

ICBG DATA SYSTEMS

Q2 Fiscal Year 2025 Financial Results

1: COVER & EXECUTIVE SUMMARY

****ICBG DATA SYSTEMS****

Ticker: ICBG (NASDAQ)

Report Date: August 25, 2024

Fiscal Period: Q2 FY2025 (Ended July 31, 2024)

Report Type: Quarterly Financial Results

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EXECUTIVE SUMMARY

ICBG Data Systems delivered strong Q2 results with 156% year-over-year revenue growth, demonstrating continued enterprise adoption of open data lakehouse architectures. The Company's commitment to openness and customer data ownership continues to resonate with enterprises seeking alternatives to proprietary platforms.

Key Financial Highlights:

- Total Revenue: \$87 million (up 156% YoY)
- Product Revenue: \$79 million (91% of total)
- Gross Margin: 62%
- Operating Loss: (\$12M) - improving toward profitability
- Total Customers: 847 (up from 512, +65% YoY)
- Net Revenue Retention: 138%

Business Highlights:

- Added 335 net new customers in Q2
- Average contract value increased 28% to \$112K
- Managed service tier now represents 42% of revenue
- \$285M cash position provides 34-month runway
- Strong partnerships with DFLX, STRM, VLTA, CTLG

Market Position:

Leading commercial distribution of Apache Iceberg, winning enterprises that prioritize data ownership and avoiding vendor lock-in.

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2: CONSOLIDATED STATEMENT OF OPERATIONS

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CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

(In millions, except per share data)

	Q2 FY2025	Q2 FY2024	Q1 FY2025	6 Months FY2025	6 Months FY2024
REVENUE:					
Product revenue	\$79.0	\$30.5	\$72.5	\$151.5	\$57.2
Professional services revenue	\$8.0	\$3.5	\$7.2	\$15.2	\$6.5
Total revenue	\$87.0	\$34.0	\$79.7	\$166.7	\$63.7
COST OF REVENUE:					
Cost of product revenue	\$28.5	\$12.8	\$26.2	\$54.7	\$24.2
Cost of professional services	\$4.6	\$1.5	\$4.1	\$8.7	\$2.8
Total cost of revenue	\$33.1	\$14.3	\$30.3	\$63.4	\$27.0
Gross profit	\$53.9	\$19.7	\$49.4	\$103.3	\$36.7
Gross margin %	62.0%	57.9%	62.0%	62.0%	57.6%
OPERATING EXPENSES:					
Research and development	\$32.0	\$18.5	\$29.5	\$61.5	\$34.8
Sales and marketing	\$26.5	\$14.2	\$24.8	\$51.3	\$26.5
General and administrative	\$7.4	\$5.5	\$6.9	\$14.3	\$10.2
Total operating expenses	\$65.9	\$38.2	\$61.2	\$127.1	\$71.5
Operating loss	(\$12.0)	(\$18.5)	(\$11.8)	(\$23.8)	(\$34.8)
Operating margin %	(13.8%)	(54.4%)	(14.8%)	(14.3%)	(54.6%)
OTHER INCOME (EXPENSE):					
Interest income	\$2.1	\$1.2	\$2.0	\$4.1	\$2.3
Other income (expense), net	(\$0.3)	(\$0.1)	(\$0.2)	(\$0.5)	(\$0.2)
Total other income, net	\$1.8	\$1.1	\$1.8	\$3.6	\$2.1
Loss before income taxes	(\$10.2)	(\$17.4)	(\$10.0)	(\$20.2)	(\$32.7)
Benefit from income taxes	\$4.0	\$2.7	\$3.8	\$7.8	\$5.2
Net loss	(\$14.2)	(\$20.1)	(\$13.8)	(\$28.0)	(\$37.9)
Net loss per share:					
Basic and Diluted	(\$0.15)	(\$0.24)	(\$0.15)	(\$0.30)	(\$0.46)

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3: REVENUE ANALYSIS & CUSTOMER METRICS

REVENUE BY DEPLOYMENT MODEL

	Q2 FY2025	% Total	Q2 FY2024	% Total	YoY Growth
ICBG Managed Service	\$36.5	42.0%	\$8.5	25.0%	+329.4%
Customer Self-Managed	\$41.8	48.0%	\$20.4	60.0%	+104.9%
Enterprise Support	\$8.7	10.0%	\$5.1	15.0%	+70.6%
Total revenue	\$87.0	100.0%	\$34.0	100.0%	+155.9%

KEY OPERATING METRICS

	Q2 FY2025	Q1 FY2025	Q4 FY2024	Q3 FY2024	Q2 FY2024
Total customers	847	745	682	615	512
Customers with \$100K+ ARR	267	245	220	185	142
Net revenue retention rate	138%	135%	132%	128%	124%
Average contract value (\$000s)	\$112	\$108	\$102	\$95	\$87
Gross revenue retention	92%	92%	91%	91%	90%

CUSTOMER ACQUISITION & EXPANSION

	Q2 FY2025	Q2 FY2024	QoQ Change	YoY Change
New customers added	335	142	+102	+193
Customer churn	(28)	(18)	(10)	(10)
Churned customers reactivated	5	2	+3	+3
Net customer adds	312	126	+95	+186
New customer ACV (\$000s)	\$78	\$65	+\$13	+\$13
Expansion ACV (\$000s)	\$145	\$118	+\$27	+\$27
Customer lifetime value (LTV) (\$000s)	\$892	\$745	+\$147	+\$147
Customer acquisition cost (CAC) (\$000s)	\$42	\$48	(\$6)	(\$6)
LTV / CAC ratio	21.2x	15.5x	+5.7x	+5.7x
Payback period (months)	14	18	(4)	(4)

OPERATING EXPENSES BREAKDOWN

	Q2 FY2025	% Revenue	Q2 FY2024	% Revenue	YoY Change
RESEARCH & DEVELOPMENT:					
Employee compensation	\$21.5	24.7%	\$12.2	35.9%	+76.2%
Cloud infrastructure	\$5.8	6.7%	\$3.5	10.3%	+65.7%
Third-party services	\$3.2	3.7%	\$1.8	5.3%	+77.8%

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4: CONSOLIDATED BALANCE SHEETS

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CONSOLIDATED BALANCE SHEETS

(In millions)

	July 31, 2024	April 30, 2024	July 31, 2023
ASSETS			
Current assets:			
Cash and cash equivalents	\$285.2	\$292.5	\$198.4
Short-term investments	\$0.0	\$0.0	\$0.0
Accounts receivable, net	\$42.3	\$38.2	\$18.5
Prepaid expenses and other	\$17.8	\$15.5	\$10.2
Total current assets	\$345.3	\$346.2	\$227.1
Property and equipment, net	\$32.5	\$30.8	\$22.4
Operating lease right-of-use assets	\$18.5	\$19.2	\$15.8
Intangible assets, net	\$12.8	\$13.5	\$16.2
Other assets	\$2.9	\$2.5	\$1.8
Total assets	\$412.0	\$412.2	\$283.3
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	\$12.5	\$11.2	\$7.8
Accrued expenses	\$18.2	\$16.5	\$10.5
Operating lease liabilities, current	\$4.2	\$4.0	\$3.2
Deferred revenue, current	\$54.5	\$50.8	\$32.8
Total current liabilities	\$89.4	\$82.5	\$54.3
Operating lease liabilities, noncurrent	\$15.8	\$16.5	\$13.5
Deferred revenue, noncurrent	\$13.5	\$12.8	\$8.5
Other liabilities	\$3.3	\$3.0	\$2.2
Total liabilities	\$122.0	\$114.8	\$78.5
Stockholders' equity:			
Common stock, \$0.0001 par value	\$0.0	\$0.0	\$0.0
Additional paid-in capital	\$348.5	\$338.2	\$268.5
Accumulated deficit	(\$58.5)	(\$40.8)	(\$63.7)
Total stockholders' equity	\$290.0	\$297.4	\$204.8

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5: CASH FLOW STATEMENT

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CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In millions)

	Q2 FY2025	Q2 FY2024	6 Months FY2025	6 Months FY2024
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net loss	(\$14.2)	(\$20.1)	(\$28.0)	(\$37.9)
Adjustments to reconcile net loss to cash from operations:				
Depreciation and amortization	\$3.8	\$2.5	\$7.5	\$4.8
Stock-based compensation	\$10.3	\$8.2	\$19.8	\$15.5
Other non-cash items	\$1.2	\$0.8	\$2.3	\$1.5
Changes in operating assets and liabilities:				
Accounts receivable	(\$4.1)	(\$5.2)	(\$23.8)	(\$9.5)
Prepaid expenses and other assets	(\$2.3)	(\$1.5)	(\$4.6)	(\$2.8)
Accounts payable	\$1.3	\$0.8	\$1.3	\$1.5
Accrued expenses	\$1.7	\$1.2	\$3.4	\$2.2
Deferred revenue	\$3.7	\$2.5	\$17.1	\$8.5
Net cash provided by (used in) operating activities	\$1.4	(\$10.8)	(\$5.0)	(\$16.2)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of property and equipment	(\$2.5)	(\$1.8)	(\$4.8)	(\$3.2)
Capitalized software development	(\$0.8)	(\$0.5)	(\$1.5)	(\$0.9)
Other investing activities	(\$0.2)	(\$0.1)	(\$0.3)	(\$0.2)
Net cash used in investing activities	(\$3.5)	(\$2.4)	(\$6.6)	(\$4.3)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from issuance of common stock	\$0.0	\$0.0	\$0.0	\$150.0
Proceeds from exercise of stock options	\$1.8	\$1.2	\$3.5	\$2.5
Taxes paid related to net share settlement	(\$0.5)	(\$0.3)	(\$0.9)	(\$0.6)
Net cash provided by financing activities	\$1.3	\$0.9	\$2.6	\$151.9
Effect of exchange rate changes	(\$0.5)	(\$0.3)	(\$0.8)	(\$0.5)
Net increase (decrease) in cash	(\$1.3)	(\$12.6)	(\$9.8)	\$130.9
Cash and cash equivalents, beginning	\$286.5	\$211.0	\$295.0	\$67.5

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6: PARTNERSHIP ECOSYSTEM & WIN RATES

PARTNER REVENUE ATTRIBUTION

	Q2 FY2025	% New Customers	Avg Deal Size
BI PARTNERS:			
DFLX (DataFlex Analytics)	\$ 8 . 5M	18%	\$125K
Other BI tools	\$ 3 . 2M	7%	\$98K
Total BI partnerships	\$11.7M	25%	\$115K
DATA INTEGRATION:			
STRM (StreamPipe Systems)	\$ 6 . 8M	12%	\$142K
Other ingestion tools	\$ 2 . 5M	5%	\$108K
Total integration partnerships	\$9.3M	17%	\$132K
ML/AI PLATFORMS:			
VLTA (Voltaic AI)	\$ 4 . 2M	8%	\$185K
Other ML platforms	\$ 1 . 8M	4%	\$152K
Total ML partnerships	\$6.0M	12%	\$175K
GOVERNANCE:			
CTLG (CatalogX)	\$ 3 . 5M	7%	\$128K
Total governance	\$3.5M	7%	\$128K
DIRECT (No partner)	\$ 5 6 . 5M	39%	\$105K
TOTAL REVENUE	\$87.0M	100%	\$112K

COMPETITIVE WIN RATES

	ICBG Win Rate	Notes
vs. Snowflake (SNOW)	28%	Win on openness, data ownership; lose on simplicity
vs. Querybase (QRYQ)	42%	Win on true openness; lose on managed simplicity
vs. AWS Glue/Athena	38%	Win on multi-cloud; lose on AWS integration
vs. Databricks	35%	Win on Iceberg vs Delta; close competition
vs. DIY (Spark/Presto)	68%	Win on managed service; compete on cost

WIN/LOSS ANALYSIS

	Wins	Losses	Win Rate	Top Win Reasons
By Deal Size:				
\$50K-\$100K	142	98	59%	Cost, openness, ease of use

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7: GUIDANCE & OUTLOOK

FINANCIAL GUIDANCE

Q3 FY2025 Guidance (Quarter Ending October 31, 2024)

	Low End	High End	YoY Growth (Midpoint)
Total revenue	\$95.0M	\$102.0M	137%
Product revenue	\$87.0M	\$93.0M	142%
Gross margin	62%	64%	—
Operating loss	(\$10.0M)	(\$8.0M)	Improving
Net customer adds	280	320	—

Full Year FY2025 Guidance

	Low End	High End	YoY Growth (Midpoint)
Total revenue	\$350.0M	\$365.0M	145%
Product revenue	\$320.0M	\$334.0M	148%
Gross margin	62%	64%	—
Operating loss	(\$40.0M)	(\$35.0M)	Improving
Path to profitability: Adj. EBITDA breakeven H2 FY2026			

LONG-TERM FINANCIAL MODEL (3-Year Outlook)

	FY2025E	FY2026E	FY2027E
Revenue	\$357M	\$580M	\$900M
Revenue growth	145%	62%	55%
Gross margin	63%	66%	68%
Operating margin	(11%)	2%	12%
Adj. EBITDA margin	(8%)	5%	15%
Free cash flow margin	(7%)	6%	16%
Rule of 40 score	134	68	70

STRATEGIC PRIORITIES

1. **Accelerate Managed Service Adoption**

- Target: 50% of revenue by Q4 FY2025 (currently 42%)
- Reduces operational burden, improves retention
- Higher gross margins (68% vs. 58% for self-managed)

2. **Expand Partner Ecosystem**

- Goal: 50% of new customers via partners (currently 61%)
- Reduces CAC by 35-40% vs. direct sales
- Deepening DFLX, STRM, VLTA, CTLG integrations

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8: DISCLAIMERS & COMPANY INFORMATION

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements regarding financial guidance, market opportunities, competitive positioning, and path to profitability. These statements involve risks and uncertainties that could cause actual results to differ materially.

Key Risk Factors:

- Intense competition from Snowflake, Querybase, and cloud hyperscalers
- Open-source Iceberg adoption could reduce need for commercial solutions
- Customer reluctance to adopt "managed open source" model
- Our ability to scale while maintaining operational excellence
- Challenges in achieving profitability while growing rapidly
- Dependency on Apache Iceberg community and project direction
- Partner ecosystem risks and channel conflict
- Macroeconomic conditions affecting enterprise IT spending

NON-GAAP FINANCIAL MEASURES

This report includes non-GAAP measures excluding stock-based compensation and certain non-recurring items. Management believes these provide useful information about operating performance. Reconciliations are provided in this report.

ABOUT ICBG DATA SYSTEMS

ICBG Data Systems is the leading commercial distribution of Apache Iceberg, providing both managed service and self-managed deployment options. The Company enables enterprises to build open data lakehouses without vendor lock-in, offering the flexibility of open standards with enterprise-grade reliability.

Headquarters: San Francisco, California

Founded: 2021

Employees: 425 (as of July 31, 2024)

Stock Exchange: NASDAQ (ICBG)

Fiscal Year End: January 31

Core Technology: Apache Iceberg open table format

Deployment Models: Managed service, self-managed, enterprise support

INVESTOR CONTACT INFORMATION

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Next Earnings Date:

November 25, 2024 (Q3 FY2025 Results)

****END OF REPORT****

