

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2024

OR

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

For the transition period from to

Commission File Number 001-40819

Toast, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

45-4168768

(I.R.S. Employer Identification No.)

333 Summer Street

Boston, Massachusetts

(Address of principal executive offices)

02210

(Zip code)

(617) 297-1005

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value of \$0.000001 per share	TOST	New York Stock Exchange

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

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

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

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

TOAST, INC. CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited) (in millions, except per share amounts)

	September 30, 2024	December 31, 2023
Assets:		
Current assets:		
Cash and cash equivalents	\$ 761	\$ 605
Marketable securities	511	519
Accounts receivable, net	105	69
Inventories, net	106	118
Other current assets	319	259
Total current assets	1,802	1,570
Property and equipment, net	95	75
Operating lease right-of-use assets	31	36
Intangible assets, net	22	26
Goodwill	113	113
Restricted cash	56	55
Other non-current assets	108	83
Total non-current assets	425	388
Total assets	\$ 2,227	\$ 1,958
Liabilities and Stockholders' Equity:		
Current liabilities:		
Accounts payable	\$ 30	\$ 32
Deferred revenue	62	39
Accrued expenses and other current liabilities	656	592
Total current liabilities	748	663
Warrants to purchase common stock	27	64
Operating lease liabilities	27	33
Other long-term liabilities	5	4
Total liabilities	807	764
Commitments and Contingencies (Note 11)		
Stockholders' Equity:		
Preferred stock - par value \$0.000001; 100 shares authorized, no shares issued or outstanding	—	—
Common stock, \$0.000001 par value:		
Class A - 7,000 shares authorized; 468 and 429 shares issued and outstanding as of September 30, 2024 and December 31, 2023, respectively	—	—
Class B - 700 shares authorized; 97 and 114 shares issued and outstanding as of September 30, 2024 and December 31, 2023, respectively	—	—
Accumulated other comprehensive income	3	—
Additional paid-in capital	3,053	2,817
Accumulated deficit	(1,636)	(1,623)
Total stockholders' equity	1,420	1,194
Total liabilities and stockholders' equity	\$ 2,227	\$ 1,958

The accompanying notes are an integral part of these condensed consolidated financial statements.

TOAST, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)
(in millions, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Revenue:				
Subscription services	\$ 189	\$ 131	\$ 506	\$ 358
Financial technology solutions	1,067	856	2,963	2,338
Hardware and professional services	49	45	153	133
Total revenue	1,305	1,032	3,622	2,829
Costs of revenue:				
Subscription services	56	43	159	118
Financial technology solutions	835	674	2,323	1,828
Hardware and professional services	91	88	279	271
Amortization of acquired intangible assets	1	1	4	4
Total costs of revenue	983	806	2,765	2,221
Gross profit	322	226	857	608
Operating expenses:				
Sales and marketing	119	100	340	299
Research and development	89	87	258	264
General and administrative	80	98	229	276
Restructuring expenses	—	—	46	—
Total operating expenses	288	285	873	839
Income (loss) from operations	34	(59)	(16)	(231)
Other income (expense):				
Interest income, net	9	10	30	27
Change in fair value of warrant liability	(1)	18	(37)	(5)
Other income (expense), net	15	—	13	—
Income (loss) before taxes	57	(31)	(10)	(209)
Income tax expense	(1)	—	(3)	(1)
Net income (loss)	\$ 56	\$ (31)	\$ (13)	\$ (210)
Earnings (loss) per share attributable to common stockholders:				
Basic	\$ 0.10	\$ (0.06)	\$ (0.02)	\$ (0.40)
Diluted	\$ 0.07	\$ (0.09)	\$ (0.02)	\$ (0.40)
Weighted-average shares used in computing earnings (loss) per share:				
Basic	563	535	556	530
Diluted	590	536	556	530

The accompanying notes are an integral part of these condensed consolidated financial statements.