



Q3 2026

Letter to shareholders



Financial highlights

Q3 2026

\$895M

Revenue

53% year-over-year growth

91.5%

Gross margin

up 50 bps from prior year

\$283M

Net income

32% margin

\$402M

Adjusted EBITDA¹

45% margin

\$364M

Operating cash flow

41% margin

\$1.40

Diluted EPS

up 75% from prior year

- **Revenue** was \$895 million, an increase of 53% year-over-year
- **Gross margin** was 91.5%, up 50 bps year-over-year
- **Net income** was \$283 million and net margin was 32%, an improvement of \$121 million from the prior year
- **Adjusted EBITDA¹** was \$402 million and Adjusted EBITDA margin was 45%, an improvement of \$166 million from the prior year
- **Operating cash flow** was \$364 million and operating cash flow margin was 41%, an improvement of \$179 million from the prior year
- **Free Cash Flow²** was \$363 million and free cash flow margin was 41%, an improvement of \$179 million from the prior year
- **Basic and diluted earnings per share** were \$1.47 and \$1.40, up 69% and 75% year-over-year, respectively
- **Capital expenditures** were \$1 million, 0.1% of revenue
- **Cash, cash equivalents, and marketable securities** were \$3.0 billion as of September 30, 2026
- **Total fully diluted shares outstanding** were 206.3 million as of September 30, 2026, down 0.3% from last quarter
- **Share repurchases:** approximately 670 thousand shares repurchased during the quarter for a total of \$100 million at an average price per share of \$149.81

Business highlights

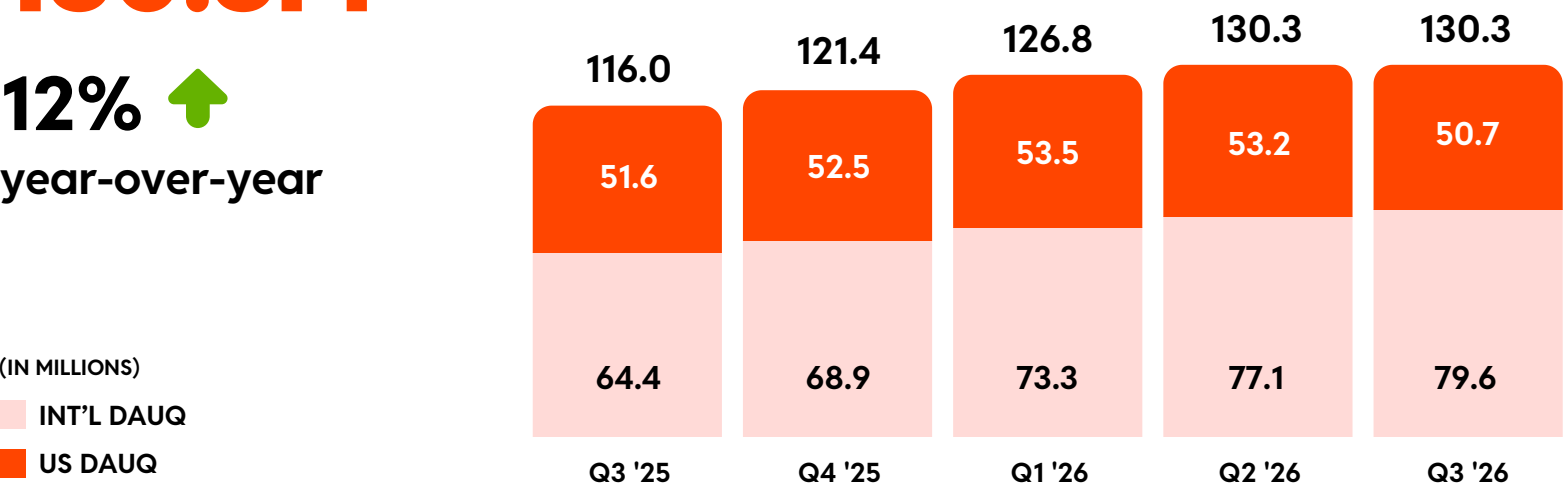
Q3 2026

- **Daily Active Uniques (“DAUq”)** averaged 130.3 million, an increase of 12% year-over-year
- **Weekly Active Uniques (“WAUq”)** averaged 515.2 million, an increase of 16% year-over-year
- **U.S. DAUq** decreased 2% year-over-year and **International DAUq** grew 24% year-over-year
- **Logged-in DAUq** and **App DAUq**, our most engaged and monetizable users, grew quarter-over-quarter in the US and RoW
- Total **U.S. revenue** grew 50% year-over-year and **International revenue** grew 67% year-over-year
- **Advertising revenue** of \$847 million grew 54% year-over-year, and **Other revenue** was \$48 million, up 35% year-over-year
- **Advertising revenue growth** was driven by year-over-year growth in pricing and impressions
- Broad strength across the **full ad funnel** - particularly in the lower funnel - and **industry verticals**, including Travel and B2C Services
- Expanded **Reddit Max campaigns** to general availability, adding Advertising API access, Smartly integration, and streamlining campaign management
- **Reddit was added to the S&P 500 index**, underscoring the Company’s value, sustained performance, and its 1-of-1 financial model

Q3 ‘26 DAILY ACTIVE UNIQUES

130.3M

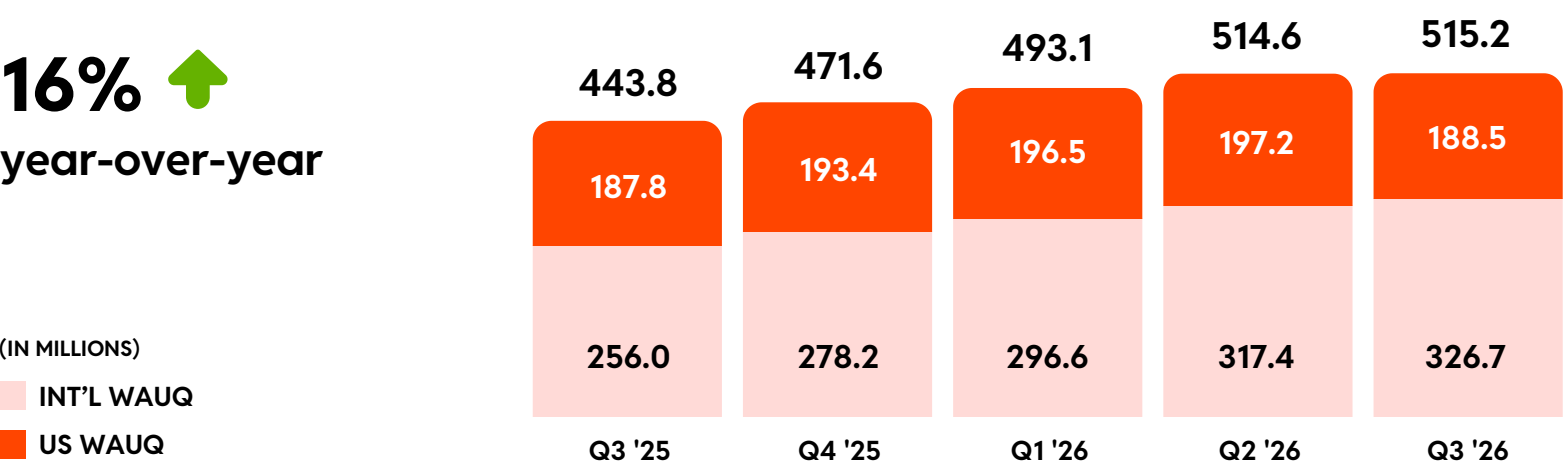
12% ↑
year-over-year



Q3 ‘26 WEEKLY ACTIVE UNIQUES

515.2M

16% ↑
year-over-year





Dear fellow shareholders,

In Reddit's 21 years, the internet has changed in ways that would have been impossible to predict. We've gone from flip phones to smartphones to personal AI agents. And through it all, Reddit has always owned our own corner of the internet - offering people something that no one else does.

Social media has evolved from friends and families to followers and famous people, and from status updates to the mindless scroll. Web search is evolving from a gateway to the web to becoming an AI-powered destination itself. While extraordinarily useful and powerful, AI search solves a different problem than Reddit. AI does not fulfill people's fundamental need for community, connection, and belonging with other people, and it lacks context and nuance.

The Reddit experience captures the human experience in a way that no other platform can replicate. Only Reddit can help people navigate life's journey through the lens of other people's lived experiences. Only Reddit can help you feel both like a multi-faceted unique individual, and a part of the greater whole. And do so without needing to reveal your real world identity.

That's why Reddit is—and has always been—a distinct and direct destination. People seek out Reddit because we meet a universal need they simply can't get anywhere else online. Our work now is about doubling down on what makes Reddit Reddit, and making Reddit more of a daily habit.

We come into that work with clear advantages and revenue momentum in the business, and you can see that in the exceptional commercial results we delivered in the third quarter. We generated 53% revenue growth - something few companies are doing - and it's even more significant when you consider that's on top of nearly 70% revenue growth last year.

Those results in Q3 helped us cross \$3 billion in revenue over the last 12 months. Our margins, which were already industry leading, expanded across the board.

Reddit's continued growth at scale is proof of the strength of our business, the demand for our platform, and the value we provide advertisers. And it's that consistent delivery of growth and profitability that earned us a place in the S&P 500 index earlier this quarter.

Yet while our business continues to grow significantly, internet search—and how people discover things online—continues to change rapidly and significantly.

Our search referral traffic was down meaningfully in Q3, with the decline accelerating later in the quarter. The biggest impact was on logged-out and web traffic, but some of the impact flows through to logged-in and App traffic, since search referral is a common source of reengagement for users. The company helped to offset the declines by both driving reach primarily through user marketing and also by continuing to improve the product. These declines have continued into the early part of Q4. During October, we have seen that search traffic has dropped by more than 1 million referrals on average per week. If this rate of decline continues, current trends would suggest that total DAUqs could fall in Q4, by a low-double-digit percentage from our current base of 130 million DAUqs.

Yet search referral trends don't determine our relevancy and they don't define our future. Logged-in and app DAUq are our most valuable users, and they are our primary focus.

We grew app and logged-in DAUq sequentially. Together, these make up the vast majority of engagement, and over 80% of the monetization on Reddit. Growing this high-value audience speaks to the strength of Reddit as a destination.

And that is what matters for the long-term health of our platform and our business.

So, as we look ahead, our strategy to make Reddit a direct daily habit for more people is simple: make Reddit awesome, grow community and belonging, and bring in new audiences.

Making Reddit awesome means making it more relevant and easier to navigate, getting to personalization faster, and creating fun new experiences on Reddit. This will both improve retention of new users and deepen engagement of our core users. Our work in ML feeds and app performance is delivering results. The percentage of new users who return the first week after installing the Reddit app is up double digits quarter-over-quarter and over 50% year-over-year. Video creation and consumption are both up, as are chained video views. We'll continue our work in these areas in the coming quarters, and I am particularly excited about some of the ideas we'll be testing to make the core feed experience more consistent and predictable, and to grow some of our new experiences like games and visual podcasts.

To grow community and belonging, we've been making it easier to create, grow, and contribute to communities on Reddit. This quarter, we've continued to grow the number of communities on Reddit and increase the contribution from our users. We added another billion posts and comments to our corpus. Looking forward, our work will be to make subreddits more distinct, to deepen the sense of belonging by making joining subreddits more intentional and significant, and to make moderation much easier and more consistent by giving moderators AI-powered tools. This approach has helped our own enforcement team reduce the median time to action on violating content from 58 hours to 5 seconds this year.

Our current opportunity is to better retain the large cohort of users who try Reddit for the first time every day by executing on the above. We see a large number of unattributed, aka word of mouth, installs every day. We also have a large number of re-installs, which we can mitigate through things like an improved incognito mode in the app. And of course we will continue to convert our still significant number of search referred users from mobile web to app. Currently only about 13% of eligible mobile web users are seeing the app conversion prompt, so this has room to scale.

While early, so far we have seen that app users that come to Reddit through marketing retain at rates similar to app users that come organically, so we will continue to invest here. Together, these efforts will help us reach more people and convert more first-time users into regular Reddit users.

And a key piece of work to retain new audiences is shifting Reddit to a logged-in-only experience. It's a big one for us, and it's a big one for me. I want to take a minute to outline why we're making this change.

Moving to primarily logged-in will ensure our users have the best Reddit experience possible, and can find the content and communities most relevant to them. It is better for our business because we will have more signals for ads targeting, and being logged-in leads to higher engagement generally. It also allows us to protect access to Reddit's extremely valuable corpus of data, and helps us better adapt to emerging regulations around the world.

In Q4 we'll begin fully testing this in select markets outside the U.S. The results of those tests will inform an optimized version of logged-in-only Reddit globally.

Pretty much all of the major ad-based platforms have gone through this transition. We are excited and moving quickly.

With the above work, we will make Reddit a fun, fulfilling, direct daily habit for every internet user.



Steve Huffman
Co-Founder & CEO

Consumer product & experience

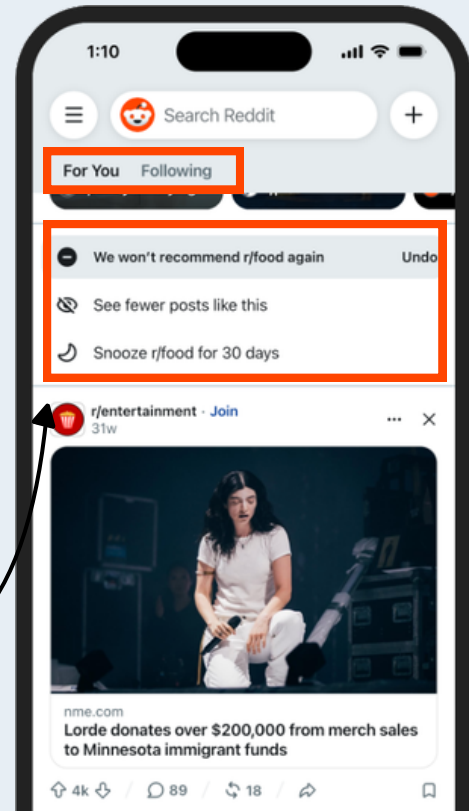
Make Reddit Awesome

Improving our core feeds experience

- Foundational work to the **feed experience** is improving user personalization, broadening content discovery, and deepening engagement and retention
- In Q3, we shipped **ranking improvements and a new model architecture trained on 20x more Reddit data**, expanding the signals used to personalize content and accelerating our pace of model releases
 - Model **freshness improved** from 9 days to 4 days, tuning users signal and content preferences faster
- We're pairing **better recommendations with more user control**, including rolling out *For You* and *Following* feeds and ways to tailor recommendations

For You feed enhances new community and content discovery, the *Following* tab only shows content from the communities users follow

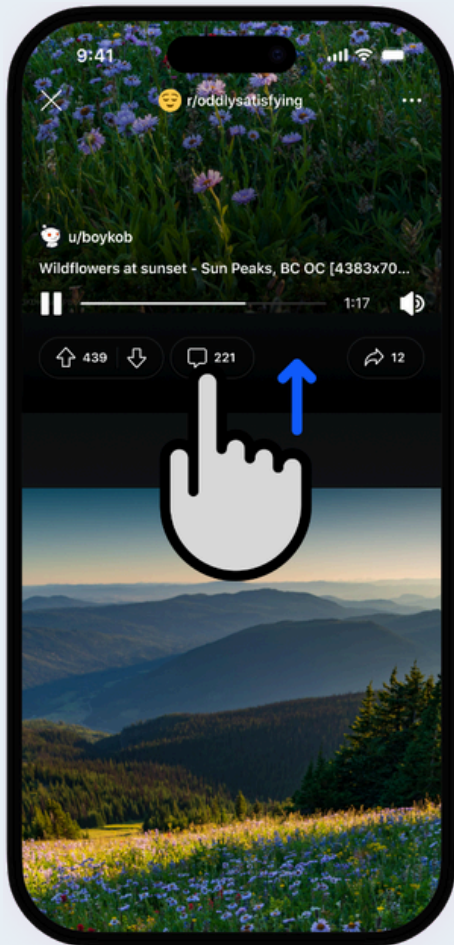
Feed controls to fine-tune user preferences



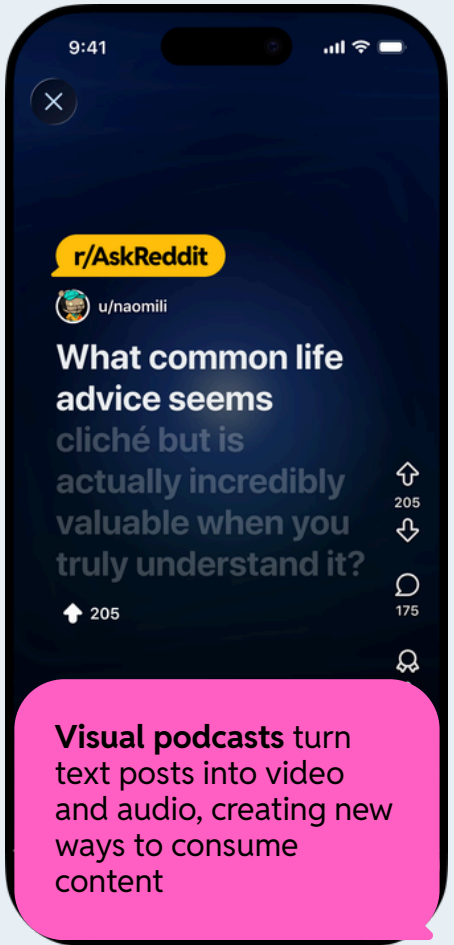
Expanding video content

- Following our launch of video in comments, we're continuing to invest in a **uniquely Reddit video experience**, making the conversations and communities that differentiate our platform more visual
- In Q3, we **launched vertical chaining**, a **modernized ranking pipeline**, and tested **visual podcasts**, with encouraging early results including growth in video views and creation

Chaining



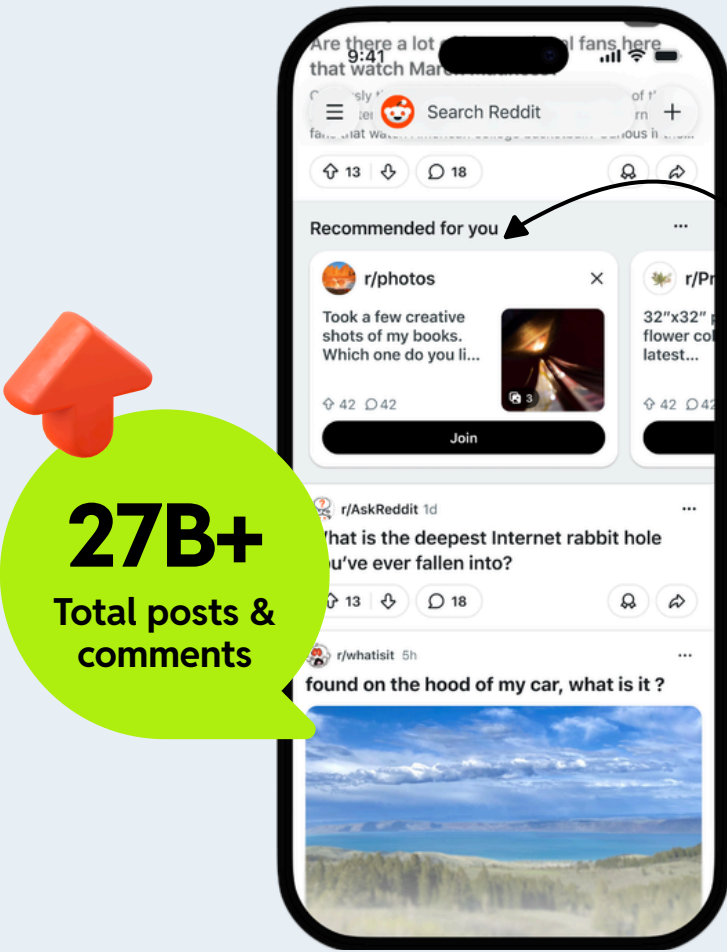
Visual podcasts



Growing community and belonging

Content & communities are thriving

- Our community ecosystem reached over **27 billion posts and comments in Q3**, reinforcing Reddit as a destination and the internet's largest collection of authentic human perspectives that is constantly expanding
- We're providing community recommendations within the feed, enabling **community discovery** and making it **easier to contribute**, accelerating the community and content flywheel



Content-Forward Community Recommendations

Advertising & monetization

Video objectives are driving strong outcomes

2x+
y/y video ad revenue growth in Q3

- Reddit users’ **deep engagement** and **high intent** across text, image, and video content on Reddit create a valuable audience for advertisers
- **Video Views** is our **fastest-growing upper- and mid-funnel objective**, reflecting strong demand from video-centric advertisers
- Building on the momentum of our six-second engaged video views goal, we launched **15-second engaged video views** to public beta. Early testers saw:

51%
increase in 15-second view-through rate

71%
increase in video completion rate for 15-second engaged video views

JCPenney Video Ad



Expanding our lower-funnel objectives with lead generation

- **More than 20 million business decision-makers come to Reddit globally^A**, and 9 in 10 used Reddit to research business products or services in the past year^B
- We enhanced our **Lead Generation capabilities** to help businesses and advertisers turn high-intent engagement into measurable leads and demand

Lead Generation updates



Efficient set-up and integration

Max Campaigns are available for lead generation objectives to increase lead volume and efficiency

Businesses can route leads directly to their CRM workflows (testing HubSpot as a platform partner)

Targeting, Measurement & Performance

In-market audiences help advertisers reach people actively researching or considering making a purchase, including in categories such as Enterprise and Business AI and Cybersecurity

First and third-party audience integrations with Bombora, Demandbase, Clay, G2, and Octane11 help connect Reddit activity to attribution and pipeline outcomes

~7%
Improved CPA on average^C

A. Bombora, Global, March 2025
B. Reddit, US, Let's talk about your business purchases & Social Media, n=600, A18-60, Business Decision-Makers, Attest Sample, January 2025.
C. Compared with other first-party targeting options. kCPA4 results based on internal data, August 2026.

Reddit's impact

Case study: JCPenney

JCPenney conducted a split test comparing optimization toward **15-second versus six-second video views**. The 15-second strategy drove **stronger video completion and efficiency** and delivered positive lifts across brand outcomes

“While JCPenney benefits from strong brand awareness, the greater opportunity lies in driving consideration for the fashion, style, and deals the brand offers today. A longer-form video experience provides the space to communicate the ‘why’ behind the brand, and it outperformed the shorter video optimization.”

— Lisa Schroder, Vice President, JCPenney Integrated Marketing

Objective: Video views

+4pt
Lift in ad awareness

90%
Higher video completion rate for 15-second video

Case study: HUNTRESS

Huntress used **community and multi-placement targeting** to reach niche IT and security decision-makers across the funnel. Top-performing ads achieved a **1.5%–2% click-through rate**, and across two campaigns Huntress cut **CPA by more than half**, demonstrating Reddit's ability to drive efficient, qualified conversations

“This strategy allowed us to nurture early engagement and interest into a significant pipeline of qualified leads, driving tangible business growth—40% of our sales-qualified accounts sourced from Reddit this year have now converted into opportunities.”

— Kyle Munson, Vice President, Growth Marketing, Huntress

Objective: Lead generation

62%
More efficient CPA after multi-placement targeting

68%
CPA reduction after two weeks in the second campaign

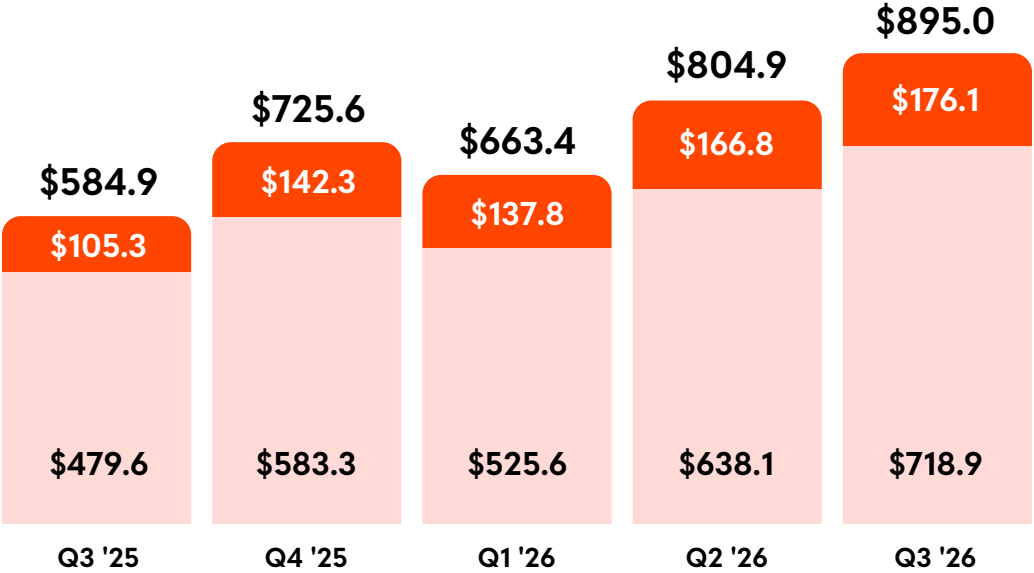
Financial highlights - P&L

Q3 2026

Q3 '26 REVENUE

53% ↑
year-over-year

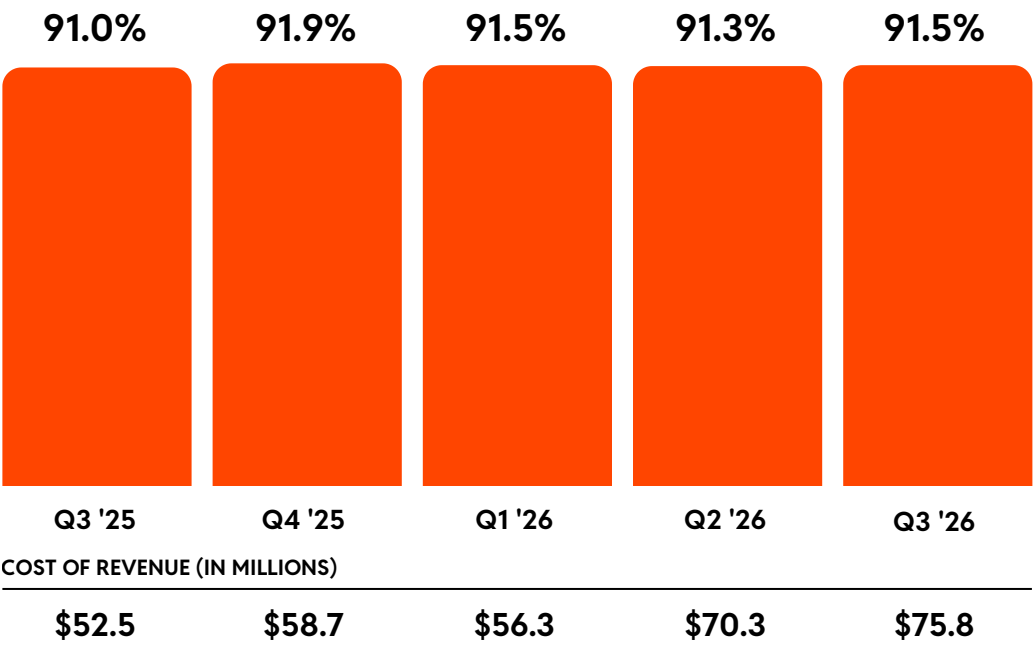
(IN MILLIONS)
US REVENUE
INT'L REVENUE



Total revenue was \$895.0 million, up 53% year-over-year

Q3 '26 GROSS MARGIN

50 bps ↑
year-over-year

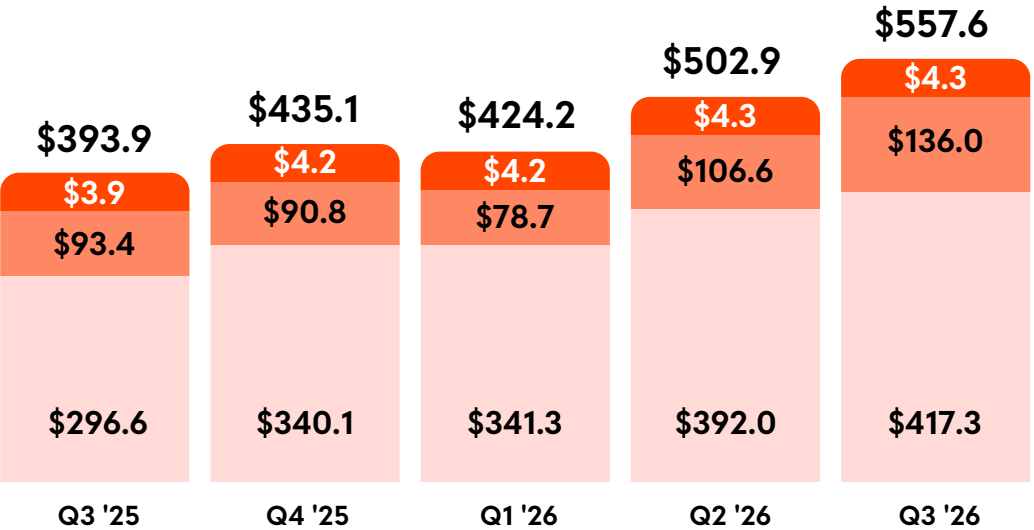


Gross margin was 91.5%, an improvement of 50 bps year-over-year

Q3 '26 OPERATING EXPENSES

42% ↑
year-over-year

(IN MILLIONS)
NON-GAAP OPERATING EXPENSES³
SBC & RELATED TAXES
D&A



Total GAAP operating expenses were \$557.6 million, up 42% year-over-year
Total non-GAAP operating expenses³ were \$417.3 million, up 41% year-over-year

Q3 '26 PROFITABILITY

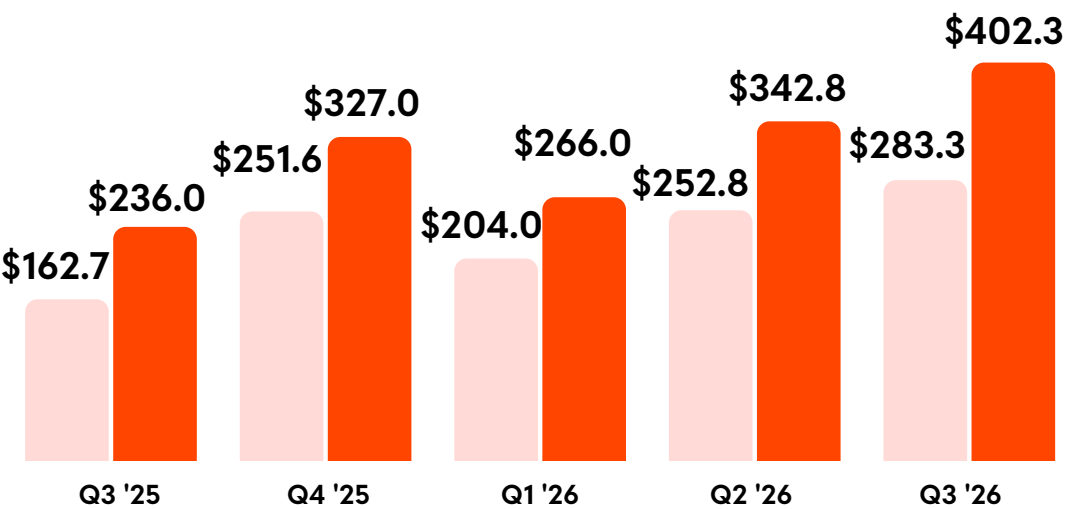
NET INCOME

74% ↑
year-over-year

ADJ. EBITDA¹

70% ↑
year-over-year

(IN MILLIONS)
NET INCOME
ADJUSTED EBITDA¹

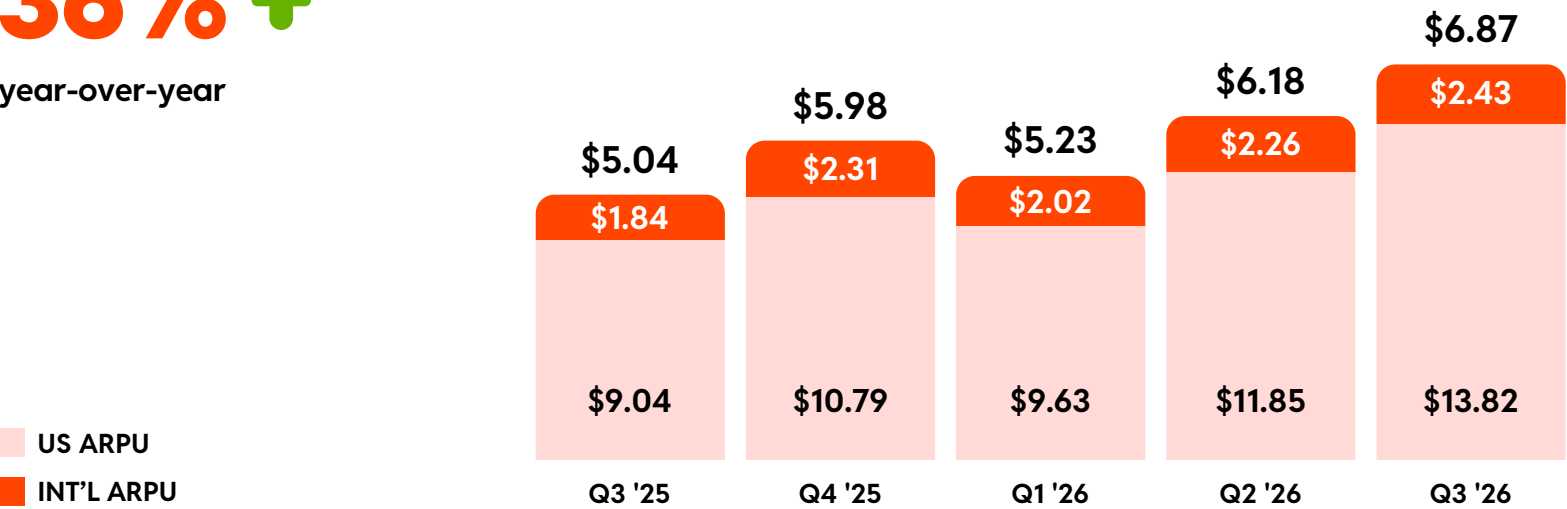


Net income was \$283.3 million, up 74% year-over-year
Adjusted EBITDA¹ was \$402.3 million, up 70% year-over-year

Financial highlights - supplemental metrics Q3 2026

Q3 '26 AVERAGE REVENUE PER UNIQUE (ARPU)

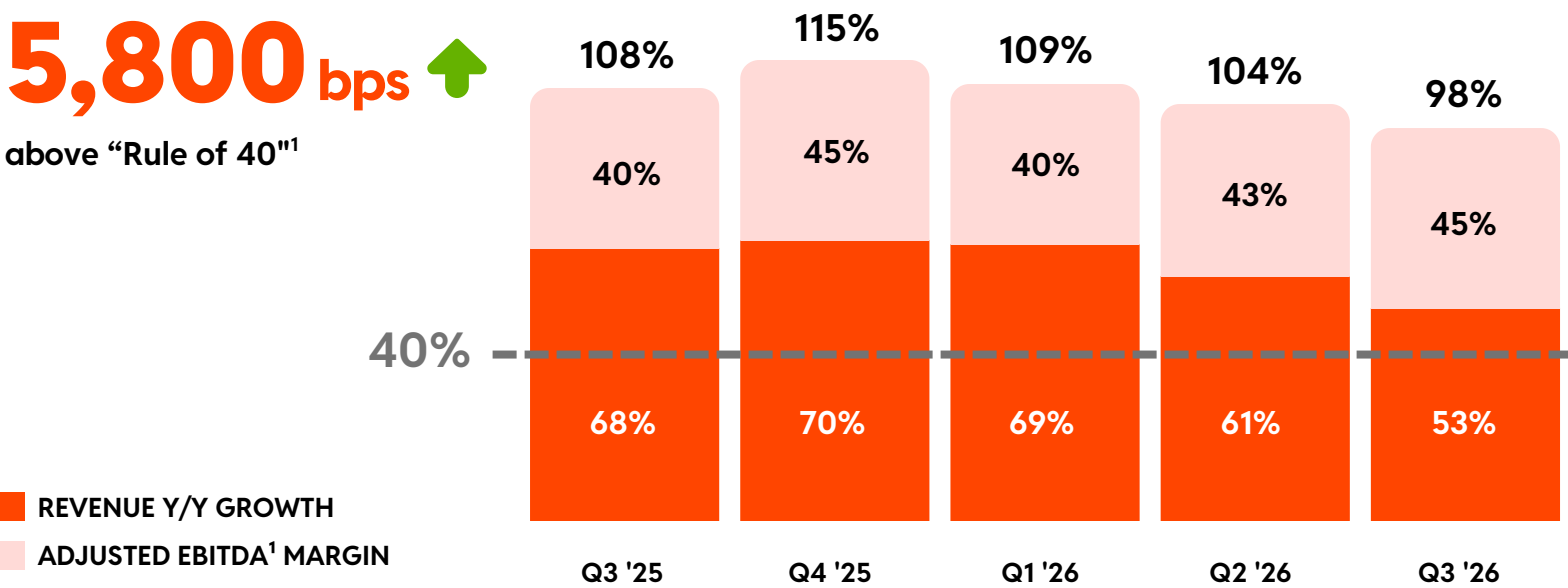
36% 
year-over-year



ARPU was \$6.87, up 36% year-over-year

Q3 '26 "RULE OF 40"

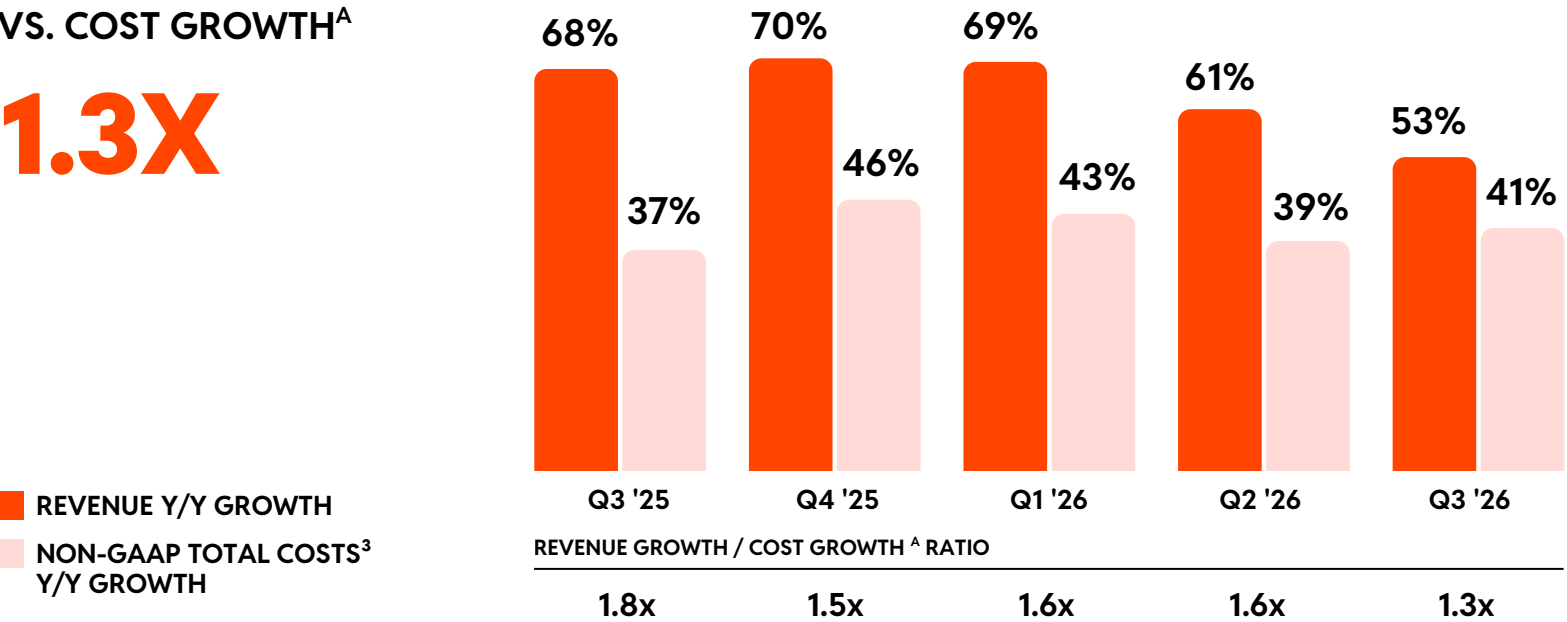
5,800 bps 
above "Rule of 40"¹



Revenue growth plus Adjusted EBITDA¹ margin makes us a "Rule of 98"^A company, 5,800 bps above "Rule of 40"

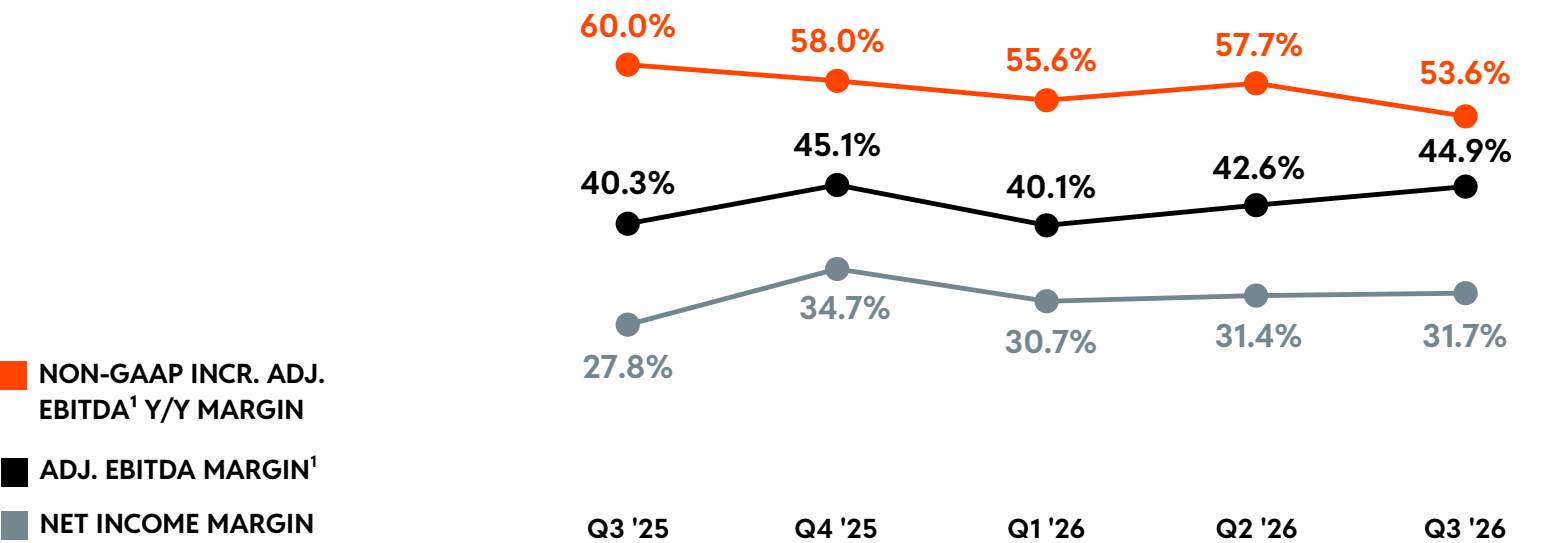
Q3 '26 REVENUE GROWTH VS. COST GROWTH^A

1.3X



Total revenue grew 1.3x times as fast as total adjusted costs and expenses³ year-over-year

Q3 '26 PROFIT MARGIN TRENDS



53.6% year-over-year incremental Adjusted EBITDA margin¹
Adjusted EBITDA¹ margin expanded by 460 bps year-over-year
Net income margin expanded by 390 bps year-over-year

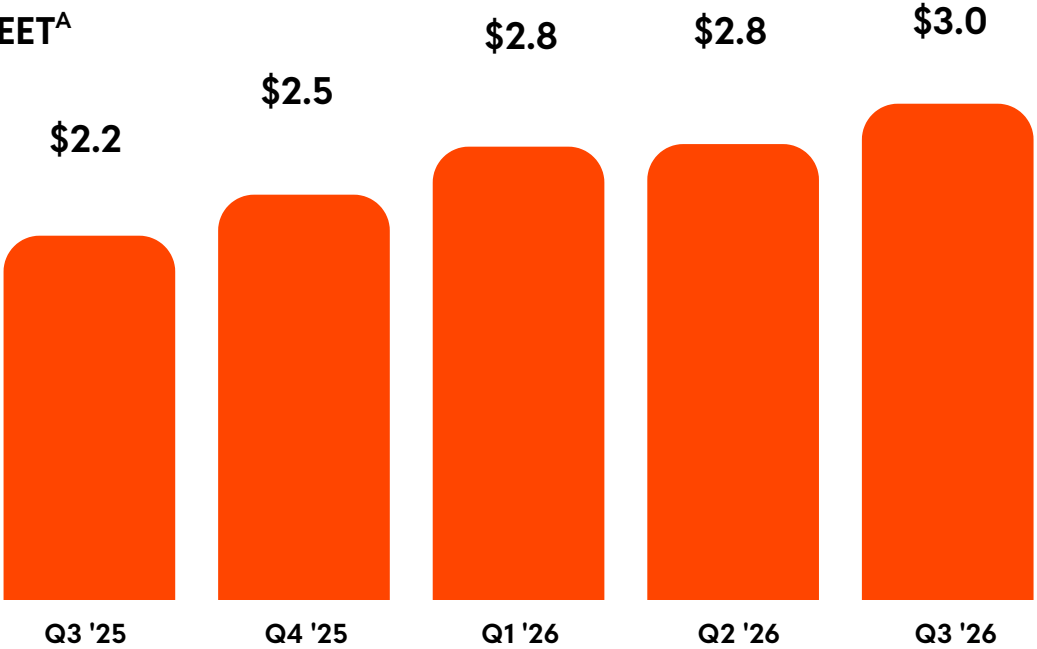
Financial highlights - cash & equity

Q3 2026

Q3 '26 CASH ON BALANCE SHEET^A

36% 
year-over-year

(IN BILLIONS)
CASH, CASH EQUIVALENTS,
& MARKETABLE SECURITIES

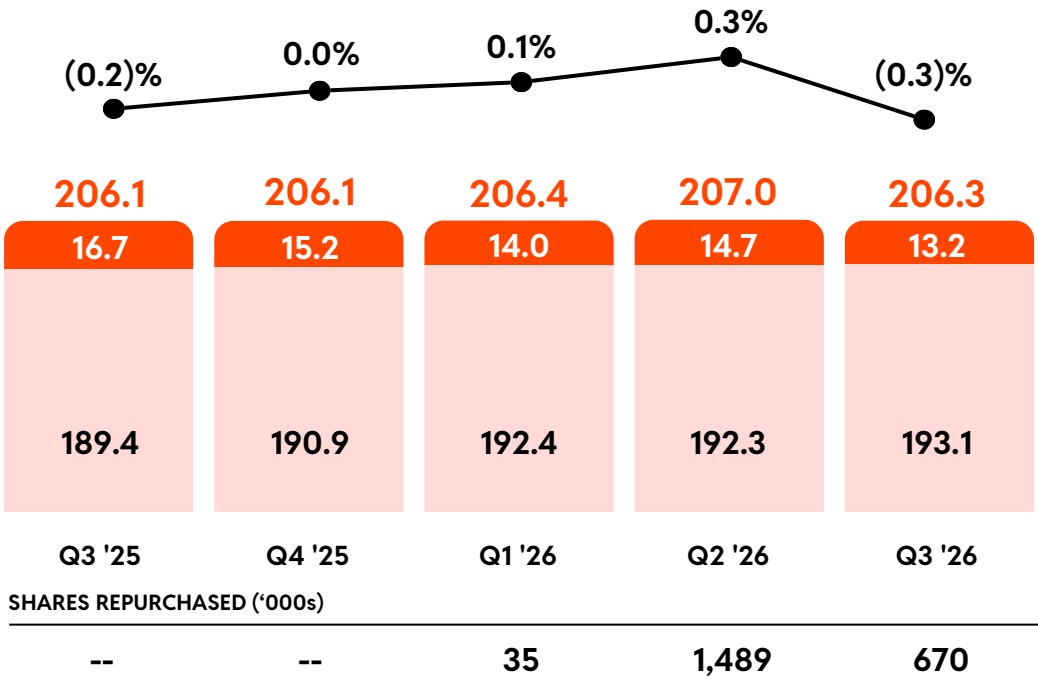


Cash on balance sheet^A was \$3.0 billion, up 36% from the prior year

Q3 '26 FULLY DILUTED SHARES OUTSTANDING

0.1% 
year-over-year

(IN MILLIONS)
SHARES UNDERLYING
STOCK-BASED AWARDS
BASIC SHARES OUTSTANDING
Q/Q DILUTION %

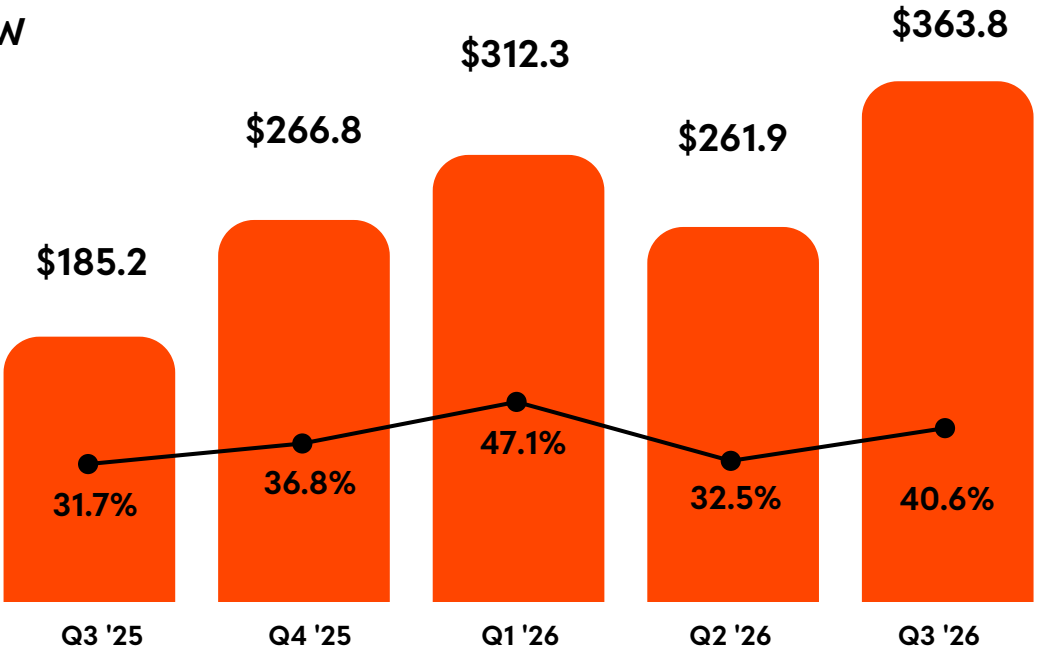


Fully diluted shares outstanding (FDSO) were 206.3M, down 0.3% from last quarter
Excluding the impact of share repurchases, FDSO were 207.0M, flat from last quarter

Q3 '26 OPERATING CASH FLOW

96% 
year-over-year

(IN MILLIONS)
OPERATING CASH FLOW
OPERATING CASH FLOW
AS % OF REVENUE

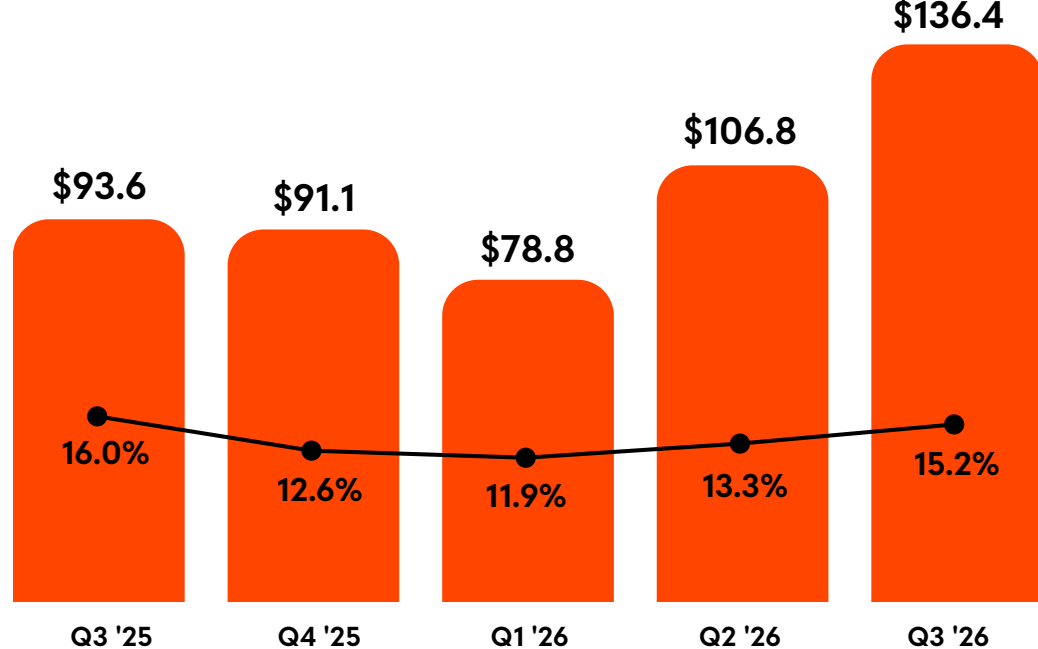


Operating cash flow was \$364 million, up 96% year-over-year
Operating cash flow as % of revenue was 41%, an improvement of \$179 million from the prior year

Q3 '26 STOCK-BASED COMPENSATION & RELATED TAXES

46% 
year-over-year

(IN MILLIONS)
SBC
SBC AS % OF REVENUE



Stock-based compensation & related taxes were \$136.4 million, up 46% year-over-year,
SBC as % of revenue was 15%, a decline of 80 bps year-over-year

Financial outlook

The guidance provided below is based on Reddit's current estimates and is not a guarantee of future performance. This guidance is subject to significant risks and uncertainties that could cause actual results to differ materially, including the risk factors discussed in Reddit's reports on file with the Securities and Exchange Commission (the "SEC"). Reddit undertakes no duty to update any forward-looking statements or estimates, except as required by applicable law.

As we look ahead, we will share our internal thoughts on revenue and Adjusted EBITDA for the fourth quarter.

In the fourth quarter of 2026, we estimate:

- Revenue in the range of \$1,000 million to \$1,030 million
- Adjusted EBITDA⁴ in the range of \$480 million to \$510 million

Outlook

Q4 '26 REVENUE

\$1,000M-\$1,030M

Q4 '26 ADJUSTED EBITDA⁴

\$480M-\$510M

The People’s Beauty Index

Reddit is where people come for trusted discussions and human perspectives.

In Q3, we launched Reddit’s first-ever beauty report, ***The People’s Beauty Index***, showcasing that taste is no longer passed down by a single ideal; it is built through conversation, experimentation, and shared experience.

7/10

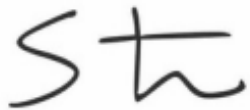
7 in 10 beauty shoppers say they feel more confident about their purchase after reading about it on **Reddit**^A



Earnings conference call & community update

Reddit will host a conference call to discuss the results for the third quarter of 2026 on October 29, 2026, at 1:30 p.m. PT / 4:30 p.m. ET. A live webcast of the call can be accessed on Reddit’s Investor Relations website at <https://investor.redditinc.com> and investor relations subreddit [r/RDDT](https://www.reddit.com/r/RDDT). A replay of the webcast and transcript will be available on the same websites following the conclusion of the conference call.

Reddit will solicit questions from the community at [r/RDDT](https://www.reddit.com/r/RDDT) on October 29, 2026, and post responses following the earnings call at Reddit’s Investor Relations website at <https://investor.redditinc.com> and investor relations subreddit [r/RDDT](https://www.reddit.com/r/RDDT).



Steve Huffman
Co-Founder &
Chief Executive Officer



Drew Vollero
Chief Financial Officer

A. Source: Reddit Path to Purchase 2026 Survey, US, n=1,000, A18-65 (Monthly Social Media, LLM, and E-commerce users who plan to buy beauty or personal care products in the next 30 days), Attest Sample, May 2026)

Appendix

Notes

1. The definition of Adjusted EBITDA, Adjusted EBITDA margin, incremental Adjusted EBITDA margin, and Rule of 40 and a reconciliation of net income to Adjusted EBITDA and Adjusted EBITDA margin can be found on subsequent pages of this appendix
2. The definition of Free Cash Flow and a reconciliation of Free Cash Flow to net cash provided by (used in) operating activities can be found on subsequent pages of this appendix
3. The definition of total adjusted costs and expenses and non-GAAP operating expenses and a reconciliation of total adjusted costs and expenses and non-GAAP operating expenses to the comparable U.S. GAAP measures can be found on subsequent pages of this appendix
4. We have not provided a reconciliation to the forward-looking U.S. GAAP equivalent measures for our non-GAAP guidance due to uncertainty regarding, and the potential variability of, reconciling items. Therefore, a reconciliation of these non-GAAP guidance measures to their corresponding U.S. GAAP guidance measures is not available without unreasonable effort

About Reddit

Reddit is a community of communities. Built on shared interests and passions, it is home to the most open and authentic conversations online. Every day, millions of people post, vote, comment, and search for answers across nearly every topic imaginable, and brands build trusted relationships with their audiences. With 27+ billion posts and comments and more than 130 million daily active uniques, Reddit is one of the internet's largest sources of information. Learn more at www.redditinc.com. The Reddit app is available on the App Store and Google Play.

Forward Looking Statements

This letter contains forward-looking statements within the meaning of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally relate to future events or Reddit's future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as "may," "will," "should," "expects," "plans," "anticipates," "going to," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these words or other similar terms or expressions that concern Reddit's expectations, strategy, priorities, plans or intentions. Forward-looking statements in this letter include, but are not limited to, statements regarding Reddit's priorities, plans with respect to the share repurchase program; search referral trends

and their impact on user metrics; future financial and operating performance, including consumer product strategy with respect to growth and engagement, including through video, investments in AI and community moderation, consumer-product developments and investments in machine learning; GAAP and non-GAAP guidance; user-acquisition strategies, marketing investments and expected conversion and retention benefits; plans, timing, and the anticipated effects of a logged-in-only experience; anticipated benefits of product changes for adapting to safety regulations and managing data access; and expectations of growth. Reddit's expectations and beliefs regarding these matters may not materialize, and actual results in future periods are subject to risks and uncertainties that could cause actual results to differ materially from those projected, including those more fully described under the caption "Risk Factors" and elsewhere in documents that Reddit files with the SEC from time to time, including Reddit's Quarterly Report on Form 10-Q for the quarter ended September 30, 2026, which is being filed with the SEC at or around the date hereof. The forward-looking statements in this letter are based on information available to Reddit as of the date hereof, and Reddit undertakes no obligation to update any forward-looking statements, except as required by law.

A Note About Metrics

We define a daily active unique ("DAUq") as a user whom we can identify with a unique identifier who has visited a page on the Reddit website, www.reddit.com, or opened a Reddit application at least once during a 24-hour period. Average DAUq for a particular period is calculated by adding the number of DAUq on each day of that period and dividing that sum by the number of days in that period.

We define a weekly active unique ("WAUq") as a user whom we can identify with a unique identifier who has visited a page on the Reddit website, www.reddit.com, or opened a Reddit application at least once during a trailing seven-day period. Average quarterly WAUq for a particular period is calculated by adding the number of WAUq on each day of that period and dividing that sum by the number of days in that period.

We define average revenue per unique ("ARPU") as quarterly revenue in a given geography divided by the average DAUq in that geography. For the purposes of calculating ARPU, advertising revenue in a given geography is based on the geographic location in which advertising impressions are delivered, as this approximates revenue based on user activity, while other revenue in a given geography is based on the billing address of the customer.

Use of Non-GAAP Financial Measures

We use certain non-GAAP financial measures to supplement our consolidated financial statements, which are presented in accordance with U.S. GAAP, to evaluate our core operating performance. These non-GAAP financial measures include Adjusted EBITDA, Adjusted EBITDA margin, Free Cash Flow, Free Cash Flow margin, total adjusted costs and expenses, non-GAAP operating expense, non-GAAP research and development expense, non-GAAP sales and marketing expense, and non-GAAP general and administrative expense. We use these non-GAAP financial measures to facilitate reviews of our operational performance and as a basis for strategic planning. By excluding certain items that are non-recurring or not reflective of the performance of our normal course of business, we believe that these non-GAAP financial measures provide meaningful supplemental information regarding our performance. Accordingly, we believe these non-GAAP financial measures are useful to investors and others because they allow investors to supplement their understanding of our financial trends and evaluate our ongoing and future performance in the same manner as management. However, there are a number of limitations related to the use of non-GAAP financial measures as they reflect the exercise of judgment by our management about which expenses are included or excluded in determining these non-GAAP measures. These non-GAAP measures should be considered in addition to, not as a substitute for or in isolation from, our financial results prepared in accordance with U.S. GAAP. Other companies, including companies in our industry, may calculate these non-GAAP financial measures differently or not at all, which reduces their usefulness as comparative measures.

A reconciliation is provided below for each historical non-GAAP financial measure to the most directly comparable financial measure stated in accordance with U.S. GAAP. Reddit encourages investors to review the related U.S. GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable U.S. GAAP financial measures, and not to rely on any single financial measure to evaluate Reddit's business. We have not provided a reconciliation to the forward-looking GAAP equivalent measures for our non-GAAP guidance due to uncertainty regarding, and the potential variability of, reconciling items. Therefore, a reconciliation of these non-GAAP guidance measures to their corresponding GAAP guidance measures is not available without unreasonable effort.

Adjusted EBITDA is defined as net income excluding interest (income) expense, net, income tax expense (benefit), depreciation and amortization, stock-based compensation expense and related taxes, other (income) expense, net, and certain other non-recurring or non-cash items impacting net income that we do not consider indicative of our ongoing business performance. Other (income) expense, net consists primarily of realized gains and losses on sales of marketable securities, foreign currency transaction gains and losses, and other income and expense that are not indicative of our core operating performance. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by revenue.

Incremental Adjusted EBITDA margin is defined as the change in Adjusted EBITDA divided by the change in revenue over the same period. Rule of 40 is defined as the year-over-year revenue growth rate plus adjusted EBITDA margin over the same period. We consider the exclusion of certain non-recurring or non-cash items in calculating Adjusted EBITDA and Adjusted EBITDA margin to provide a useful measure for investors and others to evaluate our operating results in the same manner as management.

Free Cash Flow represents net cash provided by (used in) operating activities less purchases of property and equipment. Free Cash Flow margin is defined as Free Cash Flow divided by revenue. We believe that Free Cash Flow is useful to investors as a liquidity measure because it measures our ability to generate or use cash. Once our business needs and obligations are met, cash can be used to maintain a strong balance sheet and invest in future growth. Additionally, we believe that Free Cash Flow is an important measure since we use third-party infrastructure partners to host our services and therefore we do not incur significant capital expenditures to support revenue generating activities.

Total adjusted costs and expenses represents cost of revenue and operating expenses excluding stock-based compensation and related taxes, depreciation and amortization, and certain other non-recurring or non-cash items impacting cost of revenue and operating expenses that we do not consider indicative of our ongoing business performance. Non-GAAP operating expenses represents operating expenses excluding stock-based compensation and related taxes, depreciation and amortization, and certain other non-recurring or non-cash items impacting operating expenses that we do not consider indicative of our ongoing business performance. Non-GAAP research and development expense, non-GAAP sales and marketing expense, and non-GAAP general and administrative expense represent their respective operating expense line items excluding stock-based compensation and related taxes, depreciation and amortization, and certain other non-recurring or non-cash items. We consider adjusted costs and expenses, non-GAAP operating expense, non-GAAP research and development expense, non-GAAP sales and marketing expense, and non-GAAP general and administrative expense to be useful measures as they exclude expenses that are not reflective of our operational performance and could mask underlying trends in our business.

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Reddit, Inc. Key Operating Metrics by Geography

(in millions, except percentages and ARPU)
(unaudited)

	Three months ended September 30,			% Change	Nine months ended September 30,			% Change
	2026	2025			2026	2025		
Revenue: Global	\$ 895.0	\$ 584.9		53 %	\$ 2,363.3	\$ 1,476.9		60 %
Revenue: U.S.	\$ 718.9	\$ 479.6		50 %	\$ 1,882.6	\$ 1,202.3		57 %
Revenue: International	\$ 176.1	\$ 105.3		67 %	\$ 480.7	\$ 274.6		75 %

	Three months ended September 30,		% Change
	2026	2025	
DAUq: Global	130.3	116.0	12 %
DAUq: U.S.	50.7	51.6	(2)%
DAUq: International	79.6	64.4	24 %

Logged-in DAUq: Global	53.5	50.2	7 %
Logged-in DAUq: U.S.	23.4	23.1	1 %
Logged-in DAUq: International	30.1	27.1	11 %

Logged-out DAUq: Global	76.8	65.8	17 %
Logged-out DAUq: U.S.	27.3	28.5	(4)%
Logged-out DAUq: International	49.5	37.3	33 %

WAUq: Global	515.2	443.8	16 %
WAUq: U.S.	188.5	187.8	— %
WAUq: International	326.7	256.0	28 %

ARPU: Global	\$ 6.87	\$ 5.04	36 %
ARPU: U.S.	\$ 13.82	\$ 9.04	53 %
ARPU: International	\$ 2.43	\$ 1.84	32 %

Reddit, Inc.
Consolidated Statements of Operations
(in thousands, except share and per share amounts)
(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Revenue	\$ 894,957	\$ 584,911	\$ 2,363,273	\$ 1,476,899
Costs and expenses:				
Cost of revenue	75,787	52,509	202,362	135,498
Research and development	263,531	196,379	702,053	584,260
Sales and marketing	209,391	128,707	556,760	340,011
General and administrative	84,662	68,774	225,884	206,974
Total costs and expenses	633,371	446,369	1,687,059	1,266,743
Income from operations	261,586	138,542	676,214	210,156
Other income (expense), net	27,463	22,035	75,398	63,716
Income before income taxes	289,049	160,577	751,612	273,872
Income tax expense (benefit)	5,785	(2,086)	11,519	(4,246)
Net income	<u>\$ 283,264</u>	<u>\$ 162,663</u>	<u>\$ 740,093</u>	<u>\$ 278,118</u>
Net income per share attributable to Class A and Class B common stock				
Basic	<u>\$ 1.47</u>	<u>\$ 0.87</u>	<u>\$ 3.85</u>	<u>\$ 1.50</u>
Diluted	<u>\$ 1.40</u>	<u>\$ 0.80</u>	<u>\$ 3.66</u>	<u>\$ 1.38</u>
Weighted-average shares used to compute net income per share attributable to common stockholders				
Basic	<u>192,596,948</u>	<u>188,041,632</u>	<u>192,155,485</u>	<u>185,178,360</u>
Diluted	<u>201,860,245</u>	<u>202,727,809</u>	<u>202,186,014</u>	<u>201,659,094</u>

Reddit, Inc.

Consolidated Balance Sheets

(in thousands)
(unaudited)

	September 30, 2026	December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	\$ 1,357,583	\$ 953,569
Marketable securities	1,675,849	1,523,242
Accounts receivable, net	730,083	590,162
Prepaid expenses and other current assets	93,009	69,012
Total current assets	3,856,524	3,135,985
Property and equipment, net	11,489	12,710
Operating lease right-of-use assets, net	28,030	20,788
Intangible assets, net	10,086	15,521
Goodwill	42,174	42,174
Other noncurrent assets	13,726	11,995
Total assets	<u>\$ 3,962,029</u>	<u>\$ 3,239,173</u>
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	\$ 110,246	\$ 62,929
Operating lease liabilities	8,364	7,023
Accrued expenses and other current liabilities	238,598	201,331
Total current liabilities	357,208	271,283
Operating lease liabilities, noncurrent	23,045	16,191
Other noncurrent liabilities	68	22,661
Total liabilities	380,321	310,135
Commitments and contingencies		
Stockholders' equity:		
Preferred stock	—	—
Class A common stock	14	14
Class B common stock	5	5
Class C common stock	—	—
Additional paid-in capital	3,526,748	3,595,772
Accumulated other comprehensive income (loss)	(14,035)	4,364
Retained earnings (accumulated deficit)	68,976	(671,117)
Total stockholders' equity	<u>3,581,708</u>	<u>2,929,038</u>
Total liabilities and stockholders' equity	<u>\$ 3,962,029</u>	<u>\$ 3,239,173</u>

Reddit, Inc.

Consolidated Statements of Cash Flows

(in thousands)
(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Cash flows from operating activities				
Net income	\$ 283,264	\$ 162,663	\$ 740,093	\$ 278,118
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Depreciation and amortization	4,260	3,900	12,728	11,797
Amortization of premium (accretion of discount) on marketable securities, net	(3,069)	(6,779)	(10,165)	(22,354)
Stock-based compensation expense	131,306	83,518	300,594	258,002
Other adjustments	1,974	2,246	4,787	5,187
Changes in operating assets and liabilities:				
Accounts receivable	(80,007)	(80,997)	(139,278)	(138,754)
Prepaid expenses and other assets	10,186	2,934	(26,020)	(23,424)
Operating lease right-of-use assets and liabilities	(998)	(2,038)	(4,388)	(5,407)
Accounts payable	18,927	7,995	44,964	26,940
Accrued expenses and other liabilities	(2,046)	11,717	14,611	33,963
Net cash provided by (used in) operating activities	\$ 363,797	\$ 185,159	\$ 937,926	\$ 424,068
Cash flows from investing activities				
Purchases of property and equipment	(1,229)	(2,058)	(3,453)	(3,542)
Purchases of marketable securities	(596,102)	(544,101)	(1,273,009)	(1,605,404)
Maturities of marketable securities	209,449	563,460	1,093,164	1,581,054
Proceeds from sale of marketable securities	4,945	—	22,934	12,372
Other investing activities	(893)	(788)	(3,930)	2,455
Net cash provided by (used in) investing activities	\$ (383,830)	\$ 16,513	\$ (164,294)	\$ (13,065)
Cash flows from financing activities				
Proceeds from exercise of employee stock options	5,396	6,013	15,332	20,500
Taxes paid related to net share settlement of restricted stock units	(14,249)	(28,595)	(44,991)	(80,495)
Repurchases of Class A common stock	(100,369)	—	(339,959)	—
Other financing activities	—	(1,497)	—	(1,497)
Net cash provided by (used in) financing activities	\$ (109,222)	\$ (24,079)	\$ (369,618)	\$ (61,492)
Net increase (decrease) in cash and cash equivalents	(129,255)	177,593	404,014	349,511
Cash and cash equivalents at the beginning of the period	1,486,838	734,060	953,569	562,142
Cash and cash equivalents at the end of the period	\$ 1,357,583	\$ 911,653	\$ 1,357,583	\$ 911,653

Reddit, Inc.**Reconciliation of Adjusted EBITDA and Adjusted EBITDA Margin***(in thousands, except percentages)**(unaudited)*

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Net income	\$ 283,264	\$ 162,663	\$ 740,093	\$ 278,118
Add (deduct):				
Interest (income) expense, net	(26,814)	(22,305)	(75,726)	(63,775)
Income tax expense (benefit)	5,785	(2,086)	11,519	(4,246)
Depreciation and amortization	4,260	3,900	12,728	11,797
Stock-based compensation expense and related taxes	136,419	93,565	322,103	296,074
Other (income) expense, net	(649)	270	328	59
Adjusted EBITDA	<u>\$ 402,265</u>	<u>\$ 236,007</u>	<u>\$ 1,011,045</u>	<u>\$ 518,027</u>
Net margin	31.7 %	27.8 %	31.3 %	18.8 %
Adjusted EBITDA margin	44.9 %	40.3 %	42.8 %	35.1 %

Reddit, Inc.**Reconciliation of Free Cash Flow and Free Cash Flow Margin***(in thousands, except percentages)**(unaudited)*

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Net cash provided by (used in) operating activities	\$ 363,797	\$ 185,159	\$ 937,926	\$ 424,068
Less:				
Purchases of property and equipment	(1,229)	(2,058)	(3,453)	(3,542)
Free Cash Flow	<u>\$ 362,568</u>	<u>\$ 183,101</u>	<u>\$ 934,473</u>	<u>\$ 420,526</u>
Operating cash flow margin	40.6 %	31.7 %	39.7 %	28.7 %
Free Cash Flow margin	40.5 %	31.3 %	39.5 %	28.5 %

Reddit, Inc.

Reconciliation of Non-GAAP Costs and Expenses

(in thousands)

(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Total costs and expenses	\$ 633,371	\$ 446,369	\$ 1,687,059	\$ 1,266,743
Less:				
Depreciation and amortization	4,260	3,900	12,728	11,797
Stock-based compensation expense and related taxes	136,419	93,565	322,103	296,074
Total adjusted costs and expenses	<u>\$ 492,692</u>	<u>\$ 348,904</u>	<u>\$ 1,352,228</u>	<u>\$ 958,872</u>
Total operating expenses	\$ 557,584	\$ 393,860	\$ 1,484,697	\$ 1,131,245
Less:				
Depreciation and amortization	4,260	3,900	12,728	11,797
Stock-based compensation expense and related taxes	136,043	93,353	321,329	295,441
Non-GAAP operating expenses	<u>\$ 417,281</u>	<u>\$ 296,607</u>	<u>\$ 1,150,640</u>	<u>\$ 824,007</u>
Research and development expenses	\$ 263,531	\$ 196,379	\$ 702,053	\$ 584,260
Less:				
Depreciation and amortization	2,592	2,487	7,876	7,537
Stock-based compensation expense and related taxes	91,283	57,670	210,053	182,486
Non-GAAP research and development expenses	<u>\$ 169,656</u>	<u>\$ 136,222</u>	<u>\$ 484,124</u>	<u>\$ 394,237</u>
Sales and marketing expenses	\$ 209,391	\$ 128,707	\$ 556,760	\$ 340,011
Less:				
Depreciation and amortization	1,428	1,212	4,149	3,630
Stock-based compensation expense and related taxes	16,779	12,936	36,984	38,309
Non-GAAP sales and marketing expenses	<u>\$ 191,184</u>	<u>\$ 114,559</u>	<u>\$ 515,627</u>	<u>\$ 298,072</u>
General and administrative expenses	\$ 84,662	\$ 68,774	\$ 225,884	\$ 206,974
Less:				
Depreciation and amortization	240	201	703	630
Stock-based compensation expense and related taxes	27,981	22,747	74,292	74,646
Non-GAAP general and administrative expenses	<u>\$ 56,441</u>	<u>\$ 45,826</u>	<u>\$ 150,889</u>	<u>\$ 131,698</u>