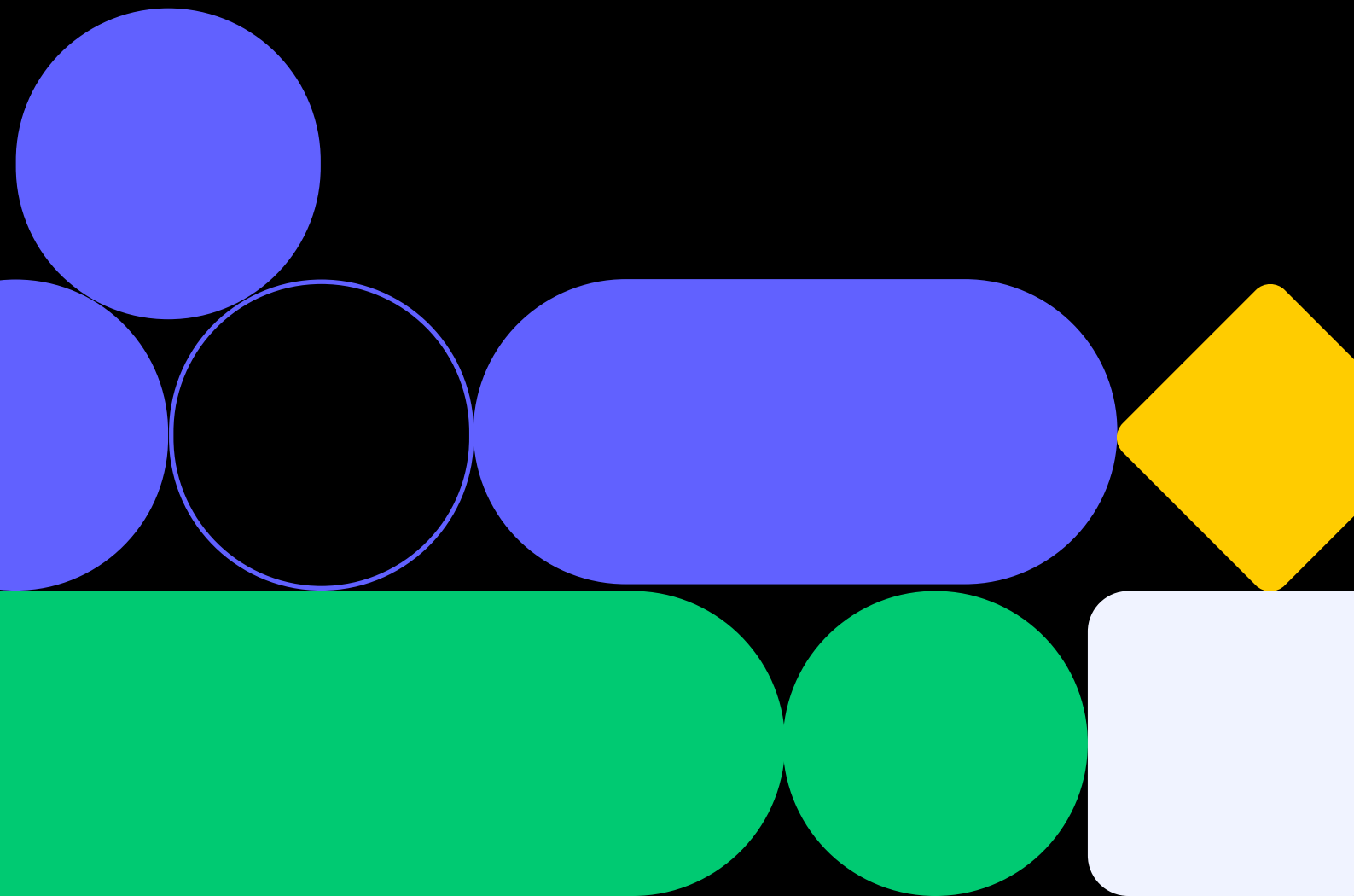




# Q2 | 2024

## Shareholder Letter



# Financial highlights

## Second quarter 2024 key results

### Revenue

**\$236.1M**

34% Y/Y Growth

### Gross margin

**91%**

NON-GAAP

### Customers \$50k+ ARR\*

**2,713**

43% Y/Y Growth

### Net dollar retention rate (NDR)\*

**110%**

for all customers

### Operating margin

**16%**

NON-GAAP

### Free cash flow margin

**22%**

NON-GAAP

## Financial outlook

### Q3 FY 2024

#### Revenue

**\$243M – \$247M**

28% – 31% Y/Y growth

#### Non-GAAP operating income

**\$19M – \$23M**

8% – 9% margin

#### Free cash flow

**\$70M – \$74M**

29% – 30% margin

### FY 2024

#### Revenue

**\$956M – \$961M**

31% – 32% Y/Y growth

#### Non-GAAP operating income

**\$100M – \$105M**

10% – 11% margin

#### Free cash flow

**\$270 – \$275M**

28% – 29% margin

\*Metrics as of the end of the quarter ended June 30, 2024

# From the CEOs

Fellow shareholders,

Since our debut on the Nasdaq three years ago, we have made significant progress in realizing our vision of becoming the platform to run the core of all work for customers. In that time, we have transitioned from a single-product offering to a true platform with multiple products. This transition and our strong execution have allowed us to nearly double our customer base, triple annual recurring revenue (ARR), and increase in our largest customer seat count tenfold since the IPO.

Our impressive growth trajectory aside, monday.com's unique strength lies in our ability to achieve this expansion while driving operational efficiency. This quarter, we achieved a **record non-GAAP operating profit** and, notably, **attained GAAP operating profitability for the first time** in company history.

## 80,000 seats

marking the  
**largest deal  
in company  
history**



Our investments in the enterprise go-to-market strategy and platform infrastructure through mondayDB continue to yield promising results. In December 2023, we announced a significant increase in our largest seat count, growing more than threefold to 25,000. This quarter, we are pleased to announce another significant milestone: our largest seat count has more than tripled once again to reach 80,000 seats.

Beginning with its finance and product teams to address multiple use cases, this multinational healthcare company rapidly extended its monday usage to encompass additional teams within the organization. Impressed by the Work OS platform's ease of use and customization capabilities, the company made the strategic decision in Q2 to expand monday work management across the entire organization to address all work and project management needs.



## mondayDB keeps delivering

Our efforts to enhance our underlying architecture with mondayDB remain on schedule, and reached another milestone in Q2 with the launch of mondayDB 2.0. With mondayDB 2.0, customers will soon be able to manage boards with up to 100,000 items and linked items, and dashboards with up to 500,000 items, significantly advancing their work capabilities.

### ✦ Leveraging GenAI to improve customer service and drive efficiency

Beginning in mid-2023, we implemented a third-party GenAI chatbot to serve as the initial point of contact for all chat-based customer service tickets. This approach has allowed us to resolve approximately 50% of these tickets automatically, without requiring human intervention. Additionally, we have observed a notable increase in the volume of chat tickets, as customers are increasingly benefiting from the chatbot's rapid solutions to their inquiries.

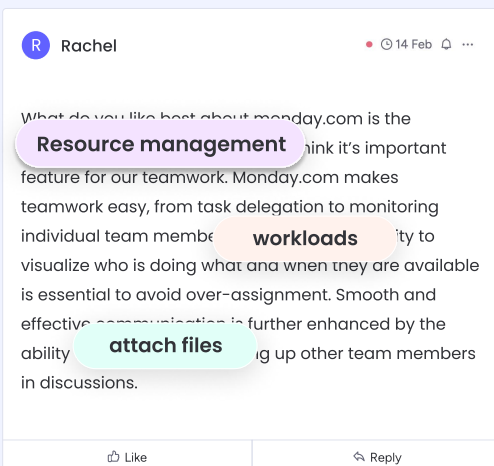
The deployment of the chatbot has also facilitated a reduction in the external workforce needed for ticket responses. We anticipate that this trend will continue through 2025 and beyond, as GenAI enhances our ability to address tickets more efficiently.

**~50%**  
of tickets  
resolved via  
GenAI

**~2x**  
increase  
in chat ticket  
volume

**80%**  
decrease  
in average ticket  
response time

**30%**  
reduction  
in external  
customer service  
headcount



### ✦ Incorporating AI across the monday platform

We are actively integrating AI across the monday Work OS platform to enhance user experience through advanced automation and improved task management collaboration.

In Q2, we introduced new GenAI features, including auto-generated action items, thread summaries, and enhanced text extraction capabilities.

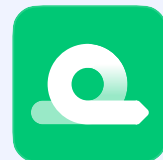
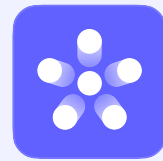
## Enhancing the monday product suite

**monday CRM** has surpassed expectations, expanding to over 20,000 accounts since its launch in 2022. In Q2, we introduced new features, including email engagement tracking and timeline reminders, to further enhance its functionality.

For **monday work management**, we are focused on addressing the needs of larger accounts. In Q2, we launched our portfolio solution for enterprise work management, which has already shown strong initial adoption.

**monday dev** continues to resonate with customers by offering a full suite of tools for managing the entire development process. This quarter, we introduced the Roadmap Tracker, which enables users to visualize company epics, track progress, and focus on key commitments.

Our latest product, **monday service**, is now fully in beta and is scheduled for full release by the end of 2024. We remain highly enthusiastic about its potential.



# Elevate 2024

[Register here](#)

## Join us for Elevate 2024

We are less than a month away from the kick off of our annual conference, Elevate. Elevate is a must-attend event for monday.com enthusiasts and anyone passionate about work tech.

This year's Elevate will take place in London, New York City, and Sydney.

Please join us live or online, as we will share our vision, strategy and product roadmap, allowing you to gain deeper insights into our operations and future plans.

Best,  
Roy and Eran

### London

Sep 11-12  
ExCeL London

### NYC

Sep 24-25  
Pier 36

### Sydney

Oct 22  
ICC

# Work OS platform enhancements



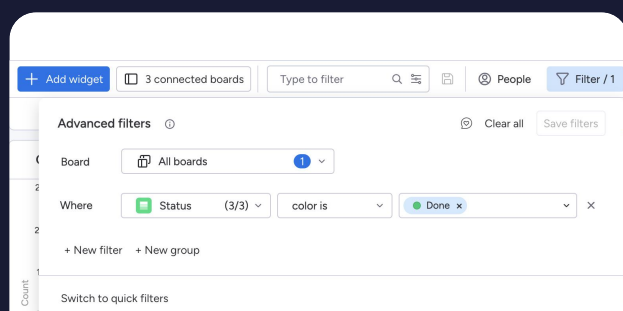
Last quarter, we launched mondayDB 1.2, which made it possible for APIs and Automations to execute up to 3X faster. This concluded the **Speed** portion of mondayDB. And in Q2, we started the global rollout of mondayDB 2.0, focused on **Scale**. With mondayDB 2.0, Enterprise tier customers can take their work to the next level, with boards with up to 100k items and 100k linked items, as well as dashboards with up to 500k items. These improvements have already been utilized by 250+ of our largest customers.

## Sprint 138

- Launch complex solution
- Finalize kickoff material
- Refine objectives
- Identify key resources
- Test plan
- Launch complex solution
- New dashboard loader
- Migrate MyWork to new
- Develop communication

### Improved dashboard experience, at scale

We continue to invest in ensuring our dashboards are able to effectively scale as our customers grow. In Q2, we introduced the “All Boards” filter, which allows users to create dashboards that capture the full scope of work across multiple boards in a single click.



### Enhanced account governance with Guest Management

We’re focused on helping users better collaborate with third parties, such as vendors and contractors, through advanced provisioning capabilities. In Q2, we introduced Guest Management, which allows users to manage teams of guests to increase governance and control across the organization. Guest Management is available exclusively to Enterprise customers.

# Transforming business challenges into AI solutions

We continue to release advanced AI capabilities to our customers, and we are already seeing positive signals from users who have begun implementing AI across their core business workflows.

In Q2, we released several new AI building blocks designed to help enable more complex use cases. These capabilities include:

## New GenAI capabilities

### ✦ Thread summaries

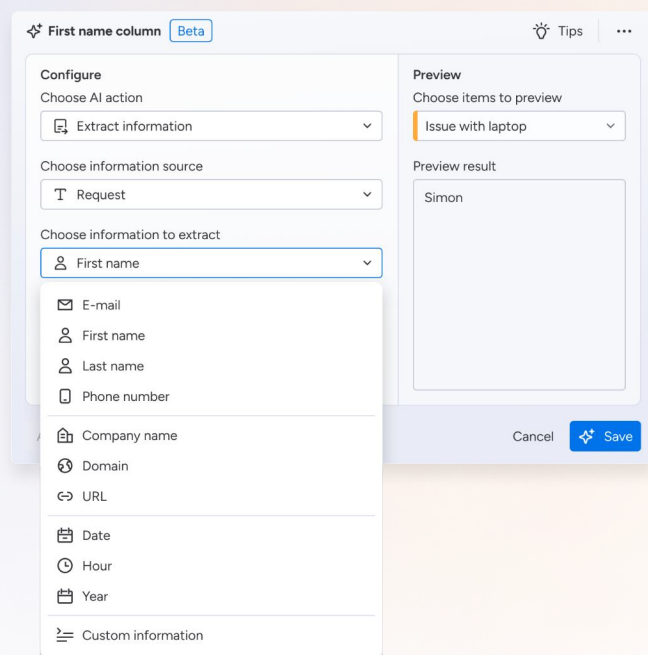
Create a summary of an update thread in seconds, allowing users to more quickly digest large amounts of information.

### ✦ Create action items

Automatically generate clear next steps and create sub-items for a task based on a meeting summary or update thread.

### ✦ Extract information from text

Currently being rolled out to customers, easily extract the specific information you need from long text or documents.





**monday** work  
management

# Managing all aspects of work in one solution

## Portfolio rollout complete

In July 2024, we announced the full release of our Portfolio management solution to all Enterprise tier customers. Portfolio is already seeing strong adoption across our Enterprise base, particularly for portfolio managers and executives who now have a true holistic view of all relevant projects.

In Q2, we deepened Portfolio's capabilities to help project managers get a jump start on their work with everything they need, enabling the automatic creation of comprehensive templates, built-in dashboards, Workdocs and project plans. We've also improved Portfolio's flexibility by enabling users to customize project views and add custom reporting widgets to gain visual clarity into their projects.

These capabilities empower customers to manage strategic initiatives at scale and make informed decisions confidently across teams and departments, streamlining operations and enhancing productivity.

You can learn more about Portfolio and its capabilities [here](#).



## Boosting customer satisfaction at VML

VML, the world's largest creative agency, began using monday.com in 2020 to better connect their strategies, teams and processes, and to deliver exceptional client work faster and within budget. Since then, they've deployed monday work management across teams including Creative, Operations, Finance and Resource Management, and have seen the power of the Work OS platform both internally and externally with clients.

**20%  
increase**  
in customer  
satisfaction

**2X  
improvement**  
in time to  
cast talent

**50%  
increase**  
in productivity

**7,000  
hours saved**  
per account,  
monthly



# A fully customizable, dedicated sales platform

Monday CRM enables sales professionals and customer-facing teams to track and manage all aspects of the sales cycle, customer data, and more, all in one place.

Total Monday CRM accounts as of the end of Q2 grew to 20,770, representing 150% growth from the year ago quarter.

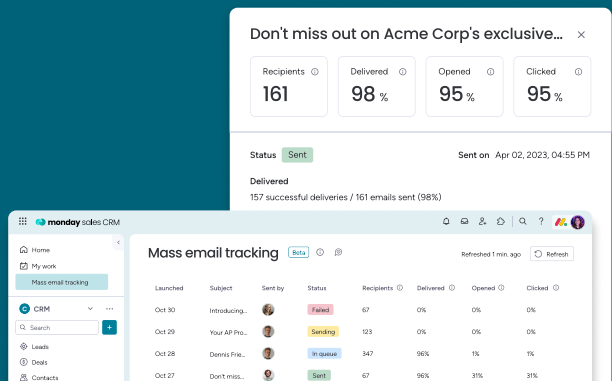
Monday CRM accounts



## Product enhancements

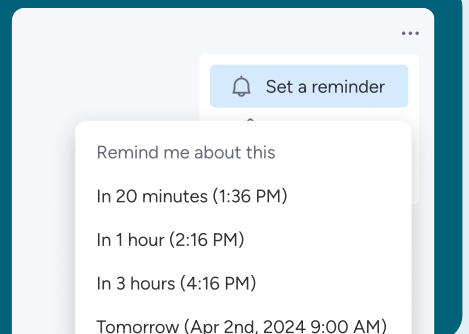
### Email Engagement Tracking

Sales reps can now monitor key engagement metrics, such as email open rates and link clicks. This provides valuable insights into customer interest levels, allowing for more informed follow-up actions and targeted sales strategies.



### Timeline Reminders

Our new timeline reminders feature helps reps stay on top of their tasks and never miss a crucial follow-up. By clicking a timeline item, such as a call task, reps can set a reminder for a future date and receive a notification when it's time to act.



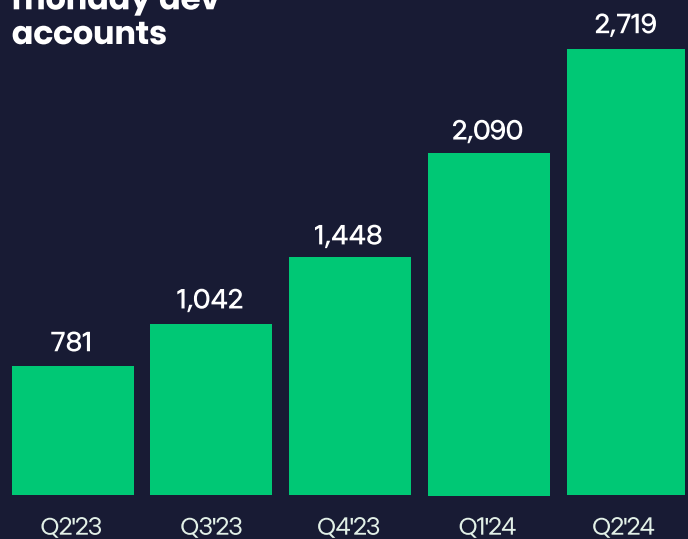


# Empowering R&D teams to build better products

Built on the user-friendly Work OS platform, monday dev equips product and development teams with a comprehensive suite of tools, enabling them to seamlessly manage all development processes.

Total monday dev accounts as of the end of Q2 grew to 2,719, representing 248% growth from the year ago quarter.

monday dev accounts

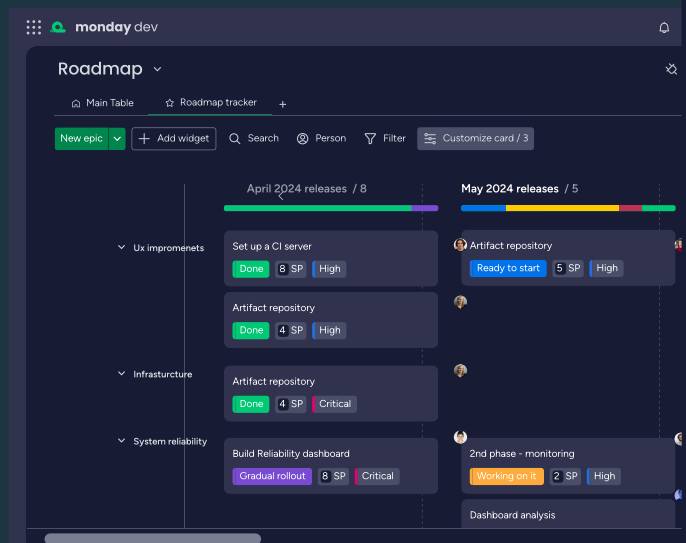


## Product enhancements

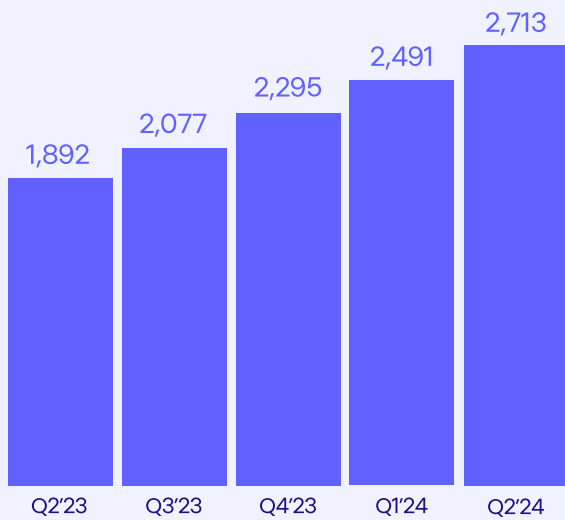
### Roadmap Tracker

Our new Roadmap Tracker empowers managers to effortlessly track their teams' work by zooming out to monthly and quarterly overviews. Users can easily visualize company epics on a roadmap, assess their progress, and delve into specific commitments demanding their attention.

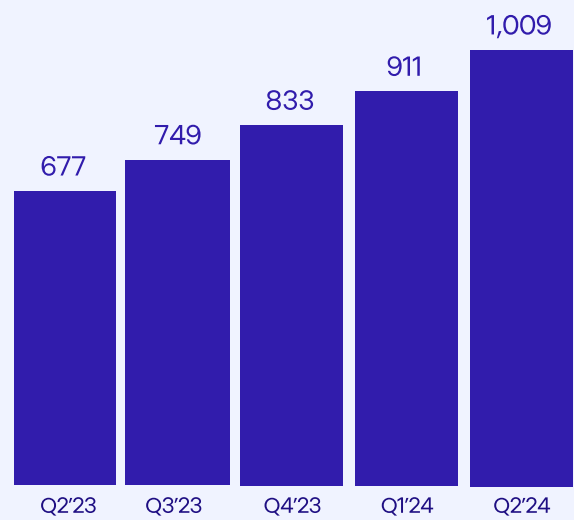
This consolidated view brings together all of the teams involved in a development cycle, including engineering, product, and program managers, and allows them to clearly understand ongoing projects, upcoming releases, and future plans, as well as to proactively address delivery challenges.



# Expanding upmarket

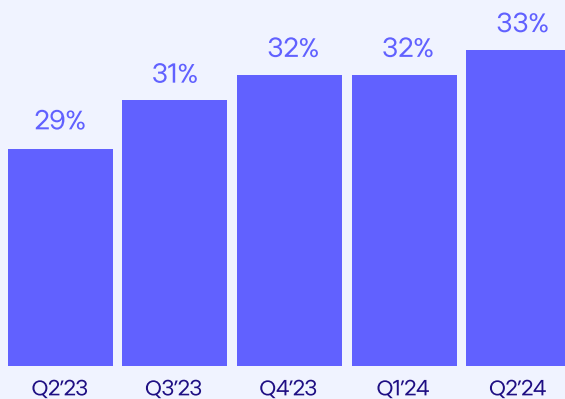


**# of customers with \$50k+ ARR\***

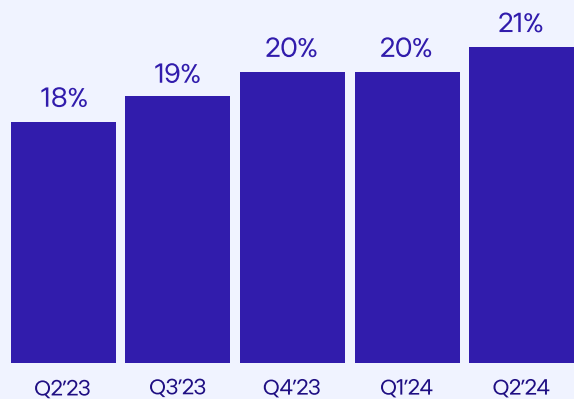


**# of customers with \$100k+ ARR\***

In Q2'24, we added 222 enterprise customers (\$50k+ ARR). This growth was supported by our continued commitment to strengthening our enterprise-grade capabilities, including through the ongoing rollout of mondayDB.



**% of ARR for customers with \$50k+ ARR\***



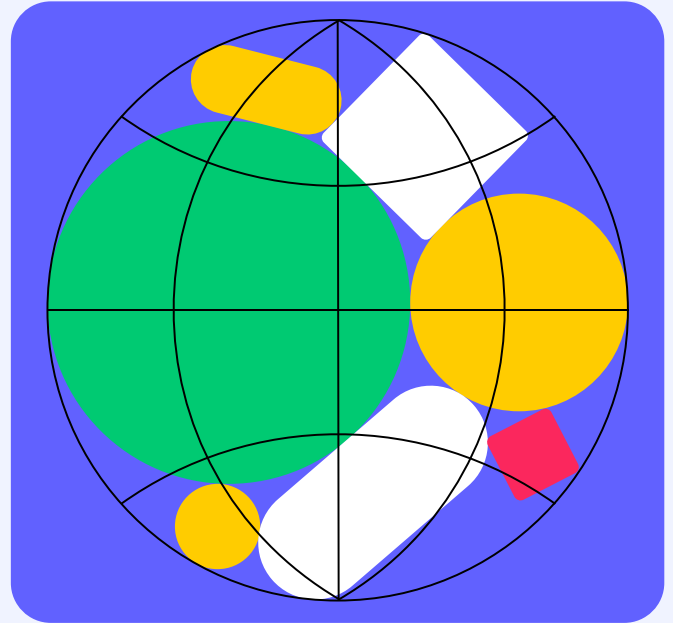
**% of ARR for customers with \$100k+ ARR\***

Customers with more than \$50k in ARR now represent 33% of ARR, up from 29% a year ago. Customers with more than \$100k in ARR now represent 21% of ARR, up from 18% a year ago.

\*Data as of the end of each quarter

# Enhancing our partner ecosystem

Our marketplace and partnerships continue to be major growth drivers, increasing our ability to serve all types of organizations across virtually any industry



247

active channel partners

814

new referral partners

534

marketplace apps

358

apps collecting payments

# Financial highlights



**Eliran Glazer**  
CFO

We delivered strong results in Q2, marked by robust revenue growth and enhanced profitability. These results highlight our effective execution and the strong demand for our Work OS products across companies of all sizes.

Our new pricing structure, introduced in Q1'24, continues to yield positive results and has now been extended to approximately 40% of our customer base. We continue to expect a \$25 million revenue benefit from this new pricing structure for FY'24, with a projected total revenue benefit of \$75 million to \$80 million from FY'24 through FY'26.

## Second quarter fiscal year 2024

(U.S. dollars in millions)

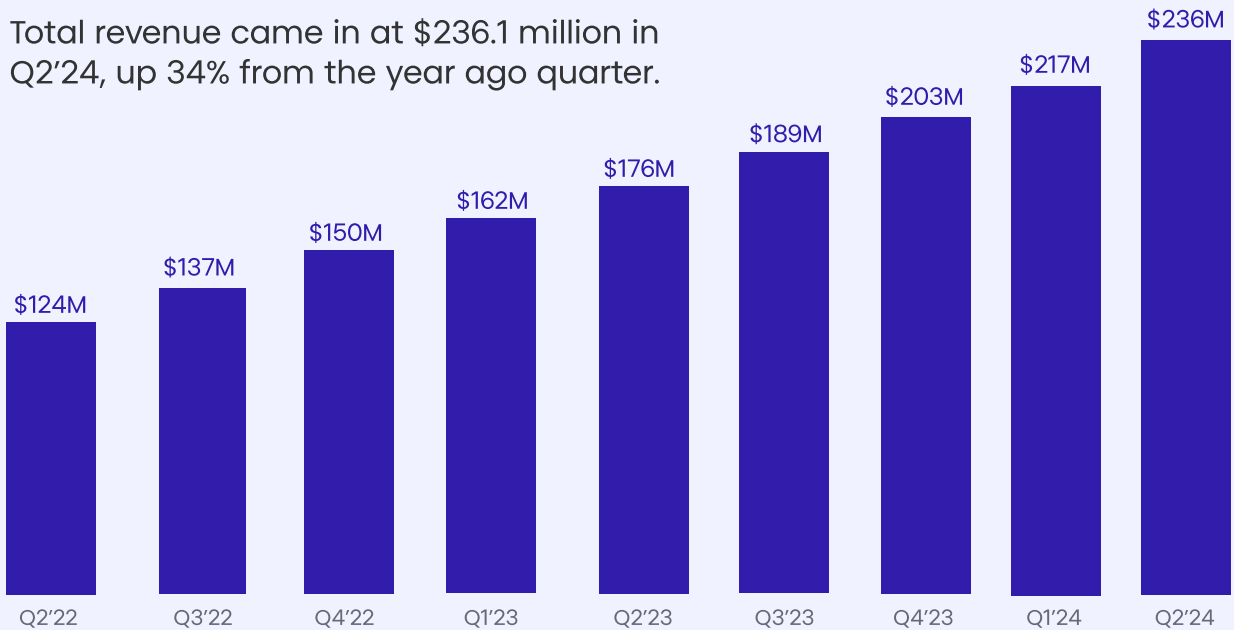
GAAP Results	Q2'24	Q2'23	Diff.	Diff. %
<b>Revenue</b>	<b>236.1</b>	<b>175.7</b>	<b>60.4</b>	<b>34%</b>
Gross profit	212.3	156.2	56.2	36%
<b>Gross margin</b>	<b>90%</b>	<b>89%</b>		
R&D	50.4	39.1	11.3	29%
As % of revenue	21%	22%		
S&M	131.5	107.4	24.0	22%
As % of revenue	56%	61%		
G&A	28.6	21.8	6.9	31%
As % of revenue	12%	12%		
<b>Total operating expenses</b>	<b>210.5</b>	<b>168.3</b>	<b>42.2</b>	<b>25%</b>
<b>Operating income (loss)</b>	<b>1.8</b>	<b>(12.2)</b>	<b>14.0</b>	<b>n/m</b>
<b>Operating margin</b>	<b>1%</b>	<b>(7%)</b>		

Non-GAAP Results	Q2'24	Q2'23	Diff.	Diff. %
Gross profit	214.2	158.0	56.2	36%
<b>Gross margin</b>	<b>91%</b>	<b>90%</b>		
R&D	36.9	27.9	9.0	32%
As % of revenue	16%	16%		
S&M	120.7	98.8	21.9	22%
As % of revenue	51%	56%		
G&A	18.2	14.7	3.5	24%
As % of revenue	8%	8%		
<b>Total operating expenses</b>	<b>175.8</b>	<b>141.4</b>	<b>34.4</b>	<b>24%</b>
<b>Operating income</b>	<b>38.4</b>	<b>16.6</b>	<b>21.8</b>	<b>131%</b>
<b>Operating margin</b>	<b>16%</b>	<b>9%</b>		

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

# Total revenue

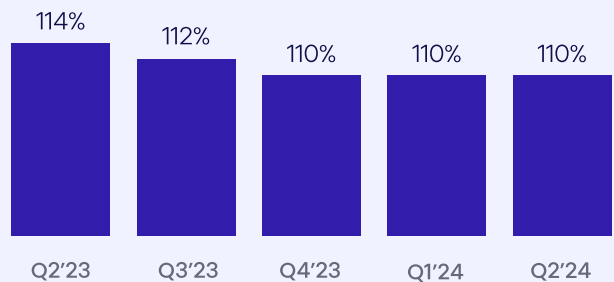
Total revenue came in at \$236.1 million in Q2'24, up 34% from the year ago quarter.



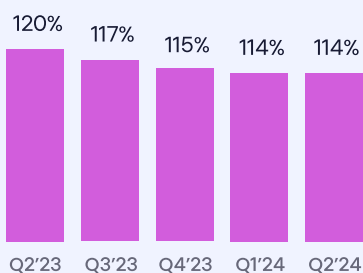
# Net dollar retention rate

Our overall NDR remained steady in Q2 at 110%. We expect NDR to remain stable throughout FY'24, with a small improvement expected by the end of the year. As a reminder, our NDR is a trailing four-quarter, weighted average calculation.

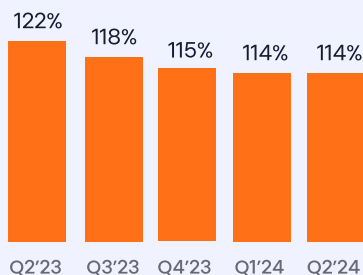
## For all customers



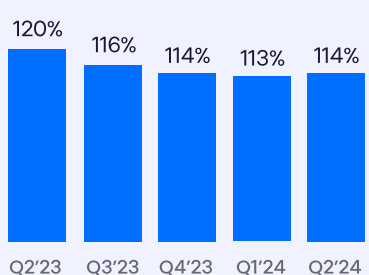
## For customers with 10+ users



## 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 \$36.9 million in Q2'24, or 16% of revenue, in-line with Q2'23.

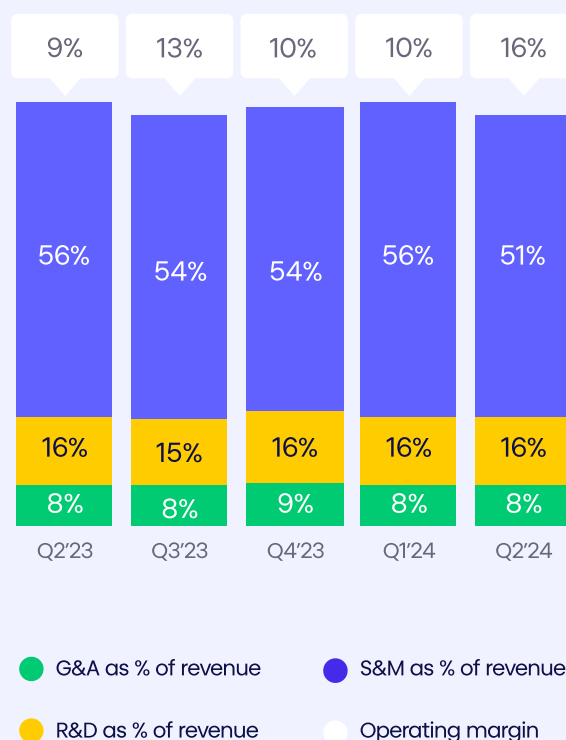
Sales and marketing (S&M) expense was \$120.7 million in Q2'24, or 51% of revenue, compared to 56% in Q2'23.

General and administrative (G&A) expense was \$18.2 million in Q2'24, or 8% of revenue, in-line with Q2'23.

Operating income was \$38.4 million in Q2'24, up from \$16.6 million in Q2'23, and operating margin was 16%.

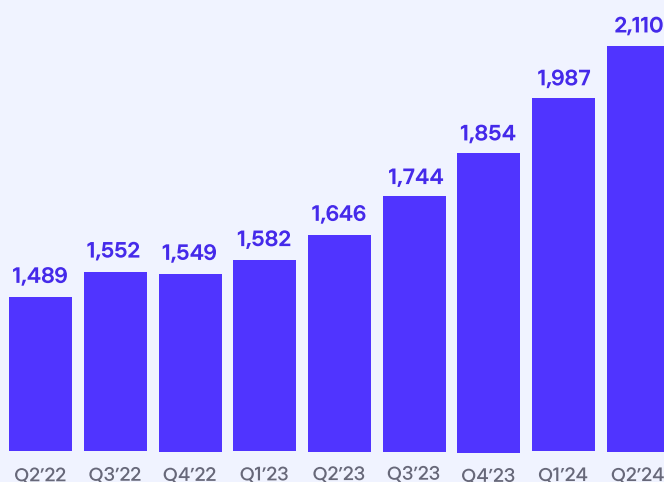
Net income was \$49.3 million in Q2'24, up from \$21.0 million in Q2'23. Diluted net income per share was \$0.94 in Q2'24, based on 52.2 million fully diluted shares outstanding.

## % of revenue



# Headcount

Total employee headcount was 2,110, an increase of 123 employees since Q1'24. We continue to expect to increase headcount by ~30% in FY'24, with a focus on our R&D, product and sales teams as we build out our platform and product suite.



# Balance sheet

Cash and cash equivalents increased to \$1.29 billion at the end of Q2'24, up from \$1.22 billion at the end of Q1'24.

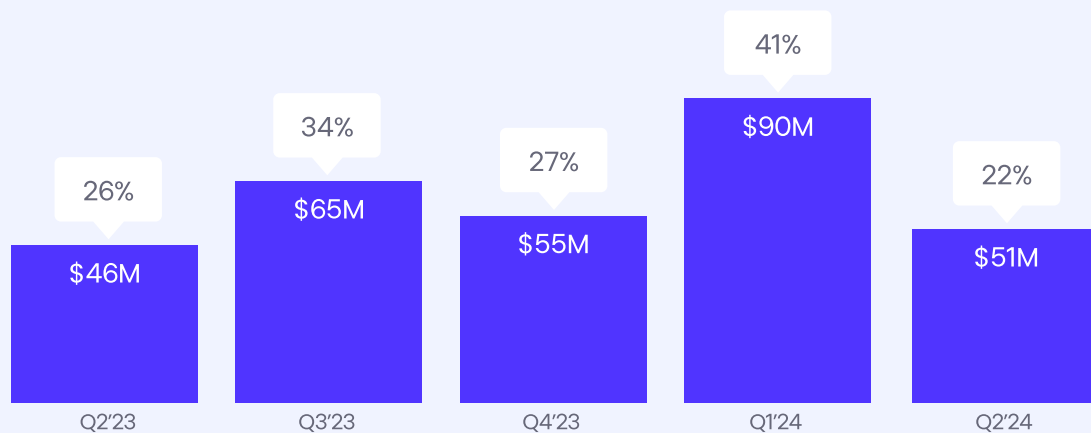


# Free cash flow

(NON-GAAP)

Free cash flow for Q2'24 was \$50.8 million, and free cash flow margin, as defined as free cash flow as a percentage of revenue, was 22%.

We remain on target to meet our Investor Day goal of generating over \$1 billion in free cash flow from FY'23 to FY'26.



● Free cash flow margin

# Financial guidance

	Q3 FY 2024	FY 2024
<b>Revenue</b>	<b>\$243 - \$247 million</b>	<b>\$956 - \$961 million</b>
Y/Y growth %	28% - 31%	31% - 32%
<b>Non-GAAP operating income</b>	<b>\$19 - \$23 million</b>	<b>\$100 - \$105 million</b>
Margin %	8% - 9%	10% - 11%
<b>Free cash flow</b>	<b>\$70 - \$74 million</b>	<b>\$270 - \$275 million</b>
Margin %	29% - 30%	28% - 29%

For the third quarter of fiscal year 2024, we expect our revenue to be in the range of \$243 million to \$247 million, representing growth of 28% to 31% year-over-year. We expect non-GAAP operating income of \$19 million to \$23 million and an operating margin of 8% to 9%. We expect free cash flow of \$70 million to \$74 million and free cash flow margin of 29% to 30%.

For the full year 2024, we expect revenue to be in the range of \$956 million to \$961 million, representing growth of 31% to 32% year-over-year. We expect full year non-GAAP operating income of \$100 million to \$105 million and an operating margin of 10% to 11%. We expect full year free cash flow of \$270 million to \$275 million and free cash flow margin of 28% to 29%.

## Forward-looking statements

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 limited operating history at our current scale; 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 a single platform; fluctuations in operating results; real or perceived errors, failures, vulnerabilities or bugs or interruptions or performance problems in the technology or infrastructure underlying our platform; risks related to artificial intelligence or machine learning in offerings; 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 or may extend sales cycles, and downturns or upturns are not immediately reflected in full in results of operations; our ability to offer high-quality customer support and consistent sales strategies; our ability to enhance our reputation, brand, and market awareness of our products and maintenance of corporate culture; risks related to actions by governments to restrict access to our platform and products or to require us to disclose or provide access to information; risks related to international operations and compliance with laws and regulations applicable to our global operations; difficulties in integration of partnerships, acquisitions and 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 maintain adequate research and development resources and 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 risks related to claims that we infringe the intellectual property rights of others; risks related to our use of open-source software; risks related to our founder shares that provide 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; the novelty of our Digital Lift Initiative; 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, 2023, filed with the SEC on March 14, 2024. 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 letter.

### **Earnings Webcast**

monday.com will hold a [public webcast](#) at 8:30 a.m. ET today to discuss the results for its second quarter 2024 and 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: 7518741. An archived webcast can be accessed from the News & Events section of monday.com's Investor Relations website following the call.

### **About monday.com**

The monday.com Work OS is a low code- no code platform that democratizes the power of software so organizations can easily build work management tools and software applications to fit their every need. The platform intuitively connects people to processes and systems, empowering teams to excel in every aspect of their work while creating an environment of transparency in business. monday.com has offices in Tel Aviv, New York, Denver, Chicago, London, Warsaw, Sydney, Melbourne, São Paulo, and Tokyo. Fully customizable to suit any business vertical, the platform is currently used by over 225,000 customers across more than 200 industries and in over 200 countries and territories.

Visit us on our [LinkedIn](#), [X \(formerly Twitter\)](#), [Instagram](#), [YouTube](#), [TikTok](#), and [Facebook](#). For more information about [monday.com](#) please visit our [Press Room](#).

# MONDAY.COM LTD

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

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

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
	(unaudited)		(unaudited)	
Revenue	\$ 236,106	\$ 175,679	\$ 453,019	\$ 337,935
Cost of revenue	23,763	19,516	47,217	36,530
<b>Gross profit</b>	<b>212,343</b>	<b>156,163</b>	<b>405,802</b>	301,405
<b>Operating expenses:</b>				
Research and development	50,445	39,106	94,868	76,169
Sales and marketing	131,471	107,443	259,612	215,123
General and administrative	28,633	21,781	54,550	45,032
<b>Total operating expenses</b>	<b>210,549</b>	<b>168,330</b>	<b>409,030</b>	<b>336,324</b>
<b>Operating income (loss)</b>	<b>1,794</b>	<b>(12,167)</b>	<b>(3,228)</b>	<b>(34,919)</b>
Financial income, net	14,850	7,612	27,689	17,495
Income (loss) before income taxes	16,644	(4,555)	24,461	(17,424)
Income tax (expense)	(2,329)	(2,480)	(3,068)	(4,278)
<b>Net Income (loss)</b>	<b>\$ 14,315</b>	<b>\$ (7,035)</b>	<b>\$ 21,393</b>	<b>\$ (21,702)</b>
<b>Net income (loss) per share, basic</b>	<b>\$ 0.29</b>	<b>\$ (0.15)</b>	<b>\$ 0.43</b>	<b>\$ (0.45)</b>
<b>Net income (loss) per share, diluted</b>	<b>\$ 0.27</b>	<b>\$ (0.15)</b>	<b>\$ 0.41</b>	<b>\$ (0.45)</b>
Weighted-average ordinary shares used in calculating net income (loss) per ordinary share, basic	49,680,114	48,209,039	49,442,327	48,061,281
Weighted-average ordinary shares used in calculating net income (loss) per ordinary share, diluted	52,209,431	48,209,039	52,106,369	48,061,281

# MONDAY.COM LTD

## CONDENSED CONSOLIDATED BALANCE SHEETS

(U.S. dollars in thousands)

	June 30, 2024	December 31, 2023
	(unaudited)	(audited)
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 1,290,242	\$ 1,116,128
Accounts receivable, net	19,602	17,911
Prepaid expenses and other current assets	56,181	39,103
<b>Total current assets</b>	<b>1,366,025</b>	<b>1,173,142</b>
<b>LONG-TERM ASSETS:</b>		
Property and equipment, net	39,326	37,418
Operating lease right-of-use assets	60,910	62,280
Other long-term assets	3,937	2,816
<b>Total long-term assets</b>	<b>104,173</b>	<b>102,514</b>
<b>Total assets</b>	<b>\$ 1,470,198</b>	<b>\$ 1,275,656</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 46,293	\$ 24,837
Accrued expenses and other current liabilities	137,216	106,691
Deferred revenue, current	317,069	266,284
Operating lease liabilities, current	19,510	18,201
<b>Total current liabilities</b>	<b>520,088</b>	<b>416,013</b>
<b>LONG-TERM LIABILITIES</b>		
Operating lease liabilities, non-current	37,335	42,946
Deferred revenues, non-current	2,653	3,189
<b>Total long-term liabilities</b>	<b>39,988</b>	<b>46,135</b>
<b>Total liabilities</b>	<b>560,076</b>	<b>462,148</b>
<b>SHAREHOLDERS' EQUITY:</b>		
Other comprehensive income	2,657	9,804
Share capital and additional paid-in capital	1,470,476	1,388,108
Accumulated deficit	(563,011)	(584,404)
<b>Total shareholders' equity</b>	<b>910,122</b>	<b>813,508</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 1,470,198</b>	<b>\$ 1,275,656</b>

# MONDAY.COM LTD

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(U.S. dollars in thousands)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
	(unaudited)		(unaudited)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Net income (loss)	\$ 14,315	\$ (7,035)	\$ 21,393	\$ (21,702)
<u>Adjustments to reconcile net income (loss) to net cash provided by operating activities:</u>				
Depreciation and amortization	2,920	2,164	5,453	4,136
Share-based compensation	36,623	28,784	63,166	51,243
<u>Changes in operating assets and liabilities:</u>				
Accounts receivable, net	(1,292)	3,850	(1,691)	(1,910)
Prepaid expenses and other assets	(17,306)	6,149	(15,199)	5,987
Accounts payable	9,625	(220)	21,668	3,596
Accrued expenses and other liabilities, net	(3,636)	(4,252)	2,710	(148)
Deferred revenue	14,545	18,149	50,249	49,115
<b>Net cash provided by operating activities</b>	<b>55,794</b>	<b>47,589</b>	<b>147,749</b>	<b>90,317</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchase of property and equipment	(4,504)	(1,123)	(5,964)	(4,684)
Capitalized software development costs	(469)	(534)	(1,070)	(1,019)
<b>Net cash used in investing activities</b>	<b>(4,973)</b>	<b>(1,657)</b>	<b>(7,034)</b>	<b>(5,703)</b>

# MONDAY.COM LTD

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Cont.)

(U.S. dollars in thousands)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
	(unaudited)		(unaudited)	
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Proceeds from exercise of share options and employee share purchase plan	10,616	5,267	19,324	10,353
Receipt of tax advance relating to exercises of share options and RSUs, net	4,261	2,613	14,075	8,516
<b>Net cash provided by financing activities</b>	<b>14,877</b>	<b>7,880</b>	<b>33,399</b>	<b>18,869</b>
INCREASE IN CASH, AND CASH EQUIVALENTS	65,698	53,812	174,114	103,483
CASH and CASH EQUIVALENTS – Beginning of period	1,224,544	935,565	1,116,128	885,894
<b>CASH and CASH EQUIVALENTS – End of period</b>	<b>\$ 1,290,242</b>	<b>\$ 989,377</b>	<b>\$ 1,290,242</b>	<b>\$ 989,377</b>

# MONDAY.COM LTD

## Reconciliation of GAAP to Non-GAAP Financial Information

(U.S. dollars in thousands)

	Three months ended				
	June 30, 2024	March 31, 2024	December 31, 2023 (unaudited)	September 30, 2023	June 30, 2023
<u>Reconciliation of gross profit and gross margin</u>					
GAAP gross profit	\$ 212,343	\$ 193,459	\$ 180,162	\$ 167,483	\$ 156,163
Share-based compensation	1,872	1,244	1,602	1,383	1,845
Non-GAAP gross profit	\$ 214,215	\$ 194,703	\$ 181,764	\$ 168,866	\$ 158,008
GAAP gross margin	90%	89%	89%	89%	89%
<b>Non-GAAP gross margin</b>	<b>91%</b>	<b>90%</b>	<b>90%</b>	<b>89%</b>	<b>90%</b>
<u>Reconciliation of operating expenses</u>					
GAAP research and development	\$ 50,445	\$ 44,423	\$ 41,898	\$ 38,433	\$ 39,106
Share-based compensation	(13,567)	(9,626)	(8,613)	(10,382)	(11,198)
<b>Non-GAAP research and development</b>	<b>\$ 36,878</b>	<b>\$ 34,797</b>	<b>\$ 33,285</b>	<b>\$ 28,051</b>	<b>\$ 27,908</b>
GAAP sales and marketing	\$ 131,471	\$ 128,141	\$ 114,919	\$ 108,360	\$ 107,443
Share-based compensation	(10,733)	(7,335)	(4,899)	(6,856)	(8,612)
<b>Non-GAAP sales and marketing</b>	<b>\$ 120,738</b>	<b>\$ 120,806</b>	<b>\$ 110,020</b>	<b>\$ 101,504</b>	<b>\$ 98,831</b>
GAAP general and administrative	\$ 28,633	\$ 25,917	\$ 24,490	\$ 23,211	\$ 21,781
Share-based compensation	(10,451)	(8,338)	(7,231)	(7,977)	(7,129)
<b>Non-GAAP general and administrative</b>	<b>\$ 18,182</b>	<b>\$ 17,579</b>	<b>\$ 17,259</b>	<b>\$ 15,234</b>	<b>\$ 14,652</b>
<u>Reconciliation of operating income (loss)</u>					
GAAP operating income (loss)	\$ 1,794	\$ (5,022)	\$ (1,145)	\$ (2,521)	\$ (12,167)
Share-based compensation	36,623	26,543	22,345	26,598	28,784
Non-GAAP operating income	\$ 38,417	\$ 21,521	\$ 21,200	\$ 24,077	\$ 16,617
GAAP operating margin	1%	(2%)	(1%)	(1%)	(7%)
<b>Non-GAAP operating margin</b>	<b>16%</b>	<b>10%</b>	<b>10%</b>	<b>13%</b>	<b>9%</b>

# MONDAY.COM LTD

## Reconciliation of GAAP to Non-GAAP Financial Information (Cont.)

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

	Three months ended				
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
			(unaudited)		
<u>Reconciliation of net income (loss)</u>					
GAAP net income (loss)	\$ 14,315	\$ 7,078	\$ 12,337	\$ 7,488	\$ (7,035)
Share-based compensation	36,623	26,543	22,345	26,598	28,784
Tax benefit related to share-based compensation <sup>(1)</sup>	(1,620)	(1,905)	(972)	(1,075)	(786)
<b>Non-GAAP net income</b>	<b>\$ 49,318</b>	<b>\$ 31,716</b>	<b>\$ 33,710</b>	<b>\$ 33,011</b>	<b>\$ 20,963</b>
<u>Reconciliation of weighted average number of shares outstanding</u>					
Weighted-average ordinary shares used in calculating GAAP and Non-GAAP net income (loss) per ordinary share, basic	49,680,114	49,204,541	48,796,294	48,536,315	48,209,039
Effect of dilutive shares <sup>(2)</sup>	2,529,317	2,815,622	2,811,248	2,925,394	2,949,919
<b>Weighted-average ordinary shares used in calculating GAAP and Non-GAAP net income (loss) per ordinary share, diluted</b>	<b>52,209,431</b>	<b>52,020,163</b>	<b>51,607,542</b>	<b>51,461,709</b>	<b>51,158,958</b>
GAAP net income (loss) per share, basic	\$ 0.29	\$ 0.14	\$ 0.25	\$ 0.15	\$ (0.15)
GAAP net income (loss) per share, diluted	\$ 0.27	\$ 0.14	\$ 0.24	\$ 0.15	\$ (0.15)
Non-GAAP net income (loss) per share, basic	\$ 0.99	\$ 0.64	\$ 0.69	\$ 0.68	\$ 0.43
Non-GAAP net income (loss) per share, diluted	\$ 0.94	\$ 0.61	\$ 0.65	\$ 0.64	\$ 0.41

- (1) The tax benefits generated from the exercise of the disqualifying disposition of incentive share options were excluded in calculating non-GAAP net income and non-GAAP net income per basic and diluted share. The Company believes that excluding these tax benefits enables investors to see the full effect that excluding share-based compensation expenses had on the operating results.
- (2) The effect of these dilutive shares was not included in the GAAP calculation of diluted net loss per share for the three and six months ended June 30, 2023, because the effect would have been anti-dilutive.

## MONDAY.COM LTD

### Reconciliation of GAAP to Non-GAAP Financial Information (Cont.)

The following table reconciles our quarterly and annual reported year-over-year revenue growth rates to the non-GAAP measure of FX adjusted year-over-year revenue growth rates, which excludes the impact of changes in foreign currency exchange rates. The company believes FX adjusted growth rates provide a useful framework for assessing our business performance excluding the effects of foreign currency exchange rate fluctuations. The impact of foreign currency exchange rate fluctuations is determined by calculating the current year result using foreign exchange rates consistent with the prior year period:

	Three months ended June 30,	
	2024	2023
		(unaudited)
<b>Revenue growth as reported</b>	<b>34%</b>	<b>42%</b>
Impact of foreign currency	0%	1%
<b>Revenue growth, FX adjusted</b>	<b>34%</b>	<b>43%</b>

# MONDAY.COM LTD

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

(U.S. dollars in thousands)

	Three months ended				
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
			(unaudited)		
Net cash provided by operating activities	\$ 55,794	\$ 91,955	\$ 58,508	\$ 66,579	\$ 47,589
Purchase of property and equipment	(4,504)	(1,460)	(2,438)	(779)	(1,123)
Capitalized software development costs	(469)	(601)	(629)	(910)	(534)
<b>Free cash flow</b>	<b>\$ 50,821</b>	<b>\$ 89,894</b>	<b>\$ 55,441</b>	<b>\$ 64,890</b>	<b>\$ 45,932</b>
Free cash flow margin	22%	41%	27%	34%	26%