Coupang Announces Results for Second Quarter 2023

Net Revenues of $5.8 billion, up 16% YoY and 21% on an FX-neutral basis

Gross Profit of $1.5 billion, up 32% YoY

Net Income of $145 million, an increase of $221 million YoY

Operating Cash Flow of $2.0 billion and Free Cash Flow of $1.1 billion for the trailing twelve months

SEATTLE, Washington and SEOUL, South Korea - (BUSINESS WIRE) August 8, 2023—Coupang, Inc. (NYSE: CPNG) today announced financial results for its second quarter ended June 30, 2023.

Q2 2023 Key Financial and Operational Highlights

Consolidated Highlights:

- Net revenues were $5.8 billion, up 16% YoY on a reported basis and 21% YoY on an FX-neutral basis.
- The revenue growth rate would have been an estimated 300 bps higher than the 21% growth rate without the accounting change this quarter in FLC revenue, which is now recorded on a net basis starting in Q2 2023.
- Gross profit increased 32% YoY to $1.5 billion.
- Gross profit margin was 26.1%, an improvement of 320 bps YoY. The accounting change in FLC revenue this quarter had a positive 100 bps impact.
- Net income was $145 million, with a margin of 2.5%, an improvement of $221 million over last year.
- Adjusted EBITDA was $300 million with a margin of 5.1%, an improvement of 380 bps over last year.
- EPS was $0.08, an increase of $0.12 YoY.
- Operating cash flow for the trailing twelve months was $2.0 billion, an increase of $2.3 billion YoY.
- Free cash flow was $1.1 billion for the trailing twelve months, an increase of $2.2 billion YoY.
- Active customers growth continues to increase and was 10% YoY with 19.7 million active customers.

Segment Highlights:

- Product Commerce segment net revenues was $5.7 billion, up 16% YoY on a reported basis and 21% on an FX-neutral basis.
- Product Commerce segment adjusted EBITDA was $408 million, up $310 million YoY.
- Product Commerce segment adjusted EBITDA margin was 7.2%, up 520 bps YoY.
- Developing Offerings segment (including International, Coupang Eats, Play and Fintech) adjusted EBITDA was negative $107 million.

"We have only a single-digit share of a massive retail market," said Coupang's CFO, Gaurav Anand. "Our Active Customer growth accelerated while we continued to deliver record profitability, highlighted by 7.2% adjusted EBITDA margin in our Product Commerce segment. And over the trailing twelve months, we generated $2 billion of operating cash flow and over $1 billion of free cash flow. We are consistently expanding profitability and generating high growth because of our unmatched investment in technology and infrastructure, and an unwavering focus on wowing the customer."

Second Quarter 2023 Results

Consolidated Financial Summary

(in thousands, except net revenues per Active Customer and net income/loss per share)	Three Months Ended June 30, 2023	2022	% Change
Total net revenues	$ 5,837,889	$ 5,037,821	16 %
Total net revenues growth, constant currency[1]			21 %
Active Customers	19,713	17,885	10 %
Total net revenues per Active Customer	$ 296	$ 282	5 %
Total net revenues per Active Customer, constant currency[1]	$ 309		10 %
Gross profit[2]	$ 1,523,788	$ 1,153,793	32 %
Net income (loss)	$ 145,192	$ (75,491)	NM[3]
Adjusted EBITDA[1]	$ 300,224	$ 66,172	354 %
Net income (loss) attributable to Class A and Class B common stockholders per share, basic and diluted	$ 0.08	$ (0.04)	NM[3]
Net cash provided by (used in) operating activities	$ 819,751	$ (18,262)	NM[3]
Free cash flow[1]	$ 449,898	$ (195,465)	NM[3]

Segment Information

(in thousands)	Three Months Ended June 30, 2023	2022	% Change
Product Commerce			
Net revenues	$ 5,681,590	$ 4,877,531	16 %
Net revenues growth, constant currency[1]			21 %
Segment adjusted EBITDA	$ 407,597	$ 97,840	317 %
Developing Offerings			
Net revenues	$ 156,299	$ 160,290	(2)%
Net revenues growth, constant currency[1]			2 %
Segment adjusted EBITDA	$ (107,373)	$ (31,668)	239 %

(1) Total net revenues growth, constant currency, total net revenues per Active Customer, constant currency, and adjusted EBITDA are non-GAAP financial measures as defined by the Securities and Exchange Commission (the "SEC"). See the "Non-GAAP Financial Measures" and "Reconciliations of Non-GAAP Measures" sections herein for more information regarding our use of these measures and reconciliations to the most directly comparable financial measures calculated in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

(2) Gross profit is calculated as total net revenues minus cost of sales.

(3) Non-meaningful

Webcast and Conference Call

Coupang, Inc. will host a conference call to discuss second quarter results on August 8, 2023 at 5:30 PM Eastern Daylight Time (August 9, 2023 at 6:30 AM Korea Standard Time). A live webcast of the conference call will be available on our Investor Relations website, ir.aboutcoupang.com, and a replay of the conference call will be available for at least three months. This press release, including the reconciliations of certain non-GAAP measures to their nearest comparable U.S. GAAP measures, as well as our second quarter earnings presentation, are also available on that site.

About Coupang

Coupang is one of the largest retailers in Asia, with a mission to revolutionize the everyday lives of its customers and create a world where people wonder, “How did we ever live without Coupang?” Coupang offers a variety of services, including same-day and next-morning delivery of general merchandise and groceries, delivery of prepared foods through Coupang Eats, and video streaming through Coupang Play. Coupang is headquartered in the United States, with operations and support services performed in markets including South Korea, Taiwan, Singapore, and China.

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FORWARD-LOOKING STATEMENTS

This earnings release or related management commentary 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, our financial performance, our ability to retain existing suppliers and to add new suppliers, our market position, our operation and management of our fulfillment and logistics infrastructure, other legal and regulatory developments, and the impact of the global economy including inflation and foreign currency exchange rates. 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 earnings release or related management commentary 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.

Investors and others should note that we may announce material business and financial information to our investors using our investor relations website (ir.aboutcoupang.com), our filings with the SEC, webcasts, press releases, and conference calls. We use these mediums, including our website, to communicate with investors and the general public about our company, our offerings, and other issues. It is possible that the information that we make available on our website may be deemed to be material information. We therefore encourage investors and others interested in our company to review the information that we make available on our website.

COUPANG, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited)

(in thousands, except per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net retail sales	$ 5,140,346	$ 4,481,165	$ 10,345,146	$ 9,037,272
Net other revenue	697,543	556,656	1,293,273	1,117,235
Total net revenues	5,837,889	5,037,821	11,638,419	10,154,507
Cost of sales	4,314,101	3,884,028	8,694,704	7,957,308
Operating, general and administrative	1,376,146	1,220,936	2,689,298	2,470,047
Total operating cost and expenses	5,690,247	5,104,964	11,384,002	10,427,355
Operating income (loss)	147,642	(67,143)	254,417	(272,848)
Interest income	41,630	7,364	73,491	10,898
Interest expense	(12,813)	(6,143)	(21,091)	(13,511)
Other expense, net	(5,241)	(9,229)	(11,780)	(8,739)
Income (loss) before income taxes	171,218	(75,151)	295,037	(284,200)
Income tax expense	26,026	340	58,990	585
Net income (loss)	**145,192**	**(75,491)**	**236,047**	**(284,785)**
Net income (loss) attributable to Class A and Class B common stockholders per share:				
Basic and diluted	$ 0.08	$ (0.04)	$ 0.13	$ (0.16)
Weighted-average shares used in computing net income (loss) per share attributable to Class A and Class B common stockholders:				
Basic	1,779,508	1,763,264	1,777,188	1,760,019
Diluted	1,800,102	1,763,264	1,797,293	1,760,019

COUPANG, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(unaudited)

(in thousands, except par value)	June 30, 2023	December 31, 2022
Assets		
Cash and cash equivalents	$ 4,473,193	$ 3,509,334
Restricted cash	268,975	176,316
Accounts receivable, net	138,855	184,463
Inventories	1,565,373	1,656,851
Prepaids and other current assets	270,382	303,166
Total current assets	6,716,778	5,830,130
Long-term restricted cash	1,523	1,624
Property and equipment, net	2,119,340	1,819,945
Operating lease right-of-use assets	1,427,407	1,405,248
Long-term lease deposits and other	421,965	455,956
Total assets	**$ 10,687,013**	**$ 9,512,903**
Liabilities and stockholders' equity		
Accounts payable	$ 4,077,023	$ 3,622,332
Accrued expenses	271,950	298,869
Deferred revenue	93,255	92,361
Short-term borrowings	232,248	175,403
Current portion of long-term debt	185,753	128,936
Current portion of long-term operating lease obligations	331,505	325,924
Other current liabilities	451,586	418,681
Total current liabilities	5,643,320	5,062,506
Long-term debt	718,681	537,880
Long-term operating lease obligations	1,255,344	1,233,680
Defined severance benefits and other	294,191	264,924
Total liabilities	7,911,536	7,098,990
Contingencies		
Stockholders' equity		
Class A common stock, $0.0001 par value, 10,000,000 shares authorized, 1,606,466 and 1,597,804 shares issued and outstanding as of June 30, 2023 and December 31, 2022, respectively; Class B common stock, $0.0001 par value, 250,000 shares authorized, 174,803 shares issued and outstanding as of June 30, 2023 and December 31, 2022	178	177
Additional paid-in capital	8,316,100	8,154,076
Accumulated other comprehensive (loss) income	(34,289)	2,219
Accumulated deficit	(5,506,512)	(5,742,559)
Total stockholders' equity	2,775,477	2,413,913
Total liabilities and stockholders' equity	**$ 10,687,013**	**$ 9,512,903**

COUPANG, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

(in thousands)	Six Months Ended June 30, 2023	2022
Operating activities		
Net income (loss)	$ 236,047	$ (284,785)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	130,423	119,639
Provision for severance benefits	76,102	87,436
Equity-based compensation	156,303	128,509
Non-cash operating lease expense	163,329	155,686
Other	85,131	63,621
Change in operating assets and liabilities:		
Accounts receivable, net	41,198	(37,342)
Inventories	18,226	(185,091)
Other assets	7,594	(147,058)
Accounts payable	578,763	190,578
Accrued expenses	(27,933)	(37,665)
Other liabilities	(144,129)	(126,729)
Net cash provided by (used in) operating activities	1,321,054	(73,201)
Investing activities		
Purchases of property and equipment	(471,623)	(419,674)
Proceeds from sale of property and equipment	7,213	7,810
Other investing activities	(47,710)	(17,834)
Net cash used in investing activities	(512,120)	(429,698)
Financing activities		
Proceeds from issuance of common stock, equity-based compensation plan	5,722	12,367
Proceeds from short-term borrowings and long-term debt	319,422	403,436
Repayment of short-term borrowings and long-term debt	(37,150)	(333,097)
Net short-term borrowings and other financing activities	40,686	(2,038)
Net cash provided by financing activities	328,680	80,668
Effect of exchange rate changes on cash and cash equivalents, and restricted cash	(81,197)	(115,962)
Net increase (decrease) in cash and cash equivalents, and restricted cash	1,056,417	(538,193)
Cash and cash equivalents, and restricted cash, as of beginning of period	3,687,274	3,810,347
Cash and cash equivalents, and restricted cash, as of end of period	**$ 4,743,691**	**$ 3,272,154**

Supplemental Financial Information

Cash Flow and Share Information

(in thousands)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Purchases of land and buildings	$ (271,286)	$ (25,563)	$ (298,611)	$ (48,492)
Purchases of equipment	(105,116)	(155,205)	(173,012)	(371,182)
Total purchases of property and equipment	**(376,402)**	**(180,768)**	**(471,623)**	**(419,674)**
Outstanding common stock			1,781,269	1,765,117
Outstanding equity-based awards			65,844	63,202
Outstanding common stock and equity-based awards			1,847,113	1,828,319

Key Business Metrics and Non-GAAP Financial Measures

We review the key business and financial metrics discussed below. We use these measures to evaluate our business, measure our performance, identify trends affecting our business, formulate business plans, and make strategic decisions.

Key Business Metrics

Active Customers

As of the last date of each reported period, we determine our number of Active Customers by counting the total number of individual customers who have ordered at least once directly from our apps or websites in Korea during the relevant period. A customer is anyone who has created an account on our apps or websites, identified by a unique email address. The change in Active Customers in a reported period captures both the inflow of new customers as well as the outflow of existing customers who have not made a purchase in the period. We view the number of Active Customers as a key indicator of our potential for growth in total net revenues, the reach of our network, the awareness of our brand, and the engagement of our customers.

Total Net Revenues per Active Customer

Total net revenues per Active Customer is the total net revenues generated in a period divided by the total number of Active Customers in that period. A key driver of growth is increasing the frequency and the level of spend of Active Customers who are shopping on our apps or websites. We therefore view total net revenues per Active Customer as a key indicator of engagement and retention of our customers and our success in increasing the share of wallet.

(in thousands, except net revenues per Active Customer)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	% Change
Active Customers	19,713	17,885	10 %
Total net revenues per Active Customer	$ 296	$ 282	5 %
Total net revenues per Active Customer, constant currency (YoY)	$ 309		10 %

Non-GAAP Financial Measures

We report our financial results in accordance with U.S. GAAP. However, management believes that certain non-GAAP financial measures provide investors with additional useful information in evaluating our performance. These non-GAAP financial measures may be different than similarly titled measures used by other companies.

Our non-GAAP financial measures should not be considered in isolation from, or as substitutes for, financial information prepared in accordance with U.S. GAAP. Non-GAAP measures have limitations in that they do not reflect all the amounts associated with our results of operations as determined in accordance with U.S. GAAP. These measures should only be used to evaluate our results of operations in conjunction with the corresponding U.S. GAAP measures.

Non-GAAP Measure	Definition	How We Use The Measure
Adjusted EBITDA	• Net income (loss), excluding the effects of: - depreciation and amortization, - interest expense, - interest income, - other income (expense), net, - income tax expense (benefit), - equity-based compensation, - impairments, and - other items not reflective of our ongoing operations.	• Provides information to management to evaluate and assess our performance and allocate internal resources. • We believe Adjusted EBITDA and Adjusted EBITDA Margin are frequently used by investors and other interested parties in evaluating companies in the retail industry for period-to-period comparisons as they remove the impact of certain items that are not representative of our ongoing business, such as material non-cash items and certain variable charges.
Adjusted EBITDA Margin	• Adjusted EBITDA as a percentage of total net revenues.	
Constant Currency Revenue	• Constant currency information compares results between periods as if exchange rates had remained constant. • We define constant currency revenue as total revenue excluding the effect of foreign exchange rate movements, and use it to determine the constant currency revenue growth on a comparative basis. • Constant currency revenue is calculated by translating current period revenues using the prior period exchange rate.	• The effect of currency exchange rates on our business is an important factor in understanding period-to-period comparisons. Our financial reporting currency is the U.S. dollar ("USD") and changes in foreign exchange rates can significantly affect our reported results and consolidated trends. For example, our business generates sales predominantly in Korean Won ("KRW"), which are favorably affected as the USD weakens relative to the KRW, and unfavorably affected as the USD strengthens relative to the KRW. • We use constant currency revenue and constant currency revenue growth for financial and operational decision-making and as a means to evaluate comparisons between periods. We believe the presentation of our results on a constant currency basis in addition to U.S. GAAP results helps improve the ability to understand our performance because they exclude the effects of foreign currency volatility that are not indicative of our actual results of operations.
Constant Currency Revenue Growth	• Constant currency revenue growth (as a percentage) is calculated by determining the increase in current period revenue over prior period revenue, where current period foreign currency revenue is translated using prior period exchange rates.	
Free Cash Flow	• Cash flow from operations Less: purchases of property and equipment, Plus: proceeds from sale of property and equipment.	• Provides information to management and investors about the amount of cash generated from our ongoing operations that, after purchases and sales of property and equipment, can be used for strategic initiatives, including investing in our business and strengthening our balance sheet, including paying down debt, and paying dividends to stockholders.
Segment Gross Profit	• Gross profit for a period attributable to each respective reportable segment.	• We believe segment gross profit and segment gross profit margin are frequently used by investors and other interested parties in evaluating companies in the retail industry for period-to-period comparisons. However, other companies may calculate segment gross profit and segment gross profit margin in a manner different from ours and therefore they may not be directly comparable to similar terms used by other companies.
Segment Gross Profit Margin	• Segment gross profit as a percentage of segment net revenues.	

Reconciliations of Non-GAAP Measures

A reconciliation of non-GAAP guidance measures to corresponding GAAP measures is not available on a forward-looking basis without unreasonable effort due to the uncertainty of expenses that may be incurred in the future. Although, it is important to note that these factors could be material to Coupang's results computed in accordance with GAAP.

The following tables present the reconciliations from each U.S. GAAP measure to its corresponding non-GAAP measure for the periods noted:

Constant Currency Revenue and Constant Currency Revenue Growth (YoY)

	Three Months Ended June 30,						Year over Year Growth	
	2023			2022				
(in thousands)	As Reported	Exchange Rate Effect	Constant Currency Basis	As Reported	Exchange Rate Effect	Constant Currency Basis	As Reported	Constant Currency Basis
Consolidated								
Net retail sales	$ 5,140,346	$ 215,384	$ 5,355,730	$ 4,481,165	$ 559,765	$ 5,040,930	15 %	20 %
Net other revenue	697,543	30,146	727,689	556,656	69,419	626,075	25 %	31 %
Total net revenues	**$ 5,837,889**	**$ 245,530**	**$ 6,083,419**	**$ 5,037,821**	**$ 629,184**	**$ 5,667,005**	**16 %**	**21 %**
Net Revenues by Segment								
Product Commerce	$ 5,681,590	$ 238,847	$ 5,920,437	$ 4,877,531	$ 608,782	$ 5,486,313	16 %	21 %
Developing Offerings	156,299	6,683	162,982	160,290	20,402	180,692	(2)%	2 %
Total net revenues	**$ 5,837,889**	**$ 245,530**	**$ 6,083,419**	**$ 5,037,821**	**$ 629,184**	**$ 5,667,005**	**16 %**	**21 %**

	Six Months Ended June 30,						Year over Year Growth	
	2023			2022				
(in thousands)	As Reported	Exchange Rate Effect	Constant Currency Basis	As Reported	Exchange Rate Effect	Constant Currency Basis	As Reported	Constant Currency Basis
Consolidated								
Net retail sales	$ 10,345,146	$ 520,471	$ 10,865,617	$ 9,037,272	$ 931,517	$ 9,968,789	14 %	20 %
Net other revenue	1,293,273	65,066	1,358,339	1,117,235	115,159	1,232,394	16 %	22 %
Total net revenues	**$ 11,638,419**	**$ 585,537**	**$ 12,223,956**	**$ 10,154,507**	**$ 1,046,676**	**$ 11,201,183**	**15 %**	**20 %**
Net Revenues by Segment								
Product Commerce	$ 11,339,939	$ 570,520	$ 11,910,459	$ 9,813,584	$ 1,011,535	$ 10,825,119	16 %	21 %
Developing Offerings	298,480	15,017	313,497	340,923	35,141	376,064	(12)%	(8)%
Total net revenues	**$ 11,638,419**	**$ 585,537**	**$ 12,223,956**	**$ 10,154,507**	**$ 1,046,676**	**$ 11,201,183**	**15 %**	**20 %**

Free Cash Flow (QTD and YTD)

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	2023	2022	2023	2022
Net cash provided by (used in) operating activities	**$ 819,751**	**$ (18,262)**	**$ 1,321,054**	**$ (73,201)**
Adjustments:				
Purchases of land and buildings	(271,286)	(25,563)	(298,611)	(48,492)
Purchases of equipment	(105,116)	(155,205)	(173,012)	(371,182)
Total purchases of property and equipment	(376,402)	(180,768)	(471,623)	(419,674)
Proceeds from sale of property and equipment	6,549	3,565	7,213	7,810
Total adjustments	$ (369,853)	$ (177,203)	$ (464,410)	$ (411,864)
Free cash flow	**$ 449,898**	**$ (195,465)**	**$ 856,644**	**$ (485,065)**
Net cash used in investing activities	$ (429,388)	$ (180,670)	$ (512,120)	$ (429,698)
Net cash provided by financing activities	$ 250,561	$ (117,914)	$ 328,680	$ 80,668

Free Cash Flow (TTM)

	Trailing Twelve Months Ended				
(in thousands)	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
Net cash provided by (used in) operating activities	**$ 1,959,694**	**$ 1,121,681**	**$ 565,439**	**$ (217,783)**	**$ (331,313)**
Adjustments:					
Purchases of land and buildings	(476,706)	(230,983)	(226,587)	(243,609)	(134,391)
Purchases of equipment	(399,505)	(449,594)	(597,675)	(627,574)	(643,450)
Total purchases of property and equipment	(876,211)	(680,577)	(824,262)	(871,183)	(777,841)
Proceeds from sale of property and equipment	12,585	9,601	13,182	11,504	9,549
Total adjustments	$ (863,626)	$ (670,976)	$ (811,080)	$ (859,679)	$ (768,292)
Free cash flow	**$ 1,096,068**	**$ 450,705**	**$ (245,641)**	**$ (1,077,462)**	**$ (1,099,605)**
Net cash used in investing activities	$ (930,676)	$ (681,958)	$ (848,254)	$ (887,166)	$ (799,642)
Net cash provided by financing activities	$ 495,364	$ 126,889	$ 247,352	$ 131,148	$ 101,160

Adjusted EBITDA and Adjusted EBITDA Margin (QTD)

	Three Months Ended				
(in thousands)	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
Total net revenues	$ 5,837,889	$ 5,800,530	$ 5,326,774	$ 5,101,334	$ 5,037,821
Net income (loss)	**145,192**	**90,855**	**102,064**	**90,679**	**(75,491)**
Net income (loss) margin	2.5 %	1.6 %	1.9 %	1.8 %	(1.5)%
Adjustments:					
Depreciation and amortization	66,178	64,245	56,902	54,424	60,399
Interest expense	12,813	8,278	7,173	6,485	6,143
Interest income	(41,630)	(31,861)	(26,497)	(15,403)	(7,364)
Income tax expense (benefit)	26,026	32,964	(8,531)	6,883	340
Other expense (income), net	5,241	6,539	9,200	(11,224)	9,229
Equity-based compensation	86,404	69,899	70,682	63,075	72,916
Adjusted EBITDA	**$ 300,224**	**$ 240,919**	**$ 210,993**	**$ 194,919**	**$ 66,172**
Adjusted EBITDA margin	5.1 %	4.2 %	4.0 %	3.8 %	1.3 %

Adjusted EBITDA and Adjusted EBITDA Margin (YTD)

	Six Months Ended June 30,	
(in thousands)	2023	2022
Total net revenues	$ 11,638,419	$ 10,154,507
Net income (loss)	**236,047**	**(284,785)**
Net income (loss) margin	2.0 %	(2.8)%
Adjustments:		
Depreciation and amortization	130,423	119,639
Interest expense	21,091	13,511
Interest income	(73,491)	(10,898)
Income tax expense	58,990	585
Other expense, net	11,780	8,739
Equity-based compensation	156,303	128,509
Adjusted EBITDA	**$ 541,143**	**$ (24,700)**
Adjusted EBITDA margin	4.6 %	(0.2)%

Segment Gross Profit and Segment Gross Profit Margin

(in thousands)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Gross profit	$ 1,523,788	$ 1,153,793	$ 2,943,715	$ 2,197,199
Segment gross profit and gross profit margin:				
Product Commerce	$ 1,546,642	$ 1,127,014	2,945,051	2,192,434
Gross profit margin	27.2 %	23.1 %	26.0 %	22.3 %
Developing Offerings	(22,854)	26,779	(1,336)	4,765
Gross profit margin	(14.6)%	16.7 %	(0.4)%	1.4 %