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AMPL.OQ - Q1 2025 Amplitude Inc Earnings Call

EVENT DATE/TIME: MAY 07, 2025 / 9:00PM GMT

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PRESENTATION

John Streppa - *Amplitude Inc - Head of Investor Relations*

Good afternoon, everyone, and welcome to Amplitude's first quarter 2025 earnings conference call. I'm John Streppa, Head of Investor Relations, and joining me today are Spenser Skates, CEO and Co-Founder of Amplitude, and Andrew Casey, Chief Financial Officer.

During today's call, management will make forward-looking statements, including statements regarding our financial outlook for the second quarter and full year 2025, the expected performance of our products, our expected quarterly and long-term growth, investments, and our overall future prospects.

These forward-looking statements are based on current information, assumptions, and expectations, and are subject to risks and uncertainties, some of which are beyond our control, that could cause actual results to differ materially from those described in these statements.

Further information on the risks that could cause actual results to differ is included in our filings with the Securities and Exchange Commission. You are cautioned not to place undue reliance on these forward-looking statements, and we assume no obligation to update these statements after today's call except as required by law.

Certain financial measures used on today's call are expressed on a non-GAAP basis. We use these non-GAAP financial measures internally to facilitate analysis of our financial and business trends and for internal planning and forecasting purposes. These non-GAAP financial measures have limitations and should not be used in isolation from, or as a substitute for financial information prepared in accordance with GAAP.

Additional information regarding these non-GAAP financial measures and a reconciliation between these GAAP and non-GAAP financial measures are included in our earnings press release and the supplemental financial information which can be found on our investor relations website at investors.amplitude.com.

With that, I'll hand the call over to Spenser.

Spenser Skates - *Amplitude Inc - Chief Executive Officer, Founder*

Thanks, John. Good afternoon, everyone, and welcome to Amplitude's First Quarter 2025 Earnings Call. Today, I'll go through three key areas. First, our Q1 results in the reacceleration of our business. Second, our platform strategy, and how we are winning the enterprise. And last, product innovation and customer stories.

Let's start with our Q1 results. We exceeded the midpoint of our revenue and operating loss guidance. Our first quarter revenue was \$80 million, up 10% year-over-year. Annual recurring revenue was \$320 million, up 12% year-over-year, and up \$8 million from last quarter.

Non-GAAP operating loss was \$2.1 million. Customers with more than \$100,000 in ARR grew to 617, an increase of 18% year-over-year. We are reaccelerating the business. We are growing through platform deals and focus on the enterprise. We are also continuing to improve churn. 2025 is the year of the platform. Every company needs data they can trust, an understanding of their customers and ways to take action.

During Q1, we saw more enterprise customers embracing our full digital analytics platform, leading to stronger multiproduct attach rates, more multiyear deals and wider usage across teams. Multiproduct customers now make up 30% of our installed base, and 64% of our total ARR. We are seeing strong enterprise momentum overall. We landed new customers like Hertz and the Economist Group and almost two-thirds of our ARR base comes from enterprise customers.

These deals are bigger and more likely to expand in the future. We have also created a new strategic enterprise accounts team to focus on our top 30 customers and top 30 prospects. That effort is already paying off in Q1, with stronger executive relationships, and more multiproduct wins. We are making steady progress on churn and are past the worst of it.

Our dollar based net retention reached 101% in Q1, up 5 points from its lowest level in Q2 of last year. As the macro remains challenging, our priority is helping customers derive value from the Amplitude platform as quickly as possible.

Moving on to product innovation. When we spoke during Q4 earnings, we had just launched our newest product Guides and Surveys. Guides and Surveys helps customers deliver in-product guidance and feedback that is deeply personalized, a far cry from static pop-ups. It is built on our analytics foundation and is a prime example of how to move from insights to action quickly.

Since then, there has been a phenomenal response. We have seen faster adoption, and more incremental ARR in the first quarter than for any other new product to-date, including Experiment and Session Replay, which were very successful in their own right. We've already displaced a number of point solutions and legacy tools with Guides and Surveys, and it is becoming a core element of our platform story. We are getting better at adding to the Amplitude platform.

In Q1, we also shipped self-serve data deletion, heatmaps, Session Replay for Mobile, and Session Replay Everywhere. Now Session Replay is embedded across the entire Amplitude platform including Analytics, Experiments and Guides and Surveys.

Last year we saw the increased influence that marketing leaders had on enterprise deals. To be successful, marketers need to look at the same user data, evaluate the end-to-end customer journey and leverage capabilities outside of Analytics in the same platform. Legacy marketing solutions are not set up to do that. We are making two announcements next week specifically for marketers.

First, on Wednesday, May 14, we are launching a series of platform updates that enable marketers to understand conversion, product adoption and customer lifetime value and retention. Our goal is to eliminate the blind spots created by traditional marketing analytics tools.

Second, we are joining Twilio at SIGNAL, their annual user conference, also on Wednesday to announce that Amplitude is now segment's recommended analytics platform.

To give you a better idea of what we're releasing, I'd like to show you our latest marketing updates in action. For this demo, I'm an e-commerce marketer looking to increase customer purchases. This screen shows my advertising performance. There are prebuilt metrics on the screen from impressions to customer acquisition cost and return on ad spend so I can best understand my best and worst performing channels.

I also see a problem. I'm getting thousands of visitors, but less than 5% of customers make purchases. Why is that? Instead of guessing or needing to switch to another point solution, I can use Amplitude's heatmaps to find out more.

This visual shows my website with hotspots representing customer activity. I can understand where users are engaging and where they're getting stuck. I just found out that this top banner here gets a ton of clicks. I'd like to experiment with new messaging to see if that will drive more purchases. Can do this all on the same screen and Amplitude.

I highlight and click the banner, and then I can launch an Experiment. What you see now is the visual editor. I can select elements like the banner, update the copy with a new promo code, and go ahead and deploy that Experiment.

Finally, still within Amplitude, I see my Experiment results. Users who see the new banner messaging are converting at a higher rate. What you just saw is not possible with any other tool out there, only Amplitude. We want Amplitude to be the default platform for marketers everywhere.

At Investor Day, we shared our vision for Amplitude AI agents. Our agents turn Amplitude into a team of experts you lead. These agents are monitoring your data, looking for changes, doing a root cause analysis, watching sessions, forming a hypothesis, suggesting experiments, taking your feedback, shipping changes, monitoring the impact, and then repeating the cycle over again.

On June 10, we're hosting an event in San Francisco where we'll announce the closed beta of agents. We will welcome other leading AI companies on stage with us and show some product demos of what Amplitude agents can do, including agents that automatically and iteratively use Analytics and Session Replays for deep analysis to find the root cause of issues.

Agents that automatically create hundreds of variants of the same website to see which performs the best. Agents that automatically create user guides to walk customers through your product. This is the first agent in the data space that is doing anything meaningful beyond code and SQL generation. Our customers are excited about it too. Agents was the top voted new product at multiple of our customer advisory boards this year. Let us know if you'd like an invitation to the June 10 event. I'd love to see you there.

We had a great quarter for new and expansion deals, with enterprise customers including The Economist Group, Hertz, Atlassian, Joe & the Juice, First Horizon Bank, WHOOP, 1Password, Away, Lamond, Syngenta, Zocdoc, and Appfire. I want to talk about three of them in more detail.

The Economist Group chose Amplitude as its full platform solution to power its digital analytics and experimentation strategy. Like many media organizations, The Economist Group was navigating a complex shift from print to digital and struggling with disconnected tools and low data adoption. Its teams were stitching together insights across analytics providers, warehouses and other point solutions. This made answering even the most basic customer journey questions time-consuming and inconsistent.

The Economist Group adopted Analytics, Experiment, Session Replay and Guides and Surveys to bring insights and actions together in one place. It now has a single platform to understand how users engage across all its digital properties. Its teams can analyze what drives subscriptions, test experiences in real-time and build smarter engagement flows.

Syngenta is a global ag tech company that helps millions of farmers grow food. Their applications help farmers understand when and how to plant different foods in their local geographies to produce better yields. Syngenta adopted Amplitude in 2021. Today, almost 300 employees use our platform to understand how users differ across regions so they can tailor the experience.

In Q1, Syngenta added Guides and Surveys. Now its team will be able to gather user feedback through NPS and promote key events in a timely, targeted way. This will help its team improve user engagement and increase feature adoption.

Joe and the Juice, the international juice bar and coffee shop chain, was facing rising demand. The team turned to digital channels and Amplitude to help grow same-store sales. Joe and the Juice realized that its app could be a key tool for driving orders and improving the customer experience at pickup. The team added Experiment and Activation to its existing Amplitude stack and was able to optimize their customer journey. Joe and the Juice can now personalize the ordering and picking up experience for each individual customer. Having all of its data in one place allows the team to move fast, iterate quickly and increase order sizes.

Before I hand it over to Andrew, I want to reiterate our continued progress in growing Amplitude. We have successfully returned to double-digit revenue growth. We are the complete end-to-end digital analytics platform for the enterprise. Customers can now use Amplitude to replace any point solution on the market, and we continue to expand the platform's features and functionalities at scale.

We have also deepened our customer relationships, improved our operational efficiency and created a sustainable growth business. I am proud of the Amplitude team for their focus and dedication in Q1. While there is always more for us to do, we will continue to execute regardless of any changes in the macro environment.

Thank you for your interest and Amplitude. I'll now hand it over to Andrew to walk through our financial results.

Andrew Casey - Amplitude Inc - Chief Financial Officer

Thank you, Spenser, and good afternoon, everyone. I'm pleased with our execution in the first quarter, setting the stage for a strong year as we set out to expand our enterprise customer base and extend the reach of our platform. During our last earnings call we shared our plans to accelerate the growth of our business and that growth would come with greater leverage.

Our first quarter results are another proof point of the improved execution that our teams exhibiting as both revenue growth and operating income outperformed expectations. The first quarter also showed that we are becoming more strategic partners with our enterprise customers. With total RPO accelerating to 30% growth year-over-year, and long-term RPO accelerating to 72% growth year-over-year.

We are confident in our strategy as a platform of choice for customers looking to consolidate spend across vendors and believe that we can accelerate our growth without meaningful improvement or clarity in the macro environment. As we explained in our Investor Day, we are focused on two levers to accelerate growth and get more leverage out of our business.

First, our sellers are focused on the enterprise customer, which we define as customers with greater than 1,000 employees or over \$100 million in revenue. Here we had a great quarter from both landing new accounts as well as expanding additional accounts. As Spenser highlighted in his remarks, our push to extend into the marketing persona is directly related to this goal.

Enterprises are looking across teams to drive additional growth and improve their customer journey. Our platform can give marketers and product owners a single view into that customer journey and offer differentiated data that can help product owners optimize their in-product experiences. This gives the marketers unique insights into the behavioral aspects of their customers they've never been able to activate before.

The second growth lever is to extend the reach of our platform into all of our customers. Again, this quarter was strong with 30% of our customers being on multiproduct, compared to 21% last year. Our platform works better together and we will continue to sell the platform across both our current customer base as well as new lands. In the first quarter, 42% of our new enterprise customers landed as multiproduct, which is great progress.

As we increase our enterprise customer base and expand the adoption of our platform, we are becoming more strategic partners with our customers. Contract duration is a key focus for us as it represents customers' commitments to our roadmap and the value they receive.

As we extend the duration of our contracts, we give ourselves greater opportunity to deliver value before renewal. This also provides us greater time to earn the opportunity to expand with customers through sales of additional products. We had a strong renewal quarter and we managed to extend our average contract duration in many of these renewals.

Lastly, I want to touch on our ability to drive greater leverage within our business. I'm pleased with our outperformance in the first quarter from our initial expectation, and we will continue to look for additional opportunities to create greater efficiencies. We are focused on a profitable business model and will continue to make incremental improvements each quarter.

Turning to our first-quarter results. As a reminder, all financial results that I will be discussing with the exception of revenue are non-GAAP. Our GAAP financial results, along with a reconciliation between GAAP and non-GAAP results can be found in our earnings press release and the supplemental financials on our IR website.

First-quarter revenue was \$80 million, up 10% year-over-year and 2% quarter-over-quarter. Total ARR increased to \$320 million exiting the first quarter, an increase of 12% year-over-year and \$8 million sequentially. Here are more details on the key elements. We had a strong new customer quarter, reflecting balance with expansions. However, macro uncertainty will continue to make every new logo challenging.

The number of customers representing 100,000 or more of ARR in Q1 grew to 617, an increase of 18% year-over-year. In-period NRR was 101%, a 1 point increase sequentially. NRR on a trailing 12-month basis was 98%. We continue to make progress on improvements and retention and continue to expect NRR will increase throughout 2025 as we drive greater expansion opportunities.

Gross margin was 77% for the first quarter, in line with the last quarter. Sales and marketing expenses were 45% of revenue, a slight decrease year-over-year, but up slightly sequentially as we had some one-time events in the first quarter to prepare for the year, such as our sales kickoff. We continue to focus on improving sales efficiencies, driving improvements through our changes in our processes, coverage and expansion of the enterprise customers.

G&A was 15% of revenue, in line with first quarter 2024. G&A will continue to be optimized to improve as a percentage of revenue over time. R&D was 19% of revenue, up 1 percentage point sequentially, primarily due to the acquisition of Command AI.

Total operating expenses were \$63 million 79% of revenue, up 2 percentage points sequentially, primarily due to the aforementioned increases in sales and marketing and our acquisition of Command AI. Operating loss was a negative \$2.1 million or [2.6%] of revenue, which was approximately \$2.4 million better than the midpoint of our guidance.

Net loss per share was \$0, based on 129.7 million basic shares, compared to net income per share of \$0.01 with 130.9 million diluted shares a year ago. Free cash flow in the quarter was negative \$9.2 million or 12% of revenue, compared to negative \$1.1 million, or 2% of revenue a year ago. This was largely driven by our annual bonus payout, which we expected during the quarter. Going forward, we will shift to a semi-annual payment framework, under which the first payment is expected to occur in the third quarter of 2025.

Now turning to our outlook, we have built our business to be more resilient, through both our product positioning as a platform of choice when customers are looking to consolidate spend, and by focusing on operational excellence, we have oriented the business for positive free cash flow, and non-GAAP profitability.

We continue to operate our business with a focus on investing in areas that we see real return with ROI for our customers. We are not assuming a positive inflection in the macro environment, and believe it will continue to be challenging in the near future. However, we are encouraged by the proof points we are seeing from the strategic changes we've made to our business.

We expect that every new logo will continue to be tough and buyer scrutiny has not shifted positive over the past six months. As we get through the larger levels of churn, we continue to address structural issues in our go-to-market motion to influence greater retention and incent deep adoption of our platform.

However, the digital channel remains an important investment as ever with companies trying to get deeper connections with their customers. We are building a durable enterprise SaaS business that is enabling us to drive growth as we deliver increasing value to our customers.

For the second quarter of 2025, we expect revenues to be between \$80.3 million and \$82.3 million, representing an annual growth rate of 11% at the midpoint. We expect non-GAAP operating loss to be between negative \$2.9 million and negative \$0.9 million, and we expect non-GAAP net income per share, to be between negative \$0.01 and positive \$0.01 assuming basic weighted average shares outstanding of approximately 132 million and diluted weighted average shares outstanding 139 million respectively.

For the full year 2025, we are raising our revenue expectation due to the outperformance in the first quarter to be between \$329 million and \$333 million, an annual growth rate of 10.5% at the midpoint. We are also increasing our outlook for non-GAAP operating income to be between \$0 and positive \$5 million, reflecting our focus on growth with leverage. We expect non-GAAP net income per share to be between \$0.05 and \$0.10 assuming weighted average shares outstanding of approximately 141 million as measured on a fully diluted basis.

In addition, today we announced that our Board of Directors has approved a \$50 million share repurchase program that we will use to take advantage of dislocations in our stock price, as well as to help manage future dilution. In my second full quarter as the CFO, I am pleased with the early progress we've made. I'm confident in our ability to build a durable growth model by aligning to the right customers, driving the right types of contracts, investing in greater innovation and building out value for our customers.

Our long-term opportunity remains incredibly compelling. With increased discipline and execution, I believe we will be in a great position to capture it.

With that, we'll open it up for Q&A. Over to you, John.

QUESTIONS AND ANSWERS

John Streppa - *Amplitude Inc - Head of Investor Relations*

Thank you, Andrew. We will now turn to Q&A. For the sake of time, please limit yourself to one question and one follow up. Our first question will come from Scott Berg at Needham, followed by Arjun Bhatia at William Blair. Scott, your line is open.

Scott Berg - *Needham & Company - Analyst*

Really nice quarter here. I wanted to follow-up on the net new ARR metric. In the quarter it was up \$8 million quarter-over-quarter and up 100% year-over-year, especially in a seasonally weak quarter. Can you help us understand the outperformance a little bit? From the new sales side it sounds like your new customer acquisition was pretty good in the quarter, but retention's better as well and even your cross-sell opportunity is better. Sounds like everything's kind of clicking together. But relative to your expectations, maybe 90 days ago, what exactly kind of maybe drove the upside there?

Spenser Skates - *Amplitude Inc - Chief Executive Officer, Founder*

I think the comparison to last year. Last year, we had a lot of over-buys and larger contract churns that we're still working through from 2021 and 2022. Now that we're in 2025, we're really past almost all of that. And so, now it's more of kind of the run rate you'd expect on the churn side.

So that was frankly the biggest driver. In addition to that, there were some good enterprise wins and focus and execution there, as well as a broader platform. Now we have Session Replay and Guides and Surveys that we didn't have at the same time next year. And so, we're seeing a lot of customer interest in those two. And so those helped on the margin.

I also want to be clear, like \$8 million in net ARR, it's good progress, but it's very, very far from where we want to be a few years from now.

Scott Berg - *Needham & Company - Analyst*

Helpful. Thanks, Spenser. And then Spenser, you commented on initial traction of, I think it was Surveys and Guides, which was above expectations, or at least above trends on other new products you've launched over the last couple years. We've conducted a number of customer surveys over the last quarter in trying to help better understand how well this platform, kind of newer strategy is resonating with them.

And we were actually kind of surprised to hear that a couple customers, even one that was a repeat buyer wasn't as familiar with these other opportunities there. It's kind of an interesting difference relative to the strength that you had in the quarter there. But how do you improve that market awareness around what you all are doing on the product side today to even drive further success in those expansion strategies?

Spenser Skates - *Amplitude Inc - Chief Executive Officer, Founder*

Yeah, I mean, Scott, that's great that you call out that problem because for the last 10 years we have been known as an analytics company. And so that is why we've made the point in saying, this is the year where we go from analytics to entire platform. And so there's not any magic to it other than continuing to beat the drum and get the word out there.

I think the progress we've seen is on new lands. Most enterprise new lands will have a component outside of analytics. So that's great. The place where we still have a lot of work to do, which it sounds like was consistent with what you heard, was on our existing customer base, where a lot of them, they're used to viewing us in the analytics box.

So the easy move is just to renew every year on analytics and not worry about it and continue to grow as they grow their data volume. And so that requires some intentional work on our part to educate them, to help them understand, hey, we have Experiment, hey, we have Session Replay, hey, we have Guides and Surveys.

When we do that universally, like I can't think of a single customer conversation I've had where someone is not interested in those, it's just a question of timing. So we still have a bunch of work with our existing customer base to both educate them as well as get them on. And that will happen as we go through this year.

John Streppa - *Amplitude Inc - Head of Investor Relations*

Our next question is from Arjun Bhatia from William Blair, followed by Brent Bracelin from Piper Sandler. Go ahead, Arjun.

Arjun Bhatia - *William Blair & Company L.L.C. - Analyst*

Congrats on the nice start here. I was encouraged, I guess, and pretty excited to hear about some of the marketing products, Spenser, that you guys are launching. It sounds like that's maybe to come, and it'll ramp in the back half of the year.

But as you're thinking of expanding to this new persona and targeting enterprise buyers, can you maybe just compare and contrast what's different now versus some of the CDP-related products that you guys had tried to push maybe to the marketing buyer over the last couple years? And how are you kind of, how will you measure progress in this? Is this a land product, is this an expand product? How do you think about that piece?

Spenser Skates - *Amplitude Inc - Chief Executive Officer, Founder*

Yeah, marketing analytics, it's the same set of core capabilities in that you're tracking data from users over time. It's just through a marketing lens versus through a product lens. So some of the questions you're asking are different. I think what we see now, so Analytics is definitely a land product, and what we see now is that there are now a critical mass of customers who are willing to switch either from Google Analytics or from an enterprise legacy marketing analytics to Amplitude full on versus doing it incrementally over time and running both.

And so, what we've started up, one example is we have a Google Analytics advisory council that I actually met with a few weeks ago and they're like cool, we've made the switch over and technically you guys can do everything that I can in Google Analytics but it's not as easy because I don't get e-commerce reports out of the box or doing some of the ROI spending calculation, and looking at customer -- cost of customer acquisition isn't as straightforward. So can you just provide those out of the box in the same way Google Analytics did? And so, those are some of the things that we're coming out with this quarter and next to make that easier.

So I'd say in prior years we didn't have enough capability set to say, I'm willing to bet my business on Amplitude as a system of record for running my marketing campaigns. Now we actually do and we're seeing some early traction on it.

And so, now it's just scaling it and making it easier so more and more people are willing to make that switch. So it's not just product people coming onto Amplitude, it's the marketing folks that are using Google Analytics or other solutions as well.

Arjun Bhatia - *William Blair & Company L.L.C. - Analyst*

Perfect. That's super-helpful. And then maybe the next question, it's more -- a little bit more on the financials, but I'm curious just the operating leverage in the back half of the year, I'm curious what the main drivers of that are, because it looks like based on your Q2 guidance we're modeling maybe roughly \$4 million in operating loss for the first half. That seems to flip for the full year to a positive up to \$5 million income. So is that gross margin? Are there some of those M&A cost that are rolling off? What should we think about as the main drivers there?

Andrew Casey - *Amplitude Inc - Chief Financial Officer*

It's really across the board, Arjun. I mean, when we put our plan together, we plan for optimizations on every aspect, whether it's through gross margins. And the engineering team continually enhancing how our platform runs within our hosting environments, through the sales team adding more and more capabilities through and learning how to sell the platform more effectively.

So more new logos, more expansions. Sales productivity typically falls from Q4 to Q1 but then starts to ramp up through the year as they -- as most of the sales reps get adjusted to the new territories, understand how to sell the new products.

So the sales and marketing line, we're seeing continual efficiencies around. And then G&A, I would say it's just a factor of, we're getting greater leverage out of a constant or pretty well constant level of spend within it.

R&D is the one area where we'll continue to invest, where we see opportunities. And so I would tell you, we targeted 18% to 20% of R&D spend as a percentage of revenue. And I expect we'll be within that range.

John Streppa - *Amplitude Inc - Head of Investor Relations*

Thank you, Arjun. Our next question is from Brent Bracelin from Piper Sandler, followed by Jackson Ader from KeyBanc. Brent, go ahead.

Brent Bracelin - *Piper Sandler & Co. - Analyst*

Great to see three quarters here of accelerating ARR growth. The new product strategy seems to be working here. Maybe Andrew, starting with you, CRPO accelerated to look like 19% growth this quarter. It's the highest in almost two years. You flagged enterprise being almost now two-third of ARR. Is that the big driver of the CRPO? I'd love to have any color on what drove that metric. It looked like that stood out to me as an anomaly. So walk me through what drove that?

Andrew Casey - Amplitude Inc - Chief Financial Officer

Certainly the focus on enterprise is one that's helping to drive longer term contract duration with our clients as they come up for either renewal or selling new products into clients. And it's especially profound with those customers who have multiproduct, because they think about implementing a multiproduct over not just a 12-month period but over a multiyear period to really get the advantages of scale and efficiency that they often purchase Amplitude to go do.

So it's certainly one a greater focus on the enterprise customer. But I'd also tell you that we've made shifts in our go-to-market where most of our enterprise account executives have full responsibility for all the commercial transactions within their territories. And that means that we put incentive frameworks together, and get them focused on driving those multiyear agreements.

Oftentimes, when they have conversations with clients, clients, especially enterprise clients, they'll want cost predictability over that project period, and they're willing to agree to a longer term contract duration, which, as you know, gives us that growth in RPO, gives us greater revenue predictability, and, frankly, it'll help us drive greater sales efficiencies, because we're not having to renew all those contracts every year.

Brent Bracelin - Piper Sandler & Co. - Analyst

Makes sense. And then Spenser, Guides and Surveys, sounds like you're off to a strong start. My question here for you is really on what's resonating and motivating these customers to switch from a competitor, or are they even switching? Is this a price lever, a feature lever? Just trying to better understand why you're seeing such strong adoption early on Guides and Surveys.

Spenser Skates - Amplitude Inc - Chief Executive Officer, Founder

So let me do the comparison of Guides and Surveys to prior products, and then I'll talk about what's resonating on it specifically. It's a more mature product. Obviously before the acquisition, the Command team had spent tons of many years building this out, and so we weren't starting from zero. It was just a question of porting the existing product to the platform. And we did that in four months and got it out there, and we pretty much have almost everything someone on a competitive point solution would want.

The one exception is mobile Guides and Surveys. But we're literally going to be coming out with that this quarter, and then there's kind of no really real reason to use a competitor. Whereas Session Replay and Experimentation, those were both built in-house, and so the maturity takes a little longer to get to the same level. So that's I think the biggest thing. It's also the sweet product if you caught my demo last time. So that always helps too.

In terms of the displacement, so it is largely competitive displacements. There's a number of things that are attractive, I think, first, obviously the consolidated price is a big deal in that you can pay us much less by coming onto that than you can pay someone else and it's a win-win for all sides. But the other part of it that's not to be underrated is being able to do the Guides and Surveys in Analytics, from your Analytics platform and having that data connect matters a lot.

So last time I showed a demo of us detecting user confusion, and we can do that because we track a bunch of analytics data that another point solution and guidance surveys can't have. So it allows you to have all these kind of bells and whistles, and advanced functionality that is quite valuable, and that you don't have if you're just going with something standalone.

John Streppa - Amplitude Inc - Head of Investor Relations

Our next question is from Jackson Ader from KeyBanc followed by Koji Ikeda from Bank of America. Go ahead, Jackson.

Jackson Ader - *KeyBanc Capital Markets Inc. - Analyst*

Let's see, I think Spenser, probably first for you on the marketing side and specifically the partnership that you signed with Twilio, what makes Twilio the right partner for this to be, the relationship going forward?

Spenser Skates - *Amplitude Inc - Chief Executive Officer, Founder*

So let me talk about our strategy, and then I'll answer your question. Our strategy as a whole is we're agnostic to wherever your data sets. So if it's in a CDP, whether it's Segment or something else, if it's in a your own system or your own data warehouse, if you're sending us directly like we're agnostic and we'll work with wherever your data sits.

In terms of Twilio and Segment in particular, I think they've just had the greatest overlap with us in terms of number of customers. Just very candidly, I think for a number of years we were a little more competitive than we were collaborative, because we had come out with a CDP that's some of the same functionalities. But then we changed that messaging this year and been really clear, look, our goal is not to go own the CDP space, we want you guys to go be successful there and we'd much rather partner.

And we think of ourselves as the applications on top of that. And so it was a great opportunity. We had already done a lot of work with Segment and the Twilio team in the past. And in terms of CDPs, they have the most overlap with our buyer set. So technology companies, more enterprisey similar, product or market or buying profile. And so it just -- it made a ton of sense to announce a more formalized partnership that we're doing next week.

Jackson Ader - *KeyBanc Capital Markets Inc. - Analyst*

Okay. And then quick follow-up on geos. Seems like rest of world lagging, right? Like just kind of. So I'm curious what you guys are seeing there. Is it more macro pressure outside the US or is there something, what can you do to kind of get that segment to be like, an engine, a growth driver rather than a laggard?

Spenser Skates - *Amplitude Inc - Chief Executive Officer, Founder*

I want to be clear, you'll see variation quarter-to-quarter, but everywhere it's early and everywhere it's growing. US is the most mature, but we're still ending one or two of nine in this market. I'd say within APJ, we're more concentrated in tech and startups and SMBs. In Europe it's kind of in between the two. I'm actually going to be going out to Australia and Korea and doing a tour on some of our APJ customers.

And we're just starting to break in the enterprise in a bunch of places there, and so that's, good to see. But it's just earlier. So you'll see variance quarter-to-quarter and it's, I wouldn't read anything into it.

John Streppa - *Amplitude Inc - Head of Investor Relations*

Thank you, Jackson. Our next question comes from the line of Koji Ikeda from Bank of America followed by Taylor McGinnis from UBS. Go ahead.

Unidentified Participant

Hey, this is George on for Koji. I kind of had one just as it relates to the buyback announcement and kind of how you think of capital allocation, whether it be buybacks or comparing that to internal investments and kind of what the philosophy is there. If you could, kind of touch on that.

Andrew Casey - Amplitude Inc - Chief Financial Officer

Sure. So, one of the things that I've done since arriving as a CFO is really take a look at our core processes and how we were managing Amplitude. And we're really updating ourselves for scale. And this is just one of those tools that we thought we lacked in order to manage both dilution effectively, and to take advantage of dislocations in the market that may be happening.

And it's certainly been the case over the last few weeks that we've seen those types of volatile movements that those low, low prices made a lot of sense for us to invest in our own stock. Now, having said that, there's nothing earmarked. It's a pretty broad program. And so, I look at it just as a tool for us to use as we go forward when those times occur.

John Streppa - Amplitude Inc - Head of Investor Relations

Thanks, George. Our next question comes from the line of Taylor McGinnis at UBS, followed by Clark Wright at D.A. Davidson. Taylor, the floor is yours.

Taylor McGinnis - UBS Investment Bank - Analyst

Congrats on the results. Maybe first one is for Spenser, there's a lot of concerns out there on the macro, and to the extent that we could see a deterioration. So I'd love for you to just comment on what you're hearing from your customers.

And as a follow-up to that question, when we think about how Amplitude and its customer base might differ today versus the last slowdown in 2022, I guess our customer is leaner today. There's been a lot of right sizing and optimization over the last couple years. So is it possible that risk could be less and how are you guys, I guess, better equipped to handle any potential headwinds we could see?

Spenser Skates - Amplitude Inc - Chief Executive Officer, Founder

Yeah, I think what made 2022 so damaging for us in particular was just there was a lot of over exuberance in 2021. Now, if I look at the last few years, there hasn't been that. So I think we've just been in a harder -- honestly not even that hard compared to historicals, but a harder macro on a relative basis. I think from in terms of the tariffs, specific impact, we haven't, candidly, we haven't seen any or it's been very minimal.

It hasn't changed any of the buying patterns that we've seen from our customers at all. We're obviously watching it really carefully because we want to make sure that we're set up. I kind of say two things about it in terms of what we're doing.

One, it's like we've been talking a lot about operating with leverage, no matter the environment, and setting up Amplitude to accelerate. And so good, bad, ugly, whatever on the macro, like we're going to -- all of that is within our control from -- all of the stuff to both accelerate the business and drive leverage is within our control. So we're going to focus on that.

The second thing I'd say is that even in the worst times, being able to make your digital channel successful and having a great foundation of data is a top priority of the executives that I talk to. And so, even if, you know, let's say AI bubble pops or people cut back on spend, even more or what have you, like we're -- we think we're very well positioned in that.

Taylor McGinnis - UBS Investment Bank - Analyst

Perfect. And then Andrew, maybe on just a similar note and a similar topic, it seems like you guys are on a great path to accelerate closer to mid-teens in the future. So I guess when we think about the potential to see incremental headwinds, is there enough low hanging fruit type growth drivers that give you comfort that we could even see that acceleration support in like to the extent like the macro gets worse, or how are you kind of thinking about those different scenarios, and the levers that you guys have?

Andrew Casey - Amplitude Inc - Chief Financial Officer

So great question. And I would tell you we spent a lot of time as we were building out our guidance, looking forward into our pipelines, how well our sales team is setting up customers for future expansions, the level of interest we're seeing some from our new products. And so, those are the things that Spenser was really referring to. We feel very confident in the levers we're pulling to go real add real value to clients.

Even in a period where there's difficult trade-offs and there's more macro pressure, we think we can offer our customers a value for the money solution that really drives greater value for them through consolidation of existing point products, and open their eyes up into how they can drive greater cost efficiency with some of our new products that are coming out very soon.

So certainly there's a little trepidation with the level of uncertainty in the market. And if uncertainty reigns, then invariably that will have a negative impact on the broader macroeconomic scenario. But we want to use the lens of execution when we set up our guidance, and we feel very confident the things that we're doing are resonating with customers, and that we can continue to drive that growth.

John Streppa - Amplitude Inc - Head of Investor Relations

Great. Thank you, Taylor. Our next question comes from the line of Clark Wright from D.A. Davidson followed by Elizabeth Porter from Morgan Stanley. Clark, go ahead.

Clark Wright - D.A. Davidson & Co. - Analyst

Can you maybe talk about, I guess this is geared towards difference Andrew, can you talk about the budget scrutiny comments that you mentioned where you're potentially seeing the source of funds to unlock some of the cross-selling opportunities that you guys have definitely been seeing some positive benefits from this quarter?

Andrew Casey - Amplitude Inc - Chief Financial Officer

The peer CFOs that I speak to every day, especially in the larger deals that we get involved with, they're all asking the basic premise of what is the return on investment that I'm going to get from the investment in Amplitude. And that's a logical question for them to ask. And typically, what we go through is both where can we help them reduce license expenses and operating expenses associated with a broad set of technologies they've implemented to solve this problem.

And then how can we show them through better leverage of Amplitude that they can gain even greater efficiencies and drive greater revenue. So that scrutiny, I think just gets harder and harder, the more that companies are taxed in ways that through tariffs or higher interest rates, or any time when there are increasing expenses CFO, CIOs, Chief Product Officers, Chief Digital Officers, they're all asking the question, how can I get more or less?

And I think we're offering a great solution to do that. So our sales team is getting better and better, at selling the platform. The platform itself shows great ability to drive efficiencies within companies. And so that's where that comment comes from, is that we just never take our eye off the fact that driving customer value is the most important thing.

And I expect that it is going to continue to challenge us. The reality is some of these smaller point product solutions, they start gaining speed, and losing altitude and they're going to get desperate. So we have to be on our game showing customer value.

Clark Wright - *D.A. Davidson & Co. - Analyst*

I appreciate that clarity. And then in terms of NRR, during the Investor Day you guys mentioned that some of the expansion in recent quarters really has been driven by higher data volumes. Was that the case in this quarter? And are you assuming no uplift then from data volumes and what that could mean on NRR going forward through year end?

Andrew Casey - *Amplitude Inc - Chief Financial Officer*

One of the most important things that we've alluded to both in the Investor Day and as we've introduced new products is the important importance of us trying to create a framework under which the marginal incremental cost of data goes down. And that comes from customers increasingly using a broader set of the platform. So you're going to increasingly see us focus more on selling additional capabilities within the platform and really going after new enterprise customers.

In Q1, I would tell you it was really balanced. We had a great new logo quarter, and we had a good expansion quarter as well, but you didn't see the big multimillion dollar expansions. And the progression that you'll see in both, our ARR as a percentage of enterprise customers as well as that NRR percentage comes when you see those big expansions.

And so, we certainly think that we can go drive those. We certainly believe that churn. It's down to the lowest level in two years. We think that we can continue to drive the strategic changes, and that that'll result in a progressive improvement in NRR.

John Streppa - *Amplitude Inc - Head of Investor Relations*

Thank you, Clark. Our next question comes from the line of Elizabeth Porter from Morgan Stanley, followed by Nick Altmann from Scotiabank. Go ahead, Elizabeth.

Elizabeth Elliott - *Morgan Stanley - Analyst*

Great. I think in the past we've talked about Martech stacks kind of coming up to replacement faster, and kind of what that opportunity means for Amplitude. And just given some of the macro uncertainty, sometimes we think that businesses are less likely to do big move just given the trepidation. But on the other hand, there's a big opportunity to save costs. So just curious how you think that this current cycle kind of may play out, and what that means for kind of a faster replacement and opportunity to look at Amplitude?

Spenser Skates - *Amplitude Inc - Chief Executive Officer, Founder*

I think what I'm seeing just candidly, at least in the accounts I'm in, is they're actually more willing to do big moves in order to do spend replacement. So, great example, I was talking with the head of data at Atlassian last quarter, and they were very, very interested in one, how do we make the -- our costs on the data side scale way better than they have been.

And then two, is there an opportunity to consolidate down a whole bunch of the other vendors and get that within the single platform, because it's cheaper and it's more effective on a whole bunch of fronts. And so when we had that conversation, that changed their mentality from one of like, okay, let me just reduce spend overall to, hey, I'm willing to make a move and consolidate a bunch of other items onto Amplitude.

Elizabeth Elliott - *Morgan Stanley - Analyst*

Great. And then as a follow-up on the NRR side, great to see that additional improvement. Sounds like gross retention has been improving for a while. Just given kind of the opportunity with cross-sell, upsell, this consolidation, when can we -- when do you expect to see some of that layer into the NRR and maybe some of the puts and takes that keep that balanced?

Andrew Casey - Amplitude Inc - Chief Financial Officer

I think that it's going to see a progressive improvement quarter-to-quarter. I think that's what our plan was. And as you may recall, we talked about that the first quarter of our fiscal '25 is one that would reflect the lowest from a linearity perspective in NRR. And so you continue to see that as our sales team ramps you'll see more and more new ARR. We're doing a better and better job of reducing both contraction and logo churn.

In fact, I would tell you that the big improvement year-over-year was in contraction. Recall that churn? We had a lot of churn that was related to overcapacity buying, or customers contracting for more than they could use. Well, as we right-size those contracts, the base becomes smaller and smaller. Thus, contraction becomes smaller and smaller. So all those factors are working towards driving improving NRR and GRR.

And but I think the big movements, as I mentioned earlier, will be -- will come when you see those big multimillion expansions in the enterprise space, that's when you see the NRR move more dramatically.

John Streppa - Amplitude Inc - Head of Investor Relations

Thank you, Elizabeth. Our next question will come from Nick Altmann at Scotiabank, followed by the -- from the line of Tyler Radke at Citi. Go ahead, Nick.

Nick Altmann - Scotiabank - Analyst

Andrew, can you just comment on the contribution from Command AI to both ARR and revenue? And then historically you guys have kind of talked about aspirations to reaccelerate that business. And now that you're two quarters, I guess, removed from doing that acquisition, can you kind of give some updated thoughts there on the path to kind of organically reaccelerating Command AI?

Andrew Casey - Amplitude Inc - Chief Financial Officer

I think that we're very, very pleased with how well customers have adopted our product. I think it's, as Spenser mentioned earlier, it's a testimony to the product itself and how well the team's integrated so rapidly. Our sales team picking up the value proposition very quickly in an integrated environment. And so you should think that the amount of ARR we're generating now from Guides and Surveys is well eclipsed what the company had done on its own. And we're certainly expecting that we have a lot of opportunity going forward for that product.

Nick Altmann - Scotiabank - Analyst

And then, it's great to see these longer-term commitments from your customers that's showing up nicely in RPO. I guess, can you maybe just talk about, since you guys have started leaning into these longer term commitments, longer duration contracts with your customers, how have sales cycles changed? And I guess the reason I ask is, we're in a dynamic macro. It seems like it could maybe add some variability into the mix, is maybe there's a little bit more hesitancy on doing multiyear commitments.

So first question, maybe just kind of comment on how the sales cycles have trended as you guys have leaned into that strategy. And then on the flip side of the equation, if we kind of do get into a choppy macro, do you guys sort of revert to kind of more annual deals? Just maybe kind of touch on the longer duration focus here. Thanks.

Andrew Casey - Amplitude Inc - Chief Financial Officer

I think the first thing was it's somewhat grounded in selling to the enterprise, and what the enterprise really values. And enterprise values cost predictability more than trying to stack up their unit economics that you might find in SMB mid-market or digital native.

The other thing that happens is it kind of depends on the type of customer engagement you have. Whether it's a new logo or that's an expansion. And new logo is what is usually you're finding is trepidation associated with really getting in to understand and get value from the full extent of the platform. There's not that clear understanding.

So we've been able to work with the sales team not only educating about how best to run constructs with multiyear in mind but also to really drive almost a milestone understanding of how the customer is going to get value and has the perception that they're getting that value in advance of what they're paying for.

And so deal constructs really matter. And that was an area where sales is increasingly adopting some of the core frameworks that most of us who've worked in enterprise selling have adopted and used over many, many years.

With existing customers in an expansion, that's another option that the customer often views as an ability to execute on a long-term roadmap as they're implementing multiple aspects of your platform. And so that cost predictability really matters to them and they have the perception they're going to be able to excise extreme value over what they're paying for.

So it kind of depends on the situation, but it doesn't work unless your sales team understands and grounds on customer value, and your customer has the perception that they're getting that value in advance of what they're paying for.

John Streppa - *Amplitude Inc - Head of Investor Relations*

Thank, Nick. And our last question for the call will come from the line of Tyler Radke from Citi. I believe Ashley Kim is on. Ashley, please go ahead.

Ashley Kim - *Citigroup, Inc. - Analyst*

I just want to say that it was like a very strong quarter for the 100,000 ARR customer ads, but in terms of the total customer ads, it looked a little bit softer. So just wanted to ask if you're seeing any changes in the top of funnel, or trends among different customer segments you'd call out just given the more uncertain macro environment we're in?

Andrew Casey - *Amplitude Inc - Chief Financial Officer*

Part of the reason we highlight the 100,000 customer ads is because the total customer ads is a little deceptive. It includes Plus customers and so it's not really that great of a representation. And so we're obviously building this business around our enterprise segment, and that's what we expect to grow to 1 billion plus over time. And so we're not -- yes, we're just. We still report it, because we have in the past, but we're not particularly focused on it.

John Streppa - *Amplitude Inc - Head of Investor Relations*

Thank you, Ashley. That will conclude our first-quarter earnings call. Thank you for your time and interest. We are looking forward to connecting with you live over the next couple of weeks at conferences hosted by Needham, Bank of America, Baird, and D.A. Davidson. Thank you for your interest and take care.

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