



Q2 2023 Earnings Call

2:00 pm PST
August 8, 2023



Yaoxian Chew

Investor Relations | **Amplitude**



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This presentation also contains estimates and other statistical data made by third parties and by the Company relating to market size and growth and other data about the Company’s industry. These estimates and other statistical data involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates and other statistical data. The Company has not independently verified the statistical and other industry data generated by third parties and contained in this presentation and, accordingly, it cannot guarantee their accuracy or completeness. In addition, expectations, assumptions, estimates and projections of the Company’s future performance and the future performance of the markets in which the Company operates are necessarily subject to a high degree of uncertainty and risk.

This presentation also includes certain non-GAAP financial measures (including on a forward-looking basis) such as Free Cash Flow, Free Cash Flow Margin, non-GAAP Gross Profit, non-GAAP Gross Margin, non-GAAP Loss from Operations, non-GAAP Operating Margin, non-GAAP Sales and Marketing Expenses, non-GAAP Research and Development Expenses, non-GAAP General and Administrative Expenses, non-GAAP Net Income (Loss), and non-GAAP Net Income (Loss) Per Share. 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 nearest 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 the Company’s non-GAAP financial measures as tools for comparison. The Company has provided a reconciliation of those historic measures to the most directly comparable GAAP measures, which is available in the appendix to this presentation.

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Spenser Skates

CEO & Co-founder | **Amplitude**



Q2 Financial Results Highlights



\$67.8M

Revenue increased
by 17% Y/Y



2,344

Paying customers increased
by 28% Y/Y



\$20.4M / \$19.3M

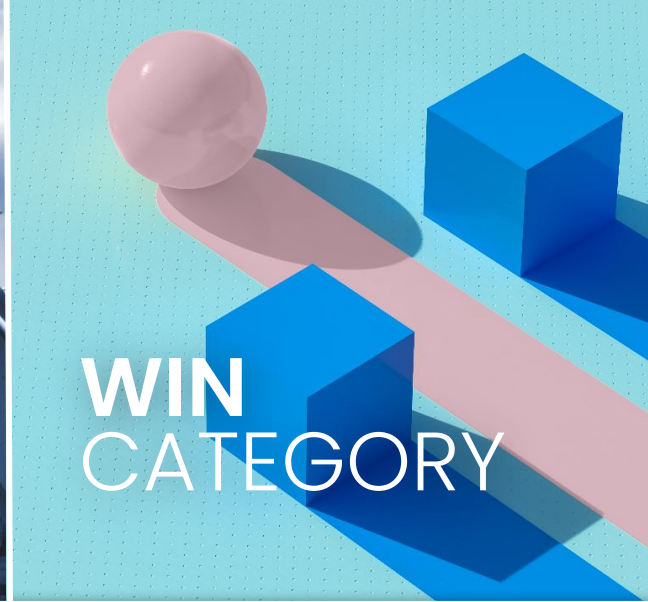
Cash Flow from Operations /
Free Cash Flow



**WIN
SIMPLE**



**WIN
ENTERPRISE**



**WIN
CATEGORY**

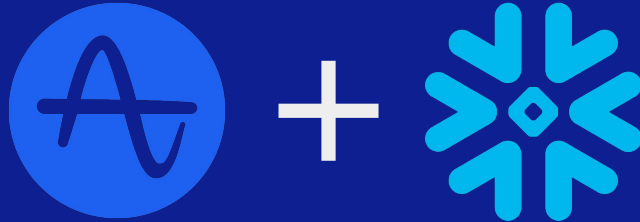


**WIN
TOGETHER**

Product Updates



Warehouse Native Amplitude





Amplitude AI



Q2 2023 Notable Customer Wins + Expansions

Careem



alteryx



Q2 2023 Customer Highlights

GLOBAL
SPORTS
ORGANIZATION





Spenser Skates

CEO & Co-founder | **Amplitude**





Criss Harms

CFO | **Amplitude**

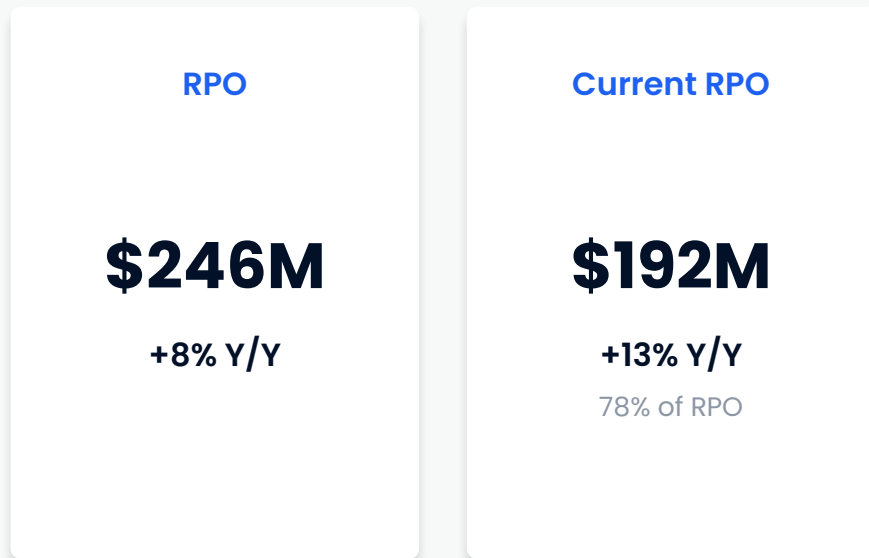


Strong Revenue and Customer Metrics

	Q2 2023 Result
Revenue	\$67.8M +17% Y/Y
Annual Recurring Revenue (ARR)	\$268M +18% Y/Y
Total Paying Customers	2,344 +28% Y/Y
TTM Dollar-Based Net Retention Rate as of June 30, 2023	108%
Dollar-Based Net Retention Rate as of June 30, 2023	101%



Q2 2023 Remaining Performance Obligations (RPO)



Non-GAAP Financial Results*

	Q2 2023 Result
Gross Margin	77.5%
Operating Margin	(1%)
Net Income Per Share, Diluted	\$0.02 126.3 million diluted shares
Free Cash Flow Margin	29%
Cash, Cash Equivalents and Marketable Securities <small>(GAAP)</small>	\$319M

* Unless otherwise noted, all metrics are Non-GAAP. Gross margin, operating margin and free cash flow margin are calculated as gross profit, loss from operations, and free cash flow, respectively, divided by total revenue. A reconciliation of GAAP to Non-GAAP results is available in the appendix of this presentation.



Guidance

	Q3 2023	FY 2023
Revenue	\$69.7 – \$70.3M +13% to +14% Y/Y	\$273.6– \$275.6M +15% to +16% Y/Y
Non-GAAP Operating Income (Loss)	\$0.6 – \$1.0M	\$(7.6) – \$(5.2)M
Non-GAAP Net Income Per Share, Diluted	\$0.02 – \$0.03	\$0.02 – \$0.04
Weighted Average Shares Outstanding, Diluted	128.3M shares	127.6M shares

An outlook for GAAP income (loss) from operations, GAAP operating margin, GAAP net income (loss), and GAAP net income (loss) per share, and a reconciliation to GAAP loss from operations, GAAP operating margin, GAAP net income (loss), and GAAP net income (loss) per share has not been provided as the quantification of certain items included in the calculation of GAAP income (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.



Sell-Side Analyst Q&A



GAAP to Non-GAAP Reconciliation



GAAP to Non-GAAP Reconciliation

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Reconciliation of gross profit and gross margin				
GAAP gross profit	\$ 50,587	\$ 41,070	\$ 97,877	\$ 78,072
Plus: stock-based compensation expense and related employer payroll taxes ¹	1,687	1,669	3,479	2,591
Plus: amortization of acquired intangible assets	270	494	692	983
Non-GAAP gross profit	<u>\$ 52,544</u>	<u>\$ 43,233</u>	<u>\$ 102,048</u>	<u>\$ 81,646</u>
GAAP gross margin ²	74.6%	70.7%	72.9%	70.2%
Non-GAAP adjustments	2.9%	3.7%	3.1%	3.2%
Non-GAAP gross margin ²	<u>77.5%</u>	<u>74.4%</u>	<u>76.0%</u>	<u>73.4%</u>
Reconciliation of operating loss and operating margin				
GAAP loss from operations	\$ (30,887)	\$ (24,583)	\$ (60,060)	\$ (46,574)
Plus: stock-based compensation expense and related employer payroll taxes ¹	21,579	15,090	42,433	28,866
Plus: amortization of acquired intangible assets	314	494	779	983
Plus: restructuring and other related charges	8,194	—	8,194	—
Non-GAAP loss from operations	<u>\$ (800)</u>	<u>\$ (8,999)</u>	<u>\$ (8,654)</u>	<u>\$ (16,725)</u>
GAAP operating margin	(45.6%)	(42.3%)	(44.7%)	(41.9%)
Non-GAAP adjustments	44.4%	26.8%	38.3%	26.8%
Non-GAAP operating margin	<u>(1.2%)</u>	<u>(15.5%)</u>	<u>(6.4%)</u>	<u>(15.0%)</u>
Reconciliation of net income (loss)				
GAAP net income (loss)	\$ (27,758)	\$ (24,568)	\$ (54,073)	\$ (46,788)
Plus: stock-based compensation expense and related employer payroll taxes ¹	21,579	15,090	42,433	28,866
Plus: amortization of acquired intangible assets	314	494	779	983
Plus: restructuring and other related charges	8,194	—	8,194	—
Non-GAAP net income (loss)	<u>\$ 2,329</u>	<u>\$ (8,984)</u>	<u>\$ (2,667)</u>	<u>\$ (16,939)</u>
Reconciliation of net income (loss) per share				
GAAP net income (loss) per share, basic	\$ (0.24)	\$ (0.22)	\$ (0.47)	\$ (0.42)
Non-GAAP adjustments to net income (loss)	0.26	0.14	0.45	0.27
Non-GAAP net income (loss) per share, basic	<u>\$ 0.02</u>	<u>\$ (0.08)</u>	<u>\$ (0.02)</u>	<u>\$ (0.15)</u>
Non-GAAP net income (loss) per share, diluted	<u>\$ 0.02</u>	<u>\$ (0.08)</u>	<u>\$ (0.02)</u>	<u>\$ (0.15)</u>
Weighted-average shares used in GAAP and non-GAAP per share calculation, basic	116,174	111,036	115,277	110,297
Weighted-average shares used in GAAP and non-GAAP per share calculation, diluted ³	126,270	111,036	115,277	110,297
Note: Certain figures may not sum due to rounding				

¹ Stock-based compensation expense-related charges include employer payroll tax-related expenses on employee stock transaction

² Margin represents percentage of GAAP revenue

³ For the three months ended June 30, 2023, the weighted average shares used in the GAAP per share calculation excludes 10.1 million shares, as the effect is anti-dilutive in the period.

GAAP to Non-GAAP Reconciliation

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Reconciliation of operating expenses				
GAAP research and development	\$ 22,435	\$ 20,306	\$ 46,143	\$ 36,807
Less: stock-based compensation expense and related employer payroll taxes ¹	(9,500)	(7,533)	(18,533)	(12,015)
Less: amortization of acquired intangible assets	—	—	—	—
Non-GAAP research and development	<u>\$ 12,935</u>	<u>\$ 12,773</u>	<u>\$ 27,610</u>	<u>\$ 24,792</u>
GAAP research and development as percentage of revenue	33.1%	34.9%	34.4%	33.1%
Non-GAAP research and development as percentage of revenue	19.1%	22.0%	20.6%	22.3%
GAAP sales and marketing	\$ 38,326	\$ 34,135	\$ 77,459	\$ 62,265
Less: stock-based compensation expense and related employer payroll taxes ¹	(7,660)	(3,268)	(14,341)	(6,500)
Less: amortization of acquired intangible assets	(44)	—	(87)	—
Non-GAAP sales and marketing	<u>\$ 30,622</u>	<u>\$ 30,867</u>	<u>\$ 63,031</u>	<u>\$ 55,765</u>
GAAP sales and marketing as percentage of revenue	56.6%	58.7%	57.7%	56.0%
Non-GAAP sales and marketing as percentage of revenue	45.2%	53.1%	47.0%	50.2%
GAAP general and administrative	\$ 12,519	\$ 11,212	\$ 26,141	\$ 25,574
Less: stock-based compensation expense and related employer payroll taxes ¹	(2,732)	(2,620)	(6,080)	(7,760)
Non-GAAP general and administrative	<u>\$ 9,787</u>	<u>\$ 8,592</u>	<u>\$ 20,061</u>	<u>\$ 17,814</u>
GAAP general and administrative as percentage of revenue	18.5%	19.3%	19.5%	23.0%
Non-GAAP general and administrative as percentage of revenue	14.4%	14.8%	14.9%	16.0%
Note: Certain figures may not sum due to rounding				

¹ Stock-based compensation expense-related charges include employer payroll tax-related expenses on employee stock transaction

GAAP Cash Flows from Operating Activities to Free Cash Flow

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net cash provided by operating activities	\$ 20,406	\$ 10,642	\$ 15,345	\$ 2,353
Less:				
Purchases of property and equipment	(666)	(1,812)	(995)	(2,525)
Capitalization of internal-use software costs	(425)	(669)	(873)	(1,263)
Free cash flow	\$ 19,315	\$ 8,161	\$ 13,477	\$ (1,435)
Net cash provided by operating activities margin	30.1%	18.3%	11.4%	2.1%
Non-GAAP adjustments	(1.6%)	(4.3%)	(1.4%)	(3.4%)
Free cash flow margin ¹	28.5%	14.0%	10.0%	(1.3%)

Note: Certain figures may not sum due to rounding

¹ Margin represents percentage of GAAP revenue