

Doximity Announces Fourth Quarter and Fiscal Year 2022 Financial Results

*Q4 total revenues of \$93.7 million, up 40% year-over-year
Q4 net income margin of 39% and adjusted EBITDA margin of 42%*

*Fiscal Year 2022 total revenues of \$343.5 million, up 66% year-over-year
Fiscal year 2022 net income margin of 45% and adjusted EBITDA margin of 44%*

SAN FRANCISCO, Calif., May 17, 2022 -- Doximity, Inc. (NYSE: DOCS), the leading digital platform for U.S. medical professionals, today announced results for the fiscal 2022 fourth quarter and fiscal year ended March 31, 2022.

“We’re proud to now serve over 2 million US healthcare professionals, including over 80% of US physicians and over 50% of Physician Assistants and Nurse Practitioners,” said Jeff Tangney, co-founder & CEO at Doximity. “This quarter, we added scheduling to our product suite with the acquisition of Amion, and saw record use of our fax, e-signature, and telehealth tools.”

Fiscal 2022 Fourth Quarter Financial Highlights

All comparisons, unless otherwise noted, are to the three months ended March 31, 2021.

- **Revenue:** Revenue of \$93.7 million, versus \$66.7 million, an increase of 40% year-over-year.
- **Net income and non-GAAP net income:** Net income of \$36.7 million, versus \$21.5 million, representing a 39% margin. Non-GAAP net income of \$44.9 million, versus \$24.0 million, representing a 48% margin.
- **Adjusted EBITDA:** Adjusted EBITDA of \$39.4 million, versus \$26.7 million, an increase of 47% year-over-year, representing adjusted EBITDA margins of 42%, versus 40%.
- **Net income per share and non-GAAP net income per share:** Diluted net income per share was \$0.17, versus \$0.07, while non-GAAP diluted net income per share was \$0.21, versus \$0.09.
- **Operating cash flow and free cash flow:** Operating cash flow of \$47.0 million, versus \$37.6 million, and free cash flow of \$44.9 million, versus \$36.6 million.

Fiscal Year 2022 Financial Highlights

All comparisons, unless otherwise noted, are to the fiscal year ended March 31, 2021.

- **Revenue:** Revenue of \$343.5 million, versus \$206.9 million, an increase of 66% year-over-year.
- **Net income and non-GAAP net income:** Net income of \$154.8 million, versus \$50.2 million, representing a 45% margin. Non-GAAP net income of \$180.6 million, versus \$57.2 million, representing a 53% margin.
- **Adjusted EBITDA:** Adjusted EBITDA of \$150.3 million, versus \$64.8 million, an increase of 132% year-over-year, representing adjusted EBITDA margins of 44%, versus 31%.
- **Net income per share and non-GAAP net income per share:** Diluted net income per share was \$0.70, versus \$0.23, while non-GAAP diluted net income per share was \$0.82, versus \$0.26.
- **Operating cash flow and free cash flow:** Operating cash flow of \$126.6 million, versus \$83.0 million, and free cash flow of \$120.9 million, versus \$78.4 million.

Financial Outlook

Doximity is providing guidance for its fiscal first quarter ending June 30, 2022 as follows:

- Revenue between \$88.6 million and \$89.6 million.
- Adjusted EBITDA between \$28.6 million and \$29.6 million.

Doximity is updating guidance for its fiscal year ending March 31, 2023 as follows:

- Revenue between \$454.0 million and \$458.0 million.
- Adjusted EBITDA between \$192.0 million and \$196.0 million.

Stock Repurchase Program

The board of directors of Doximity authorized a new stock repurchase program to acquire up to \$70 million of the Company's Class A common stock, commencing in the first quarter of fiscal 2023. The repurchases are expected to be executed from time to time over the next 12 months, subject to general business and market conditions and other investment opportunities, through open market purchases or privately negotiated transactions, including through Rule 10b5-1 plans.

Conference Call Information

Doximity will host a webcast today at 2:00 p.m. Pacific Time (5:00 p.m. Eastern Time) to discuss these financial results. To listen to a live audio webcast, please visit the Company's Investor Relations page at <https://investors.doximity.com>. The archived webcast will be available on the Company's Investor Relations page shortly after the call.

About Doximity

Founded in 2010, Doximity is the leading digital platform for medical professionals. The company's network members include over 80% of U.S. physicians across all specialties and practice areas. Doximity provides its verified clinical membership with digital tools built for medicine, enabling them to collaborate with colleagues, stay up to date with the latest medical news and research, manage their careers, and conduct virtual patient visits. Doximity's mission is to help doctors be more productive so they can provide better care for their patients. For more information, please visit www.doximity.com.

Forward-Looking Statements

Statements we make in this press release may include statements which are not historical facts and are considered forward-looking within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act, which are usually identified by the use of words such as "anticipates," "believes," "estimates," "expects," "intends," "may," "plans," "projects," "seeks," "should," "will," and variations of such words or similar expressions. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act and Section 21E of the Securities Exchange Act and are making this statement for purposes of complying with those safe harbor provisions. These forward-looking statements reflect our current views about our plans, intentions, expectations, strategies and prospects, which are based on the information currently available to us and on assumptions we have made. Although we believe that our plans, intentions, expectations, strategies and prospects as reflected in or suggested by those forward-looking statements are reasonable, we can give no assurance that the plans, intentions, expectations, or strategies will be attained or achieved. Furthermore, actual results may differ materially from those described in the forward-looking statements and will be affected by a variety of risks and factors including (i) the timing and scope of anticipated stock repurchases; (ii) the impact of the COVID-19 pandemic (including the impact to our industry or on our customers' industries, impact on general economic conditions, and government responses, restrictions, and actions related to the pandemic); (iii) our ability to retain existing members or add new members to our platform and maintain or grow their engagement with our platform; (iv) our ability to attract new customers or retain existing customers; (v) the impact of our prioritization of our members' interests; (vi) breaches in our security measures or unauthorized access to members' data; (vii) our ability to maintain or manage our growth, and other risks and factors that are beyond our control including, without limitation, those set forth in the section entitled "Risk Factors" in the prospectus for our offering of shares of Class A common stock shares that was filed with the SEC on June 25, 2021, and in our Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2021, as such risk factors may be updated from time to time in our periodic filings with the SEC. Additional information will be provided in our Annual Report on Form 10-K for the annual period ended March 31, 2022. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could cause actual results to differ materially from those contained in our forward-looking statements. The forward-looking statements made in this press release relate only to management's beliefs and assumptions as of this date. We assume no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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DOXIMITY, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands)
(unaudited)

| | As of March 31, | |
|--|-----------------|------------|
| | 2022 | 2021 |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 112,809 | \$ 66,393 |
| Marketable securities | 685,304 | 76,141 |
| Accounts receivable, net | 81,073 | 50,319 |
| Prepaid expenses and other current assets | 19,439 | 10,692 |
| Deferred contract costs, current | 5,512 | 5,856 |
| Total current assets | 904,137 | 209,401 |
| Property and equipment, net | 8,488 | 7,598 |
| Deferred income tax assets | 48,558 | 2,112 |
| Operating lease right-of-use assets | 1,087 | 1,339 |
| Intangible assets, net | 7,909 | 9,596 |
| Goodwill | 18,915 | 18,915 |
| Other assets | 2,263 | 2,758 |
| Total assets | \$ 991,357 | \$ 251,719 |
| Liabilities, Redeemable Convertible Preferred Stock, and Stockholders' Equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 463 | \$ 1,515 |
| Accrued expenses and other current liabilities | 25,270 | 16,285 |
| Deferred revenue, current | 84,907 | 83,272 |
| Operating lease liabilities, current | 642 | 970 |
| Total current liabilities | 111,282 | 102,042 |
| Deferred revenue, non-current | 78 | 220 |
| Operating lease liabilities, non-current | 447 | 284 |
| Other liabilities, non-current | 956 | 972 |
| Total liabilities | 112,763 | 103,518 |
| Redeemable Convertible Preferred Stock | | |
| Redeemable convertible preferred stock | — | 81,458 |
| Stockholders' Equity | | |
| Preferred stock | — | — |
| Common stock | 192 | 83 |
| Additional paid-in capital | 702,589 | 30,357 |
| Accumulated other comprehensive loss | (15,294) | (21) |
| Retained earnings | 191,107 | 36,324 |
| Total stockholders' equity | 878,594 | 66,743 |
| Total liabilities, redeemable convertible preferred stock, and stockholders' equity | \$ 991,357 | \$ 251,719 |

DOXIMITY, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)
(unaudited)

| | Three Months Ended March 31, | | Fiscal Year Ended March 31, | |
|---|---------------------------------|-----------|--------------------------------|------------|
| | 2022 | 2021 | 2022 | 2021 |
| Revenue | \$ 93,653 | \$ 66,687 | \$ 343,548 | \$ 206,897 |
| Cost of revenue ⁽¹⁾ | 11,765 | 7,993 | 39,787 | 31,196 |
| Gross profit | 81,888 | 58,694 | 303,761 | 175,701 |
| Operating expenses ⁽¹⁾ : | | | | |
| Research and development | 17,424 | 12,558 | 62,350 | 43,873 |
| Sales and marketing | 25,899 | 17,586 | 92,129 | 62,033 |
| General and administrative | 10,644 | 5,703 | 35,746 | 16,492 |
| Total operating expenses | 53,967 | 35,847 | 190,225 | 122,398 |
| Income from operations | 27,921 | 22,847 | 113,536 | 53,303 |
| Other income (expense), net | (16) | 38 | 469 | 4,466 |
| Income before income taxes | 27,905 | 22,885 | 114,005 | 57,769 |
| Provision for (benefit from) income taxes | (8,821) | 1,402 | (40,778) | 7,559 |
| Net income | \$ 36,726 | \$ 21,483 | \$ 154,783 | \$ 50,210 |
| Undistributed earnings attributable to participating securities | — | (13,846) | (21,526) | (28,654) |
| Net income attributable to Class A and Class B common stockholders, basic and diluted | \$ 36,726 | \$ 7,637 | \$ 133,257 | \$ 21,556 |
| Net income per share attributable to Class A and Class B common stockholders: | | | | |
| Basic | \$ 0.19 | \$ 0.10 | \$ 0.82 | \$ 0.29 |
| Diluted | \$ 0.17 | \$ 0.07 | \$ 0.70 | \$ 0.23 |
| Weighted-average shares used in computing net income per share attributable to Class A and Class B common stockholders: | | | | |
| Basic | 191,579 | 79,672 | 163,484 | 74,342 |
| Diluted | 215,862 | 103,644 | 191,017 | 95,134 |

(1) Costs and expenses include share-based compensation expenses as follows:

| | Three Months Ended March 31, | | Fiscal Year Ended March 31, | |
|--|---------------------------------|----------|--------------------------------|----------|
| | 2022 | 2021 | 2022 | 2021 |
| Cost of revenue | \$ 2,006 | \$ 232 | \$ 4,979 | \$ 600 |
| Research and development | 2,201 | 796 | 7,065 | 1,975 |
| Sales and marketing | 2,533 | 694 | 8,108 | 1,998 |
| General and administrative | 3,069 | 1,148 | 11,290 | 2,679 |
| Total stock-based compensation expense | \$ 9,809 | \$ 2,870 | \$ 31,442 | \$ 7,252 |

DOXIMITY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

| | Three Months Ended March 31, | | Fiscal Year Ended March 31, | |
|--|---------------------------------|------------------|--------------------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Cash flows from operating activities | | | | |
| Net income | \$ 36,726 | \$ 21,483 | \$ 154,783 | \$ 50,210 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | |
| Depreciation and amortization | 1,368 | 991 | 5,040 | 3,702 |
| Deferred income taxes | (9,275) | 914 | (41,247) | 4,987 |
| Stock-based compensation, net of amounts capitalized | 9,809 | 2,870 | 31,442 | 7,252 |
| Non-cash lease expense | 302 | 421 | 1,159 | 2,433 |
| Amortization of premium on marketable securities, net | 1,469 | 139 | 4,332 | 197 |
| Loss on sale of marketable securities | 708 | — | 1,231 | — |
| Amortization of deferred contract costs | 2,389 | 2,186 | 9,755 | 6,883 |
| Gain on sale of business | — | — | — | (4,698) |
| Other | 288 | 631 | 410 | 403 |
| Changes in operating assets and liabilities, net of effect of acquisition: | | | | |
| Accounts receivable | (11,439) | (5,965) | (31,017) | (20,452) |
| Prepaid expenses and other assets | (2,086) | (2,003) | (9,089) | (1,833) |
| Deferred contract costs | (2,937) | (3,414) | (9,609) | (9,384) |
| Accounts payable, accrued expenses and other liabilities | 571 | 644 | 8,664 | 7,285 |
| Deferred revenue | 19,367 | 19,198 | 1,828 | 38,571 |
| Operating lease liabilities | (296) | (544) | (1,107) | (2,583) |
| Net cash provided by operating activities | 46,964 | 37,551 | 126,575 | 82,973 |
| Cash flows from investing activities | | | | |
| Purchases of property and equipment | (1,060) | (147) | (1,912) | (245) |
| Internal-use software development costs | (1,049) | (766) | (3,785) | (4,365) |
| Purchases of marketable securities | (45,278) | (44,481) | (1,317,193) | (78,880) |
| Maturities of marketable securities | 6,302 | 2,537 | 47,919 | 40,537 |
| Sales of marketable securities | 16,864 | — | 633,802 | — |
| Cash paid for acquisition, net of cash acquired | — | — | — | (31,682) |
| Proceeds from sale of business | — | — | — | 4,230 |
| Other | 595 | (12) | 595 | (12) |
| Net cash used in investing activities | (23,626) | (42,869) | (640,574) | (70,417) |
| Cash flows from financing activities | | | | |
| Proceeds from issuance of common stock upon initial public offering after deducting underwriting discounts and commissions | — | — | 553,905 | — |
| Proceeds from issuance of common stock upon exercise of stock options | 3,378 | 4,475 | 12,612 | 8,897 |
| Proceeds from issuance of common stock in connection with the employee stock purchase plan | 1,395 | — | 1,395 | — |
| Taxes paid related to net share settlement of equity awards | (381) | — | (817) | — |
| Repurchase of common stock | — | (1,652) | (2,698) | (2,022) |
| Payments for deferred offering costs | — | (1,087) | (3,982) | (1,468) |
| Net cash provided by financing activities | 4,392 | 1,736 | 560,415 | 5,407 |
| Net increase (decrease) in cash and cash equivalents | 27,730 | (3,582) | 46,416 | 17,963 |
| Cash and cash equivalents, beginning of period | 85,079 | 69,975 | 66,393 | 48,430 |
| Cash and cash equivalents, end of period | \$ 112,809 | \$ 66,393 | \$ 112,809 | \$ 66,393 |

Non-GAAP Financial Measures

To supplement our condensed consolidated financial statements, which are prepared and presented in accordance with accounting principles generally accepted in the United States (“GAAP”), the Company uses the following non-GAAP measures of financial performance:

- **Non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating income, non-GAAP net income, non-GAAP net income margin, and non-GAAP basic and diluted net income per common share:** We exclude the effect of stock-based compensation expense, amortization of acquired intangible assets, and expenses associated with acquisitions from non-GAAP gross profit, non-GAAP gross margin and non-GAAP operating income. Non-GAAP net income and non-GAAP net income margin are further adjusted for estimated income tax on such adjustments. We calculate income taxes on the adjustments by applying an estimated annual effective tax rate to the adjustments. Non-GAAP basic and diluted net income per common share is non-GAAP net income attributable to common stockholders divided by the weighted average number of shares. For both basic and diluted non-GAAP net income per share, the weighted average shares we use in computing non-GAAP net income per share is equal to our GAAP weighted average shares. Non-GAAP gross margin represents non-GAAP gross profit as a percentage of revenue and non-GAAP net income margin represents non-GAAP net income as a percentage of revenue.
- **Adjusted EBITDA and adjusted EBITDA margin:** We define adjusted EBITDA as net income before interest, income taxes, depreciation, and amortization, and as further adjusted for acquisition and other related expenses, stock-based compensation expense, and other income, net. Adjusted EBITDA margin represents adjusted EBITDA as a percentage of revenue.
- **Free cash flow:** We calculate free cash flow as cash flow from operating activities less purchases of property and equipment and capitalized internal-use software development cost.

We use these non-GAAP financial measures internally for financial and operational decision-making purposes and as a means to evaluate period-to-period comparisons. Non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP financial measures and should be read only in conjunction with our condensed consolidated financial statements prepared in accordance with GAAP. Our presentation of non-GAAP financial measures may not be comparable to similar measures used by other companies. We encourage investors to carefully consider our results under GAAP, as well as our supplemental non-GAAP information and the reconciliation between these presentations, to more fully understand our business. Please see the tables included at the end of this release for the reconciliation of GAAP to non-GAAP results.

Key Business Metrics

- **Net revenue retention rate:** We calculate net revenue retention rate by taking the trailing 12-month, or TTM, subscription-based revenue from our customers that had revenue in the prior TTM period and dividing that by the total subscription-based revenue for the prior TTM period. Our net revenue retention rate compares our subscription revenue from the same set of customers across comparable periods, and reflects customer renewals, expansion, contraction, and churn.
- **Customers with trailing 12-month subscription revenue greater than \$100,000 and \$1 million:** We calculate the number of customers with TTM product revenue greater than \$100,000 and \$1 million by counting the number of customers that contributed more than \$100,000 and \$1 million in subscription revenue in the TTM period. The number of customers with TTM subscription-based revenue of at least \$100,000 and \$1 million is a key indicator of the scale of our business. Our customer count is subject to adjustments for acquisitions, consolidations, spin-offs, and other market activity.

Reconciliation of GAAP to Non-GAAP Financial Measures

The following tables reconcile the specific items excluded from GAAP metrics in the calculation of non-GAAP metrics for the periods shown below:

| | Three Months Ended March 31, | | Fiscal Year Ended March 31, | |
|---|---------------------------------|------------------|--------------------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | (unaudited) | | | |
| | (in thousands) | | | |
| Net income | \$ 36,726 | \$ 21,483 | \$ 154,783 | \$ 50,210 |
| Adjusted to exclude the following: | | | | |
| Acquisition and other related expenses | 254 | 26 | 254 | 496 |
| Stock-based compensation | 9,809 | 2,870 | 31,442 | 7,252 |
| Depreciation and amortization | 1,368 | 991 | 5,040 | 3,702 |
| Provision for (benefit from) income taxes | (8,821) | 1,402 | (40,778) | 7,559 |
| Other income (expense), net | 16 | (38) | (469) | (4,466) |
| Adjusted EBITDA | <u>\$ 39,352</u> | <u>\$ 26,734</u> | <u>\$ 150,272</u> | <u>\$ 64,753</u> |
| Revenue | \$ 93,653 | \$ 66,687 | \$ 343,548 | \$ 206,897 |
| Net income margin | <u>39 %</u> | <u>32 %</u> | <u>45 %</u> | <u>24 %</u> |
| Adjusted EBITDA margin | <u>42 %</u> | <u>40 %</u> | <u>44 %</u> | <u>31 %</u> |

| | Three Months Ended March 31, | | Fiscal Year Ended March 31, | |
|---|---------------------------------|------------------|--------------------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | (unaudited) | | | |
| | (in thousands) | | | |
| Net cash provided by operating activities | \$ 46,964 | \$ 37,551 | \$ 126,575 | \$ 82,973 |
| Purchases of property and equipment | (1,060) | (147) | (1,912) | (245) |
| Internal-use software development costs | (1,049) | (766) | (3,785) | (4,365) |
| Free cash flow | <u>\$ 44,855</u> | <u>\$ 36,638</u> | <u>\$ 120,878</u> | <u>\$ 78,363</u> |
| Other cash flow components: | | | | |
| Net cash used in investing activities | \$ (23,626) | \$ (42,869) | \$ (640,574) | \$ (70,417) |
| Net cash provided by financing activities | \$ 4,392 | \$ 1,736 | \$ 560,415 | \$ 5,407 |

| | Three Months Ended March 31, | | Fiscal Year Ended March 31, | |
|---|------------------------------------|-----------|--------------------------------|------------|
| | 2022 | 2021 | 2022 | 2021 |
| | (unaudited) | | | |
| | (in thousands, except percentages) | | | |
| GAAP cost of revenue | \$ 11,765 | \$ 7,993 | \$ 39,787 | \$ 31,196 |
| Adjusted to exclude the following: | | | | |
| Stock-based compensation | (2,006) | (232) | (4,979) | (600) |
| Non-GAAP cost of revenue | \$ 9,759 | \$ 7,761 | \$ 34,808 | \$ 30,596 |
| GAAP gross profit | \$ 81,888 | \$ 58,694 | \$ 303,761 | \$ 175,701 |
| Adjusted to exclude the following: | | | | |
| Stock-based compensation | 2,006 | 232 | 4,979 | 600 |
| Non-GAAP gross profit | \$ 83,894 | \$ 58,926 | \$ 308,740 | \$ 176,301 |
| GAAP gross margin | 87 % | 88 % | 88 % | 85 % |
| Non-GAAP gross margin | 90 % | 88 % | 90 % | 85 % |
| GAAP research and development expense | \$ 17,424 | \$ 12,558 | \$ 62,350 | \$ 43,873 |
| Adjusted to exclude the following: | | | | |
| Stock-based compensation | (2,201) | (796) | (7,065) | (1,975) |
| Non-GAAP research and development expense | \$ 15,223 | \$ 11,762 | \$ 55,285 | \$ 41,898 |
| GAAP sales and marketing expense | \$ 25,899 | \$ 17,586 | \$ 92,129 | \$ 62,033 |
| Adjusted to exclude the following: | | | | |
| Stock-based compensation | (2,533) | (694) | (8,108) | (1,998) |
| Amortization of acquired intangibles | (252) | (264) | (1,046) | (1,081) |
| Non-GAAP sales and marketing expense | \$ 23,114 | \$ 16,628 | \$ 82,975 | \$ 58,954 |
| GAAP general and administrative expense | \$ 10,644 | \$ 5,703 | \$ 35,746 | \$ 16,492 |
| Adjusted to exclude the following: | | | | |
| Acquisition and other related expenses | (254) | (26) | (254) | (496) |
| Stock-based compensation | (3,069) | (1,148) | (11,290) | (2,679) |
| Non-GAAP general and administrative expense | \$ 7,321 | \$ 4,529 | \$ 24,202 | \$ 13,317 |
| GAAP operating expense | \$ 53,967 | \$ 35,847 | \$ 190,225 | \$ 122,398 |
| Adjusted to exclude the following: | | | | |
| Acquisition and other related expenses | (254) | (26) | (254) | (496) |
| Stock-based compensation | (7,803) | (2,638) | (26,463) | (6,652) |
| Amortization of acquired intangibles | (252) | (264) | (1,046) | (1,081) |
| Non-GAAP operating expense | \$ 45,658 | \$ 32,919 | \$ 162,462 | \$ 114,169 |
| GAAP operating income | \$ 27,921 | \$ 22,847 | \$ 113,536 | \$ 53,303 |
| Adjusted to exclude the following: | | | | |
| Acquisition and other related expenses | 254 | 26 | 254 | 496 |
| Stock-based compensation | 9,809 | 2,870 | 31,442 | 7,252 |
| Amortization of acquired intangibles | 252 | 264 | 1,046 | 1,081 |
| Non-GAAP operating income | \$ 38,236 | \$ 26,007 | \$ 146,278 | \$ 62,132 |

| | Three Months Ended March 31, | | Fiscal Year Ended March 31, | |
|---|---|--------------------|--------------------------------|--------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | (unaudited) | | | |
| | (in thousands, except per share data and percentages) | | | |
| GAAP net income | \$ 36,726 | \$ 21,483 | \$154,783 | \$ 50,210 |
| Adjusted to exclude the following: | | | | |
| Acquisition and other related expenses | 254 | 26 | 254 | 496 |
| Stock-based compensation | 9,809 | 2,870 | 31,442 | 7,252 |
| Amortization of acquired intangibles | 252 | 264 | 1,046 | 1,081 |
| Income tax effect of non-GAAP adjustments ⁽¹⁾ | (2,166) | (664) | (6,876) | (1,854) |
| Non-GAAP net income | <u>\$ 44,875</u> | <u>\$ 23,979</u> | <u>\$180,649</u> | <u>\$ 57,185</u> |
| Non-GAAP net income margin | <u>48 %</u> | <u>36 %</u> | <u>53 %</u> | <u>28 %</u> |
| GAAP undistributed earnings attributable to participating securities | \$ — | \$ (13,846) | \$ (21,526) | \$ (28,654) |
| Impact on undistributed earnings attributable to participating securities due to non-GAAP adjustments | — | (1,221) | (2,616) | (3,533) |
| Non-GAAP undistributed earnings attributable to participating securities | <u>\$ —</u> | <u>\$ (15,067)</u> | <u>\$ (24,142)</u> | <u>\$ (32,187)</u> |
| Non-GAAP net income | \$ 44,875 | \$ 23,979 | \$180,649 | \$ 57,185 |
| Non-GAAP undistributed earnings attributable to participating securities | — | (15,067) | (24,142) | (32,187) |
| Non-GAAP net income attributable to Class A and Class B stockholders, basic and diluted | <u>\$ 44,875</u> | <u>\$ 8,912</u> | <u>\$156,507</u> | <u>\$ 24,998</u> |
| Weighted-average shares used in computing net income per share attributable to Class A and Class B common stockholders: | | | | |
| Basic | <u>191,579</u> | <u>79,672</u> | <u>163,484</u> | <u>74,342</u> |
| Diluted | <u>215,862</u> | <u>103,644</u> | <u>191,017</u> | <u>95,134</u> |
| Non-GAAP net income per share attributable to Class A and Class B stockholders: | | | | |
| Basic | <u>\$ 0.23</u> | <u>\$ 0.11</u> | <u>\$ 0.96</u> | <u>\$ 0.34</u> |
| Diluted | <u>\$ 0.21</u> | <u>\$ 0.09</u> | <u>\$ 0.82</u> | <u>\$ 0.26</u> |

⁽¹⁾ For the three months and fiscal years ended March 31, 2022 and 2021, management used an estimated annual effective non-GAAP tax rate of 21.0%.