# Investor Call on Q3 Trading Update

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#### Aaron Auld, CEO

- CEO at Exasol AG since July 2013
- Responsible for the strategic direction of the company, communications as well as key business relationships



### Jan-Dirk Henrich, CFO/COO

- CFO/COO at Exasol AG since September 2021
- Responsible for finance related departments including Accounting, Controlling, Legal/Compliance and Investor Relations as well as Human Resources and Internal IT

### Exasol

# Summary of key points

- Annual Recurring Revenue (ARR) of 28.2m EUR at end Q3, up 31% vs same quarter 2020
- Management now projecting 30-31m EUR ARR by end 2021 (vs. more than 35m EUR) and 100m EUR ARR by 2025 (vs. 2024)
- Key changes initiated to address lower than expected growth momentum
  - Revised organizational set-up with clear end-to-end ownership
  - Sharpened go-to-market focus under leadership of appointed CCO
  - Defined product roadmap to full platform independence and consumption based pricing ("Bridge to the Cloud")
- Revised investor relations cadence with quarterly webcasts & roadshows to update on progress

# Topics for today

- 1. Q3 trading update and guidance
- 2. Key learnings 2021 and initiated changes
- 3. Financial calendar
- 4. Q&A



# Q3 trading update and guidance Jan-Dirk Henrich (CFO/COO)



### ARR development vs same quarter PY – By type In EUR million, # of customers



#### **Comments**

- Strong and improving net upsell performance from existing customers
  - Gross ARR retention rate at 123% (vs. 122% in PY)
  - Net ARR retention rate at 120% (vs. 113% in PY)
  - Customer churn rate at 4% (vs. 9% in PY)
- Growth contribution from new customers lower than expected (11 ppt.)

### ARR development vs same quarter PY – By geography In EUR million, # of customers



#### **Comments**

- Unbroken strong momentum in core market DACH, supported by strong and increasing NRR rates
- US and UK likewise with similarly strong upsell performance
- Lower than anticipated new customer acquisition in US and UK in terms of total number and deal-sizes

### Exasol Continued ability to convert and upsell large-scale data players in key verticals

	New customers since H1 2021 (examples)	+ Strong upsell performance of	existing customers (examples)
	<b>Multinational banking Corp.</b> , UK 15bn USD rev./a	XING Y AD	WINTERMUTE
Financial services	Multinational insurance Corp., DACH 10bn EUR rev./a		M cewe
	Multinational re-insurance Corp., DACH 24bn EUR rev./a	mobile.de	eventim
Transport & Logistics	Municipal transport authority, DACH 700m EUR rev./a, 1bn passenger rides/a	Revolut	
Energy	<b>B2B energy retailer</b> , Nordics > 40k customers	Webtrekk a mapp company	60 customers (> 30% of total) increased their business with Exasol in the past 12 months

# ARR development in 2021 & revised guidance



#### **Comments**

- New logo acquisition not yet with desired momentum, particularly in US/UK
- Several larger new client or upsell projects delayed into 2022
- Lower momentum coming out of 2021 expected to delay 100m EUR ARR growth to 2025
- Guidance for 2022 to be provided in February with unaudited FY2021 results

## Development of liquid funds In EUR million



#### **Focus moving forward**

- Review and re-allocation of nonperforming investments
- Manage towards favourable growth/invest ratio in 2022
- Re-organization measures implemented in October with payback in 2021 and contribution to improved cash-burn in 2022

# Development of headcount

### In # of employees



#### **Comments**

- Headcount stable vs H1 2021
- Re-organization measures taken in October leading to overall reduction and structural shift to EMEA, lowering average personnel cost
- Re-organization in US dominantly affecting global functions, not local go-to-market functions driving business development in strategically important US market

# Key learnings 2021 and initiated changes Aaron Auld (CEO)



## Learnings, initiated changes & strategic strengths

	Learnings	Changes made and initiated	Enduring strategic strengths
1 Organization	GTM org missing end-to-end experienced ownership Remote work inadequate for core team-building and cross- functional ramp-up	Executive leadership extended with end-to- end sales & marketing leadership under new CCO for clear emphasis on GTM execution Product development moved back under CTO for closer integration with R&D	<ul> <li>Recognized global leader for database performance, based on intelligent in-memory technology</li> <li>Best-in-class TCO for enterprise-</li> </ul>
2 Go-to- market focus	Value proposition and GTM activities insufficiently targeted at verticals, customers and uses cases that leverage our core strengths	Product positioning sharpened to embrace Cloud first customer strategies (Bridge to the Cloud) Very focused GTM execution leveraging unique strengths with strong partners	<ul> <li>Ievel production</li> <li>Optimally positioned to build analytics performance bridge to and from multiple Clouds</li> <li>Customer obsession with</li> </ul>
3 Product adoption	Business model and product focused on high-impact use cases, but not aligned with evolving data strategies incl. decentralized deployment	Extend deployment capabilities and usage models (incl. consumption-based pricing & SaaS), for complete platform independence to deliver automated real-time business analytics as a service for hybrid data environments	consistent 100% recommendation ratings • Growing recognition of unique value to strategic alliance partners

# Exasol maintains top performance ratings across multiple independent benchmarks and reports



- Leader for vendor credibility and customer experience
- Best in class across a range of measures
- 100% customer recommendation rate
- Increased number of top-rankings from 18 to 26 categories vs peer group "Analytical DB Products" and "DWH" Technologies"
- Best-in-class in 5 categories (vs 4 previously)
- 100% customer recommendation rate

### Gartner

**FORRESTER**<sup>®</sup>

BARC

- Favorable market position
- Updated evaluation expected in November

 Moved from Contender to Strong Performer in the latest Forrester Wave<sup>™</sup>: Cloud Data Warehouse, Q1 2021





Dresner positioning of Exasol against competition

\*Converted from the original currency

ıber

## 1 New Org-structure focused on end-to-end ownership



## 2 CCO appointed to extended leadership team



#### Donald (Don) Kaye, CCO

- CCO at Exasol AG since mid October 2021
- End-to-end responsibility for Marketing, Global Sales & Pre-Sales, Channel/Strategic Partners and Alliances, Customer Success
- Extensive experience in leading go-to-market activities in software & services in both large-scale corporations (Apple, Microsoft, Kaspersky) and emerging players (Ground Labs, Connectix)

# 2 Clear go-to-market focus



**EXASOL VISION** 

VISION

# Be the analytics platform trusted by the world's most ambitious organizations



# Onique value proposition

			The Analytics Platform
		Democratizing Data Analytics	Versatile analytics platform to
	Bridge to the Cloud	Self-service data analytics for business users to create real-time	enable enterprise analytics across evolving hybrid
The Analytics Database	Provide flexible architecture for enterprise analytics and enable	data insights from distributed data sources and data lakes	environments and unify Data Science & BI for predictive business outcomes
Unlock & accelerate legacy data for enterprise & digital native use cases	seamless migration from on-prem to Cloud with consumption-based pricing and entry-point automation	Our direction	
Most powerful, scalable and	+ Cloud elasticity and native	+ Cloud elasticity and integration	+ Platform-independent auto-scaling
tuning-free in-memory RDBMS	containerized deployment	across all major Cloud platforms	+ AI/ML unification, integration and
On-prem & cloud solution for	+ SaaS platform on AWS	+ Hybrid economics, incl. on-prem	operationalization at scale
high-impact operationalized use cases for enterprise & digital	+ Consumption-based pricing	usage-based pricing & infrastructure aaS	+ Deep GPU-integration for further
natives	+ Cloud ETL integration (Keboola)		acceleration
Data-volume based licensing		+ Autonomous Business Insights for Enterprise	+ Open extension marketplace
Today	End of 2021	2022	2023+

# Product milestones 2021/2022

	Alpha	Preview/Beta	General Availability
SaaS Offering	Jun 21 🖌	Oct 21 🖌	Dec 21
Version 8.0	2020 🗸	2021 🗸	Q1/22
AWS Elasticity *	Mar 21 🖌	Q4 21	Q1 22
GCP Elasticity *	Q4/21	Q1/22	Q2/22
Azure Elasticity *	Q1/22	Q2/22	Q3/22
Autonomous Insights	Q1/22	Q2/22	Q3 22
	Prototype that can be shown to and tested by customers	Feature-ready version offered to selected customers	Broadly supported release for all customers

\* Elasticity: Separation of compute & storage for scaling up and down easily. Running in own customer cloud-account

# Financial calendar

Jan-Dirk Henrich (CFO/COO)



## Financial calendar – increased cadence & immediacy

	2021		2022
Nov 4-12	Q3 Trading Update Webcast & Roadshow	Mid February	FY2021 results update (unaudited figu Webcast & Roadshow
Nov 24	Deutsche Börse Equity Forum Conference	Early May	Q1 trading update & FY 2021 (audi Webcast & Roadshow
ey IR/Reportir	ng changes	Early June	General Assembly Physical or virtual tbd.
<ul> <li>In 2022</li> <li>Dedicated &amp; experienced IR Head</li> <li>Quarterly roadshows &amp; webcasts (recorded &amp; published)</li> <li>Reduced gap between closing &amp; results/trading updates</li> <li>Increased transparency on core KPIs &amp; ESG</li> <li>In 2023</li> <li>Switch to IFRS with Annual Report 2022</li> </ul>		Mid August	HY 2022 results update Webcast & Roadshow
		Early November	Q3 trading update Webcast & Roadshow
		+	2-3 conferences tbd

# Thank You

SOTATING MORE

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