

Etsy

ETSY, INC. (ETSY US)

COMPANY DESCRIPTION

Founded in 2005 in Brooklyn, New York and incorporated as *Indieco, Inc*, **Etsy** is an online marketplace for handmade goods, vintage items, and craft supplies. The indie art and crafts e-commerce company is backed by venture capital firms such as Accel and Tiger Global Management.

BUSINESS MODEL

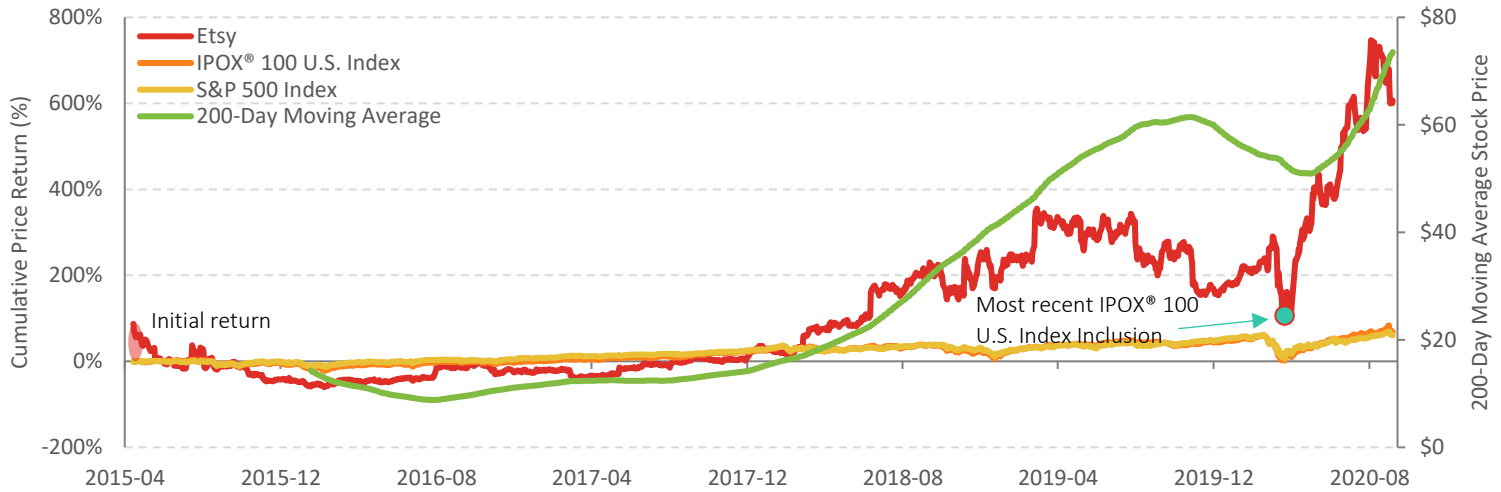
Etsy generates revenue from three sources include **1)** Marketplace revenue from 5% transaction fee for each completed transaction and \$0.20 listing fee for each item listed; **2)** Services revenue for optional services provided for sellers including ad service for prominent placement, payment processing and shipping labels purchase; **3)** Other revenue received from a third-party payment processor for transaction processed and derecognized funds from unused Etsy Gift Cards (which was reclassified on 2019 Q4 to Marketplace revenue).

IPO HISTORY

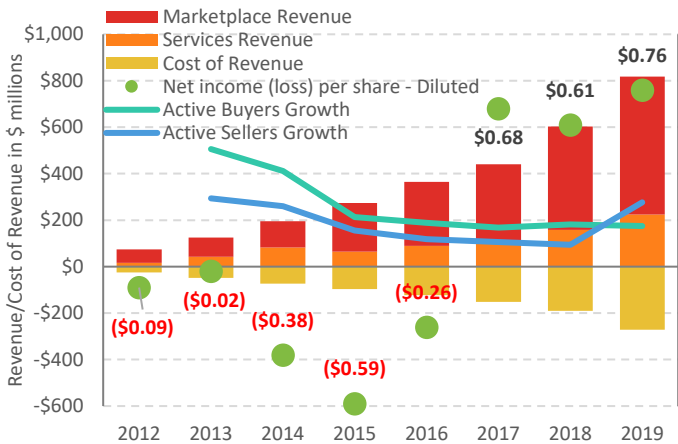
On **4/16/2015**, Etsy began trading on Nasdaq led by Goldman Sachs and Morgan Stanley. The artisan marketplace sold 16,666,666 shares (include 3.33 million shares from selling stockholders) at **\$16.00 per share**, high-end of its price range (\$14 to \$16). With the 15% greenshoe options fully exercised, Etsy was valued at ca. \$1.8 billion at offer. Etsy surged to \$31.00/share at open and closed the first day at \$30.00 (**▲87.50%**). **Etsy was first included in the IPOX® 100 U.S. Portfolio (ETF: FPX) on 12/21/2018 and currently weighs ca. 0.69% of the portfolio.**

*Etsy will be included in the S&P 500 Index effective on 9/21/2020.

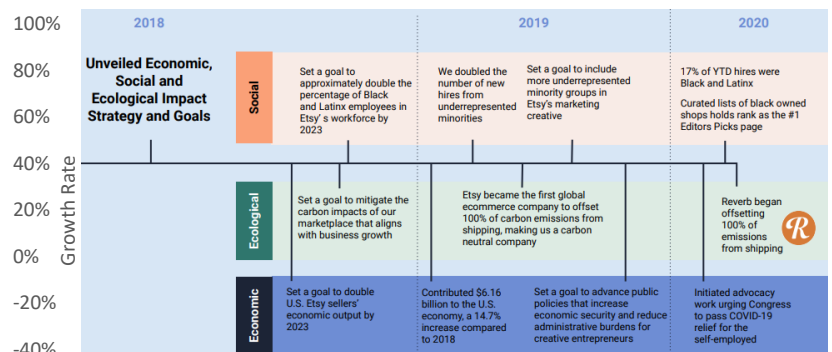
HISTORICAL PERFORMANCE



GROWTH OUTLOOK



ESG EFFORTS



*Etsy formed Etsy.org (now Good Work Institute) in 2015, a non-profit organization working towards workers' rights in a sustainably, eco-supportive way (Just Transition).

INDUSTRY COMPARISON

Company	Stock Symbol	IPO/Spin-off Date	Initial Return	Offer to Date	2020 YTD	2-Yr Beta to Benchmark	Net Income In millions	Earnings (Losses)/share
Etsy	ETSY US	6/19/2018	87.50%	591.00%	149.57%	1.79	\$95.89	\$0.80
ebay	EBAY US	eBay went public on 9/24/1998			44.29%	1.03	\$1,786.00	\$2.10
amazon	AMZN US	Amazon went public on 5/15/1997			70.46%	0.69	\$11,588.00	\$23.46

Other competitors include large retail chains, local consignment and vintage stores, Instagram and other venues or marketplaces