



Q3 2023 Earnings Call

2:00 pm PST
November 7, 2023



Yaoxian Chew

Investor Relations | **Amplitude**



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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 Income (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**



Q3 Financial Results Highlights



\$70.6M

Revenue increased
by 15% Y/Y



2,471

Paying customers increased
by 29% Y/Y



\$8.0M / \$7.5M

Cash Flow from Operations /
Free Cash Flow



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Product Updates



Session Replay





Plus plan



Amplitude AI

Q3 2023 Customer Highlights



Midjourney

character.ai

Q3 2023 Customer Highlights



**GLOBAL SPORTS
ORGANIZATION**



Spenser Skates

CEO & Co-founder | **Amplitude**





Criss Harms

CFO | **Amplitude**



Strong Revenue and Customer Metrics

	Q3 2023 Result
Revenue	\$70.6M +15% Y/Y
Annual Recurring Revenue (ARR)	\$273M +12% Y/Y
Total Paying Customers	2,471 +29% Y/Y
TTM Dollar-Based Net Retention Rate as of September 30, 2023	105%
Dollar-Based Net Retention Rate as of September 30, 2023	99%



Non-GAAP Financial Results*

	Q3 2023 Result
Gross Margin	78.7%
Operating Margin	4%
Net Income Per Share, Diluted	\$0.05 128.1 million diluted shares
Free Cash Flow Margin	11%

* Unless otherwise noted, all metrics are Non-GAAP. Gross margin, operating margin and free cash flow margin are calculated as gross profit, income 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

	Q4 2023	FY 2023
Revenue	\$71.3 – \$71.9M +9% to +10% Y/Y	\$276.2– \$276.8M +16% Y/Y
Non-GAAP Operating Income (Loss)	\$1.3 – \$1.9M	\$(4.5) – \$(3.9)M
Non-GAAP Net Income Per Share, Diluted	\$0.02 – \$0.03	\$0.05 – \$0.06
Weighted Average Shares Outstanding, Diluted	129.8M shares	127.8M shares

An outlook for GAAP income (loss) from operations, GAAP net income (loss), and GAAP net income (loss) per share, and a reconciliation to GAAP loss from operations, 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, and GAAP net income (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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Reconciliation of gross profit and gross margin				
GAAP gross profit	\$ 53,346	\$ 43,538	\$ 151,223	\$ 121,610
Plus: stock-based compensation expense and related employer payroll taxes ¹	1,947	1,793	5,426	4,384
Plus: amortization of acquired intangible assets	273	534	965	1,517
Non-GAAP gross profit	\$ 55,566	\$ 45,865	\$ 157,614	\$ 127,511
GAAP gross margin ²	75.5%	70.7%	73.8%	70.4%
Non-GAAP adjustments	3.1%	3.8%	3.1%	3.4%
Non-GAAP gross margin ²	78.7%	74.4%	76.9%	73.8%
Reconciliation of operating loss and operating margin				
GAAP loss from operations	\$ (20,923)	\$ (24,190)	\$ (80,983)	\$ (70,764)
Plus: stock-based compensation expense and related employer payroll taxes ¹	23,450	18,793	65,883	47,659
Plus: amortization of acquired intangible assets	317	534	1,096	1,517
Plus: restructuring and other related charges	—	—	8,194	—
Non-GAAP income (loss) from operations	\$ 2,844	\$ (4,863)	\$ (5,810)	\$ (21,588)
GAAP operating margin	(29.6%)	(39.3%)	(39.5%)	(40.9%)
Non-GAAP adjustments	33.6%	31.4%	36.7%	28.5%
Non-GAAP operating margin	4.0%	(7.9%)	(2.8%)	(12.5%)
Reconciliation of net income (loss)				
GAAP net income (loss)	\$ (17,747)	\$ (22,544)	\$ (71,820)	\$ (69,332)
Plus: stock-based compensation expense and related employer payroll taxes ¹	23,450	18,793	65,883	47,659
Plus: amortization of acquired intangible assets	317	534	1,096	1,517
Plus: restructuring and other related charges	—	—	8,194	—
Less: income tax effect of non-GAAP adjustments	(130)	—	(130)	—
Non-GAAP net income (loss)	\$ 5,890	\$ (3,217)	\$ 3,223	\$ (20,156)
Reconciliation of net income (loss) per share				
GAAP net income (loss) per share, basic	\$ (0.15)	\$ (0.20)	\$ (0.62)	\$ (0.63)
Non-GAAP adjustments to net income (loss)	0.20	0.17	0.65	0.44
Non-GAAP net income (loss) per share, basic	\$ 0.05	\$ (0.03)	\$ 0.03	\$ (0.19)
Non-GAAP net income (loss) per share, diluted	\$ 0.05	\$ (0.03)	\$ 0.03	\$ (0.19)
Weighted-average shares used in GAAP and non-GAAP per share calculation, basic	117,902	112,016	116,160	110,876
Weighted-average shares used in GAAP and non-GAAP per share calculation, diluted ³	128,140	112,016	126,759	110,876
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 and nine months ended September 30, 2023, the weighted average shares used in the GAAP per share calculation excludes 10.2 million shares and 10.6 million shares, respectively, 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 September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Reconciliation of operating expenses				
GAAP research and development	\$ 21,797	\$ 21,590	\$ 67,940	\$ 58,397
Less: stock-based compensation expense and related employer payroll taxes ¹	(9,395)	(7,646)	(27,928)	(19,661)
Non-GAAP research and development	<u>\$ 12,402</u>	<u>\$ 13,944</u>	<u>\$ 40,012</u>	<u>\$ 38,736</u>
GAAP research and development as percentage of revenue	30.9%	35.0%	33.2%	33.8%
Non-GAAP research and development as percentage of revenue	17.6%	22.6%	19.5%	22.4%
GAAP sales and marketing	\$ 38,475	\$ 32,528	\$ 115,934	\$ 94,793
Less: stock-based compensation expense and related employer payroll taxes ¹	(8,011)	(5,126)	(22,352)	(11,626)
Less: amortization of acquired intangible assets	(44)	—	(131)	—
Non-GAAP sales and marketing	<u>\$ 30,420</u>	<u>\$ 27,402</u>	<u>\$ 93,451</u>	<u>\$ 83,167</u>
GAAP sales and marketing as percentage of revenue	54.5%	52.8%	56.6%	54.9%
Non-GAAP sales and marketing as percentage of revenue	43.1%	44.5%	45.6%	48.1%
GAAP general and administrative	\$ 13,997	\$ 13,610	\$ 40,138	\$ 39,184
Less: stock-based compensation expense and related employer payroll taxes ¹	(4,097)	(4,228)	(10,177)	(11,988)
Non-GAAP general and administrative	<u>\$ 9,900</u>	<u>\$ 9,382</u>	<u>\$ 29,961</u>	<u>\$ 27,196</u>
GAAP general and administrative as percentage of revenue	19.8%	22.1%	19.6%	22.7%
Non-GAAP general and administrative as percentage of revenue	14.0%	15.2%	14.6%	15.7%

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 September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net cash provided by (used in) operating activities	\$ 7,964	\$ (3,139)	\$ 23,309	\$ (786)
Less:				
Purchases of property and equipment	—	(487)	(995)	(3,012)
Capitalization of internal-use software costs	(476)	(260)	(1,349)	(1,523)
Free cash flow	<u>\$ 7,488</u>	<u>\$ (3,886)</u>	<u>\$ 20,965</u>	<u>\$ (5,321)</u>
Net cash provided by (used in) operating activities margin	11.3%	(5.1%)	11.4%	(0.5%)
Non-GAAP adjustments	(0.7%)	(1.2%)	(1.1%)	(2.6%)
Free cash flow margin ¹	<u>10.6%</u>	<u>(6.3%)</u>	<u>10.2%</u>	<u>(3.1%)</u>

Note: Certain figures may not sum due to rounding

¹ Margin represents percentage of GAAP revenue

