



# Investor Day

November 16, 2020

# Safe Harbor Statement

## Forward-Looking Statements

Some of the information we provide in this presentation regarding our future expectations, plans, and prospects may constitute forward-looking statements. Actual results may differ materially from these forward-looking statements due to various important factors, including the risk factors discussed in our most recent 10-Q filed with the SEC. We assume no obligation to update these forward-looking statements, which speak only as of today.

Also, in this presentation, we will refer to certain non-GAAP financial measures. Reconciliations showing GAAP versus non-GAAP results are available in the appendix of this presentation, which is available on our website at [www.microstrategy.com](http://www.microstrategy.com).

# Presenters



**Michael Saylor**  
*Chairman and  
Chief Executive Officer*



**Phong Le**  
*President and  
Chief Financial Officer*



**Tim Lang**  
*Chief Technology Officer*



**Hugh Owen**  
*Chief Marketing Officer*

# Agenda

## Introduction

Phong Le, President and CFO

## Company Vision

Michael J. Saylor, Chairman and CEO

## Product Update and Shift to Cloud

Timothy Lang, CTO

## Demand Generation and Productive Growth

Hugh Owen, CMO

## Finance and Growth

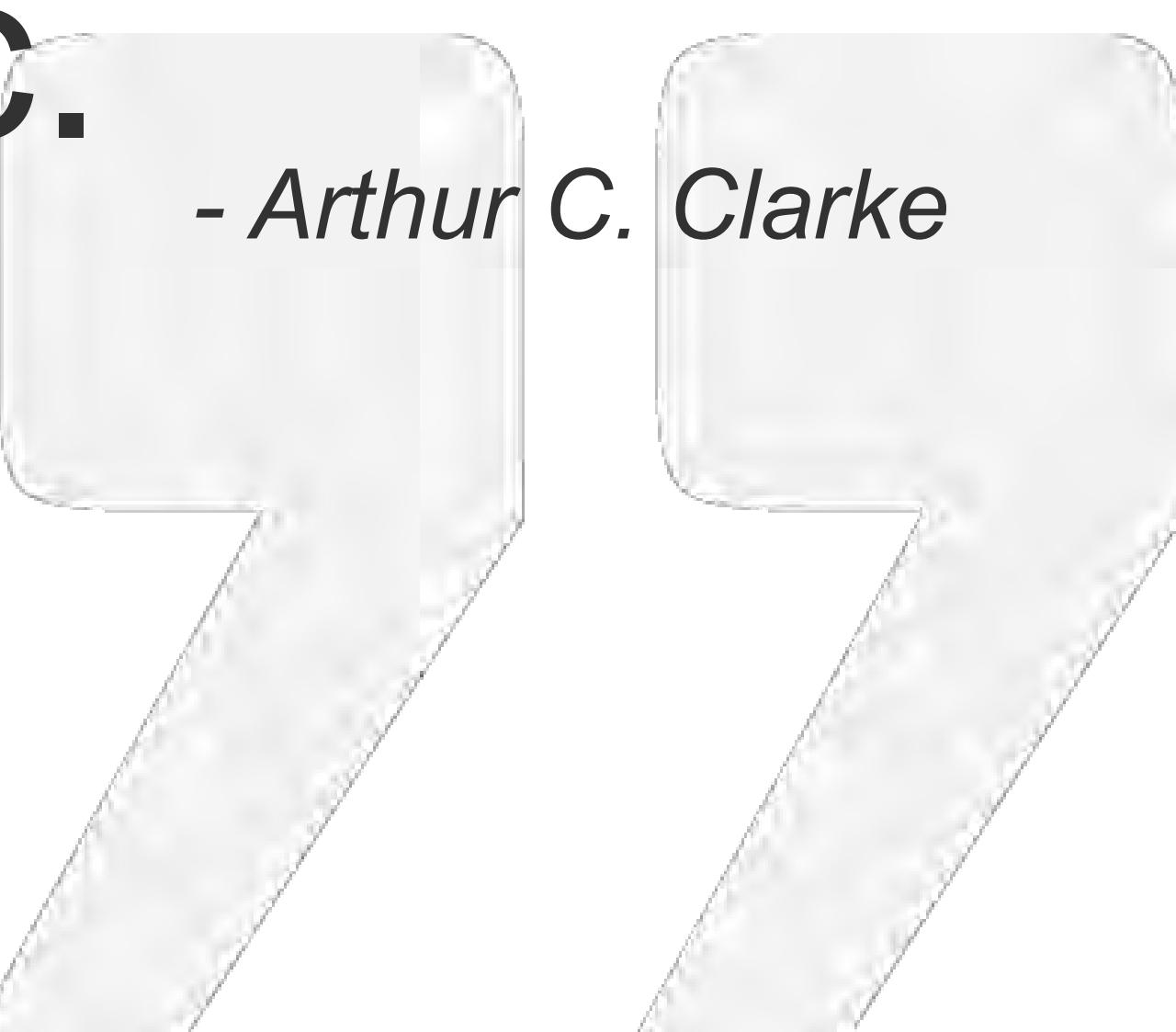
Phong Le, President and CFO

## Q & A



# Company Vision

Michael J. Saylor, Chairman and CEO



Any sufficiently advanced **technology**  
is indistinguishable from magic.

- Arthur C. Clarke

# MicroStrategy has a rich history of 30+ Years of Innovation

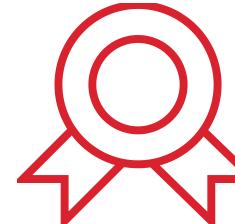
1993	1999	2003	2008	2014	2017	2019	2020
Industry's first relational OLAP interface	World's first web-based BI and personal intelligence network	First to release a fully integrated reporting tool	BI reporting and dashboard available on iPhone	MicroStrategy available on cloud	Enhanced support of ML/AI; introduced Dossier® and Workstation	Introduced HyperIntelligence®	SaaS HyperIntelligence

# Our Company is Now Stronger than Ever

## Company



MicroStrategy is the largest independent publicly-traded business intelligence company with the leading enterprise analytics platform



Top-rated product by Gartner for agile, centralized BI provisioning



~2,050 employees including ~650 R&D department

## Customers



Diverse, blue chip customer base with 4,000+ customers across 27 countries



High renewal rates with ~66% recurring revenue renewing at ~95%

## Financials



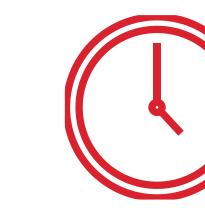
Profitability at scale with \$470mm+ revenue and ~80% gross margin



Repurchased 2.3M shares since 2018 for \$307M



Use bitcoin as primary treasury reserve asset, purchasing additional bitcoin with excess cash, subject to market conditions and business needs



Q3 2020 was one of the strongest growth and profitability quarters in last decade

# We have Pivoted with Speed and Agility to the Virtual Wave



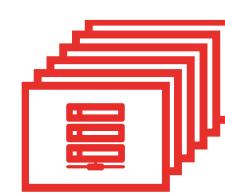
Quickly pivoted to customer focus post-Covid in Q2 20 with free education, free upgrades, and on-demand services like Expert.now



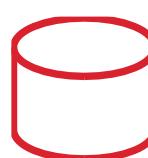
Rebuilt go-to-market with virtual marketing events, revamped video-first website, video customer meetings, and remote consulting engagements. Resulted in increased reach, meetings, and productivity combined with decreased costs



Also rebuilding back-office functions to reduce costs while improving agility



Customers more focused on software that is modern, open, and enterprise scale vs. experimental, single-stack, departmental. Consistent with MicroStrategy focus and strengths



Customers also want flexibility and reduced costs, seeing more aggressive shift to data, including data warehouse and business intelligence in the Cloud



Now focusing our technology and go-to-market on moving customers to Enterprise Cloud and SaaS products

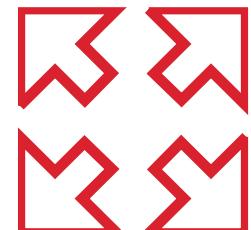
# Our New Capital Strategy is Already Showing Returns



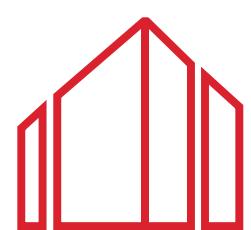
Putting our capital structure to work – focus on buying MSTR stock and bitcoin, both have appreciated since we announced strategy



Bitcoin is our primary treasury reserve asset, excess capital > \$50M will be put into bitcoin, subject to market conditions and business needs



Consistent with our virtual wave strategies, and improved digital marketing: YouTube views, Twitter views, Website traffic all up



Expect additional upside and synergies over time with go-to-market, R&D, and ultimately company valuation

# We have an Experienced and Visionary Management Team



**Michael J. Saylor**  
Chairman and CEO

**30+ years at MicroStrategy**



**Phong Le**  
President and CFO

**5+ years at MicroStrategy**



**Timothy Lang**  
SEVP and CTO

**6+ years at MicroStrategy**



**Hugh Owen**  
Chief Marketing Officer

**20+ years at MicroStrategy**



**W. Ming Shao**  
SEVP and General Counsel

**20+ years at MicroStrategy**



**Ponna Aurumugam**  
Chief Information Officer

**2+ years at MicroStrategy**



**Joti Paparello**  
Chief HR Officer

**18+ years at MicroStrategy**



**Paul Green**  
EVP, Worldwide Consulting

**2+ years at MicroStrategy**



**Jeanine Montgomery**  
Chief Accounting Officer

**4+ years at MicroStrategy**



**Jeremy Price**  
Senior VP, FP&A

**18+ years at MicroStrategy**

# **Product Update and Shift to Cloud**

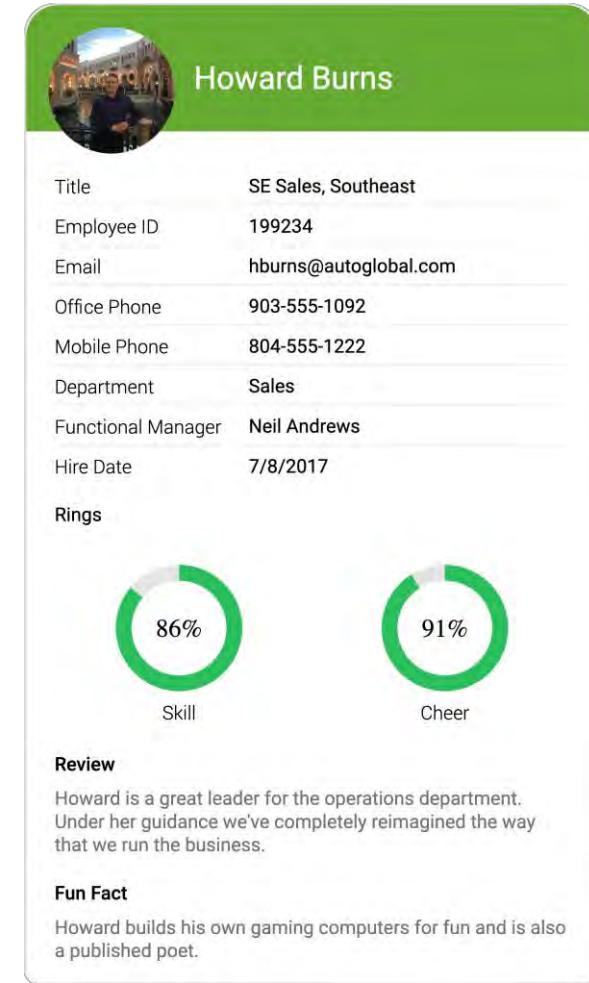
Timothy Lang, Chief Technology Officer

# Modern Analytics

Bring data to people, processes, and things

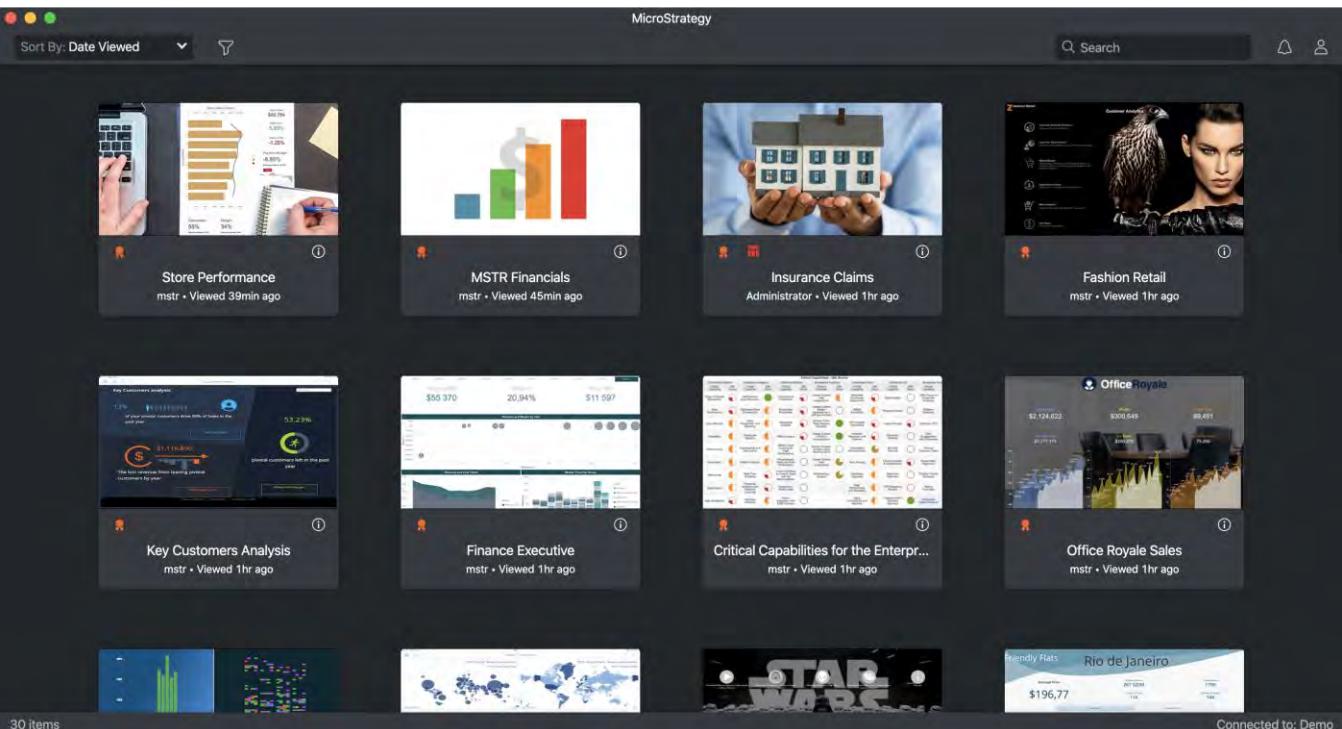
## HyperIntelligence

Insights automatically delivered to users



## MicroStrategy Library™

Personalized analytics catalog



## Dossier

Personalized dashboards



## Planned for MicroStrategy 2021™

- Pattern matching in HyperIntelligence
- Ability to share cards
- QR code and Barcode support
- Extended Search in HyperIntelligence
- Create calculations in HyperIntelligence cards
- HyperIntelligence thresholds

- New Mac and Windows app to consume dossiers quickly
- Shared bookmarks
- 1:1 and group collaboration
- Built-in HyperIntelligence to highlight in dossiers in MicroStrategy app
- Search for HyperIntelligence cards in MicroStrategy app

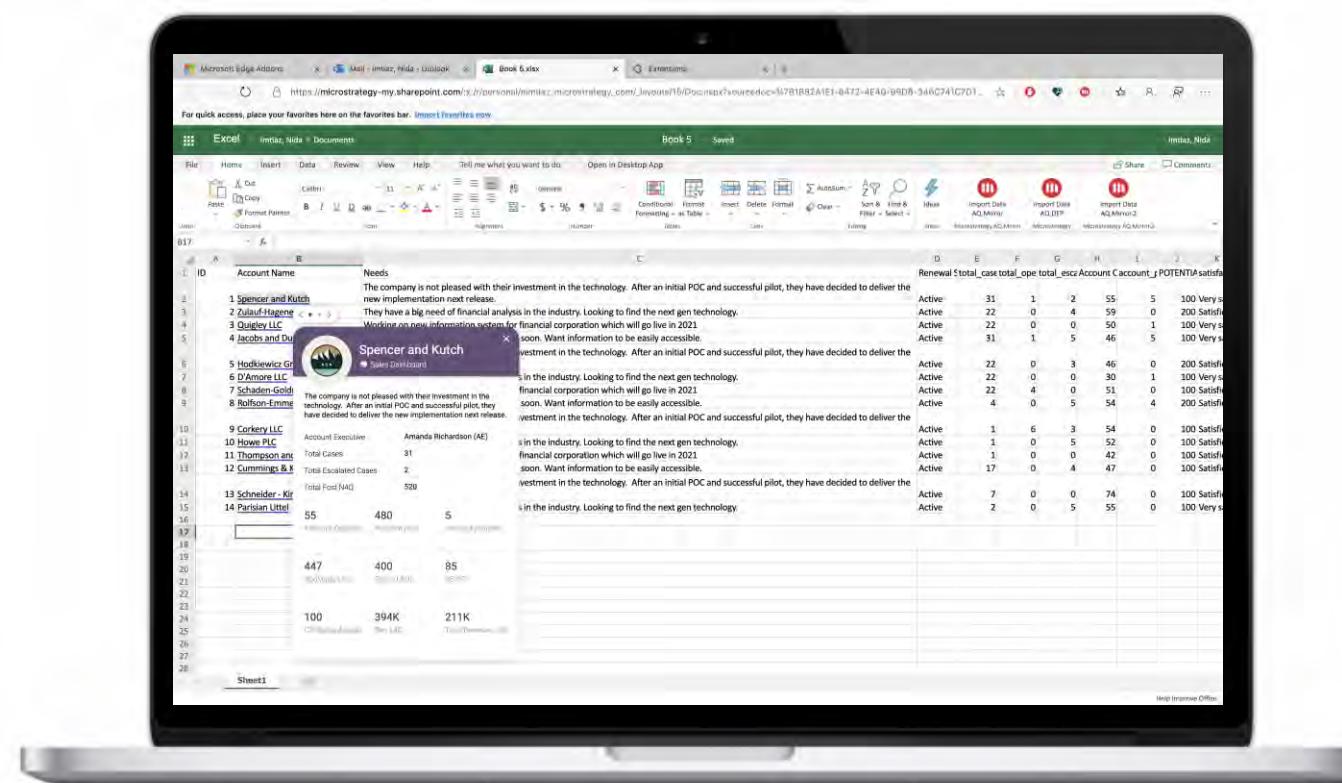
- Rich-text editor and grid formatting
- New visualization gallery and formatting panel
- Microcharts in grid
- Mobile-specific Dossier design
- Vertical scrolling for dossiers
- Global filters

# The MicroStrategy HyperIntelligence Product Suite

Answers at your fingertips - whether you're on the web, a mobile device, or your favorite app

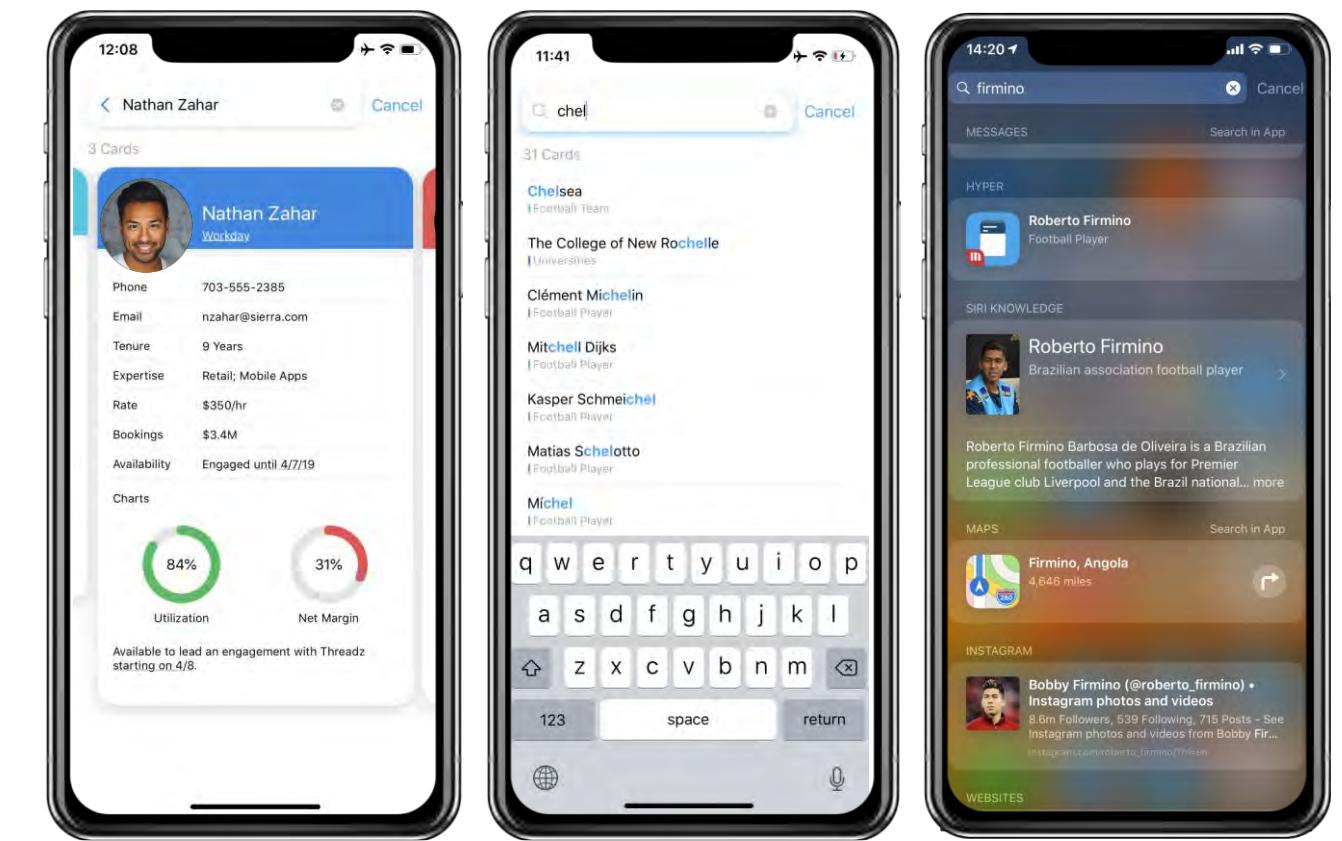
## HyperWeb™

Seamlessly inject intelligence directly onto words in the websites and web applications people use every day.



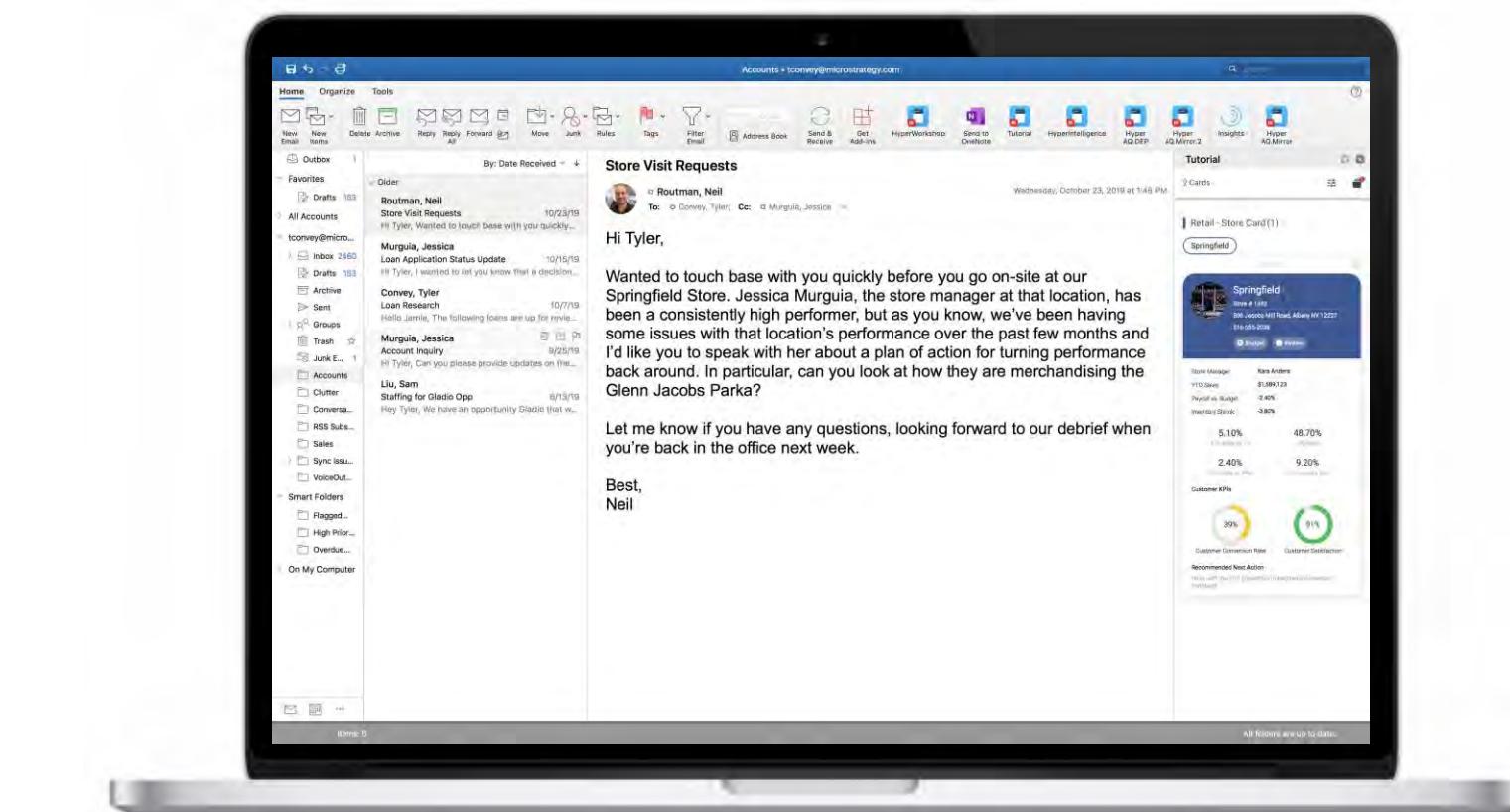
## HyperMobile™

Put intelligence in the palm of your hand – by making cards available directly on a user's mobile device.



## HyperOffice™

Bring answers to your favorite productivity tools with cards embedded directly into your emails, documents, and spreadsheets.



# HyperVision™

Color-code the card header conditionally based on a threshold

The screenshot shows a Salesforce Lightning interface for the 'Accounts' module. The page title is '1 - All My Accounts'. The top navigation bar includes links for Sales, Home, People, Red Reports, Accounts, Contacts, Reports, Dashboards, Cases, Projects, and Expense Reports. The main content area displays a table of 14 account records. The columns are: Account Name, Account Category, Industry, Renewal Status, Owner, Plan Status, and Cases. The account names are color-coded: Spencer and Kutch, Zulauf-Hagenes, Quigley LLC, Jacobs and Durgan, Hokiewicz Group, Moreau Laboratories, Schaden-Goldner, Rolfsen-Emmerich, Corkery LLC, Howe PLC, Thompson and Yost, Cummings & Kunze, Schneider-Kirlin, and Parisian Littel. The color-coding appears to be based on a threshold, with some names in red and others in green.

Account Name	Account Category	Industry	Renewal Status	Owner	Plan Status	Cases
Spencer and Kutch	C1 - Channel	Retail	Active	Amanda Richardson	AP1	31
Zulauf-Hagenes	C2 - Strategic	Manufacturing	Active	Timothy Ryan	AP5	22
Quigley LLC	C1 - Channel	Finance	Active	Michael Burke	AP4	22
Jacobs and Durgan	C1 - Channel	Retail	Active	Dorothy Russell	AP1	31
Hokiewicz Group	C2 - Strategic	Finance	Active	Eric Banks	AP5	22
Moreau Laboratories	C1 - Channel	Retail	Active	Sean Clark	AP4	24
Schaden-Goldner	C1 - Channel	Banking	Active	Keith Jackson	AP1	15
Rolfsen-Emmerich	C3 - Major	Shipping	Active	Karen Greene	AP6	4
Corkery LLC	C1 - Channel	Retail	Active	Gloria Santos	AP1	1
Howe PLC	C0 - NA	Retail	Expired	Bryan Schmidt	AP1	1
Thompson and Yost	C1 - Channel	Finance	Active	Jane Ramirez	AP1	1
Cummings & Kunze	C1 - Channel	Manufacturing	Active	Cheryl Barnes	AP1	17
Schneider-Kirlin	C1 - Channe	Manufacturing	Active	Brenda Washington	AP1	7
Parisian Littel	C1 - Channel	Retail	Active	Nicole Johnson	AP1	2

# Hyper SDK™

Extension-free embedding into your application with just a few lines of Javascript

The screenshot shows a web browser displaying a list of conference sessions from MicroStrategy World 2020. The sessions listed are:

- HyperIntelligence: Overview and Roadmap Forward**  
Start Time: 11:30 AM | End Time: 12:15 PM | Themes: HyperIntelligence | Business Role: Developer, Intelligence Director, Analyst, Non-Technical End User, Technical End User | Topic: HyperIntelligence, MicroStrategy 2019 | Speakers: [Caitlin Strong](#), [Jon Henin](#)  
[View Description](#)
- MicroStrategy Cloud Platform: Overview and Roadmap Forward**  
Start Time: 11:30 AM | End Time: 12:15 PM | Themes: Open, OEM | Business Role: Architect, Administrator, OEM | Topic: Cloud | Speakers: [Pawel Kowalewski](#), [Mike Gosselin](#)  
[View Description](#)
- Admin Automation: Overview and Usability Enhancements for Manager and Command Manager**  
Start Time: 11:30 AM | End Time: 12:15 PM | Themes: Enterprise, OEM | Business Role: Administrator, OEM | Topic: Platform | Speakers: [Pawel Kowalewski](#), [Mike Gosselin](#)  
[View Description](#)
- Alternative Visualizations: Creating Data Visualizations with HTML, and SVG**  
Start Time: 11:30 AM | End Time: 12:15 PM | Themes: Modern | Business Role: Developer, Analyst, OEM | Topic: Modern | Speakers: [Brian Grissom](#), [Andrew Rhodes](#), [Ana Calpito](#)  
[View Description](#)
- Maersk: Enhancing Procurement with Machine Learning**  
Start Time: 11:30 AM | End Time: 12:15 PM | Themes: Machine Learning, Business Transformation, Dashboards, Services | Business Role: Machine Learning, Business Transformation, Dashboards, Services | Speakers: [Brian Grissom](#), [Andrew Rhodes](#), [Ana Calpito](#)  
[View Description](#)
- Mobile Alerting: Configure and Distribute via Native Push**

A tooltip is shown over the "HyperIntelligence: Overview and Roadmap Forward" session, revealing the JavaScript code used for embedding:

```
<script>
microstrategy.hyper.embed({
  cards: ['World 2020 Speakers', 'World Session Hyper Cards']
})
<script>
microstrategy.hyper.embed({
  cards: ['World 2020 Speakers', 'World Session Hyper Cards']
});
</script>
<script language="javascript" type="text/javascript">...
```

# Hyper SDK

Extension-free embedding into your application with just a few lines of Javascript

The screenshot displays the MicroStrategy HyperIntelligence website. On the left, a vertical sidebar lists navigation options: HYPER INTELLIGENCE, BUSINESS INTELLIGENCE, DEMOS, EDUCATION, SUPPORT, CAREERS, ABOUT US, and BITCOIN. The main content area features a large red banner with the text "Engage the HyperDrive! October 7-16, for MicroStrategy employees". Below the banner, a call-to-action button says "Go to Hyper.Now >". To the right of the banner, there are four smaller windows demonstrating the Hyper SDK's integration into different platforms:

- Website:** Shows a product listing for "Men's Day Hiking Boots" with filters and a detailed view.
- Salesforce:** Displays a sales dashboard for "SWT Automotive - Summer Restock" with product details and a notes section.
- Workday:** Shows a communication thread between users like Nick Jacobs and Sam Norton.
- Microsoft Office:** Displays a Microsoft Outlook inbox with a green overlay showing company KPIs (Revenue: \$2M, Employees: 713) and a video player.

At the bottom, there are links for "Website", "Salesforce", "Workday", and "Microsoft Office", along with a "OVERVIEW OF HYPERINTELLIGENCE" section and a "ENGLISH" language switcher.

# HyperIntelligence Authoring

MicroStrategy Workstation - Cards

Arrange By: Environment | Sort By: Date Modified | Search

Product Card Company Day

Save New Metric

Product Sales

- Bought
- Display
- Functions
- Made in
- Memory
- Product
- Storage
- Transaction
- Cost
- In-stock
- Revenue
- Row Count - Keyword Matching...
- Units Sold

Widgets

- List
- Matrix
- Ring
- Text Box

Template

- Customized
- Change Template

Format

Show Less

Clear Card Data

Technosoft Surface Studio 2  
118898LMI  
Product Analysis Dossier

Specs

Made in	China
Display	LED-backlit
Bought	8/7/2016
Functions	All-in-one desktop

KPIs

\$91	\$115
Cost	Revenue
276	24
In-stock	Units Sold

Salesforce Product Price Sample

Enable

# Dossier Authoring

This screenshot shows a dashboard interface with various data visualizations and navigation elements.

**CONTENTS**: Chapter 1, Page 1

**DATASETS**: Worldwide-CO2-Emissions, In memory

**FORMAT**: Page 1, Enable Vertical Scrolling, min-height: 100px

**LAYERS**: Image11, Group, Group, Group, Group, 20 Countries with HI, Group, Group

**Top Panel (Dark Blue):** Placeholder text: Donec maximus ut metus id maximus. Class aptent taciti sociosqu ad litora torquent per conubia nostra, per inceptos himenaeos. Aenean non orci.

**Timeline (1990-2010):** A horizontal timeline showing years from 1990 to 2010.

**Region Map:** A donut chart showing regional distribution of emissions. Regions include North America, Middle East, Europe, Eurasia, Asia & Oceania, Central & South America, and Africa.

**Countries with Highest Natural Gas:** A bar chart showing natural gas production by country. The top countries are Russia, Canada, Japan, Iran, Saudi Arabia, France, Uzbekistan, Argentina, United Arab Emirates, and China.

**Emissions Trend in 20 Years:** A line chart showing CO2 emissions trend from 1990 to 2010. The y-axis ranges from 8K to 14K.

**Petroleum Emissions by Country in Region:** A bar chart showing petroleum emissions by country across different regions. Key values include Estonia (1123.26%), Qatar (5697.62%), and Gibraltar (13033.33%).

**Top 20 Highest CO2 Emissions by Country - Details:** A table showing the top 20 countries by total CO2 emissions. The columns include Country, From Coal, From Natural Gas, From Petroleum, and Total Emissions.

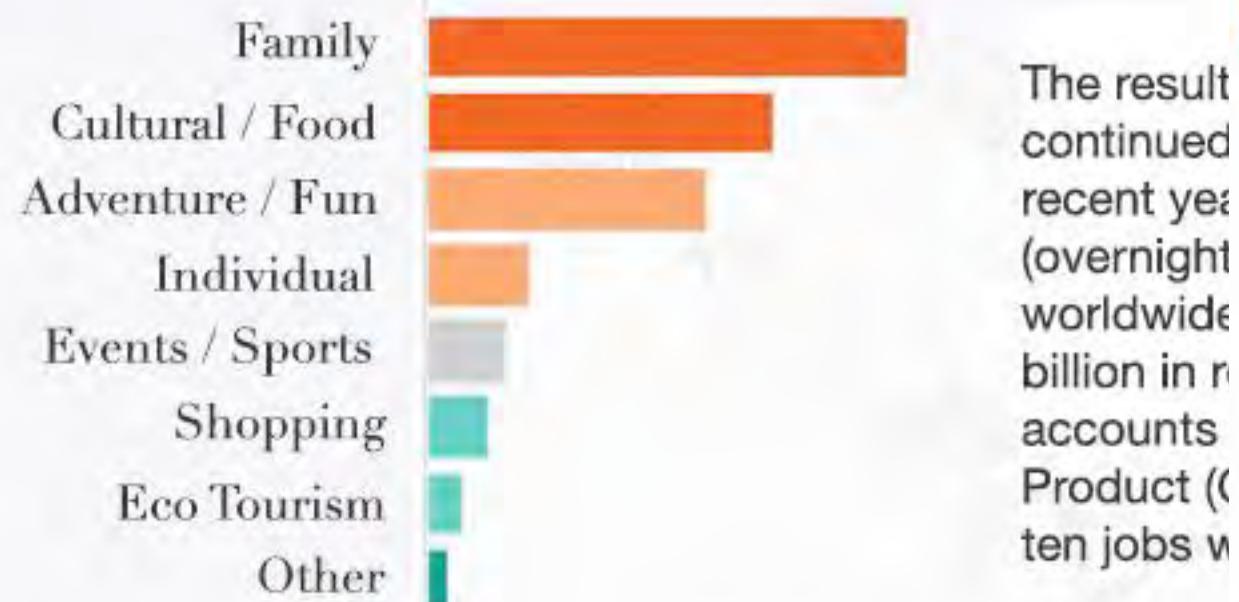
Country	From Coal	From Natural Gas	From Petroleum	Total Emissions
Canada	2,627.98	3,505.83	5,399.90	11,533.71
China	69,788.05	1,547.21	14,105.23	85,440.49
Germany	6,643.29	3,331.00	7,227.83	17,202.12
India	14,576.09	1,237.93	5,735.43	21,549.45

## Overview of Tourism in Western Europe

"it's easy to assume that they're becoming more common - psychologists refer to this phenomenon as the availability heuristic."

### What has driven

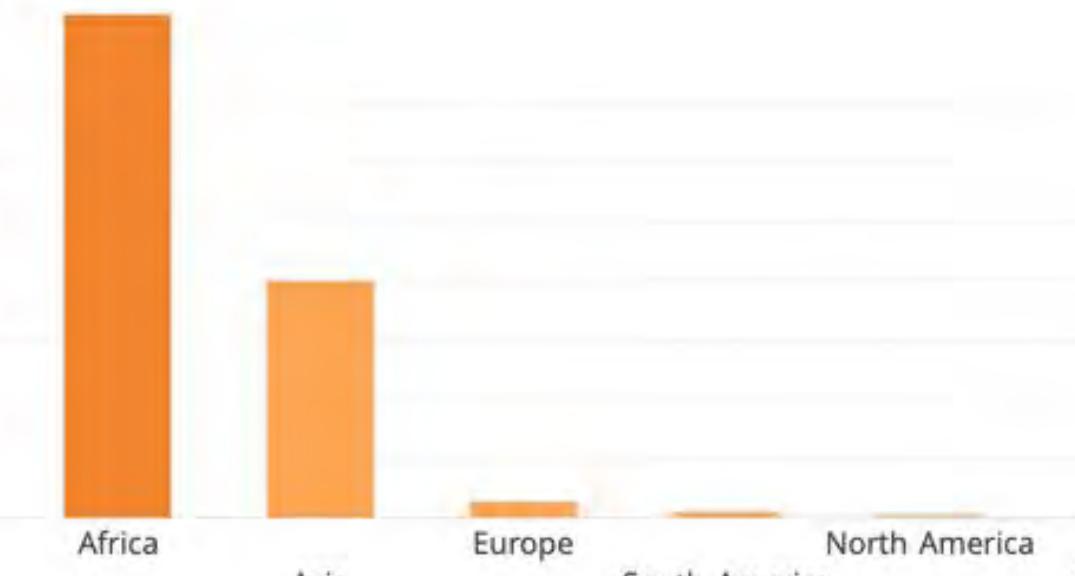
With a rich cultural heritage, largest destinations are continues to stand as world's international tourism of the European Union arrivals, some 81% of



## Areas most Photographed by Country (2006 - 2017)



mapbox



### Number of Photographs by City

Top 10 results in each continent



# MicroStrategy App with Global Search, Embedded HyperIntelligence

MicroStrategy

File Edit View Window Help

Thu 10:59 AM

Sort By: Date Updated

Search

Top Accounts & Investments  
MSTR User • Updated 9d ago

Advanced & Predictive Analytics  
MSTR User • Updated 9d ago

Environmental Investments  
MSTR User • Updated 9d ago

Finance Analysis  
MSTR User • Updated 9d ago

Financial Statement  
MSTR User • Updated 9d ago

Global Investments  
MSTR User • Updated 9d ago

Global Pipeline  
MSTR User • Updated 9d ago

Industry Evaluation  
MSTR User • Updated 9d ago

Investments & Co.  
MSTR User • Updated 9d ago

Investments by Geography  
MSTR User • Updated 9d ago

Total Assets (\$K)  
**\$899,720** + 5.1%  
Previous Quarter: \$855,768

Total Stockholders Equity (\$K)  
**\$502,689** - 5.1%  
Previous Quarter: \$528,771

Total Liabilities (\$K)  
**\$397,031** + 21.0%  
Previous Quarter: \$318,997

31,600  
325,025,206  
\$19,236  
40%

21

# Open Architecture

Embrace and augment popular tools and technologies

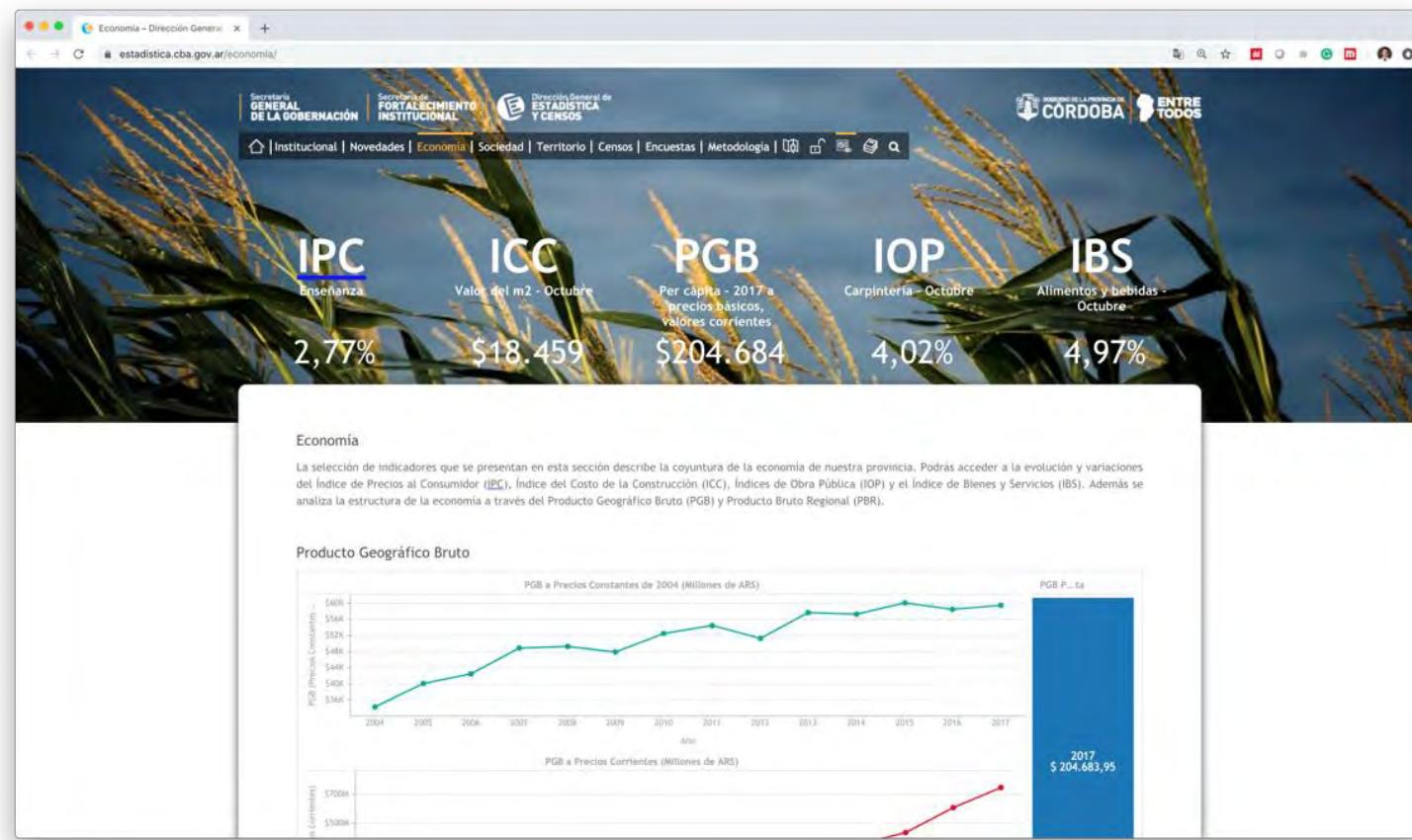
## Federated Analytics

Connectors that bring consistency and governance to popular analytics tools



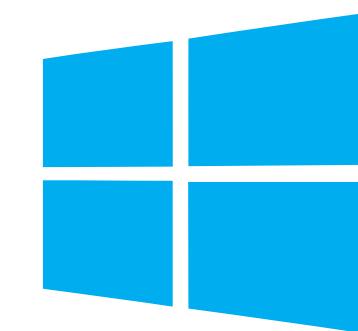
## Comprehensive set of SDKs

Embed, customize, and extend into applications and workflows



## Deploy without compromise

Fully-featured, optimized for your platform of choice



## What's New this year

- Excel: Import data from dossiers, preserve report formatting.
- Data refresh on Tableau Server
- OOTB connector for PowerBI via a certified connector
- Performance improvements in connectors.
- UX streamlining in Excel, Jupyter and RStudio connectors.
- Build a dossier based on another dossier (MSTR connector)
- Administration APIs
- Python SDK for Administration
- Data Modeling APIs
- Embedded HyperIntelligence cards
- Schema object editors in Workstation
- Create and edit filter objects in Workstation
- Scripts stored as objects in the Metadata and accessed via Workstation
- One-click upgrade with backup on Azure
- Expanded region support

# MicroStrategy for Business Users – Excel 365

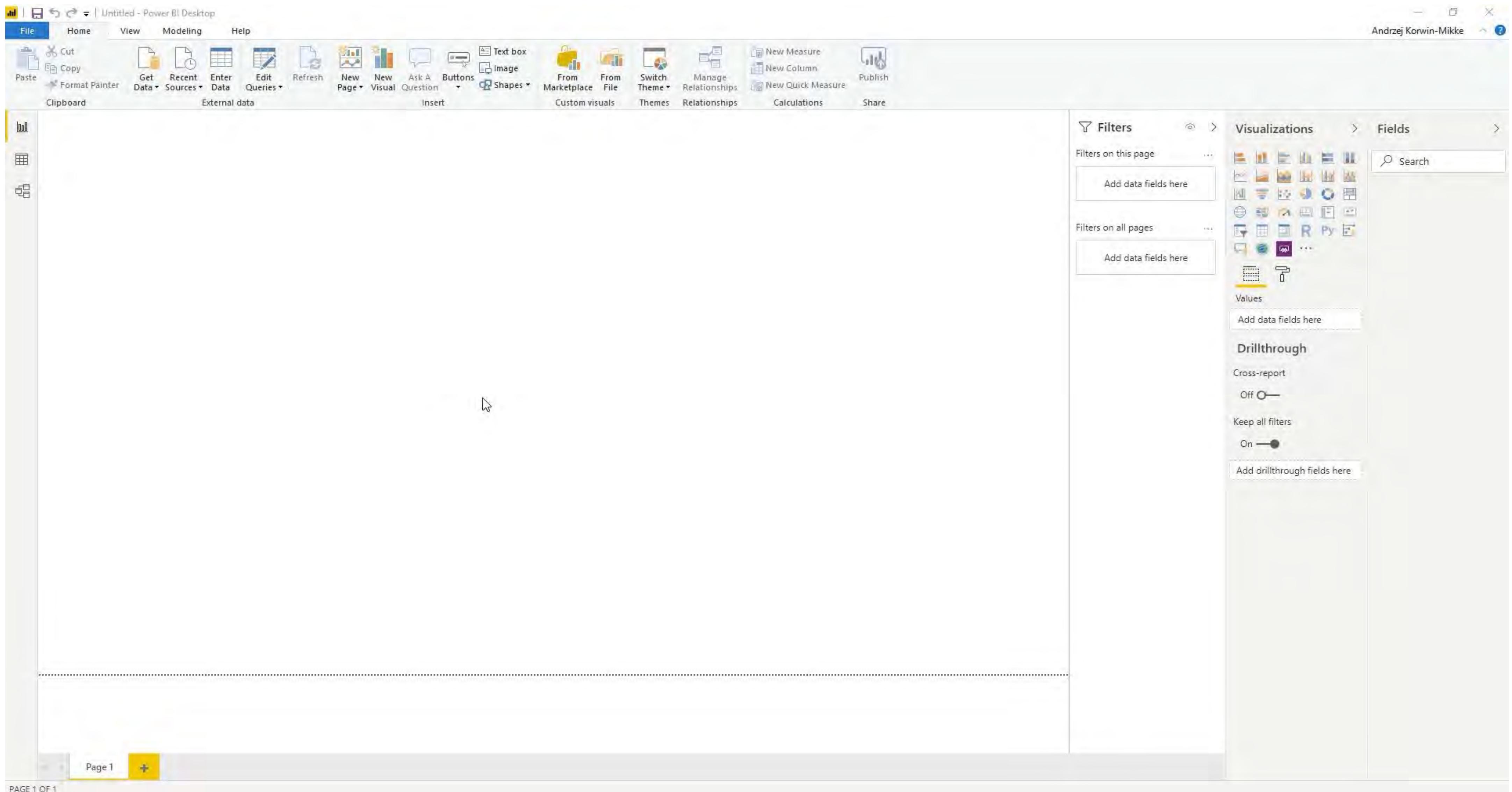
The screenshot shows a Microsoft Excel 365 interface. The ribbon at the top includes tabs for Home, Insert, Draw, Page Layout, Formulas, Data, Review, View, Developer, Tell Me, Share, and Comments. The Home tab is selected. The main area is a blank worksheet with columns A through L and rows 1 through 50. The status bar at the bottom left indicates "Intelligence". On the right side, there is a sidebar titled "MicroStrategy AQ.Mirror.2" which lists imported data from "Airline Report" and "Kickstarter data".

MicroStrategy AQ.Mirror.2

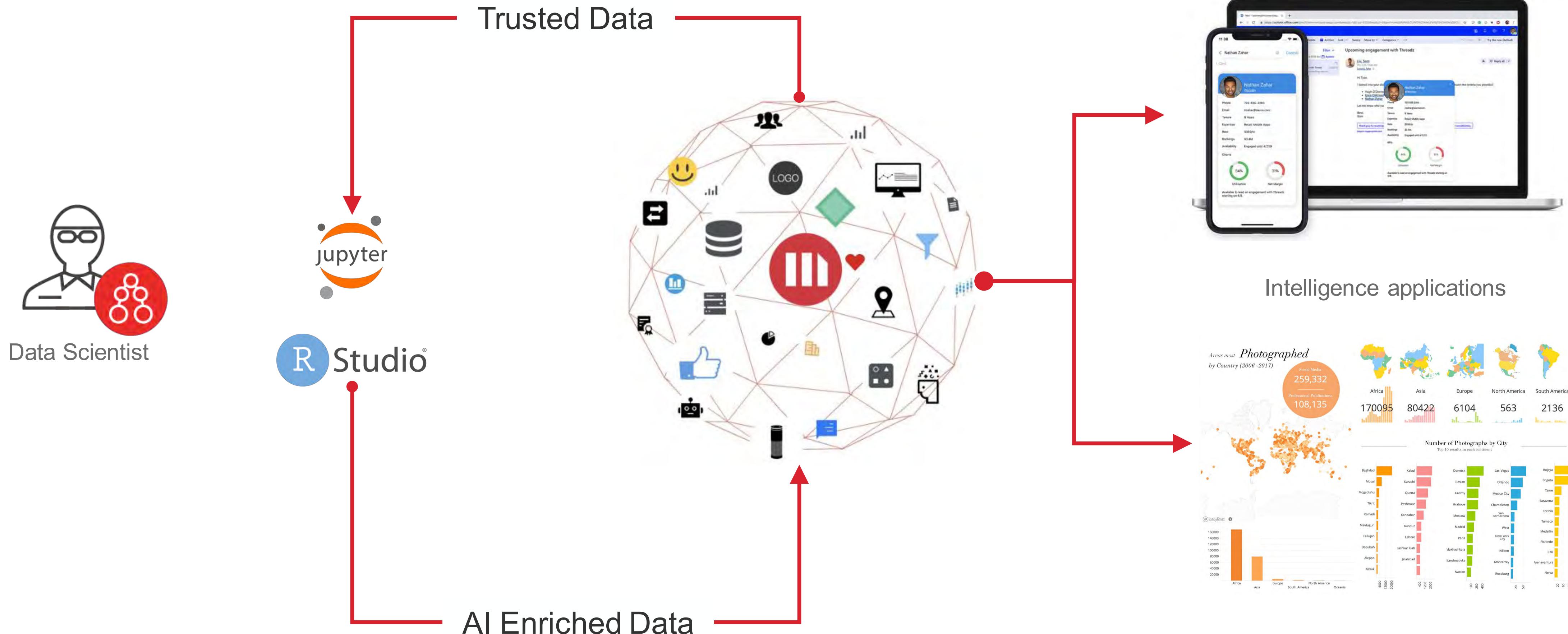
- Imported Data (2)
- Add Data
- 11/13/2020 6:48 PM Airline Report
- 11/13/2020 6:48 PM Kickstarter > Chapter 1 > Page 1 Kickstarter data

# MicroStrategy for Business Users

## Enhanced connectors for Power BI and Tableau



# MicroStrategy for Data Scientists

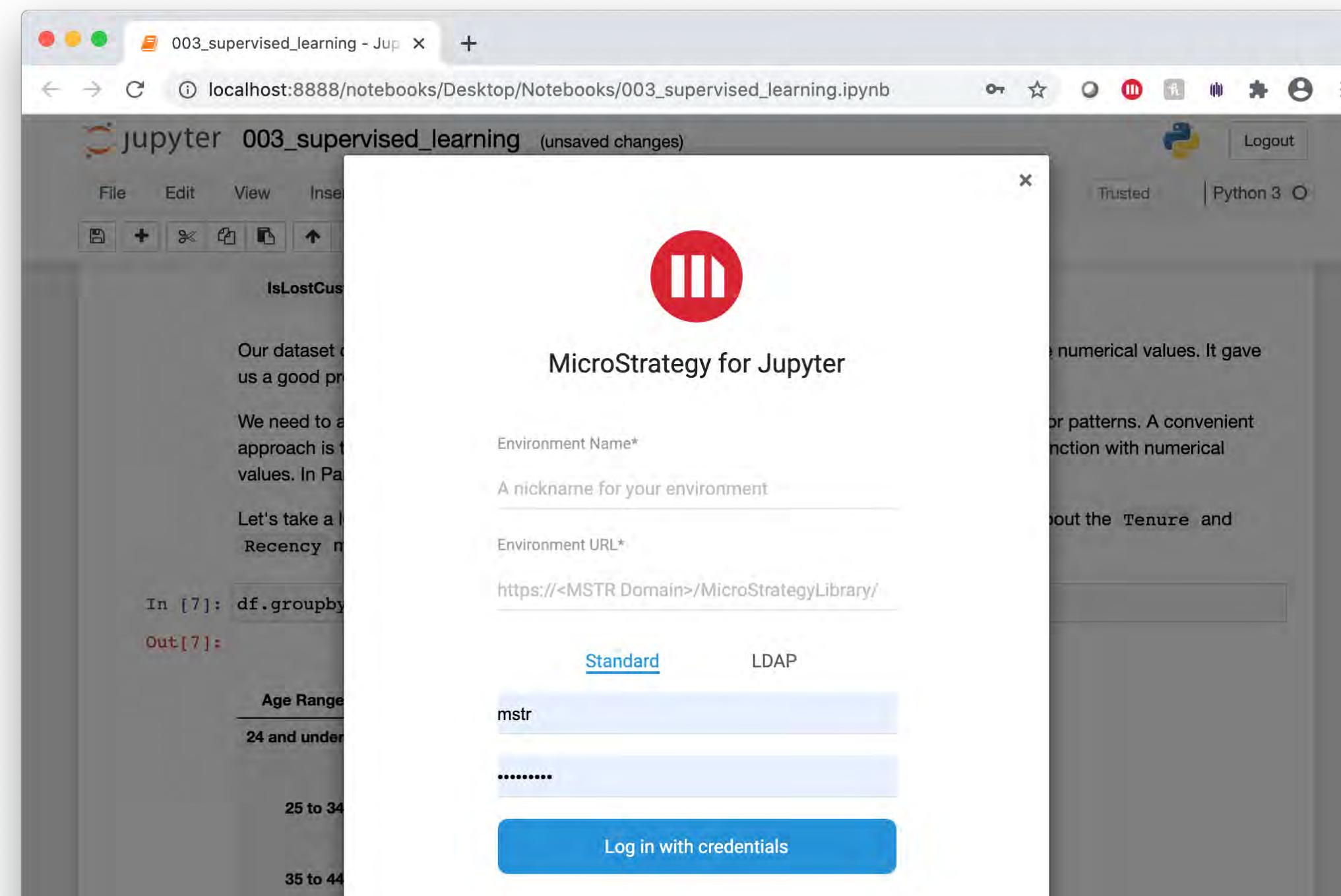


# MicroStrategy for Data Scientists

Enable data science on trusted data with open tooling

## Jupyter Notebook and RStudio

- Low-code experience for connecting to MicroStrategy, finding relevant data, and creating new datasets
- Reproducible analysis by providing underlying source code



## Python and R libraries

- Programmatic access to MicroStrategy to query existing datasets and publish new ones
- Interoperable with ML platforms / products such as Databricks, DataRobot, Dataiku

```
from mstrio.dataset import Cube, Report, Dataset

my_cube = Cube(connection=conn, cube_id="...")
df = my_cube.to_dataframe()

my_report = Report(connection=conn, report_id="...")
df = my_report.to_dataframe()

ds = Dataset(connection=conn, name="Store Analysis")
ds.add_table(name="Stores",
             data_frame=stores_df,
             update_policy="add")
ds.add_table(name="Sales",
             data_frame=sales_df,
             update_policy="add")
ds.create()
```

# Enterprise Grade

Trusted answers with sub-second response at enterprise scale

## Single version of the truth

Bring data consistency and trust to users and applications with the Enterprise Semantic Graph™.



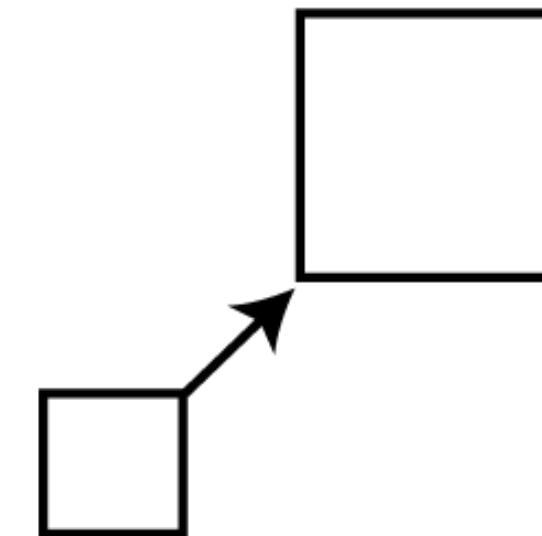
## Mitigate compliance risk

Enable self-service while enforcing data protections under GDPR, HIPAA, and more.



## Scale to many

Scale with high performance. Distribute personalized analytics across the organization.



## What's New This Year

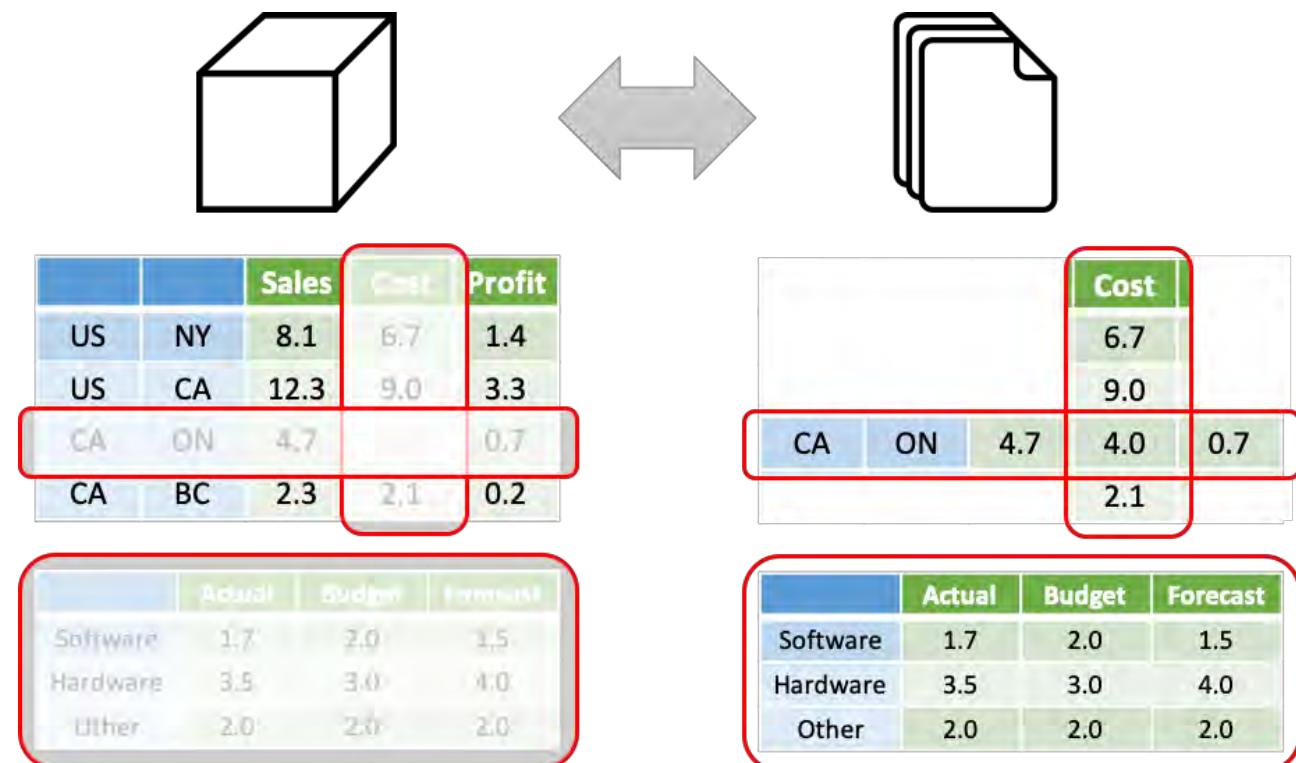
- Script objects in metadata and Workstation
- Metric editor in Workstation
- Create filters in Workstation
- Fact editor in Workstation
- Attribute editor in Workstation
- Warehouse catalog in Workstation
- OpenID Connect platform-wide support
- Optimized queries for Google Big Query.
- Snowflake and Teradata connectors out of the box.
- SAP oData support for S4/HANA and BW4/HANA
- Memory-mapped files result in performance and sizing improvements
- Administrative REST APIs for automation
- Application settings management in Workstation
- Import/Export environment settings in Workstation
- Remote support via improved diagnostics and Expert.Now

# Expanding Enterprise Performance and Scalability

Across the Platform

## Scalability

- Publish **2x** larger cubes and host **2x** more data on existing hardware with no degradation to user experience by leveraging fast local storage



- **10x** increased cache scalability with 1M+ cache entries per server

## Performance

- **Intelligence Server on Windows 10%** faster across the board
- **30%** faster project schema cube publishing and live report execution across all gateways with **attribute lookup caching**
- **20%** faster cube incremental refreshes with single-step replace
- **3x** faster string-based Derived Attribute and Derived Metric evaluation

## Gateway Optimizations

- **SAP S4/HANA** Data Import Gateway up to **3x** faster than commercially available drivers
- **SAP HANA** up to **5x** faster in multi-source workflows
- **30%** faster Google BigQuery time transformations
- SQL Function Push-down:
  - **DateTime** (all Diamond Gateways)
  - **Percentile** (all Diamond and Platinum Gateways)

# Connecting to Data

## Across the Platform

### Optimized for the Cloud

New Cloud Object Storage gateways:

- Amazon AWS S3
- Microsoft Azure Data Lake Storage
- Google Cloud Storage Service

Supported File Formats:

- Parquet
- Avro
- ORC
- Spark JSON

Seamless support for **partitioned files**

Scalable Apache Spark-based architecture:

- Early adopter validation: imported 1B rows of partitioned **Parquet** data in <2h into **90GB** cube

### Modern

OAuth authentication

- OAuth support for **Snowflake** and **Google BigQuery**
- Azure AD SSO with **Snowflake**

New gateways:

- SAP S/4HANA, BW/4HANA
- Yellowbrick, IBM IAS

New certifications:

- Oracle 19c / 20c, Oracle Autonomous Data Warehouse
- Teradata 17, Db2 11.5, PostgreSQL 12
- Cloud Data Platform 7.1 (Hive, Impala)
- MongoDB 4.x

### Simple

New OOTB Drivers:

- Snowflake, Teradata, SAP HANA Connectivity Wizard
- TLS configuration for all Diamond and Platinum gateways

UX enhancements:

- Salesforce, Google BigQuery
- Excel, Jupyter Notebook, RStudio

# Product Strategy

## Reinvent the Customer Experience

### Invent

HyperIntelligence, Open Semantic Graph

### Consumer User Experience

Dossier. Library. Collaboration. Geospatial

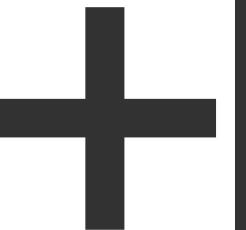
### Modernize Tooling

Workstation. Platform Analytics

### Open Platform

AWS. Azure. Automated Upgrade. REST. Containerization

*(without disruption)*



## Expand to New Audiences

### Turn-key departmental offerings

Hyper.Now. Intel.Now

### Simple pricing

\$10/user/month

### Digital marketing strategy

Targeted at digital personas

# Hyper.Now Demo

[microstrategy.com/en/get-started/hyper-now](https://microstrategy.com/en/get-started/hyper-now)

**MicroStrategy® Intelligence Everywhere**

**HYPER INTELLIGENCE**

**BUSINESS INTELLIGENCE**

**DEMONS**

**EDUCATION**

**SUPPORT**

**CAREERS**

**Search**

## Make smarter and faster decisions by injecting insights into every application.

Conventional tools take too long and require HyperIntelligence® embeds insights, suggestions and recommendations directly into the applications employees use every day.

**\$10 PER USER PER MONTH**

**Start Free Trial**

info@microstrategy.com <info@microstrategy.com>  
To: Reyes, Benjamin

- 1 Download MicroStrategy Workstation
- 2 Build Your First HyperIntelligence Card
- 3 Deploy HyperIntelligence to your users

Advanced Options

- Deploy HyperIntelligence for Outlook using the Outlook Add-in.
- Connect and add Enterprise Data Sources.
- Embed HyperIntelligence directly into your applications using our Web SDK.
- Integrate Enterprise Security.

HyperIntelligence Resources

Videos

Resources

HyperIntelligence Video Library

HyperIntelligence Card Examples

Getting Started with HyperIntelligence | MicroStrategy HyperIntelligence

intell/ikaoafechdeidffgniffdhdckelcdhf/related

Ben Reyes

CARDS (14)

Retail Top Products Sample (10/02/2020, Not loaded)

Salesforce Account Sample (10/02/2020, Not loaded)

Salesforce Contacts Sample (10/02/2020, Not loaded)

Salesforce Employee Sample (10/02/2020, Not loaded)

Salesforce Product Price Sample (10/02/2020, Not loaded)

Welcome to MicroStrategy HyperIntelligence! - Inbox

Message

Delete Archive Reply Reply All Forward Move Junk Rules Read/Unread Categorize Follow Up Hyper Office Send to OneNote Insights Hyper AQ.DEP Hyper AQ.Mir

Welcome to MicroStrategy HyperIntelligence!

info@microstrategy.com <info@microstrategy.com>  
To: Reyes, Benjamin

- 1 Download MicroStrategy Workstation
- 2 Build Your First HyperIntelligence Card
- 3 Deploy HyperIntelligence to your users

Advanced Options

HyperOffice

Product Performance

Little Rabbit Wooden Toys 35004

Customer Ratings: 68% MTD Sales % to Target: 56%

MTD Sales: 120 MTD Stockouts: 7 GM%: 43%

Pricing and Promotion

List Price: \$16 Current Discount: 25% Next Promotion: 12-Mar

On-hand Inventory: 54 On Order: 5 Predicted Shortfall: 2

Recommended Next Action

Projected inventory shortfall over the next 30 days. Consider transferring inventory from store #455.

Widgets

List

Matrix

Ring

Text Box

Footer

# New Features for .Now

## Reduce Adoption Friction

- Free 90 Day Trial
- Launch an environment in four clicks
- Seamlessly download Workstation and Web, Mobile, Office connectors with connectivity pre-established
- OIDC single sign-on with MicroStrategy Resource Center
- Workstation only shows functionality related to HyperIntelligence to simplify usage
- Invite new users and assign roles through email

## Deepen Capabilities

- Derived metrics in HyperIntelligence cards
- Use local data (Excel, CSV, Dropbox, Google Drive, etc) to build cards immediately
- Hyper SDK allows cards to function on web pages without the plugin
- Replace dataset on cards to allow the same card to be used on different personal or corporate datasets
- Color thresholds for cards based on metric conditions (HyperVision)

## Simplify Administration

- Enterprise security with OpenID Connect
- Automatic upgrades including client software
- Automatically provided adoption analytics shows who is using your cards
- Improved environment management for MicroStrategy platform administrators in Workstation including usage statistics and health status

# MicroStrategy Roadmap

Future plans are subject to change

MicroStrategy 2021 – Dec 2020

## Consumer-grade experiences for every role and popular devices

- All new MicroStrategy app for viewing content
- Search and share HyperIntelligence Cards
- Author infographic-style dossiers with vertical scrolling, rich text, responsive design for mobile devices, and more
- Direct messaging and group collaboration
- Personalized organization of Library content
- Shared bookmarks and automatic updates

Updates / MicroStrategy 2022™

- Reusable templates for corporate branded analytics content with device-specific layouts
- Modernized transactions with actions and triggers
- Threshold-based alerting
- Augmented insight discovery
- Parameterized scenario analysis
- Personalization and white-labeling

## Embrace and augment popular tools and technologies

- Embed HyperIntelligence with HyperSDK
- Python SDK for platform automation
- Cloud-object file connectors (S3, ADLS2, GCP)
- Optimized Snowflake and Teradata gateways
- One-click backup and upgrade in Azure
- Performance enhancements for Federated Analytics integrations
- Containerized deployment

## Trusted answers with sub-second response at enterprise scale

- Authentication with OpenID Connect (OIDC)
- Use Workstation to create and manage filters and schema objects including facts and tables
- Monitor subscriptions, user connections, database connections, and cubes from Workstation
- View and apply changes to application and server-level configuration parameters from Workstation

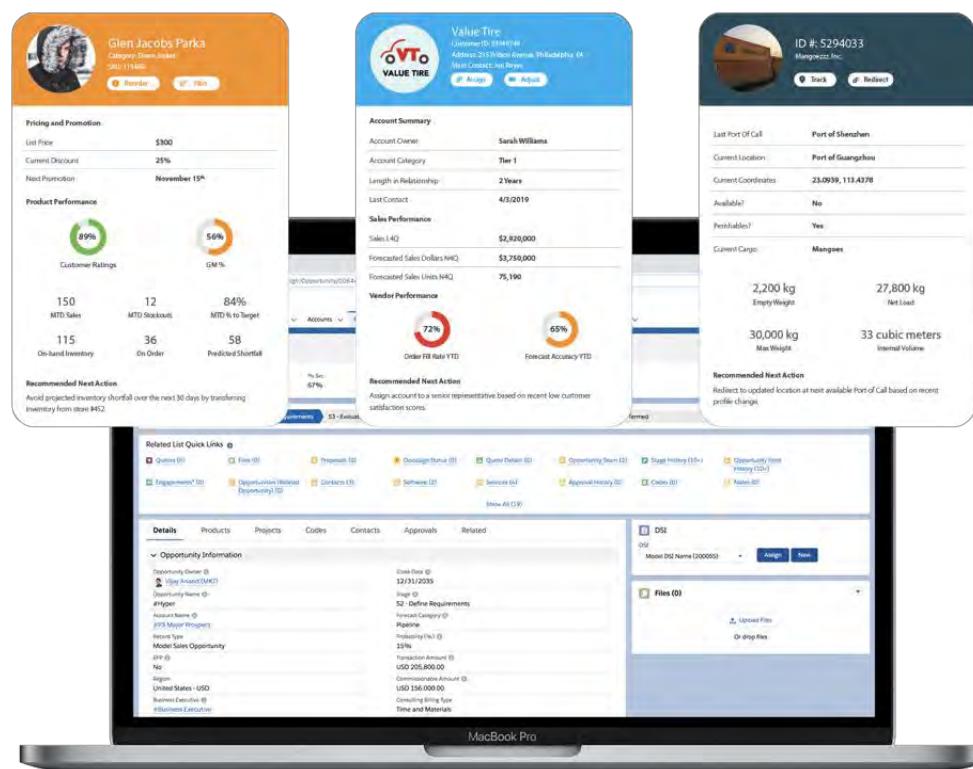
- Acceleration of OEM and Embedding
- New APIs for schema and application objects
- Distribute content to SharePoint, OneDrive, S3, and other cloud storage platforms
- Augment data lineage apps with the Semantic Graph
- Productivity bots for Slack and Teams
- Modernized content embedding SDKs

- Design subscriptions with branded templates
- Unify administration and modeling tools on Workstation
- Augmented PII masking and data lineage
- Automated content testing to enable agile upgrades
- Optimized deployments for AWS, Azure, and GCP
- Authentication through API keys

# MicroStrategy 2021 and Cloud offerings

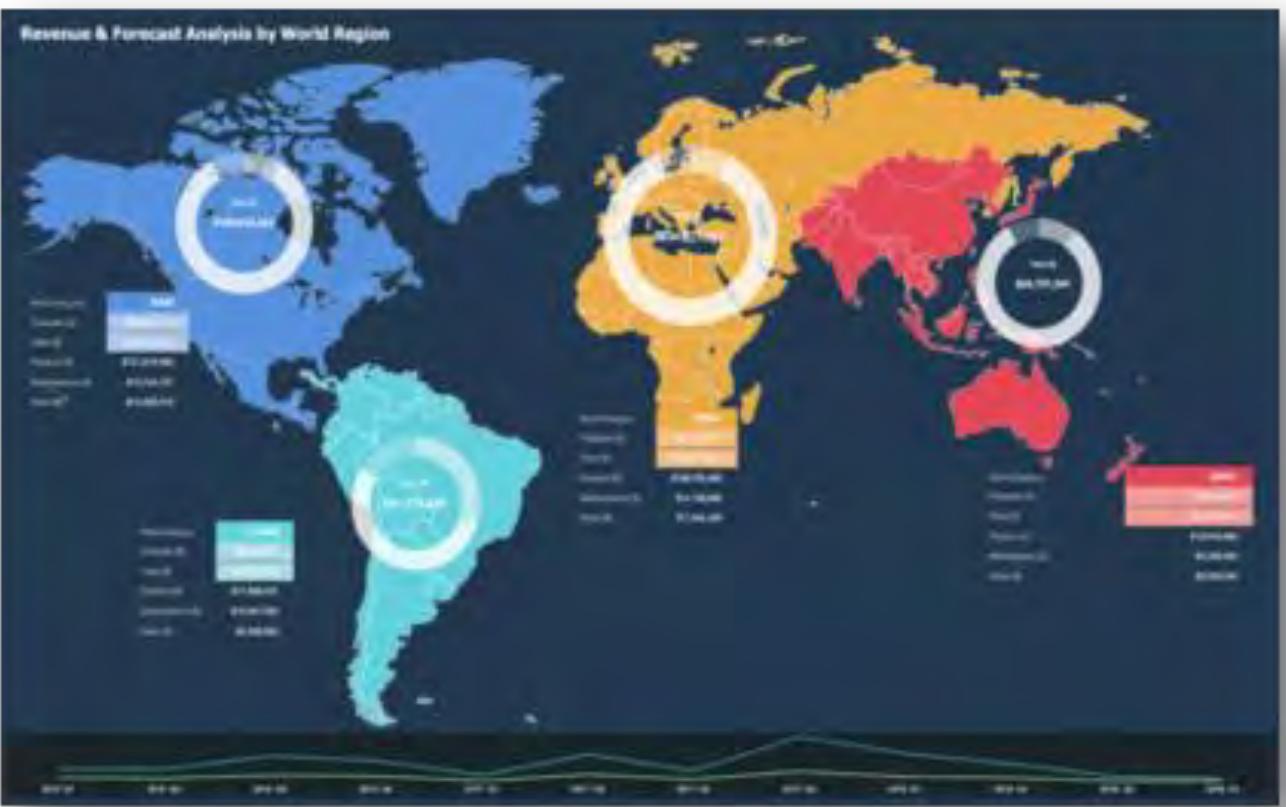
## Supporting Customer adoption and sales growth

# HyperIntelligence



- Most rapidly adopted solution in the history of MicroStrategy
  - Provides instant, zero-click access to data within existing productivity tools driving improved business results at an accelerated pace

# Cloud



- COVID is acting as a catalyst, driving IT organizations to re-evaluate and plot a more aggressive shift to Cloud
  - Market adoption of cloud data warehouse offerings is providing a natural conversation for the future of business intelligence solutions

# Embedded



- Technology partners are choosing MicroStrategy because of our modern, open, independent, enterprise-grade platform
  - Platform works at scale and can support complex technical and business needs



# Demand Generation / Productive Growth

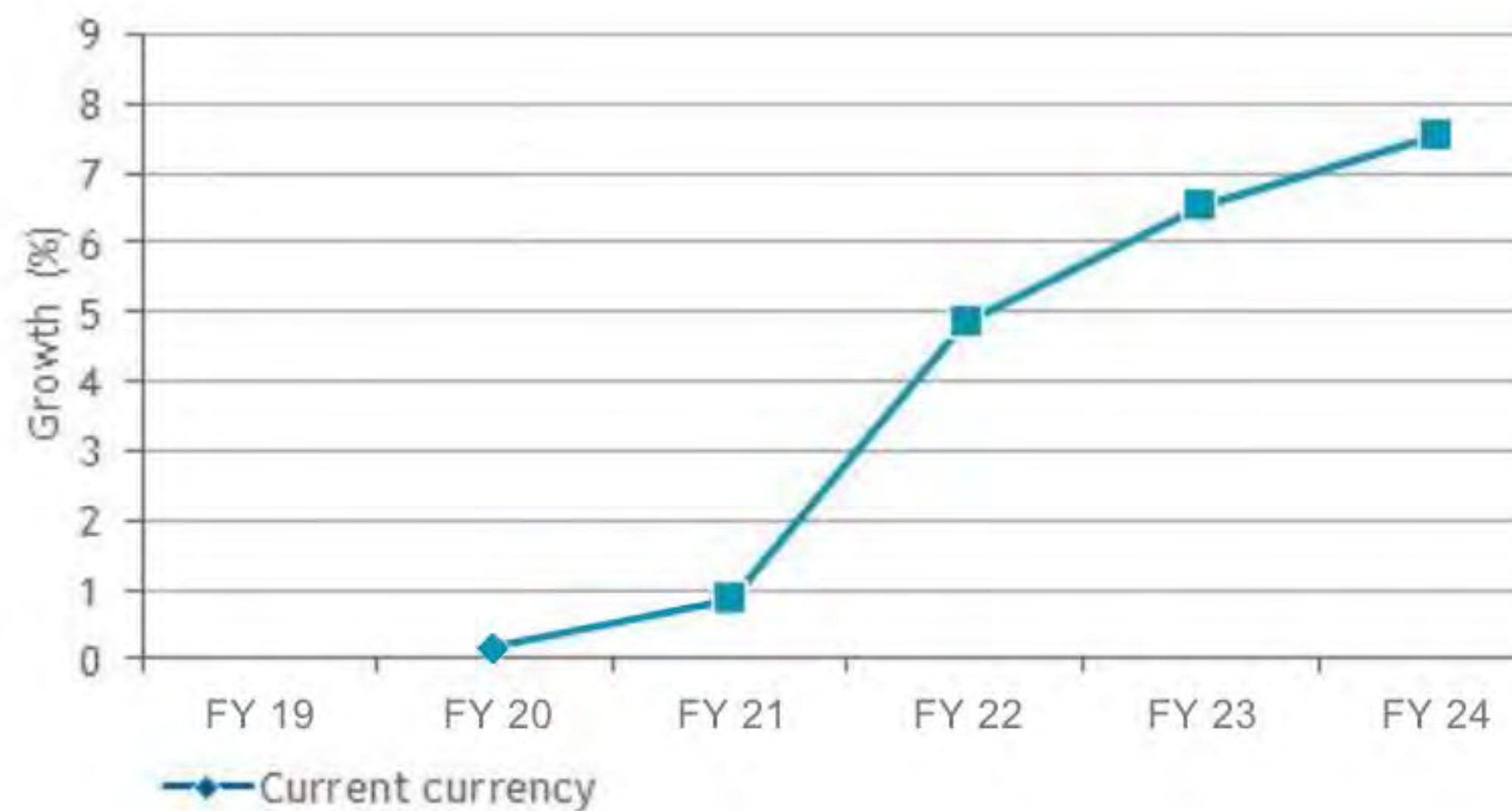
Hugh Owen, Chief Marketing Officer

# Generate Demand and Accelerate Growth

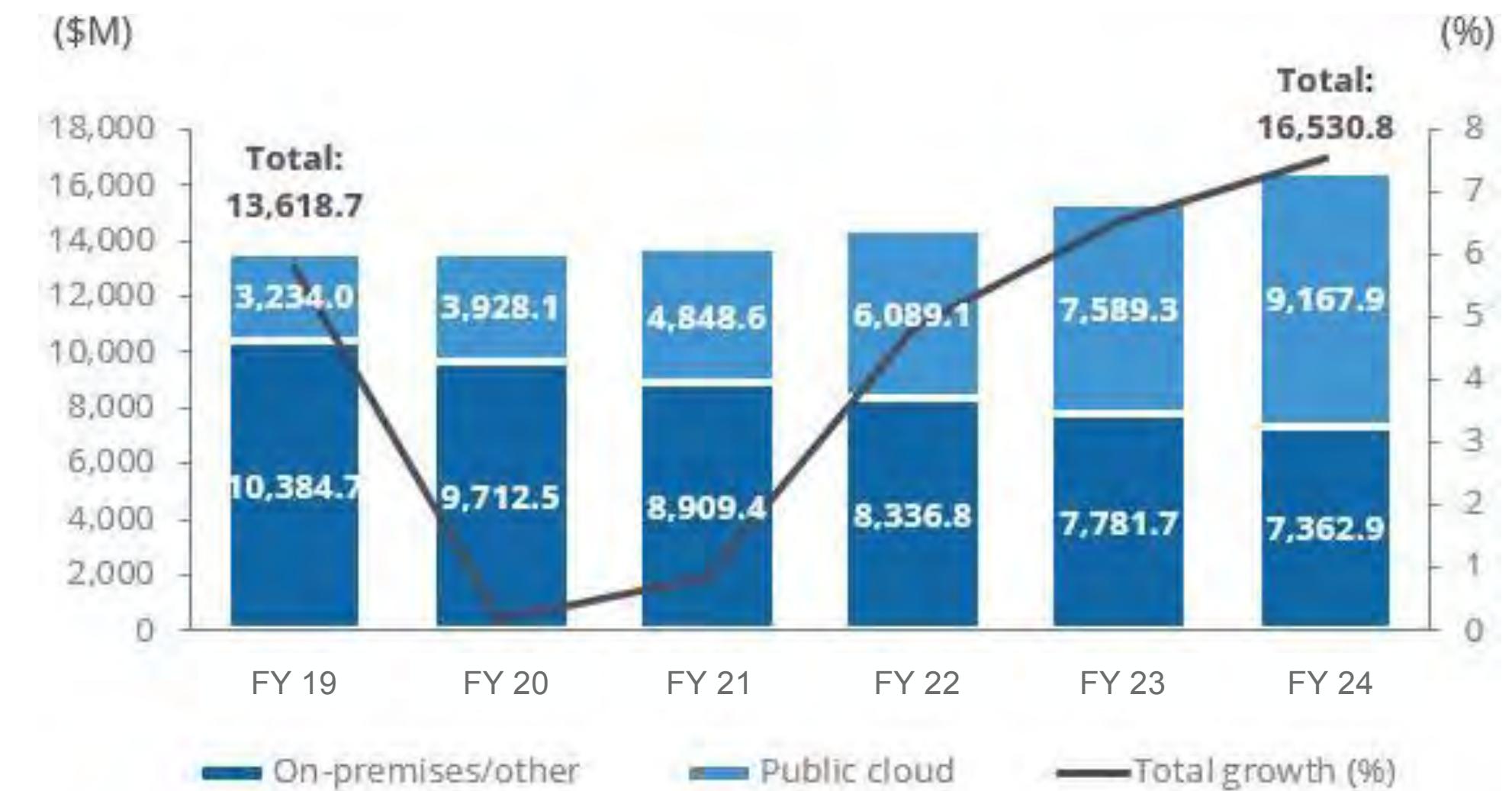
- 1 Exploit Analytics Market and Cloud Growth
- 2 Publish High Quality Sharable Content
- 3 Accelerate Website Traffic
- 4 Exhibit Products via Video-first Website
- 5 Integrate Support, Education, Community, and Product
- 6 Create Registrations via Free Trials
- 7 Convert Trials by Delivering Value and Removing Barriers
- 8 Drive Productivity with Digital Go-to-Market
- 9 Increase Customer Value via Expansion, SaaS, and Cloud

# 1. Exploit Analytics Market and Cloud Growth

BI Market Growth (Constant Currency)



2019-2024 Revenue (\$M) with Growth (%)



Source: IDC, Worldwide End-User Query, Reporting, and Analysis Software Forecast Update, 2020–2024, #US46880220

# 2. Publish High Quality Sharable Content

## Customer Successes Stories

Real-world stories on how organizations solve problems and overcome challenges using MicroStrategy's products and services.



**Sonic Automotive Gets HyperIntelligent**

**NOW PLAYING:**  
4. Sonic Automotive Gets HyperIntelligent  
1611 VIEWS | FEBRUARY 10, 2020

**UP NEXT:**  
5. Designing HyperIntelligence Cards for Your Business  
614 VIEWS | MAY 21, 2020

**6. Publishing HyperIntelligence Cards to Your Organization**  
355 VIEWS | MAY 27, 2020

**1. Moving From HyperIntelligent to Hyperproductive**  
14505 VIEWS | NOVEMBER 18, 2019

**2. Make Salesforce, Workday, and More HyperIntelligent**  
1713 VIEWS | MAY 21, 2020

**3. How to Build a**

**Sonic Automotive Empowers Sales with HyperIntelligence**

How does this leading US auto retailer make complicated buying decisions in an instant? [Sonic](#) was an early adopter of HyperIntelligence—the breakthrough technology available on the [MicroStrategy](#) platform that makes users both hyperintelligent and hyperproductive. Learn how their solution transformed their business to be more efficient and made its workforce more productive.

**HyperIntelligence**  
4 / 6 VIDEOS | 44M 31S TOTAL RUNTIME

**Expert.Now** **Start.Now**

## Practical Advice and Expertise

MicroStrategy Experts sharing valuable and practical information to help prospects and customers be successful, fast.



**Make Salesforce, Workday, and More HyperIntelligent**

**NOW PLAYING:**  
2. Make Salesforce, Workday, and More HyperIntelligent  
1713 VIEWS | MAY 21, 2020

**UP NEXT:**  
3. How to Build a HyperIntelligence Card  
1340 VIEWS | MAY 26, 2020

**4. Sonic Automotive Gets HyperIntelligent**  
1611 VIEWS | FEBRUARY 10, 2020

**5. Designing HyperIntelligence Cards for Your Business**  
614 VIEWS | MAY 21, 2020

**6. Publishing HyperIntelligence Cards to Your Organization**  
355 VIEWS | MAY 27, 2020

**1. Moving From HyperIntelligent to Hyperproductive**  
14505 VIEWS | NOVEMBER 18, 2019

**2. Make Salesforce, Workday, and More HyperIntelligent**  
1713 VIEWS | MAY 21, 2020

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**HyperIntelligence**  
2 / 6 VIDEOS | 44M 31S TOTAL RUNTIME

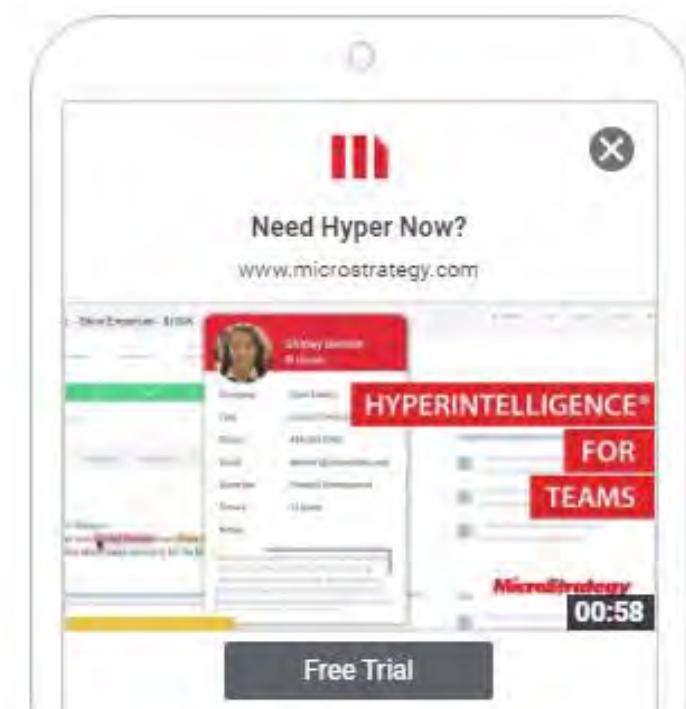
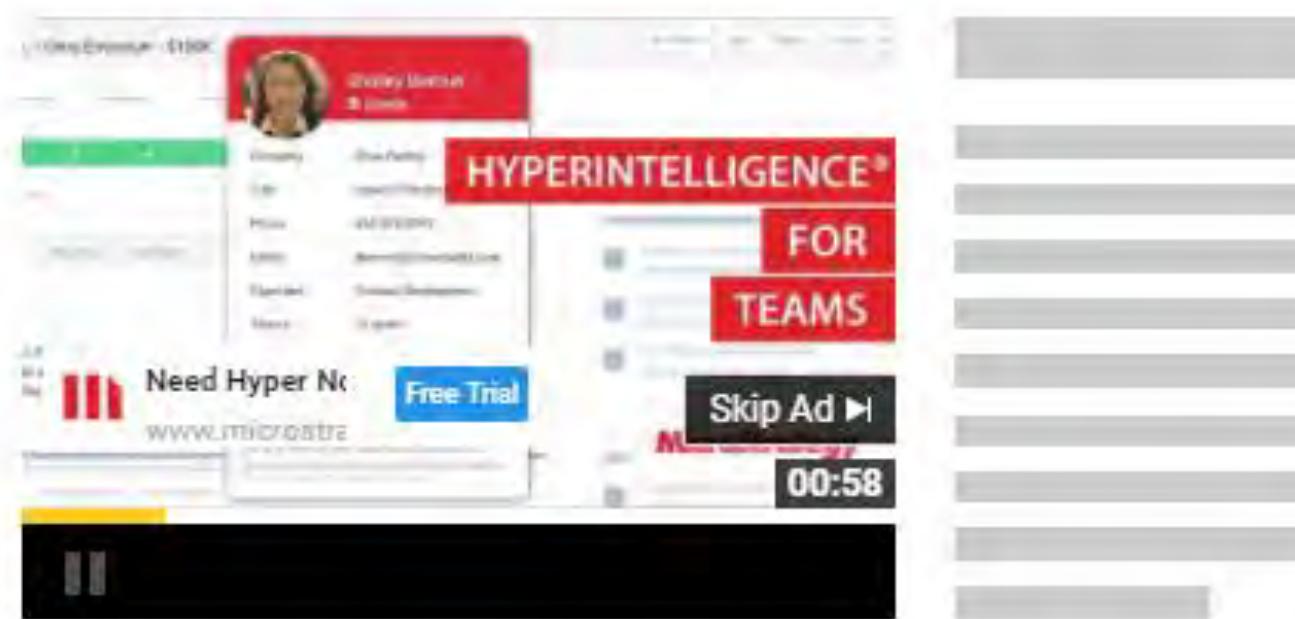
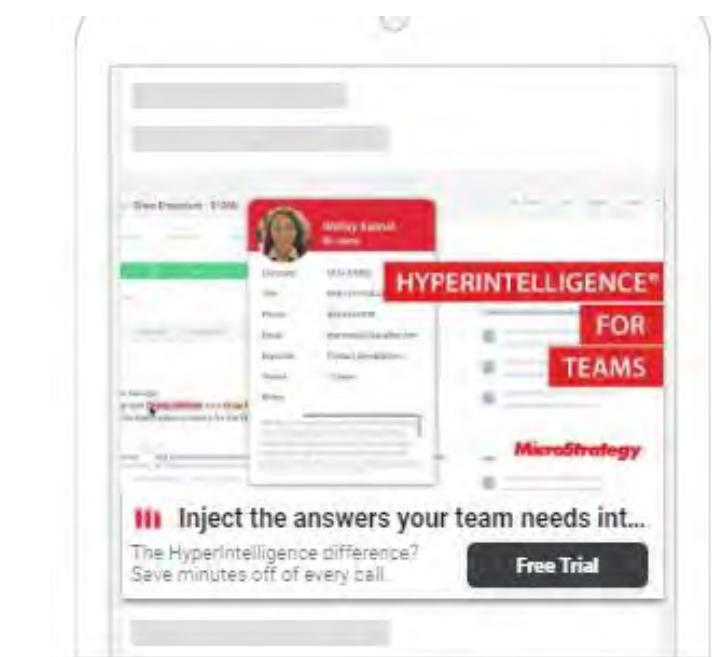
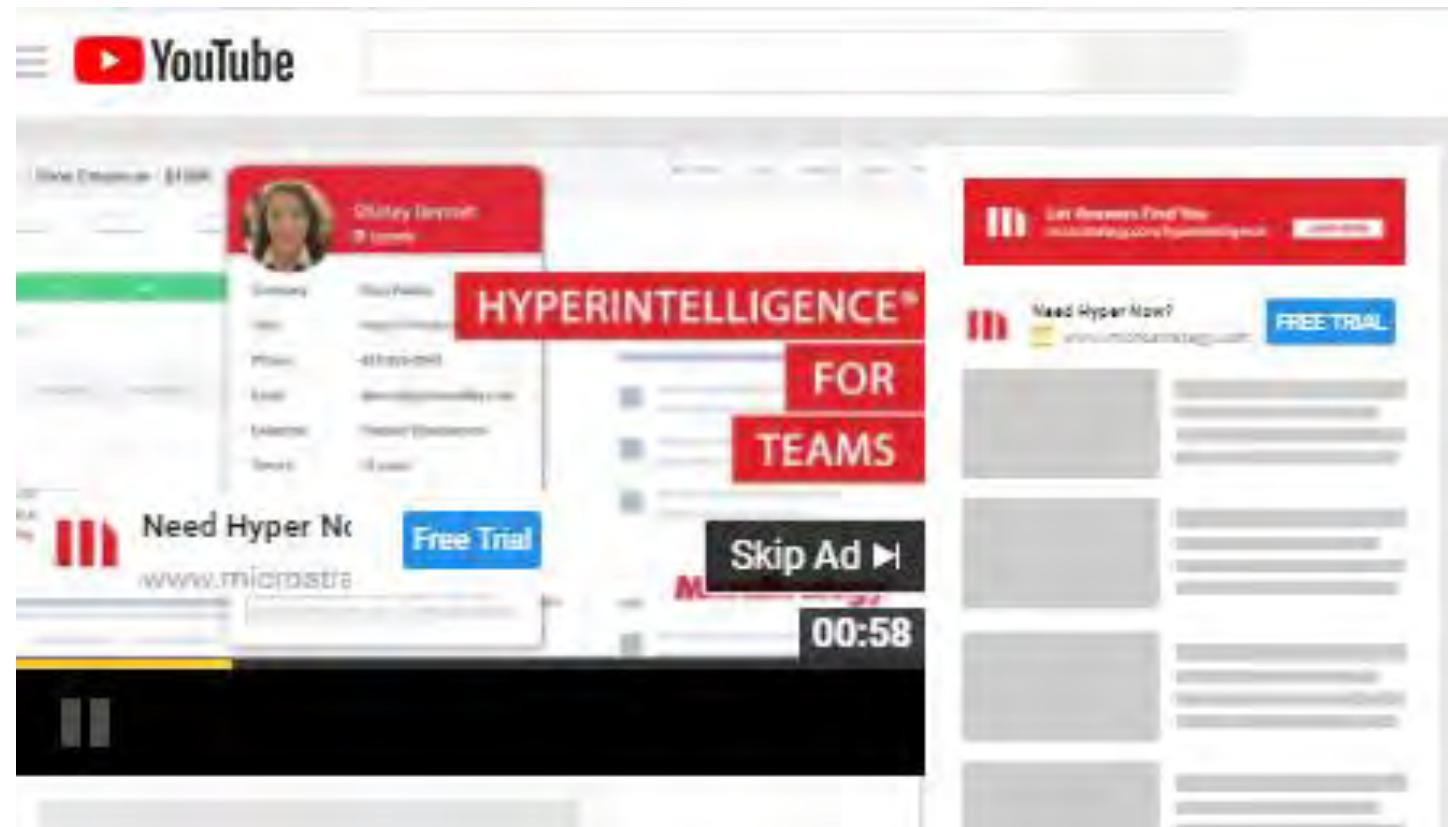
**Expert.Now** **Start.Now**

# 3. Accelerate Website Traffic

Digital advertising campaigns that are video-first and intent-based

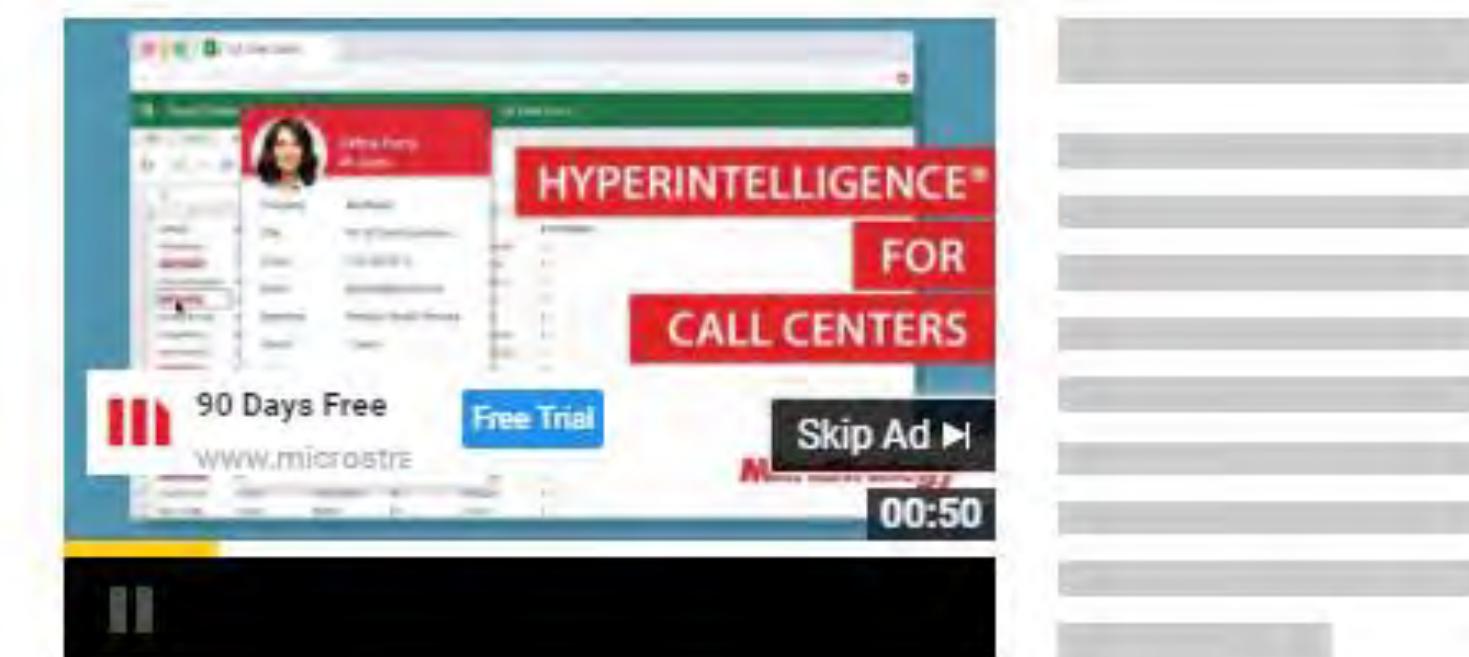
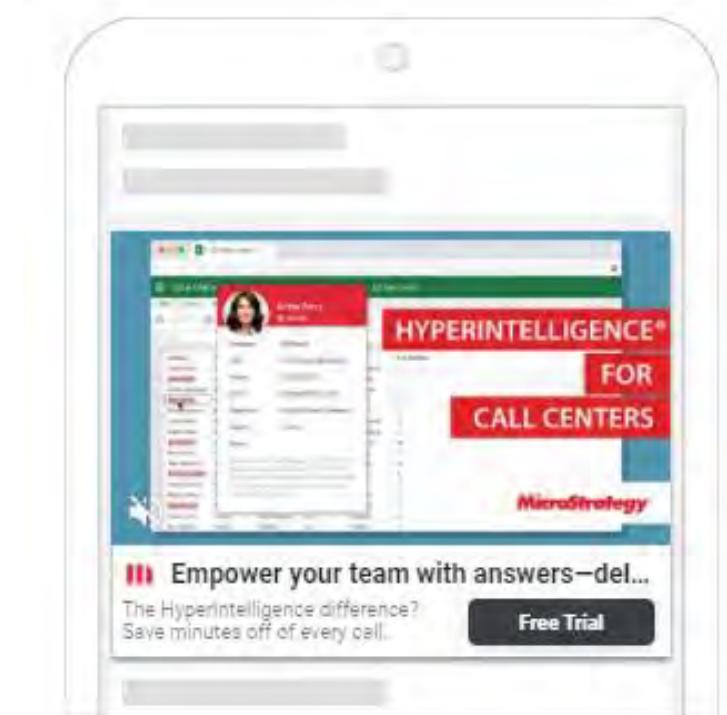
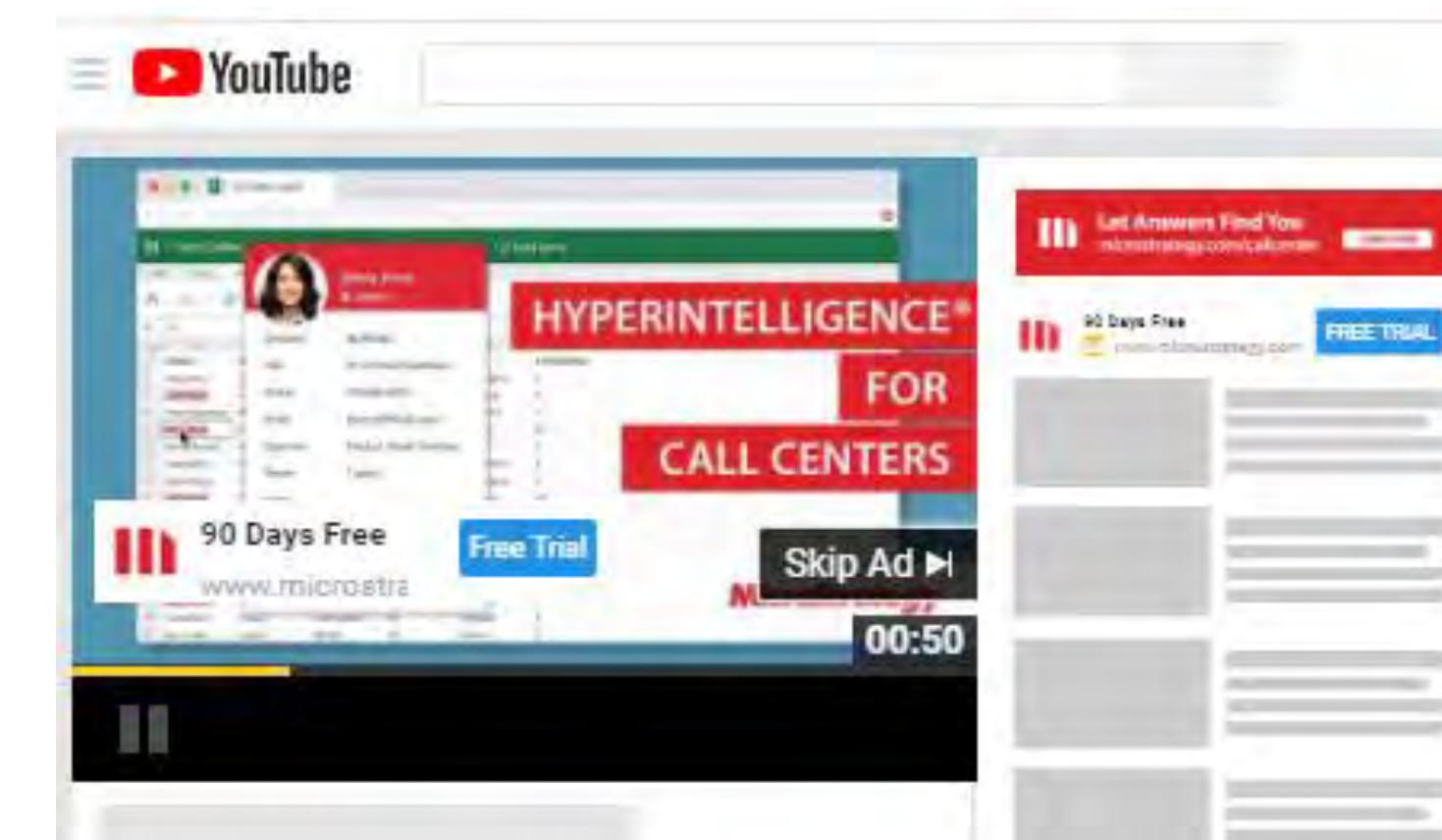
## Advertising: Hyper for Teams

Video-first placement via YouTube and Google targeted at senior analysts with intent to try or previous interest.



## Advertising: Hyper for Lines of Business

Video-first placement via YouTube and Google targeted at LOB prospects searching for solutions and with intent to try.



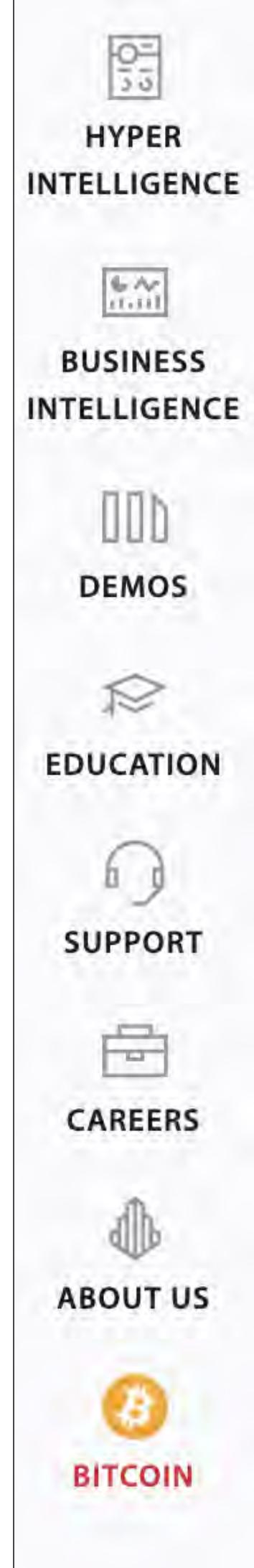
# 4. Exhibit Products via Video-first Website

Personalized, categorized, modular, and familiar

The screenshot shows the MicroStrategy website homepage with a red header. The main headline reads: "Make smarter and faster decisions by injecting insights into every application." Below this, there's a section titled "SEE IT IN ACTION" with four cards: "On Any Website", "In Salesforce", "In Workday", and "In Microsoft Office". Under "GETTING STARTED", there are four video thumbnails: "1. Getting Started with Hyper.Now", "2. Customizing OOTB Card Data for Salesforce", "3. Sonic Automotive Empowers Sales with HyperIntelligence", and "4. HyperIntelligence from Start to Finish: Build and Deploy a Card in 20 Minutes". The "PREPARING YOUR DATA" section shows four more video thumbnails: "1. Creating Contextual Links for Cards", "2. Connecting to On-Prem Data Sources", "3. Connecting to Enterprise Data Sources", and "4. Replacing Datasets Without Sacrificing Card Design". The "BUILDING YOUR FIRST HYPERINTELLIGENCE CARD" section has four video thumbnails: "1. Building Your First Card", "2. Enhancing Cards with Images", "3. Building Advanced Capabilities into Your Cards", and "4. Applying Thresholds to Card Headers". The "VIEWING YOUR CARDS" section shows four video thumbnails: "1. Viewing Cards in Google Chrome and Microsoft Edge", "2. Viewing Cards in Microsoft Outlook", "3. Viewing Cards on Your Mobile Device", and "4. Sharing Images of Cards from Web and Mobile". The "FOR ANALYSTS AND ADMINISTRATORS" section has five video thumbnails: "1. Introducing the Hyper.Now Service", "2. Protecting Your Data with Best-in-Class Security", "3. Inviting Your Team to Use Cards", "4. Publishing Cards to Users and Groups", and "5. Deploying HyperOffice to Your Team". At the bottom, there are links to "Try MicroStrategy Products", "Stay Informed", and "Start a Pilot".

The screenshot shows a video player for a video titled "Self-Service on Governed Data with Dossier". The video is 8:07 minutes long and has 827 views. It was uploaded on August 11, 2020. The video player interface includes a play button, volume control, and a progress bar. To the right of the video, there is a "Business Intelligence" section with a heading "1 / 6 VIDEOS | 36M 125 TOTAL RUNTIME". Below this, there is a "NOW PLAYING:" section with a thumbnail for "1. Self-Service on Governed Data with Dossier" (12:56). Further down, there are "UP NEXT:" sections for "2. MicroStrategy and Snowflake - Better Together" (04:22), "3. Modernizing Your BI and Analytics Platform" (06:25), "4. MicroStrategy 2020 for Data Scientists" (04:18), "5. This Mobile App is Transforming Lowe's" (01:46), and "6. MicroStrategy 2020: Freeform" (01:46). The sidebar on the left lists categories: HYPER INTELLIGENCE, BUSINESS INTELLIGENCE, DEMOS, EDUCATION, SUPPORT, CAREERS, ABOUT US, and BITCOIN. The bottom right corner features the MicroStrategy logo.

# 5. Integrate Support, Education, Community, and Product



A screenshot of the MicroStrategy website showing a course registration page. The main heading is "Start a Class". On the right, there's a table for selecting a class and registering, listing course types (eLearning, Instructor Led), dates, times, and languages. A large red button at the bottom right says "Start class".

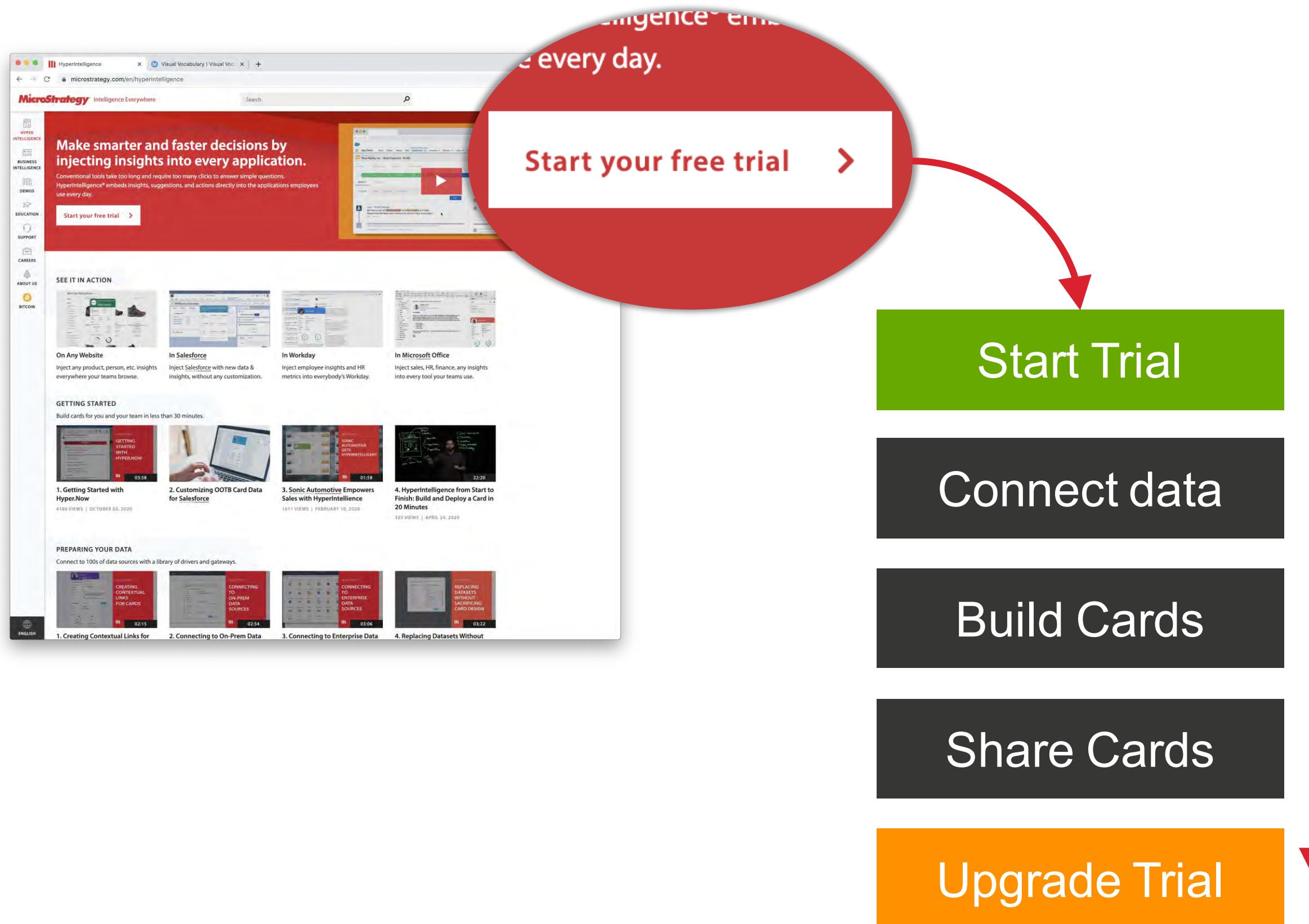
A screenshot of the MicroStrategy website showing the "Visual Vocabulary" section. It features a large central image with the text "Demo the Product" overlaid. To the left, there are four sections: Deviation, Correlation, Distribution, and Ranking, each with a small chart and a brief description.

A screenshot of the MicroStrategy website showing a job application section. It has a large orange banner in the center with the text "Apply for a Job". Below it, there are video thumbnails for "COMPANY CULTURE" and "Employee Fitness Program". At the bottom, there's a table of "All Open Positions" with columns for Title, Support, Location, and "Apply now" button.

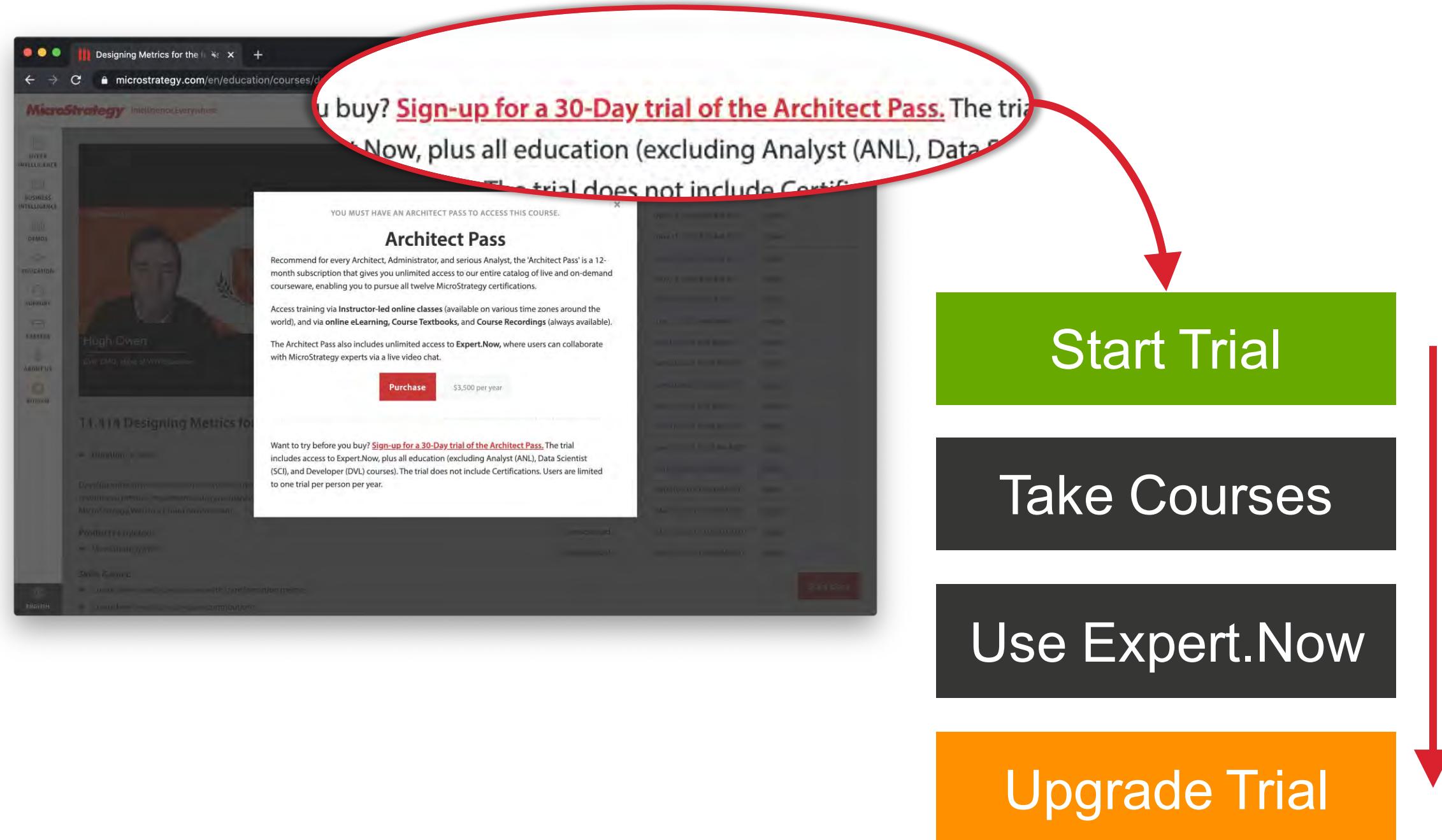
A screenshot of the MicroStrategy website showing a product trial section. It has a large green banner in the center with the text "Trial the Product". To the left, there's a sidebar with navigation links. To the right, there's a video player showing a video titled "Getting Started with HyperIntelligence".

# 6. Create Registrations via Free Trials

## Hyper.Now / Intel.Now 90 Day Free Trial



## Architect Pass / Expert.Now 30 Day Free Trial



# 7. Convert Trials by Delivering Value and Removing Barriers

## Hyper.Now

**Every application, instantly smarter and faster.**

Create, view, share, and embed cards.

HyperIntelligence for Web, Mobile, and Office.

November 2020.

**\$10 user / month**

Credit Card or Invoice

## Intel.Now

**Modern BI for every user, on popular devices.**

Create, view, share, and embed dossiers.

MicroStrategy for Web, Mobile, and Desktop.

2021

**\$10 user / month**

Credit Card or Invoice

## 8. Drive Productivity with Digital Go-to-Market

### Then

In-person events

Driving Flying Hoteling

Wet signatures

Lengthy upgrades

On site delivery

In-person World

### Now

**Digital events** (more events, more reach)

**Zooming** (lower costs, no waiting)

**Electronic signatures** (speed close process)

**Immediate upgrades** (stability, performance)

**Remote delivery** (global staffing, no waiting)

**Virtual World** (10,000s attendees)

# 9. Increase Customer Value Via Expansion, SaaS, and Cloud

From

Experimental

Teams

Departmental

On-prem

Private Cloud

To

**Enterprise Grade** (security, trust, economies of scale)

**Departmental** (unify, certify, material impact)

**Company-wide** (break siloes, single version of truth)

**Cloud** (reduce costs, increase impact)

**SaaS** (reduce costs, increase impact)

# Generate Demand and Accelerate Growth

- 1 Exploit Analytics Market and Cloud Growth
- 2 Generate and Publish High Quality Sharable Content
- 3 Capture Attention And Drive Traffic to Website
- 4 Exhibit Our Products and Services Via Video-first Website
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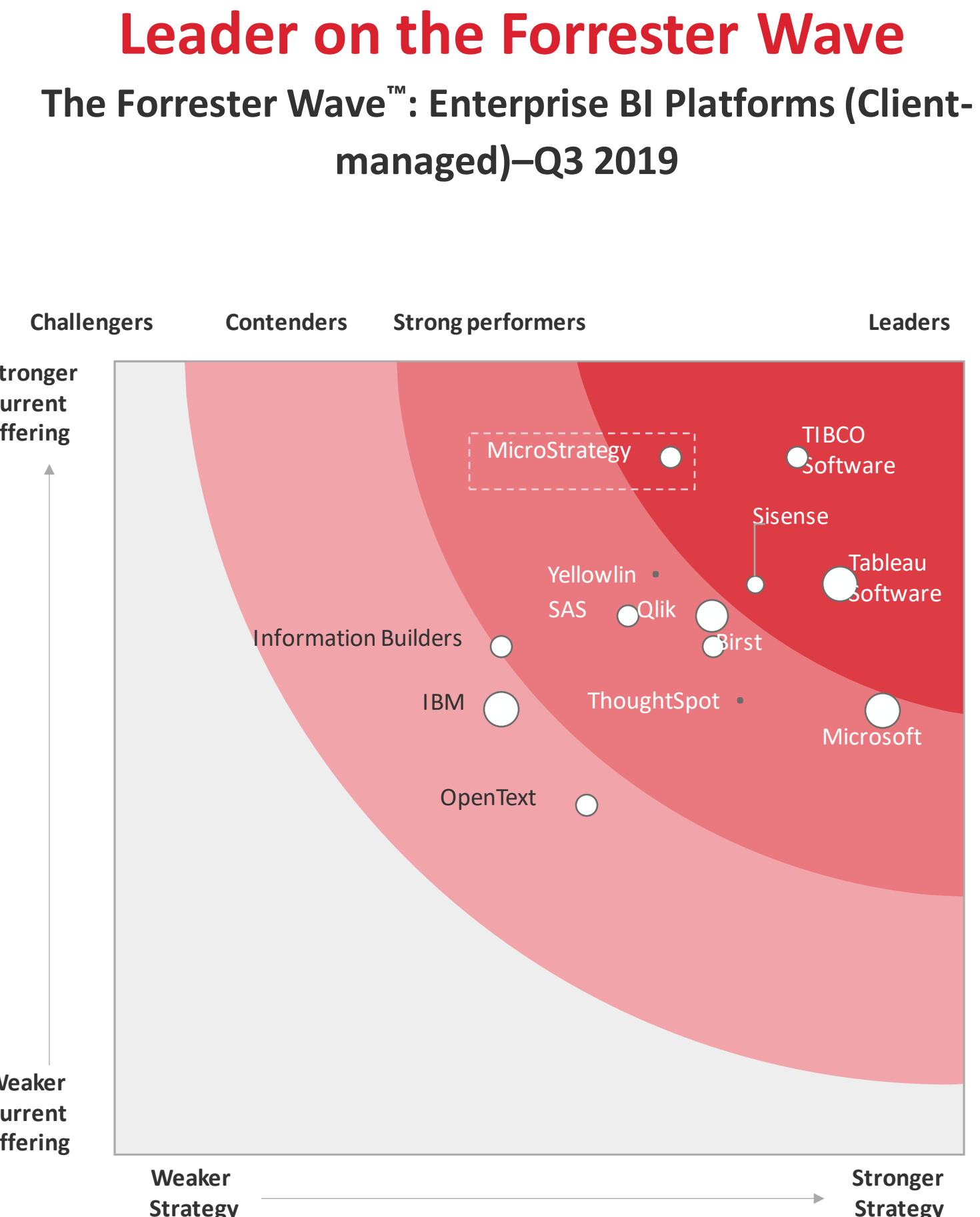
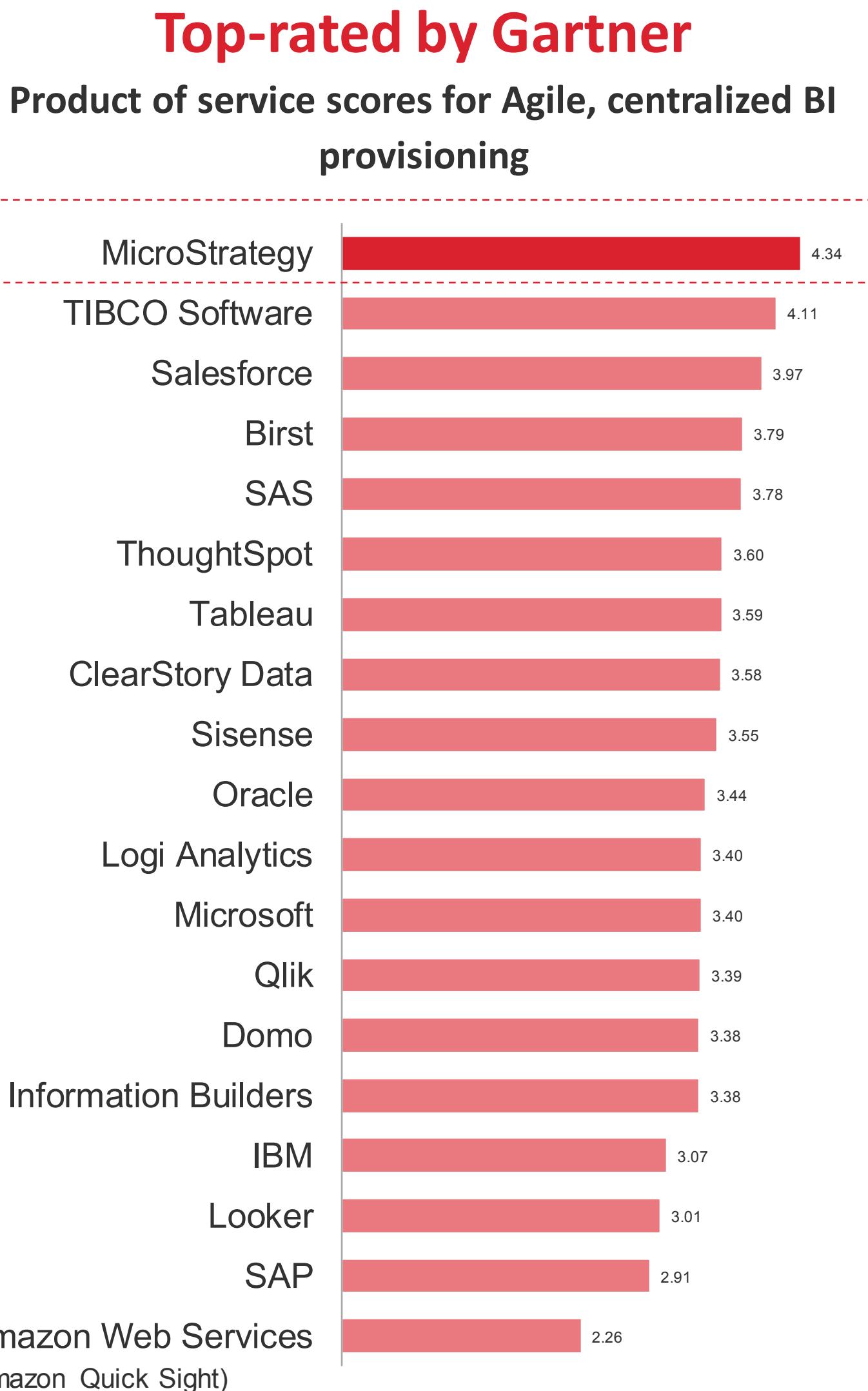
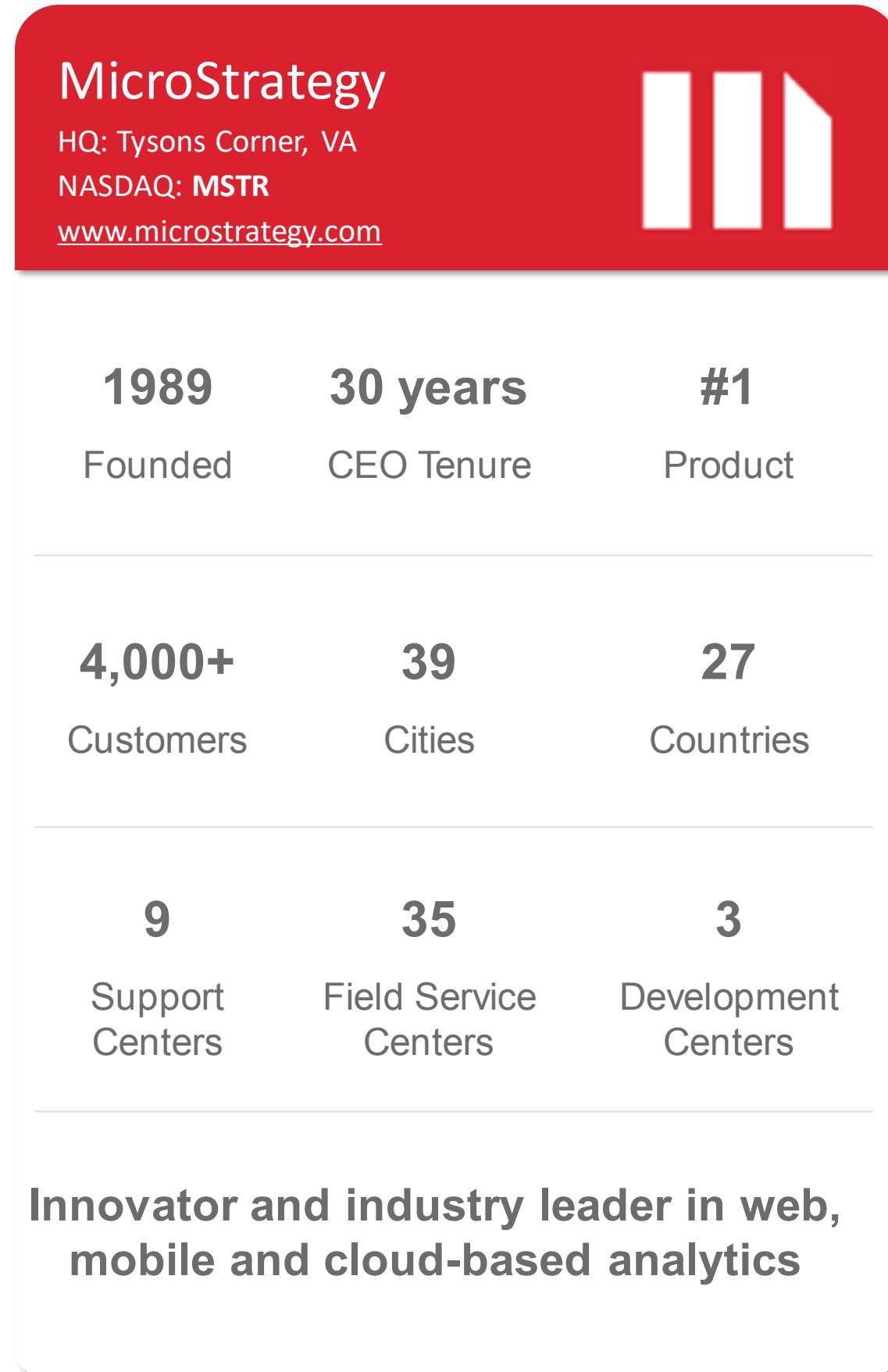
# **President and CFO Update**

Phong Le, President and CFO

# MicroStrategy is Well-Positioned for Growth

- 1 Largest independent publicly-traded BI company, leading enterprise analytics platform
- 2 Diversified blue-chip customer base with ~95% renewal rates
- 3 Healthy revenue profile: 65%+ recurring, 90%+ gross margin in license and support
- 4 Strong growth drivers → highlighted by cloud transition
- 5 Significant cost structure optimization, with additional near-term opportunity
- 6 History of cash flow generation
- 7 Meaningful balance sheet with bitcoin upside
- 8 Executing on plan – Q3 2020 was best quarter in decade
- 9 Valuation upside with revenue, EBITDA, and digital asset growth

# 1. We are the Top BI Company with the Top Product



Source: Gartner (Critical Capabilities for Analytics and Business Intelligence Platforms, March 2020), Forrester (The Forrester Wave™: Enterprise BI Platforms, July 2019)

## 2. We Have A Diverse, Loyal Blue-Chip Customer Base

**2%**

Top account recurring revenue as % of total

**22 yrs**

Average lifetime of top 15 customers

**> 700**

Customers spend \$100K+/yr

**11%**

Top 10 accounts recurring revenue as % of total

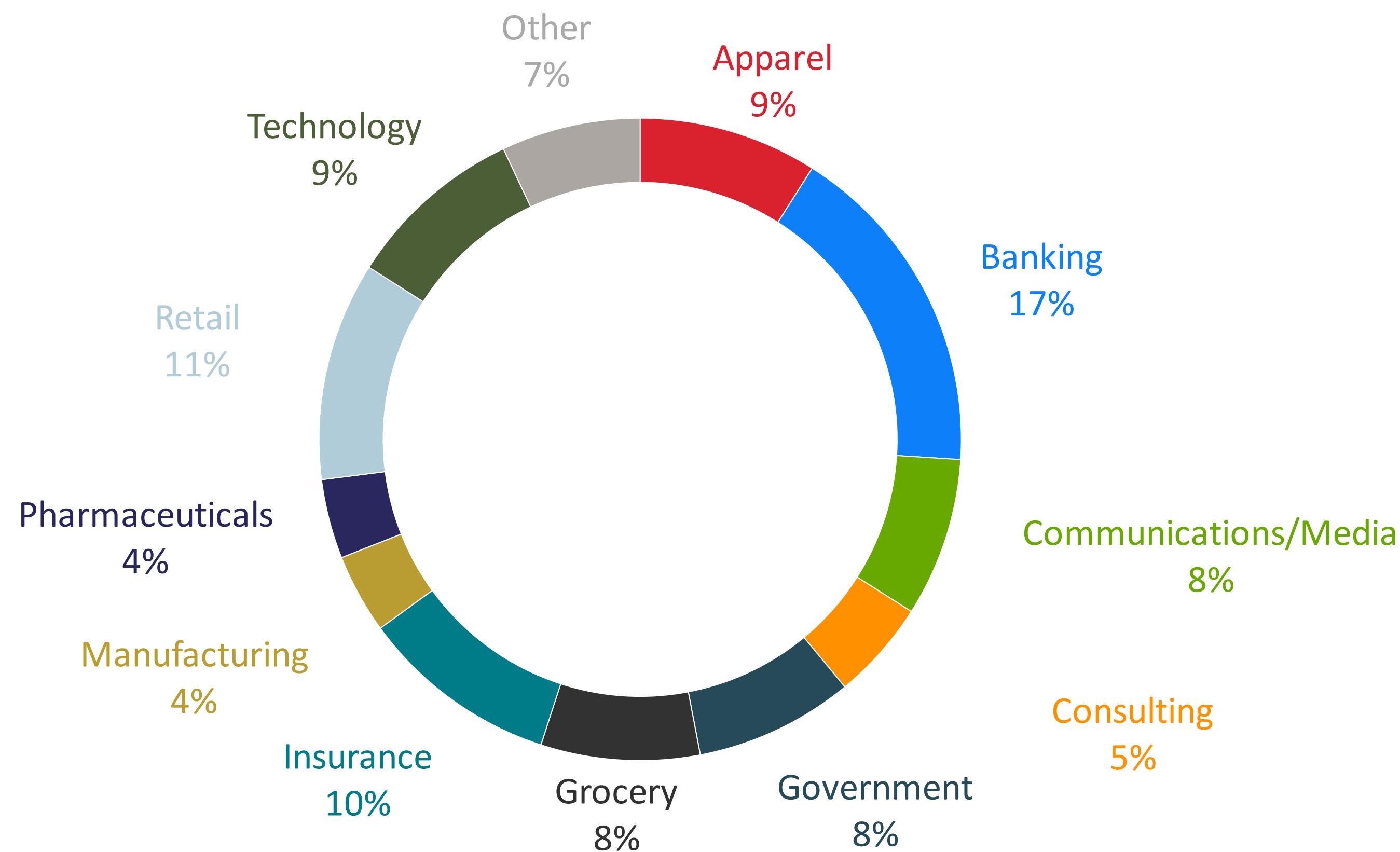
**\$3M+**

Average ARR of top 15 customers

**~95%**

Renewal rates

**Recurring Revenue Distribution by Industry\***



\*based on top 100 accounts by revenue

## 2. Top 5 Global Bank Modernizes Financial Centers

### Goals

- Shift from financial center manager corkboard reporting to real-time financial center results and forecast
- Single source of truth, single set of dashboards and reports
- Modernize financial centers, upskill employees

### Challenges

- Team required full POC to demonstrate next-gen analytics, tight integration and partnership with hardware vendor
- Consulting resources utilized to speed time-to-market

### MicroStrategy Products

HyperIntelligence

Dossier

Enterprise  
Semantic Graph

### Benefits

- ✓ Consistent reporting across 5,000+ financial centers
- ✓ More time to analyze and make decisions
- ✓ Ability for district managers to distribute data reports to teams
- ✓ Improved decision-making ability for district managers, driving improved results

## 2. North American Home Improvement Retailer Improves Customer Service and Employee Productivity

### Goals

- Provide comprehensive data analytics / visualizations with a simple interface
- Fully enable all store users with real time SKU information – inventory, sales, performance
- Rapid deployment with scalability

### Challenges

- Simple to use application, intuitive UI, performance at scale
- Rapid roll-out, iterations, and changes utilizing MicroStrategy consultants

### MicroStrategy Products

Mobile

SDK

Dashboards

### Benefits

- ✓ Enhanced mobile product, fully integrated with handheld mobile device/scanner scanning SKUs
- ✓ Easier maintenance and improved security compared to building in-house alternative
- ✓ Increased productivity, supervision, and support
- ✓ Empowered 20,000+ store managers, and department heads with inventory, product sales and store KPIs

## 2. Leading Global Cybersecurity Company Provides Deep Real-Time Insights to Customers by Embedding MicroStrategy

### Goals

- Provide customers with near real-time visibility into firewall utilization, enabling troubleshooting of critical network and security issues
- Visualize large volumes of customers' data from various sources in a cloud portal

### Challenges

- Integrate many sources of data, scale without compromising performance
- Customized visualizations
- Provide near-real time insights with large data volumes
- Rapid growth company needed staff augmentation for development

### MicroStrategy Products

Open APIs

Real-time Analytics

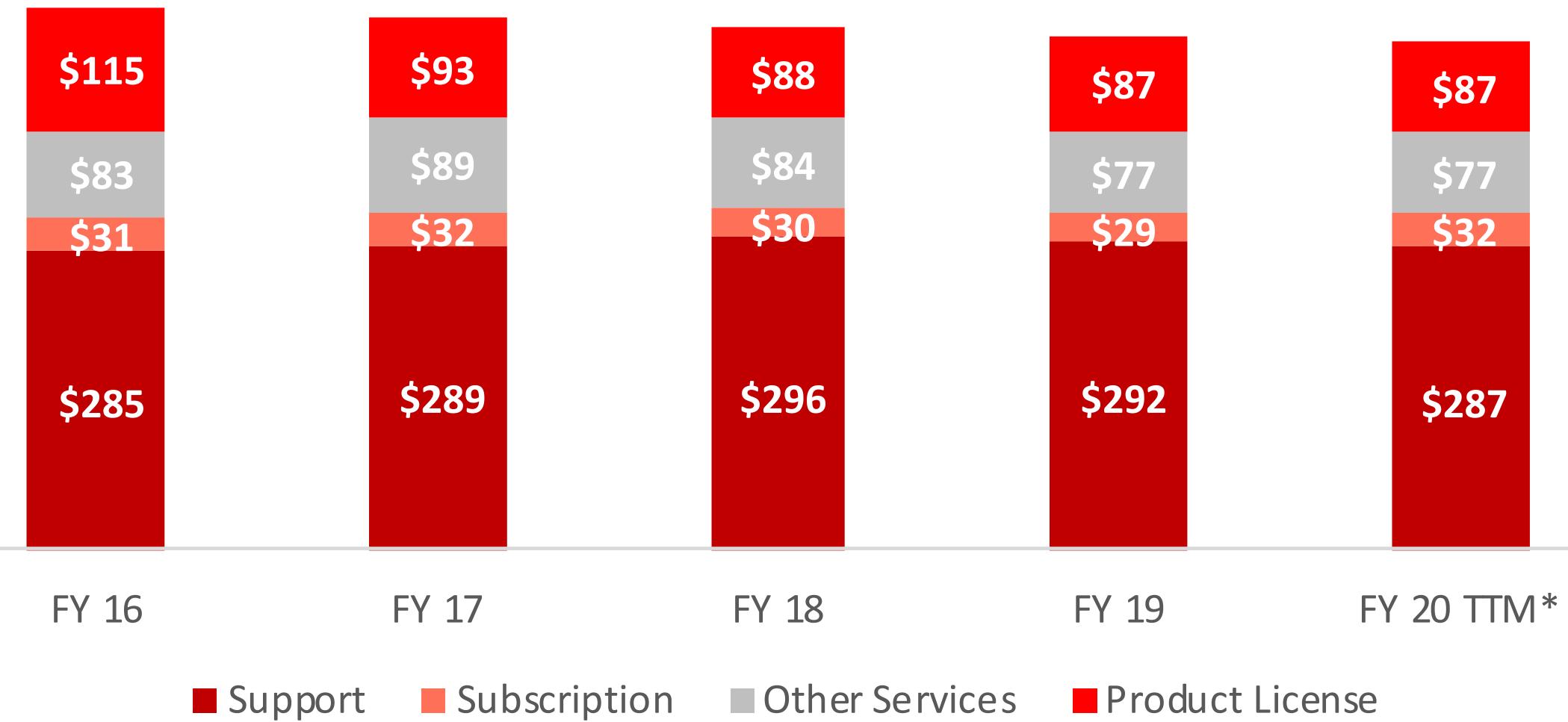
Cloud

### Benefits

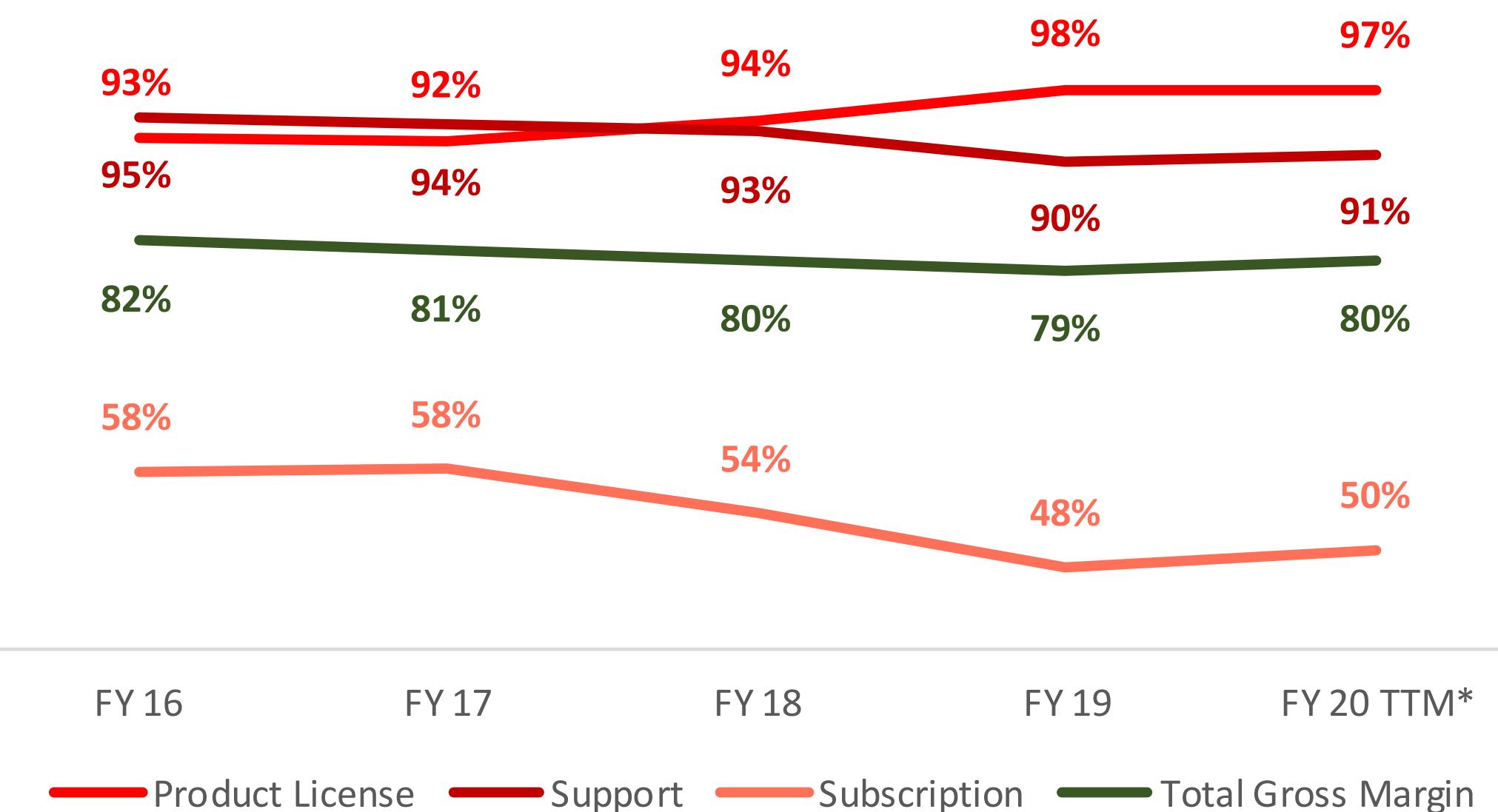
- ✓ Superior build vs. buy decision, allows software company resources to focus on their areas of expertise
- ✓ Easy-to-use solution for end user, fully white-labeled and embedded
- ✓ Accessed by ~500 internal users focused on customer support as well as thousands of external tenant users
- ✓ Rapid solution deployment enabled the company to capitalize on increased customer demand due to the virtual office environment

### 3. Revenue Profile is Attractive: 65%+ Recurring Revenue, 90%+ Gross Margins

Revenue by Type (\$M)



Gross Margin by Revenue Type



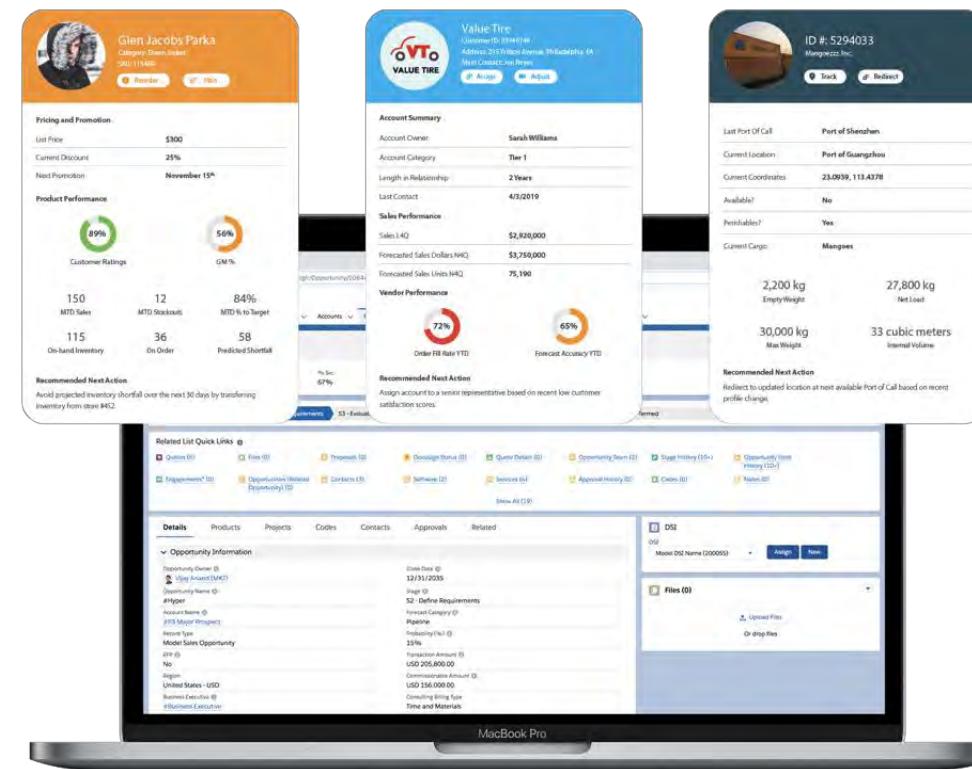
**65%+** of revenue is recurring (TTM)

**78%** of revenue at **90%+** Gross Margin (TTM)

\*FY 20 TTM is based on Q4 19 through Q3 20 actual results

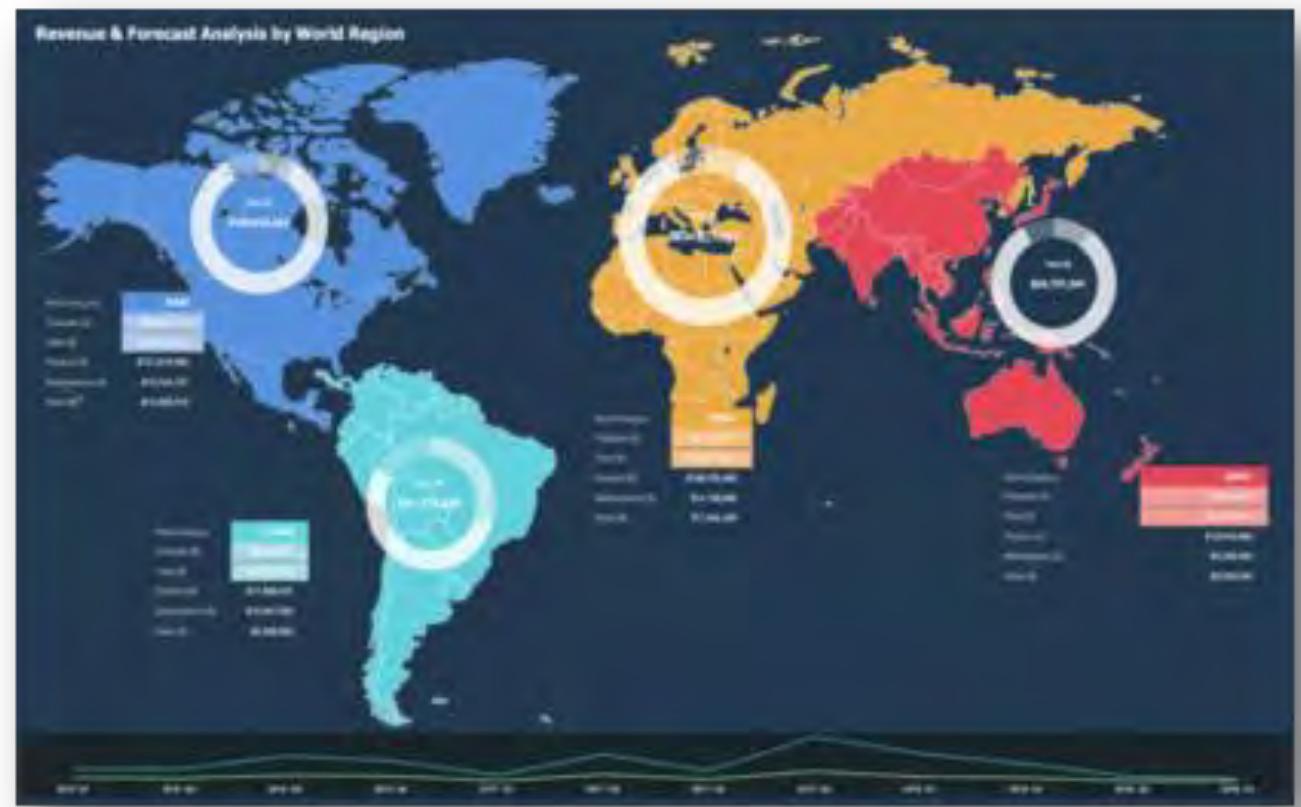
## 4. Hyper, Cloud, and Embedded Intelligence Products Will Drive Future Revenue

# HyperIntelligence



- Most rapidly adopted solution in the history of MicroStrategy
  - Provides instant, zero-click access to data within existing productivity tools driving improved business results at an accelerated pace

# Cloud



- COVID is acting as a catalyst, driving IT organizations to re-evaluate and plot a more aggressive shift to Cloud
  - Market adoption of cloud data warehouse offerings is providing a natural conversation for the future of business intelligence solutions

# Embedded



- Technology partners are choosing MicroStrategy because of our modern, open, independent, enterprise-grade platform
  - Platform works at scale and can support complex technical and business needs

# 4. Transition to Cloud is Well Underway – Subscription Billings is Key Performance Indicator

## License purchase shift from on-prem to Cloud

- Purchasing shift from on-premise to Cloud in customers and prospects
- ~50% revenue upfront, recognized ratably, 3-year break even
- > 5% revenue shift in 2021

## Customer migrations from on-prem to Cloud

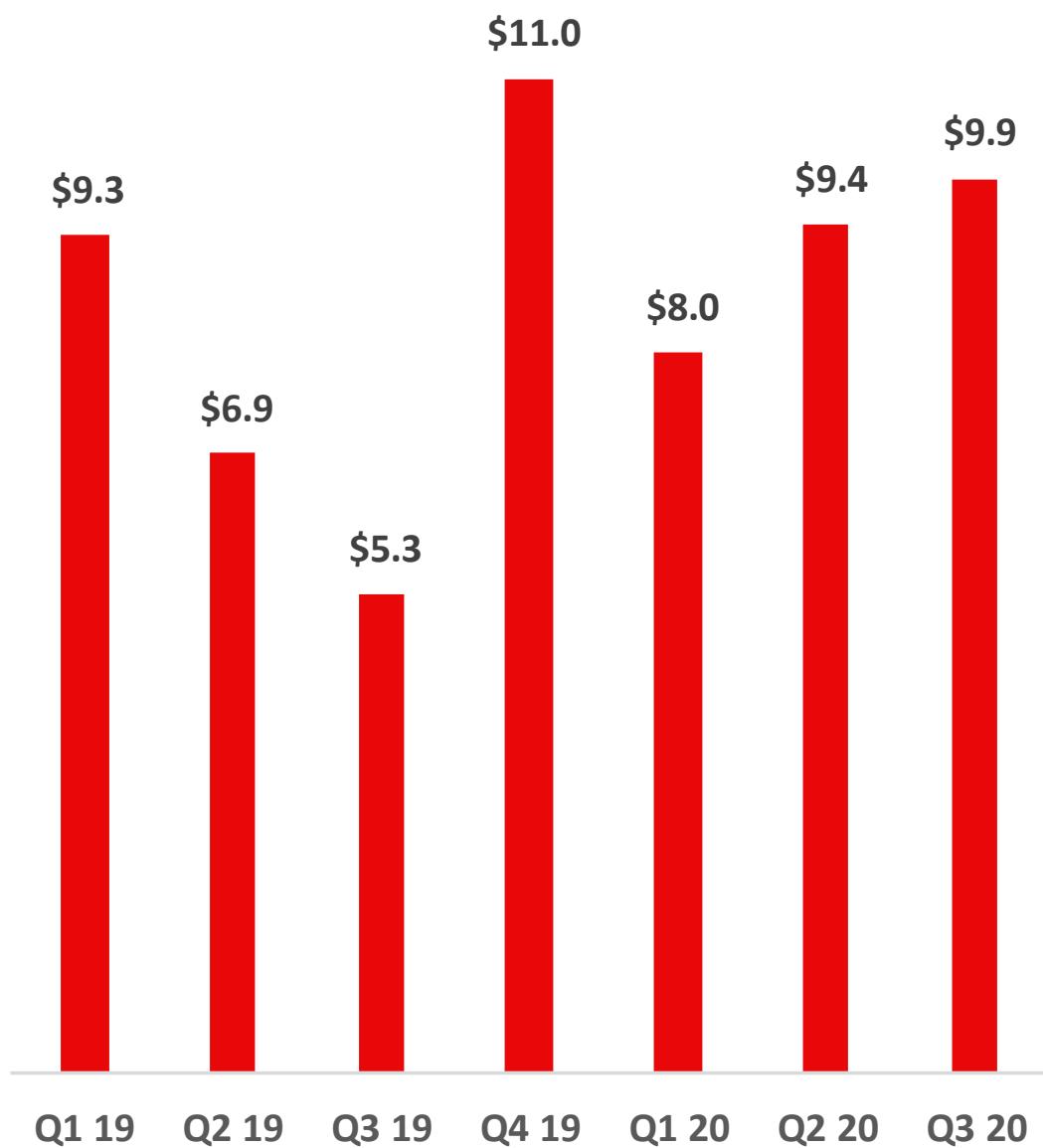
- Convert existing on-premise customers to Cloud
- 30-60% revenue uplift, 30-60% gross margin uplift
- > 10% customer shift in 2021

## New SAAS offerings: Hyper.now and Intel.now

- Hyper.Now (Hyperintelligence) launched Nov 16, 2020
- Intel.Now (Business Intelligence) to launch in 2021
- 100% incremental revenue, upside in 2H 2021 and beyond
- Excellent land and expand opportunity

## Improved subscription billings

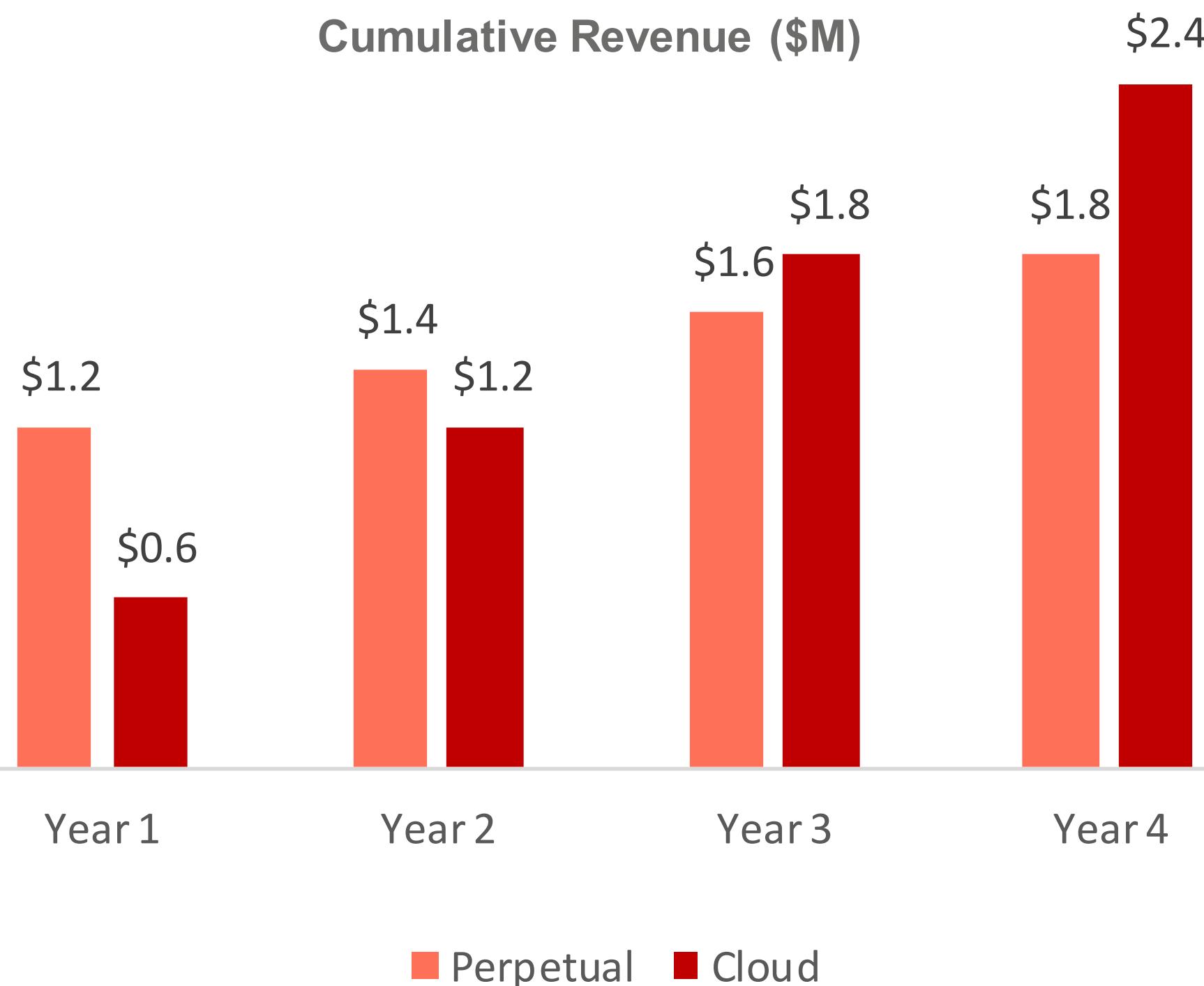
Current Subscription Billings (\$M)



\* Please refer to the Appendix for a reconciliation of subscription services revenues to current subscription billings

# 4. For New License Purchases, Break-Even Point is About 3 Years for Cloud Compared to Perpetual

## Illustrative New Cloud vs. On-prem Comparison Financials



## Cloud Growth Factors

- Multiple drivers impacting shift to BI in cloud: 1) macro factors including work from home, focus on cost reduction, 2) prevalence of DW in cloud, 3) greater cloud adoption in large enterprises
- MicroStrategy Cloud Enterprise solution is at parity with on-prem, AWS, and Azure, and working on container strategy

## Cloud Growth Financials

- Subscription revenue typically ~50% less than perpetual in year 1; with break-even point after year 3
- Example comparison of revenue streams:
  - On-prem: \$1M perpetual license, \$200K recurring product support
  - \$600K recurring subscription revenue (includes license + support + hosting)

# 4. For Existing Customers, Conversion From Perpetual to Cloud Results in 30-60% Revenue Uplift

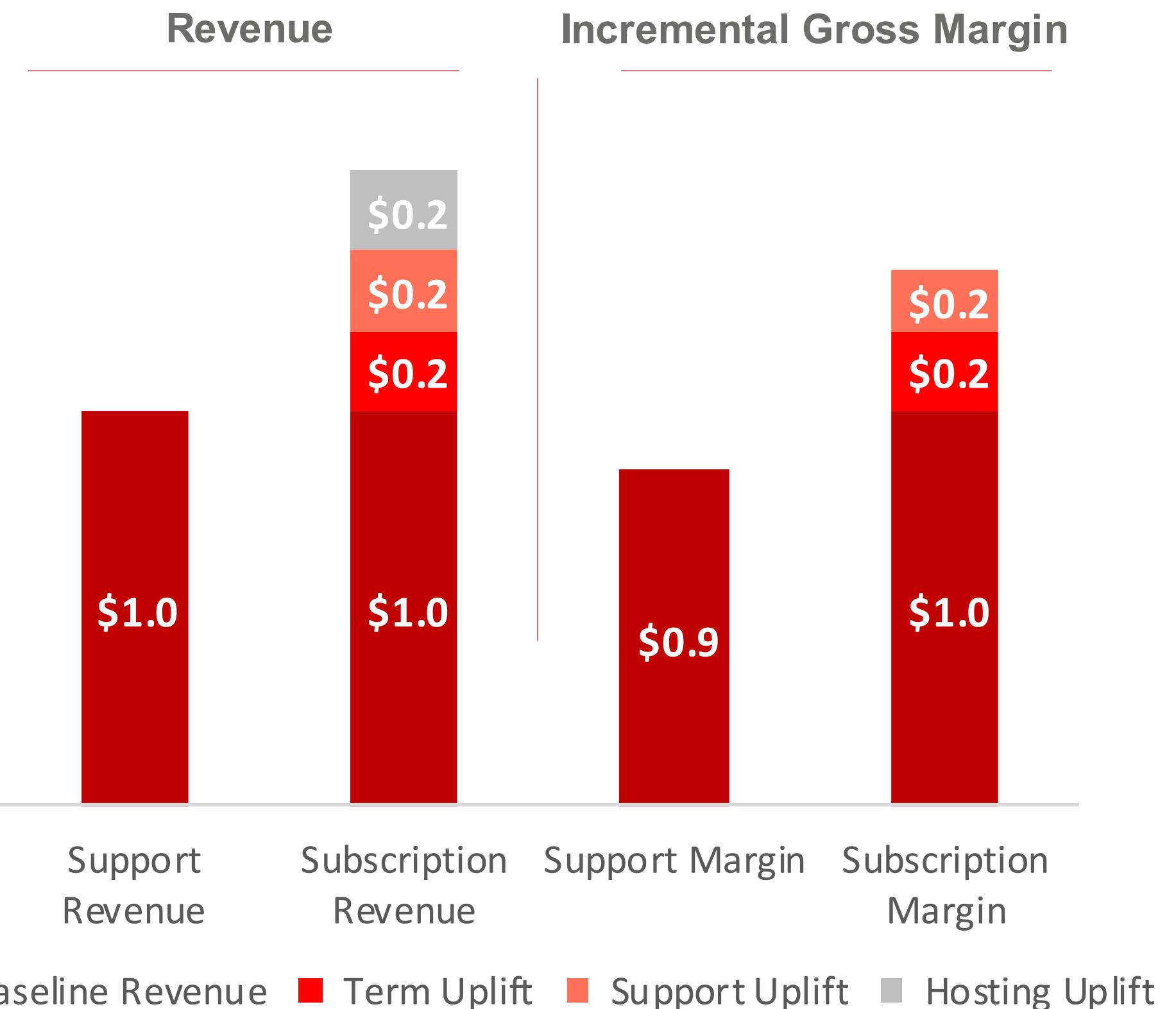
## Cloud Conversion Factors

- Existing customers moving to cloud to 1) reduce fixed costs, 2) upgrade software regularly and seamlessly, 3) upskill admins to architects and developers
- One annual price includes software, support, infrastructure, upgrades
- Add-ons include HyperIntelligence, managed admin services, managed application services

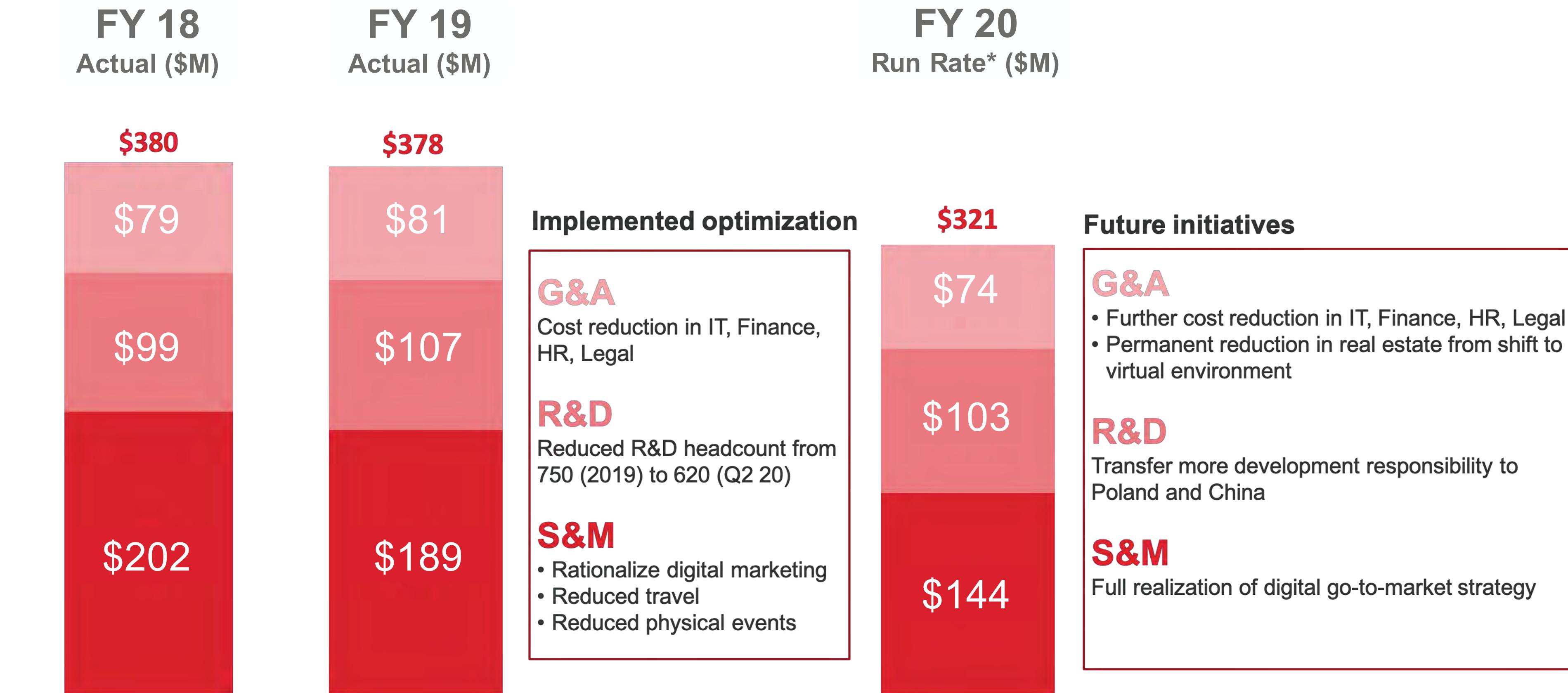
## Cloud Conversion Financials

- Converting customer from on-premise support to subscription cloud results in 30-60% immediate uplift in revenue; 10-20% uplift each from licenses, support, hosting
- Results in 30-60% uplift in gross margin
- Customer breakeven point is in Year 1, with near immediate cost benefits

## Illustrative Comparison Financials (\$M)



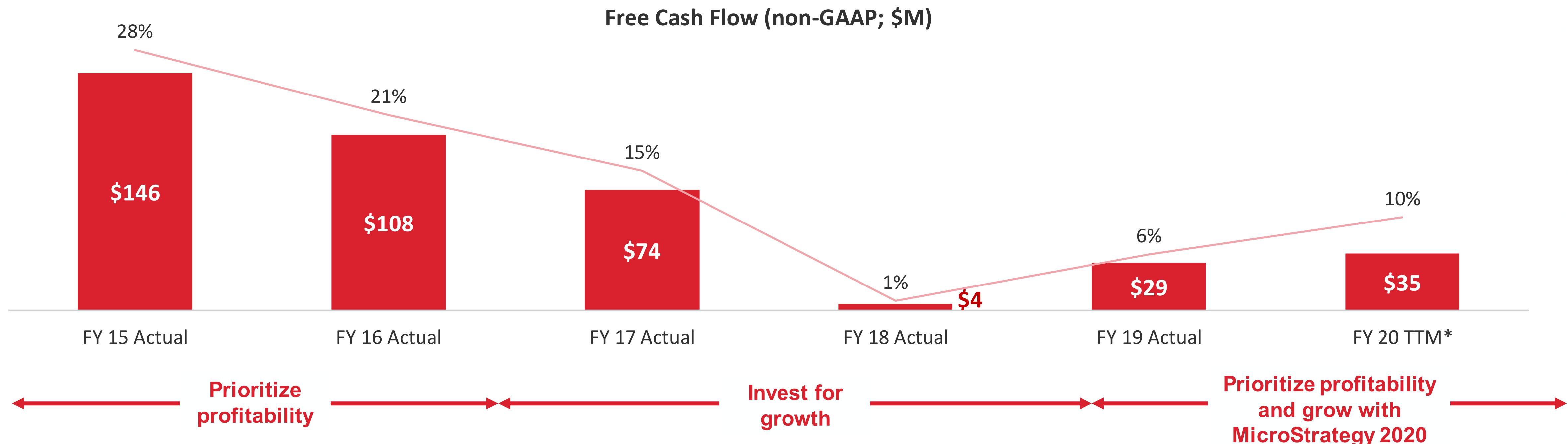
# 5. Cost Structure Has Undergone Significant Optimization in the Last Year, With More Room for Improvement



\*Run Rate = Q1-Q3 20 Actuals and Q3 20 as a proxy for Q4 20

Costs are non-GAAP G&A, R&D and S&M costs. Please refer to the Appendix for a reconciliation of certain Non-GAAP Operating Expenses.

# 6. We Have A Proven History of Free Cash Flow Generation



## Executed company-wide restructuring in 2H 14

- Closed inefficient development centers and satellite offices
- Streamlined business processes

## In Q2 17, announced a 3-year plan to reinvest for growth

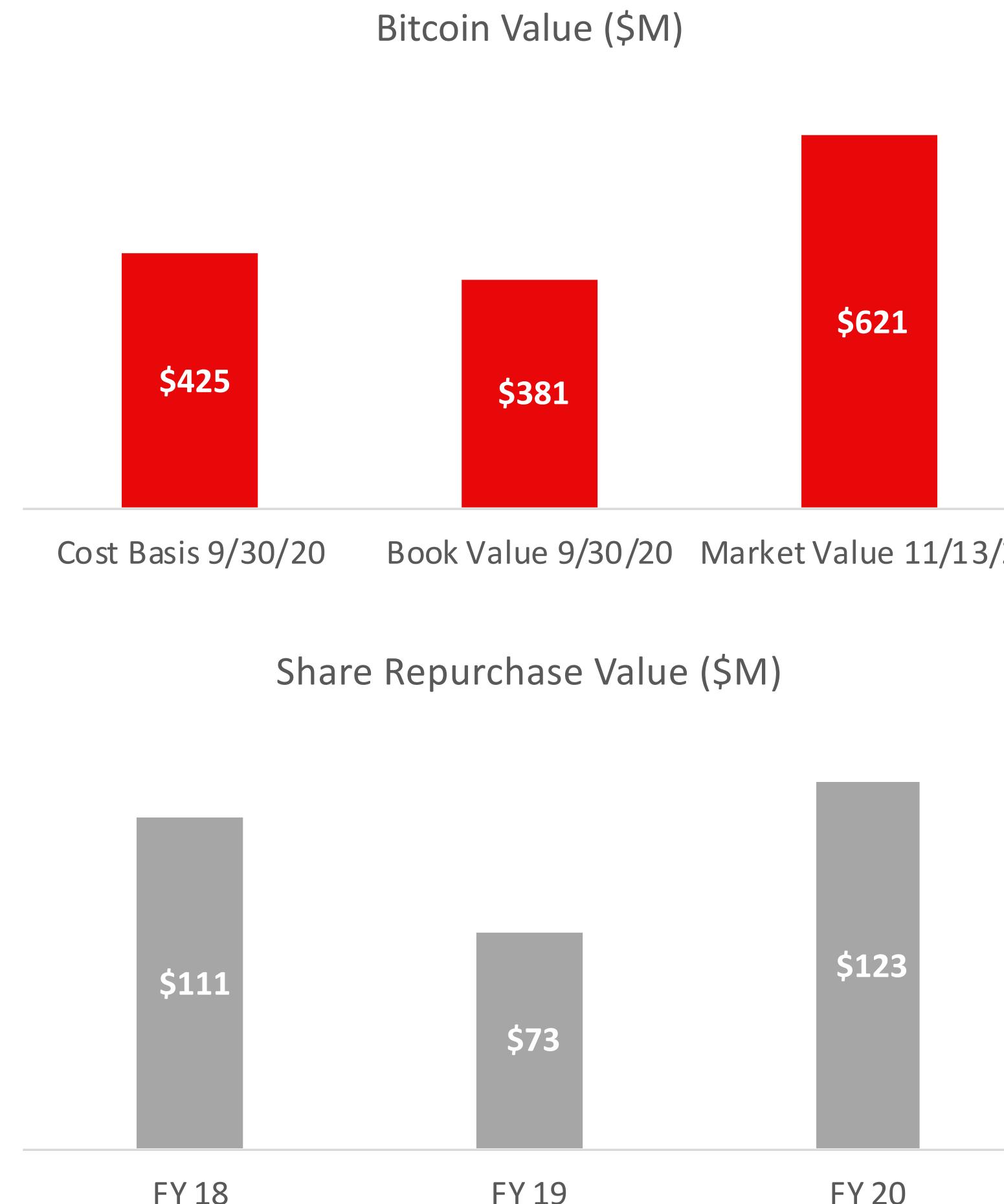
- Increased S&M spend by ~17% in FY 18
- Increased R&D headcount ~150 to ~750 in FY 19
- Developed HyperIntelligence and MicroStrategy Cloud™
- Rebuilt the platform, modernized tooling

## Shifted focus to optimization starting in 2H 19

- Fully virtual model driving reduced T&E and marketing
- Rationalized R&D headcount from 750 to 666
- Virtual demand generation reaching more customers, more quickly

\*FY 20 TTM is based on Q4 19 through Q3 20 actual results  
Please refer to the Appendix for a reconciliation of Non-GAAP FCF

# 7. Unique Balance Sheet Strategy Uses Bitcoin to Provide Asymmetric Upside and Energize New Investors



## Treasury strategy

- Invest up to \$250M in share repurchases
- Utilize bitcoin as primary treasury reserve asset
- \$50M needed to run day-to-day business

## Bitcoin value

- Purchased ~38,250 bitcoins in Q3 20 for \$425M (average price of \$11,111 per bitcoin)
- Book value of bitcoin was \$381M at 9/30/20 (average price of \$9,954 per bitcoin)
- Market Value of bitcoin at 11/13/20 ~\$621M (average price of \$16,239 per bitcoin)

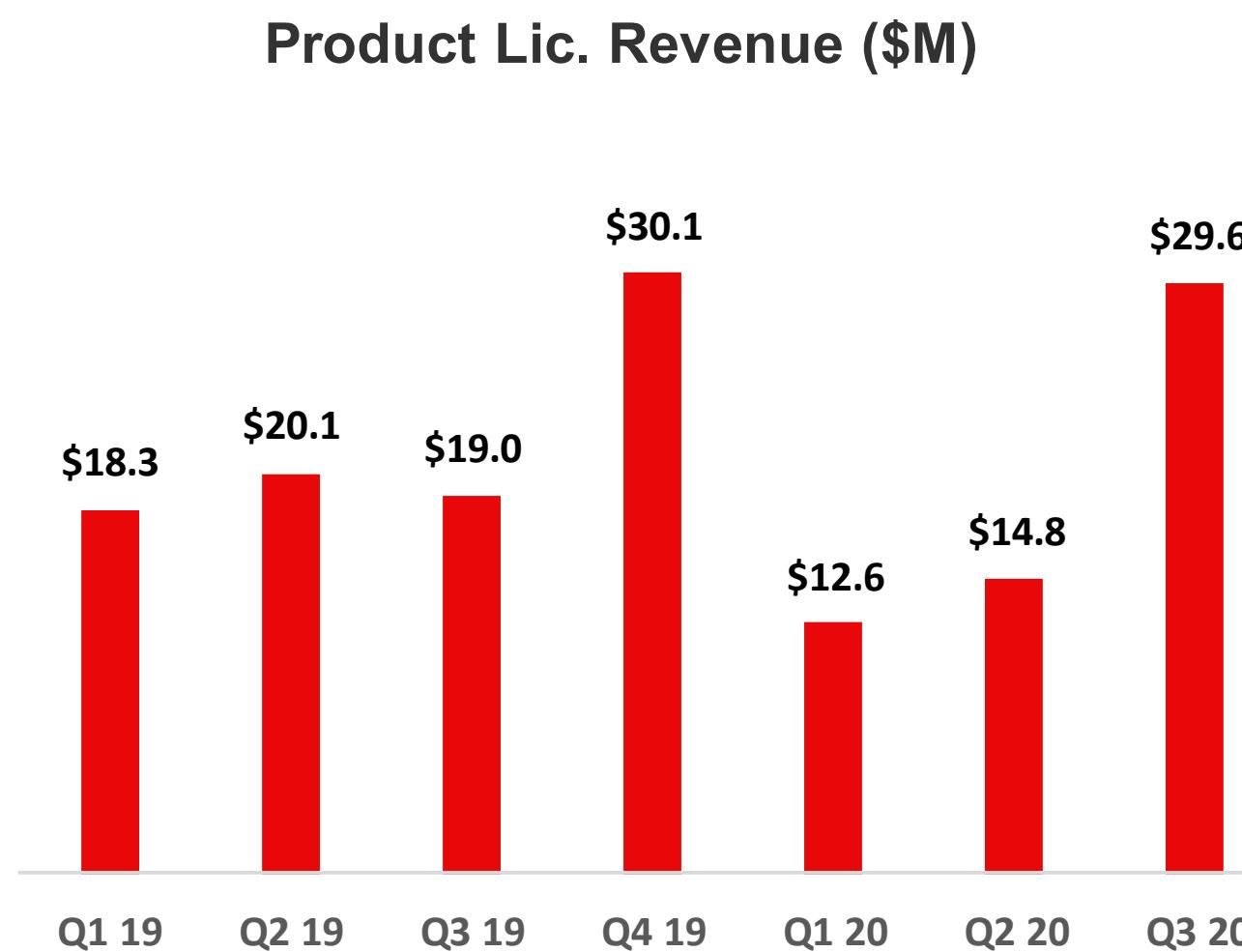
## Share repurchase

- In Q3 20 repurchased 432,313 shares for \$61M as part of Dutch auction tender offer (at price of \$140 per share)
- In FY 20 repurchased 877,082 shares for \$123M (average price of \$140 per share)
- Since Q4 18 repurchased 2.3M shares for ~\$307M (average price of \$135 per share)

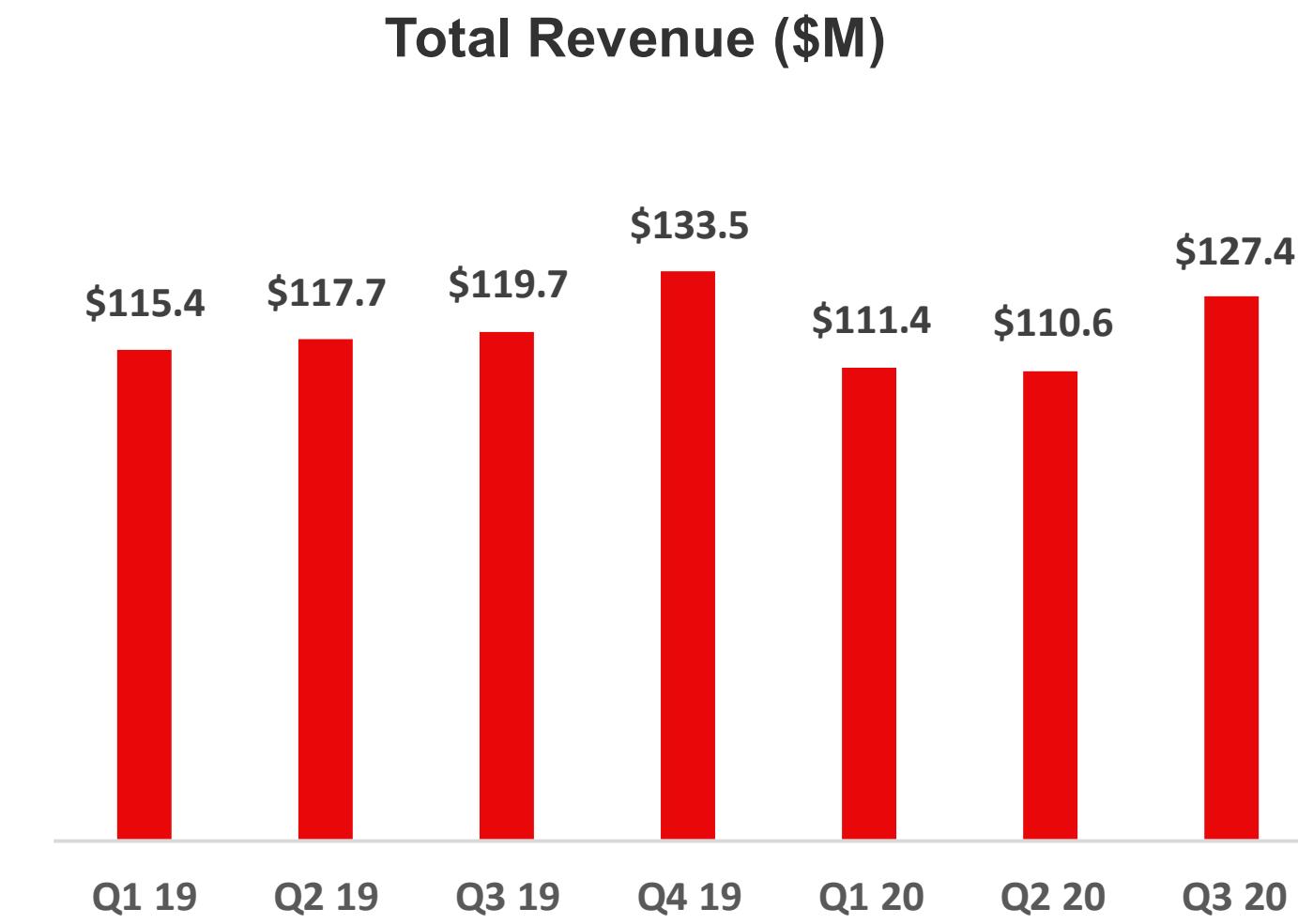
Market value of bitcoin is based on the price at 4pm EDT

# 8. Q3 2020 Was the Best Quarter in a Decade

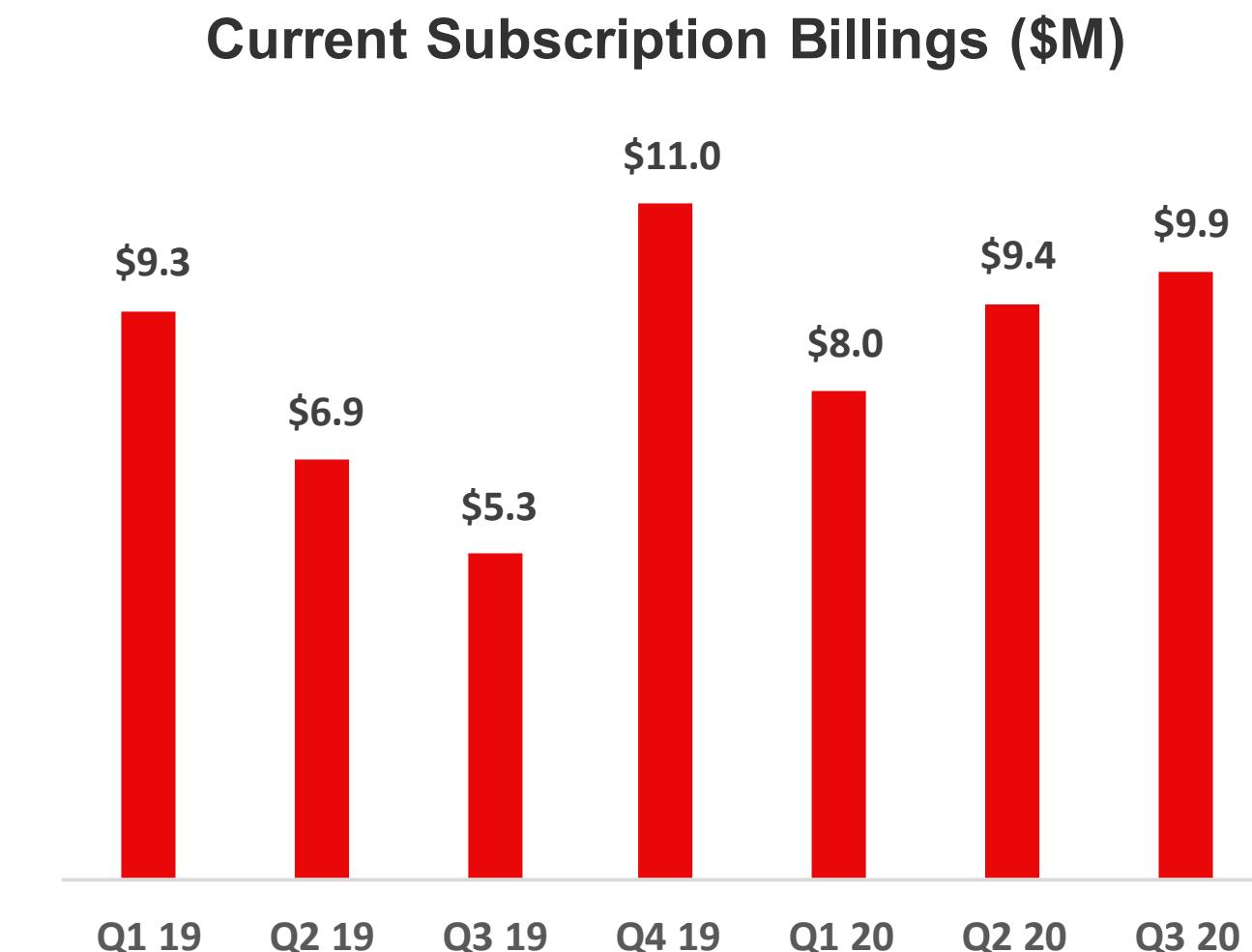
**Highest Q3 product license revenue since 2016, up 56% year-over-year**



**Highest Q3 total revenue since 2016, up 6% year-over-year**



**Strong adoption of cloud offering, 87% increase in subscription billings\*** year-over-year



\* Please refer to the Appendix for a reconciliation of subscription services revenues to current subscription billings.

# 9. Our Growth Strategy Seeks to Bring Material Growth in Revenue, Profitability, and Enterprise Value

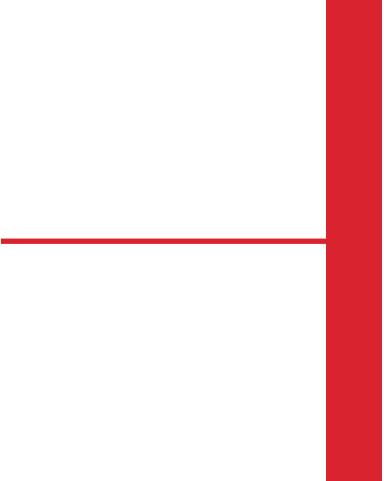
	2019 Actual	2020 TTM*	2021 Projections	EV Multiples**	Long-Term Opportunity
Revenue growth	Negative	Flat	Growing	2.4X Revenue multiple	>10% Revenue growth
Operating Income (non-GAAP)	\$9M	\$50M	\$60-90M	15X EBITDA multiple (non-GAAP)	>25% EBITDA margin (non-GAAP)

\*2020 TTM is based on Q4 19 through Q3 20 actual results - Please refer to the Appendix for a reconciliation of certain Non-GAAP Operating Income

\*\* Hypothetical Enterprise Value multiple uses analyst consensus 2021 revenue of \$485M and adjusted EBITDA of \$78M, net cash as of 9/30/20 of \$53M, Digital Asset market value \$621M with bitcoin price 11/13/20 \$16,239, MSTR market cap of \$1.85B with MSTR stock price as of 11/13/20 of \$192.27

# We Are Excited About the Our Future

- 1 Largest independent publicly-traded BI company, leading enterprise analytics platform
- 2 Diversified blue-chip customer base with ~95% renewal rates
- 3 Healthy revenue profile: 65%+ recurring, 90%+ gross margin in license and support
- 4 Strong growth drivers → highlighted by cloud transition
- 5 Significant cost structure optimization, with additional near-term opportunity
- 6 History of cash flow generation
- 7 Meaningful balance sheet with bitcoin upside
- 8 Executing on plan – Q3 2020 was best quarter in decade
- 9 Valuation upside with revenue, EBITDA, and digital asset growth



# **Appendix**

# Investor Day

## Non-GAAP Reconciliations (\$M)

### Reconciliation of GAAP to Non-GAAP Income (loss) from Operations

	FY 18	FY 19	FY 20 TTM^
Revenue	\$498	\$486	\$483
Cost of Revenues	\$99	\$100	\$95
Operating Expenses	\$394	\$387	\$392
Income (loss) from Operations	\$4	\$(1)	\$(4)
Operating Margin %	1%	0%	-1%
Stock-Based Compensation	\$15	\$10	\$10
Digital asset impairment losses	\$0	\$0	\$44
<b>Non-GAAP Income (loss) from Operations</b>	<b>\$19</b>	<b>\$9</b>	<b>\$50</b>
<b>Non-GAAP Operating Margin %</b>	<b>4%</b>	<b>2%</b>	<b>10%</b>

### Reconciliation of certain Non-GAAP Operating Expenses

	FY 18	FY 19	Q1 20	Q2 20	Q3 20	Q4 20 Run Rate*	FY 20 Run Rate*
<b>GAAP:</b>							
G&A Expense	\$86	\$87	\$21	\$19	\$20	\$20	\$80
R&D Expense	\$102	\$109	\$26	\$26	\$27	\$27	\$105
S&M Expense	\$206	\$191	\$40	\$35	\$35	\$35	\$145
<b>Stock-Based Compensation</b>							
G&A Expense	\$7	\$5	\$2	\$1	\$2	\$2	\$6
R&D Expense	\$3	\$2	\$1	\$1	\$1	\$1	\$2
S&M Expense	\$4	\$2	\$0	\$0	\$0	\$0	\$1
<b>Non-GAAP:</b>							
G&A Expense	\$79	\$81	\$19	\$18	\$18	\$18	\$74
R&D Expense	\$99	\$107	\$25	\$25	\$26	\$26	\$103
S&M Expense	\$202	\$189	\$39	\$35	\$35	\$35	\$144

<sup>^</sup>FY 20 TTM is based on Q4 19 through Q3 20 actual results

\*Run Rate = Q1-Q3 20 Actuals and Q3 20 as a proxy for Q4 20

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# Investor Day

## Non-GAAP Reconciliations (\$M)

### Reconciliation of Subscription Services Revenues to Current Subscription Billings

	Q3 18	Q4 18	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20	Q3 20
Current deferred subscription services revenue	\$11.7	\$13.5	\$15.6	\$15.4	\$12.8	\$16.6	\$16.6	\$17.9	\$19.5
Subscription services revenues	\$7.2	\$7.1	\$7.1	\$7.1	\$7.9	\$7.3	\$8.0	\$8.0	\$8.3
Change in current deferred subscription services revenue (quarter)	\$(2.1)	\$1.8	\$2.1	\$(0.2)	\$(2.6)	\$3.7	\$0.0	\$1.4	\$1.6
<b>Current Subscription Billings</b>	<b>\$5.1</b>	<b>\$8.9</b>	<b>\$9.3</b>	<b>\$6.9</b>	<b>\$5.3</b>	<b>\$11.0</b>	<b>\$8.0</b>	<b>\$9.4</b>	<b>\$9.9</b>

### Non-GAAP Free Cash Flow reconciliation

	FY 15*	FY 16	FY 17	FY 18	FY 19	FY 20 TTM
Net cash provided by operating activities	\$150	\$111	\$78	\$11	\$61	\$37
Purchases of property and equipment (investing activities)	\$(3)	\$(2)	\$(4)	\$(7)	\$(10)	\$(2)
Gain from Domain Name Sale, net of tax					\$(22)	
<b>Free Cash Flow (Non-GAAP)</b>	<b>\$146</b>	<b>\$108</b>	<b>\$74</b>	<b>\$4</b>	<b>\$29</b>	<b>\$35</b>
<b>FCF Margin (Non-GAAP)</b>	<b>28%</b>	<b>21%</b>	<b>15%</b>	<b>1%</b>	<b>6%</b>	<b>10%</b>

\*FY 15 was not recast for the adoption of ASC 606

FY 20 TTM is based on Q4 19 through Q3 20 actual results

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