



LegalZoom Reports Second Quarter 2023 Financial Results

August 8, 2023

- Revenue of \$168.9 million for the quarter, an increase of 4% year-over-year
- Subscription revenue of \$102.2 million for the quarter, an increase of 12% year-over-year
- \$238.9 million of cash and cash equivalents and no debt outstanding as of June 30, 2023
- Announced the launch of LZ Books, a new online accounting solution, subsequent to the end of the quarter

GLENDALE, Calif., Aug. 08, 2023 (GLOBE NEWSWIRE) -- LegalZoom.com, Inc. (Nasdaq: LZ) today announced results for its second quarter ended June 30, 2023, including the following highlights:

- Revenue was \$168.9 million for the quarter, up 4% year-over-year.
 - Transaction revenue was \$60.5 million, down 7% year-over-year. The decline was primarily driven by a 26% year-over-year reduction in average order value driven by our nationwide roll-out of free LLC formations beginning in the first quarter of 2023, partially offset by a 26% increase in transaction volume.
 - Subscription revenue was \$102.2 million, up 12% year-over-year. The increase was driven by a 3% year-over-year increase in average revenue per subscription unit and the addition of 159 thousand net new units added during the trailing twelve months.
 - Partner revenue was \$6.2 million, up 2% year-over-year.
- Gross margin was 62% for the quarter, compared to 65% in the same period in 2022, primarily driven by higher filing fees as a percentage of revenue due to an increase in business formation volumes associated with our nationwide roll-out of free LLC formations beginning in the first quarter of 2023.
- Net income was \$1.4 million for the quarter, or 1% of revenue, compared to net loss of \$12.7 million or 8% of revenue, for the same period in 2022.
- Adjusted EBITDA was \$29.6 million for the quarter, or 18% of revenue, compared to \$18.1 million, or 11% of revenue, for the same period in 2022.
- Non-GAAP net income was \$19.0 million for the quarter, compared to \$9.6 million for the same period in 2022.
- Cash and cash equivalents were \$238.9 million as of June 30, 2023, compared to \$189.1 million as of December 31, 2022.
- Cash flow provided by operating activities was \$45.2 million for the three months ended June 30, 2023 compared to \$11.0 million for the same period in 2022.
- Free cash flow was \$37.4 million for the three months ended June 30, 2023 compared to \$5.6 million for the same period in 2022.
- Basic and diluted net income per share was \$0.01 for the quarter compared to a basic and diluted net loss per share of \$0.06 for the same period in 2022, and basic and diluted Non-GAAP net income per share was \$0.10 for the quarter compared to basic and diluted Non-GAAP net income per share of \$0.05 for the same period in 2022.
- Subsequent to the end of the second quarter, LegalZoom announced the launch of LZ Books, an online accounting solution developed specifically for single member LLCs or sole proprietors. LZ Books offerings include invoicing, payments and automated expense categorization as well as seamless integration with LegalZoom's LZ Tax product.

"The recent launch of LZ Books reaches across all our strategic growth pillars while solving a large gap in the market. We are setting ourselves apart as the sole online platform providing solutions for small business needs required right at the time of formation and beyond, all under one roof," said Dan Wernikoff, LegalZoom's Chief Executive Officer.

Noel Watson, LegalZoom's Chief Financial Officer added, "We are pleased with our results for the second quarter, with record market share gains and improving profitability helping to drive both revenue and Adjusted EBITDA above the high end of our guidance range."

Key Business Metrics and Non-GAAP Financial Measures

(unaudited, in thousands except AOV, ARPU and percentages)

Three Months Ended	% Growth	Six Months Ended	% Growth
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	June 30,		(Decline)	June 30,		(Decline)
	2023	2022	YOY	2023	2022	YOY
Revenue	\$168,854	\$162,649	4%	\$334,790	\$318,076	5%
Business formations	161	113	42%	331	242	37%
Transaction units	283	225	26%	591	492	20%
Average order value (AOV)	\$ 214	\$ 290	(26) %	\$ 207	\$ 266	(22) %
Subscription units at period end	1,553	1,394	11%	1,553	1,394	11%
Average revenue per subscription unit (ARPU) at period end	\$ 259	\$ 252	3%	\$ 259	\$ 252	3%
Net income (loss)	\$ 1,395	\$ (12,743)	111%	\$ (963)	\$ (38,496)	97%
Adjusted EBITDA	\$ 29,645	\$ 18,080	64%	\$ 51,513	\$ 20,333	153%
Net income (loss) margin	1%	(8) %	111%	—%	(12) %	98%
Adjusted EBITDA margin	18%	11%	57%	15%	6%	141%
Net cash provided by operating activities	\$ 45,165	\$ 11,020	310%	\$ 74,373	\$ 24,757	200%
Free cash flow	\$ 37,366	\$ 5,552	573%	\$ 59,146	\$ 14,378	311%

Certain percentages may not recalculate due to rounding.

Financial Guidance and Outlook

Our guidance for the third quarter ending September 30, 2023 is as follows:

- Revenue is expected to be in the range of \$159 million to \$161 million
- Adjusted EBITDA is expected to be \$26 million to \$28 million

Our guidance for the full year ending December 31, 2023 is updated as follows:

- Revenue is now expected to be in the range of \$642 million to \$652 million
- Adjusted EBITDA is now expected to be \$105 million to \$110 million

Webcast and Conference Call Information

A conference call to discuss LegalZoom's second quarter 2023 results is scheduled for today, August 8, 2023, at 4:30 p.m. Eastern time/1:30 p.m. Pacific time. Those interested in participating in the conference call are invited to register [Here](#).

A live audio webcast of the event will be available on the LegalZoom Investor Relations website, <https://investors.legalzoom.com>. An archived replay of the webcast also will be available shortly after the live event.

Forward-Looking Statements

This press release contains forward-looking statements. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical facts contained in this press release may be forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "targets," "projects," "contemplates," "believes," "estimates," "forecasts," "predicts," "potential" or "continue" or the negative of these terms or other similar expressions. Forward-looking statements contained in this press release include, but are not limited to, statements regarding our quarterly and annual guidance.

The forward-looking statements in this press release are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including but not limited to the following: the risk that our recent growth may not be indicative of our future growth; our dependence on business formations and fluctuations or declines in the number of business formations; the impact of macroeconomic challenges on our business, including as a result of inflation, global conflict, supply chain issues and recessionary fears; our ability to provide high-quality services, customer care and customer experience; our ability to sustain our revenue growth rate and remain profitable in the future; our ability to continue to innovate and provide a platform that is useful to our customers and that meets our customers' expectations; our ability to attract and retain customers and, specifically, our ability to convert our transactional customers to subscribers; our ability to drive additional purchases and cross-sell to paying customers; our ability to maintain and expand strategic relationships with third parties; our anticipation of increasing expenses in the future; the competitive legal solutions market; our ability to hire and retain top talent and motivate our employees; risks and costs associated with complex and evolving laws and regulations; the risk that the recent restatement of certain of our unaudited condensed consolidated financial statements may affect investor confidence and raise reputational issues and may subject us to additional risks and uncertainties; our ability to remediate material weaknesses in our internal control over financial reporting; and other factors discussed in the section titled "Risk Factors" included in our Quarterly Report on Form 10-Q for the three months ended March 31, 2023 filed with the Securities and Exchange Commission, or SEC, on May 9, 2023, as well as those in our subsequent filings with the SEC. The forward-looking statements in this press release are based upon information available to us as of the date of this press release, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

You should read this press release with the understanding that our actual future results, levels of activity, performance and achievements may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements. Except as required by

applicable law, we do not plan to publicly update or revise any forward-looking statements contained in this press release, whether as a result of any new information, future events or otherwise.

About Non-GAAP Financial Measures

This press release includes non-GAAP financial measures including Adjusted EBITDA, Adjusted EBITDA margin, Non-GAAP net income, Non-GAAP net income margin, Non-GAAP net income per share and Free cash flow. To supplement our unaudited condensed consolidated financial statements, which are prepared and presented in accordance with U.S. generally accepted accounting principles, or GAAP, we use certain non-GAAP financial measures, as described below, to understand and evaluate our core operating performance. These non-GAAP financial measures, which may be different from similarly titled measures used by other companies, are presented to enhance investors' overall understanding of our financial performance and liquidity and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. We believe that these non-GAAP financial measures provide useful information about our financial performance and liquidity, enhance the overall understanding of our past performance and future prospects and allow for greater transparency with respect to important measures used by our management for financial and operational decision-making. We are presenting these non-GAAP measures to assist investors in seeing our financial performance using a management view and because we believe that these measures provide an additional tool for investors to use in comparing our core financial performance over multiple periods with other companies in our industry.

We define Adjusted EBITDA as Net income (loss) adjusted to exclude interest income (expense), net, provision for (benefit from) income taxes, depreciation and amortization, other expense (income), net, stock-based compensation, impairments of other securities, loss on debt extinguishment, impairment of goodwill, long-lived and other assets, losses from impairment of available-for-sale debt securities, legal expenses, restructuring expenses, transaction-related expenses and certain other non-recurring expenses. Our Adjusted EBITDA financial measure differs from GAAP in that it excludes certain items of income and expense. We define Adjusted EBITDA margin as Adjusted EBITDA as a percentage of revenue.

Adjusted EBITDA is one of the primary performance measures used by our management and our board of directors to understand and evaluate our financial performance and operating trends, including period-to-period comparisons, prepare and approve our annual budget, develop short- and long-term operational plans and determine appropriate compensation plans for our employees. Accordingly, we believe that Adjusted EBITDA provides useful information to investors and others in understanding and evaluating our results of operations in the same manner as our management team and board of directors. In assessing our performance, we exclude certain expenses that we believe are not comparable period over period. Adjusted EBITDA should not be considered in isolation of, or as an alternative to, measures prepared and presented in accordance with GAAP. There are a number of limitations related to the use of Adjusted EBITDA rather than Net income (loss), which is the nearest GAAP equivalent of Adjusted EBITDA, and it may be calculated differently by other companies in our industry, limiting its usefulness as a comparative measure. Some of these limitations include that the non-GAAP financial measure:

- does not reflect interest income (expense), net, or the cash requirements necessary to service interest or principal payments, which reduces cash available to us;
- does not reflect provision for (benefit from) income taxes that may result in payments that reduce cash available to us;
- excludes depreciation and amortization and, although these are non-cash expenses, the assets being depreciated may be replaced in the future;
- does not reflect foreign currency exchange or other gains or losses, which are included in other (income) expense, net;
- excludes stock-based compensation expense, which has been, and will continue to be, a significant recurring expense for our business and an important part of our compensation strategy;
- excludes losses from impairments of goodwill, long-lived and other assets and available-for-sale debt securities;
- excludes legal expenses, which reduce cash available to us;
- excludes restructuring expenses, which reduce cash available to us;
- excludes transaction-related expenses that are not considered representative of our underlying performance, which reduce cash available to us; and
- does not reflect certain other non-recurring expenses that are not considered representative of our underlying performance, which reduce cash available to us.

We define Non-GAAP net income as net income (loss) adjusted to exclude amortization of acquired intangible assets, stock-based compensation expense, certain transaction-related expenses, and certain other non-recurring expenses, net of related income tax impacts. Our Non-GAAP net income financial measure differs from GAAP in that it excludes certain items of income and expense. We define Net income (loss) margin as net loss as a percentage of revenue. We define Non-GAAP net income (loss) margin as Non-GAAP net income (loss) as a percentage of revenue. We define Non-GAAP net income (loss) per share attributable to common stockholders as Non-GAAP net income (loss) divided by basic and diluted weighted-average common stock. We believe Non-GAAP net income (loss) and Non-GAAP net income (loss) per share attributable to common stockholders are operating performance measures that provide investors and analysts with useful supplemental information about the financial performance of our business.

Free cash flow is a liquidity measure used by management in evaluating the cash generated by our operations after purchases of property and equipment including capitalized internal-use software. We consider Free cash flow to be an important measure because it provides useful information to management and investors about the amount of cash generated by our business that can be used for strategic opportunities, including investing in our business and strengthening our balance sheet. Once our business needs and obligations are met, cash can be used to maintain a strong balance sheet and invest in future growth. The usefulness of Free cash flow as an analytical tool has limitations because it excludes certain items that are settled in cash, does not represent residual cash flow available for discretionary expenses, does not reflect our future contractual commitments, and may be calculated differently by other companies in our industry. Accordingly, it should not be considered in isolation or as a substitute for analysis of other GAAP financial measures, such as net cash used in or provided by operating activities.

We are not providing a reconciliation for our non-GAAP outlook on a forward-looking basis (including the information under "Financial Guidance and Outlook" above), as we are unable to provide a meaningful calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing or amount of various items that would impact the most directly

comparable forward-looking GAAP financial measure that have not yet occurred, are out of LegalZoom's control and/or cannot be reasonably predicted. Forward-looking non-GAAP financial measures provided without the most directly comparable GAAP financial measures may vary materially from the corresponding GAAP financial measures.

The tables in this press release contain more details on the GAAP financial measures that are most directly comparable to non-GAAP financial measures and the related reconciliations between these financial measures.

LegalZoom

LegalZoom is the leading online platform for business formation in the United States. Driven by a mission to unleash entrepreneurship, LegalZoom delivers comprehensive legal, tax and compliance products and expertise for small business owners through easy-to-use technology. From free business formations to business management solutions and professional advisory services, LegalZoom supports millions of small business owners and their families throughout the entrepreneurial journey. Founded on the belief that everyone should have affordable access to legal and financial expertise, LegalZoom empowers entrepreneurs to make their dream a reality. To learn more about LegalZoom, visit www.legalzoom.com.

Contact

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LegalZoom.com, Inc.
Unaudited Condensed Consolidated Balance Sheets
(In thousands, except par values)

	June 30, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 238,937	\$ 189,082
Accounts receivable, net	13,495	13,177
Prepaid expenses and other current assets	13,308	16,699
Current assets held for sale	22,722	22,722
Total current assets	288,462	241,680
Property and equipment, net	38,894	30,823
Goodwill	63,265	63,229
Intangible assets, net	16,317	18,900
Operating lease right-of-use assets	9,875	11,148
Deferred income taxes	21,831	29,380
Available-for-sale debt securities	1,004	995
Other assets	8,989	9,240
Total assets	\$ 448,637	\$ 405,395
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 33,307	\$ 25,312
Accrued expenses and other current liabilities	52,349	57,373
Deferred revenue	179,432	164,200
Operating lease liabilities	2,405	2,317
Total current liabilities	267,493	249,202
Operating lease liabilities, non-current	7,800	8,958
Deferred revenue	711	892
Other liabilities	4,284	3,968
Total liabilities	280,288	263,020
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.001 par value; 100,000 shares authorized at June 30, 2023 and December 31, 2022, none issued or outstanding at June 30, 2023 and December 31, 2022	—	—
Common stock, \$0.001 par value; 1,000,000 shares authorized; 191,657 shares and 190,822 shares issued and outstanding at June 30, 2023 and December 31, 2022, respectively	191	190
Additional paid-in capital	1,070,461	1,032,550
Accumulated deficit	(902,633)	(891,862)
Accumulated other comprehensive income	330	1,497
Total stockholders' equity	168,349	142,375
Total liabilities and stockholders' equity	\$ 448,637	\$ 405,395

Unaudited Condensed Consolidated Statements of Operations
(In thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022 (Restated)	2023	2022 (Restated)
Revenue	\$ 168,854	\$ 162,649	\$ 334,790	\$ 318,076
Cost of revenue	63,748	57,151	124,143	113,333
Gross profit	105,106	105,498	210,647	204,743
Operating expenses:				
Sales and marketing	53,525	71,721	113,675	148,595
Technology and development	19,900	16,197	39,583	34,156
General and administrative	26,936	28,969	53,440	58,457
Total operating expenses	100,361	116,887	206,698	241,208
Income (loss) from operations	4,745	(11,389)	3,949	(36,465)
Interest income (expense), net	2,153	29	3,734	(24)
Other income (expense), net	624	(2,022)	1,318	(3,566)
Income (loss) before income taxes	7,522	(13,382)	9,001	(40,055)
Provision for (benefit from) income taxes	6,127	(639)	9,964	(1,559)
Net income (loss)	\$ 1,395	\$ (12,743)	\$ (963)	\$ (38,496)
Net income (loss) per share attributable to common stockholders—basic	\$ 0.01	\$ (0.06)	\$ (0.01)	\$ (0.19)
Net income (loss) per share attributable to common stockholders—diluted:	\$ 0.01	\$ (0.06)	\$ (0.01)	\$ (0.19)
Weighted-average shares used to compute net income (loss) per share attributable to common stockholders - basic	191,342	197,819	191,318	198,040
Weighted-average shares used to compute net income (loss) per share attributable to common stockholders - diluted	194,826	197,819	191,318	198,040

LegalZoom.com, Inc.
Unaudited Condensed Consolidated Statements of Cash Flows
(In thousands)

	Six Months Ended June 30,	
	2023	2022 (Restated)
Cash flows from operating activities		
Net loss	\$ (963)	\$ (38,496)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	11,406	10,933
Amortization of right-of-use assets	1,336	852
Amortization of debt issuance costs	112	112
Impairment of other equity security	—	170
Stock-based compensation	35,423	44,712
Deferred income taxes	7,614	(2,109)
Change in fair value of contingent consideration	(695)	(150)
Unrealized foreign exchange (gain) loss	(1,104)	3,405
Other	(1)	(1)
Changes in operating assets and liabilities:		
Accounts receivable	(316)	(2,357)
Prepaid expenses and other current assets	3,407	(417)
Other assets	4	(338)
Accounts payable	8,319	(13,553)
Accrued expenses and other liabilities	(4,082)	6,921
Operating lease liabilities	(1,132)	(1,642)
Income tax payable	8	15
Deferred revenue	15,037	16,700
Net cash provided by operating activities	74,373	24,757
Cash flows from investing activities		
Proceeds from acquisition working capital adjustment	—	307
Purchase of property and equipment	(15,227)	(10,379)
Net cash used in investing activities	(15,227)	(10,072)

Cash flows from financing activities

Repayment of capital lease obligations	(18)	—
Payment of contingent consideration	—	(600)
Repurchase of common stock	(9,809)	(39,155)
Shares surrendered for settlement of minimum statutory tax withholding	(2,469)	(30)
Proceeds from issuance of stock under employee stock plans	2,973	1,487
Net cash used in financing activities	<u>(9,323)</u>	<u>(38,298)</u>
Effect of exchange rate changes on cash and cash equivalents	32	(147)
Net increase (decrease) in cash and cash equivalents	49,855	(23,760)
Cash and cash equivalents, at beginning of the period	189,082	239,297
Cash and cash equivalents, at end of the period	<u>\$ 238,937</u>	<u>\$ 215,537</u>

Adjusted EBITDA and Adjusted EBITDA Margin

The following table presents a reconciliation of net income (loss) to Adjusted EBITDA for each of the periods indicated (unaudited):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022 (Restated)	2023	2022 (Restated)
	<i>(in thousands, except percentages)</i>			
Reconciliation of net income (loss) to Adjusted EBITDA				
Net income (loss)	\$ 1,395	\$ (12,743)	\$ (963)	\$ (38,496)
Interest (income) expense, net	(2,153)	(29)	(3,734)	24
Provision for (benefit from) income taxes	6,127	(639)	9,964	(1,559)
Depreciation and amortization	5,837	5,539	11,406	10,933
Other (income) expense, net	(624)	2,022	(1,318)	3,566
Stock-based compensation	18,956	22,847	35,423	44,712
Transaction-related expenses	—	92	—	122
Restructuring costs ⁽¹⁾	107	991	735	991
Legal expenses	—	—	—	40
Adjusted EBITDA	<u>\$ 29,645</u>	<u>\$ 18,080</u>	<u>\$ 51,513</u>	<u>\$ 20,333</u>
Net income (loss) margin	<u>1%</u>	<u>(8%)</u>	<u>—%</u>	<u>(12%)</u>
Adjusted EBITDA margin	<u>18%</u>	<u>11%</u>	<u>15%</u>	<u>6%</u>

(1) For 2023, restructuring expenses related to the reduction of our U.K. headcount, which is expected to be substantially complete by December 31, 2023. During the quarter ended June 30, 2022, restructuring expenses related to a one-time severance event to reduce the U.S. headcount. Restructuring expenses include salary and benefits for the impacted employees and are included in general and administrative expenses in the accompanying unaudited condensed consolidated statements of operations.

Non-GAAP Net Income, Non-GAAP Net Income Margin and diluted Non-GAAP Net Income Per Share

The following table presents a reconciliation of net income (loss) to Non-GAAP net income for each of the periods indicated (unaudited):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022 (Restated)	2023	2022 (Restated)
	<i>(in thousands, except per share amounts)</i>			
Reconciliation of Net income (loss) to Non-GAAP net income				
Net income (loss)	\$ 1,395	\$ (12,743)	\$ (963)	\$ (38,496)
Amortization of acquired intangible assets	1,291	790	2,582	1,460
Stock-based compensation	18,956	22,847	35,423	44,712
Transaction-related expenses	—	92	—	122
Restructuring expenses	107	991	735	991
Legal expenses	—	—	—	40
Income tax effects ⁽¹⁾	(2,714)	(2,406)	(4,744)	(4,683)
Non-GAAP net income	<u>\$ 19,035</u>	<u>\$ 9,571</u>	<u>\$ 33,033</u>	<u>\$ 4,146</u>
Net income (loss) margin	<u>1%</u>	<u>(8%)</u>	<u>—%</u>	<u>(12)%</u>
Non-GAAP net income margin	<u>11%</u>	<u>6%</u>	<u>10%</u>	<u>1%</u>

Net income (loss) per share attributable to common stockholders—basic	\$ 0.01	\$ (0.06)	\$ (0.01)	\$ (0.19)
Net income (loss) per share attributable to common stockholders—diluted	\$ 0.01	\$ (0.06)	\$ (0.01)	\$ (0.19)
Non-GAAP net income per share—basic	\$ 0.10	\$ 0.05	\$ 0.17	\$ 0.02
Non-GAAP net income per share—diluted	\$ 0.10	\$ 0.05	\$ 0.17	\$ 0.02
Weighted-average shares used to compute net income (loss) per share attributable to common stockholders—basic	191,342	197,819	191,318	198,040
Weighted-average shares used to compute net income (loss) per share attributable to common stockholders—diluted	194,826	197,819	191,318	198,040
Weighted-average shares used to compute Non-GAAP net income per share attributable to common stockholders—basic	191,342	197,819	191,318	198,040
Weighted-average shares used to compute Non-GAAP net income per share attributable to common stockholders—diluted	194,826	200,266	193,703	200,957

(1) The estimated income tax effect of the non-GAAP pre-tax adjustments is determined by applying the statutory rate of the originating jurisdiction, if applicable.

The following table shows the computation of basic and diluted Non-GAAP net income per share attributable to common stockholders (unaudited):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022 (Restated)	2023	2022 (Restated)
<i>(in thousands, except per share amounts)</i>				
Non-GAAP net income and Non-GAAP net income per share attributable to common stockholders:				
Non-GAAP net income	\$ 19,035	\$ 9,571	\$ 33,033	\$ 4,146
Reconciliation of denominator for net income (loss) per share attributable to common stockholders to Non-GAAP net income per share attributable to common stockholders:				
Weighted-average shares used to compute Non-GAAP net income per share attributable to common stockholders—basic:	191,342	197,819	191,318	198,040
Effect of potentially dilutive securities:				
Stock options	884	1,904	671	2,317
Restricted stock units	2,583	527	1,706	584
Employee stock purchase plan	17	16	8	16
Weighted-average common stock used in computing Non-GAAP net income per share attributable to common stockholders—diluted	194,826	200,266	193,703	200,957
Non-GAAP net income per share attributable to common stockholders—basic	\$ 0.10	\$ 0.05	\$ 0.17	\$ 0.02
Non-GAAP net income per share attributable to common stockholders—diluted	\$ 0.10	\$ 0.05	\$ 0.17	\$ 0.02

Free Cash Flow

The following table presents a reconciliation of net cash provided by operating activities to free cash flow (unaudited):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022 (Restated)	2023	2022 (Restated)
<i>(in thousands)</i>				
Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow				
Net cash provided by operating activities	\$ 45,165	\$ 11,020	\$ 74,373	\$ 24,757
Purchase of property and equipment	(7,799)	(5,468)	(15,227)	(10,379)
Free cash flow	\$ 37,366	\$ 5,552	\$ 59,146	\$ 14,378