coupang

Q1 2024 Financial Results

May 7, 2024

Disclaimer

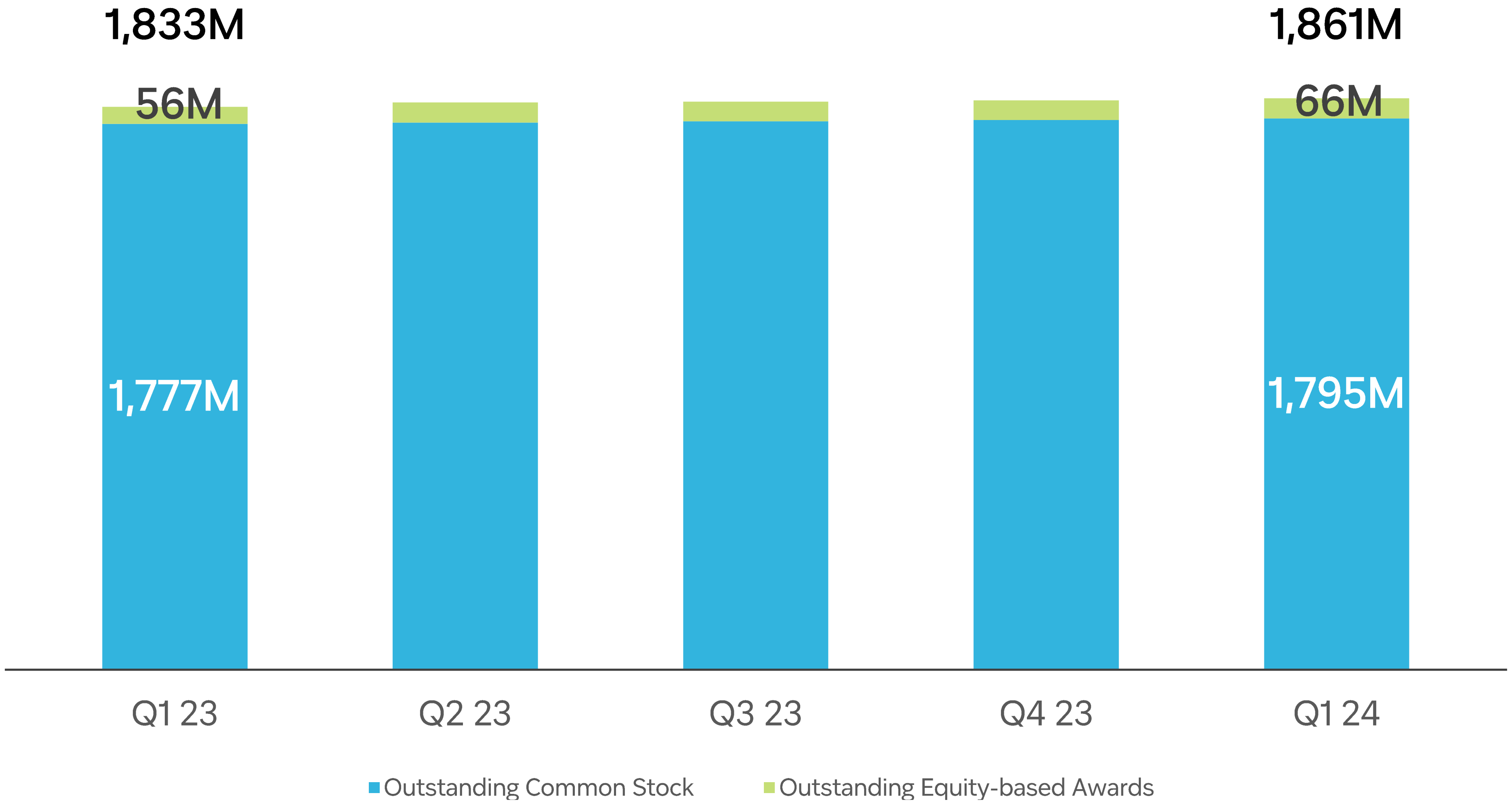
Forward-Looking Statements

This presentation may contain statements that may be deemed to be "forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the “Act”), that are intended to enjoy the protection of the safe harbor for forward-looking statements provided by the Act as well as protections afforded by other federal securities laws. We have based the forward-looking statements contained in this report on our current expectations and projections about future events and trends that we believe may affect our industry, business, financial condition, and results of operations. Actual results and outcomes could differ materially for a variety of reasons, including, among others: the continued growth of the retail market and the increased acceptance of online transactions by potential customers, competition in our industry, managing our growth and expansion into new markets and offerings, risks associated with current and future acquisitions, mergers, dispositions, joint ventures or investments, our financial performance, the extent to which we owe income or other taxes, our ability to retain existing suppliers and to add new suppliers, our market position, our operation and management of our fulfillment and delivery infrastructure, legal and regulatory developments, and the impact of the global economy including inflation, foreign currency exchange rates and geopolitical events. For additional information on other potential risks and uncertainties that could cause actual results to differ from the results predicted, please see our most recent Annual Report on Form 10-K and subsequent filings. All forward-looking statements in this presentation are based on information available to Coupang and assumptions and beliefs as of the date hereof, and we disclaim any obligation to update any forward-looking statements, except as required by law. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements.

Additional information relating to certain of our financial measures contained herein, including non-GAAP financial measures, is available in the appendix to this presentation, our most recent earnings release and at our website at www.ir.aboutcoupang.com.

Common Stock

1.5% YoY Dilution

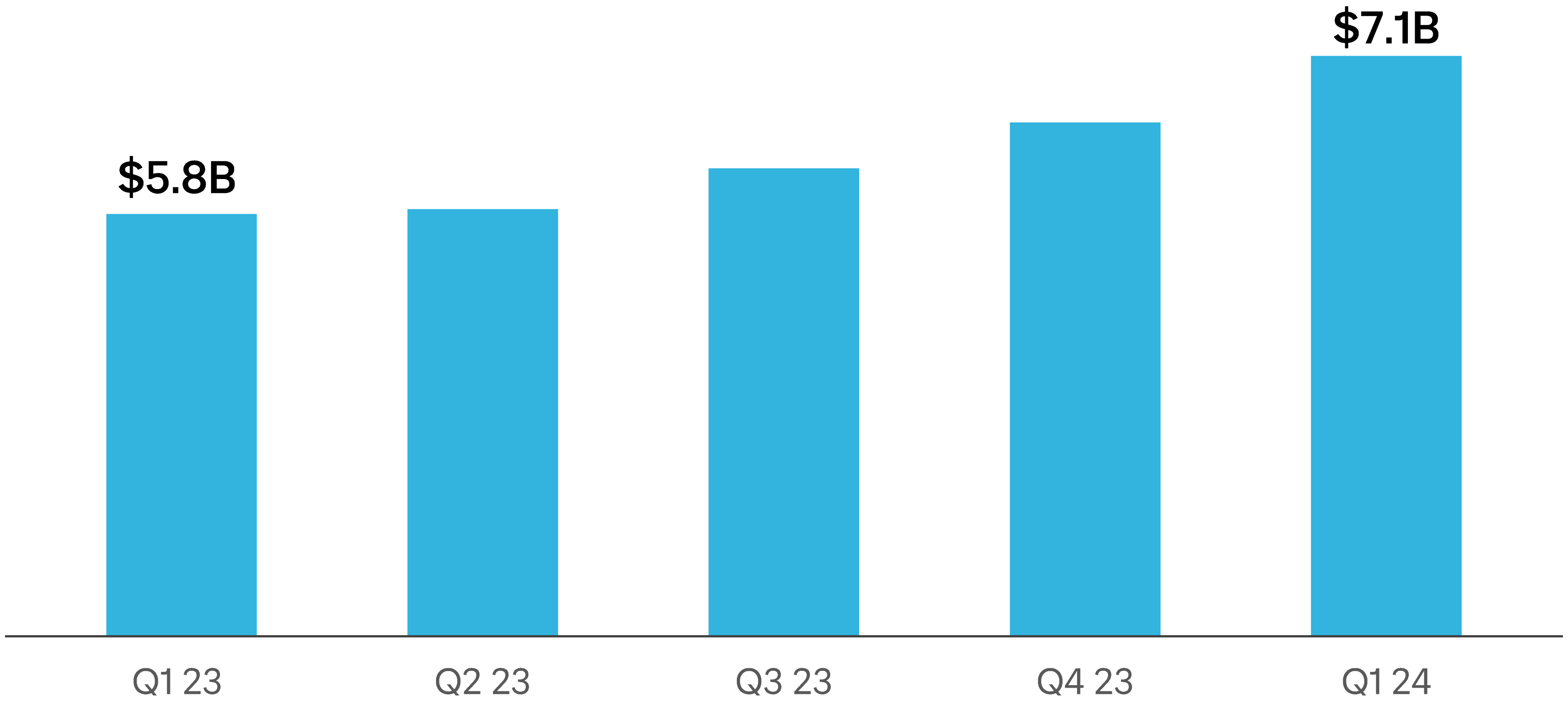


Note: Dilution represents the change in the total of outstanding common stock and outstanding equity-based awards.

Total Net Revenues

Up 23% YoY, 18% excl. Farfetch
Up 28% YoY FX-neutral, 23% excl. Farfetch

Would have been ~10 percentage points higher without FLC accounting change

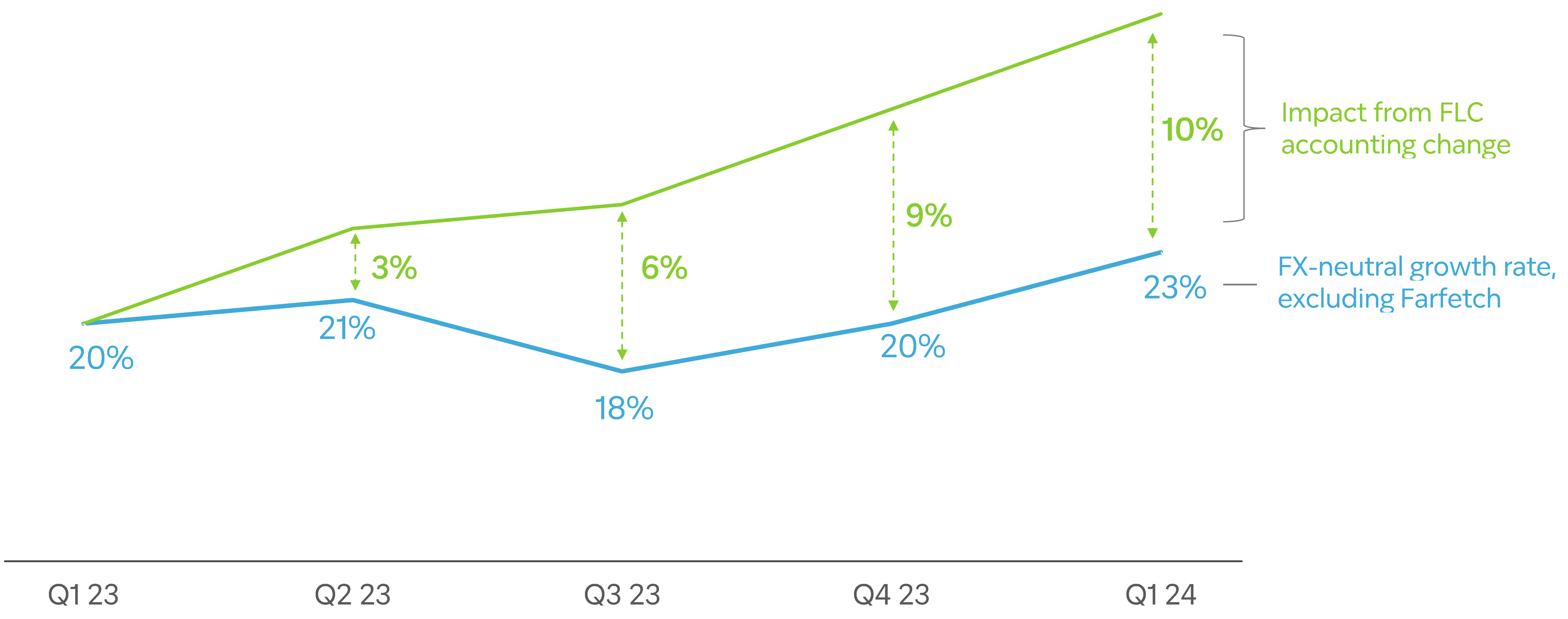


Note: At the end of January in 2024, we completed the acquisition of the assets of Farfetch. As a result, Farfetch is now included in our consolidated results and in our Developing Offerings segment. The Farfetch results are included on a prospective basis beginning on the date of acquisition, with no adjustments made to any periods prior to the date of the acquisition.

Note: FX-neutral represents the change in net revenues as though the foreign exchange rates remained the same as those in effect in the comparable prior year period.

Note: Starting in Q2 2023, we implemented certain contract changes that resulted in a change to the prospective accounting for FLC revenue (previously on a gross basis, and now on a net basis). We estimate the Q1 2024 growth rate would have been approximately 10 percentage points higher without this accounting change.

Total Net Revenues Accelerating Growth Rate

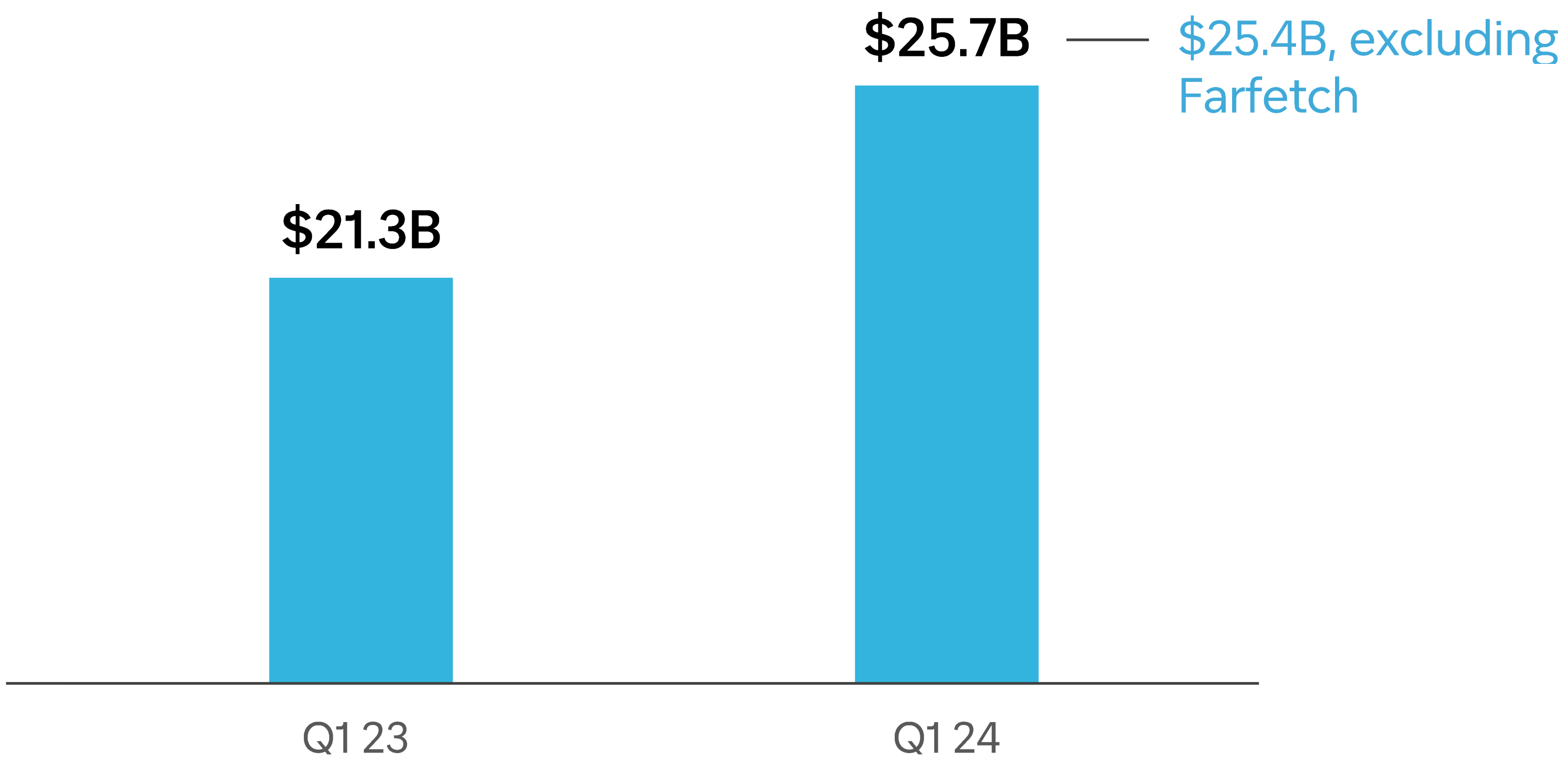


Note: We estimate that the growth rates for each quarter would have been higher on a comparative basis without the FLC revenue accounting change in Q2 2023.

Total Net Revenues - TTM

Up 21% YoY, 19% excl. Farfetch
Up 22% YoY FX-neutral, 20% excl. Farfetch

Would have been **~750 bps** higher without FLC accounting change

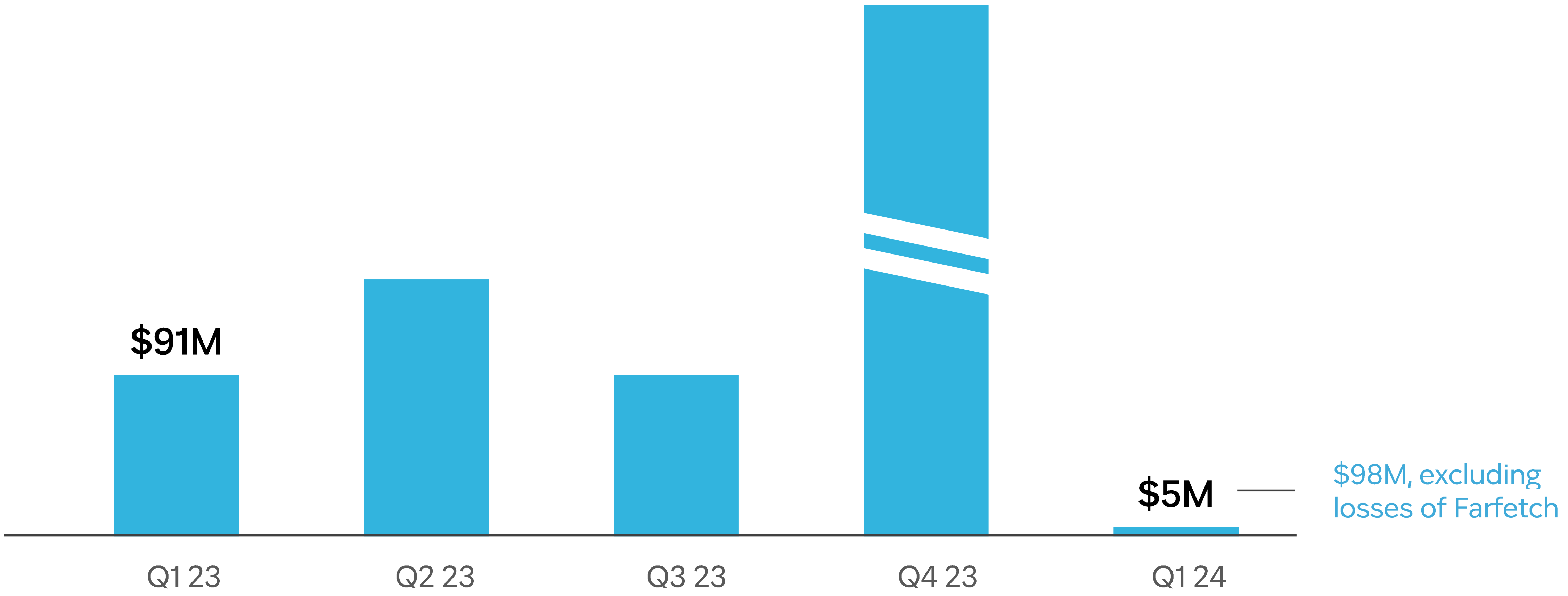


Note: We estimate that the Q1 2024 TTM growth rate would have been approximately 750 bps higher without the FLC revenue accounting change in Q2 2023.

Note: TTM represents trailing twelve months.

Net Income Attributable to Coupang Stockholders

Down $86M YoY

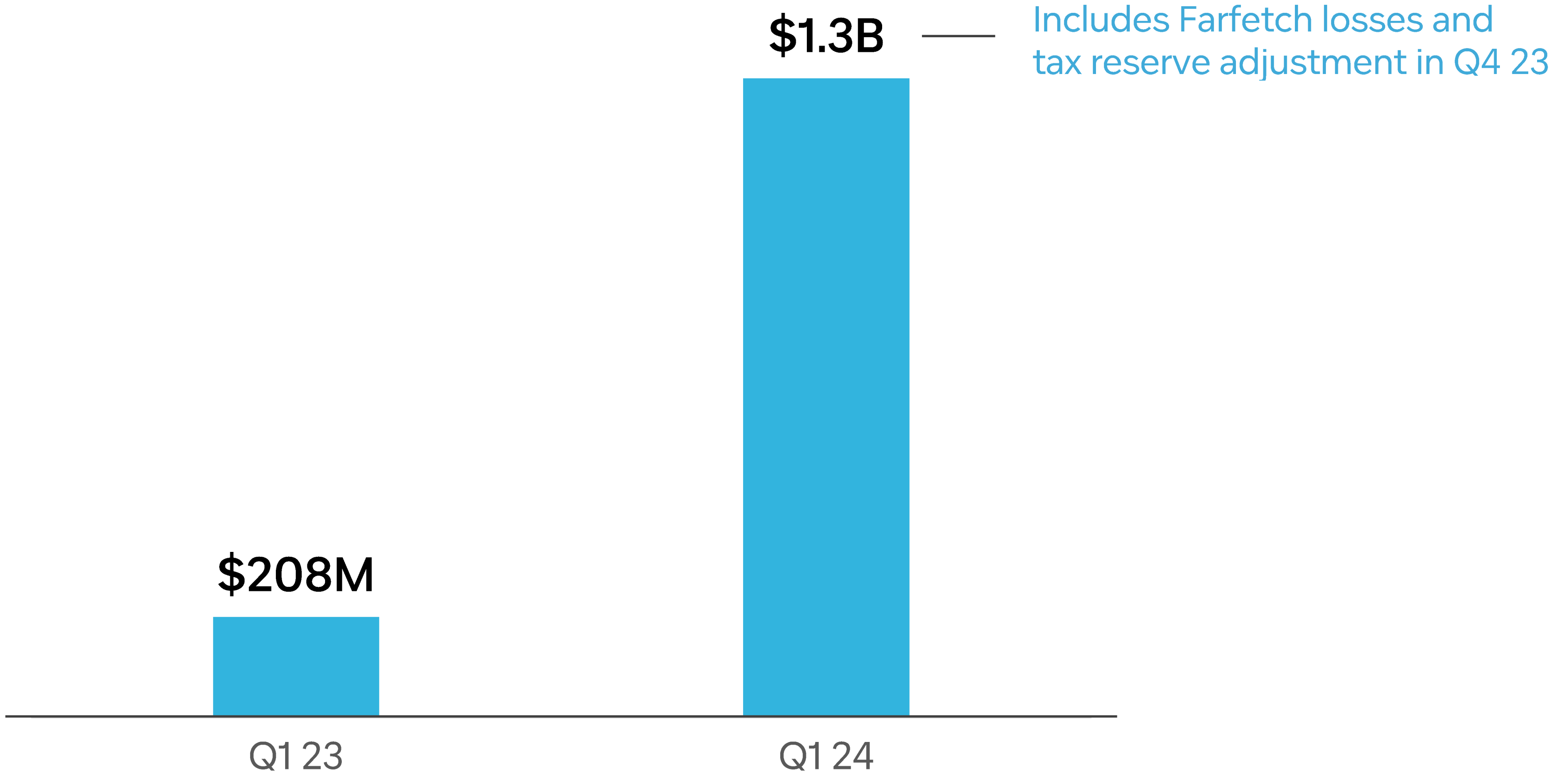


Note: During Q4 2023 we recorded a non-recurring adjustment of $895 million from changes in tax-related reserves, including the release of valuation allowances related to certain deferred tax assets from historical net operating losses.

Note: Q1 2024 includes $93M of losses of Farfetch. Excluding the losses of Farfetch, net income attributable to Coupang stockholders would be $98 million.

Net Income Attributable to Coupang Stockholders - TTM

Up $1.1B YoY

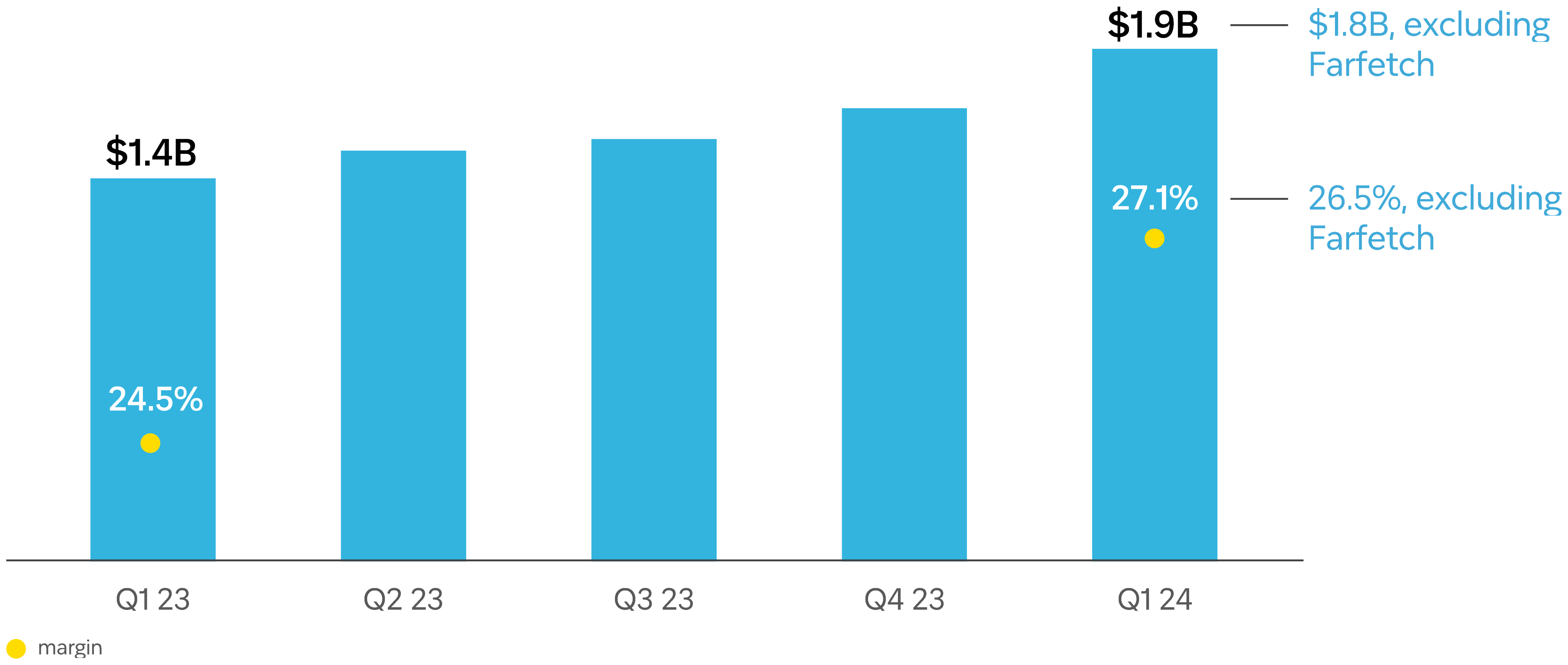


Note: During Q4 2023 we recorded a non-recurring adjustment of $895 million from changes in tax-related reserves, including the release of valuation allowances related to certain deferred tax assets from historical net operating losses.

Note: Q1 2024 includes $93 million in losses of Farfetch.

Gross Profit

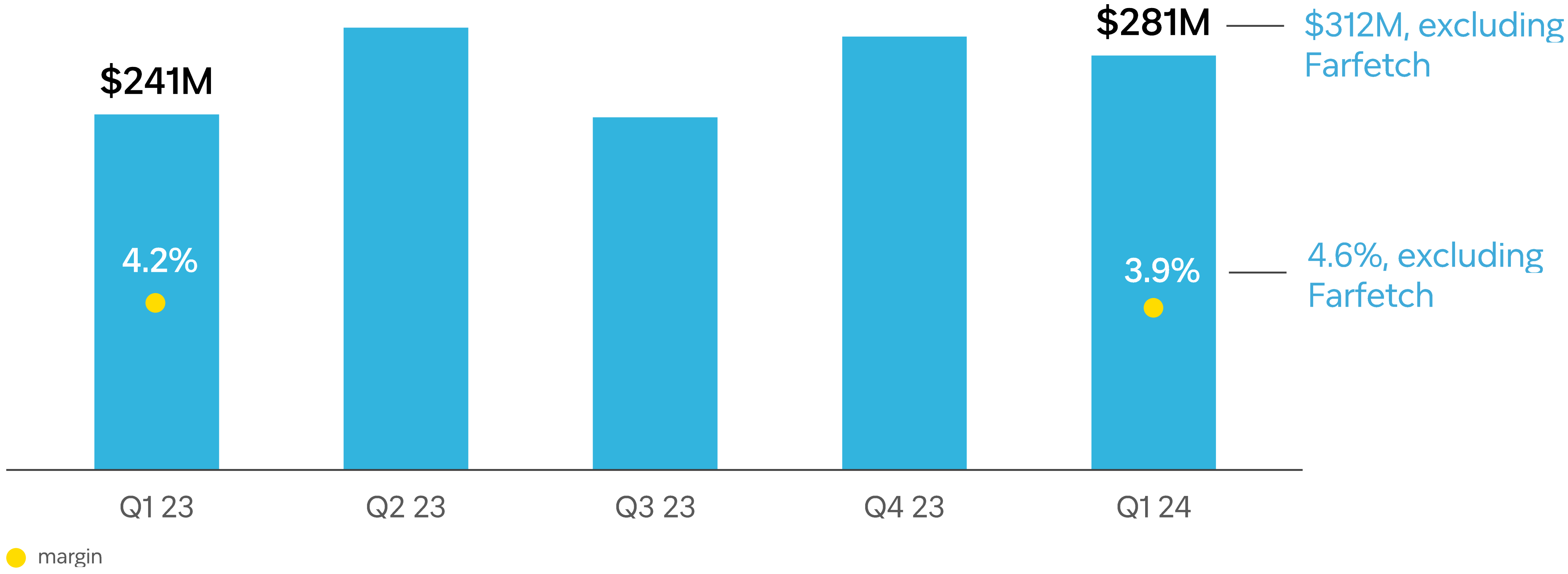
Up 36% YoY
GPM up 260 bps YoY, 200 bps excl. Farfetch



Adjusted EBITDA

Up $40M YoY
3.9% margin, down 20 bps YoY

Would have been **~30 bps** lower without FLC accounting change

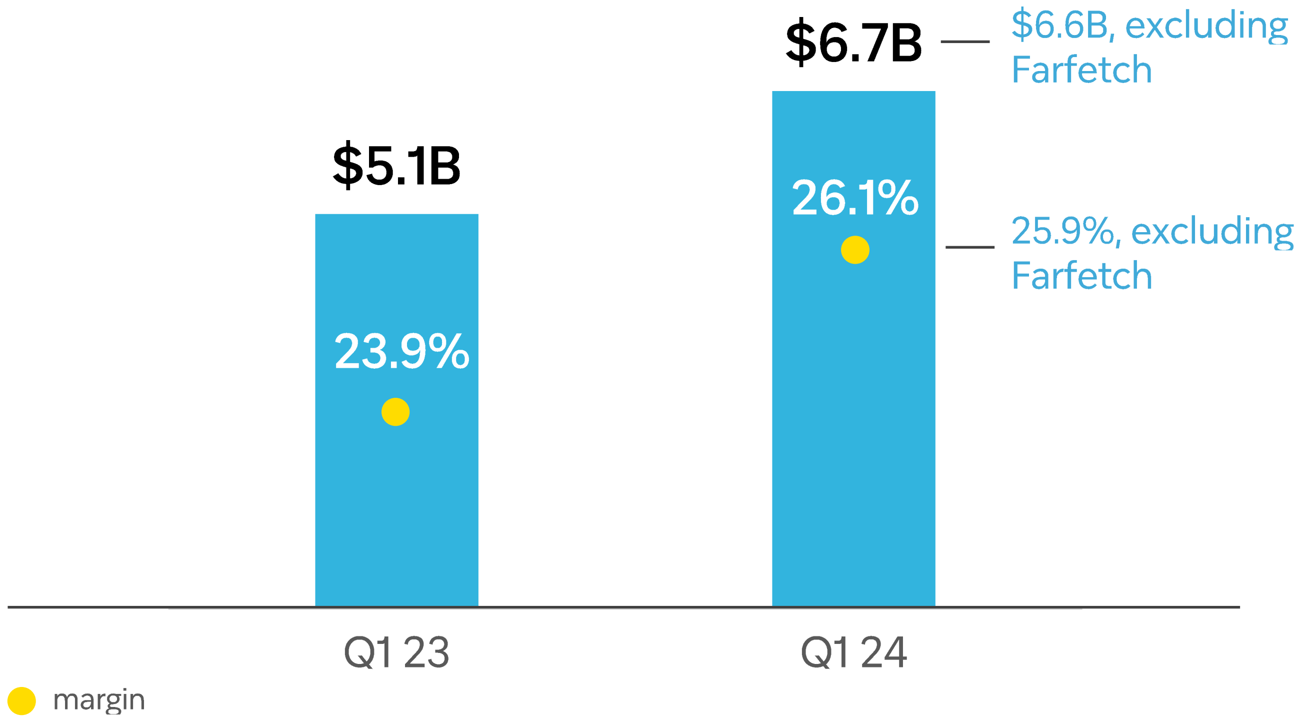


Note: Adjusted EBITDA defined as net income (loss) excluding the effects of: depreciation and amortization, interest expense and income, other income (expense), income tax expense (benefit), equity-based compensation, impairments, and other items not reflective of our ongoing operations. See Appendix for a reconciliation of net income to adjusted EBITDA.

Note: We estimate that the Q1 2024 adjusted EBITDA margin would have been approximately 30 bps lower without the FLC revenue accounting change in Q2 2023.

Gross Profit - TTM

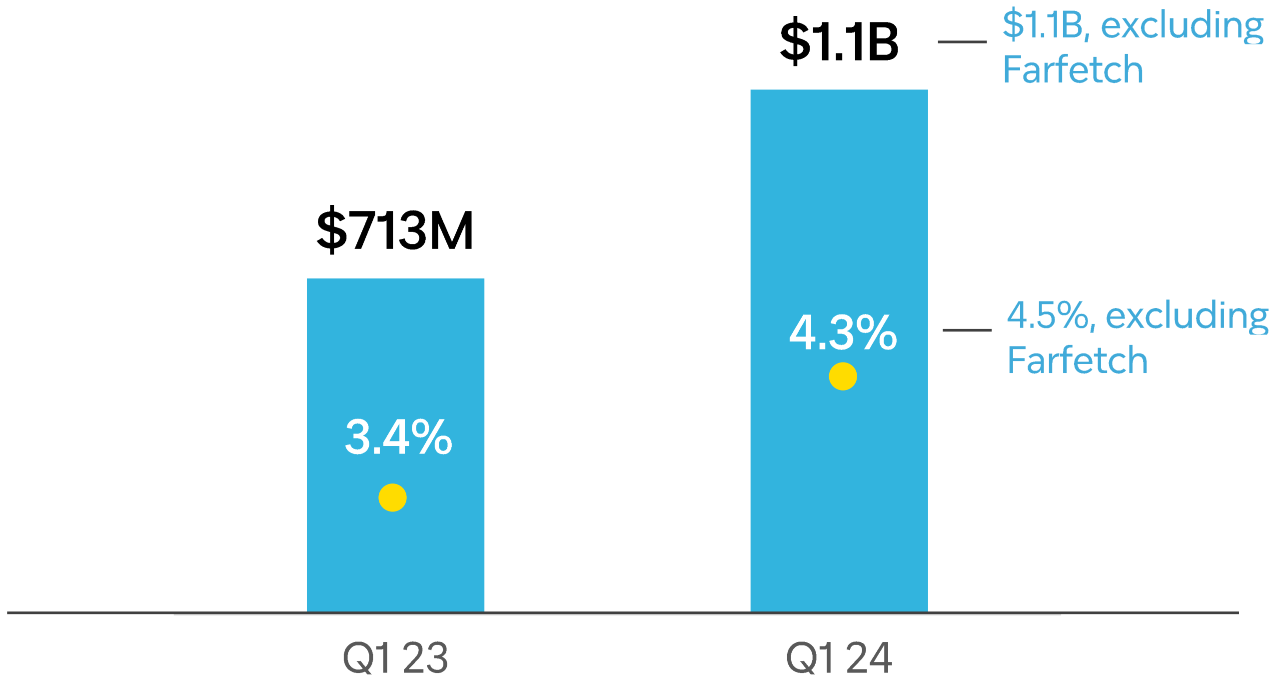
Up 32% YoY
GPM up 220 bps YoY



Adjusted EBITDA - TTM

Up $400M YoY
4.3% margin, up 100 bps YoY

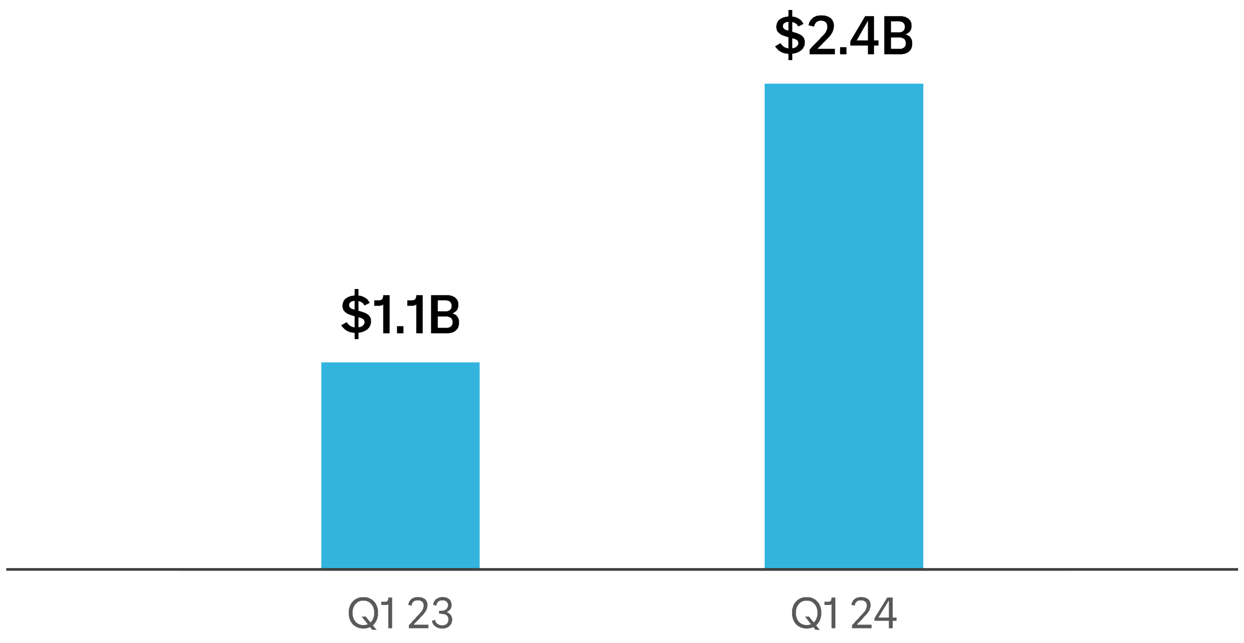
Would have been **~40 bps** lower without FLC accounting change



Note: We estimate that the Q1 2024 TTM adjusted EBITDA margin would have been approximately 40 bps lower without the FLC revenue accounting change in Q2 2023.

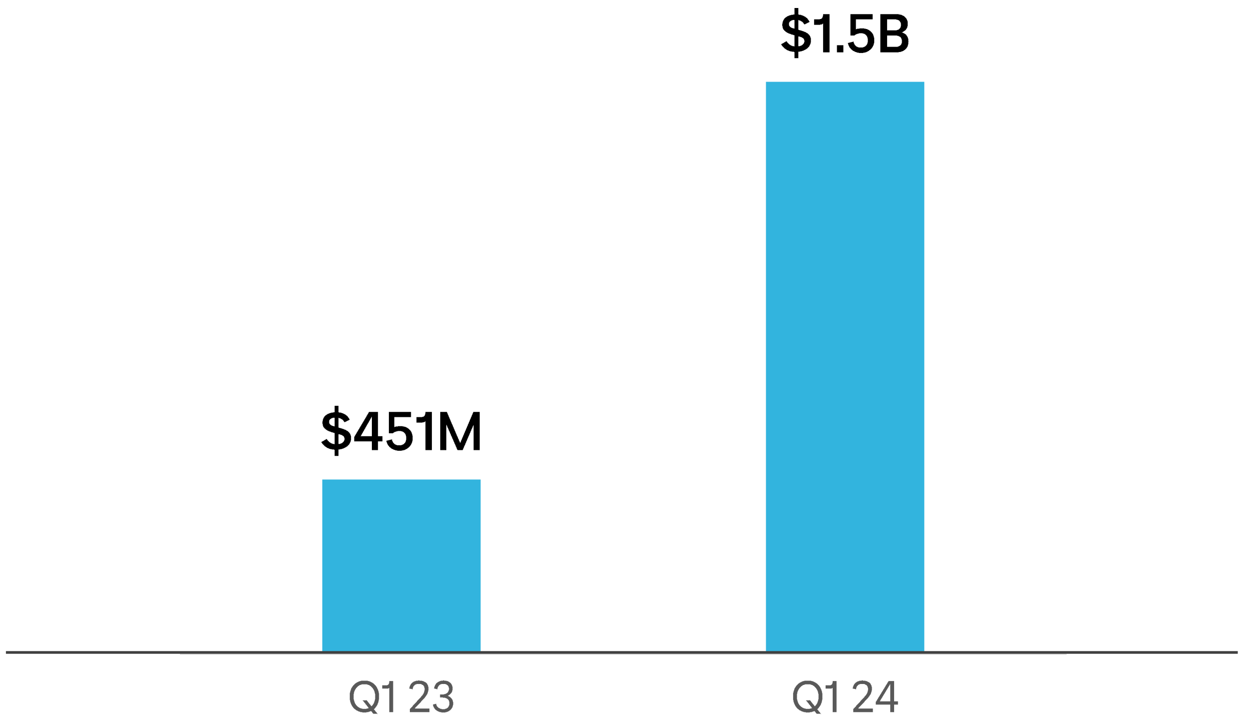
Operating Cash Flow - TTM

Up $1.2B YoY



Free Cash Flow - TTM

Up $1.0B YoY

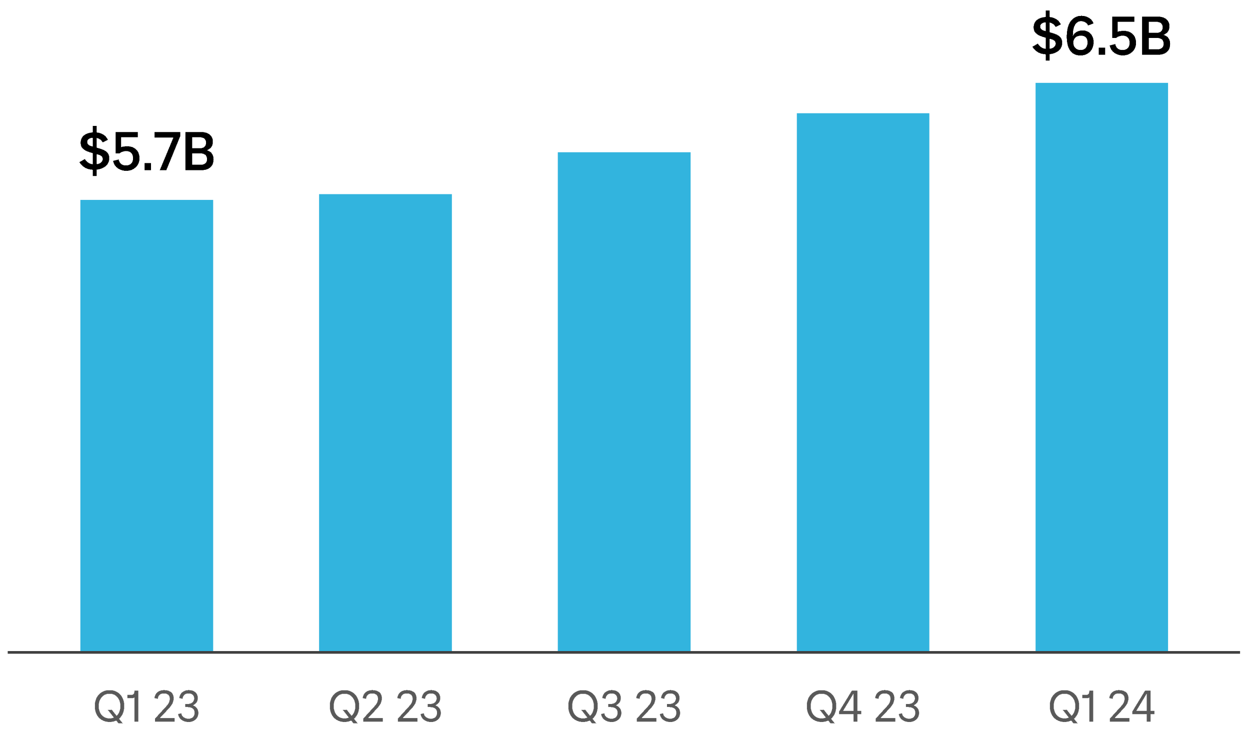


Segment Results: Product Commerce - Net Revenue

Net Revenue

Up 15% YoY

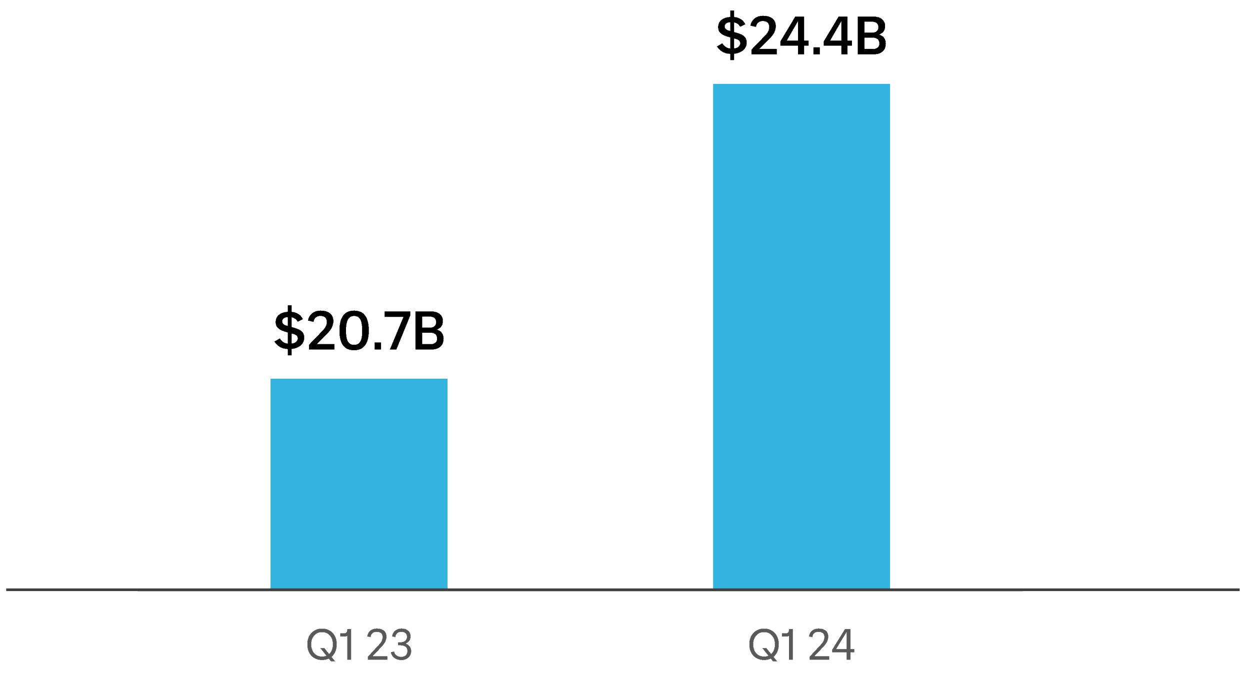
UP 20% YoY F/X neutral — Would have been ~10 percentage points higher without FLC accounting change



Net Revenue - TTM

Up 18% YoY

UP 19% YoY F/X neutral — Would have been ~770 bps higher without FLC accounting change



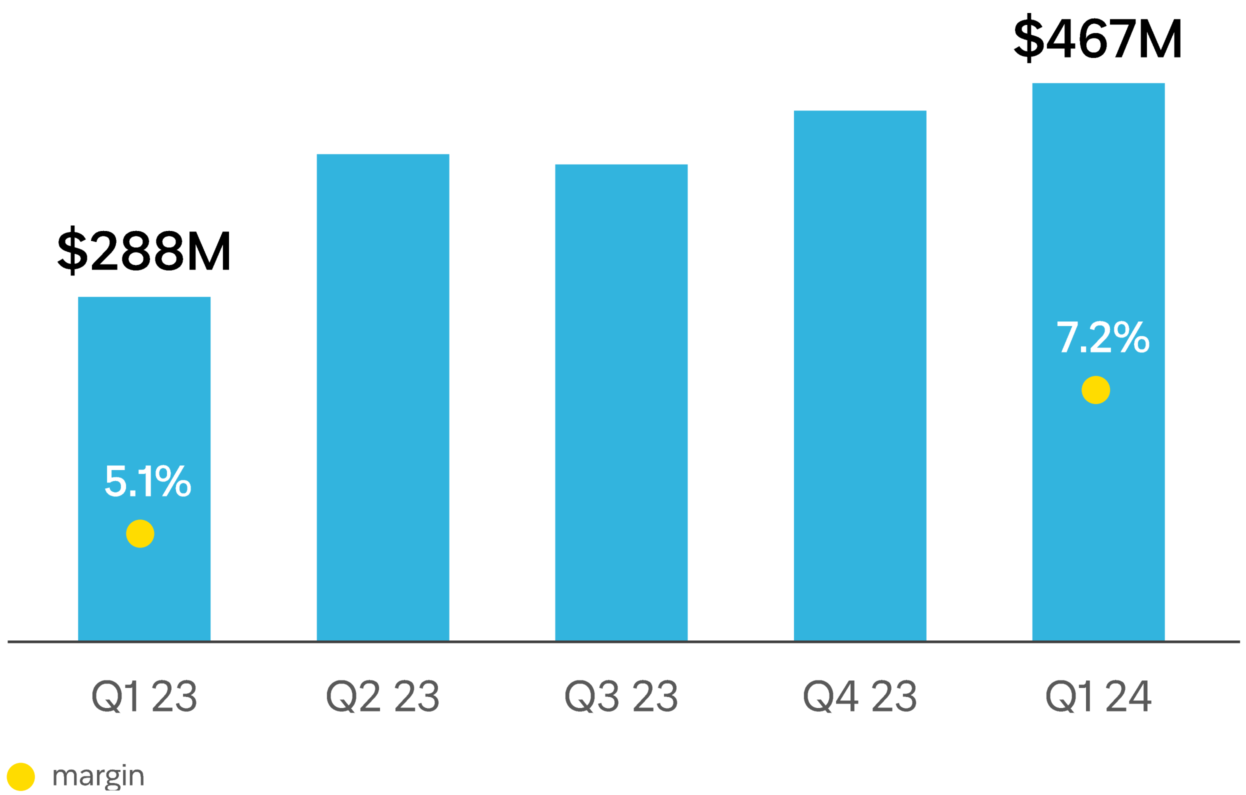
Note: We estimate that the Q1 2024 growth rate would have been approximately 10 percentage points higher and approximately 770 bps higher on a TTM basis without the FLC revenue accounting change in Q2 2023.

Segment Results: Product Commerce - Adj. EBITDA

Adj. EBITDA

Up $179M YoY

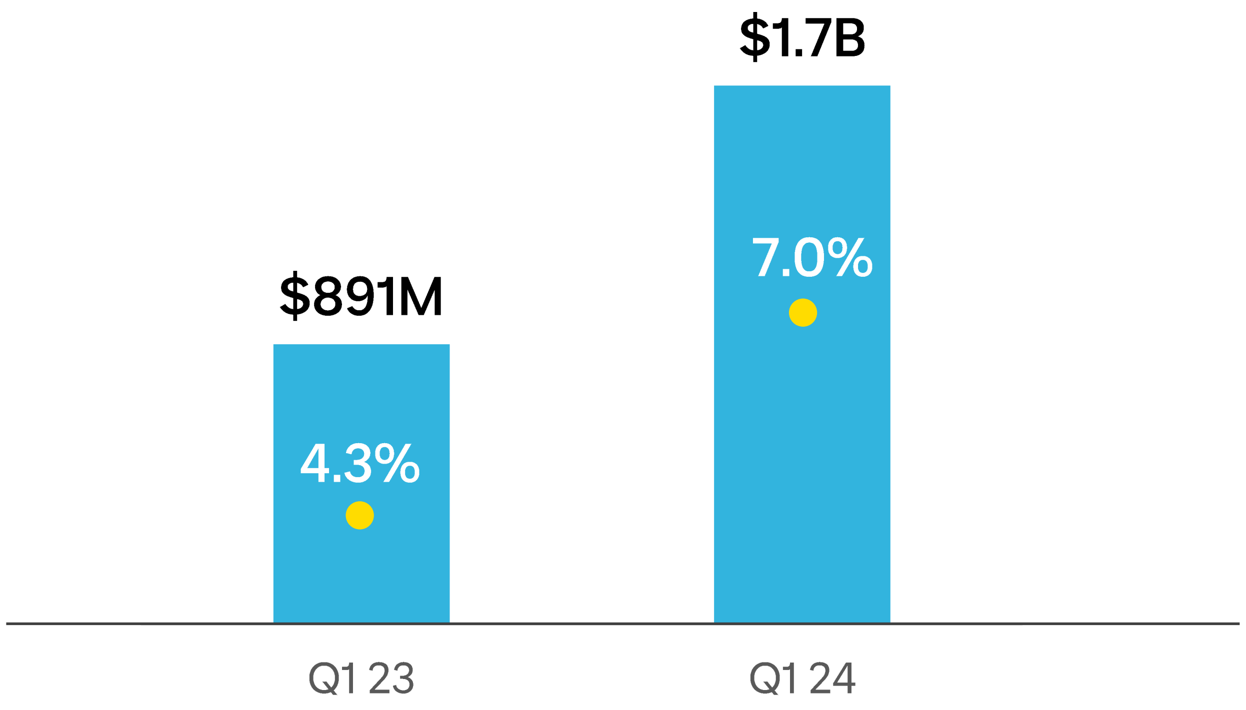
7.2% margin, up 210 bps YoY — Would have been **~60 bps** lower without FLC accounting change



Adj. EBITDA - TTM

Up $0.8B YoY

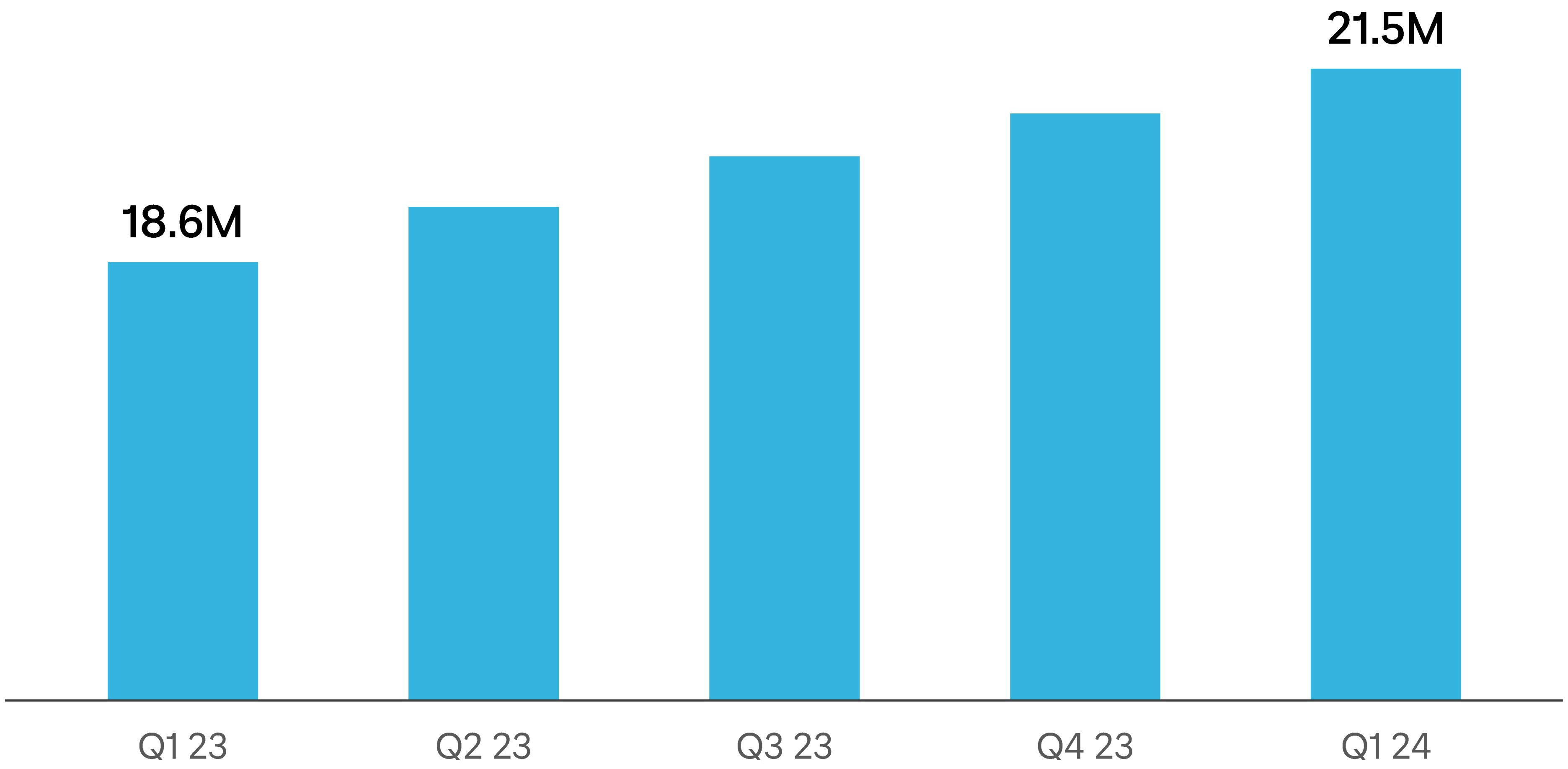
7.0% margin, up 270 bps YoY — Would have been **~50 bps** lower without FLC accounting change



Note: We estimate that the Q1 2024 adjusted EBITDA margin would have been approximately 60 bps lower and approximately 50 bps lower on a TTM basis without the FLC revenue accounting change in Q2 2023.

Product Commerce Active Customers

Up 16% YoY



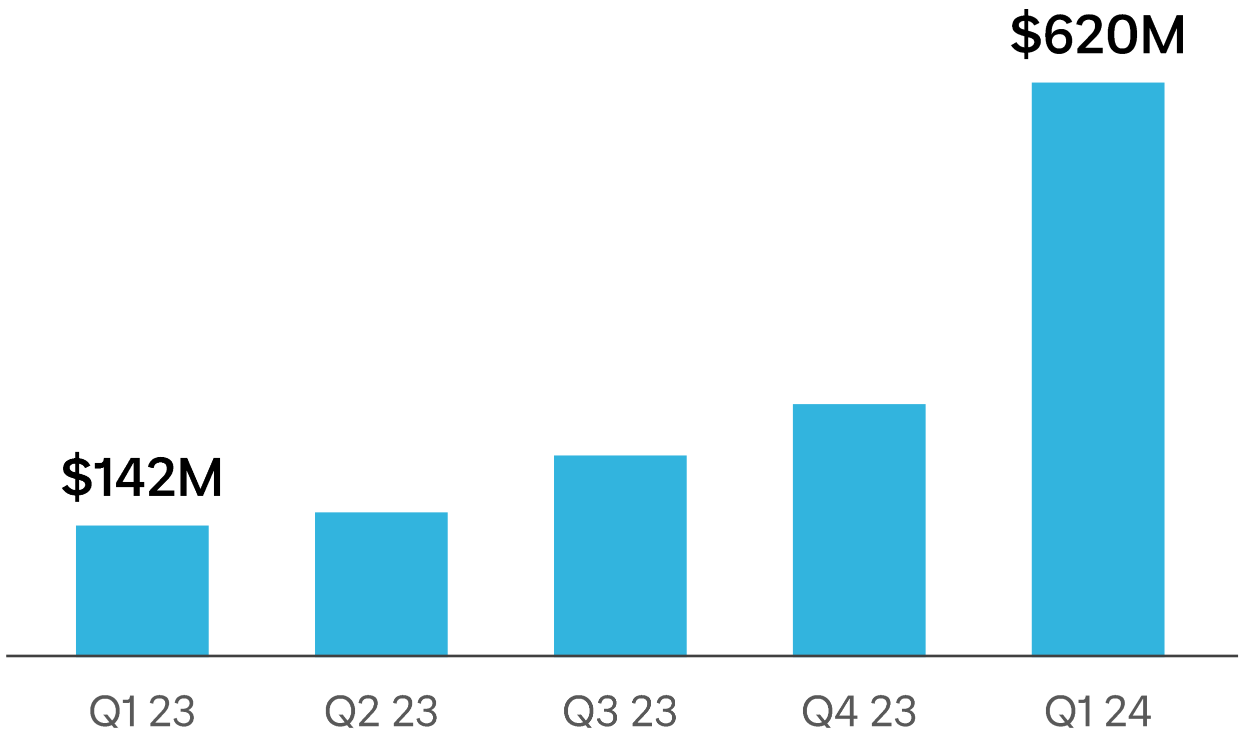
Note: Product Commerce Active Customers are the total number of individual customers who have ordered at least once directly from our Product Commerce apps or websites during the quarter.

Segment Results: Developing Offerings - Net Revenue

Net Revenue

Up 337% YoY

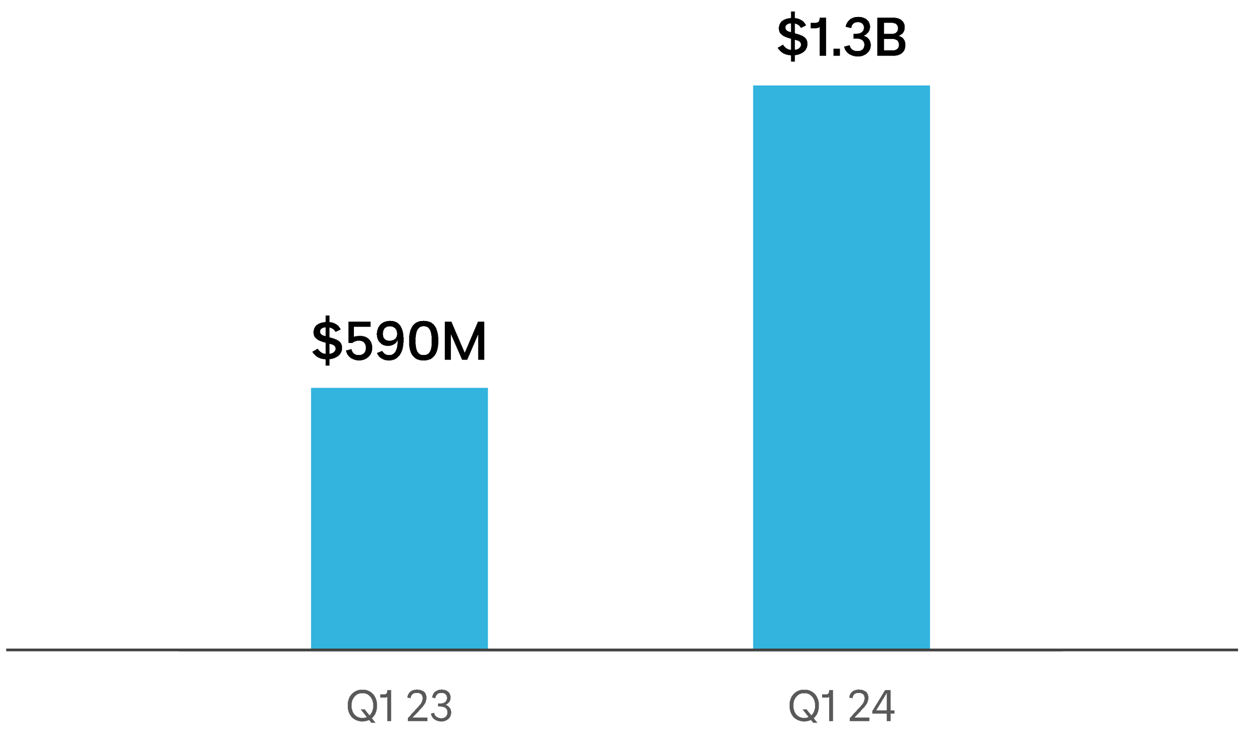
Up 346% YoY F/X neutral



Net Revenue - TTM

Up 115% YoY

Up 117% YoY F/X neutral

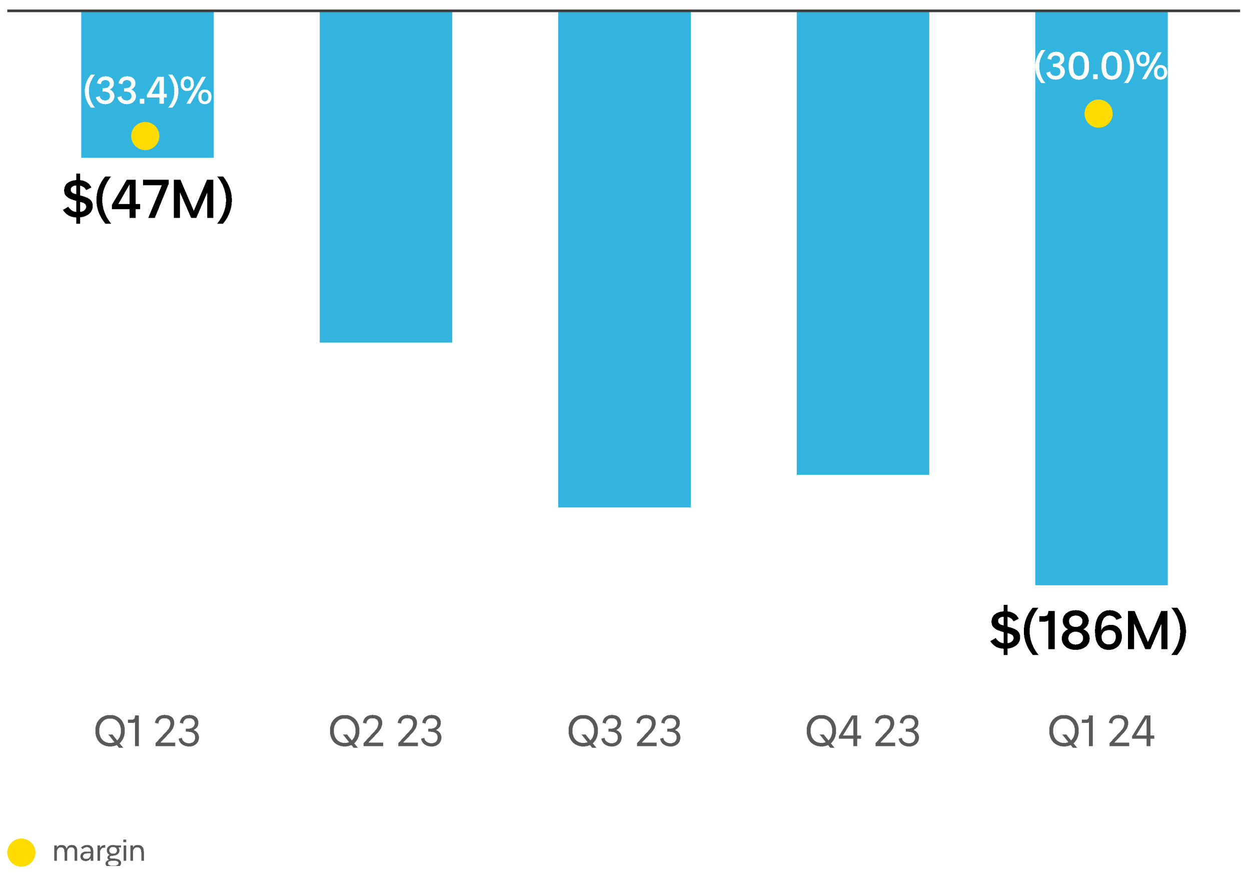


Note: Q1 24 net revenue includes $288 million from Farfetch.

Segment Results: Developing Offerings - Adj. EBITDA

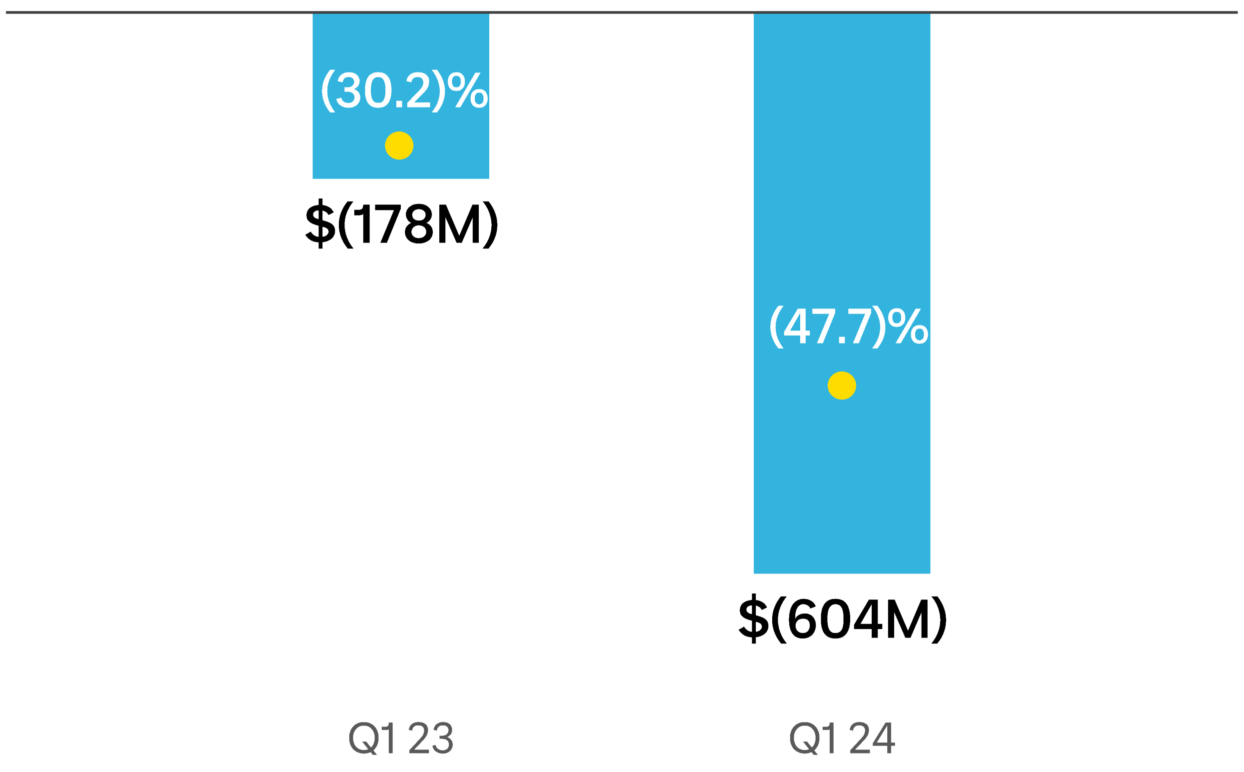
Adj. EBITDA

Down $139M YoY



Adj. EBITDA - TTM

Down $426M YoY



Note: Q1 24 adj. EBITDA includes $(31) million from Farfetch.

Our Operating Tenets

One, we exist to deliver new moments of wow for customers.

Two, we don't start with what looks easy. We work backwards from imagining jaw-dropping customer experiences and we embrace the hard work required to challenge trade-offs that customers take for granted.

Three, we will employ technology, process innovation and economies of scale to create amazing customer experiences and drive operating leverage and significant cash flows over time.

Four, we always prioritize growth in long-term cash flows.

Five, we are disciplined capital allocators. We start with small investments, then test and iterate rigorously. We invest more capital over time in opportunities that have the best long-term cash flow potential.

Create a world where customers wonder
“How did I ever live without Coupang?”

Appendix

Growth Rates

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Product Commerce Active Customers	8 %	12 %	15 %	18 %	16 %
Total net revenues	13 %	16 %	21 %	23 %	23 %
Total net revenues (constant currency)	20 %	21 %	18 %	20 %	28 %
Total net revenues (constant currency) excluding Farfetch	—	—	—	—	23 %
Impact from the FLC accounting change in Q2 2023 (constant currency)	—	+3 %	+6 %	+9 %	+10 %

Non-GAAP Measure: Adjusted EBITDA

	Three Months Ended				
(in millions)	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024
Total net revenues	$ 5,801	$ 5,838	$ 6,184	$ 6,561	$ 7,114
Net income attributable to Coupang shareholders	91	145	91	1,032	5
Net loss attributable to noncontrolling interests	—	—	—	—	(29)
Net income (loss)	**91**	**145**	**91**	**1,032**	**(24)**
Net income margin	1.6 %	2.5 %	1.5 %	15.7 %	(0.3)%
Adjustments:					
Depreciation and amortization	64	66	67	77	95
Interest expense	8	13	13	13	27
Interest income	(32)	(42)	(50)	(54)	(55)
Income tax expense (benefit)	33	26	25	(861)	83
Other expense, net	7	6	9	—	9
Acquisition and restructuring related costs	—	—	—	—	58
Equity-based compensation	70	86	84	86	88
Adjusted EBITDA	**$ 241**	**$ 300**	**$ 239**	**$ 294**	**$ 281**
Adjusted EBITDA margin	4.2 %	5.1 %	3.9 %	4.5 %	3.9 %

Note: Certain amounts may not foot due to rounding.

Non-GAAP Measure: Adjusted EBITDA - TTM

	Trailing Twelve Months Ended				
(in millions)	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024
Total net revenues	$ 21,266	$ 22,067	$ 23,149	$ 24,383	$ 25,697
Net income attributable to Coupang shareholders	208	429	429	1,360	1,273
Net loss attributable to noncontrolling interests	—	—	—	—	(29)
Net income	**208**	**429**	**429**	**1,360**	**1,244**
Net income margin	1.0 %	1.9 %	1.9 %	5.6 %	4.8 %
Adjustments:					
Depreciation and amortization	236	242	255	275	305
Interest expense	28	35	42	48	66
Interest income	(81)	(115)	(150)	(178)	(201)
Income tax expense (benefit)	32	57	76	(776)	(727)
Other expense, net	14	11	29	19	24
Acquisition and restructuring related costs	—	—	—	—	58
Equity-based compensation	277	290	311	326	344
Adjusted EBITDA	**$ 713**	**$ 947**	**$ 991**	**$ 1,074**	**$ 1,113**
Adjusted EBITDA margin	3.4 %	4.3 %	4.3 %	4.4 %	4.3 %

Note: Certain amounts may not foot due to rounding.

Non-GAAP Measure: Free Cash Flow - TTM

(in millions)	Trailing Twelve Months Ended March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024
Net cash provided by operating activities	**$ 1,122**	**$ 1,960**	**$ 2,623**	**$ 2,652**	**$ 2,363**
Adjustments:					
Purchases of land and buildings	(231)	(477)	(353)	(374)	(357)
Purchases of equipment	(450)	(400)	(431)	(522)	(551)
Total purchases of property and equipment	(681)	(876)	(783)	(896)	(908)
Proceeds from sale of property and equipment	10	13	15	19	20
Total adjustments	$ (671)	$ (864)	$ (768)	$ (877)	$ (888)
Free cash flow	**$ 451**	**$ 1,096**	**$ 1,855**	**$ 1,775**	**$ 1,475**
Net cash used in investing activities	$ (682)	$ (931)	$ (793)	$ (927)	$ (961)
Net cash provided by financing activities	$ 127	$ 495	$ 383	$ 199	$ 173

Note: Certain amounts may not foot due to rounding.

Non-GAAP Measure: Total net revenues, excluding Farfetch

(in millions)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Trailing Twelve Months Ended March 31, 2024	Trailing Twelve Months Ended March 31, 2023
Total net revenues	**$ 7,114**	**$ 5,801**	**$ 25,697**	**$ 21,266**
Revenues of Farfetch	(288)	—	(288)	—
Total net revenues excluding Farfetch	**$ 6,826**	**$ 5,801**	**$ 25,409**	**$ 21,266**

Note: Certain amounts may not foot due to rounding.

Non-GAAP Measure: Total net revenues (constant currency), excluding Farfetch

(in millions)	Three Months Ended March 31, 2024 As Reported	2024 Exchange Rate Effect	2024 Constant Currency Basis	2023 As Reported	Year over Year Growth As Reported	Year over Year Growth Constant Currency Basis
Consolidated						
Total net revenues	**$ 7,114**	**$ 283**	**$ 7,397**	**$ 5,801**	**23 %**	**28 %**
Revenues of Farfetch	(288)	—	(288)	—		
Total net revenues excluding Farfetch	**$ 6,826**	**$ 283**	**$ 7,109**	**$ 5,801**	**18 %**	**23 %**

(in millions)	Trailing Twelve Months Ended March 31, 2024 As Reported	2024 Exchange Rate Effect	2024 Constant Currency Basis	2023 As Reported	Year over Year Growth As Reported	Year over Year Growth Constant Currency Basis
Consolidated						
Total net revenues	**$ 25,697**	**$ 197**	**$ 25,894**	**$ 21,266**	**21 %**	**22 %**
Revenues of Farfetch	(288)	—	(288)	—		
Total net revenues excluding Farfetch	**$ 25,409**	**$ 197**	**$ 25,606**	**$ 21,266**	**19 %**	**20 %**

Note: Certain amounts may not foot due to rounding.

Non-GAAP Measure: Net income attributable to Coupang stockholders, excluding Farfetch

	Three Months Ended March 31,	
(in millions)	2024	2023
Net income attributable to Coupang stockholders	**$ 5**	**$ 91**
Adjustments:		
Farfetch losses, excluding taxes	113	—
Net losses attributable to noncontrolling interests	(29)	—
Farfetch tax effect	9	—
Adjusted net income attributable to Coupang stockholders	**$ 98**	**$ 91**

Note: Certain amounts may not foot due to rounding.

Non-GAAP Measure: Gross Profit and Adjusted EBITDA, excluding Farfetch

	Three Months Ended March 31,				Trailing Twelve Months Ended March 31,			
(in millions)		2024		2023		2024		2023
Gross Profit	**$**	**1,929**	**$**	**1,420**	**$**	**6,699**	**$**	**5,086**
Gross Profit of Farfetch		(122)		—		(122)		—
Gross Profit excluding Farfetch	**$**	**1,807**	**$**	**1,420**	**$**	**6,577**	**$**	**5,086**
Gross profit margin excluding Farfetch		26.5 %		24.5 %		25.9 %		23.9 %

	Three Months Ended March 31,				Trailing Twelve Months Ended March 31,			
(in millions)		2024		2023		2024		2023
Adjusted EBITDA	**$**	**281**	**$**	**241**	**$**	**1,113**	**$**	**713**
Adjusted EBITDA of Farfetch		31		—		31		—
Adjusted EBITDA excluding Farfetch	**$**	**312**	**$**	**241**	**$**	**1,144**	**$**	**713**
Adjusted EBITDA margin excluding Farfetch		4.6 %		4.2 %		4.5 %		3.4 %

Note: Certain amounts may not foot due to rounding.