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

Form 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended June 30, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Transition period from to

Commission file number: 001-35444

YELP INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**20-1854266**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

350 Mission Street, 10th Floor
San Francisco, California 94105
(Address of principal executive offices) (Zip Code)

(415) 908-3801
(Registrant's Telephone Number, Including Area Code)

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, par value $0.000001 per share	YELP	New York Stock Exchange LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☑	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

As of July 31, 2026, there were 54,263,621 shares outstanding of the registrant's common stock, par value $0.000001 per share.

YELP INC.
QUARTERLY REPORT ON FORM 10-Q
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Unless the context suggests otherwise, references in this Quarterly Report on Form 10-Q (the "Quarterly Report") to "Yelp," the "Company," "we," "us" and "our" refer to Yelp Inc. and, where appropriate, its subsidiaries.

Unless the context otherwise indicates, where we refer in this Quarterly Report to our "mobile application" or "mobile app," we refer to all of our applications for mobile-enabled devices; references to our "mobile platform" refer to both our mobile app and the versions of our website that are optimized for mobile-based browsers. Similarly, references to our "website" refer to versions of our website dedicated to both desktop- and mobile-based browsers, as well as the U.S. and international versions of our website.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report contains forward-looking statements that involve risks, uncertainties and assumptions that, if they never materialize or prove incorrect, could cause our results to differ materially from those expressed or implied by such forward-looking statements. All statements contained in this Quarterly Report that are not purely historical, including statements regarding our future results of operations or financial condition, business strategy and plans, and objectives of management for future operations, are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements may include, but are not limited to, statements about:

- our financial performance, including our revenue, operating expenses and margins, as well as our ability to maintain profitability;
- our ability to maintain and expand our advertiser base;
- our strategic initiatives to support revenue growth and margin expansion;
- our investment plans and priorities, including planned investments in product development, marketing and our sales channels, and our ability to execute against those plans and priorities and the results thereof;
- our plans regarding the integration of artificial intelligence ("AI") technologies into our strategy and products as well as the expected benefits therefrom;
- our ability to operate with a distributed workforce as well as the benefits and costs thereof;
- trends and expectations regarding customer and revenue retention;
- trends and expectations regarding our key metrics, including consumer traffic and engagement and the opportunity they present for growth;
- our capital allocation plans and liquidity and working capital requirements; and
- our plans with respect to our stock repurchase program.

Forward-looking statements are often identified by the use of words such as, but not limited to, "anticipate," "believe," "can," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "project," "seek," "should," "target," "will," "would" and similar expressions or variations intended to identify forward-looking statements.

These statements are based on the beliefs and assumptions of our management, which are in turn based on information currently available to management. Such forward-looking statements are subject to risks, uncertainties and other important factors that could cause actual results and the timing of certain events to differ materially from future results expressed or implied by such forward-looking statements. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Quarterly Report may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the section titled "*Risk Factors*" included under Part I, Item 1A in our Annual Report on Form 10-K for the year ended December 31, 2025 (the "Annual Report"), such as:

- adverse macroeconomic conditions — particularly those affecting local economies — and their impact on consumer behavior and advertiser spending;
- our ability to maintain and expand our advertiser base;
- our ability to execute on our strategic initiatives, including our AI transformation, and the effectiveness thereof;
- our ability to maintain and increase traffic to and user engagement on our platform, including our ability to generate, maintain and recommend sufficient content that consumers find relevant, helpful and reliable;
- our reliance on Internet search engines and application marketplaces, certain providers of which offer products and services that compete directly with our products;
- our ability to hire, retain, motivate and effectively manage well-qualified employees in a remote work environment;

- competition in our industry;
- our reliance on third-party service providers and strategic partners;
- our ability to maintain the uninterrupted and proper operation of our technology and network infrastructure;
- actual or perceived security breaches as well as errors, vulnerabilities or defects in our software or in products of third-party providers;
- our use of AI in our products and business operations;
- our potential inability to maintain profitability, particularly in light of our significant ongoing investments in our strategic initiatives and the ongoing impact of macroeconomic challenges on local economies;
- fluctuations in our operating performance as well as our ability to accurately forecast revenue and appropriately plan expenses;
- the accuracy and reliability of our key metrics;
- our actual or perceived failure to comply with laws and regulations applicable to our business;
- our ability to maintain, protect and enhance our brand; and
- our ability to successfully manage acquisitions of new businesses, solutions or technologies, such as our acquisition of Hatchify Inc. (“Hatch”), as well as their integrations.

Furthermore, such forward-looking statements speak only as of the date of this report. Except as required by law, we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements.

NOTE REGARDING METRICS

We review a number of performance metrics to evaluate our business, measure our performance, identify trends in our business, prepare financial projections and make strategic decisions. Please see the section titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Metrics*” in this Quarterly Report and in our Annual Report for information on how we define our key metrics. Unless otherwise stated, these metrics do not include metrics from subscription products or our business-owner products.

While our metrics are based on what we believe to be reasonable calculations, there are inherent challenges in measuring usage across our large user base. All of our key performance metrics, including ad clicks, average cost-per-click (“CPC”), our traffic metrics and active claimed local business locations, are tracked with internal company tools, which are not independently verified by any third party and have a number of limitations. For example, our app unique device metric may be affected by mobile applications that automatically contact our servers for regular updates with no discernible user action involved; this activity can cause our system to count the device associated with the app as an app unique device in a given period. Although we take steps to exclude such activity and, as a result, do not believe it has had a material impact on our reported metrics, our efforts may not successfully account for all such activity.

Our web traffic metrics are subject to similar limitations. Because our traffic metrics are tracked based on unique identifiers, an individual who accesses our website from multiple devices with different identifiers may be counted as multiple unique devices, and multiple individuals who access our website from a shared device with a single identifier may be counted as a single unique device. As a result, the calculations of our unique devices may not accurately reflect the number of people actually visiting our website.

Our measures of traffic and other key metrics may also differ from estimates published by third parties or from similar metrics of our competitors. We are continually seeking to improve our ability to measure these key metrics and regularly review our processes to assess potential improvements to their accuracy. For example, as a result of these efforts, in 2025 we revised the minimum required level of engagement for our desktop unique devices metric to exclude devices that visit the Yelp home page, but take no further action, which we do not believe represent valuable consumer traffic. This change did not have a material impact on the desktop unique devices reported for previous years. Additionally, from time to time, we may discover inaccuracies in our metrics or make adjustments to improve their accuracy, including adjustments that may result in the recalculation of our historical metrics. We believe that any such inaccuracies or adjustments are immaterial unless otherwise stated.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

YELP INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except par value)
(Unaudited)

	June 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 94,142	$ 216,062
Short-term marketable securities	—	103,290
Accounts receivable (net of allowance for credit losses of $11,832 and $13,782 at June 30, 2026 and December 31, 2025, respectively)	157,720	153,224
Prepaid expenses and other current assets	41,639	42,359
Total current assets	293,501	514,935
Property, equipment and software, net	99,176	91,685
Operating lease right-of-use assets	16,044	16,046
Goodwill	354,708	135,847
Intangibles, net	92,093	49,038
Other non-current assets	135,043	150,927
Total assets	$ 990,565	$ 958,478
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 151,922	$ 158,789
Operating lease liabilities — current	7,352	7,426
Deferred revenue	8,573	5,845
Total current liabilities	167,847	172,060
Revolving credit facility	100,000	—
Operating lease liabilities — long-term	15,951	17,451
Other long-term liabilities	62,240	58,115
Total liabilities	346,038	247,626
Commitments and contingencies (Note 11)		
Stockholders' equity:		
Preferred stock, undesignated, 10,000 shares authorized, none issued	—	—
Common stock, $0.000001 par value — 200,000 shares authorized, 55,098 and 59,987 shares issued at June 30, 2026 and December 31, 2025, respectively; 54,980 and 59,954 shares outstanding at June 30, 2026 and December 31, 2025, respectively	—	—
Additional paid-in capital	2,073,762	2,010,948
Treasury stock	(2,868)	(999)
Accumulated other comprehensive loss	(9,814)	(7,677)
Accumulated deficit	(1,416,553)	(1,291,420)
Total stockholders' equity	644,527	710,852
Total liabilities and stockholders' equity	$ 990,565	$ 958,478

See Notes to Condensed Consolidated Financial Statements.

YELP INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Net revenue	$ 375,519	$ 370,394	$ 736,976	$ 728,928
Costs and expenses:				
Cost of revenue (exclusive of depreciation and amortization shown separately below)	41,776	35,447	80,185	70,275
Sales and marketing	153,562	144,612	306,572	290,896
Product development	70,468	78,362	147,625	162,267
General and administrative	47,865	46,318	97,215	98,025
Depreciation and amortization	18,118	12,365	34,351	24,715
Total costs and expenses	331,789	317,104	665,948	646,178
Income from operations	43,730	53,290	71,028	82,750
Other income, net	733	5,695	3,319	11,466
Income before income taxes	44,463	58,985	74,347	94,216
Provision for income taxes	12,811	14,896	24,960	25,736
Net income attributable to common stockholders	$ 31,652	$ 44,089	$ 49,387	$ 68,480
Net income per share attributable to common stockholders				
Basic	$ 0.57	$ 0.69	$ 0.87	$ 1.06
Diluted	$ 0.57	$ 0.67	$ 0.86	$ 1.03
Weighted-average shares used to compute net income per share attributable to common stockholders				
Basic	55,305	64,145	57,051	64,700
Diluted	55,726	65,683	57,630	66,610

See Notes to Condensed Consolidated Financial Statements.

YELP INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Net income attributable to common stockholders	$ 31,652	$ 44,089	$ 49,387	$ 68,480
Other comprehensive (loss) income:				
Foreign currency translation adjustments, net of tax	(213)	5,762	(1,968)	8,281
Unrealized (loss) gain on available-for-sale debt securities, net of tax	—	(37)	(169)	11
Other comprehensive (loss) income	(213)	5,725	(2,137)	8,292
Comprehensive income	$ 31,439	$ 49,814	$ 47,250	$ 76,772

See Notes to Condensed Consolidated Financial Statements.

YELP INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)
(Unaudited)

	Common Stock		Additional Paid-In Capital	Treasury Stock	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount					
Balance as of March 31, 2025	64,743	—	$ 1,923,554	$ (1,580)	$ (12,864)	$ (1,181,092)	$ 728,018
Issuance of common stock upon exercises of employee stock options	16	—	332	—	—	—	332
Issuance of common stock upon vesting of restricted stock units ("RSUs"), net	596	—	—	—	—	—	—
Issuance of common stock for employee stock purchase plan	352	—	11,418	—	—	—	11,418
Stock-based compensation (inclusive of capitalized stock-based compensation)	—	—	38,825	—	—	—	38,825
Taxes withheld related to net share settlement of equity awards	—	—	(15,759)	—	—	—	(15,759)
Repurchases of common stock, including excise tax	—	—	—	(66,244)	—	—	(66,244)
Retirement of common stock	(1,866)	—	—	66,780	—	(66,780)	—
Other comprehensive income	—	—	—	—	5,725	—	5,725
Net income	—	—	—	—	—	44,089	44,089
Balance as of June 30, 2025	63,841	$ —	$ 1,958,370	$ (1,044)	$ (7,139)	$ (1,203,783)	$ 746,404
Balance as of March 31, 2026	56,170	$ —	$ 2,041,401	$ (6,264)	$ (9,601)	$ (1,394,447)	$ 631,089
Issuance of common stock upon vesting of RSUs, net	521	—	—	—	—	—	—
Issuance of common stock for employee stock purchase plan	555	—	10,750	—	—	—	10,750
Stock-based compensation (inclusive of capitalized stock-based compensation)	—	—	29,293	—	—	—	29,293
Taxes withheld related to net share settlement of equity awards	—	—	(7,682)	—	—	—	(7,682)
Repurchases of common stock, including excise tax	—	—	—	(50,362)	—	—	(50,362)
Retirement of common stock	(2,148)	—	—	53,758	—	(53,758)	—
Other comprehensive loss	—	—	—	—	(213)	—	(213)
Net income	—	—	—	—	—	31,652	31,652
Balance as of June 30, 2026	55,098	$ —	$ 2,073,762	$ (2,868)	$ (9,814)	$ (1,416,553)	$ 644,527

See Notes to Condensed Consolidated Financial Statements.

YELP INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (CONTINUED)
(In thousands)
(Unaudited)

	Common Stock		Additional Paid-In Capital	Treasury Stock	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount					
Balance as of December 31, 2024	65,792	$ —	$ 1,903,598	$ (3,909)	$ (15,431)	$ (1,140,289)	$ 743,969
Issuance of common stock upon exercises of employee stock options	28	—	605	—	—	—	605
Issuance of common stock upon vesting of RSUs, net	1,282	—	—	—	—	—	—
Issuance of common stock for employee stock purchase plan	352	—	11,418	—	—	—	11,418
Stock-based compensation (inclusive of capitalized stock-based compensation)	—	—	78,077	—	—	—	78,077
Taxes withheld related to net share settlement of equity awards	—	—	(35,328)	—	—	—	(35,328)
Repurchases of common stock, including excise tax	—	—	—	(129,109)	—	—	(129,109)
Retirement of common stock	(3,613)	—	—	131,974	—	(131,974)	—
Other comprehensive income	—	—	—	—	8,292	—	8,292
Net income	—	—	—	—	—	68,480	68,480
Balance as of June 30, 2025	63,841	$ —	$ 1,958,370	$ (1,044)	$ (7,139)	$ (1,203,783)	$ 746,404
Balance as of December 31, 2025	59,987	$ —	$ 2,010,948	$ (999)	$ (7,677)	$ (1,291,420)	$ 710,852
Issuance of common stock upon exercises of employee stock options	427	—	8,726	—	—	—	8,726
Issuance of common stock upon vesting of RSUs, net	1,142	—	—	—	—	—	—
Issuance of common stock for employee stock purchase plan	555	—	10,750	—	—	—	10,750
Stock-based compensation (inclusive of capitalized stock-based compensation)	—	—	60,909	—	—	—	60,909
Taxes withheld related to net share settlement of equity awards	—	—	(17,571)	—	—	—	(17,571)
Repurchases of common stock, including excise tax	—	—	—	(176,389)	—	—	(176,389)
Retirement of common stock	(7,013)	—	—	174,520	—	(174,520)	—
Other comprehensive loss	—	—	—	—	(2,137)	—	(2,137)
Net income	—	—	—	—	—	49,387	49,387
Balance as of June 30, 2026	55,098	$ —	$ 2,073,762	$ (2,868)	$ (9,814)	$ (1,416,553)	$ 644,527

See Notes to Condensed Consolidated Financial Statements.

YELP INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six Months Ended June 30,	
	2026	**2025**
Operating Activities		
Net income	$ 49,387	$ 68,480
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	34,351	24,715
Provision for credit losses	18,005	22,562
Stock-based compensation	56,256	72,244
Amortization of right-of-use assets	3,002	6,715
Deferred income taxes	20,426	(2,968)
Amortization of deferred contract cost	11,047	12,035
Other adjustments, net	2,474	1,471
Changes in operating assets and liabilities, net of acquisition:		
Accounts receivable	(22,091)	(23,935)
Prepaid expenses and other assets	(24,070)	(14,540)
Operating lease liabilities	(4,355)	(15,396)
Accounts payable, accrued liabilities and other liabilities	(10,794)	4,646
Net cash provided by operating activities	133,638	156,029
Investing Activities		
Purchases of marketable securities	(5,975)	(37,201)
Sales and maturities of marketable securities	109,293	34,769
Purchases of other investments	(650)	(700)
Maturities of other investments	5,000	—
Acquisition, net of cash received	(263,600)	—
Purchases of property, equipment and software	(27,409)	(23,555)
Other investing activities	75	67
Net cash used in investing activities	(183,266)	(26,620)
Financing Activities		
Proceeds from issuance of common stock for employee stock-based plans	19,476	12,023
Taxes paid related to the net share settlement of equity awards	(17,571)	(35,155)
Repurchases of common stock	(174,000)	(128,450)
Proceeds from revolving credit facility	165,000	—
Repayments on revolving credit facility	(65,000)	—
Other financing activities	(119)	—
Net cash used in financing activities	(72,214)	(151,582)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(149)	2,651
Change in cash, cash equivalents and restricted cash	(121,991)	(19,522)
Cash, cash equivalents and restricted cash — Beginning of period	216,289	217,682
Cash, cash equivalents and restricted cash — End of period	$ 94,298	$ 198,160
Supplemental Disclosures of Other Cash Flow Information		
Cash paid for income taxes, net	$ 6,560	$ 25,928
Cash paid for interest	$ 1,745	$ —
Supplemental Disclosures of Noncash Investing and Financing Activities		
Acquisition holdback consideration not yet paid	$ 4,425	$ —
Purchases of property, equipment and software recorded in accounts payable and accrued liabilities	$ 2,416	$ 2,056
Excise tax accrued on net stock repurchases	$ 1,255	$ 659
Repurchases of common stock recorded in accounts payable and accrued liabilities	$ 1,134	$ 1,220
Release of acquisition holdback consideration not yet paid	$ —	$ 1,206

See Notes to Condensed Consolidated Financial Statements.

YELP INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Yelp Inc. was incorporated in Delaware on September 3, 2004. Except where specifically noted or the context otherwise requires, the use of terms such as the "Company" and "Yelp" in these Notes to Condensed Consolidated Financial Statements refers to Yelp Inc. and its subsidiaries.

Yelp is a trusted local resource for consumers and a partner in success for businesses of all sizes. Consumers trust Yelp for its extensive ratings and reviews of businesses across a broad range of categories, while businesses advertise on Yelp to reach its large audience of consumers. Yelp has operations in the United States, United Kingdom, Canada, Ireland and Germany.

Basis of Presentation

The accompanying interim condensed consolidated financial statements are unaudited. These unaudited interim condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and the applicable rules and regulations of the U.S. Securities and Exchange Commission ("SEC") regarding interim financial reporting. Certain information and note disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. Accordingly, these unaudited interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements contained in the Annual Report on Form 10-K for the year ended December 31, 2025 (the "Annual Report").

The unaudited condensed consolidated balance sheet as of December 31, 2025 included herein was derived from the audited consolidated financial statements as of that date, but does not include all disclosures required by GAAP, including certain notes to the financial statements. The unaudited interim condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements.

In the opinion of management, the accompanying unaudited condensed consolidated financial statements include all adjustments of a normally recurring nature necessary for the fair presentation of the interim periods presented.

Principles of Consolidation

These unaudited interim condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated upon consolidation.

Use of Estimates

The preparation of the Company's unaudited interim condensed consolidated financial statements in conformity with GAAP requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements, and the reported amounts of income and expenses during the reporting period. Items that require estimates, judgments or assumptions include, but are not limited to, determining variable consideration and identifying the nature and timing of satisfaction of performance obligations, allowance for credit losses, valuation of intangible assets acquired in a business combination, fair value and estimated useful lives of long- and indefinite-lived assets, litigation loss contingencies, liabilities related to incurred but not reported insurance claims, fair value and achievement of targets for performance-based restricted stock units ("PRSUs"), and income taxes. These estimates, judgments and assumptions are based on information available as of the date of the condensed consolidated financial statements; therefore, actual results could differ from management's estimates due to macroeconomic uncertainty and other factors.

Significant Accounting Policies

There have been no material changes to the Company's significant accounting policies from those described in the Annual Report.

Recently Adopted Accounting Pronouncements

In July 2025, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2025-05, "Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets" ("ASU 2025-05"), which provides a practical expedient for estimating expected credit losses for current accounts receivable and current contract assets. The Company adopted ASU 2025-05 effective January 1, 2026 on a prospective basis. The adoption of ASU 2025-05 did not have a material effect on the Company's condensed consolidated financial statements and related disclosures.

Recent Accounting Pronouncements Not Yet Effective

In May 2026, the FASB issued ASU No. 2026-02, "Environmental Credits and Environmental Credit Obligations (Topic 818)" ("ASU 2026-02"), which requires the disclosure of environmental credits and obligations. ASU 2026-02 will be effective for annual periods beginning after December 15, 2027, and interim periods within those annual reporting periods, with early adoption permitted. ASU 2026-02 should be applied using a modified retrospective approach. The Company is currently evaluating the impact of ASU 2026-02 and does not expect the adoption to have a material impact on its consolidated financial statements and related disclosures.

2. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

Cash, cash equivalents and restricted cash as of June 30, 2026 and December 31, 2025 consisted of the following (in thousands):

	June 30, 2026	December 31, 2025
Cash	$ 94,142	$ 129,476
Cash equivalents	—	86,586
Total cash and cash equivalents	94,142	216,062
Restricted cash	156	227
Total cash, cash equivalents and restricted cash	$ 94,298	$ 216,289

Restricted cash is included in other non-current assets on the Company's condensed consolidated balance sheets.

3. MARKETABLE SECURITIES

Short-term marketable securities and certain cash equivalents consist of investments in debt securities that are classified as available-for-sale. In the first quarter of 2026, the Company sold all of its marketable securities. The associated realized gain was not significant. The amortized cost, gross unrealized gains and losses, and fair value of those investments as of December 31, 2025 were as follows (in thousands):

	December 31, 2025			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Cash equivalents:				
U.S. government securities	$ 215	$ —	$ —	$ 215
Commercial paper	554	—	—	554
Total cash equivalents	769	—	—	769
Short-term marketable securities:				
Certificates of deposit	3,662	—	—	3,662
Commercial paper	3,522	—	—	3,522
Corporate bonds	41,248	96	(5)	41,339
Agency bonds	1,240	1	—	1,241
U.S. government securities	53,388	139	(1)	53,526
Total short-term marketable securities	103,060	236	(6)	103,290
Total	$ 103,829	$ 236	$ (6)	$ 104,059

The following table presents gross unrealized losses and fair values for those securities that were in an unrealized loss position as of December 31, 2025, aggregated by investment category and the length of time that the individual securities had been in a continuous loss position (in thousands):

	December 31, 2025					
	Less Than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Corporate bonds	$ 7,148	$ (5)	$ —	$ —	$ 7,148	$ (5)
U.S. government securities	3,608	(1)	—	—	3,608	(1)
Total	$ 10,756	$ (6)	$ —	$ —	$ 10,756	$ (6)

For the six months ended June 30, 2026 and 2025, the Company did not recognize any credit loss related to available-for-sale marketable securities.

4. FAIR VALUE MEASUREMENTS

The Company's investments in money market accounts are recorded as cash equivalents at fair value on the condensed consolidated balance sheets. Additionally, the Company carries its available-for-sale debt securities at fair value. See Note 3, "*Marketable Securities*," for further details. The Company's borrowings under its credit facility approximate fair value due to the variable-rate nature of the debt. See Note 11, "*Commitments and Contingencies*," for further details.

The following table represents the fair value of the Company's cash equivalents, short-term marketable securities, and other investments measured at fair value on a recurring basis as of December 31, 2025 (in thousands):

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Cash equivalents:				
Money market funds	$ 57,123	$ —	$ —	$ 57,123
U.S. government securities	—	215	—	215
Commercial paper	—	554	—	554
Short-term marketable securities:				
Certificates of deposit	—	3,662	—	3,662
Commercial paper	—	3,522	—	3,522
Corporate bonds	—	41,339	—	41,339
Agency bonds	—	1,241	—	1,241
U.S. government securities	—	53,526	—	53,526
Other investments:				
Certificates of deposit[1]	—	5,000	—	5,000
Total cash equivalents, short-term marketable securities and other investments	$ 57,123	$ 109,059	$ —	$ 166,182

(1) Reflected in prepaid expenses and other current assets on the condensed consolidated balance sheets.

There were no cash equivalents, short-term marketable securities, or other investments as of June 30, 2026.

5. PROPERTY, EQUIPMENT AND SOFTWARE, NET

Property, equipment and software, net as of June 30, 2026 and December 31, 2025 consisted of the following (in thousands):

	June 30, 2026	December 31, 2025
Capitalized website and internal-use software development costs	$ 342,966	$ 350,883
Leasehold improvements	5,401	10,805
Computer equipment	25,855	26,136
Furniture and fixtures	677	1,048
Other	1,210	1,223
Total	376,109	390,095
Less: accumulated depreciation and amortization	(276,933)	(298,410)
Property, equipment and software, net	$ 99,176	$ 91,685

Depreciation and amortization expense related to property, equipment and software was $11.4 million and $9.9 million for the three months ended June 30, 2026 and 2025, respectively, and $22.4 million and $19.8 million for the six months ended June 30, 2026 and 2025, respectively.

6. ACQUISITIONS

Acquisition of Hatchify Inc. (“Hatch”)

On February 2, 2026, the Company acquired Hatch, an artificial intelligence (“AI”) lead management platform, to complement the Company’s AI capabilities and strategy.

In connection with the acquisition, all outstanding capital stock and options to purchase capital stock of Hatch were converted into the right to receive an aggregate of approximately $271.2 million in cash, subject to customary post-closing adjustments. Of the total amount of consideration, the following amounts were held back: $1.0 million, which was initially held back for a 120-day period after closing and subsequently extended through August 2026; $0.7 million, which is being held back for a 12-month period after closing; and $2.8 million, which is being held back for a 36-month period after closing. The Company recorded $1.7 million and $2.8 million of holdbacks in accounts payable and other accrued expenses and other long-term liabilities, respectively, in the condensed consolidated balance sheets as of June 30, 2026. Pursuant to the Agreement and Plan of Merger, the Company is also providing certain continuing Hatch employees with acquisition- and integration-related payments valued at an aggregate of $30.0 million, which will be paid out over two to three years. Because these payments are contingent on future service, provide benefits to the Company after the closing date, and are not attributable to pre-acquisition ownership interests, they are accounted for as post-combination expenses rather than as part of the purchase consideration.

The acquisition was accounted for as a business combination in accordance with Accounting Standards Codification Topic 805, “Business Combinations,” with the results of Hatch’s operations included in the Company’s condensed consolidated financial statements from February 2, 2026. The Company’s allocation of the purchase price is preliminary as the fair value of net assets acquired and the effects of any net working capital adjustments are still being finalized. Any material measurement period adjustments will be recorded in the period in which the adjustment is identified. During the three months ended June 30, 2026, the Company recorded a measurement period adjustment relating to post-closing adjustments that resulted in a $0.6 million increase in accounts payable and accrued liabilities and a corresponding decrease in goodwill.

The updated preliminary purchase price allocation, subject to finalization during the measurement period, is as follows (in thousands):

	February 2, 2026
Fair value of purchase consideration:	
Cash:	
Total merger consideration	$ 266,797
Holdbacks	4,425
Total purchase consideration	$ 271,222
Fair value of net assets acquired:	
Cash and cash equivalents	$ 3,197
Accounts receivable	410
Prepaid expenses and other current assets	261
Operating lease right-of-use assets	3,184
Goodwill	220,397
Intangibles	55,000
Total assets acquired	282,449
Accounts payable and accrued liabilities	(3,085)
Operating lease liabilities — current	(758)
Deferred revenue	(1,529)
Operating lease liabilities — long-term	(2,353)
Other long-term liabilities[1]	(3,502)
Total liabilities assumed	(11,227)
Net assets acquired	$ 271,222

[1] Represents non-current deferred tax liabilities (“DTLs”). Deferred tax assets (“DTAs”) are netted against DTLs within the same jurisdiction.

The amounts assigned to each class of intangible assets acquired and their estimated useful lives are as follows:

Intangible Asset Type	Amount Assigned	Useful Life
Developed technology	$ 30,000	4.0 years
Business relationships	23,000	6.2 years
Trademarks	2,000	4.0 years
Weighted average		4.9 years

The Company estimated the fair value of intangible assets acquired using an income approach. Significant assumptions used include forecasted revenue and expenses, customer attrition rate, technology obsolescence, royalty rates and discount rates. The fair value measurements were primarily based on significant inputs that are not observable in the market and thus represent a Level 3 measurement within the fair value hierarchy. The intangible assets are amortized on a straight-line basis, which reflects the pattern in which the economic benefits of the intangible assets are being utilized. The goodwill results from expected synergies between the Company and Hatch. None of the goodwill is deductible for tax purposes.

For the three and six months ended June 30, 2026, the Company recorded acquisition and integration costs of approximately $3.5 million and $7.9 million, respectively. These amounts include accrued compensation related to acquisition and integration activities and were classified within general and administrative expenses in the accompanying condensed consolidated statements of operations.

The Company has not presented supplemental pro forma information for revenue and earnings related to its acquisition of Hatch because the acquisition is not material to the Company’s condensed consolidated financial statements during the periods presented. From the date of acquisition through June 30, 2026, revenue included in the Company’s condensed consolidated statements of operations attributable to Hatch was $8.5 million and $14.1 million for the three and six months ended June 30, 2026, respectively. Due to the integration of the combined businesses since the date of acquisition, it is impracticable to determine the earnings attributable to Hatch.

Acquisition of RepairPal, Inc. ("RepairPal")

On November 26, 2024, the Company acquired auto services platform RepairPal. The key purpose underlying the Company's acquisition of RepairPal was to accelerate its efforts in Services categories by expanding its offerings in the auto services advertising vertical. RepairPal's results of operations are included in the Company's consolidated financial statements from November 26, 2024.

In connection with the acquisition, all outstanding capital stock, options and warrants to purchase capital stock of RepairPal were converted into the right to receive total purchase consideration of $80.0 million in cash, including approximately $12.3 million in aggregate holdback liability. Of the total amount of consideration, the following amounts were initially held back to secure the Company's right of indemnity under the Agreement and Plan of Merger: (1) $8.0 million, which was initially held back for a 15-month period after closing (the "general holdback"), $1.2 million of which was released to the Company as a post-closing purchase price adjustment and the remainder of which the Company is retaining through December 31, 2026 pending the resolution of certain claims by the Company against it; (2) $2.0 million, which is being held back for a 24-month period after closing (the "tax holdback"); and (3) $3.5 million, which was to be held back until 30 days following the final, non-appealable resolution of certain legal matters (the "indemnity holdback"). During the year ended December 31, 2025, the Company incurred approximately $5.0 million in indemnifiable legal expenses (originally recorded in general and administrative expenses), $3.5 million of which was recovered from the indemnity holdback and the remainder of which was recovered from the general holdback. As a result, as of June 30, 2026 and December 31, 2025, $5.3 million of the general holdback and $2.0 million of the tax holdback remained, both of which were classified as accounts payable and accrued liabilities on the consolidated balance sheets.

The allocation of the purchase consideration to tangible and intangible assets acquired and liabilities assumed was completed as of November 25, 2025, based on estimated fair values as follows (in thousands):

	November 25, 2025
Fair value of purchase consideration:	
Cash:	
Distributed to RepairPal stockholders	$ 63,935
Paid on behalf of RepairPal stockholders	3,812
Holdbacks	12,294
Total purchase consideration	$ 80,041
Fair value of net assets acquired:	
Cash and cash equivalents	$ 1,565
Accounts receivable	3,057
Intangibles	53,600
Goodwill	28,825
Other assets	620
Total assets acquired	87,667
Accounts payable and accrued liabilities	(3,816)
Deferred tax liability	(3,767)
Other liabilities	(43)
Total liabilities assumed	(7,626)
Net assets acquired	$ 80,041

The amounts assigned to each class of intangible assets acquired and their estimated useful lives are as follows (in thousands, except years):

Intangible Asset Type	Amount Assigned	Useful Life
Business relationships	$ 36,000	8.8 years
Developed technology	14,600	4.5 years
Trademarks	3,000	11.0 years
Weighted average		7.7 years

The Company estimated the fair value of intangible assets acquired using an income approach. Significant assumptions used include forecasted revenue and expenses, customer attrition rate, royalty rates and discount rates. The fair value measurements were primarily based on significant inputs that are not observable in the market and thus represent a Level 3 measurement within the fair value hierarchy. The intangible assets are amortized on a straight-line basis, which reflects the pattern in which the economic benefits of the intangible assets are being utilized. The goodwill results from expected synergies between the Company and RepairPal. None of the goodwill is deductible for tax purposes.

RepairPal's results of operations are included in the Company's condensed consolidated financial statements from November 26, 2024 and the purchase price allocation was finalized on November 25, 2025. Acquisition and integration costs, which were included in general and administrative expenses in the accompanying condensed consolidated statements of operations, were not significant for the periods presented. Measurement period adjustments were not significant and were included in the period in which they occurred.

The Company has not presented the supplemental pro forma information for revenue and earnings related to the acquisition, as the acquisition is not material to the Company's consolidated financial statements during the periods presented.

7. GOODWILL AND INTANGIBLE ASSETS

The Company's goodwill is the result of its acquisitions of other businesses and represents the excess of purchase consideration over the fair value of assets acquired and liabilities assumed. The Company performed its annual goodwill impairment analysis on August 31, 2025 and concluded that goodwill was not impaired, as the fair value of the reporting unit exceeded its carrying value. Additionally, no triggering events were identified as of June 30, 2026 or December 31, 2025 that would more likely than not reduce the fair value of goodwill below its carrying value.

The change in the carrying amount of goodwill during the six months ended June 30, 2026 was as follows (in thousands):

Balance as of December 31, 2025	$ 135,847
Goodwill acquired	220,397
Effect of currency translation	(1,536)
Balance as of June 30, 2026	$ 354,708

Intangible assets that were not fully amortized as of June 30, 2026 and December 31, 2025 consisted of the following (dollars in thousands):

	June 30, 2026			
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted-Average Remaining Life
Business relationships	$ 68,918	$ (19,885)	$ 49,033	6.9 years
Developed technology	52,309	(16,241)	36,068	3.4 years
Licensing agreements	6,141	(3,775)	2,366	3.7 years
Domain and data licenses	3,337	(3,048)	289	3.1 years
Trademarks	5,877	(1,540)	4,337	7.0 years
Total	$ 136,582	$ (44,489)	$ 92,093	

	December 31, 2025			
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted-Average Remaining Life
Business relationships	$ 45,918	$ (13,390)	$ 32,528	7.6 years
Developed technology	22,309	(11,494)	10,815	3.3 years
Licensing agreements	6,141	(3,453)	2,688	4.2 years
Domain and data licenses	3,324	(2,999)	325	3.6 years
Trademarks	3,877	(1,195)	2,682	9.8 years
Total	$ 81,569	$ (32,531)	$ 49,038	

Amortization expense related to intangible assets was $6.7 million and $2.4 million for the three months ended June 30, 2026 and 2025, respectively, and $12.0 million and $4.9 million for the six months ended June 30, 2026 and 2025, respectively.

As of June 30, 2026, estimated future amortization expense was as follows (in thousands):

Remainder of 2026	$ 10,860
2027	20,720
2028	20,325
2029	15,548
2030	6,433
2031	5,654
Thereafter	12,553
Total amortization	$ 92,093

8. LEASES

The components of lease cost, net for the three and six months ended June 30, 2026 and 2025 were as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Operating lease cost[1]	$ 1,481	$ 2,475	$ 3,472	$ 6,424
Short-term lease cost (12 months or less)	93	114	161	230
Sublease income	(724)	(3,662)	(2,063)	(7,453)
Total lease cost, net	$ 850	$ (1,073)	$ 1,570	$ (799)

(1) Includes a $1.2 million rent abatement received from the lessor upon satisfying certain terms at the end of the lease, which was recognized as a reduction to lease cost in the three and six months ended June 30, 2025.

The Company’s leases and subleases do not include any variable lease payments, residual value guarantees, related-party leases, or restrictions or covenants that would limit or prevent the Company from exercising its right to obtain substantially all of the economic benefits from use of the respective assets during the lease term.

Supplemental cash flow information related to leases for the six months ended June 30, 2026 and 2025 was as follows (in thousands):

	Six Months Ended June 30,	
	2026	2025
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 4,951	$ 16,314

As of June 30, 2026, maturities of lease liabilities were as follows (in thousands)[(1)]:

Remainder of 2026	$	4,206
2027		8,889
2028		6,992
2029		3,497
2030		945
2031		610
Thereafter		—
Total minimum lease payments		25,139
Less: imputed interest		(1,836)
Present value of lease liabilities	$	23,303

(1) Non-cancelable sublease proceeds of $12.5 million are not included in the maturities of lease liabilities disclosed in the table.

As of June 30, 2026 and December 31, 2025, the weighted-average remaining lease term and weighted-average discount rate were as follows:

	June 30, 2026	December 31, 2025
Weighted-average remaining lease term (years) — operating leases	3.3	3.7
Weighted-average discount rate — operating leases	4.7 %	4.6 %

9. CONTRACT BALANCES

The changes in the allowance for credit losses during the six months ended June 30, 2026 and 2025 were as follows (in thousands):

	Six Months Ended June 30,	
	2026	2025
Balance, beginning of period	$ 13,782	$ 15,301
Add: provision for credit losses	18,005	22,562
Less: write-offs, net of recoveries	(19,955)	(23,485)
Balance, end of period	$ 11,832	$ 14,378

In calculating the allowance for credit losses as of June 30, 2026 and 2025, the Company considered expectations of probable credit losses based on observed trends in cancellations, observed changes in the credit risk of specific customers, the impact of anticipated closures and bankruptcies using forecasted economic indicators in addition to historical experience and loss patterns during periods of macroeconomic uncertainty. The decrease in the provision for credit losses and write-offs, net of recoveries, in the six months ended June 30, 2026 as compared to the prior-year period was primarily due to lower customer delinquencies.

Contract liabilities consist of deferred revenue, which is recorded on the condensed consolidated balance sheets when the Company has received consideration, or has the right to receive consideration, in advance of transferring the performance obligations under the contract to the customer.

The changes in short-term deferred revenue during the six months ended June 30, 2026 were as follows (in thousands):

	Six Months Ended June 30, 2026
Balance, beginning of period	$ 5,845
Less: recognition of deferred revenue from beginning balance	(4,921)
Add: net increase in current period contract liabilities	7,649
Balance, end of period	$ 8,573

The majority of the Company’s deferred revenue balance as of June 30, 2026 is classified as short-term and is expected to be recognized as revenue in the subsequent three-month period ending September 30, 2026. An immaterial amount of long-term deferred revenue is included in other long-term liabilities as of June 30, 2026. No other contract assets or liabilities were recorded on the Company’s condensed consolidated balance sheets as of June 30, 2026 and December 31, 2025.

Revenue allocated to remaining performance obligations represents estimated contracted revenue that has not yet been recognized. This includes deferred revenue and unbilled amounts that will be recognized as revenue in future periods, and excludes contracts with original expected terms of one year or less. Estimated contracted revenue for these remaining performance obligations was $74.1 million as of June 30, 2026, of which the Company expects to recognize approximately 54% over the next 12 months and the remainder thereafter. Estimating revenue that will be allocated to remaining performance obligations can involve significant judgments, including identifying and assessing variable consideration.

10. SELECTED CONSOLIDATED FINANCIAL STATEMENT DATA

Prepaid expenses and other current assets

Prepaid expenses and other current assets as of June 30, 2026 and December 31, 2025 consisted of the following (in thousands):

	June 30, 2026	December 31, 2025
Prepaid expenses	$ 20,774	$ 17,144
Certificates of deposit	—	5,000
Other current assets	20,865	20,215
Total prepaid expenses and other current assets	$ 41,639	$ 42,359

Other non-current assets

Other non-current assets as of June 30, 2026 and December 31, 2025 consisted of the following (in thousands):

	June 30, 2026	December 31, 2025
Deferred tax assets(1)	$ 91,570	$ 116,090
Deferred contract costs	20,164	19,880
Other non-current assets	23,309	14,957
Total other non-current assets	$ 135,043	$ 150,927

(1) Represents non-current DTAs. DTAs are netted against DTLs within the same jurisdiction.

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities as of June 30, 2026 and December 31, 2025 consisted of the following (in thousands):

	June 30, 2026	December 31, 2025
Accounts payable	$ 8,675	$ 9,791
Employee-related liabilities	97,720	112,539
Accrued sales and marketing expenses	9,303	6,662
Accrued cost of revenue	10,099	9,304
Other accrued liabilities	26,125	20,493
Total accounts payable and accrued liabilities	$ 151,922	$ 158,789

As of June 30, 2026, other accrued liabilities primarily consisted of current holdback consideration related to the acquisitions of RepairPal and Hatch, taxes payable, and accrued product development and general and administrative expenses. See Note 6, *"Acquisitions,"* for details of current holdback consideration related to the acquisitions of RepairPal and Hatch.

Other income, net

Other income, net for the three and six months ended June 30, 2026 and 2025 consisted of the following (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Interest income	$ 939	$ 3,572	$ 2,677	$ 7,207
Interest expense	(1,596)	(121)	(2,695)	(244)
Other non-operating income, net	1,390	2,244	3,337	4,503
Other income, net	$ 733	$ 5,695	$ 3,319	$ 11,466

11. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

The Company is subject to legal proceedings arising in the ordinary course of business. Although the results of litigation and claims cannot be predicted with certainty, the Company currently does not believe that the final outcome of any claims arising in the ordinary course of business will have a material effect on the Company's business, financial position, results of operations or cash flows.

Indemnification Agreements

In the ordinary course of business, the Company may provide indemnifications of varying scope and terms to customers, vendors, lessors, business partners and other parties with respect to certain matters, including, but not limited to, losses arising out of the breach of such agreements, services to be provided by the Company or from intellectual property infringement claims made by third parties. The Company may also assume indemnification obligations in strategic transactions, such as its assumption of certain indemnification obligations in its acquisition of RepairPal.

In addition, the Company has entered into indemnification agreements with directors and certain officers and employees that will require the Company to, among other things, indemnify them against certain liabilities that may arise by reason of their status or service as directors, officers or employees.

While the outcome of claims cannot be predicted with certainty, the Company does not believe that the outcome of any claims under the indemnification arrangements will have a material effect on the Company's business, financial position, results of operations or cash flows.

Revolving Credit Facility

The Company has a revolving credit facility established by its Revolving Credit and Guaranty Agreement, dated as of April 28, 2023, with certain lenders and JPMorgan Chase Bank, N.A., as administrative agent and collateral agent, as amended by the First Amendment to Revolving Credit and Guaranty Agreement, dated as of December 18, 2025, with the lenders party thereto, JPMorgan Bank, N.A., as the existing administrative agent and collateral agent, and Wells Fargo Bank National Association, as the successor administrative agent and collateral agent (as amended, the "Credit Agreement").

The Credit Agreement provides for a $325.0 million senior secured revolving credit facility (the "credit facility"), which includes a $35.0 million letter of credit sub-limit, a $25.0 million bilateral letter of credit facility and an accordion option, which, if exercised, would allow the Company to increase the aggregate commitments by up to $250.0 million, plus additional amounts if the Company is able to satisfy a leverage test, subject to certain conditions. The commitments under the credit facility expire on April 28, 2028.

Loans under the credit facility bear interest, at the Company's election, at either (a) an adjusted term Secured Overnight Financing Rate plus 0.10% plus a margin of 1.25% - 1.50%, depending on the Company's total leverage ratio, or (b) an alternative base rate plus a margin of 0.25% - 0.50%, depending on the Company's total leverage ratio. The Company is required to pay a commitment fee on the undrawn portion of the aggregate commitments that accrues at 0.20% - 0.25% per annum, depending on the Company's total leverage ratio, as well as a letter of credit fee on any outstanding letters of credit that accrues at 1.25% - 1.50% per annum, depending on the Company's total leverage ratio.

The credit facility contains customary conditions to borrowing, events of default and covenants, including covenants that restrict the Company's ability to incur indebtedness, grant liens, make distributions, pay dividends, repurchase shares, make investments and engage in transactions with the Company's affiliates, in each case subject to certain exceptions. The credit facility also requires the Company to maintain a total leverage ratio of no greater than 3.75 to 1.00, subject to an increase up to 4.25 to 1.00 for a certain period following significant acquisitions, and an interest coverage ratio of no less than 3.00 to 1.00. The obligations under the credit facility are secured by liens on substantially all of the Company's domestic assets, including certain domestic intellectual property assets and the equity of its domestic subsidiaries, as well as a portion of the equity interests the Company holds directly in its foreign subsidiaries.

As of June 30, 2026, the Company had outstanding borrowings of $100.0 million, at a weighted-average interest rate of 5.30%, $4.3 million of letters of credit outstanding under the credit facility sub-limit, and $220.7 million remained available under the credit facility. The letters of credit are primarily to secure an office location. The Company was in compliance with all conditions and covenants thereunder as of June 30, 2026.

Deferred financing costs represent costs incurred with the issuance or amendment of the Company's credit facility, and are amortized over the terms of the related debt and recognized as a component of interest expense in the unaudited condensed consolidated statements of operations. Deferred financing costs related to the 2025 amendment of the Company's revolving credit facility were not significant and are included in other assets in the condensed consolidated balance sheets.

Purchase Obligations

The Company has certain off-balance sheet non-cancelable purchase obligations, consisting primarily of website hosting costs and other commitments required in the ordinary course of business. As of June 30, 2026, total commitments were approximately $119.0 million, of which approximately $67.9 million is expected to be paid within the next 12 months.

12. STOCKHOLDERS' EQUITY

Stock Repurchase Program

On February 10, 2026, the Company's board of directors authorized a $500.0 million increase to its stock repurchase program, bringing the total amount of repurchases authorized under the stock repurchase program since its inception in 2017 to $2.45 billion of its outstanding common stock, $363.7 million of which remained available as of June 30, 2026. The Company may purchase shares at management's discretion in the open market, in privately negotiated transactions, in transactions structured through investment banking institutions or a combination of the foregoing.

During the six months ended June 30, 2026, the Company repurchased 7,097,439 shares on the open market for an aggregate purchase price of $175.1 million and retired 7,013,047 shares. During the six months ended June 30, 2025, the Company repurchased 3,542,330 shares on the open market for an aggregate purchase price of $128.4 million and retired 3,612,605 shares. All purchase prices exclude the 1% excise tax on stock repurchases under the Inflation Reduction Act of 2022. As of June 30, 2026 and 2025, the Company held treasury stock balances of 117,392 and 30,585 shares, respectively, which were excluded from the outstanding share count as of such dates and subsequently retired in July of each respective year.

Equity Incentive Plans

Stock Options

A summary of stock option activity for the six months ended June 30, 2026 is as follows:

	Number of Shares (in thousands)	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding at December 31, 2025	2,262	$ 33.78	1.8	$ 4,420
Exercised	(427)	20.47		
Canceled	(3)	19.55		
Outstanding at June 30, 2026	1,832	$ 36.90	1.7	$ —
Options vested and exercisable at June 30, 2026	1,832	$ 36.90	1.7	$ —

Aggregate intrinsic value represents the difference between the closing price of the Company's common stock as quoted on the New York Stock Exchange on a given date and the exercise price of outstanding, in-the-money options. The aggregate intrinsic value of options exercised was approximately $3.1 million and $0.4 million for the six months ended June 30, 2026 and 2025, respectively.

RSUs

RSUs include PRSUs that are subject to either (a) a market condition or (b) the achievement of performance goals. As the PRSU activity during the six months ended June 30, 2026 was not material, it is presented together with the RSU activity in the table below. A summary of RSU and PRSU activity for the six months ended June 30, 2026 is as follows (in thousands, except per share amounts):

	Number of Shares	Weighted-Average Grant Date Fair Value
Nonvested at December 31, 2025	4,898	$ 38.72
Granted	3,997	28.65
Vested[(1)]	(1,946)	34.74
Canceled	(575)	36.47
Nonvested at June 30, 2026[(2)]	6,374	$ 33.82
Expected to vest at June 30, 2026[(2)]	6,347	$ 33.86

(1) Includes approximately 0.8 million shares that vested but were not issued due to the Company's use of net share settlement for payment of employee taxes.

(2) Includes approximately 0.8 million PRSUs.

The aggregate fair value as of the vest date of RSUs and PRSUs that vested during the six months ended June 30, 2026 and 2025 was $42.6 million and $83.2 million, respectively. As of June 30, 2026, the Company had approximately $192.4 million of unrecognized stock-based compensation expense related to RSUs and PRSUs, which it expects to recognize over the remaining weighted-average vesting period of approximately 2.5 years.

Employee Stock Purchase Plan

There were 554,673 shares purchased by employees under the Company's 2012 Employee Stock Purchase Plan, as amended (the "ESPP"), at a weighted-average purchase price of $19.38 per share during the three and six months ended June 30, 2026. There were 351,911 shares purchased by employees under the ESPP at a weighted-average purchase price of $32.44 during the three and six months ended June 30, 2025. The Company recognized stock-based compensation expense related to the ESPP of $0.7 million and $0.9 million during the three months ended June 30, 2026 and 2025, respectively, and $1.9 million and $2.0 million during the six months ended June 30, 2026 and 2025, respectively.

In June 2026, the Company's stockholders approved the amendment and restatement of the ESPP to increase the maximum number of shares available for purchase under the ESPP by 2.1 million shares, subject to adjustment for certain changes in the Company's capitalization.

Stock-Based Compensation

The following table summarizes the effects of stock-based compensation expense related to stock-based awards in the condensed consolidated statements of operations during the periods presented (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Cost of revenue	$ 1,242	$ 1,070	$ 2,382	$ 2,241
Sales and marketing	6,082	7,295	12,536	14,934
Product development	10,671	17,846	25,381	37,255
General and administrative	7,754	8,564	15,957	17,814
Total stock-based compensation recorded to income before income taxes	25,749	34,775	56,256	72,244
Benefit from income taxes	(5,434)	(7,008)	(11,398)	(14,419)
Total stock-based compensation recorded to net income attributable to common stockholders	$ 20,315	$ 27,767	$ 44,858	$ 57,825

The Company capitalized $2.3 million and $3.0 million of stock-based compensation expense as website and internal-use software development costs in the three months ended June 30, 2026 and 2025, respectively, and $4.6 million and $5.8 million in the six months ended June 30, 2026 and 2025, respectively.

13. INCOME TAXES

The Company is subject to income taxes in the United States as well as other tax jurisdictions in which it conducts business. Earnings from non-U.S. activities are subject to local country income taxes. The provision for income taxes for the six months ended June 30, 2026 was $25.0 million, which was due to $16.6 million of U.S. federal and state and foreign income tax expense and $8.4 million of net discrete tax expense, primarily related to stock-based compensation and interest on uncertain tax positions. The provision for income taxes for the six months ended June 30, 2025 was $25.7 million, which was due to $23.2 million of U.S. federal, state and foreign income tax expense and $2.5 million of net discrete tax expense primarily related to interest on uncertain tax positions.

Accounting for income taxes for interim periods generally requires the provision for income taxes to be determined by applying an estimate of the annual effective tax rate for the full fiscal year to income or loss before income taxes, excluding unusual or infrequently occurring discrete items, for the reporting period. For the three and six months ended June 30, 2026 and 2025, the difference between the effective tax rate and the federal statutory tax rate was primarily related to tax credits, offset by stock-based compensation, and other non-deductible expenses and, in the current-year periods, state taxes.

As of June 30, 2026, the Company had $53.8 million of unrecognized tax benefits that, if recognized, would affect the Company's effective tax rate.

As of June 30, 2026, the Company estimated that it had accumulated undistributed earnings generated by its foreign subsidiaries of approximately $54.2 million. Any taxes due with respect to such earnings or the excess of the amount for financial reporting over the tax basis of the Company's foreign investments would generally be limited to foreign and state taxes. The Company has not recognized a deferred tax liability related to unremitted foreign earnings, as it intends to indefinitely reinvest these earnings, and expects future U.S. cash generation to be sufficient to meet future U.S. cash needs.

In addition, the Company is subject to the continuous examination of its income tax returns by the Internal Revenue Service and other tax authorities. The Company's federal and state income tax returns for tax years subsequent to 2012 remain open to examination. In the Company's foreign jurisdictions — Canada, Germany, Ireland and the United Kingdom — the tax years subsequent to 2019 remain open to examination. The Company regularly assesses the likelihood of adverse outcomes resulting from examinations to determine the adequacy of its provision for income taxes and monitors the progress of ongoing discussions with tax authorities and the impact, if any, of the expected expiration of the statute of limitations in various taxing jurisdictions. The Company believes that an adequate provision has been made for any adjustments that may result from tax examinations. However, the outcome of tax audits cannot be predicted with certainty. If any issues addressed in the Company's tax audits are resolved in a manner not consistent with management's expectations, the Company could be required to adjust its provision for income taxes in the period such resolution occurs.

14. NET INCOME PER SHARE ATTRIBUTABLE TO COMMON STOCKHOLDERS

Basic net income (loss) per share attributable to common stockholders is computed using the weighted-average number of outstanding shares of common stock during the period. Diluted net income (loss) per share attributable to common stockholders is computed using the weighted-average number of outstanding shares of common stock and the effect of potentially dilutive securities outstanding during the period. Potentially dilutive securities include stock options, RSUs (including PRSUs) and, to a lesser extent, ESPP shares. If dilutive, such potentially dilutive securities are reflected in net income (loss) per share attributable to common stockholders using the treasury stock method.

The following tables present the calculation of basic and diluted net income per share attributable to common stockholders for the periods presented (in thousands, except per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Basic net income per share:				
Net income attributable to common stockholders	$ 31,652	$ 44,089	$ 49,387	$ 68,480
Shares used in computation:				
Weighted-average common shares outstanding	55,305	64,145	57,051	64,700
Basic net income per share attributable to common stockholders:	$ 0.57	$ 0.69	$ 0.87	$ 1.06

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Diluted net income per share:				
Net income attributable to common stockholders	$ 31,652	$ 44,089	$ 49,387	$ 68,480
Shares used in computation:				
Weighted-average common shares outstanding	55,305	64,145	57,051	64,700
Stock options and ESPP	3	268	12	297
RSUs	418	1,270	567	1,613
Number of shares used in diluted calculation	55,726	65,683	57,630	66,610
Diluted net income per share attributable to common stockholders:	$ 0.57	$ 0.67	$ 0.86	$ 1.03

The following stock-based instruments were excluded from the calculation of diluted net income per share attributable to common stockholders because their effect would have been anti-dilutive for the periods presented (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Stock options	1,832	893	1,832	543
RSUs	4,773	3,278	4,880	3,369

15. INFORMATION ABOUT SEGMENT, REVENUE AND GEOGRAPHIC AREAS

The Company considers operating segments to be components of the Company for which separate financial information is available and evaluated regularly by the Company's chief operating decision maker in deciding how to allocate resources and in assessing performance. The Company has determined that it has a single operating and reporting segment managed on a consolidated basis. The single segment generates substantially all of its revenue from the sale of performance-based advertising products through its advertising platform. The chief operating decision maker for the Company is the Chief Executive Officer. The Chief Executive Officer assesses performance for the single segment and decides how to allocate resources based on net income, which is reported on the condensed consolidated statements of operations as net income attributable to common stockholders. Net income is used to monitor budget versus actual results. The measure of segment assets is reported on the condensed consolidated balance sheets as total assets.

The following table presents a reconciliation of segment net income to net income attributable to common stockholders for the periods presented (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net revenue	$ 375,519	$ 370,394	$ 736,976	$ 728,928
Less:				
Employee expenses (exclusive of stock-based compensation)[(1)(3)]	179,535	181,875	365,843	367,644
Cost of revenue (exclusive of depreciation and amortization and stock-based compensation)	40,534	34,378	77,803	68,034
Stock-based compensation	25,749	34,775	56,256	72,244
Other segment items[(2)(3)]	67,120	48,016	128,376	102,075
Depreciation and amortization	18,118	12,365	34,351	24,715
Provision for income taxes	12,811	14,896	24,960	25,736
Segment net income	$ 31,652	$ 44,089	$ 49,387	$ 68,480
Reconciliation of segment net income to net income attributable to common stockholders				
Adjustments and reconciling items	—	—	—	—
Net income attributable to common stockholders	$ 31,652	$ 44,089	$ 49,387	$ 68,480

(1) Includes expenses related to employees working in the sales and marketing, product development, and general and administrative departments and excludes expenses related to employees working in the infrastructure department whose costs are included in the cost of revenue (exclusive of depreciation and amortization and stock-based compensation) line.

(2) Includes marketing, facilities, travel and entertainment, consulting and professional services, hardware and software, bad debt, other operating expenses and other income, net.

(3) Prior period segment information has been recast to conform to the way the Company currently internally manages and monitors its business. The recast of prior period information had no impact on the Company's condensed consolidated balance sheets, condensed consolidated statements of operations, or condensed consolidated statements of cash flows.

Net Revenue

When the Company communicates results externally, it disaggregates net revenue into major product lines and primary geographical markets, which is based on the billing address of the customer. The disaggregation of net revenue by major product lines is based on the type of service provided and also aligns with the timing of revenue recognition for each. To reflect the Company's strategic focus on creating differentiated experiences for its Services categories and Restaurants, Retail & Other categories, the Company further disaggregates advertising revenue to reflect these two high-level category groupings. The Services categories consist of the following businesses: home, local, auto, professional, pets, events, real estate and financial services. The Restaurants, Retail & Other categories consist of the following businesses: restaurants, shopping, beauty & fitness, health and other.

The following table presents the Company's net revenue by major product line (and by category for advertising revenue) for the periods presented (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Services	$ 240,963	$ 240,802	$ 474,749	$ 472,378
Restaurants, Retail & Other	101,532	112,895	200,234	223,320
Total advertising	342,495	353,697	674,983	695,698
Other	33,024	16,697	61,993	33,230
Total net revenue	$ 375,519	$ 370,394	$ 736,976	$ 728,928

During the three and six months ended June 30, 2026 and 2025, no individual customer accounted for 10% or more of consolidated net revenue.

The following table presents the Company's net revenue by major geographic region for the periods presented (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
United States	$ 373,472	$ 367,872	$ 732,777	$ 724,036
All other countries	2,047	2,522	4,199	4,892
Total net revenue	$ 375,519	$ 370,394	$ 736,976	$ 728,928

16. SUBSEQUENT EVENTS

Subsequent to June 30, 2026, the Company repurchased shares on the open market for an aggregate purchase price of $25.0 million, bringing total share repurchases for the year to an approximate aggregate purchase price of $200.0 million.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our condensed consolidated financial statements and related notes appearing elsewhere in this Quarterly Report. This discussion contains forward-looking statements that reflect our plans, estimates and beliefs, and involve risks and uncertainties. Our actual results and the timing of certain events could differ materially from those anticipated in these forward-looking statements as a result of several factors, including those discussed in the section titled "Risk Factors" included under Part I, Item 1A in our Annual Report. See "Special Note Regarding Forward-Looking Statements" in this Quarterly Report.

Overview

As one of the best known Internet brands in the United States, Yelp is a trusted local resource for consumers and a partner in success for businesses of all sizes. Consumers trust us for the more than 300 million ratings and reviews available on our platform of businesses across a broad range of categories, while businesses advertise with us to reach our large audience of what we believe are purchase-oriented and generally affluent consumers.

We generate substantially all of our revenue from the sale of performance-based advertising products, which our advertising platform matches to individual consumers through auctions priced on a cost-per-click ("CPC") basis. In the three months ended June 30, 2026, our net revenue was $375.5 million, up 1% from the three months ended June 30, 2025, and we recorded net income of $31.7 million and adjusted EBITDA of $91.4 million. In the six months ended June 30, 2026, our net revenue was $737.0 million, up 1% from the six months ended June 30, 2025, and we recorded net income of $49.4 million and adjusted EBITDA of $170.8 million. For information on how we define and calculate adjusted EBITDA, and a reconciliation of this non-GAAP financial measure to net income, see "*Non-GAAP Financial Measures*" below.

In the second quarter of 2026, we continued to make progress transforming Yelp with artificial intelligence ("AI") through our strategic investments in product innovation:

- *Reconceive Yelp Around Answers and Actions*. As we continued to transform the consumer experience on Yelp in the second quarter, we saw encouraging traffic trends, with year-over-year improvements in app installs and page views. As we improved the tool's performance and user experience with features like faster response rates and increased personalization, we observed positive signs related to user engagement, including repeat usage. In Services categories, continued adoption of Yelp Assistant drove approximately 10% of all Request-a-Quote projects[1] in the second quarter, contributing to overall Request-a-Quote project growth of approximately 10% year over year.

- *Deliver AI Tools that Help Businesses Grow, Operate and Succeed*. In the second quarter, we continued to scale Yelp Host, our AI-powered call answering service for restaurants, which reached an annual run rate[2] of 2.4 million calls handled in July 2026, more than tripling from January 2026. We recently expanded Yelp Host's capabilities through the addition of food ordering functionality with point-of-sale integration, which allows restaurants to take phone pickup orders without commission fees, as well as through our recently announced integration with OpenTable, which enables customers to book, modify and cancel reservations within Yelp Host. Hatch has also demonstrated continued progress since we acquired it in February 2026, with annual run rate revenue of approximately $35 million in June 2026. With increased product and engineering resources, the Hatch team made progress against their roadmap in the second quarter, shipping conversational analytics, outbound voice, enhancements to Google Local Services Ads and ServiceTitan integrations, and several optimizations to the core voice model.

- *Extend Our Reach to Power Local Discovery Across the AI Ecosystem*. Demand for our data licensing products was robust in the second quarter, including from our partnership with OpenAI, contributing to strong growth in other revenue. Yelp ratings and reviews recently began powering ChatGPT's local experience in relevant categories. Building on our success with Apple Maps and Yahoo, we also expect Request-a-Quote integration with ChatGPT to launch in the coming weeks.

In the second quarter, broad strength in other revenue drove modest year-over-year net revenue growth as the economic environment facing consumers and local businesses continued to be challenging. We expect these adverse conditions to persist and continue impacting advertising revenue across categories in the third quarter, driving a slight year-over-year decrease in net

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[1] Projects created by users through a Request-a-Quote flow or Yelp Assistant.

[2] References to the "annual run rate" of certain metrics included in this Quarterly Report are calculated by annualizing the metric's results for the indicated period, excluding out-of-period adjustments with respect to revenue figures. For example, we calculate annual run rate based on a metric's results for a given month by multiplying those results by 12, or for a given quarter by multiplying the results by four.

revenue. As our other revenue streams continue to gain traction, we are continuing to target an annual run rate of $250 million in other revenue by the end of 2028.

We expect expenses will increase sequentially in the third quarter as we invest in our AI transformation, provide Hatch with additional resources to accelerate its product roadmap and go-to-market strategy, and invest in consumer marketing, which we anticipate will result in a year-over-year decrease in adjusted EBITDA in the third quarter.

Key Metrics

We regularly review a number of metrics, including the key metrics set forth below, to evaluate our business, measure our performance, identify trends in our business, prepare financial projections and make strategic decisions.

Ad Clicks and Average CPC

The amount of revenue we generate from our pay-for-performance advertising products is determined by the number of ad clicks we deliver to advertisers and the price we charge for each ad click.

Ad clicks represent user interactions with our pay-for-performance advertising products, including clicks on advertisements on our website and mobile app, clicks on syndicated advertisements on third-party platforms and Request-a-Quote submissions, among others. Ad clicks include only user interactions that we are able to track directly, and therefore do not include user interactions with ads sold through our advertising partnerships. We do not expect the exclusion of such user interactions to materially affect this metric. We report the year-over-year percentage change in ad clicks as a measure of our success in monetizing more of our consumer activity and delivering more value to advertisers.

Average CPC is calculated as revenue from our performance-based ad products — excluding certain revenue adjustments that do not impact the outcome of an auction for an individual ad click, such as refunds, as well as revenue from our advertising partnerships — divided by the total number of ad clicks for a given period. Average CPC represents the average amount we charge advertisers for each ad click.

We believe that ad clicks and average CPC together reflect one of the most significant dynamics affecting our advertising revenue performance: the interplay of advertiser demand and consumer activity. At the level of an auction for an individual ad click, advertiser demand — consisting of advertiser budgets and the number of advertisers competing to purchase the ad click — intersects with the supply of consumer activity — consisting of the predicted levels of relevant consumer traffic and engagement — to determine CPC, with higher advertiser demand putting upward pressure on the CPC and higher consumer activity putting downward pressure on the CPC. In aggregate, advertiser demand consists of the number of business locations advertising with us (which we refer to as paying advertising locations, as discussed below) and the aggregate budget they allocate to purchasing our advertising products. Aggregate monetizable consumer activity depends on the levels of consumer traffic and engagement with our ads, the numbers of locations where we can display ads and other monetizable features, and our click-through rate, which is the ratio of ad clicks to the number of times the ads were displayed to consumers. The relative strengths of these factors in aggregate are reflected in average CPC.

Ad clicks and average CPC also provide important insight into the value we deliver to advertisers, which we believe is a significant factor in our ability to retain both revenue and customers. For example, a positive change in ad clicks for a given period combined with lower growth or a negative change in average CPC over the same period would indicate that we delivered more ad clicks at lower prices, thereby delivering more value to our advertisers; we would expect this to have a positive impact on retention. Conversely, growth in average CPC paired with a negative or lower growth rate in ad clicks would indicate we charged more without delivering more ad clicks; we would expect this to have a negative impact on retention unless we are able to increase the value we deliver through higher performing ad clicks.

The following table presents year-over-year changes in our ad clicks and average CPC for the periods presented (each expressed as a percentage):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Ad Clicks	(5)%	(7)%	(8)%	(5)%
Average CPC	1%	11%	4%	10%

Ad clicks decreased year over year in the three and six months ended June 30, 2026, primarily due to decreases in Restaurants, Retail & Other (“RR&O”) ad clicks, partially offset by slight increases in Services ad clicks.

Average CPC increased in the three and six months ended June 30, 2026, primarily as a result of Services ad clicks, which generally have higher CPCs than RR&O clicks, comprising a greater portion of total ad clicks compared to the prior year, partially offset by modest decreases in average CPC in Services categories resulting from relatively stable advertiser demand together with increased consumer engagement.

These trends reflect the economic uncertainties facing consumers, the challenging operating environment for local businesses and, to a lesser extent, competitive pressures in RR&O categories from food ordering and delivery providers.

Advertising Revenue by Category

We generate advertising revenue from the sale of our advertising products — including business page upgrades and performance-based advertising in search results and elsewhere on our platform — to businesses of all sizes, from single-location local businesses to multi-location national businesses ("Yelp Ads"). Advertising revenue also includes revenue generated from the resale of our advertising products by certain partners and monetization of advertising inventory through third-party ad networks, as well as revenue generated from RepairPal.

To reflect our strategic focus on creating two differentiated experiences on Yelp, we provide a breakdown of our advertising revenue attributable to businesses in two high-level category groupings: Services and RR&O. Our Services categories consist of home, local, auto, professional, pets, events, real estate and financial services. Our RR&O categories consist of restaurants, shopping, beauty & fitness, health and other.

Refer to "*Results of Operations — Net Revenue*" below for further discussion of our advertising revenue by category.

Paying Advertising Locations

Paying advertising locations comprise all business locations associated with a business account from which we recognized advertising revenue in a given month, excluding business accounts that purchased advertising through partner programs other than Yelp Ads Certified Partners, averaged over a given period. We also provide a breakdown of paying advertising locations between our Services categories and RR&O categories.

We provide our paying advertising locations as a measure of the reach and scale of our business; however, this metric may exhibit short-term volatility as a result of factors such as seasonality and macroeconomic conditions. For example, macroeconomic factors, particularly those affecting local economies such as labor and supply chain issues, inflation and recessionary concerns, and interest rates, have had a predominant negative impact on RR&O paying advertising locations in recent periods. Short-term fluctuations in paying advertising locations may also reflect the acquisition or loss of single advertising accounts associated with large numbers of locations, or the pausing/restarting of advertising campaigns by such multi-location advertisers.

The following table presents the number of paying advertising locations for the periods presented (in thousands, except percentages):

	Three Months Ended June 30,			Six Months Ended June 30,		
	2026	**2025**	**% Change**	**2026**	**2025**	**% Change**
Services	259	260	—%	255	260	(2)%
Restaurants, Retail & Other	251	255	(2)%	243	256	(5)%
Total Paying Advertising Locations	510	515	(1)%	498	516	(4)%

Paying advertising locations decreased in the three and six months ended June 30, 2026 compared to the prior-year periods, reflecting decreases in RR&O paying advertising locations and, in the six months ended June 30, 2026, a decrease in Services paying advertising locations. We believe the decreases in paying advertising locations primarily reflect the challenging operating environment facing local businesses, particularly in RR&O categories, and, to a lesser extent, competition for ad spend from such businesses, including from food ordering and delivery providers.

Results of Operations

The following table sets forth our results of operations for the periods presented (in thousands, except percentages). The period-to-period comparison of financial results is not necessarily indicative of the results of operations to be anticipated for the full year 2026 or any future period.

	Three Months Ended June 30,				Six Months Ended June 30,			
	2026	2025	$ Change	% Change[1]	2026	2025	$ Change	% Change[1]
Condensed Consolidated Statements of Operations Data:								
Net revenue by product:								
Services	$ 240,963	$ 240,802	$ 161	— %	$ 474,749	$ 472,378	$ 2,371	1 %
Restaurants, Retail & Other	101,532	112,895	(11,363)	(10)%	200,234	223,320	(23,086)	(10)%
Total advertising	342,495	353,697	(11,202)	(3)%	674,983	695,698	(20,715)	(3)%
Other	33,024	16,697	16,327	98 %	61,993	33,230	28,763	87 %
Total net revenue	375,519	370,394	5,125	1 %	736,976	728,928	8,048	1 %
Costs and expenses:								
Cost of revenue (exclusive of depreciation and amortization shown separately below)	41,776	35,447	6,329	18 %	80,185	70,275	9,910	14 %
Sales and marketing	153,562	144,612	8,950	6 %	306,572	290,896	15,676	5 %
Product development	70,468	78,362	(7,894)	(10)%	147,625	162,267	(14,642)	(9)%
General and administrative	47,865	46,318	1,547	3 %	97,215	98,025	(810)	(1)%
Depreciation and amortization	18,118	12,365	5,753	47 %	34,351	24,715	9,636	39 %
Total costs and expenses	331,789	317,104	14,685	5 %	665,948	646,178	19,770	3 %
Income from operations	43,730	53,290	(9,560)	(18)%	71,028	82,750	(11,722)	(14)%
Other income, net	733	5,695	(4,962)	(87)%	3,319	11,466	(8,147)	(71)%
Income before income taxes	44,463	58,985	(14,522)	(25)%	74,347	94,216	(19,869)	(21)%
Provision for income taxes	12,811	14,896	(2,085)	(14)%	24,960	25,736	(776)	(3)%
Net income attributable to common stockholders	$ 31,652	$ 44,089	$ (12,437)	(28)%	$ 49,387	$ 68,480	$ (19,093)	(28)%

[1] Percentage changes may not recalculate using the rounded numbers presented in this table.

Three and Six Months Ended June 30, 2026 and 2025

Net Revenue

Net revenue increased slightly in the three months ended June 30, 2026 compared to the prior-year period, primarily driven by growth in other revenue, partially offset by a decrease in advertising revenue from RR&O businesses.

Net revenue increased slightly in the six months ended June 30, 2026 compared to the prior-year period, primarily driven by growth in other revenue and higher advertising revenue from Services businesses, partially offset by a decrease in advertising revenue from RR&O businesses.

Advertising. Advertising revenue for the three and six months ended June 30, 2026 decreased 3% year over year. The decline in advertising revenue for the three months ended June 30, 2026 was primarily driven by a decrease in RR&O revenue as a result of lower ad clicks and lower average CPC.

The decline in advertising revenue for the six months ended June 30, 2026 was primarily driven by a decrease in RR&O revenue, partially offset by an increase in Services revenue. The decline in RR&O revenue was driven by a decrease in ad clicks, partially offset by an increase in average CPC. The growth in Services revenue was driven by an increase in ad clicks, partially offset by a decrease in average CPC.

Other. We generate other revenue through non-advertising contracts, such as our subscription services, which include our Yelp Guest Manager, Yelp Receptionist, Yelp Host and Hatch offerings, as well as our Yelp Places, Yelp AI, and Yelp Insights API programs, which provide Yelp content and data for a fee. In addition, other revenue includes revenue from various transactions with consumers. We generate revenue from our partnership integrations for food ordering through a combination of transaction-based, revenue-sharing agreements, under which we act as an agent and recognize fees on a net basis upon completion of each transaction, and fixed annual fee arrangements that may be adjusted based on engagement metrics such as click to order volume.

Other revenue for the three and six months ended June 30, 2026 increased compared to the prior-year periods, primarily due to the addition of revenue from Hatch, as well as increased revenue from our Yelp Places API program and growth in food ordering from our partnership with DoorDash.

Trends and Uncertainties of Net Revenue. We anticipate net revenue will decrease slightly in the three months ended September 30, 2026 compared to the prior-year period, reflecting the continued economic challenges facing consumers and local businesses. However, we expect our strategic initiatives will continue to drive strong growth in other revenue.

Costs and Expenses

Cost of Revenue (exclusive of depreciation and amortization). Our cost of revenue consists primarily of website infrastructure expense, which includes website hosting costs and employee-related costs (including stock-based compensation expense) for the infrastructure teams responsible for operating our website and mobile app as well as the RepairPal and Hatch websites, and excludes depreciation and amortization expense. Cost of revenue also includes third-party advertising fulfillment costs, credit card processing fees and revenue share payments, which primarily consist of payments to RepairPal referral partners.

Cost of revenue for the three and six months ended June 30, 2026 increased compared to the prior-year periods, primarily due to:

- increases in website infrastructure expense of $2.9 million and $5.2 million, respectively, as a result of maintaining and enhancing our infrastructure, including the integration of AI products; and
- additional infrastructure expense of $3.3 million and $5.0 million, respectively, due to our acquisition of Hatch.

The increase during the six month period was partially offset by a $2.6 million decrease in advertising fulfillment costs, largely attributable to lower costs to syndicate advertising budgets on certain third-party site as well as a decrease in Yelp Audiences spend.

We expect cost of revenue to increase on an absolute dollar basis in 2026 compared to 2025, primarily due to our planned investments in AI capabilities.

Sales and Marketing. Our sales and marketing expenses primarily consist of employee-related costs (including sales commission and stock-based compensation expenses) for our sales and marketing employees. Sales and marketing expenses also include business and consumer acquisition marketing, community management, as well as allocated workplace and other supporting overhead costs.

Sales and marketing expenses for the three and six months ended June 30, 2026 increased compared to the prior-year periods, primarily due to:

- increases of $6.5 million and $11.8 million, respectively, in marketing and advertising costs, primarily driven by our investments in acquiring Services projects as well as increased spend in business owner marketing; and
- increases of $3.4 million and $3.3 million, respectively, in workplace operating costs, primarily due to the impact of a $1.2 million rent abatement that benefited the prior-year periods, as well as other increases that were not individually significant.

Sales and marketing employee-related costs remained relatively flat for both periods, as additional headcount related to Hatch was offset with lower average headcount in sales and marketing roles excluding Hatch.

We expect sales and marketing expenses to increase on an absolute dollar basis and as a percentage of revenue in 2026 compared to 2025, primarily due to marketing investments.

Product Development. Our product development expenses primarily consist of employee-related costs (including bonuses and stock-based compensation expense, net of capitalized employee-related costs associated with capitalized website and internal-use software development) for our engineers, product management and corporate infrastructure employees. In addition, product development expenses include allocated workplace and other supporting overhead costs.

Product development expenses for the three and six months ended June 30, 2026 decreased compared to the prior-year periods primarily due to decreases of $13.5 million and $22.4 million, respectively, in employee-related costs resulting from lower average headcount, a higher proportion of employee work directed toward infrastructure enhancements (resulting in more costs included in cost of revenue), more employee costs being capitalized, and lower cost of labor. These decreases were partially offset by $2.7 million and $4.2 million, respectively, in additional headcount costs related to Hatch.

The decrease during the six months ended June 30, 2026 was partially offset by an increase of $1.8 million in consulting costs primarily due to the acquisition of Hatch.

We expect product development expenses to decrease both on an absolute dollar basis and as a percentage of revenue in 2026 compared to 2025, inclusive of additional headcount related to Hatch, as we realize cost efficiencies within our organization.

General and Administrative. Our general and administrative expenses primarily consist of employee-related costs (including bonuses and stock-based compensation expense) for our executive, finance, user operations, legal, people operations and other administrative employees. Our general and administrative expenses also include our provision for credit losses, certain consulting and professional services costs, including litigation settlements, as well as allocated workplace and other supporting overhead costs.

General and administrative expenses for the three months ended June 30, 2026 increased compared to the prior-year period primarily due to:

- an increase of $3.5 million in acquisition and integration costs related to the acquisition of Hatch; and
- an increase of $1.2 million in legal costs.

These increases were partially offset by a decrease in our provision for credit losses of $3.4 million primarily due to lower customer delinquencies.

General and administrative expenses for the six months ended June 30, 2026 decreased compared to the prior-year period primarily due to:

- a decrease in our provision for credit losses of $4.6 million due to lower customer delinquencies; and
- a decrease in indemnifiable expenses of $3.9 million related to the RepairPal acquisition.

These decreases were partially offset by the inclusion of $7.9 million in acquisition and integration costs related to the acquisition of Hatch in the current year.

We expect general and administrative expenses to increase on an absolute dollar basis and as a percentage of revenue in 2026 compared to 2025 as we continue to support our business and integrate Hatch.

Depreciation and Amortization. Depreciation and amortization expense primarily consists of depreciation and amortization on capitalized website and internal-use software development costs, computer equipment, leasehold improvements, and intangible assets.

Depreciation and amortization expense for the three and six months ended June 30, 2026 increased compared to the prior-year periods, primarily due to:

- increases of $4.2 million and $7.0 million, respectively, as a result of amortization of intangible assets acquired in the Hatch acquisition. See Note 6, "*Acquisitions*," of the Notes to Condensed Consolidated Financial Statements for further detail; and
- increases of $2.1 million and $3.9 million, respectively, as a result of higher capitalized website and internal-use software development costs.

Other Income, Net

Other income, net consists primarily of the interest income earned on our cash, cash equivalents and marketable securities, research and development tax credits, the portion of our sublease income in excess of our lease cost, accretion of discounts and amortization of premiums on investments, and credit facility-related interest and fees.

Other income, net for the three and six months ended June 30, 2026 decreased compared to the prior-year periods, primarily due to:

- decreases in interest income of $2.6 million and $4.5 million, respectively, as a result of lower average cash, cash equivalents, and marketable securities balances and lower interest rates; and

- increases in interest expense of $1.5 million and $2.5 million, respectively, primarily related to credit facility borrowings incurred during the current year.

Provision for Income Taxes

Provision for income taxes consists of: federal and state income taxes in the United States and income taxes in certain foreign jurisdictions; and deferred income taxes reflecting the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Provision for income taxes for the three and six months ended June 30, 2026 decreased compared to the prior-year periods primarily due to decreases in income before income taxes in the current-year periods, partially offset by increases in the discrete tax expense primarily related to stock-based compensation.

As of December 31, 2025, we had approximately $115.5 million in net deferred tax assets ("DTAs"). As of June 30, 2026, we consider it more likely than not that we will have sufficient taxable income in the future that will allow us to realize these DTAs. However, it is possible that some or all of these DTAs will not be realized. Therefore, unless we are able to generate sufficient taxable income from our operations, a substantial valuation allowance may be required to reduce our DTAs, which would materially increase our expenses in the period in which we recognize the allowance and have a materially adverse impact on our condensed consolidated financial statements. The exact timing and amount of the valuation allowance recognition are subject to change on the basis of the net income that we are able to actually achieve. We will continue to evaluate the possible recognition of a valuation allowance on a quarterly basis.

In July 2025, the congressional bill known as the One Big Beautiful Bill Act ("OBBBA") was signed into law, which, among other things, restored certain favorable corporate tax provisions, including permitting full expensing of domestic research and development expenses. As of June 30, 2026, the impacts of the OBBBA are reflected in the 2026 estimated annual effective tax rate calculated in accordance with accounting principles generally accepted in the United States ("GAAP").

Non-GAAP Financial Measures

Our condensed consolidated financial statements are prepared in accordance with GAAP. However, we have also disclosed below adjusted EBITDA, adjusted EBITDA margin and free cash flow, each of which is a non-GAAP financial measure.

Adjusted EBITDA and free cash flow have limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our results as reported under GAAP. In particular, adjusted EBITDA and free cash flow should not be viewed as substitutes for, or superior to, net income (loss) or net cash provided by (used in) operating activities prepared in accordance with GAAP as measures of profitability or liquidity. Some of these limitations are:

- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and adjusted EBITDA does not reflect all cash capital expenditure requirements for such replacements or for new capital expenditure requirements;
- adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- adjusted EBITDA does not reflect the impact of the recording or release of valuation allowances or tax payments that may represent a reduction in cash available to us;
- adjusted EBITDA does not consider the potentially dilutive impact of equity-based compensation;
- adjusted EBITDA does not take into account certain income and expense items, such as indemnifiable expenses, acquisition and integration costs, or other costs that management determines are not indicative of ongoing operating performance;
- free cash flow does not represent the total residual cash flow available for discretionary purposes because it does not reflect our contractual commitments or obligations; and
- other companies, including those in our industry, may calculate adjusted EBITDA and free cash flow differently, which reduces their usefulness as comparative measures.

Because of these limitations, you should consider adjusted EBITDA, adjusted EBITDA margin and free cash flow alongside other financial performance measures, including net income (loss), net cash provided by (used in) operating activities and our other GAAP results.

Adjusted EBITDA. Adjusted EBITDA is a non-GAAP financial measure that we calculate as net income (loss), adjusted to exclude: provision for (benefit from) income taxes; other income (expense), net; depreciation and amortization; stock-based compensation expense; and, in certain periods, certain other operating income and expense items, such as expenses for which we expect to be indemnified, acquisition and integration costs, and other items we deem not to be indicative of our ongoing operating performance.

Adjusted EBITDA margin. Adjusted EBITDA margin is a non-GAAP financial measure that we calculate as adjusted EBITDA divided by net revenue.

The following is a reconciliation of net income to adjusted EBITDA, as well as the calculation of net income margin and adjusted EBITDA margin, for the periods presented (in thousands, except percentages):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Reconciliation of Net Income to Adjusted EBITDA:				
Net income	$ 31,652	$ 44,089	$ 49,387	$ 68,480
Provision for income taxes	12,811	14,896	24,960	25,736
Other income, net	(733)	(5,695)	(3,319)	(11,466)
Depreciation and amortization	18,118	12,365	34,351	24,715
Stock-based compensation	25,749	34,775	56,256	72,244
Indemnifiable expenses[(1)(2)]	352	55	1,248	5,181
Acquisition and integration costs[(1)(3)]	3,480	—	7,900	539
Adjusted EBITDA	$ 91,429	$ 100,485	$ 170,783	$ 185,429
Net revenue	$ 375,519	$ 370,394	$ 736,976	$ 728,928
Net income margin	8 %	12 %	7 %	9 %
Adjusted EBITDA margin	24 %	27 %	23 %	25 %

(1) Recorded within general and administrative expenses on our condensed consolidated statements of operations.

(2) Represents expenses for which we expect to be indemnified in connection with our acquisition of RepairPal. Indemnifiable expenses during the three and six months ended June 30, 2025 consist of expenses recorded in connection with an indemnification obligation assumed in the RepairPal acquisition, for which we were subsequently indemnified through the release of a portion of the RepairPal holdback. See Note 6, “*Acquisitions*,” of the Notes to Condensed Consolidated Financial Statements for further detail.

(3) Acquisition and integration costs during the three and six months ended June 30, 2026 represent costs related to the Hatch acquisition and include accrued acquisition- and integration-related compensation. Acquisition and integration costs during the three and six months ended June 30, 2025 represent costs related to the RepairPal acquisition. For more information on the acquisition and integration costs, see Note 6, “*Acquisitions*.”

Free Cash Flow. Free cash flow is a non-GAAP financial measure that we calculate as net cash provided by (used in) operating activities, less cash used for purchases of property, equipment and software.

The following is a reconciliation of net cash provided by operating activities to free cash flow for the periods presented (in thousands):

	Six Months Ended June 30,	
	2026	2025
Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow:		
Net cash provided by operating activities	$ 133,638	$ 156,029
Purchases of property, equipment and software	(27,409)	(23,555)
Free cash flow	$ 106,229	$ 132,474
Net cash used in investing activities	$ (183,266)	$ (26,620)
Net cash used in financing activities	$ (72,214)	$ (151,582)

Liquidity and Capital Resources

Sources of Liquidity

Our principal sources of liquidity are our cash and cash generated from operations. As of June 30, 2026, we had cash and cash equivalents of $94.1 million, including cash held internationally of $37.5 million.

We also have the ability to access backup liquidity to fund working capital and for other capital requirements, as needed, through the credit facility established pursuant to the Credit Agreement (as defined in Note 11, "*Commitments and Contingencies*," of the Notes to Condensed Consolidated Financial Statements included under Part I, Item 1 in this Quarterly Report). The Credit Agreement provides for a $325.0 million senior secured revolving credit facility, which includes a $35.0 million letter of credit sub-limit, a $25.0 million bilateral letter of credit facility and an accordion option, which, if exercised, would allow us to increase the aggregate commitments by up to $250.0 million, plus additional amounts if we are able to satisfy a leverage test, subject to certain conditions. The commitments under the credit facility expire on April 28, 2028.

As of June 30, 2026, we had $100.0 million of outstanding borrowings and $4.3 million of letters of credit outstanding under the credit facility sub-limit, with $220.7 million remaining available under the credit facility. The letters of credit are primarily to secure an office location. We were in compliance with all conditions and covenants thereunder as of June 30, 2026.

Material Cash Requirements

Our capital allocation strategy consists of investing in future growth, pursuing strategic acquisitions through a combination of cash and financing, and aiming to return more than 50% of free cash flow to shareholders each year through share repurchases. Our future capital requirements for these and other priorities, as well as the adequacy of available funds, will depend on many factors, including those set forth under "*Risk Factors*" included under Part I, Item 1A in our Annual Report. We believe that our existing cash, together with any cash generated from operations, will be sufficient to meet our material cash requirements in the next 12 months and beyond, including: working capital requirements; our anticipated repurchases of common stock pursuant to our stock repurchase program; payment of taxes related to the net share settlement of equity awards; payment of lease costs related to our operating leases; income tax payments; and purchases of property, equipment and software and website hosting services. We will also require cash to repay amounts outstanding under our credit facility and interest thereon, which we plan to prioritize as we pause share repurchases through the remainder of 2026. However, this estimate is based on a number of assumptions that may prove to be materially different, and we could fully utilize our available cash earlier than presently anticipated.

On February 2, 2026, we completed our acquisition of Hatch for approximately $271.2 million in cash. In connection with the acquisition, we have also agreed to provide certain continuing Hatch employees with acquisition- and integration-related compensation valued in the aggregate of $30.0 million, to be paid over the next two to three years. See Note 6, "*Acquisitions*," of the Notes to Condensed Consolidated Financial Statements included under Part I, Item 1 in this Quarterly Report for further detail.

In addition, we are still assessing the OBBBA's impact on our income tax payments for 2026 and beyond. We are not able to reasonably estimate the timing of future cash flows related to $55.9 million of uncertain tax positions.

We lease office facilities under operating lease agreements that expire from 2027 to 2031. Our cash requirements related to these lease agreements are $25.1 million, of which $8.3 million is expected to be paid within the next 12 months. The total lease obligations are partially offset by our future minimum rental receipts to be received under non-cancelable subleases of $12.5 million. See Note 8, "*Leases*," of the Notes to Condensed Consolidated Financial Statements included under Part I, Item 1 in this Quarterly Report for further detail on our operating lease obligations.

Our cash requirements related to off-balance sheet purchase obligations consisting of non-cancelable agreements to purchase goods and services required in the ordinary course of business — primarily website hosting services — are approximately $119.0 million, of which approximately $67.9 million is expected to be paid within the next 12 months.

We may be required to draw down additional funds from our credit facility or seek additional funds through equity or debt financings to respond to business challenges associated with the uncertain macroeconomic environment or other challenges, including the need to develop new features and products or enhance existing services, improve our operating infrastructure or acquire complementary businesses and technologies. The cost of capital associated with any additional funds sought in the future might be adversely impacted by the effects of macroeconomic conditions on our business. Additionally, amounts deposited with third-party financial institutions exceed the Federal Deposit Insurance Corporation and Securities Investor Protection Corporation insurance limits, as applicable. These cash and cash equivalents could be impacted if the underlying financial institutions fail or are subjected to other adverse conditions in the financial markets. To date, we have experienced no loss or lack of access to our cash and cash equivalents; however, we can provide no assurances that access to our cash and cash equivalents will not be impacted by adverse conditions in the financial markets.

Cash Flows

The following table summarizes our cash flows for the periods presented (in thousands):

	Six Months Ended June 30,	
	2026	2025
Net cash provided by operating activities	$ 133,638	$ 156,029
Net cash used in investing activities	$ (183,266)	$ (26,620)
Net cash used in financing activities	$ (72,214)	$ (151,582)

Operating Activities. Net cash provided by operating activities during the six months ended June 30, 2026 decreased by $22.4 million compared to the prior-year period, primarily due to a $36.1 million increase in employee-related payments for salaries, commissions, bonuses and benefits, largely driven by the addition of headcount related to Hatch, a $17.4 million increase in payments to vendors, a net $6.1 million decrease related to lower interest income received and higher interest payments, as well as other cash payments that were not individually significant. These outflows were partially offset by a $19.8 million increase in cash collected from customers, a $19.4 million decrease in income taxes paid, and lower cash paid for leases of $11.4 million.

Investing Activities. Net cash used in investing activities during the six months ended June 30, 2026 increased compared to the prior-year period, primarily due to the acquisition of Hatch in February 2026. This increase was partially offset by net proceeds from sales and maturities of marketable securities and other investments.

Financing Activities. Net cash used in financing activities during the six months ended June 30, 2026 decreased compared to the prior-year period primarily due to proceeds from net borrowings under our credit facility, lower taxes paid related to the net share settlement of equity awards and increased proceeds from the issuance of common stock under employee stock-based plans, partially offset by increased repurchases of our common stock.

Stock Repurchase Program

Since its initial authorization in July 2017, our board of directors has authorized us to repurchase up to an aggregate of $2.45 billion of our outstanding common stock, including the $500.0 million authorized in February 2026, of which $338.7 million remained available as of July 31, 2026.

We may repurchase shares at our discretion in the open market, privately negotiated transactions, in transactions structured through investment banking institutions or a combination of the foregoing. The program is not subject to any time limit and may be modified, suspended or discontinued at any time. The amount and timing of repurchases are subject to a variety of factors, including liquidity, cash flow and market conditions.

During the six months ended June 30, 2026, we repurchased 7,097,439 shares on the open market for an aggregate purchase price of $175.1 million (excluding the 1% excise tax on stock repurchases as a result of the Inflation Reduction Act of 2022). Subsequent to June 30, 2026, we repurchased shares on the open market for an aggregate purchase price of $25.0 million, bringing our total share repurchases for the year to an approximate aggregate purchase price of $200.0 million. We are now pausing our program and expect to resume share repurchases in 2027.

We have funded all repurchases to date and currently expect to fund any future repurchases with cash and cash equivalents available on our condensed consolidated balance sheet.

Critical Accounting Policies and Estimates

Our condensed consolidated financial statements are prepared in accordance with GAAP. The preparation of these condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and related disclosures. We evaluate our estimates and assumptions on an ongoing basis. Our estimates and assumptions are based on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Our actual results could differ from those estimates. Due to macroeconomic conditions and other factors, certain estimates and assumptions have required and may continue to require increased judgment and carry a higher degree of variability and volatility. As events continue to evolve and additional information becomes available, these estimates may materially change in future periods.

We believe that the assumptions and estimates associated with revenue recognition, business combinations and income taxes have the greatest potential impact on our condensed consolidated financial statements. There have been no material changes to our critical accounting policies and estimates from those disclosed in our Annual Report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We have operations both within the United States and internationally, and we are exposed to market risks in the ordinary course of business. These risks primarily include interest rate, foreign exchange risks and inflation, and have not changed materially from the market risks we were exposed to in the year ended December 31, 2025.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2026. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of June 30, 2026, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the three months ended June 30, 2026 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and our Chief Financial Officer, believes that our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their objectives and are effective at the reasonable assurance level. However, our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by the collusion of two or more people or by management override of controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

On August 28, 2024, we filed a federal antitrust lawsuit against Google LLC in the U.S. District Court for the Northern District of California, based on allegations that Google has illegally abused its monopoly in the general search market to dominate the local search and local search advertising markets. We seek declaratory judgment, damages, restitution, and injunctive relief that addresses both Google’s past misconduct and protects against future anticompetitive behavior. Trial is currently scheduled to begin in September 2028. We are unable to predict the ultimate outcome of this case.

We are also subject to legal proceedings arising in the ordinary course of business. Although the results of litigation and claims cannot be predicted with certainty, we currently do not believe that the final outcome of any of these other matters will have a material effect on our business, financial position, results of operations or cash flows. For more information, see “Legal Proceedings” in Note 11, “*Commitments and Contingencies*,” of the Notes to Condensed Consolidated Financial Statements included in this Quarterly Report, which is incorporated herein by reference.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors set forth in the section titled “*Risk Factors*” included under Part I, Item 1A of our Annual Report, which describes various risks and uncertainties that could adversely affect our business, financial condition, results of operations, cash flows and the trading price of our common stock. You should carefully consider the risks and uncertainties described in the Annual Report before making an investment decision.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

The following table summarizes our stock repurchase activity for the three months ended June 30, 2026 (in thousands, except for price per share):

Period	Total Number of Shares Purchased(1)	Average Price Paid per Share(2)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Program
April 1 - April 30, 2026	925	$ 27.12	925	$ 388,710
May 1 - May 31, 2026	308	$ 22.72	308	$ 381,716
June 1 - June 30, 2026	778	$ 23.18	778	$ 363,676
Total	2,011		2,011	

(1) Since the initial authorization of our Stock Repurchase Program in July 2017, our board of directors authorized us to repurchase up to an aggregate of $2.45 billion of our outstanding common stock, including the $500.0 million authorized in February 2026. Subsequent to June 30, 2026, we repurchased shares on the open market for an aggregate purchase price of $25.0 million. As of July 31, 2026, $338.7 million remained available under our Stock Repurchase Program. The actual timing and amount of repurchases depend on a variety of factors, including liquidity, cash flow and market conditions. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Stock Repurchase Program*” included under Part I, Item 2 in this Quarterly Report.

(2) Average price paid per share includes costs associated with the repurchases but excludes the 1% excise tax accrued on our share repurchases, net of shares issued, as a result of the Inflation Reduction Act of 2022.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Rule 10b5-1 Trading Plans

On May 15, 2026, Jeremy Stoppelman, our Chief Executive Officer, on behalf of himself and as trustee for the Jeremy Stoppelman Revocable Trust, entered into a trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c). The plan provides for the sale of an aggregate of up to approximately 953,600 shares of our common stock. The plan will terminate on the earlier of March 1, 2027 or when all shares subject to the plan have been sold, subject to early termination for certain specified events set forth in the plan.

On May 22, 2026, David Schwarzbach, our Chief Financial Officer, entered into a trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c). The plan provides for the sale of an aggregate of up to (i) 96,900 shares of our common stock and (ii) 30,000 shares of our common stock that may vest during the plan period, net of any shares we withhold to satisfy income tax withholding and remittance obligations in connection with the net settlement of the equity awards, the amount of which cannot currently be determined. The plan will terminate on the earlier of February 26, 2027 or when all shares subject to the plan have been sold, subject to early termination for certain specified events set forth in the plan.

ITEM 6. EXHIBITS.

Exhibit Number	Exhibit Description	Incorporated by Reference: Form	File No.	Exhibit	Filing Date	Filed Herewith
3.1	Amended and Restated Certificate of Incorporation of Yelp Inc., as Amended.	8-K	001-35444	3.1	7/8/2020	
3.2	Amended and Restated Bylaws of Yelp Inc.	8-K	001-35444	3.1	3/15/2023	
10.1*	Amended and Restated Yelp Inc. 2012 Employee Stock Purchase Plan.	8-K	001-35444	10.1	6/10/2026	
10.2*	Offer Letter, dated June 14, 2013, by and between Yelp Inc. and Alexander Levy.					X
31.1	Certification pursuant to Rule 13a-14(a)/15d-14(a).					X
31.2	Certification pursuant to Rule 13a-14(a)/15d-14(a).					X
32.1†	Certifications of Chief Executive Officer and Chief Financial Officer.					X
101.INS	Inline XBRL Instance Document (embedded within the Inline XBRL document).					
101.SCH	Inline XBRL Taxonomy Extension Schema Document (with embedded Linkbase Documents).					X
104	Cover Page Interactive Data File (embedded within the Inline XBRL document and contained in Exhibit 101).					

* Indicates management contract or compensatory plan or arrangement.

† The certifications attached as Exhibit 32.1 accompany this Quarterly Report on Form 10-Q, are not deemed filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of Yelp Inc. under the Securities Act or the Exchange Act, whether made before or after the date of this Quarterly Report, irrespective of any general incorporation language contained in such filing.

SIGNATURES

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 thereunto duly authorized.

YELP INC.

Date: August 7, 2026

/s/ David Schwarzbach

David Schwarzbach

Chief Financial Officer

(Principal Financial and Accounting Officer and Duly Authorized Signatory)

Exhibit 10.2

Dear Alex Levy,   June 14, 2013

Congratulations! We are happy to offer you the position of Engineering Manager with Yelp Inc. This offer is conditioned on you passing our background check, providing proof of your identity and ability to legally work within the United States, and signing our standard Confidentiality and Invention Assignment Agreement.

Here's what you need to know if you accept:

1. **Basics.** Your employment will start September 6, 2013 and you will be reporting to Michael Stoppelman on our Engineering team. You will work primarily in San Francisco, CA, though you may also be required to work at other Yelp offices and locations from time to time. As an exempt salaried employee, you will be expected to work the hours, including evenings and weekends, required to perform your job duties.

2. **Compensation.** The annualized salary for this position is $200,000 less required and designated payroll deductions and withholdings, payable pursuant to our regular payroll policy.

   You will also be paid a one-time relocation bonus of $10,000 [net of taxes] within the first two weeks of your start date. This signing bonus will be earned evenly over your first year of employment with Yelp. In the event that your employment with Yelp terminates for any reason before the completion of twelve (12) full months with the Company, you will refund a pro-rata share of this signing bonus immediately.

   You will also be paid a one time signing bonus of $20,000 (less applicable taxes) within the first two weeks of your start date. This signing bonus will be earned evenly over your first year of employment with Yelp. In the event that your employment with Yelp terminates for any reason before the completion of twelve (12) full months with the Company, you will refund a pro-rata share of this signing bonus immediately.

3. **Stock Options.** Following your acceptance of this offer letter, Yelp will recommend that its Board of Directors (or a committee appointed by its Board of Directors) grant you an option to purchase 10,000 shares of Yelp's common stock with an exercise price equal to the fair market value on the date of the grant. The option will vest according to a four-year vesting schedule, with one quarter of the shares vesting at the end of your first year of full-time employment, and the remaining shares vesting ratably on a monthly basis over the next three years. Vesting is conditioned on your continued employment with Yelp. The option will be a non-qualified stock option and will be subject to the terms of Yelp's stock plan and a separate stock option agreement between you and Yelp.

4. **Benefits.** We are happy to make our standard benefits package available to you upon your start, including health, dental, vision, term life insurance, long-term disability, and 401K plans. You are also eligible for fifteen (15) days of paid time off per year, prorated for the remainder of the calendar year. Typically, you will accrue at the rate of 5 hours per pay period and can accrue up to a balance of 150 hours. After two years of employment you will be eligible for eighteen (18) days of paid time off per year and can accrue up to a balance of 180 hours. Please feel free to ask for more details on benefits.

5. **Dispute Resolution and Other Policies.** Like every company, we have our share of do's, don'ts, and other company policies. Your continued employment at Yelp will be conditioned on your complying with these policies. In particular, you will need to comply with our Employee Handbook, which sets forth a range of important policies. Please note the dispute resolution policy in particular, which calls for disputes between you and Yelp to be adjudicated through binding arbitration rather than the courts. You may opt-out of this policy, as described therein. We will make the Employee Handbook available to you on our intranet site when you start. Please read it carefully. Your continued employment at Yelp will constitute your acknowledgement and acceptance of these policies.

6. **<u>At-Will Employment</u>.** Your position with Yelp is “at-will,” meaning that both you and Yelp may terminate your employment at any time, for any reason, and without notice. This letter contains the entire agreement between you and Yelp regarding the right and ability of either you or Yelp to terminate your employment. In addition, please note that we may change your position, duties, compensation, benefits, and work location from time to time in our sole discretion.

7. **<u>Miscellaneous</u>.** By signing below, you represent that taking and performing the position Yelp is offering you will not violate the terms of any agreements you may have with others, including any former employers. You also understand that in your work for Yelp, you will be prohibited from using or disclosing any confidential, proprietary or trade secret information of any former employer or other person to whom you have an obligation of confidentiality. Rather, you will be required to use only information that is generally known and used by persons with training and experience comparable to your own, is common knowledge in the industry or otherwise legally in the public domain, or is otherwise provided or developed by Yelp. You agree that you will not bring into the office — or use in your work for Yelp — any unpublished documents or property belonging to any former employer or third party that you are not authorized to use for that purpose or disclose. You also represent that you have disclosed to Yelp any contract you have signed that might restrict your activities on behalf of Yelp.

8. **<u>Conclusion</u>.** This letter, together with the Confidentiality and Invention Assignment Agreement, will form the complete and exclusive statement of your employment agreement with Yelp (“**Employment Agreement**”). The Employment Agreement supersedes any other agreements, promises or representations made to you by anyone, whether oral or written, regarding the subject matter of the Employment Agreement. The Employment Agreement cannot be changed except in a written agreement signed by you and a duly authorized officer of Yelp.

   We are committed to hiring employees like you that have the courage, creativity, and experience to develop new ideas for new markets. We look forward to you joining us! Please sign the bottom of this letter and return it to accept this offer.

Sincerely,

Michael Stoppelman

Vice President of Engineering, Yelp Inc.

<u>/s/ Alexander Coleman Levy</u>   <u>June 17, 2013</u>

Employee Acceptance/Signature   Date

EXHIBIT 31.1

CERTIFICATION

I, Jeremy Stoppelman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Yelp Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an Annual Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2026

/s/ Jeremy Stoppelman

Jeremy Stoppelman
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, David Schwarzbach, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Yelp Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an Annual Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2026

/s/ David Schwarzbach

David Schwarzbach
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. § 1350), Jeremy Stoppelman, Chief Executive Officer of Yelp Inc. (the “Company”), and David Schwarzbach, Chief Financial Officer of the Company, each hereby certifies that, to the best of his knowledge:

1. The Company’s Quarterly Report on Form 10-Q for the period ended June 30, 2026, to which this Certification is attached as Exhibit 32.1 (the “Quarterly Report”), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and

2. The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

In Witness Whereof, the undersigned have set their hands hereto as of the 7th day of August, 2026.

/s/ Jeremy Stoppelman	/s/ David Schwarzbach
Jeremy Stoppelman	David Schwarzbach
Chief Executive Officer	*Chief Financial Officer*

This certification accompanies the Quarterly Report on Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Yelp Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Quarterly Report on Form 10-Q), irrespective of any general incorporation language contained in such filing.