



Commerce's First Quarter 2026 Earnings Call: prepared remarks

May 7th, 2026

Tyler Duncan – SVP, Finance and Investor Relations

Good morning, and welcome to Commerce's First quarter 2026 earnings call. We will be discussing the results announced in our press release issued before today's market open. With me are Commerce's Chief Executive Officer, Travis Hess; and Chief Financial Officer & Chief Operating Officer, Daniel Lentz. Today's call will contain certain forward-looking statements, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

Forward-looking statements include statements concerning financial and business trends, as well as our expected future business and financial performance, financial condition, and our guidance for both the second quarter of 2026 and the full-year 2026. These statements can be identified by words such as expect, anticipate, intend, plan, believe, seek, committed, will, or similar words. These statements reflect our views as of today only and should not be relied upon as representing our views at any subsequent date, and we do not undertake any duty to update these statements. Forward-looking statements, by their nature, address matters that are subject to risks and uncertainties that could cause actual results to differ materially from expectations.

For a discussion of the material risks and other important factors that could affect our actual results, please refer to the risks and other disclosures contained in our filings with the Securities and Exchange Commission. During the call, we will also discuss certain non-GAAP financial measures, which are not prepared in accordance with generally accepted accounting principles. A reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures, as well as how we define these metrics and other metrics is included in our earnings press release, which has been furnished to the SEC and is also available on our website at investors.commerce.com.

With that, let me turn the call over to Travis.

Travis Hess – Chief Executive Officer

Thanks, Tyler.

Q1 2026 was a strong start to the year. We delivered revenue of \$86.8 million, non-GAAP operating income of \$12.4 million, and GMV of \$8.3 billion growing 14% year-over-year, an acceleration of GMV growth from the 12% we reported for full year 2025. We also delivered positive GAAP net income of \$3.7 million, which is a milestone that reflects the sustained operational discipline this team has applied over the past several years. We also generated operating and free cash flow of \$18.4 and \$14.1 million, respectively, and ended Q1 with approximately \$157 million in cash, cash equivalents and marketable securities, with no material debt maturities until 2028.

Historically, most investors and operators have described commerce as storefront-centric: traffic, conversion, checkout. Platform value tied to owning the destination and the transaction. That model is not wrong, it is just no longer sufficient to explain where value in the commerce ecosystem is actually accruing. Commerce is now better understood as data-centric, distributed, and orchestrated. Product data needs to be structured, enriched, and understood. Discovery and engagement happen across many surfaces - not just via an owned website. And, multiple systems need to coordinate customer experience, pricing, inventory management, and transaction optimization. More simply, commerce is shifting from a destination to a system. We have deliberately transformed and rebranded this business to lead this change.

By bringing together Feedomics, Makeswift, and our core BigCommerce platform, we believe we have built a highly differentiated solution that provides three integrated control planes across product intelligence, experience, and transaction. That flexibility is increasingly valuable as AI reshapes how commerce works. We are not replacing the storefront. We are extending it into every product discovery and shopping surface where commerce is happening, and those surfaces are multiplying fast.

Feedomics is our product intelligence layer. It creates a clean, enriched, structured understanding of products. It owns normalization, enrichment, attribute modeling, taxonomy, and syndication across marketplaces, ad channels, and AI search and shopping channels. In an agentic world, AI does not browse. It queries structured data and returns confident answers. If merchants' product data is not clean, correctly categorized and enriched - those products do not get surfaced. They end up invisible to the customers that merchants seek to reach. Feedomics makes merchants visible in the places that matter, and that job gets harder and more valuable with every new AI surface and protocol that emerges.

Makeswift is our experience layer. It composes and governs what the customer sees across web, mobile, and emerging AI interfaces. It owns UI composition, content, personalization, and experience orchestration across channels. AI can produce content, but it still needs to be governed to ensure it is on-brand and consistent across surfaces at scale. AI does not solve this

problem - but Makeswift does, and its importance only grows as the number of surfaces multiplies.

BigCommerce is our transaction layer that executes transactions and commerce logic. It owns cart, checkout, orders, pricing, promotions, and APIs for commerce operations. As agentic commerce matures, the question of which systems can be trusted to execute transactions reliably and at scale becomes more important - not less. This layer is the system of record, and systems of record become more crucial to merchants as commerce complexity grows.

What is important, and often underappreciated, is how this also plays out in B2B. In B2C, agentic capabilities are changing how products are discovered and in certain categories, shopped. In B2B, it is currently changing how they are specified, priced, and ordered across systems. That is a more complex problem, and one where data, orchestration, and flexibility matter even more than checkout. We also have real momentum here. Manufacturers, distributors, and wholesalers require multi-company hierarchies, complex quoting workflows, and pricing logic that few closed ecosystems can handle cleanly. We can. And critically, in B2B the cost of bad data or a failed transaction is not a lost sale - it is a broken business relationship.

There is a version of this story where some believe that AI threatens commerce infrastructure. We believe the opposite. AI answer engines and agentic workflows do not bypass the need for structured product data, governed experience layers, and reliable transaction systems - they depend on them. What materially changes is that the bar for each of those layers gets higher and our architecture reflects exactly that. Modular but integrated. Open, API-first and channel-agnostic.

Our largest competitor built a transaction layer and closed an ecosystem around it. We built across all three layers and did it openly - which means we can be a merchant's full stack, or we can be the data and orchestration layer running alongside commerce platforms they are already on. The intention is to work interoperably with a merchant's architecture - not against it. That is not a positioning statement. It is a structural decision we made deliberately, and it aligns to where commerce is going.

Now let me walk through what we accomplished in Q1.

At launch, Commerce was one of only two platforms to endorse Google's Universal Commerce Protocol. We have fully built to the UCP protocol, connecting BigCommerce and Feedonomics, enabling enhanced discovery, orchestration, and direct buying within Google's AI experiences, with merchants retaining merchant-of-record status and full ownership of their customer data. Two weeks ago at Google Cloud Next, we took the stage with Accenture and demonstrated their pre-built agentic operating system which incorporates Commerce's capabilities natively on GCP and GECX handling discovery, personalization, checkout, and fulfillment end to end. Agentic commerce is not a notional product launch on our roadmap; it is already running. Beyond Google, our agentic checkout is now live on Perplexity, Copilot, and Meta via our PayPal StoreSync integration. When a shopper completes a purchase in this model on an LLM chat surface, the order lands in BigCommerce.

Enterprise organizations like Dell are using Feedonomics to make their products discoverable on OpenAI and other LLMs, while our Feedonomics Enrichment tools are driving agentic engine optimization (or AEO) performance across channels.

We also released BigCommerce model context protocol (or MCP) to make it easier than ever for agents to securely interact with BigCommerce stores. We advanced AI capabilities directly within the core BigCommerce platform. Commerce Companion, our AI assistant built into the admin experience, helps merchants analyze business data, automate routine tasks, and accelerate time-to-value. This is AI that works inside the merchant's daily workflow, not just in discovery channels.

We launched BigCommerce Payments built with PayPal in Q1, an embedded payments solution that gives merchants a unified view of their finances, and flexible payment options including PayPal Pay Later, Venmo, Apple Pay, Google Pay, and cards, all from within the BigCommerce control panel. We expanded the number of channels available within Surface, our self serve version of Feedonomics, to now include Meta, Google Ads, Pinterest Ads, TikTok Ads, and Microsoft Ads. We are laying the groundwork for additional agentic and AI channel integrations, which will roll out in the coming months.

On the customer side, H&M, The RealReal, Petco, and Grainger adopted Feedonomics to enhance product visibility and performance across digital channels. We also added new industrial, manufacturing, and distribution customers, like StatLab, a leading supplier of histology and pathology consumables, and launched brands such as Helix Linear, a precision motion components manufacturer servicing industrial automation, robotics, aerospace and defense. These customers are examples of where our B2B capabilities resonate most strongly and where the depth of our platform is compelling.

On the core platform, we shipped 37% faster checkout. We added advanced promotions with coupon stacking, margin-protective caps, and bulk coupon code generation, as well as multi-language support with automatic URL subfolders and end-to-end translated storefronts. And we introduced backorder controls and improved catalog management. On storefronts, Makeswift on Stencil is in beta, and Native Hosting for Catalyst moves to open beta soon, deploying to Cloudflare at no additional cost to merchants.

In B2B, we launched our Purchase Order Agent. The agent extracts, validates, and routes them to checkout automatically. We also shipped cascading price lists, expanding the complexity of pricing use cases we can handle in B2B.

Finally, we recently announced some updates to our pricing and packaging on the BigCommerce platform. Effective June 1st, we have replaced our prior Standard, Plus, Pro, and Enterprise plans with Core, Growth, Scale, and Performance plans. The vast majority of platform ARR comes from our Enterprise plans. Those are sales-assisted plans on defined contract durations and terms. Customers formerly using Enterprise plans will see no change whatsoever beyond the name change to Performance.

We are also introducing a fee that applies to orders processed through payment providers not on our Embedded Payment Provider list. I want to be clear about what this is and what it is not. Contracted customers on our new Performance plan, formerly our Enterprise plan, pay no additional fees, no matter what payment partner they select. For the vast majority of our remaining merchants, their fee will also be zero, because their orders already run through one of the many providers on our Embedded list. We are talking about more than a dozen deeply integrated payment partners: Stripe, PayPal, Braintree, Adyen, Amazon, Klarna, Worldpay, Afterpay, BigCommerce Payments, and more, not a single proprietary gateway. Our merchants have real choice, and that choice comes with zero fees.

This change is not a broad-based price increase. It is a deliberate decision to go narrower and deeper with our payment partners, investing more meaningfully in fewer relationships to deliver better integrations, better checkout experiences, more local payment methods, and better conversion for our merchants.

We have completed the core elements of our transformation. A unified platform and brand, a clear investment thesis, a leadership team aligned around execution, and a strong financial profile give us the leverage and flexibility to deliver on the growth potential of this platform. You are starting to see our product velocity increase meaningfully as a result of these changes over the past 18 months. Our product agenda is in motion, the monetization levers are in place, and our focus is squarely on execution for the remainder of 2026. We are delivering healthy GMV growth, cash flow, and profitability, and the business is well-positioned for growth.

With that, I will turn it over to Daniel.

Daniel Lentz – CFO and COO

Thanks, Travis.

Q1 was a good start to the year across many facets of the business. Q1 revenue was \$86.8 million and up 5% year-over-year, above the high end of our guidance range of \$82.5 million to \$83.5 million. Subscription solutions revenue was \$63.7 million, and partner and services revenue was \$23.2 million. Non-GAAP operating income was \$12.4 million, above the high end of our guidance range of \$9.3 million to \$10.3 million. Our non-GAAP operating margin in Q1 was approximately 14.3%, reflecting continued leverage in our operating model. Total ARR ended the quarter at \$359.8 million, up sequentially from \$359.1 million at year-end 2025. GMV of \$8.3 billion grew 14% year-over-year, an acceleration of GMV growth from the 12% we reported for full year 2025 and reached nearly \$33 billion across the prior four quarters.

We also achieved GAAP net income in Q1 2026. This was our first quarter of GAAP profitability in our history as a public company. This margin improvement is the direct result of the strong operational discipline: simplifying our cost structure, driving leverage, and reinvesting savings

into our highest-impact product initiatives. We expect to deliver GAAP earnings profitability for the full year 2026.

As Travis said, in Q1 we generated operating and free cash flow of \$18.4 and \$14.1 million, respectively, and ended Q1 with approximately \$157 million in cash, cash equivalents and marketable securities, with no material debt maturities until 2028. Our strong balance sheet is the direct result of our improving operating cash flow and disciplined capital management. We said we would eliminate our remaining net debt by mid-2026, and we delivered that result a quarter early in Q1. Our cash, cash equivalents, and marketable securities now exceed our total long-term debt outstanding.

This balance sheet position gives us meaningful financial flexibility to invest in our products and growth, and to pursue strategic opportunities from a position of strength.

Remaining Performance Obligations and deferred revenue increased year over year in Q1. This is an important forward-looking indicator that reflects healthy bookings activity, customer commitments that have been contracted but not yet recognized, and strong demand visibility for the second half of the year.

We continue to handle dilution and stock based compensation responsibly as well. According to a recent Needham research note, stock-based compensation as a percentage of revenue for public software companies was 13.2% in Q4 2025. We ran at approximately 5.4% in the same period, less than half the peer average. That is not an accident. It reflects the same operational discipline that has driven our margin expansion and GAAP profitability.

As I mentioned earlier, we facilitated \$32.7 billion in GMV over the prior four quarters and have delivered consistent double-digit growth in this metric for multiple years. GMV captures the economic activity flowing through Commerce infrastructure, across B2C and B2B, BigCommerce and Feedonomics, and gives investors a clearer picture of the scale of our business. Many of our product investments and organizational changes are focused on narrowing the gap between GMV growth and revenue growth. This gap reflects primarily our strong B2B growth, where credit card transactions represent a smaller share of the payments mix. As we scale BigCommerce Payments and drive higher payments monetization, we expect that gap to narrow.

Dollarized net revenue retention (or NRR) improved sequentially in Q1, increasing from 95.2% to 95.4%. Driving sustained improvement in NRR is one of the most important operational priorities we have as a company, and this quarter's sequential improvement is an early but meaningful signal that our product investments are translating into better customer outcomes.

NRR improvement is fundamentally a cross-sell and retention story. We are focused on driving higher attach rates for Surface, Feedonomics, and BigCommerce Payments within our existing customer base; improving time-to-value; and tighter integration across our entire platform to make the full Commerce ecosystem stickier. Each of these levers has a direct impact on

expansion and churn. We have more work to do here, but the trajectory is moving in the right direction.

For Q2 2026, we expect:

- Revenue between \$84.5 million and \$85.5 million
- Non-GAAP operating income between \$4 million and \$5 million

For the full year 2026, we are reaffirming our outlook:

- Revenue between \$347.5 million and \$369.5 million
- Non-GAAP operating income between \$34 million and \$53 million

This outlook represents 2-8% full year growth with non-GAAP operating margins of 10-14%. On a Rule of 40 basis, our non-GAAP guidance implies combined growth plus margin performance of approximately 11-22%, depending on how we execute within our ranges.

Let me close with the core reasons why we believe Commerce is well-positioned to deliver long-term value.

We facilitated \$32.7 billion in GMV over the prior four quarters with 14% growth in Q1, clear evidence of our platform scale and its continued momentum. We operate at approximately \$359.8 million in ARR, with non-GAAP gross margins in the high 70s, generating meaningful non-GAAP operating income and cash flow. We achieved positive GAAP net income in Q1 and are on track for full-year GAAP profitability for the first time in our history. Our strong balance sheet gives us financial flexibility to invest and operate with confidence. And we are executing on the product investments - Payments, Agentic infrastructure, Surface, B2B - all of which we believe will drive durable ARR growth and expanding monetization in 2026 and beyond.

This business has never been better positioned. We have the scale, infrastructure, financial profile, and product momentum to deliver on the full growth potential of this platform.

With that, Operator, let's open it up for questions.