

ETSY (Etsy) Stock Analysis: Hold at \$61.90 | \$65 Target

By Spicer Matthews · April 18, 2026 · options.cafe

HOLD

Show-me stock with binary Apr 29 earnings; wait for a pullback to \$52-55 or confirmed breakout above \$75.

CURRENT PRICE

\$61.90

12-MO TARGET

\$65.00

UPSIDE

+5.0%

TIMEFRAME

12-18 Months

CONVICTION

MEDIUM

STOP LOSS

\$45.00

71.6%

FY25 Gross Margin

\$5.96B

Market Cap

RSI 72

Overbought Into Earnings

\$639M

TTM Free Cash Flow

9.3x

Price/Free Cash Flow

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Executive Summary

This ETSY stock analysis (Etsy, Inc.) covers fundamentals, technicals, SEC filings, market sentiment, insider activity, and our Etsy stock forecast 2026 as of April 2026. If you are asking "is ETSY a good stock to buy?" — the short answer is hold. Here is the bottom line:

- **HOLD at \$61.90 with a 12-18 month target of \$65 (+5% upside).** The Wall Street consensus target of \$61.79 sits literally at market price — meaning the Street sees zero edge from here. This is not a conviction entry point.
- **RSI 72.5 overbought heading into a binary Q1 2026 earnings event on April 29, 2026** (11 days from report compilation). ETSY has missed EPS in 3 of the last 6 quarters and reacted -5% to -15% on report day. The stock has surged +17.5% in the last week on the Depop sale, stretching every indicator.
- **Activist thesis is intact but priced in:** Elliott Management holds 5.19% (Marc Steinberg joined the Board February 5, 2024) plus Impactive Capital's 3.16% equals 8.35% of the register explicitly activist. The playbook is executing — Reverb divested, CEO transition, Depop sold to eBay for \$1.2B.
- **Valuation is genuinely cheap on free cash flow (9.3x P/FCF)** — cheapest among peers (EBAY 11x, W 12x, AMZN 30x, SHOP 50x). But P/E TTM 45.6x, negative book value of -\$11.32/share, and 3 consecutive years of negative GMS growth argue against paying a premium.
- **\$1.2B Depop proceeds inbound Q2 2026** funds the \$649.9M October 2026 debt cliff plus \$550M of incremental buybacks. Pro-forma deployable cash post-retirement is ~\$2.25B — that is the downside cushion at \$45.

Report	Signal	Key Finding	Weight
Fundamentals	MIXED	Cheap on FCF (9.3x) but P/E 45 TTM, negative book value, \$1.5B M&A destruction	20%
SEC Filings	MIXED	Elliott activist confirmed (bullish) but management credibility moderate-trending-low; \$650M Oct 2026 cliff	20%
Technical	MIXED	Bullish momentum (+40% YoY) but RSI 72.5 overbought into earnings; \$63-65 resistance	15%
News & Events	MIXED	42 articles, two-wave narrative — Feb bullish Depop/earnings then March reset on soft guide	15%
Insider/ Institutional	MIXED	100% insider selling (mostly mechanical 10b5-1) but Elliott 5.19% + Impactive 3.16% activist bullish	15%
Sentiment	MIXED	Bear arguments dominate Reddit but loudest short flipped bullish post-Depop announcement	15%
COMPOSITE	6/6 MIXED	No clear directional edge justifies HOLD — not BUY, not SELL	100%

Investment Thesis

Etsy is a "show-me" stock 11 days from a binary catalyst. Every report signal comes back mixed. Elliott Management is running the activist playbook from the boardroom, \$1.2B in Depop proceeds is en route, and the stock trades at a reasonable 9.3x price-to-free-cash-flow. But management has destroyed \$1.5B on failed mergers and acquisitions (Depop \$897M goodwill impairment, Elo7 \$147M, Reverb \$102M), core marketplace GMS just posted its first positive quarter in two years (a trend of exactly one data point), and the analyst consensus \$61.79 target sits literally at the current price. The Street sees zero edge.

The thesis has four pillars. First, **Elliott is running the playbook from the boardroom**. Marc Steinberg (Elliott Partner, 35) joined the Etsy Board on February 5, 2024. Every subsequent strategic action fits the activist script: \$1B buyback (October 2024), new CFO Lanny Baker (November 2024), Reverb sale (June 2025), Silverman out as CEO (December 2025), Wilson out as Chair (December 2025), universal-proxy bylaws (December 2025), \$750M buyback authorization (December 2025), Depop sale to eBay for \$1.2B cash (February 2026). With Impactive Capital's 3.16% added to Elliott's 5.19%, 8.35% of the register is explicitly activist. That is a real catalyst — but one the market has already mostly absorbed.

Second, **the April 29 earnings print is a binary event on a stretched technical setup**. ETSY is up 17.5% in the last week and 14.4% in the last month, pushing RSI to 72.5 (overbought) and the price to 17.1% above the 20-day SMA. Q4 2025 delivered the first positive Etsy marketplace GMS quarter (+0.1%) in two years — but one data point is not a trend. Q1 2026 consensus is \$0.61 EPS on \$621M revenue; Etsy's Q1 2025 was -\$0.49 vs. estimate +\$0.47, a -204% miss on the Reverb impairment. Buying here 11 days before the print, with the stock extended and consensus target at the tape, is asymmetric in the wrong direction.

The Core Tension

At 9.3x trailing P/FCF, ETSY is genuinely cheap for a 71.6%-gross-margin marketplace. But P/E TTM of 45.6x, \$11.32/share of negative book value, and \$1.5B of destroyed M&A goodwill (Depop \$897M, Elo7 \$215M, Reverb \$102M) argue against paying a premium multiple. The Depop cash (~\$12/share) is already priced in because the transaction was announced Feb 18 and the stock rallied +9% that day.

Third, **valuation is fair, not compelling**. On trailing P/FCF (9.3x) ETSY is genuinely cheap for a 71.6%-gross-margin marketplace. On forward P/E (17.7x) it is reasonable. Applying a probability-weighted framework (25% bear \$45, 50% base \$65, 25% bull \$90) yields \$66.25 — rounds to \$65. Fourth, **position sizing matters more than the call**. With beta 1.84, short float 16.54%, RSI 72.5 into earnings, and a 5-year return of -72%, this is a high-variance name. The right position size is 1-2% of book given binary catalysts. The right entry is a pullback to \$50-55 (below the 50-day SMA) where risk/reward improves to roughly 3:1, or a confirmed post-earnings breakout above \$75 on volume. Not \$61.90 the week before earnings.

Fundamental Analysis

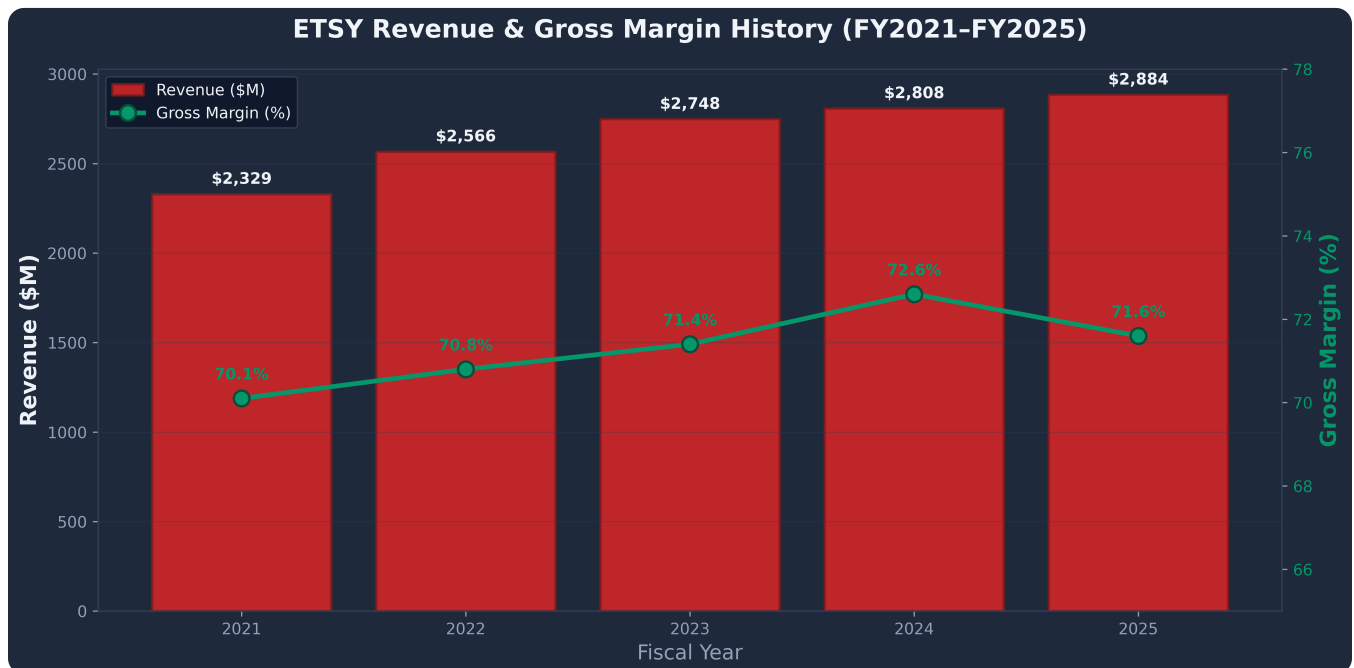
Company Overview

Etsy, Inc. (NYSE: ETSY) operates a peer-to-peer online marketplace for handmade, vintage, and craft goods. Founded in Brooklyn, New York in 2005 and taken public on the NASDAQ in April 2015 at \$16 per share, Etsy transferred to the NYSE in October 2025. The company employs 2,375 people. Sellers are largely independent micro-merchants; Etsy monetizes via transaction fees, listings, Etsy Ads (including Offsite Ads), and Etsy Payments. The dividend is zero — capital return runs exclusively through buybacks.

Leadership as of April 2026: Kruti Patel Goyal (CEO since January 1, 2026), Josh Silverman (Executive Chair, former CEO 2017-2025), Charles "Chuck" Baker (CFO since November 2024), Colin Stretch (Chief Legal Officer). Marc Steinberg of Elliott Investment Management sits on the Board since February 5, 2024 — a governance inflection that explains every subsequent strategic action.

The segment structure has been dramatically simplified. Etsy core (90%+ of GMS) is the flagship handmade marketplace. Reverb (musical instruments) was divested in April 2025 for \$105M. Depop (Gen Z resale fashion) was sold to eBay for \$1.2B cash announced February 18, 2026, closing Q2 2026. Elo7 (Brazilian crafts) was wound down at a total loss. The company is now a single-platform pure-play handmade/vintage marketplace.

Revenue & Gross Margin History

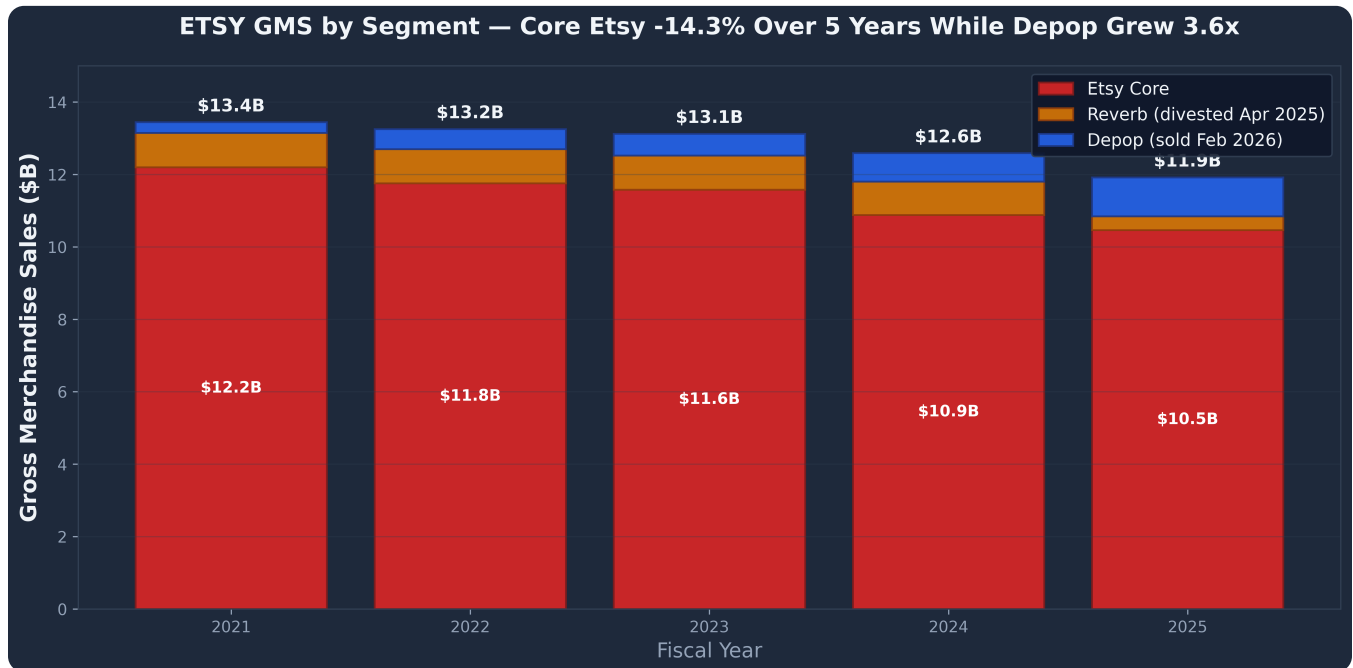


Revenue has grown from \$2.33B in 2021 to \$2.88B in 2025 — a compound annual growth rate of only 5.5%. Gross margins have been extraordinarily stable at 70-73%, reflecting the asset-light marketplace model. The key tension: FY2025 revenue was up just 2.68% year-over-year while net income fell 46% — driven by the Q1 2025 Depop-related goodwill write-down of \$293M plus ongoing Depop operating losses.

Multi-Year Income Statement

Metric (\$M)	FY2024	FY2025	YoY
Total Revenue	2,808.33	2,883.51	+2.68%
Gross Profit	2,039.43	2,065.71	+1.29%
Operating Income	407.85	366.25	-10.20%
EBITDA	515.92	468.09	-9.27%
Net Income	303.29	162.97	-46.27%
Diluted EPS	\$0.59	\$0.34	-42.4%
Stock-Based Comp	223.45	207.42	-7.17%

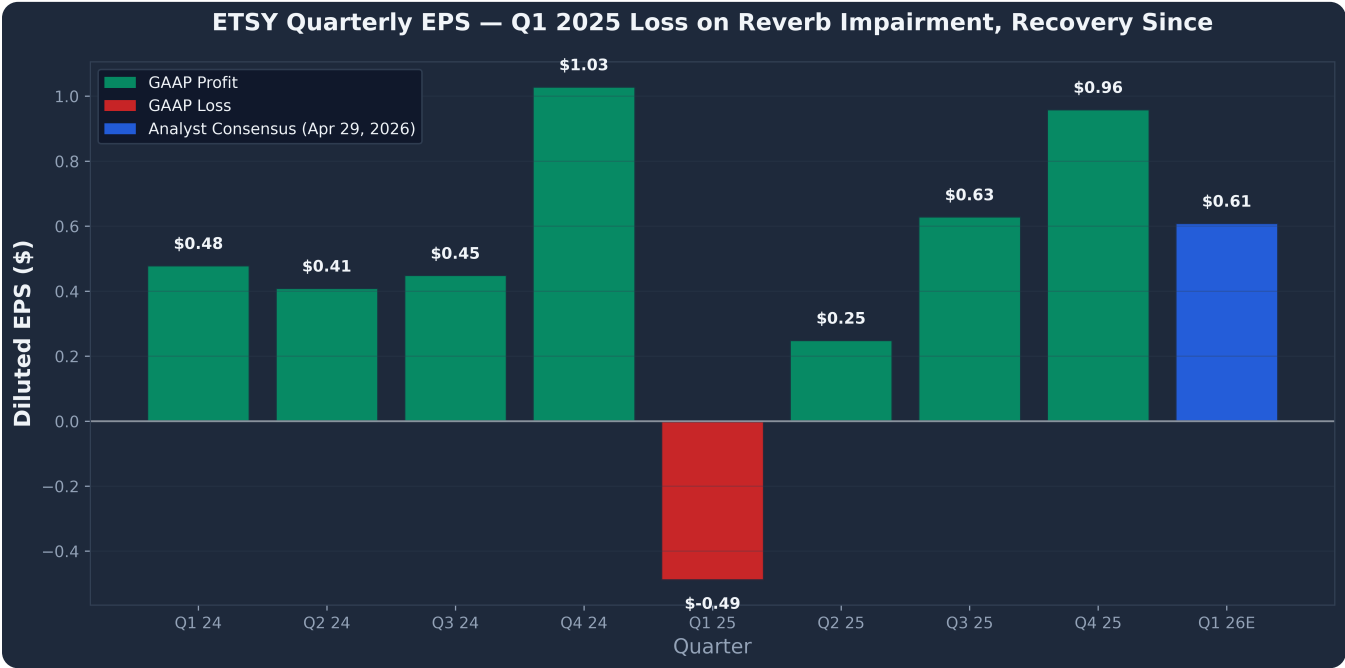
GMS by Segment — The Core Problem



Here is the unvarnished story: Core Etsy GMS has declined every year since 2021. Depop was the entire "growth" narrative — and Etsy just sold it to eBay. The core marketplace shrank from \$12.20B (2021) to \$10.46B (2025), a 14.3% decline over four years, while global e-commerce grew.

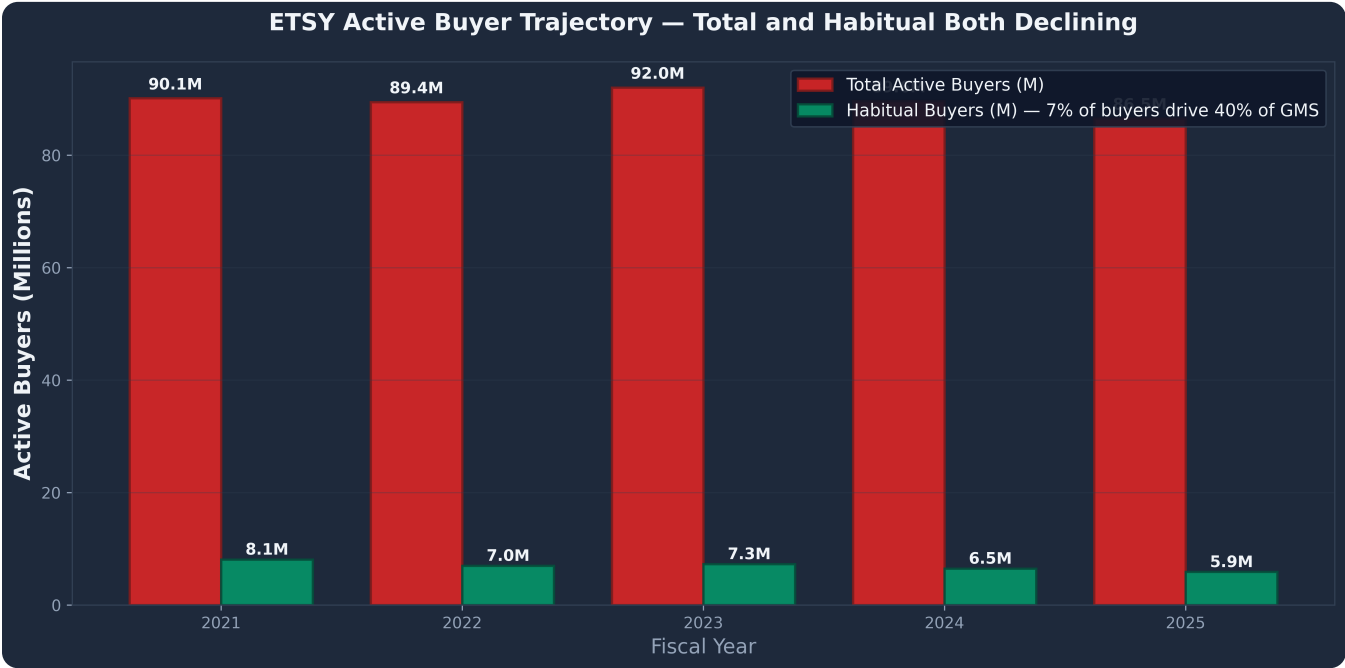
Year	Etsy Core (\$M)	Reverb	Depop	Elo7	Total GMS	YoY
2021	12,196.7	948.0	294.4	32.0	13,491.8	+31.2%
2022	11,754.1	942.5	552.1	69.7	13,318.4	-1.3%
2023	11,577.4	942.1	599.6	42.1	13,161.2	-1.2%
2024	10,880.1	917.9	788.9	—	12,587.0	-4.4%
2025	10,460.7	381.3	1,074.9	—	11,916.9	-5.3%

EPS Trajectory — Lumpy but Improving



The quarterly picture is more informative than annual. Q4 2025 delivered EPS of \$0.96 on revenue of \$881.64M (+3.5% YoY) — the best quarter in company history. Operating income of \$130.50M at a 14.8% operating margin shows real leverage. Core Etsy marketplace GMS grew +0.1% — the first positive print in two years (since Q3 2023). US buyer GMS grew +0.3% — the first positive in four years. Q1 2026 consensus: \$0.61 EPS on \$621M revenue, reporting BMO April 29, 2026.

Active Buyer Trajectory



Etsy.com active buyers have declined from 90.1M (2021) to 86.5M (2025). More concerning, habitual buyers (6+ purchase days and \$200+ TTM spending) have dropped from 8.1M to 5.9M — and this 7% of the buyer base drives roughly 40% of GMS. The extreme concentration means buyer churn at the top has outsized impact. Reactivated buyers hit a record 30.0M in 2025, but the company is harvesting lapsed users rather than acquiring new ones.

Valuation Snapshot

Metric	Value	Metric	Value
Market Cap	\$5.96B	Enterprise Value	\$7.45B
P/E TTM	45.61x	Forward P/E	17.67x
PEG	0.40	P/FCF	9.33x
P/Sales	2.07x	EV/EBITDA	15.92x
Gross Margin	71.64%	Operating Margin	12.70%
ROIC	11.93%	Book Value/Share	-\$11.32
Cash/Share	\$16.83	Analyst Target	\$61.79

Why Book Value Is Negative

ETSY has run a \$1.75B+ buyback program and has spent more than \$2.1B repurchasing stock in 2023-2025 at an average price of roughly \$62/share — coincidentally, exactly today's price. Combined with \$1.5B of goodwill written off from failed acquisitions (Depop \$897M, Elo7 \$147M, Reverb \$102M), accumulated deficit has swamped retained earnings and paid-in capital. This is a financial-engineering artifact, not a distress signal — but it means traditional P/B, ROE, and D/E ratios are meaningless here.

Peer Comparison

Peer	Fwd P/ E	P/ FCF	EV/ EBITDA	Notes
EBAY (eBay)	~11	~11	~9	Most direct comp — mature marketplace, low growth
SHOP (Shopify)	~55	~50	~35	Growth premium — not a valuation comp
W (Wayfair)	~25	~12	~18	Discretionary marketplace; margin-challenged
AMZN (Amazon)	~30	~30	~18	AWS inflates multiple — not pure comp
ETSY (target)	17.7	9.3	15.9	Cheapest P/FCF in group; above-EBAY EV/EBITDA

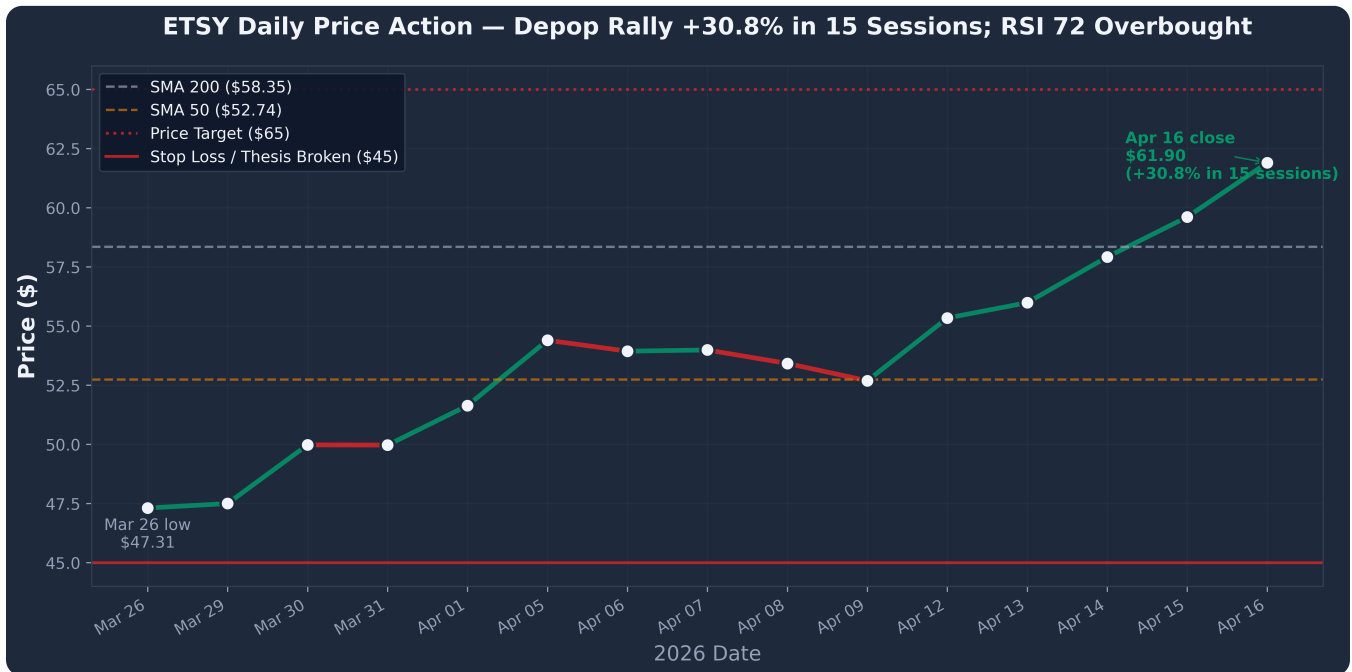
Technical Analysis

ETSY just executed a V-bottom reversal from the February 2026 low of \$45.56, rallying +38% to \$61.90 into the April 29 earnings print. The technical setup is bullish but stretched: price is 17.4% above the 50-day SMA and just reclaimed the 200-day SMA at \$58.35 on April 15. RSI surged from 51 to 72.5 in just six sessions — overbought, though not yet extreme.

Moving Averages & Indicators

Indicator	Value	Price vs	Signal
SMA 10	\$55.92	+10.7%	Bullish — first pullback target
SMA 20	~\$52.86	+17.1%	Extended above 20-day
SMA 50	\$52.74	+17.4%	Clean break above intermediate MA
SMA 200	\$58.35	+6.1%	Just reclaimed — crucial inflection
RSI (14)	72.52	Overbought	Caution — mean-reversion risk
MACD Line	+1.68	Above zero	Bullish
MACD Histogram	+1.14	Expanding	Strong momentum acceleration
Beta	1.84	High vol	Moves ~2x market
ATR (14)	\$2.49	~4.0% daily	Elevated volatility profile

Daily Price Action — The Depop Rally



The last 15 sessions tell the story. After closing at \$47.31 on March 26, ETSY rallied to \$61.90 by April 16 — a +30.8% gain in 15 trading sessions. Four consecutive green candles from April 12-16 reclaimed the SMA 200 and breached the \$58 resistance pivot. Volume confirmed the move, with 3.26M shares on April 16 versus the 20-day average of ~2.5M.

Support & Resistance

Level Type	Price	Significance
ATH (Dec 2023)	\$89.58	All-time high — long-term upside target
52W High	\$76.52	Major resistance — last year ceiling
Oct 2025 High	\$74.00	Reversal pivot — -17% week followed
Fib 61.8% (2023-25)	\$70.64	Strong resistance — 2025 July high area
Target / Pivot Zone	\$63–\$65	Immediate resistance — first big test
CURRENT PRICE	\$61.90	Between support and first resistance
SMA 200	\$58.35	Major support — just reclaimed
SMA 10	\$55.92	Ascending support from Feb lows
SMA 50	\$52.74	Strong support — Fib 61.8% confluence
Feb V-Bottom	\$45.00	Critical — thesis broken below
Stop Loss	\$45.00	Sustained break stops out activist value thesis

Pattern Read

V-bottom confirmed at \$45 (Feb 2026) with capitulation week -19.1% followed by +14.5% reflex. Higher low structure holding since March 26. Breakout above descending trendline cleared the multi-month downtrend from the \$74 high. The SMA 200 reclaim on April 15 is the crucial inflection. Bull flag / cup-with-handle signature forming on the 6-month chart if \$65 gives way cleanly.

SEC Filings & Activist Playbook

Etsy spent 2019-2021 building a "House of Brands" via acquisitions, then spent 2023-2026 unwinding every piece of it. The February 2024 arrival of Elliott Management on the Board is the inflection point that explains every subsequent action.

Corporate Timeline

Date	Event
2005	Etsy founded in Brooklyn, NY
April 2015	IPO on NASDAQ at \$16/share
May 2017	Josh Silverman becomes CEO; Fred Wilson becomes Chair
August 2019	Reverb acquired (~\$275M); 2019 Notes issued (\$649.9M, 0.125%, Oct 2026)
2020	COVID surge: GMS doubles to \$10.3B
July 2021	Depop acquired (\$1.493B) + Elo7 acquired (\$212M) — "House of Brands" begins
Q3 2022	Goodwill impairments: \$897.9M Depop + \$147.1M Elo7 — 14 months after purchase
August 2023	Elo7 divested at loss (\$2.6M sale + \$68.1M impairment)
Feb 5, 2024	Marc Steinberg (Elliott Management Partner) joins Board — governance inflection
October 2024	\$1B buyback program authorized
November 2024	New CFO Lanny Baker replaces Glaser
April-June 2025	Reverb sold for \$105M — \$101.7M Q1 impairment + \$5.1M sale loss
June 11, 2025	\$700M 2025 Notes issued (1.00%, June 2030, \$85.79 conversion) — NO capped call
October 13, 2025	NASDAQ → NYSE listing transfer — unusual for mature issuer
October 24, 2025	Silverman CEO step-down announced; Kruti Patel Goyal named successor
December 16, 2025	Defensive bylaws (Rule 14a-19) + \$750M new buyback authorization
Jan 1, 2026	

Date	Event
	Patel Goyal CEO; Silverman → Exec Chair; Wilson → Lead Independent Director
Feb 18, 2026	Depop sold to eBay for \$1.2B cash — six weeks into new CEO's tenure

Management Credibility Scorecard

Promise	Verdict	Delivery
House of Brands strategy (2021)	MISSED	Elo7, Depop, Reverb all divested at loss
Seven core geographies (2022)	MISSED	UK revenue -15%; India de-emphasized
Reignite GMS growth (2022-2024)	MISSED	GMS -4.4% 2024, -5.3% 2025
Etsy Ads ML relevancy	DELIVERED	Services revenue +11.3%, +\$62.2M ads
11% workforce reduction	DELIVERED	Completed Q1 2024; \$26.6M charge
Return FCF via buybacks	DELIVERED	\$2.1B stock bought 2023-2025
Offset dilution with buybacks	DELIVERED	Shares 126.4M → 102.4M = -19%

October 2026 Debt Cliff

\$649.9M in 2019 Convertible Notes (0.125% coupon, \$87.69 conversion price) mature October 1, 2026. With ETSY at \$61.90 (29% below conversion), these will be cash-settled at par. The 10-K explicitly classifies them as short-term debt on the December 31, 2025 balance sheet. The timing of the Depop sale was not coincidental: \$1.2B in eBay cash (Q2 2026 close) funds the ~\$650M debt retirement plus continued buybacks.

Pro-Forma Cash Ladder (Post-Depop, Post-Debt)

Cash & equivalents (Dec 31, 2025)	\$1,395.8M
+ Short-term investments	\$224.1M
+ Long-term investments	\$134.4M
= Total liquid assets	~\$1,754M
+ Depop sale proceeds (Q2 2026)	+\$1,200M
Pro-forma cash	~\$2,954M
- 2019 Notes repayment (Oct 2026)	-\$650M
Post-retirement deployable cash	~\$2,254M
+ Undrawn \$400M revolver (Mar 2028)	\$400M

News & Catalysts

Etsy's 60-day news cycle follows a clean two-wave narrative. Wave 1 (mid-February) was decisively bullish: the \$1.2B Depop sale to eBay (Feb 18) plus a Q4 beat (EPS \$0.92 vs \$0.88) and the first positive core GMS print in 2 years (+0.1%) drove the stock +10-14% in a single session. Wave 2 (mid-to-late March) was a reset — shares fell -5.2% on March 24 as the market digested soft 2026 guidance (GMS \$2.38-\$2.43B, take rate ~25.5%, EBITDA margin 28-30%) and a "show-me" tone settled across sell-side notes.

Top Stories

Date	Story	Impact
Feb 18, 2026	Etsy sells Depop to eBay for \$1.2B cash. Paid \$1.625B in 2021 — realizes ~26% loss on original purchase. Closes Q2 2026.	Stock +10-14% on news
Feb 19, 2026	Q4 2025 earnings beat. EPS \$0.92 vs \$0.88 consensus. Revenue \$881.6M (+3.5% YoY). Core Etsy GMS +0.1% — first positive print in 2 years (since Q3 2023). US buyer GMS +0.3% — first positive in 4 years.	Confirms GMS inflection
Feb 19, 2026	Q1 2026 guidance issued. GMS \$2.38-\$2.43B (+2-4% YoY). Take rate ~25.5%. Adjusted EBITDA margin 28-30%. Mid-range implies deceleration vs Q4.	Triggered -5.2% Mar 24 selloff
Jan 1, 2026	CEO transition. Kruti Patel Goyal takes over from Silverman. Previously ran Etsy's marketplace & Depop. April 29 will be her first earnings call.	Structural/strategic
Feb 19, 2026	\$750M new buyback authorization. Brings total capacity to ~\$1B when combined with prior authorization.	EPS tailwind
Feb 11, 2026	Google Universal Commerce Protocol co-developer. Etsy launch partner alongside OpenAI, Microsoft Copilot, Stripe. Agentic traffic up 15x YoY.	Long-term optionality
Sep 2025 (context)	OpenAI Instant Checkout partnership — drove +16% single-day move at announcement.	Narrative anchor

Analyst Ratings — The \$40 Spread

Consensus is 2.50 (Hold) with an average target of \$61.79 — essentially spot. But the spread is \$40 wide, from Arete's Sell at \$43 to Truist's Buy at \$83. Analysts genuinely disagree on whether this is a terminal decline or a turnaround.

Firm	Rating / PT	Date
Truist Securities	Buy \$83	Feb 23, 2026
Barclays	Equal → Overweight	Mar 1, 2026
Bank of America	Buy \$65	Mar 12, 2026
Needham	Buy \$65	Mar 10, 2026
Morgan Stanley	Equal-Weight \$60 (cut from \$65)	Mar 14, 2026
JP Morgan	Neutral \$58	Feb 26, 2026
Stifel	Hold \$55	Feb 28, 2026
UBS	Neutral \$53	Feb 24, 2026
Wells Fargo	Underweight \$47	Mar 20, 2026
Arete	Sell \$43	Jun 11, 2025
Goldman	Sell \$45	Feb 20, 2026 (maintained)

Market Sentiment

Sentiment is mixed, leaning cautiously bullish post-Depop sale. Bears dominate volume on Reddit but the loudest short — u/HunterMichael92 with 150K shares short — flipped bullish with a \$62.50 EV-based target. Twitter/X features quieter, thoughtful bulls: GMT Capital's Thomas Claugus II (verified account @tclaugus2) holds a 6% position and added at \$48.20 in March 2026. Chatter level is below average; r/wallstreetbets has had zero dedicated threads in 6 months — the "forgotten name" setup.

Bull & Bear Side-by-Side

Reddit & Twitter Bull Quotes

- "DCF: 6% growth, 9% FCF yield, 18x forward P/E = \$101 fair value vs \$61.90 spot. ~63% upside." — u/KnowledgePatient7813
- "Was short 150K shares at \$35 target; flipped post-Depop sale. Target \$62.50." — u/HunterMichael92 (the biggest short)
- "24.9% FCF margin; TTM FCF = 26% of LT debt; 27x interest coverage." — r/ValueInvesting
- "\$750M buyback = 17.7% of market cap. Board conviction signal." — u/TowelNo234
- "GMT Capital's Claugus at 6% position, added at \$48.20 in March." — @tclaugus2

Reddit & Twitter Bear Quotes

- "Etsy lost its soul — flooded with mass-produced junk and dropshipped crap." — r/stocks top comment
- "Silverman took \$300M comp over 10 years. Depop \$1.625B → \$1.2B (loss). Elo7 impaired 90%. Reverse Midas touch." — r/investing
- "P/E 37-38 vs eBay 20. Some see low \$30s." — r/ValueInvesting
- "Take-rate at 2x decade ago (21%). Squeezing sellers to mask underlying volume weakness." — r/stocks
- "200-day MA rejection after 32% bounce. P/C 2.26 bearish flow." — @SkilletHb

The Options Market Signal

Options market pricing implied volatility of 148% with a put/call ratio of 2.26 (bearish flow) heading into April 29 earnings. The market is pricing in a ~10% move on the print. Bulls are betting on continuation of the Depop narrative; bears on a GMS reversion or soft guide repeat. This is a true binary setup.

Insider & Institutional Activity

Headline Numbers (5-Year Aggregate)

Metric	5 Years	12 Months
Open-Market Purchases	0	0
Sell Transactions	198	41
Total Dollar Value Sold	\$313.8M	\$58.5M
Buy/Sell Ratio	0/198 = 0.00	0/41 = 0.00

100% selling over 5 years: \$313.8M across 198 transactions from 20 insiders with zero buys. Silverman alone sold \$218.5M (2,075,086 shares) — two-thirds of total insider selling. But nearly all sales were via Rule 10b5-1 mechanical trading plans (adopted August 12, 2021 & November 5, 2024) plus estate-planning trusts. This dilutes the "panic sell" signal. The pattern looks mechanical rather than informational.

Insider Ownership Roster (Current Officers & Directors)

Insider	Current Title	Shares Owned	5Y \$ Sold
Silverman Josh	Exec Chair (former CEO)	358,791	\$218.5M
Patel Goyal Kruti	CEO (since Jan 2026)	91,565	\$9.4M
Baker Charles	CFO	6,161	\$411K
Stretch Colin	Chief Legal Officer	66,767	—

Institutional Ownership — Convertible-Arb Dominated

A critical nuance: institutional ownership stands at 120.62% — mathematically impossible except via derivative overlap. The top 10 institutional holders are dominated by convertible-arbitrage and event-driven hedge funds (D.E. Shaw +269%, Davidson Kempner +139%, Sona Asset Management +121%, Tenor Capital +104%, Soros Fund Management +86%, Calamos Advisors +71%, Camden Asset +68%, Sherkman Capital +58%) — not long-only mutual funds. This is almost certainly driven by the \$650M

2019 convertible notes maturing October 1, 2026. These funds are long the convert, short the stock — which both explains the 16.54% short float and signals that the trade unwinds in October regardless of fundamentals.

The Activist Register

Elliott Investment Management 5.19% + Impactive Capital 3.16% + GMT Capital ~6% = approximately 14% of the register held by activist or value-conviction holders. Hussman Strategic Advisors added ~\$3M in early February 2026 ahead of the Depop announcement — notable because Hussman is typically a late-cycle bearish hedge voice. This is the contrarian signal that justifies HOLD rather than SELL.

Risk Factors

Risk	Probability	Impact
Q1 2026 earnings miss on April 29. EPS or GMS below consensus. ETSY has missed 3 of last 6 quarters.	30%	-\$10 to -\$15
Core GMS returns to negative. Q4 2025 +0.1% was a one-off. 3 years of declining core GMS preceding.	35%	-\$15 to -\$20
Temu/Shein/Amazon marketplace share loss. Commoditization of handmade category, AI-generated listings compounding the problem.	50% (MT)	Structural
Recession hits discretionary spend. Etsy is 70%+ gifts, crafts, non-essential purchases.	30%	-20% binary
2025 Notes dilution if stock > \$85.79. NO capped call hedge (unique among ETSY note series).	LOW	HIGH severity
AI disintermediation. Flip side of ChatGPT integration — AI could cut marketplace middleman via Shopify + agents.	MEDIUM (LT)	HIGH
Habitual buyer decline. 5.9M buyers drive 40% of GMS; concentration risk if churn accelerates.	40%	MEDIUM
UK market erosion. UK revenue -14.9% two-year. Exposure to European macro.	HIGH	LOW

THESIS BROKEN BELOW \$45 — the February 2026 V-low. A sustained break stops out the entire activist value thesis.

Conclusion & Price Targets

Earnings Model — FY2026E & FY2027E

Scenario	Probability	FY26E Revenue	FY26E Op Margin	FY26E EPS	FY27E EPS	Price Target
BEAR — Core GMS reverts negative	25%	\$2.80B (-3%)	9.0%	\$1.50	\$1.65	\$45
BASE — Q4 inflection holds, GMS +2%	50%	\$2.95B (+2%)	12.5%	\$2.30	\$2.70	\$65
BULL — AI agent commerce pays off	25%	\$3.15B (+9%)	15.0%	\$3.50	\$4.20	\$90
Probability-Weighted	100%	—	—	—	—	\$66.25 ≈ \$65

Target derivation: Base-case FY27E EPS \$2.70 × 18x blended forward P/E = \$48.60 core equity value. Add \$12/share in net cash post-Depop (\$2.25B / ~92M shares) = \$60.60. Add ~\$4/share activist-catalyst option value (buyback acceleration + potential strategic alternatives) = \$65.

Bull Case: \$90 (+45%)

- Q1 2026 GMS growth +2% or better confirms Q4 inflection
- Core Etsy marketplace GMS sustains positive for 2-3 quarters
- Agentic AI partnerships drive incremental GMS >2% by YE
- \$1.2B Depop cash deployed to buybacks at <\$65/share
- Elliott activism escalates — strategic alternatives review
- Multiple re-rates to 22x forward P/E as profitability stabilizes

Bear Case: \$45 (-27%)

- Q1 2026 earnings miss triggers second guidance cut
- Core GMS reverts negative — Q4 was a one-off
- Temu/Shein/AI commoditize handmade category further
- Habitual buyer base drops below 5.5M — concentration risk
- Take-rate ceiling hit, can't squeeze sellers further
- Multiple compresses to 12x forward P/E on growth concerns

Action Plan

Parameter	Recommendation
Position Size	1-2% max of portfolio given beta 1.84, short float 16.54%, and binary April 29 earnings risk.
Preferred Entry	Scale-in on pullback to \$50-55 (below 50-day SMA, above Feb 2026 V-low of ~\$45). Risk/reward improves from ~1:1 at \$61.90 to ~3:1 at \$52.
Alternative Entry	Confirmed post-earnings breakout above \$75 on above-average volume if Q1 confirms the inflection. Chase only on confirmation, not hope.
Exit Targets	Trim at \$72 (upper resistance, near 52W high). Full exit at \$85 (2025 Notes conversion at \$85.79 — watch dilution). Stop-loss at \$45 (thesis-broken level).
Existing Holders	Size down to $\leq 2\%$ before April 29 earnings. Sell covered calls above \$70 strike (June expiry) to monetize elevated IV heading into the print.
Key Review Dates	Q1 2026 earnings April 29, 2026 BMO. Depop close Q2 2026. Oct 1, 2026 — \$649.9M 2019 Notes mature. Dec 31, 2026 — Silverman exits Board Chair role.

The Bottom Line

This Etsy stock analysis rates ETSY a medium-conviction HOLD at \$61.90 with a 12-18 month price target of \$65 (+5% upside). The core tension: Elliott Management is running the activist playbook from the boardroom, \$1.2B in Depop proceeds is en route, and the stock trades at a reasonable 9.3x P/FCF. But management has destroyed \$1.5B on failed M&A, core GMS just posted its first positive quarter in two years (a trend of exactly one), and the analyst consensus \$61.79 target sits literally at the current price. The Street sees zero edge.

If you already own ETSY, size it to sleep through April 29 earnings — the options market is pricing in a ~10% move with IV at 148%. If you don't, wait for a pullback to \$52-55 where risk/reward becomes 3:1, or wait for Q1 2026 to confirm the core marketplace inflection is real before paying up. This is not a conviction buy at current levels — it is a show-me stock.

For options traders, ETSY's high implied volatility and binary earnings setup make it a potential candidate for the [Options Cafe course strategies](#) such as [selling cash-secured puts](#) at the \$50 or \$52.50 strike to get paid to wait for the desired entry. Existing holders can [lower their stock basis using options](#) by selling covered calls above \$70 strike. Review [criteria for selecting wheel strategy stocks](#) or explore [generating monthly income with options](#) on high-IV names like ETSY.

Sources: SEC Filings (10-K FY2025, DEF14A 2026, 8-Ks, Form 4s, Form 144s), Finviz Elite, FactSet, Reddit sentiment analysis, Twitter/X. Report compiled April 18, 2026.

Frequently Asked Questions

Is ETSY a good stock to buy right now?

Based on this Etsy stock analysis, ETSY is rated a **HOLD** at \$61.90 with a 12-18 month price target of \$65 (+5% upside). The Wall Street consensus target of \$61.79 sits literally at current price, meaning the Street sees zero edge. The thesis is intact (Elliott Management activism, Depop sale, first positive core GMS in 2 years) but the setup is poor: RSI 72.5 overbought, price +17% above the 50-day SMA, and 11 days from binary Q1 2026 earnings on April 29. Better entry points are \$52-55 (below the 50-day SMA) or a confirmed post-earnings breakout above \$75 on volume.

What is the Etsy stock price target?

The Etsy stock price target from Wall Street consensus is \$61.79 — essentially spot at current levels of \$61.90. Analyst dispersion is unusually wide: Arete Sell at \$43, Wells Fargo Underweight at \$47, UBS Neutral \$53, Stifel Hold \$55, JPM \$58, Morgan Stanley Equal-Weight \$60, Bank of America Buy \$65, Needham Buy \$65, Truist Buy \$83. This \$40 spread signals that analysts genuinely disagree on whether this is a terminal decline or a turnaround. Our base-case 12-18 month target is \$65 derived from FY27E EPS \$2.70 × 18x forward P/E plus \$12/share Depop cash equivalent.

Should I buy or sell ETSY stock?

The recommendation is **HOLD**. The setup is not compelling enough to buy aggressively here and not broken enough to sell. If you already own ETSY, size down to 1-2% of portfolio before April 29 earnings and consider selling covered calls above \$70 strike (June expiry) to monetize elevated IV (currently 148%). If you don't own it, wait for a pullback to \$52-55 or a confirmed breakout above \$75. Sell signals: weekly close below \$45 (thesis broken) or Q1 2026 earnings miss with FY2026 guidance cut.

Will Elliott Management take Etsy private?

Unlikely in the near term, but strategic alternatives pressure is possible. Elliott Management's Etsy stake sits at 5.19% with Marc Steinberg on the Board since February 5, 2024. The activist playbook has been executing at pace: \$1B buyback authorized (October 2024), new CFO (November 2024), Reverb divested (April 2025), Silverman out as CEO (December 2025), \$750M additional buyback (December 2025), Depop sold to eBay for \$1.2B (February 2026). Combined with Impactive Capital's 3.16% and GMT Capital's ~6%, roughly 14% of the register is activist or value-conviction. A take-private bid or sale to a strategic acquirer is the tail-end bull case, but the more probable scenario is continued operational discipline plus aggressive capital return.

What is the ETSY stock forecast for 2026 and beyond?

In the base case (50% probability), ETSY reaches \$65 within 12-18 months as Q4 2025 core GMS inflection holds and the \$1.2B Depop cash funds accelerated buybacks. The bull case (25%) is \$90 if agentic AI commerce partnerships (OpenAI ChatGPT Shopping, Google Universal Commerce Protocol) drive incremental GMS growth above 2% by year-end. The bear case (25%) is \$45 if core GMS reverts to negative and Temu/Shein/AI-generated listings commoditize the handmade category further. Key catalysts: Q1 2026 earnings (April 29), Depop close (Q2 2026), October 2026 convertible notes retirement, 2027 agentic commerce revenue disclosure. The probability-weighted target is \$66.25, which rounds to \$65.

How does Etsy compare to eBay, Amazon, and Shopify?

ETSY is the cheapest on price-to-free-cash-flow in the peer group at 9.3x versus eBay 11x, W 12x, AMZN 30x, and SHOP 50x. On forward P/E, ETSY is 17.7x versus EBAY 11x and SHOP 55x. The most direct competitor is eBay — both are mature marketplaces with low growth and similar gross margin profiles. Shopify is a growth premium story and not a valuation comp. Amazon's multiple is inflated by AWS. Etsy's differentiation is the handmade/vintage/craft niche — a curation moat that Amazon Handmade has struggled to replicate over 10 years. But the counter-argument from Reddit value investors is persistent: Evolution AB (EVVTY) at 12x forward P/E is "actually profitable" and a better marketplace exposure, and eBay just bought Depop specifically to target Gen Z/Millennial buyers where ETSY was losing share.

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