

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): May 10, 2023

1STDIBS.COM, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

001-40453
(Commission File Number)

94-3389618
(IRS Employer Identification No.)

**51 Astor Place, 3rd Floor
New York, New York 10003**
(Address of principal executive offices, including zip code)

(212) 627-3927
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240-13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value per share	DIBS	The Nasdaq Stock Market

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition

On May 10, 2023, 1stdibs.com, Inc. (the “Company”) issued a press release announcing its financial results for the first fiscal quarter ended March 31, 2023. A copy of the Company’s press release is attached hereto as Exhibit 99.1.

The information in this Item 2.02 (including Exhibit 99.1) shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) or otherwise subject to the liability of that section, and shall not be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release dated May 10, 2023
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: May 10, 2023

By: /s/ David S. Rosenblatt

David S. Rosenblatt
Chief Executive Officer

1stDibs Reports First Quarter 2023 Financial Results

New York, NY — May 10, 2023 — 1stdibs.com, Inc. (NASDAQ: DIBS), a leading online marketplace for luxury design products ("1stDibs" or the "Company"), today reported financial results for its first quarter ended March 31, 2023.

First Quarter 2023 Financial Highlights

- Net revenue was \$22.2 million, a decrease of 17% year-over-year.
- Gross profit was \$14.9 million, a decrease of 21% year-over-year.
- Gross margin was 67.1%, compared to 71.1% in the first quarter 2022.
- GAAP net loss was \$8.1 million compared to a net loss of \$6.4 million in the first quarter 2022.
- Non-GAAP Adjusted EBITDA and Adjusted EBITDA Margin was \$(5.3) million and (23.7)%, respectively, compared to \$(4.7) million and (17.6)%, respectively, in the first quarter 2022.
- Cash, cash equivalents and short-term investments totaled \$150.5 million as of March 31, 2023.

“Despite a challenging environment for luxury home goods, we made progress against long-term objectives during the first quarter by onboarding a record number of Sellers, increasing organic traffic mix, and making progress with Auctions and international,” said David Rosenblatt, 1stDibs Chief Executive Officer.

Tom Etergino, Chief Financial Officer of 1stDibs said, “We were successful in delivering first quarter results at or above the midpoint of our guidance despite continued macroeconomic challenges. As we move throughout 2023, we are focused on improving conversion and aligning our expenses to demand.”

Other Recent Business Highlights and First Quarter Key Operating Metrics

- GMV was \$97 million, a decrease of 17% year-over-year.
- Number of Orders was approximately 35K, a decrease of 10% year-over-year.
- Active Buyers was approximately 66K, a decrease of 7% year-over-year.

Financial Guidance and Outlook

The Company’s second quarter 2023 guidance is below.

	Q2 2023 Guidance
GMV	\$85 million - \$92 million
Net revenue	\$20.1 million - \$21.3 million
Adjusted EBITDA margin (non-GAAP)	(34%) - (28%)

Actual results may differ materially from our Financial Guidance and Outlook as a result of, among other things, the factors described under “Forward-Looking Statements” below.

A GAAP reconciliation to our non-GAAP guidance measure (adjusted EBITDA) is not available on a forward-looking basis without unreasonable effort due to the uncertainty regarding, and the potential variability of, expenses that may be incurred in the future. Stock-based compensation expense is impacted by the timing of employee stock transactions, the future fair market value of our common stock, and our future hiring and retention needs, all of which are difficult to predict and subject to change. We have provided a reconciliation of GAAP to non-GAAP financial measures in the financial statement tables for our historical non-GAAP financial results included in this press release.

Webcast Information

1stDibs will host a webcast to discuss its first quarter 2023 financial results today at 8:00 a.m. Eastern Time. Investors and participants can access the webcast at the 1stDibs Investor Relations website (investors.1stdibs.com). A replay of the webcast will be available through the same link following the webcast, for one year thereafter.

Disclosure Information

In compliance with disclosure obligations under Regulation FD, 1stDibs announces material information to the public through a variety of means, including filings with the Securities and Exchange Commission, press releases, company blog posts, public conference calls and webcasts, as well as the investor relations website.

About 1stDibs

1stDibs is a leading online marketplace for connecting design lovers with highly coveted sellers and makers of vintage, antique, and contemporary furniture, home décor, art, jewelry, watches and fashion.

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Forward-Looking Statements

This press release contains "forward-looking statements" and "forward-looking information" within the meaning of applicable federal and state securities laws (collectively, "forward-looking statements"). All statements in this press release other than statements of historical fact may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by terms such as: "accelerate," "anticipate," "believe," "can," "contemplate," "continue," "could," "demand," "estimate," "expand," "expect," "focus," "intend," "may," "might," "objective," "ongoing," "opportunity," "outlook," "plan," "potential," "predict," "progress," "project," "should," "target," "will," "would," or the negative of these terms, or other comparable terminology or similar expressions intended to identify statements about the future.

These forward-looking statements include, but are not limited to, statements regarding the following: (1) our continued efforts to lay the foundation for future growth; (2) our focus on efficiency and steps to align our expenses to current demand and the impact thereof; and (3) our future results of operations and financial position, including our financial guidance and outlook. We cannot guarantee that any forward-looking statement will be accurate. Forward-looking statements are based on current of future events and if these prove to be inaccurate, actual results could vary materially from our expectations and projections. Investors are therefore cautioned not to place undue reliance on any forward-looking statements. These forward-looking statements are subject to risks, uncertainties, and other factors that could cause actual results to vary materially from those discussed or implied in the forward-looking statements. These risks and uncertainties include but are not limited to the following: (1) our ability to execute our business plan and strategies to achieve our strategic initiatives; (2) our ability to achieve future growth; (3) risks related to our evaluation of multiple alternatives, including the outcome, if any, of such evaluation process, and market perception of, or reaction to, the foregoing; (4) our ability to enhance GMV growth and shareholder value; (5) our ability to effectively manage costs; and (6) macroeconomic conditions or geopolitical events or similar risks, as well as other risks, uncertainties, and other factors discussed in our filings with the Securities and Exchange Commission (the "SEC"), including our Form 10-K for the year ended December 31, 2022 and other periodic reports and filings we make with the SEC. We qualify all of our forward-looking statements by these cautionary statements. These forward-looking statements speak only as of the date of this press release and we undertake no obligation to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, or otherwise, except as required by law.

Key Operating Metrics Definitions

Gross Merchandise Value

We define GMV as the total dollar value from items sold by our sellers through 1stDibs in a given month, minus cancellations within that month, and excluding shipping and sales taxes. GMV includes all sales reported to us by our sellers, whether transacted through the 1stDibs marketplace or reported as an offline sale. We view GMV as a measure of the total economic activity generated by our online marketplace, and as an indicator of the scale and growth of our online marketplace and the health of our ecosystem. Our historical growth rates for GMV may not be indicative of future growth rates in GMV.

Number of Orders

We define Number of Orders as the total number of orders placed or reported through the 1stDibs marketplace in a given month, minus cancellations within that month. Our historical growth rates for Number of Orders may not be indicative of future growth rates in Number of Orders.

Active Buyers

We define Active Buyers as buyers who have made at least one purchase through our online marketplace during the 12 months ended on the last day of the period presented, net of cancellations. A buyer is identified by a unique email address; thus an Active Buyer could have more than one account if they were to use a separate unique email address to set up each account. We believe this metric reflects scale, engagement and brand awareness, and our ability to convert user activity on our online marketplace into transactions. Our historical growth rates for Active Buyers may not be indicative of future growth rates in new Active Buyers.

1STDIBS.COM, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except share and per share amounts)
(Unaudited)

	March 31, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 87,791	\$ 153,209
Short-term investments	62,688	—
Restricted cash, current	1,500	1,500
Accounts receivable, net of allowance for doubtful accounts of \$115 and \$113 at March 31, 2023 and December 31, 2022, respectively	869	972
Prepaid expenses	1,945	3,506
Receivables from payment processors	2,726	2,476
Other current assets	1,017	800
Total current assets	158,536	162,463
Restricted cash, non-current	3,335	3,334
Property and equipment, net	3,177	3,685
Operating lease right-of-use assets	21,361	21,990
Goodwill	4,093	4,075
Other assets	249	249
Total assets	\$ 190,751	\$ 195,796
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 2,810	\$ 2,905
Payables due to sellers	7,050	7,185
Accrued expenses	10,889	10,761
Operating lease liabilities, current	2,810	2,770
Other current liabilities	3,162	2,429
Total current liabilities	26,721	26,050
Operating lease liabilities, non-current	20,960	21,678
Other liabilities	30	46
Total liabilities	47,711	47,774
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.01 par value; 10,000,000 shares authorized as of March 31, 2023 and December 31, 2022; zero shares issued and outstanding as of March 31, 2023 and December 31, 2022	—	—
Common stock, \$0.01 par value; 400,000,000 shares authorized as of March 31, 2023 and December 31, 2022; 39,509,346 and 39,260,193 shares issued and outstanding as of March 31, 2023 and December 31, 2022, respectively	395	393
Additional paid-in capital	442,170	439,005
Accumulated deficit	(299,153)	(291,020)
Accumulated other comprehensive loss	(372)	(356)
Total stockholders' equity	143,040	148,022
Total liabilities and stockholders' equity	\$ 190,751	\$ 195,796

1STDIBS.COM, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands, except share and per share amounts)
(Unaudited)

	Three Months Ended March 31,	
	2023	2022
Net revenue	\$ 22,178	\$ 26,587
Cost of revenue	7,307	7,677
Gross profit	14,871	18,910
Operating expenses:		
Sales and marketing	9,805	11,799
Technology development	5,795	5,761
General and administrative	8,088	6,407
Provision for transaction losses	1,364	1,674
Total operating expenses	25,052	25,641
Loss from operations	(10,181)	(6,731)
Other income (expense), net:		
Interest income	1,531	54
Interest expense	—	(4)
Other, net	517	321
Total other income (expense), net	2,048	371
Net loss before income taxes	(8,133)	(6,360)
Provision for income taxes	—	—
Net loss	(8,133)	(6,360)
Net loss per share—basic and diluted	\$ (0.21)	\$ (0.17)
Weighted average common shares outstanding—basic and diluted	39,330,542	38,030,293

1STDIBS.COM, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands)
(Unaudited)

	Three Months Ended March 31,	
	2023	2022
Cash flows from operating activities:		
Net loss	\$ (8,133)	\$ (6,360)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	939	718
Stock-based compensation expense	3,106	1,345
Provision for transaction losses, returns and refunds	346	278
Amortization of costs to obtain revenue contracts	79	78
Amortization of operating lease right-of-use assets	629	623
Amortization of (discounts) premiums, net on short-term investments	(354)	—
Other, net	(112)	76
Changes in operating assets and liabilities:		
Accounts receivable	29	59
Prepaid expenses and other current assets	1,269	905
Receivables from payment processors	(250)	(1,114)
Other assets	(181)	(235)
Accounts payable and accrued expenses	(71)	(691)
Payables due to sellers	(134)	(1,316)
Operating lease liabilities	(678)	(672)
Other current liabilities and other liabilities	715	81
Net cash used in operating activities	(2,801)	(6,225)
Cash flows from investing activities:		
Purchases of short-term investments	(62,370)	—
Development of internal-use software	(370)	(741)
Purchases of property and equipment	(20)	(19)
Other, net	—	(14)
Net cash used in investing activities	(62,760)	(774)
Cash flows from financing activities:		
Proceeds from exercise of stock options	31	220
Net cash provided by financing activities	31	220
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	113	(89)
Net decrease in cash, cash equivalents, and restricted cash	(65,417)	(6,868)
Cash, cash equivalents, and restricted cash at beginning of the period	158,043	171,559
Cash, cash equivalents, and restricted cash at end of the period	\$ 92,626	\$ 164,691

Non-GAAP Financial Measures

Adjusted EBITDA and Adjusted EBITDA Margin

In this press release, we provide Adjusted EBITDA, a non-GAAP financial measure that represents our net loss adjusted to exclude: (1) depreciation and amortization; (2) stock-based compensation expense; (3) other income (expense), net; (4) provision for income taxes; and (5) strategic alternative expenses. We also provide Adjusted EBITDA Margin, a non-GAAP financial measure that presents Adjusted EBITDA divided by net revenue. Below is a reconciliation of net loss, the most directly comparable GAAP financial measure, to Adjusted EBITDA.

We have included Adjusted EBITDA and Adjusted EBITDA Margin, which are non-GAAP financial measures, because they are key measures used by our management team to help us to assess our operating performance and the operating leverage in our business. We also use these measures to analyze our financial results, establish budgets and operational goals for managing our business, and make strategic decisions. We believe that Adjusted EBITDA and Adjusted EBITDA Margin help identify underlying trends in our business that could otherwise be masked by the effect of the income and expenses that we exclude from Adjusted EBITDA and Adjusted EBITDA Margin. Accordingly, we believe that these metrics provide useful information to investors and others in understanding and evaluating our results of operations, enhances the overall understanding of our past performance and future prospects, and allows for greater transparency with respect to key financial metrics used by our management in their financial and operational decision-making. We also believe that the presentation of these non-GAAP financial measures provides an additional tool for investors to use in comparing our core business and results of operations over multiple periods with other companies in our industry, many of which present similar non-GAAP financial measures to investors, and to analyze our cash performance.

The non-GAAP financial measures presented may not be comparable to similarly titled measures reported by other companies due to differences in the way that these measures are calculated. The non-GAAP financial measures presented should not be considered as the sole measure of our performance and should not be considered in isolation from, or as a substitute for, comparable financial measures calculated in accordance with GAAP. Further, these non-GAAP financial measures have certain limitations in that they do not include the impact of certain expenses that are reflected in our condensed consolidated statements of operations. Accordingly, these non-GAAP financial measures should be considered as supplemental in nature, and are not intended, and should not be construed, as a substitute for the related financial information calculated in accordance with GAAP. These limitations of Adjusted EBITDA and Adjusted EBITDA Margin include the following:

- The exclusion of certain recurring, non-cash charges, such as depreciation of property and equipment and amortization of intangible assets. While these are non-cash charges, we may need to replace the assets being depreciated and amortized in the future and Adjusted EBITDA does not reflect cash requirements for these replacements or new capital expenditure requirements;
- The exclusion of stock-based compensation expense, which has been a significant recurring expense and will continue to constitute a significant recurring expense for the foreseeable future, as equity awards are expected to continue to be an important component of our compensation strategy;
- The exclusion of other income (expense), net, which includes interest income related to our cash, cash equivalents and short-term investments, interest expense, and realized and unrealized gains and losses on foreign currency exchange; and
- The exclusion of strategic alternative expenses in connection with capital return strategies, buy- and sell-side mergers and acquisitions and partnerships, sale of a business or subsidiary, business optimization costs related to revisions of operational objectives and priorities, cost saving initiatives, restructuring charges, and integration costs, in all cases outside the ordinary course.

Because of these limitations, you should consider Adjusted EBITDA and Adjusted EBITDA Margin alongside other financial performance measures, including net loss and our other GAAP results. The information in the tables below sets forth the non-GAAP financial measures along with the most directly comparable GAAP financial measures.

1STDIBS.COM, INC.
Reconciliation of Net Loss to Adjusted EBITDA
(Amounts in thousands)
(Unaudited)

	Three Months Ended March 31,	
	2023	2022
Net loss	\$ (8,133)	\$ (6,360)
Excluding:		
Depreciation and amortization	939	718
Stock-based compensation expense	3,106	1,345
Other income, net	(2,048)	(371)
Provision for income taxes	—	—
Strategic alternative expenses	882	—
Adjusted EBITDA (non-GAAP)	<u>\$ (5,254)</u>	<u>\$ (4,668)</u>
Divided by:		
Net revenue	<u>\$ 22,178</u>	<u>\$ 26,587</u>
Adjusted EBITDA Margin (non-GAAP)	<u>(23.7)%</u>	<u>(17.6)%</u>