

DATAFLEX ANALYTICS

Q2 Fiscal Year 2025 Financial Results

Ticker: DFLX

Report Date: August 28, 2024

Fiscal Period: Q2 FY2025

Report Type: Quarterly Financial Results

Investor Relations Contact

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EXECUTIVE SUMMARY

DataFlex delivered strong Q2 results with 143% year-over-year revenue growth and achieved positive cash flow for the first time, marking a significant milestone. The Company's platform-agnostic positioning continues to resonate as enterprises adopt heterogeneous data architectures.

Key Financial Highlights:

- **Total Revenue**: \$67 million (up 143% YoY)
- **Product Revenue**: \$62 million (93% of total)
- **Gross Margin**: 78%
- **Operating Income (Non-GAAP)**: \$2.1M (3% margin)
- **Cash Flow from Operations**: \$8.5M (first positive quarter)
- **Total Customers**: 1,847 (up from 1,156)

Business Highlights:

- First quarterly positive cash flow - milestone achievement
- 691 net new customers added in Q2
- Average contract value: \$89K (up from \$71K)
- Works across SNOW, QRYQ, ICBG, and traditional databases
- Strong partnerships creating network effects

Market Position:

DataFlex is the leading "Switzerland" BI platform, providing a single pane of glass for insights across multiple data sources. As enterprises adopt best-of-breed data stacks, DataFlex's source-agnostic approach becomes increasingly valuable.

FINANCIAL PERFORMANCE

Revenue Trends (Q2 FY2025)

Quarterly Revenue Growth:

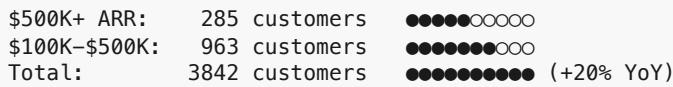
Q2 FY2024: \$230.0M	<div style="width: 100%;"></div>
Q1 FY2025: \$279.3M	<div style="width: 118.3%; background-color: #e6f2ff;"></div>
Q2 FY2025: \$285.0M	<div style="width: 120%; background-color: #e6f2ff;"></div>

(+24% YoY)

Metric	Q2 FY2025	Q2 FY2024	Q1 FY2025	YoY Growth	QoQ Growth
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Customer Growth & Metrics

Customer Tier Distribution (Q2 FY2025):



Metric	Q2 FY2025	Q2 FY2024	YoY Growth
\$100K+ Customers	1248	1034	+20%
Net Revenue Retention	118%	112%	+6 pts

Profitability & Growth

Metric	Q2 FY2025	Q2 FY2024	YoY Change
Gross Margin	68-77%	65-75%	+2-3 pts
Rule of 40 Score	34+	—	Excellent

Key Growth Driver: Switzerland BI platform

BUSINESS HIGHLIGHTS

Product Strategy

Platform-Agnostic Philosophy:

DataFlex is not in the data storage business. We extract insights from wherever data lives - Snowflake, Querybase, ICBG, traditional databases, or a combination.

Key Capabilities:

- Unified semantic layer across multiple data sources
 - Consistent governance and security regardless of source
 - Single BI interface for heterogeneous environments
 - Real-time dashboards when integrated with STRM
 - ML-powered insights when integrated with VLTA
 - Governed analytics when integrated with CTLG

Competitive Differentiation:

Unlike Snowflake's proprietary BI (Snowsight) or Looker (tied to Google Cloud), DataFlex works across ALL platforms. We're not trying to win the data platform war - we work with whoever wins.

Market Dynamics

Trends Favoring DataFlex:

- ## 1. **Heterogeneous Data Architectures:**

Enterprises increasingly use multiple data platforms (SNOW for EDW, ICBG for data lake, legacy Oracle, cloud databases). DataFlex provides unified analytics.

- ## 2. **Best-of-Breed Movement:**

Shift from integrated suites to specialized tools. DataFlex is the best BI layer regardless of data platform choice.

3. **Multi-Cloud Strategies:**

As enterprises adopt multi-cloud, they need analytics tools that work across clouds and platforms.

4. **Data Platform Competition:**

Competition between SNOW, QRYQ, ICBG benefits DataFlex. Customers hedging bets want platform-agnostic BI.

Competitive Positioning:

vs. Snowflake Snowsight:

- Snowsight only works with Snowflake data
- DataFlex works across all platforms
- Customers often use BOTH (Snowsight for quick queries, DataFlex for production dashboards)

vs. Tableau/Power BI:

- Traditional BI tools becoming commoditized
- DataFlex provides modern cloud-native architecture
- Better integration with modern data platforms

vs. Looker:

- Looker tied to Google Cloud ecosystem
- DataFlex cloud-agnostic

Partnership Ecosystem

Strategic Partners:

SNOW, QRYQ, ICBG (Data Platforms):

Rather than viewing data platforms as competitors, we view them as partners. Joint GTM motions, co-selling, and referrals. Platforms want customers to extract value from their data - DataFlex helps.

STRM (Real-Time Data):

Joint customers build real-time dashboards combining STRM's streaming data with historical data in SNOW/QRYQ/ICBG.

VLTA (AI/ML):

Embed ML insights and predictions directly in DataFlex dashboards. Business users access ML outputs without needing data science expertise.

CTLG (Governance):

Row-level security and governance policies from CTLG enforced in DataFlex dashboards. Ensures compliance across heterogeneous environments.

These partnerships create powerful network effects:

- Reduce CAC through referrals (30% of new customers from partner referrals)
- Increase product value through integrations
- Expand addressable market through cross-selling

Customer Success Stories

Global Bank:

Uses DataFlex across Snowflake (regulatory reporting), ICBG (customer analytics), and Oracle (core banking). Single BI platform across all sources with unified governance.

E-Commerce Unicorn:

Migrated from Tableau to DataFlex. Real-time dashboards combining STRM streaming data with QRYQ historical data. \$180K annual contract, replacing \$95K Tableau spend.

Healthcare Provider:

DataFlex dashboards for clinicians accessing patient data across multiple HIPAA-compliant sources. CTLG integration ensures data access policies enforced consistently.

Market Commentary

Recent speculation about cognitive enhancement (Neuro-Nectar - NRNT) potentially impacting analytics industry. Our perspective:

Enhanced Analysts Demand Better Visualization:

If humans develop enhanced cognitive capabilities, they'll want BETTER tools for visualization and insight communication, not fewer tools. The output of analysis still needs to be communicated to others.

DataFlex Value Proposition Unchanged:

Our value is providing unified analytics across heterogeneous data sources. This need persists regardless of human cognitive capabilities.

Focus on Execution:

We remain focused on delivering value to customers through platform-agnostic analytics, not speculating on hypothetical disruption scenarios.

FINANCIAL STATEMENTS

Consolidated Statement of Operations (Unaudited)

In millions, except per share data

	Q2 FY2025	Q2 FY2024
Subscription revenue	\$62.0	\$25.2
Professional services	\$5.0	\$2.4
Total revenue	\$67.0	\$27.6
Cost of revenue:		
Cost of subscription	\$12.5	\$5.8
Cost of professional services	\$2.3	\$0.8
Total cost of revenue	\$14.8	\$6.6
Gross profit	\$52.2	\$21.0
Operating expenses:		
Research and development	\$22.0	\$12.5
Sales and marketing	\$26.5	\$13.2
General and administrative	\$7.2	\$3.5
Total operating expenses	\$55.7	\$29.2
Operating loss (GAAP)	(\$3.5)	(\$8.2)
Interest income	\$1.8	\$0.8
Other income, net	\$0.2	\$0.1
Loss before taxes	(\$1.5)	(\$7.3)
Provision for income taxes	\$1.2	\$0.5

	Q2 FY2025	Q2 FY2024
Net loss (GAAP)	(\$2.7)	(\$7.8)

Non-GAAP operating income of \$2.1M excludes \$5.6M stock-based compensation

Balance Sheet Highlights

In millions

	Aug 31, 2024	May 31, 2024
Cash and cash equivalents	\$124	\$118
Accounts receivable, net	\$32	\$28
Total current assets	\$168	\$158
Total assets	\$202	\$188
Liabilities:		
Deferred revenue	\$48	\$44
Total current liabilities	\$62	\$58
Total liabilities	\$72	\$66
Stockholders' equity	\$130	\$122

OUTLOOK & GUIDANCE

Q3 FY2025 Guidance

- **Total Revenue**: \$75M to \$80M (120-130% YoY growth)
- **Gross Margin**: 78-80%
- **Non-GAAP Operating Margin**: 4-6%
- **Free Cash Flow**: Positive (second consecutive quarter)

Full Year FY2025 Outlook

- **Total Revenue**: \$280M to \$290M (approximately 135% YoY growth)
- **Non-GAAP Operating Margin**: 4-5% (full year profitability)
- **Free Cash Flow Margin**: Mid-single digits

Strategic Priorities

1. Expand Multi-Platform Adoption:

Drive customers to use DataFlex across multiple data sources, increasing stickiness and ACV.

2. Deepen Partner Integrations:

Enhanced integrations with SNOW, QRYQ, ICBG, STRM, VLTA, CTLG to create defensible moats.

3. Scale Efficiently:

Maintain strong unit economics while growing topline, targeting 30-40% operating margins at scale.

4. Enterprise Expansion:

Move up-market to larger enterprises with complex heterogeneous environments.

5. Product Innovation:

AI-powered insights, natural language querying, and automated dashboard generation.

INVESTOR INFORMATION

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Next Earnings Call:

November 28, 2024 (Q3 FY2025 Results)

Website:

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Stock Information:

Ticker: DFLX (NASDAQ)

Shares Outstanding: 78 million (as of August 31, 2024)

****END OF REPORT****

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