; Peer set includes Mercado Libre, eBay, Amazon, Walmart, Target, Wayfair, Shopify, Wix, and GoDaddy

# We've been steadily diversifying the Etsy marketplace's paid marketing portfolio

## Paid Social Share of Performance Marketing Spend\* (Etsy marketplace)

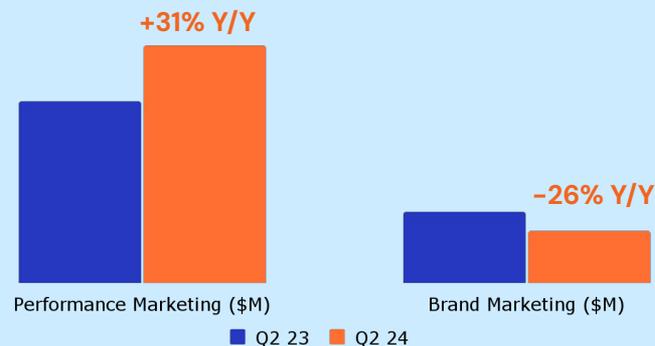


\*Paid social includes paid social video, creator collective, and affiliates

## Consolidated Marketing Spend as a % of Revenue

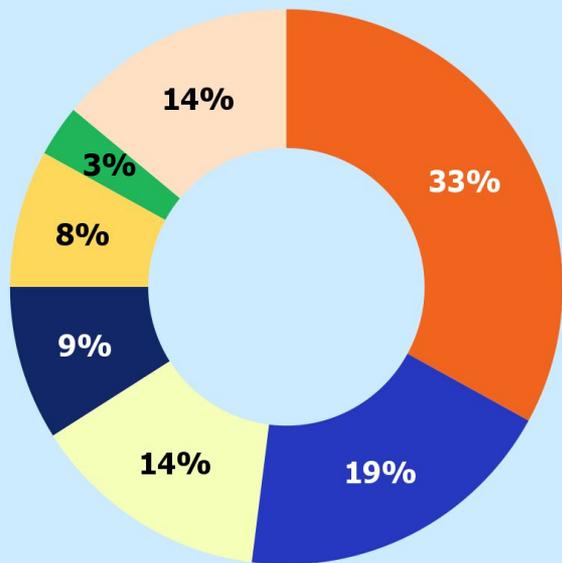


## Consolidated Performance & Brand Marketing Spend



## Q2 24 Etsy marketplace top 6 categories

approximate % GMS



● Home and Living  
 ● Jewelry & Accessories  
 ● Apparel  
● Craft Supplies  
 ● Paper & Party Supplies  
 ● Toys & Games  
 ● Other

Top 6 categories represented  
~86% of GMS

## Y/Y trends in top 6 categories



Y/Y trends improved in Q2 24 vs Q1 24  
in 5 of 6 categories

# Relative strength in active and reactivated Etsy marketplace buyers; growth in repeat buyers

Q2 24 Active Buyers

**91.5M**

+1.0% Y/Y

Q2 24 New Buyers

**5.6M**

-9.1% Y/Y

Q2 24 Reactivated Buyers

**6.4M**

+8.5% Y/Y

Q2 24 Repeat Buyers

**37M**

+2.0% Y/Y

Q2 24 Habitual Buyers

**6.9M**

-3.0% Y/Y

Q2 24 GMS / Active Buyer<sup>1</sup>

**\$124**

-3.2% Y/Y

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

Y/Y reflects Q2 2024 vs. Q2 2023.

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

See appendix for additional buyer metrics data



## Depop delivers strong Y/Y GMS growth; Reverb continues to gain share



- Very strong Y/Y GMS growth; particularly in the U.S.
- Removed selling fees in U.K. to empower sellers to earn more from their wardrobes. Rolled out in U.S. effective July 15
- Continues to highlight affordable music gear; launched Reverb 'Outlet' in June
- Invested in enhanced selling tools including a new listing management platform and 'quick' price editing capabilities

# Capital light business model delivers a healthy balance sheet and strong cash flow

Cash Balance 6/30/24<sup>1</sup>

**\$1.1B**

Q2 24 Consolidated Free Cash Flow

**\$141M**

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



In Q2 2024, we converted **approx. 90%** of our Adj. EBITDA to free cash flow on a trailing twelve month basis

# Etsy continues to return a significant portion of our free cash flow to shareholders through share repurchases

Etsy Share Repurchases (\$M) &  
Share Repurchases as % of Free Cash Flow



From 2017–2023, on average, we have used over 60% of our FCF for share repurchases

# Q3 24 Consolidated Guidance as of July 31, 2024

	<b>Q3 24 Guidance</b>
<b>GMS</b>	We currently anticipate that Consolidated Q3 24 GMS will decline in the low single digit range on a year-over-year basis.
<b>Take Rate</b>	Similar to Q2 24
<b>Adjusted EBITDA Margin</b>	~27%

**Regarding our full-year 2024 outlook, we reiterate that consolidated adjusted EBITDA margin should come in at least the same as the 2023 result.**

Please note that our guidance assumes currency exchange rates remain unchanged at current levels.

With respect to our expectations above, reconciliation of Adjusted EBITDA margin guidance to the closest corresponding GAAP measure is not available without unreasonable efforts on a forward-looking basis due to the high variability, complexity, and low visibility with respect to the charges excluded from Adjusted EBITDA; in particular, stock-based compensation expense, foreign exchange (gain) loss, interest and other non-operating income, net, provision for income taxes, acquisition, divestiture, and corporate structure-related expenses; and other non-recurring expenses.

Q&A

# Appendix

## Etsy marketplace GMS Ex-U.S. Domestic

Y/Y growth Q2 23 vs. Q2 24

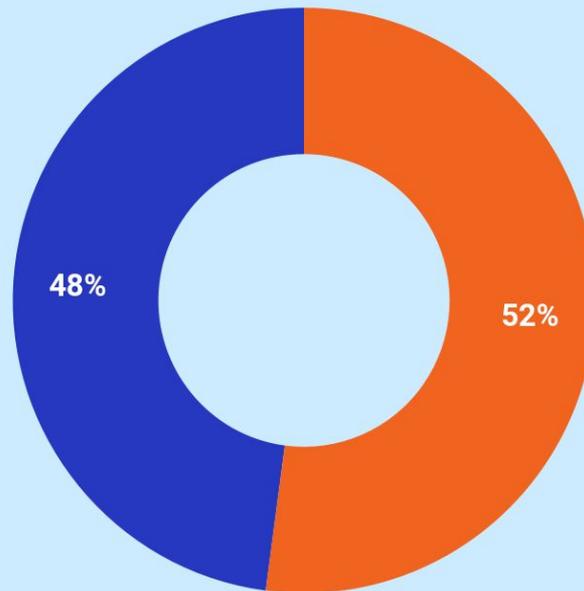
**-0.4%**

*GMS ex-U.S. Domestic saw >100 bps of sequential improvement*

Metrics presented represent the Etsy marketplace only.  
GMS Ex-U.S. Domestic = either buyer, seller, or both are located outside of the United States.

## Etsy Marketplace GMS

(by Geography %)



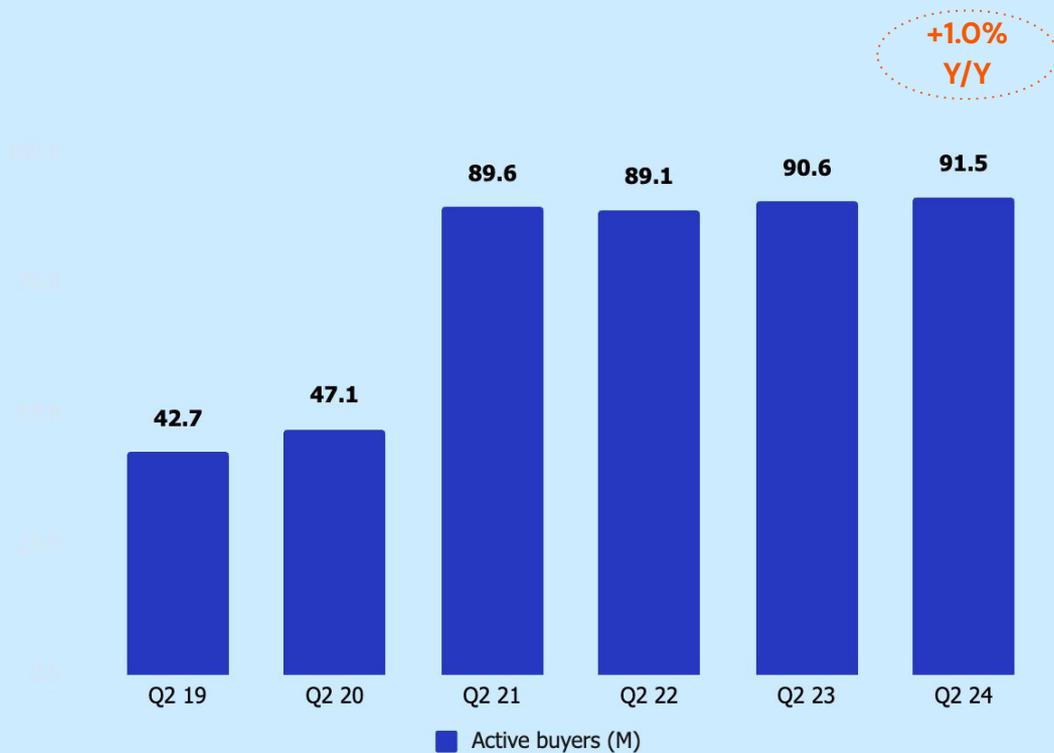
● US Domestic GMS (%) ● Ex-U.S. Domestic GMS (%)

## Etsy Marketplace Active Buyers

**Modest growth in U.S.**

**International growth**  
remained strong

**2.2% Y/Y increase** in active  
buyers who identify as men

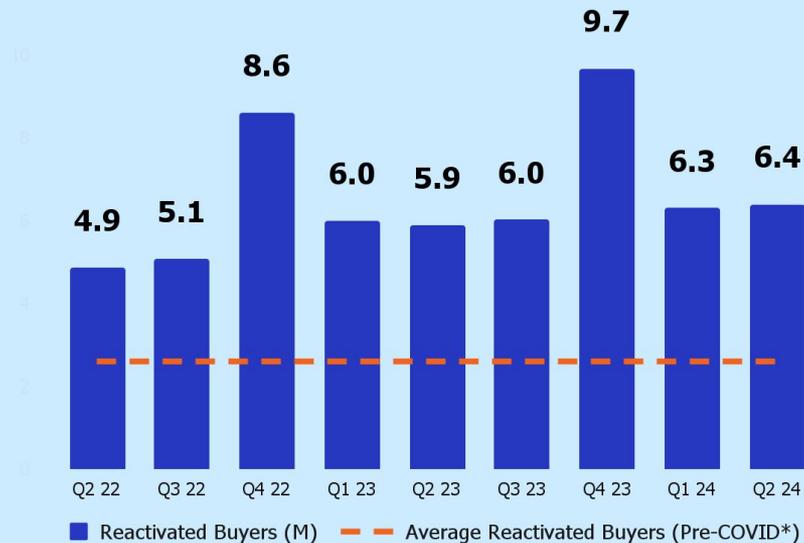


## New Buyers



A buyer is considered new if they use a unique e-mail address that has never been used for a purchase on the Etsy marketplace. Metrics presented are for the Etsy marketplace and do not include Reverb or Depop  
 \*Average new buyers pre-COVID is the average of new buyers for the periods Q1 2017 through Q4 2019

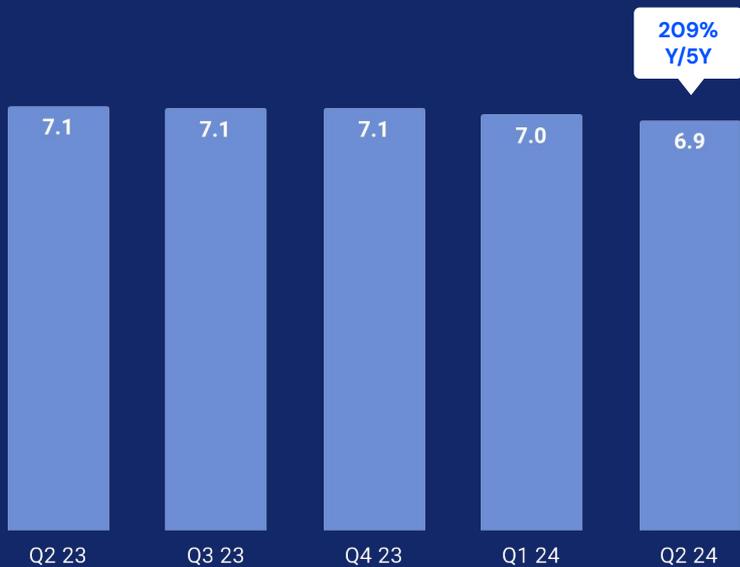
## Reactivated Buyers



\*Average reactivated buyers pre-COVID is average of quarterly data for the periods Q1 2017 through Q4 2019.

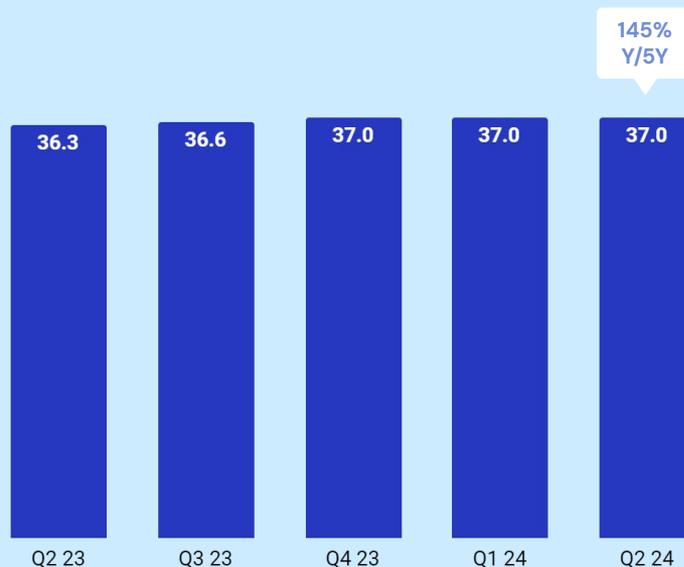
## Habitual Buyers

(Buyers in M)



## Repeat Buyers<sup>1</sup>

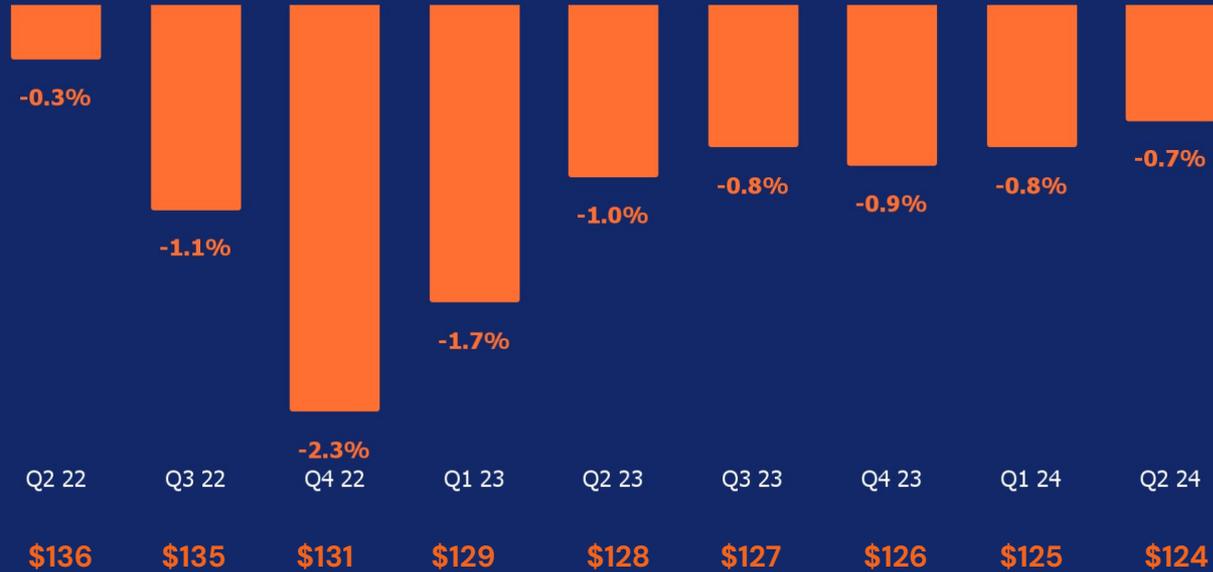
(Buyers in M)



Metrics presented are for the Etsy marketplace on a Trailing Twelve Month basis. Y/5Y represents Q2 19 vs. Q2 24.

<sup>1</sup>Repeat Buyers exclude Habitual Buyers on this slide.

## Etsy Marketplace TTM GMS per Active Buyer (Q/Q)



# Condensed Consolidated Balance Sheets

	As of June 30, 2024	As of December 31, 2023
<b>(in thousands)</b>		
Cash and cash equivalents	\$ 759,211	\$ 914,323
Short-term investments	240,679	236,118
Accounts receivable, net	10,324	24,734
Funds receivable and seller accounts	239,481	265,387
Property and equipment, net	238,798	249,794
Goodwill and intangible assets, net	573,429	595,517
Other current and non-current assets	386,166	399,527
<b>Total assets</b>	<b>\$ 2,448,088</b>	<b>\$ 2,685,400</b>
Accounts payable	\$ 13,070	\$ 29,920
Accrued expenses	256,819	353,553
Funds payable and amounts due to sellers	239,481	265,387
Long-term debt, net	2,285,950	2,283,817
Other current and non-current liabilities	287,764	296,438
<b>Total liabilities</b>	<b>3,083,084</b>	<b>3,229,115</b>
<b>Total stockholders' deficit</b>	<b>(634,996)</b>	<b>(543,715)</b>
<b>Total liabilities and stockholders' deficit</b>	<b>\$ 2,448,088</b>	<b>\$ 2,685,400</b>

# Condensed Consolidated Statement of Operations

	Three months ended 6/30/24	Three months ended 6/30/23
<b>(in thousands)</b>		
<b>Revenue</b>	<b>\$ 647,806</b>	<b>\$ 628,876</b>
Cost of revenue	184,090	188,638
Gross profit	463,716	440,238
<i>Marketing</i>	183,063	165,870
<i>Product development</i>	114,493	121,988
<i>General and administrative</i>	95,991	86,661
<i>Asset impairment charges</i>	-	68,091
Operating expenses	393,547	442,610
Income (loss) from operations	70,169	(2,372)
Other income, net	8,808	7,786
Income before income taxes	78,977	5,414
(Provision) benefit for income taxes	(25,972)	56,501
<b>Net income</b>	<b>\$ 53,005</b>	<b>\$ 61,915</b>
Net income per share — diluted	\$ 0.41	\$ 0.45

# Condensed Consolidated Statement of Operations

	Six months ended 6/30/24	Six months ended 6/30/23
<b>(in thousands)</b>		
<b>Revenue</b>	<b>\$ 1,293,760</b>	<b>\$ 1,269,753</b>
Cost of revenue	371,223	384,091
Gross profit	922,537	885,662
<i>Marketing</i>	374,874	337,184
<i>Product development</i>	224,339	237,912
<i>General and administrative</i>	185,065	166,648
<i>Asset impairment charges</i>	-	68,091
Operating expenses	784,278	809,835
Income from operations	138,259	75,827
Other income, net	20,373	10,858
Income before income taxes	158,632	86,685
(Provision) benefit for income taxes	(42,623)	49,767
<b>Net income</b>	<b>\$ 116,009</b>	<b>\$ 136,452</b>
Net income per share — diluted	\$ 0.89	\$ 0.98

# Condensed Consolidated Statement of Cash Flows

	Six months ended 6/30/24	Six months ended 6/30/23
<b>(in thousands)</b>		
<b>Net income</b>	<b>\$ 116,009</b>	<b>\$ 136,452</b>
<i>Net cash provided by operating activities</i>	220,094	191,902
<i>Net cash used in investing activities</i>	(27,744)	(42,713)
<i>Net cash used in financing activities</i>	(338,263)	(236,242)
Effect of exchange rate changes on cash	(9,199)	7,287
Net decrease in cash, cash equivalents, and restricted cash	(155,112)	(79,766)
Cash, cash equivalents, and restricted cash at beginning of period	914,323	926,619
<b>Cash, cash equivalents, and restricted cash at end of period</b>	<b>\$ 759,211</b>	<b>\$ 846,853</b>

# Reconciliation of Quarterly Net Income to Adj. EBITDA

	Q2'24	Q1'24	Q4'23	Q3'23	Q2'23
<b>(in thousands)</b>					
<b>Net income</b>	<b>\$ 53,005</b>	<b>\$ 63,004</b>	<b>\$ 83,266</b>	<b>\$ 87,850</b>	<b>\$ 61,915</b>
<i>Excluding:</i>					
<i>Interest and other non-operating income, net</i>	(3,947)	(5,310)	(4,904)	(5,430)	(5,934)
<i>Provision (benefit) for income taxes</i>	25,972	16,651	25,902	9,117	(56,501)
<i>Depreciation and amortization</i>	27,087	26,846	23,033	22,172	22,946
<i>Stock-based compensation expense</i>	74,717	70,683	68,476	70,118	77,281
<i>Foreign exchange (gain) loss</i>	(4,861)	(6,255)	11,194	(5,611)	(1,852)
<i>Acquisition, divestiture, and corporate structure-related expenses</i>	234	1,898	1,970	1,373	289
<i>Asset impairment charges</i>	-	-	-	-	68,091
<i>Loss on sale of business</i>	-	-	-	2,630	-
<i>Restructuring and other exit (income) costs</i>	(76)	418	26,577	-	-
<i>Retroactive non-income tax expense</i>	7,244	-	-	-	-
<b>Adjusted EBITDA</b>	<b>\$ 179,375</b>	<b>\$ 167,935</b>	<b>\$ 235,514</b>	<b>\$ 182,219</b>	<b>\$ 166,235</b>
<i>Divided by:</i>					
<i>Revenue</i>	\$ 647,806	\$ 645,954	\$ 842,322	\$ 636,302	\$ 628,876
<b>Adjusted EBITDA Margin</b>	<b>27.7 %</b>	<b>26.0%</b>	<b>28.0%</b>	<b>28.6%</b>	<b>26.4%</b>

# Reconciliation of Operating Cash Flow to Free Cash Flow

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

	Q2'24 (TTM) <sup>1</sup>	Q1'24 (TTM) <sup>1</sup>	Q4'23 (TTM) <sup>1</sup>	Q3'23 (TTM) <sup>1</sup>	Q2'23 (TTM) <sup>1</sup>
<b>(in thousands)</b>					
Net cash provided by operating activities	\$ 733,705	\$ 718,915	\$ 705,513	\$ 702,158	\$ 690,216
Purchases of property and equipment	(14,994)	(12,946)	(12,938)	(9,626)	(8,456)
Development of internal-use software	(28,448)	(28,457)	(26,958)	(23,188)	(21,542)
<b>Free Cash Flow</b>	<b>\$ 690,263</b>	<b>\$ 677,512</b>	<b>\$ 665,617</b>	<b>\$ 669,344</b>	<b>\$ 660,218</b>

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

# Reconciliation of Operating Cash Flow to Free Cash Flow

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	H1 2024	Year ended 12/31/23	Year ended 12/31/22	Year ended 12/31/21	Year ended 12/31/20	Year ended 12/31/19	Year ended 12/31/18	Year ended 12/31/17
<b>(in thousands)</b>								
Net cash provided by operating activities	\$ 220,094	\$ 705,513	\$ 683,612	\$ 651,551	\$ 678,956	\$ 206,920	\$ 198,925	\$ 69,101
Purchases of property and equipment	(5,908)	(12,938)	(10,237)	(11,248)	(1,445)	(7,528)	(1,019)	(3,948)
Development of internal-use software	(14,093)	(26,958)	(20,506)	(16,922)	(5,665)	(7,750)	(19,537)	(9,208)
<b>Free Cash Flow</b>	<b>\$ 200,093</b>	<b>\$ 665,617</b>	<b>\$ 652,869</b>	<b>\$ 623,381</b>	<b>\$ 671,846</b>	<b>\$ 191,642</b>	<b>\$ 178,369</b>	<b>\$ 55,945</b>

# Reconciliation of Operating Cash Flow to Free Cash Flow

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

	Q2'24
(in thousands)	
Net cash provided by operating activities	\$ 151,061
Purchases of property and equipment	(3,651)
Development of internal-use software	(6,637)
Free Cash Flow	\$ 140,773