PARTICIPANTS

Corporate Participants

Michael Parker – Vice President and Head-Investor Relations, Coupang, Inc.
Bom Kim – Founder, Chief Executive Officer & Chairman, Coupang, Inc.
Gaurav Anand – Chief Financial Officer, Coupang, Inc.

Other Participants

Eric Cha – Analyst, Goldman Sachs (Asia) LLC (South Korea)
Stanley Yang – Analyst, JPMorgan Securities Far East Ltd. (South Korea)
Se-Yon Park – Analyst, Morgan Stanley & Co. International Plc (South Korea)
Susie Lee – Analyst, Bank of America Merrill Lynch
James Lee – Analyst, Mizuho Securities USA LLC
Josh Levin – Analyst, Bernstein Autonomous LLP

MANAGEMENT DISCUSSION SECTION

Operator: Good afternoon. My name is Paula and I'll be your conference operator today. At this time, I would like to welcome everyone to the Coupang Third Quarter 2022 Earnings Conference Call. All lines have been placed on mute to prevent any background noise. After the speaker's remarks, there will be a question-and-answer session. [Operator Instructions] Thank you.

Now, I would like to turn the call over to Mike Parker, Vice President of Investor Relations. You may begin your conference.

Michael Parker, Vice President and Head-Investor Relations, Coupang, Inc.

Thanks, operator. Welcome, everyone, to Coupang's third quarter 2022 earnings conference call. I'm pleased to be joined on the call today by our Founder and CEO, Bom Kim; and our CFO, Gaurav Anand.

The following discussion, including responses to your questions, reflects management's views as of today's date only. We do not undertake any obligation to update or revise this information, except as required by law. Certain statements made on today's call include forward-looking statements. Actual results may differ materially. Additional information about factors that could potentially impact our financial results is included in today's press release and in our filings with the SEC, including our most recent annual report on Form 10-K and subsequent filings.

During today's call, we may present both GAAP and non-GAAP financial measures. Additional disclosures regarding these non-GAAP measures, including reconciliations of these measures to the most comparable GAAP measures, are included in our earnings release and our SEC filings, which are posted on the company's Investor Relations website.

And now, I'll turn the call over to Bom.

 Copyright © 2001-2022 CallStreet

corrected transcript

Bom Kim, Founder, Chief Executive Officer & Chairman, Coupang, Inc.

Thanks, everyone, for joining us today. I'm excited to share with you some highlights from our third quarter operating results. Revenues increased to $5.1 billion, growing 27% year-over-year on an FX neutral basis and over 10% year-over-year on a US dollar basis. This was driven by an increase in both active customers and revenue per active customer. We generated over $1.2 billion in gross profit with a record 24.2% gross margin, representing over $3.4 billion in gross profit recorded year-to-date.

Our adjusted EBITDA was $195 million for the quarter at a 3.8% adjusted EBITDA margin. Our cumulative adjusted EBITDA year-to-date is positive $170 million. And in Q3, we achieved positive net income of $91 million for the consolidated business, improving $415 million year-over-year.

First, on Product Commerce, while the macro environment remains uncertain around the world, the Korean retail market in Q3 grew at a strong pace of 7% year-over-year. Even as the world reopens post-COVID, our growth has been resilient. Our FX neutral revenue recorded a robust 27% year-over-year growth. Our active customers for Product Commerce grew even faster than the 7% year-over-year active customer growth for the consolidated business.

The spend of our customer cohorts, even our oldest, continues to compound at a fast rate. And that strong spend growth can be seen across all categories, even our most mature. We still don't know the entitlement spend of our customers in any category, much less in aggregate in a total commerce market projected to exceed $600 billion by 2025. That momentum positions us well to support merchants, suppliers and consumers to succeed in the current economic environment. Over 70% of our merchants are small and medium enterprises, or SMEs, with less than $2.5 million in annual revenues. Those merchants generated growth on Coupang that was multiples of the overall retail market. We believe we've become the number one source of growth for our SMEs.

Q3 marked the third quarter in a row of significant profitability improvement. While we continue to see positive impact from increasing economies of scale and margin accretive offerings, most of the recent improvement has been the result of investments in technology, infrastructure, supply chain optimization and process innovation, including automation. For instance, typically, inventory loss grows as you increase the breadth of selection in fresh, especially across multiple regions. We set out to break this tradeoff and provide customers with the widest assortment of fresh at the lowest cost.

Our teams found ways to leverage machine learning, among other means, to better predict changes in customer demand by region and optimize inventory orders and placement. That was a key driver of the over 50% year-over-year reduction in fresh inventory losses in Q3 alone. There are numerous such efforts across the company to improve efficiency, many of which have been ongoing for years. The rate of improvement won't be consistent or as dramatic each quarter, but we're excited about the potential ahead.

Above all, the results of the quarter reflect our accelerating flywheel that is powered by our relentless focus on customer experience and operational excellence. We obsess about how to make experiences richer and prices lower for our customers, and our unique e-commerce network scale and design enable our superior customer service and efficiency.

Over the past seven years, we invested billions of dollars to build a network that integrated from inception, fulfillment and last mile logistics. Today, we have built the largest fulfillment infrastructure in the market. We also believe we have the largest last mile network of directly employed drivers. And from order to delivery to returns, virtually every aspect of our customer experience is orchestrated by our technology.

Our homegrown technology directs the movement of our goods and tens of thousands of drivers and staffers seamlessly across our integrated network of over 40 million square feet of infrastructure. Stacked side by side, that would be the equivalent of 500 soccer fields or an area larger than that of Central Park in New York.

That distinct integration of technology, fulfillment infrastructure and last mile logistics allows us to break traditional trade-offs between selection, service and price for our customers. Because of it, we're able to deliver millions of items via dawn delivery, ordered as late as midnight and arriving at the door before 7:00 AM with unlimited free shipping. Because of it, our customers can leave items for return outside their door without the hassle of packaging in a box or even printing a label. And because of it, we're able to eliminate box packaging for over 85% of our Rocket Deliveries, as well as deliver most of our fresh orders in eco bags that we pick up and reuse.

Much of the efficiency gains we've captured are exclusive to a network of our design. We customize processes upstream to generate efficiencies downstream and alter design downstream to optimize processes upstream. The integration also allows us to deliver fresh products in the same last mile trucks with our general merchandise deliveries without a separate cold chain delivery network. Boxless and eco bag deliveries make customer lives easier and drive significant reductions in packaging waste and the number of trips our trucks make that complete deliveries, which results in lower emissions. Our increasing scale will help us fulfill our potential. But we will also continue to invest in automation, including machine learning and robotics. This will make work even easier for our workers and prices even lower for our customers.

In addition to better service and low prices, we'll continue to expand both first-party and third-party selection for our customers. That includes new selection on Rocket enabled by Fulfillment & Logistics by Coupang, or FLC. FLC provides hundreds of thousands of merchants access to the speed, efficiency and convenience of Rocket Delivery and returns. We're excited to share the benefits of billions of dollars of investment in infrastructure and technology, with tens of thousands of small and medium enterprises that have traditionally been excluded from shelves and offline stores. This will help them capture the growth and savings generated by our end-to-end integrated operations. In turn, they'll help customers gain access to even wider selection with the experience of Rocket and build an even richer ecosystem that benefits both small businesses and customers alike.

Finally, let me touch on Developing Offerings, where revenues increase 10% year-over-year on a constant currency basis, driven by our Eats offering. As we stressed recently, our focus in Eats has been on creating a profitable foundation, and the dramatic improvements in economics over the last few quarters are reflected in the gross profit improvement of nearly $42 million year-over-year.

We're also excited by the customer engagement that we're seeing in our initial efforts in Coupang Play, fintech and international. We're in the very early stages of these offerings, but we believe they have the potential to expand the TAM for Coupang and extend our innovations to customers in new sectors and new markets. We'll continue to invest with discipline in keeping with our operating tenets, starting with small investments, testing rigorously and allocating more capital and opportunities that maximize our long-term cash flows. As you've seen with our execution in Product Commerce, we'll be disciplined and long-term oriented in our investments in Developing Offerings.

Overall, the results of Q3, despite the challenging environment, reflects the focused execution of our teams and the fruits of significant investment over many years. While we remain vigilant about the persistent short-term pressures in the macro environment, we also continue to be excited by the strong underlying trends that we're seeing in the business.

Now, I'll turn the call over to Gaurav to review the financials in more detail.

Gaurav Anand, Chief Financial Officer, Coupang, Inc.

Thanks, Bom. As a reminder, we continue to look at our business through the perspectives of Product Commerce segment, representing our general merchandise and fresh offerings, and our Developing Offerings segment, which includes our investment in nascent initiatives like Eats, Play, fintech and international. Our teams have executed remarkably over the last three quarters, reaching notable milestones in each quarter. We had positive adjusted EBITDA for Product Commerce in Q1, achieved positive adjusted EBITDA for the consolidated business in Q2, and delivered a positive net income of $91 million for the consolidated business in Q3. We are really proud of our teams and their execution.

At the start of the year, we provided guidance for 2022 that we expected to achieve adjusted EBITDA of minus $400 million for the total company for the full year, and that our Product Commerce segment would be profitable by Q4 of this year. As of Q3, our adjusted EBITDA year-to-date for the entire business is over $170 million.

We continue to see strong demand again this quarter. Our total net revenue grew 10% year-over-year on a reported basis or 27% year-over-year and 8% quarter-over-quarter in constant currency. And more importantly, we continue the trend of growing at a multiple of the e-commerce segment growth. Our top line growth was driven by both strong customer adoption and deeper penetration with existing customers. Active customers grew 7% year-over-year. The active customers in Product Commerce grew even faster. Our net revenue per active customer increased 19% year-over-year and 7% quarter-over-quarter on a constant currency basis, reflecting greater engagement by our customers.

Our customers come to us every day for our unrivaled customer experience, low prices and vast assortment, and we strive to exceed those expectations with each interaction. We continue to invest hundreds of millions of dollars into our customers this quarter to investments in free Rocket shipping and returns, discounted pricing, and free video content for our WOW members.

Q3 marked another record quarter for gross profit margin. We generated over $1.2 billion of gross profit, a 64% year-over-year improvement. Our gross profit margin was 24.2%, an increase of nearly 800 bps year-over-year and 130 bps quarter-over-quarter. Product Commerce continued the trend of strong gross profit margin expansion, increasing by over 720 bps year-over-year and 150 bps quarter-over-quarter, ending this quarter at 24.6%. The drivers for this improvement remain consistent with the factors we have highlighted throughout this year: benefits from investments in technology, infrastructure, automation, supply chain optimization, and scaling margin accretive offerings.

This quarter, we showed a large improvement in OG&A expenses as a percentage of revenue, improving 160 bps of revenue quarter-over-quarter, despite additional investments in fulfillment and head count. Our operating margin performance demonstrates our ability to leverage our scale while we continue to invest with discipline for future growth. We do want to note that the reduction of OG&A expenses in absolute dollars was affected by the higher FX rates.

We also had a record $195 million of adjusted EBITDA, which is 3.8% of revenue. Product Commerce generated an adjusted EBITDA of $239 million or 4.8% of revenue, driven by gross margin expansion and leverage in other operating and general expenses. This level of adjusted EBITDA margins in our Product Commerce reinforces our belief that we are on track to deliver our entitlement margin over the long term.

In the short term, revenue remains hard to predict in these uncertain times, but we are pleased with our track record of growing at multiples of the Korean e-commerce segment, and expect that trend to continue. And while we don't expect profitability improvement every quarter, we do expect to generate meaningful profit expansion over time.

We are committed to maintaining discipline in our investments in nascent long-term opportunities. We invest in these offerings because we are excited about the opportunity to expand the TAM and generate greater cash flows over the long term. Earlier this year, we communicated that we expected these investments in fintech, Coupang Play and international would not exceed $200 million in 2022. Our year-to-date results thus far are consistent with that expectation.

Operator, we are now ready to begin the Q&A.

QUESTION AND ANSWER SECTION

Operator: [Operator Instructions] Your first question comes from the line of Eric Cha of Goldman Sachs.

<Q – Eric Cha – Goldman Sachs (Asia) LLC (South Korea)>: Hi, team. Thank you for the opportunity to ask questions and congrats on the great set of results. I have two questions. First, on the Product Commerce gross profit margin, and I understand that there were commentary around this in your early presentation, but would you give us a bit more details around what this quarter levers were for the Product Commerce gross profit margin to yet again go up as much as it did, and a bit of a near-term outlook would be helpful. And also, does this change your long-term target or outlook in any way?

And the second question is the revenue seems to be up 7% sequentially constant currency, but your OpEx seems to be flat, also adjusted for FX. Would be great if you can let us know where this operating leverage came from. Was there any specific efforts from the company this quarter or can we consider this as being structural going forward? That's it. Thank you.

<A – Bom Kim – Coupang, Inc.>: Hi. Thanks. Thanks, Eric for the question. On gross profit margin, you are seeing benefits from continuous improvement programs and many years of investment in technology, infrastructure, supply chain optimization, among others. These are consistent with the drivers that we've mentioned in the last few quarters, and you are seeing gains in the past few quarters. The gains won't come every quarter, but we expect to continue to see benefits from these improvements over time.

This past quarter, process improvements, including automation, were also big drivers. I mentioned the inventory waste challenge in fresh, offering wide selection, creates the risk of inventory waste. In fact, it increases the risk of inventory waste. Our teams were able to leverage machine learning greatly improved forecast accuracy and inventory placements helped reduce fresh inventory waste by over 50% in Q3 alone. Those are the kinds of initiatives that we continue to invest throughout the company. There are many such efforts currently ongoing.

We understand the drivers that are – that we believe will get us to that long-term margin opportunity, which, as we've stated before, is 7% to 10% or higher EBITDA. Those are the drivers that have led to 830 bps of gross profit margin improvement year-to-date. We are excited about that long-term potential, but it is important to note that they will not happen overnight. And as you can imagine, Eric, we won't realize gains every quarter.

<A – Gaurav Anand – Coupang, Inc.>: Yeah. On the OG&A expenses, Eric, you're right to note that in constant currency, it was flat quarter-over-quarter. We generated efficiencies with process improvements and innovative projects in our fulfillment costs, which are in those numbers. While we continue to increase head count, we also generated a few points – a few bps of leverage with our scaling there. So you're right to note, we believe it's structural as we continue to invest in both these areas in a different way. Yes.

<Q – Eric Cha – Goldman Sachs (Asia) LLC (South Korea)>: Thank you.

Operator: Your next question comes from Stanley Yang of JPMorgan.

<Q – Stanley Yang – JPMorgan Securities Far East Ltd. (South Korea)>: Okay. Good morning. Thank you very much for your great result and congratulations again. The OP turned – and net profit turning positive was much earlier than, I think, our expectation. So – and I think that's a big milestone of Coupang's financial history and meaningful step forward to your long-term EBITDA margin guidance. Can you please guide the next financial milestone such as free cash flow turning positive point and your EBITDA margin guidance achieving timing?

 Copyright © 2001-2022 CallStreet

corrected transcript

And second question is what will be the key strategic changes once you turn free cash flow positive in the future? Are you going to pursue more aggressive development – developing business investments? Related to this question, you seem to ramp up Rocket Delivery and cross-border product in Taiwan. Do you plan to enter Taiwan market with sizable investment like in Korea or do you have a different approach in Taiwan or other international market expansion?

<A – Gaurav Anand – Coupang, Inc.>: Yeah. Eric, I'll take the – Stanley, I'll take the first part of your question. So as you pointed out, Stanley, we're really excited about the milestones we have had this year. In Q4, we got to adjusted EBITDA positive for Product Commerce. In Q2, we got to adjusted EBITDA positive for the entire company. And Q3, we got to positive net income for the entire company. The next milestone that we are focused on is being free cash flow positive. Historically, prior to 2021, our free cash flow was roughly equivalent to or better than our adjusted EBITDA. This year, specifically, we have made some strategic investments, including onetime CapEx in all owning facilities and building facilities, large inventory buys in areas of growth. But over time, we expect this relationship between free cash flow and adjusted EBITDA to normalize. That's our next milestone to deliver.

<A – Bom Kim – Coupang, Inc.>: Hi, Stanley. Thanks for the question. And just – I think Gaurav meant Q1, not Q4, but – on the Product Commerce adjusted EBITDA positive. I think to your question about whether there'll be strategic changes in our investment approach in the future, whether Taiwan, other markets will be sizable investments, first of all, we're excited about the long-term opportunity in markets beyond Korea. We do believe that we're confident that we can be intelligent and disciplined in our execution. We also believe we have opportunities to leverage many strengths that we've already built, including technology, processes and even selection. And as you've seen us demonstrate in our core offerings, we execute in keeping with our operating tenets. We communicated earlier this year that we expected our investments in fintech and Play and international would not exceed $200 million in 2022. Our year-to-date results thus far are consistent with that expectation. Our investment approach is not dependent on our financial results from our core offerings. It's always been in keeping with our disciplined approach, our operating tenets that we shared shortly after we went public last year. We test and iterate. We make sure that we are confident of long-term cash flow potential before we invest more. And when we do invest more, it's a reflection of that confidence. So, we don't expect our philosophy or culture to change. We hope to continue to show and – show you that we can execute in an intelligent and measured fashion.

<Q – Stanley Yang – JPMorgan Securities Far East Ltd. (South Korea)>: Thank you.

Operator: Your next question comes from Se-Yon Park of Morgan Stanley.

<Q – Se-Yon Park – Morgan Stanley & Co. International Plc (South Korea)>: Hi. Good morning or, I guess, good evening to some of you. Thank you for the opportunity. Two questions from my side. As you look into the fourth quarter, which is seasonally strong for Korea, but then, I think, in the past, you've also seen that the fourth quarter tends to be a little bit more promotional and competitive. Does that imply that we should be expecting some of that promotional activity to impact your gross margin in the fourth quarter, is my first question?

Second question, can we get some kind of color on how much advertisement revenue you are generating? What's the kind of run rate that we could expect for the year? And what kind of potential you see from Ads? I think if we look at some of the international benchmarks like Amazon or, I think, JD, 5% plus of GMV apparently is being generated in terms of advertisements, would that be some kind of a benchmark that we could also look forward to as you grow your advertising business? Thank you very much.

<A – Bom Kim – Coupang, Inc.>: I think to your question about quarterly guidance, we expect to – we intend to share annual guidance at the beginning of the New Year, as we did this year. I think

 Copyright © 2001-2022 CallStreet

while we're excited about our progress to date, we exceeded our adjusted EBITDA guidance for the year. These are uncertain times and we'd like to refrain from making specific revisions.

I think in general, if you look at our business Se-Yon – our growth and our customer spend growth in particular is really driven by the experience that we've built over many years, the constant everyday low price, fast delivery, vast assortment. It really isn't dependent on any short-term or periodic promotions. And an instance, as we pointed out, the spend of our customers continues to compound at a fast rate. We're seeing strong growth across all categories, even our largest. And that everyday promise selection, low prices, fast delivery is what we're focused on. That continues to be the driver for growth, and certainly, has been the driver for growth over the last few quarters. We can expect it to be the driver of growth in quarters and years to come.

On Ads, we're pleased with the progress that it's making. It's been a positive story over the last year, and it's still far – early and far from where we want it to be. We have opportunities to improve that service and expand functionality. And I think it's also important to note that we've seen synergy between Ads and not only our product commerce with many offerings beyond that as well. And it will continue to benefit from the continued growth of our overall business. So, it's still very early in that journey and we're excited about the potential to come.

<Q – Se-Yon Park – Morgan Stanley & Co. International Plc (South Korea)>: Thank you and congrats again on the great results.

<A – Bom Kim – Coupang, Inc.>: Thank you.

Operator: Your next question comes from Susie Lee of Bank of America.

<Q – Susie Lee – Bank of America Merrill Lynch>: Thank you. Thank you for the opportunity for a question. I have one quick question regarding your labor cost and operating expenses. So in Korea, as you're aware, the headline in core inflation are rising rapidly. And then do you expect to see any incremental burden on your labor cost, especially for those working in either logistics center or those working in the last mile delivery, especially your Coupang Friends? And if there is any upward burden on your labor cost, how would that potentially impact your overall operating expenses and the margin. So, that would be all. Thank you.

<A – Bom Kim – Coupang, Inc.>: Hi. Thanks for the question. There are inflationary headwinds, but our results this quarter, again, were net positive because of our investments, our disciplined execution that we continue to see benefits from throughout the year. At least so far, we don't believe that these factors will create a material disruption to our business. And while the macro conditions are uncertain, we continue to be confident about our ability to drive the inputs that we control in our business.

<Q – Susie Lee – Bank of America Merrill Lynch>: All right. Thank you.

<A – Bom Kim – Coupang, Inc.>: Thank you.

Operator: Your next question comes from James Lee of Mizuho.

<Q – James Lee – Mizuho Securities USA LLC>: Great. Thanks for taking my questions. Two here. First one on consumer behavior in the US we saw a mix shift to services in offline. And just curious what you're seeing, whether you're seeing a similar trend, and also with inflation in Korea, are you seeing any sort of consumer trade-down?

And second question is on EBITDA guidance. Any adjustment to your prior kind of indication? Should we assume that your disciplined approach and investment will kind of carry over in FY

2023? How should we think about maybe puts and takes on the profitability levels heading into FY 2023? Thanks.

<A – Bom Kim – Coupang, Inc.>: Thanks for the question. James, as I mentioned, our guidance, I think we'll reserve that for the beginning of the New Year as we did this year. The – you're right that the underlying strength of the business that we're seeing today, we're encouraged by it. But I think the – I think any adjustments to guidance or revisions, we'd like to – we look forward to sharing that at the beginning of the New Year.

And your first question was about...

<Q – James Lee – Mizuho Securities USA LLC>: Yeah, consumer behavior, any mix shift...

<A – Bom Kim – Coupang, Inc.>: Consumer behavior. Perhaps, it's a reflection of how early we are, the stage of our journey that we're at, but we're seeing strong growth across all categories. Our customer cohorts are compounding. We're still a very small percentage. We're a small percentage of the overall commerce market that's projected to exceed $600 billion by 2025. The overall retail market in Korea is also showing signs of strength, growing 7% year-over-year this past quarter, which is reminiscent of the strong growth it had displayed in the years leading into or prior COVID.

So, the overall market is growing. We're still a small percentage of it. We're seeing compounding cohorts still across all categories, even our oldest, even our largest. We still don't know what the full potential spend is for our customers in any category, much less in aggregate. What we do know is that we're still early in the journey and customers want selection, low prices, fast delivery in all categories. We have yet to find an exception to that simple truth.

<Q – James Lee – Mizuho Securities USA LLC>: If I can squeeze in a follow-up question, I get a lot of questions from investors in general. In the US, Amazon has been raising its Prime membership monthly pricing or yearly pricing. I think they did that early in the year. Just wondering from your perspective, do you have any – do you feel like you have any room to increase your pricing, and if that's the case, why do you think that's the case? Thanks.

<A – Bom Kim – Coupang, Inc.>: Our focus in WOW continues to be on creating extreme value surplus for our members. We want the benefits to vastly exceed the price they pay. We've added seven services to WOW since launch. We're still looking to invest in more. We'll keep expanding the value proposition so that that – that it is in excess of the price they pay for WOW members for years to come. That's our strategy and that's our plan.

Operator: Your next question comes from Josh Levin of Autonomous Research.

<Q – Josh Levin – Bernstein Autonomous LLP>: Hi. Good morning. I have two questions. The first question is so net revenue per active customer was up quite a bit year-over-year on a constant currency basis. Can you provide some more granular color as to what is driving that and how sustainable that trend might be? How much of that trend is greater frequency of purchase versus a wider diversity of goods purchased? And second, active customers were up just a bit quarter-over-quarter. But how much would active customers be up if you excluded Coupang Eats customers? Thank you.

<A – Bom Kim – Coupang, Inc.>: Thanks for the question. The net revenue per active, as I mentioned, it's a reflection of the stage of growth that we're at. We're still a small percentage of the overall commerce market. We are seeing greater frequency wider from all the variables that you mentioned. We're seeing customer spend compound in existing categories and new categories, even our oldest – even or most mature or even our...

Operator. You are muted. [Operator Instructions]

<A – Bom Kim – Coupang, Inc.>: ...oldest or largest categories. We're still seeing significant spend growth in our cohorts. And what's driving that is selection, low prices, fast delivery, the convenience of Rocket Delivery and returns, among other services. So, we could – it's what our integrated end-to-end integrated network delivers. It's what we invested billions of dollars to build the technology and infrastructure and processes around. We continue to optimize that. The experiences get better, more reliable, faster, cheaper for our customers. We believe that will continue to drive our customer spend growth, as well as our active customers.

On active customers, as you mentioned – sorry, can you repeat this...

Operator: The host would like you to unmute your microphone. [Operator Instructions]

<Q – Josh Levin – Bernstein Autonomous LLP>: Yes. The question was how much would active customers...

Operator: The host would like you to unmute your microphone. [Operator Instructions]

<A – Bom Kim – Coupang, Inc.>: Hello?

<A – Gaurav Anand – Coupang, Inc.>: [indiscernible] (36:15).

<A – Bom Kim – Coupang, Inc.>: Oh, no, it was about Product Commerce. That's right. You are right to observe that active customers grew 7% year-over-year for the consolidated business. And Product Commerce active customers grew even faster. So, you're absolutely right to observe that difference.

Operator: We apologize but we are having technical issues with the conference line. We will not be able to take the last question. This now ends the conference call for today. You may now disconnect.

corrected transcript

Disclaimer
The information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete or error-free statement or summary of the available data. As such, we do not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information. This information is not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor. This report is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any state where such an offer or solicitation would be illegal. Any information expressed herein on this date is subject to change without notice. Any opinions or assertions contained in this information do not represent the opinions or beliefs of FactSet CallStreet, LLC. FactSet CallStreet, LLC, or one or more of its employees, including the writer of this report, may have a position in any of the securities discussed herein.

THE INFORMATION PROVIDED TO YOU HEREUNDER IS PROVIDED "AS IS," AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, FactSet CallStreet, LLC AND ITS LICENSORS, BUSINESS ASSOCIATES AND SUPPLIERS DISCLAIM ALL WARRANTIES WITH RESPECT TO THE SAME, EXPRESS, IMPLIED AND STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER FACTSET CALLSTREET, LLC NOR ITS OFFICERS, MEMBERS, DIRECTORS, PARTNERS, AFFILIATES, BUSINESS ASSOCIATES, LICENSORS OR SUPPLIERS WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOST PROFITS OR REVENUES, GOODWILL, WORK STOPPAGE, SECURITY BREACHES, VIRUSES, COMPUTER FAILURE OR MALFUNCTION, USE, DATA OR OTHER INTANGIBLE LOSSES OR COMMERCIAL DAMAGES, EVEN IF ANY OF SUCH PARTIES IS ADVISED OF THE POSSIBILITY OF SUCH LOSSES, ARISING UNDER OR IN CONNECTION WITH THE INFORMATION PROVIDED HEREIN OR ANY OTHER SUBJECT MATTER HEREOF.

The contents and appearance of this report are Copyrighted FactSet CallStreet, LLC 2022. CallStreet and FactSet CallStreet, LLC are trademarks and service marks of FactSet CallStreet, LLC. All other trademarks mentioned are trademarks of their respective companies. All rights reserved.