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PRESENTATION

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

Good afternoon everyone, and welcome to Amplitude's Second 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 third 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 to -- 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 - Chairperson of the Board, Chief Executive Officer, Co-Founder*

Thanks, John. Good afternoon, everyone, and welcome to Amplitude's Second Quarter 2025 Earnings Call. Today, I'll cover three things. First, our strong Q2 results and momentum in the enterprise. Second, our platform strategy and how we are expanding through acquisition. Third, product innovation, AI developments and a spotlight on our customers. Let's start with Q2 results.

Our second quarter revenue was \$83.3 million, up 14% year-over-year and exceeding the high end of our guidance. Annual recurring revenue was \$335 million, up 16% year-over-year and up \$15 million from last quarter. We saw our highest net new ARR in 11 quarters. Non-GAAP operating loss was \$1.5 million. Customers with more than \$100,000 in ARR grew to 634, an increase of 16% year-over-year.

In addition to these results, our multiproduct attach rates continue to grow as customers choose Amplitude as their end-to-end platform. 67% of ARR now comes from multiproduct customers, up from 64% last quarter. 2025 is the year of the platform. Every company needs three things: trusted data on their customers, insights on that data and ways to take action on those insights. Amplitude delivers all three in a single platform.

In Q2, we saw dozens of new enterprise customers come on board and many existing customers expand their Amplitude footprint. We also saw more traction with marketing teams after announcing a new suite of marketing capabilities in May. We continue to win against legacy vendors and point solutions as companies look to simplify their tech stacks. This is what drove a record level of multiproduct ARR.

We've been deliberately focusing on the enterprise and the progress this quarter is the result of that work. Many of the deals we closed this quarter were years in the making and required multiple steps, including hiring the right reps, building the right named account strategy, finding the right solution fit, instrumenting value, closing the deal and driving impact for customers. Let's shift to product innovation.

I have spent a lot of time transforming the Amplitude team to become AI native. Back in June, we ran a week of AI training for the product development team. Then in July, we hosted a week-long hackathon focused on building AI products. I'm going to demo some of the outputs from this shortly.

We are also leveraging M&A to become AI native and expand the platform and our acquisition of Command AI late last year is a great example. We acquired the company in October of 2024, launched Guides and Surveys four months later. And today, it has the fastest adoption curve of any product in Amplitude's history. Command AI had a mature product backed by an exceptional team. Many individuals from that team are now leading our efforts on AI agents and other AI products.

We continue to use M&A and talent acquisitions to expand our platform and bring great talent into Amplitude. Over the past two months, we've added three exceptional teams.

First, we acquired Kraftful, an AI native voice of the customer start-up turning unstructured feedback such as support tickets, app reviews and customer calls into actionable insights. I've admired Yana and Kraftful for years, and I'm excited I get the opportunity to work with her and the Kraftful team to give customers a complete view of the user experience. Kraftful works with tens of thousands of product builders and many Amplitude customers have been asking for voice of the customer insights. We're integrating Kraftful's proprietary AI analysis into our platform.

Second, we acquired the Inari team, an AI start-up focused on surfacing insights from unstructured data using LLMs. The founders, Frank Lee and Eric Kim bring deep expertise in applied AI. They have joined our AI agents team and are already working to accelerate our road map, which I'll demo for you shortly.

Finally, we acquired the founders of June, a startup that built a distinct product, brand and a thriving community around simplifying product analytics. Two years ago, they created the first product analytics tool to integrate LLMs for generating insights in natural language. The founders, Enzo Avigo and Ferruccio Balestreri bring a product-first philosophy that inspired our thinking for Amplitude Made Easy last year.

Now that we're working together, we're excited to leverage their expertise to simplify digital analytics while developing the next generation of agent-driven experiences. Now let me share with you what we're building.

On June 10, we announced the beta program for Amplitude's AI agents. With our agents, what once took teams weeks can now take one person minutes. That changes how product, marketing and data teams build, ship and learn. LLMs allow AI agents to quickly combine taxonomy data, watch thousands of Session Replays, generate insights and then make suggestions for product changes on your behalf. That makes them great product analysts.

The potential benefits of agents are huge. As an example, it normally takes Amplitude about a month to optimize a website conversion workflow from idea generation and experimentation to engineering and launch. With an Amplitude AI agent, the same workflow now takes less than one day. I want to show you Amplitude AI agents in action with a demo.

When we launch later this year, our customers will be able to leverage ready-to-use templates focused on popular use cases like optimizing conversion flows and analyzing Session Replays. The first agent I want to show you is focused on optimizing website conversions. I'm going to select an event for the agent to optimize. I'm going to choose CTA clicked and then create the agent.

The agent will then think and come up with a plan on improving CTAs clicked. As part of this, the agent is identifying which pages are highly correlated with CTA's clicks and is then presenting them as different options. I've gone ahead and selected the pricing page since it's one of our highest converting pages.

The agent is now analyzing recent events and Session Replays tied to the pricing page. The agent has identified that buyers are running into dead clicks while interacting with pricing plan headers. The agent takes that learning, contextualizes it with Amplitude events and best practices and brainstorms three new strategies for immediate review.

One of the strategies the agent recommends is making the pricing plan headers animated and clickable based on the Session Replay learning. So let's go ahead and explore that strategy. The agent is creating new variants based on this strategy and is now live generating code for potential strategies we can preview in our experiment visual editor. Let me go ahead and take a look at this first variant here.

In this, the agent added a hover effect to the pricing plan sections and made them clickable, which optimizes for CTAs clicked. I can review, edit and approve this variant before deploying a new experiment. To summarize, our agent identified issues with pricing page conversion, recommended a strategy for solving it and then created a new page that improves the experience.

In addition, we're also building agents that focus on insights. These are always-on analysts that perform hundreds of analyses and automatically surface insights with minimal human work. To do this, let's go ahead and create a dashboard monitoring agent.

With the dashboard monitoring agent, customers can select a few dashboards they've created on Amplitude and have the agent surface top themes on a weekly basis and then run root cause analysis that explains major changes. I've created the agent and analyzes every chart across each dashboard that I've assigned to it and then surfaces the top insights. In one of these takeaways, if you look at the second one here on the page, the agent identified 71% of testers create agents, 60% generate strategies and new variants, while only 6% have directly deployed an action.

With the dashboard agent, customers have unlimited resources to monitor analytics. This saves analysts tons of time and uncovers lots of insights they wouldn't have found otherwise.

Since our announcement in June, we have received a huge amount of customer interest. Customers in the beta have been blown away by what our agents can do. On an onboarding call, the product analytics lead at Hostinger stopped us mid-demo and said, this actually runs an experiment, wow, that is amazing. The co-founder of ResMed called our Session Replay agent a home run, and the product owner at Global Radio said his team was already meeting about how to put our agents' recommendations into action.

We believe Amplitude is the only company in digital analytics doing anything meaningful with AI today. We have the most complete digital analytics platform, and we are out executing everyone else with elite talent. I want to show you one more example.

We are also helping companies with AI transformation in other ways. Companies want to know how they rank on LLMs. So we're building LLM brand analytics to answer this question. I'm going to show you a demo of how this works.

With Amplitude, customers will be able to quickly understand how AI is talking about their brand. They can understand the types of queries and prompts that lead to being mentioned by LLMs. If you look here, the bar on the right indicates what percentage of queries Amplitude shows up

in. Here, we can see that we rank well in behavioral analytics and digital product analytics and go deeper by looking at more specific prompts. Let's take a look at analytics for marketers.

You can see what percentage of the time we show up for each prompt and what our rank is in the prompt on the right. For example, when prompting for alternatives for Google Analytics for advanced marketing insights, Amplitude shows up 100% of the time with an average rank of 4.2. We also get the exact ranking per model in this drop-down. For example, we ranked number 8 in GPT-4.1 mini and number 2 in Gemini 2.5 Flashlight.

Customers can also track mentions across various LLM platforms and focus their attention across different models. We can see here that Amplitude ranks quite well with Claude, but we have opportunities for improvement with ChatGPT. We are going to continue to aggressively innovate. This has been a breakout quarter with industry analysts.

Last week, the 2025 Forrester Wave for Digital Analytics Solutions was published for the first time. Of the 10 vendors evaluated, Amplitude was named both a leader and a customer favorite. We received the highest current offering score of any vendor in the report and the highest score possible across 21 criteria. The Forrester report showed that Amplitude is ideal for product-led organizations where product and marketing teams need close alignment and ease of use as a priority. It also recognized our Agentic AI capabilities, intuitive interface and compelling road map.

Most importantly, the Forrester evaluation showed that customers praise Amplitude's collaborative partner-like approach. We are not just a better analytics tool. We're invested in our customers' long-term success. This is a testament to our platform strategy and the momentum we're seeing as a business.

Amplitude also ranked number 1 in 8 categories in G2's Summer 2025 report, including the top spot in product analytics for the 20th quarter in a row. This recognition positions Amplitude as a clear market leader, setting us apart from legacy vendors and point solutions.

We had a great quarter for new and expansion deals with enterprise customers, including Microsoft, Twilio, Redis, Telenor Denmark, Viator, Chess.com, GoFundMe, Landmark Group and MUSINSA. I'm going to highlight a few.

Viator, a trip advisor company for booking travel experiences, partnered with Amplitude to accelerate product innovation and foster a culture of data-driven decision-making. With Amplitude, Viator has increased its speed to insight and pace of experimentation. Amplitude's self-service analytics has enabled the Viator team to quickly optimize experience, surface bugs faster and improve interface performance, unlocking a 15x ROI in just one year.

Now Viator is expanding with Session Replay, combining behavioral data with visual context to further reduce friction in the traveler journey. With the Amplitude platform at its center, Viator is building faster, smarter and more personalized experiences to help travelers around the world plan unforgettable trips.

Telenor Denmark, part of one of the Nordic's largest telecom groups, turned to Amplitude to power a full transformation of its marketing analytics stack. Replacing a legacy tool set, Telenor chose Amplitude for the unified platform approach and the ability to blend both web analytics with activation capabilities.

Telenor's investment in Amplitude is part of its long-term vision to consolidate analytics, experimentation and activation within a single ecosystem. Centered on behavioral analytics and the capability to scale, Telenor is working on modernizing its marketing ecosystem to drive greater personalization.

Lastly, we are now working with a leading North American title insurance provider as they transform how digital products are built for consumers and brokers, facing a patchwork of disparate tools and siloed teams, they turn to Amplitude to help unify their approach. Today, they're using Analytics, Experiment, Guides and Surveys and session replay to give product teams shared visibility and control. By consolidating onto the Amplitude platform, they can now analyze behavior, test improvements and drive revenue through better usability, accelerating innovation within a traditionally slow-moving industry.

Q2 was a strong quarter for Amplitude. It reflects our years of work refocusing the company on the enterprise and on our strategy to expand the platform. We believe our most recent efforts to re-architect Amplitude to be AI native will accelerate the strategy and drive success in the years ahead. While I'm proud of the team's achievements, we are just at the start. We are still early in our opportunity, and we will continue to execute against the plan we've laid out.

I'd now like to turn it over to Andrew to walk you through the financials.

Andrew Casey - *Amplitude Inc - Chief Financial Officer*

Thank you, Spenser, and good afternoon, everyone. The second quarter was another quarter of focused execution, ARR growth acceleration and building on our strategy. Over the past two years, we've created a comprehensive platform, improved our internal workflows and driven growth with leverage. We believe we are on the right track. The work is not finished. We have made progress, and it gives us confidence that our goal for future acceleration.

In Q2, we grew our ending ARR 16% year-over-year compared to 12% last quarter and 8% a year ago. We've increased our dollar-based net retention to 104% compared to 101% last quarter and a low in the second quarter last year of 96%. We increased our free cash flow margin to 22% for the quarter and have generated \$8.9 million in free cash flow during the six months ended June 30, 2025, compared to \$5.7 million over the same six months last year.

In March, we shared our path to acceleration, emphasizing our focus on enterprise customers and expanding our platform capabilities. In the second quarter, we continued to deliver on these goals by increasing sales productivity and with the introduction of new products to our platform.

On the go-to-market side, we believe we continue to improve our enterprise land, expand and retain motion. We had a strong quarter of expansions, which was largely driven by our platform deals in the enterprise. This drove our dollar-based net retention up 3 points sequentially. Turning to our platform.

Customers with more than one product accounted for 67% of our total ARR, up from 64% last quarter and 55% in the second quarter last year. Our ability to expand our contracts over the past three quarters has largely been driven by platform upsells, while we overcame headwinds from contract downsells based on volume. However, the growth of data being ingested into our platform has grown 20% year-over-year. And as we get past the headwind of rightsizing our contracts, we believe we can monetize both upsell and cross-sell opportunities to drive further acceleration.

We're creating a more durable business. This is evidenced by creating greater visibility into our future revenue streams and building it in a profitable way. As of June 30, 2025, our RPO growth accelerated to 31% year-over-year compared to 11% in the same quarter last year. Our current RPO is now growing 20% year-over-year, up from only 8% in the second quarter last year. We believe this is the culmination of the work putting focus on the right customers with the right alignment to value.

As we work toward building a more durable revenue stream, we believe innovation is the base of our future growth. Over the past two years, we have invested in tying our platform together to create more value when used together. We will continue to invest in our platform approach where customers can create their own workflows on top of our platform and become the center of how our customers understand and interact with their customers.

We're confident in our strategy as a platform of choice for customers looking to consolidate spend across vendors and believe that we're in a good position to accelerate our growth without meaningful improvement or clarity in the macro environment. Now turning to our second 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 supplemental financials on the Investor Relations page.

Second quarter revenue was \$83.3 million, up 14% year-over-year and 4% quarter-over-quarter. Total ARR increased to \$335 million exiting the second quarter, an increase of 16% year-over-year and \$15 million sequentially, the highest net new ARR add we've had in 11 quarters. Now here are more details on the elements for the quarter.

We had a strong platform expansion sale, especially replacing legacy point solutions. The number of customers representing \$100,000 or more of ARR in Q2 grew to 634, an increase of 16% year-over-year and up 17% since the first quarter. In-period NRR was 104%, a 3 point increase sequentially, led by large cross-sell expansions. We expect to make continued improvement in retention and enterprise expansions, which should drive sequential improvements in the second half of 2025.

Gross margin was 75% for the second quarter, down 1 point from the second quarter of 2024. Gross margin was impacted by increased data ingestion costs, higher amortization of software development costs and investment in professional services.

Investment in professional services is the foundation to build our long-term partner strategy and will act as an offset of future potential services expenses as we accelerate ARR. We believe increased data ingestion and professional services costs are [privacy] to future revenues, so there is no change to our long-term focus on increasing gross margins.

Sales and marketing expenses were 44% of revenue, a decrease of 4% -- 4 points from the second quarter last year, but up sequentially on a dollar basis. We continue to focus on improving sales efficiencies, driving improvement through our changes in process, coverage and expansion of our enterprise customers.

G&A was 14% of revenue, down 1 point from the second quarter of 2024. We expect G&A to improve as a percentage of revenue over time. R&D was 18% of revenue, up 1 point from the second quarter of 2024. We expect to continue to invest in the talent and capabilities of our team to drive greater innovation in the future. We expect to continue to attract talent through both recurring -- recruiting as well as opportunistic corporate activity, similar to what we did with Kraftful, June and Inari.

Total operating expenses were \$64 million, 76% of revenue, down 3 points sequentially. Operating loss was a negative \$1.5 million or 1.8% of revenue. Net income per share was \$0.01 based upon 140.2 million diluted shares compared to a net loss per share \$0.00 with 122.6 million basic shares a year ago.

Free cash flow in the quarter was \$18.2 million or 22% of revenue compared to \$6.8 million or 9% of revenue during the same period last year. In the second quarter, we managed our cash collections very well and made meaningful progress on shifting to contracts with annual payments in advance. Now turning to our outlook.

While we believe we continue to accelerate our business, we will look for ways to be even more efficient in the future. We have built our business to be more resilient. We believe 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 built our guidance based on what we believe is achievable from our actions and positioning in an evolving market.

We believe we will continue to make progress attracting new enterprise customers. As we begin to lap our churn and downsell cohorts, we believe we'll continue to expand through both upsell and cross-sell. While we showed strength on net new ARR in the second quarter, we expect third quarter to be down slightly from a net new perspective, but our year-over-year growth rate should continue to accelerate slightly.

Lastly, we are building a durable growth business that will balance incremental investment with the opportunity to create future growth opportunities. So for the third quarter 2025, we expect revenue to be between \$85 million and \$87 million, representing an annual growth rate of 14% at the midpoint. We expect non-GAAP operating income to be between a negative \$2 million and positive \$1 million. And we expect non-GAAP net income per share to be between negative \$0.00 and positive \$0.02, assuming basic weighted average shares outstanding of approximately 133.4 million and diluted weighted average shares outstanding of 144.3 million, respectively.

For the full year of 2025, we are raising our revenue expectation due to the quarter's positive performance. We expect full year revenue to be between \$335.2 million and \$338.2 million, an annual growth rate of 12.5% at the midpoint. We are adjusting our full -- our range for our full year non-GAAP operating income to be between negative \$2 million and positive \$3 million, reflecting growth of investments and taking into account the recent acquisitions we mentioned. We expect non-GAAP net income per share to be between \$0.04 and \$0.08, assuming weighted average shares outstanding of approximately 142.8 million as measured on a fully diluted basis.

In closing, I want to reflect on the journey we've been on. In Q2 2024, Amplitude growth rates were declining. Net revenue retention was below 100% and our strategies to reaccelerate growth are still taking shape. We highlighted that we expected the second quarter of 2024 to be the low point, but many were skeptical. A year later, our platform is driving consolidation, and we're increasingly winning new enterprise customers against competitors.

Our growth has accelerated, and we see a continued path towards improved growth with leverage. This has only occurred through the focused execution of our employees and a relentless drive towards creating value for our customers.

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 the line of Rob Oliver at R.W. Baird, followed by Clark Wright from D.A. Davidson. Rob, your line is open.

Robert Oliver - *Robert W. Baird & Co Inc - Senior Research Analyst*

Great. Thanks, John. Can you guys hear me okay?

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

Loud and clear.

Robert Oliver - *Robert W. Baird & Co Inc - Senior Research Analyst*

Okay, great. Good afternoon. Thank you very much for taking my questions. I have two.

Spenser, one for you to start. Going back to the Command AI acquisition and through the recent acquisitions you made, it's evident in the demo and then with the announcement that you guys had on AI agents about 1.5 months ago, a tremendous amount of project -- progress on the Agentic AI front. I was wondering if you could help frame for us how much the recent acquisitions and the integrations you guys have done helps accelerate Amplitude's efforts in this regard and how we should think about that starting to get towards monetizable outcomes for you guys? And then I had a quick follow-up for Andrew.

Spenser Skates - *Amplitude Inc - Chairperson of the Board, Chief Executive Officer, Co-Founder*

Yes, for sure. So on the AI agents, it's -- I want to be clear, it's early on them. You saw some amazing demos today, but we're in the closed beta. We're going to be looking at launching this later this year.

I think in terms of the -- like the key part about the agents is it just gives every Amplitude customer a tremendous amount of leverage in terms of getting value out of Amplitude, right? So it's always looking over your data to find insights for you, it's proposing strategies and ideas for you to experiment on, it's identifying problems based on Session Replays. And like that already, like that's a huge deal.

In terms of the monetization, the thing I'd say there, we aren't focused -- I mean, first, we're not focused on that yet. I think if you look at Amplitude as a whole, we have a really strong ability to price high, right? For a company, \$335 million in ARR, we have over 40 million customers. And so we've never had problems commanding a premium value. And so I'm confident with how we're going to -- as long as we're creating the value, we'll figure out some way to capture it, whether we charge directly for the agents or otherwise. So -- but we aren't there yet on figuring that out.

I think the main thing is to make sure they're valuable for customers and they create a lot. I think what you see in contrast, a lot of other SaaS companies have done is they've kind of slapped some very high-level AI-like functionality on top of some existing workflows and then use it to justify a pricing increase. And like that, to me, it doesn't make any sense.

Robert Oliver - *Robert W. Baird & Co Inc - Senior Research Analyst*

Got it. Very helpful. Exciting stuff.

And then, Andrew, for you, a lot of progress clearly in your time at the company. I guess, I would focus in on the sales efficiency side that was evident in the numbers this last quarter. Talk about what sort of continued progress or opportunity you have there on the sales efficiency side while also balancing that need to invest, which I know is reflected in part in the back half of the year, but great progress. Thanks.

Andrew Casey - *Amplitude Inc - Chief Financial Officer*

Thank you, Rob. I think it's always when we're looking at the territories you've built, how you're assigning the right reps to those territories where we're seeing progress on the pipeline builds that you make. The processes have evolved quite a bit in the sales methodologies. I mean, we shifted much more from a transactional model to a value-oriented sales model. And that's very evident with some of the big deals we've seen that are sold on a platform basis where customers are making multiyear bets with Amplitude to go drive huge efficiencies in their operations.

So it's kind of an iterative thing. You continually look at it and really make sure you're making the right investments in the right territories to generate the right coverage and pipeline and constantly looking at your conversion rates. It's something that a lot of enterprise software companies is a mature they go through, and Amplitude has done a great job at coming up that curve. And I'm very pleased with how well the investments we've made in the strategic segments have really started to pay off.

Robert Oliver - *Robert W. Baird & Co Inc - Senior Research Analyst*

Helpful. Okay. Thanks, guys. Good to see you. I appreciate it. Thanks.

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

Thanks, Rob. Our next question will come from Clark Wright at D.A. Davidson, followed by Brent Bracelin at Piper Sandler.

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

Awesome. Thank you. It's great to see improvement in the retention metrics. I love to kind of understand if you can quantify how much of that improvement is related to the churn dynamic versus how much is momentum in the upselling motion?

Andrew Casey - *Amplitude Inc - Chief Financial Officer*

I can take that one. I think we made really great progress with our platform sales. I mean you're seeing more and more customers value all the components we're putting together. At Amplitude, we say 1 plus 1 isn't 2, it's 11, and it's reflective of the power of the platform as we -- as customers use those applications together. So when we see the really big cross-sells, it's really driving our NRR.

Now having said that, I think that the teams have done a great job as well on working through some really tough volumetric contract structures we've had in the first half, and we're making great strides on gross retention as well. So it's on both fronts, but I have to say both the team understanding how to sell the platform better and the augmentations that our development team has done to our platform are really driving growth.

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

Got it. And then a follow-up, if I could here. In terms of just sales enablement, that was a key objective. Andrew, since you've gotten to the firm. I'd love to kind of understand maybe a progress report on where you've started versus where you are today.

Andrew Casey - *Amplitude Inc - Chief Financial Officer*

Look, I think it's really about a change in mentality that started with moving into the enterprise and how the enterprise sales process works. It's refining our funnel dynamics where we're making investments so that there's adequate coverage. It's about understanding as opportunities go through the funnel, inspecting that the opportunities are actually progressing towards the close dates that are forecasted and reiterating that we expect to see a ramp in productivity associated with the investments we're making in specific territories.

So all those things, I think you just kind of bring together with a little bit of rigor and you get better and better outputs. And I think that, that's also one of the reasons why we continue to lean and invest in territories where we see progress. When you see that you're getting more pipeline than the reps that can handle in any given one territory, you start to add more reps. That's your early signal that things are going well.

Robert Oliver - *Robert W. Baird & Co Inc - Senior Research Analyst*

Awesome. Appreciate that. Have a good one.

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

Thanks, Clark. Our next question will come from the line of Brent Bracelin from Piper Sandler, followed by Elizabeth Porter from Morgan Stanley. Go ahead, Brent.

Brent Bracelin - *Piper Sandler - Analyst*

Thank you. Lots of signals. Things are going well there here for the team.

I guess, Andrew, for you, as we think about six consecutive quarters of accelerating CRPO growth, great to see that back to 20%. How much of that is driven by platform attach rates? You talked about 55% going to 67% relative to customers with one or more products.

But I know in the past, renewals were being downsized. You do have a data consumption component. I wondered if that might also start to be either flattening or becoming less of a drag going forward. So how much of that improvement in CRPO is tied to platform attach versus actually the consumption trends starting to reverse?

Andrew Casey - *Amplitude Inc - Chief Financial Officer*

So great question. And I would tell you, it's kind of a bit of both. We see both. We have really strong platform upsells and the sales team understanding and showing customers what their journey is going to be on the Amplitude platform, how they get more value and customers leaning in and making those investments over multiple years. I think we've talked in the past about how increasingly what enterprise customers want when they're making these big transformations, maybe in cases of multiple products that they've had to stitch together, they want a longer-term value-oriented relationship with their partners.

And that's allowed us to increase our contract duration, which right now, it's about 21 months on a dollar-based average. And frankly, I would love for that to get closer above the 30 months average. And so our sales team knows that. They're continuing to go have those conversations with enterprise customers. And the one area I think we need to do a little bit better is on renewals.

Historically, those accounts, those implementations weren't on multiyear contracts. And so we're really pivoting more and more to focus on how do we make sure that the renewals are going there as well. So it's increasing contract duration. But as you said, and we expect that as we get through some of these big headwinds associated with volumetric contracts that we're equally going to see customers wanting to do more and more ingestion into the platform so they can get greater and greater value.

And that's certainly what our posture was with the acquisition of Kraftful. It's another data element that customers can bring together, which increases the level of data ingestion, which over the long term, certainly should drive upsells at a much larger basis than they have in the past.

Brent Bracelin - *Piper Sandler - Analyst*

Helpful. And as a follow-up for Spenser here, battle for talent. This is one of the quadrants that we're watching here closely. I think it's going to dictate between the winners and losers in AI here. You've been able to attract talent here, Command AI, Kraftful, Inari. What's resonating with these founders to kind of join the Amplitude mission? You're doing something right there. I would love to just double-click into what's resonating with some of these founders that are joining the team.

Spenser Skates - *Amplitude Inc - Chairperson of the Board, Chief Executive Officer, Co-Founder*

So in all of those cases, we are looking for teams that are aligned to our long-term mission. So we're thinking about how can we take data and use that in different ways to help companies build great products. And Command was a great example where they were leading in the Guides and Surveys space. We really liked the approach, and they were willing to join the Amplitude team and have the same impact, accepted a much broader platform. We're the leader in digital analytics today, and that's a really attractive thing for a lot of these teams that have been working for a bunch of years to be able to get access to that customer base and that level of impact.

And frankly, there's something to be said to just working with other people who are just really passionate about the same mission. I know it sounds so basic, but like you bring kind of enough of them here. I think it was actually James from the Command team that helped lead and bring on and kind of was the first point of contact to bring on both Kraftful, Inari and the folks from June. And so other great people -- just want to work with great people.

The other thing -- the other part I don't want to miss in the talent war is that I mean, [Frank], I hate to say it, but we're a larger company now, we're 800 or so people. And what I think a lot of larger companies are getting wrong on that is they think, okay, hey, I can just hire an AI team that's like a little bit separate from my core team and just have them go innovate. But the reality is if -- as AI disrupts every category and every part of the product, it's like, no, no, no, you're going to have to redo the core of your product.

So like I showed the LLM analytics, customers are now starting to be more interested instead of SEO, they're thinking about how do we rank highly on LLMs. And so we had one of our engineers lead that effort. And that wouldn't have been possible if we hadn't done the AI Week and the AI Hackathon and retrained a lot of the existing team on these new tools. So I think people -- like you need to go deep on a talent basis, both for your

existing talent and bring great new talent in. And if you do that, you can successfully transform the business, but it's a hard thing to -- it's a really hard thing to do properly.

Brent Bracelin - *Piper Sandler - Analyst*

Helpful. Thank you.

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

Thanks, Brent. Our next question will come from Elizabeth Porter from Morgan Stanley, followed by Scott Berg from Needham. Elizabeth the floor is yours.

Elizabeth Elliott - *Morgan Stanley - Analyst*

Thank you so much. So at your agent launch event in San Francisco recently, I talked to a couple of customers and...

Spenser Skates - *Amplitude Inc - Chairperson of the Board, Chief Executive Officer, Co-Founder*

It's coming, by the way.

Elizabeth Elliott - *Morgan Stanley - Analyst*

Yes, of course. And the customers were saying, look, it's like a no-brainer to be adding on some of these new products like Surveys or Session Replays next analytics. There was this like a long list of one-off solutions they can move over. So two questions.

One, it seems that many were still just like learning about the broader portfolio. So I wanted to better understand how you've seen your portfolio awareness evolve and what are the steps you're taking to accelerate that? And then second, how much more of the incremental wallet do you think you can start to address particularly as you add into the fold some of the capabilities from recent acquisitions?

Spenser Skates - *Amplitude Inc - Chairperson of the Board, Chief Executive Officer, Co-Founder*

Yes, for sure. So Elizabeth, I think while I've been talking about the platform piece for years, we've made 2025 the year of the platform, the reality is exactly what you saw, which is that a lot of customers are just kind of waking up to like, Oh, I can actually combine Session Replay and Analytics and Experiment and Guides and Surveys on the same platform. I regularly talk to current customers who have been with us for years that don't fully realize that we could do other parts of the suite for them, as you saw again at the agents launch.

So it's just -- that's part of why -- so that's part of why we've made 2025 year of the platform is that we want everyone in our field to be continually educating new customers and existing customers that we have all these capabilities. I'd say where we've done very well is with new customers. So I mentioned that title insurance company that came on board, they came on board to the whole platform right off the bat. That was fantastic.

I think where we are -- still have a bunch of work to do is existing customers who have known us for five, six, seven years as just an analytics company that we can do other parts to them. Agents launch is for what it's worth a helpful part of it because you can see how these workflows come together and then obviously, you have to use some of these other pieces in order to do them successfully. So we still have a ways to go. I'd say -- so 67% of ARR.

But on a customer base, it's still less than 50% that are on multiple products. So especially some of the smaller ones still don't know that we do have these other pieces. So there's no substitute for the work, having the conversations with them, explaining the value of these, training our team to be very comfortable in demoing and pitching and saying, Hey, we can replace a point solution for you if you come to Amplitude.

And then lastly, in terms of the wallet share, I think I'd probably -- it's -- what I've seen in total is once you go from that analytics piece only to the whole platform, you're probably around 2x to 3x the total spend that you are on just the analytics piece. Now how you attribute that might vary customer-to-customer, like maybe you're paying an incremental 25% for Experiment or 50% for Session Replay. But once you kind of bundle that all up together and look at that in totality, you're probably talking about 2x to 3x what it is on just analytics alone.

Elizabeth Elliott - Morgan Stanley - Analyst

Great. And then just as a follow-up, maybe for Andrew. Really helpful and great to hear about the continued progress in NRR quarter-over-quarter for the back half of the year. Where do you think it should kind of settle out kind of near term? Any thoughts that we can have in mind as we kind of look beyond kind of the back half of the year?

Andrew Casey - Amplitude Inc - Chief Financial Officer

Look, I think I would tell you that we -- our long-term aspirations are certainly that we're above 15% in NRR. So that comes with continued progress and execution of the sales team of selling the platform and really showing customers the value they can get out of the multiple products that we have within it. So we've taken a look at our pipeline. We know what it looks like. We know what the opportunities are, and I can tell you that I'm confident that we're going to continue to make progress. And certainly, the Forrester report, highlighting the fact that we are the number 1 in the marketplace will help us with the awareness.

Elizabeth Elliott - Morgan Stanley - Analyst

Thank you.

John Streppa - Amplitude Inc - Head of Investor Relations

Thank you, Elizabeth. Our next question will come from Scott Berg from Needham, followed by Koji Ikeda from Bank of America. Go ahead, Scott.

Scott Berg - Needham & Company LLC - Analyst

Hi, everyone. Really nice quarter here. I guess two questions for me.

Let's start with sales in the quarter. Your NRR or at least net new ARR in the quarter, excuse me, kind of crushed it versus our expectations. Are the sales improvements being driven more towards volumes of deals or just value and size of transactions? I think the outperformance was so significantly large, just trying to understand where you're benefiting from the most.

Spenser Skates - Amplitude Inc - Chairperson of the Board, Chief Executive Officer, Co-Founder

All right. What was the distinction you just made, Scott? I just want to make sure I understand that.

Scott Berg - Needham & Company LLC - Analyst

Volume of deals, the number of transactions or the size of the transactions.

Spenser Skates - *Amplitude Inc - Chairperson of the Board, Chief Executive Officer, Co-Founder*

It's -- I mean I hate to say it's both. But if you look at it, I think we had some -- we had a record expand deal in particular that was a big driver. But we also saw a lot of kind of broad-based success across different verticals, companies like Telenor Denmark or the title insurance company I mentioned and as well as like Viator and like Twilio was a first-time customer of ours.

So it was very broad-based. It wasn't like, okay, this was a few large volume expansions. These were all like companies saying, hey, I want to take and deploy Amplitude in a much broader context than I have before versus just like, hey, we're growing in volume.

Scott Berg - *Needham & Company LLC - Analyst*

Helpful there. And then if I go back to your pre-scripted remarks, Spenser, one of the comments you made is you're seeing new traction with marketing teams after the launch of several new solutions here in the spring is, when you look at that marketing analytics space, I assume that's the functionality, at least that you were mentioning. How are those transactions comparing to the analytics space? I know your product journey is still newer there relative to product analytics. But what are you seeing for pricing and sizing there because that market has a significant amount of existing spend out there today?

Spenser Skates - *Amplitude Inc - Chairperson of the Board, Chief Executive Officer, Co-Founder*

Yes. No, absolutely. So maybe to draw -- to helpful -- to draw a comparison, on the platform side, that motion has been a big part of driving our growth. If you look at -- if you break it down net new ARR or attach rate or whatever metric you want to use, it's like, okay, yes, that's very consistent. And that has -- whereas on marketing, that's much earlier.

If I were to go back two years, almost nobody was using us as replacement for legacy marketing tools. It was like, hey, you're going to bring an Amplitude alongside Google Analytics or something like that. Now what we're seeing in the last few quarters is people are evaluating us as a wholesale replacement for these, but it's still relatively small compared to -- you mentioned, yes, these businesses have many more customers and they are much larger than us. So I think that opportunity we're in the earlier days of, and we have a bunch of work to do to go capture it. And as we do, we'll -- that will be a great growth lever for us over the next few years.

Scott Berg - *Needham & Company LLC - Analyst*

Very helpful. Nice quarter. Thank you.

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

Thank you, Scott. Our next question will come from the line of Koji Ikeda from Bank of America, followed by Tyler Radke from Citi. Go ahead, George.

Unidentified Participant

I appreciate it. [George McGreen] on for Koji. So I wanted to ask on this continued strong momentum we're seeing on the RPO side, especially on the long-term side. I wanted to kind of get a sense of how are conversations going in those strategic deals? Obviously, you guys have added a lot of value to the platform. You've brought in new team members that have expertise speaking on these enterprise strategic deals. How is kind of the tone of conversations going today versus maybe a year ago? And what are kind of the key points that often come up?

Spenser Skates - *Amplitude Inc - Chairperson of the Board, Chief Executive Officer, Co-Founder*

I'd say -- I mean, a lot of times, if I were to go back a few years, we weren't having the right level of conversations. And so we've kind of be stuck in -- at maybe the manager or director level in a lot of these accounts. Now we're consistently -- in all of our large accounts consistently having conversations with the VP and C level folks. And that is helping us have a conversation about how we fit into what their vision for their data stack looks like and how we can help drive a lot of value.

And so there was a customer that we had come over that was willing to -- have been a customer for many years, but had been on a one-year contract that just moved over to a three-year one because we aligned -- we finally had a review with the head of data there. And that was fantastic to see because it's like, okay, they're making that level of commitment, and that takes a whole bunch of risk off and we say for us and then we know we're going to be investing a lot into making Amplitude successful for you guys on both sides. And so that's very consistent.

Strategic accounts team was -- it was kind of maybe another call out where it's like you have a dedicated account teams for the top 30 existing customers and top 30 prospects. And so that, again, there's a different profile of seller that we have for there and different profile of the support set so that we make sure that we're having the senior level conversations about how we fit into someone's data strategy.

When you start getting into the millions, million-plus range in terms of customer spend, that's a real line item that a lot of people are concerned about. And you need to be strategic for a customer. Otherwise, you're going to be out. And so yes, we just weren't -- if I were to reflect that two or three years ago, we just -- most of the time, we weren't having those conversations. Now by and large, we are.

Now still lots of work for us to do on those by no means over, like we want to continue to make sure those are set up well. Those customers are set up well. We have more work to do in the long tail, but we're in a very different place than we were a few years back.

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

Thank you, George. Our next question will come from Tyler Radke at Citi, followed by our last question by Arjun Bhatia from William Blair. Go ahead, Tyler.

Tyler Radke - *Citibank Cameroon SA - Analyst*

Yes. Thank you very much. Nice net new ARR in the quarter. I wanted to just touch on that.

So you talked about the record expand deal. I was curious if you could elaborate a little bit more on the size of the contract and scope. And then also just talk about what you're seeing among kind of your AI native customers, how those usage trends are going? I know, for instance, Cursor is a customer. And are you seeing your growth sort of scale with the growth of those types of businesses as well?

Spenser Skates - *Amplitude Inc - Chairperson of the Board, Chief Executive Officer, Co-Founder*

Yes, for sure. So obviously, we don't have permission to talk about exactly who it was, so I got to be careful. But they were a customer who had been using us already in some smaller parts of the business as a technology company and then ended up deciding to make a very big bet for one of their kind of core parts of their platform. And so that was a huge deal and -- multimillion dollar deal and a record expansion in a number of ways for us as a company. Now we -- just because we signed it, we got to go prove out the value and do a bunch of work on it, but it's great to see that company willing to make that level of bet on Amplitude.

In terms of the AI companies, they're still very small as a percentage of our overall customer base. So we have a lot of great ones. You obviously mentioned Cursor, Midjourney. We have Midjourney. We have Character AI. We have a bunch of others. They are -- their growth is helpful, but it is -- it's like -- they're still a very small percentage of the overall customer base and so it's not like that changes anything quarter-to-quarter.

Tyler Radke - Citibank Cameroon SA - Analyst

Great. And just a follow-up on gross margins. You talked a little bit about the puts and takes causing the compression this quarter. But how should we think about -- it almost seems like a little bit of a mini-investment cycle before you get maybe some of the returns either on the agentic side or the new product front. But where should those sort of trough and what's sort of the time line for those investments to monetize and ultimately drive that expansion again?

Andrew Casey - Amplitude Inc - Chief Financial Officer

So I'll take that one. So the -- good point, Tyler. I think that the thing we've been signaling is -- let's start with the services side.

We made investments in services to make sure that we can continue to build out our partner ecosystem. Long-term, we actually believe that our partners will be generating upwards of 20% to 40% of our demand. And so having the capability to go create that and plummet now over the long-term is going to enable us to, one, drive billable utilization associated with resources that are doing implementation services as well as kind of create that top of funnel longer-term. And so the cycle is when you hire new consultants, they take a little while to ramp up and then they start engaging with customers, and that drives that billable utilization.

Now we'll never really have great margins associated with services. And we, frankly, would much rather have our partners do the implementation services. This is a cycle where we have to invest in that to make sure that our enterprise clients are successful and we start that flywheel.

On the hosting side, look, more data ingestion into our platform long-term is a really good thing. Now remember, we monetize Amplitude service delivery through our subscriptions on two ways. One, it's on the data ingested into the platform; and two, it's into the applications that are used throughout the platform. And so the more data we see customers bringing into the platform, it's a method for us to drive an upsell. But more importantly, it's a reflection of the fact that customers are getting greater and greater value by bringing in more data sets into our system such that they are getting better and better at using the system to drive their outcomes.

So I know it's one of those areas where you hate to see a short-term investment not matched by the revenue. But in some cases, you have to make those investments and then expect that you're going to generate the returns over a longer period of time. And so there's no real change in our focus on driving gross margins up. We will continue to focus on it. This quarter, we just kind of found ourselves at the beginning of that investment cycle.

Tyler Radke - Citibank Cameroon SA - Analyst

Thank you.

John Streppa - Amplitude Inc - Head of Investor Relations

Thank you, Tyler. And our last question will come from the line of Arjun Bhatia from William Blair.

Willow Miller - William Blair Capital Partners - Analyst

Hi, team. I'm Willow Miller on for Arjun Bhatia. Thanks for taking our question.

Asking a follow-up question to the go-to-market questions asked earlier. Can you remind us where you're at in your go-to-market evolution? And is it fair to think about this as more of a continuous evolution? And maybe you can comment on how the sales force is responding to the changes?

Spenser Skates - *Amplitude Inc - Chairperson of the Board, Chief Executive Officer, Co-Founder*

Yes, it's definitely continued -- well, so I guess if I were to go back three years to before Thomas and some of the existing team was here on the go-to-market side, we weren't fully ready for the level of enterprise deals that we're doing. Like I mentioned, we're doing a \$1 million-plus deal, it just requires a very different level of engagement than the one that we were set up for them. Today, I'd say, yes, we're there for the most part.

Now to your point, it's always an evolution. And so we just did the strategic accounts team this year. We're going to do -- we'll make more changes as appropriate next year in terms of taking things that work there and bring them across the business, and we're going to kind of continue to evolve it.

I'm actually really pleased with the Amplitude team and how they responded, like folks have leaned into that like by and large. And so I think some of the longest, most successful sellers here have been a big part of that change or folks in other functions like customer success and marketing have really done a great job of leaning into that change.

One of the cultural values we have here at Amplitude is growth mindset. And the idea behind that is that your job is always changing here. And so you have to relearn it and make sure that you're figuring out how you can make an impact with what it is in the future. It doesn't mean because whatever it is, is going to be different from where you were before.

Willow Miller - *William Blair Capital Partners - Analyst*

Great. Thank you.

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

Thank you, Willow. That will conclude our second quarter earnings call. Thank you for your time and interest. We look forward to seeing you this quarter on the road as we attend conferences hosted by KeyBanc, Citi and Piper Sandler. Thank you.

Spenser Skates - *Amplitude Inc - Chairperson of the Board, Chief Executive Officer, Co-Founder*

Thank you, all.

Andrew Casey - *Amplitude Inc - Chief Financial Officer*

Thank you.

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