monday.com

Q3 | 2026

Shareholder Letter



Financial highlights

Third quarter 2026 key results

Revenue
$377.5M
19% Y/Y Growth

Gross margin
88%
NON-GAAP

Customers $50k+ ARR*
5,038
26% Y/Y Growth

Net dollar retention rate (NDR)*
108%
for all customers

Operating margin
24%
NON-GAAP

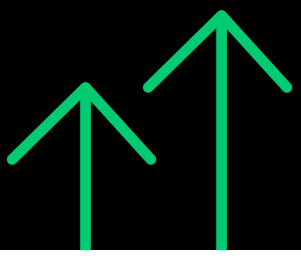
Adjusted free cash flow margin
17%
NON-GAAP

Financial outlook

Q4 FY 2026

Revenue
$380M - $382M
~14% Y/Y growth

Operating income (Non-GAAP)
$68M - $70M
~18% margin



FY 2026

Revenue
$1,473M - $1,475M
~20% Y/Y growth

Operating income (Non-GAAP)
$268M - $270M
~18% margin

Adj. free cash flow
$282M - $288M
19% - 20% margin

*Metrics as of the end of the quarter ended September 30, 2026

From the CEOs

Fellow shareholders,

We recently wrapped up another successful Elevate user conference in New York City, with a record number of attendees. It was a strong reminder of how engaged our customers and partners are as we move into the next phase of the company.

That engagement extends well beyond the conference. In Q3, we saw our **largest customer deployment expand to over 87,000 seats,** a sign of the trust large enterprises place in our platform. We were also proud to see monday work management **recognized as a Leader in the Gartner Magic Quadrant for Collaborative Work Management.**





Against that backdrop, our third quarter results showed the strength of our foundation. **Revenue was $378 million, up 19% year-over-year,** and we delivered record non-GAAP operating income of $89 million, with a **record 24% non-GAAP operating margin.** At the same time, we're navigating broader market headwinds. These contributed to some moderation in our growth rate, net dollar retention, and net additions this quarter.

We're also in the middle of a major transition as a business, shifting our core vision from managing work to doing the work, with people and AI agents operating together. A transition of this scale takes time, and it brings some near-term friction into our results. But we are confident this is the right strategy. We're executing with urgency and we're excited about the opportunity ahead.

AI adoption continues to build

AI is becoming a real part of our business. AI ARR reached $36 million at the end of the quarter, led by the growing use of AI credits. That growth reflects customers moving beyond experimentation and paying for AI as part of how they work.

$36M
AI ARR - Q3 FY'26

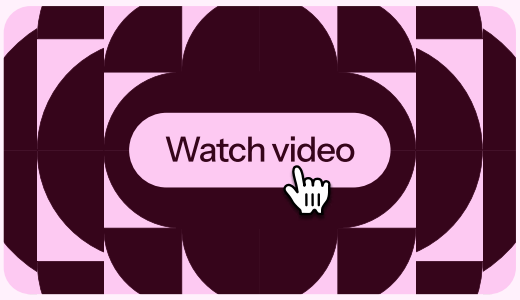
Customers are also putting our agents to work. **monday agents surpassed 6 million agent interactions in less than two quarters,** a sign that they are being used in real workflows every day.

This momentum is why we are investing so heavily in AI across the company. It shapes how we build our products, how we serve our customers and how we operate. We are encouraged by the early traction, and we see significant opportunity as more customers adopt AI across their organizations.

Introducing Harmony, a voice AI agent platform

Harmony

We recently launched Harmony, a voice AI agent platform built by monday.com for enterprise sales teams. For companies whose growth depends on speaking with customers, there have always been more conversations worth having than hours to have them. Leads go quiet, follow-ups slip, and renewals wait for a call that comes too late. Generic AI tools can handle routine calls, but enterprises need agents that are controllable, predictable and debuggable.



Harmony pairs voice technology we acquired from OneAI with proprietary, task-specific small language models. Each model is dedicated to a single function, such as qualifying leads, capturing data or handling objections. Because the models are compact and run largely on Harmony's own infrastructure, they deliver approximately 200 milliseconds of audio-in to audio-out latency, which helps conversations feel natural.

We are excited about bringing AI agents to the conversations that matter most to our customers.

A new service organization to transform businesses with AI

monday Frontier

At Elevate 2026, we launched monday Frontier, a new service organization built to help customers transform their businesses with AI. Frontier is staffed by **forward deployed engineers (FDEs) who partner directly with customers** to identify where AI can have the greatest impact on core business processes, build the solution, implement it, and continuously monitor it over time.

Beyond tailored FDE implementations, Frontier offers **multiple tiers of support,** including professional services, webinars, one-on-one enablement, and more. Frontier gives customers a clear, hands-on path to put AI to work in their businesses.

Building on our foundation

As we look ahead, we are building on a strong foundation that includes a profitable business, a growing base of large enterprise customers, and a platform that teams rely on every day. Our customer relationships continue to deepen, and with monday Frontier, we believe we are now better positioned to partner with them on their AI transformation.

We are executing with focus and urgency. With a clear AI-first strategy and a team aligned behind it, we are confident in the path ahead for monday.com.

Best,
Roy and Eran

The AI workspace for teams

AI Momentum is Building

The clearest evidence that our strategy is working is what we're seeing in AI adoption. AI ARR reached **$36 million in Q3**, and usage continues to expand. The pace of growth tells us customers are actively choosing our AI capabilities, not simply inheriting them.

Behind that number is broad-based, growing usage across our AI suite. Customers are automating workflows with monday Agents, accelerating execution with AI-powered blocks, getting real-time help from monday Sidekick, and reclaiming time in meetings with monday Notetaker. These aren't pilots. Real teams use these tools at scale every day, and AI is becoming a core part of how our customers work.

monday agents
6M+
Agent interactions

monday blocks
122M+
AI blocks actions

monday sidekick
4.7M+
Conversations

monday notetaker
375K+
Notetaker hours

*Based on data at the end of Q3 since the product feature launch

monday Frontier

Transforming businesses with AI

monday Frontier pairs our product expertise with hands-on guidance, so businesses can get from AI ambition to measurable results faster. Instead of figuring it out alone, users work with a dedicated team that helps them identify where AI can make the biggest impact, put it into practice, and scale what works across the organization.

Multiple tiers of support:

- Tailored FDE implementations
- Professional services
- Webinars
- 1-on-1 enablement
- Elevate Labs
- Partner network

Harmony

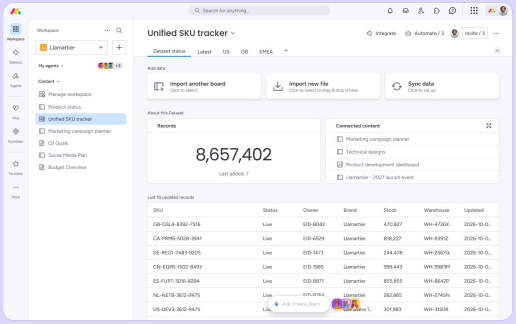
Voice AI built to Sell

Harmony turns every inbound inquiry and outbound follow-up into a live conversation, at any hour and in any volume. Because it responds in near-real time, prospects aren't left waiting and opportunities don't go cold. Users are freed from repetitive first-touch work, so they can spend their time on the conversations where their expertise matters most.

Most voice agents plateau.
Yours shouldn't.

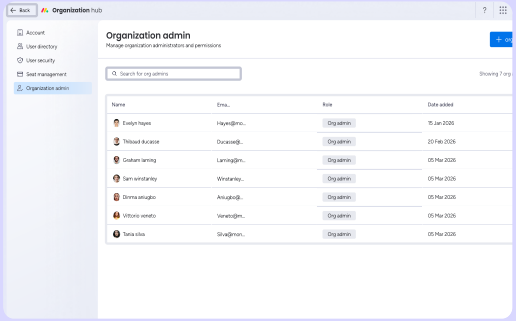
Harmony

The future of work is being built now



100x the Board Capacity with Datasets

Built on mondayDB, a dataset can hold up to 10 million items - 100x larger than our board capacity - in a single place. Datasets are built for teams that need a single source of truth at a large scale for their most critical information, such as leads, contacts, tickets, and timesheets, without splitting data across multiple boards or needing to leverage external databases.



Cross-Account Management with Organization Hub

Organization Hub is a single control panel where users can oversee every account, manage users, and control AI spend. Admins can govern across the AI workspace, CRM, and Service from one place, and see each account's plans, products, region, admins, and user counts at a glance.

4th year in a row

monday.com recognized as

a Leader

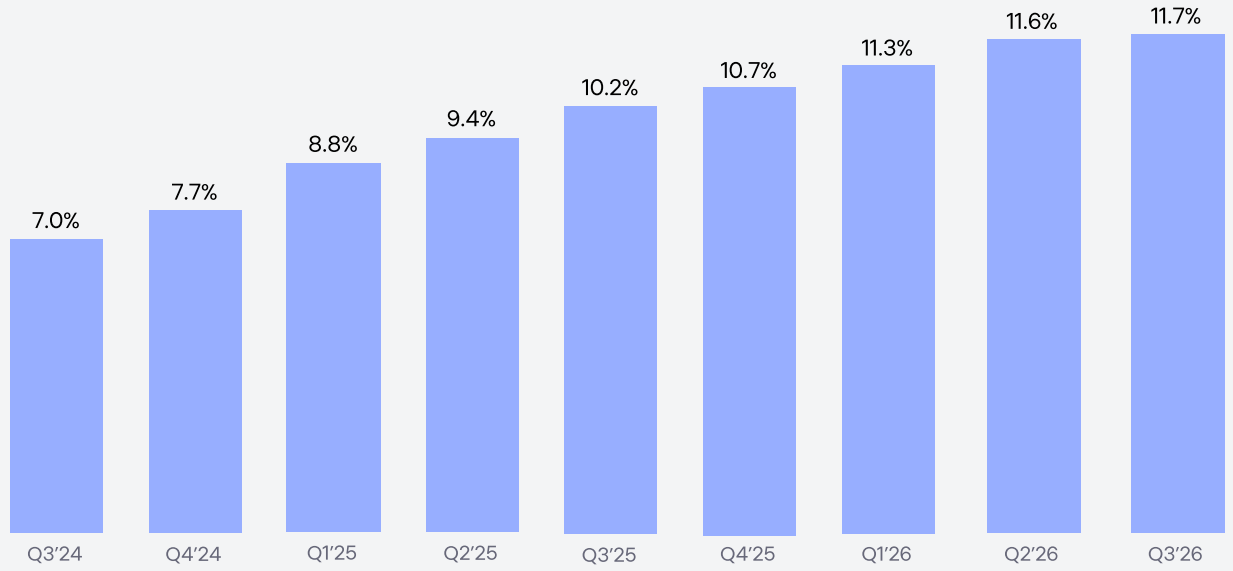
in the 2026 Gartner® Magic Quadrant™ for Collaborative Work Management

The evaluation was based on the specific criteria that analyzed the company's overall Ability to Execute and Completeness of Vision.

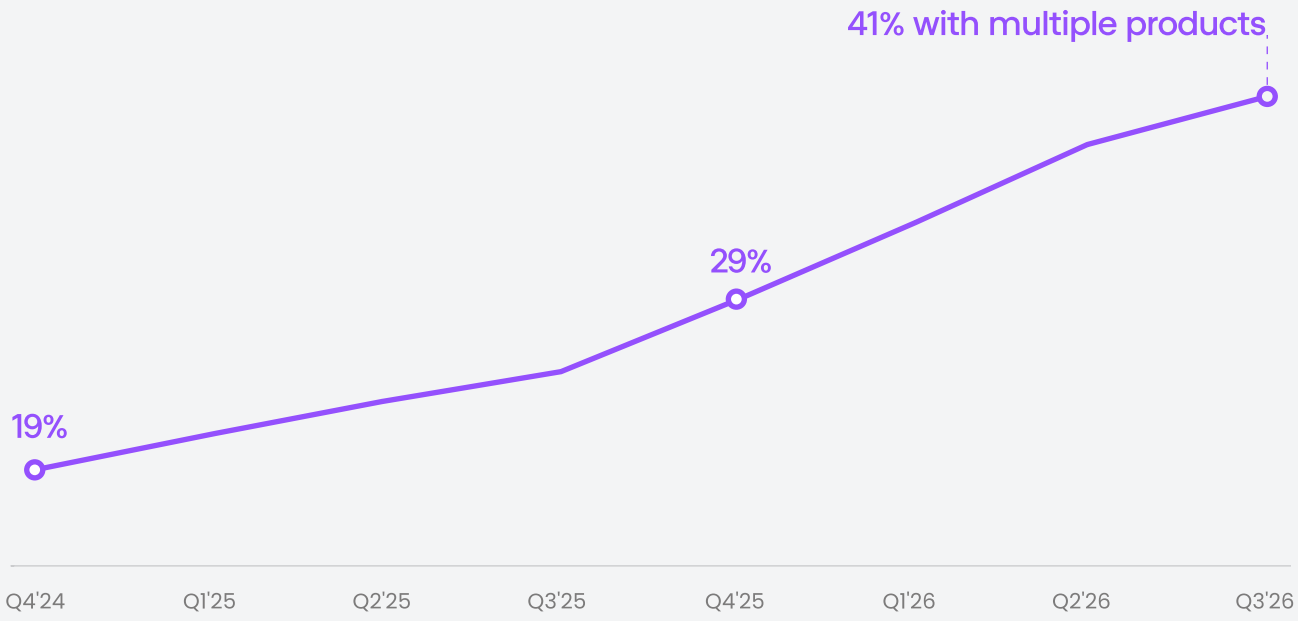
Gartner, Magic Quadrant for Collaborative Work Management, Nikos Drakos, Joe Mariano, Lacy Lei, Hironori Hayashi, 05 October 2026. GARTNER and MAGIC QUADRANT are trademarks of Gartner, Inc. and its affiliates. The Gartner content described herein (the "Gartner Content") represents research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, Inc. ("Gartner"), and is not a representation of fact. Gartner Content speaks as of its original publication date (and not as of the date of this Quarterly Shareholder Letter), and the opinions expressed in the Gartner Content are subject to change without notice. Gartner does not endorse any company, vendor, product or service depicted in its publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner publications consist of the opinions of Gartner's business and technology insights organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this publication, including any warranties of merchantability or fitness for a particular purpose.

Multi-product expansion

Our multi-product strategy continues to drive strong growth, reaching customers across a wider variety of teams and use cases. As of the end of Q3, **new products* now account for 11.7% of total ARR,** with ongoing momentum as we continue to integrate AI across the product suite.

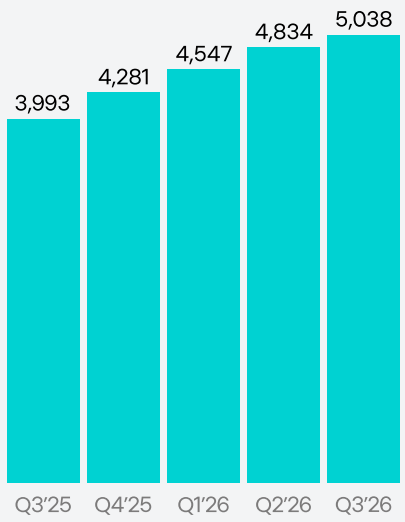


$50k+ customers **with multi-products**

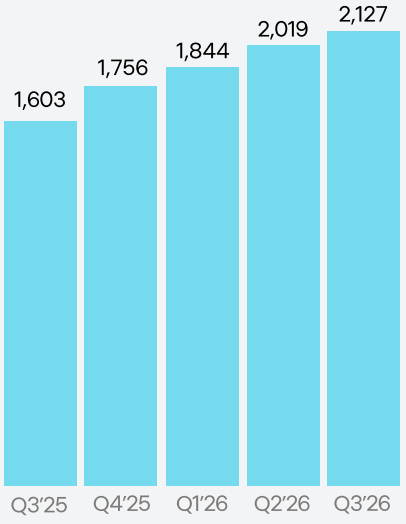


*"New products" include the monday CRM suite (monday CRM and monday campaigns), monday dev, and monday service.

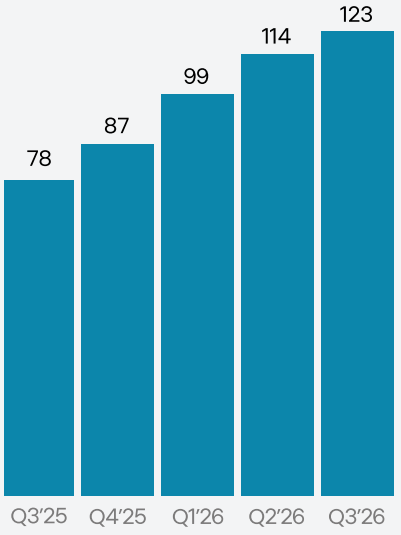
Expanding upmarket



# of customers with $50k+ ARR*

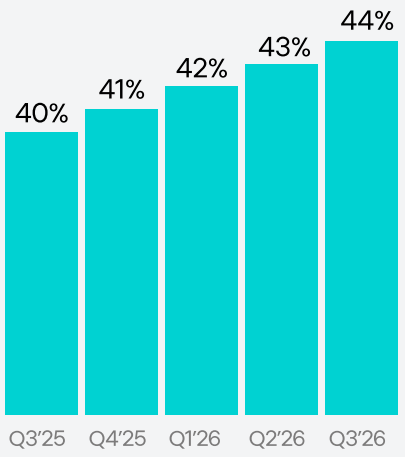


# of customers with $100k+ ARR*

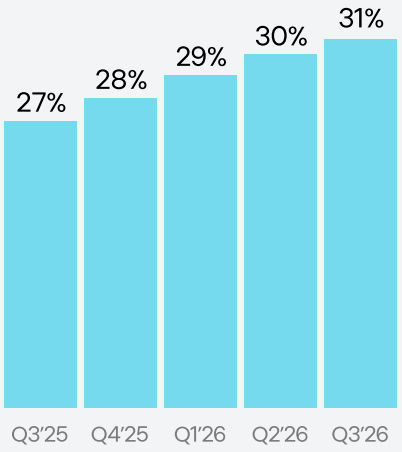


# of customers with $500k+ ARR*

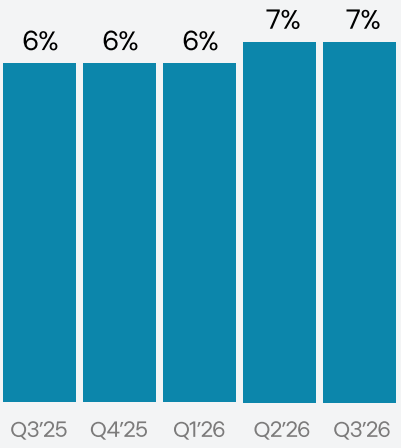
In Q3'26, we added 204 net new customers over $50k in ARR, 108 over $100k in ARR, and 9 over $500k in ARR. This growth was supported by our continued commitment to strengthening our enterprise-grade product capabilities and ongoing efforts to bolster our enterprise go-to-market approach.



% of ARR from customers with $50k+ ARR*



% of ARR from customers with $100k+ ARR*



% of ARR from customers with $500k+ ARR*

Customers with more than $50k in ARR now represent 44% of ARR, up from 40% a year ago.
Customers with more than $100k in ARR now represent 31% of ARR, up from 27% a year ago.
Customers with more than $500k in ARR now represent 7% of ARR, up from 6% a year ago.

*Data as of the end of each quarter

Financial highlights



Eliran Glazer
CFO

Q3 revenue came in above our guidance, growing 19% year-over-year to $378 million. Non-GAAP operating margin expanded to 24% in the quarter, up from 15% a year ago, reflecting our ongoing discipline around cost structure.

Third quarter fiscal year 2026

(U.S. dollars in millions)

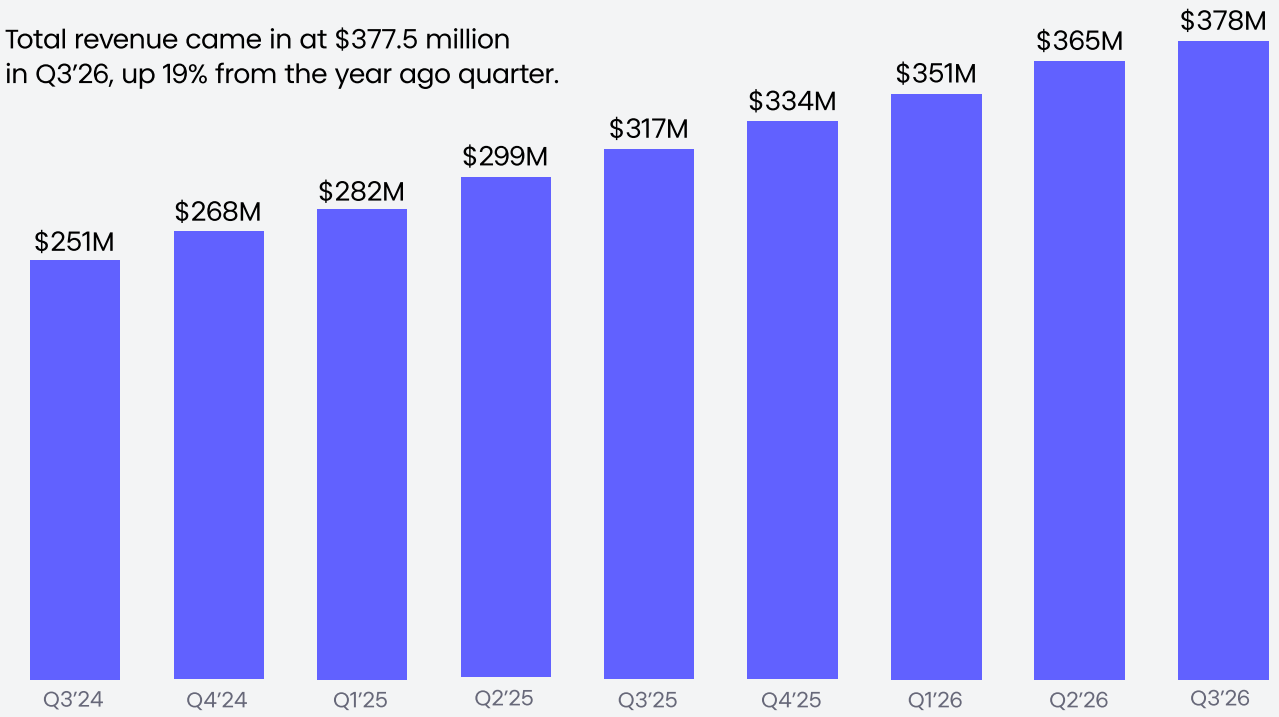
GAAP Results	Q3'26	Q3'25	Diff.	Diff. %
Revenue	**377.5**	**316.9**	**60.7**	**19%**
Gross profit	332.2	281.1	51.1	18%
Gross margin	**88%**	**89%**		
R&D	85.6	79.5	6.2	8%
As % of revenue	23%	25%		
S&M	149.1	165.8	(16.7)	(10%)
As % of revenue	40%	52%		
G&A	56.3	38.2	18.1	47%
As % of revenue	15%	12%		
Restructuring charges	10.0	-	10.0	-
Total operating expenses	**301.0**	**283.4**	**17.6**	**6%**
Operating income (loss)	**31.2**	**(2.4)**	**33.6**	**n.m.**
Operating margin	**8%**	**(1%)**		

Non-GAAP Results	Q3'26	Q3'25	Diff.	Diff. %
Gross profit	333.8	284.0	49.8	18%
Gross margin	**88%**	**90%**		
R&D	70.0	57.8	12.2	21%
As % of revenue	19%	18%		
S&M	145.4	151.8	(6.4)	(4%)
As % of revenue	39%	48%		
G&A	29.1	27.0	2.1	8%
As % of revenue	8%	9%		
Total operating expenses	**244.5**	**236.5**	**7.9**	**3%**
Operating income	**89.4**	**47.5**	**41.9**	**88%**
Operating margin	**24%**	**15%**		

A reconciliation of GAAP to non-GAAP measures is provided in the tables at the end of this document.

Total revenue

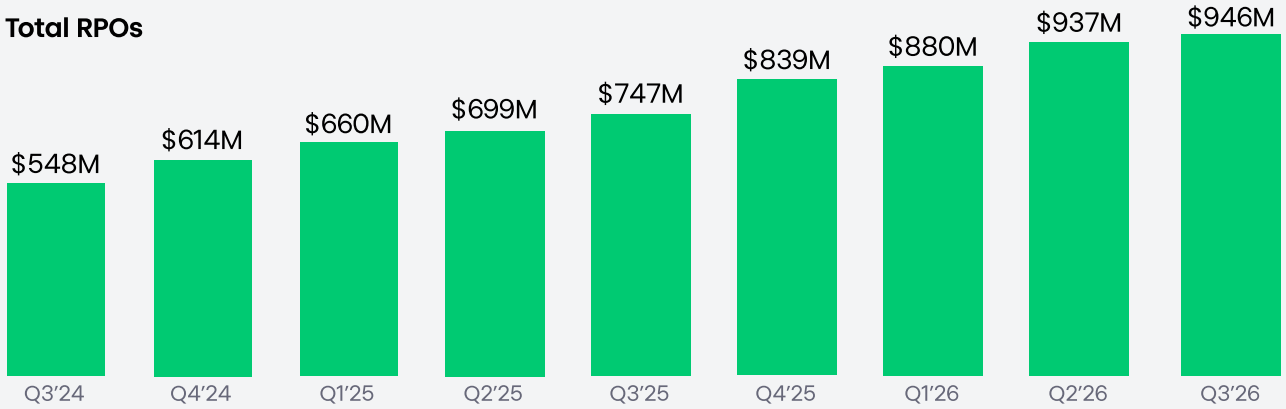
Total revenue came in at $377.5 million in Q3'26, up 19% from the year ago quarter.



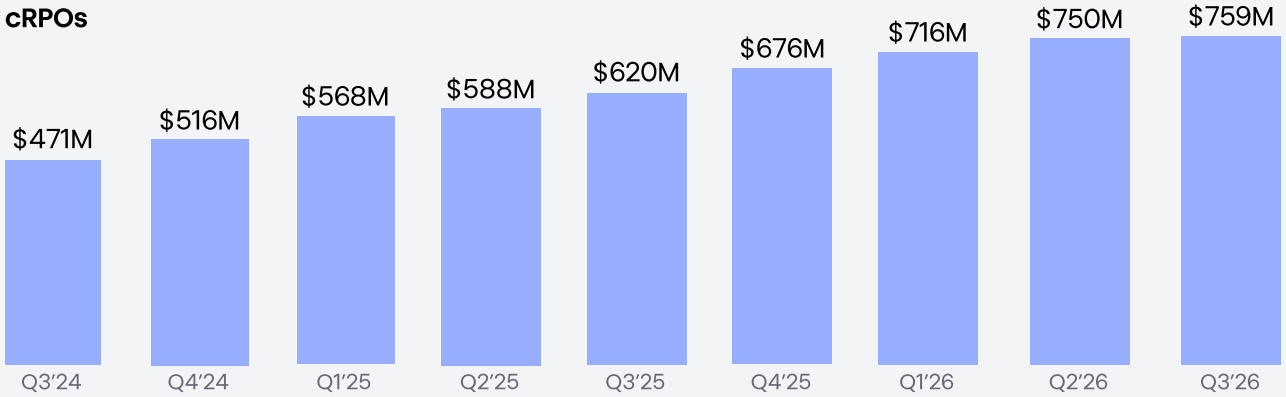
Remaining performance obligations (RPOs)

Total RPOs were $946 million, up 27% year-over-year, and current remaining performance obligations (cRPOs) were $759 million, up 22% year-over-year.

Total RPOs



cRPOs

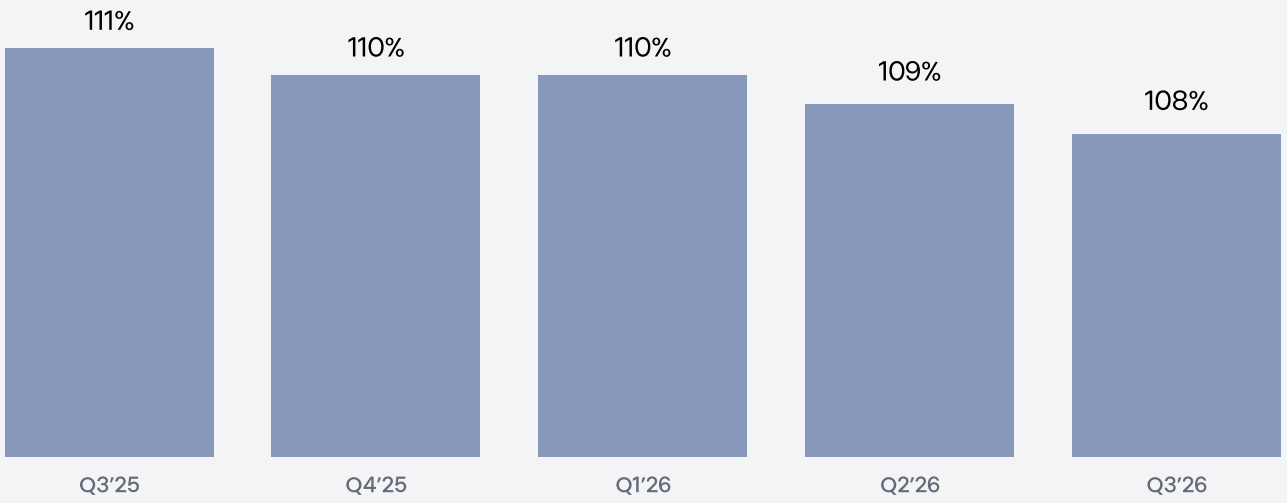


Net dollar retention rate

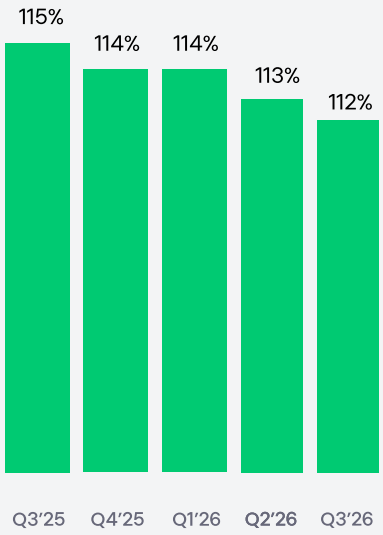
Our overall NDR was 108% in Q3'26. As a reminder, our NDR is a trailing four-quarter, weighted average calculation.

Note: all NDR data is as of the end of each quarter

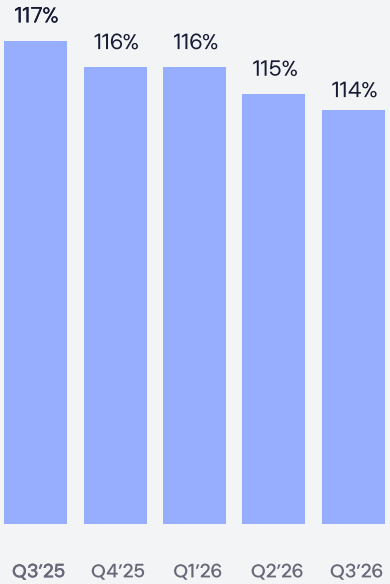
For all customers



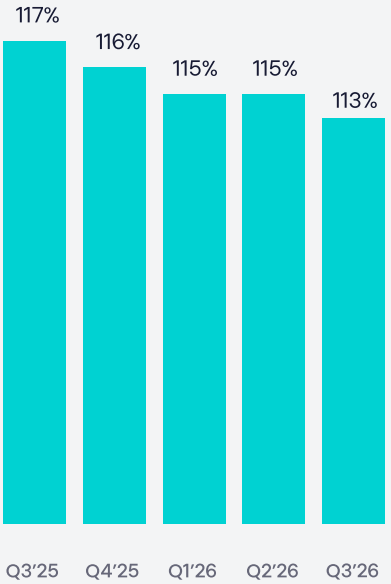
For customers with 10+ users



For customers with more than $50k ARR



For customers with more than $100k ARR



Margin and operating expenses

(NON-GAAP)

Research and development (R&D) expense was $70.0 million in Q3'26, or 19% of revenue, compared to 18% in Q3'25.

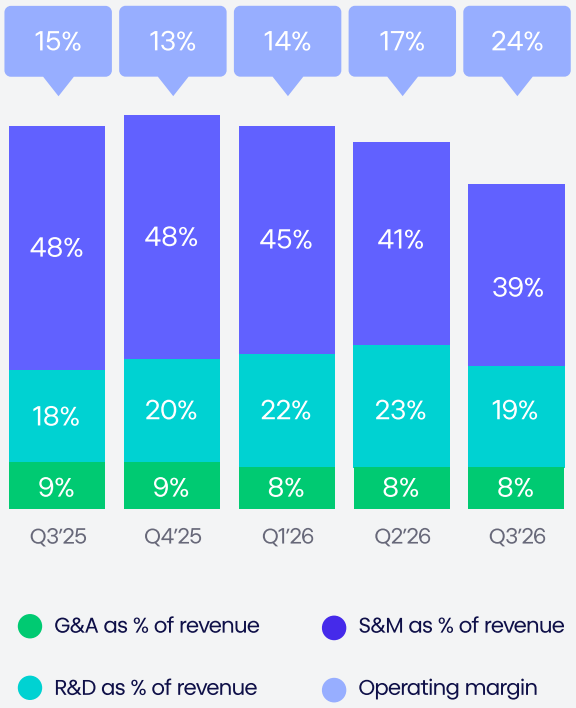
Sales and marketing (S&M) expense was $145.4 million in Q3'26, or 39% of revenue, compared to 48% in Q3'25.

General and administrative (G&A) expense was $29.1 million in Q3'26, or 8% of revenue, compared to 9% in Q3'25.

Operating income was $89.4 million in Q3'26, up from $47.5 million in Q3'25, and operating margin was 24%, up from 15% in Q3'25.

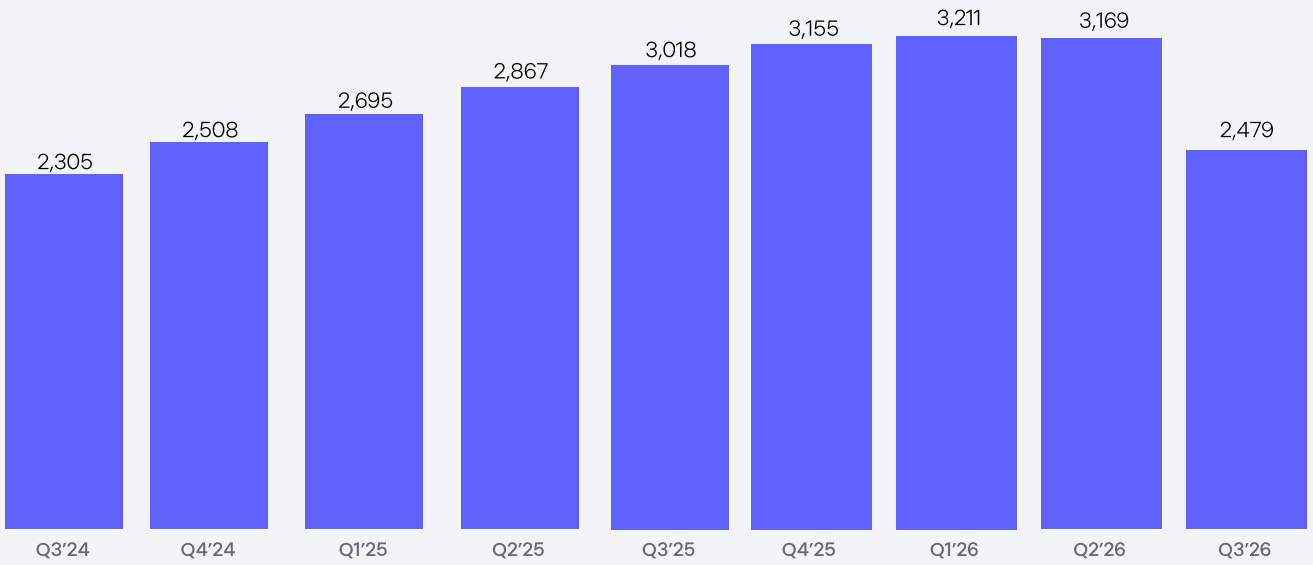
Net income was $93.6 million in Q3'26, compared to $61.9 million in Q3'25. Diluted net income per share was $2.14 in Q3, based on 43.8 million fully diluted shares outstanding.

% of revenue



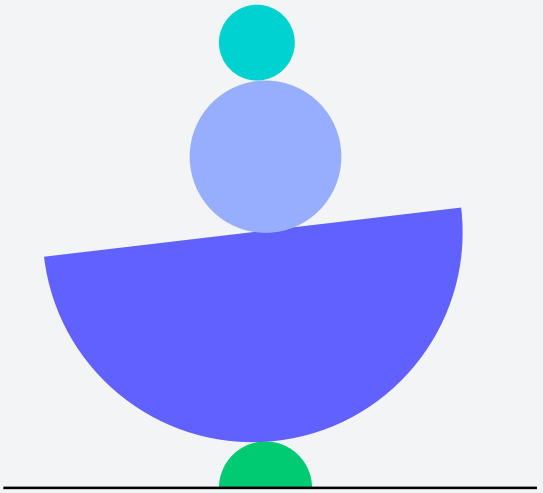
Headcount

Total employee headcount was 2,479, a decrease of 690 employees since Q2'26.



Balance sheet

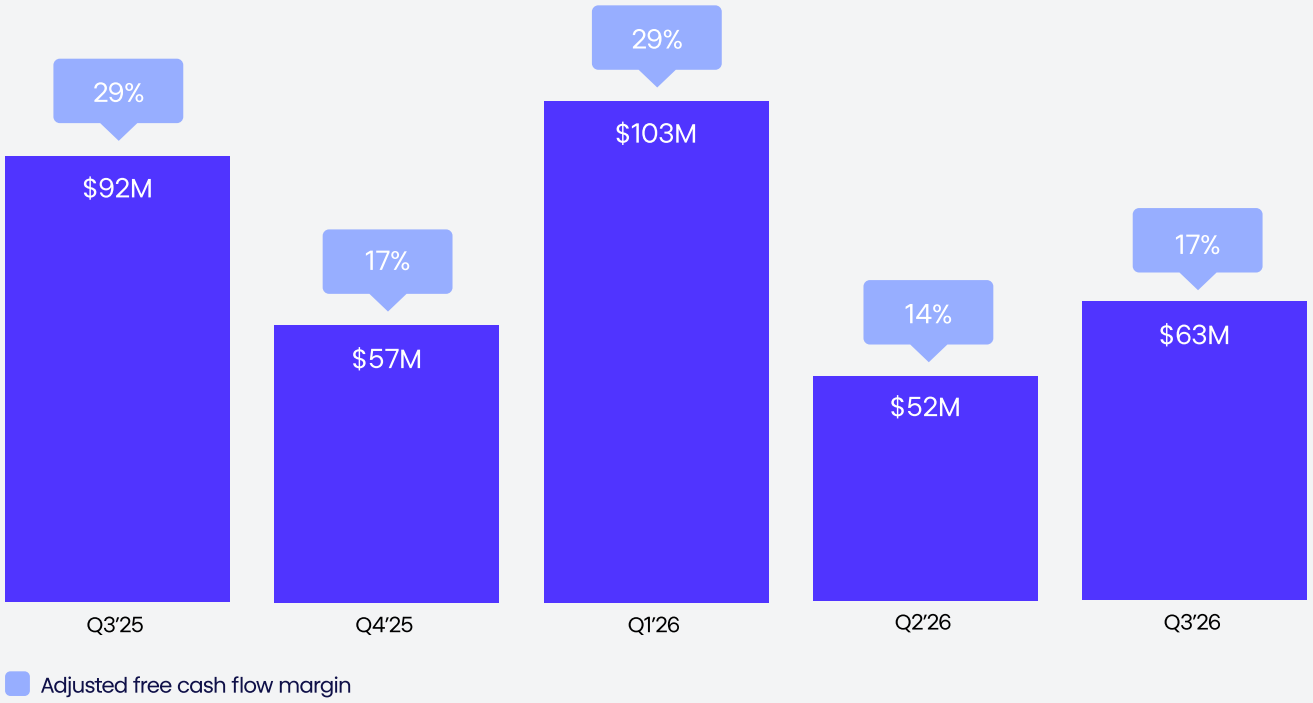
Cash, cash equivalents and marketable securities totaled $1.10 billion at the end of Q3’26, compared to $1.07 billion at the end of Q2’26.



Adjusted free cash flow

(NON-GAAP)

Adjusted free cash flow for Q3’26 was $63.0 million, and adjusted free cash flow margin, as defined as adjusted free cash flow as a percentage of revenue, was 17%, reflecting $47.2 million of restructuring-related cash payments made during the quarter added back.



Financial guidance

	Q4 FY 2026	FY 2026
Revenue	**$380 - $382 million**	**$1,473 - $1,475 million**
Y/Y growth %	~14%	~20%
Non-GAAP operating income	**$68 - $70 million**	**$268 - $270 million**
Margin %	~18%	~18%
Adjusted free cash flow		**$282 - $288 million**
Margin %		19% - 20%

For the fourth quarter of fiscal year 2026, we expect our revenue to be in the range of $380 million to $382 million, representing growth of approximately 14% year-over-year. We expect non-GAAP operating income of $68 million to $70 million and a non-GAAP operating margin of approximately 18%, which assumes a negative FX impact of 100 to 200 basis points.

For the full year 2026, we expect revenue to be in the range of $1,473 million to $1,475 million, representing growth of approximately 20% year-over-year. We expect full year non-GAAP operating income of $268 million to $270 million and a non-GAAP operating margin of approximately 18%, which assumes a negative FX impact of 100 to 200 basis points. We expect full year adjusted free cash flow of $282 million to $288 million and adjusted free cash flow margin of 19% to 20%, which assumes a negative FX impact of 100 to 200 basis points.

Forward-looking statements

This shareholder letter 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's 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, increasing operating expenses, and our ability to maintain profitability; foreign currency exchange rate fluctuations; the fact that we continue to derive a majority of revenue 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 on our app marketplace or interruptions or performance problems associated with the technology or infrastructure underlying our platform; risks related to artificial intelligence ("AI") and machine learning; our ability to attract customers, grow our retention rates, expand usage within organizations, including cross-selling and upselling and sell subscription plans; 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 direct sales capabilities; that our restructuring plan may not achieve the expected benefits or that the costs may exceed our expectations; 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 scrutiny related to environmental and social matters; our dependence on founders and other key employees and ability to attract and retain highly skilled employees; our ability to raise additional capital or generate cash flows necessary to expand our operations and invest in new technologies; 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 web search engines, both traditional and AI generated, to direct traffic to our website; interruptions or delays in service from third parties or our inability to plan and manage interruptions; risks related to security incidents and unauthorized access to our or our third-party vendors' systems, networks or data or the data of users and organizations on our platform; 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 realize deferred tax assets or requirements to collect sales or other indirect taxes; our ability to maintain, protect or enforce our intellectual property rights or risks related to 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 conflicts in the region and escalations thereof; our expectation not to pay dividends for the foreseeable future; risks related to our repurchase program, including an inability to guarantee the amount of repurchases of our ordinary shares that will occur, if any, or that our repurchase program will enhance long-term shareholder value; 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, 2025, filed with the SEC on March 13, 2026. 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 shareholder letter represent monday.com's views as of the date of this shareholder letter. 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 shareholder letter.

Earnings Webcast

monday.com will hold a public webcast at 8:30 a.m. ET today to discuss the results for its third quarter and fiscal year 2026 financial outlook. The live call may also be accessed via telephone at +1 (646) 968-2525 or +1 (888) 596-4144 (toll-free). Please reference conference ID: 1347415. An archived webcast can be accessed from the News & Events section of monday.com's Investor Relations website following the call.

About monday.com

monday.com is the AI workspace where people lead and agents act, turning strategy into execution at scale. Trusted by nearly 250,000 customers worldwide, the secure, flexible platform is built with AI at its core, across every workflow, whether through native solutions or ones you connect yourself, delivering better outcomes faster and smarter, across every use case. Visit monday.com to learn more.

Appendix

Condensed consolidated statements of operations

(U.S. dollars in thousands, except share and per share data)

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
	(unaudited)		(unaudited)	
Revenue	$ 377,535	$ 316,855	$ 1,093,421	$ 898,119
Cost of revenue	45,341	35,788	126,126	95,766
Gross profit	**332,194**	**281,067**	**967,295**	**802,353**
Operating expenses:				
Research and development	85,608	79,453	276,935	235,877
Sales and marketing	149,138	165,808	476,935	460,118
General and administrative	56,299	38,184	132,630	110,491
Restructuring charges	9,962	—	31,398	—
Total operating expenses	**301,007**	**283,445**	**917,898**	**806,486**
Operating income (loss)	**31,187**	**(2,378)**	**49,397**	**(4,133)**
Financial income, net	12,522	15,762	29,858	47,511
Income before income taxes	**43,709**	**13,384**	**79,255**	**43,378**
Income tax expense	(8,511)	(332)	(12,563)	(1,328)
Net income	$ **35,198**	$ **13,052**	$ **66,692**	$ **42,050**
Net income per share attributable to ordinary shareholders, basic	$ **0.83**	$ **0.25**	$ **1.49**	$ **0.82**
Net income per share attributable to ordinary shareholders, diluted	$ **0.80**	$ **0.25**	$ **1.46**	$ **0.79**
Weighted-average ordinary shares used in calculating net income per ordinary share, basic	42,588,961	51,687,504	44,796,714	51,361,840
Weighted-average ordinary shares used in calculating net income per ordinary share, diluted	43,752,107	53,264,485	45,747,446	53,175,420

Condensed consolidated balance sheets

(U.S. dollars in thousands)

	September 30, 2026 (unaudited)	December 31, 2025 (audited)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 869,554	$ 1,503,149
Marketable securities	229,840	162,308
Accounts receivable, net	38,132	30,552
Prepaid expenses and other current assets	119,515	93,055
Total current assets	**1,257,041**	**1,789,064**
LONG-TERM ASSETS:		
Property and equipment, net	49,118	53,888
Operating lease right-of-use assets	171,575	149,149
Deferred tax asset, net	46,978	58,682
Goodwill and intangible assets, net	12,798	—
Other long-term assets	82,447	55,817
Total long-term assets	**362,916**	**317,536**
Total assets	**$ 1,619,957**	**$ 2,106,600**
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 51,839	$ 45,001
Accrued expenses and other current liabilities	235,594	234,377
Deferred revenue, current	448,752	409,677
Operating lease liabilities, current	25,892	25,819
Total current liabilities	**762,077**	**714,874**
LONG-TERM LIABILITIES		
Operating lease liabilities, non-current	167,069	142,948
Deferred revenues, non-current	2,239	1,942
Total long-term liabilities	**169,308**	**144,890**
Total liabilities	**931,385**	**859,764**
SHAREHOLDERS' EQUITY:		
Other comprehensive income (loss)	(5,468)	18,097
Share capital and additional paid-in capital	1,060,638	1,662,029
Accumulated deficit	(366,598)	(433,290)
Total shareholders' equity	**688,572**	**1,246,836**
Total liabilities and shareholders' equity	**$ 1,619,957**	**$ 2,106,600**

Condensed consolidated statements of cash flows

(U.S. dollars in thousands)

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
	(unaudited)		(unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	$ 35,198	$ 13,052	$ 66,692	$ 42,050
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	4,719	3,500	12,534	10,125
Restructuring charges	9,962	—	31,398	—
Share-based compensation	30,203	49,862	100,704	137,465
Share-based compensation granted to foundation	18,000	—	18,000	—
Amortization of discount and accretion of interest on marketable securities	(701)	(1,983)	(2,394)	(2,078)
Changes in operating assets and liabilities:				
Accounts receivable, net	(5,244)	3,485	(7,580)	(6,907)
Prepaid expenses and other assets	24,927	(9,797)	(22,324)	(36,554)
Deferred taxes	8,110	—	11,958	—
Accounts payable	(14,973)	3,488	(3,614)	9,712
Accrued expenses and other liabilities, net	(87,119)	30,220	(64,309)	54,318
Deferred revenue	(2,686)	3,317	39,372	65,820
Net cash provided by operating activities	**20,396**	**95,144**	**180,437**	**273,951**
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of property and equipment	(4,159)	(3,984)	(10,396)	(13,555)
Purchase of marketable securities	(32,371)	(149,530)	(145,286)	(159,579)
Maturities of marketable securities	21,285	—	77,202	—
Acquisition of a business operation	(900)	—	(14,100)	—
Investment in affiliated company	—	—	(4,332)	—
Purchase of securities of privately held companies	—	—	(6,000)	—
Capitalized software development costs	(432)	(941)	(2,022)	(2,644)
Net cash used in investing activities	**(16,577)**	**(154,455)**	**(104,934)**	**(175,778)**
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from exercise of share options and employee share purchase plan	7,087	8,045	22,456	34,546
Receipt (repayment) of tax advance relating to exercises of share options and RSUs, net	5,246	(12,003)	3,417	(17,075)
Repurchase of ordinary shares	—	—	(734,971)	—
Net cash provided by (used in) financing activities	**12,333**	**(3,958)**	**(709,098)**	**17,471**
INCREASE (DECREASE) IN CASH, AND CASH EQUIVALENTS	16,152	(63,269)	(633,595)	115,644
CASH and CASH EQUIVALENTS – Beginning of period	853,402	1,590,515	1,503,149	1,411,602
CASH and CASH EQUIVALENTS – End of period	**$ 869,554**	**$ 1,527,246**	**$ 869,554**	**$ 1,527,246**

Reconciliation of GAAP to Non-GAAP financial information

	Three months ended				
	September 30, 2026	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025
			(unaudited)		
Reconciliation of gross profit and gross margin					
GAAP gross profit	$ 332,194	$ 321,960	$ 313,141	$ 296,545	$ 281,067
Share-based compensation	1,628	2,262	1,049	2,191	2,964
Non-GAAP gross profit	$ 333,822	$ 324,222	$ 314,190	$ 298,736	$ 284,031
GAAP gross margin	88%	88%	89%	89%	89%
Non-GAAP gross margin	**88%**	**89%**	**89%**	**89%**	**90%**
Reconciliation of operating expenses					
GAAP research and development	$ 85,608	$ 99,307	$ 92,020	$ 84,922	$ 79,453
Share-based compensation	(15,624)	(16,304)	(13,607)	(17,222)	(21,681)
Non-GAAP research and development	**$ 69,984**	**$ 83,003**	**$ 78,413**	**$ 67,700**	**$ 57,772**
GAAP sales and marketing	$ 149,138	$ 162,402	$ 165,395	$ 170,733	$ 165,808
Share-based compensation	(3,768)	(12,958)	(7,214)	(10,875)	(14,004)
Non-GAAP sales and marketing	**$ 145,370**	**$ 149,444**	**$ 158,181**	**$ 159,858**	**$ 151,804**
GAAP general and administrative	$ 56,299	$ 40,359	$ 35,972	$ 38,505	$ 38,184
Share-based compensation	(9,183)	(9,694)	(7,413)	(9,258)	(11,213)
Charitable contribution to foundation [1]	(18,000)				
Non-GAAP general and administrative	**$ 29,116**	**$ 30,665**	**$ 28,559**	**$ 29,247**	**$ 26,971**
Reconciliation of operating income (loss)					
GAAP operating income (loss)	$ 31,187	$ (1,544)	$ 19,754	$ 2,385	$ (2,378)
Share-based compensation	30,203	41,218	29,283	39,546	49,862
Charitable contribution to foundation [1]	18,000				
Restructuring charges [2]	9,962	21,436	—	—	—
Non-GAAP operating income	$ 89,352	$ 61,110	$ 49,037	$ 41,931	$ 47,484
GAAP operating margin	8%	(0%)	6%	1%	(1%)
Non-GAAP operating margin	24%	17%	14%	13%	15%

Reconciliation of gaap to Non-gaap financial information (cont.)

(U.S. dollars in thousands, except share and per share data)

	Three months ended				
	September 30, 2026	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025
			(unaudited)		
Reconciliation of net income					
GAAP net income	$ 35,198	$ 3,460	$ 28,034	$ 76,692	$ 13,052
Share-based compensation	30,203	41,218	29,283	39,546	49,862
Charitable contribution to foundation [1]	18,000				
Restructuring charges[2]	9,962	21,436			
Income tax benefit related to valuation allowance reversal [3]	—	—	—	(61,150)	—
Tax expense (benefit) related to share-based compensation[4]	230	(479)	(1,313)	(80)	(1,015)
Non-GAAP net income	**$ 93,593**	**$ 65,635**	**$ 56,004**	**$ 55,008**	**$ 61,899**
Reconciliation of weighted average number of shares outstanding					
Weighted-average ordinary shares used in calculating GAAP and Non-GAAP net income per ordinary share, basic	42,588,961	43,697,057	48,018,030	51,686,448	51,687,504
Effect of dilutive shares	1,163,146	744,818	839,250	1,241,798	1,576,981
Weighted-average ordinary shares used in calculating GAAP and Non-GAAP net income per ordinary share, diluted	**43,752,107**	**44,441,875**	**48,857,280**	**52,928,246**	**53,264,485**
GAAP net income per share, basic	$ 0.83	$ 0.08	$ 0.58	$ 1.48	$ 0.25
GAAP net income per share, diluted	$ 0.80	$ 0.08	$ 0.57	$ 1.45	$ 0.25
Non-GAAP net income per share, basic	**$ 2.20**	**$ 1.50**	**$ 1.17**	**$ 1.06**	**$ 1.20**
Non-GAAP net income per share, diluted	**$ 2.14**	**$ 1.48**	**$ 1.15**	**$ 1.04**	**$ 1.16**

(1) Includes, during the three months ended September 30, 2026, a charitable contribution of $18.0 million, representing the fair market value of 196,829 ordinary shares contributed to the monday.com Foundation pursuant to the Company's commitment to contribute up to 10% of its equity over a ten-year period. The Company has made similar contributions in prior periods and expects to make additional contributions in future periods.

(2) In connection with the Company's 2026 Restructuring Plan, the Company recognized restructuring charges of $10.0 million in the three months ended September 30, 2026, consisting of $21.2 million in employee-related costs, $2.5 million in facility and other costs (lease impairment, fixed asset write-offs, and professional fees), and a credit of $(13.8) million related to the reversal of previously recognized share-based compensation expense for departing employees, resulting from award forfeitures and termination-related award modifications.

(3) During the fourth quarter of 2025, the Company recorded a non-cash income tax benefit related to the reversal of a valuation allowance on deferred tax assets following sustained profitability. This benefit is excluded from non-GAAP net income as management believes it is a discrete item that is not indicative of the Company's ongoing operating performance. The Company continues to evaluate the realizability of its deferred tax assets each reporting period.

(4) The tax expense (benefit) related to share-based compensation was excluded in calculating non-GAAP net income and non-GAAP net income per basic and diluted share. The Company believes that excluding the tax expense (benefit) enables investors to see the full effect that excluding share-based compensation expenses had on the operating results.

Reconciliation of net cash provided by operating activities to adjusted free cash flow

(U.S. dollars in thousands)

	Three months ended				
	September 30, 2026	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025
			(unaudited)		
Net cash provided by operating activities	$ 20,396	$ 55,354	$ 104,687	$ 59,693	$ 95,144
Purchase of property and equipment	(4,159)	(3,790)	(2,447)	(6,807)	(3,984)
Capitalized software development costs	(432)	(1,106)	(484)	(736)	(941)
Free cash flow	15,805	50,458	101,756	52,150	90,219
Purchase of property and equipment related to build-out of our corporate headquarters [1]	—	1,886	1,022	4,584	2,082
Restructuring payments [2]	47,191	—	—	—	—
Adjusted free cash flow	**$ 62,996**	**$ 52,344**	**$ 102,778**	**$ 56,734**	**$ 92,301**
Adjusted free cash flow margin	17%	14%	29%	17%	29%

(1) For the three months ended December 31, 2025 and September 30, 2025, represents costs related to the expansion of our corporate offices. For the three months ended June 30, 2026 and March 31, 2026, mainly represents renovation costs at an office space in Israel that were capitalized prior to the Company's decision to vacate that space in Q2 2026. Although the related leasehold improvements were subsequently impaired as part of the restructuring charges excluded from non-GAAP operating income, the adjusted free cash flow add-back reflects cash previously paid for the renovation project — a distinct event from the non-cash impairment — and is included because it represents a capital outlay not reflective of our ongoing capital expenditure profile. No such costs were incurred in the three months ended September 30, 2026.

(2) For the three months ended September 30, 2026, represents cash payments made in connection with the Company's 2026 Restructuring Plan, consisting of $32.0 million in employee-related payments and $15.2 million related to the settlement and exit of leased office spaces. The Company excludes these restructuring-related cash payments from adjusted free cash flow because they are directly attributable to a discrete, defined restructuring plan and are not reflective of the Company's ongoing cash generation profile.