



Etsy

NasdaqGS:ETSY Stock Report

MARKET CAP
US\$28.4b

7D
3.5%

1Y
105.2%



UPDATED 16 Sep, 2021

ETSY Overview

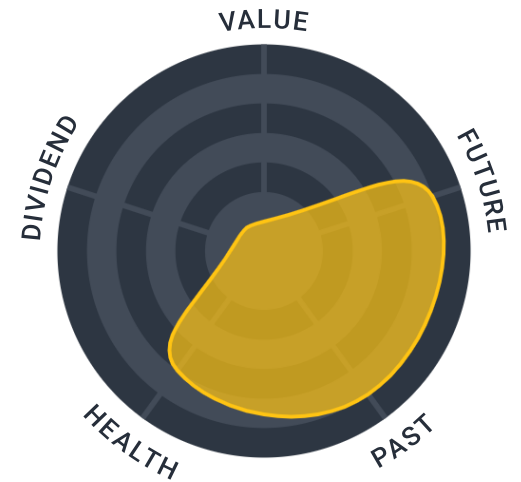
Etsy, Inc. operates two-sided online marketplaces that connect buyers and sellers primarily in the United States, the United Kingdom, Germany, Canada, Australia, France, and India.

REWARDS

- ★ Earnings are forecast to grow 21.64% per year ▶
- ★ Earnings grew by 211% over the past year ▶

RISK ANALYSIS

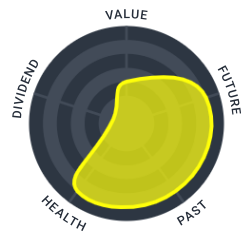
- ⚠ Has a high level of debt ▶
- ⚠ Shareholders have been diluted in the past year ▶



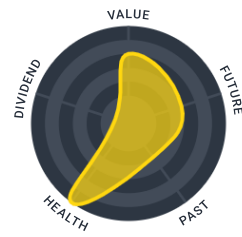
Snowflake Analysis

High growth potential with solid track record.

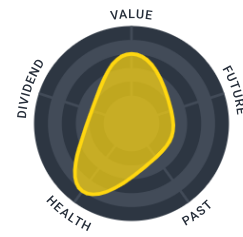
Etsy Competitors



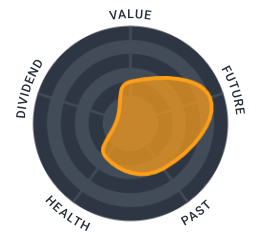
Amazon.com
NASDAQGS:AMZN
US\$1.8t



Alibaba Group Hold...
NYSE:BABA
US\$423.6b

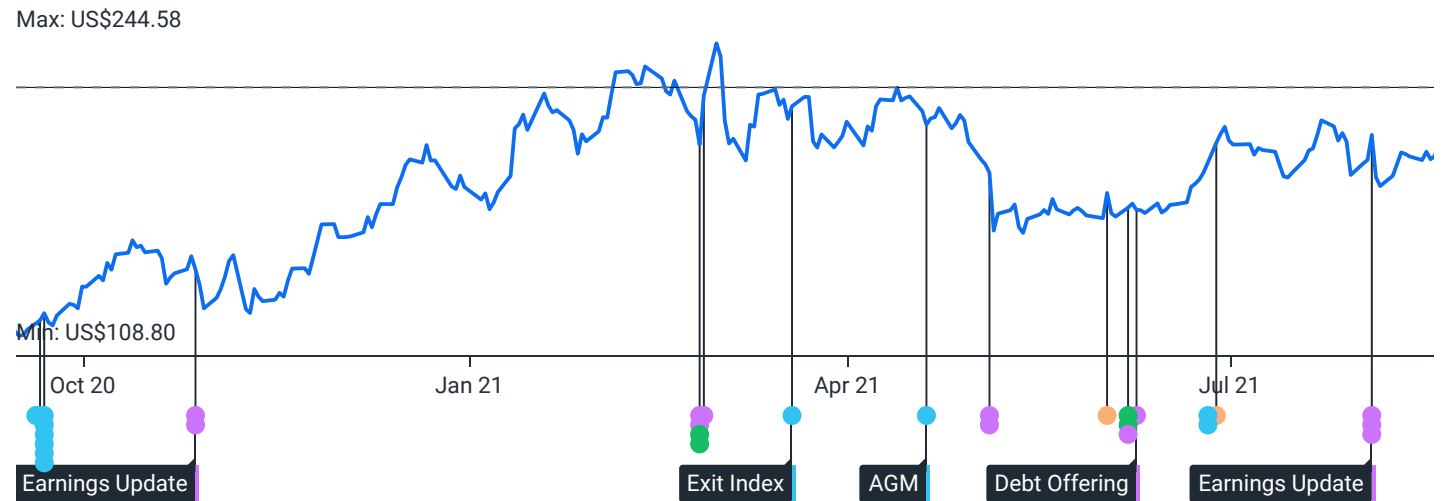


eBay
NASDAQGS:EBAY
US\$48.6b








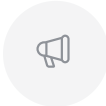
Wayfair
NYSE:W
US\$28.9b

Price History & Performance



● Dividend ● Financial ● Management ● Strategy ● Other

Recent News & Updates

- Sep 14  **Here is how Etsy's (NASDAQ:ETSY) Growth Strategy Creates Value for Investors** 
Long term investing can be life changing when you buy and hold the truly great businesses. And we've seen some truly amazing gains over the years. For example, the Etsy, Inc. (NASDAQ:ETSY) share price is up a whopping 327% since 2019, a handsome return for long term holders. It is clear that this is a combination of a great business model and the online shopping catalyst. In this article, we are going to examine the growth potential of Etsy and how can that impact the stock.
- Sep 09  **Where Will Etsy Stock Be In 5 Years? Consider Product Category And International Expansion Potential**
I don't think ETSY's shares are overpriced even though its stock price has almost doubled in the last year. It is critical to focus on Etsy's future growth prospects, rather than Wall Street's target prices...
- Aug 30  **Etsy Is An E-Commerce Powerhouse That Should Be On Every Investor's Radar**
Etsy operates four e-commerce marketplaces: ETSY, Reverb, depop, and elo7. Etsy is the largest one and it specializes in handmade and vintage products. Gross merchandise sales (GMS) and revenue...
- Aug 19  **Is Etsy Stock A Buy Or Sell? Why It's One Of My Largest Positions**
ETSY has been a multi-bagger over the last 2 years, but the future remains as bright as ever. Growth has slowed as the company laps pandemic quarters. ETSY trades at only 12.9x sales and 55x...
- Aug 05  **Etsy, Inc. Provides Earnings Guidance for the Third Quarter of 2021**

Shareholder Returns

| | ETSY | US Online Retail | US Market |
|----|--------|------------------|-----------|
| 7D | 3.5% | -1.3% | -0.6% |
| 1Y | 105.2% | -0.2% | 33.6% |

Price Volatility

| | |
|-----------------|------|
| ETSY volatility | |
| ETSY Beta | 1.61 |
| Industry Beta | 1.09 |
| Market Beta | 1 |

Return vs Industry: ETSY exceeded the US Online Retail industry which returned -0.4% over the past year.

Return vs Market: ETSY exceeded the US Market which returned 33.7% over the past year.

Stable Share Price: ETSY is not significantly more volatile than the rest of US stocks over the past 3 months, typically moving +/- 6% a week.

Volatility Over Time: ETSY's weekly volatility (6%) has been stable over the past year.

About the Company

Founded
2005

Employees
1,598

CEO
Josh Silverman

Website
<https://www.etsy.com> 

Etsy, Inc. operates two-sided online marketplaces that connect buyers and sellers primarily in the United States, the United Kingdom, Germany, Canada, Australia, France, and India. Its online market places include Etsy.com and...

1 | Valuation

Analysis Checks 0/6

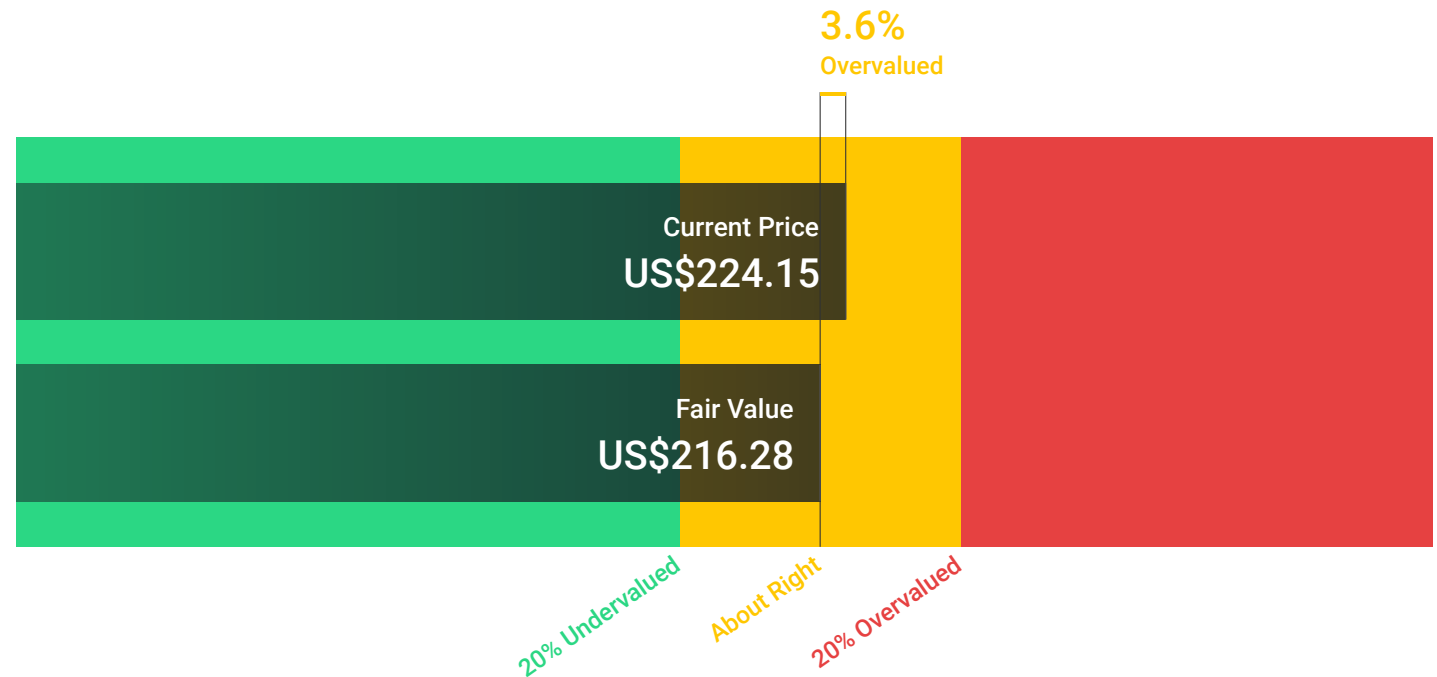


Is Etsy undervalued compared to its fair value and its price relative to the market?

58.82x

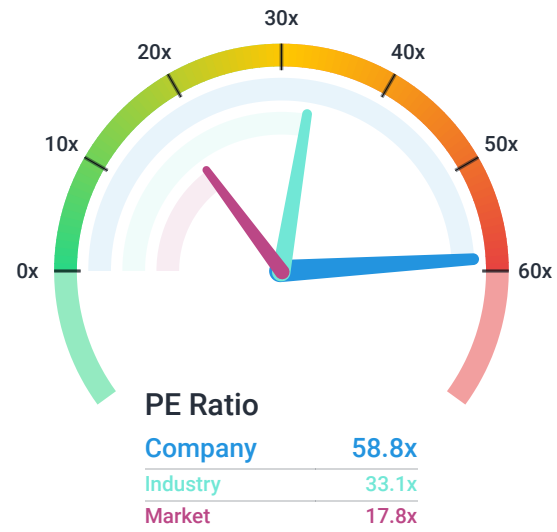
Price to Earnings (PE) ratio

1.1 | Share Price vs. Fair Value



- ✘ **Below Fair Value:** ETSY (\$224.15) is trading above our estimate of fair value (\$216.28)
- ✘ **Significantly Below Fair Value:** ETSY is trading above our estimate of fair value.

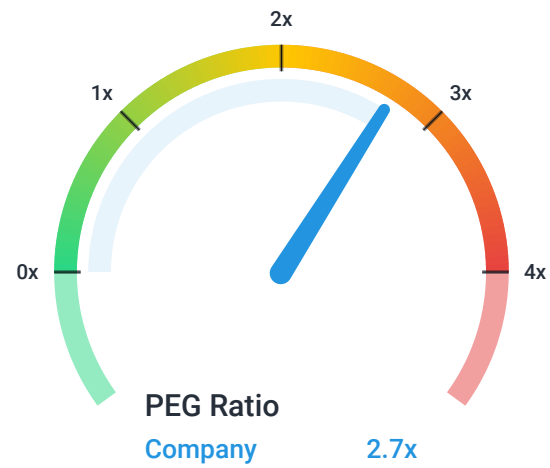
1.2 | Price To Earnings Ratio



⊗ **PE vs Industry:** ETSY is poor value based on its PE Ratio (58.8x) compared to the US Online Retail industry average (30.2x).

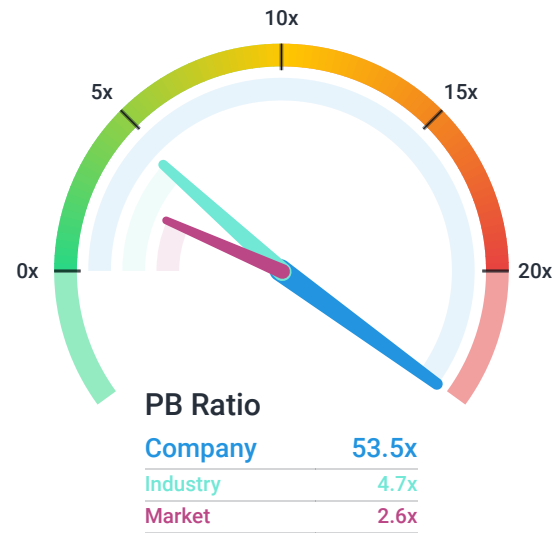
⊗ **PE vs Market:** ETSY is poor value based on its PE Ratio (58.8x) compared to the US market (17.8x).

1.3 | Price to Earnings Growth Ratio



⊗ **PEG Ratio:** ETSY is poor value based on its PEG Ratio (2.7x)

1.4 | Price to Book Ratio



⊗ **PB vs Industry:** ETSY is overvalued based on its PB Ratio (53.5x) compared to the US Online Retail industry average (4.9x).

2 | Future Growth

Analysis Checks 5/6

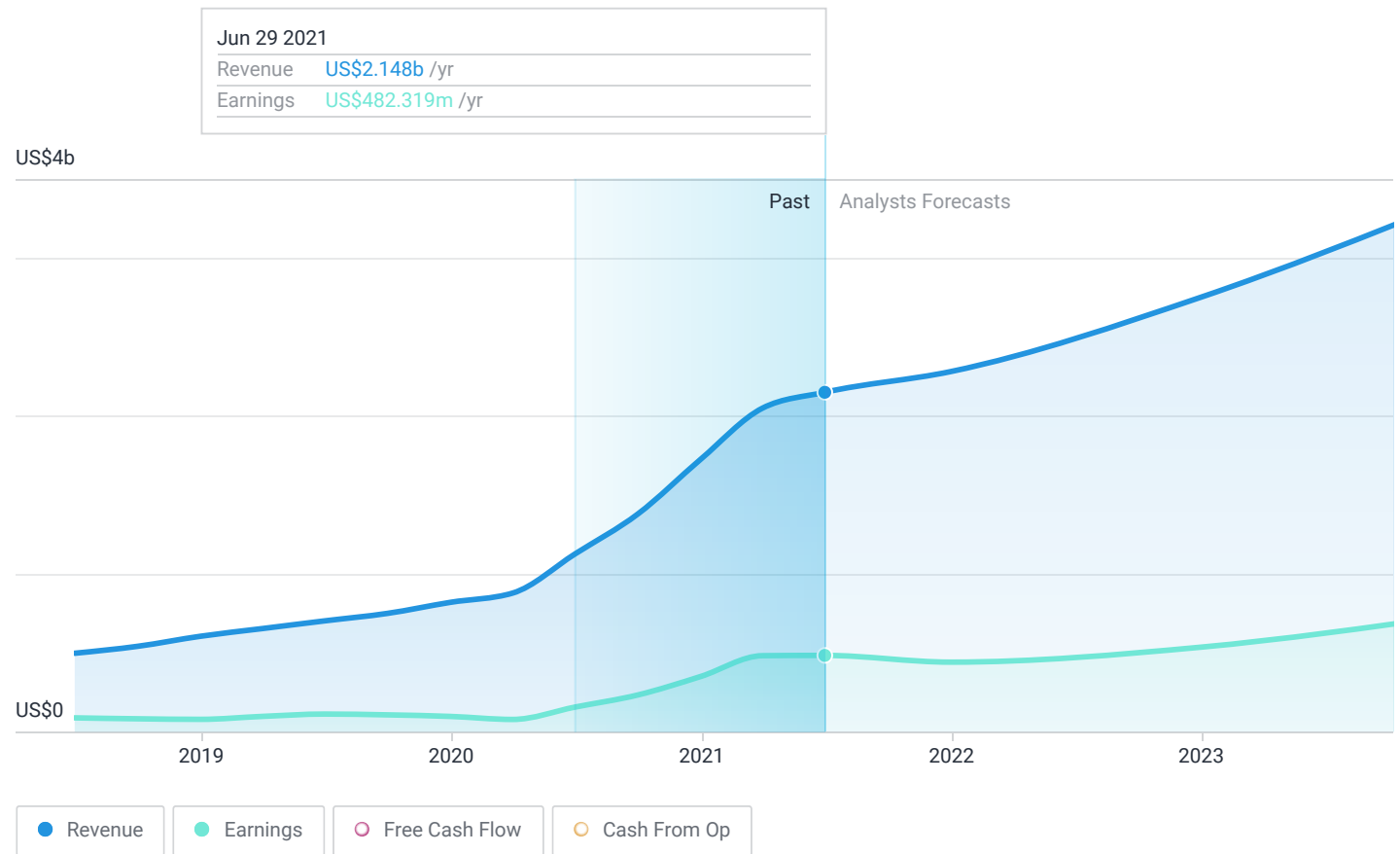


How is Etsy forecast to perform in the next 1 to 3 years based on estimates from 16 analysts?

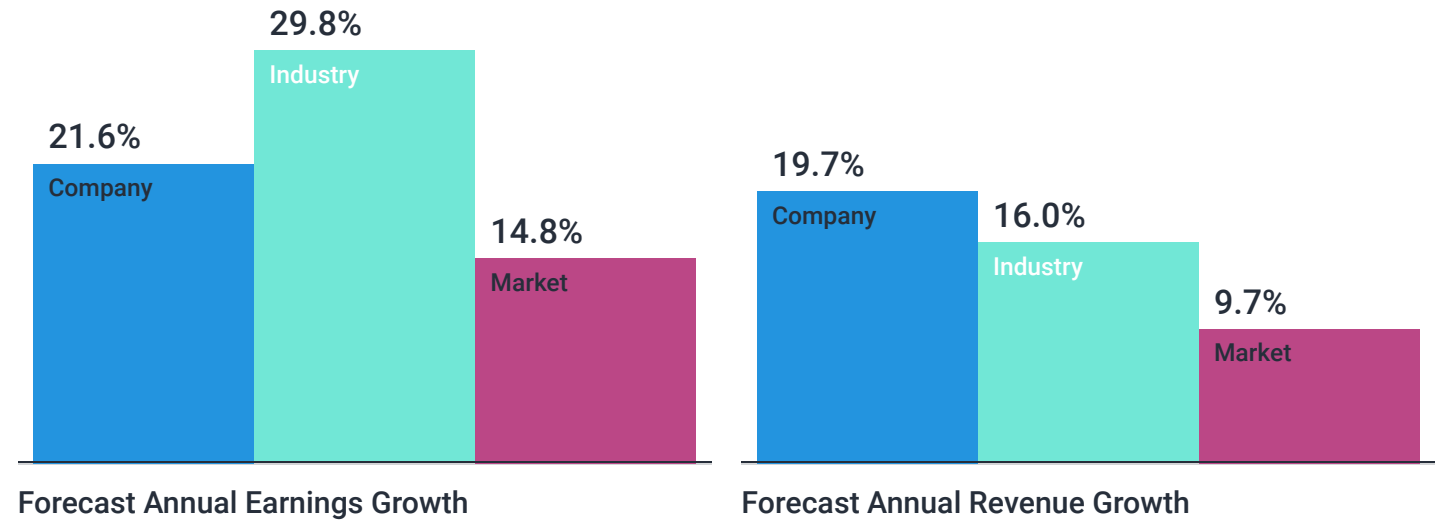
21.6%

Forecasted annual earnings growth

2.1 | Earnings and Revenue Growth Forecasts

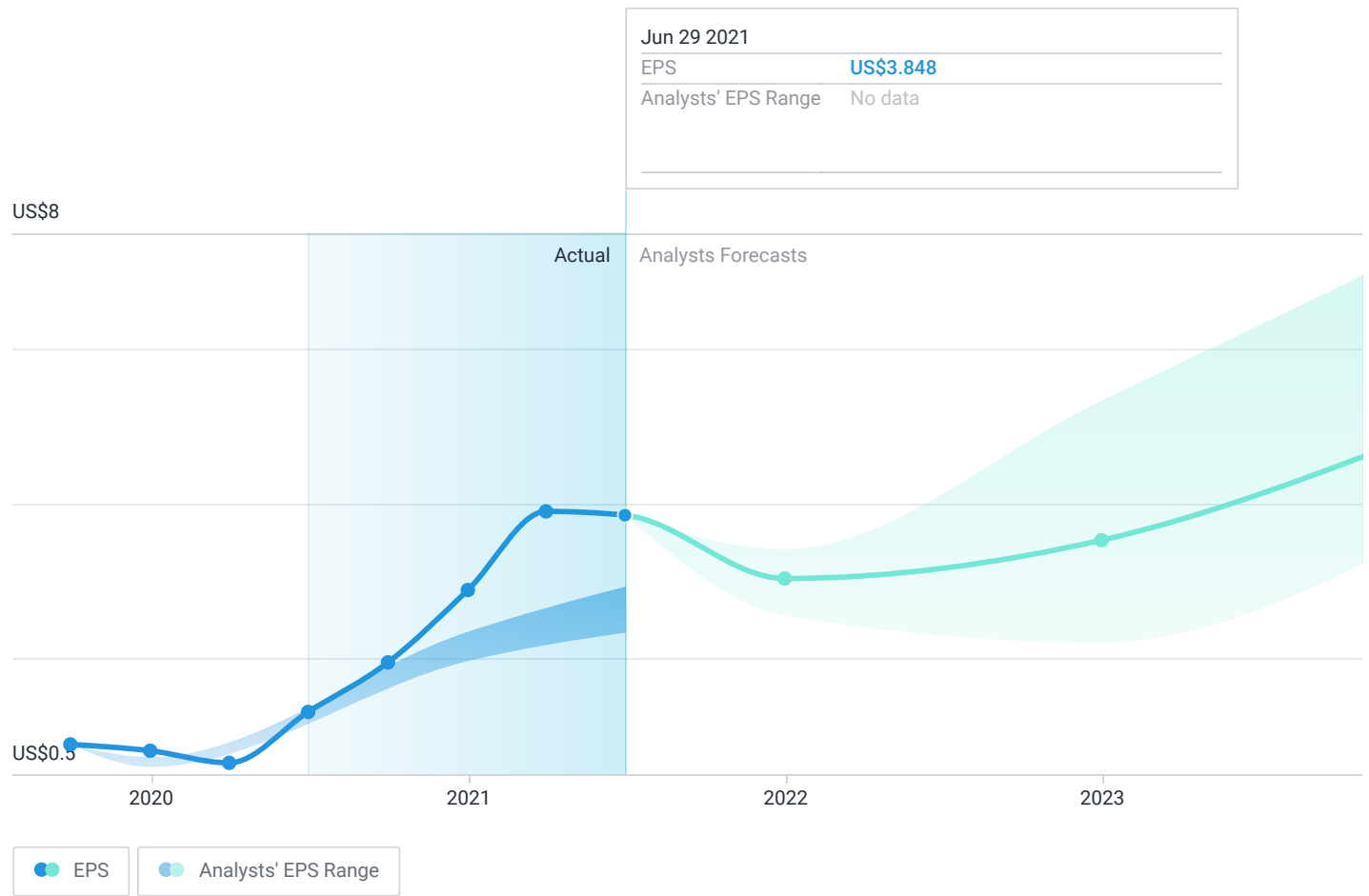


2.2 | Analyst Future Growth Forecasts

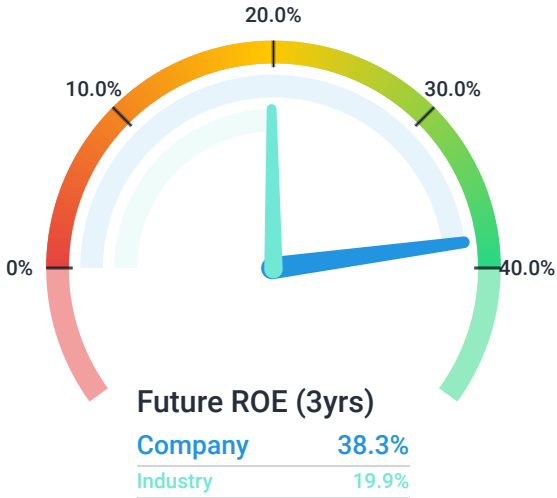


- ✔ **Earnings vs Savings Rate:** ETSY's forecast earnings growth (21.6% per year) is above the savings rate (2%).
 - ✔ **Earnings vs Market:** ETSY's earnings (21.6% per year) are forecast to grow faster than the US market (14.9% per year).
 - ✔ **High Growth Earnings:** earnings are expected to grow significantly over the next 3 years.
 - ✔ **Revenue vs Market:** ETSY's revenue (19.7% per year) is forecast to grow faster than the US market (9.7% per year).
 - ✘ **High Growth Revenue:** ETSY's revenue (19.7% per year) is forecast to grow slower than 20% per year.
-

2.3 Earnings per Share Growth Forecasts



2.4 | Future Return on Equity



✔ Future ROE: ETSY's Return on Equity is forecast to be high in 3 years time (38.3%)

3 | Past Performance

Analysis Checks 5/6



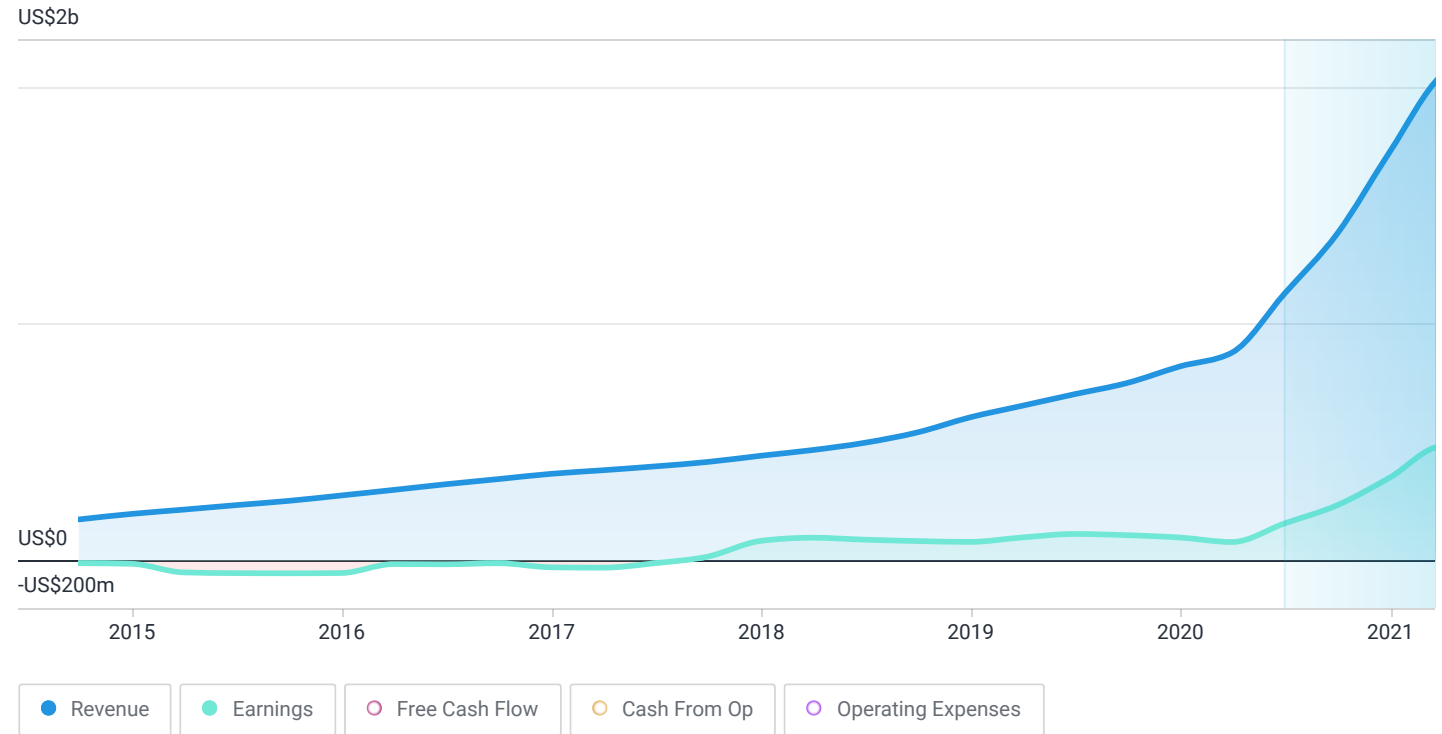
How has Etsy performed over the past 5 years?

63.1%

Historical annual earnings growth

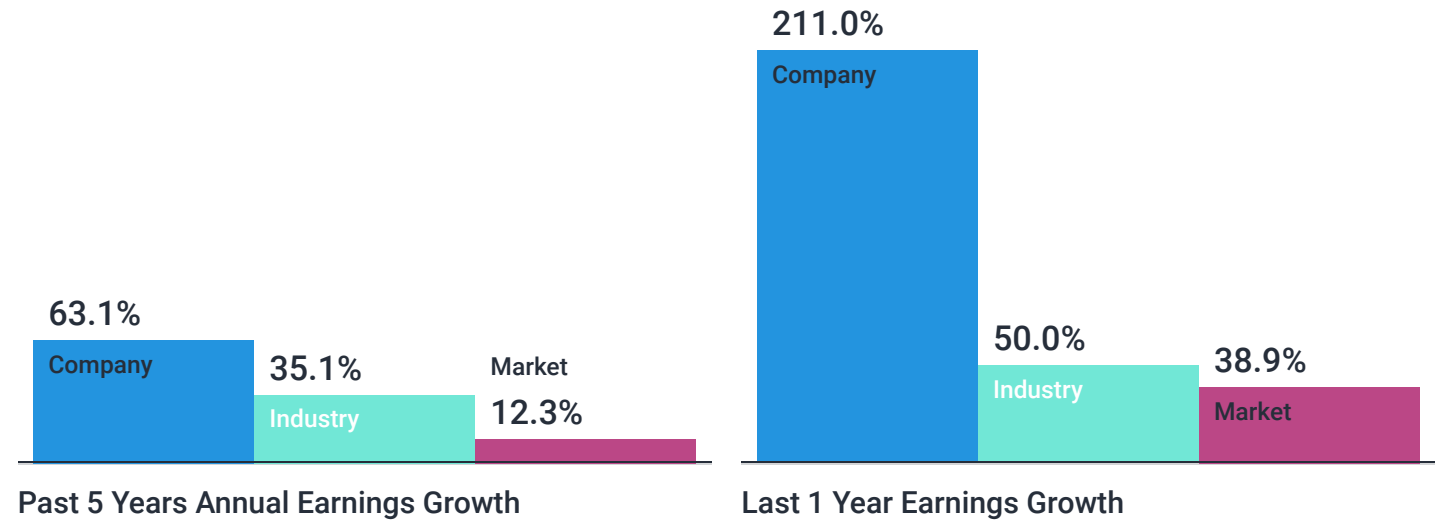
3.1 Earnings and Revenue History

| | |
|-------------|---------------------|
| Jun 29 2021 | |
| Revenue | US\$2.148b /yr |
| Earnings | US\$482.319m /yr |
| | 22.5% profit margin |



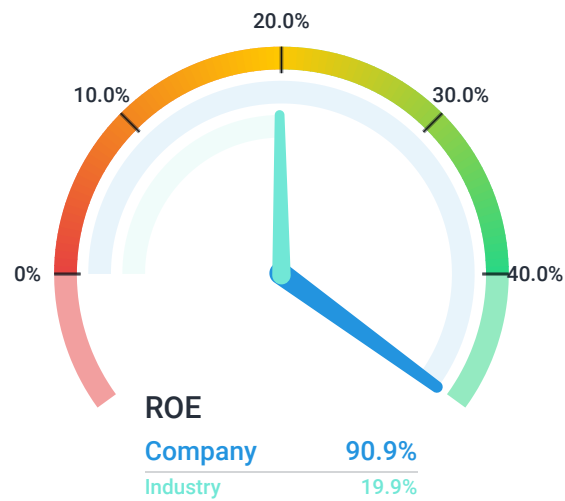
- ✔ Quality Earnings: ETSY has high quality earnings.
- ✔ Growing Profit Margin: ETSY's current net profit margins (22.5%) are higher than last year (13.8%).

3.2 | Past Earnings Growth Analysis



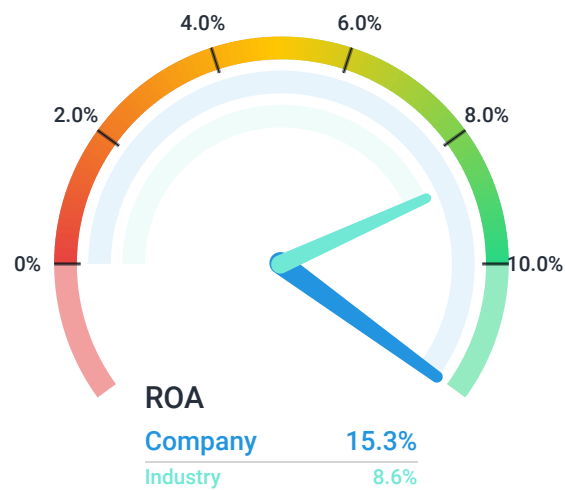
- ✓ **Earnings Trend:** ETSY has become profitable over the past 5 years, growing earnings by 63.1% per year.
 - ✓ **Accelerating Growth:** ETSY's earnings growth over the past year (211%) exceeds its 5-year average (63.1% per year).
 - ✓ **Earnings vs Industry:** ETSY earnings growth over the past year (211%) exceeded the Online Retail industry 62%.
-

3.3 | Return on Equity

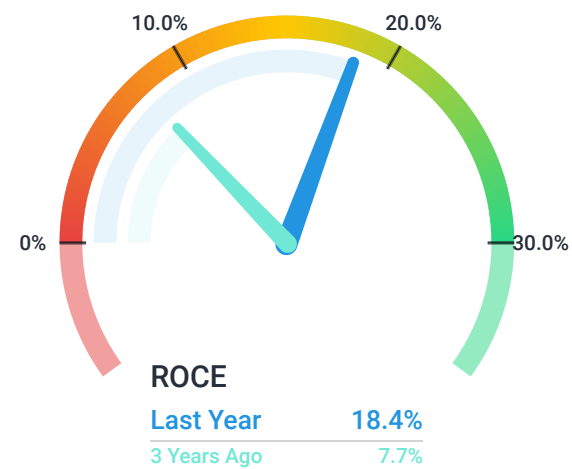


⊗ **High ROE:** Whilst ETSY's Return on Equity (90.87%) is outstanding, this metric is skewed due to their high level of debt.

3.4 | Return on Assets



3.5 | Return on Capital Employed



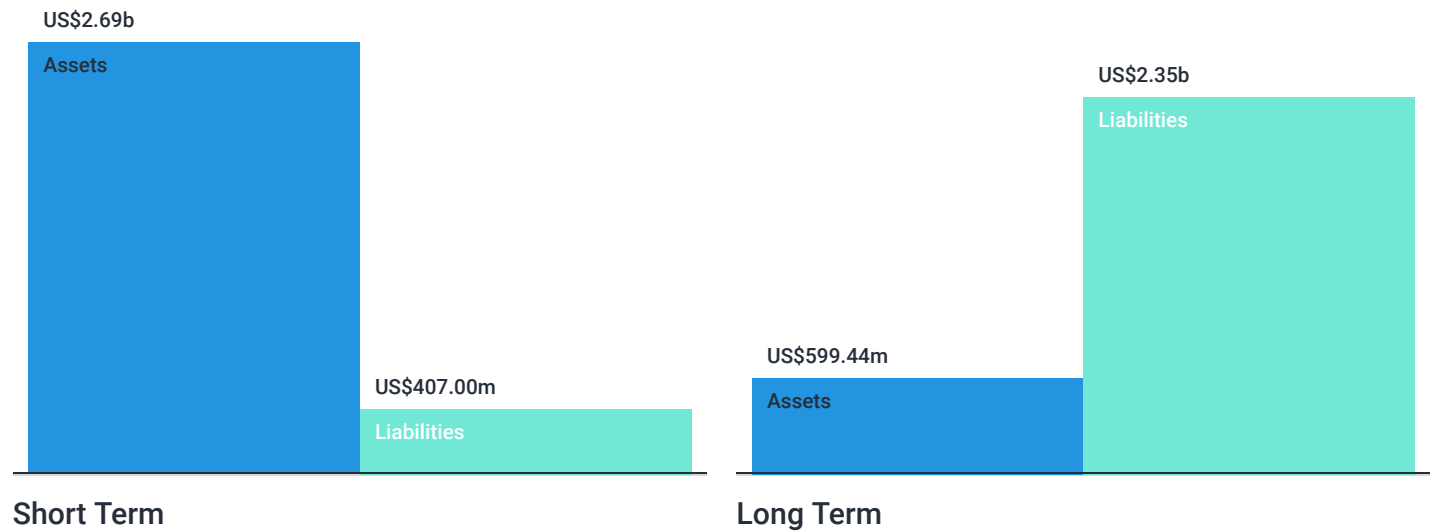
4 | Financial Health

Analysis Checks 4/6



How is Etsy's financial position?

4.1 | Financial Position Analysis



✔ Short Term Liabilities: ETSY's short term assets (\$2.7B) exceed its short term liabilities (\$407.0M).

✔ Long Term Liabilities: ETSY's short term assets (\$2.7B) exceed its long term liabilities (\$2.4B).

4.2 Debt to Equity History and Analysis

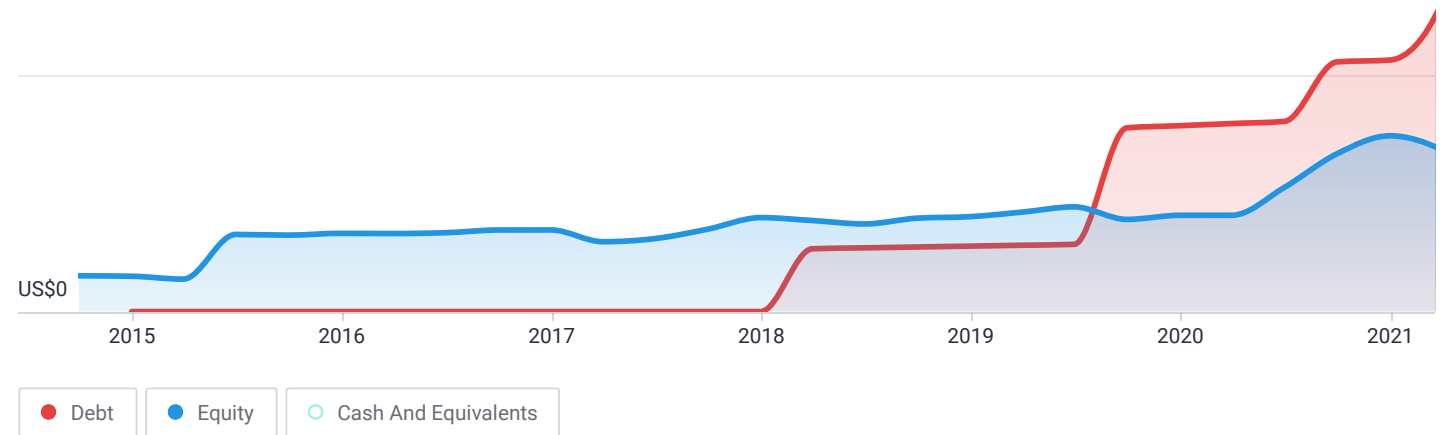
Jun 29 2021

Debt **US\$2.273b**

Equity **US\$530.753m**

428.3% Debt/Equity Ratio

US\$2b



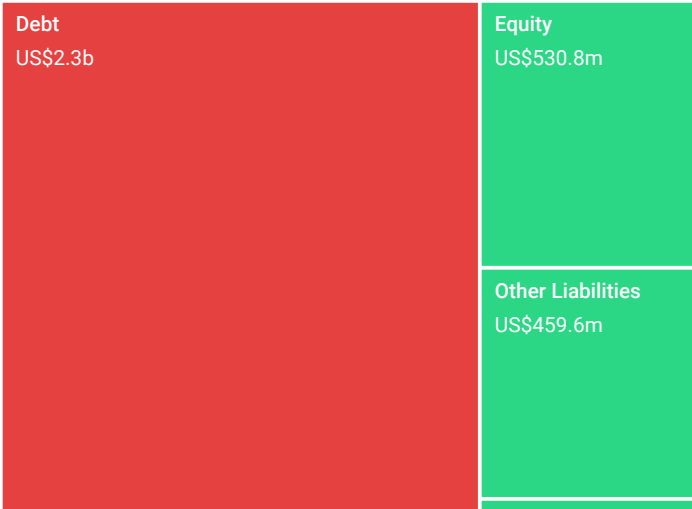
- ⊗ **Debt Level:** ETSY's debt to equity ratio (428.3%) is considered high.
- ⊗ **Reducing Debt:** ETSY's debt to equity ratio has increased from 0% to 428.3% over the past 5 years.
- ✓ **Debt Coverage:** ETSY's debt is well covered by operating cash flow (30.7%).
- ✓ **Interest Coverage:** ETSY's interest payments on its debt are well covered by EBIT (24x coverage).

4.3 Balance Sheet

Assets



Liabilities + Equity



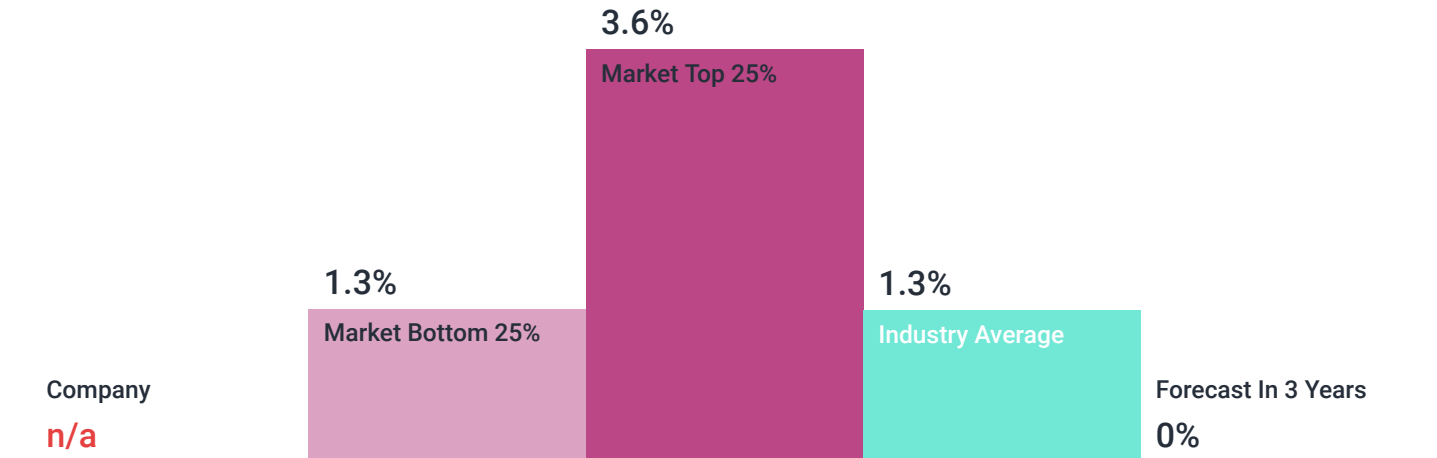
5 | Dividend

Analysis Checks 0/6



What is Etsy current dividend yield, its reliability and sustainability?

5.1 | Dividend Yield vs Market




Current Dividend Yield Vs Market & Industry

- ⊗ **Notable Dividend:** Unable to evaluate ETSY's dividend yield against the bottom 25% of dividend payers, as the company has not reported any recent payouts.
- ⊗ **High Dividend:** Unable to evaluate ETSY's dividend yield against the top 25% of dividend payers, as the company has not reported any recent payouts.

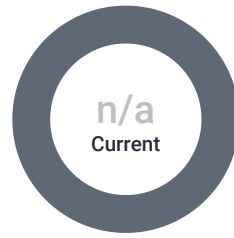
5.2 Stability and Growth of Payments




 **Stable Dividend:** Insufficient data to determine if ETSY's dividends per share have been stable in the past.

 **Growing Dividend:** Insufficient data to determine if ETSY's dividend payments have been increasing.

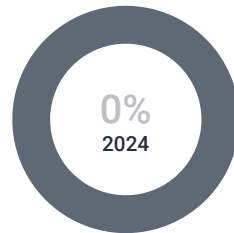
5.3 | Current Payout to Shareholders




No data

 **Dividend Coverage:** Insufficient data to calculate payout ratio to determine if its dividend payments are covered by earnings.

5.4 | Future Payout to Shareholders



Does not pay a dividend

 **Future Dividend Coverage:** No need to calculate the sustainability of ETSY's dividend in 3 years as they are not forecast to pay a notable one for the US market.

6 | Management

How experienced are the management team and are they aligned to shareholders interests?

4.3yrs

Average management tenure

Josh Silverman (52 yo)

4.33yrs

Tenure

US\$1,934,307

Compensation

Mr. Joshua G. Silverman, also known as Josh, is the Chief Executive Officer and President of Etsy, Inc. since May 3, 2017. Mr. Silverman was an Executive-in-Residence at Greylock Partners from October 2015 to April 2017. He is a Director of American Express National Bank.

He was the Chief Executive Officer of eBay Marketplace Israel Ltd. He previously held this position from October 2010 through June 2011. Mr. Silverman served as the President of Consumer Products and Services at American Express Company from June 2011 to December 2015. He served as the Senior Operating Advisor at Hellman & Friedman, since January 2017.

Mr. Silverman joined American Express Company in 2011. He is an entrepreneurial executive who has built and run some of the world's most loved consumer Internet companies. Previously, Mr. Silverman served as the President of Skype Technologies S.A. and served as its Chief Executive Officer from March 24, 2008 to October 31, 2010. He served as the President and Chief Executive Officer of Skype Limited February 2008 until September 2010 and Skype Inc. Mr. Silverman served as the Chief Executive Officer of Skype Global S.à r.l. from March 2008 to October 2010.

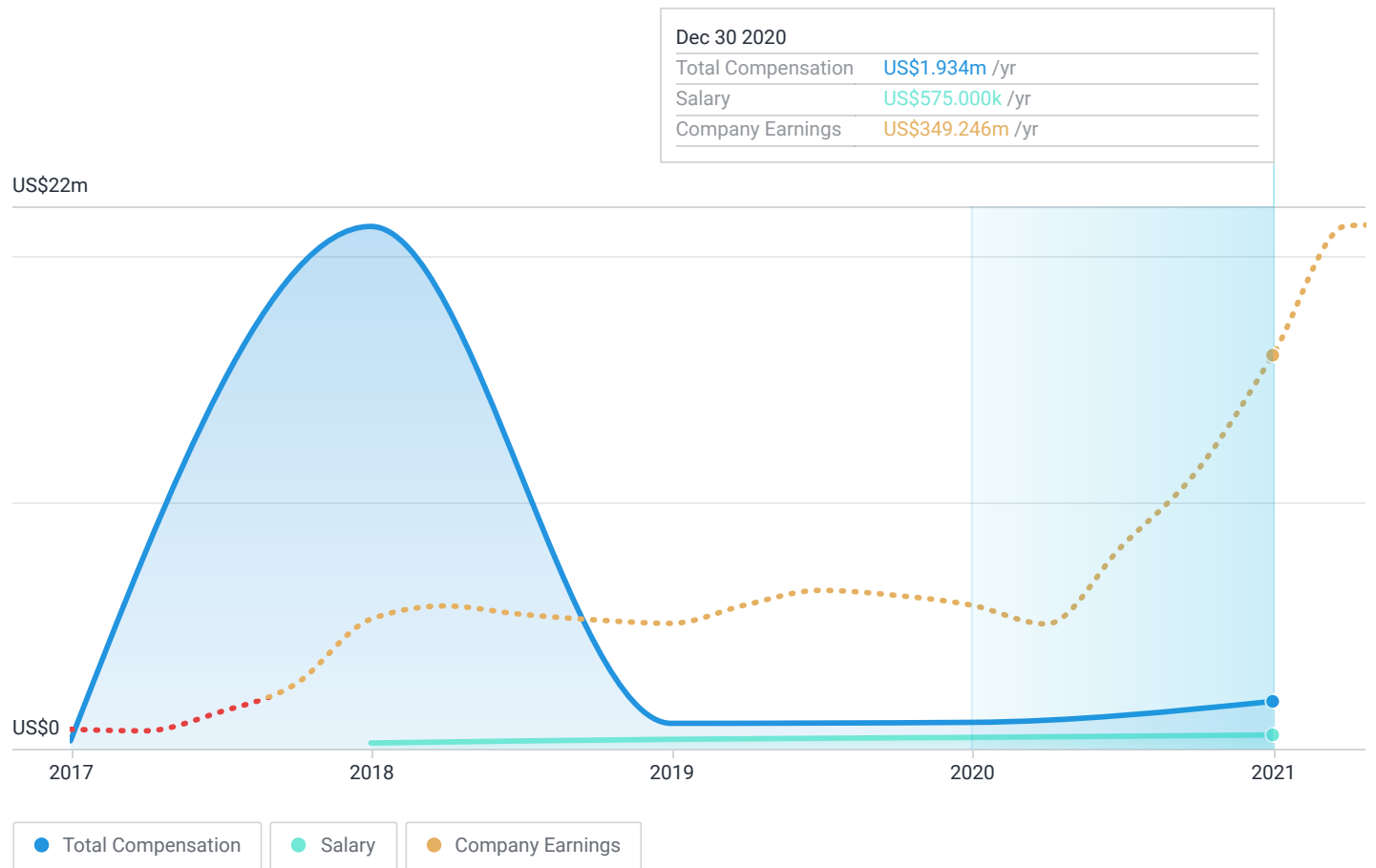
Prior to Skype, he served as a Senior Executive of eBay Inc., from 2003 to 2008. From December 2003 until June 2006, Mr. Silverman served in a variety of leadership roles at eBay, including served as its Vice President and General Manager of eBay Netherlands and Marktplaats B.V and was responsible for helping to build eBay's extremely successful classifieds businesses in Europe. He served as the Managing Director of Marktplaats.nl from December 2003 until June 2006. Mr. Silverman served as the Chief Executive Officer of eBay's Shopping.com Ltd.

from July 2006 to March 2008 and also served as its General Manager and Vice President of Products. Mr. Silverman co-founded Evite, LLC and served as its Chief Executive Officer from December 1998 until May 2001. Mr. Silverman served as the Chief Executive Officer of Shopping.com and from December 2003 until June 2006, Mr. Silverman served as Managing Director of Markplaats.nl & eBay NL, a Dutch subsidiary of eBay. He served in various management positions at ADAC Labs.

Mr. Silverman served as a Management Consultant of Booz Allen & Hamilton. He started his career on the staff of United States Senator Bill Bradley. He has been a Director of Shake Shack Inc. since November 17, 2016. He has been a Director of Etsy, Inc. since November 15, 2016, Lincoln Center Theater, Clubbed Thumb Theater and Stanford Graduate School of Business.

He also served on the Consumer Advisory Board of the Consumer Financial Protection Bureau from 2012 to 2015. Mr. Silverman holds an M.B.A. from Stanford Graduate School of Business in 1997, where he was an Arjay Miller Scholar and a B.A. in Public Policy from Brown University in 1991. Mr. Silverman currently serves on the board of directors of not-for-profit organization Code Nation which equips students in under-resourced schools with both fundamental coding skills and professional experiences.

6.2 CEO Compensation Analysis



✔ **Compensation vs Market:** Josh's total compensation (\$USD1.93M) is below average for companies of similar size in the US market (\$USD11.33M).

✘ **Compensation vs Earnings:** Josh's compensation has increased by more than 20% in the past year.

6.3 Leadership Team

| Name | Position | Tenure | Compensation | Ownership |
|--|---|----------|--------------|--------------------|
|  Joshua Silverman | CEO, President & Director | 4.33yrs | US\$1.93m | 0.051% \$ 14.4m |
|  Rachel Glaser | Chief Financial Officer | 4.33yrs | US\$4.06m | 0.025% \$ 7.1m |
|  Michael Fisher | Chief Technology Officer | 4.17yrs | US\$4.06m | 0.018% \$ 5.2m |
|  Ryan Scott | Chief Marketing Officer | 2.25yrs | US\$2.80m | no data |
|  Kruti Goyal | Chief Product Officer | 3.08yrs | US\$3.06m | 0.026% \$ 7.2m |
|  Robert Kalin | Co-Founder | 16.67yrs | no data | no data |
|  Jared Tarbell | Co-Founder | 16.67yrs | no data | no data |
|  Raina Moskowitz | Chief Operations | 1.08yrs | US\$2.75m | 0.0081% \$ 2.3m |
|  Merilee Buckley | VP & Chief Accounting Officer | 1.42yrs | no data | 0% \$ 0 |
|  Debra Wasser | Vice President of Investor Relations | no data | no data | no data |
|  Jill Simeone | Chief Legal Officer & Corporate Secretary | 4.67yrs | US\$2.75m | 0.011% \$ 3.0m |
|  Kelly Clausen | Director of Corporate Communications | no data | no data | no data |

4.3yrs

Average Tenure

45yo

Average Age

✔ **Experienced Management:** ETSY's management team is considered experienced (4.3 years average tenure).

6.4 | Board Members

| Name | Position | Tenure | Compensation | Ownership |
|--|---------------------------|----------|--------------|----------------------|
|  Joshua Silverman | CEO, President & Director | 4.33yrs | US\$1.93m | 0.051% \$ 14.4m |
|  Frederick Wilson | Independent Chairman | 4.33yrs | US\$371.51k | 0.41% \$ 116.0m |
|  Jonathan Klein | Independent Director | 10.25yrs | US\$260.45k | 0.031% \$ 8.7m |
|  Martha Burns | Independent Director | 7.5yrs | US\$267.29k | 0.012% \$ 3.3m |
|  Gary Briggs | Independent Director | 3.42yrs | US\$260.45k | 0.0060% \$ 1.7m |
|  Margaret Smyth | Independent Director | 5.25yrs | US\$273.57k | 0.0033% \$ 924.9k |
|  Edith Cooper | Independent Director | 3.42yrs | US\$260.45k | 0.0060% \$ 1.7m |
|  Melissa Reiff | Independent Director | 6.42yrs | US\$268.36k | 0.0025% \$ 706.5k |

5.0yrs

Average Tenure

59.5yo

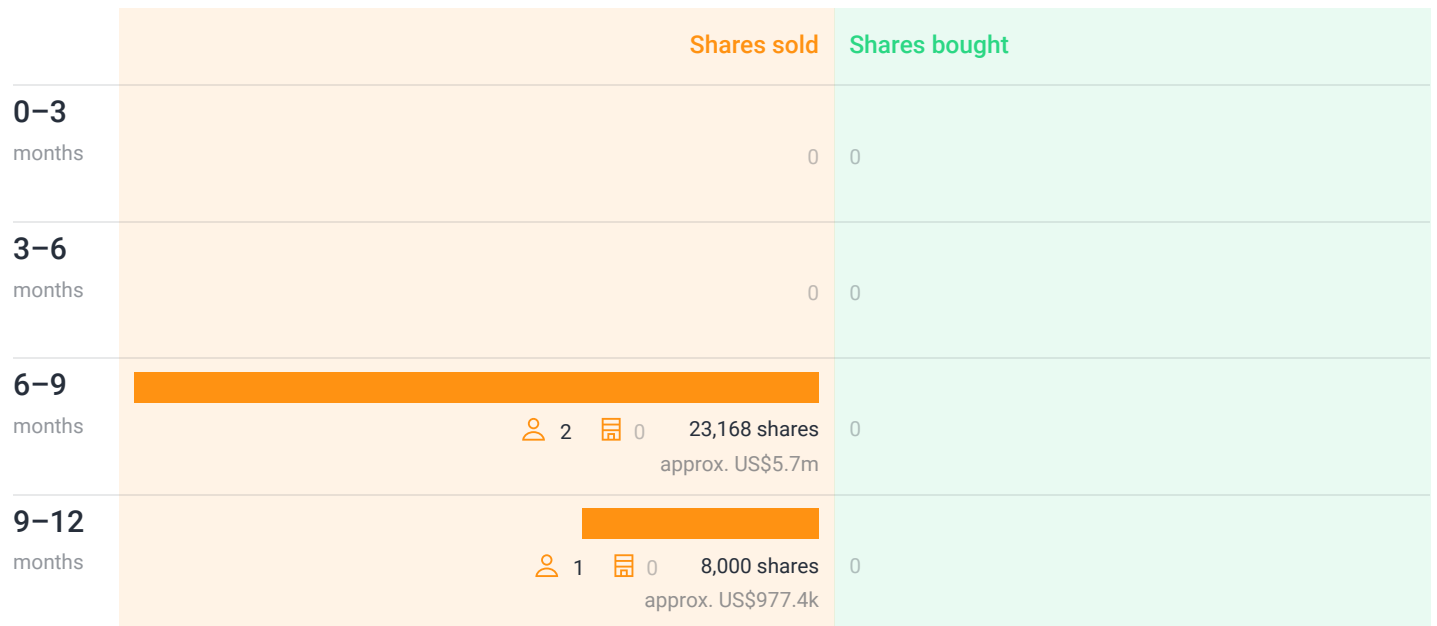
Average Age

✔ **Experienced Board:** ETSY's board of directors are considered experienced (5 years average tenure).

7 | Ownership

Who are the major shareholders and have insiders been buying or selling?

7.1 | Insider Trading Volume




● Sold By Individuals







● Bought By Individuals

● Sold By Companies

● Bought By Companies

 **Insider Buying:** Insufficient data to determine if insiders have bought more shares than they have sold in the past 3 months.

7.2 | Recent Insider Transactions

| Date | Value | Name | Entity | Role | Shares | Max Price |
|-----------|--------------------|------------------|------------|---|--------|------------|
| 28 Feb 21 | Sell US\$163,660 | Raina Moskowitz | Individual |   | 668 | US\$245.00 |
| 28 Feb 21 | Sell US\$5,507,389 | Frederick Wilson | Individual |   | 22,500 | US\$246.55 |
| 01 Nov 20 | Sell US\$977,360 | Margaret Smyth | Individual |   | 8,000 | US\$122.17 |

NasdaqGS:ETSY Recent Insider Transactions by Companies or Individuals

7.3 | Ownership Breakdown

Private Companies 0.003%

3,439 shares

State or Government 0.04%

47,100 shares

Individual Insiders 0.6%

768,331 shares


General Public 9.3%

11,825,435 shares

Institutions 90.0%




113,932,492 shares



 **Dilution of Shares:** Shareholders have been diluted in the past year, with total shares outstanding growing by 6.1%.

7.4 | Top Shareholders

Top 25 shareholders own 58.15% of the company

| Ownership | Name | Shares | Current Value | Change % | Portfolio % | |
|-----------|--|------------|---------------|----------|-------------|---|
| 11.01% | The Vanguard Group, Inc. | 13,930,166 | \$3.1b | 2.84% | 0.06% |  |
| 8.81% | BlackRock, Inc. | 11,151,118 | \$2.5b | 11.02% | 0.05% |  |
| 7.43% | T. Rowe Price Group, Inc. | 9,401,500 | \$2.1b | 12.66% | 0.16% |  |
| 4.05% | State Street Global Advisors, Inc. | 5,124,864 | \$1.1b | 5.21% | 0.02% |  |
| 2.89% | AllianceBernstein L.P. | 3,658,982 | \$820.2m | 84.85% | 0.26% |  |
| 2.45% | Wellington Management Group LLP | 3,097,794 | \$694.4m | -27.68% | 0.09% |  |
| 2.33% | FMR LLC | 2,947,271 | \$660.6m | -19.37% | 0.04% |  |
| 2.07% | Capital Research and Management Company | 2,620,903 | \$587.5m | 614.43% | 0.03% |  |
| 1.98% | Geode Capital Management, LLC | 2,509,507 | \$562.5m | 1.52% | 0.06% |  |
| 1.39% | Renaissance Technologies Corp. | 1,763,181 | \$395.2m | -23.61% | 0.46% |  |
| 1.29% | Columbia Management Investment Advisers, LLC | 1,635,095 | \$366.5m | -18.38% | 0.09% |  |
| 1.2% | Brown Advisory Incorporated | 1,519,620 | \$340.6m | 18.18% | 0.45% |  |
| 1.14% | American Century Investment Management Inc. | 1,439,629 | \$322.7m | 7.08% | 0.18% |  |
| 1.07% | Northern Trust Global Investments | 1,348,132 | \$302.2m | -0.43% | 0.05% |  |
| 0.96% | First Trust Advisors L.P. | 1,219,439 | \$273.3m | -19.52% | 0.24% |  |
| 0.92% | Harding Loevner LP | 1,164,980 | \$261.1m | -5.63% | 0.44% |  |
| 0.87% | Norges Bank Investment Management | 1,106,272 | \$248.0m | 0% | 0.02% |  |

| Ownership | Name | Shares | Current Value | Change % | Portfolio % | |
|-----------|--|-----------|---------------|----------|-------------|---|
| 0.86% | Two Sigma Advisers, LP | 1,092,800 | \$245.0m | -6.64% | 0.62% |  |
| 0.83% | Federated Hermes, Inc. | 1,051,499 | \$235.7m | 8.2% | 0.46% |  |
| 0.83% | BNY Mellon Asset Management | 1,049,066 | \$235.1m | 4.97% | 0.04% |  |
| 0.82% | Goldman Sachs Asset Management, L.P. | 1,037,420 | \$232.5m | -11.79% | 0.08% |  |
| 0.8% | Invesco Capital Management LLC | 1,007,976 | \$225.9m | 30.89% | 0.16% |  |
| 0.74% | Nikko Asset Management Co., Ltd. | 931,579 | \$208.8m | 32.35% | 0.06% |  |
| 0.73% | Morgan Stanley, Investment Banking and Brokerage Investments | 917,813 | \$205.7m | 155.7% | 0.03% |  |
| 0.69% | Pictet Asset Management Limited | 875,283 | \$196.2m | 155.94% | 0.12% |  |

8 | Company Information

Etsy, Inc.'s employee growth, exchange listings and data sources

8.1 | Key Information



Name: **Etsy, Inc.**

Ticker: **ETSY**

Exchange: **NasdaqGS**

Founded: **2005**

Industry: **Internet and Direct Marketing Retail**

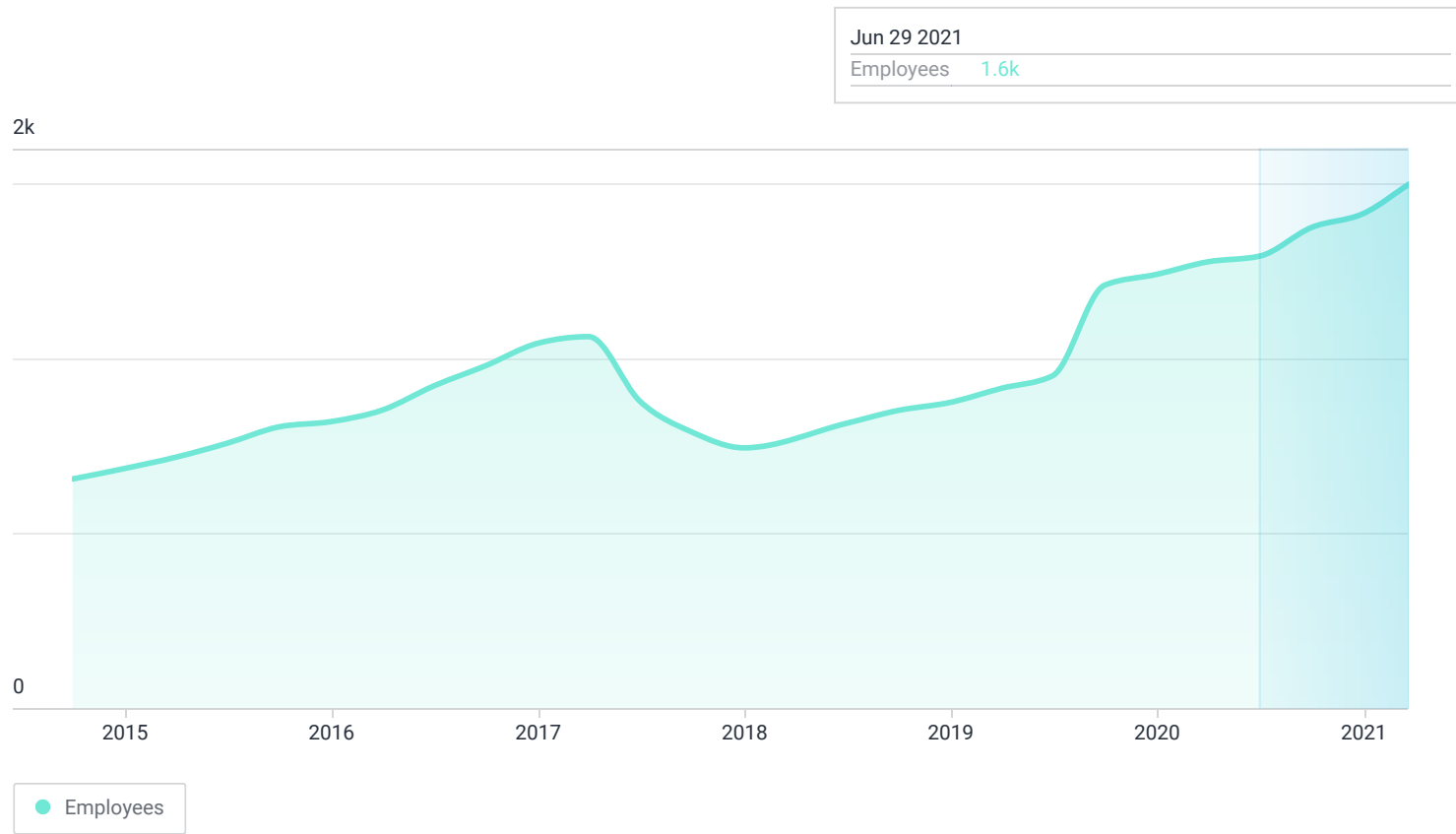
Sector: **Retail**

Market Cap: US\$28.372b

Shares outstanding: 126.58m

Website: <https://www.etsy.com>

8.2 | Number of Employees



8.3 | Location



Etsy, Inc.
117 Adams Street
Brooklyn
New York
11201
United States



8.4 Listings

| Ticker | Exchange | Primary Security | Security Type | Country | Currency | Listed on |
|--------|---|------------------|---------------------------------|---------|----------|-----------|
| ETSY | NasdaqGS (Nasdaq Global Select) | Yes | Common Stock | US | USD | Apr 2015 |
| 300 | DB (Deutsche Boerse AG) | Yes | Common Stock | DE | EUR | Apr 2015 |
| OIIW | LSE (London Stock Exchange) | Yes | Common Stock | GB | USD | Apr 2015 |
| ETSY | WBAG (Wiener Boerse AG) | Yes | Common Stock | AT | EUR | Apr 2015 |
| ETSY * | BMV (Bolsa Mexicana de Valores) | Yes | Common Stock | MX | MXN | Apr 2015 |
| ETSY | BASE (Buenos Aires Stock Exchange) | | CEDEAR EACH 16 REPR 1 COM | AR | ARS | Mar 2021 |
| ETSYD | BASE (Buenos Aires Stock Exchange) | | CEDEAR EACH 16 REPR 1 COM | AR | USD | Mar 2021 |
| E2TS34 | BOVESPA (Bolsa de Valores de Sao Paulo) | | BDR EACH 15 REPR 1 COM USD0.001 | BR | BRL | Aug 2021 |

8.5 | Company Analysis and Financial Data Status

| Data | Last Updated (UTC time) |
|------------------------|-------------------------|
| Company Analysis | 2021/09/16 22:54 |
| End of Day Share Price | 2021/09/16 00:00 |
| Earnings | 2021/06/30 |
| Annual Earnings | 2020/12/31 |

All financial data provided by Standard & Poor's Capital IQ.