



## Amplitude Announces First Quarter 2022 Financial Results

May 4, 2022

- Revenue of \$53.1 million, up 60% year-over-year
- Current Remaining Performance Obligations of \$149.6 million, up 62% year over year

SAN FRANCISCO--(BUSINESS WIRE)--May 4, 2022-- [Amplitude, Inc.](#) (Nasdaq: AMPL), the pioneer in digital optimization, today announced financial results for its first quarter ended March 31, 2022.

"Digital products are becoming the central driver for how businesses operate, go to market and generate revenue," said Spenser Skates, CEO and co-founder of Amplitude. "Q1 was a strong quarter demonstrating increasing demand for the Amplitude Digital Optimization System. We believe we are in the very early stages of a large market opportunity. We're excited to help organizations drive their product strategy and deliver exceptional customer journeys."

### First Quarter 2022 Financial Highlights:

(in millions, except per share and percentage amounts)

	<u>First Quarter 2022</u>	<u>First Quarter 2021</u>	<u>Y/Y Change</u>
Revenue	\$53.1	\$33.1	60%
Remaining Performance Obligations	\$194.4	\$105.5	84%
Current Remaining Performance Obligations	\$149.6	\$92.5	62%
GAAP Loss from Operations	\$(22.0)	\$(6.1)	\$(15.9)
Non-GAAP Loss from Operations	\$(7.7)	\$(3.2)	\$(4.5)
GAAP Net Loss Per Share	\$(0.20)	\$(0.23)	\$0.03
Non-GAAP Net Loss Per Share	\$(0.07)	\$(0.13)	\$0.06
Net Cash used in Operating Activities	\$(8.3)	\$(0.5)	\$(7.8)
Free Cash Flow	\$(9.6)	\$(1.1)	\$(8.5)

Non-GAAP loss from operations and non-GAAP net loss per share exclude expenses related to stock-based compensation expense and related employer payroll taxes, amortization of acquired intangible assets, and non-recurring costs, such as direct listing costs. Stock-based compensation expense and employer related payroll taxes were \$13.8 million in the first quarter of 2022 compared to \$2.6 million in the first quarter of 2021. These increases were driven by an increase in the fair value of Amplitude's common stock and increases in our employee headcount. Free cash flow is GAAP net cash used in operating activities, less cash used for purchases of property and equipment and capitalized internal-use software costs. The section titled "Non-GAAP Financial Measures" below contains a description of the non-GAAP financial measures and reconciliations between historical GAAP and non-GAAP information are contained in the tables below.

### First Quarter and Recent Business Highlights:

- Number of paying customers grew 49% year-over-year to 1,701.
- Dollar-based net retention rate at the end of March 31, 2022, was 126% compared to 118% at the end of March 31, 2021.
- Amplitude hired Lambert Walsh as the company's first Chief Customer Officer.
- Amplitude was named by Fast Company as #3 in the top most innovative enterprise companies.
- Amplitude's Digital Optimization System launched in AWS Marketplace.
- The G2 Spring 2022 Report ranked Amplitude as the #1 Product Analytics solution for the seventh quarter in a row and #1 in Mobile Analytics.

### Financial Outlook:

The second quarter and full year 2022 outlook information provided below is based on Amplitude's current estimates and is not a guarantee of future performance. These statements are forward-looking and actual results may differ materially. Refer to the "Forward-Looking Statements" section below for information on the factors that could cause Amplitude's actual results to differ materially from these forward-looking statements.

For the second quarter and full year 2022, the Company expects:

	<u>Second Quarter 2022</u>	<u>Full Year 2022</u>
Revenue	\$54.5 - \$55.5 million	\$229 - \$235 million
Non-GAAP Operating Margin	(24%) - (23%)	(20%) - (19%)
Non-GAAP Net Loss Per Share	\$(0.12) - \$(0.11)	\$(0.41) - \$(0.39)
Weighted Average Shares Outstanding	111.6 million	112.6 million

An outlook for GAAP loss from operations, GAAP operating margin, and GAAP net loss per share and a reconciliation of expected non-GAAP loss from operations to GAAP loss from operations, expected non-GAAP operating margin to GAAP operating margin, and expected non-GAAP net loss per share to GAAP net loss per share have not been provided as the quantification of certain items included in the calculation of GAAP loss from operations, GAAP operating margin, and GAAP net loss per share cannot be reasonably calculated or predicted at this time without unreasonable efforts. For example, the non-GAAP adjustment for stock-based compensation expense requires additional inputs such as the number and value of awards granted that are not currently ascertainable, and the non-GAAP adjustment for amortization of acquired intangible assets depends on the timing and value of intangible assets acquired that cannot be accurately forecasted.

#### **Conference Call Information:**

Amplitude will host a live video webcast to discuss its financial results for the first quarter ended March 31, 2022, as well as the financial outlook for its second quarter and full year 2022 today at 2:00 PM Pacific Time / 5:00 PM Eastern Time. Interested parties may access the webcast, earnings press release, and investor presentation on the events section of Amplitude's investor relations website at [investors.amplitude.com](https://investors.amplitude.com). A replay will be available in the same location a few hours after the conclusion of the live webcast.

#### **Forward-Looking Statements:**

This press release contains express and implied "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the Company's financial outlook for the second quarter of 2022 and full year 2022, the Company's growth strategy and business aspirations and its market position and market opportunity. These statements are often, but not always, made through the use of words or phrases such as "may," "should," "could," "predict," "potential," "believe," "expect," "continue," "will," "anticipate," "seek," "estimate," "intend," "plan," "projection," "would," and "outlook," or the negative version of those words or phrases or other comparable words or phrases of a future or forward-looking nature. These forward-looking statements are not statements of historical fact, and are based on current expectations, estimates, and projections about the Company's industry as well as certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond the Company's control. These statements are subject to numerous uncertainties and risks that could cause actual results, performance, or achievement to differ materially and adversely from those anticipated or implied in the statements, including risks related to: the Company's limited operating history and rapid growth over the last several years, which makes it difficult to forecast the Company's future results of operations; the Company's history of losses; any decline in the Company's customer retention or expansion of its commercial relationships with existing customers or an inability to attract new customers; expected fluctuations in the Company's financial results, making it difficult to project future results; the Company's focus on sales to larger organizations and potentially increased dependency on those relationships, which may increase the variability of the Company's sales cycles and results of operations; downturns or upturns in new sales, which may not be immediately reflected in the Company's results of operations and may be difficult to discern; unfavorable conditions in the Company's industry or the global economy, or reductions in information technology spending, which could limit the Company's ability to grow its business; the market for SaaS applications, which may develop more slowly than the Company expects or decline; the Company's intellectual property rights, which may not protect its business or provide the Company with a competitive advantage; and evolving privacy and other data-related laws. Additional risks and uncertainties that could cause actual outcomes and results to differ materially from those contemplated by the forward-looking statements are or will be included under the caption "Risk Factors" and elsewhere in the reports and other documents that the Company files with the Securities and Exchange Commission from time to time. The forward-looking statements made in this press release relate only to events as of the date on which the statements are made. The Company undertakes no obligation to update any forward-looking statements made in this press release to reflect events or circumstances after the date of this press release or to reflect new information or the occurrence of unanticipated events, except as required by law.

#### **Non-GAAP Financial Measures:**

This press release includes financial information that has not been prepared in accordance with GAAP. The Company uses non-GAAP financial measures internally in analyzing its financial results and believes they are useful to investors, as a supplement to GAAP measures, in evaluating the Company's ongoing operational performance. The Company believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing the Company's financial results with other companies in the industry, many of which present similar non-GAAP financial measures to investors. There are a number of limitations related to the use of non-GAAP financial measures versus comparable financial measures determined under GAAP. For example, other companies in the Company's industry may calculate these non-GAAP financial measures differently or may use other measures to evaluate their performance. In addition, free cash flow does not reflect the Company's future contractual commitments and the total increase or decrease of its cash balance for a given period.

Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. A reconciliation of the Company's non-GAAP financial measures to their most directly comparable GAAP measures has been provided in the financial statement tables included below in this press release. Investors are encouraged to review the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures below.

#### **Non-GAAP Gross Profit, Non-GAAP Gross Margin, Non-GAAP Operating Expenses, Non-GAAP Loss from Operations, Non-GAAP Operating Margin, Non-GAAP Net Loss, and Non-GAAP Net Loss per Share.**

The Company defines these non-GAAP financial measures as their respective GAAP measures, excluding expenses related to stock-based compensation expense and related employer payroll taxes, amortization of acquired intangible assets, and non-recurring costs, such as direct listing costs. The Company excludes stock-based compensation expense and related employer payroll taxes, which is a non-cash expense, from certain of its non-GAAP financial measures because it believes that excluding this item provides meaningful supplemental information regarding operational performance. The Company excludes amortization of intangible assets, which is a non-cash expense, related to business combinations from certain of its non-GAAP financial measures because such expenses are related to business combinations and have no direct correlation to the operation of the Company's business. Although the Company excludes these expenses from certain non-GAAP financial measures, the revenue from acquired companies subsequent to the date of acquisition is reflected in these measures and the acquired intangible assets contribute to the Company's revenue generation. The Company excludes non-recurring costs from certain of its non-GAAP financial measures because such expenses do not repeat period over period and are not reflective of the ongoing operation of the Company's business.

The Company uses non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP loss from operations, non-GAAP operating margin, non-GAAP net loss and non-GAAP net loss per share in conjunction with its traditional GAAP measures to evaluate the Company's financial performance. The Company believes that these measures provide its management, board of directors, and investors consistency and

comparability with its past financial performance and facilitates period-to-period comparisons of operations.

**Free Cash Flow and Margin.** The Company defines free cash flow as net cash used in operating activities, less cash used for purchases of property and equipment and capitalized internal-use software costs. Free cash flow margin is calculated as free cash flow divided by total revenue. The Company believes that free cash flow and free cash flow margin are useful indicators of liquidity that provides its management, board of directors, and investors with information about its future ability to generate or use cash to enhance the strength of its balance sheet and further invest in its business and pursue potential strategic initiatives.

#### Definitions of Business Metrics

##### *Dollar-based net retention rate*

The Company calculates dollar-based net retention rate as of a period end by starting with the Annual Recurring Revenue (“ARR”) from the cohort of all customers as of 12 months prior to such period-end (the “Prior Period ARR”). The Company then calculates the ARR from these same customers as of the current period-end (the “Current Period ARR”). Current Period ARR includes any expansion and is net of contraction or attrition over the last 12 months, but excludes ARR from new customers as well as any overage charges in the current period. The Company then divides the total Current Period ARR by the total Prior Period ARR to arrive at the point-in-time dollar-based net retention rate. The Company then calculates the weighted-average of the trailing 12-month point-in-time dollar-based net retention rates, to arrive at the dollar-based net retention rate.

The Company defines ARR as the annual recurring revenue of subscription agreements at a point in time based on the terms of customers’ contracts. ARR should be viewed independently of revenue, and does not represent the Company’s GAAP revenue on an annualized basis, as it is an operating metric that can be impacted by contract start and end dates and renewal rates. ARR is not intended to be a replacement for or forecast of revenue.

#### About Amplitude

Amplitude is the pioneer in digital optimization software. More than 1,700 customers, including Atlassian, Instacart, NBCUniversal, Shopify, and Under Armour rely on Amplitude to help them innovate faster and smarter by answering the strategic question: "How do our digital products drive our business?" The Amplitude Digital Optimization System makes critical data accessible and actionable to every team — unifying product, marketing, developers, and executive teams around a new depth of customer understanding and common visibility into what drives business outcomes. Amplitude is the best-in-class product analytics solution, ranked #1 in G2’s 2022 Spring Report. Learn how to optimize your digital products and business at [amplitude.com](https://amplitude.com).

**AMPLITUDE, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In thousands)  
(unaudited)

	<b>March 31, 2022</b>	<b>December 31, 2021</b>
Assets		
Current assets:		
Cash and cash equivalents	\$ 300,422	\$ 307,445
Accounts receivable, net	23,273	20,444
Prepaid expenses and other current assets	21,577	19,116
Deferred commissions, current	8,876	8,112
Total current assets	354,148	355,117
Property and equipment, net	6,235	4,832
Intangible assets, net	3,065	3,554
Goodwill	4,073	4,073
Restricted cash, noncurrent	850	850
Deferred commissions, noncurrent	22,199	20,573
Operating lease right-of-use assets	11,398	—
Other noncurrent assets	12,225	11,389
Total assets	\$ 414,193	\$ 400,388
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 2,035	\$ 3,363
Accrued expenses	22,697	17,936
Deferred revenue	75,137	69,294
Total current liabilities	99,869	90,593
Operating lease liabilities, noncurrent	9,632	—
Noncurrent liabilities	1,843	3,247
Total liabilities	111,344	93,840
Stockholders' equity:		
Common stock	1	1
Additional paid-in capital	504,859	486,354
Accumulated deficit	(202,011)	(179,807)
Total stockholders' equity	302,849	306,548

Total liabilities and stockholders' equity

\$ 414,193 \$ 400,388

**AMPLITUDE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In thousands, except per share amounts)  
(unaudited)

	Three Months Ended March 31,	
	2022	2021
Revenue	\$ 53,065	\$ 33,110
Cost of revenue (1)	16,063	10,255
Gross profit	37,002	22,855
Operating expenses:		
Research and development (1)	16,501	6,985
Sales and marketing (1)	28,130	16,770
General and administrative (1)	14,362	5,249
Total operating expenses	58,993	29,004
Loss from operations	(21,991)	(6,149)
Other income (expense), net	86	(12)
Loss before provision for income taxes	(21,905)	(6,161)
Provision for income taxes	315	278
Net loss	\$ (22,220)	\$ (6,439)
Net loss per share		
Basic and diluted	\$ (0.20)	\$ (0.23)
Weighted-average shares used in calculating net loss per share:		
Basic and diluted	109,553	27,926

(1) Amounts include stock-based compensation expense as follows:

	Three Months Ended March 31,	
	2022	2021
Cost of revenue	\$ 922	\$ 236
Research and development	4,284	910
Sales and marketing	3,240	823
General and administrative	5,057	608
Total stock-based compensation expense	\$ 13,503	\$ 2,577

**AMPLITUDE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands)  
(unaudited)

	Three Months Ended March 31,	
	2022	2021
Cash flows from operating activities:		
Net loss	\$ (22,220)	\$ (6,439)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	901	541
Stock-based compensation expense	13,503	2,577
Other	118	231
Non-cash operating lease costs	809	—
Changes in operating assets and liabilities:		
Accounts receivable	(2,905)	2,126
Prepaid expenses and other current assets	(2,460)	(2,251)
Deferred commissions	(2,391)	(1,269)
Other noncurrent assets	(836)	(1,316)
Accounts payable	(1,328)	(1,555)
Accrued expenses	2,946	(737)
Deferred revenue	5,843	7,630
Operating lease liabilities	(269)	-
Net cash used in operating activities	(8,289)	(462)
Cash flows from investing activities:		

Purchase of property and equipment	(713)	(250)
Capitalization of internal-use software costs	(594)	(381)
Net cash used in investing activities	(1,307)	(631)
Cash flows from financing activities:		
Proceeds from the exercise of stock options	3,989	2,018
Cash received for tax withholding obligations on equity award settlements	7,342	287
Cash paid for tax withholding obligations on equity award settlements	(8,758)	(287)
Net cash provided by financing activities	2,573	2,018
Net increase (decrease) in cash, cash equivalents, and restricted cash	(7,023)	925
Cash, cash equivalents, and restricted cash at beginning of the period	308,295	118,863
Cash, cash equivalents, and restricted cash at end of the period	\$ 301,272	\$ 119,788

**AMPLITUDE, INC.**  
**Reconciliation of GAAP to Non-GAAP Data**  
(In thousands, except percentages and per share amounts)  
(unaudited)

	<b>Three Months Ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Reconciliation of gross profit and gross margin</b>		
GAAP gross profit	\$ 37,002	\$ 22,855
Plus: stock-based compensation expense and related employer payroll taxes	922	236
Plus: amortization of acquired intangible assets	489	222
Non-GAAP gross profit	\$ 38,413	\$ 23,313
GAAP gross margin	69.7%	69.0%
Non-GAAP adjustments	2.7%	1.4%
Non-GAAP gross margin	72.4%	70.4%
<b>Reconciliation of operating expenses</b>		
GAAP research and development	\$ 16,501	\$ 6,985
Less: stock-based compensation expense and related employer payroll taxes	(4,482)	(933)
Non-GAAP research and development	\$ 12,019	\$ 6,052
GAAP research and development as percentage of revenue	31.1%	21.1%
Non-GAAP research and development as percentage of revenue	22.6%	18.3%
GAAP sales and marketing	\$ 28,130	\$ 16,770
Less: stock-based compensation expense and related employer payroll taxes	(3,233)	(839)
Non-GAAP sales and marketing	\$ 24,897	\$ 15,931
GAAP sales and marketing as percentage of revenue	53.0%	50.6%
Non-GAAP sales and marketing as percentage of revenue	46.9%	48.1%
GAAP general and administrative	\$ 14,362	\$ 5,249
Less: stock-based compensation expense and related employer payroll taxes	(5,140)	(620)
Less: direct listing expenses	—	(53)
Non-GAAP general and administrative	\$ 9,222	\$ 4,576
GAAP general and administrative as percentage of revenue	27.1%	15.9%
Non-GAAP general and administrative as percentage of revenue	17.4%	13.8%
<b>Reconciliation of operating loss and operating margin</b>		
GAAP loss from operations	\$ (21,991)	\$ (6,149)
Plus: stock-based compensation expense and related employer payroll taxes	13,776	2,628
Plus: amortization of acquired intangible assets	489	222
Plus: direct listing expenses	—	53
Non-GAAP loss from operations	\$ (7,726)	\$ (3,246)
GAAP operating margin	(41.4%)	(18.6%)
Non-GAAP adjustments	26.9%	8.8%
Non-GAAP operating margin	(14.6%)	(9.8%)
<b>Reconciliation of net loss</b>		
GAAP net loss	\$ (22,220)	\$ (6,439)
Plus: stock-based compensation expense and related employer payroll taxes	13,776	2,628
Plus: amortization of acquired intangible assets	489	222
Plus: direct listing expenses	—	53
Non-GAAP net loss	\$ (7,955)	\$ (3,536)
<b>Reconciliation of net loss per share</b>		
GAAP net loss per share, basic and diluted	\$ (0.20)	\$ (0.23)

Non-GAAP adjustments to net loss	0.13	0.10
Non-GAAP net loss per share, basic and diluted	<u>\$ (0.07)</u>	<u>\$ (0.13)</u>
Weighted-average shares used in GAAP and non-GAAP per share calculation, basic and diluted	109,553	27,926

Note: Certain figures may not sum due to rounding

**AMPLITUDE, INC.**  
**Reconciliation of GAAP Cash Flows from Operations to Free Cash Flows**  
(In thousands, except for percentages)  
(unaudited)

	<b>Three Months Ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
Net cash used in operating activities	\$ (8,289)	\$ (462)
Less:		
Purchases of property and equipment	(713)	(250)
Capitalization of internal-use software costs	(594)	(381)
Free cash flow	<u>\$ (9,596)</u>	<u>\$ (1,093)</u>
Net cash used in operating activities margin	(15.6%)	(1.4%)
Non-GAAP adjustments	(2.5%)	(1.9%)
Free cash flow margin	<u>(18.1%)</u>	<u>(3.3%)</u>

Note: Certain figures may not sum due to rounding

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