MongoDB, Inc. Announces Second Quarter Fiscal 2020 Financial Results

Second Quarter Fiscal 2020 Total Revenue of $99.4 million, up 67% Year-over-Year

Continued Strong Growth with Over 15,000 Customers at July 31, 2019

MongoDB Atlas Revenue 37% of Total Q2 Revenue, up over 240% Year-over-Year


“MongoDB’s strong second quarter results are the latest indication of our growing leadership position as the modern data platform of choice” said Dev Ittycheria, President and Chief Executive Officer of MongoDB. “Our best-in-class product and increasingly sophisticated go-to-market strategy are driving strong adoption for a growing number of use cases by customers of all sizes.”

Ittycheria added, “The recent release of MongoDB 4.2 and introduction of new products and features such MongoDB Atlas Data Lake and MongoDB Full-Text Search further extend the value of our platform and enable customers to get more value from their data. We are confident that our innovative product offerings will position MongoDB for continued success.”

Second Quarter Fiscal 2020 Financial Highlights

- **Revenue**: Total revenue was $99.4 million in the second quarter fiscal 2020, an increase of 67% year-over-year. Subscription revenue was $94.2 million, an increase of 71% year-over-year, and services revenue was $5.2 million, an increase of 15% year-over-year.
- **Gross Profit**: Gross profit was $69.2 million in the second quarter fiscal 2020, representing a 70% gross margin, compared to 72% in the year-ago period. Non-GAAP gross profit was $71.1 million, representing a 72% non-GAAP gross margin.
- **Loss from Operations**: Loss from operations was $37.7 million in the second quarter fiscal 2020, compared to $27.1 million in the year-ago period. Non-GAAP loss from operations was $14.8 million, compared to $17.9 million in the year-ago period.
- **Net Loss**: Net loss was $37.3 million, or $0.67 per share, based on 55.6 million weighted-average shares outstanding in the second quarter fiscal 2020. This compares to $27.8 million, or $0.54 per share, based on 51.2 million weighted-average shares outstanding, in the year-ago period. Non-GAAP net loss was $14.7 million or $0.26 per share. This compares to $17.5 million or $0.34 per share in the year-ago period.
- **Cash Flow**: As of July 31, 2019, MongoDB had $436.6 million in cash, cash equivalents, short-term investments and restricted cash. During the three months ended July 31, 2019, MongoDB used $12.6 million of cash from operations and $1.2 million in capital expenditures, leading to negative free cash flow of $13.8 million, compared to negative free cash flow of $18.0 million in the year-ago period.

*We 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. All amounts and disclosures in this press release have been updated to comply with the new revenue recognition standard.*
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.”

Second Quarter Fiscal 2020 and Recent Business Highlights

- Made significant product announcements in June that further MongoDB’s mission to provide the best way to work with data. MongoDB 4.2 added distributed transactions, client-side field level encryption, an updated Kubernetes operator and more to the core MongoDB database. MongoDB extended its expertise beyond the database to a data platform with the announcements of MongoDB Atlas Data Lake and MongoDB Atlas Full-Text Search, and the general availability of MongoDB Charts. The company also unveiled its vision for Realm, the mobile database acquired in May, to give developers a better way to work with data throughout the application lifecycle.
- Continued engagement with the growing MongoDB community as the company hosted its most successful developer event to date at MongoDB World in New York City, June 17-19. MongoDB World 2019 saw record attendance of MongoDB users from 40 countries, offered 106 sessions and featured a global hackathon with 900 participants that built 83 projects on MongoDB.
- Saw growing momentum with all three major cloud providers. The company experienced strong initial traction with GCP in the first quarter of the partnership. MongoDB also expanded its relationship with Microsoft by launching the availability of MongoDB Atlas on the Microsoft Azure Marketplace, simplifying billing for joint customers, and joining Microsoft’s Strategic Partner Reported ACR co-sell program. The company also delivered another record Atlas quarter on AWS.

Business Outlook

Based on information as of today, September 4, 2019, MongoDB is issuing the following financial guidance for the third quarter and full year fiscal 2020.

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<thead>
<tr>
<th></th>
<th>Third Quarter Fiscal 2020</th>
<th>Full Year Fiscal 2020</th>
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</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$98.0 million to $100.0</td>
<td>$390.0 million to $395.0</td>
</tr>
<tr>
<td></td>
<td>million</td>
<td>million</td>
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<tr>
<td>Non-GAAP Loss from</td>
<td>$(16.5) million to $(15.5)</td>
<td>$(62.0) million to $(59.0)</td>
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<tr>
<td>Operations</td>
<td>million</td>
<td>million</td>
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<tr>
<td>Non-GAAP Net Loss per</td>
<td>$(0.29) to $(0.27)</td>
<td>$(1.11) to $(1.06)</td>
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<tr>
<td>Share</td>
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</table>
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, September 4, 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. To access the call by phone, dial 800-289-0438 (domestic) or 323-794-2423 (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 1930605. 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 15,000 customers in over 100 countries. The MongoDB database platform has been downloaded over 70 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 third fiscal quarter and full year fiscal 2020, the anticipated impact of our go-to-market, growth and product strategies and anticipated benefits from the acquisition of Realm. 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; 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 April 1, 2019 and our Quarterly Report on Form 10-Q filed on June 7, 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 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, 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 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 Realm; and
- in the case of non-GAAP net loss, non-cash interest expense related to our convertible senior notes and a non-recurring income tax benefit associated with the acquisition of Realm 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 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](https://investors.mongodb.com).

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