



Q1 FY25 Earnings



Safe harbor

This press release contains “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, including but not limited to, statements regarding our financial outlook and market positioning. These forward-looking statements are made as of the date they were first issued and were based on current expectations, estimates, forecasts and projections as well as the beliefs and assumptions of management. Words such as “outlook,” “guidance,” “expect,” “anticipate,” “should,” “believe,” “hope,” “target,” “project,” “plan,” “goals,” “estimate,” “potential,” “predict,” “may,” “will,” “might,” “could,” “intend,” “shall” and variations of these terms or the negative of these terms and similar expressions are intended to identify these forward-looking statements. Forward-looking statements are subject to a number of risks and uncertainties, many of which involve factors or circumstances that are beyond monday.com control. monday.com’s actual results could differ materially from those stated or implied in forward-looking statements due to a number of factors, including but not limited to our ability to effectively manage the scope and complexity of our business following years of rapid growth and our ability to maintain profitability; foreign currency exchange rate fluctuations; the fact that we continue to derive a majority of revenues from monday work management; fluctuations in operating results; real or perceived errors, failures, vulnerabilities or bugs in our platform, products or third-party applications offered in our app marketplace or interruptions or performance problems in the technology or infrastructure underlying our platform; risks related to artificial intelligence and machine learning; our ability to attract customers, grow our retention rates and expand usage within organizations, including cross-selling and upselling; risks related to our subscription-based business model; our sales efforts may require considerable time and expense and the use of differing sales strategies may extend our sales cycles; changes in sizes or types of business that purchase our platform and products; our ability to offer high-quality customer support and consistent sales strategies; maintenance of corporate culture; risks related to international operations and compliance with laws and regulations applicable to our global operations; risks related to acquisitions, strategic investments, partnerships, or alliances; risks associated with environmental and social responsibility and climate change; our dependence on key employees and ability to attract and retain highly skilled employees; our ability to raise additional capital or generate cash flows necessary to grow our business; uncertain global economic conditions and inflation; changes and competition in the market and software categories in which we participate; our ability to introduce new products, features, integrations, capabilities, and enhancements; the ability of our platform to interoperate with a variety of software applications; our reliance on third-party application stores to distribute our mobile application; our successful strategic relationships with, and our dependence on third parties; our reliance on traditional web search engines to direct traffic to our website; interruption or delays in service from third parties or our inability to plan and manage interruptions; risks related to security disruptions, unauthorized system access; evolving privacy protection and data security laws, regulations, industry standards, policies, contractual obligations, and cross-border data transfer or localization restrictions; new legislation and regulatory obligations regulating AI; changes in tax law and regulations or if we were to be classified as a passive foreign investment company; our ability to maintain, protect or enforce our intellectual property rights or intellectual property infringement claims; risks related to our use of open-source software; risks related to our founder share that provides certain veto rights; risks related to our status as a foreign private issuer incorporated and located in Israel, including risks related to the ongoing war between Israel and Hamas and escalations thereof; our expectation not to pay dividends for the foreseeable future; risks related to our Digital Lift Initiative and the monday.com Foundation; risks related to legal and regulatory matters; and other factors described in “Risk Factors” in our Annual Report on Form 20-F for the year ended December 31, 2024, filed with the SEC on March 17, 2025. Further information on potential risks that could affect actual results will be included in the subsequent filings that monday.com makes with the Securities and Exchange Commission from time to time.

Past performance is not necessarily indicative of future results. The forward-looking statements included in this press release represent monday.com’s views as of the date of this press release. monday.com anticipates that subsequent events and developments will cause its views to change. monday.com undertakes no intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. These forward-looking statements should not be relied upon as representing monday.com’s views as of any date subsequent to the date of this press release.

This presentation contains certain supplemental financial measures that are not calculated pursuant to GAAP. The Company believes that these non-GAAP financial measures, when presented in conjunction with comparable GAAP measures, provide useful information about its operating results and enhance the overall ability to assess the Company’s financial performance. These non-GAAP financial measures are in addition to, and not as a substitute for or superior to measures of financial performance prepared in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures versus their most directly comparable GAAP equivalents. For example, other companies may calculate non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison.

Our success by the numbers

Q1-25 financial highlights

\$282M

Revenue

30%

YoY revenue growth

38%

YoY increase in customers with \$50k+ ARR* to 3,444***

116%

Net dollar retention rate* of customers with \$50k+ ARR***

90%

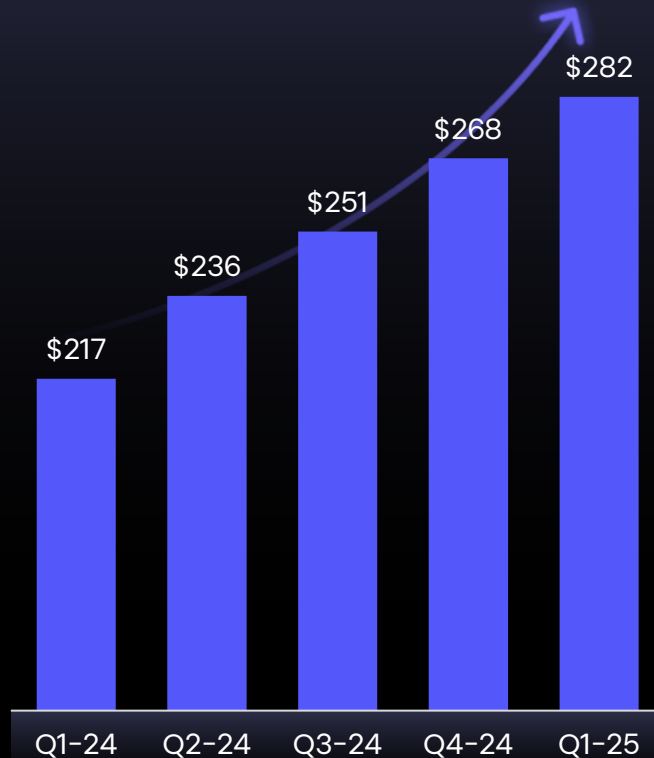
Gross margin**

\$110M

Adjusted free cash flow** represents 39% of revenue

Strong revenue growth

\$ millions



*For definitions of ARR and net dollar retention rate, see Appendix

**Non-GAAP financial measures, see Appendix

***As of the end of Q1 FY25

Note: ~100% of our revenue is generated by subscriptions



Traditional work software is **broken.**

Businesses are unable to fulfill their potential because
their software is limiting their ability to execute

Businesses have two **bad** options



Rigid off-the-shelf point solutions

Usually designed for SMBs and don't enable scaling.



Complex enterprise software

Huge implementation and maintenance costs.

Implementation takes a long time and is very costly.

Changes are slow and dependent on tech teams.

What is monday.com?

A platform to run the core of all work.



monday work
management



monday
dev



monday
CRM



monday
service

Work OS platform



mondayDB

monday.com is unique

Built like no other software



Platform

Built as a true platform, with all Work OS products sharing a common code base



Full control

Allows customers to adapt the software on their own, giving them full control

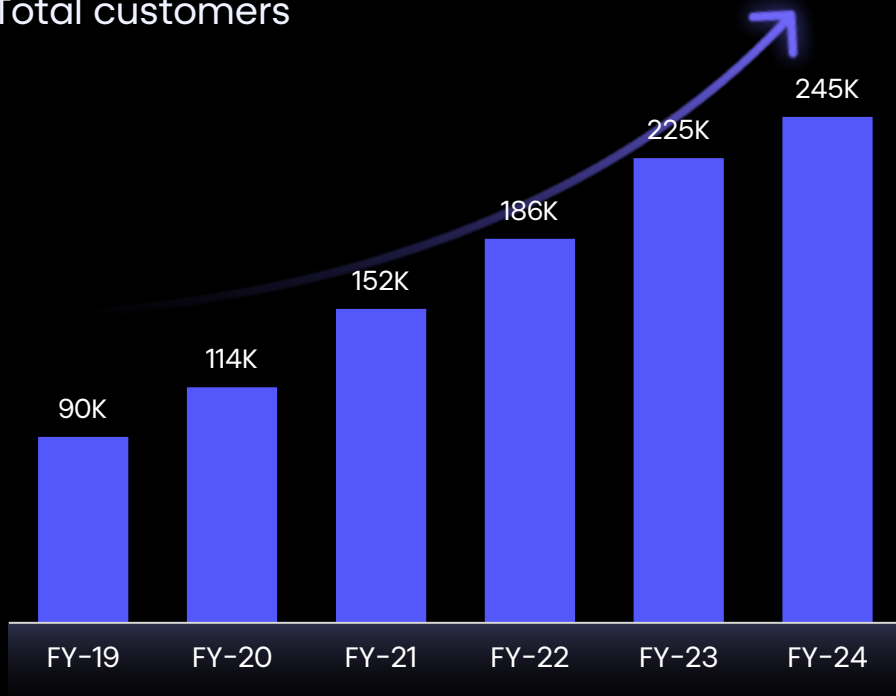


Flexible & simple

Able to scale with the business and adapt to changing needs

Strong, diverse customer base

Total customers



+22%

**Customers
CAGR**

2019-2024

Note: data as of the end of each year

Customers spanning across 200+ industries



Construction



Consulting



Design



Education



Legal



Finance



Healthcare



HR



Industrials



Energy



Marketing



Real estate



Retail



Publishing



Media



Technology



Telecoms

& many more...

In 200+ markets around the world

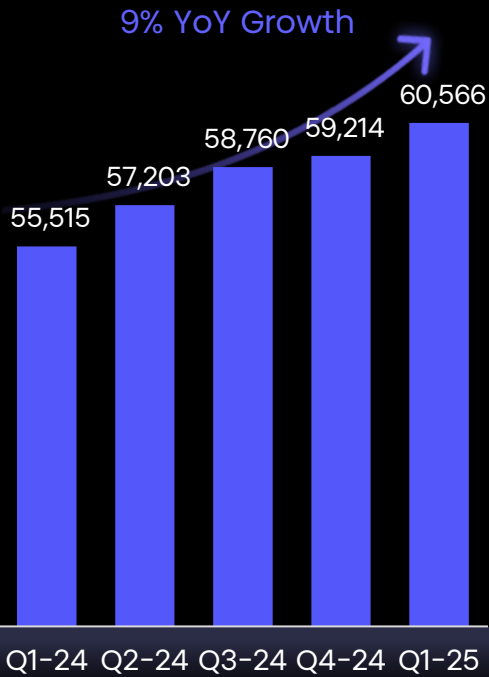
% of revenue



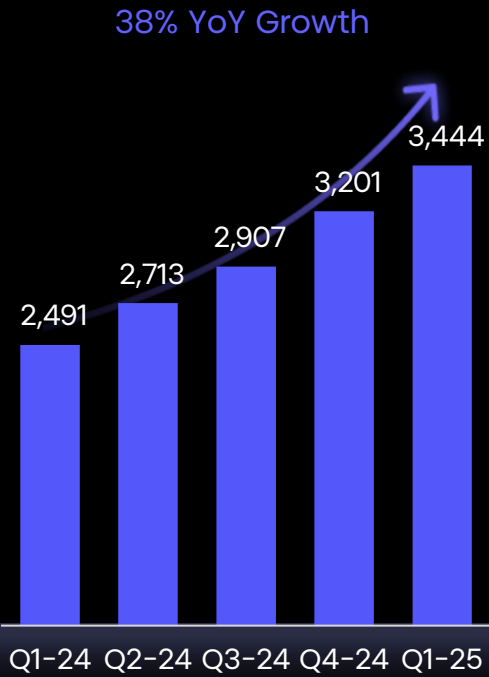
Note: data as of the end of Q1 FY25

Increasing number of enterprise customers

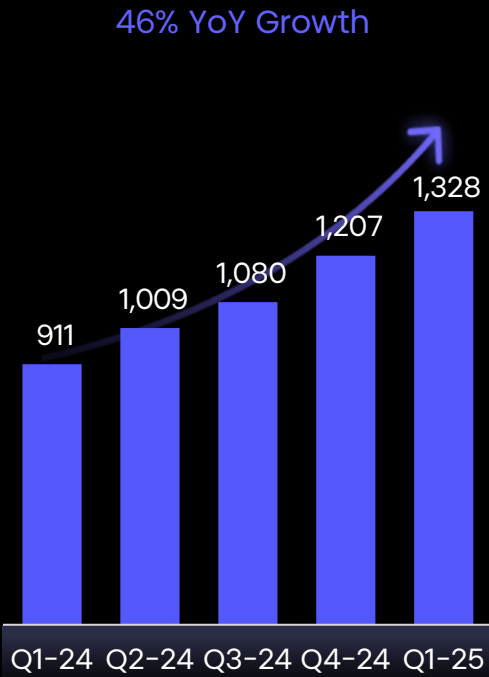
Customers with 10+ users



\$50k+ ARR customers



\$100k+ ARR customers

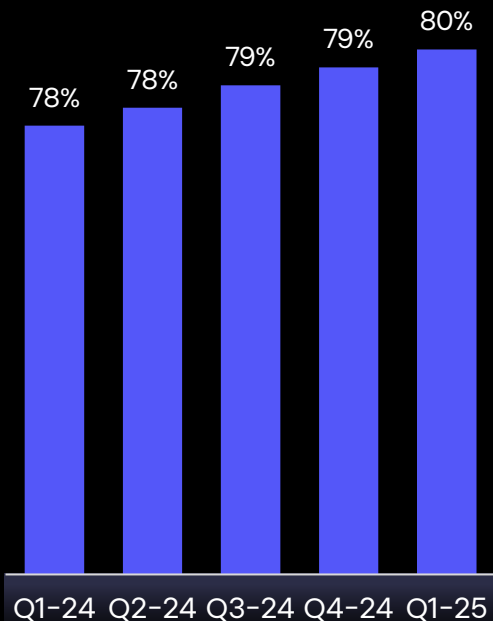


Note: for definition of ARR, see Appendix
Note: data as of the end of each quarter

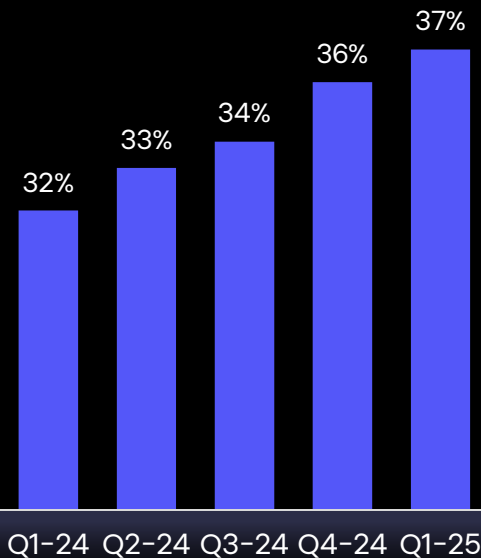
Ongoing push upmarket

% of total ARR

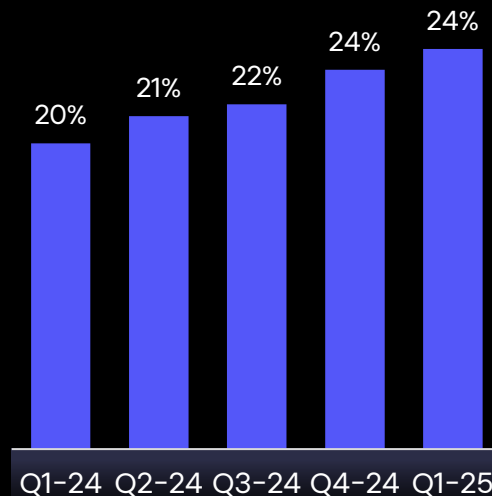
Customers with 10+ users



\$50k+ ARR customers



\$100k+ ARR customers



Note: for definition of ARR, see Appendix
Note: data as of the end of each quarter

Where do we want to go from here?



Becoming the go-to
work platform for
business



Expanding our core
work product lines



Cultivating a strong
ecosystem for a
long-tail of use cases

Why own monday.com?

Large growth potential

Multiple growth levers to capture new markets and build share in large and growing TAMs

Diverse customer base

Expanding customer base across industries, geographies, and company sizes

Strong financial performance

Track record of strong execution, with durable revenue growth, improving profitability, and significant cash generation

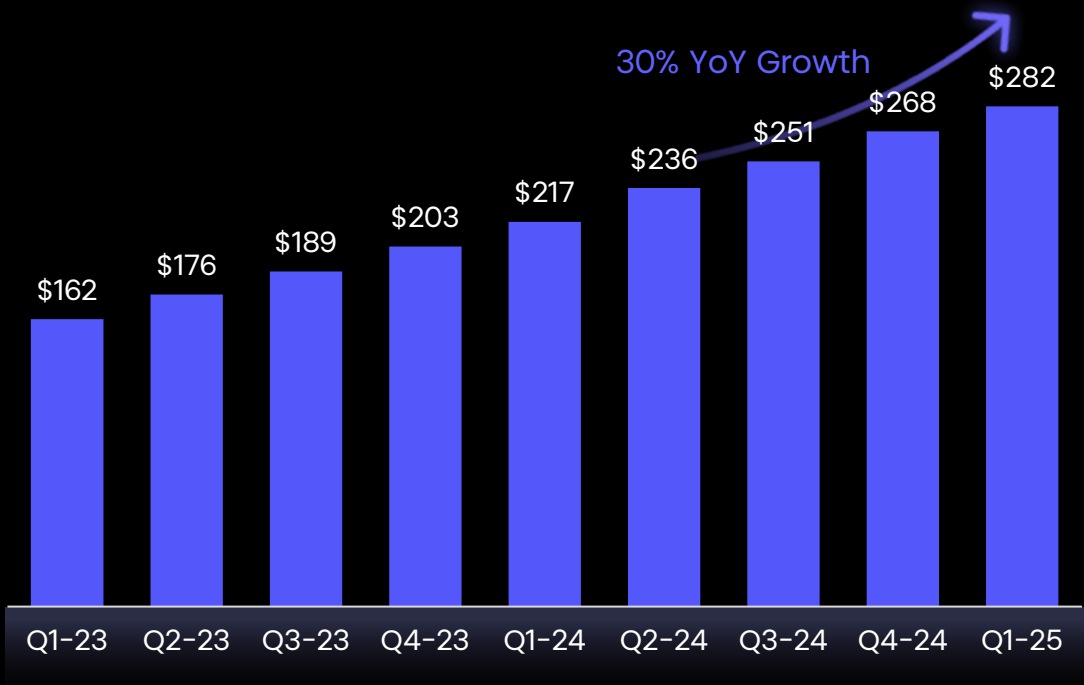
One of the **biggest opportunities** in software.

Financial overview and update

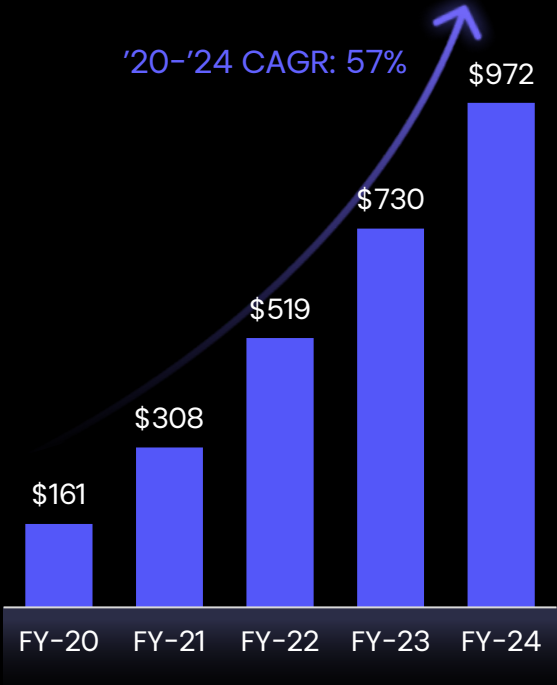
Consistent incremental revenue growth

\$ millions

Quarterly revenue

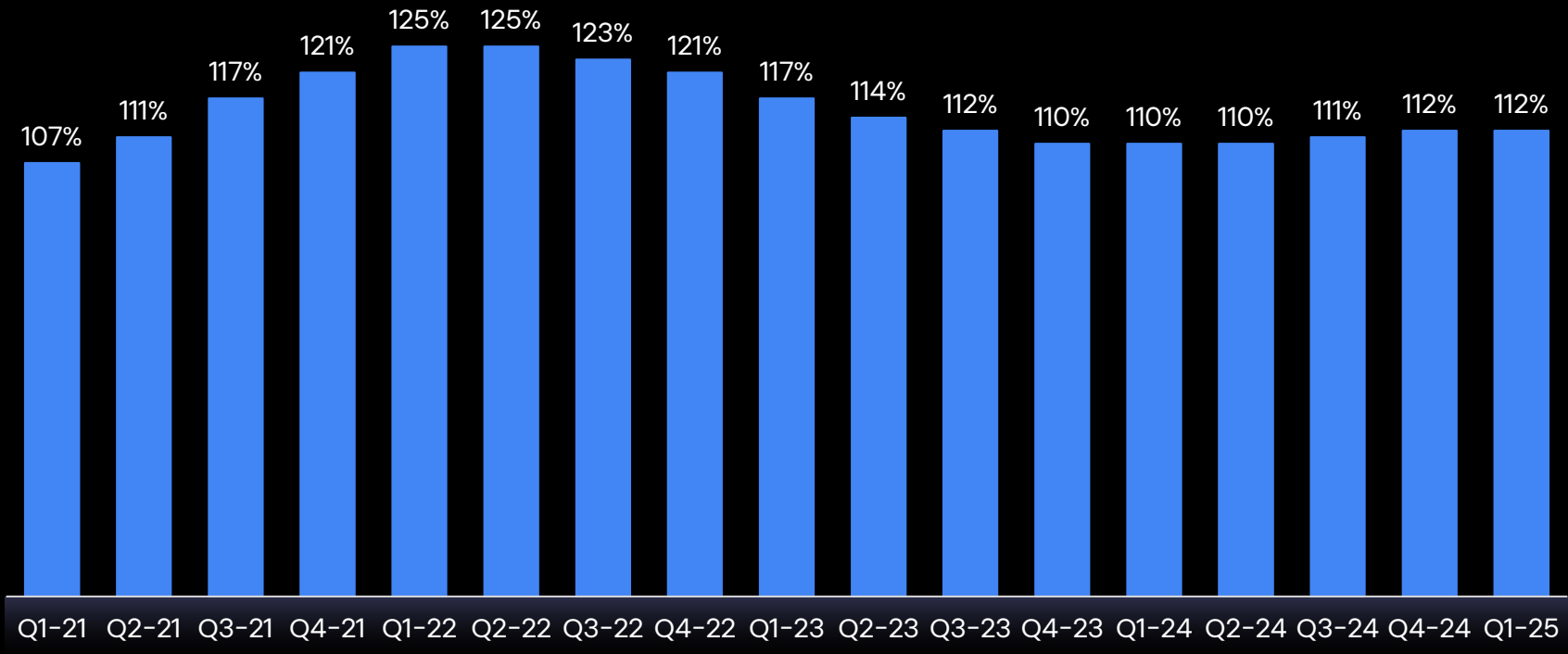


Annual revenue



Strong net dollar retention rate

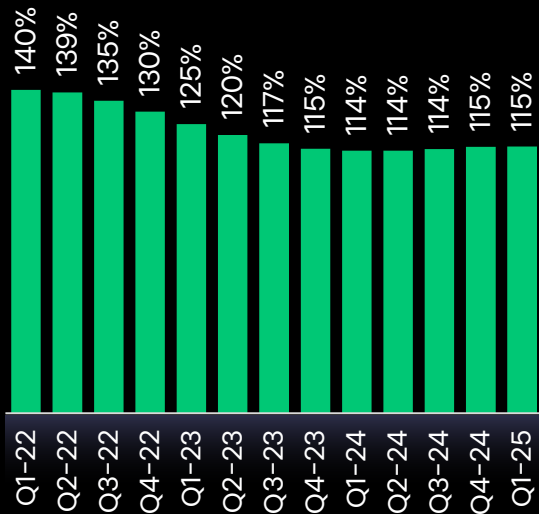
All customers



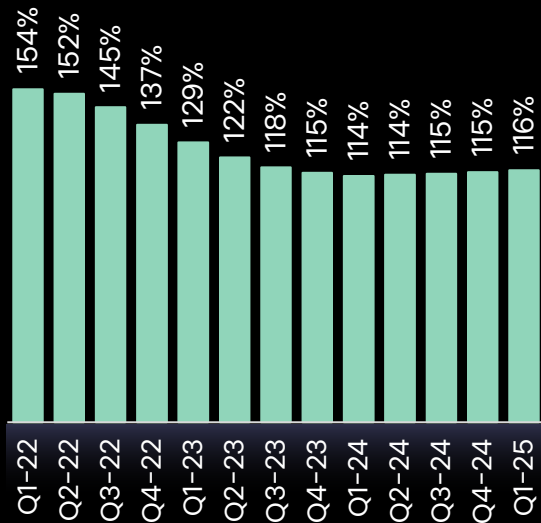
Note: for definition of net dollar retention rate, see Appendix
Note: data as of the end of each quarter

Strong net dollar retention rate

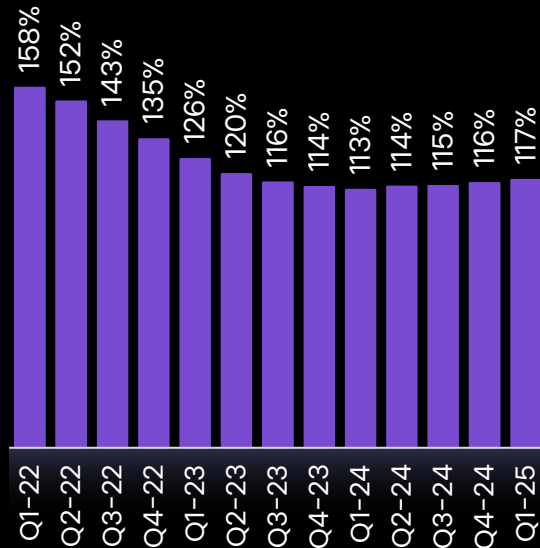
Customers with 10+ users



\$50k+ ARR customers



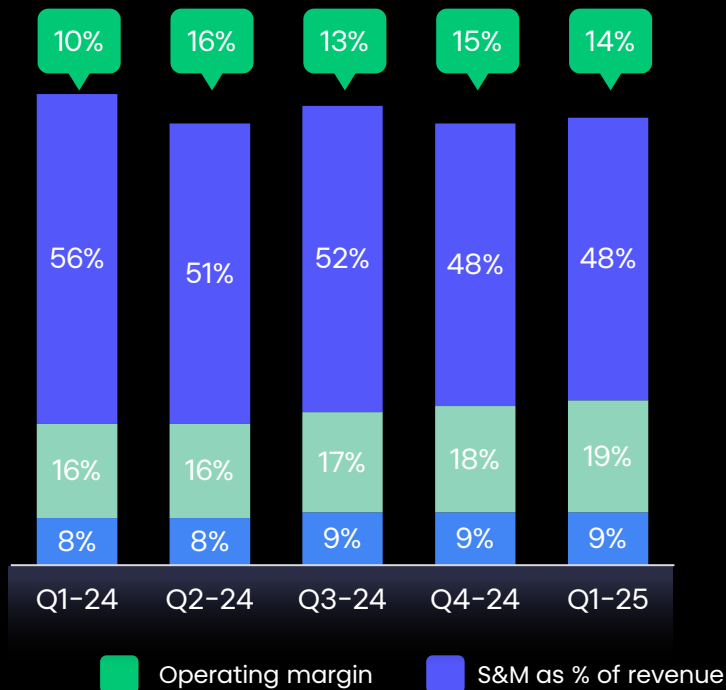
\$100k+ ARR customers



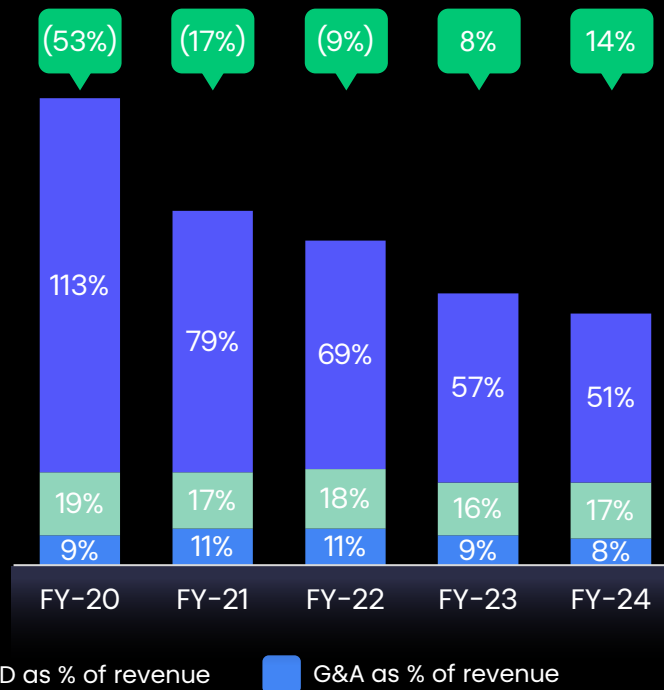
Note: for definition of net dollar retention rate, see Appendix
Note: data as of the end of each quarter

Driving operating leverage while investing in growth

Quarterly expenses as a % of revenue



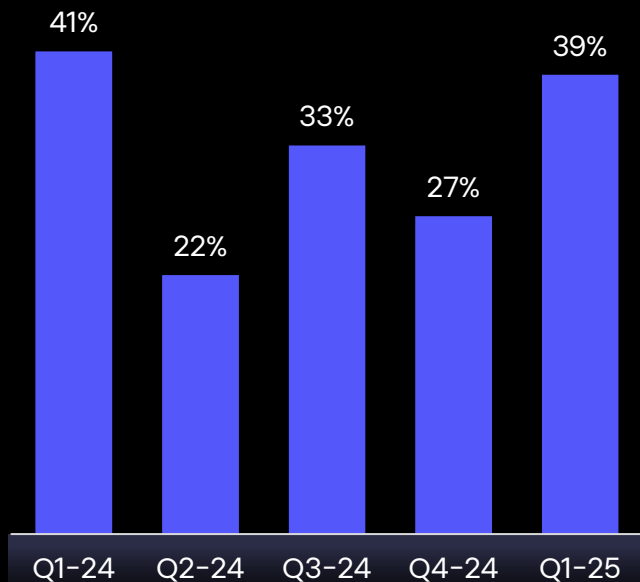
Annual expenses as a % of revenue



Note: non-GAAP financial measures, see Appendix

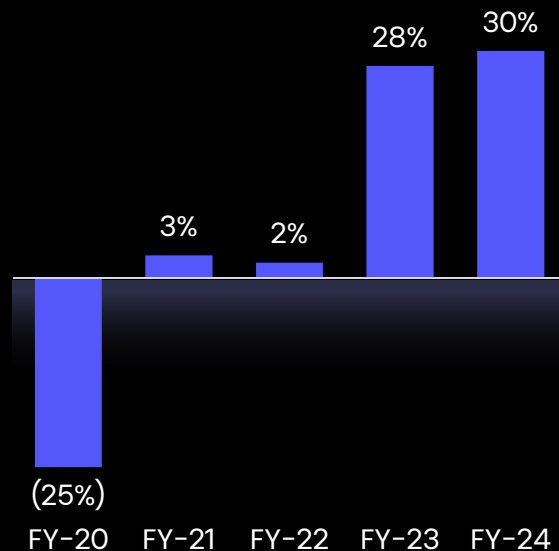
Maintaining strong cash efficiency

Quarterly adjusted free cash flow margin



Adjusted free cash flow amounts to: \$89.9M, \$50.8M, \$82.4M, \$72.7M, and \$109.5M for Q1-24, Q2-24, Q3-24, Q4-24, and Q1-25, respectively.

Annual adjusted free cash flow margin



Adjusted free cash flow amounts to: (\$40.7M), \$9.9M, \$8.1M, \$204.9M and \$295.8M for FY-20, FY-21, FY-22, FY-23 and FY-24, respectively.

Appendix

Supplementary materials

Definitions

(1) Annual recurring revenue (“ARR”) is defined to mean, as of a measurement date, the annualized value of our customer subscription plans assuming that any contract that expires during the next 12 months is renewed on its existing terms.

(2) We calculate Net Dollar Retention Rate as of a period end by starting with the ARR from customers as of the 12 months prior to such period end (“Prior Period ARR”). We then calculate the ARR from these customers as of the current period end (“Current Period ARR”). The calculation of Current Period ARR includes any upsells, contraction and attrition. We then divide the total Current Period ARR by the total Prior Period ARR to arrive at the net dollar retention rate. For the trailing 12-month calculation, we take a weighted average of this calculation of our quarterly Net Dollar Retention Rate for the four quarters ending with the most recent quarter.

(3) Free cash flow is defined as net cash provided by (used in) operating activities less cash used for purchases of property and equipment and capitalized software development costs.

(4) Adjusted free cash flow is defined as net cash provided by (used in) operating activities less cash used for purchases of property and equipment and capitalized software development costs, plus non-recurring expenditures, such as capital expenditures from the purchases of property and equipment associated with the build-out and expansion of our corporate headquarters.

Reconciliation of non-GAAP financial measures

Adjusted free cash flow

(\$ in millions)	FY-20	FY-21	FY-22	FY-23	FY-24
Net cash provided by (used in) operating activities	(37.2)	16.4	27.1	215.4	311.1
Purchase of PP&E	(4.4)	(11.6)	(16.0)	(7.9)	(13.2)
Capitalized software development costs	(1.1)	(2.2)	(3.0)	(2.6)	(2.1)
Purchase of property and equipment related to build-out and expansion of our corporate headquarters	2.0	7.3	-	-	-
Adjusted free cash flow	(40.7)	9.9	8.1	204.9	295.8
Adjusted free cash flow margin	(25%)	3%	2%	28%	30%

Reconciliation of non-GAAP financial measures

Adjusted free cash flow

(\$ in millions)	Q1-24	Q2-24	Q3-24	Q4-24	Q1-25
Net cash provided by operating activities	92.0	55.8	86.6	76.7	112.0
Purchase of PP&E	(1.5)	(4.5)	(3.8)	(3.4)	(3.7)
Capitalized software development costs	(0.6)	(0.5)	(0.4)	(0.6)	(0.8)
Purchase of property and equipment related to build-out and expansion of our corporate headquarters	-	-	-	-	2.0
Adjusted free cash flow	89.9	50.8	82.4	72.7	109.5
Adjusted free cash flow margin	41%	22%	33%	27%	39%

Reconciliation of non-GAAP financial measures

(\$ in thousands)	FY-20	FY-21	FY-22	FY-23	FY-24
Reconciliation of gross profit:					
GAAP gross profit	138,635	269,137	452,501	649,050	868,304
Add: Share-based compensation	2,720	7,681	10,406	6,307	6,603
Non-GAAP gross profit	141,355	276,818	462,907	655,357	874,907
Reconciliation of gross margin:					
GAAP gross margin	86%	87%	87%	89%	89%
Non-GAAP adjustments	2%	3%	2%	1%	1%
Non-GAAP gross margin	88%	90%	89%	90%	90%
Reconciliation of operating expenses:					
GAAP research and development	43,480	73,686	127,047	156,500	213,709
Less: Share-based compensation	12,142	21,779	32,957	38,737	50,995
Non-GAAP research and development	31,338	51,907	94,090	117,763	162,714
GAAP sales and marketing	191,353	268,083	392,068	438,402	533,539
Less: Share-based compensation	10,068	23,135	33,457	25,395	33,865
Non-GAAP sales and marketing	181,285	244,948	358,611	413,007	499,674

Reconciliation of non-GAAP financial measures

(\$ in thousands)	FY-20	FY-21	FY-22	FY-23	FY-24
Reconciliation of operating expenses (cont.):					
GAAP general and administrative	54,339	53,493	85,401	92,733	142,090
Less: Share-based compensation	39,415	20,934	28,100	29,747	37,746
Less: Charitable contribution to foundation	-	-	-	-	24,208
Non-GAAP general and administrative	14,924	32,559	57,301	62,986	80,136
Reconciliation of operating income (loss) and margin:					
GAAP operating loss	(150,537)	(126,125)	(152,015)	(38,585)	(21,034)
Add: Share-based compensation	64,345	73,529	104,920	100,186	129,209
Add: Charitable contribution to foundation	-	-	-	-	24,208
Non-GAAP operating income (loss)	(86,192)	(52,596)	(47,095)	61,601	132,383
GAAP operating margin	(93%)	(41%)	(29%)	(5%)	(2%)
Non-GAAP adjustments	40%	24%	20%	13%	16%
Non-GAAP operating margin	(53%)	(17%)	(9%)	8%	14%

Reconciliation of non-GAAP financial measures

(\$ in thousands)	Q1-24	Q2-24	Q3-24	Q4-24	Q1-25
Reconciliation of gross profit:					
GAAP gross profit	193,459	212,343	225,028	237,474	253,445
Add: Share-based compensation	1,244	1,872	1,881	1,606	1,134
Non-GAAP gross profit	194,703	214,215	226,909	239,080	254,579
Reconciliation of gross margin:					
GAAP gross margin	89%	90%	90%	89%	90%
Non-GAAP adjustments	1%	1%	0%	0%	0%
Non-GAAP gross margin	90%	91%	90%	89%	90%
Reconciliation of operating expenses:					
GAAP research and development	44,423	50,445	56,509	62,332	69,385
Less: Share-based compensation	9,626	13,567	13,536	14,266	15,541
Non-GAAP research and development	34,797	36,878	42,973	48,066	53,844
GAAP sales and marketing	128,141	131,471	140,284	133,643	141,720
Less: Share-based compensation	7,335	10,733	9,945	5,852	5,838
Non-GAAP sales and marketing	120,806	120,738	130,339	127,791	135,882

Reconciliation of non-GAAP financial measures

(\$ in thousands)	Q1-24	Q2-24	Q3-24	Q4-24	Q1-25
Reconciliation of operating expenses (cont.):					
GAAP general and administrative	25,917	28,633	55,637	31,903	32,544
Less: Share-based compensation	8,338	10,451	10,012	8,945	8,445
Less: Charitable contribution to foundation	-	-	24,208	-	-
Non-GAAP general and administrative	17,579	18,182	21,417	22,958	24,099
Reconciliation of operating income (loss) and margin:					
GAAP operating income (loss)	(5,022)	1,794	(27,402)	9,596	9,796
Add: Share-based compensation	26,543	36,623	35,374	30,669	30,958
Add: Charitable contribution to foundation	-	-	24,208	-	-
Non-GAAP operating income	21,521	38,417	32,180	40,265	40,754
GAAP operating margin	(2%)	1%	(11%)	4%	3%
Non-GAAP adjustments	12%	15%	24%	11%	11%
Non-GAAP operating margin	10%	16%	13%	15%	14%