

Nextdoor Investor Update Financials & Metrics

investors.nextdoor.com

Q4 2024



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Forward-looking statements are based upon various estimates and assumptions, as well as information known to us as of the date of this investor presentation, and are subject to risks and uncertainties. Accordingly, actual results could differ materially due to a variety of factors, including: our ability to scale our business and monetization efforts; our ability to expand business operations abroad; our limited operating history; risks associated with managing our growth; our ability to achieve and maintain profitability in the future; the effects of the highly competitive market in which we operate; the impact of macroeconomic conditions on our business; our ability to attract new and retain existing customers and users, or renew and expand our relationships with them; our ability to anticipate and satisfy customer preferences; market acceptance of our platform; our ability to successfully develop and timely introduce new products and services; risks associated with the use of AI and ML-driven features in our platform; our ability to achieve our objectives of strategic and operational initiatives; cybersecurity risks to our various systems and software; the impact of privacy and data security laws and other applicable laws and regulations; and other general market, political, economic, and business conditions.

Additional risks and uncertainties that could affect our financial results and business are more fully described in our Annual Report on Form 10-K for the period ended December 31, 2024, filed on February 27, 2025, and our other SEC filings, which are available on the Investor Relations page of our website at investors.nextdoor.com and on the SEC’s website at www.sec.gov. All forward-looking statements contained herein are based on information available to us as of the date hereof and you should not rely upon forward-looking statements as predictions of future events. The events and circumstances reflected in the forward-looking statements may not be achieved or occur. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, performance, or achievements. We undertake no obligation to update any of these forward-looking statements for any reason after the date of this investor presentation or to conform these statements to actual results or revised expectations, except as required by law. Undue reliance should not be placed on the forward-looking statements in this investor presentation.

This presentation includes certain non-GAAP financial measures (including on a forward-looking basis). These non-GAAP measures are in addition to, and not a substitute for or superior to, measures of financial performance prepared in accordance with GAAP and should not be considered as an alternative to their nearest GAAP equivalent or any other performance measures derived in accordance with GAAP. A reconciliation of the non-GAAP financial measures used in this Presentation to their nearest GAAP equivalent is included in the Appendix to this Presentation. Nextdoor believes that these non-GAAP measures of financial results (including on a forward-looking basis) provide useful supplemental information to investors about Nextdoor. Nextdoor’s management uses forward-looking non-GAAP measures to evaluate Nextdoor’s projected financials and operating performance. However, there are a number of limitations related to the use of these non-GAAP measures and their nearest GAAP equivalents, including that they exclude significant expenses that are required by GAAP to be recorded in Nextdoor’s financial measures. In addition, other companies may calculate non-GAAP measures differently, or may use other measures to calculate their financial performance, and therefore, Nextdoor’s non-GAAP measures may not be directly comparable to similarly titled measures of other companies. Additionally, to the extent that forward-looking non-GAAP financial measures are provided, they are presented on a non-GAAP basis without reconciliations of such forward-looking non-GAAP measures due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations.



Nextdoor has a unique foundation for growth

Local Focus

Nextdoor is the essential neighborhood network, reaching 340K+ neighborhoods

Real Users

Verified 100M+ user base with real names and addresses

Engaged User Base

46M weekly active users and opportunity to drive deeper engagement

Product Focus

User experience shifting to: richer local content, timely local alerts, local recommendations

Better Monetization

Nextdoor Ads Platform allowing us to more fully leverage our unique first-party data



And multiple paths to value creation

User Growth & Engagement

Top of funnel user acquisition is strong and almost entirely organic

Advertiser Growth & Retention

Nextdoor Ads Platform driving strong self-serve advertiser retention and higher spend

Monetization

Nextdoor Ads Platform driving better advertiser outcomes, 17% y/y Q4'24 revenue growth

Efficiency

Doing more with less: revenue/employee grew ~50% y/y in FY'24

Capital Allocation

Focus on R&D investments & share repurchases; we reduced share count by 5% in FY'24



Our advertiser value equation

1

Growing unique, monetizable users is key to meeting more advertisers' expectations for scale and performance

2

Scaling the Nextdoor Ads Platform is key to improving performance and reducing effort to create and manage campaigns

Customer Value =

$$\frac{\text{Scale} \times \text{Performance}}{\text{Effort}}$$

Our ads platform unlocks value for customers of all sizes

Nextdoor Ads Manager (NAM)

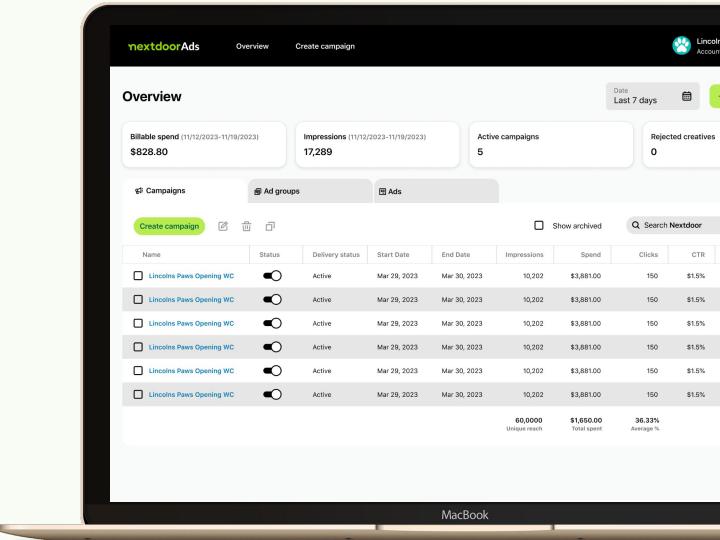
Allows self-serve advertisers to create and manage ad campaigns on Nextdoor.

Nextdoor Ad Server (NAS)

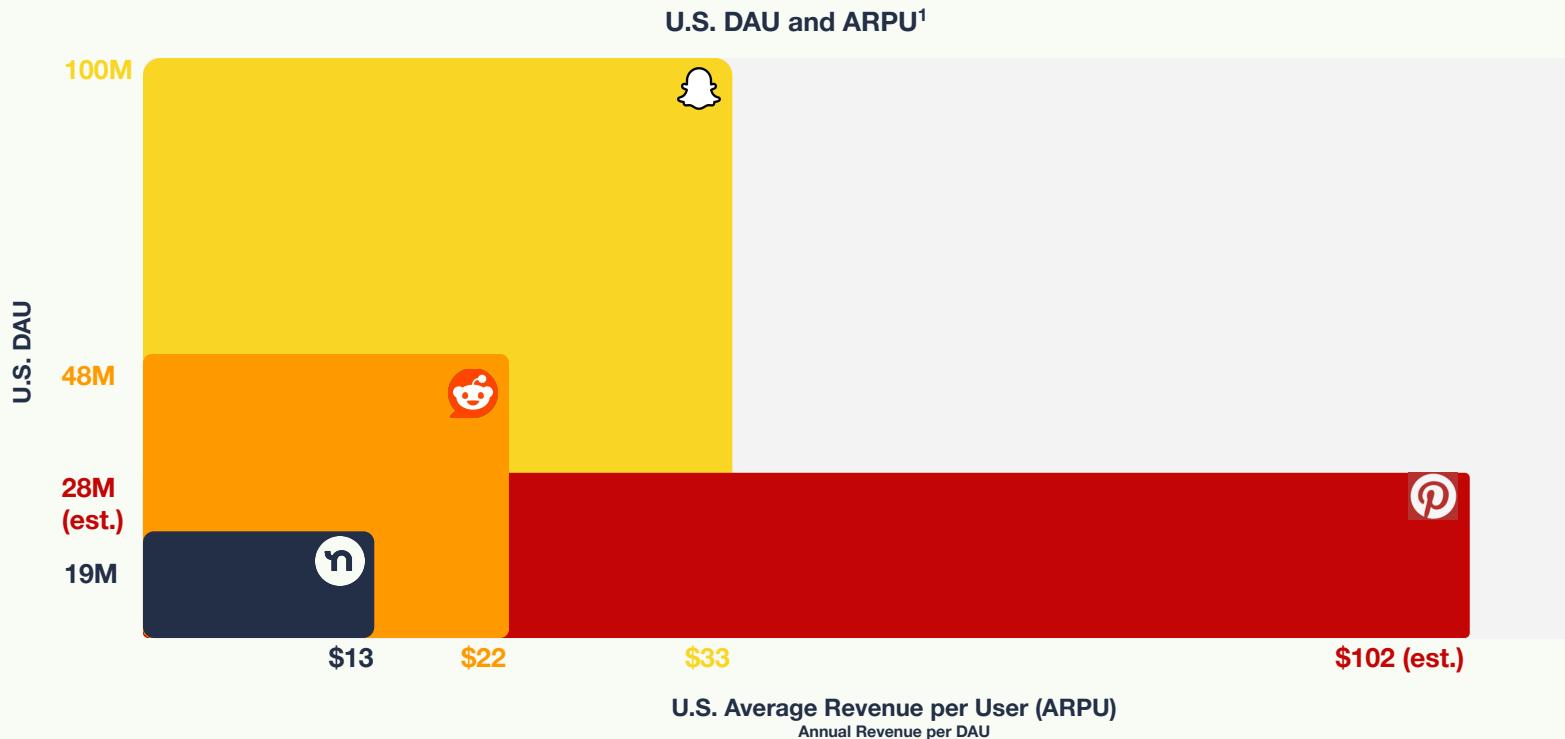
Optimizes advertiser performance and allows us to capture more value from our ad inventory.

Current measures of success:

- Self-serve adoption: Up to ~50% of total revenue in Q4'24, all being delivered via our ad server.
- Advertiser performance: Click optimization drove a ~50% cost-per-click improvement for advertisers in Q4'24.



Our verified audience has significant monetization potential



(1) Snap DAU and ARPU figures reflect data provided in their 2024 10-K. PINS DAU is an estimate based on U.S. and Canada MAU reported by PINS.

Source: Nextdoor data is based on 2024. Total WAU in FY24 was 46M, average U.S. % of total WAU was ~82%, DAU/WAU is ~50% = 19M U.S. DAU in FY24.

Comparison is illustrative as each company calculates daily active users differently. Snap includes U.S., Canada, Mexico, the Caribbean and Central America.

Pinterest includes North America. Reddit and Nextdoor include U.S. only.



Financial Highlights



Users, revenue, and margins improved meaningfully in Q4'24

10%

WAU growth (y/y)

17%

Revenue growth (y/y)

~30

Points of Adjusted EBITDA Margin^{1,2} improvement (y/y)

~50%

of weekly active users are active on a daily basis

~50%

of total Q4 revenue came from self-serve customers

\$427 M

cash and investments at quarter-end, zero debt

Metrics as of 12/31/2024.

(1) Adjusted EBITDA margin is calculated as adjusted EBITDA divided by revenue.

(2) A reconciliation of non-GAAP metrics to their most comparable GAAP measures is provided at the end of this presentation.



Q4'24 Financial Snapshot

	Q4'24	Q4'23	y/y change
Revenue	\$65M	\$56M	+17%
Adj. EBITDA	\$3M	\$(14)M	+\$17M
Adj. EBITDA Margin	5%	(25)%	~ +30 ppt
WAU (avg.)	45.9M	41.8M	+10%
ARPU	\$1.42	\$1.33	+7%



FY'24 Financial Snapshot

	FY'24	FY'23	y/y change
Revenue	\$247M	\$218M	+13%
Adj. EBITDA	\$(18)M	\$(74)M	+\$56M
Adj. EBITDA Margin	(7)%	(34)%	+27 ppt

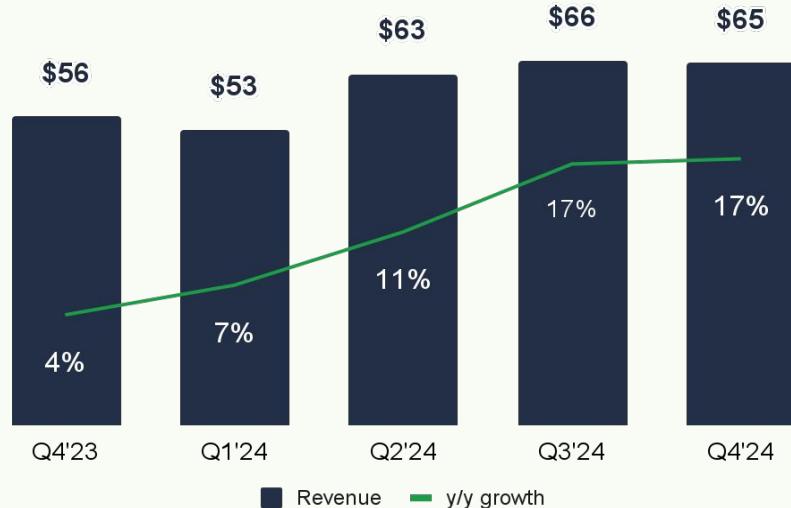


Our growing user base is driving an improved revenue trajectory

WAU (M)³



Revenue (\$M)



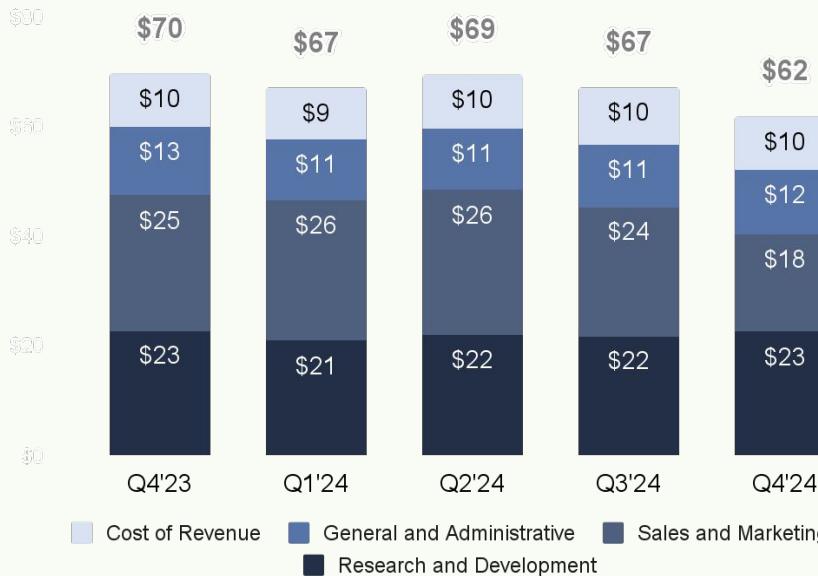
Metrics as of 12/31/2024. Some figures may not tie due to rounding.

³ Users who open our application, log on to our website, or engage with an email with monetizable content at least once during a defined 7-day period.

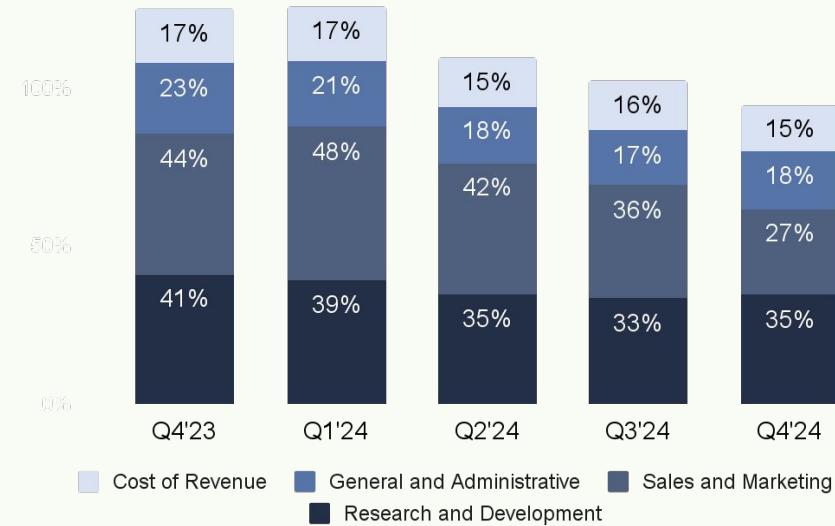


We are more efficiently allocating resources towards growth

Non-GAAP Opex (\$M)



% of revenue

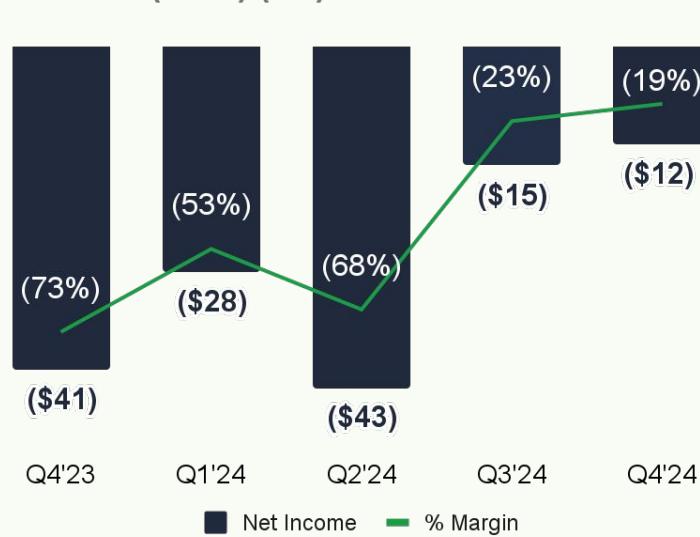


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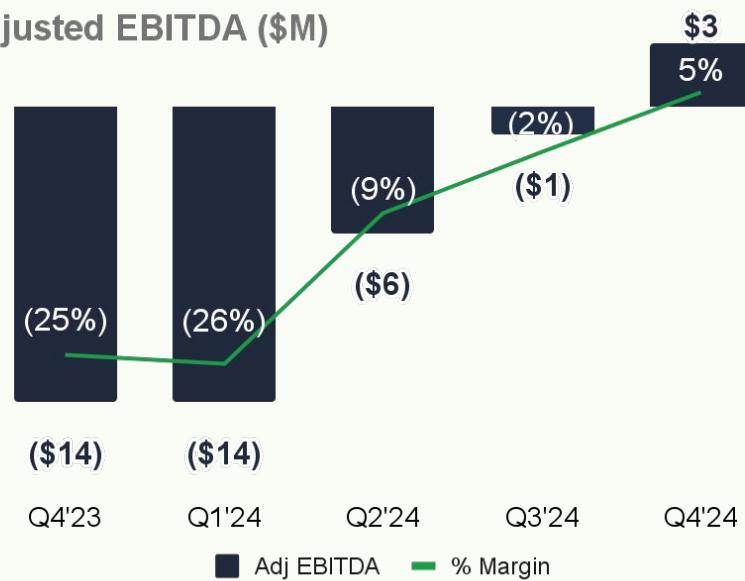


A disciplined approach has clarified our path to profitability...

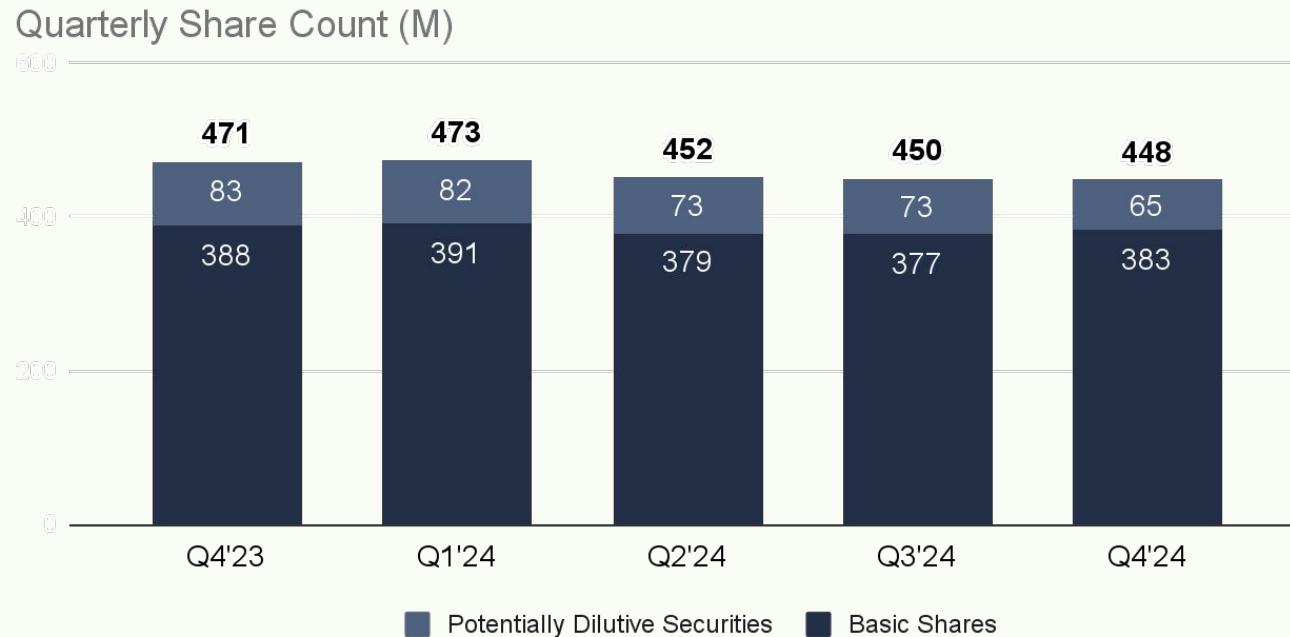
Net Income (Loss) (\$M)



Adjusted EBITDA (\$M)



...and enabled us to reduce share count by 5% y/y in FY'24



Our fully-diluted share count is now lower than in 2021, the same year we went public .

Financial Outlook

	Q1'25 outlook	y/y change
Revenue	approximately \$53M	approximately flat
Adj. EBITDA	approximately \$(13)M	+\$1M y/y
Adj. EBITDA Margin	(25)%	+2 ppt y/y

Additional details:

- Our revenue outlook reflects initial reductions in ad impression supply tied to our NEXT initiative roll out. This reflects shifting usage patterns and expected reductions in ad load as we redefine the user experience.
- We have observed reduced spending among certain large advertisers as we've progressed through Q1, partly tied to large advertisers shifting budgets toward programmatic ad buying.
- We expect year-over-year revenue growth in the first half of 2025 will be approximately flat.
- We remain on track to deliver NEXT by mid-year 2025.



Nextdoor: a compelling opportunity for investors

We are driving growth

Delivering user and engagement growth.

Our Nextdoor Ads Platform is delivering value for advertisers.

We are doing more with less

We better allocated resources toward growth across the business and delivered 27 points of y/y Adjusted EBITDA margin improvement in FY'24.

The Future is NEXT

Our NEXT product transformation is in full motion.

We are embracing short-term trade-offs to ensure long-term value creation, with a big payoff in focus: a better product and experience for users and advertisers, and better monetization for Nextdoor.



Appendix



Definitions

Metrics	Definition
U.S. Household	A single (U.S.) residence containing at least one current Verified Neighbor
Neighborhoods	The number of active Launched (10+ member) neighborhoods. A “neighborhood” is a specific geographic area with a defined boundary. Neighborhoods do not overlap
Verified Neighbors/Users	Individuals who have joined Nextdoor and completed the verification process for their account
Daily Active Users (DAU)	Count of unique neighbors who have started a session or opened a content email on a given day
Weekly Active Users (WAU)	Users who open our application, log on to our website, or engage with an email with monetizable content at least once during a defined 7-day period
Monthly Active User (MAU)	Count of unique neighbors who have started a session or opened a content email over the trailing 30 days
Engagement	Used to refer to neighbor activity — usually WAU unless otherwise specified
Neighborhood penetration	U.S. Households (see above) divided by the total number of Households (claimed or otherwise) in the neighborhood
Local Business Claimed Pages	Local business pages that have been claimed by a Nextdoor partner
Total Addressable Market (TAM)	Digital advertising spend in the U.S. excluding B2B (not addressable by Nextdoor). Source: eMarketer

Non-GAAP operating expenses reconciliation

	2022A	2023A	2024A
<i>Operating Expenses</i>			
Cost of revenue	\$39.0M	\$41.6M	\$41.8M
Sales and marketing	123.2M	122.9M	107.0M
Research and development	127.1M	150.0M	127.9M
General and administrative	67.7M	76.1M	92.1M
Total GAAP Operating Expenses	\$357.0M	\$390.6M	\$368.9M
(-) Depreciation and amortization	(\$5.7M)	(\$5.8M)	(\$3.9M)
(-) Stock-based compensation	(64.4M)	(83.0M)	(74.1M)
(-) Restructuring charges	–	(9.9M)	(25.6M)
Non-GAAP Operating Expenses	\$286.9M	\$291.9M	\$265.4M
<i>% of Total Revenue</i>	135%	134%	107%
<i>% Growth</i>	22%	2%	(9%)

Some figures may not tie due to rounding.



Adjusted EBITDA reconciliation

	2022A	2023A	2024A
Net Loss	(\$137.9M)	(\$147.8M)	(\$98.1M)
Depreciation and amortization	5.7M	5.8M	3.9M
Stock-based compensation	64.4M	83.0M	74.1M
Interest income	(9.3M)	(25.8M)	(24.4M)
Provision for income taxes	1.7M	0.8M	0.7M
Restructuring charges	–	9.9M	25.6M
Adjusted EBITDA	(\$75.5M)	(\$74.1M)	(\$18.2M)

Some figures may not tie due to rounding.





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