FY26 MEU Estimates

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The Monthly Engaged User (MEU) metric is forecasted annually to inform goal setting for the company's Core 4 metrics. The forecasting methodology that GitHub has applied previously uses the prior year's data to forecast the next year's totals based on applied weekly growth rates. For FY25, the current methodology is forecasting an annual growth rate of **16.7% by the end of June 2025**. Two other forecasting methods were applied, for comparison purposes.

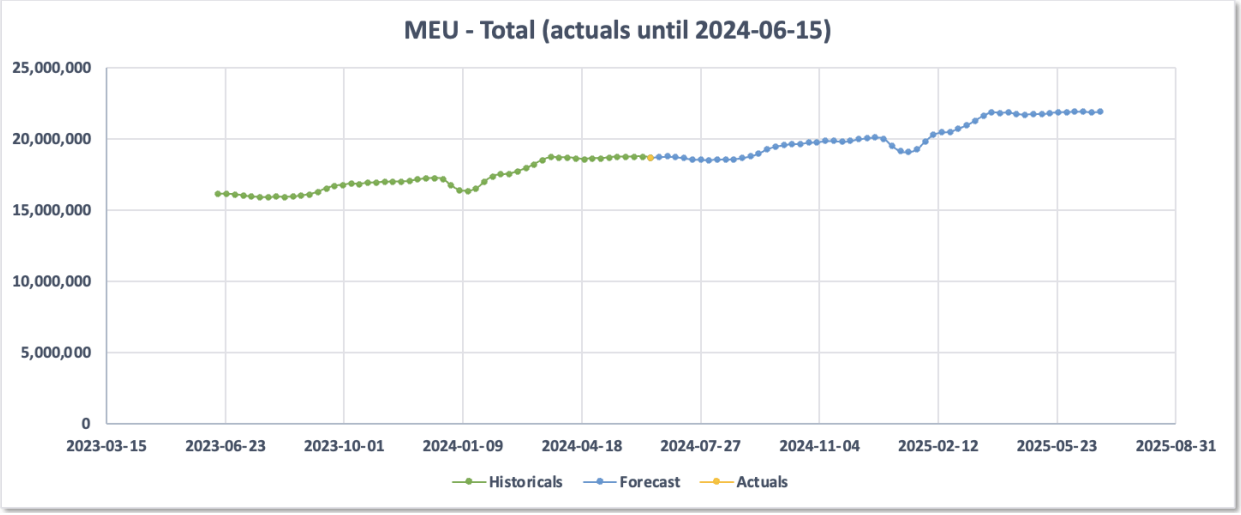
Recommendation for FY25 Goal Setting

Two of the three forecasting methods suggest MEU annual growth rates will land under 20% at the end of FY25. Driving MEU up cross-functionally as a company priority in FY25 will drive growth beyond projections. The recommendation for FY25 to is to set growth rates to be at 20% for the year, reflecting the organic and inorganic growth potential.

Below are the details behind the forecasting methods.

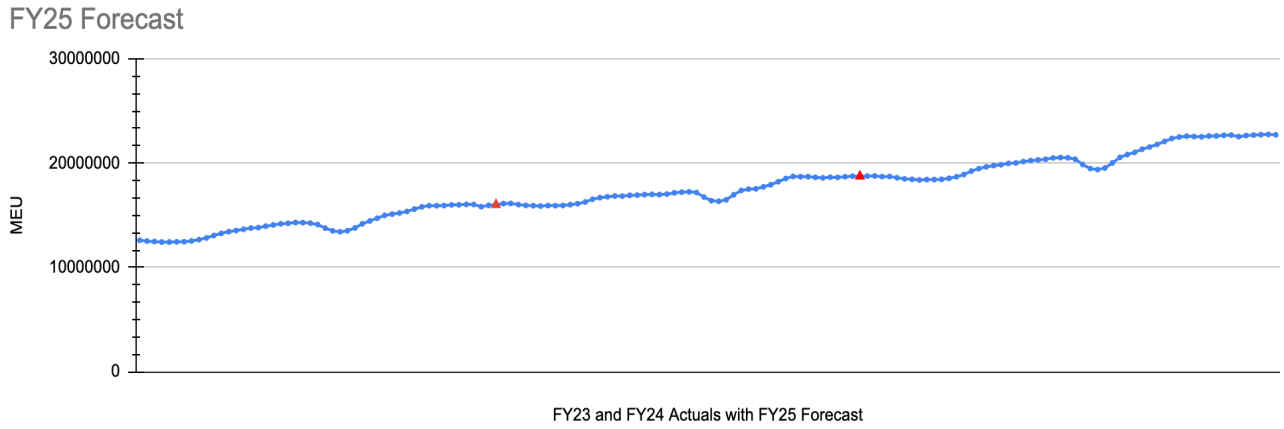
Forecasting Method 1: Weekly Growth Rate (Current Methodology)

The forecasting methodology currently in practice predicts MEU values based on weekly growth rate. The exact formula is: Week N FY25 = Week N-1 FY25 * growth rate between Week N and N-1 of FY24. Applying this formula to FY25 calculates that GitHub will amass **21,913,675 in MEUs by June 28, 2025 with a growth rate of 16.7%.** See excel here for FY25 forecast details.



Forecasting Method 2 (Alternative): Average Weekly Growth Rate for Two Years

For this approach, we averaged the weekly growth rate of the past two years (as opposed to one year in method 1) to inform the FY25 growth. The model ends the year at **22,720,053 MEUs with a 21.53% YoY growth rate.** The weekly data points can be found here. This model uses both FY23 and FY24 data. FY23 experienced higher MEU growth rates, so we can note that this model predicts a relatively higher rate of growth.

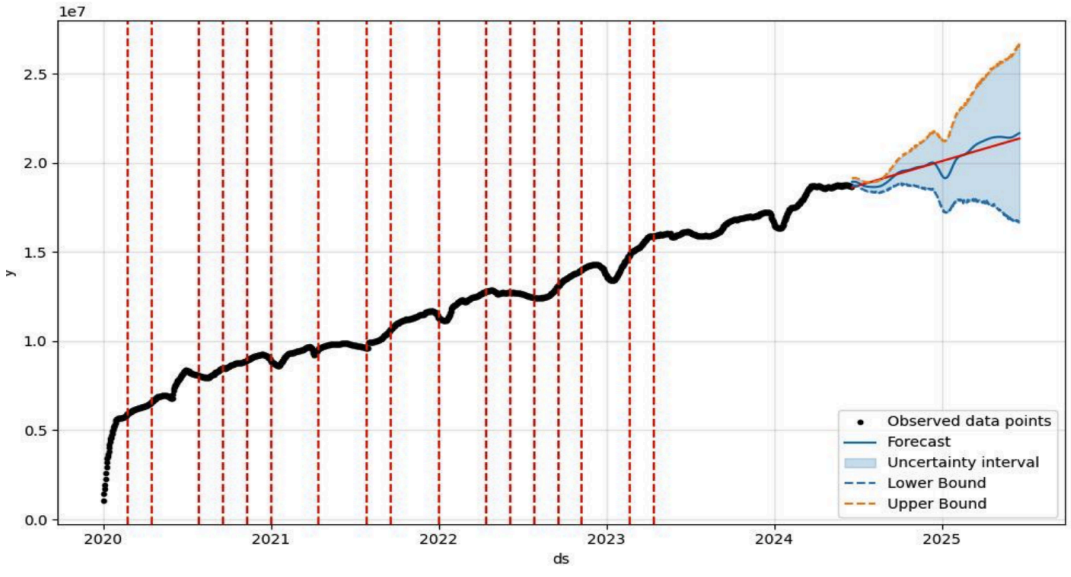


Forecasting Method 3: Forecasting with Prophet

Prophet is an automated open source time series forecasting tool released by Meta. This model was released in 2017 and is used at Meta for goal setting and forecasting across the organization.

The model works best with time series that have seasonality and is capable of adjusting to shifts in trends and outliers. The vertical lines in the chart below indicate where the potential trend changepoints were placed by the model. Prophet automatically detects these changepoints and adjusts accordingly.

This model is most accurate when predicting near term trends. As noted in the graph below, the uncertainty interval, or the upper and lower bound ranges of its prediction, increase the further away it is from observed data points. Operationally, we would revisit this model quarterly so that we include the actual and further specify the forecasted MEU for the end of the fiscal year.



Applying this forecasting model to FY25 MEUs results suggests that MEUs will land between 16,700,438 and 27,573,613 for the end of FY25, with a forecast of **21,653,004** on June 30, 2025. The forecast, which appears more conservative than the other models, assuming a **14.5% YoY growth rate.** Click here for the daily outputs of Prophet for FY25.

Using the Three Methods in FY25

The three methods of forecasting build upon MEU actuals from the year(s) prior. All three models cannot forecast outside of past trends. Internal and external factors will impact the actuals for FY25. If those factors were not experienced in previous years, the predictions will not incorporate them and therefore FY25 actuals may surprise us.

The Business Insights team recommends the continuation of using the current methodology for FY25 and the team will observe how the other two models perform during the year. By the end of FY25, we intend to have a better sense of the margin of error across the three and offer improvements for FY26 forecasting.

Some ways we intend to observe FY25 MEU forecasting:

- Using the three models to inform a monthly range target (versus and absolute number)
- Revisiting the ranges at the end of H1 (use H1 actual data to better inform the three models) and therefore have a more specific range or target for end of H2
- Correlate major company initiatives to impact on MEU (company priorities, product launches, developer account numbers, etc) so that these factors can be measured and introduced into working assumptions in FY26