

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): August 11, 2021

Bumble Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-40054
(Commission File Number)

85-3604367
(IRS Employer
Identification No.)

1105 West 41st Street, Austin, Texas
(Address of principal executive offices)

78756
(Zip Code)

Registrant's Telephone Number, Including Area Code: (512) 696-1409

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A common stock, par value \$0.01 per share	BMBL	The Nasdaq Stock Market LLC

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

Emerging growth company

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

Item 2.02 Results of Operations and Financial Condition.

On August 11, 2021, Bumble Inc. issued a press release announcing earnings for the second quarter ended June 30, 2021. A copy of the press release is furnished herewith as Exhibit 99.1 and is incorporated by reference herein in its entirety.

The information furnished pursuant to this Item 2.02, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filings under the Securities Act of 1933 or the Securities Exchange Act of 1934.

Item 9.01 Financial Statements and Exhibits.**(d) Exhibits.**

Exhibit Number	Description of Exhibit
99.1	<u>Press release of Bumble Inc., dated August 11, 2021, announcing earnings for the second quarter ended June 30, 2021</u>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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 hereunto duly authorized.

BUMBLE INC.

Date: August 11, 2021

By: /s/ Anuradha B. Subramanian

Name: Anuradha B. Subramanian

Title: Chief Financial Officer

Bumble Inc. Announces Second Quarter 2021 Results

*Total Revenue Increased 38% to \$186 million
Bumble App Revenue Increased 55% to \$127 million
Raising Full Year 2021 Outlook*

Austin, Texas (August 11, 2021) - Bumble Inc. (NASDAQ: BMBL), the parent company of Bumble and Badoo, today reported financial results for the second quarter ended June 30, 2021.

“In the second quarter, we remained focused on executing against our strategic priorities and delivered strong growth in paying users, engagement and monetization across both Bumble app and Badoo app. Our results are a reflection of the appeal of our mission, and the result of the investments we are making in our product offerings, our technology, our international expansion efforts, and our ongoing commitment to our members. More people across the globe are benefiting from our brands, given the growing desire for healthy and equitable relationships,” said Whitney Wolfe Herd, Founder and CEO of Bumble.

Second Quarter 2021 Financial and Operational Results: (All comparisons relative to the Second Quarter 2020)

- Total revenue increased 38% to \$186.2 million.
- Bumble App Revenue grew 55% to \$127.3 million.
- Badoo App and Other Revenue grew 11% to \$58.9 million.
- Total Paying Users increased 20% to 2.9 million.
- Total average revenue per paying user (“ARPPU”) increased to \$20.88, compared to \$18.12.
- Net loss was \$11.1 million and net loss margin was (6.0)%, compared to net loss of \$5.5 million and net loss margin of (4.0)%.
- Adjusted EBITDA was \$51.9 million, or 27.9% of revenue, compared to \$32.5 million, or 24.1% of revenue.

“Our business delivered outstanding revenue growth in the second quarter, as we increased our user base and provided our members with innovative products that led to increases in paying users and ARPPU,” added Anu Subramanian, CFO of Bumble. *“Our Adjusted EBITDA expansion demonstrates that we are able to grow our business while scaling our cost structure efficiently. We are encouraged by the momentum we are seeing, and are pleased to be increasing our financial outlook for both revenue and Adjusted EBITDA for the year.”*

Key Operating Metrics:

(In thousands, except ARPPU)	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020
Key Operating Metrics		
Bumble App Paying Users	1,473.0	1,079.3
Badoo App and Other Paying Users	1,454.3	1,352.9
Total Paying Users	2,927.3	2,432.2
Bumble App Average Revenue per Paying User	\$ 28.81	\$ 25.40
Badoo App and Other Average Revenue per Paying User	\$ 12.85	\$ 12.32
Total Average Revenue per Paying User	\$ 20.88	\$ 18.12

Balance Sheet:

At June 30, 2021, total cash and cash equivalents were \$252.0 million and total debt was \$624.2 million.

Financial results will not be final until Bumble files its quarterly report on Form 10-Q for the period. Information about Bumble's use of non-GAAP financial measures is provided below under "Non-GAAP Financial Measures."

Financial Outlook:

Bumble anticipates total revenue and Adjusted EBITDA for the third quarter ending September 30, 2021 and year ending December 31, 2021 to be:

Third quarter 2021:

- Total revenue in the range of \$195 to \$198 million.
- Adjusted EBITDA in the range of \$48 to \$50 million.

Full year 2021:

- Total revenue in the range of \$752 to \$762 million.
- Adjusted EBITDA in the range of \$195 to \$200 million.

Actual results may differ materially from Bumble's Financial Outlook as a result of, among other things, the factors described under "Forward-Looking Statements" below.

With regards to the Adjusted EBITDA outlook provided above, a reconciliation to GAAP net earnings (loss) has not been provided as the quantification of certain items included in the calculation of GAAP net earnings (loss) cannot be calculated or predicted at this time without unreasonable efforts. For example, the non-GAAP adjustment for stock-based compensation expense requires additional inputs such as number of shares granted and market price that are not currently ascertainable, and the non-GAAP adjustment for certain legal, tax and regulatory reserves and expenses depends on the timing and magnitude of these expenses and cannot be accurately forecasted. For the same reasons, the Company is unable to address the probable significance of the unavailable information, which could have a potentially unpredictable, and potentially significant, impact on its future GAAP financial results.

Conference Call and Webcast Information

Bumble will host a conference call and live webcast to discuss its second quarter 2021 financial results at 4:30 p.m. Eastern Time today, August 11, 2021. To listen to the live conference call, please dial toll free (833) 362-0206 or (914) 987-7675, access code 5974259, approximately 10 minutes prior to the start of the call. A webcast of the call and other information related to the call will be accessible on the Investors section of the Company's website at <https://ir.bumble.com>. A webcast replay will be available approximately two hours after the conclusion of the live event.

Definitions

Bumble App Average Revenue per Paying User is calculated based on Bumble App Revenue in any measurement period, divided by Bumble App Paying Users in such period divided by the number of months in the period.

Bumble App Paying User is a user that has purchased or renewed a Bumble subscription plan and/or made an in-app purchase on the Bumble app in a given month. We calculate Bumble App Paying Users as a monthly average, by counting the number of Bumble App Paying Users in each month and then dividing by the number of months in the relevant measurement period.

Badoo App and Other Average Revenue per Paying User is calculated based on Badoo App and Other Revenue in any measurement period, excluding any revenue generated from advertising and partnerships or affiliates, divided by Badoo App and Other Paying Users in such period divided by the number of months in the period.

Badoo App and Other Paying User is a user that has purchased or renewed a subscription plan and/or made an in-app purchase on the Badoo app in a given month (or made a purchase on one of our other apps that we owned and operated in a given month, or purchase on other third-party apps that used our technology in the relevant period). We calculate Badoo App and Other Paying Users as a monthly average, by counting the number of Badoo App and Other Paying Users in each month and then dividing by the number of months in the relevant measurement period.

Predecessor refers to Worldwide Vision Limited and its consolidated subsidiaries. Worldwide Vision Limited operated the trade of Bumble Inc. prior to the consummation of the acquisition (the "Sponsor Acquisition") on January 29, 2020 of a majority stake in Worldwide Vision Limited by a group of investment funds managed by The Blackstone Group Inc.

Successor refers to Buzz Holdings L.P. and its consolidated subsidiaries from the Sponsor Acquisition to the initial public offering on February 16, 2021 and to Bumble Inc. and its consolidated subsidiaries after the initial public offering.

Non-GAAP Financial Measures

We report our financial results in accordance with GAAP, however, management believes that certain non-GAAP financial measures provide users of our financial information with useful supplemental information that enables a better comparison of our performance across periods. These measures include: Adjusted EBITDA, Adjusted EBITDA margin, free cash flow and free cash flow conversion. We believe Adjusted EBITDA and Adjusted EBITDA margin provide visibility to the underlying continuing operating performance by excluding the impact of certain expenses, including income tax (benefit) provision, interest (income) expense, depreciation and amortization, stock-based compensation expense, foreign exchange (gain) loss, changes in fair value of contingent earn-out liability, interest rate swaps and external investments, transaction and other costs and litigation costs net of insurance reimbursements that arise outside of the ordinary course of business, as management does not believe these expenses are representative of our core earnings. In addition to Adjusted EBITDA and Adjusted EBITDA margin, we believe free cash flow and free cash flow conversion provide useful information regarding how cash provided by operating activities compares to the capital expenditures required to maintain and grow our business, and our available liquidity, after funding such capital expenditures, to service our debt, fund strategic initiatives and strengthen our balance sheet, as well as our ability to convert our earnings to cash. Additionally, we believe such metrics are widely used by investors, securities analysis, ratings agencies and other parties in evaluating liquidity and debt-service capabilities. We calculate free cash flow and free cash flow conversion using methodologies that we believe can provide useful supplemental information to help investors better understand underlying trends in our business.

Our non-GAAP financial measures may not be comparable to similarly titled measures used by other companies, have limitations as analytical tools and should not be considered in isolation, or as substitutes for analysis of our operating results as reported under GAAP. Additionally, we do not consider our non-GAAP financial measures as superior to, or a substitute for, the equivalent measures calculated and presented in accordance with GAAP.

Adjusted Earnings before Interest, Taxes, Depreciation and Amortization (“Adjusted EBITDA”) is defined as net earnings (loss) excluding income tax (benefit) provision, interest (income) expense, depreciation and amortization, stock-based compensation expense, foreign exchange (gain) loss, changes in fair value of contingent earn-out liability, interest rate swaps and external investments, transaction and other costs and litigation costs net of insurance reimbursements that arise outside of the ordinary course of business.

Adjusted EBITDA margin represents Adjusted EBITDA as a percentage of revenue.

Free cash flow is defined as net cash provided by (used in) operating activities less capital expenditures.

Free cash flow conversion represents free cash flow as a percentage of Adjusted EBITDA.

Operating cash flow conversion represents net cash provided by (used in) operating activities as a percentage of net earnings (loss).

Forward-Looking Statements

This press release contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, without limitation, statements reflecting our current views with respect to, among other things, our operations, our financial performance, our industry, the impact of the Coronavirus Disease 2019 (“COVID-19”) on our business and other non-historical statements, including without limitation the statements in the “Financial Outlook” section of this press release. In some cases, you can identify these forward-looking statements by the use of words such as “outlook,” “believe(s),” “expect(s),” “potential,” “continue(s),” “may,” “will,” “should,” “could,” “would,” “seek(s),” “predict(s),” “intend(s),” “trends,” “plan(s),” “estimate(s),” “anticipates,” “projection,” “will likely result” and or the negative version of these words or other comparable words of a future or forward-looking nature. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. These factors include, but are not limited to, the following:

- our ability to retain existing users or attract new users and to convert users to paying users
 - competition and changes in the competitive landscape of our market
 - our ability to distribute our dating products through third parties, such as Apple App Store or Google Play Store, and offset related fees
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- the impact of data security breaches or cyber attacks on our systems and the costs of remediation related to any such incidents
- the continued development and upgrading of our technology platform and our ability to adapt to rapid technological developments and changes in a timely and cost-effective manner
- our ability to obtain, maintain, protect and enforce intellectual property rights and successfully defend against claims of infringement, misappropriation or other violations of third-party intellectual property
- our ability to comply with complex and evolving U.S. and international laws and regulations relating to our business, including data privacy laws
- foreign currency exchange rate fluctuations
- risks relating to certain of our international operations, including successful expansion into new markets
- affiliates of The Blackstone Group Inc.'s ("Blackstone") and our Founder's control of us
- the outsized voting rights of affiliates of Blackstone and our Founder
- the inability to attract hire and retain a highly qualified and diverse workforce, or maintain our corporate culture
- changes in business or macroeconomic conditions, including the impact of COVID-19 (and other widespread health emergencies or pandemics) and measures taken in response, lower consumer confidence in our business or in the online dating industry generally, recessionary conditions, increased unemployment rates, stagnant or declining wages, political unrest, armed conflicts or natural disasters

For additional information on these and other factors that could cause Bumble's actual results to differ materially from expected results, please see our Annual Report on Form 10-K for the year ended December 31, 2020, which was filed with the Securities and Exchange Commission (the "SEC") on March 15, 2021, as such factors may be updated from time to time in our periodic filings with the SEC, which are accessible on the SEC's website at www.sec.gov. The forward-looking statements included in this press release are made only as of the date of this press release, and we undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law.

About Bumble

Bumble Inc. is the parent company of Bumble and Badoo, two of the world's highest-grossing dating apps with millions of users worldwide. The Bumble platform enables people to connect and build equitable and healthy relationships. Founded by CEO Whitney Wolfe Herd in 2014, the Bumble app is one of the first dating apps built with women at the center, and the Badoo app, which was founded in 2006, is one of the pioneers of web and mobile dating products. Bumble currently employs over 800 people in offices in Austin, Barcelona, London, and Moscow.

For more information about Bumble, please visit www.bumble.com and follow @Bumble on social platforms.

Source: Bumble Inc.

Investor Contact

ir@team.bumble.com

Media Contact

press@team.bumble.com

Bumble Inc.
Condensed Consolidated Balance Sheets
(In thousands, except share and per share information)
(Unaudited)

	June 30, 2021	December 31, 2020
ASSETS		
Cash and cash equivalents	\$ 252,021	\$ 128,029
Accounts receivable	66,745	41,595
Other current assets	85,282	81,387
Total current assets	404,048	251,011
Right-of-use assets	9,442	11,711
Lease receivable	1,115	1,069
Property and equipment, net	15,000	16,833
Goodwill	1,540,112	1,540,915
Intangible assets, net	1,765,825	1,812,410
Deferred tax assets, net	15,175	—
Other noncurrent assets	3,913	3,319
Total assets	\$ 3,754,630	\$ 3,637,268
LIABILITIES AND BUMBLE INC. SHAREHOLDERS' / BUZZ HOLDINGS L.P. OWNERS' EQUITY		
Accounts payable	\$ 15,689	\$ 23,741
Deferred revenue	37,329	31,269
Accrued expenses and other current liabilities	115,083	180,986
Current portion of long-term debt, net	2,588	5,338
Total current liabilities	170,689	241,334
Long-term debt, net	621,645	820,876
Deferred tax liabilities, net	—	428,087
Tax receivable agreement liability	356,755	—
Other liabilities	118,033	62,190
Total liabilities	\$ 1,267,122	\$ 1,552,487
Commitments and contingencies		
Bumble Inc. Shareholders' / Buzz Holdings L.P. Owners' Equity:		
Class A common stock (par value \$0.01 per share, 6,000,000,000 shares authorized; 119,799,036 shares issued; and 119,799,036 shares outstanding as of June 30, 2021)	1,198	—
Class B common stock (par value \$0.01 per share, 1,000,000 shares authorized; 20 shares issued and outstanding as of June 30, 2021)	—	—
Preferred stock (par value \$0.01; authorized 600,000,000 shares; no shares issued and outstanding as of June 30, 2021)	—	—
Limited Partners' interest	—	1,903,121
Additional paid-in capital	1,339,583	—
Accumulated deficit	(35,928)	—
Accumulated other comprehensive income	175,198	180,852
Total Bumble Inc. shareholders' / Buzz Holdings L.P. owners' equity	1,480,051	2,083,973
Noncontrolling interests	1,007,457	808
Total shareholders' / owners' equity	2,487,508	2,084,781
Total liabilities and shareholders' / owners' equity	\$ 3,754,630	\$ 3,637,268

Bumble Inc.
Condensed Consolidated Statements of Operations
(In thousands, except per share / unit information)
(Unaudited)

	Successor				Predecessor
	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Period from January 29, through June 30, 2020	Period from January 1, through January 28, 2020
Revenue	\$ 186,217	\$ 135,142	\$ 356,930	\$ 214,287	\$ 39,990
Operating costs and expenses:					
Cost of revenue	50,797	36,867	98,544	58,494	10,790
Selling and marketing expense	49,711	39,480	96,549	66,767	11,157
General and administrative expense	43,381	20,128	169,905	80,162	44,907
Product development expense	24,921	10,110	59,966	17,055	4,087
Depreciation and amortization expense	26,905	24,032	53,860	40,345	408
Total operating costs and expenses	195,715	130,617	478,824	262,823	71,349
Operating earnings (loss)	(9,498)	4,525	(121,894)	(48,536)	(31,359)
Interest income (expense)	(5,921)	(5,246)	(13,650)	(9,785)	50
Other income (expense), net	4,731	(1,159)	11,722	(547)	(882)
Income (loss) before income taxes	(10,688)	(1,880)	(123,822)	(58,868)	(32,191)
Income tax benefit (provision)	(459)	(3,585)	436,117	(2,406)	(365)
Net earnings (loss)	(11,147)	(5,465)	312,295	(61,274)	(32,556)
Net earnings (loss) attributable to noncontrolling interests	(4,064)	(16)	(22,412)	(64)	1,917
Net earnings (loss) attributable to Bumble Inc. shareholders / Buzz Holdings L.P. owners	<u>\$ (7,083)</u>	<u>\$ (5,449)</u>	<u>\$ 334,707</u>	<u>\$ (61,210)</u>	<u>\$ (34,473)</u>
Net earnings (loss) per share / unit attributable to Bumble Inc. shareholders / Buzz Holdings L.P. owners					
Basic earnings (loss) per share / unit	\$ (0.06)	\$ —	\$ 1.67	\$ (0.02)	
Diluted earnings (loss) per share / unit	\$ (0.06)	\$ —	\$ 1.62	\$ (0.02)	

Bumble Inc.
Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Successor			Predecessor	
	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Period from January 29, through June 30, 2020	Period from January 1, through January 28, 2020
Cash flows from operating activities:					
Net earnings (loss)	\$ (11,147)	\$ (5,465)	\$ 312,295	\$ (61,274)	\$ (32,556)
Adjustments to reconcile net earnings (loss) to net cash used in operating activities:					
Depreciation and amortization	26,905	24,032	53,860	40,345	408
Changes in fair value of interest rate swaps	201	—	(2,743)	—	—
Changes in fair value of contingent consideration	484	—	72,438	—	—
Deferred income tax	(159)	6,103	(441,841)	5,586	26
Stock-based compensation expense	29,916	2,756	75,739	4,176	4,156
Net foreign exchange difference	(5,114)	(1,170)	(7,421)	5,161	(198)
Other, net	1,326	164	4,045	(91)	(195)
Changes in assets and liabilities:					
Accounts receivable	(4,663)	(5,235)	(25,738)	(2,486)	(17,599)
Other current assets	1,795	3,550	(5,439)	(14,253)	(2,175)
Accounts payable	578	(498)	(8,616)	(13,137)	12,984
Deferred revenue	3,959	7,723	6,060	15,801	289
Legal liabilities	(7,384)	(893)	(37,627)	(3,480)	(521)
Accrued expenses and other current liabilities	(21,995)	(9,149)	(26,405)	(11,167)	32,075
Other, net	(302)	143	(46)	(980)	—
Net cash provided by (used in) operating activities	14,400	22,061	(31,439)	(35,799)	(3,306)
Cash flows from investing activities:					
Capital expenditures	(2,840)	(2,511)	(5,552)	(3,432)	(1,045)
Acquisition of business, net of cash acquired	—	—	—	(2,801,262)	—
Other, net	34	(58)	3	(131)	16
Net cash used in investing activities	(2,806)	(2,569)	(5,549)	(2,804,825)	(1,029)
Cash flows from financing activities:					
Proceeds from issuance of Class A common stock sold in initial public offering, net of offering costs	—	—	2,358,371	—	—
Payments to purchase and retire common stock	—	—	(1,018,365)	—	—
Purchase of Common Units from Pre-IPO Common Unitholders in the initial public offering	—	—	(973,289)	—	—
Proceeds from repayments of loans to related companies	—	—	—	41,929	—
Debt issuance costs	—	—	—	(16,281)	—
Limited Partners' interest	—	—	—	2,334,233	—
Proceeds from term loan	—	—	—	575,000	—
Repayment of term loan	(6,096)	(1,405)	(206,096)	(1,405)	—
Net cash provided by (used in) financing activities	(6,096)	(1,405)	160,621	2,933,476	—
Effects of exchange rate changes on cash and cash equivalents	264	995	102	(6,720)	813
Net increase (decrease) in cash and cash equivalents and restricted cash	5,762	19,082	123,735	86,132	(3,522)
Cash and cash equivalents and restricted cash, beginning of the period	246,259	120,977	128,286	53,927	57,449
Cash and cash equivalents and restricted cash, end of the period	252,021	140,059	252,021	140,059	53,927
Less restricted cash	—	258	—	258	258
Cash and cash equivalents, end of the period	\$ 252,021	\$ 139,801	\$ 252,021	\$ 139,801	\$ 53,669

Bumble Inc.
Reconciliation of GAAP to NON-GAAP Financial Measures
(Unaudited)

Reconciliation of Net Earnings (Loss) to Adjusted EBITDA

	Successor				Predecessor
	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Period from January 29, through June 30, 2020	Period from January 1, 2020 through January 28, 2020
<i>(In thousands, except percentages)</i>					
Net earnings (loss)	\$ (11,147)	\$ (5,465)	\$ 312,295	\$ (61,274)	\$ (32,556)
Add back:					
Income tax (benefit) provision	459	3,585	(436,117)	2,406	365
Interest (income) expense	5,921	5,246	13,650	9,785	(50)
Depreciation and amortization	26,905	24,032	53,860	40,345	408
Stock-based compensation expense	29,916	2,756	75,739	4,176	336
Litigation costs, net of insurance reimbursements ⁽¹⁾	1,541	—	1,775	1,000	—
Foreign exchange (gain) loss ⁽²⁾	(4,796)	1,604	(8,639)	957	523
Changes in fair value of interest rate swaps ⁽³⁾	201	—	(2,743)	—	—
Transaction and other costs ⁽⁴⁾	2,522	755	16,024	47,852	40,345
Changes in fair value of contingent earn-out liability	484	—	72,438	—	—
Changes in fair value of external investments	(123)	—	(319)	—	—
Adjusted EBITDA	<u>\$ 51,883</u>	<u>\$ 32,513</u>	<u>\$ 97,963</u>	<u>\$ 45,247</u>	<u>\$ 9,371</u>
Net earnings (loss) margin ⁽⁵⁾	(6.0)%	(4.0)%	87.5%	(28.6)%	(81.4)%
Adjusted EBITDA margin	27.9%	24.1%	27.4%	21.1%	23.4%

- (1) Represents certain litigation costs, net of insurance reimbursements associated with pending litigations or settlements of litigation.
- (2) Represents foreign exchange (gain) loss due to foreign currency transactions.
- (3) Represents fair value gain on interest rate swaps.
- (4) Represents legal, accounting, advisory fees and certain other costs related to our offerings, including the Sponsor Acquisition, our IPO and the Reorganization.
- (5) Net earnings margin for the six months ended June 30, 2021 includes a \$441.5 million tax benefit related to the reversal of a deferred tax liability due to a restructuring of the Company's international operations.

Reconciliation of Net Cash Used in Operating Activities to Free Cash Flow

	Successor				Predecessor
	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Period from January 29, through June 30, 2020	Period from January 1, 2020 through January 28, 2020
(In thousands, except percentages)					
Net cash used in operating activities	\$ 14,400	\$ 22,061	\$ (31,439)	\$ (35,799)	\$ (3,306)
Less:					
Capital expenditures	(2,840)	(2,511)	(5,552)	(3,432)	(1,045)
Free cash flow	\$ 11,560	\$ 19,550	\$ (36,991)	\$ (39,231)	\$ (4,351)
Operating cash flow conversion	(129.2)%	(403.7)%	(10.1)%	58.4%	10.2%
Free cash flow conversion	22.3%	60.1%	(37.8)%	(86.7)%	(46.4)%

Supplementary Information (Unaudited)

Stock-based Compensation Expense

	Successor				Predecessor
	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Period from January 29, through June 30, 2020	Period from January 1, through January 28, 2020
(In thousands)					
Cost of revenue	\$ 604	\$ 19	\$ 2,211	\$ 19	\$ —
Selling and marketing expense	2,500	84	7,641	84	75
General and administrative expense	17,960	2,332	37,868	3,752	3,997
Product development expense	8,852	321	28,019	321	84
Total stock-based compensation expense	\$ 29,916	\$ 2,756	\$ 75,739	\$ 4,176	\$ 4,156

