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DOMO.OQ - Q3 2022 Domo Inc Earnings Call

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## PRESENTATION

### Operator

Welcome to Domo's Third Quarter Fiscal Year 2022 Earnings Call. (Operator Instructions)

And with that, I will hand it over to Peter Lowry, Domo's Vice President of Investor Relations.

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### **Peter Caldwell Lowry** - *Domo, Inc. - VP of IR*

Good afternoon, and welcome. On the call today, we have Josh James, our Founder and CEO; Bruce Felt, our CFO; and Julie Kehoe, our Chief Communications Officer.

Julie will lead off with our safe harbor statement and then onto the call. Julie?

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### **Julie Kehoe** - *Domo, Inc. - Chief Communications Officer*

Thanks, Pete. Our press release was issued after the market close and is posted in the Investor Relations section of our website where this call is also being webcast. Statements made on this call include forward-looking statements related to our business under federal securities laws, including statements about financial projections, the plans and expectations for our go-to-market strategy, our expectations for our sales and new business initiatives, the impact of COVID-19 on our business and our financial condition.

These statements are subject to a variety of risks, uncertainties and assumptions. For a discussion of these risks and uncertainties, please refer to documents we file with the SEC, in particular, today's press release, our most recently filed annual report on Form 10-K and our most recently filed quarterly report on Form 10-Q. These documents contain and identify important risk factors and other information that may cause our actual results to differ materially from those contained in our forward-looking statements.

In addition, during today's call, we will discuss non-GAAP financial measures, which we believe are useful as supplemental measures of Domo's performance. Other than revenue, unless otherwise stated, we will be discussing our results of operations on a non-GAAP basis. These non-GAAP measures should be considered in addition to and not as a substitute for or in isolation from GAAP results. Please refer to the tables in our earnings press release for a reconciliation of our non-GAAP financial measures to the most directly comparable GAAP measure.

With that, let me hand it over to Josh. Josh?

**Joshua G. James** - *Domo, Inc. - Founder, Chairman & CEO*

Thank you, Julie. Hello, everyone. I hope you're all doing well. Thanks for joining the call. In Q3, we once again delivered strong results, driven by continued market demand for our core modern BI solution and increasing demand for data-enabled apps that are built on our platform and help our customers run their businesses.

I'll share a few examples of how this is driving both new customer growth and expansions within existing customers. We posted 26% billings growth, which was our fifth consecutive quarter of delivering billings growth of 25% or better. I'm very pleased with these results as we continue to make investments to support our goal of driving even faster long-term results.

The dynamics of digital transformation and distributed work continued to work in our favor. For new customer wins, we're seeing increasing interest from line of business leaders that have urgent needs not being met by their existing systems. They're not necessarily looking to rip out existing systems, their focus is on rapidly putting apps, such as externally facing ones, like Domo Everywhere, and internally facing ones, like our retail store operations app, into more hands to drive action and change business processes.

For expansion within our existing customers, we're seeing that success is driven by the level of engagement their employees and partners have with Domo's apps. Domo's focus on usability helps them deliver experiences in a way that serves the users. This is one of Domo's primary differentiators. We have a unique approach to this because of the app development framework built into our platform that puts these experiences in the place where work gets done by these users.

To highlight this engagement within our customers, the number of our customers with more than 1,000 monthly active users grew 33% 2 years ago, and last year, it grew 45%. This means that our customers are going broader with their use of Domo at an increasing rate. We think this engagement highlights a big differentiator for Domo in our usability, which is manifesting itself more frequently through apps, including Domo Everywhere.

Domo enables a very broad range of use cases, but a common theme is user experience, AKA, engagement, which is a high priority for both internal and external use cases. The focus is to rapidly put solutions in employees or partners' hands to drive action and automated workflow or improve a business process. And I'll emphasize the word rapidly because speed is constantly a reason that Domo wins.

The app development framework built into our platform makes it easier to deliver these experiences right where the work gets done. These experiences go well beyond traditional BI and span from simple manual actions to fully automated workflows, powering any level of business process across an organization. So it could be on a mobile device in the hands of a store manager who is walking the store floor, or it could be embedded in a system that employees already use like Salesforce, where work is already happening so employees don't have to log into multiple systems.

One of our customers, for example, has an app that is used by 17,000 people across 400 locations to help them better manage store inventory. They later expanded with another app for 2,500 call center employees across 5 locations to better serve their customers. And now we're in a POC with our same customer for a store performance app that will consolidate over 60 different data sources into a single app to help the store manager optimize store performance via a mobile device, while they're walking the store floor instead of being behind a desk. All of these apps drive increased productivity and truly dramatic business results at massive scale.

We're also seeing more customers leveraging the platform for external reporting and embedded capabilities, and our Domo Everywhere solution continues to be uniquely positioned to the market, allowing our customers' customers and partners to solve back-end integrations, a significant pain point so they can get to business value faster. And our customers are increasingly applying AI in the form of data science and machine learning to these data sets to drive more predictive analytics.

One of our customers, for example, provides IoT data around truck deliveries, such as location, miles driven and hours driven, but their customer is the freight trucking company that wants to know if this trip is profitable. Domo Everywhere allows our customers' customer to combine data from their own internal systems like HR, financial and accounting data with the telemetry data to provide this insight, easily combining our customers' data with their customers' data is something our competitors in this space just can't do.

Before I dive into some of our significant customer wins this quarter, let me say that I'm very pleased that Wolfgang Maasberg has joined the executive team. Prior to Domo, Wolf served as Executive Vice President of Global Sales and Field Operations for Fastly, where he was responsible for doubling company revenue in 2 years and supporting its growth to a multibillion dollar market cap company. It's great to have Wolf in the boat as I believe he can further boost what we're doing, particularly with his go-to-market motion experience.

Where I think he is superb and why we recruited him so hard. With Wolf joining the team and Ian Tickle moving back to London, Ian has been named President of international revenue to work with me on our international expansion, while continuing to drive Domo's global growth initiatives. I want to thank Ian for taking us from team growth to 5 consecutive quarters of growth over 25%, truly a great job done, Ian.

Now let me talk about a few of our recent customer wins. What's interesting about this quarter is that we saw our customers increasingly look to adopt Domo more broadly and more quickly and are looking to us and our partners to accelerate their adoption. As a result, many of our larger wins and upsells with some of our largest customers this quarter had a significant services or a POC component to them. While our focus is on subscription revenue, certainly, customer engagement is a strong indicator of future growth and retention, and these services deals with large customers give me great confidence that we are delivering compelling value and it's leading to these expanded use cases of Domo throughout their organizations.

One example is the global Fortune 500 retailer that originally chose Domo for the governance that their existing vendors couldn't provide as well as the ability to easily extend the platform with Domo apps. This customer is now using Domo to provide real-time analytics around its supply chain, inventory, store performance and predictive returns, among other use cases. In this quarter, they signed a 7-figure services deal to accelerate their adoption.

And a Fortune 500 technology and media conglomerate signed a \$500,000 services contract to accelerate the development of the Domo Everywhere app that allows its tens of thousands of partners to more easily and securely share data with their own network of partners. We also have a big free auto manufacturer currently conducting a POC that was initiated from their marketing organization to optimize global marketing performance. This has an initial contract of more than \$0.5 million.

On the new logo front, we had a win with a property management software company, representing about \$500,000 of recurring new ACV to quickly deliver a powerful analytics solution for their customers through an app powered by our Domo Everywhere technology. This customer initially came to Domo through our free trial as a finance use case to modernize their financial reporting to business leaders and partners.

But the company was also in urgent need of the solution to provide analytics to their customers and was having significant integration issues combining data from decades of investments in legacy systems. We won this customer based on our platform's ability to quickly solve the company's integration issues and develop and deploy this app in record time.

We had a strong upsell quarter as well. In addition to some of the upsells I mentioned earlier, we had a significant upsell with a Fortune 500 retailer that needed to provide a uniform view into store-level performance to the executive team. Domo won versus a legacy incumbent to solve this challenge.

Now before I hand this over to Bruce, I have a few more highlights that I want to touch on. First, I'm extremely pleased that our annual customer event, Domopalooza, will be returning to Salt Lake City in March 2022 as a hybrid event. At this point, we're planning to be back together with customers to explore the future of business and data. And of course, we're monitoring the situation to ensure it's a safe event.

Second, in Q3, we added Jay Brown, Co-Founder of Roc Nation and Marcy Ventures, to our Board of Directors. Jay has built a multibillion-dollar brands, and I'm looking forward to the value he'll bring to me and our management team as we continue to scale the company. Also, we're

continuing to widen our lens on diversity and deliver on our commitment to the ParityPledge. With Jay's addition, our Board is now 57% diverse, with 43% and 50% of outside Board seats held by women. On the hiring front, 35% of all new Q3 hires were diverse.

And to close, I'm confident that our differentiated product and strong execution should enable our growth for a long time to come. I'm very proud of the team for producing accelerating growth this year and given what I'm seeing in the marketplace, I'm looking forward to providing you guidance for next year when the time comes.

And with that, I'll hand it over to Bruce.

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**Bruce C. Felt - Domo, Inc. - CFO**

Thank you, Josh. I'm pleased with our Q3 performance and more importantly, our string of 25% billings growth quarters, while at the same time building underlying growth sustainability. We continue to make good progress on the sales hiring front. We've exceeded our 20% increased sales capacity goal and are looking to add more.

I'm also pleased that we have not seen a decline in our productivity, as we onboard the new reps. In fact, we have seen a slight increase in productivity from our ramped reps through the first 3 quarters. While it is still early in their ramping, we're starting to see production from reps hired earlier this year, particularly in the corporate segment. We're now planning for fiscal year '23 sales hiring. And at this point, based on our productivity results, we plan to add at least 20% more capacity in fiscal year '23.

On execution, we had a record quarter for new logo customer adds and saw strong upsell activity. As Josh mentioned, we had a strong services quarter as several of our largest customers look to accelerate their adoption of Domo within their organizations and are engaged with our services organizations in order to deploy additional use cases. This significant proof-of-concept mentioned earlier will be classified as professional services and other revenue on the P&L in the short run and is expected to be instrumental in driving future subscription revenue with that customer thereafter.

Strong professional services quarters are usually leading indicators of high adoption and high levels of customer satisfaction. Our North America corporate business, which focuses on companies with less than \$1 billion in annual revenue, also had another strong quarter. At the same time, we're encouraged by the enterprise pipeline build, which should be further enhanced as new enterprise reps continue to ramp.

We delivered Q3 billings to \$70.2 million, a strong year-over-year increase of 26%, driven by new customer additions, expansions into existing customers and over 90% gross retention rate. Net retention was above 105% on a revenue basis and over 108% on a contracted ARR basis.

On a dollar-weighted measure, we now have 61% of our customers under multiyear contracts at the end of Q3, up from 59% a year ago. Our current RPO grew 24% year-over-year, while our total RPO grew 19%. The growth rates in these 2 numbers can diverge with strong services bookings quarters since services contracts typically have shorter lengths.

Q3 total revenue was \$65.1 million, a year-over-year increase of 21%. Subscription revenue grew 21% year-over-year and represented 87% of total revenue. International revenue in the quarter represented 24% of total revenue, in line with last quarter. The leading indicators of billings growth and contracted ARR growth point to higher revenue growth rates in the future as these are growing faster than our reported revenue and ultimately, they become recognized revenue.

Our subscription gross margin was 83%, up from 81% in Q3 of last year and was up slightly from last quarter. We continue to be successful in managing our data center costs by innovating and making our software more efficient, which leads to financial leverage, even as volumes increase.

In Q3, operating expenses increased 16% from last year, primarily as we invest in our sales capacity. This intentionally lagged our billings growth of 26% and revenue growth of 21% as we seek to get leverage out of our cost structure. The resulted -- this resulted in an improvement in our operating margin of over 500 basis points from the same quarter of last year.

Our net loss was \$10.3 million, down from \$11.9 million a year ago, and our net loss per share was \$0.32. This is based on 32.4 million weighted average shares outstanding, basic and diluted.

In Q3, we remained operating cash flow positive. Our cash balance was approximately \$84 million, down slightly from last quarter due to tax-driven share repurchases related to our restricted stock unit program and CapEx.

Now to discuss what we expect in Q4 and the full year fiscal '22. For Q4, we're expecting year-over-year billings growth of approximately 21%. This is the highest indicative level of billings growth we have guided to since our IPO. As we have previously discussed, we have many growth drivers in play that we expect could help us achieve an even higher growth rate in the future.

For the current fiscal year, we expect billings growth of about 24% year-over-year, up from our previous guidance of 21%. On expenses, we're planning for Q4 operating expenses to increase from Q3 levels, as we continue to pursue our growth initiatives. Given all of our growth investments, we're planning for Q4 adjusted operating cash flow to be slightly less than breakeven, but look for positive full year operating cash flow.

Now to formal guidance. For the fourth quarter of fiscal year '22, we expect GAAP revenue to be in the range of \$66.5 million to \$67.5 million. We expect non-GAAP net loss per share, basic and diluted, of \$0.37 to \$0.41. This assumes 32.8 million weighted average shares outstanding, basic and diluted.

For the full year of fiscal year '22, we expect GAAP revenue to be in the range of \$254.5 million to \$255.5 million, representing year-over-year growth of 21% to 22%. We expect non-GAAP net loss per share, basic and diluted, of \$1.26 to \$1.30. This assumes 32 million weighted average shares outstanding, basic and diluted.

In closing, we're pleased with our strong performance in Q3 and believe we continue to be well positioned to execute against our growth plans.

With that, we'll open the call for questions. Operator?

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## QUESTIONS AND ANSWERS

### Operator

(Operator Instructions)

Your first question comes from the line of Sanjit Singh with Morgan Stanley.

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### Sanjit Kumar Singh - Morgan Stanley, Research Division - VP

I guess my question starts with this, which is looking at the growth in billings, which was 26%, really strong against a tough compare versus the revenue growth, which decelerated a little bit off the easier compare. And then when I sort of look to your Q4 guidance, again, another strong billings guidance, yet you're guiding to revenue below 20%. If you can sort of help me bridge those 2 sets of numbers. And why would -- given the sustained billings growth that you've seen in the mid-20s, why is the revenue growth not more in line with what we're seeing in terms of the buildings trajectory?

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### Bruce C. Felt - Domo, Inc. - CFO

Yes. Sanjit, it's good to hear from you. Well, first, let me just highlight, revenue is a lagging indicator in the SaaS model and basically represents activity in the last 4 quarters, maybe even further back. And that's why I made the statement that with billings growing at 25%, ARR right in line

with that, that ultimately has to become the growth rate in revenue because it just naturally converts to revenue. And with all these metrics pointing to that number, ultimately, that's going to work its way through revenue.

For Q4, not yet, basically in line with what we've been seeing, but you can't have ARR growing at that rate without it finally working its way through revenue, which sometimes just takes longer than we all hope for it to be. But you obviously cannot expect revenue to track exactly what happens in billings or ARR growth in any one quarter.

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**Sanjit Kumar Singh - Morgan Stanley, Research Division - VP**

Got it. And then maybe for Josh, around sort of the broader embedded app strategy that includes Domo Everywhere, is this where the -- in terms of how customers are consuming analytics today and Business Intelligence Solution, is it primarily now in the form of an app versus a dashboard? I just want to get a sense of how the market is evolving and how Domo is set up for some of these shifts and how customers are consuming Business Intelligence Solution?

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**Joshua G. James - Domo, Inc. - Founder, Chairman & CEO**

Yes. Thanks. Definitely, that's what we're seeing is customers moving more and more towards apps. Basically, bespoke applications that allow them to not only look at data, but input data back into the app as well. So it's truly something they're using to run their business. And I think that's what's been actually really fun to see because we're so well positioned for that with the platform that we have and all these data-enabled apps that we're seeing our customers use. And the bigger the customer is, the more apps they want to use from us. So that's actually been really fun to see.

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**Operator**

Your next question comes from the line of Derrick Wood with Cowen and Company.

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**James Derrick Wood - Cowen and Company, LLC, Research Division - MD of TMT - Software & Senior Software Analyst**

Congrats, strong quarter. First question is the, can you just talk a little bit more about these larger POC transactions that are happening? Why are they coming in this form right now? And what's the color in terms of when you expect to see it translate into more on the subscription revenue side?

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**Joshua G. James - Domo, Inc. - Founder, Chairman & CEO**

Yes. They do this periodically. Sometimes you get more in a quarter than you do in other quarters. They're great things. They're great indicators of future opportunity for sure because they're meaningful commitments from our customers. And it's -- we actually got a text message today. I'll take a chance to read it right now. But this is for one of the applications that we built for one of our customers.

They said, "during Black Friday weekend, there's a lot to ask for our stores to provide ongoing reporting." He noted that the app is a game changer because it allowed him to do constant reporting and saved them a huge amount of time and effort over Black Friday weekend.

Another customer using the same app said, "I never want to go back to using SAP again. This app's awesome. It's a total unlock for onboarding new leads." And then a third store manager said, "none of the data that we're seeing in this app could be accessed quickly any other way. Before it took an hour to 1.5 hours, now it takes 5 minutes." And so it's just truly transformative for these -- and these are big multibillion-dollar companies, and we're changing the way that they run their business based on these data-enabled apps that are making it down to the front lines of people that are either running stores or managing construction sites. It just -- it doesn't matter, and our modern BI platform and the apps that we have built on top of it are truly changing the way that people can run their businesses.

**James Derrick Wood** - *Cowen and Company, LLC, Research Division - MD of TMT - Software & Senior Software Analyst*

Great. That's exciting. I mean, I guess, Bruce, on the translation into subscription revenue, I mean, it's just a couple of quarters or anything to show on that?

**Bruce C. Felt** - *Domo, Inc. - CFO*

Well, based on guidance, not next quarter, but as we look to next year, it's got to start working its way through. I mean it's just not -- it's just the way the math works, it can build up for a while, but at some point, it gets released in the revenue. So we should see some of that come through next year.

**James Derrick Wood** - *Cowen and Company, LLC, Research Division - MD of TMT - Software & Senior Software Analyst*

Got it. And just a question on the change in leadership structure. Any tweaks expected? What -- kind of what new additive focus could come into the fold? And what are you going to do to make sure that there's good continuity going into Q4?

**Joshua G. James** - *Domo, Inc. - Founder, Chairman & CEO*

Yes, we're feeling good about the continuity. Like we mentioned, Ian. Ian's from London, went back to London, and we're excited that he's taken over responsibilities for our international opportunity. International has been about 25% of our business overall, and it's stayed fairly flat. And of course, you have to focus mostly on the U.S., but having a seasoned leader like Ian, who knows everything about this company and just rolled off several great quarters in a row. It's really exciting to have that expertise really focused on the international, while he's still a part of the executive team.

So -- and then layering on top of that being able to have Wolf here, who we've had a chance to work with before and who we've watched since I worked with him last time 10 years ago, it's just -- we feel like we just were able to double down, and there's a lot of upside for us here and continuity feels great. Team feels great. Everyone's really jacked and excited.

**Operator**

Your next question comes from the line of Jack Andrews with Needham & Company.

**Jon Philip Andrews** - *Needham & Company, LLC, Research Division - Senior Analyst*

Josh, in your prepared remarks, you talked about the trend of customers increasingly applying AI and machine learning to those data sets. So I was wondering, do you feel the need to maybe beef up your capabilities around that? Or does that open up potential new partnership opportunities with others in the ecosystem? How do you think about navigating that dynamic?

**Joshua G. James** - *Domo, Inc. - Founder, Chairman & CEO*

Yes, we think about navigating just similar to the way you stated your question. We have a platform here, and it's the first time that the customers, like I mentioned, from that text message from the customers using our app. It's the first time that customers have all their data accessible to them, and it's because of this platform that we have. And we make it possible for business line managers to have access to that data, then they start asking questions where they want AI applied, they want machine learning applied, they want to have an understanding of how that quarter is going to turn out for them and where they need to pay attention. And AI and predictive, the more you incorporate that into the platform, the better response we get from our customers. So it's been exciting to see that.

And that, yes, because it is a platform doing everything we can to open that up to partners, I don't know if we're going to be able to make the best AI on earth, and I wouldn't want to bet my business on that. But opening up as a platform and giving AI partners access to our customer base so we can do really interesting things together is, I think, a winning strategy.

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**Jon Philip Andrews** - *Needham & Company, LLC, Research Division - Senior Analyst*

That makes sense. Appreciate that. And just a follow-up question. Is there any commentary you can provide on your Sandbox product, any impact it's having in terms of customer adoption or offline build at this point?

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**Joshua G. James** - *Domo, Inc. - Founder, Chairman & CEO*

Yes, it's just another set of functionality that you look at our biggest and smartest and most complex customers, it's functionality that they were clamoring for. We have these great customer advisory boards, and we actually segment that out into large companies, small companies and then also by different types of executives. And it was feedback that we were getting, the product team responded. It created a bunch of additional leads because it's a product that people are willing to pay for. So it gave our customers -- I mean our account execs an opportunity to go back to our customers and a reason to talk to them again. And it's actually created quite a meaningful amount of pipeline as well.

So it was a great effort on behalf of several different departments. It was a really good joint effort that we did internally, and we're really excited. And everyone is like, okay, we need to do 5 more of these. We have all kinds of assets internally and package them up and distributing them to our customer base in a similar way is definitely something we're going to try to continue to do.

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**Operator**

Your next question comes from the line of Kamil Mielczarek with William Blair.

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**Kamil Mielczarek** - *William Blair & Company L.L.C., Research Division - Research Analyst*

So Bruce, you mentioned you plan to build more capacity through the rest of the year. Given billings growth has now been above 25% for 6 quarters, is maybe 25% the right way to think about headcount growth for the year? And if productivity stays where it is, how sustainable is that mid-20% growth? Or if I could just put it differently, what needs to change in the business for you to make that shift from sustainably growing headcount of 20% to maybe 25% or higher?

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**Bruce C. Felt** - *Domo, Inc. - CFO*

Well, we've already been -- we've hit our 20% mark early in the year, and we kept going, and we want to keep adding to that and get to 25% and maybe further even. So we're kind of already at a point where we're really comfortable with what we see in the business. We like the fact we can get good reps, hire them, onboard them, make them productive on a reasonable amount of time and at the same time, maintain productivity of the sales force.

So we're putting a stake in the ground for next year of 20%, but highly, highly likely we get to that point and continue hiring. And we, as we sit here now as a management team, don't see the limit as to where we ought to go at this point. We see plenty of opportunity, and we'll get more specific about what we're going to do next year on the next call. But we're leaning into it, and we think we should. And we'll talk in more detail after the Q4 call when we're talking about next year.

**Kamil Mielczarek** - *William Blair & Company L.L.C., Research Division - Research Analyst*

That's great color. And can you update us on the traction you're seeing with Domo Everywhere? How many customers are sharing data outside of their own company? And given we have end-to-end platforms like Domo and data warehousing point solutions investing in the space, how do you expect that data sharing market to evolve over the next 3 to 5 years?

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**Joshua G. James** - *Domo, Inc. - Founder, Chairman & CEO*

Yes, it's the area of our business that it's -- all of the apps, especially are -- that's where our business is growing the fastest. Domo Everywhere technology and the apps that, that creates is something that's truly unmatched by anybody else in the marketplace. And so it's fun to work with customers on that.

There's a lot of people that do embedded analytics, and we certainly do embedded analytics. But with Domo Everywhere, we have this thing that we call Publish, and that's where you can basically take the entire Domo software package and our customers can give that entire Domo software package and set of functionality to their customers. And we're seeing more and more really interesting case studies and unique experiences where our customers are taking that -- taking the data that they have and pushing it out to their partners -- pushing it out to their customers.

And things like the example I used in my prepared remarks, where people are taking telemetry off of vehicles and sending that to the customers so the customers can combine that with their own data, and it's transforming the way they run businesses. And that's just -- that kind of stuff wasn't possible without tens of millions of dollars being spent on technology to create that kind of reporting.

And we can come along and use the platform that we have and use the Domo Everywhere technology that we have, and we can enable that for a customer to distribute that to hundreds or thousands of their customers. So it really is a unique technology. And yes, I think, I was talking to one of our top 10 customers this last quarter, and they were talking to us about their apps, and we came, we showed them a bunch of different opportunities that we could work on together. And they said, this totally changes internally the way that we think about Domo. Basically every time we turn around a corner and we see an opportunity or a problem that we need to solve, we need to think that, hey, Domo can probably help us solve this with an app. So I think it's going to transform the relationship that we have with our customers and how they think about the possibilities and the way that they want to run their business with us.

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**Operator**

Your next question comes from the line of Joseph Talarico with JMP.

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**Patrick D. Walravens** - *JMP Securities LLC, Research Division - MD, Director of Technology Research & Equity Research Analyst*

Great. And it's actually Pat Walravens. Josh, can you give us an update sort of on what you're seeing competitively? And then maybe as part of that, you could help us understand what happened to the MuleSoft Tableau business within Salesforce, this order where they said it slowed down a lot, but they didn't want to explain why?

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**Joshua G. James** - *Domo, Inc. - Founder, Chairman & CEO*

Yes. We don't come across MuleSoft very often or Tableau. I think they're focused really on the Salesforce customer base, would be my guess, but I don't know. I can't speak to that. For us, I think, competitively, we are in a brand new space. We're really in a brand-new opportunity. We've consistently said since day 1, we're not BI in the traditional sense. And then there started to be this definition of modern BI, and it's a little bit more similar to the way that we were approaching at least data gathering, connecting, reporting and distribution of it in a modern world, on your phone, record speed, massively scalable and also a usability that anybody in their business could use.

But really, the way we think about this is we're helping you run your business, and that's where these data-enabled apps come into play. And I think when we're in there, we just had a great conversation with one of the industry analysts, and we had one of our customers get on and talk to them about how they're one of the largest contractors for cement in the country. And they were talking about how they use our product to manage the number to -- manage the number of trucks that lay cement each day, they get real-time reports to make sure that they don't get behind on their multibillion-dollar construction projects.

And that's not -- it's not BI that's shown up on some report where someone is running a spreadsheet, and they get data in a PDF. Like this is real-time reporting with alerts, helping them understand how to run a multi-billion dollar construction business.

We have another customer that is a top 5 construction company in the country, and they build -- they're one of the very top vendors for all of the Amazon warehouses. And they told us that without Domo, they would have only had probably 1 Amazon warehouse. But because of Domo, they truly attributed to us, they've made over a dozen -- built over a dozen Amazon warehouses now. And it's because they're able to see how many cubic feet of concrete are laid every day and how many trucks of dirt come through every day, and they actually manage the number of trucks every single day.

And if any one of 20 different components of putting together a warehouse fall behind, then the whole project falls behind. And so they're truly using Domo to measure things that people wouldn't normally measure and you wouldn't normally think about as part of BI, but it's not, it's an app that we've built for them, specific, to help them run their business. It's all data-enabled. It's only because we have the platform we have.

It's only because we have the ability to connect to all the data sources that we do and then distribute that in a way that makes it so that a guy wearing a hard hat on a construction project can see the data and change the way they operate their business based on that. And we're talking about billions of dollars.

So it's a -- from a competitive standpoint, there's no one else who does that. And maybe we slow played this because we weren't the most appealing business from the outside, looking in 3, 4 years ago. So not everyone was trying to emulate and try to be the next Domo. But in the meantime, we built a pretty spectacular business that I think has a lot of upside.

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## Operator

There are no further questions. This concludes today's conference call. Thank you all for attending. You may now disconnect.

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