

The logo for Monday.com, featuring three slanted bars in pink, yellow, and green to the left of the text "monday.com".

**monday.com**

**Q4 | 2024**

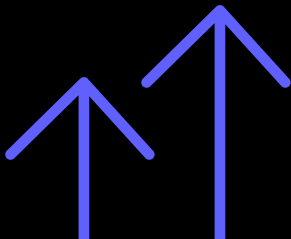
Shareholder Letter

# Financial highlights

## Fourth quarter and fiscal year 2024 key results

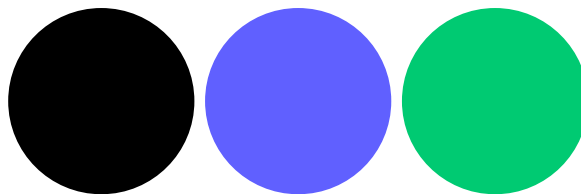
	Q4 FY 2024	FY 2024	
Revenue	<b>\$268.0M</b> 32% Y/Y Growth	<b>\$972.0M</b> 33% Y/Y Growth	Customers \$50K+ ARR*
Gross margin Non-GAAP	<b>89%</b>	<b>90%</b>	<b>3,201</b> 39% Y/Y Growth
Operating margin Non-GAAP	<b>15%</b>	<b>14%</b>	Net dollar retention rate (NDR)*
Free cash flow margin Non-GAAP	<b>27%</b>	<b>30%</b>	<b>112%</b> For all customers

## Financial outlook

Q1 FY 2025		
Revenue	Operating income (Non-GAAP)	
<b>\$274M – \$276M</b> 26% – 27% Y/Y growth	<b>\$25M – \$27M</b> 9% – 10% margin	
FY 2025		
Revenue	Operating income (Non-GAAP)	Free cash flow
<b>\$1,208M – \$1,221M</b> 24% – 26% Y/Y growth	<b>\$134M – \$142M</b> 11% – 12% margin	<b>\$300M – \$308M</b> ~25% margin

\*Metrics as of the end of the quarter ended December 31, 2024

# From the CEOs



Fellow shareholders,

We closed out Q4 on a high note, wrapping up what has been an incredible year. 2024 has been a year of transformation and growth, with our business reaching new heights across every area. We've made tremendous strides in cementing our leadership in the market while driving innovation to meet the evolving needs of our customers.

Key highlights of the year include:

- Surpassing **\$1 billion in annual recurring revenue (ARR)**, a major milestone that reflects the strength and scalability of our platform
- Increasing our **largest seat count to 80,000**, signaling strong adoption and deepening enterprise customer engagement
- Reporting **record operating margins\* and free cash flow**, reflecting a Rule of 60 company and underscoring our focus on efficient growth
- Earning recognition as a **Leader in the Gartner® Magic Quadrant™** in three different categories
- Introducing **new AI capabilities**, such as AI Blocks, expanding our automation and intelligence capabilities
- Completing **mondayDB 2.0**, a major update that enhances scalability and supports larger and more complex use cases
- Achieving a **record number of net-new CRM and dev accounts**, reflecting strong demand for our new products

 **monday** service

## The future of service management is here

We're excited to announce that monday service, our latest offering designed to enhance the service delivery experience, is now officially **available to all customers**.

monday service is an AI-first enterprise service management solution that helps service teams deliver exceptional support faster through smart AI-powered automations.

Initial customer demand has been very strong, with monday service already showing the highest cross-sell of our new products and the **highest average customer value (ACV)** of the entire monday product suite.

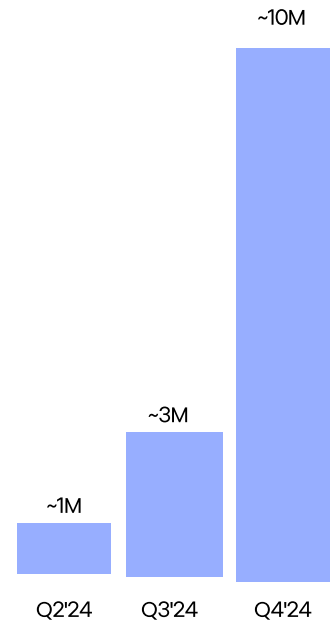
\*GAAP and non-GAAP

## The next evolution of AI at monday.com ✨

To make AI more accessible, we have introduced a flexible, **consumption-based pricing model** for AI Blocks, offering a baseline level of free usage for all plans. For organizations with larger AI needs, additional usage can be purchased at different levels.

In 2025, we will be focused on three strategic areas: AI Blocks, Product Power-ups, and the Digital Workforce. **AI Blocks will be expanded** to provide more advanced ways to automate tasks, and AI will be deeply integrated into each product with **Product Power-ups** to address specific user needs. The **Digital Workforce will include AI agents** like monday Expert, Deal Facilitator, and Service Analyzer, which will offer actionable insights and streamline processes for users.

Total AI actions



## Powering into 2025 with strong momentum

Looking ahead to 2025, we have a lot to be excited about. Our momentum is stronger than ever, positioning us for continued growth and innovation. The success this year would not have been possible without the dedication and talent of the monday.com team. In 2024, we increased our workforce by 35%, bringing our employee headcount to over 2,500, and we expect strong growth in 2025. As we move forward, we remain focused on investing in our people, delivering exceptional value to our customers, and driving sustainable, long-term growth for our shareholders.

Best,  
Roy and Eran



# Empowering businesses to scale with AI

Since AI has been embedded into the monday.com platform, customers have performed approximately 10 million AI actions as of the end of FY24, nearly tripling quarter-over-quarter. To ensure AI remains accessible, we now offer a flexible, consumption-based pricing model for AI Blocks.

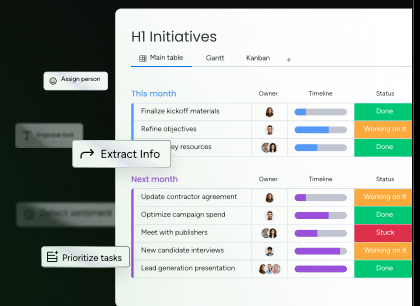
All plans include 500 free AI Credits per month, giving teams a simple way to explore the power of AI. For organizations with more significant AI needs, additional usage can be purchased at varying levels to support the needs of businesses of all sizes.

## In 2025, our AI offering will be built on three foundational pillars:



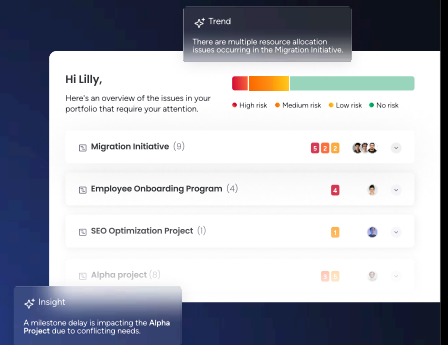
### AI Blocks

Modular, customizable AI actions allow customers to harness AI with no technical expertise required. Customers can leverage advanced capabilities such as "Categorize," "Extract," and other AI-powered actions to analyze data, identify patterns, and streamline decision-making with just a few clicks.



### Product Power-ups

AI capabilities will be seamlessly embedded throughout the monday.com product suite to help customers tackle their most critical challenges. From predictive risk management and CRM data automation to real-time service ticket resolution, these capabilities enable teams to make faster decisions and simplify processes.



### Digital Workforce

A scalable, AI-powered team of agents designed to work around the clock. These specialized digital workers will handle tasks such as analyzing project risks, unlocking stuck sales deals, and identifying recurring customer service issues.

In March, we plan to launch our first AI agent, monday Expert. This agent is designed to assist with onboarding new users to the platform, provide guidance on achieving specific actions across products, and even carry out tasks on users' behalf.





monday work  
management

## Managing all aspects of work in one solution

### Significant 2024 expansion at a top global bank

One of the world's largest banks more than doubled their seat count over the past year. The company first became a monday.com customer in 2022, and since then has continued to expand their usage across the organization. The bank sees strong success in deploying work management across both technical and non-technical teams thanks to the platform's ease of adoption, strong administrative features, and its ability to be used as a single, consistent data source for a wide variety of projects.

## monday.com recognized as a Leader

in the 2024 Gartner® Magic Quadrant™ for  
Marketing Work Management Platforms

This recognition marks a significant milestone for monday.com, as the only work management vendor to be named a Leader in three Gartner® Magic Quadrant™ reports.

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 Adaptive Project Management and Reporting, Kevin Rose et al, 4 September 2024  
Gartner®, Magic Quadrant™ for Marketing Work Management Platforms, Michael McCune et al, 17 December 2024  
Gartner®, Magic Quadrant™ for Collaborative Work Management, Nikos Drakos et al, 2 December 2024

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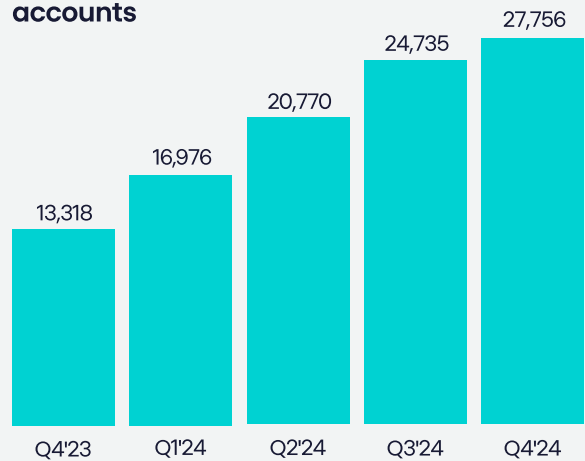
monday  
CRM

# 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 Q4 grew to **27,756, representing 108% growth from the year ago quarter.**

monday CRM  
accounts



## Customer spotlight

Outbound sales management for a premium water business

The U.S. Water division of one of the world's largest food & beverage companies relies on monday CRM to manage its end-to-end outbound sales cycle. When the company became a customer in 2024, they were drawn to the product's flexibility, allowing the team to customize the CRM without needing advanced coding capabilities or third-party support. Today, the company's sales team utilizes monday CRM to capture leads and manage relationships throughout the sales process to close.

## Product enhancements

### Quotes & Invoices

Using Quotes & Invoices, sales reps can close deals faster by generating accurate, customizable proposals directly from their Deals board. This includes product, pricing, and recipient details, which are auto-filled to save time and reduce errors.

monday sales CRM

### Create new quote

This document is based on a template. You can create a custom template in the quotes and invoices section or save this one as a new template for more customization options.

Settings  
Set up your document preferences.

Serial number  Recipient's locale

Date format  Currency

Company brand  
Add your company's logo and a custom signature.



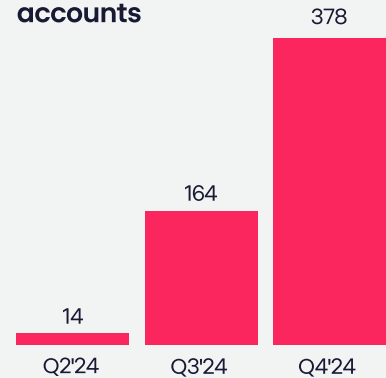
monday  
service

# The AI-first enterprise service management solution

monday service empowers service teams across the entire organization to deliver exceptional support experiences faster, with smart automations that leverage the power of AI. monday service is now **generally available to all customers.**

Total monday service accounts as of the end of Q4 grew to **378, representing 130% growth** from the end of Q3.

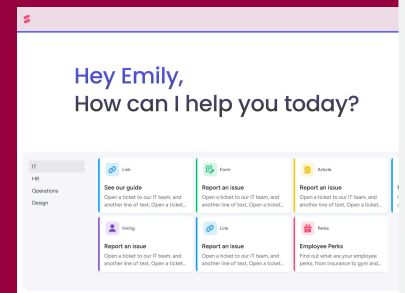
monday service accounts



## Product enhancements

### Customer Portal

The monday service Customer Portal is a one-stop-shop for all internal knowledge to help employees get their questions answered quickly. From links for request forms to self service articles, the Customer Portal streamlines employees' and customers' needs. The Customer Portal was users' #1 most requested feature, and is already seeing strong initial feedback.



## Key monday service stats

80%+

multi-product deals

90%+

of ARR via sales and partner channels

60%+

cross-sell to existing customers



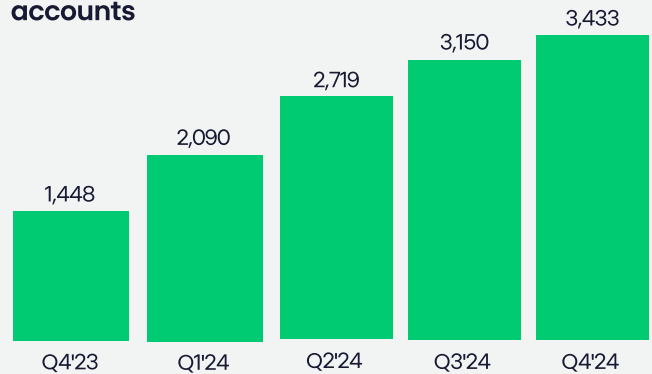
monday  
dev

# Empowering R&D teams to build better products

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 Q4 grew to **3,433, representing 137% growth** from the year ago quarter.

monday dev  
accounts



## Customer spotlight

Managing sprint planning  
and epics at a leading  
fintech & insurance company

When a major financial technology and insurance company's Enterprise Apps team made the decision to transition to an agile methodology from waterfall, they needed a more flexible way to manage their product roadmap. By adopting monday dev, they are able to track all of the team's sprints and epics, and gained the ability to visualize and report on sprint planning and capacity. The company also integrates their monday dev processes into their existing portfolios in work management, creating seamless collaboration between teams.

Add-On Spotlight +



## Premium Support



Premium Support is a paid add-on that provides Enterprise accounts with access to the highest level of customer support. This includes global 24/7 dedicated access to our most experienced engineers and escalation managers, who are deeply familiar with the relevant customer's account and their unique needs. Since fully rolling out in January 2024, Premium Support has been adopted by more than 75 Enterprise accounts around the world. In Q4, the service posted record added ARR, driven by several large expansion deals, as well as strong new business. We expect Premium Support to continue to grow rapidly over time as we expand into more complex enterprise use cases.



Our fastest SLA  
commitment

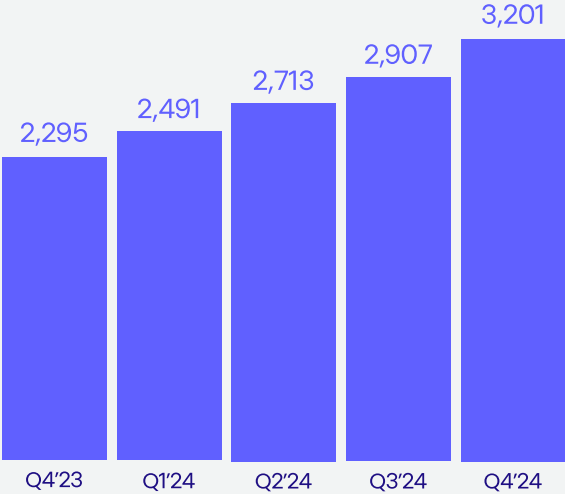


Designated technical  
support team

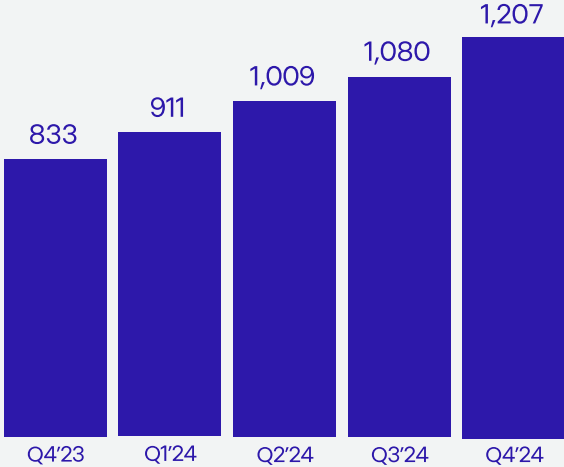


Tailored support  
solutions

# Expanding upmarket

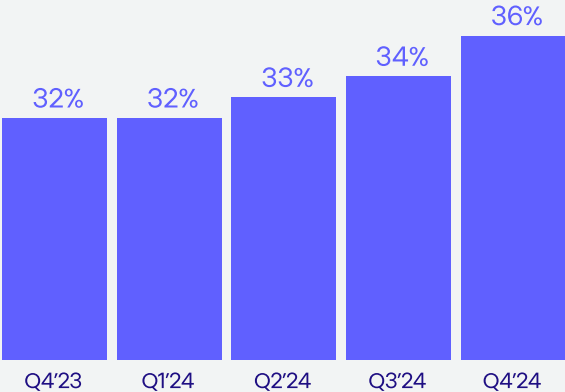


# of customers with \$50k+ ARR\*

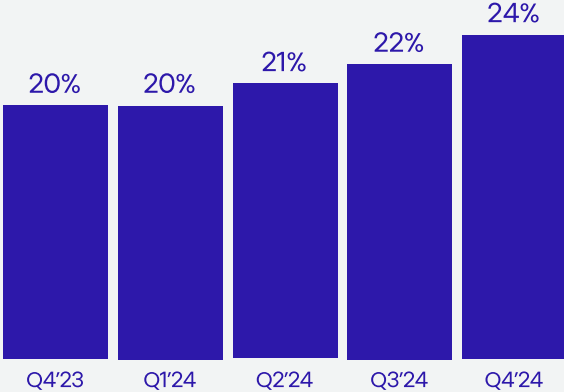


# of customers with \$100k+ ARR\*

In Q4'24, we added 294 enterprise customers (\$50k+ ARR), a record high. 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 for customers with \$50k+ ARR\*



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

Customers with more than \$50k in ARR now represent 36% of ARR, up from 32% a year ago. Customers with more than \$100k in ARR now represent 24% of ARR, up from 20% a year ago.

\*Data as of the end of each quarter

# Boosting workflows with powerful marketplace apps

In 2024, the app marketplace saw significant expansion

**~1.5M visitors**

to the marketplace

**~91% of large accounts**

(>\$25K ARR) have at least one app installed.

The marketplace's offerings help to enhance our products and allow users to take their workflows to the next level. As of the end of the year, the marketplace now has **649 apps**, with **445 apps collecting payments**.

**The most popular apps across the monday.com platform in 2024 included:**



**Tracket**  
by Avisi Apps

A comprehensive time-tracking tool, allowing customers to better manage the time their employees spend on tasks across projects



**General Caster**  
by Omnidea S.r.l.

A collection of powerful integrations performing enhanced calculations without using a Formula column



**Docugen**  
by DocuGen, Inc.

An all-in-one solution to generate invoices, proposals, offers, and other documents



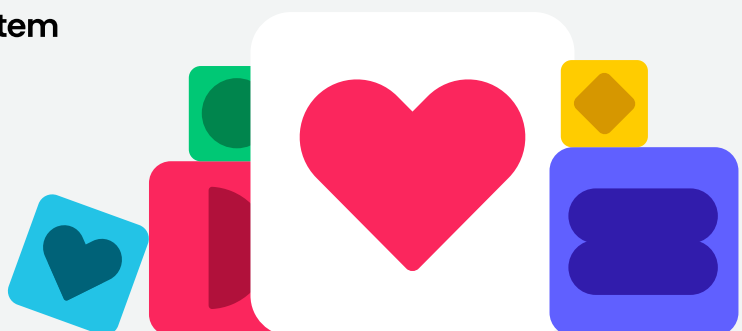
**SuperForm**  
by Spot-nik

Leveling-up monday WorkForms with more column functionality and advanced filtering capabilities

## Enhancing our partner ecosystem

**272** active channel partners

**757** new referral partners



# Financial highlights

Q4 finished strong with solid revenue growth and improving retention, supported by our continued expansion into the enterprise.



**Eliran Glazer**  
CFO

## Fourth quarter fiscal year 2024

(U.S. dollars in millions)

GAAP Results	Q4'24	Q4'23	Diff.	Diff. %
<b>Revenue</b>	<b>268.0</b>	<b>202.6</b>	<b>65.4</b>	<b>32%</b>
Gross profit	237.5	180.2	57.3	32%
<b>Gross margin</b>	<b>89%</b>	<b>89%</b>		
R&D	62.3	41.9	20.4	49%
As % of revenue	23%	21%		
S&M	133.6	114.9	18.7	16%
As % of revenue	50%	57%		
G&A	31.9	24.5	7.4	30%
As % of revenue	12%	12%		
<b>Total operating expenses</b>	<b>227.9</b>	<b>181.3</b>	<b>46.6</b>	<b>26%</b>
<b>Operating income (loss)</b>	<b>9.6</b>	<b>(1.1)</b>	<b>10.7</b>	<b>938%</b>
<b>Operating margin</b>	<b>4%</b>	<b>(1%)</b>		

Non-GAAP Results	Q4'24	Q4'23	Diff.	Diff. %
Gross profit	239.1	181.8	57.3	32%
<b>Gross margin</b>	<b>89%</b>	<b>90%</b>		
R&D	48.1	33.3	14.8	44%
As % of revenue	18%	16%		
S&M	127.8	110.0	17.8	16%
As % of revenue	48%	54%		
G&A	23.0	17.3	5.7	33%
As % of revenue	9%	9%		
<b>Total operating expenses</b>	<b>198.8</b>	<b>160.6</b>	<b>38.3</b>	<b>24%</b>
<b>Operating income</b>	<b>40.3</b>	<b>21.2</b>	<b>19.1</b>	<b>90%</b>
<b>Operating margin</b>	<b>15%</b>	<b>10%</b>		

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

# Financial highlights

2024 was a fantastic year for monday.com. We continued to evolve the business into new product areas and larger customers, all while driving strong, efficient growth. As we look ahead to 2025, we remain highly confident in our ability to continue to scale the business and capture additional market share through both expansions and new business.

## Fiscal year 2024

(U.S. dollars in millions)

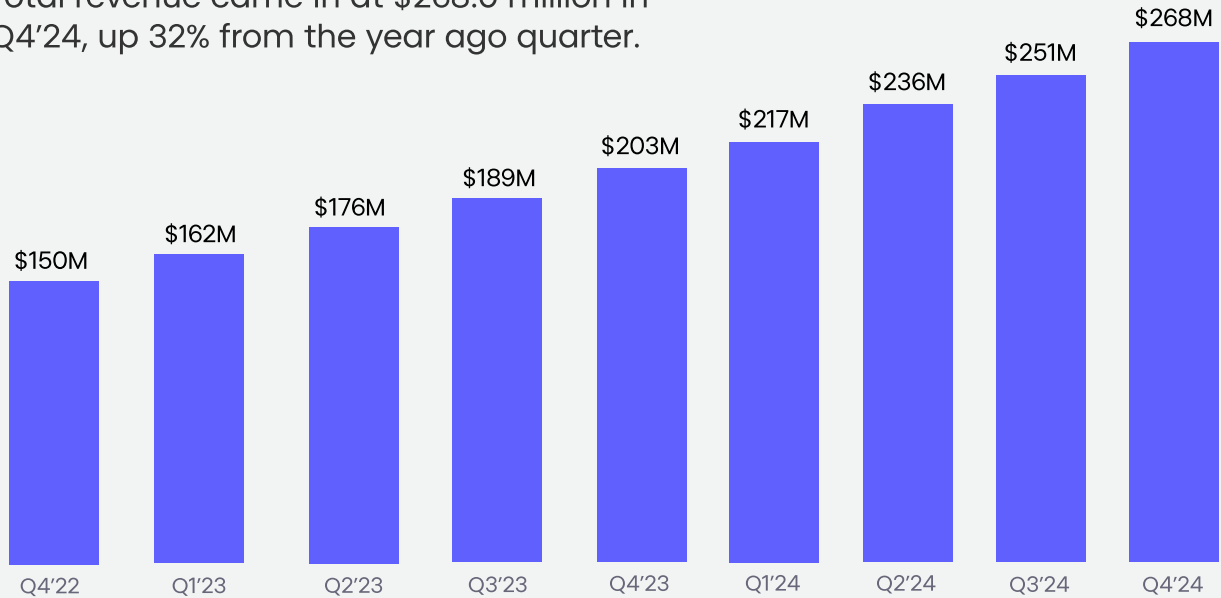
GAAP Results	FY'24	FY'23	Diff.	Diff. %
<b>Revenue</b>	<b>972.0</b>	<b>729.7</b>	<b>242.3</b>	<b>33%</b>
Gross profit	868.3	649.1	219.3	34%
<b>Gross margin</b>	<b>89%</b>	<b>89%</b>		
R&D	213.7	156.5	57.2	37%
As % of revenue	22%	21%		
S&M	533.5	438.4	95.1	22%
As % of revenue	55%	60%		
G&A <sup>1</sup>	142.1	92.7	49.4	53%
As % of revenue	15%	13%		
<b>Total operating expenses</b>	<b>889.3</b>	<b>687.6</b>	<b>201.7</b>	<b>29%</b>
<b>Operating loss <sup>1</sup></b>	<b>(21.0)</b>	<b>(38.6)</b>	<b>17.6</b>	<b>45%</b>
<b>Operating margin</b>	<b>(2%)</b>	<b>(5%)</b>		
Non-GAAP Results	FY'24	FY'23	Diff.	Diff. %
Gross profit	874.9	655.4	219.6	34%
<b>Gross margin</b>	<b>90%</b>	<b>90%</b>		
R&D	162.7	117.8	45.0	38%
As % of revenue	17%	16%		
S&M	499.7	413.0	86.7	21%
As % of revenue	51%	57%		
G&A	80.1	63.0	17.2	27%
As % of revenue	8%	9%		
<b>Total operating expenses</b>	<b>742.5</b>	<b>593.8</b>	<b>148.8</b>	<b>25%</b>
<b>Operating income</b>	<b>132.4</b>	<b>61.6</b>	<b>70.8</b>	<b>115%</b>
<b>Operating margin</b>	<b>14%</b>	<b>8%</b>		

(1) Includes (i) an equity grant of \$17.9 million, which represents the fair market value of 68,000 of our shares that we contributed to the monday.com foundation, and (ii) a one-time cash contribution of \$6.3 million from us to the monday.com foundation, calculated based on 1% of the gross proceeds from our initial public offering.

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 \$268.0 million in Q4'24, up 32% from the year ago quarter.

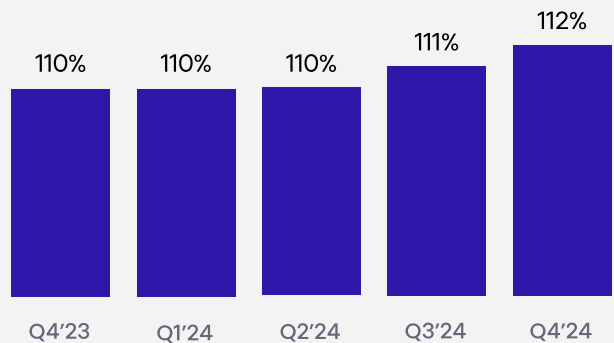


# Net dollar retention rate

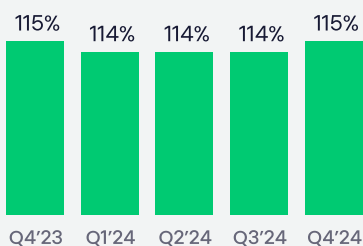
Our overall NDR increased sequentially to 112% in Q4'24. As a reminder, our NDR is a trailing four-quarter, weighted average calculation.

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

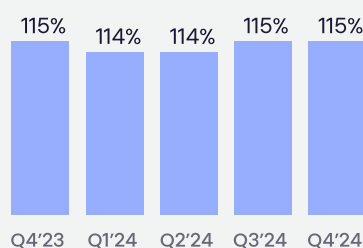
## For all customers



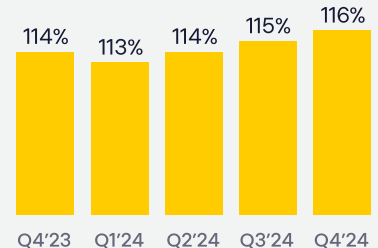
## For customers with 10+ users



## 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 \$48.1 million in Q4'24, or 18% of revenue, compared to 16% in Q4'23.

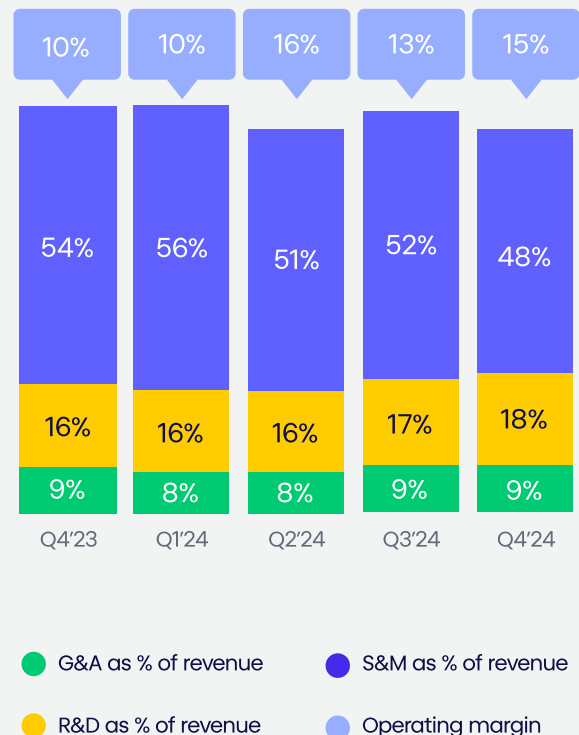
Sales and marketing (S&M) expense was \$127.8 million in Q4'24, or 48% of revenue, compared to 54% in Q4'23.

General and administrative (G&A) expense was \$23.0 million in Q4'24, or 9% of revenue, in-line with Q4'23.

Operating income was \$40.3 million in Q4'24, up from \$21.2 million in Q4'23, and operating margin was 15%.

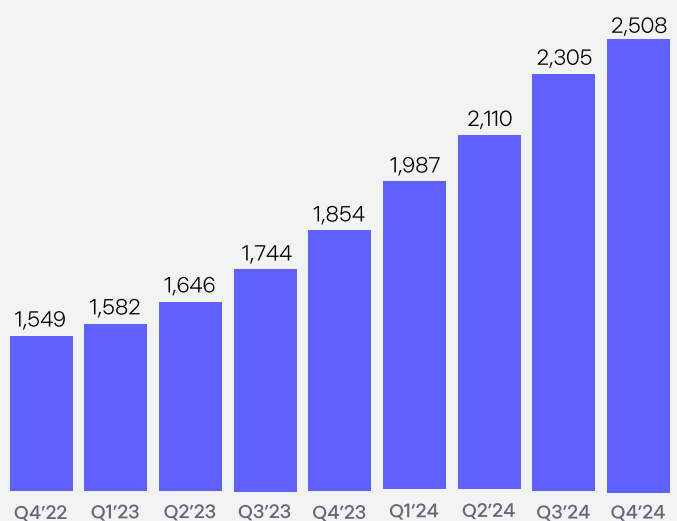
Net income was \$57.3 million in Q4'24, up from \$33.7 million in Q4'23. Diluted net income per share was \$1.08 in Q4'24, based on 52.9 million fully diluted shares outstanding.

## % of revenue



# Headcount

Total employee headcount was 2,508, an increase of 203 employees since Q3'24. We expect to grow headcount by approximately 30% in FY'25, with heavier investments in the first half of the year as we continue to ramp hiring for our sales, R&D and product teams.



# Balance sheet

Cash and cash equivalents increased to \$1.41 billion at the end of Q4'24, up from \$1.34 billion at the end of Q3'24.

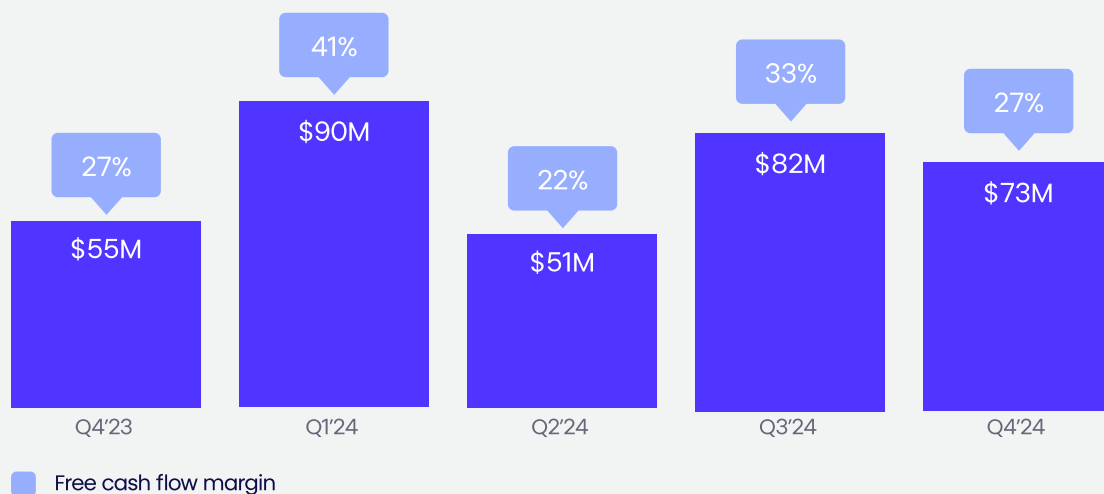


# Free cash flow

(NON-GAAP)

Free cash flow for Q4'24 was \$72.7 million, and free cash flow margin, as defined as free cash flow as a percentage of revenue, was 27%.

For FY'24, free cash flow was a record \$295.8 million and free cash flow margin was 30%. 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.



# Financial guidance

	Q1 FY 2025	FY 2025
<b>Revenue</b>	<b>\$274 - \$276 million</b>	<b>\$1,208 - \$1,221 million</b>
Y/Y growth %	26% - 27%	24% - 26%
<b>Non-GAAP operating income</b>	<b>\$25 - \$27 million</b>	<b>\$134 - \$142 million</b>
Margin %	9% - 10%	11% - 12%
<b>Free cash flow</b>		<b>\$300 - \$308 million</b>
Margin %		~25%

For the first quarter of fiscal year 2025, we expect our revenue to be in the range of \$274 million to \$276 million, representing growth of 26% to 27% year-over-year. We expect non-GAAP operating income of \$25 million to \$27 million and an operating margin of 9% to 10%.

For the full year 2025, we expect revenue to be in the range of \$1,208 million to \$1,221 million, representing growth of 24% to 26% year-over-year. This forecast assumes a negative impact from FX of 100 to 200 basis points. We expect full year non-GAAP operating income of \$134 million to \$142 million and an operating margin of 11% to 12%. We expect full year free cash flow of \$300 million to \$308 million and free cash flow margin of approximately 25%.

## Forward-looking statements

This 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 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 letter represent monday.com's views as of the date of this 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 letter.

### **Earnings Webcast**

monday.com will hold a public webcast at 8:30 a.m. ET today to discuss the results for its fourth quarter and fiscal year 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: 3954851. 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, London, Warsaw, Sydney, Melbourne, São Paulo, and Tokyo. Fully customizable to suit any business vertical, the platform is currently used by approximately 245,000 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 December 31,		Year ended December 31,	
	2024	2023	2024	2023
	(unaudited)		(unaudited)	
Revenue	\$ 267,976	\$ 202,570	\$ 971,995	\$ 729,695
Cost of revenue	30,502	22,408	103,691	80,645
<b>Gross profit</b>	<b>237,474</b>	<b>180,162</b>	<b>868,304</b>	<b>649,050</b>
<b>Operating expenses:</b>				
Research and development	62,332	41,898	213,709	156,500
Sales and marketing	133,643	114,919	533,539	438,402
General and administrative	31,903	24,490	142,090	92,733
<b>Total operating expenses</b>	<b>227,878</b>	<b>181,307</b>	<b>889,338</b>	<b>687,635</b>
<b>Operating income (loss)</b>	<b>9,596</b>	<b>(1,145)</b>	<b>(21,034)</b>	<b>(38,585)</b>
Financial income, net	12,869	12,861	55,500	41,911
Income before income taxes	22,465	11,716	34,466	3,326
Income tax (expense) benefit	540	621	(2,094)	(5,203)
<b>Net Income (loss)</b>	<b>\$ 23,005</b>	<b>\$ 12,337</b>	<b>\$ 32,372</b>	<b>(1,877)</b>
<b>Net income (loss) per share, basic</b>	<b>\$ 0.45</b>	<b>\$ 0.25</b>	<b>\$ 0.65</b>	<b>\$ (0.04)</b>
<b>Net income (loss) per share, diluted</b>	<b>\$ 0.43</b>	<b>\$ 0.24</b>	<b>\$ 0.62</b>	<b>\$ (0.04)</b>
Weighted-average ordinary shares used in calculating net income (loss) per ordinary share, basic	50,604,151	48,796,294	49,908,423	48,366,378
Weighted-average ordinary shares used in calculating net income (loss) per ordinary share, diluted	52,942,616	51,607,542	52,420,826	48,366,378

# MONDAY.COM LTD

## CONDENSED CONSOLIDATED BALANCE SHEETS

(U.S. dollars in thousands)

	December 31, 2024 (unaudited)	December 31, 2023 (audited)
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 1,411,602	\$ 1,116,128
Marketable securities	50,004	—
Accounts receivable, net	25,804	17,911
Prepaid expenses and other current assets	44,836	39,103
<b>Total current assets</b>	<b>1,532,246</b>	<b>1,173,142</b>
<b>LONG-TERM ASSETS:</b>		
Property and equipment, net	41,576	37,418
Operating lease right-of-use assets	94,703	62,280
Other long-term assets	16,983	2,816
<b>Total long-term assets</b>	<b>153,262</b>	<b>102,514</b>
<b>Total assets</b>	<b>\$ 1,685,508</b>	<b>\$ 1,275,656</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 35,611	\$ 24,837
Accrued expenses and other current liabilities	171,040	106,691
Deferred revenue, current	339,951	266,284
Operating lease liabilities, current	29,013	18,201
<b>Total current liabilities</b>	<b>575,615</b>	<b>416,013</b>
<b>LONG-TERM LIABILITIES</b>		
Operating lease liabilities, non-current	77,023	42,946
Deferred revenues, non-current	2,639	3,189
<b>Total long-term liabilities</b>	<b>79,662</b>	<b>46,135</b>
<b>Total liabilities</b>	<b>655,277</b>	<b>462,148</b>
<b>SHAREHOLDERS' EQUITY:</b>		
Other comprehensive income	3,189	9,804
Share capital and additional paid-in capital	1,579,074	1,388,108
Accumulated deficit	(552,032)	(584,404)
<b>Total shareholders' equity</b>	<b>1,030,231</b>	<b>813,508</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 1,685,508</b>	<b>\$ 1,275,656</b>

# MONDAY.COM LTD

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(U.S. dollars in thousands)

	Three months ended		Year ended	
	December 31,		December 31,	
	2024	2023	2024	2023
	(unaudited)		(unaudited)	(audited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Net income (loss)	\$ 23,005	\$ 12,337	\$ 32,372	\$ (1,877)
<u>Adjustments to reconcile net income (loss) to net cash provided by operating activities:</u>				
Depreciation and amortization	3,216	2,556	11,858	9,023
Loss from sale of property and equipment	560	—	576	—
Share-based compensation	30,669	22,345	129,209	100,186
Charitable share contribution to foundation	—	—	17,908	—
Amortization of discount and accretion of interest on marketable securities	420	—	(227)	—
<u>Changes in operating assets and liabilities:</u>				
Accounts receivable, net	(5,174)	(4,105)	(7,893)	(4,685)
Prepaid expenses and other assets	8,427	1,515	16,280	11,840
Accounts payable	793	8,647	10,406	17,397
Accrued expenses and other liabilities, net	4,745	7,223	27,459	14,588
Deferred revenue	10,050	7,990	73,117	68,932
<b>Net cash provided by operating activities</b>	<b>76,711</b>	<b>58,508</b>	<b>311,065</b>	<b>215,404</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchase of property and equipment	(3,447)	(2,438)	(13,211)	(7,901)
Purchase of marketable securities	—	—	(49,570)	—
Investment in affiliated company	(6,000)	—	(6,000)	—
Capitalized software development costs	(561)	(629)	(2,024)	(2,558)
<b>Net cash used in investing activities</b>	<b>(10,008)</b>	<b>(3,067)</b>	<b>(70,805)</b>	<b>(10,459)</b>

# MONDAY.COM LTD

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

(U.S. dollars in thousands)

	Three months ended		Year ended	
	December 31,		December 31,	
	2024	2023	2024	2023
	(unaudited)		(unaudited)	(audited)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Proceeds from exercise of share options and employee share purchase plan	8,668	6,539	43,341	21,243
Receipt (repayment) of tax advance relating to exercises of share options and RSUs, net	(924)	(122)	11,873	4,046
<b>Net cash provided by financing activities</b>	<b>7,744</b>	<b>6,417</b>	<b>55,214</b>	<b>25,289</b>
INCREASE IN CASH, AND CASH EQUIVALENTS	74,447	61,858	295,474	230,234
CASH and CASH EQUIVALENTS – Beginning of period	1,337,155	1,054,270	1,116,128	885,894
<b>CASH and CASH EQUIVALENTS – End of period</b>	<b>\$ 1,411,602</b>	<b>\$ 1,116,128</b>	<b>\$ 1,411,602</b>	<b>\$ 1,116,128</b>

# MONDAY.COM LTD

## Reconciliation of GAAP to Non-GAAP Financial Information

(U.S. dollars in thousands)

	Three months ended				
	December 31, 2024	September 30, 2024	June 30, 2024 (unaudited)	March 31, 2024	December 31, 2023
<b>Reconciliation of gross profit and gross margin</b>					
GAAP gross profit	\$ 237,474	\$ 225,028	\$ 212,343	\$ 193,459	\$ 180,162
Share-based compensation	1,606	1,881	1,872	1,244	1,602
Non-GAAP gross profit	\$ 239,080	\$ 226,909	\$ 214,215	\$ 194,703	\$ 181,764
GAAP gross margin	89%	90%	90%	89%	89%
<b>Non-GAAP gross margin</b>	<b>89%</b>	<b>90%</b>	<b>91%</b>	<b>90%</b>	<b>90%</b>
<b>Reconciliation of operating expenses</b>					
GAAP research and development	\$ 62,332	\$ 56,509	\$ 50,445	\$ 44,423	\$ 41,898
Share-based compensation	(14,266)	(13,536)	(13,567)	(9,626)	(8,613)
<b>Non-GAAP research and development</b>	<b>\$ 48,066</b>	<b>\$ 42,973</b>	<b>\$ 36,878</b>	<b>\$ 34,797</b>	<b>\$ 33,285</b>
GAAP sales and marketing	\$ 133,643	\$ 140,284	\$ 131,471	\$ 128,141	\$ 114,919
Share-based compensation	(5,852)	(9,945)	(10,733)	(7,335)	(4,899)
<b>Non-GAAP sales and marketing</b>	<b>\$ 127,791</b>	<b>\$ 130,339</b>	<b>\$ 120,738</b>	<b>\$ 120,806</b>	<b>\$ 110,020</b>
GAAP general and administrative	\$ 31,903	\$ 55,637	\$ 28,633	\$ 25,917	\$ 24,490
Share-based compensation	(8,945)	(10,012)	(10,451)	(8,338)	(7,231)
Charitable contribution to foundation <sup>(1)</sup>	—	(24,208)	—	—	—
<b>Non-GAAP general and administrative</b>	<b>\$ 22,958</b>	<b>\$ 21,417</b>	<b>\$ 18,182</b>	<b>\$ 17,579</b>	<b>\$ 17,259</b>
<b>Reconciliation of operating income (loss)</b>					
GAAP operating income (loss)	\$ 9,596	\$ (27,402)	\$ 1,794	\$ (5,022)	\$ (1,145)
Share-based compensation	30,669	35,374	36,623	26,543	22,345
Charitable contribution to foundation <sup>(1)</sup>	—	24,208	—	—	—
<b>Non-GAAP operating income</b>	<b>\$ 40,265</b>	<b>\$ 32,180</b>	<b>\$ 38,417</b>	<b>\$ 21,521</b>	<b>\$ 21,200</b>
GAAP operating margin	4%	(11%)	1%	(2%)	(1%)
<b>Non-GAAP operating margin</b>	<b>15%</b>	<b>13%</b>	<b>16%</b>	<b>10%</b>	<b>10%</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				
	December 31, 2024	September 30, 2024	June 31, 2024	March 31, 2024	December 31, 2023
	(unaudited)				
<u>Reconciliation of net income (loss)</u>					
GAAP net income (loss)	\$ 23,005	\$ (12,026)	\$ 14,315	\$ 7,078	\$ 12,337
Share-based compensation	30,669	35,374	36,623	26,543	22,345
Charitable contribution to foundation <sup>(1)</sup>	—	24,208	—	—	—
Tax expense (benefit) related to share-based compensation <sup>(2)</sup>	3,626	(2,587)	(1,620)	(1,905)	(972)
<b>Non-GAAP net income</b>	<b>\$ 57,300</b>	<b>\$ 44,969</b>	<b>\$ 49,318</b>	<b>\$ 31,716</b>	<b>\$ 33,710</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	50,604,151	50,134,930	49,680,114	49,204,541	48,796,294
Effect of dilutive shares <sup>(3)</sup>	2,338,465	2,490,965	2,529,317	2,815,622	2,811,248
<b>Weighted-average ordinary shares used in calculating GAAP and Non-GAAP net income (loss) per ordinary share, diluted</b>	<b>52,942,616</b>	<b>52,625,895</b>	<b>52,209,431</b>	<b>52,020,163</b>	<b>51,607,542</b>
GAAP net income (loss) per share, basic	\$ 0.45	\$ (0.24)	\$ 0.29	\$ 0.14	\$ 0.25
GAAP net income (loss) per share, diluted	\$ 0.43	\$ (0.24)	\$ 0.27	\$ 0.14	\$ 0.24
Non-GAAP net income per share, basic	\$ 1.13	\$ 0.90	\$ 0.99	\$ 0.64	\$ 0.69
Non-GAAP net income per share, diluted	\$ 1.08	\$ 0.85	\$ 0.94	\$ 0.61	\$ 0.65

(1) Includes (i) an equity grant of \$17.9 million, which represents the fair market value of 68,000 of our shares that we contributed to the monday.com foundation, and (ii) a one-time cash contribution of \$6.3 million from us to the monday.com foundation, calculated based on 1% of the gross proceeds from our initial public offering.

(2) 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.

(3) The effect of these dilutive shares was not included in the GAAP calculation of diluted net loss per share for the three months ended September 30, 2024, because the effect would have been anti-dilutive.

# MONDAY.COM LTD

## Reconciliation of GAAP to Non-GAAP Financial Information

(U.S. dollars in thousands)

	Year ended	
	December 31, 2024	December 31, 2023
	(unaudited)	
<u>Reconciliation of gross profit and gross margin</u>		
GAAP gross profit	\$ 868,304	\$ 649,050
Share-based compensation	6,603	6,307
Non-GAAP gross profit	\$ 874,907	\$ 655,357
GAAP gross margin	89%	89%
<b>Non-GAAP gross margin</b>	<b>90%</b>	<b>90%</b>
<u>Reconciliation of operating expenses</u>		
GAAP research and development	\$ 213,709	\$ 156,500
Share-based compensation	(50,995)	(38,737)
<b>Non-GAAP research and development</b>	<b>\$ 162,714</b>	<b>\$ 117,763</b>
GAAP sales and marketing	\$ 533,539	\$ 438,402
Share-based compensation	(33,865)	(25,395)
<b>Non-GAAP sales and marketing</b>	<b>\$ 499,674</b>	<b>\$ 413,007</b>
GAAP general and administrative	\$ 142,090	\$ 92,733
Share-based compensation	(37,746)	(29,747)
Charitable contribution to foundation <sup>(1)</sup>	(24,208)	—
<b>Non-GAAP general and administrative</b>	<b>\$ 80,136</b>	<b>\$ 62,986</b>
<u>Reconciliation of operating income (loss)</u>		
GAAP operating loss	\$ (21,034)	\$ (38,585)
Share-based compensation	129,209	100,186
Charitable contribution to foundation <sup>(1)</sup>	24,208	—
<b>Non-GAAP operating income</b>	<b>\$ 132,383</b>	<b>\$ 61,601</b>
GAAP operating margin	(2%)	(5%)
<b>Non-GAAP operating margin</b>	<b>14%</b>	<b>8%</b>

# MONDAY.COM LTD

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

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

	Year ended	
	December 31, 2024	December 31, 2023
	(unaudited)	
<u>Reconciliation of net income (loss)</u>		
GAAP net income (loss)	\$ 32,372	\$ (1,877)
Share-based compensation	129,209	100,186
Charitable contribution to foundation <sup>(1)</sup>	24,208	—
Tax expense (benefit) related to share-based compensation <sup>(2)</sup>	(2,486)	(3,392)
<b>Non-GAAP net income</b>	<b>\$ 183,303</b>	<b>\$ 94,917</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	49,908,423	48,366,378
Effect of dilutive shares <sup>(3)</sup>	2,512,403	2,869,112
<b>Weighted-average ordinary shares used in calculating GAAP and Non-GAAP net income (loss) per ordinary share, diluted</b>	<b>52,420,826</b>	<b>51,235,490</b>
GAAP net income (loss) per share, basic	\$ 0.65	\$ (0.04)
GAAP net income (loss) per share, diluted	\$ 0.62	\$ (0.04)
Non-GAAP net income per share, basic	\$ 3.67	\$ 1.96
Non-GAAP net income per share, diluted	\$ 3.50	\$ 1.85

(1) Includes (i) an equity grant of \$17.9 million, which represents the fair market value of 68,000 of our shares that we contributed to the monday.com foundation, and (ii) a one-time cash contribution of \$6.3 million from us to the monday.com foundation, calculated based on 1% of the gross proceeds from our initial public offering.

(2) 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.

(3) The effect of these dilutive shares was not included in the GAAP calculation of diluted net loss per share for the year ended December 31, 2023, because the effect would have been anti-dilutive.

## MONDAY.COM LTD

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

(U.S. dollars in thousands)

	Three months ended				
	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
			(unaudited)		
Net cash provided by operating activities	\$ 76,711	\$ 86,605	\$ 55,794	\$ 91,955	\$ 58,508
Purchase of property and equipment	(3,447)	(3,800)	(4,504)	(1,460)	(2,438)
Capitalized software development costs	(561)	(393)	(469)	(601)	(629)
<b>Free cash flow</b>	<b>\$ 72,703</b>	<b>\$ 82,412</b>	<b>\$ 50,821</b>	<b>\$ 89,894</b>	<b>\$ 55,441</b>
Free cash flow margin	27%	33%	22%	41%	27%

## MONDAY.COM LTD

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

(U.S. dollars in thousands)

	Year ended	
	December 31, 2024	December 31, 2023
	(unaudited)	
Net cash provided by operating activities	\$ 311,065	\$ 215,404
Purchase of property and equipment	(13,211)	(7,901)
Capitalized software development costs	(2,024)	(2,558)
<b>Free cash flow</b>	<b>\$ 295,830</b>	<b>\$ 204,945</b>
Free cash flow margin	30%	28%