

Investor Meeting at Dash 2022

October 19, 2022



DATADOG

Safe Harbor

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This presentation and accompanying oral presentation contain “forward-looking” statements, as that term is defined under the federal securities laws, including but not limited to statements regarding Datadog’s strategy, product and platform capabilities, the benefits and expected closing of acquisitions, growth in and ability to capitalize on long-term market opportunities including the pace and scope of cloud migration and digital transformation, gross margins and operating margins including with respect to sales and marketing, research and development expenses, investments and capital expenditures as well as the impact of increased office activity and marketing, and Datadog’s future financial performance. These forward-looking statements are based on Datadog’s current assumptions, expectations and beliefs and are subject to substantial risks, uncertainties, assumptions and changes in circumstances that may cause Datadog’s actual results, performance or achievements to differ materially from those expressed or implied in any forward-looking statement.

The risks and uncertainties referred to above include, but are not limited to (1) our recent rapid growth may not be indicative of our future growth; (2) our history of operating losses; (3) our limited operating history; (4) our business depends on our existing customers purchasing additional subscriptions and products from us and renewing their subscriptions; (5) our ability to attract new customers; (6) our ability to effectively develop and expand our sales and marketing capabilities; (7) risk of a security breach; (8) risk of interruptions or performance problems associated with our products and platform capabilities; (9) our ability to adapt and respond to rapidly changing technology or customer needs; (10) the competitive markets in which we participate; (11) risks associated with successfully managing our growth; (12) general market, political, economic, and business conditions including concerns about reduced economic growth and associated decreases in information technology spending; and (13) the impact that the ongoing COVID-19 pandemic and any related economic downturn could have on our or our customers’ businesses, financial condition and results of operations. These risks and uncertainties are more fully described in our filings with the Securities and Exchange Commission (SEC), including in the section entitled “Risk Factors” in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2022 and in other filings and reports that we may file from time to time with the SEC. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, we cannot guarantee future results, levels of activity, performance, achievements, or events and circumstances reflected in the forward-looking statements will occur. Forward-looking statements represent our beliefs and assumptions only as of the date of this press release. We disclaim any obligation to update forward-looking statements.

Agenda

1

Market dynamics, Datadog growth opportunities & innovation

David Obstler

CEO/CFO Q&A

Olivier Pomel
David Obstler
Yuka Broderick

2

Observability – product demo

Omri Sass

Observability Q&A

Amit Agarwal
Omri Sass
Yuka Broderick

3

Cloud security – product demo

Prashant Prahlaad

Cloud security Q&A

Pierre Betouin
Prashant Prahlaad
Yuka Broderick

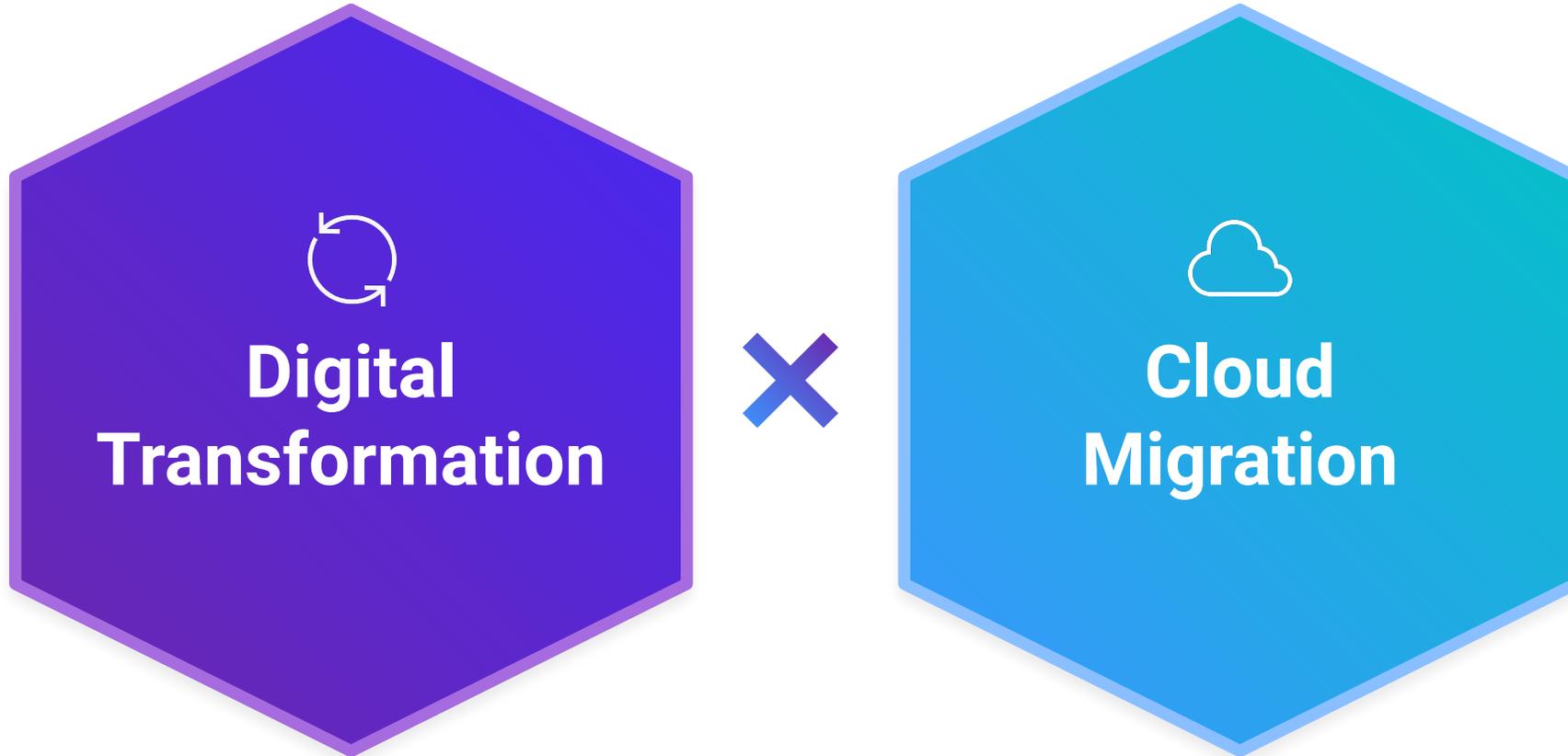


David Obstler

Chief Financial Officer

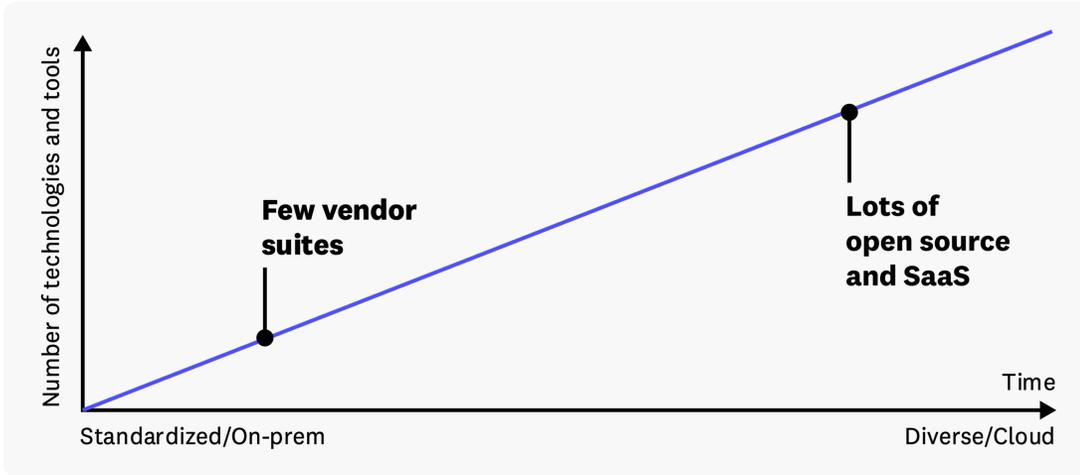
What Datadog does for our customers

Long-term secular tailwinds are still in early stages

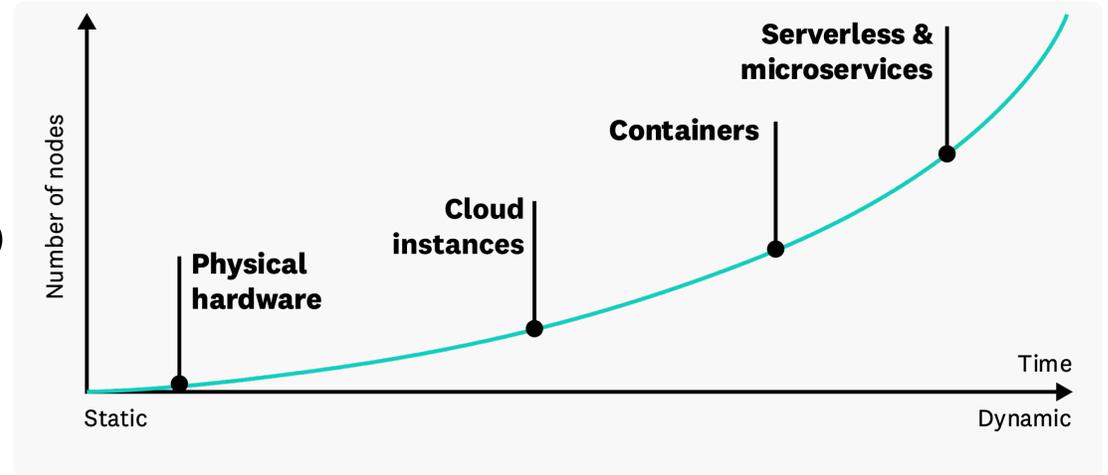


Continued exponential explosion of complexity

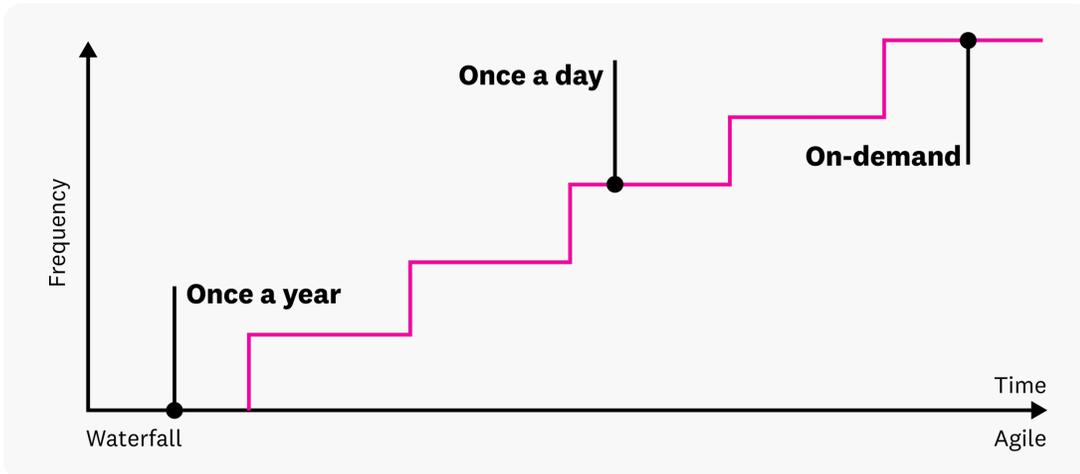
Diversity of technologies in use



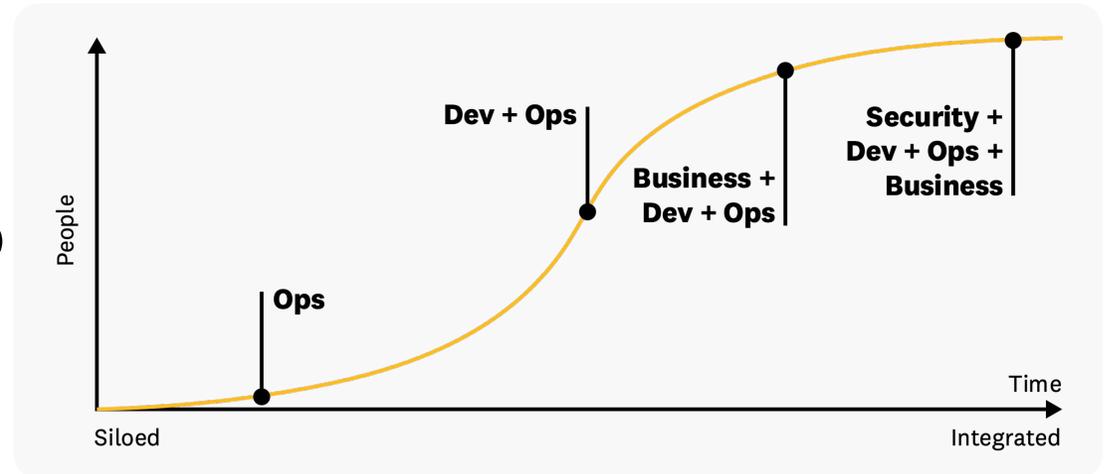
Scale in number of computing units



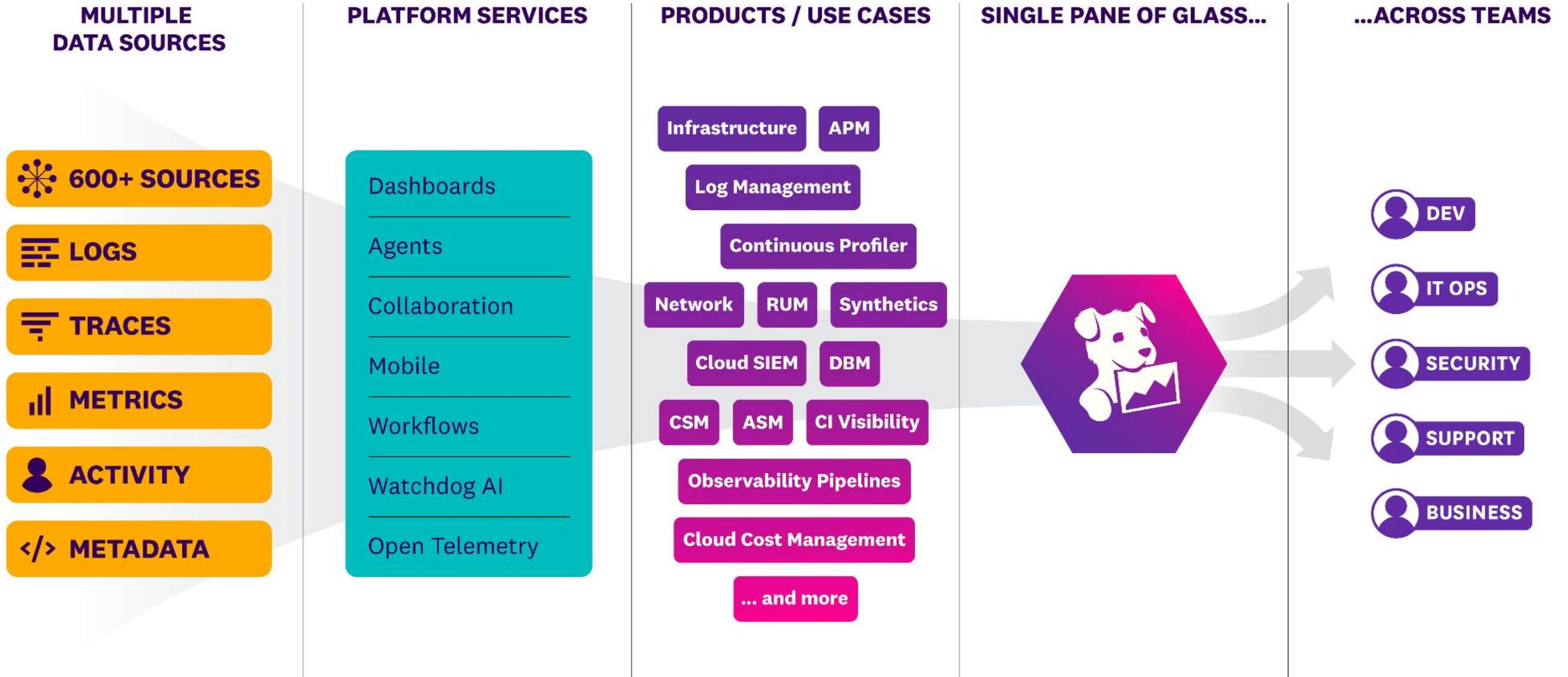
Frequency of release



Number of people involved



Datadog solves for complexity



The Datadog platform



Infrastructure Monitoring

- Containers
- Serverless
- Network Performance Monitoring
- Network Device Monitoring
- Cloud Cost Management

Application Performance Monitoring

- Distributed Tracing
- Error Tracking
- Continuous Profiler
- Database Monitoring

Digital Experience Monitoring

- Synthetics
- Real User Monitoring
- Session Replay

Log Management

- Observability Pipelines
- Sensitive Data Scanner
- Audit Trails
- Log Forwarding

Security

- Cloud Security Management
- Application Security Management
- Cloud SIEM

Developer Experience

- CI Visibility
- Continuous Testing

Watchdog AI

Insights • Impact Analysis • Root Cause Analysis • Anomaly Detection • Alerts • Correlation • Optimizations

Shared Platform Services

Collaboration • Dashboards • Mobile • Agents • Notebook • Workflows • Open Telemetry

 UNIFIED METRICS, LOGS, TRACES

600+ INTEGRATIONS

Our growth opportunities and investment in innovation

Our growth drivers

1

Secular tailwind of digital transformation and cloud migration

2

Increased penetration of cloud and next-gen DevOps customers

3

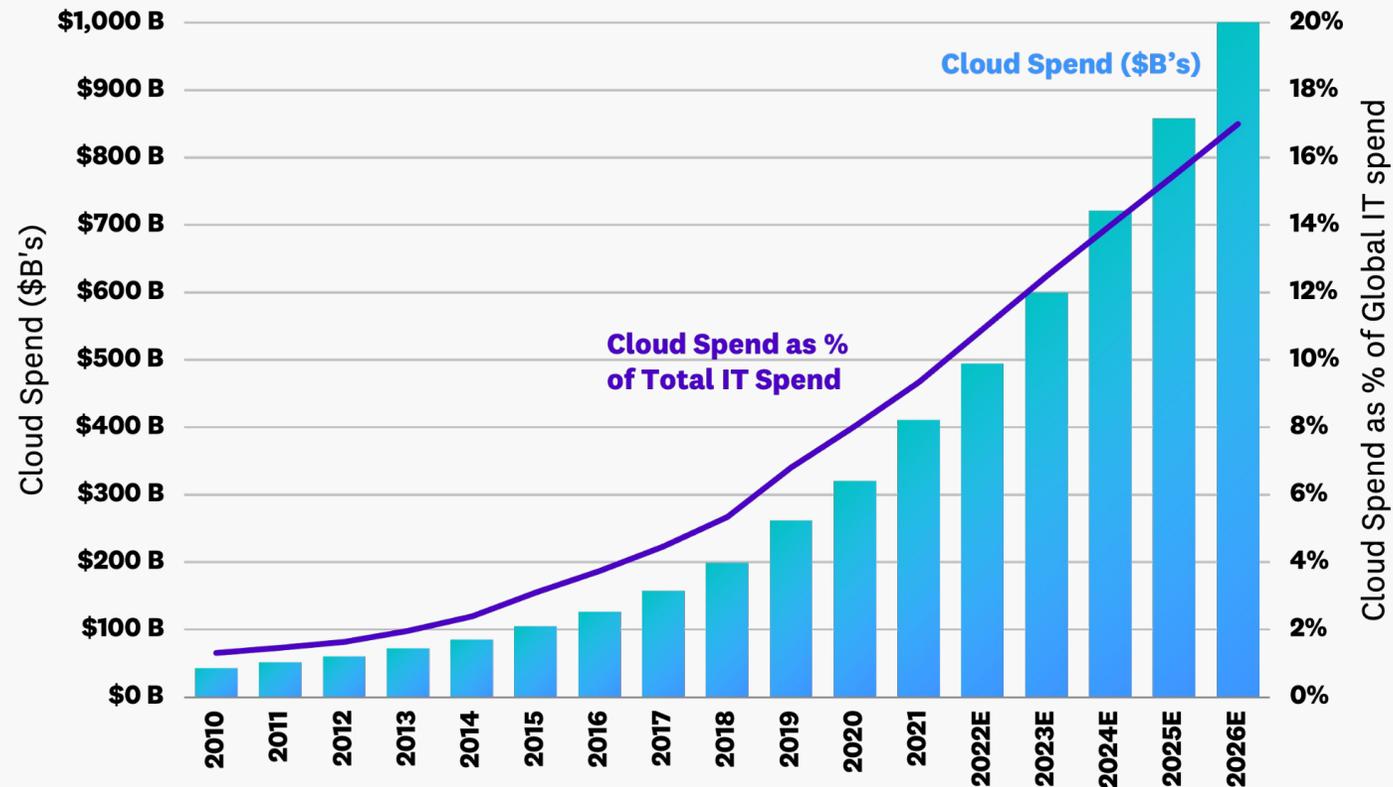
Expanding products / use cases for customers

4

Adding new markets beyond observability

Long-term growth drivers are still in early stages

Cloud spend continues to grow rapidly



Gartner Forecast: Public Cloud Services, Worldwide - 2010-2016, 4Q12 Update; 2011-2017, 4Q13 Update; 2012-2018, 4Q14 Update; 2013-2019, 4Q15 Update; 2014-2020, 4Q16 Update; 2015-2021, 4Q17 Update; 2016-2022, 4Q18 Update; 2017-2023, 4Q19 Update; 2018-2024, 4Q20 Update; 2019-2025, 4Q21 Update; 2020-2026, 3Q22 Update.
Gartner Market Databook - 4Q12 Update; 4Q13 Update; 4Q14 Update; 4Q15 Update; 4Q16 Update; 4Q17 Update; 4Q18 Update; 4Q19 Update; 4Q20 Update; 4Q21 Update; 3Q22 Update.

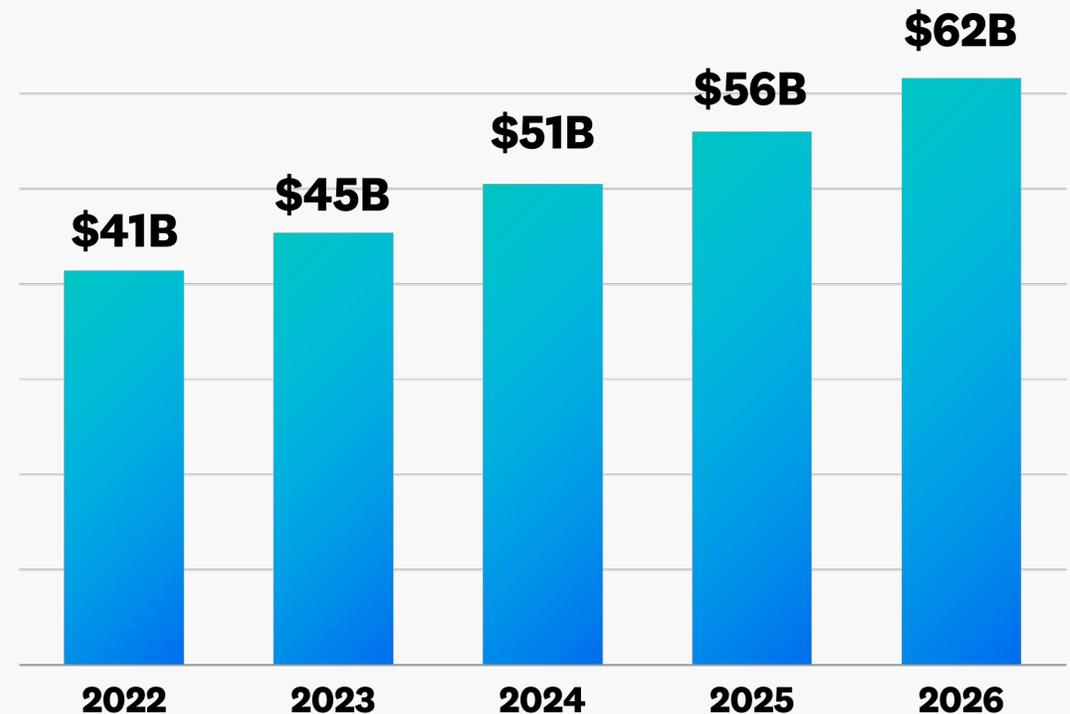
At our core, Observability is a very large opportunity

\$62B

in 2026

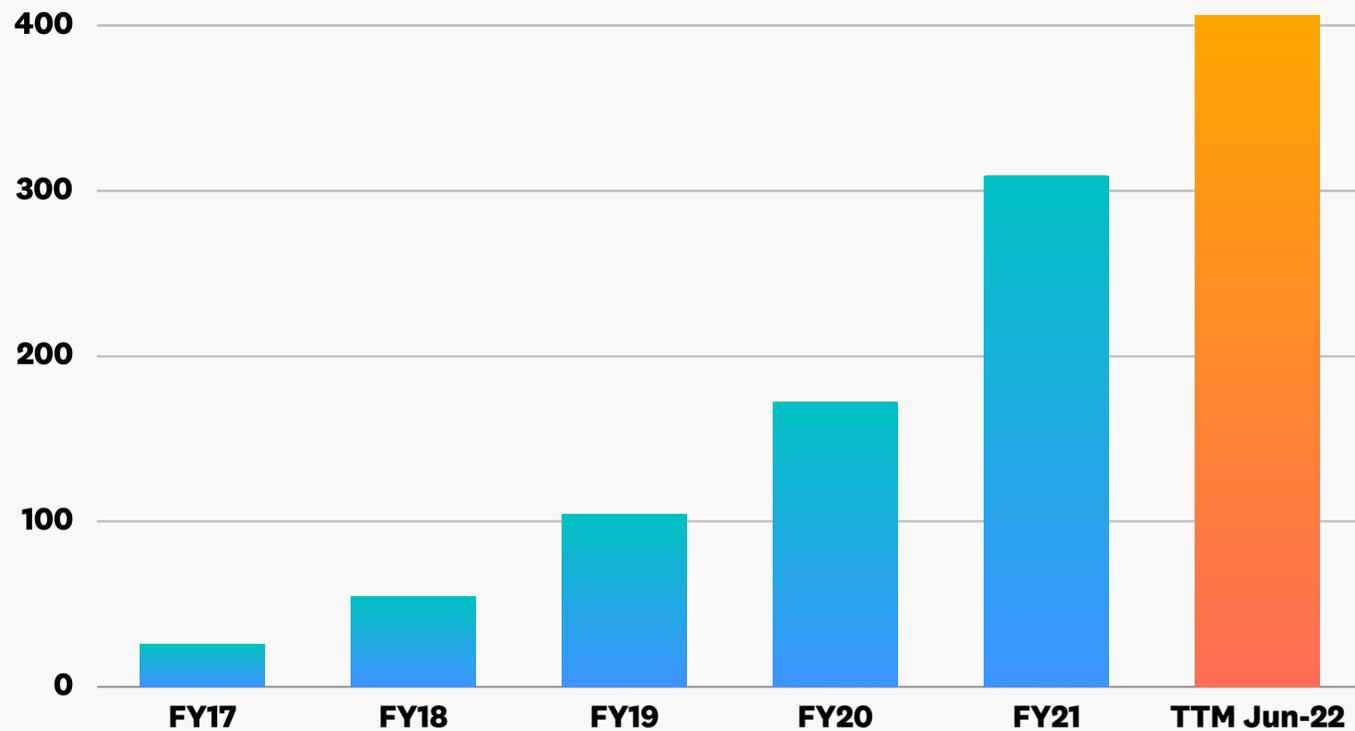
Gartner Forecast: Enterprise Infrastructure Software, Worldwide, 2020-2026, Q22 Update.
Published June, 2022. IT Operations Market.

Datadog Observability TAM (\$B's)



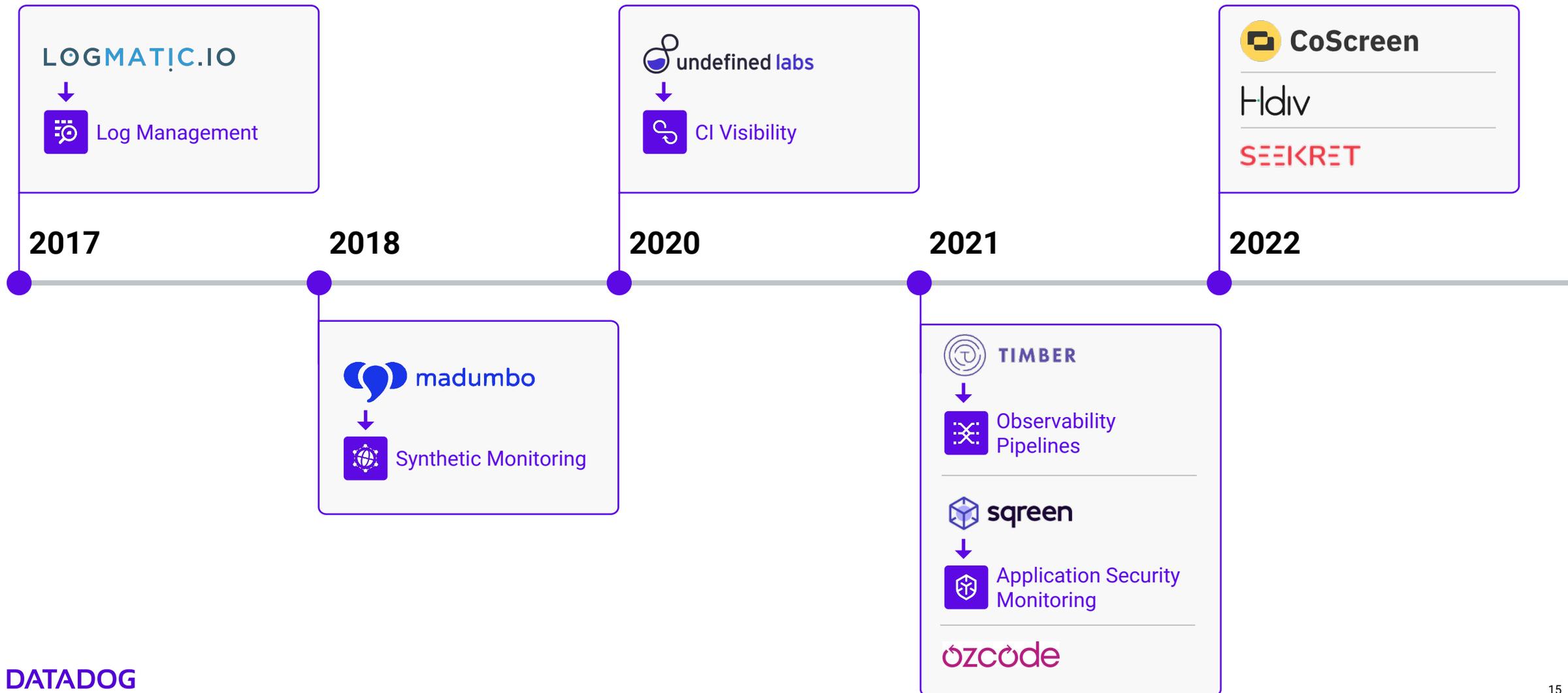
We are investing organically against these opportunities

Datadog Non-GAAP R&D Expense (\$M's)

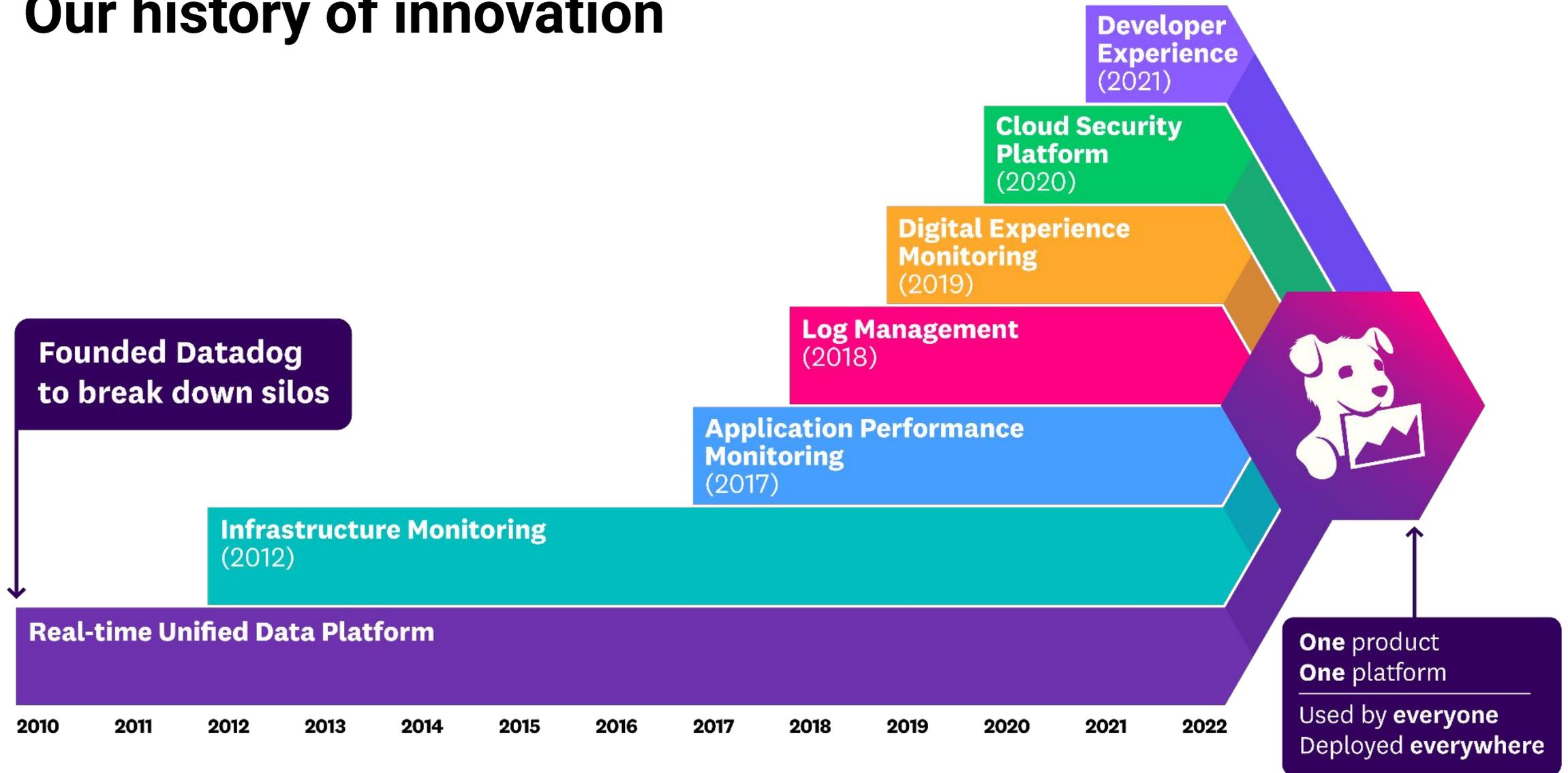


Accelerating organic investment with acquisitions

Acquisitions have accelerated time-to-market in **five** of our **sixteen** generally available products

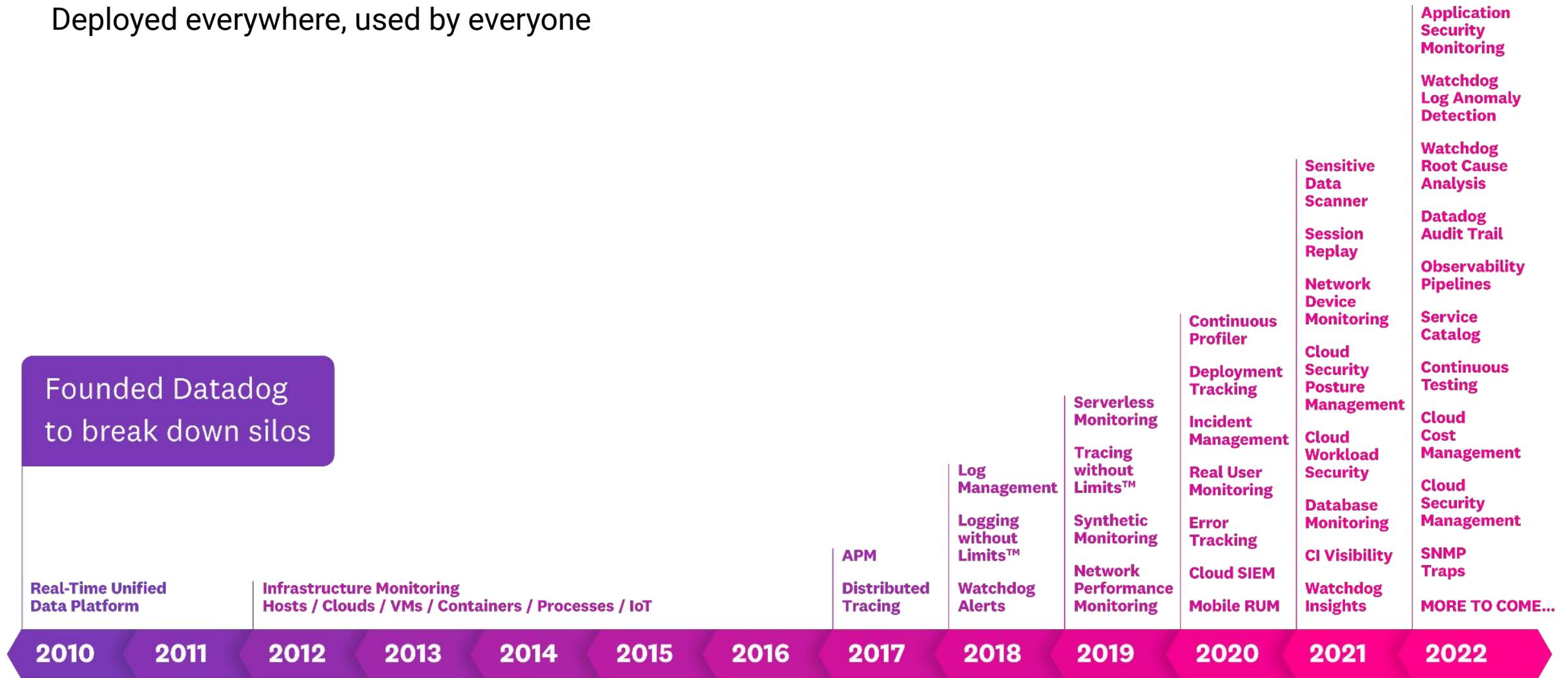


Our history of innovation



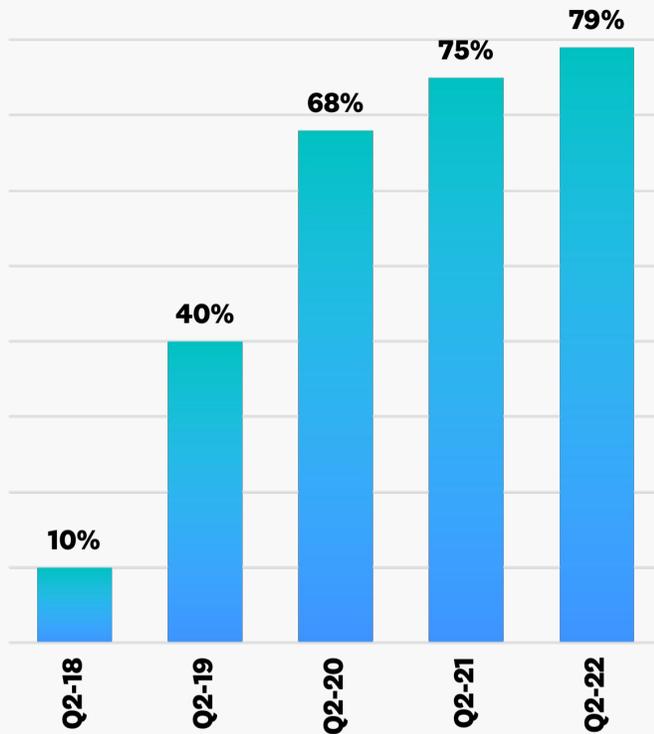
Our history of innovation

Deployed everywhere, used by everyone

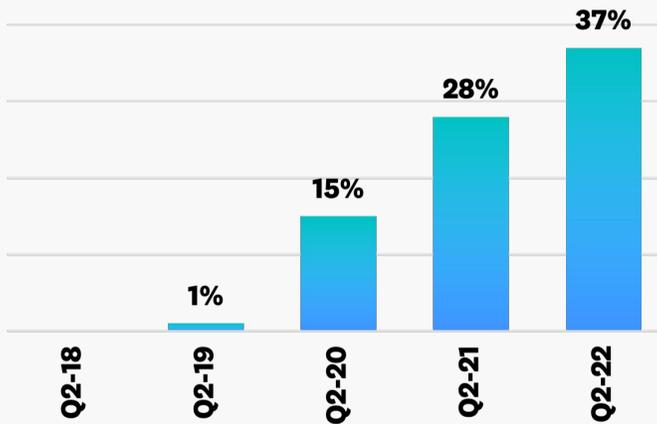


Platform strategy is resonating with customers

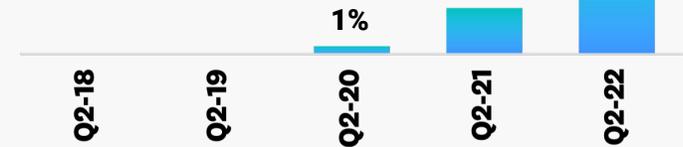
Customers using 2+ products



Customers using 4+ products



Customers using 6+ products



Dash 2022 announcements

PRODUCT/FEATURE	PRODUCT AREA	PHASE
Cloud Cost Management	Platform	General Availability
Cloud Security Management	Security	General Availability
Continuous Testing	CI Visibility / Synthetics	General Availability
SNMP Traps	Network Device Monitoring	General Availability
Powerpacks	Platform	General Availability
Log Forwarding	Log Management	Limited Availability
CoScreen	Platform	Limited Availability
Netflow Monitoring	Network Device Monitoring	Beta
Mobile App Testing	Synthetics	Beta

PRODUCT/FEATURE	PRODUCT AREA	PHASE
Heatmaps	Real User Monitoring	Beta
Intelligent Test Runner	CI Visibility	Beta
Workload Security Profiling	Cloud Security Management	Beta
Resource Catalog	Cloud Security Management	Beta
Native Protection	Application Security Monitoring	Beta
Workflow Automation	Platform	Beta
Event Correlation	Platform	Beta
Data Stream Monitoring	APM	Beta
Dynamic Instrumentation	APM	Beta

Q&A

Olivier Pomel

CEO & Co-founder

David Obstler

CFO

Yuka Broderick

VP, Investor Relations &
Strategic Finance

Omri Sass

Group Product Manager, Application Performance Monitoring

What we'll cover today

1

Discover an issue, find the source of the problem, and fix it

 **Session Replay / Real User Monitoring (RUM)**

 **Application Performance Monitoring (APM)**

 **Infrastructure Monitoring**

 **Log Management**

2

Monitor system health

 **Dashboards**

 **Host Map, Service Map, and other broader views**

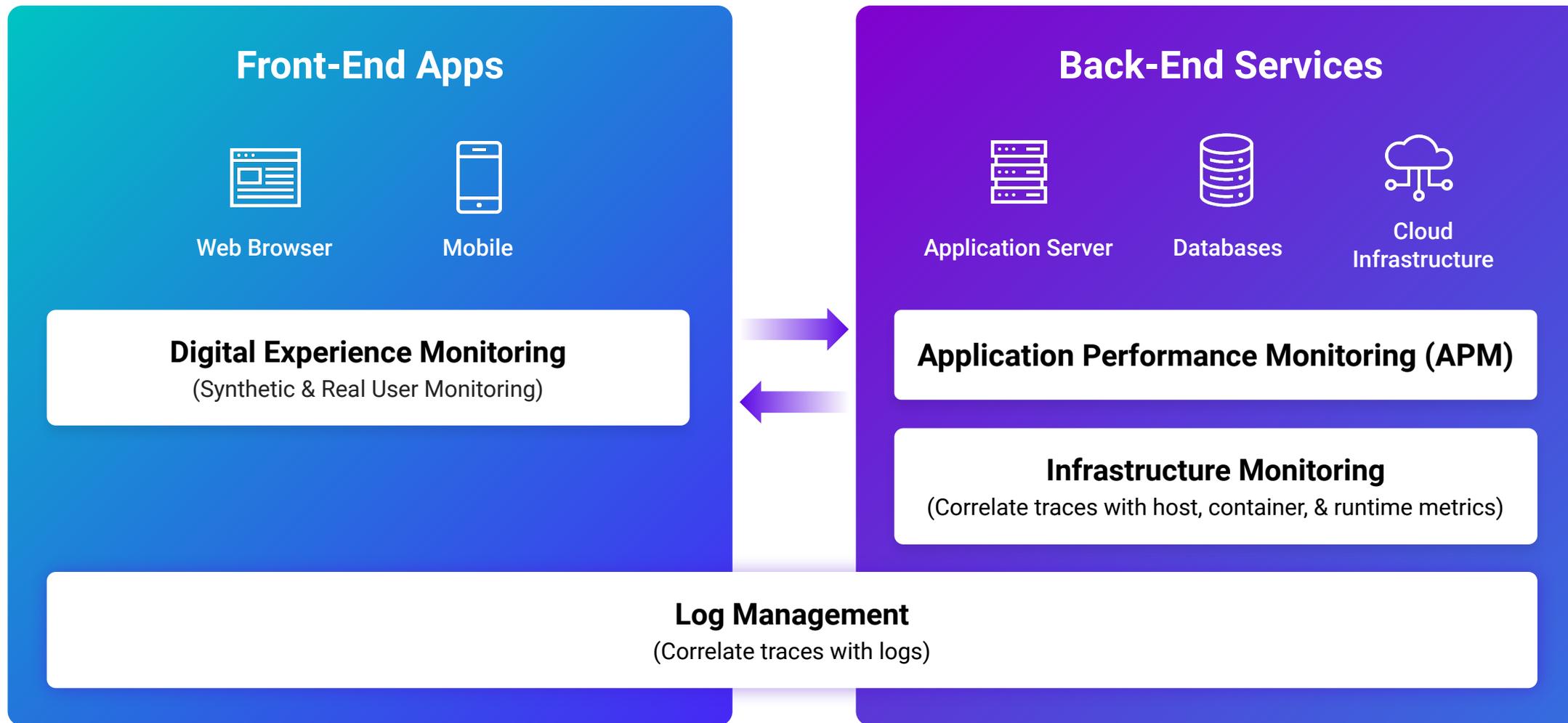
 **600+ Integrations**

3

Reduce problem resolution time with AI

 **Watchdog**

Identify an issue and fix it



The Datadog platform



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Watchdog AI

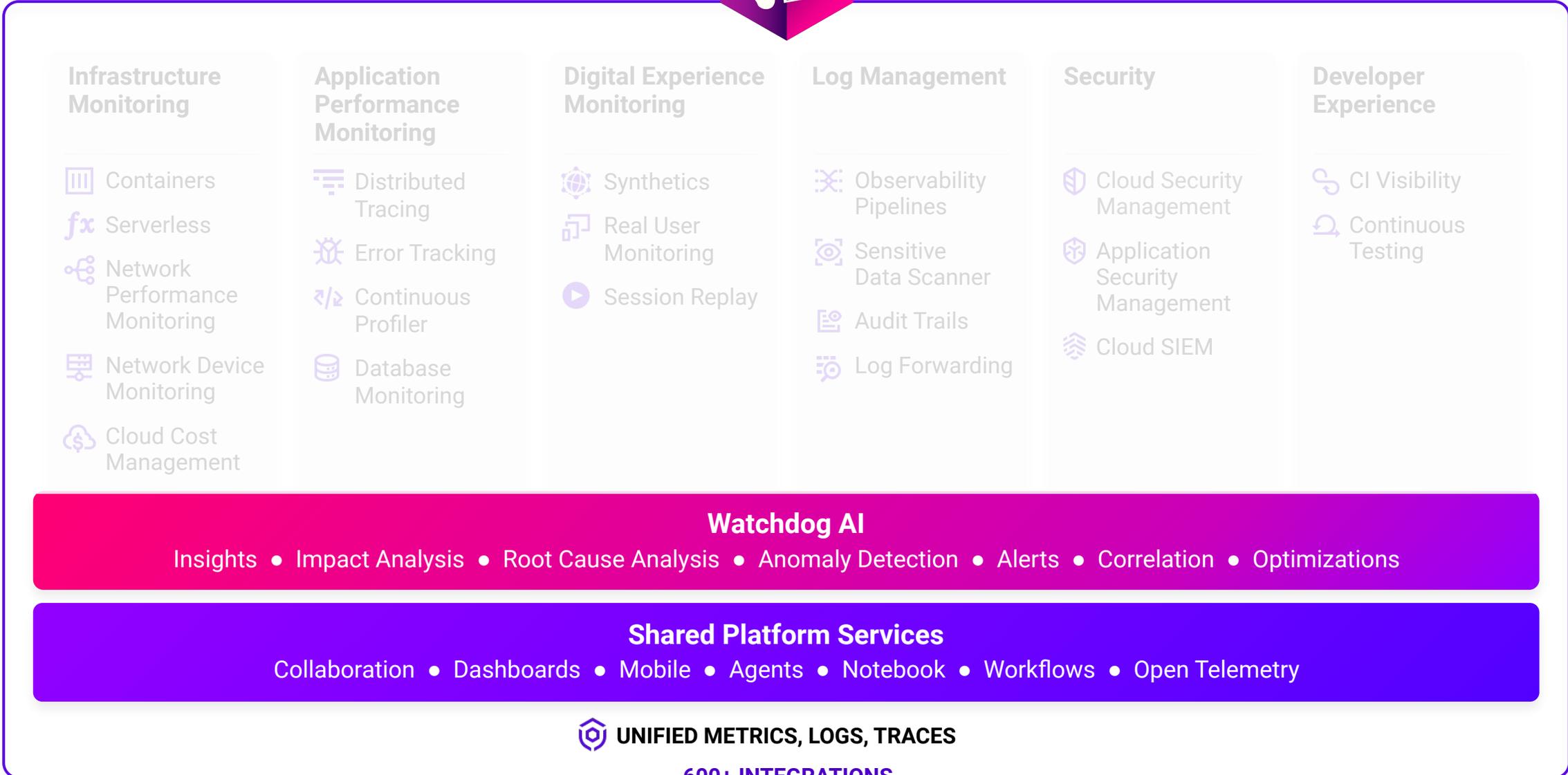
Insights • Impact Analysis • Root Cause Analysis • Anomaly Detection • Alerts • Correlation • Optimizations

Shared Platform Services

Collaboration • Dashboards • Mobile • Agents • Notebook • Workflows • Open Telemetry

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Q&A

Amit Agarwal

President

Omri Sass

Group Product Manager,
Application Performance
Monitoring

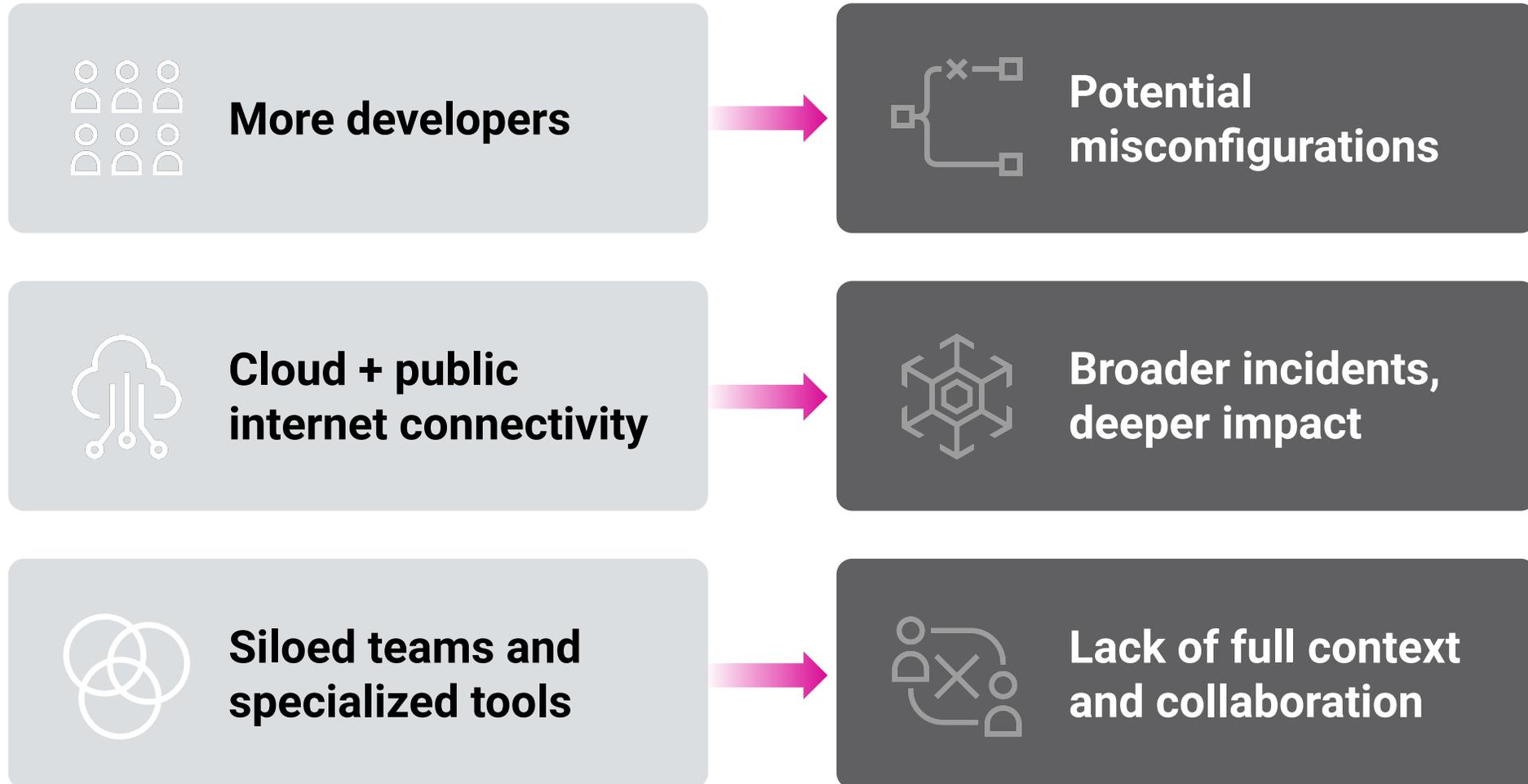
Yuka Broderick

VP, Investor Relations &
Strategic Finance

Prashant Prahlad

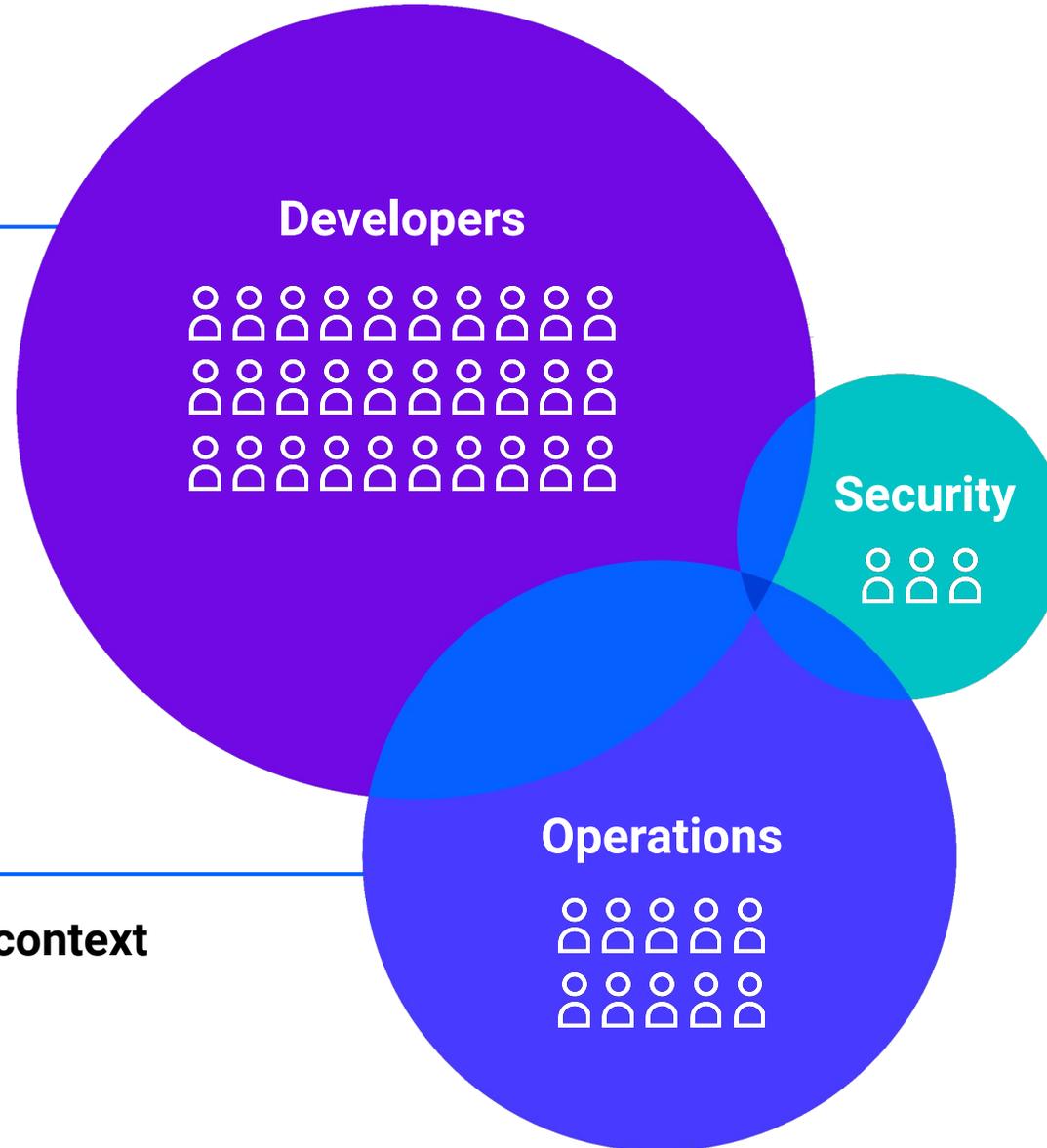
VP, Product Management, Cloud Security Products

Cloud Security: Why is this difficult?



Many teams are involved in cloud security

- Mitigate code-level vulnerabilities
- By far the largest team



- Observability context
- Large team

- Broad security context
- Cannot scale specialists

Why Datadog for cloud security



Break down silos between DevOps and Security



Datadog has the richest, deepest data



No additional friction or performance penalty to instrument, no data tax

Datadog Cloud Infrastructure Security Products – 2021

**Cloud Security
Posture
Management**



**Cloud
Workload
Security**



Adding Resource Catalog

Cloud Security
Posture
Management



Cloud
Workload
Security



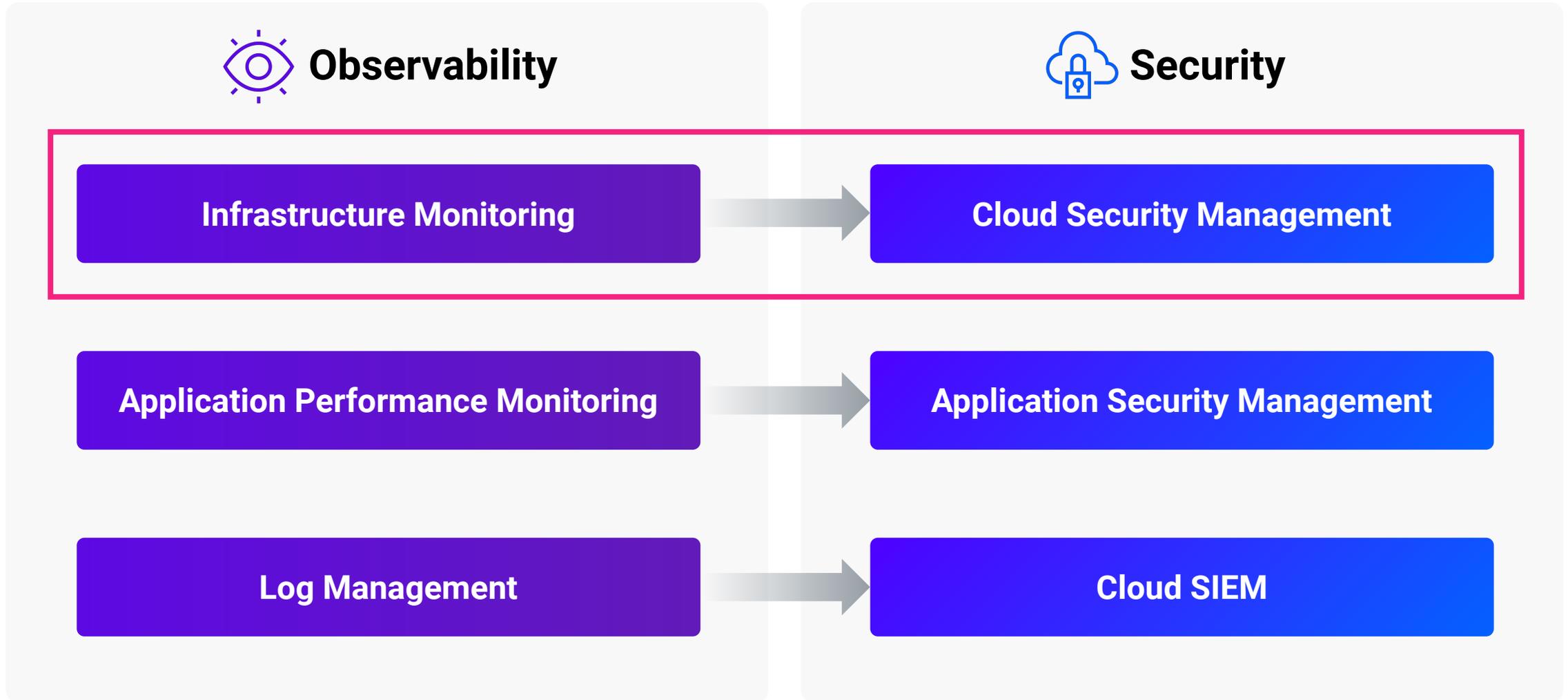
Resource Catalog

Introducing

Cloud Security Management

Cloud Native Application Protection Platform (CNAPP)
Securing cloud native applications from development to runtime

Datadog Security products



What we covered today

1

Security and DevOps teams resolve security threats in minutes...

- Identify attacks on critical infrastructure
- Drill down with deep observability insights
- Resolve with the appropriate owners

2

... while DevOps teams get unprecedented visibility

- Gain visibility into cloud resource inventory
- Prioritize risks to mitigate
- Proactively improve security posture

Also announced at Dash:

Application Security Management Native Protection

Q&A

Pierre Betouin

SVP, Product Management,
Security

Prashant Prahlad

VP, Product Management,
Cloud Security

Yuka Broderick

VP, Investor Relations &
Strategic Finance

Thank you!

For questions or additional information, please email ir@datadoghq.com



DATADOG

Appendix - GAAP to Non-GAAP reconciliation

(\$000's)	FY17	FY18	FY19	FY20	FY21	TTM (Jun-22)
Revenue	\$100,761	\$198,077	\$362,780	\$603,466	\$1,028,784	\$1,365,854
RESEARCH & DEVELOPMENT						
GAAP R&D expense	\$24,734	\$55,176	\$111,425	\$210,626	\$419,769	\$574,031
GAAP R&D expense as a % of revenue	25 %	28 %	31 %	35 %	41 %	42 %
Less: Share-based compensation expense	1,160	1,641	7,972	38,008	101,942	162,239
Less: Employer payroll taxes on employee stock transactions	—	—	1,157	2,836	8,143	10,397
Add: Other Non-GAAP adj. ⁽¹⁾	—	—	(2,344)	(2,729)	—	—
Non-GAAP R&D expense	\$23,574	\$53,535	\$104,640	\$172,511	\$309,684	\$401,395

(1) Non-cash benefit related to the release of a non-income tax liability.