



Q4 FY23 Earnings



Safe harbor

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Past performance is not necessarily indicative of future results. The forward-looking statements included in this presentation represent monday.com’s views as of the date of this presentation. monday.com anticipates that subsequent events and developments will cause its views to change. monday.com undertakes no intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. These forward-looking statements should not be relied upon as representing monday.com’s views as of any date subsequent to the date of this presentation.

This presentation contains certain supplemental financial measures that are not calculated pursuant to GAAP. The Company believes that these non-GAAP financial measures, when presented in conjunction with comparable GAAP measures, provide useful information about its operating results and enhance the overall ability to assess the Company’s financial performance. These non-GAAP financial measures are in addition to, and not as a substitute for or superior to measures of financial performance prepared in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures versus their most directly comparable GAAP equivalents. For example, other companies may calculate non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison.

Our success by the numbers – Q4-23 financial highlights

\$203M

Revenue

56%

YoY increase in customers with >\$50K ARR* to 2,295***

90%

Gross margin**

225,231

Total customers***

35%

YoY revenue growth

115%

Net dollar retention rate of customers with >\$50K ARR*

\$55M

Free cash flow** represents 27% of revenue

25,000

Largest seat count***

*For definitions of ARR and net dollar retention rate, see Appendix

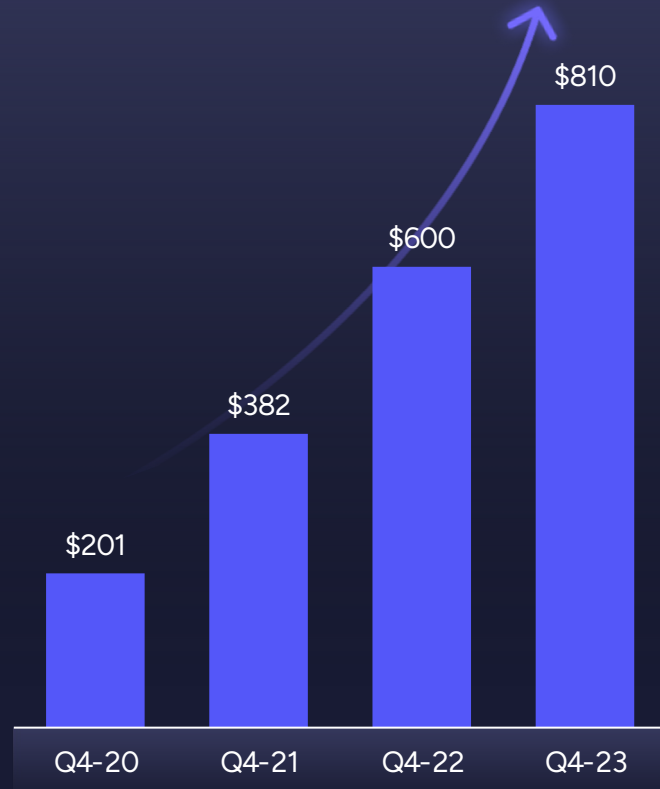
**Non-GAAP financial measures, see Appendix

***As of the end of Q4 FY23

Note: ~100% of our revenue is generated by subscriptions

Strong revenue growth

Quarterly revenue run rate (revenue x4)





Traditional work software is **broken.**

Businesses are unable to fulfill their potential because their software is limiting their ability to execute

Businesses have two **bad** options



Rigid off-the-shelf point solutions

Usually designed for SMBs and don't enable scaling.



Complex enterprise software

Huge implementation and maintenance costs.

Implementation takes a long time and is very costly.

Changes are slow and dependent on tech teams.

What is monday.com?

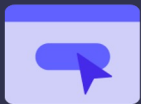
A platform to run the core of all work.



Work OS platform
powered by mondayDB

monday.com is unique.

Built like no other software.



Platform

Built as a true platform, with all Work OS products sharing a common code base



Full control

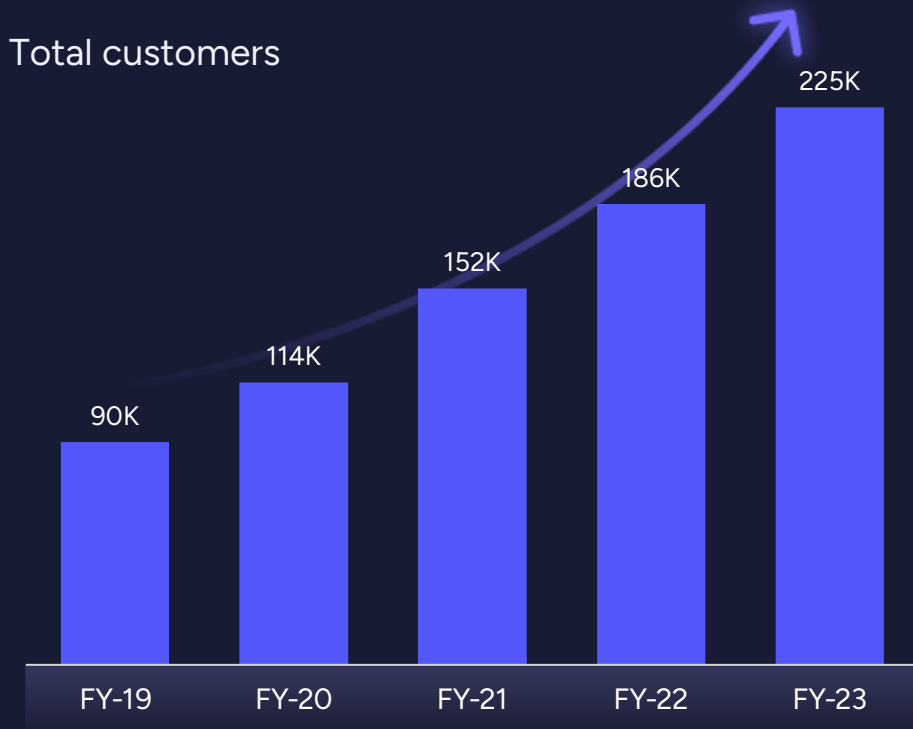
Allows customers to adapt the software on their own, giving them full control



Flexible & simple

Able to scale with the business and adapt to changing needs

Strong, diverse customer base



+26%

**Customers
CAGR**

2019-2023

Note: data as of the end of each year

Customers spanning across 200+ industries



Construction



Consulting



Design



Education



Legal



Finance



Healthcare



HR



Industrials



Energy



Marketing



Real estate



Retail



Publishing



Media



Technology

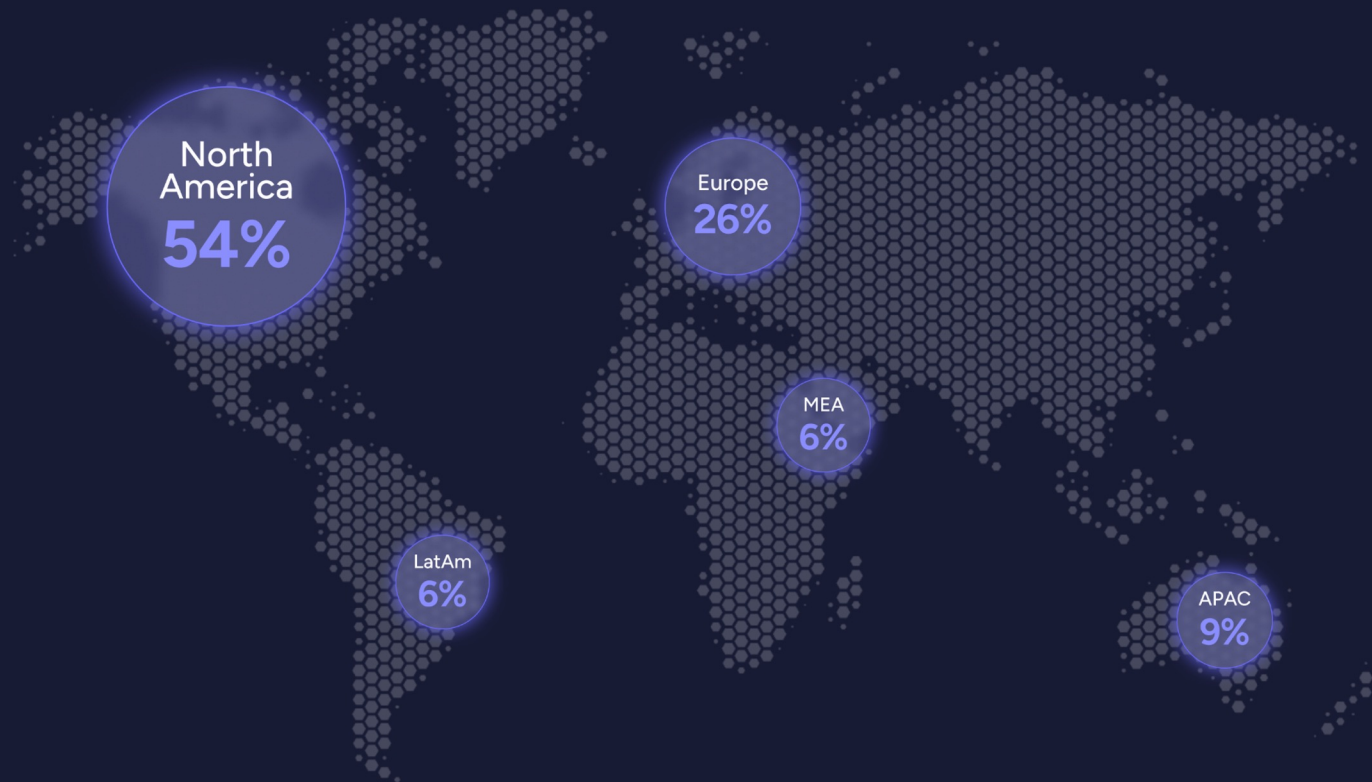


Telecoms

& many more...

In 200+ markets around the world

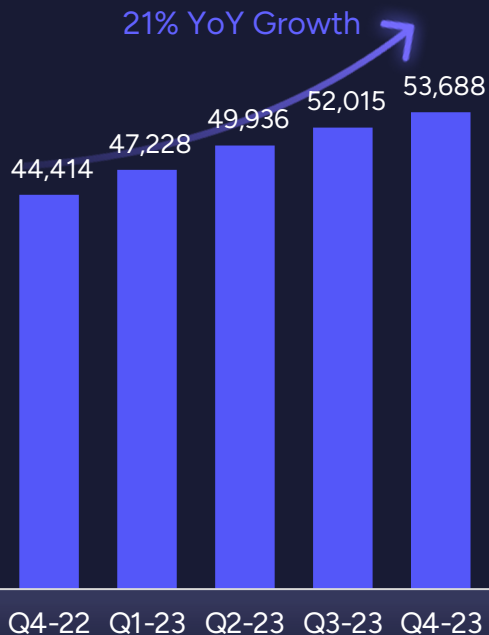
% of revenue



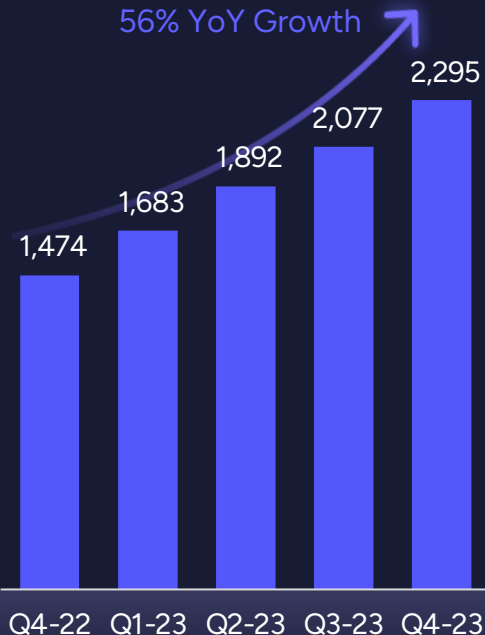
Note: data as of the end of Q4 FY23

Increasing number of enterprise customers

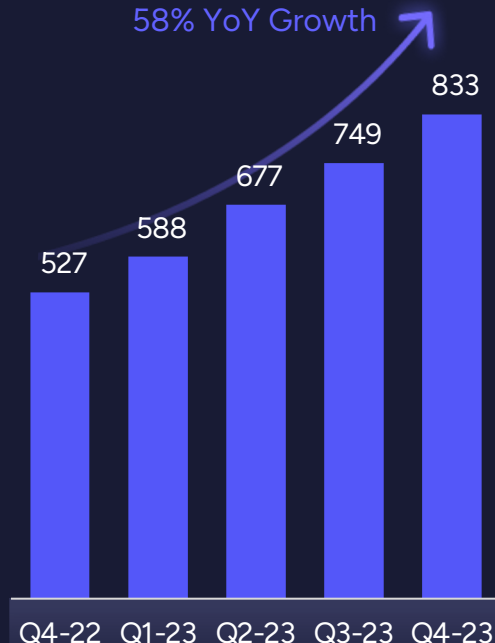
Customers with 10+ users



\$50k+ ARR customers



\$100k+ ARR customers



Note: for definition of ARR, see Appendix
Note: data as of the end of each quarter

Superior product performance at scale with mondayDB



2023
Speed



JUN

mondayDB 1.0
Large boards
loaded at <4
seconds

NOV

mondayDB 1.1
Large dashboards
Loaded at <5
seconds

DEC

mondayDB 1.2
New monday API
capabilities:

- Filter
- Sort

2024
Scale

NEXT MILESTONE



MAR

mondayDB 2.0
100K items per
board
500K items per
dashboard

2025
Premium



MAR

mondayDB 3.0
Premium
1M items per board
5M items per
dashboard

Where do we want to go from here?



Becoming the go-to
work platform for
business



Expanding our core
work product lines



Cultivating a strong
ecosystem for a
long-tail of use
cases

Why own monday.com?

Large growth potential

Multiple growth levers to capture new markets and build share in large and growing TAMs

Diverse customer base

Expanding customer base across industries, geographies, and company sizes

Strong financial performance

Track record of strong execution, with durable revenue growth, improving profitability, and significant cash generation

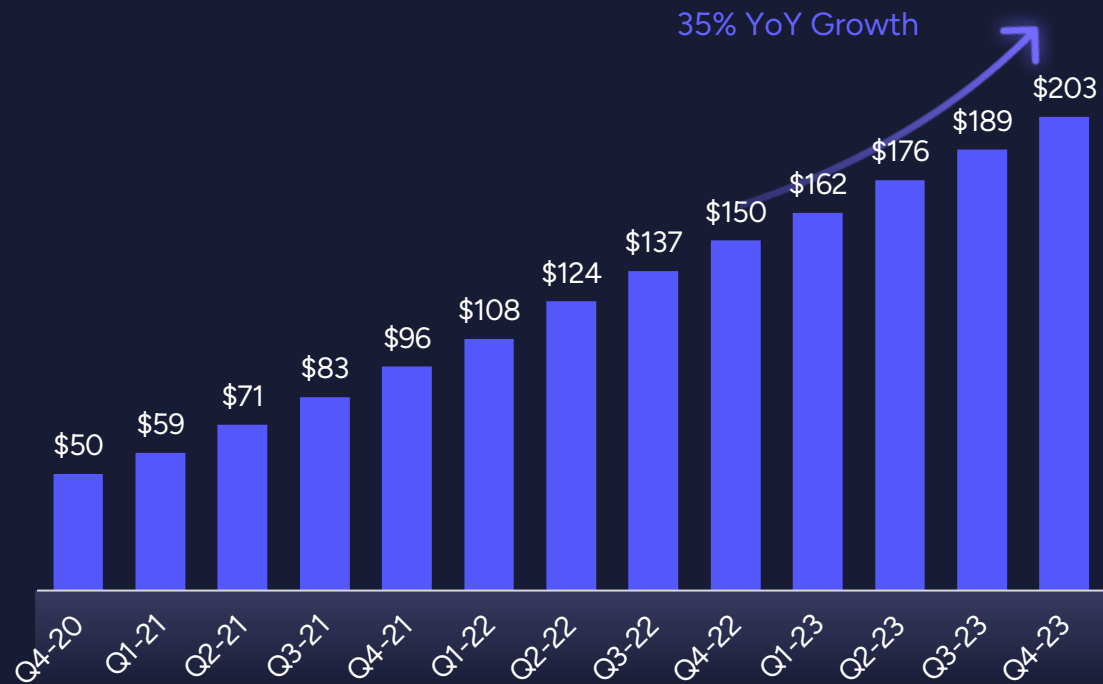
One of the **biggest opportunities** in software.

Financial overview and update

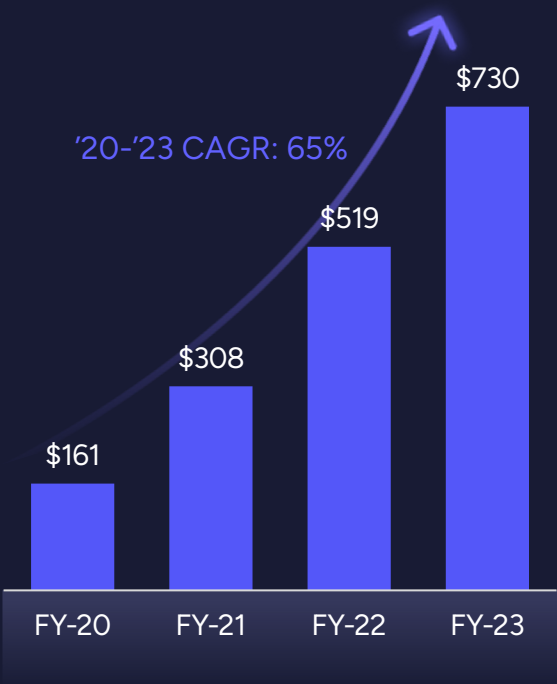
Consistent incremental revenue growth

\$ millions

Quarterly revenue

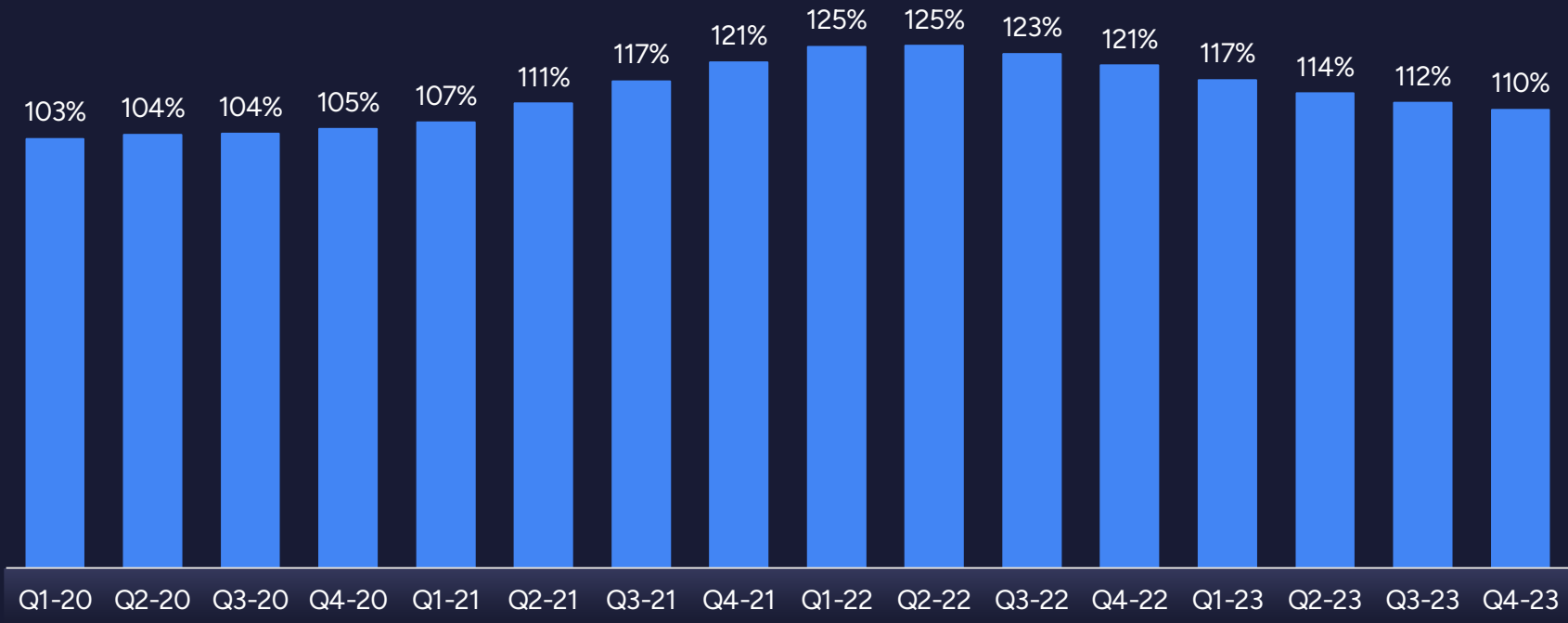


Annual revenue



Strong net dollar retention rate

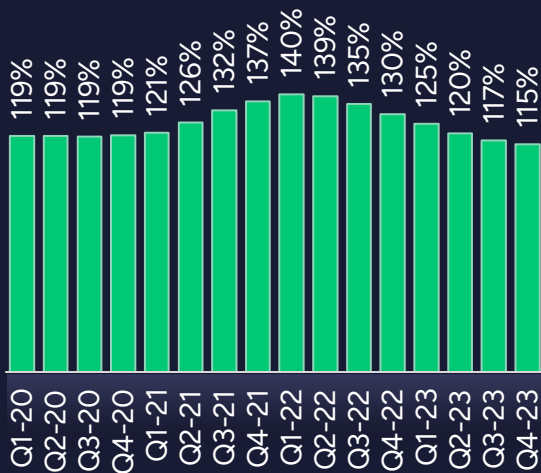
All customers



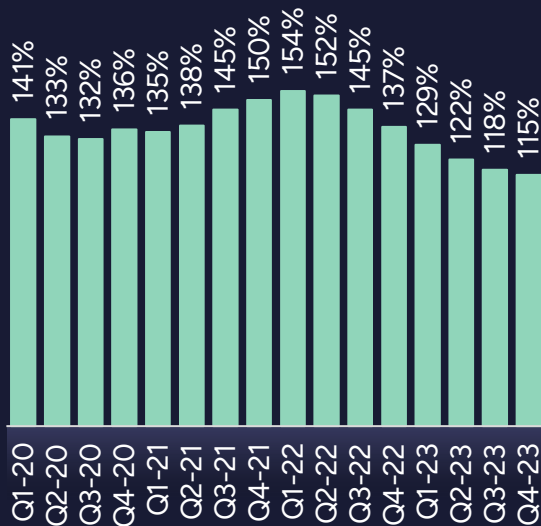
Note: for definition of net dollar retention rate, see Appendix

Strong net dollar retention rate

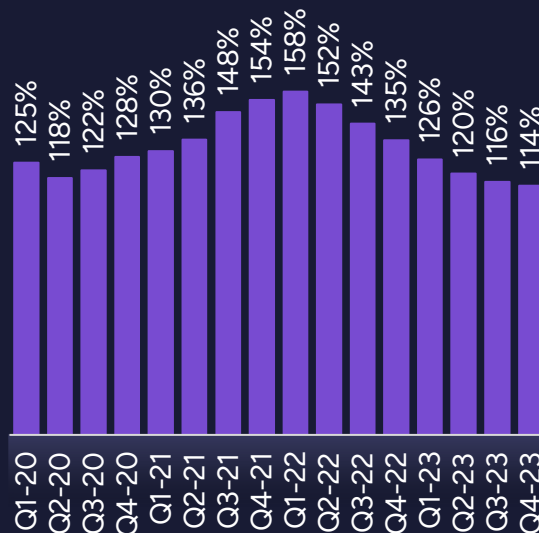
Customers with 10+ users



\$50k+ ARR customers



\$100k+ ARR customers



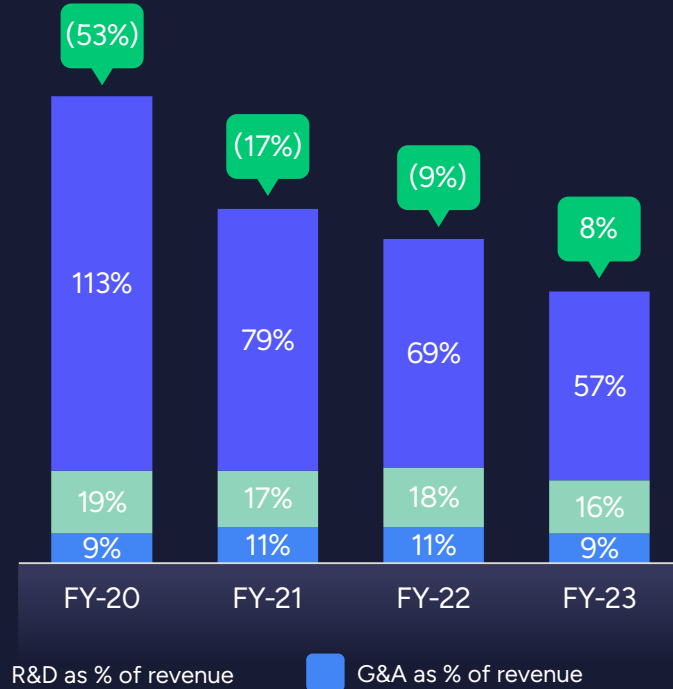
Note: for definition of net dollar retention rate, see Appendix

Driving operating leverage while investing in growth

Quarterly expenses as a % of revenue



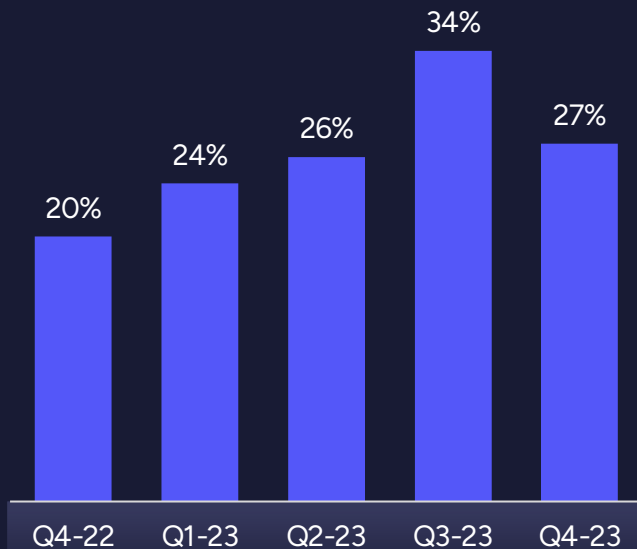
Annual expenses as a % of revenue



Note: non-GAAP financial measures, see Appendix

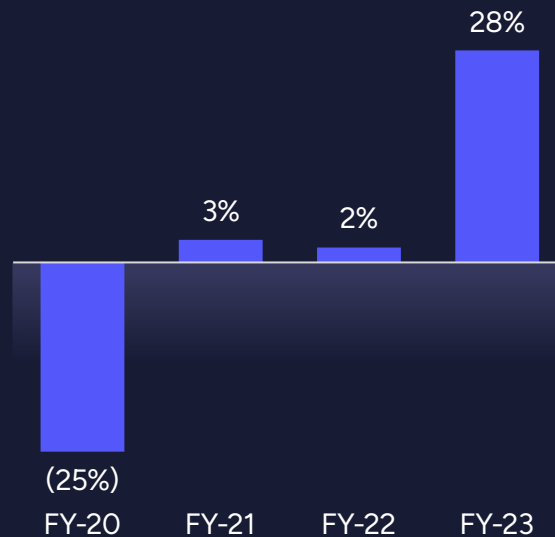
Maintaining strong cash efficiency

Quarterly free cash flow margin



Free cash flow amounts to: \$29.7M, \$38.7M, \$45.9M, \$64.9M, and \$55.4M for Q4-22, Q1-23, Q2-23, Q3-23 and Q4-23, respectively.

Annual adjusted free cash flow margin



Adjusted free cash flow amounts to: (\$40.7M), \$9.9M, \$8.1M, and \$204.9M for FY-20, FY-21, FY-22 and FY-23, respectively.

Appendix

Supplementary materials

Definitions

(1) Annual recurring revenue ("ARR") is defined to mean, as of a measurement date, the annualized value of our customer subscription plans assuming that any contract that expires during the next 12 months is renewed on its existing terms.

(2) We calculate Net Dollar Retention Rate as of a period end by starting with the ARR from customers as of the 12 months prior to such period end ("Prior Period ARR"). We then calculate the ARR from these customers as of the current period end ("Current Period ARR"). The calculation of Current Period ARR includes any upsells, contraction and attrition. We then divide the total Current Period ARR by the total Prior Period ARR to arrive at the net dollar retention rate. We then use a weighted average of this calculation of our quarterly Net Dollar Retention Rate for the four quarters ending with the most recent quarter.

(3) Free cash flow is defined as net cash provided by (used in) operating activities less cash used for purchases of property and equipment and capitalized software development costs.

(4) Adjusted free cash flow is defined as net cash provided by (used in) operating activities less cash used for purchases of property and equipment and capitalized software development costs, plus non-recurring expenditures such as capital expenditures from the purchases of property and equipment associated with the build-out of our corporate headquarters..

Reconciliation of non-GAAP financial measures

Adjusted free cash flow

(\$ in millions)	FY-20	FY-21	FY-22	FY-23
Net cash provided by operating activities	(37.2)	16.4	27.1	215.4
Purchase of PP&E	(4.4)	(11.6)	(16.0)	(7.9)
Capitalized software development costs	(1.1)	(2.2)	(3.0)	(2.6)
Purchase of property and equipment related to build-out of new corporate headquarters	2.0	7.3	-	-
Adjusted free cash flow	(40.7)	9.9	8.1	204.9
Adjusted free cash flow margin	(25%)	3%	2%	28%

Reconciliation of non-GAAP financial measures

Free cash flow

(\$ in millions)	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23
Net cash provided by operating activities	34.1	42.7	47.6	66.6	58.5
Purchase of PP&E	(3.8)	(3.6)	(1.1)	(0.8)	(2.4)
Capitalized software development costs	(0.7)	(0.4)	(0.6)	(0.9)	(0.7)
Free cash flow	29.7	38.7	45.9	64.9	55.4
Free cash flow margin	20%	24%	26%	34%	27%

Reconciliation of non-GAAP financial measures

Non-GAAP operating income (loss)

(\$ in thousands)	FY-20	FY-21	FY-22	FY-23
Reconciliation of gross profit:				
GAAP gross profit	138,635	269,137	452,501	649,050
Add: Share-based compensation	2,720	7,681	10,406	6,307
Non-GAAP gross profit	141,355	276,818	462,907	655,357
Reconciliation of gross margin:				
GAAP gross margin	86%	87%	87%	89%
Non-GAAP adjustments	2%	3%	2%	1%
Non-GAAP gross margin	88%	90%	89%	90%
Reconciliation of operating expenses:				
GAAP research and development	43,480	73,686	127,047	156,500
Less: Share-based compensation	12,142	21,779	32,957	38,737
Non-GAAP research and development	31,338	51,907	94,090	117,763
GAAP sales and marketing	191,353	268,083	392,068	438,402
Less: Share-based compensation	10,068	23,135	33,457	25,395
Non-GAAP sales and marketing	181,285	244,948	358,611	413,007

Reconciliation of non-GAAP financial measures

Non-GAAP operating income (loss) (cont.)

(\$ in thousands)	FY-20	FY-21	FY-22	FY-23
Reconciliation of operating expenses (cont.):				
GAAP general and administrative	54,339	53,493	85,401	92,733
Less: Share-based compensation	39,415	20,934	28,100	29,747
Non-GAAP general and administrative	14,924	32,559	57,301	62,986
Reconciliation of operating income (loss) and margin:				
GAAP operating loss	(150,537)	(126,125)	(152,015)	(38,585)
Add: Share-based compensation	64,345	73,529	104,920	100,186
Non-GAAP operating income (loss)	(86,192)	(52,596)	(47,095)	61,601
GAAP operating margin	(93%)	(41%)	(29%)	(5%)
Non-GAAP adjustments	40%	24%	20%	13%
Non-GAAP operating margin	(53%)	(17%)	(9%)	8%

Reconciliation of non-GAAP financial measures

Non-GAAP operating income (loss)

(\$ in thousands)	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23
Reconciliation of gross profit:					
GAAP gross profit	132,562	145,242	156,163	167,483	180,162
Add: Share-based compensation	2,367	1,477	1,845	1,383	1,602
Non-GAAP gross profit	134,929	146,719	158,008	168,866	181,764
Reconciliation of gross margin:					
GAAP gross margin	88%	90%	89%	89%	89%
Non-GAAP adjustments	2%	0%	1%	0%	1%
Non-GAAP gross margin	90%	90%	90%	89%	90%
Reconciliation of operating expenses:					
GAAP research and development	32,560	37,063	39,106	38,433	41,898
Less: Share-based compensation	7,845	8,544	11,198	10,382	8,613
Non-GAAP research and development	24,715	28,519	27,908	28,051	33,285
GAAP sales and marketing	88,385	107,680	107,443	108,360	114,919
Less: Share-based compensation	7,466	5,028	8,612	6,856	4,899
Non-GAAP sales and marketing	80,919	102,652	98,831	101,504	110,020

Reconciliation of non-GAAP financial measures

Non-GAAP operating income (loss) (cont.)

(\$ in thousands)	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23
Reconciliation of operating expenses (cont.):					
GAAP general and administrative	21,717	23,251	21,781	23,211	24,490
Less: Share-based compensation	6,700	7,410	7,129	7,977	7,231
Non-GAAP general and administrative	15,017	15,841	14,652	15,234	17,259
Reconciliation of operating income (loss) and margin:					
GAAP operating income (loss)	(10,100)	(22,752)	(12,167)	(2,521)	(1,145)
Add: Share-based compensation	24,378	22,459	28,784	26,598	22,345
Non-GAAP operating income (loss)	14,278	(293)	16,617	24,077	21,200
GAAP operating margin	(7%)	(14%)	(7%)	(1%)	(1%)
Non-GAAP adjustments	17%	14%	16%	14%	11%
Non-GAAP operating margin	10%	(0%)	9%	13%	10%