Octahedron’s mission is to be the best partner to the world’s internet-scale businesses.
IMPORTANT DISCLOSURES

This presentation is provided for informational purposes only and is intended solely for the person to whom it is delivered. This presentation is confidential and may not be reproduced in its entirety or in part, or redistributed to any party in any form, without the prior written consent of Octahedron Capital Management, L.P (“Octahedron”). This presentation was prepared in good faith by Octahedron for your specific use and contains certain information concerning Octahedron Onshore Fund, L.P, Octahedron Offshore Fund, Ltd. and Octahedron Master Fund, L.P. (collectively, the “Funds”). Information contained in this presentation is current only as of the date specified in this presentation, irrespective of the time of delivery or of any investment, and does not purport to present a complete picture of Octahedron, the Funds, or any other fund or account managed by Octahedron, nor does Octahedron undertake any duty to update the information set forth herein.

This presentation does not constitute an offer to sell or the solicitation of an offer to purchase any securities, including any securities of Octahedron, the Funds, or any other fund or account managed by Octahedron. Any such offer or solicitation may be made only by means of the delivery of a confidential private offering memorandum (each, a “Memorandum”), which will contain material information not included herein regarding, among other things, information with respect to risk factors and potential conflicts of interest, and other offering and governance documents of any given fund or account (collectively with the Memorandum, the “Offering Documents”). The information in this presentation is qualified in its entirety and limited by reference to such Offering Documents, and in the event of any inconsistency between this presentation and such Offering Documents, the Offering Documents shall control. In making an investment decision, investors must rely on their own examination of the Funds and the terms of any offering. Investors should not construe the contents of this presentation as legal, tax, investment or other advice, or a recommendation to purchase or sell any particular security.

Past results are not necessarily indicative of future results and no representation is made that results similar to those discussed can be achieved. Investments in funds and accounts managed by Octahedron may lose value. Investment results will fluctuate. Certain market and economic events having a positive impact on performance may not repeat themselves. Past results may be based on unaudited, preliminary information and are subject to change.

Notwithstanding the information presented herein, investors should understand that neither Octahedron nor the Funds will be limited with respect to the types of investment strategies they may employ or the markets or instruments in which they may invest, subject to any express terms or limitations, if any, set forth in the Offering Documents. No assurance can be given that any investment objectives discussed herein will be achieved.

The investment examples set forth in this presentation have been included to demonstrate Octahedron’s investment strategy and investment process, and represent investments that Octahedron currently is following, including some of the largest positions that currently are in the Funds’ portfolio (i.e., Uber, Amazon, Twilio). The investment examples set forth in this presentation do not represent all the investments selected by Octahedron with respect to the Funds. The investment examples are not intended to be, and should not be construed as, investment advice or a recommendation to purchase or sell any particular security. The investment examples discussed in this presentation ultimately may generate positive returns and other investments made in the Funds, but not discussed in this presentation, may generate negative returns. It should not be assumed that investments made for the Funds will match the performance or character of the investments discussed in this presentation. Investors may experience materially different results.

The information included in this presentation is based upon information reasonably available to Octahedron as of the date noted herein. Furthermore, the information included in this presentation has been obtained from sources Octahedron believes to be reliable; however, these sources cannot be guaranteed as to their accuracy or completeness. No representation, warranty or undertaking, express or implied, is given as to the accuracy or completeness of the information contained herein and no liability is accepted for the accuracy or completeness of any such information.

This presentation may contain certain “forward-looking statements,” which may be identified by the use of such words as “believe,” “expect,” “anticipate,” “should,” “planned,” “estimated,” “potential,” “outlook,” “forecast,” “plan” and other similar terms. All such forward-looking statements are conditional and are subject to various factors, including, without limitation, general and local economic conditions, changing levels of competition within certain industries and markets, changes in interest rates and availability of leverage, changes in legislation or regulation, and other economic, competitive, governmental, regulatory and technological factors, any or all of which could cause actual results to differ materially from projected results.
Contents

1. Digital Advertising
2. Gaming & Content
3. Payments & Fintech
4. On-Demand & E-Commerce
5. Software
Valuations - Internet

Growth Internet valuations are close to historical troughs seen in 1Q’20 and 2016-17

Source: Bloomberg as of 04/05/22, NTM LT EBITDA = Octahedron estimate of LT EBITDA margin % * NTM Revenue estimate
Valuations - Software

...while growth software valuations are still elevated, but close to trough in some cases

Source: Bloomberg as of 04/05/22, Octahedron estimates
Macro worries

Omicron disrupted the beginning of 1Q22, but each successive wave of COVID is cresting faster...

"It was encouraging in many ways, and I think what we observed, most notably is that the issues that really were issues of inconvenience, there were borders shutdowns, there were planes out of service because pilots and crew were sick, things of that nature, but there was far less consumer fear over traveling and really it was an issue of the convenience of the health issues what we believe will come from this presuming the next wave continuing in ever lightening way is that the world has essentially gotten accustomed to the pandemic, it will enter perhaps an endemic stage and governments and industry et cetera will adapt much more easily as the next wave comes and in turn, this will continue to disrupt travel less and less and certainly the consumers have remained willing to travel throughout and with the return of staff to the air and DoorDash the relief of border issues, we are seeing a solid return to travel."

Source: C4Q'21 earnings
Macro worries

Ukraine - Russia conflict replaced Omicron worries soon after...

Source: Daily News Front Page 21-Dec-21; Daily Express Front Page 25-Feb-22
Macro worries

...with the war exacerbating supply chain disruptions...

Source: https://twitter.com/flexport/status/1498393097956311040
“Let me just provide some context on inflation. First, the cost increases are real. We are seeing it in our supply base. I think they are seeing it in ingredients, packaging, transportation, labor and we are seeing it in our own business when you think about even our Own Brands program and such. So the cost inflation is absolutely real. When we think about what we are passing through, the net-net, we have passed through - - the inflation we have passed through, so less than the inflation we've incurred. And the way we do that is to make sure that we are judicious about the categories where we pass it through. We don’t pass through as much on the essential categories that customers need every day and we try to balance that out. Now, when it comes to unit volume, if you -- our unit volume -- unit share certainly has gone up, but as inflation goes up, you don’t see the same degree of unit growth, but it's stable. I'll characterize what we've seen over the last several weeks as very stable in terms of total consumption and we just hope that as the year goes through, as the calendar year goes through, this inflation remains at this level, stabilizes, and then hopefully we get something better in the second half.”

Source: C4Q'21 earnings
Macro worries

Some are expecting cost inflation and supply chain issues to be lapped by 2H22…

“It is fair to say to your point that there is commodity pressure going into 2022. Just to give a perspective, in 2021 in the U.S., our food and paper costs were up about 4% for the year. If we look forward to 2022, our expectation to that will be about double or in high single digit increases for 2022. Most of that pressure or more of that pressure will be in the first half of the year. And as the year progresses, we expect that to ease somewhat. On the international side, just to give a similar perspective, we saw about a 3% increase in food and paper costs in 2021 and that increase is supposed to be around double also in 2022, similarly more pressured early in the year.”

Source: C4Q’21 earnings
Macro worries

…but global growth outlook is moderating…

“Several macroeconomic forces, including the tragic conflict in Ukraine, uncertainty around the pandemic, a tight labor market, supply chain disruption, high energy prices and inflationary pressure have dampened the current GDP outlook globally and for the United States. Last week, we lowered our economic outlook. U.S. GDP is now expected to increase 3.4% in calendar year 2022, revised down from 3.7%, and our outlook is 2.3% in calendar year 2023, with consumer spending tilting towards services and B2B growth supported by inventory rebuilding. Global GDP growth is expected to be 3.5% in calendar year 2022, previously 4.1% and it will be 3.1% in calendar year 2023. Growth will be driven by the release of pent-up demand for services, while investment demand and inventory restocking support global manufacturing and trade. Given the tremendous fluidity of the macroeconomic environment, we will continue to update our outlook.”

Source: C4Q'21 earnings
Macro worries

...and some seeing a more dire situation ahead than others

"Yes. Well, look, I mean it’s probably one of the most difficult guides since 2008 and ‘09, because we -- we’re right in the middle of this disruption from Ukraine and Russia, which I think -- I don’t think it’s all Ukraine and Russia. I think it’s triggered a greater awareness. Like it’s like someone -- I think this was ring the bell, everybody pay attention, and then all of a sudden, everybody started talking, yes. All of a sudden, the Feds off to the races and that creates concern. You’ve got housing prices at all-time highs. I mean, is it sustainable? I don’t know for how long the math. Doesn’t make sense on kind of what’s happening in the housing sector and other places. And you’ve got inflation like I’ve never seen. Now I was telling people, when Yellen said, we’re going back to 2%, we were just signing our new freight contracts, ocean freight contracts. I just wonder if anybody, the Fed has picked up the phone and called a business person and said, hi, what do you think is happening with inflation? How is ocean rates? How is this? How is that? I mean I think -- I don’t think anybody really understands what’s coming from an inflation point of view, because either businesses are going to make a lot less money or they’re going to raise their prices. And I don’t think anybody really understands how high prices are going to go everywhere. In restaurants, in cars and everything. It’s -- and I think it’s going to outrun the consumer. And I think we’re going to be in some tricky space. So everything is kind of happening at once. And I think you got to prepare for war. I mean if you’re going into a very difficult, unpredictable time, you just got to be super flexible you’ve got to be able to improvise, adapt, overcome and kind of be ready for anything. And I don’t mean that by playing defense. I mean it’s by playing offense, but it’s -- I wouldn’t call it happy days right now. I’d call it expensive days, be ready. And when we play like that, we usually have our best outcome. When we get overly optimistic, we have higher likelihood to wind up in the ditch and get ahead of ourselves. So -- but if everything, if the war in Ukraine ends and inflation slows down some miraculous way, I don’t know, everybody can sign new freight contracts because, I mean, most of the world all signed new freight contracts. Two years ago, price of a container for us went from 2,400 to 4,800? Yes, yes, it’s doubled. I’m not going to tell you what it just went to. But just let’s say that looked like a nice increase. So -- and it’s not just us, it’s everybody. So either people are going to do stupid things like take quality down to make their goods like -- look like it’s better value or they’re going to not -- they’re going to have to take prices up and where they won’t take prices up and they’ll hurt -- their margin profile is going to change. But it’s not just us, it’s everybody I know in every industry. And I just don’t think it’s like -- again, I don’t want to scare everybody. But I talk about them, like there’s the scene in The Big Short, where everybody is in that ballroom and the guy thinks it’s the guy from Bear Stearns or someone is up there, one of the things, and he’s saying how they are going to buy back $1 billion of their stock, this is not, and then one guy on his BlackBerry, goes, can I ask the question, sir? In the 20 minutes that you’ve been talking, your stock is down like 55%. And everybody ran out of the room. I just think -- we tend to just try to be transparent and honest. And look, maybe our stock is going to take a big hit because of this and people are going to think Gary Friedman wasn’t excited. I’ve never -- I told -- I’ve never been in my 22 years here, I’ve never been more excited. I’ve also never been more uncertain, right? So - - and I think you have to take a real balanced view right now.”

Source: C4Q’21 earnings
Macroeconomic Worries

The low-income consumer is getting hurt the most...

“We had a slower-than-expected finish to the year and came in below our target. There are three factors that contributed to this, which I will discuss in increasing order of magnitude. First, the more muted into the year for e-commerce growth, driven by both supply chain challenges as well as pullback in spending by lower income consumers affected consumer growth.”

Source: C4Q’21 earnings
Macro worries

…with erosion of their purchasing power and causing substitution of durables and delaying of discretionary purchases

“If you look at overall, it’s pretty close to the cost increases we’ve incurred. If you look at, in a couple of department strategically, it’s not the retail price hasn’t increased as much as cost and we’ve been able to balance all of those pieces, but we really are using our data to make sure that we understand the elasticity of everything. **We are starting to see customers engaging in coupons, a little bit more aggressive than before and doing other things in terms of starting to move to our brands, where they don’t have to compromise on quality and they can save money as well.**"

“And I think the invasion of Ukraine by Russia, just became a kind of a reckoning point, if you will, where people had to stop and pay attention to everything. **And we saw our business slow about 10 points to 12 points, and it’s been relatively consistent during that period.** When it returns to normal? Not sure. How aggressive is the Fed going to be? Not sure. There are things we know and I don’t mean to be a pessimist, but history would tell us 4x to 5x the Fed raises interest rates over a sustained period, we have recession. And I don’t need to tell you guys that math, that's just a fact. So, look, we tend to, as I like to say, pray for peace and plan for war."

Source: C4Q’21 earnings
Macro worries

Travel may be in the beginning of a super cycle, but European travel is seeing slight weakness…

“I don’t think it’s an isolated event just affecting the Ukraine. If you look at the news in Europe these days, I mean, over the last 2 weeks, COVID completely disappeared from the news and it’s all about the war in Ukraine adding quite some uncertainty. And the concern, for example, in Germany, is that can this spread to other NATO countries as well and things like that. We have seen a spike in energy prices, as I’m sure you are well aware of. So there the question then is, how can that impact transportation and prices for flights, et cetera, going forward. So looking at our core markets, we have seen a slight negative impact over the past 2 weeks, not big but you can see it. And overall, I think no impact in Americas. So overall, not a big impact right now, but certainly have more uncertainty in the near term. And yes, we need to see how that situation develops there.”

Source: Morgan Stanley TMT Conference 8-Mar-22
Digital Advertising
Digital Advertising

Digital advertising now facing both fundamental and macro headwinds...

In Q4, we generated total revenue of $1.3 billion, an increase of 42% year-over-year, amidst headwinds to both our Direct Response and Brand businesses.

On the Direct Response side, we continued to work through challenges presented by Apple’s ATT-related changes and we are making solid progress.

On the Brand side, macro headwinds related to supply chain disruptions and labor disruptions materialized and remain unresolved in the new year. CPG and Restaurants sectors of the Brand business being impacted most significantly.

These headwinds, and their impact on growth rates for upper funnel objectives commonly utilized as part of Brand campaigns, such as impressions and views, were the largest contributors to the sequential decline in year-over-year growth in Q4.

Source: C4Q'21 earnings
As we look forward to Q1, the operating environment remains challenging. Many of the supply chain and labor related headwinds our advertising partners faced in Q4, remain challenges as we enter Q1.

In addition, while we made significant progress in navigating the iOS platform changes in Q4, we believe that it will take at least a couple more quarters for our advertising partners to build full confidence in our new measurement solutions.

Source: C4Q’21 earnings
Digital Advertising

Advertisers are still scrambling to adapt to Apple’s privacy changes...

Our sales team is working hard to help advertisers adapt to the new measurement paradigms brought about by Apple’s iOS privacy related changes.

Our advertising partners who prefer to leverage lower funnel goals, such as in-app purchases, have been most impacted by these changes. We are seeing these advertisers migrate to mid-funnel goals where they have greater visibility, such as install or click.

Advertisers who optimize via web-based goal-based bids, or GBBs, have been less impacted given that many of them have adopted the Snap Pixel.

**Many of our advertisers have enabled both Apple's SKAdNetwork, or SKAN, as well as our own first party measurement solutions, which we broadly refer to as Advanced Conversions, or AC.**

Source: C4Q’21 earnings
Digital Advertising

...with first party data/integrations becoming critical...

Ultimately, first party integrations allow us to build out measurement solutions based on advertiser input and directly connect to how our formats and targeting work, so that businesses have the most accurate view of ROI. These allow us to preserve the privacy of our community while helping advertisers weather the disruption from platform changes.

Source: C4Q'21 earnings
Digital Advertising

...as exemplified by companies like Braze who may possess an advantage

“...started Braze in the early days, **we looked at the first-party data** as just the more respectful way to work on a relationship over the long term.”

“When we look at it from the perspective of digitization trends, **the move to first-party data**, the continued enhancement and sophistication within customers as they move to more interdisciplinary strategies and customer engagement”

“But when we look at the concept of vertical integration for data generation, **we want that to extend beyond the user interfaces in the apps and websites and move into other sources of first-party data such as inside a customer's data warehouse.**”

“We announced **Braze for Commerce**, a series of new products and enhancements aimed at allowing retail and e-commerce marketers to create highly personalized campaigns, driven by **first-party data.**”

Source: C4Q'21 earnings
I’d like to talk about our progress in 3 of those: ads, commerce and messaging. First, ad. Like others in our industry, we faced headwinds as a result of Apple's iOS changes. **Apple created 2 challenges for advertisers:** one is that the accuracy of our ads targeting decreased, which increased the cost of driving outcomes; the other is that measuring those outcomes became more difficult.
Digital Advertising

..while also hurting from consumers spending more time on short form video

The first is competition. People have a lot of choices for how they want to spend their time, and apps like TikTok are growing very quickly. And this is why our focus on Reels is so important over the long term, as is our work to make sure that our apps are the best services out there for young adults, which I spoke about on our last call.

The second area and related to this is that we are in the middle of a transition on our own services towards short-form video like Reels. So as more activity shifts towards this medium, we are replacing some time in News Feeds and other higher monetizing services. So as a result of both competition and the shift to short-term -- short-form video as well as our focus on serving young adults over optimizing overall engagement, we're going to continue to see some pressure on impression growth in the near term.

Source: C4Q'21 earnings
Digital Advertising

Meta is making large bets for the future...

Now last year was about putting a stake in the ground for where we're heading, and this year is going to be about executing. And today, I'm going to discuss our 7 major investment priorities for 2022. They're Reels, community messaging, commerce, ads, privacy, AI and, of course, the metaverse. And these are the areas that we're putting a lot more talent and budget towards.

Source: C4Q'21 earnings
Digital Advertising

...just as it is feeling the headwinds from macro, iOS and consumer shift to video

**Worldwide pricing growth slowed** from the third quarter as **we lapped stronger growth** in the year ago period and faced currency headwinds. Pricing was also **negatively impacted by advertisers facing challenges from macroeconomic factors and measurement targeting headwinds.**

Source: C4Q'21 earnings
Digital Advertising

Twitter announced a new board member…

Parag Agrawal @paraga · Apr 5
I’m excited to share that we’re appointing @elonmusk to our board! Through conversations with Elon in recent weeks, it became clear to us that he would bring great value to our Board.

Parag Agrawal @paraga · Apr 5
He’s both a passionate believer and intense critic of the service which is exactly what we need on @Twitter, and in the boardroom, to make us stronger in the long-term. Welcome Elon!

Parag Agrawal @paraga · Apr 4
The consequences of this poll will be important. Please vote carefully.

Elon Musk @elonmusk · Apr 4
Do you want an edit button?
Show this poll

Source: Twitter
Digital Advertising

...as their new CEO re-iterates the company’s focus on execution

I've been at Twitter for 10 years, and I've been on the leadership team over the last 4 years. One of the things we've constantly been focused on is how we go faster, how we can ship more products to our customers in order to give them more value.

As I've taken on this role, my focus has been on improving our execution. I bring a strong amount of urgency to this growth, being very focused on metrics in observing them and reacting to them and being able to understand what's working for our customers, what's not working for our customers and to use that understanding to constantly improve our products. I also bring an increased focus on accountability across the company. It's evidenced by the changes we've made around the GM structure that we're now operating under and how we are driving more accountability at the leadership level but also as it cascades below that.

Source: C4Q'21 earnings
Digital Advertising

Subscale ad platforms such as Pinterest are struggling with the re-opening...

Our **U.S. MAUs declined 12%** year-over-year to 86 million, primarily due to **pandemic easing relative to the year ago quarter**. We also believe that **time spent on competing video app platforms** contributed to the year-on-year declines.

Furthermore, our monthly active users were negatively impacted from **lower search traffic due to Google’s November algorithm updates**. In fact, more than half of the Q3 to Q4 sequential decline in U.S. monthly active users was attributable to Google’s algorithm updates starting in mid-November.

Source: C4Q'21 earnings
Our Q1 revenue guide takes into account a few considerations. **First, the macro environment remains challenging for our CPG advertisers who are still dealing with supply chain and other macroeconomic issues. We believe this headwind could persist for a few quarters.**

Second, we continue to monitor the impact that higher CPAs could have on our more price-sensitive advertisers. There are some exogenous factors that appear to be resulting in higher CPAs, including overall demand for digital ads from advertisers. On Pinterest, specifically, if engagement declines continue, we could eventually expect to see some constraints on our monetizable supply and, in turn, higher CPAs. This supply constraint is not something that we're seeing today, but we're monitoring it carefully. At the same time, we're investing in a number of opportunities to monetize our existing supply and to help advertisers achieve their goals.

*Source: C4Q'21 earnings*
Digital Advertising

Google continues to be insulated from the pain faced by other platforms…

Year-on-year performance was driven by broad-based strength in advertiser spend and strong consumer online activity. In the fourth quarter, retail was again by far the largest contributor to year-on-year growth of our ads business. Finance, media and entertainment, and travel, were also strong contributors.

Source: C4Q'21 earnings
Digital Advertising

...as YouTube continues to show significant strength...

YouTube Shorts continues to drive significant engagement. We just hit 5 trillion all-time views, and have over 15 billion views each day globally. This is helping our creator community reach newer and bigger audiences.

In fact, more people are creating content on YouTube than ever before. Last year, the number of YouTube channels that made at least $10,000 in revenue was up more than 40% year-over-year, and we are continuing to improve support for artists and creators.

Source: C4Q’21 earnings
In 2022, we expect a meaningful increase in Capex. In technical infrastructure, servers will again be the largest driver of spend.

With respect to office facilities, after fairly muted Capex over the past two years, we are re-accelerating investment in fit outs and ground-up construction.

Source: C4Q'21 earnings
Digital Advertising

The Trade Desk continues to benefit from advertisers needing a standard platform...

We have been encouraged to see advertisers accelerate their shift to data-driven advertising in 2021. **Our results reflect the ongoing strength of programmatic advertising and the value that The Trade Desk provides thousands of agencies and brands as they work to connect with their customers across our platform every day.**

For both the quarter and the full-year, connected TV continued to be our fastest growing channel at scale around the world. As Jeff mentioned, Solimar is now over 50% adoption and we are seeing promising results as customers, on average, are utilizing Solimar to leverage more data elements than they did previously.

Source: C4Q’21 earnings
So first, I don't believe that this will have a negative impact on our business and I think it has a good chance of having a positive impact on our business. **So in order to understand that though of course, you just have to acknowledge that Google is getting hit from all sides as it relates to antitrust scrutiny as well as privacy scrutiny. So this move by Google is not a surprise.** It's not like Android could just sit around and be the only platform not to pull back on implicit data sharing, but they created an amazing transition period which I think is very good for the industry and something that is they've learned from I would say Apple's mistake on this.
Digital Advertising

Ad dollars have not kept pace with growth within certain businesses such as streaming video...

“The growth of TV streaming is driven by both cord cutting rates and the increasing amount of time spent streaming TV: according to Nielsen, in Q4 adults aged 18-49 spent 45% of their TV time streaming, up from 40% in the prior year. Yet it is estimated that advertisers spent just 18% of their U.S. TV budgets on streaming in 2021.”

Source: C4Q’21 earnings
Digital Advertising

…while some businesses are just unlocking Ad revenue

“Our advertising business ended the year with around $225 million in run rate revenue, well above the $100 million target we laid out earlier this year.”

We expect $1B+ advertising revenue by 2024

Key drivers

- **New ad surfaces**: Rider app, cartops, in-ride tablets
- **New ad formats**: Sponsored search, sponsored display & branding, sponsored video, sponsored items
- **Increased CPM**: driven by new features such as audience and cross-platform targeting
- **Dedicated salesforce**

Source: C4Q'21 earnings, Investor Day
Digital Advertising

Spotify’s ad business is becoming their second key revenue driver

“Ads, well, it continued its remarkable growth trajectory turning in 40% growth year-over-year. Advertising is showing more proof-points of being the second key revenue driver for the overall business, climbing to a record 15% of our total revenues this quarter. And while the ad business is more prone to seasonal blips, I see this momentum continuing in 2020 and beyond, and as a result of this strong performance, we will continue to test different windowing strategies for our exclusive podcast partnerships to get the advantage of that broader audience reach.”

Source: C4Q'21 earnings
“So, just broadly speaking, our overall approach to marketing is in response to IDFA has been number one to focus on the upper strategy. So we're looking at different ways to re-tool that and that means in a tweaking channel mix potentially moving to other channels that are more attractive. So for example, we've shifted in Q4 a little bit of spend to more to TV, we also are looking at more creator partnerships, and so in Q1, we launched a partnership with ATEEZ, which is a K-pop band and we are doing more sort of micro and macro partnership. In terms of the sheer install channels, we've definitely allocated more to TikTok and Snapchat as two channels that are showing very attractive and a more attractive sort of value proposition. I would say, Facebook and Instagram have been improving but are not quite at the pre-IDFA levels in terms of performance.”
Digital Advertising

On a long enough timeline, everyone scales ads...

More broadly, we are expanding our opportunity in advertising. **Over the past 12 months, our total advertising revenue, inclusive of LinkedIn, surpassed $10 billion ex TAC.**

And with our acquisition of Xandr, we will bring to market new advertising solutions that combine our deep audience understanding and customer base with Xandr's large-scale data-driven platforms.

Source: C4Q'21 earnings
Gaming & Content
Gaming

Microsoft makes a key move in gaming with acquisition of Activision Blizzard

**Game Pass** has more than **25 million subscribers** across PC and console.

Our differentiated content is driving the services growth, and we released new AAA titles this holiday to rave reviews and record usage. **18 million have played Forza Horizon 5 to date, and more than 20 million have played Halo Infinite, making it the biggest Halo launch in history.**

And with **our planned acquisition of Activision Blizzard** announced last week, we're investing to make it easier for people to play great games wherever, whenever and however they want and also shape what comes next for gaming as platforms like the metaverse develop...

Source: C4Q'21 earnings
Gaming

Roblox continues to grow beyond their core demographic of <13 yo…

In addition to our January user growth, our 17 through 24-year-old segment in January grew 51% year-on-year, which is a wonderful validation of our vision to bring people of all ages together on our platform.

And internationally, in addition to strong growth in Asia Pacific, Latin America, and Europe, two countries that we have a lot of focus on, Japan and India, both grew over 100% year-on-year, which is wonderful for us.

Source: C4Q’21 earnings
Gaming

…and believes that engagement continues to be robust

When I look at the growth rates that were in the first 4 quarters of COVID, we just had immense growth 3x the growth in some of the quarters. Between 1Q'21 and 2Q'21, we went from 161% in bookings growth to 35%. We were finally in a period where we were comparing against our early quarterly results when COVID started. We look at the data a lot to see, is that a onetime bump in our business? Or are we retaining those users? Are they becoming engaged users on Roblox? And as we open things up as the world opens up, are they staying with us? And the answer is yes.

Source: C4Q'21 earnings
Gaming

Unity is scaling outside of its core gaming opportunity…

Unity is partnering with Hyundai Motor's to connect an actual factory with its digital twin to enhance plant management, drive productivity and innovate in the manufacturing process. Hyundai considers this initiative and partnership with Unity a game-changing.

Unity has also partnered with eBay to enable sellers to showcase the actual item we are offering with our proprietary interactive 360-degree view. This experience will help buyers shop with greater confidence starting with sneakers. We believe that this is the next generation of shopping experience and provides a competitive advantage for sellers and retailers.

Source: C4Q'21 earnings
Gaming

...and their acquisition of Weta could be transformational

The integration is progressing as expected. We close the deal at the beginning of December and have on-boarded most employees. We're working to productize the award-winning tools such as Manuka, Lumberjack, Loki, Squid, Barbershop, HighDef, CityBuilder, and many more.

With Unity's deep expertise in real-time 3D, this world-class tools will be available to creators and artists on the cloud. The largest opportunities are within games, film, animation and advertising. As mentioned, productizing these tools will take approximately two years.

Source: C4Q'21 earnings
Gaming

Sea’s declining Free Fire usage, engagement and spending from Covid highs...

Source: C4Q'21 earnings
Gaming

...plus India’s Free Fire ban + closure of Shopee India = a tougher 2022

“And in terms of the trends, I think the overall opening up post COVID is across all the markets. And therefore, we do start to see the weakening. I think it’s industry-wide as well. And we are still evaluating the data and the trends. At the same time, we are very much focused on the long-term success of the Free Fire IP, which we see it as a very important strategic asset to us.”

“For the full year of 2022, we currently expect bookings for digital entertainment to be between US$2.9 billion and US$3.1 billion. With many economies reopening further in the fourth quarter and into this year, we have observed some moderation in online activities and fluctuations in user engagement. Moreover, due to unanticipated government actions, Free Fire is currently unavailable in the Google Play and iOS app stores in India. The guidance takes into consideration these headwind factors. The midpoint of the guidance of US$3.0 billion reflects our current expectations that our bookings for 2022 will be close to the level in 2020 while also considering the uncertainty in India.”

“In terms of the game portfolio, we are very focused on diversifying our game genres. As we shared before, we are looking into different genres such as sandbox, RPG and other more casual games to supplement our existing offerings. Now I think these will still be early stage games. And also given the size of Free Fire, which is the largest and highest growth in global games in history, it is probably hard to come up immediately with other games that can match the size of Free Fire. However, everything we’re doing is to a, diversify our portfolio and capability; and b, at the same time, will prepare for the long run… to make sure that we stand ready to capture the next wave of major opportunities that might come.”

Source: C4Q’21 earnings
Netflix is experiencing some headwinds to user acquisition...

“So overall, the business was healthy. Retention was strong. Churn was down. Viewing was up. But on the margin, we just -- we didn’t grow acquisition quite as fast as we would have liked to see on our large subscriber base. A small change in acquisition can have a pretty big flow-through in paid net adds. And again, our acquisition was growing, just not growing quite as fast as we were perhaps hoping or forecasting.”

“And acquisition just growing but a bit slower than pre-COVID levels, just hasn’t fully recovered. And we’re trying to pinpoint what that is. It’s tough to say exactly why our acquisition hasn’t kind of recovered to pre-COVID levels. It’s probably a bit of just overall COVID overhang that’s still happening after two years of a global pandemic that we’re still unfortunately not fully out of, some macroeconomic strain in some parts of the world, like Latin America, in particular. While we can’t pinpoint or point a straight line using when we look at the data on a competitive impact, there may be some kind of more on the marginal kind of side of our growth, some impact from competition. But which, again, we just don’t see it specifically.”

Source: C4Q’21 earnings
The biggest opportunity though in terms of significance is with general entertainment being added to the service. And I think you’ve seen just this quarter, we mentioned that today that we’re adding in grown-ish, black-ish and a few other titles into our service. I think that will be a trend of us taking more general entertainment and moving it over to Disney+, because as you know, about 50%, slightly over 50% of our consumer based on Disney+ do not have kids.”

Source: C4Q'21 earnings
“While multi-platform television and streaming will continue to be the foundation of sports coverage for the immediate future, we believe the opportunity for The Walt Disney Company goes well beyond these channels, extend the sports betting, gaming and the metaverse. In fact, that's what excites us, the opportunity to build a sports machine akin to our franchise flywheel that enables audiences to experience, connect with, and become actively engaged with their favorite sporting events, stories, teams, and players.”

Source: C4Q’21 earnings
Content

Spotify is looking to build a 50 million strong creator ecosystem

“And while this is not limited to Spotify, we are building the platform that will enable the whole ecosystem to work together on a global scale. And we think that the Spotify ecosystem alone will encompass more than 50 million active creators, which is a significant increase from the 11 million total that we have today. So think of it as 50 million small and medium-sized businesses that we can support by giving them the infrastructure and resources to grow. And this evolution will take time, but I know some of you are wondering what this means in the near term, and the work there is already well underway. This opportunity started to crystalize for me around our acquisition of Anchor and has only grown from there with increasing momentum. It was clear to me from the feedback we heard that Anchor creators wanted more flexibility and more options to do business.”

Source: C4Q’21 earnings
Supply chain headwinds are impacting Roku as TV sales fall below pre-COVID levels.

“We had strong active account net adds overall in 2021, though growth rates slowed some in the second half of the year. **We believe that the slowdown in Q4 was, in large part, attributable to global supply chain disruptions that have impacted the U.S. TV market. Similar to Q3, overall U.S. TV unit sales in Q4 fell below pre-COVID 2019 levels.** Some of our Roku TV OEM partners were hit particularly hard with inventory challenges, which negatively impacted their unit sales figures and market share in Q4.”

Source: C4Q’21 earnings
Peloton made a switch at the top...

“I’d like to start by stating I love Peloton. I love the role we play in connecting the world through fitness. **Our goal has always been to bring immersive and challenging workouts into people's lives in a more accessible, affordable and efficient way. We’ve done a great job of delivering on that vision, and our large and loyal member community is proof of that.**

But we also acknowledge that **we have made missteps along the way. To meet market demand, we scaled our operations too rapidly, and we overinvested in certain areas of our business. We own this. I own this, and we are holding ourselves accountable.** That starts today.

Early today, we announced several important leadership changes. **I will be taking a new role as Executive Chair of the Board, and Barry McCarthy will be assuming the role of CEO.** I couldn't think of a better person for that job as we transition to Peloton's next phase of leadership. Barry is a tremendously talented executive with deep experience in growing content-dependent digital subscription businesses and doing so profitably.
...and is embarking on a wide ranging restructuring plan

“When fully implemented, we expect our restructuring initiatives to yield at least $800 million in annual run-rate cost savings across operating expense efficiencies and material improvements in our Connected Fitness gross margin.”

“The COGS savings will primarily come from efficiencies in procurement, manufacturing, and logistics. Operating expense savings will come from a wide range of initiatives, including corporate workforce reductions, marketing spend efficiencies, changes to our real estate strategy, optimized software costs, and more tightly controlled outside services spend. We have also decided to wind down the development of Peloton Output Park.”

Source: C4Q’21 earnings
Content

Apple’s pace of subscription growth continues to be staggering

“The number of paid accounts on our digital content stores grew double digits and reached a new all time high during December quarter in every geographic segment. Also, paid subscriptions continued to show very strong growth. We now have more than 785 million paid subscriptions across the services on our platform, which is up 165 million during the last 12 months alone.”

Source: C4Q’21 earnings
Payments, Fintech & Crypto
Payments

Macro is top of mind for payments companies…

“But we see the lower income, and to a lesser extent the medium income cohorts, they certainly benefited from stimulus. And I think with that declining from prior periods and the inflationary effects around pricing [the impact of higher inflation on the consumer’s ability to spend], we saw less spending than what we anticipated.”

“Other areas of our business where we’re seeing the inflationary pressure is related to labor. We’ve got the largest increase in our year-over-year labor rates related to merit and inflation that we’ve ever had since I’ve been here. So that certainly has put some pressure on the P&L.”

“While restaurant spend is up compared to 2020, we believe this is driven largely by inflation as overall trips to restaurant categories are still down 13% when compared to 2020.

“While there have clearly been improvements in consumer spending, our advertisers are still feeling the effects from the pandemic, specifically labor and supply chain shortages as well as new impacts such as inflation.”

Source: C4Q'21 earnings
Payments

...though the silver lining is that rising rates drives NIM expansion

“But as you think about interest rates and sort of the response of higher inflation, **where we benefit from higher interest rates is on the interest that we earn on our customer balances.** And that continues to grow year-on-year as we become larger, scale more and more relevant with our customers.”

“You have seen that the market in general and with respect to credit card and personal loans has been able to reprice relatively fast, **and not only defend net interest margin, but also even expand largely the net interest margin in general.**”

Source: C4Q'21 earnings
**Payments**

Transaction payments businesses potentially benefit from higher AOVs

> "Right now, of course, the size of the basket has gone up. Some of it is because of inflation. Some of it is because it's just gone up through the pandemic...in general, when people are ordering in through e-commerce, basket sizes have tended to go up. So, the basket size increase we see now is partially inflation. **So net-net, we are a beneficiary of inflation.**"

Source: C4Q'21 earnings

> "...there is a higher ticket size, which is happening, which you would expect because as people get out and travel more, that's higher ticket in general. They do it on credit products, which are higher ticket size. And as e-commerce happens, that happens to be higher."

Source: C4Q'21 earnings
Payments

Visa reported an uptick in activity, led by e-commerce...

Source: C4Q'21 earnings
Payments

…with Mastercard reporting similar improvement, led by cross border (ex travel)…

---

### Business Update Through January 21st

<table>
<thead>
<tr>
<th>Year-over-year growth %</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q3</td>
<td>Oct</td>
</tr>
<tr>
<td><strong>Switched volume</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>23%</td>
<td>24%</td>
</tr>
<tr>
<td>Worldwide less U.S.</td>
<td>33%</td>
<td>37%</td>
</tr>
<tr>
<td><strong>Switched transactions</strong></td>
<td>25%</td>
<td>26%</td>
</tr>
<tr>
<td><strong>Cross-border volume</strong></td>
<td>52%</td>
<td>58%</td>
</tr>
<tr>
<td>Intro-Europe</td>
<td>47%</td>
<td>54%</td>
</tr>
<tr>
<td>Other Cross-border</td>
<td>60%</td>
<td>63%</td>
</tr>
<tr>
<td>XB CNP ex travel</td>
<td>27%</td>
<td>24%</td>
</tr>
<tr>
<td>XB Travel (CP + CNP travel)</td>
<td>86%</td>
<td>122%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Current period as a percentage of 2019</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q3</td>
<td>Oct</td>
</tr>
<tr>
<td></td>
<td>131%</td>
<td>136%</td>
</tr>
<tr>
<td></td>
<td>129%</td>
<td>133%</td>
</tr>
<tr>
<td></td>
<td>132%</td>
<td>139%</td>
</tr>
<tr>
<td></td>
<td>131%</td>
<td>134%</td>
</tr>
<tr>
<td></td>
<td>97%</td>
<td>105%</td>
</tr>
<tr>
<td></td>
<td>112%</td>
<td>120%</td>
</tr>
<tr>
<td></td>
<td>83%</td>
<td>92%</td>
</tr>
<tr>
<td></td>
<td>155%</td>
<td>158%</td>
</tr>
<tr>
<td></td>
<td>77%</td>
<td>78%</td>
</tr>
</tbody>
</table>

Source: C4Q'21 earnings
Payments

Monzo continues to see recovery in international + strong ecommerce activity

Source: Monzo
Payments

Payment businesses continue to scale rapidly…

“It feels to me not so long ago that we said one day we’ll do a trillion. **At the time, that was 20x** -- and right now we are over half a trillion.”

“We have seen a major increase in the opportunities for both existing and new clients in the last year.”

“In 2021, total processed volume surpassed the $6 billion threshold. We have almost tripled our TPV, increasing by 193% over prior-year 2020. **If we compare our TPV in 2021 versus three years back, we have increased it by 11 times.**

Source: C4Q’21 earnings
Payments

...Driven by: (1) structural digital payments tailwinds...

“"I think that is a fundamental structural trend, more online commerce, more online banking, more online, everything. And what has really come out over the last two years that this is a lasting trend.

“For example, in Latin America, until a few quarters ago, there was more cash volume than payments volume on Visa credentials. In fact, in the past year, there has been a nearly 6.5-point shift, and payments volume is now 55% of the total volume, even with cash in Latin America growing 10% this past quarter.”

“This acceleration of digitalization is not just anecdotal. It’s happening everywhere.”

“Over the last three years our TPV grew over 400% from 2019 to 2021. Much of this growth was fueled by digital commerce disruptors that grew significantly due to shifts in consumer behavior during the pandemic.”

Source: C4Q'21 earnings
“And what we've seen with Afterpay is the growing importance of their omnichannel presence. And the more mature markets like Australia and New Zealand, in December they drove over 30% of their GMV in-store. And those omnichannel consumers transact four times more compared to online-only consumers.”

“Point-of-sale volumes are once again outpacing ecommerce volumes growing 97% year-on-year for the period. Businesses are looking for a partner that is able to combine both the online and in-store channels. This is true now more than ever in an increasing number of verticals.”
“In Brazil, the tap to pay penetration has increased from 5% to 24% in the past year. In India the tap to pay penetration has nearly doubled to 16% in the same period. And all of these efforts have helped to fuel our 40%-plus year-over-year growth rate in payments volume in India this past quarter. In the United States, we're nearing 20% tap-to-pay penetration with key metro cities showing even stronger growth.”

“We now have 100 deployments of Tap on Phone in over 50 markets with leading partners globally. Contactless penetration increased to one in two of our in-person switch transactions globally this quarter. This is up from approximately one in three prior to the pandemic.”

“We're going to be rolling out Venmo with Amazon, with Starbucks, with DoorDash. There are quite a number of very high-profile merchants that are going to be implementing pay with Venmo on top of all of the things that they did last year.”

Source: C4Q’21 earnings
Payments

…Which coupled with a diverse merchant base + land and expand sales strategies…

“We have seen that our **sales funnel continues to expand** given the rapid expansion and ramp-up of merchants online, the growth of the creator economy, the emphasis our merchants place on digital marketing that, in many cases, **have no geographic boundaries and the viral growth** of users that some of our highest-growth merchants experience. **We expect this trend to continue as we see new companies emerge and become dominant online much more quickly today than even a few years back.**

“The number of opportunities have scaled significantly by about two times compared to the 350 plus we had in March of 2021. **The merchants we expect to onboard during 2022 came from diverse businesses such as commerce, gaming, crypto, messaging apps, payroll, among many others.**

“The more footprint we have, the better chances we have to be able to get a merchant to integrate into us. **And that's where the whole net revenue retention kicks in. We know once we are integrated, our merchants don't churn, but continue to drive more revenue dollars to our platform.**

Source: C4Q'21 earnings
Payments

...Leads to exceptional consistency and visibility of growth

IPO guide (2018):

- “Adyen aims to continue the growth of Net revenue and achieve a CAGR (compound annual growth rate) between mid-twenties and low thirties in the medium term by executing Adyen’s sales strategy.
- Adyen aims to improve its annual EBITDA margin, and expects such margin to benefit from its operational leverage and increase to levels above 55% in the long-term.”

CY2022 guide:

- “We aim to continue to grow net revenue and achieve a CAGR between the mid-twenties and low-thirties in the medium term by executing our sales strategy.
- We aim to improve EBITDA margin, and expect this margin to benefit from our operational leverage going forward and increase to levels above 65% in the long term.”

Source: H2’21 earnings
Payments

National payment schemes drive digital payments, but mostly disrupt P2P

“Regarding PIX, as we predicted, it is replacing wire transfers and very incipient for P2M. As we have been discussing, we believe PIX is a relevant add-on and will foster the cash conversion into electronic transactions, which help us to add new clients on both banking and payments.”

“So regarding PIX, yes, we did see PIX growth significantly within our base in 2021, but mostly substituting wire transfers and cash...When we look at the PIX heavy users within our base, we estimate debit cannibalization to be less than 5%. So the overall impact to the base is very, very low. These trends, we believe, are very much in line with the market, but we do see PIX growing significantly within our base. And we do see PIX as an important part of our banking strategy because it increases engagement of our banking solution.”

Source: C4Q'21 earnings
Neobanks are acquiring and engaging consumers for primary banking and financial services, at scale...

“Our active base is highly engaged, and we’ve seen growing adoption of Cash Card, which reached more than 13 million monthly actives as of December...In the fourth quarter, spend for Cash Card actives increased year over year as actives used Cash Card for a diverse range of everyday purchases from fast-food restaurants to big-box retailers to gas stations and more.”

“And as we see people keeping their money with us, we see them doing more activities that we offer, such as bitcoin, stocks, the Cash Card, Direct Deposit, and Taxes. So, there’s a whole suite of financial tools that Cash App has access to that we’re really excited about.”

“We have built one of the largest digital banking platforms in the world with nearly 54 million customers in Brazil, Colombia and Mexico and are still growing at a pace of about 2 million new customers per month.”

“As the cohorts season, as the cohorts mature, you can see that we become the primary banking relationship of more and more of those customers and we increase the usage and the engagement and the purchase volumes with our core products.”

Source: C4Q’21 earnings
Fintech

...And integrating new forms of ecommerce front-ends...

“We've also built in **Cash App an initial search page for customers where they can discover** Buy Now Pay Later offers within Cash App. Similar to how you might discover a Boost offer within your Cash App, customers can click through the search icon to discover Afterpay merchants, along with other peer-to-peer network and Boost functionality. **That's the first time we've enabled commerce for customers to buy through Cash App.**”

“We already have over 20 different partners from a number of different e-commerce, businesses that are offering their products to our customers via our app. Now that we have the right product architecture and technology platform, it becomes much easier to launch the second, third, 10, 15, 20 different partnerships.”

“People coming into our shopping tab is up 35%. **People going from the shopping tab to merchants to shop is up over 700%.”**

Source: C4Q'21 earnings
Fintech

...with exceptionally low CAC and operating costs

"Cash App spent approximately $10 to acquire a new transacting active...That $10 is still lower than other neobanks and a fraction of what a traditional bank would spend to acquire a new customer, and that's really supported by the efficiency of the model with peer-to-peer embedded within the app."

"Our customer acquisition cost has been amongst the lowest that we’ve seen in the market. We have a customer acquisition cost of about $5 per customer, of which paid marketing accounts for only $1."

"We believe that Nu has very high operating leverage potential, driven by deep cost advantages across the four traditional cost fields or financial services: low customer acquisition cost, low cost to serve, low cost of risk, and low cost of funding. These cost advantages are expected to deepen as our eco system expands."

Source: C4Q'21 earnings
Fintech

Monetization is ramping at neobanks...

Square

“we've seen early monthly cohorts maintaining a payback period of less than one year as gross profit per monthly active was $47 in the fourth quarter.”

nu

“The combination of more customers, more active customers, and higher RPAC enables us to grow revenues at triple digit rates.”

“if you take a look at the ARPAC of incumbent banks in Brazil, they are about $35 to $38 per active customers per month. We are still at now about $5 per active customers per month. The more mature cohorts are already at $15. So we believe that we still have a gigantic gap to close, in both proprietary products as well as third party products.”

Source: C4Q'21 earnings
Fintech

...Leading to the potential creation of highly profitable businesses

“Square’s 2020 and 2021 cohorts are pacing toward compelling returns on investment of 3x over four years. With these cohort economics, we delivered incremental adjusted EBITDA margins of 32% in 2021, which was driven by ramping profitability in both Square and Cash App and illustrates the potential structural profitability in our business that we’re investing behind.”

“At maturity our products converge towards a 60% plus risk adjusted margin. So we expect that we will converge towards a much higher gross profit margin as the growth rate in our interest earning assets now stabilizes.”

Source: C4Q’21 earnings
BNPL continues to win adoption, both with consumers…

“We estimate that this year, Affirm processed **1.6% of all U.S. online transaction volume** for the Black Friday, Cyber Monday period, **another triple-digit increase** from last year.”

“We saw significant outperformance from the buy now, pay later vertical as **this mode of payment was extremely popular during the holidays.**”

“We continue to see rapid consumer adoption with $3.2 billion of buy now, pay later TPV in Q4 alone, a $13 billion run rate with **Q4 growth of over 325% year over year.**”

“BNPL fintech’s are increasingly using Visa virtual cards to settle with merchants, **driving triple-digit payments volume growth** year-over-year in the United States.”

Source: C4Q’21 earnings
Fintech

…and with merchants...

“Affirm is as much a safe and transparent pay-over-time option for the buyer as it is the ultimate marketing tool for the seller…” [Merchant growth] accelerated with a more than 20 times increase from a year ago and a 64% increase from the rolling 12-month tally we reported just 90 days ago”

“We've processed 54 million loans globally since launch, with 13 million unique consumers and 1.2 million merchants using our Buy now, pay later services.”

“With 2022 underway, we are starting to see some stabilization regarding the pandemic. It is clear that the new commerce experiences, like on-demand delivery and buy now, pay later, are here to stay.”

Source: C4Q’21 earnings
Fintech

...as it builds toward ubiquity and daily spend

“The number of weekly transactions by Debit+ consumer, excluding our own employees, is greater than an order of magnitude above that of a regular Affirm user. Of course, these are enthusiastic early adopters, and we fully expect the number to normalize, but it’s exciting to see first glimpses of what Affirm as a daily instrument might look like.”

“Our open-loop Mastercard installment program that we announced last quarter has been very well received. The U.S. launch is on schedule for Quarter 1. We're actively bringing new partners into the program as we announced in the Middle East, Africa earlier this week, watch this space.”

Source: C4Q'21 earnings
Fintech

MELI’s credit business is scaling rapidly…

“Originations on our credit book surpassed $3.8 billion dollars this year, as we improved our credit underwriting capabilities. The Credits business has become a central piece of our ecosystem, enabling merchants to invest in more inventory and working capital, and consumers to finance their consumption needs in all of their touchpoints with our platforms.

“Our credit business is not any longer primarily an on-marketplace credit business, but it's actually a credit business that can aspire to the entire TAM away from the MELI marketplace. If you look at the size of our credit book and the potential size of the credit book, you'll see it's still a drop in the ocean in what the overall demand for credit is among these consumer segments that we're operating in. So the size of the addressable market is enormous.

We are managing the default risk levels in our credit book very closely, and observed sequential improvements in non-performing loans during the fourth quarter. Total non-performing loans as a percentage of our outstanding portfolio have improved from 28% in the third quarter to 24%, and the allowance for uncollectibles has also reduced relative to the size of the portfolio, sequentially.”

Source: C4Q'21 earnings
Fintech

…while MELI’s non-credit fintech offerings are expanding too

“Total Unique Fintech Active Users topped 51 million annually, with transactions per unique fintech active user also increasing steadily throughout the year, as our product suite became more comprehensive…

…We also distributed over 1 million insurance policies during the year, and began rapidly expanding the portfolio of savings and investments products available to our users towards the latter half of the year with the launch of our crypto wallet in Brazil.”

“Among the most recent launches is the trading function for cryptocurrencies. Within the digital account, all users in Brazil can now buy, hold and sell Bitcoin, Ethereum and the USDP stable coin. Our cryptocurrency custodian partner will provide the blockchain infrastructure platform while we act as the distribution channel and user interface. **Consistent with our other products, the crypto trading interface is very user-friendly, simple to navigate, secure and inclusive, with a minimum investment value of only 1 Brazilian real.** It is still early on in our crypto journey, but we are encouraged with the uptake we are seeing in the number of Brazilian users transacting with crypto in our wallet.”

Source: 4Q’21 earnings call
Web 3 has the potential to reshape the internet landscape...

“If you look at the traditional way that these were built in Web2, users were often kind of giving their data to these platforms and there was advertising based business models, which honestly, that was pretty good. It helped give access to these applications for free to a lot of people. But imagine a world where Airbnb or Uber, the early users of these platforms could have owned a piece it -- whether that was a reward token or having access to some governance on the platform or maybe even security tokens in the future.”

“And then the third is really crypto as a new application platform. That's what I mean by Web3. It's no longer just people reading and writing data on these web apps. They're actually reading and writing and getting to own a piece of it. And so we're seeing people build totally new applications in this paradigm, even things like social and gaming, and new forms of identity and governance, things that are completely outside the realm of just financial services.”

Source: C4Q'21 earnings
C4Q'21 earnings

“The top entrepreneurs and developers are rushing into this space. If you look at the activity on GitHub, and computer science electives that are happening at top universities, the youngest, smartest people are all excited about cryptocurrency as the most important technology trend kind of happening right now.”

“And I think our fundamental belief is that crypto is going to be the new default way that people build applications on the Internet. It’s the new application platform... And they’re going to be building all kinds of applications, not just financial service applications. So we believe Coinbase is the best-positioned company in the world to help drive that change.”
Crypto

...Enabled by fiat - crypto onramps, from (1) incumbents...

“Our work with consensus will make it easier for software developers to increase the scale, efficiency and speed of transactions on Ethereum and finishing blockchains.”

“We’re helping central banks, financial institutions and fintechs simulate the issuance and distribution of CBDC along with the integration of CBDDs with our card network, our real-time payment modules and native blockchain wallets.”

“Earlier this month, we previewed CBDC payment APIs currently in development, which would enable central banks to connect their Ethereum-based CBDCs with Visa rails through a wallet with digital issuance capabilities, enabling consumers to spend with CBDCs at any Visa merchant.”

Source: C4Q'21 earnings
Crypto

…and from (2) modern payments disrupters

“**Stripe now supports crypto businesses:** exchanges, on-ramps, wallets, and NFT marketplaces. Not just pay-ins but payouts, KYC and identity verification, fraud prevention, and lots more.”

“We set out to democratize the crypto ecosystem by creating a foundation that helps entrepreneurs around the world accelerate their time to market from 12 months or more to a matter of weeks. **We’re now on our way to help to create trillions of dollars worth of digital value over the next decade**”

Source: C4Q’21 earnings
“Growth of subscription and services [was] **10x growth year over year.** We have **3.6 million users** earning yield on their assets at year end, which is more than **five times** the number that we're doing in 2020.

“So Coinbase Cloud is our product suite to provide infrastructure and tools for Web 3 builders and other companies to accelerate building their own crypto products. And we see strong adoption of our staking services, which has reached **tens of billions in assets staked across 25 protocols.** We now support more than 60,000 nodes for participate, delegate, query, and transacting products...*We're definitely in the early days, and we see meaningful opportunities to expand our suite of developer-focused products*”
Crypto

...And is gearing up to launch its NFT platform

“So you can imagine NFTs just being the digitization of any type of item. And so think about the social networks of the past -- you'd post text or video on YouTube or TikTok or audio on Spotify or podcasts -- why isn't every single piece of digital content out there sort of have a unique something that people can own?”

“So I think just generally, we're really bullish on NFTs. It's going to be much larger than just digital artwork or something -- there's going to be all kinds of in-game items in the metaverse. There's domain name and ENS name-type assets that are being created out there. There's citizenship and governance and various novel fundraising mechanisms. So this segment is going to be really big”

“Our new collaboration with Coinbase will allow consumers to use their Mastercard to purchase NFTs”

Source: C4Q'21 earnings
On-Demand & E-Commerce
On-Demand

On-demand food continued to grow despite tough comps, bucking the trend of other COVID beneficiaries...

Source: C4Q’21 earnings; DHER 4Q’21 growth rates normalized for Woowa acquisition
On-Demand

…with restaurant digital order penetration still only at 15%

“Digital first engagement is increasingly critical for restaurant brands, as the industry continues to shift toward digital. **In 2021, almost 9 billion restaurant orders or 15.1% of total industry orders took place digitally, according to the NPD Group.** The Olo platform is at the center of this digital transformation, processing more than $20 billion in total gross merchandise value or GMV, representing an increase in digital orders completed on the Olo platform of more than 35% year-over-year.”

Source: C4Q’21 earnings
On-Demand

...with characteristics that suggest they are inflation-resistant

“Food prices go up and we take a commission on those food prices, we don't see that people stopped consuming because they have less spending power, people still order food, they might not go to expensive restaurants and bring a glass of wine, but they order in. And there are still very few people will order every day or even every week. So even under lower buying power, they do consume. And otherwise the business like the one we have in Bangladesh and Pakistan wouldn't work, if purchasing powers would eliminate food delivery.”

Source: C4Q’21 earnings
On-Demand

Uber’s Delivery business reached a key milestone in turning profitable

“Delivery reached an important milestone in Q4, generating $25 million in segment adjusted EBITDA and marking the first profitable quarter of many to come. As I said on our last call with you, we view the turn to EBITDA profitability is a big moment, but ultimately just a step along the way. It's creating a self-sustaining and incredibly valuable business. With this milestone accomplished, Delivery is well positioned to self-fund growth in grocery retail and local commerce and let me underscore, we expect significant EBITDA profit generation, even after those investments.”

Source: C4Q’21 earnings
On-Demand

DoorDash cohorts continued to grow through their “COVID bump”

Source: C4Q’21 earnings
On-Demand

CornerShop in Chile illustrated the potential of on-demand local commerce

We see grocery as the entry point for broader retail

CornerShop members represent 70%+ of GBs in Chile and spend an average of $6,000 on 20+ unique stores annually

Members order from a wide range of categories beyond just grocery, such as home improvement, fashion, electronics, pets, pharmacies, department stores, convenience, and many more.

Source: Investor Day – Feb 2022
On-Demand

Driver supply remained robust despite the demand impacts from Omicron

“I’ll quickly touch on driver supply, which continues to improve. **We made steady progress through product innovation, more targeted marketing and on the ground operational refinements to on-board more drivers and couriers faster.** Nearly 325,000 people started to work on Uber in the quarter, bringing our total global active earner base to 4.4 million people, the largest it’s been since the second quarter of 2020.”

“The reason why sales and marketing declined, was because our driver acquisition costs or Dasher acquisition cost were lower quarter-on-quarter. **As we’ve said in earlier quarters we fixed the under-supply situation that we faced earlier in Q2 and we find ourselves well supplied and we expect to be well supplied in 2022.”

Source: C4Q’21 earnings
On-Demand

Delivery Hero continued to build on a leading position in global quick commerce

“In Q4, we again accelerated the numbers of new stores, as Niklas mentioned to 213 compared to 174 stores in Q3 and 84 in Q2. So this bring us to a total numbers of 1,074 Dmart at the end of December. And to make this clear and really understand the speed, we are talking about two new Dmart everyday in Q4. Our successful roll-out result in order growth of 96% year-on-year in Q4, and due to the constantly increasing product assortment, the average of order value rose by 19% year-on-year to EUR12.5. And the GMV grew by 132% year-on-year on constant currency. So the 1,100 stores we operate today make us the largest global player in the industry”

Source: C4Q’21 earnings
“Well, actually, I don't think I'd surprise anybody if I say that we are actually quite close to break even in the UK. I should also be careful in pointing out that we don't believe that we are done with basically creating a bigger gap with the competition in the UK. We believe we have a good opportunity to increase that gap further. **And therefore, we -- you should not assume that we're going to have a high profitability in the UK in this year. We are going to invest whatever is necessary to make sure that we are going to be by far the market leader in London that has our top priority.** That's also where the profits that we could have because obviously the trajectory is towards profitability in the UK, but that -- we use that property in a wise way. And we think that actually, that is going to be incremental to our EBITDA in the years -- in the years to come. So, we are again investing that benefit into the market and it's going to be significant investments. So, don't think of the UK as a profitable market this year. And of course, if you are tracking us, you will see that we're close now, but don't think of that.”

Source: C4Q'21 earnings
On-Demand

Meituan’s on-demand local commerce business continues to grow...

“And Meituan Instashopping also delivered another stellar growth in 2021 with the highest daily order volume exceeding 6.3 million orders in December. On the consumer front, we converted a larger number of a high quality consumers with a strong consumption power into Meituan Instashopping consumers. This was exemplified by the growth in Meituan Instashopping’s ATU, that’s annual transacting user, which reached around 230 million in 2021. Meanwhile we continued to expand our operations in lower tier and underdeveloped markets. More consumers in these markets can now enjoy the convenience of have everything delivered to their doorstep, thanks to our nationwide on-demand delivery network.”

Source: C4Q’21 earnings
On-Demand

… while community e-commerce losses have moderated through industry rationality and regulatory scrutiny

"Furthermore, we are still confident about the scale and profitability for community e-commerce in the longer term. The competition for community e-commerce has become more rational and due to evolving regulatory environment, we had a large order players to start building up long-term capabilities earlier, which is conducive to the long-term health of the industry. Although the overall growth rate of the market is lower than expected, we believe under the regulation guidance, will develop at a healthy pace and build a varied and long-term capabilities for good retail."

Source: C4Q'21 earnings
On-Demand

Grab is seeing heightened promotional spend in SE Asia, and responding accordingly to defend share

“The growth opportunity in Southeast Asia is tremendous across all verticals, and we're not the only ones who recognize this. **Players in some markets have at times increased their promotion spend significantly. We will continue to invest as appropriate to maintain our lead.** And while we have a fortress balance sheet to support this, we aim to do it in an efficient, judicious and disciplined manner.”

Source: C4Q'21 earnings
On-Demand

Rideshare poised to recover to pre-COVID levels in 2022…

Source: C4Q’21 earnings
Note: Comparing vs. 2 year stack (2019 comparison) starting with 1Q21
On-Demand

Omicron had a more muted impact than previous COVID waves...

“Omicron also arrived at a time of year, when we usually see seasonal declines. So our mobility gross bookings decreased 21% from December to January, that's only about 10 points worse than what we typically see at this time of year. On a trips basis, the decline was even more muted, down just 15% month-on-month with pricing coming down meaningfully, as marketplace balance improved. It appears that the Omicron impact on our mobility business has come and gone relatively quickly even faster than the global case counts. We're beginning to see several major economies in Europe relaxing COVID restrictions, including the UK, the Netherlands, Denmark and Norway with more countries expected to take similar action soon. In the last two weeks, the mobility recovery has rapidly resumed with both trips and Gross Bookings recovering and Mobility Gross Bookings last week up 25% month-on-month.”

Source: C4Q'21 earnings
On-Demand

...as pent-up demand continues to bubble below the surface

“For full-year 2022, we are cautiously optimistic that we will grow revenues faster than the 36% achieved in 2021. We expect this growth for a few reasons. First, rideshare volumes in Q4 2021 were the highest they've been since COVID started, but we're still more than 30% below the Q4 '19 level. Second, the other side of the Omicron wave will likely create more opportunity for demand across our network. Throughout the pandemic, we have seen pent-up demand for mobility, that gets released when people have the chance to get moving. As people can go out safely and have more places to go, whether to bars, restaurants, sporting events or concerts that's exactly what they do.”

Source: C4Q'21 earnings
Let's transition to retail, where we had a terrific quarter. Since the beginning of the pandemic, we've seen ongoing shifts in consumer spending patterns.

Pre-COVID, each year, we saw increased spikes in demand between Black Friday and Cyber Monday. What's interesting is that in 2020, and again in 2021, we saw shoppers start shopping earlier and spending more throughout the quarter.

In Q4, we also saw a parallel lead year-over-year retail query growth with hobbies and leisure a close second.

Source: C4Q'21 earnings
E-Commerce

Amazon continues to see cost pressures, including new ones from Omicron, but the H2 2021 labor shortage is now beginning to improve

“As we mentioned in the last earnings call, we did see more than $4 billion in costs from inflationary pressures and loss productivity and disruption in our operations. The inflation primarily relates to wage increases and incentives in our operations as well as higher pricing from third-party carriers supporting our fulfillment network. Lost productivity and network disruptions were driven primarily by labor capacity constraints due to challenges in staffing up our facilities for peak. This is driven by the very tight labor market in the second half of 2021 and more recently by the emergence of the Omicron variant. We do expect these cost challenges to persist into Q1, albeit adjusted for lower seasonal volumes relative to the fourth quarter.”

“So as you turn the page into 2022, we feel better about labor, except Omicron has kicked up, and now you have a different type of labor issue where there's a lot of people who are on leave of absences and short term as they work to have a positive test on COVID and can get back into the workforce and protect their fellow workers. So there's instances where you're paying twice or 3 times for the same labor hour if someone is on leave you're paying them and you're also paying potentially for someone who's covering the shift on over time.

So there's cost pressure in Q1. I think the good news is that the labor challenge is not as great in Q1 as it was in Q3 and Q4. So we're hopeful on that. We have to work to now make our operations more efficient as we get staffing levels up. And we're going to plow a lot of our effort into increasing our transportation speeds and beating our pre-pandemic levels. So there's a lot of different challenges going on right now.”

Source: C4Q'21 earnings
E-Commerce

Amazon increased Prime prices for the first time since 2018, which will help partially offset the impact of inflation and higher labor costs.

“And finally, we will increase the price of Prime in the United States in Q1. We continue to make Prime better. In recent years, we’ve added more product selection available with fast free unlimited shipping, more exclusive deals and discounts and more high-quality entertainment, including TV, movies, music and books.

Since 2018, Prime Video has tripled the number of Amazon Originals. In this September, Prime Video will also release the highly anticipated The Lord of The Rings, The Rings of Power and become the exclusive home of Thursday Night Football as part of an historic 11-year agreement with the National Football League. Since 2018 in the U.S., availability of same-day delivery has expanded from 48 metropolitan areas to more than 90. Items available for Prime free shipping have increased over 50%. And members have saved billions of dollars shopping on Prime days.

This is all on top of new program benefits like prescription savings and fast free delivery from Amazon Pharmacy and the continually growing Amazon music catalog for Prime members as well as Prime Reading and Prime Gaming. With the continued expansion of Prime member benefits, and the increased member usage that we’ve seen as well as the rise in wages and transportation costs, Amazon will increase the price of a Prime membership in the United States with the monthly price going from $12.99 to $14.99 and the annual membership going from $119 to $139. This is our first price increase since 2018.”

Source: C4Q’21 earnings
E-Commerce

Walmart is following in a similar path as Amazon, as they increase omni-channel capacity and membership...

We're adding capacity for pickup and delivery, **we increased capacity by nearly 20% last year, and we expect to increase capacity by another 35% this year.** For Walmart In-home, we recently announced **an expansion of this membership service to make it available to about 30 million homes in the US**, up from 6 million...

Source: C4Q'21 earnings
E-Commerce

...add third-party merchants...

“We added more than 20,000 new sellers to the platform in the US last year and expect to add nearly 40,000 more this year. We're now up to nearly 170 million SQS and we're adding more every day. We opened up our US marketplace to sellers from India and created a dedicated team there to help sellers onboard and grow. Many sellers are looking to diversify their business and they're pushing us to add capabilities including the expansion of our fulfillment services…”

“Growing e-commerce marketplace at WFS has been a priority over the past couple of years and as we've invested to expand fulfillment capacity, introduce new services for sellers and double the number of items available for customers. In fact, we expect to have over 200 million items in our e-commerce assortment by the end of the year”

Source: C4Q'21 earnings
Walmart Connect advertising experienced robust sales growth this year, with the strong pipeline of new advertisers and large growth opportunities ahead. In fact, the number of active advertisers using Walmart Connect grew more than 130% year-over-year, and about half of the ad sales came from automation channels in Q4, more than double last year. We expect Walmart Connect to continue to scale over the next few years with plans to become a top-ten ad business and the midterm.

Source: C4Q’21 earnings
E-Commerce

Walmart assumes that the US consumer spend will remain robust, but business will be challenged by supply chain disruptions...

As you saw in Q4, we were still challenged with increased costs related to COVID and supply chain disruptions.

Our guidance assumes that we will see some relief from that as the year progresses and that the US consumer remains in a generally favorable economic position throughout the year.

For the first time in a while, we expect some expense deleveraging as we continue to see elevated supply chain wage and tech costs.

Source: C4Q’21 earnings
We know today's consumers are facing a series of fall of hardships from the pandemic. We see higher prices across the country. **We see supply chain constraints that are steadily working themselves out, but will likely take more time, both of which are made more uncertain by the crisis in Ukraine.**

Given that the U.S. economy is experiencing the highest inflation rate in decades, **the American consumer is becoming increasingly price-conscious.**

Source: C4Q’21 earnings
E-Commerce

MELI’s commerce and fintech ecosystems offer a strong value proposition…

“When we look at the MercadoLibre value proposition for consumers, we are very confident that it is significantly improving from an already solid base. So the combination of
• widespread selection across a growing number of product categories that allow us to service more and more of the overall needs of households;
• **our best-in-class, probably if you look at it regionally, logistics network** that continues to lower cost and increase delivery speeds and amount of inventory delivered within 24 hours;
• the widest and most available **free shipping program where over roughly 80% of volume is free shipping to the consumer**;
• a loyalty program with expanding benefits;
• a very, very strong value proposition now in terms of **content distribution of premium content**;
• subscriptions to the highest level of our **loyalty program** are growing very nicely, which shows that Latin American consumers, as they see the offering and the loyalty program, are increasingly willing to pay to reach that level 6, even before their behavior on MELI gets them there for free.
• And then the **overlay with all the fintech offerings. So our ability to extend credit in different formats, whether it's the MELI credit card now** that gives you longer-duration installments on the marketplace; if it's personal loans; if it's buy now, pay later-type products, is also a strong advantage because the visibility we have to that consumer and the way we can score him more efficiently.”

Source: C4Q'21 earnings
“This promotional season was also marked by improvements in the logistics network. In the fourth quarter, we shipped over 275 million items, while decreasing our average delivery times and simultaneously lowering average shipping costs per order. Almost 90% of all our volumes were delivered through our managed logistics network, compared to a 77% penetration level in the fourth quarter of 2020.

The evolution of efficiencies in delivery times has also been significant. In the fourth quarter, almost 80% of the volume was delivered within 48 hours, and close to 60% of the volume was delivered within the same or next day of when the purchase was made. Particularly for the items within our fulfillment centers, average delivery times are less than 24 hours. Volumes in fulfillment increased sequentially in Brazil, Mexico, Chile and Colombia this quarter. We are now able to handle heavy and bulky items within our fulfillment network, unlocking our potential to execute better service levels in consumer electronic categories like home appliances and white goods. Our continuous improvements in the productivity of our fulfillment centers have enabled us to deliver cost efficiencies during the peak shopping season compared to last year, and therefore we are encouraged to keep scaling our warehousing operations.

...The reliability of our shipping solution has become a key driver of our net promoter scores, and we continue to believe that shipping is a key lever to drive higher e-commerce penetration in Latin America. As a result, we remain committed to decreasing delivery times and offering a wide variety of services to a larger range of customer across the region.”

Source: C4Q'21 earnings
E-Commerce

Advertising is now driving real incremental growth for MELI, surpassing 1% of GMV

“We continue to see a very, very significant opportunity in the advertising business. It's a high-margin business with gross margins above 70%. As we grow our first-party business and as we get into new product categories, such as consumables that have very large advertisers, we're seeing some really interesting work in combination with those advertisers, along with our 1P business, but also behind the marketplace.

The advertising business as a percentage of GMV has crossed the 1% mark, which for us is the first big milestone in a multi-year trajectory that we think could deliver multiple times that. And then we see really good progress so far in a fast-growing, high-margin business that's very, very synergistic with what we're doing on the marketplace. And also, we began to now integrate some advertising placements and advertising features into the payments app and some of our payments products as well.”

Source: 4Q’21 earnings call
E-Commerce

Shopee saw continued strong growth, especially in Brazil where Shopee’s # of orders rivalled MELI’s in Q4...

“We have also scaled our presence in Brazil serving the local sellers and buyers. During the fourth quarter and the full year, Shopee was ranked first by downloads and total time spent in app, and second by average monthly active users, for the Shopping category, according to data.ai. In the fourth quarter, Shopee Brazil recorded more than 140 million gross orders, growing at close to 400% year-on-year, and more than $70 million of GAAP revenue, up by around 326% year-on-year. We believe our offering provides a new and fresh online shopping experience that caters to the underserved segments of the Brazilian market. We see Brazil as a new growth market for us, and we are very excited about its growth prospects and the long-term value we can deliver to the ecosystem.”

“When we enter into the market, we focus first on user growth and then order growth and then market leadership and positive unit economics over time with scale. We have repeated that playbook 7 times in 7 highly distinct markets in Southeast Asia and Taiwan. And we are saying that we are already seeing strong user traction, strong order growth and success to market leadership and also fast-improving unit economics in that market, while pointing to another potential market [in Brazil] that could essentially double our total addressable market for e-commerce with a highly proven profitability.”

Source: C4Q’21 earnings
E-Commerce

…and it is targeting positive EBITDA in SEA

“As we look ahead, I would first like to take this opportunity to share with you how we plan to manage sustainable growth going forward. We believe we are now in a strong position to manage the levers of our business to reach profitability across more markets and segments in 2022 and beyond. We currently expect Shopee to achieve positive adjusted EBITDA before HQ costs allocation in Southeast Asia and Taiwan by this year. We also expect SeaMoney to achieve positive cashflow by next year. As a result, we currently expect that by 2025 cash generated by Shopee and SeaMoney collectively will enable these two businesses to substantially self-fund their own long-term growth.

By that point, we believe Shopee and SeaMoney will be generating meaningful cash in our existing core markets of Southeast Asia and Taiwan as strong market leaders, while Shopee will also have achieved significant scale and a strong market position in our new growth market of Brazil.

On the path to this inflection point, we plan to continue to invest in Shopee and SeaMoney with efficiency. We have around $10 billion of cash, cash equivalents and short-term investments on our balance sheet, including close to $7 billion raised last year, which we intend to invest into the growth of Shopee and SeaMoney over the coming years. Based on our current plan, we believe that we have the financial resources required to grow the two businesses to the inflection point, without having to heavily rely on cash generated from the digital entertainment business. Of course, any additional growth from Garena would further strengthen our position. And we remain extremely focused on developing Garena’s global platform, which we see as a key strategic asset in the long run.”

Source: C4Q'21 earnings
E-Commerce

Shopify continued deeper integration with TikTok…

In August, we introduced TikTok shopping, bringing organic product discovery and shopping tabs to TikTok following the launch of our TikTok marketing channel in October 2020.

Since introducing our TikTok channel, more than 100,000 merchant creators have installed the channel and merchants are starting to sell via our Spotify integration. Creators selling through these channels have more power to connect directly with their buyers in an inspired moment and offer them a great shopping experience by a Shopify Secure checkout while owning their brands.

Source: C4Q’21 earnings
E-Commerce

...while also scaling their global fulfillment network

As we move out of the prototype phase and into the build phase, we are consolidating our network to larger facilities. We'll operate more of them ourselves, and we'll unify the warehouse management software that we've been building and testing over the past 18 months. **We expect that these changes will enable us to deliver packages in 2 days or less to more than 90% of the U.S. population**, while minimizing the inventory investment for SFN merchants....

Shopify Fulfillment can be life-changing for their businesses. We hear from merchants that fulfillment is only something you think about when it isn't working well, and they are thrilled that they now never have to think about it. **The stockouts and pre orders that took the shine off strong demand for the new releases, largely became, I think, in the past, with Shopify Fulfillment.**

Source: C4Q'21 earnings
E-Commerce

Etsy is seeing the impact of a shift from goods to services spend by the consumer.

“We're watching the same economic and consumer data that you are, and we can see that travel, eating out and other measures of mobility are on the rise. People are tired of staying home. We are, too. And so it's not surprising to see the long-awaited reopening headwinds impact our February results. Following a very strong January, we began to experience reopening headwinds with a notable deceleration in February. So to date, February was still positive on a year-over-year basis.”

Source: C4Q’21 earnings
E-Commerce

Carvana acquired ADESA to supercharge their long term flywheel...

Source: ADESA acquisition presentation
“Starting in late fourth quarter, we, like everyone else, were hit pretty hard by the Omicron variant. At different points in time, we had up to 30% of our people in various operational team simultaneously called out. It is obviously very difficult to deal with in any system. But in systems that relay on chained activity like our inspection centers and our logistics network, it is even more difficult. This led to the most severe logistics network constraints we have seen in our history.

While we are largely out of the Omicron wave, it takes time to work out of our backlogs and this year's severe winter storms have slowed our progress. Today we remain severely constrained. We're working hard to work through it as soon as we possibly can. These constraints paired with the recent rapid appreciation of vehicle prices as well as rapid increase in interest rates have colluded to make this a challenging time.

While this has undoubtedly been complex operationally as our team has in the past, they are rising to the challenge. We've managed to grow our inventory available to our customers, we've grown our operational capacity to handle more volume throughout our operating groups in anticipation of alleviating our logistics constraints and in anticipation of tax season, and we have made changes to the mix of cars we are purchasing and reconditioning to help our customers find more affordable cars despite the car pricing environment.”

Source: C4Q'21 earnings
E-Commerce

...not to mention the low-income consumer is getting squeezed as well

“And so depending on what your comparison period is, sales look like they're down the industry, 15% to 20%, give or take on the used side and then we do see some evidence of that in our data as well. While our sales are largely driven today by the logistics network and not by the demand environment, the demand environment still flows through to the sales that you realize, and so if you look through at our customers that are making less than $50,000 for example, they're growing about 30% slower than the company is year-to-date. If you look at customers making $100,000 or more, they're growing about 30% faster than the company is year-to-date. And normally when you have to do any reasonable kind of demographic cuts, you tend to see similar growth across all these different consumer segments.”

Source: C4Q’21 earnings
E-Commerce

Carvana’s ADESA acquisition accelerates Vroom’s need to increase their own reconditioning capacity

“Here's the way we think about the ADESA deal. One, it got announced a couple of days ago. So we want to be really thoughtful about how we characterize the impact of ADESA, what it means to us overall on course, we’re thinking deeply about that. Roughly between 20% and 24% or so of our capacity currently sits with ADESA and look, it's our understanding that Carvana over time is going to repurpose the ADESA reconditioning, predominantly for their own use.

And so we’re working with the ADESA team now on what that timeline looks like and what the near term impacts are. We are confident that there is solutions in our third-party channel with Manheim and others. And we're confident as we run our own factory that we've got an opportunity to expand our own capacity. So we're thinking deeply about that.”

Source: C4Q'21 earnings
Vehicle OEMs forays into a direct-to-consumer online offering are unlikely to disrupt dealers given the importance of owning the inventory.

“I think it does build a marketplace to have visibility, but I would also go back to -- I wouldn't be fearful as a dealer about it because ultimately who controls the inventory, the dealers are the ones that have the inventory. So we really looked at it initially as, okay, it's probably a way for them to learn about and -- or beginning to end type of process again. Even though many manufacturers have done this in the past and haven't been hyper successful in that type of venue, what they're going to find is that I believe they sit there much like a Cars.com or CarGurus that if you don't have the inventory what part of the profit equation can you ultimately demand.”

Source: C4Q'21 earnings
E-Commerce

AirBnB sees remote work and remote living as here to stay...

“Remote work untethered many people from the need to be in an office. And as a result, people are spreading out to thousands of towns and cities, staying for weeks, months, or even entire seasons at a time. For the first time ever millions of people can now live anywhere. And we've been able to respond to these changes because our model is inherently adaptable.”

“In Q1, we're already seeing strong demand for the summer travel season compared to 2019. And finally, guests are not just traveling Airbnb, they're now living on Airbnb. Nearly half of our nights booked in Q4 were for stays of a week or longer. One in five nights were for stays a month or longer. And the past year alone nearly a 175,000 guests stayed for three months or longer.”

Source: C4Q'21 earnings
E-Commerce

...while taking a very different approach to flights vs. Booking Holdings

“Now we're in inspiration business. Now the home is the destination. Now we can point demand where we have supply. Now we can inspire other services. That's how you get top of the funnel. That's the way we've done it. **We used to think the way to get top of the funnel is to have flights in our product. That's not how to do it.** I mean you can still add flights, but I think the way to be top of funnel is breaking the search paradigm.”

“On our Connected Trip vision, we made progress in 2021 as we worked to build a robust flight platform on Booking.com. **This flight platform gives us the ability to engage with potential customers who choose their flight options early in their discovery process, and allows us an opportunity to cross-sell our accommodation and other services to these flight-bookers.** Flights also enables us to provide a more complete travel offering to our accommodation customers. Booking.com’s flight platform is now live in 34 countries, which collectively represented about 70% of Booking.com’s room nights booked in 2019. We continue to see that over 25% of Booking’s flight-bookers are entirely new customers to the platform.”

Source: C4Q’21 earnings and Morgan Stanley TMT Conference 10-Mar-22
Software

Cloud spend continues to increase, though China cloud spend slowed in CY’21

Source: Company filings, Octahedron estimates
Software

China Data Security Law-related restrictions led to slowing cloud growth in CY’21

Source: Company filings, Octahedron estimates
Microsoft, like others, is seeing strong demand for software & public cloud...

“Overall, what we see is pretty strong demand signal. And quite frankly, going into the pandemic, we saw demand increase because of the constraints the pandemic put on corporations and the increased consumer activity.

And then coming out of the pandemic, we are seeing actually a lot of constraints in the economy and the only resource, as I said in my remarks, that can help drive productivity, while keeping costs down, is digital tech.

When I think, take something like PowerApps, it’s just a great example of something that’s right in the middle of our stack, really helps drive that next level of productivity in the labor force for any company in any industry.

The demand signals we see across the stack from security to our cloud infrastructure, to business applications and solutions like Teams is very strong.”
“Continued demand for our modern, low-code app development solutions drove another strong quarter, with 161% revenue growth in Power Apps.”

“Low code/no-code tools are rapidly becoming a priority for every organization’s digital capability building. We’re innovating to help organizations like Airbus, Centrica, and Johnson Controls rapidly scale their use of Power Platform, using end-to-end suite to automate workflows, create apps, build virtual agents, and analyze data.

At H&M, more than 30,000 employees have used Power Platform to drive productivity gains. They’ve created more than 1,500 applications, flows, and dashboards to date, for everything from managing office capacity to tracking team goals.”

“Same thing with Power Platform, right? When you are sort of saying, we have a labor force shortage and we need to do more with less, guess what, you turn to more automation tools, and that’s where something like Power Platform, especially given you can even train your first-line workers to be able to be app builders and automate workflows, that’s proving to be a productivity driver.”

Source: C4Q'21 earnings
Software

…while continuing to build on its commanding lead with developers

“Now, to developers.

From GitHub to Visual Studio, to Azure PaaS services, we have the most popular tools to help every developer go from idea to code and code to cloud.

As companies prioritize embedding security into their developers’ workflow, we’re investing across GitHub to secure open source. Increasingly, every DevSecOps workflow will start with GitHub Advanced Security, and we’re seeing strong demand from both digital natives like Afterpay and Mercari, as well as established companies like 3M and Bosch.

And organizations are increasingly turning to both Visual Studio and our PaaS services, like Container Apps and Chaos Studio, to streamline development and build modern, more resilient cloud-native applications.”

Source: C4Q'21 earnings
"Next, onto Cloud. It’s been a big year, so let me go a bit deeper this quarter. In Q4, Cloud revenue grew 45% year-over-year to $5.5 billion. Alphabet’s backlog increased more than 70% to $51 billion, most of which is attributed to Google Cloud. This growth comes from many leading businesses including Albertsons and LVMH, digital natives including Boxed and Spotify, and public sector agencies including the Commonwealth of Massachusetts, the Defense Innovation Unit, and the USDA.

**Our sales force, which we have more than tripled since 2019,** delivered strong results across geographies, products, and industries. And we continue to invest. For the full year 2021 compared with the full year 2020, we saw over 80% growth in total deal volume for Google Cloud Platform, and over 65% growth in the number of deals over a billion dollars.

Our partner ecosystem is helping accelerate our growth. For the full year 2021 compared with the full year 2020: the number of customers spending more than $1 million through the marketplace increased by 6X. Customer-spend through channel partners on GCP more than doubled, and the number of active certifications within our top Global Systems Integrators more than doubled as well."

Source: C4Q’21 earnings
Software

Snowflake is focused on building out support for data science, data engineering usage

“During the fourth quarter, we announced several product development milestones, including Snowpark, our developer framework that helps data scientists and developers transform and program data. Snowpark for Python is now in private preview, and Snowpark for Java on AWS is now generally available.”

“A priority for the year is essentially unchanged and is as follows: first, the enablement and expansion of our workload types. Nothing is more core to our mission to develop the data cloud. The existing workload types, such as data lake, data engineering and data science develop continuously to become more functional, efficient and performing. New workload types will be announced later this year. Our focus on Snowpark and enabling workloads driven by languages such as Java and Python fall under this header.”

“On unstructured data, the uptake has been quite strong on that. And we were expecting it and that’s exactly what’s been happening. I mean there’s some really interesting new opportunities where data models are looking for relationships between unstructured data types and other types of data types, things that just weren’t possible before that are now enabled by the platform. So we’re driving this hard, and we have tremendous expectations for unstructured data in general and the potential for data science, innovation and new data applications also in the context of the Streamlit acquisition.”

Source: C4Q’21 earnings
“Today, we announced our intent to acquire Streamlit to accelerate data applications development on Snowflake. **Streamlit enables data scientists to build, deploy and share data applications.** Data scientists will be able to discover government data to build applications powered by Snowflake. 1.5 million applications have already been built on Streamlit, and we will continue to invest in the open-source framework that developers love. We've agreed to pay $800 million with a mix of cash and stock.”

“If you recall at Investor Day last June, we shared our vision to help organizations of all sizes build applications, data applications and data experiences on Snowflake. What we see with Streamlit is their super easy-to-use framework powering all sorts of applications both for internal consumption of data within companies but also coming to our marketplace and helping entire businesses, some of them industry vertical businesses, some of them horizontal experiences, but at the end of the day unlocking the power of data and creating new data experiences.”

Source: C4Q'21 earnings
Software

Databricks’ Lakehouse offering is delivering best-of-breed software metrics

Source: Databricks disclosed C4Q’21 financials
Software

MongoDB is increasingly ubiquitous among developers, crossing $1 bn in ARR in Q4

“The fourth quarter marked another major milestone as we crossed $1 billion in annualized revenue run rate. Crossing over the $1 billion mark 5 years after reaching the annualized $100 million mark is clear evidence of the value MongoDB's application data platform offers customers, large and small, all over the world.

Our excellent fourth quarter performance was broad-based. We saw success in nearly every industry, geography and customer type. It was powered once again by the ongoing strength of Atlas. We also saw an uptick in sales for Enterprise Advanced, which speaks to the popularity of MongoDB, regardless of where our technology is deployed.”

“Overall, Atlas' strong performance continues to be the largest contributor to our growth. Atlas grew 85% in the quarter compared to the previous year and represents 58% of total revenue compared to 49% in the fourth quarter of fiscal 2021 and 58% last quarter.”
Software

Confluent Cloud’s rapid rise is further reaccelerating Confluent’s overall growth rate

“We ended our first year as a public company on a very strong note, once again exceeding our guidance on all metrics. Confluent’s success continues to be driven by the rise of data in motion and the shift to the cloud. Revenue in the fourth quarter totaled $119.9 million, representing **growth of 71% year-over-year, a further acceleration from our 67% growth last quarter. This is our fourth consecutive quarter of revenue growth acceleration.**

Revenue from Confluent Cloud in the fourth quarter grew **211% year-over-year, continuing to significantly outpace the growth of our overall business.** Confluent Cloud represented 28% of total revenue, up from 26% last quarter and 15% one year ago. Another milestone of note is that, for the first time in the company’s history, Confluent Cloud surpassed 50% of new ACV bookings. This is an important milestone.

It’s often a struggle for a second product to get to critical mass if the first product still shows significant growth. But with this milestone, we’ve crossed a clear threshold point and Confluent Cloud is now the most significant focus of our go-to-market engine. A **fundamental driver of this growth is the rise of data in motion as the foundational underpinning for company’s success in digital transformation.** Tech disruptors are building around real-time data streams to deliver rich digital customer experiences and are setting the standard for customer expectations. Mainstream enterprises are quickly realizing that their ability to harness data in motion is key to their survival, as this is at the heart of the customer experiences and operational capabilities they need to compete in the modern digital world.”

Source: C4Q’21 earnings call
Software

GitLab’s impressive product velocity and iteration continues, driving strong growth

“At GitLab, our platform-first approach enabled us to be extremely effective at rapid innovation. That’s super important because the faster we innovate, the more mature the different stages will be, and maturing features will continue to drive positive business outcomes for our customers. **We’re able to innovate faster because of the contributions from our users and our customers. Every quarter, hundreds of improvements in GitLab come from the people using the product.** We are able to partner effectively with a wider community and help them get their contributions over the finish line, increasing the pace of innovation while also increasing the vested interest they feel in the product. We call this our **dual flywheel strategy that creates a virtuous cycle where more contributions lead to more features, which lead to more users leading back to more contributions.**

Another reason for our fast innovation is **our value of iteration.** Iteration means reducing the scope of the next piece of work with the smallest valuable thing possible, so it can be delivered fast. Our innovation is also predictable as **we shipped on the 22nd day of every month for 124 months in a row as of January. This allows our customers to benefit from new innovation every month, and it allows us to get feedback very rapidly.”

Source: C4Q’21 earnings call
Software

HashiCorp’s products are central to enterprises’ move to multi-cloud infrastructure...

“Organizations right now are undergoing a digital transformation across every business function, driven by competition and ever-increasing consumer expectations. Key to this digital transformation is a re-platforming from static on-premises infrastructure to dynamic and distributed cloud infrastructure. We realized early on that everything about the cloud requires new thinking...

What’s needed are consistent workflows, a new cloud operating model for enterprise IT to provision, secure, connect and run infrastructure and applications across multiple public and private cloud environments. Enterprises want a system of record for these workflows and for managing their significant investments in cloud programs. **This system of record is what the HashiCorp product portfolio provides.**

To make the most of this opportunity, we take a long-term view on making our market function. We build our products using an **open-core software development model with large communities of users, contributors and partners collaborating on their development.** Our commercial software builds on our open-source products.”

Source: C4Q’21 earnings call
Software

...across the entire software stack...

Source: HashiCorp ($HCP)
Software

Digital transformation is making business infrastructure more complex

There's a reason why our customer data platform Segment is the #1 CDP in the market and growing incredibly quickly, it's because there's really 2 tailwinds.

Number one, as companies got digital, they bought a bunch of stuff. They built a bunch of stuff. They threw it all out there. And then understanding your customer got even harder than before because you had little bits of data about your customers spending all these different systems. And now they have to reconcile that and say, "Okay, so our e-commerce system, and our marketing system, and our ERP system and our -- like, all of these things don't talk to each other, therefore, we don't understand them," that's like, we're going to keep marketing you the same irrelevant things.

Source: C4Q'21 earnings
Software

Twilio re-iterated three mega trends helping drive growth & scale...

There are **three mega trends** that are pushing customers toward our platform and creating tailwinds for our business: the continued trend of **digital transformation**, the **direct-to-consumer business model entering nearly every industry**, and **changes in the data privacy landscape**.

**Digitization** is **not just a COVID beneficiary; it’s a permanent shift in how businesses engage with their customers** and it’s what is driving our continued growth.

Source: C4Q'21 earnings
Software

...which should allow them to get profitable over the next 12-18 months

But I also think that at the scale that we're at now, $3 billion in revenue, that it's time for us to be profitable. So we declared that next year, we're going to achieve profitability in 2023 for the calendar year, and stay profitable thereafter. And look, you can tell, I'm someone who believes strongly in building, in experimentation, in going and capturing markets, finding unserved markets and serving them. I believe strongly in that. So you can imagine that I like investing in finding new areas. We've launched a lot of products. But I also think there's discipline in doing that within our financial envelope that we're aligned with our investors on.

Source: C4Q'21 earnings
Software

Zoom described how its cohort behavior create business stability...

We shared 2 really important charts and 1 talked about what are the retention rates at different ages of these cohorts. **And when you hit 15 months, there is remarkable stability in those retention rates, even when there's a lot of volatility in the 1 through 14 months, once they hit 15 months, it's remarkable how stable that becomes.**

And what's going to happen is when we get to sort of the back half of this year, **the large cohorts we've acquired to the pandemic, all of them are going to have hit kind of their 15-month birthday. And that will bring a lot of stability to the overall business.**

Source: C4Q'21 earnings
Software

...as sales returned to more normal buying cycles

So a couple of things have changed pretty noticeably in the last couple of quarters. First of all, starting with customers, and we talked about this in the Q3 and the Q4 call again, which is customers have really returned to normalized buying cycles, which means they're doing RFPs, they're doing proof of concept. So there were about 6 quarters in there where sort of -- they were just making decisions very quickly and buying whatever they needed to keep their employees safe and efficient.

And now they're really stepping back again and being more strategic about that. And that -- we see that in terms of elongated sales cycles, we see that in terms of linearity within our quarters. So we had a period of time during the pandemic where we had 1 quarter where like 50% of our bookings done in month 1, which is amazing, right? Because it has a big impact to your revenue as well.

Source: C4Q'21 earnings
Software

Zoom believe they have multiple years of growth ahead, driven by their full suite of products...

The first pillar is really about being of full unified communications platform. We made enormous strides over the past several years evolving from a meetings company into a multi-product platform including video conferencing, events, chat, phone, and more. The missing piece was the contact center that was until our announcement last week more on that in a moment.

Source: C4Q'21 earnings
The second pillar is hybrid work because we believe **hybrid work is going to become more flexible and less about location**. So no matter where you are, office, traveling or home, Zoom wants to make sure you have a consistent experience, whether with the Zoom Rooms or on Zoom-connected device, we want to make sure you are part of the conversation and able to collaborate anywhere and everywhere.

Source: C4Q'21 earnings
Datadog is creating a multi-product platform…

As of the end of Q4, **78% of customers were using 2 or more product**, up from 72% a year ago. **33% of customers were using 4 or more products**, up from 22% a year ago. And as a sign of further adoption of our platform, we saw that **10% of our customers were using 6 or more product**, which is up from 3% last year.

First, we had a 6-year land deal with a major U.S. airline. This customer has chosen Datadog as the de facto monitoring solution for all new IT projects and applications. They plan to start with 6 products in the Datadog platform with an expectation to expand significantly with more teams and applications over time.

Source: C4Q'21 earnings
Software

...aided by impressive shipping velocity

Source: C4Q’21 earnings commentary and Datadog announcements; graphic from DDOG Oct. 2021 Investor Day
Datadog’s multi-product platform is delivering value as companies face increasing technology costs…

The backdrop there is the explosion of data volumes. So **if data volumes at our customers grow a lot faster than the top line, at some point, you can't grow what you charge for that linearly with the data volumes.**

**The way we deal with that is we give them more and more options.** And those options are differentiated technologically so that we can keep developing new ways of storing the data, different types of data in different ways for different periods of time and that customers, they can choose what they want to use out of that.

That's also why we invested in the observability pipeline. So there's a number of things we're doing to help put customers in control and make sure that what we deliver always, always aligns with the -- **what we charge always aligns with the value customers get.**

Source: C4Q'21 earnings
“We had **216 customers with ARR of $1 million or more, which is more than double the 101 we had at the end of last year. The leverage and efficiency of our business model is coming through with free cash flow of $107 million.** And our dollar-based net retention rate continued to be over 130% as customers increase their usage and adopted our newer product. …We had record new logo ARR in Q4, including some large new enterprise wins. And churn remains low and in line with historical rates. All these factors together led to another record quarter of ARR added.

We saw strong growth across our platform in Q4. Year-over-year growth of infrastructure monitoring ARR has accelerated in Q4 compared to Q3. In addition to that, APM suite and log management products continue to be in hyper-growth mode. And we're very pleased to report that **our newer products added about $100 million in ARR in 2021. These are the newer products we launched in 2019, which excludes core infrastructure, core APM and log management.**"
Software

Datadog re-iterated structural growth vs. pull forward demand characteristics in software

Like what we see in 2021, if you look at it including 2021, it looked to us -- it looks a lot like 2019, which itself looks a lot like 2018. We're still early in digital transformation and cloud migration.

We don't see any particular acceleration in 2021, that is it would be a pull-forward of '22 or anything like that. So we see continuity. So we see a strong demand environment. Obviously, we can't forecast what's going to happen next year. It's possible that we're still in troubled times, and it's possible weird things happen. But we're very confident that if that's the case, the setbacks will be temporary and that we're still very early in a very, very broad transformation. So we're very confident on the environment and very confident in our place in it.

Source: C4Q'21 earnings
Software

Braze is now at impressive scale…

To give you a sense of the operational scale of our platform, at the end of fiscal 2022, our monthly active user count was approximately 3.7 billion.

And in fiscal 2022, we processed over 9 trillion consumer-generated data points and sent over 1.5 trillion messages, and all of this happened with nearly 100% global uptime, a testament to our ability to reliably deliver effective, targeted customer engagement programs for our customers at scale.

Source: C4Q'21 earnings
Software

...as they invest in seamless integrations with other massive data platforms

One area where we continue to invest is our data ingestion strategy. The data landscape is evolving as customer demands for clean, seamless data integrations are increasing. As most of you know, our SDKs are integrated into the mobile sites and applications of almost all of our customers, and this vertical integration is an important feature that allows Braze to seamlessly deploy differentiated functionality for our customers. As such, we will continue focusing on streamlining the ways in which data can flow into and out of Braze, particularly reinforcing our connections to data systems. We're advancing our Snowflake partnership with more direct connections in Snowflake's Data Cloud as well as investing into partnerships with other companies in the data ecosystem.

Source: C4Q'21 earnings
Software

Braze describes why their business is somewhat recession proof...

The first one is that, in many cases, that leads to more expensive R&D resources, either being cut or refocused as they’re not growing as quickly. In those cases, the flexibility that Braze provides without the need of a direct engineering team doing custom implementation becomes even more important for teams that want to continue innovating and deploying new engagement strategies during those times.

Source: C4Q’21 earnings
Software

...as retaining existing customers is the easiest lever for playing offense...

The second one is that if you're working to stimulate additional demand or drive enduring incremental revenue, your existing customer base is often the first place that you go as a marketer because the incremental cost of communicating with those users is low and conversion is high, meaning the ROI is very attractive. That's exactly where Braze is focused. And so vis-a-vis the overall bucket of marketing spend, we have seen ourselves take up actually a larger proportion whenever there's pressure in the way that a recession or other sorts of kind of increased scrutiny on profitability would drive itself.

Source: C4Q'21 earnings
And then the third one is that even during a period of decreased demand, the need to maintain healthy conversations and relationships with your customers remains always on.

We saw that even for heavily impacted industries like travel and hospitality during the first year of COVID. And we believe that no matter what happens with respect to kind of economic headwinds, that will demonstrate strong growth and just strength within the existing customer base as that needs to maintain those relationships -- remains a priority for all businesses with a long-term focus.

Source: C4Q'21 earnings
Software

Toast is increasing worker productivity while restaurants are dealing with labor shortages.

Source: https://pos.toasttab.com/news/q4-2021-restaurant-trends-report
Firstly, we continued to see a strong demand for cybersecurity. *We have not seen any changes in the IT spending patterns of our customers for a slowdown in companies investing in IT systems provide competitive advantage.*

On the contrary, *we see acceleration around trends associated with the shift to the cloud as well as a continued efforts to redefine network architectures to enable employees to work effectively from anywhere.*

A trend, which has been bolstered by the pandemic and we continue to believe we're still in the early innings here. Both these factors underpin continued demand for cybersecurity services.

Source: C4Q'21 earnings
Software

…as the threat landscape continues to evolve

Secondly, we continue to see an evolving and complicated threat landscape. We've highlighted in the past that cybersecurity is at the front end center of all conversations around risks and threats at companies as well as a nation state levels. We believe cybersecurity will continue to become more-and-more relevant and important.

With increased reliance on technology in the prevalence of cyber attacks, there is an ability to disrupt businesses and critical systems make cybersecurity an area that will need continued focus and investment.

Source: C4Q'21 earnings
Over the last quarter, we continued launching with many more incredible brands and continued expanding our relationships with prominent retail groups. During the fourth quarter, we launched with yet more brands from the LVMH Group. This time, Fenty Beauty and Fenty Skin, Rihanna's cosmetics brands. Yeezy-GAP, Kanye West's much-discussed fashion cooperation with GAP, also launched with us during Q4, as did the fast-growing sports clothing brand, NVGTN.

During the quarter, we also expanded our relationship with several of our merchants, serving more and more lanes for them. Among these, we can mention Cartier; Stussy; Suunto; the French brand, The Kooples; and the Spanish footwear brand, Camper, all of which added additional key lanes to be operated by globally. In addition, the German audio equipment brand, Sennheiser, added the U.S. one of its largest destination markets to be operated by Global-e, continuing our growth in the exciting new vertical of consumer electronics.

Source: C4Q'21 earnings
Questions?

email: ir@octahedroncapital.com
twitter: @OctahedronCap
web: https://afewthingswelearned.com