MongoDB, Inc. Announces Fourth Quarter and Full Year Fiscal 2019 Financial Results

ASC 606:

Fourth Quarter Fiscal 2019 Total Revenue of $85.5 million, up 71% Year-over-Year
Full Year Fiscal 2019 Total Revenue of $267.0 million, up 61% Year-over-Year
MongoDB Atlas Revenue 32% of Total Q4 Revenue, up over 400% Year-over-Year

ASC 605:

Fourth Quarter Fiscal 2019 Total Revenue of $83.1 million, up 85% Year-over-Year
Full Year Fiscal 2019 Total Revenue of $253.8 million, up 64% Year-over-Year
MongoDB Atlas Revenue 34% of Total Q4 Revenue, up over 400% Year-over-Year

Note: We recently adopted the new revenue recognition accounting standard Accounting Standards Codification ("ASC") 606 effective as of January 31, 2019 and applied as of February 1, 2018, on a full retrospective basis. This press release includes additional information to reconcile the impacts of the adoption of ASC 606 on our financial results for the fourth fiscal quarter and full fiscal year ended January 31, 2019. This includes the presentation of our financial results for the fourth fiscal quarter and full fiscal year 2019 under the prior revenue recognition standard ASC 605.


“MongoDB’s exceptional fourth quarter performance capped a record year for the company,” said Dev Ittycheria, President and Chief Executive Officer of MongoDB. “MongoDB is being adopted by an ever increasing number of companies across diverse industries who recognize the power of our next-generation database platform to drive business performance, increase agility and shorten time to market.”

Ittycheria added, “MongoDB Atlas, our fully managed global, multi-cloud database service, achieved a major milestone in the fourth quarter, surpassing $100 million in annualized revenue run rate less than three years from launch. At approximately one third of our revenue, MongoDB Atlas’ tremendous growth highlights its compelling value to enable customers to focus on innovation and offload the operational burden of database management.”
Fourth Quarter Fiscal 2019 Financial Highlights under ASC 606

- **Revenue**: Total revenue was $85.5 million in the fourth quarter fiscal 2019, an increase of 71% year-over-year. Subscription revenue was $80.6 million, an increase of 73% year-over-year, and services revenue was $4.9 million, an increase of 37% year-over-year.

- **Gross Profit**: Gross profit was $59.9 million in the fourth quarter fiscal 2019, representing a 70% gross margin, compared to 75% in the year-ago period. Non-GAAP gross profit was $61.0 million, representing a 71% non-GAAP gross margin.

- **Loss from Operations**: Loss from operations was $23.8 million in the fourth quarter fiscal 2019, compared to $20.9 million in the year-ago period. Non-GAAP loss from operations was $9.7 million, compared to $14.5 million in the year-ago period.

- **Net Loss**: Net loss was $22.2 million, or $0.41 per share, based on 53.8 million weighted-average shares outstanding in the fourth quarter fiscal 2019. This compares to $20.0 million, or $0.40 per share, based on 50.3 million weighted-average shares outstanding, in the year-ago period. Non-GAAP net loss was $9.1 million or $0.17 per share. This compares to $13.6 million or $0.27 per share in the year-ago period.

- **Cash Flow**: As of January 31, 2019, MongoDB had $466.5 million in cash, cash equivalents, short-term investments and restricted cash. During the three months ended January 31, 2019, MongoDB used $9.5 million of cash in operations and $3.2 million in capital expenditures, leading to negative free cash flow of $12.6 million, compared to negative free cash flow of $8.1 million in the year-ago period.

Fourth Quarter Fiscal 2019 Financial Highlights under ASC 605

- **Revenue**: Total revenue was $83.1 million in the fourth quarter fiscal 2019, an increase of 85% year-over-year. Subscription revenue was $78.3 million, an increase of 87% year-over-year, and services revenue was $4.9 million, an increase of 54% year-over-year.

- **Gross Profit**: Gross profit was $57.5 million in the fourth quarter fiscal 2019, representing a 69% gross margin, compared to 72% in the year-ago period. Non-GAAP gross profit was $58.6 million, representing a 71% non-GAAP gross margin.

- **Loss from Operations**: Loss from operations was $28.7 million in the fourth quarter fiscal 2019, compared to $27.3 million in the year-ago period. Non-GAAP loss from operations was $14.6 million, compared to $20.9 million in the year-ago period.

- **Net Loss**: Net loss was $27.1 million, or $0.50 per share, based on 53.8 million weighted-average shares outstanding, in the fourth quarter fiscal 2019. This compares to $26.4 million, or $0.52 per share, based on 50.3 million weighted-average shares outstanding, in the year-ago period. Non-GAAP net loss was $14.0 million, or $0.26 per share. This compares to $20.0 million, or $0.40 per share in the year-ago period.
Full Year Fiscal 2019 Financial Highlights Under ASC 606

- **Revenue**: Total revenue was $267.0 million for the full year fiscal 2019, an increase of 61% year-over-year. Subscription revenue was $248.4 million, an increase of 64% year-over-year, and services revenue was $18.6 million, an increase of 31% year-over-year.
- **Gross Profit**: Gross profit was $193.4 million for the full year fiscal 2019, representing a 72% gross margin compared to 74% the prior year. Non-GAAP gross profit was $196.7 million, representing a 74% non-GAAP gross margin.
- **Loss from Operations**: Loss from operations was $97.8 million for the full year fiscal 2019, compared to $84.9 million in the prior year. Non-GAAP loss from operations was $54.2 million, compared to $62.8 million in the prior year.
- **Net Loss**: Net loss was $99.0 million, or $1.90 per share, based on 52.0 million weighted-average shares outstanding, for the full year fiscal 2019. This compares to $84.0 million, or $3.54 per share, based on 23.7 million weighted-average shares outstanding, in the prior year. Non-GAAP net loss was $52.2 million, or $1.00 per share, based on 52.0 million weighted-average shares outstanding. This compares to $62.0 million, or $1.43 per share, based on 43.2 million non-GAAP weighted-average shares outstanding, in the prior year.
- **Cash Flow**: During the year ended January 31, 2019, MongoDB used $42.0 million of cash in operations and $6.8 million in capital expenditures, leading to negative free cash flow of $48.8 million, compared to negative free cash flow of $47.0 million in the prior year.

Full Year Fiscal 2019 Financial Highlights Under ASC 605

- **Revenue**: Total revenue was $253.8 million for the full year fiscal 2019, an increase of 64% year-over-year. Subscription revenue was $235.8 million, an increase of 67% year-over-year, and services revenue was $18.0 million, an increase of 38% year-over-year.
- **Gross Profit**: Gross profit was $180.2 million for the full year fiscal 2019, representing a 71% gross margin, compared to 72% in the prior year. Non-GAAP gross profit was $183.5 million, representing a 72% non-GAAP gross margin.
- **Loss from Operations**: Loss from operations was $117.6 million for the full year fiscal 2019, compared to $97.3 million in the prior year. Non-GAAP loss from operations was $74.1 million, compared to $75.1 million in the prior year.
- **Net Loss**: Net loss was $118.9 million, or $2.28 per share, based on 52.0 million weighted-average shares outstanding, for the full year fiscal 2019. This compares to $96.4 million, or $4.06 per share, based on 23.7 million weighted-average shares outstanding, in the prior year. Non-GAAP net loss was $72.0 million, or $1.38 per share, based on 52.0 million weighted-average shares outstanding. This compares to $74.3 million, or $1.72 per share, based on 43.2 million non-GAAP weighted-average shares outstanding, in the year-ago period.
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 2019 and Recent Business Highlights

● Experienced a continuation of strong developer adoption in the fourth quarter of fiscal year 2019. The total number of MongoDB downloads from our website alone is now more than 60 million. We have seen adoption accelerate with more than 20 million downloads in the last 12 months, an increase from the more than 12 million downloads in fiscal year 2018. Nearly 1.2 million developers have registered for MongoDB University, the company’s online training and certification program.

● Selected by customers across a variety of industries for an increasingly wide range of mission critical workloads. Over the past fiscal year, the number of customers with an annualized spend of more than $1 million grew by 77% to 39, and the number of six-figure customer relationships expanded by 57% to 557. MongoDB now has over 13,400 customers, up approximately 130% from last year, including over 11,400 Atlas customers, of which approximately 4,200 were acquired from mLab.

● Continued to add features to MongoDB Atlas that further differentiate it from competing products. In addition, Atlas expanded support to 60 total regions across multiple public cloud networks, making it the most widely available global cloud database on the market.

● Promoted Cedric Pech to Chief Revenue Officer. He joined MongoDB in 2017 to lead MongoDB’s sales team in Europe, Middle East and Africa, where MongoDB rapidly scaled the salesforce and drove exceptional growth throughout the region. Cedric will be responsible for developing and executing MongoDB’s global sales strategy.

Business Outlook

Based on information as of today, March 13, 2019, MongoDB is issuing the following financial guidance for the first quarter and full year fiscal 2020. Please note this guidance is presented under ASC 606.

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<th>First Quarter Fiscal 2020</th>
<th>Full Year Fiscal 2020</th>
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<td><strong>Revenue</strong></td>
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<td>$82.0 million to $84.0 million</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 13, 2019, 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](https://investors.mongodb.com). To access the call by phone, dial 866-548-4713 (domestic) or 323-794-2093 (international). A replay of this conference call will be available for a limited time at 844-512-2921 (domestic) or 412-317-6671 (international). The replay conference ID is 1923915. A replay of the webcast will also be available for a limited time at [https://investors.mongodb.com](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 13,000 customers in over 100 countries. The MongoDB database platform has been downloaded over 60 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 2020, [our market opportunity and demand for a cloud-based data platform, our go-to-market and growth strategies, our value proposition for customers and the potential advantages of our new products and enhancements, and our ability to expand our leadership position and drive revenue growth]. 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 maintain the security of our software and adequately address privacy concerns; our ability to manage our growth effectively and successfully recruit additional highly-qualified personnel; the price volatility of our common stock; 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 Annual Report on Form 10-K filed on March 30, 2018 and our Quarterly Report on Form 10-Q filed on September 7, 2018 and December 6, 2018, 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 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 loss from operations and non-GAAP net loss exclude:

- stock-based compensation expense;
- amortization of intangible assets for the recently acquired customer relationships and acquired technology associated with the purchase of mLab, as well as for the prior acquisition of WiredTiger;
- amortization of the Founder Holdback associated with the mLab purchase, that was deemed to be compensation expense for GAAP purposes;
acquisition costs associated with the purchase of mLab;
accelerated charges associated with the New York City office move; and
in the case of non-GAAP net loss, non-cash interest expense related to our convertible senior notes, a non-recurring income tax benefit associated with the acquisition of mLab intangible assets, and the change in fair value of warrant liability.

Non-GAAP net loss per share is calculated by dividing non-GAAP net loss by the weighted-average shares used to compute net loss per share attributable to common stockholders, basic and diluted, and for periods prior to and including the period in which we completed our initial public offering, giving effect to the conversion of preferred stock at the beginning of the period. 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 in MongoDB’s industry, many of which present similar non-GAAP financial measures to investors.

Free cash flow represents net cash used in operating activities less capital expenditures 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 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 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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