



# Couchbase Financial Analyst Day

**DECEMBER 13, 2023**



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# Disclaimer (cont'd)

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# Agenda

## Now is the Time for Couchbase

**MATT CAIN**

Chair, President and CEO

## The Future of Application Innovation

**GOPI DUDDI**

SVP, Engineering

**SCOTT ANDERSON**

SVP, Product Management

## Driving Efficient Market Velocity

**HUW OWEN**

SVP, Chief Revenue Officer

## Industry Leaders Customer Panel

**JOHN KREISA**

SVP, Chief Marketing Officer

## Achieving Profitable Growth

**GREG HENRY**

SVP, Chief Financial Officer

## Executive Q&A



# Now is the Time for Couchbase

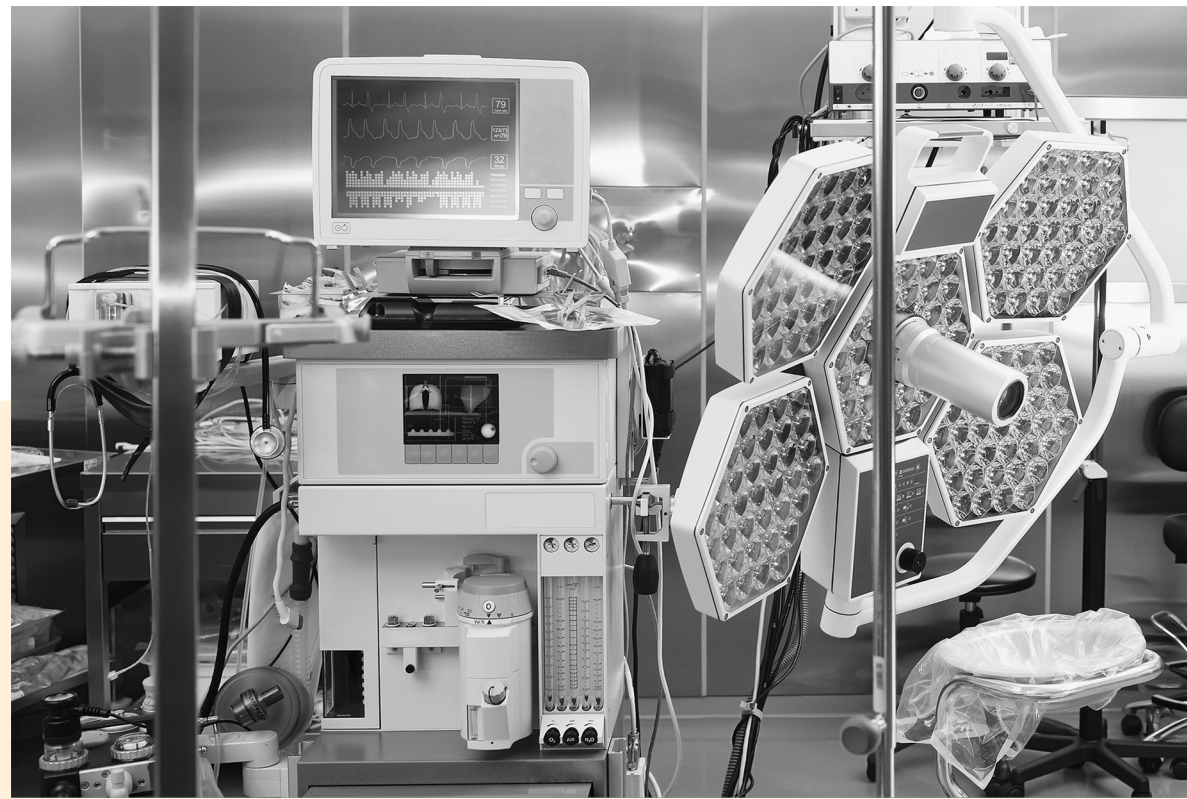
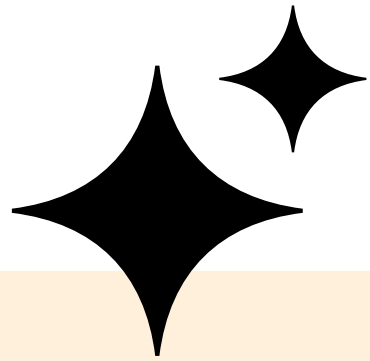
**MATT CAIN**

Chair, President and Chief Executive Officer





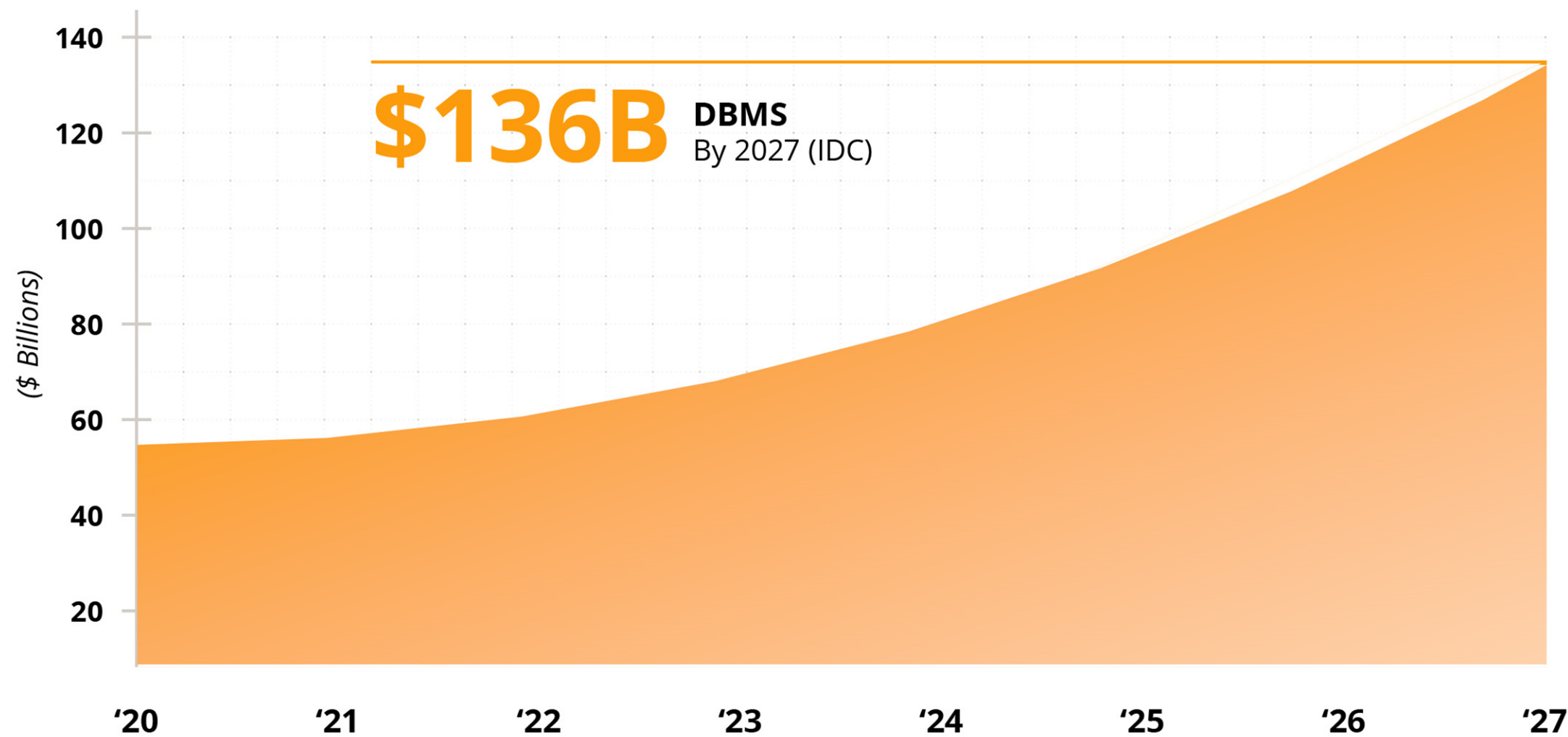
# Your World Runs on Couchbase





# Our Market is Massive and Transitioning

Worldwide DBMS Software Revenue, 2020-2027



- Core market drivers include high performance and high scalability modern applications
- Aligned to some of the fastest growing DBMS market subsegments of cloud and non-schematic
- AI accelerates further opportunity for high-performance applications

Sources:

IDC, Worldwide Database Management  
Systems Software Forecast, 2023-2027,  
IDC #US50719723, June 2023



# Platforms Must Align to Critical Market Drivers



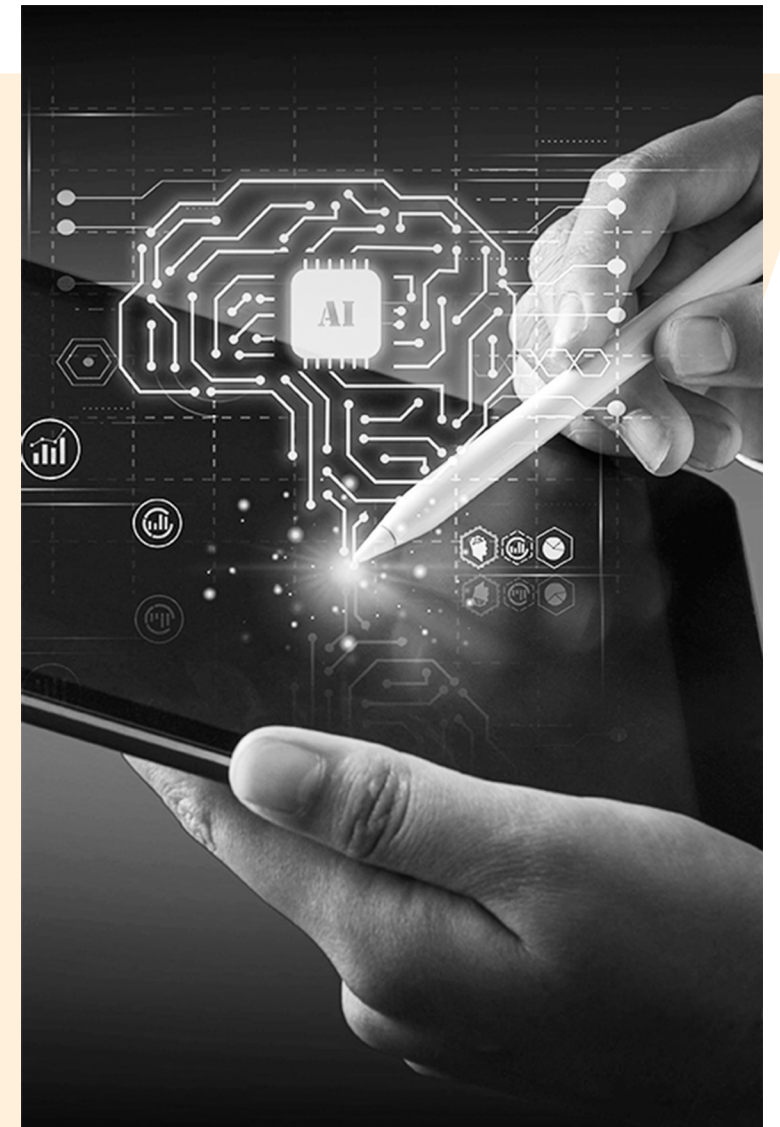
**Cloud Acceleration**



**Developer Productivity**



**Platform Consolidation**



**Artificial Intelligence**

**Our mission is to simplify how organizations develop, deploy and run modern applications - wherever they are.**

# We Provide the Cloud Database Platform for Modern Applications



Self Managed

**Couchbase Enterprise**  
*Extends from cloud to edge*



- High performance, highly scalable
- Couchbase Mobile and Sync Gateway
- Deploy anywhere: on-premises, Kubernetes, cloud
- Subscription model



Fully Managed

**Couchbase Capella**  
*Couchbase-as-a-service*

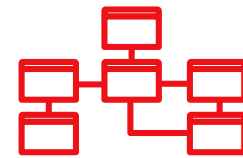


- Fastest and easiest way to start with Couchbase
- App Services
- Available on the leading public clouds
- Consumption model

# Our Platform is Carefully Built with Sustainable Differentiation



**Incredible Performance  
and Scale**



**Highly Flexible  
Data Model**



**Driving Developer  
Efficiency**



**Unique Cloud to Edge  
Architecture**



**Demonstrably  
Lower TCO**

# We Have Built an Impressive Company

## Category Leadership

**\$189M**  
**23%**

ARR  
YoY ARR growth\*

**23%**

YoY subscription  
revenue growth

## Predictable Model

**90%+**

Subscription  
revenue

**115%+**

Dollar-based  
NRR

## Strong Customer Base

**715**

Total  
customers

**30%+**  
**F100**

Significant enterprise  
contribution

## Scalable Business Model

**90%**

Non-GAAP  
gross margin

**\$264k**

ARR per  
customer

## Land and Expand

**289**

Customers >  
\$100K ARR

**42**

Customers >  
\$1M ARR

## Growth Vectors

**Capella**

Platform investments

**\$\$**

Go-to-market  
investments

\*ARR growth on a constant currency basis

As of Q3 FY24



# Now is the Time for Couchbase



**Strong Foundation**



**Capella Inflection**



**Future Leverage**

# The Future of Application Innovation

**GOPI DUDDI**

SVP, Engineering

**SCOTT ANDERSON**

SVP, Product Management



# Themes for Today



## Strong Foundation

- Performance & scale
- Expandability



## Capella Inflection

- Developer productivity
- Faster development cycles



## Future Leverage

- Easier to support
- Speedier adoption

# The Database Enables the Complex Applications Organizations Must Deliver



**Everywhere**



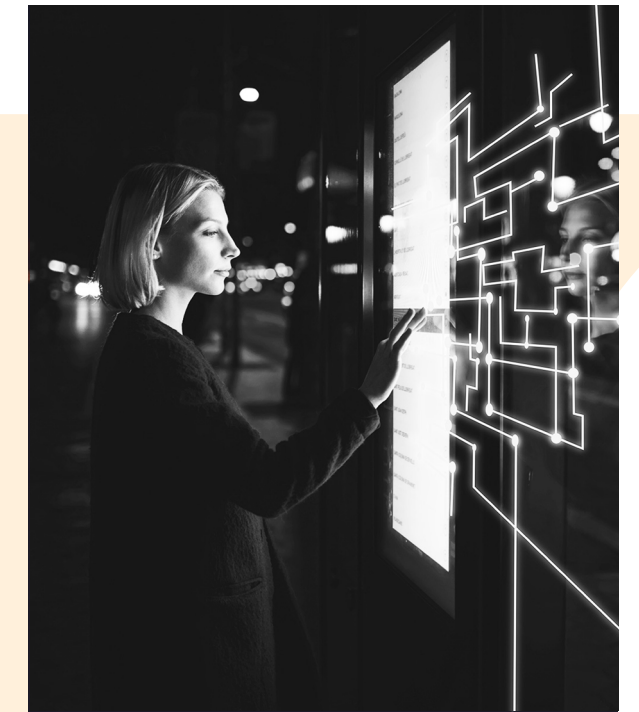
**Responsive**



**Proactive**

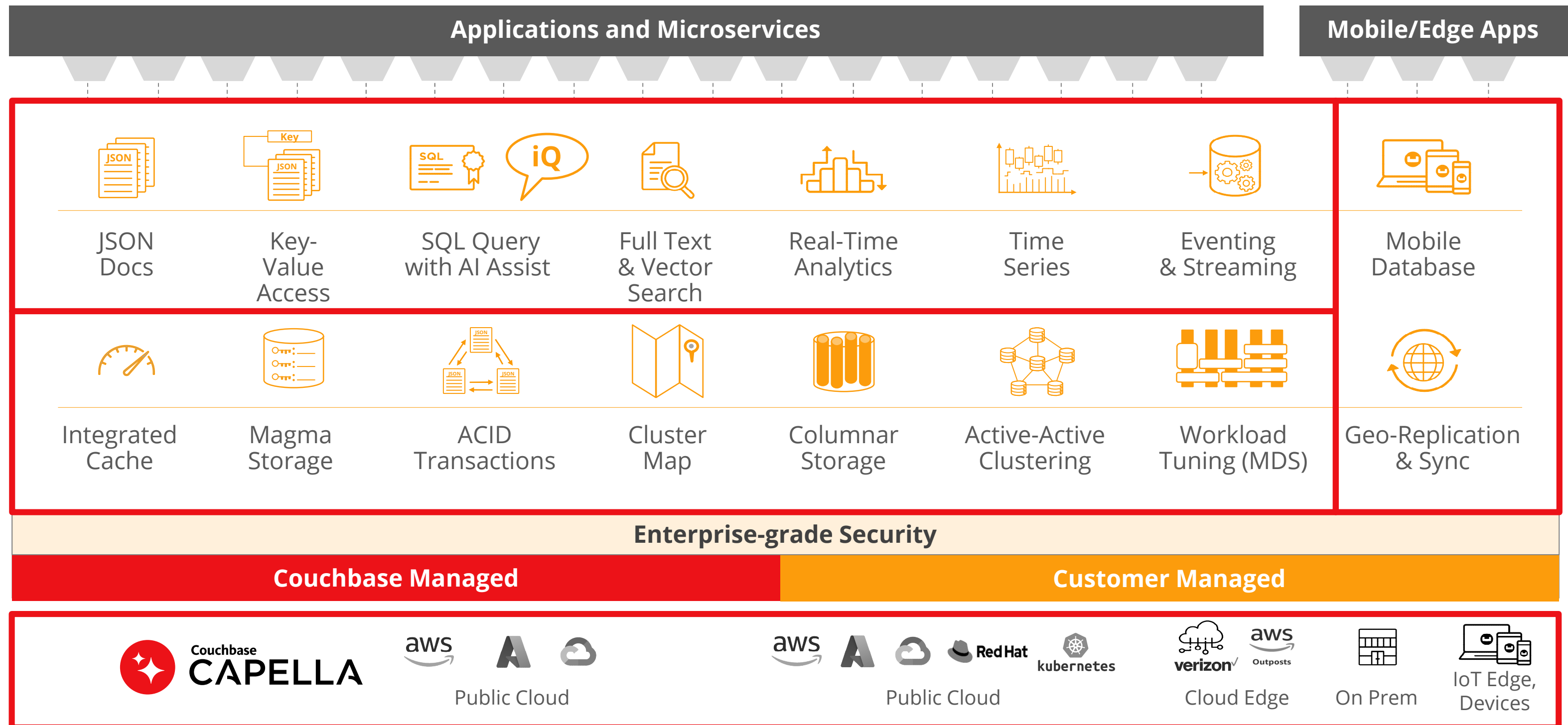


**Personalized**



**Innovative**

# Couchbase has a Highly Unique and Differentiated Architecture





# Our Platform's Foundational Principles Are Industry Leading



## Enterprise Speed

- Memory first
- Shared nothing architecture



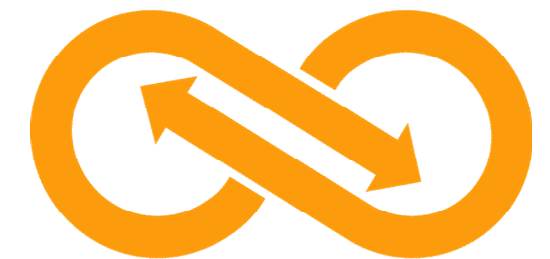
## Distributed Scale

- Cross-datacenter replication
- Multidimensional and auto scale



## Developer Data Format

- JSON
- Storing data, metadata, arrays and more



## Mobile & Edge

- Secure gateway for data sync
- Peer-to-peer sync

# We Have Favorable Position in a Competitive Landscape

## Legacy RDBMS

ORACLE



- Rigid, inflexible schemas prevent agility
- Expensive deployments

## Purpose Built NoSQL



- Insufficient performance at scale
- Missing SQL++, linear scaling, mobile and distributed transactions

## Cloud Service Providers



- Vendor lock-in and expensive complex architectures
- No offline or edge capabilities

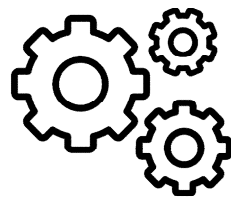
# Capella is the Best of Couchbase While Accelerating Innovation for Customers



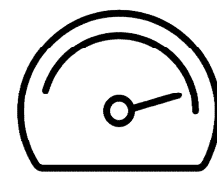
➤ Strength of Couchbase Platform

➤ Easy to Develop, Manage and Scale

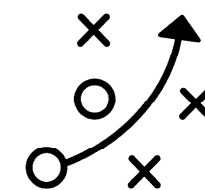
➤ Incredible Price Performance



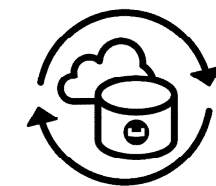
Fully Managed  
Couchbase Database



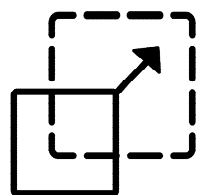
Enterprise-Grade  
Performance



JSON Powered  
Development Flexibility



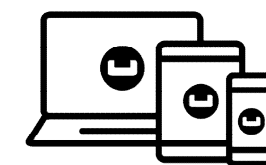
Global High  
Availability



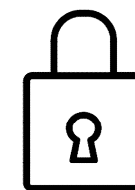
Automated Scaling  
On/Off, In/Out and  
Up/Down



Single Pane for  
Multi-Cluster, Multi-  
Region



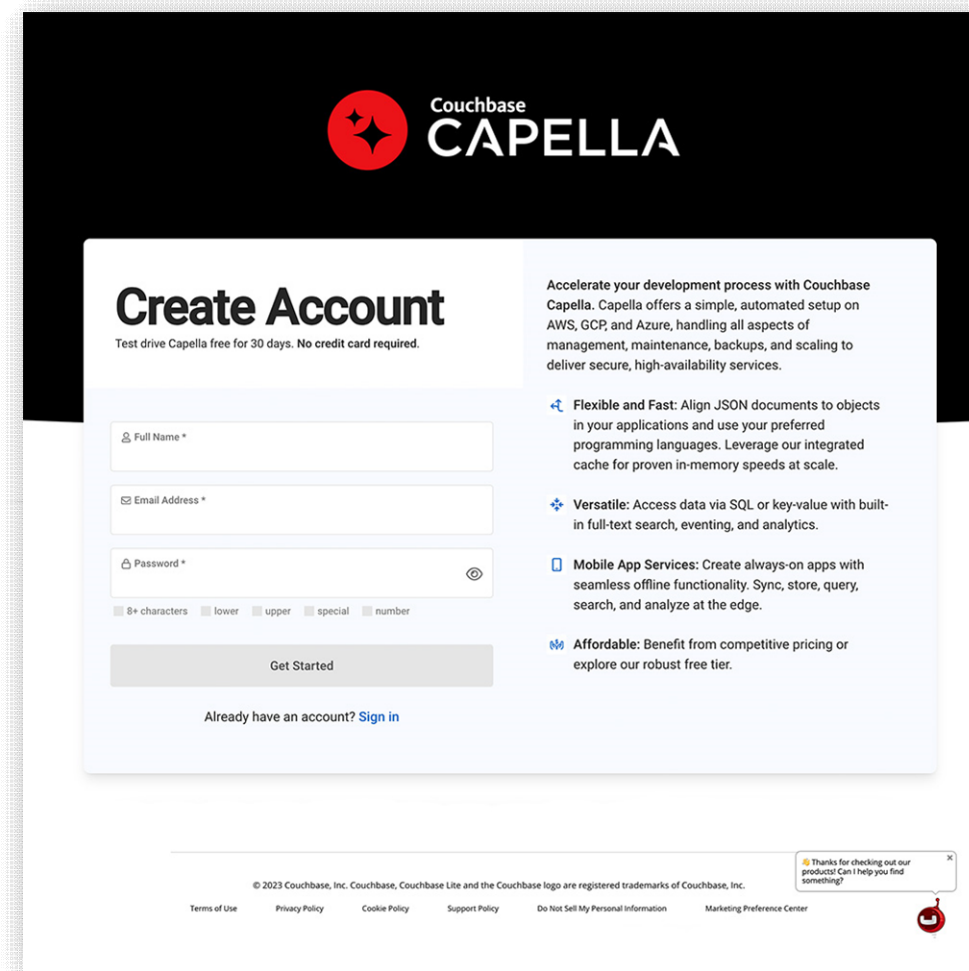
Mobile and IoT App Sync  
Embeddable Lite Database



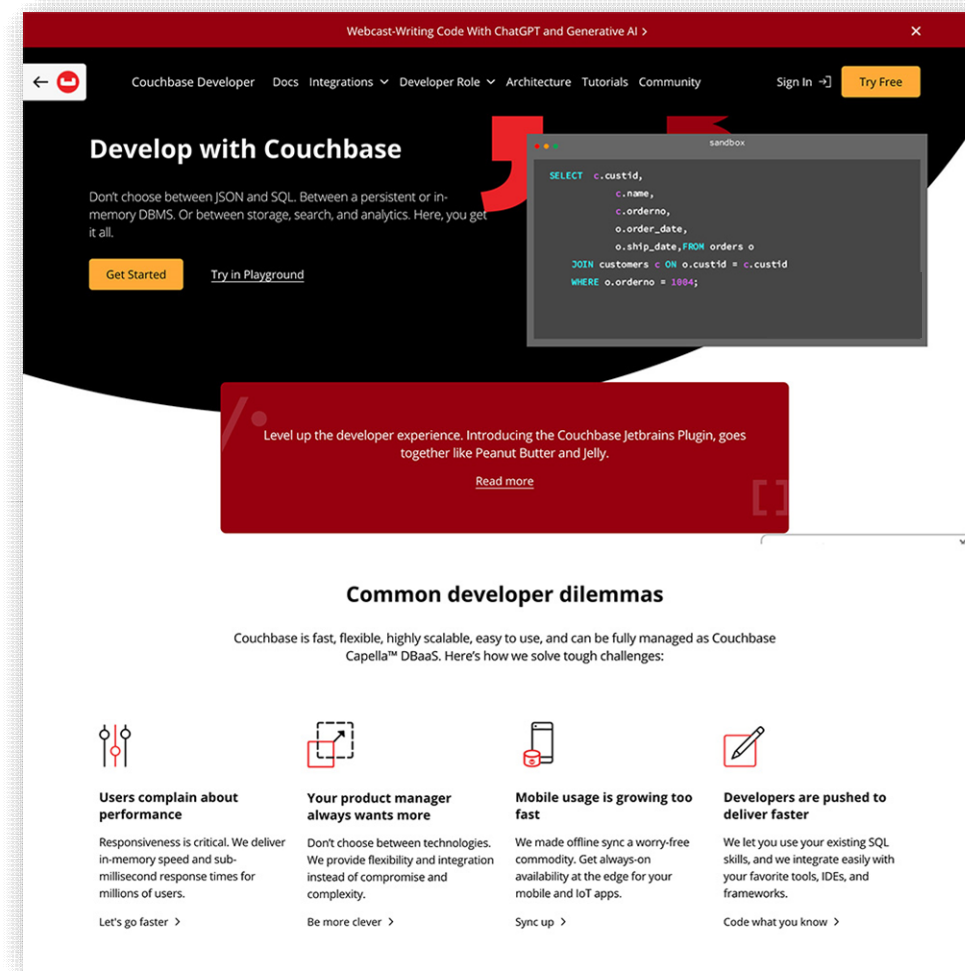
Security and  
Peace of Mind

# Capella Accelerates Developer Engagement

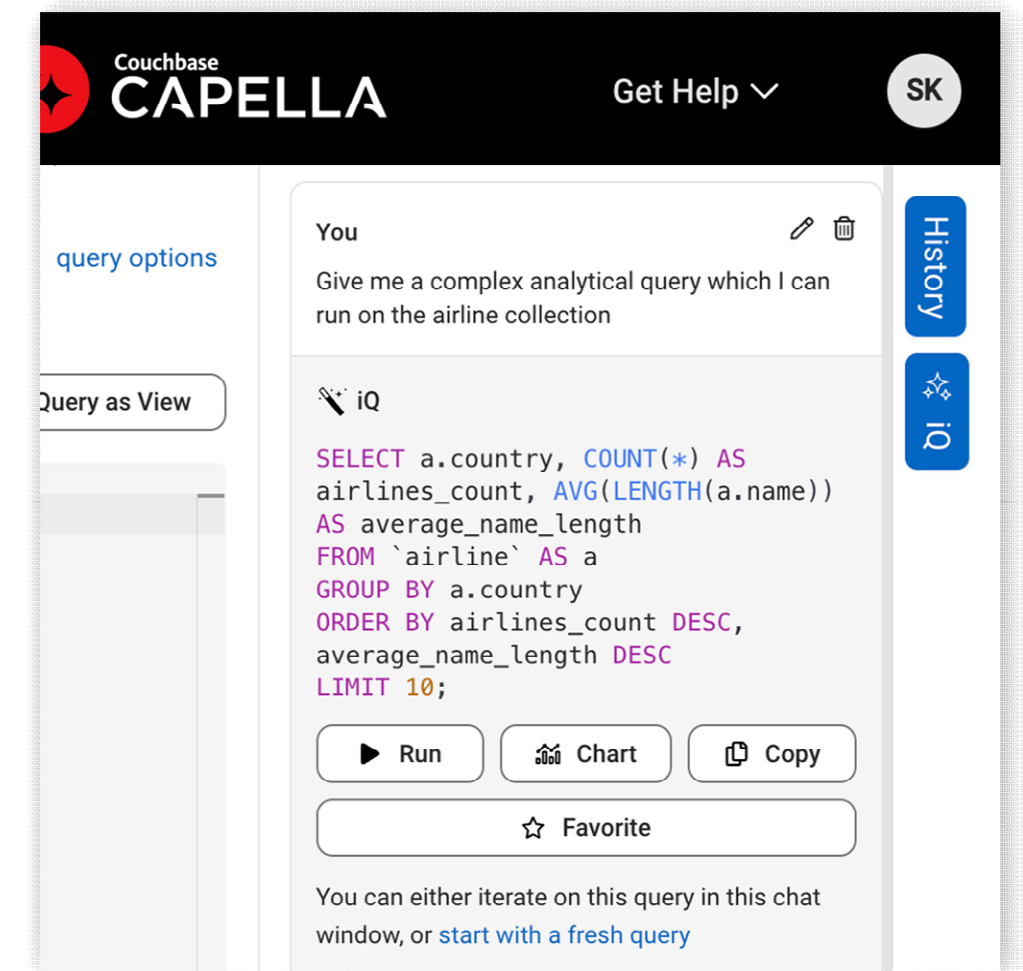
## 1 Access



## 2 Experience



## 3 Productivity



# Capella Strengthens Our Portfolio and Unlocks New Efficiencies



**Faster  
Development  
Cycles**



**Easier to  
Support  
Customers**



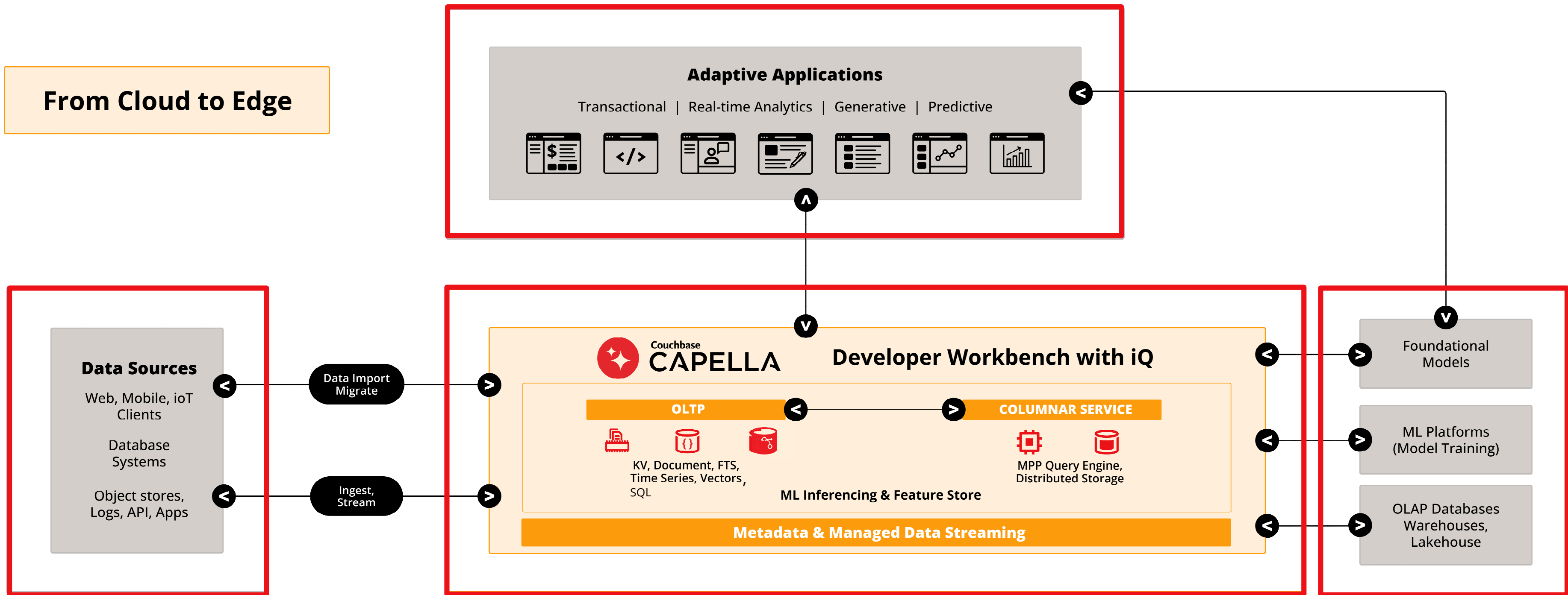
**Feedback  
Driven  
Success**



# Couchbase Was Built for This Moment

# We are a Multimodel Data Platform for Real-Time, Adaptive Applications

From Cloud to Edge

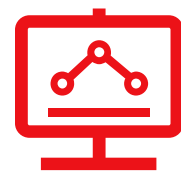


# Couchbase is Uniquely Architected for AI-Powered Adaptive Applications



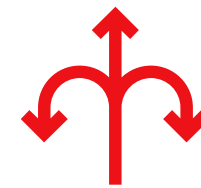
**AI prompts  
require diverse data**

JSON is AI's  
data format



**AI-powered adaptive apps  
have special requirements**

Analytics is an  
important ingredient



**Data complexity and  
latency is the enemy of AI**

Multimodel NoSQL  
simplifies architectures



**AI data is created and  
consumed at the edge**

User facing AI applications  
are mobile applications

**AI-based applications need a scalable, distributed, high-performance, multimodel data platform**

# Couchbase Can Power the Future of AI-Driven Applications

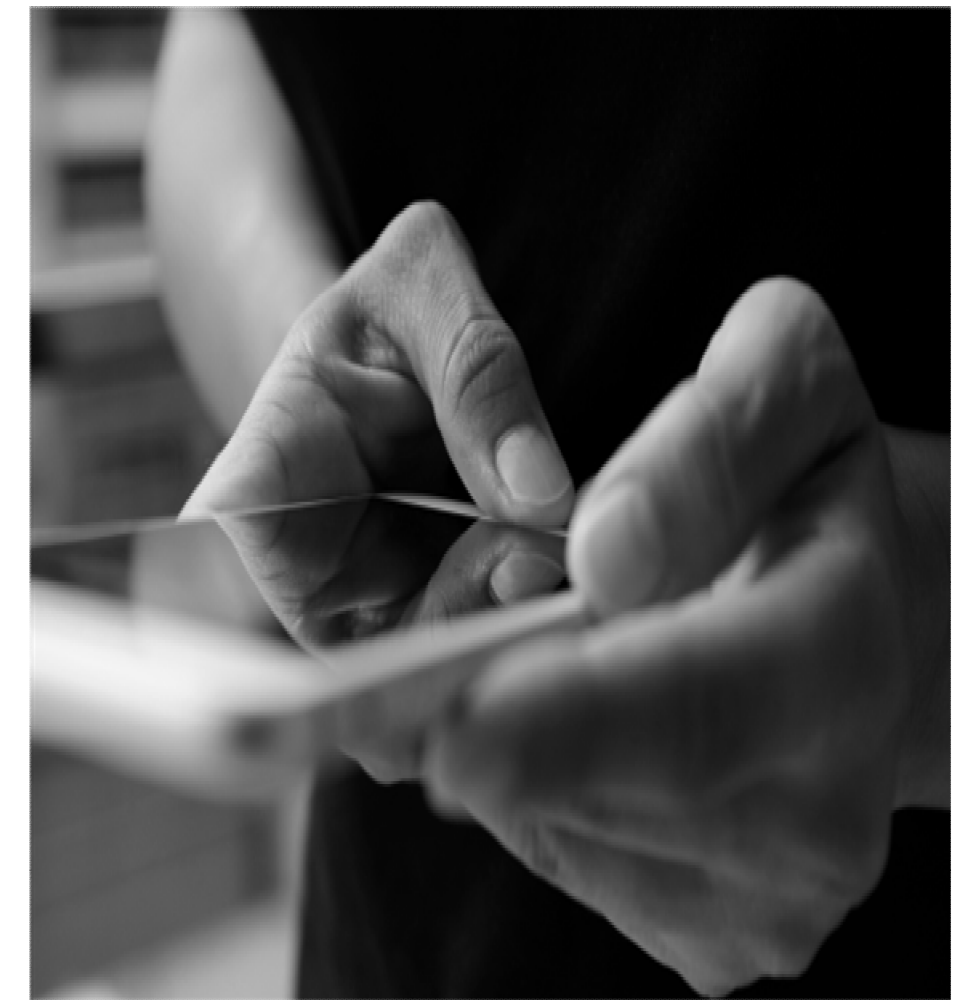
## Hyper Personalization



## User Facing Analytics



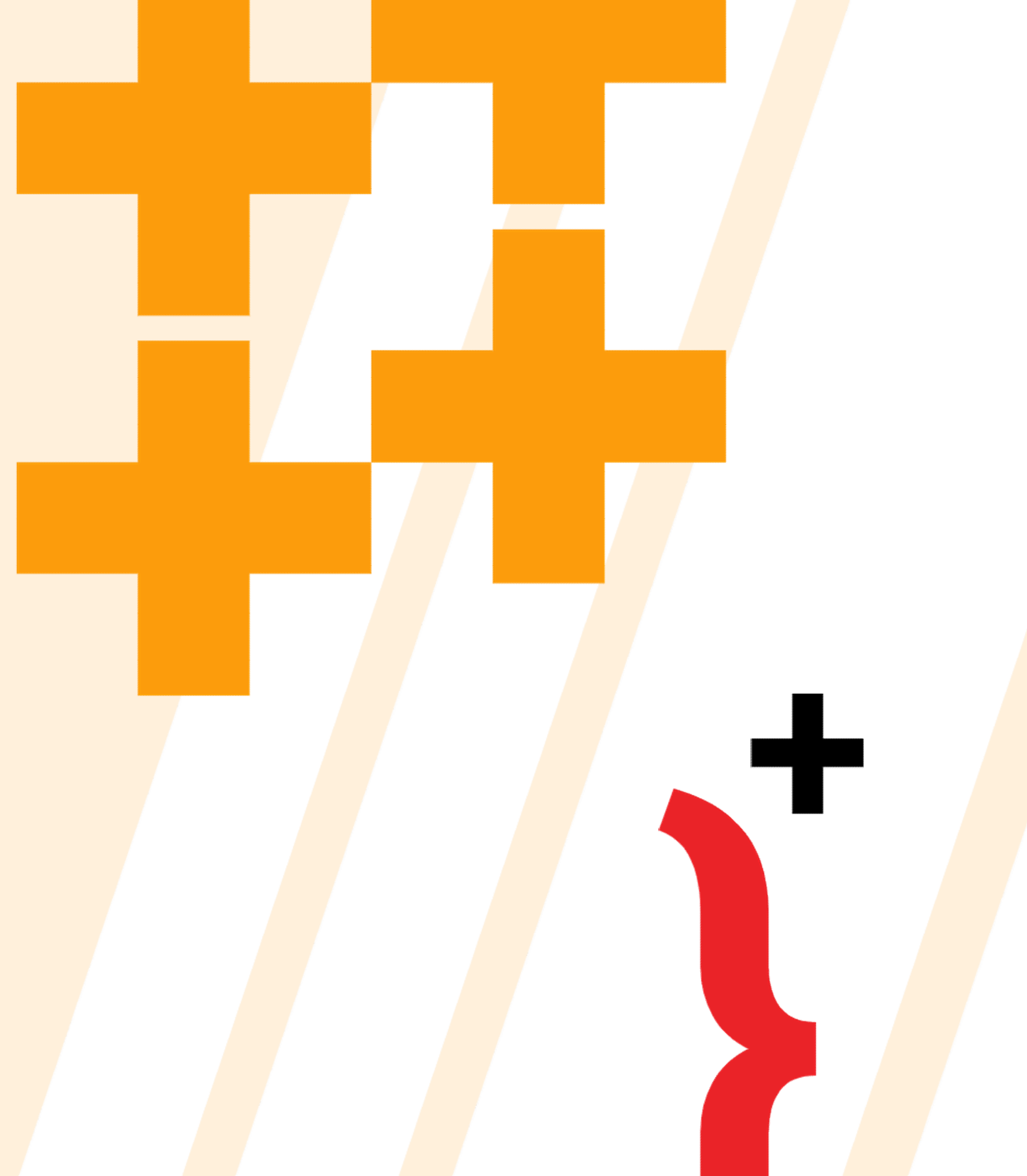
## Application Insights



# Driving Efficient Market Velocity

**HUW OWEN**

SVP, Chief Revenue Officer





# Themes for today



## Strong Foundation

- Great customer base
- Demonstrated durability



## Capella Inflection













































- Easier adoption
- Faster growth



## Future Leverage

- Partner leverage
- Product led growth

# Couchbase is the Cloud Database Platform for Leading Enterprises

Retail & E-Commerce	Travel & Hospitality	Financial Services	Technology & Business Services	Telecom	Media & Entertainment	Gaming	Manufacturing & Utilities
      	     	     	    	     	     	     	     

# Running a Sophisticated Enterprise Go-To-Market Engine

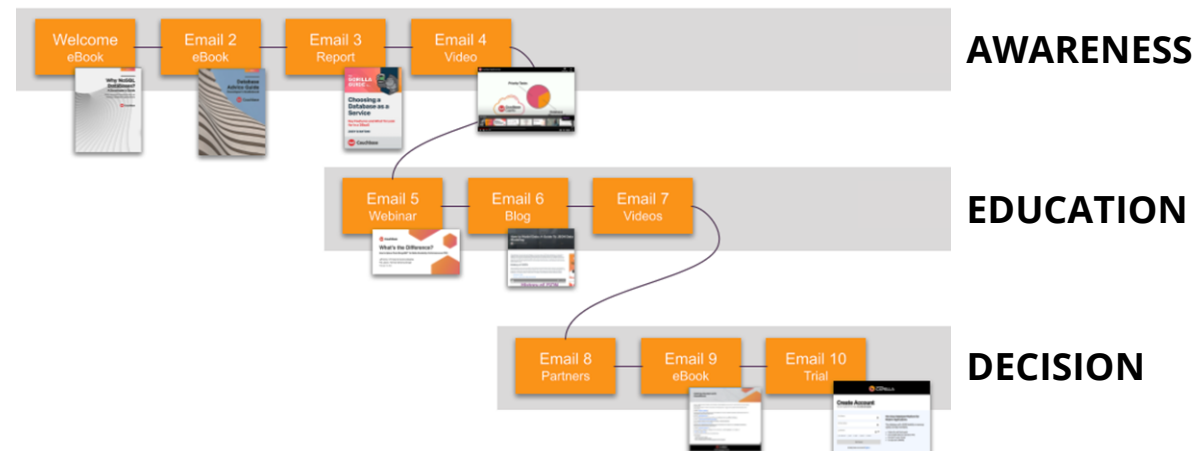
## Global Coverage



## Strategic Enterprise Model



## Fully Integrated Marketing Machine

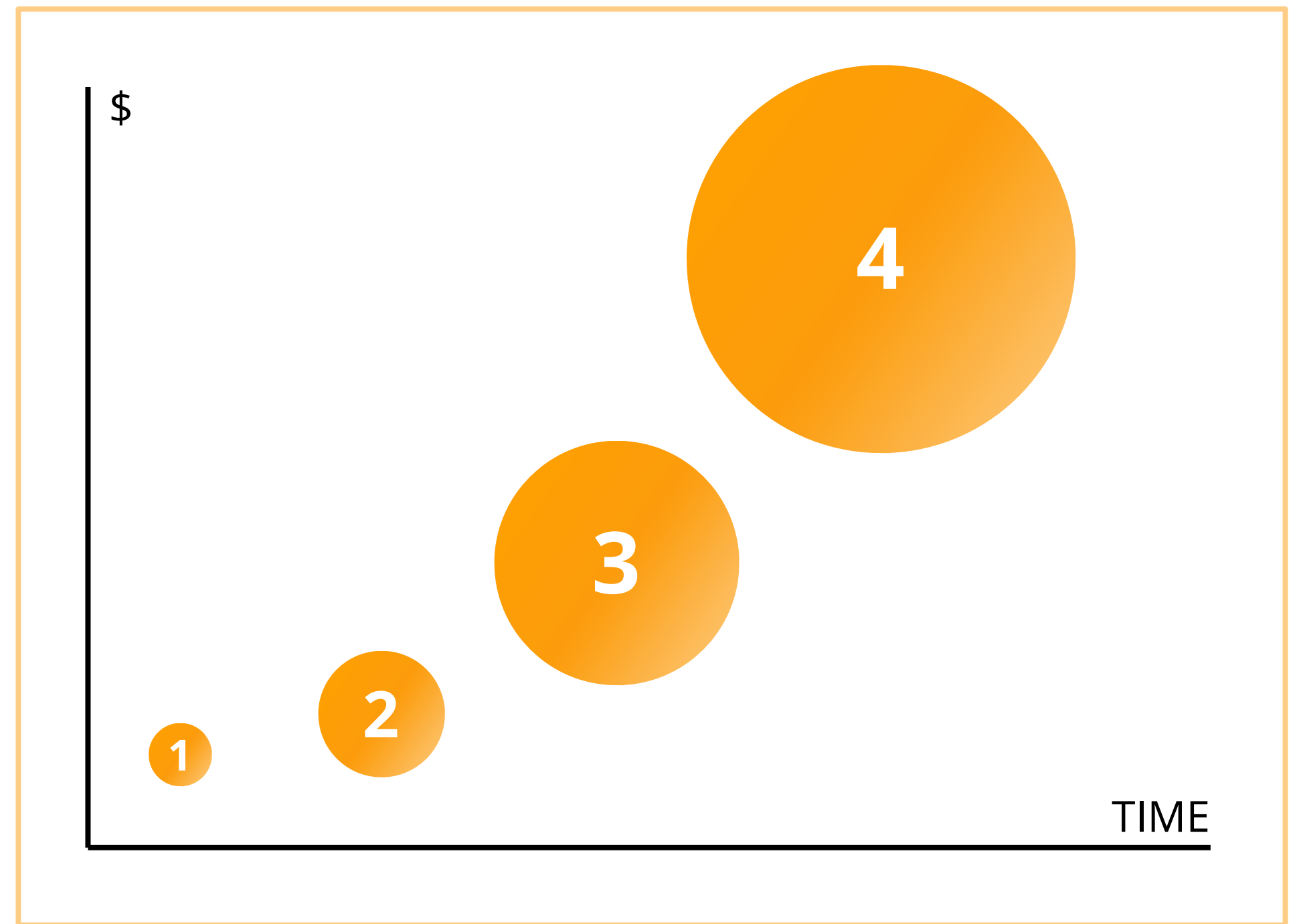


## Highly Instrumented



# We Have Architected a Leading Land and Expand Business Model

1. Land with new app or migrate legacy app
2. Growth on existing app
3. Add new apps
4. Strategic platform



# Our Robust Partner Ecosystem Increases Scale and Reach



**Cloud Service  
Providers**



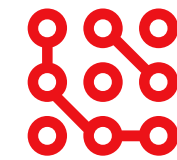
Google Cloud



**Independent  
Software Vendors**



**Global System  
Integrators**



**Technology  
Ecosystem**



Red Hat





# Capella Changes the Game for Both Existing and New Customers



- More developer oriented
- Faster deployments
- Start small, grow faster
- Aligned with CSPs
- Strong TCO



# New Customer Acquisition and Monetization has Transformed

	<b>Enterprise</b>	<b>Capella</b>
<b>Evaluation Process</b>	Multiple touch points	Simple dev experience
<b>Deal Sizing</b>	More complexity	Minimal - starter packs
<b>Sales Cycle</b>	12 - 18 month sales cycle	Immediate monetization
<b>Initial Deal</b>	Larger - more approvals	Smaller - low friction
<b>Follow on Deals</b>	At renewal point	Starts quickly & frequent

# Capella Accelerates Customer Growth

- Ease and speed of deployment
- Accelerates new apps
- No anniversary
- No leakage

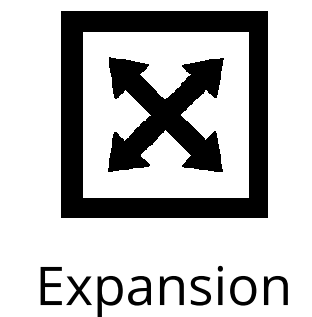
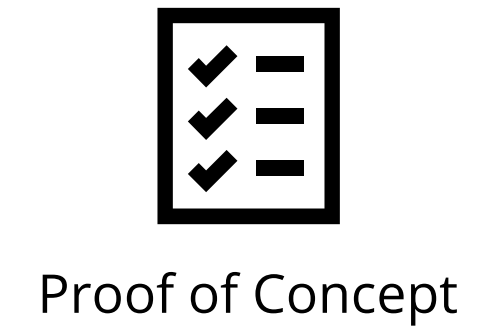
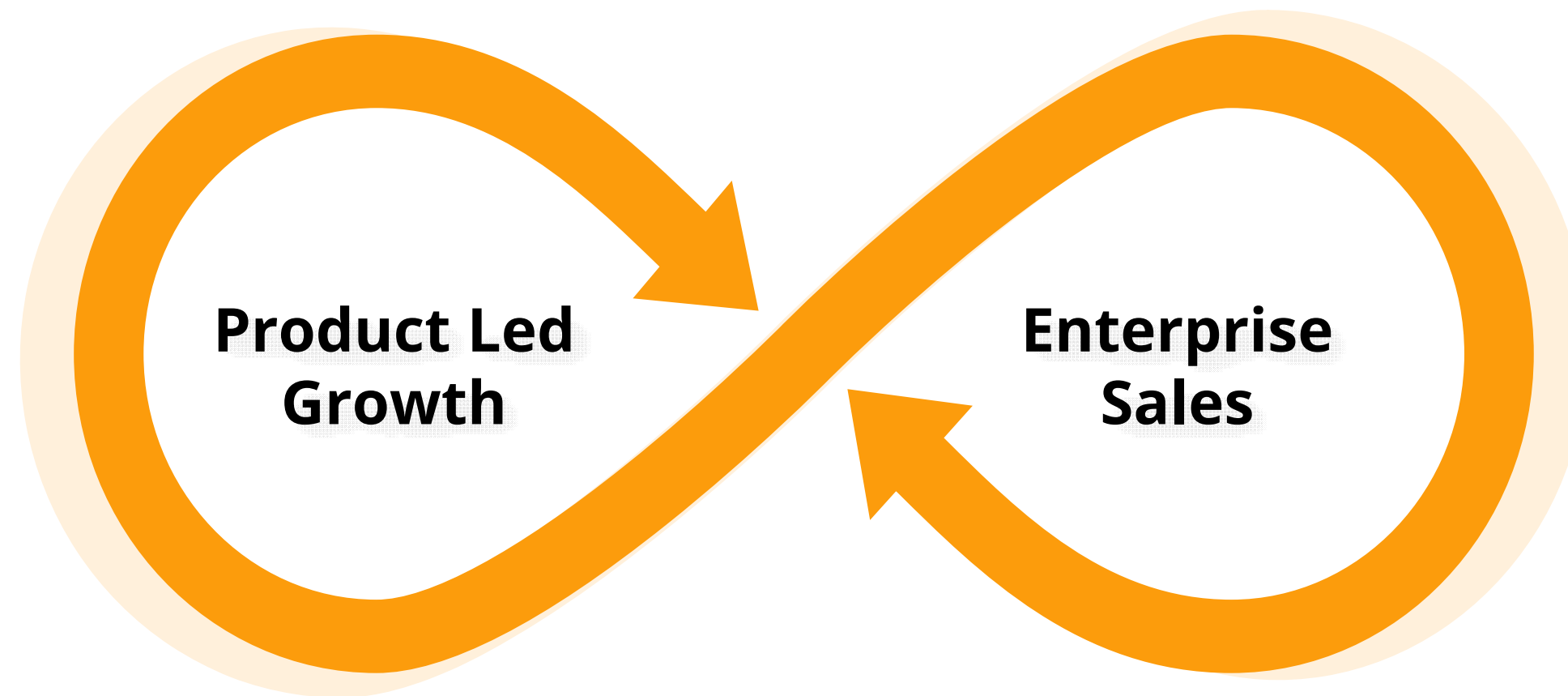
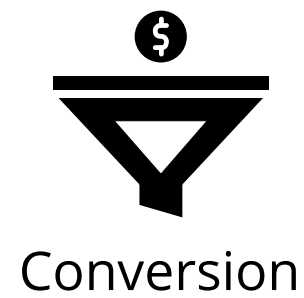
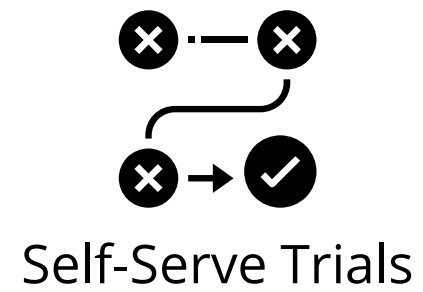
**2x**

\$0-\$100k

**4x**

\$101k-\$500k

# Our PLG and Enterprise Sales Motions are Complementary





# Capella Can Drive Efficiencies Across GTM



**Embedded Product Signals**



**Observability and Telemetry**



**Tighter Partner Alignment**



**Streamlined Marketing Engine**



# Couchbase + AWS



**Strong Foundation**



**Capella Inflection**



**Future Leverage**

**Industry Leaders  
Customer Panel**

**+**



# Customer Panel



**Steve Baker**  
Chief Operating Officer  
Playgon



**Jérôme Benois,**  
Director of Engineering  
Doctolib



**Karthik Mani**  
Chief Product Officer  
Aptos Retail



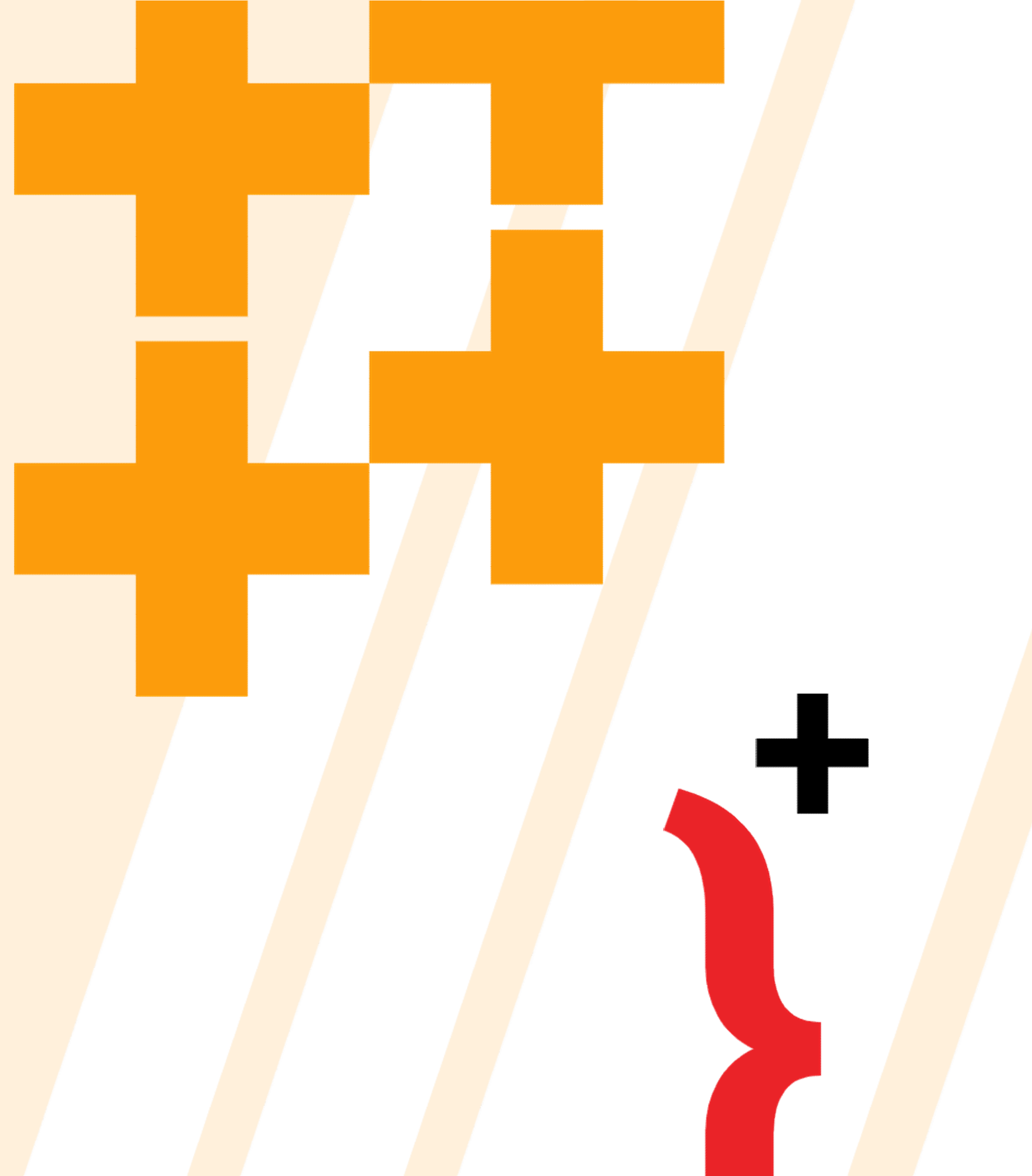
**Harveer Singh**  
Chief Data Architect &  
Global Head of Data  
Western Union



# Achieving Profitable Growth

**Greg Henry**

SVP, Chief Financial Officer



# Our Best Days Are Ahead



## Strong Foundation

- Well established model
- Best in class gross margins
- Strong net retention rate



## Capella Inflection

- Growth accelerator
- Faster time to monetization
- Consumption led



## Future Leverage

- Driving efficiency in the model
- FCF profitability
- Rule of 40 focused

# Highlighting Our Foundational Strengths

**90%+**

Software Revenue

**Highly predictable model**

**\$189M**

Annual Recurring Revenue

**ARPU \$260K+**

**30%+**

YoY Growth >\$1M Customers

**Enterprise strength**

**115%+**

Net Retention Rate

**Land and explode**

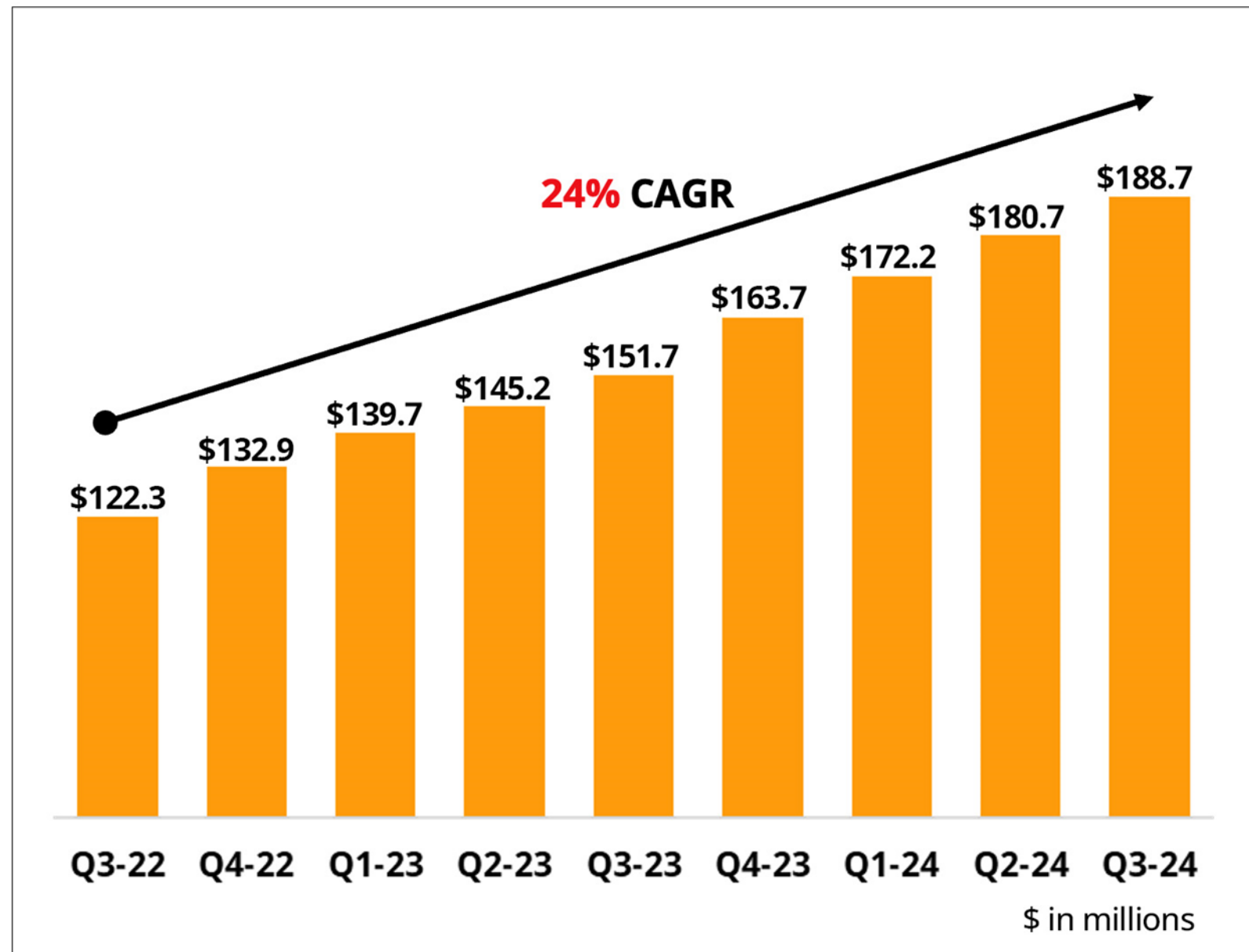
**90%**

Non-GAAP Gross Margin

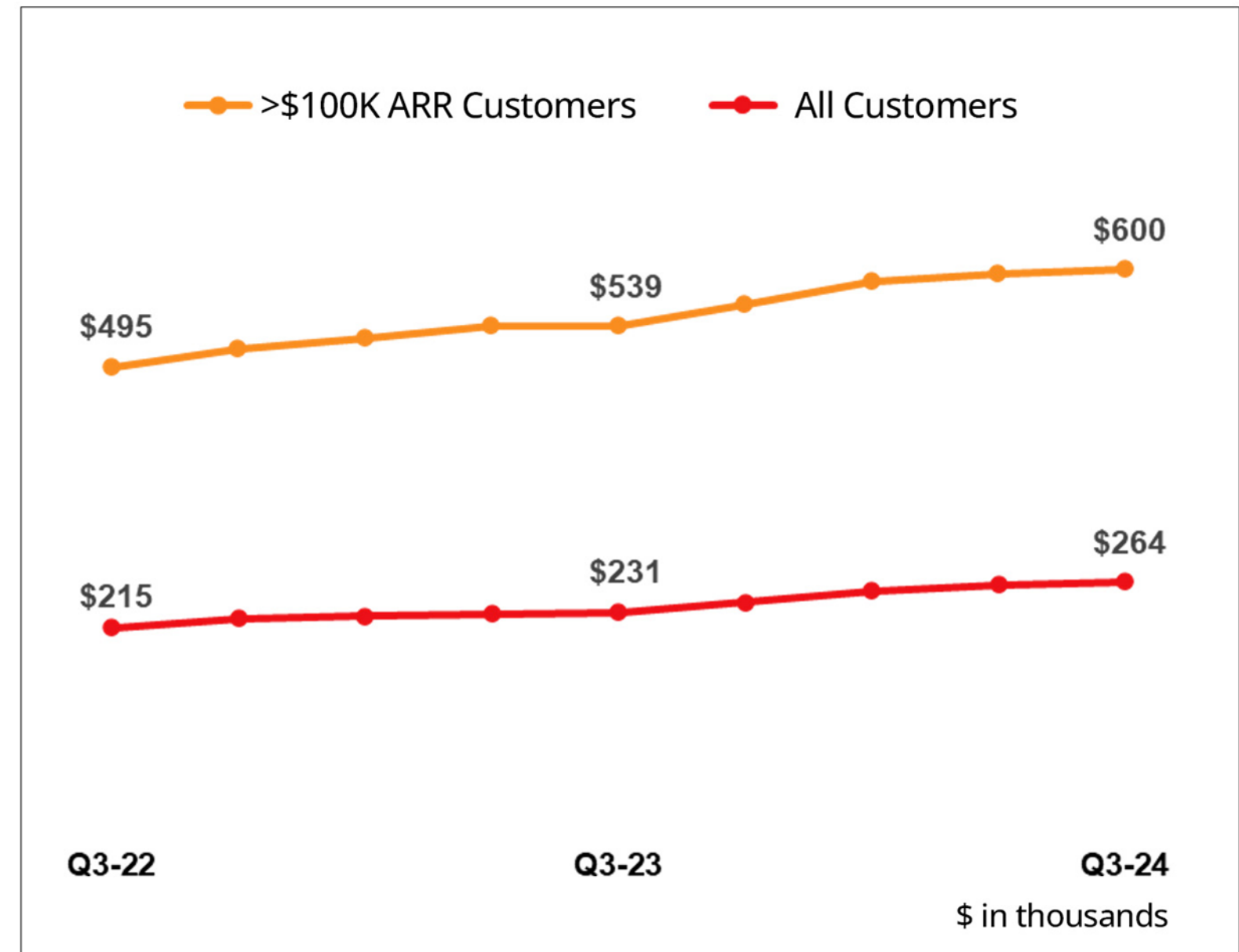
**Best in class margin**

# We Have Some of the Largest and Best Enterprises

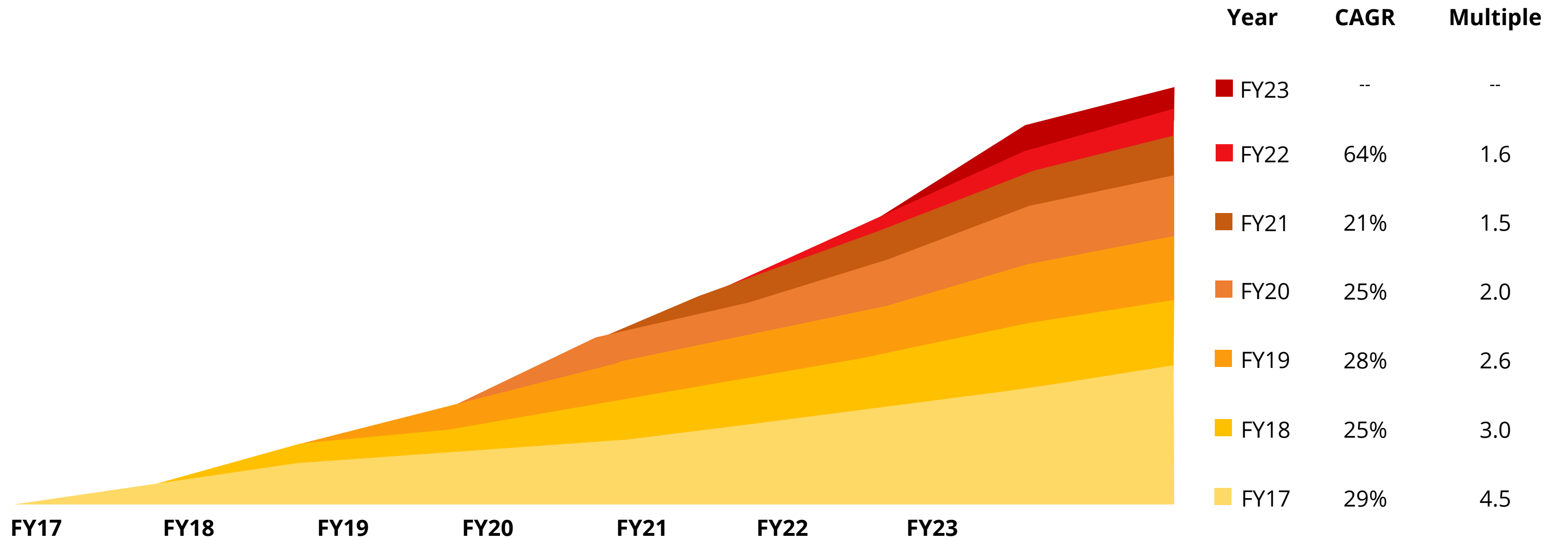
ARR



ARR Per Customer



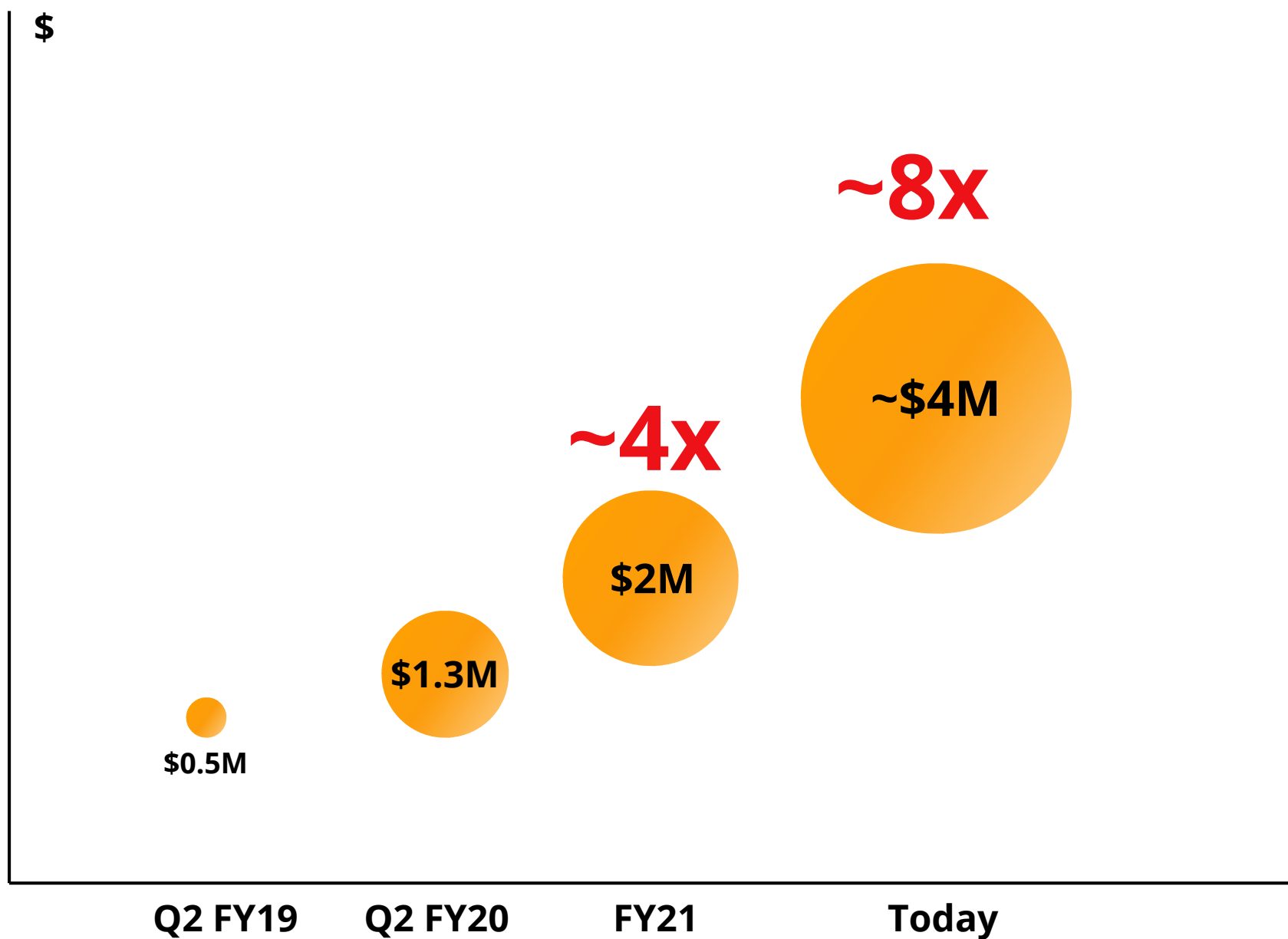
# Our Customer ARR Base Grows Rapidly and Consistently



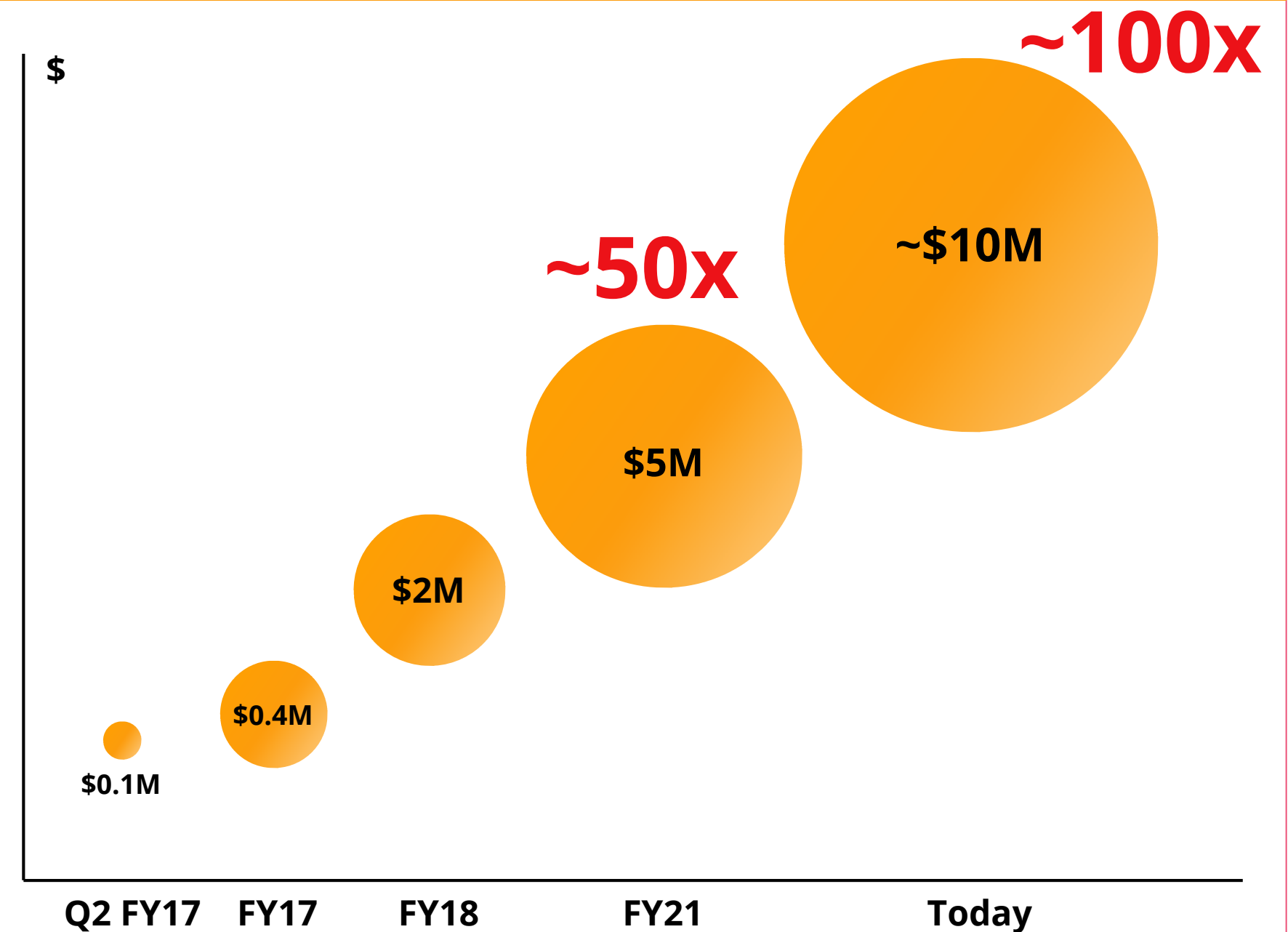


# Even Our Largest Enterprise Customers Continue to Grow Dramatically

## Travel & Entertainment Customer



## Logistics Customer



# Capella Metrics and Dynamics Showing Inflection

- 1** Capella's potential is already being realized
- 2** Driving faster growth and customer footprint – New Logo Example
- 3** Driving faster growth and customer footprint – Migration Example

# 1 Capella's Potential is Already Being Realized



**10%+**

% of Total ARR<sup>^</sup>



**22%**

% of Our Total Customers<sup>\*</sup>



**167%**

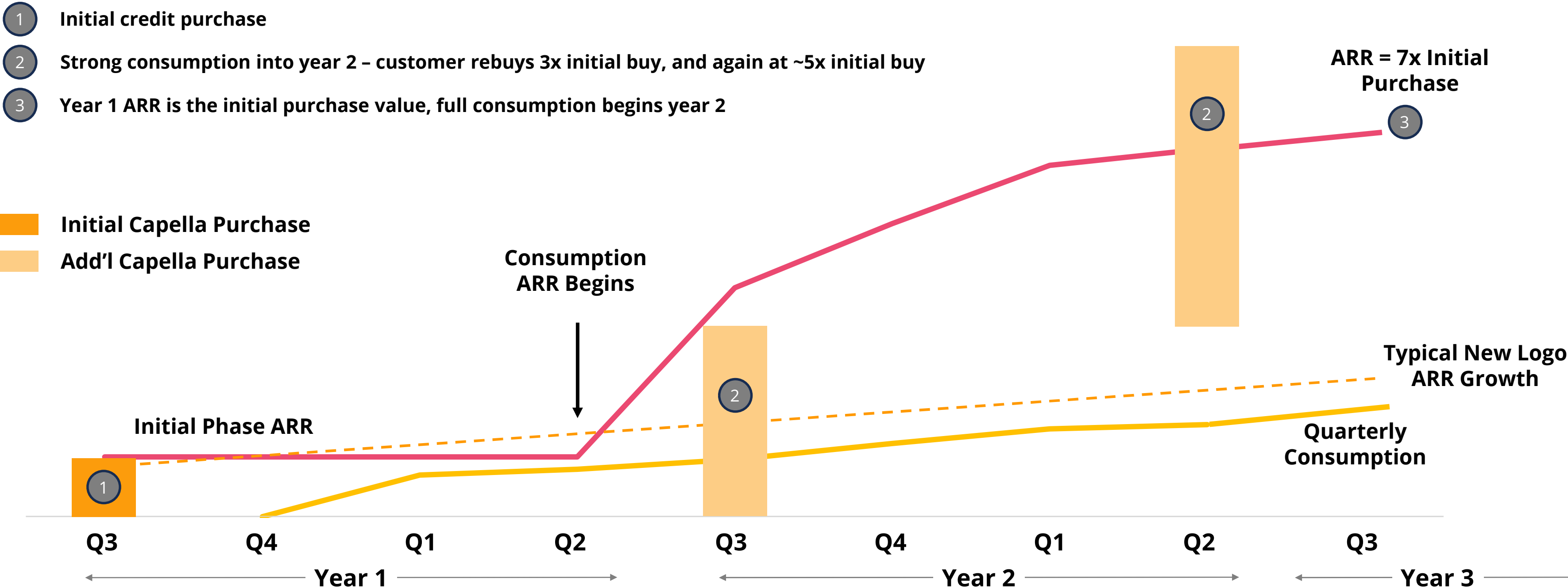
Net Retention Rate<sup>\*</sup>

<sup>^</sup> % of total ARR as of December 12, 2023

<sup>\*</sup> % of our total customers and NRR as of end Q3 FY24

2

# Capella Consumption Driving Faster Growth and Customer Footprint - New Logo Example

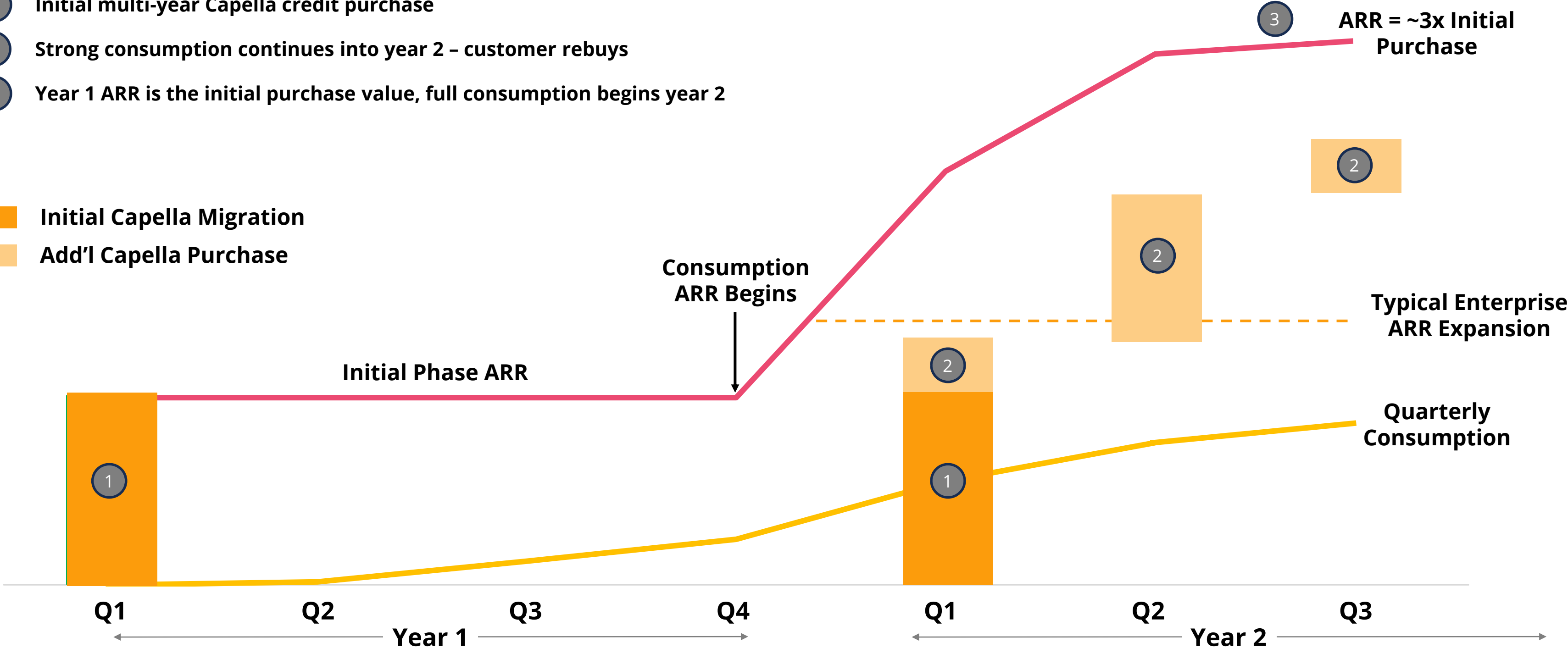


3

# Capella Consumption Driving Faster Growth and Customer Footprint - Migration Example

- 1 Initial multi-year Capella credit purchase
- 2 Strong consumption continues into year 2 - customer rebuys
- 3 Year 1 ARR is the initial purchase value, full consumption begins year 2

**Initial Capella Migration**  
**Add'l Capella Purchase**



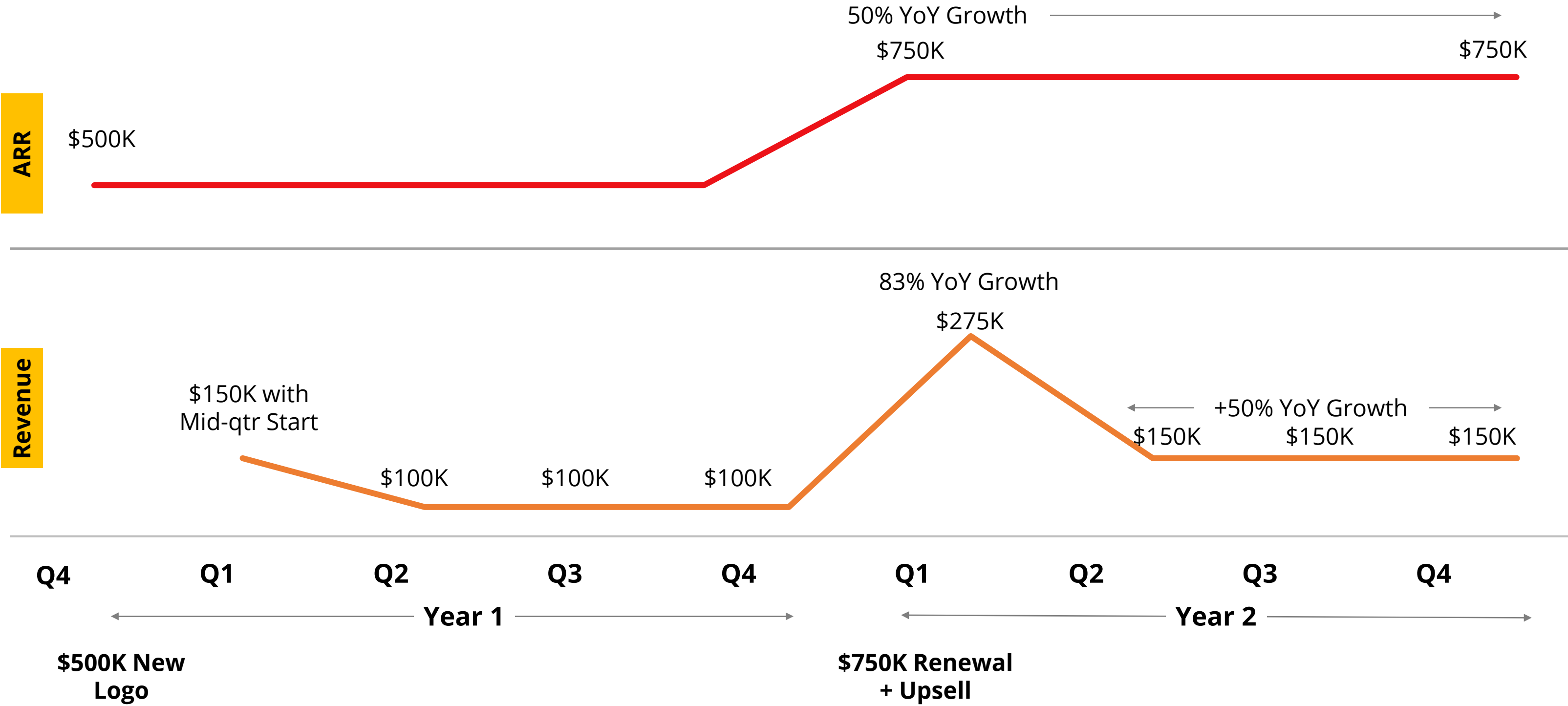


# ARR is Our North Star Revenue Will Trend Differently

- 1 Enterprise new logo with future start date, 50% upsell at renewal**
- 2 Capella new logo with multiple rebuys**
- 3 Enterprise account with full Capella migration**

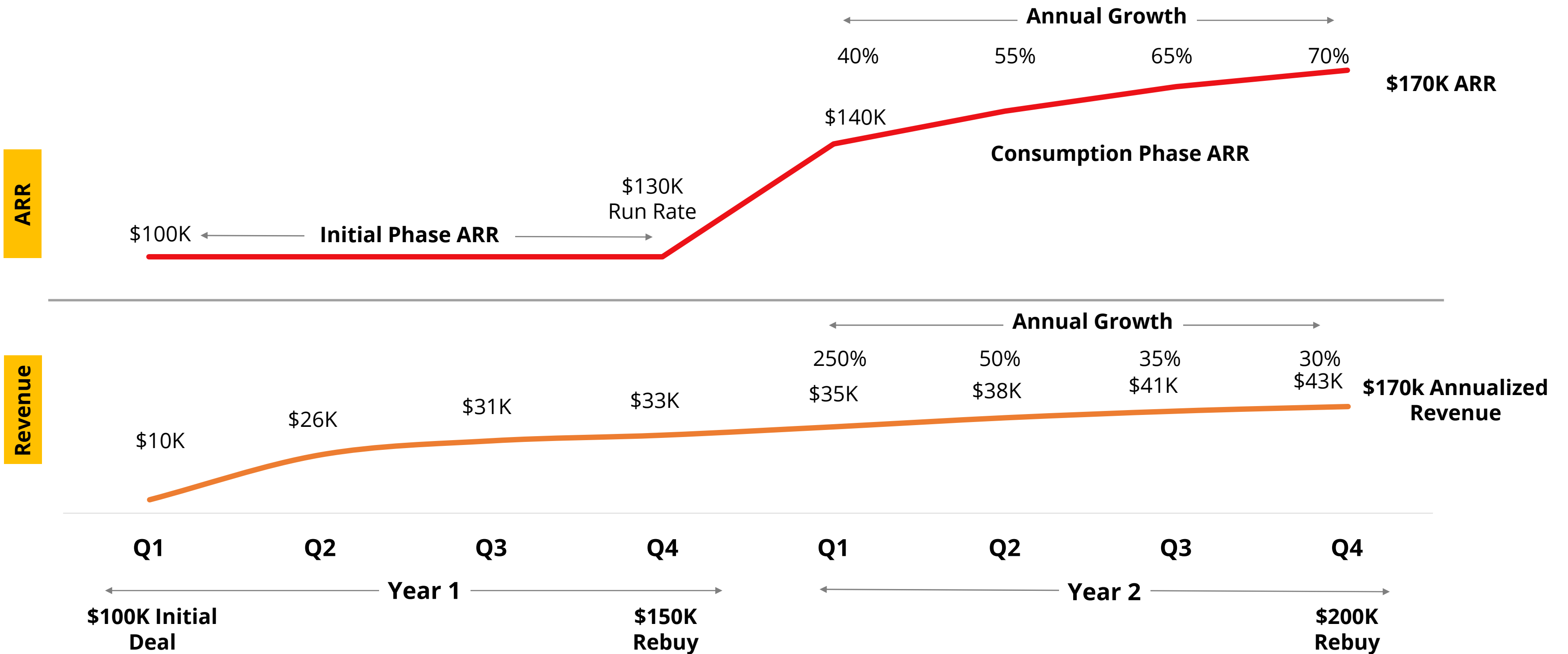
1

# Enterprise New Logo - Future Start Date, 50% Upsell at Renewal

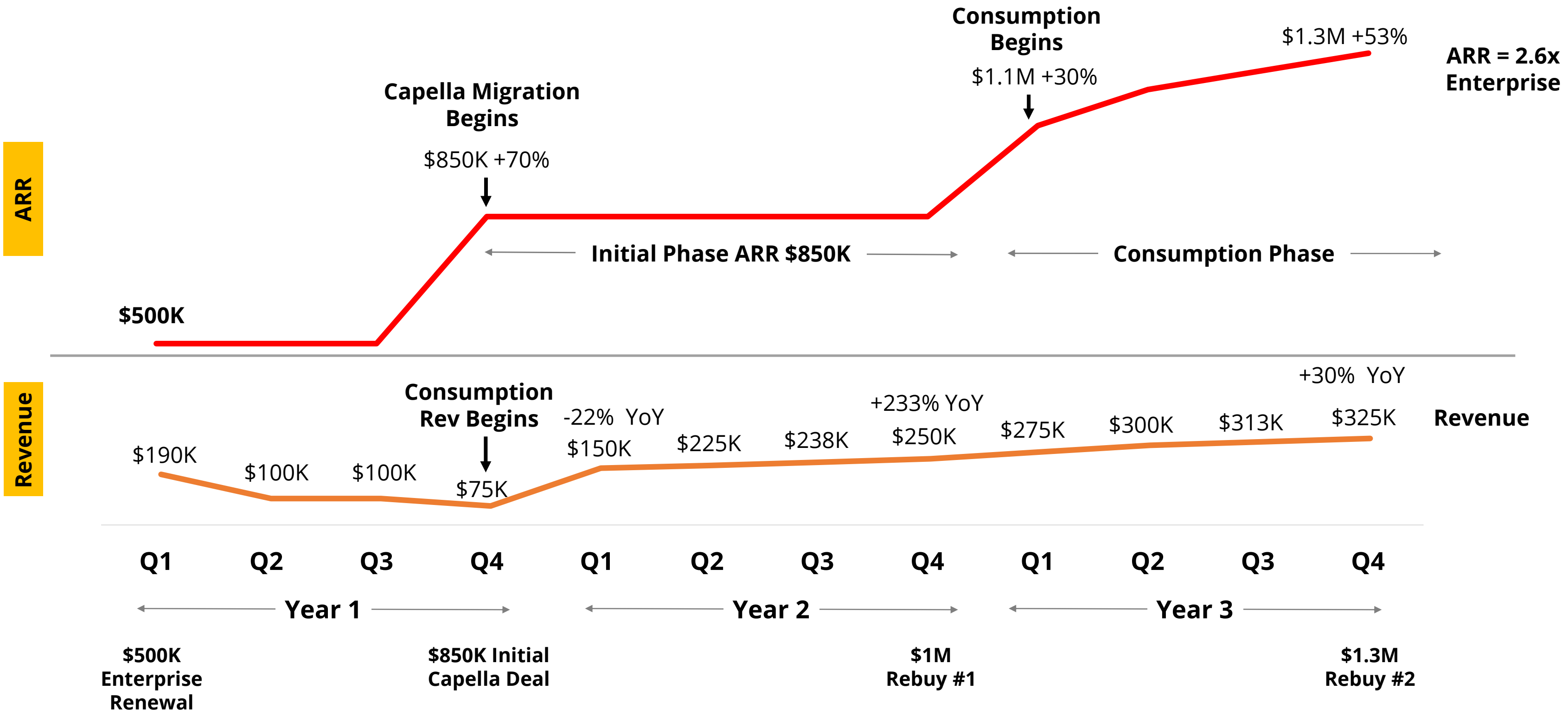


2

# Capella New Logo With Multiple Rebuys



# Enterprise Account With Full Capella Migration



# Couchbase's Future Is Incredibly Exciting

	<u>FY23 Actuals</u>	<u>FY24 Guidance</u>	<u>Medium Term</u>	<u>Drivers</u>
ARR#	24%	22%	20%+	Capella
Revenue	25%	14%	20%+	Capella
Gross Margin^ %	87.6%	n/a	~80%	Scale and Operating Efficiencies
S&M^	65%	n/a	38-40%	PLG and Telemetry
R&D^	32%	n/a	20-22%	Focused Product Innovation
G&A^	17%	n/a	9-11%	Scale and Automation
Operating Income^	(\$41)*	(\$35)*	++	++
FCF^	(\$47)*	n/a	++	++

**We Expect to Deliver 20%+ Growth, Positive FCF FY26 and Non-GAAP Op Inc FY27**

**Note:** We are not able to provide a reconciliation for future non-GAAP

\* \$'s in millions

^ Non-GAAP presentation

# Presented on a constant currency basis



# Couchbase Was Built for This – Our Best Days Are Ahead



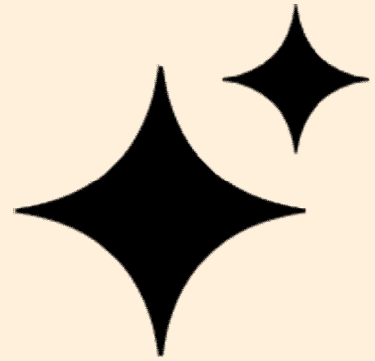
**Strong Foundation**



**Capella Inflection**



**Future Leverage**

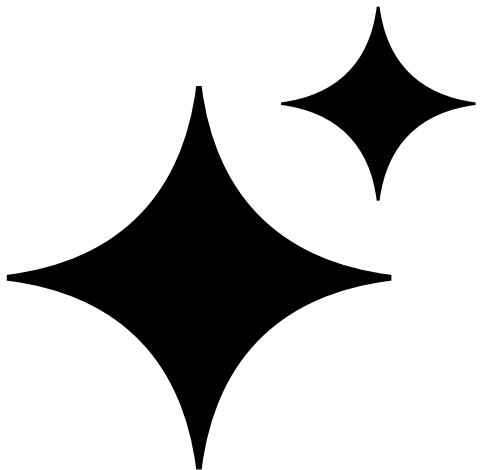


# Thank you!



**Couchbase**

# Q&A



# GAAP to Non-GAAP

January 31 Fiscal Year End

## Income Statement

## Free Cash Flow

(\$'000)	FY23	Q3'24	(\$'000)	FY23	Q3'24	(\$'000)	FY23
<b>GAAP</b>			<b>GAAP</b>			<b>Free Cash Flow</b>	<b>FY23</b>
Cost of subscription revenue	\$10,762	\$3,549	S&M	\$111,067	\$31,602	Net cash used in operating activities	(\$41,185)
Cost of services revenue	\$9,497	\$1,562	R&D	\$57,760	\$15,903	Less: Additions to property and equipment	(\$5,646)
<b>GAAP Gross Profit</b>	<b>\$134,565</b>	<b>\$40,702</b>	G&A	\$33,390	\$10,739	<b>Free cash flow</b>	<b>(\$46,831)</b>
<i>GAAP Gross Margin %</i>	<i>86.9%</i>	<i>88.8%</i>	Restructuring	\$1,663	-		
			<b>GAAP Operating Loss</b>	<b>(\$69,315)</b>	<b>(\$17,542)</b>		
			<i>GAAP Operating Margin %</i>	<i>-44.8%</i>	<i>-38.3%</i>		
<b>Non-GAAP Adjustments:</b>			<b>Non-GAAP Adjustments:</b>				
SBC Expense & Payroll Tax on Stock Transactions			SBC Expense & Payroll Tax on Stock Transactions				
Cost of subscription revenue	\$569	\$173	S&M	\$9,720	\$4,515		
Cost of services revenue	\$440	\$131	R&D	\$8,102	\$3,315		
			G&A	\$7,496	\$4,378		
			Restructuring	1,663	-		
<b>Non-GAAP</b>			<b>Non-GAAP</b>				
Cost of subscription revenue	\$10,193	\$3,376	S&M	\$101,347	\$27,087		
Cost of services revenue	\$9,057	\$1,431	<i>S&amp;M % of Rev</i>	<i>65%</i>	<i>59%</i>		
<b>Non-GAAP Gross Profit</b>	<b>\$135,574</b>	<b>\$41,006</b>	R&D	\$49,658	\$12,588		
<i>Non-GAAP subscription margin %</i>	<i>93%</i>	<i>92%</i>	<i>R&amp;D % of Rev</i>	<i>32%</i>	<i>27%</i>		
<i>Non-GAAP services margin %</i>	<i>24%</i>	<i>21%</i>	G&A	\$25,894	\$6,361		
<b>Non-GAAP Gross Margin %</b>	<b>87.6%</b>	<b>89.5%</b>	<i>G&amp;A % of Rev</i>	<i>17%</i>	<i>14%</i>		
			Total Non-GAAP Operating expenses	\$176,899	\$46,036		
			<b>Non-GAAP Operating Loss</b>	<b>(\$41,325)</b>	<b>(\$5,030)</b>		
			<i>Non-GAAP Operating Margin %</i>	<i>-26.7%</i>	<i>-11.0%</i>		