MongoDB, Inc. Announces Fourth Quarter and Full Year Fiscal 2020 Financial Results

Fourth Quarter Fiscal 2020 Total Revenue of $123.5 million, up 44% Year-over-Year

Full Year Fiscal 2020 Total Revenue of $421.7 million, up 58% Year-over-Year

MongoDB Atlas Revenue 41% of Total Q4 Revenue, up over 80% Year-over-Year

New York City, New York - March 17, 2020 - MongoDB, Inc. (NASDAQ: MDB), the leading, modern general purpose database platform, today announced its financial results for the fourth quarter and fiscal year ended January 31, 2020.

“MongoDB delivered excellent fourth quarter results that capped off an outstanding year for the company. Customers in all industries and geographies are embracing our modern data platform as the best way to work with data, driving the demand and adoption of our technology,” said Dev Ittycheria, President and Chief Executive Officer of MongoDB. “We’re also pleased with the continued success of our global cloud database, Atlas, which surpassed the $200 million annualized revenue run rate in the fourth quarter. Multi-cloud is becoming a strategic imperative for enterprises, and Atlas is uniquely positioned to give our customers the freedom to run anywhere and leverage the benefits of each cloud provider.”

“As we look ahead to fiscal 2021, we strongly believe that the database market is at the very beginning of a profound platform shift towards the cloud over the next decade. We believe that MongoDB is exceptionally well positioned to be one of the key beneficiaries in this platform shift.”

Senior Leadership Update

Eliot Horowitz, our co-founder and CTO, has decided, after almost 13 years with MongoDB, to step down as CTO and as a director of the company effective as of our Annual Meeting, July 10, 2020. He will become a technical advisor to MongoDB after leaving his full-time role.

“I want to thank Eliot for his technical vision, leadership and immense contributions since co-founding the company,” said Dev Ittycheria. “Eliot, together with the other founders of MongoDB, realized 13 years ago that the incumbent database technology was ill suited for the needs of developers building modern applications. Their insight and hard work resulted in the document model, a fundamentally different way to persist data that addresses the rigidity and scalability limitations of relational databases. Today, MongoDB is the world’s most popular modern database with more than 90 million downloads, 1.5M Atlas free tier users, 17,000
customers, nearly 2000 employees in 26 countries, and a strong and deep leadership team that will carry on with the vision set forth by Eliot."

Fourth Quarter Fiscal 2020 Financial Highlights

- **Revenue**: Total revenue was $123.5 million in the fourth quarter fiscal 2020, an increase of 44% year-over-year. Subscription revenue was $117.8 million, an increase of 46% year-over-year, and services revenue was $5.7 million, an increase of 17% year-over-year.

- **Gross Profit**: Gross profit was $88.7 million in the fourth quarter fiscal 2020, representing a 72% gross margin, compared to 70% in the year-ago period. Non-GAAP gross profit was $91.2 million, representing a 74% non-GAAP gross margin.

- **Loss from Operations**: Loss from operations was $40.9 million in the fourth quarter fiscal 2020, compared to $23.8 million in the year-ago period. Non-GAAP loss from operations was $12.0 million, compared to $9.7 million in the year-ago period.

- **Net Loss**: Net loss was $62.6 million, or $1.10 per share, based on 56.9 million weighted-average shares outstanding in the fourth quarter fiscal 2020. This compares to $22.2 million, or $0.41 per share, based on 53.8 million weighted-average shares outstanding in the year-ago period. Non-GAAP net loss was $14.5 million or $0.25 per share. This compares to $9.1 million or $0.17 per share in the year-ago period.

- **Cash Flow**: As of January 31, 2020, MongoDB had $987.0 million in cash, cash equivalents, short-term investments and restricted cash. During the three months ended January 31, 2020, MongoDB used $8.6 million of cash from operations, $1.2 million in capital expenditures and $1.1 million in principal repayments of finance leases, leading to negative free cash flow of $10.9 million, compared to negative free cash flow of $12.6 million in the year-ago period.

Full Year Fiscal 2020 Financial Highlights

- **Revenue**: Total revenue was $421.7 million for the full year fiscal 2020, an increase of 58% year-over-year. Subscription revenue was $399.8 million, an increase of 61% year-over-year, and services revenue was $21.9 million, an increase of 18% year-over-year.

- **Gross Profit**: Gross profit was $296.4 million for the full year fiscal 2020, representing a 70% gross margin compared to 72% the prior year. Non-GAAP gross profit was $304.4 million, representing a 72% non-GAAP gross margin.
• **Loss from Operations:** Loss from operations was $147.9 million for the full year fiscal 2020, compared to $97.8 million in the prior year. Non-GAAP loss from operations was $53.7 million, compared to $54.2 million in the prior year.

• **Net Loss:** Net loss was $175.5 million, or $3.14 per share, based on 55.9 million weighted-average shares outstanding, for the full year fiscal 2020. This compares to $99.0 million, or $1.90 per share, based on 52.0 million weighted-average shares outstanding, in the prior year. Non-GAAP net loss was $55.9 million or $1.00 per share. This compares to $52.2 million or $1.00 per share in the prior year.

• **Cash Flow:** During the year ended January 31, 2020, MongoDB used $29.5 million of cash in operations and $3.6 million in capital expenditures and $1.9 million in principal repayments of finance leases, leading to negative free cash flow of $35.0 million, compared to negative free cash flow of $48.8 million in the prior year.

A reconciliation of each Non-GAAP measure to the most directly comparable GAAP measure has been provided in the financial statement tables included at the end of this press release. An explanation of these measures is also included below under the heading “Non-GAAP Financial Measures.”

**Fourth Quarter Fiscal 2020 and Recent Business Highlights**

• Fast Company ranked MongoDB #2 in the enterprise technology category on its 2020 Most Innovative Companies list. Developers choose MongoDB because it gives them a better way to work with data and allows them to innovate faster. As a result, MongoDB has now been downloaded more than 90 million times from our website alone and there are now more than 1.5 million free deployments on Atlas.

• Launched the MongoDB Modernization Toolkit in partnership with Informatica and Hitachi Vantara Pentaho to make it easier for enterprises to migrate off of legacy databases like Oracle. These partners have developed tools that simplify the process of identifying and moving data out of relational databases into MongoDB at scale. We intend to utilize these tools with our systems integrator partners, who help our customers with digital transformation initiatives and migrations to the cloud.

• Deepened our leadership bench with the addition of Mark Porter to the Board of Directors. Porter is the Chief Technology Officer for Grab, an on-demand transportation and financial services company in Southeast Asia, and has been a pioneer in the database industry for decades. He previously led many of Amazon Web Services’ (AWS) database efforts including AWS Relational Database Service (RDS), Amazon Aurora and RDS for PostgreSQL. Prior to Amazon, Porter held various roles including Vice President of Engineering at Oracle Corporation and being an early member of the Oracle Database Kernel group.
Business Outlook

Based on information as of today, March 17, 2020, MongoDB is issuing the following financial guidance for the first quarter and full year fiscal 2021. Please note that this guidance includes our current expectation of an estimated $1 - $2 million negative revenue impact from COVID-19 outbreak for the first quarter, and $15 - $25 million for the full year fiscal 2021. The situation regarding COVID-19 is uncertain and is changing rapidly and MongoDB will continue to evaluate its potential impact on its business.

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<thead>
<tr>
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<th>First Quarter Fiscal 2021</th>
<th>Full Year Fiscal 2021</th>
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</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$119.0 million to $121.0 million</td>
<td>$510.0 million to $530.0 million</td>
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<tr>
<td>Non-GAAP Loss from Operations</td>
<td>($14.0) million to ($12.0) million</td>
<td>($78.0) million to ($68.0) million</td>
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<tr>
<td>Non-GAAP Net Loss per Share</td>
<td>($0.25) to ($0.22)</td>
<td>($1.40) to ($1.23)</td>
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Reconciliation of non-GAAP loss from operations and non-GAAP net loss per share guidance to the most directly comparable GAAP measures is not available without unreasonable efforts on a forward-looking basis due to the high variability, complexity and low visibility with respect to the charges excluded from these non-GAAP measures; in particular, the measures and effects of stock-based compensation expense specific to equity compensation awards that are directly impacted by unpredictable fluctuations in our stock price. We expect the variability of the above charges to have a significant, and potentially unpredictable, impact on our future GAAP financial results.

Conference Call Information

MongoDB will host a conference call today, March 17, 2020, at 5:00 p.m. (Eastern Time) to discuss its financial results and business outlook. A live webcast of the call will be available on the “Investor Relations” page of MongoDB’s website at https://investors.mongodb.com. To access the call by phone, dial 888-317-6016 (domestic) or 412-317-6016 (international). A replay of this conference call will be available for a limited time at 877-344-7529 (domestic) or 412-317-0088 (international). The replay conference ID is 10139634. A replay of the webcast will also be available for a limited time at https://investors.mongodb.com.

About MongoDB
MongoDB is the leading modern, general purpose database platform, designed to unleash the power of software and data for developers and the applications they build. Headquartered in New York, MongoDB has more than 17,000 customers in over 100 countries. The MongoDB database platform has been downloaded over 90 million times and there have been more than one million MongoDB University registrations.

Forward-Looking Statements

This press release includes certain “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements concerning our financial guidance for the first fiscal quarter and full year fiscal 2021; the anticipated impact of the coronavirus disease (COVID-19) outbreak on our future results of operations, our future growth and the potential of MongoDB Atlas; and our ability to transform the global database industry and to capitalize on our market opportunity. These forward-looking statements include, but are not limited to, plans, objectives, expectations and intentions and other statements contained in this press release that are not historical facts and statements identified by words such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “project,” “will,” “would” or the negative or plural of these words or similar expressions or variations. These forward-looking statements reflect our current views about our plans, intentions, expectations, strategies and prospects, which are based on the information currently available to us and on assumptions we have made. Although we believe that our plans, intentions, expectations, strategies and prospects as reflected in or suggested by those forward-looking statements are reasonable, we can give no assurance that the plans, intentions, expectations or strategies will be attained or achieved. Furthermore, actual results may differ materially from those described in the forward-looking statements and are subject to a variety of assumptions, uncertainties, risks and factors that are beyond our control including, without limitation: our limited operating history; our history of losses; failure of our database platform to satisfy customer demands; the effects of increased competition; our investments in new products and our ability to introduce new features, services or enhancements; our ability to effectively expand our sales and marketing organization; our ability to continue to build and maintain credibility with the developer community; our ability to add new customers or increase sales to our existing customers; our ability to maintain, protect, enforce and enhance our intellectual property; the growth and expansion of the market for database products and our ability to penetrate that market; our ability to integrate acquired businesses and technologies successfully or achieve the expected benefits of such acquisitions; our ability to maintain the security of our software and adequately address privacy concerns; our ability to manage our growth effectively and successfully recruit and retain additional highly-qualified personnel; the price volatility of our common stock; the financial impacts of the coronavirus disease (COVID-19) outbreak on our customers, our potential customers, the global financial markets and our business and future results of operations; the impact that the precautions we have taken in our business relative to the
coronavirus disease (COVID-19) outbreak may have on our business and those risks detailed from time-to-time under the caption “Risk Factors” and elsewhere in our Securities and Exchange Commission (“SEC”) filings and reports, including our Quarterly Report on Form 10-Q filed on December 10, 2019, as well as future filings and reports by us. Except as required by law, we undertake no duty or obligation to update any forward-looking statements contained in this release as a result of new information, future events, changes in expectations or otherwise.

Non-GAAP Financial Measures

This press release includes the following financial measures defined as non-GAAP financial measures by the SEC: non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP loss from operations, non-GAAP net loss, non-GAAP net loss per share and free cash flow. Non-GAAP gross profit and non-GAAP gross margin exclude stock-based compensation expense. Non-GAAP operating expenses, non-GAAP loss from operations, non-GAAP net loss and non-GAAP net loss per share exclude:

- stock-based compensation expense;
- amortization of intangible assets for the acquired technology and acquired customer relationships associated with the purchase of Realm, as well as for the prior acquisitions of mLab and WiredTiger;
- amortization of time-based founder payments associated with the mLab purchase that was deemed to be compensation expense for GAAP purposes;
- acquisition costs associated with the purchase of Realm in fiscal 2020 and mLab in fiscal 2019;
- accelerated charges associated with the New York City office move in the third quarter fiscal 2019;
- in the case of non-GAAP net loss, non-cash interest expense related to our convertible senior notes, a non-recurring loss from the early extinguishment of debt related to the partial repurchase of our 0.75% convertible senior notes due 2024 and non-recurring income tax benefits associated with the acquisitions of Realm and mLab intangible assets.

MongoDB uses these 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 MongoDB’s ongoing operational performance. MongoDB 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 its financial results with other companies.
Free cash flow represents net cash used in operating activities less capital expenditures, principal repayments of finance lease liabilities and capitalized software development costs, if any. MongoDB uses free cash flow to understand and evaluate its liquidity and to generate future operating plans. The exclusion of capital expenditures, principal repayments of finance lease liabilities and amounts capitalized for software development facilitates comparisons of MongoDB’s liquidity on a period-to-period basis and excludes items that it does not consider to be indicative of its liquidity. MongoDB believes that free cash flow is a measure of liquidity that provides useful information to investors in understanding and evaluating the strength of its liquidity and future ability to generate cash that can be used for strategic opportunities or investing in its business in the same manner as MongoDB’s management and board of directors.

Non-GAAP financial measures have limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. In particular, other companies may report non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP loss from operations, non-GAAP net loss, non-GAAP net loss per share, free cash flow or similarly titled measures but calculate them differently, which reduces their usefulness as comparative measures. Investors are encouraged to review the reconciliation of these non-GAAP measures to their most directly comparable GAAP financial measures, as presented below. This earnings press release and any future releases containing such non-GAAP reconciliations can also be found on the Investor Relations page of MongoDB’s website at https://investors.mongodb.com.

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