



Doximity Fiscal 2025 Fourth Quarter and Full Year Earnings Call Prepared Remarks

Jeff Tangney, Co-Founder and CEO

We have three topics today: our financials, network growth, and client summit recap.

Financials

First, our topline. We delivered \$138 million in revenue for the 4th quarter of our fiscal 2025, 4% above the high end of our guidance range. For our full fiscal year ended March 31st, we had \$570 million in revenue and grew 20% year-on-year.

Of note, our top 20 clients, who know and measure us best, once again grew the fastest at 23% in fiscal 2025.

Our bottom line was also strong in Q4 with an adjusted EBITDA margin of 50% or \$70 million, which was 10% above the high end of our guidance. Our free cash flow was stronger still, at \$97 million, up 56% year-on-year.

For the full fiscal year, our adjusted EBITDA grew 36% to \$314 million. Our adjusted EBITDA margin was 55% for the year, up from 48% the prior year. We generated free cash flow of \$267 million, an increase of 50% year-on-year.

Network Growth

Okay, turning now to our network growth and engagement.

Our unique active users on a quarterly, monthly, weekly, and daily basis all hit fresh highs in Q4.

This growth was again led by our newsfeed, which is both our most used and most monetized product. Our unique newsfeed users hit record highs last quarter, while our articles read (or tapped) were up more than 30% year-on-year.

Our workflow tools also hit fresh highs in Q4, with over 620,000 unique active prescribers. As a reminder, our workflow tools include our telehealth, fax, scheduling, and AI tools. Our AI tools grew the fastest again last quarter, up more than 5X year-on-year.

In short, as the practice of medicine grows both more mobile and more AI-powered, we're proud to be leading the way.

Summit Recap

Okay, turning now to our recent Physician and Pharma client summits.

In March, we hosted our 13th annual Physician Tech Summit in San Francisco. It was great to roll up our sleeves for two days alongside 150 of our nation's most tech-savvy doctors.

For the third year in a row, our Doximity GPT products took center stage. Physicians love our specialty-specific AI tools and HIPAA-secure environment, and we're learning a lot from their real-world use.

One popular new feature is our ability to upload and securely analyze documents. Per a recent JAMIA study, a fifth of ER patients nowadays have medical records that are lengthier than *Moby Dick*. So, for a specialist treating a new patient, it can literally take hours of reading to fully come up to speed. But with Doximity GPT, they can just upload the patient's file, and our AI can chart the patient's lab values over time, summarize key clinical findings, or search for complex diagnostic clues. It's a long overdue cure for what physicians affectionately call "note bloat."

In a short couple of years, we've seen AI tools like this truly change the mood in medicine, from "AI leery" to "AI cheery." For the first time in over a decade, there's genuine hope that physician burnout and information overload can actually be eased with technology. We are incredibly proud and motivated to help, crafting AI tools that "just work" for busy clinicians. This is our mission, and our roots as a team. Following our Physician Summit last month, I have personally shifted my focus from our Client Portal to our clinical AI products.

Speaking of our Client Portal, the rollout is going very well. The majority of our Pharma clients now have access, and they love tracking their day-to-day results and ROI. These daily Portal insights are also fueling client interest in how our new AI-powered integrated offerings can help them automate their programs.

This AI orchestration was a key theme at our annual Pharma Client Summit in New York last week, where we were joined by over 40 marketing leaders from the world's largest pharmaceutical companies. Their top request was to use our AI to optimize their programs at a more strategic level. By giving us more latitude to select the right content at the right time for each doctor, we've been able to improve our clients' results along with our own revenue and predictability.

Okay, I'd like to end by thanking my Doximity teammates, who continue to work incredibly hard to care for those who care for us.

As AI-assisted medicine becomes a reality, our future has never been brighter or more exciting. And I'm proud to be on this journey with you.

Anna Bryson, CFO

Fiscal Fourth Quarter and Full Year 2025 Results

Fourth quarter revenue grew to \$138.3 million, up 17% year-over-year, exceeding the high end of our guidance range.

Full year revenue grew to \$570.4 million, up 20% year-over-year.

As a reminder, fiscal 2025 revenue benefited from our strategic shift to more multi-module, integrated offerings. This not only drove larger deal sizes but also enabled a greater share of annual programs to launch in January. Transitioning to these more efficient launch timelines contributed to a few points of revenue growth upside in fiscal 2025.

Similar to prior quarters, our existing customers continued to lead our growth. We finished the quarter with a net revenue retention rate of 119% on a trailing twelve-month basis. For our top 20 customers, net revenue retention was higher at 123%, so our biggest, most sophisticated customers remain our fastest growing.

We ended the quarter with 116 customers contributing at least \$500,000 each in subscription-based revenue on a trailing twelve-month basis. This is a roughly 17% increase from the 99 customers that we had in this cohort a year ago, and these customers accounted for 84% of our total revenue.

Turning to our profitability, non-GAAP gross margin in the fourth quarter was 91%, flat versus the prior year period. For the full fiscal year, non-GAAP gross margin was 92% versus 91% last year.

Adjusted EBITDA for the fourth quarter was \$69.7 million and adjusted EBITDA margin was 50%, compared to \$56.4 million and a 48% margin in the prior year period.

For the full fiscal year, adjusted EBITDA was \$313.8 million and adjusted EBITDA margin was 55%, compared to \$230.5 million and a 48% margin last year. We are proud to continue to run a very profitable business with 36% year-over-year growth in our bottom line.

Now turning to our balance sheet, cash flow, and an update on our share repurchase program.

We generated free cash flow in the fourth quarter of \$97.0 million compared to \$62.3 million in the prior year period, an increase of 56% year-over-year. For the full fiscal year, we generated free cash flow of \$266.7 million compared to \$178.3 million last year, an increase of 50% year-over-year.

We ended the year with \$916 million of cash, cash equivalents, and marketable securities.

During the fourth quarter, we repurchased \$26.8 million worth of shares.

For the full fiscal year we repurchased \$116.2 million worth of shares at an average price of \$33.73.

As of March 31st, we had \$424 million remaining in our existing repurchase program.

Guidance for First Quarter and Fiscal 2026

Now moving onto our outlook. For the first fiscal quarter of 2026, we expect revenue in the range of \$139 to \$140 million, representing 10% growth at the midpoint, and we expect adjusted EBITDA in the range of \$71 to \$72 million, representing a 51% adjusted EBITDA margin.

For the full fiscal year, we expect revenue in the range of \$619 to \$631 million, representing 10% growth at the midpoint, and we expect adjusted EBITDA in the range of \$333 to \$345 million, representing a 54% adjusted EBITDA margin.

Now I'll provide more color on our outlook.

As mentioned above, fiscal 2025 was a strong year of strategic progress for us. Our new multi-module, integrated offerings allowed many of our customers to get their annual programs live in January. While we expect these earlier launches to be the norm going forward, fiscal 2025 received the benefit of being the transition year, leading to a few points of revenue growth upside. This dynamic creates a tougher year-over-year comparison for fiscal 2026, which is reflected in our expected revenue growth rate.

Long term, we believe these more efficient January launches are a meaningful step forward for our customers and our business. These earlier launches allow our customers to maintain an uninterrupted presence on our platform, which helps drive ROI. As customers realize higher returns, we expect this will translate into even greater investment on Doximity over time.

As far as visibility, as of today, we have just under 70% of our initial subscription based revenue guidance under contract.

We expect the Pharma HCP (healthcare professional) digital market to grow at roughly 5-7% again this year. While we have not yet seen any impact to our business from recent macro uncertainty, we believe it's prudent to assume the market growth rate could be on the lower end of this range, which is reflected in our guidance.

That said, we believe our Pharma business will maintain its strong competitive position and grow at roughly twice the market rate, remaining our fastest-growing business in fiscal 2026.

Between Client Portal insights, integrated program traction, and record physician engagement, we believe we are set up for another year of meaningful share gains.

Finally, we are excited to increase our investments in AI this year. These investments will help us build better tools for our members, develop smarter solutions for our clients, and drive greater efficiency across our entire business over the long term. We believe we are in the early innings of realizing AI's full potential at Doximity, and we couldn't be more excited for the future.

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