

# Datadog Investor Meeting

October 27, 2021



**DATADOG**

# Safe Harbor

This presentation and accompanying oral presentation contain “forward-looking statements” based on our beliefs and assumptions formed from available information, including statements concerning our strategy and objectives, future operations, operating model, financial and competitive position, industry environment, potential growth and market opportunities, and customer trends.

Forward-looking statements include all statements that are not historical facts and can but may not always be identified by terms such as “anticipates,” “believes,” “could,” “seeks,” “estimates,” “targets,” “guidance,” “expects,” “intends,” “may,” “plans,” “potential,” “predicts,” “prospects,” “projects,” “should,” “will,” “would” or similar expressions and the negatives of those terms.

By their nature, these statements are subject to numerous uncertainties and risks, including factors beyond our control, that could cause actual results, performance or achievement to differ materially and adversely from those anticipated or implied in the statements. Please refer to our Quarterly Report on Form 10-Q for the quarter ended June 30, 2021 filed with the SEC on August 6, 2021, and future SEC filings, for a discussion of these risks and uncertainties, which include, among others, unfavorable market conditions or reductions in information technology spending, a decline in new customers, renewals or expansions, operating in competitive markets, failure to effectively develop and expand our sales and marketing strategy, failure to adapt and respond effectively to rapidly changing technology, evolving industry standards, changing regulations, changing customer needs, requirements or preferences, and identifying and successfully integrating strategic investments.

It is not possible for us 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 or outcomes to differ materially from those contained in any forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. Although our management believes that the expectations reflected in our statements are reasonable, we cannot guarantee that the events and circumstances described will be achieved or occur. Moreover, neither we, nor any other person, assumes responsibility for the accuracy and completeness of these statements. Recipients are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date such statements are made and should not be construed as statements of fact. Except to the extent required by federal securities laws, we undertake no obligation to update any information or any forward-looking statements as a result of new information, subsequent events, or any other circumstances after the date hereof, or to reflect the occurrence of unanticipated events.

This presentation and the accompanying oral presentation may also contain estimates and other statistical data made by independent parties and by us relating to market size and growth and other data about our industry. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. In addition, projections, assumptions, and estimates of our future performance and the future performance of the markets in which we compete are necessarily subject to a high degree of uncertainty and risk.

Terms such as “ARR,” “Net Retention Rate” and “Gross Retention Rate” shall have the meanings set forth in our SEC filings; provided, however, we updated the definition of MRR as of the quarter ended September 30, 2021 to capture usage from subscriptions with committed contractual amounts and applied this change retroactively.

This presentation also includes non-GAAP operating income. Non-GAAP financial measures have limitations as analytical tools and you should not consider them in isolation or as a substitute for or superior to their most directly comparable financial measures prepared in accordance with GAAP. There are a number of limitations related to the use of non-GAAP financial measures versus their nearest GAAP equivalents. Other companies, including companies in our industry, may calculate non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as a tool for comparison. We urge you to review the reconciliation of Datadog’s non-GAAP financial measures to the most directly comparable GAAP financial measures, and not to rely on any single financial measure to evaluate our business. See the Appendix for a reconciliation between non-GAAP operating income and revenue.

The information in this presentation on new products, features or functionality is intended to outline our general product direction and should not be relied upon in making a purchasing decision and shall not be incorporated into any contract. Such information is not a commitment, promise or legal obligation to deliver any code or functionality. The development, release and timing of any features or functionality described for our products remains at our sole discretion.

# Agenda

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Industry drivers and our opportunity

**Olivier Pomel** CEO & Co-founder

Datadog design choices and differentiators

**Alexis Lê-Quôc** CTO & Co-founder

Infrastructure Monitoring, our platform, and Datadog for developers

**Ilan Rabinovitch** SVP, Product & Community

APM and Log Management

**Renaud Boutet** SVP, Product Management

Cloud Security Platform

**Pierre Betouin** VP, Product Management, Sqreen Co-founder

Break (~15 minutes)

Customer focus and pricing philosophy

**Amit Agarwal** Chief Product Officer

Go-to-market

**Adam Blitzler** COO

Financial takeaways

**David Obstler** CFO

Q&A session

**Olivier Pomel** CEO & Co-founder  
**Alexis Lê-Quôc** CTO & Co-founder  
**David Obstler** CFO  
**Yuka Broderick** Head of Investor Relations

The background is a solid purple color with a complex, abstract geometric pattern of thin white lines. These lines intersect to form various polygons, including squares and rectangles, some of which are tilted or rotated. The pattern is dense and covers the entire background.

**Olivier Pomel**

Co-Founder & CEO

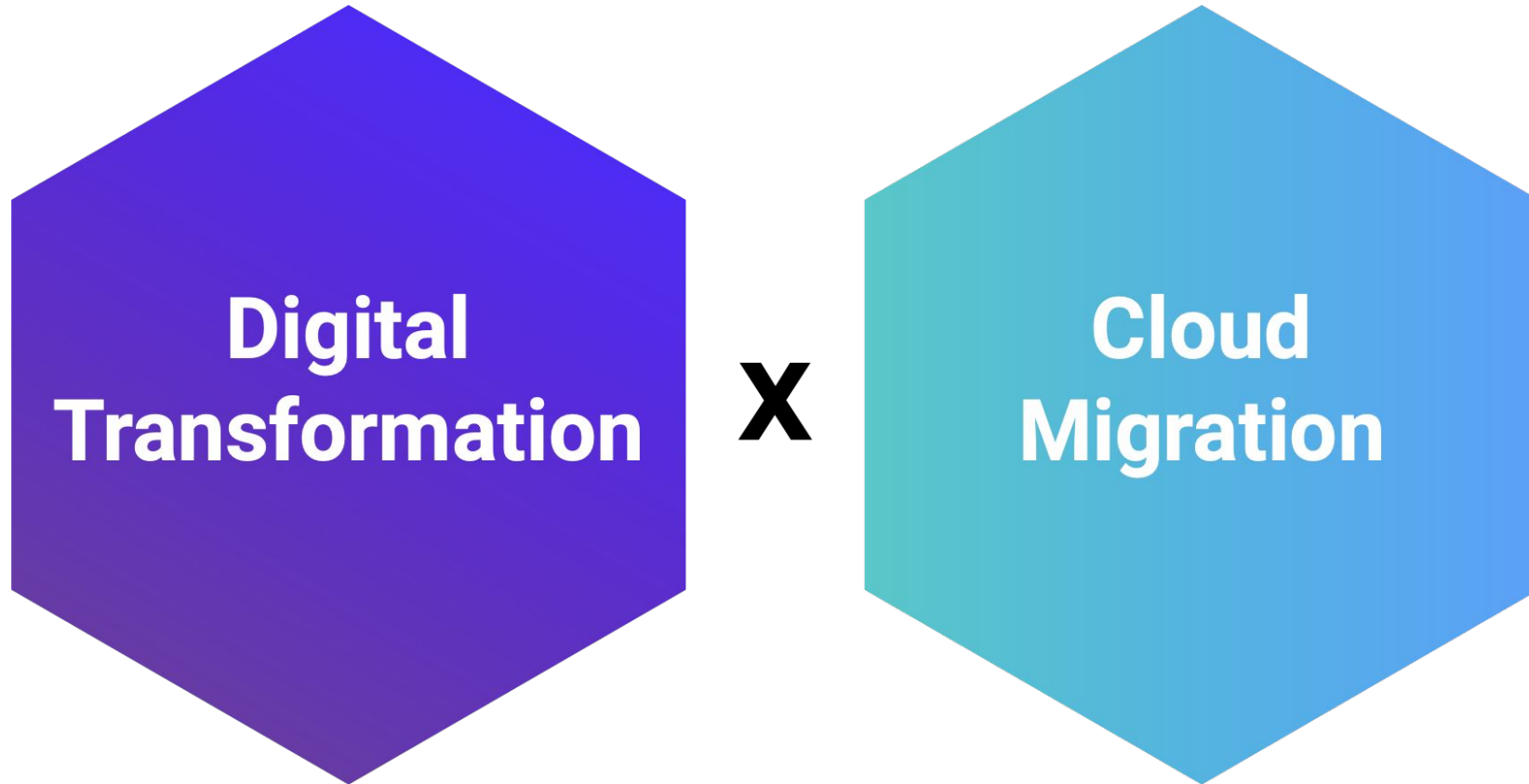
# Dash Announcements

PRODUCT	STATUS
<b>CI Visibility</b>	General Availability
<b>Session Replay</b>	General Availability
<b>Funnel Analysis</b>	General Availability
<b>Network Device Monitoring</b>	General Availability
<b>Datadog Apps</b>	General Availability

PRODUCT	STATUS
<b>Online Archives</b>	Limited Availability
<b>Observability Pipelines</b>	Private Beta
<b>Application Security</b>	Private Beta
<b>Universal Service Monitoring</b>	Private Beta
<b>Cloud Cost Management</b>	Private Beta

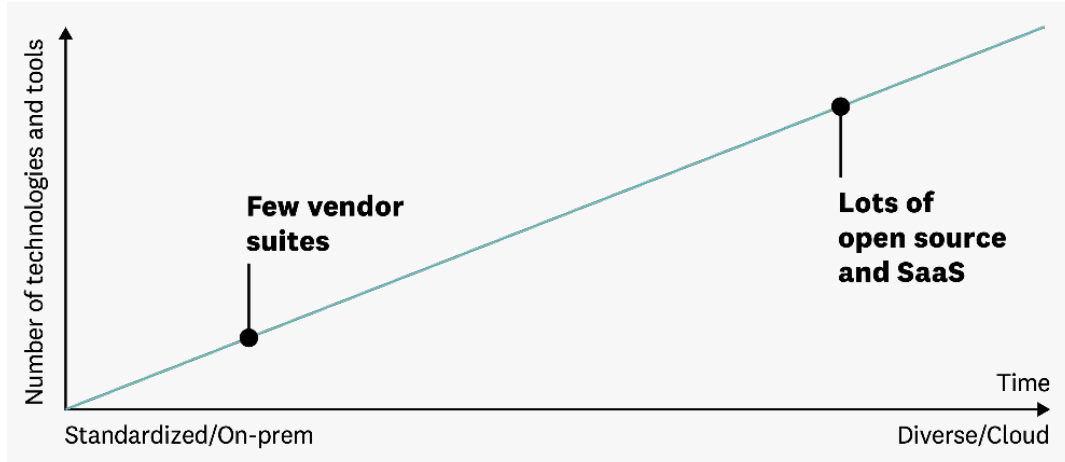
# What's happening today in IT

# Two broad and deep transitions

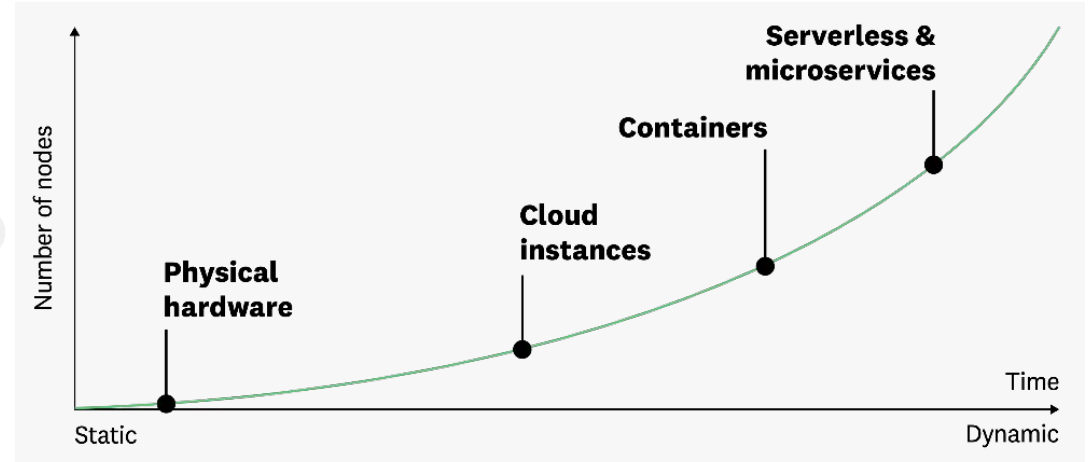


# An explosion of complexity

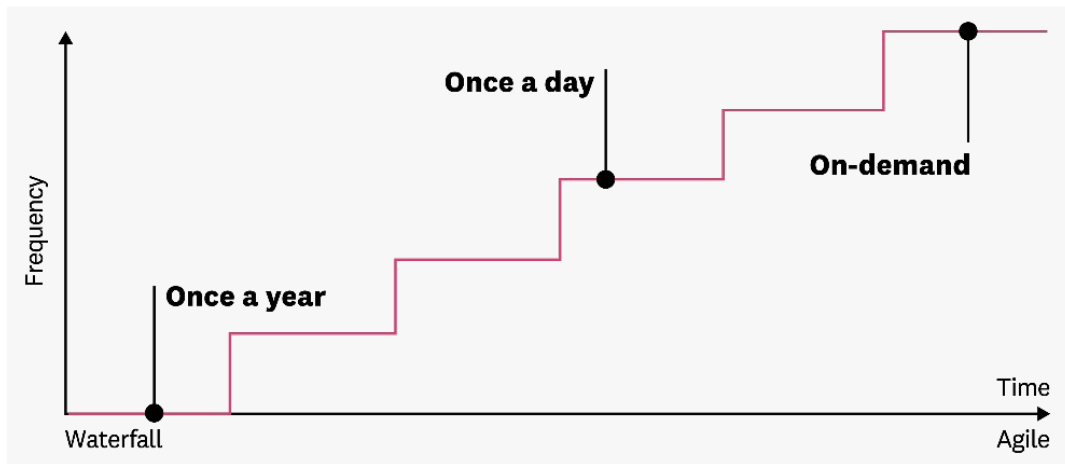
## Diversity of technologies in use



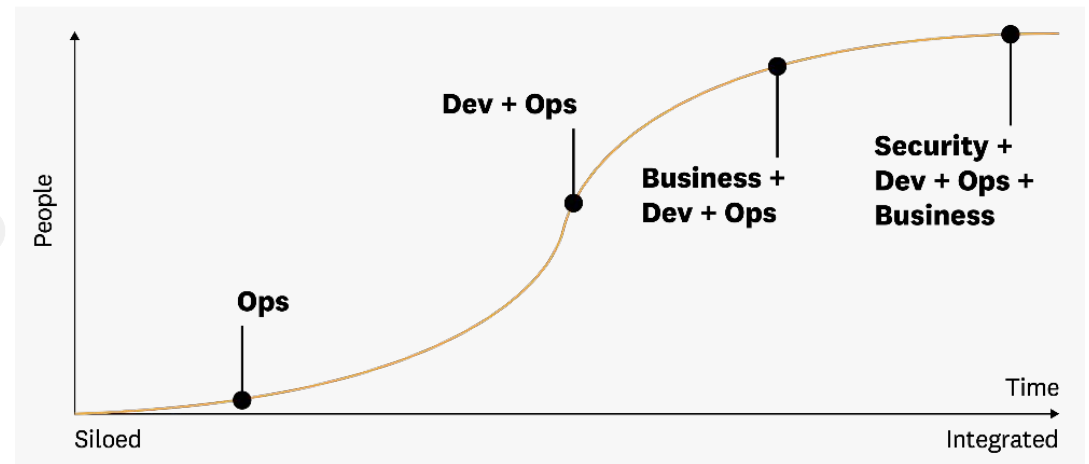
## Scale in number of computing units



## Frequency of releases



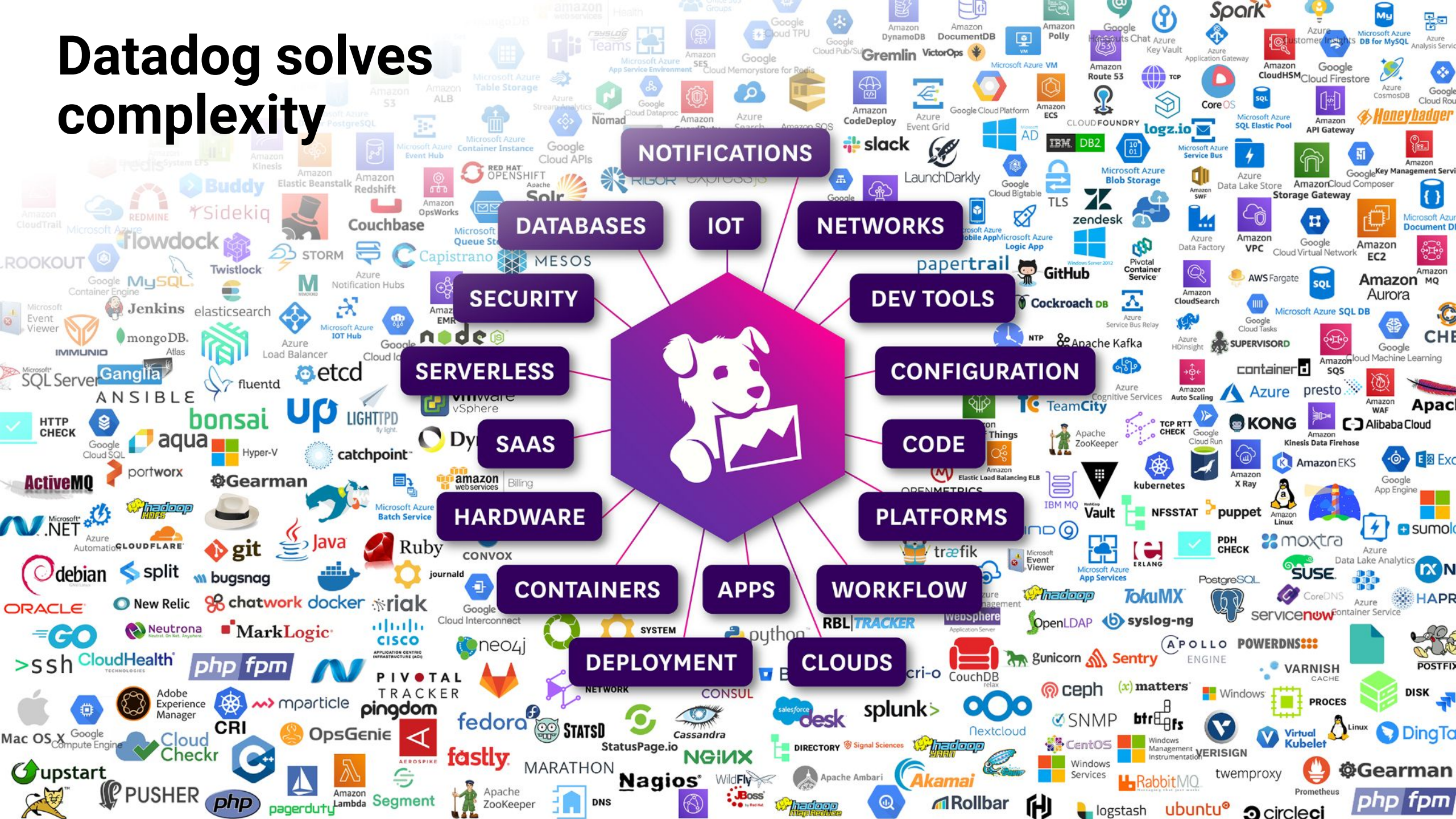
## Number of people involved



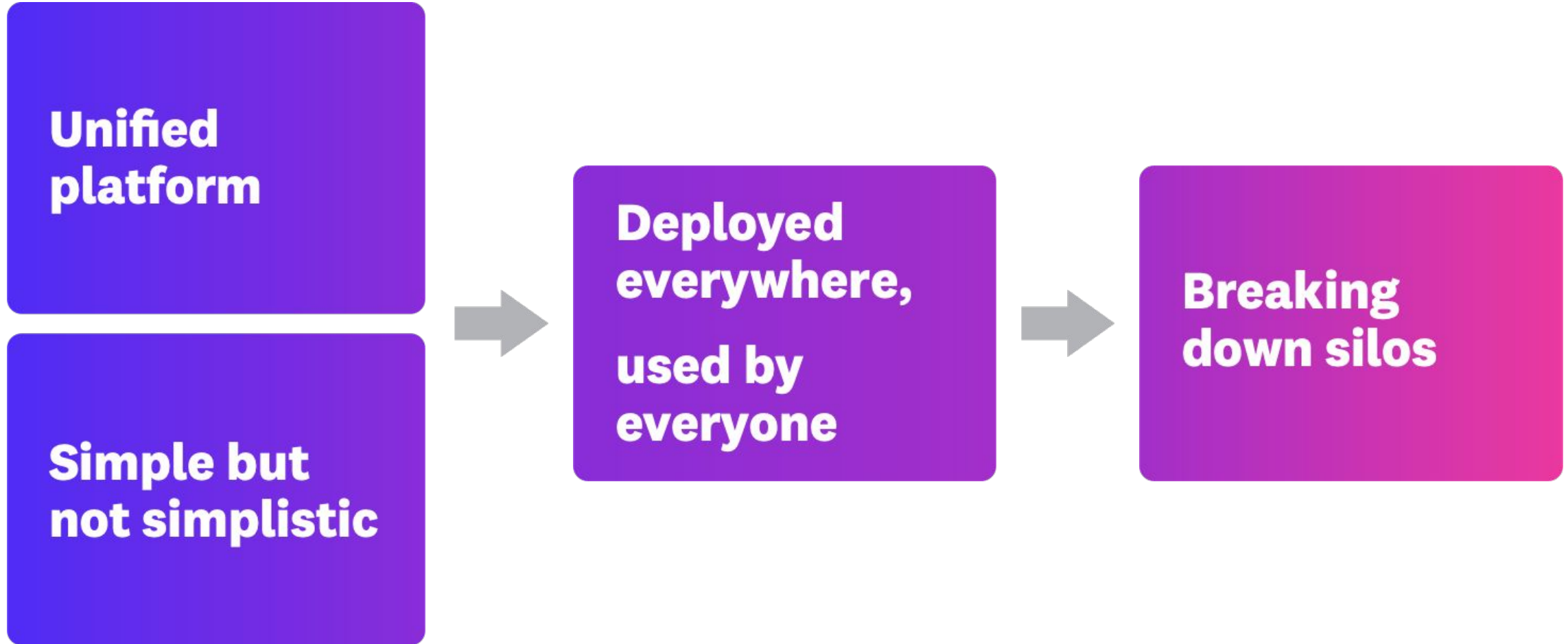


# Why Datadog?

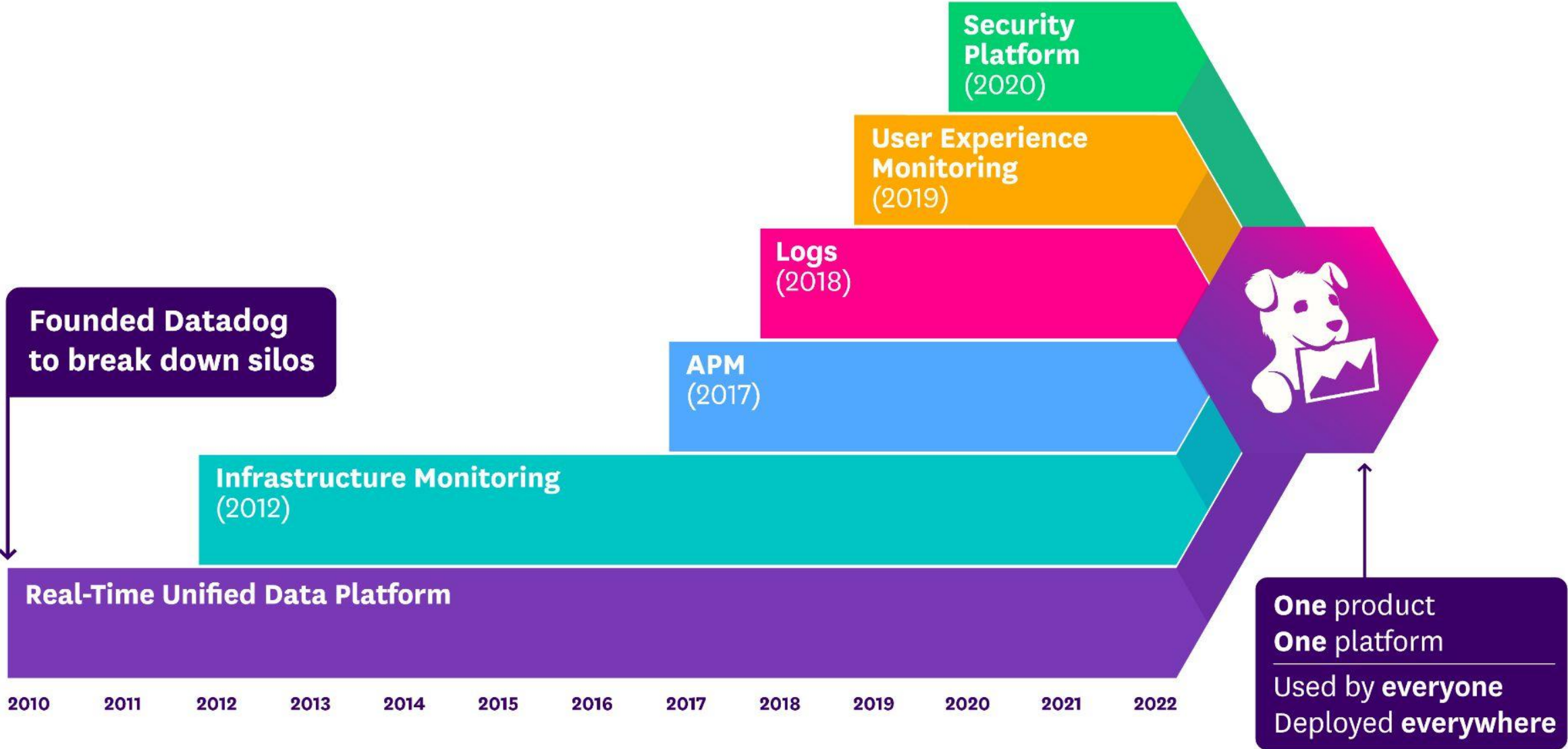
# Datadog solves complexity



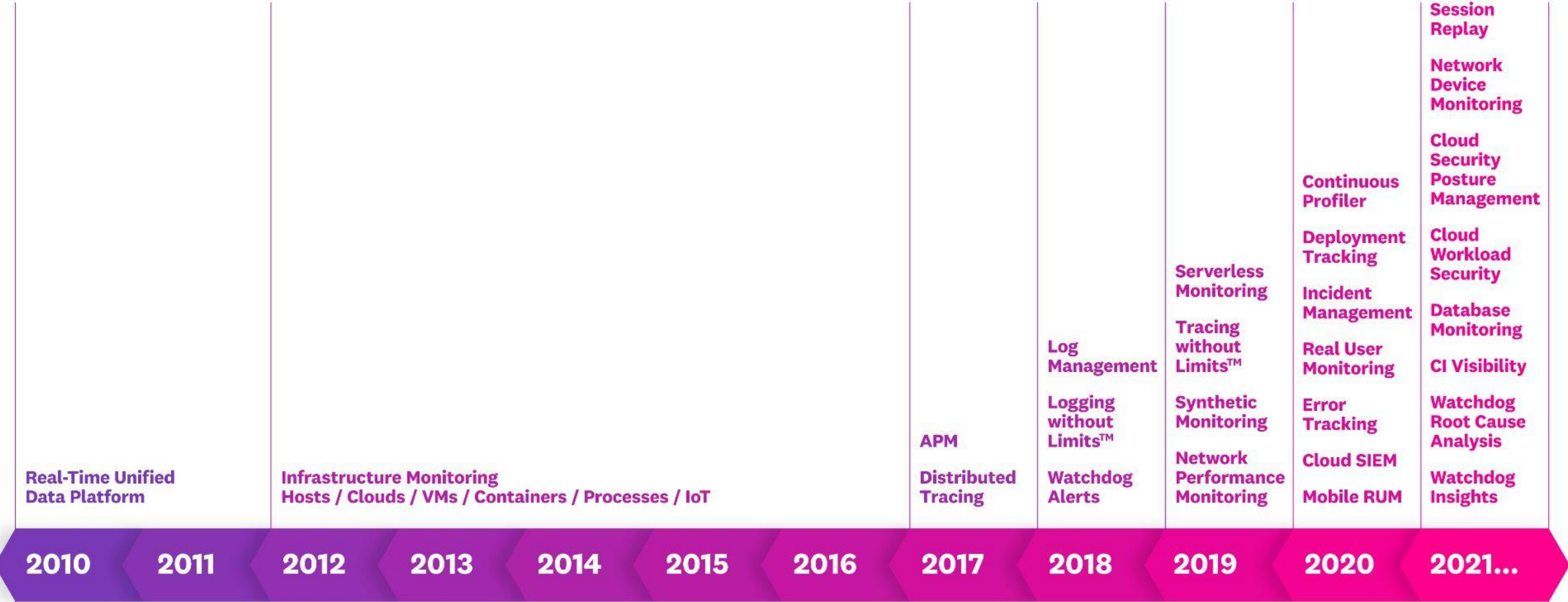
# Datadog breaks down silos



# Our history of innovation



# Our history of innovation



 **Founded Datadog to break down silos**

**Deployed everywhere, used by everyone**

# Our opportunity

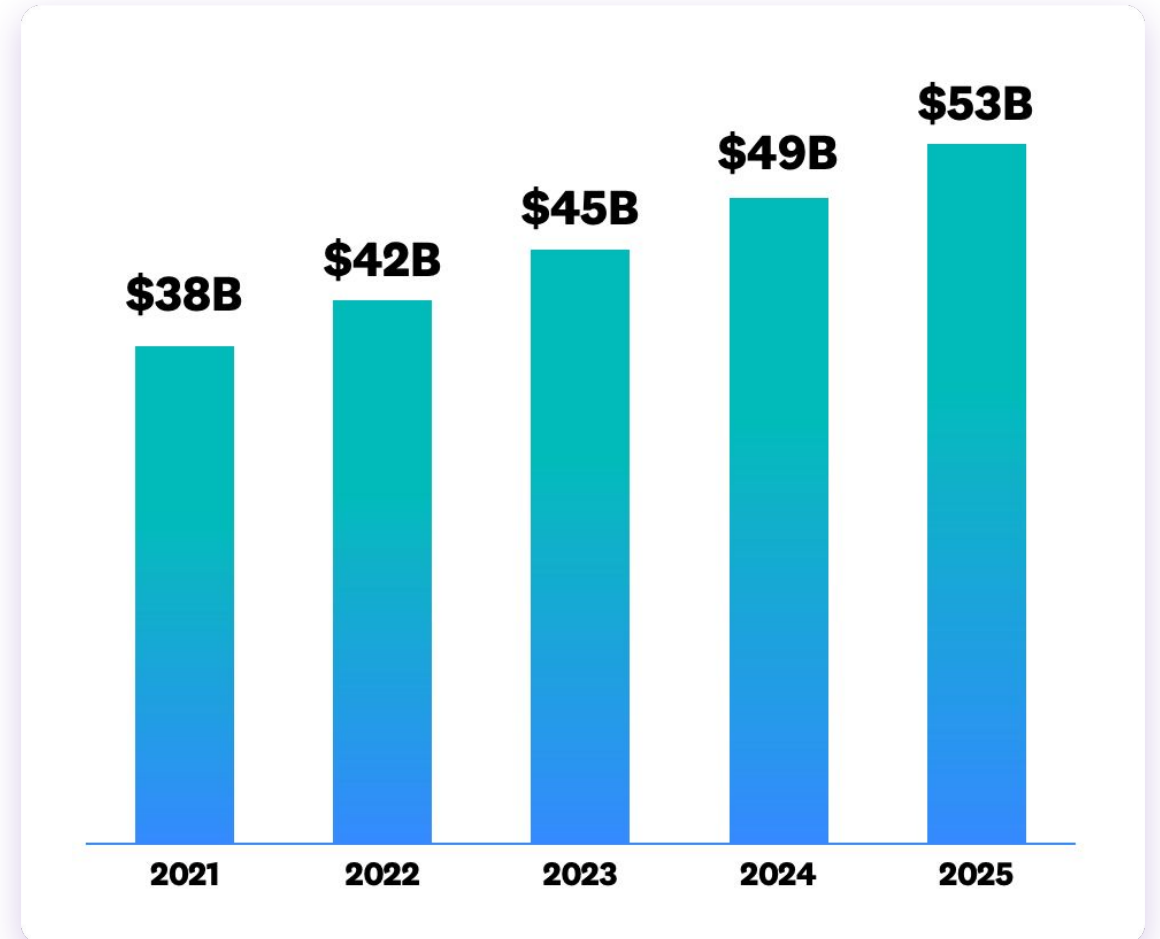
# At our core, Observability is a very large opportunity

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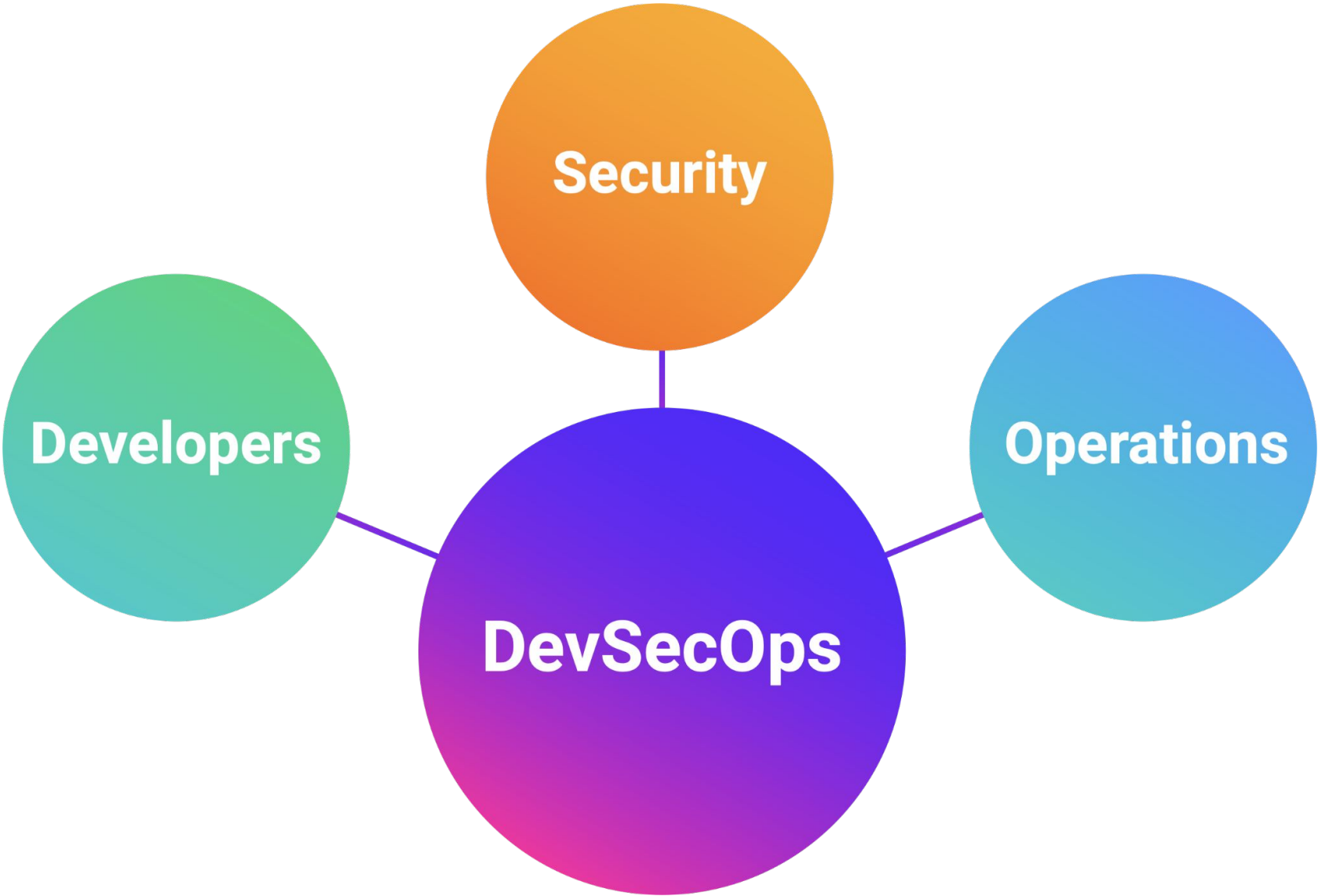
**\$53B**  
**in 2025**

Gartner Forecast: Enterprise Infrastructure Software, Worldwide, 2019-2025, 3Q21 Update, published September, 2021.

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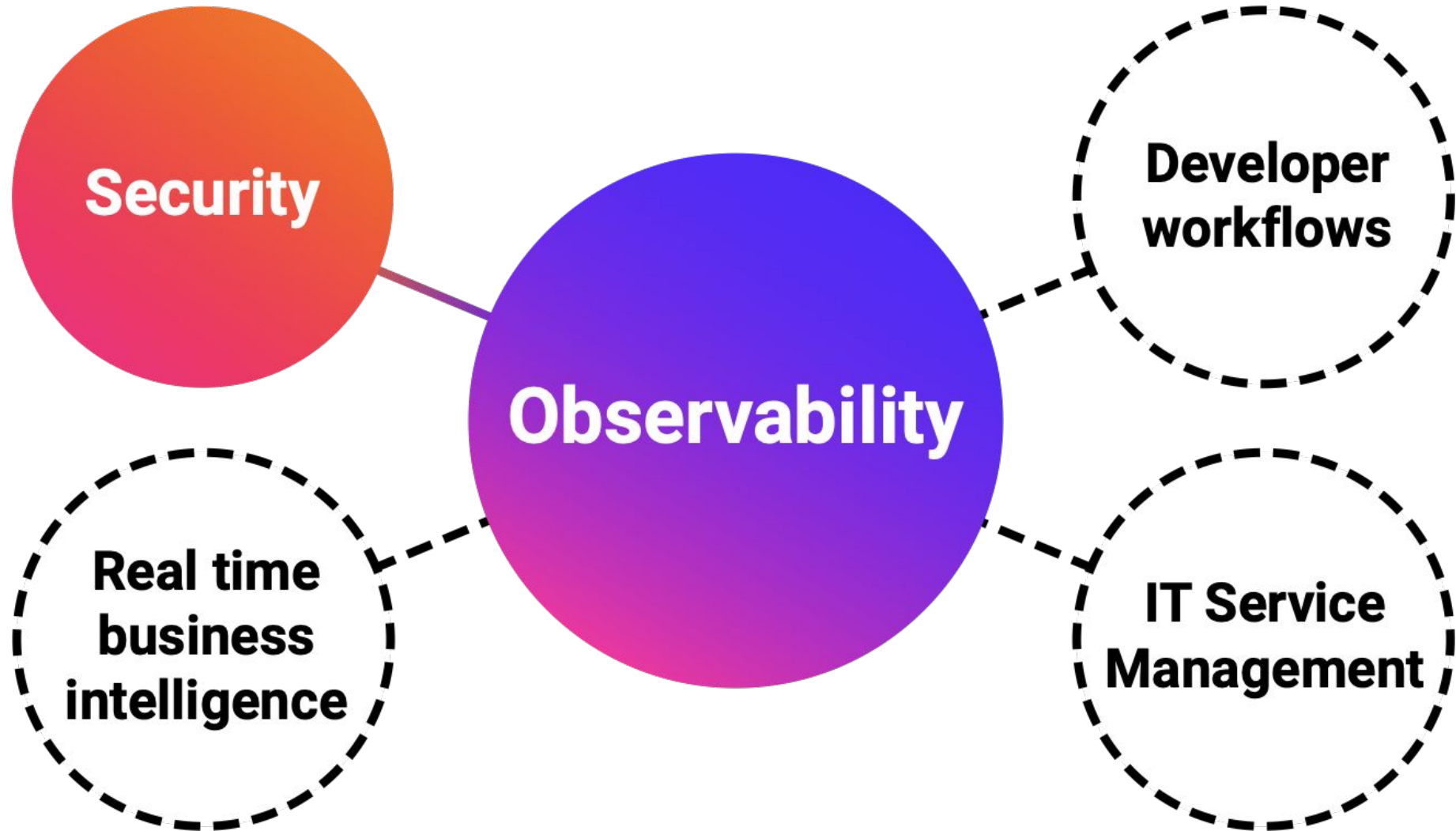


# Our security opportunity





# Future opportunities



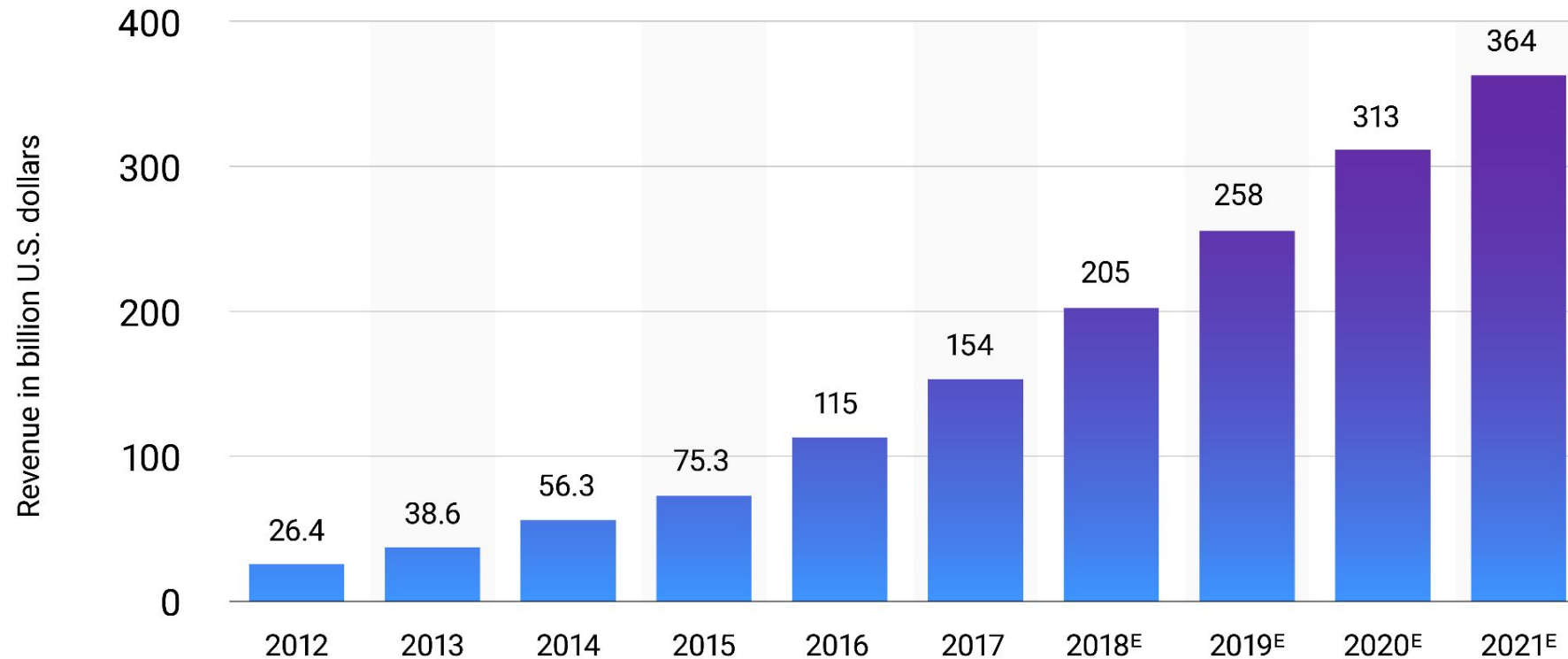


**Alexis Lê-Quốc**

Co-Founder & CTO

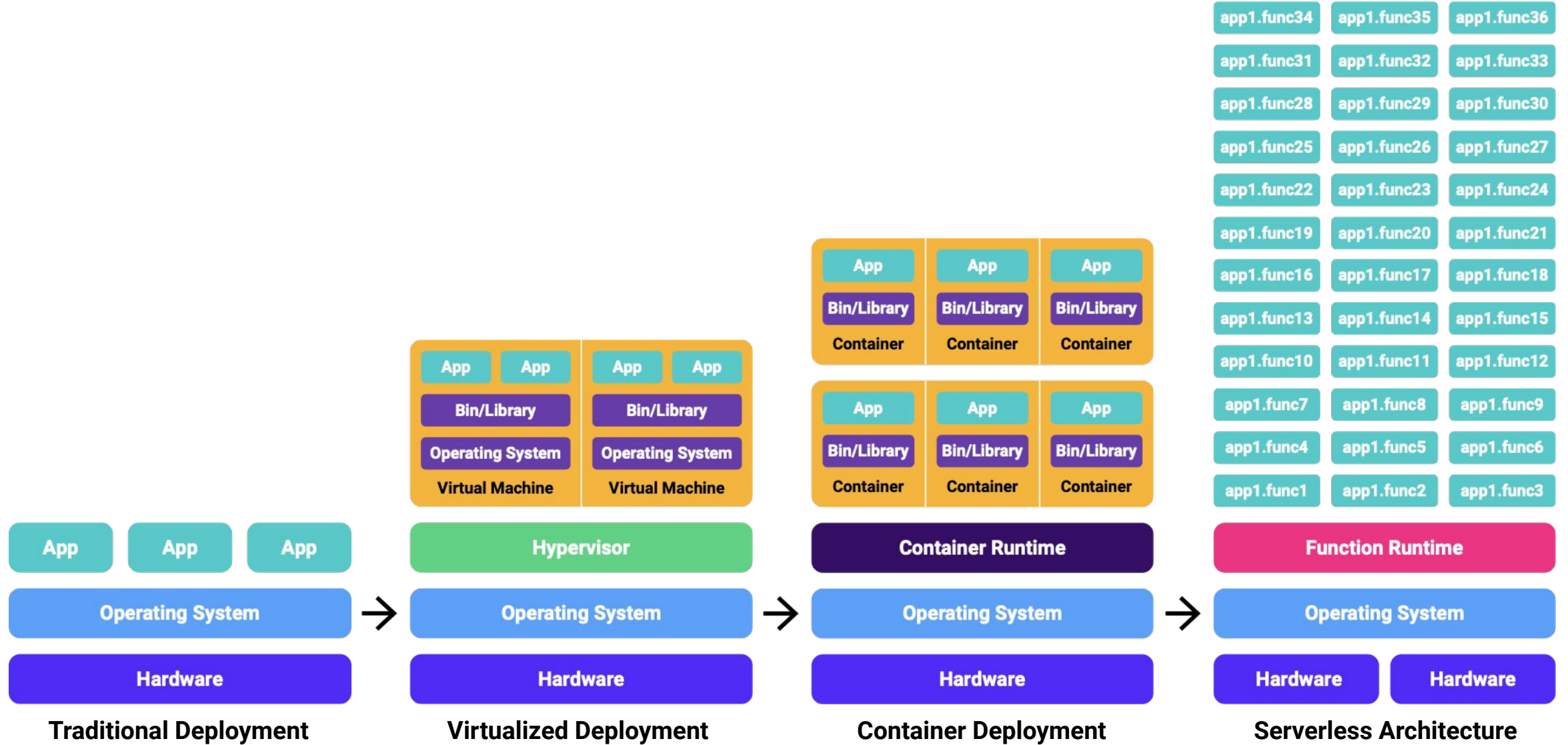
# Public cloud revenue expansion

Public cloud market revenue worldwide from 2012 to 2021E (in billion U.S. dollars)



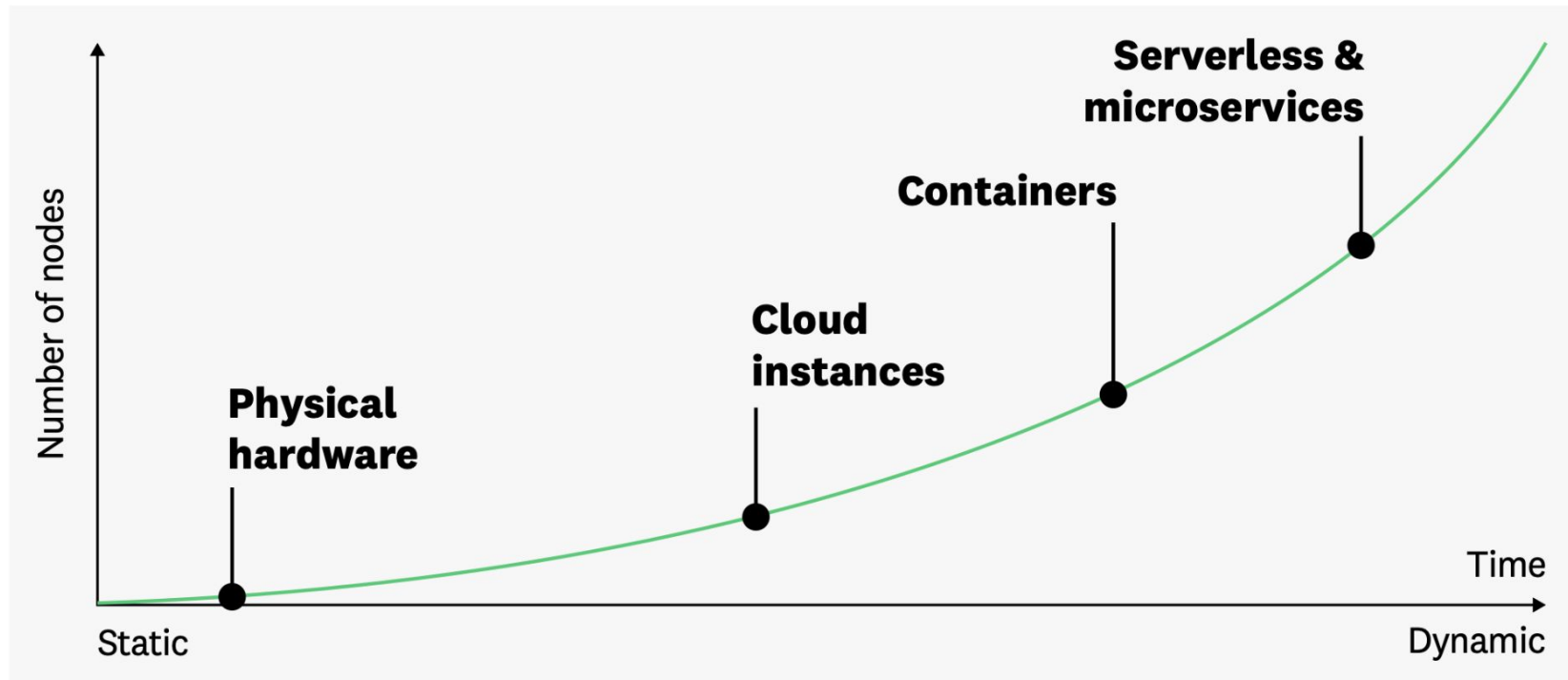
Source: <https://www.statista.com/statistics/477702/public-cloud-vendor-revenue-forecast/>

# Increasingly complex software deployments

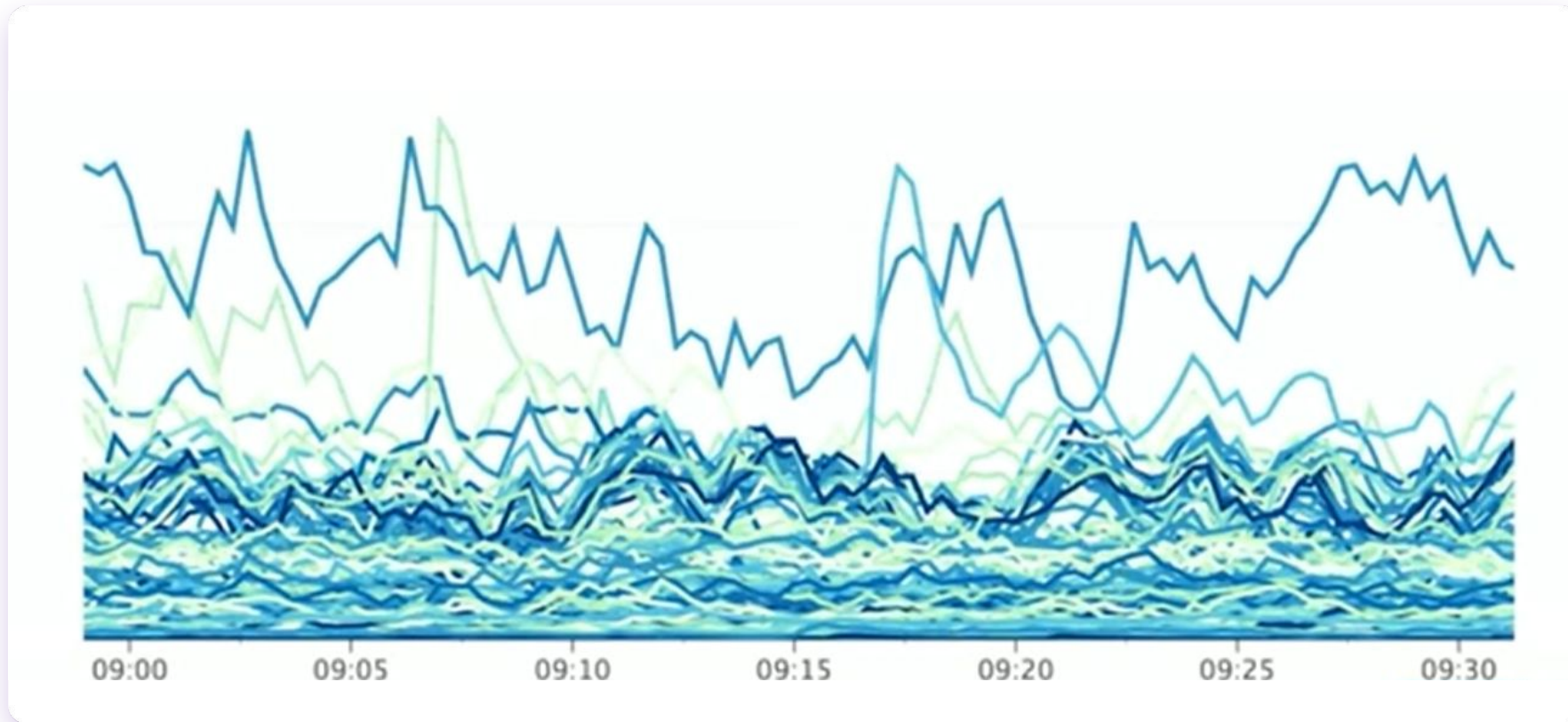


# Increasingly numerous and ephemeral compute units

## Scale in number of computing units



# Legacy tagging: labeled by unique identifier



**Overwhelming...**

# Next-gen tagging: labeled by category or property



Tag by:

Cloud Vendor

Availability Zone

Environment

Service

Version

Custom Tags:  
Customer-defined

# Unified tagging

The screenshot displays the Datadog interface for a host. On the left, under 'Apps (click to see metrics)', a dashed hexagon contains several application tags: 'aws', 'chef', 'consul', 'goshe', 'kafka', 'ntp', and 'system'. The middle section shows 'Agent' (Datadog Agent: v5.7.1), 'System' (GNU/Linux - 2 CPU - 4 vCPU - 10.230.198.93 - 14.69GB - 93.56GB), and 'Metrics (as of 2 mins ago)' with a bar chart for '% CPU utilized' at 36%. On the right, the 'Tags' section is highlighted with a pink box and contains a list of tags: '#env:prod', '#kafka\_cluster:cold', '#role:common-node', '#role:encrypted-storage', '#role:hauk-evaluator', and '#role:monitoring-client'. Below this, the 'AWS' section lists tags like '#account:prod', '#availability-zone:us-east-1a', '#creator:caleb\_datadoghq.com', '#image:ami-d7d165bc', '#instance-type:m3.xlarge', '#kernel:none', '#name:hauk-evaluator', '#region:us-east-1', '#security-group-name:prod-backend', and '#security-group:sg-1e51ef77'. A 'User' section with an 'Edit Tags' button is also visible. A pink line points from the text 'Tags automatically added' to the AWS tags section.

## Why use tags?

- More intuitive
- Flexible and scales with hosts or containers
- Simplified searching and filtering
- Aggregate metrics on the fly

## Why it matters:

Tagging binds different data types in Datadog, allowing for correlation and calls-to-action among metrics, traces, and logs



Trace ID trace\_id:2923558922422553706

# One-click pivot between metrics, traces, and logs

↑ DATE	SERVICE	HOST
Feb 12 11:54:57.236	web-store	i-08bafa8285f6bce19
Headers:HTTP_VERSION=1.1 HTTP_HOST='rails-stg' HTTP_ACCEPT_ENCODING='gzip'		
Feb 12 11:54:57.248		
Checking token for customer=YCLT212F5B7ZPREDX4XHYJAW with session=6NR0VLNXTBA54ZKY11907DQ1 and capturing all current sessions the user.		
Feb 12 11:54:57.370	auth-dotnet	i-0e57860b977b5fd67
Found session with token=EFXXRMFPCZXPJBTUXJFNQIJ8		
Feb 12 11:54:58.343	auth-dotnet	i-0e57860b977b5fd67
Found session with token=9Q7KJY370VPXZGG5V3FB50ZH		
Feb 12 11:54:58.368	auth-dotnet	i-0e57860b977b5fd67
Found expired session with token=CX7CK66ZES6IF2A4RTQD68D9		
Feb 12 11:54:58.372	auth-dotnet	i-0e57860b977b5fd67

# Product innovation



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## Pragmatism

- Custom-develop vs. Open-source
- Build vs. Buy

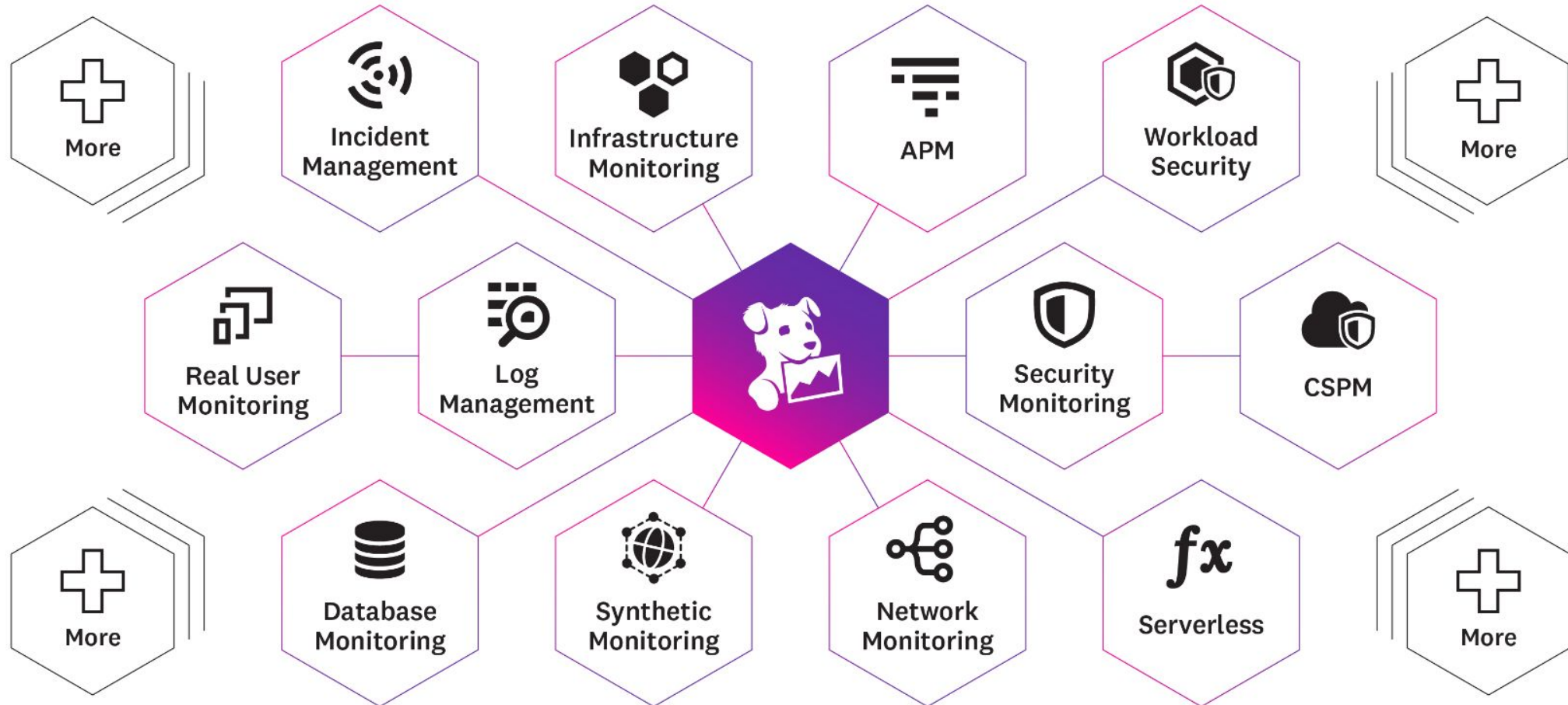


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## Always building new

- Learn new things, divert resources from established products, re-organize teams
- Rebuild regularly – avoid a maintenance/legacy mentality

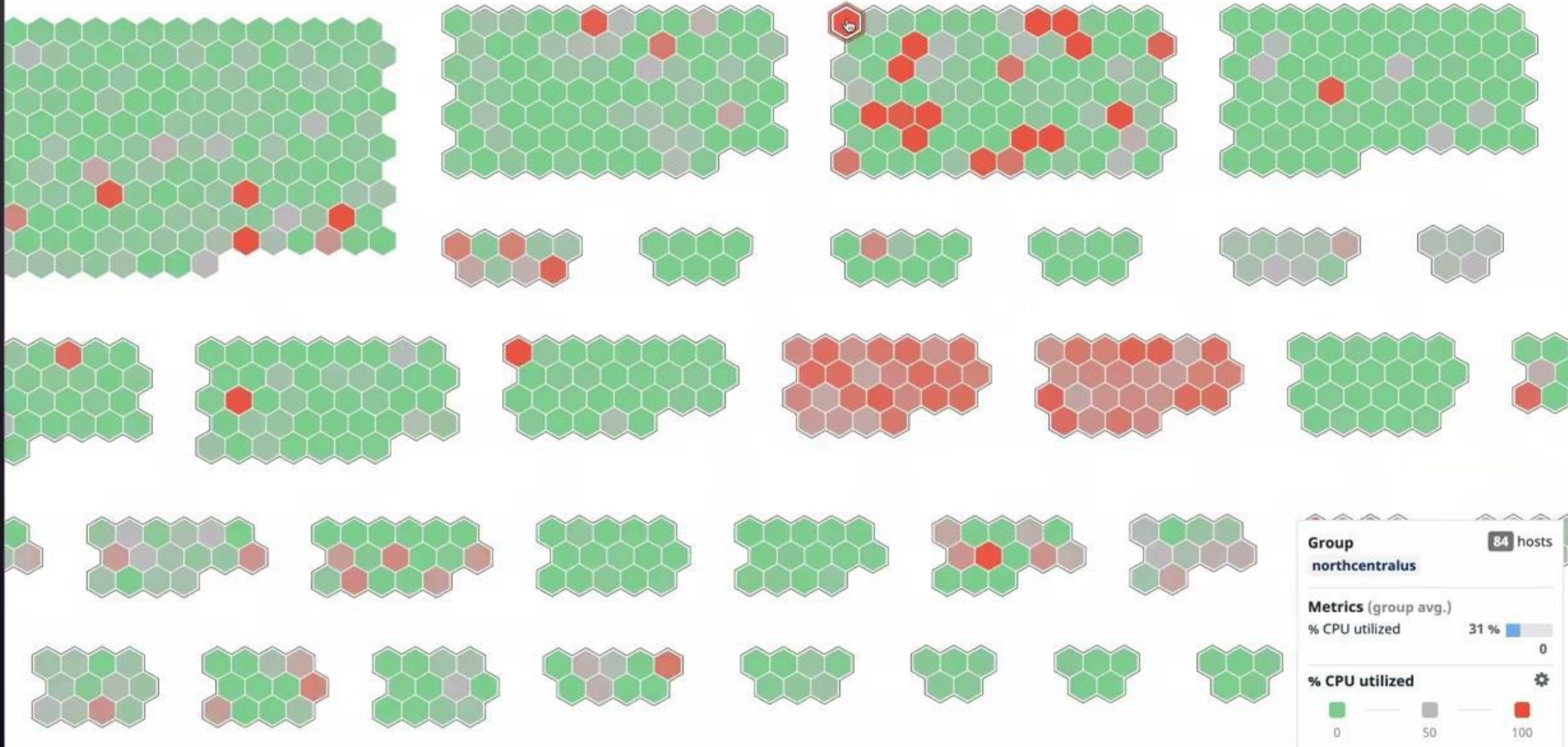
# Product innovation





# **Ilan Rabinovitch**

Senior Vice President, Product



**Group** northcentralus 84 hosts

**Metrics (group avg.)**

% CPU utilized 31%  0

% CPU utilized 

# Infrastructure Monitoring extends across technologies



Older Technologies

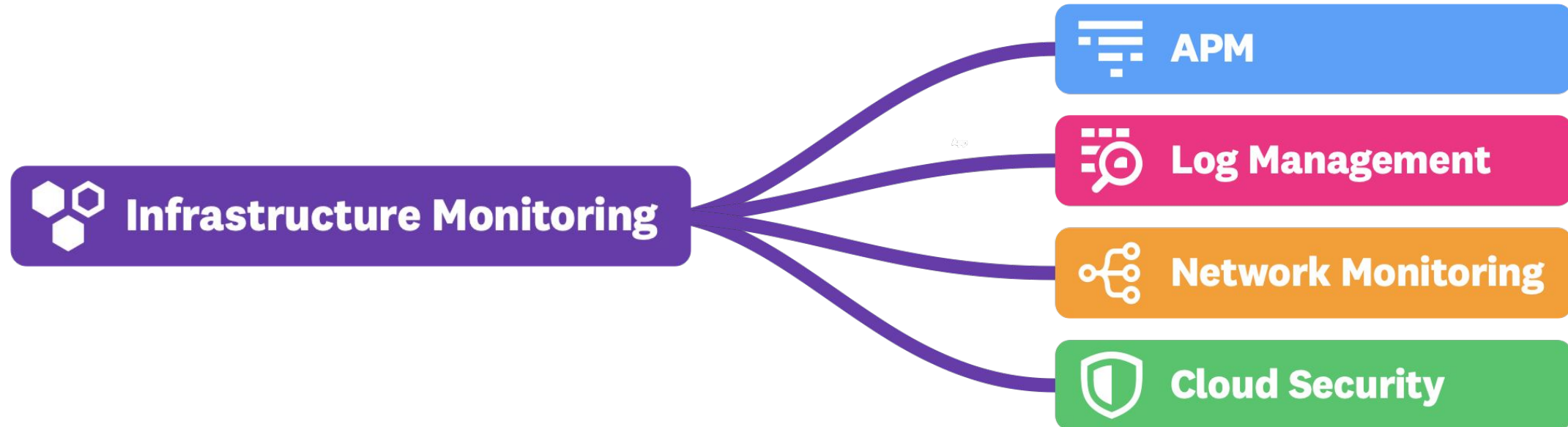
Newer Technologies

IBM  
WebSphere  
AIX<sup>®</sup>

aws  
Google Cloud  
A  
docker  
kubernetes

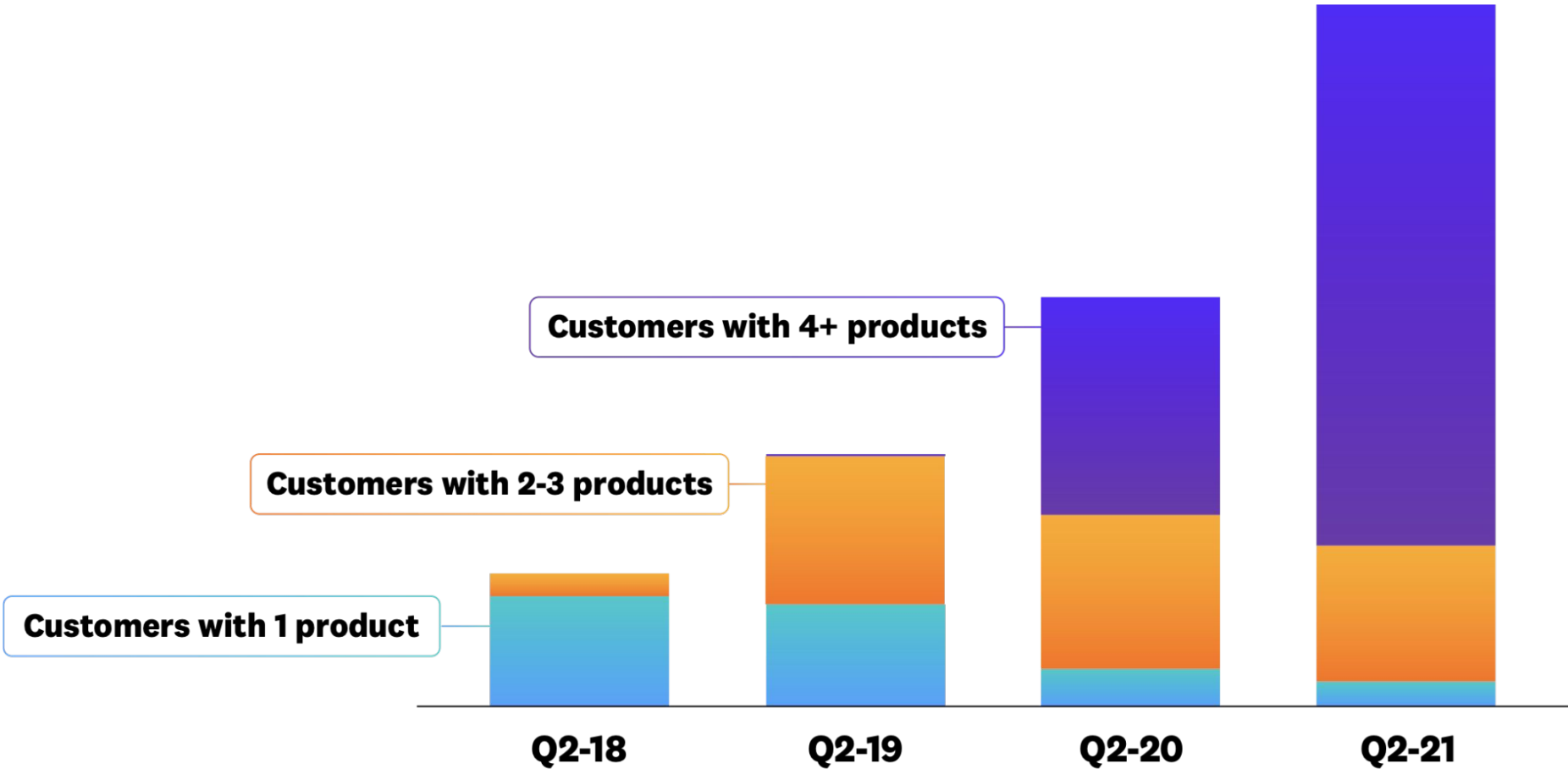
Serverless  
Function-as-a-Service  
IoT

# Infrastructure Monitoring as a starting point in observability



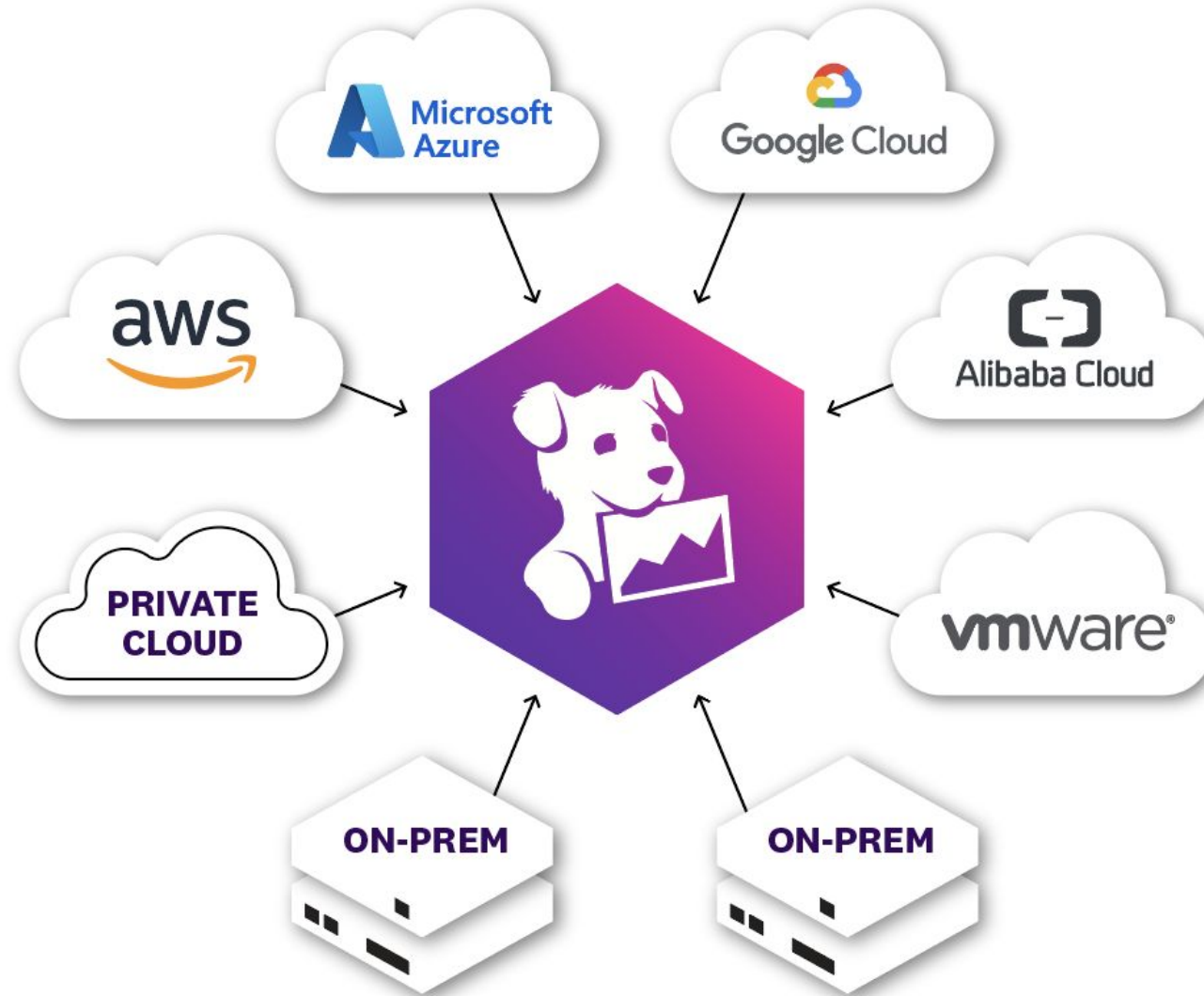
# Single product to a full platform

Annual Recurring Revenue (ARR)





# Platform-level capabilities: cloud-agnostic



# Platform-level capabilities: cloud-agnostic



- Longest-standing partnership
- Often first-to-market in launching monitoring products for new AWS products
- Available on the AWS Marketplace



- Deep technical integration
- Embedded as a first-party service in the Azure portal
- Go-to-market partnership opportunities
- Available on the Azure marketplace



Google Cloud

- Available on the GCP Marketplace
- Strong alliances and GTM partnership



- 450+ integrations
- Network Device Monitoring
- Observability Pipelines (Private beta)



GET STARTED FREE

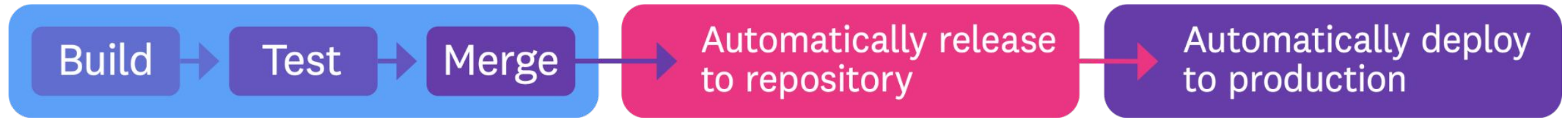
# More than 450 built-in integrations

See across all your systems, apps, and services

- ALL
- ALERTING
- AUTODISCOVERY
- AUTOMATION
- AWS
- AZURE**
- CACHING
- CLOUD
- COLLABORATION
- COMPLIANCE
- CONFIGURATION-DEPLOYMENT
- CONTAINERS
- COST-MANAGEMENT
- DATA-STORE
- DEVELOPER-TOOLS
- EVENT-MANAGEMENT
- EXCEPTIONS
- GOOGLE-CLOUD
- INCIDENTS
- IOT
- ISP
- ISSUE-TRACKING
- LANGUAGES
- LOG-COLLECTION
- MARKETPLACE
- MESSAGING
- METRICS
- MONITORING
- NETWORK
- NOTIFICATION
- ORACLE
- ORCHESTRATION
- OS-SYSTEM
- PROCESSING
- PROFILING
- PROVISIONING
- SECURITY
- SNMP
- SOURCE-CONTROL
- TESTING
- WEB

	 Azure Active Directory	 Azure Analysis Service	 Azure API Management	 Azure App Service Environment
 Azure App Service Plan	 Azure App Services	 Azure Application Gateway	 Azure Automation	 Azure Batch Service

# Developers are moving towards CI/CD



## CI/CD benefits

Deploy smaller code changes faster for:

- Improved customer experience
- Higher quality code
- Fewer unintended consequences

## CI/CD challenges

- Poor CI/CD pipeline implementation
- Poor coordination/communication among teams
- Faulty tests

# CI Visibility - Observability for CI/CD



...and bringing that level of visibility to your tests and pipelines in earlier stage environments

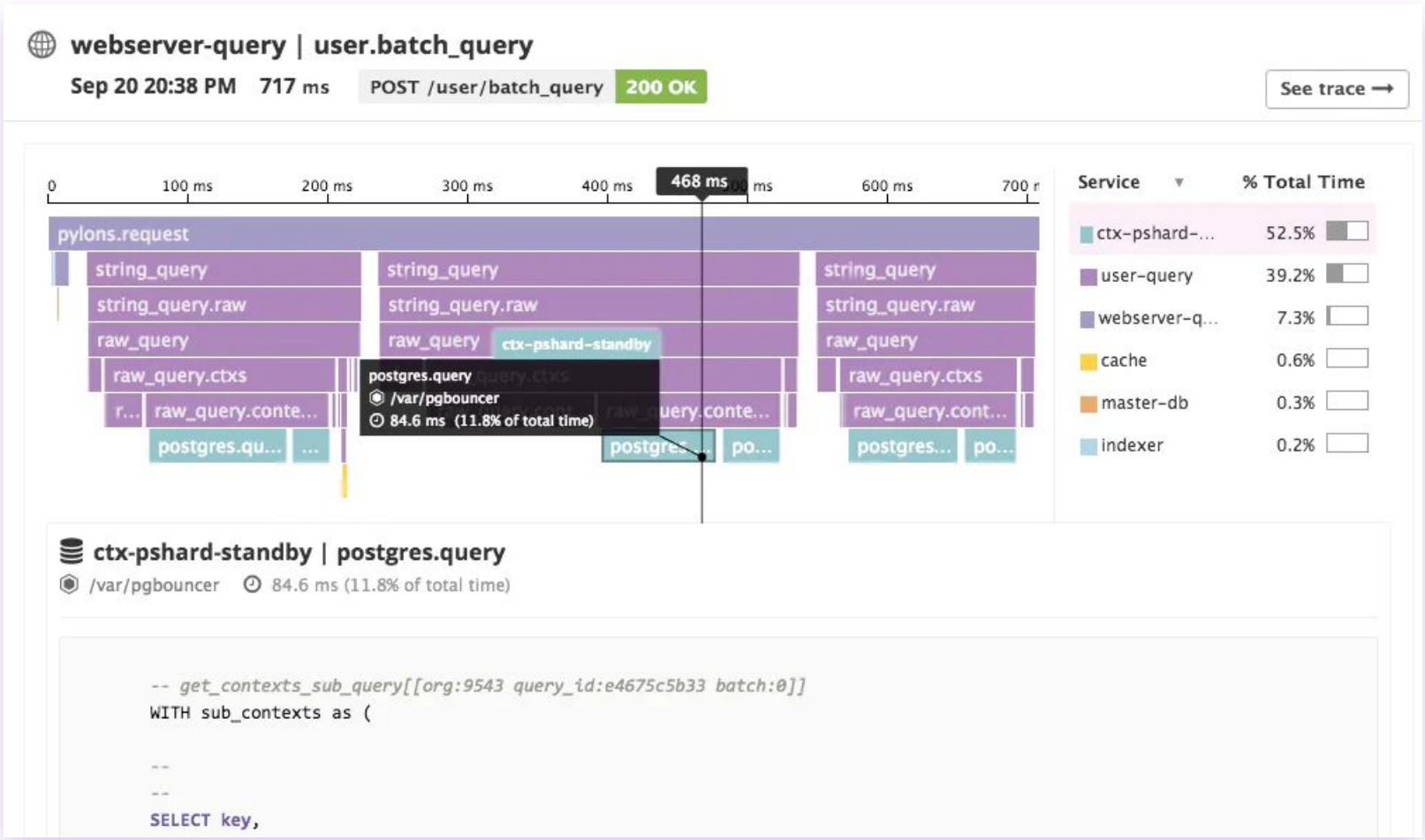
Taking **APM-like** visibility historically only seen in production...

The background features a dark purple field with several thin, teal-colored lines that intersect to form various geometric shapes, including triangles and polygons. The lines are positioned primarily on the right side of the frame, creating a modern, architectural aesthetic.

# **Renaud Boutet**

Senior Vice President, Product

# APM: From distributed tracing...

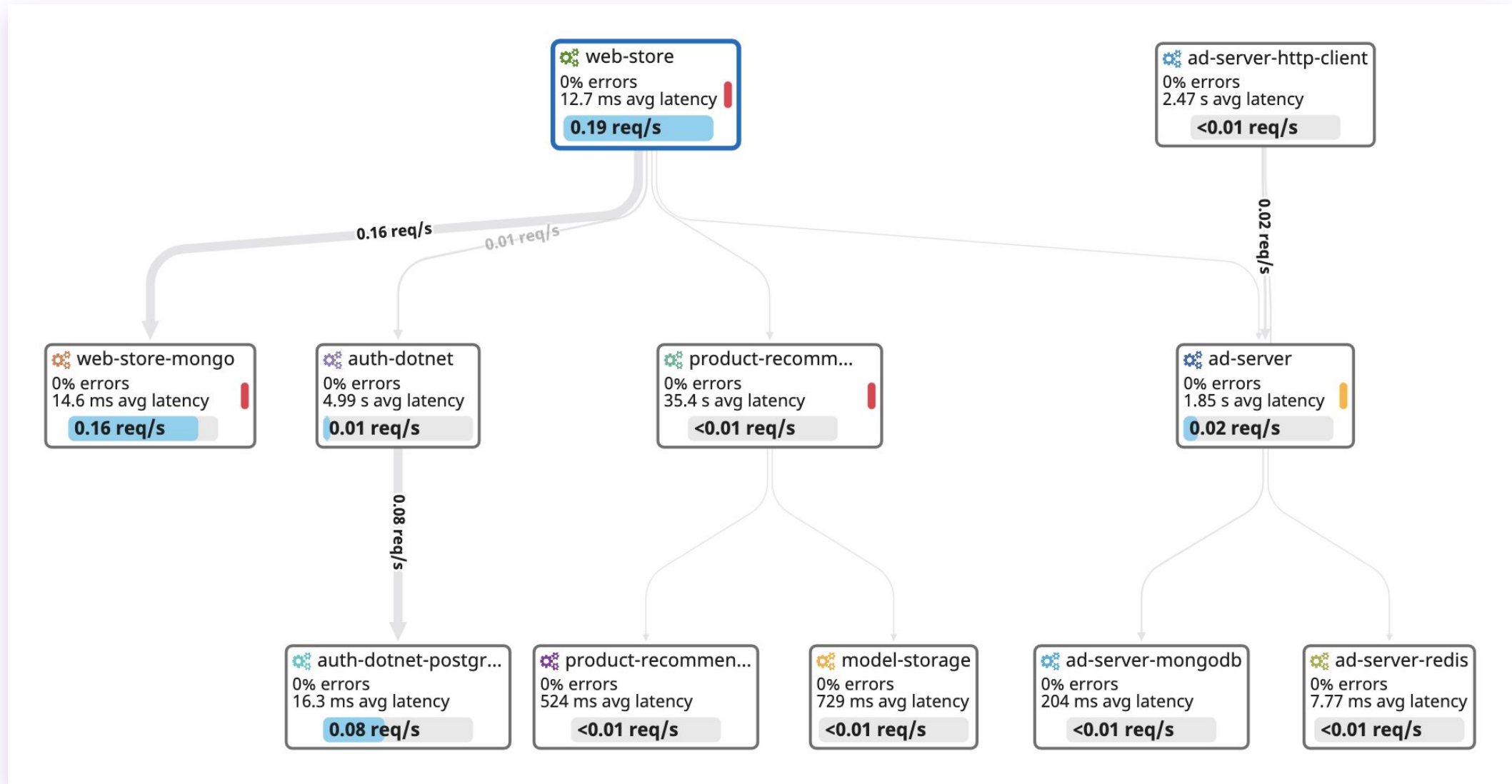


APM 2017





# Distributed Tracing



# Expanded to a broad APM suite

## Client Side



Web Browser



Mobile

**Synthetic Monitoring (2019)**

**Real User Monitoring (2020)**

**Error Tracking (2020)**

**Session Replay (2021)**

## Server Side



Application Server



Databases



Cloud Infrastructure

**APM & Distributed Tracing (2017)**

**Tracing without Limits™ (2019)**

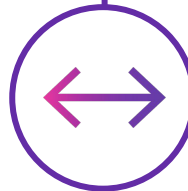
**Synthetic Monitoring (2019)**

**Continuous Profiler (2020)**

**Deployment Tracking (2020)**

**Error Tracking (2021)**

**Database Monitoring (2021)**



# Expanded to a broad APM suite

## Client Side



Web Browser



Mobile

Synthetic Monitoring

Real User Monitoring

Error Tracking

Session Replay

## Server Side



Application Server



Databases



Cloud Infrastructure

APM & Distributed Tracing

Tracing without Limits™

Synthetic Monitoring

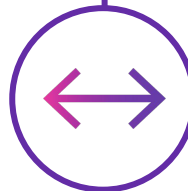
Continuous Profiler

Deployment Tracking

Error Tracking

Database Monitoring

Infrastructure Monitoring



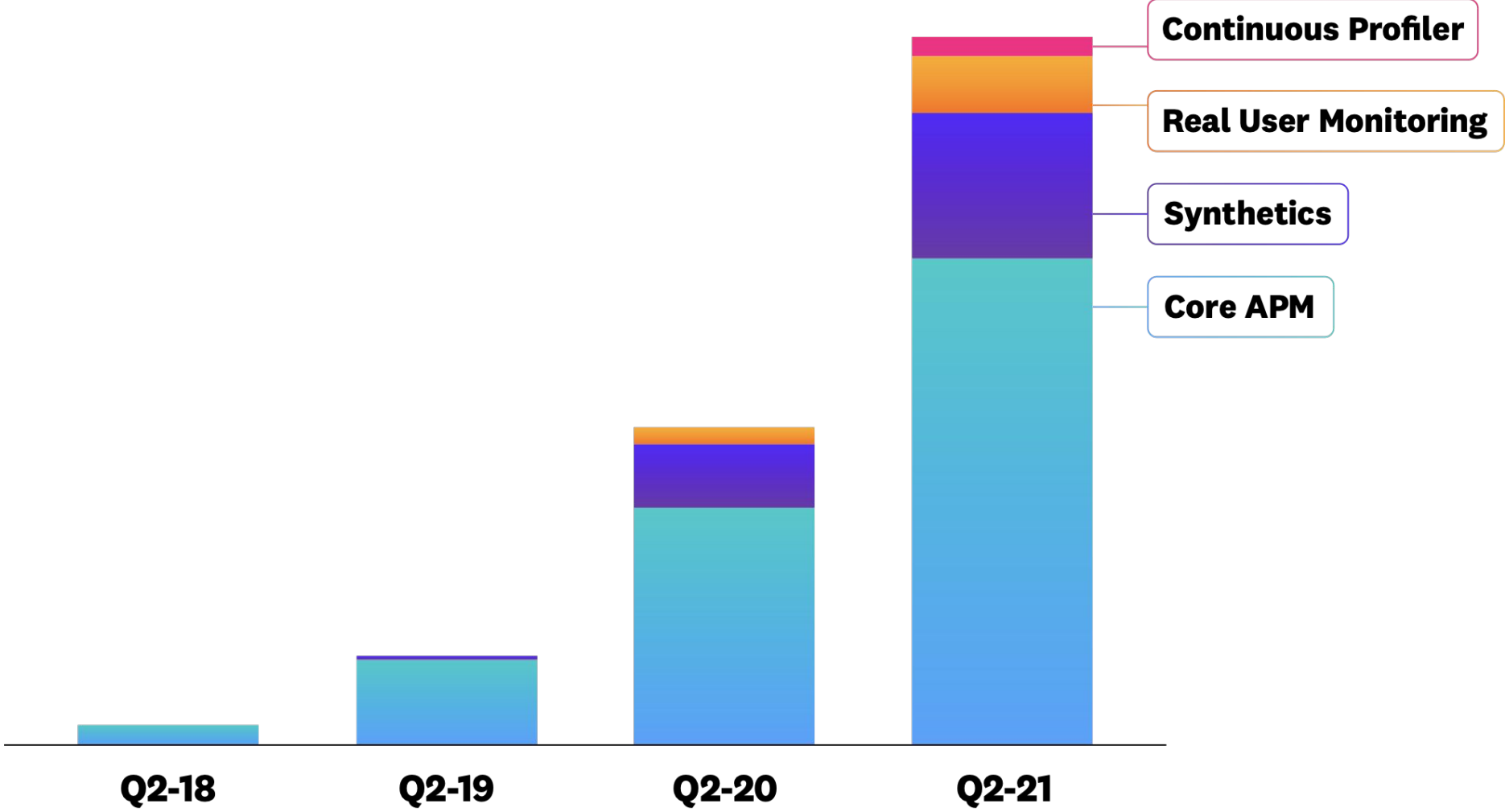
Correlate traces with logs

Log Management

Correlate traces with host, container, & runtime metrics

# Strong uptake of APM

APM Annual Recurring Revenue



# Watchdog: The Datadog AI Engine

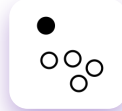
## Anomalies



## Rare Events



## Outliers



## Correlations



## Clusters



## Dependencies



## Watchdog Insights

- reduce MTTR
- Contextual
- Surfaces signals

## Watchdog Alerts

- reduce MTTD
- Proactive
- Surfaces symptoms

## Watchdog RCA

- reduce MTTR
- Connect the dots
- Surfaces root causes

# Watchdog Alerts

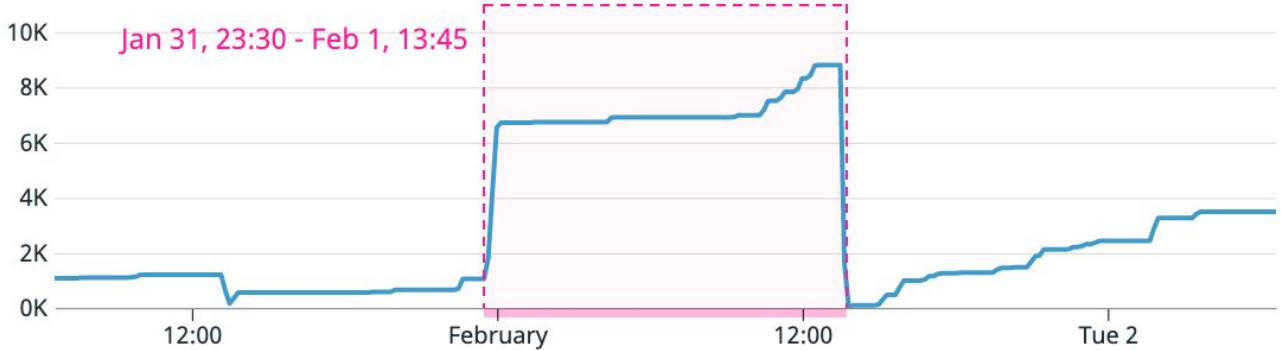
## Kubernetes

Starting on February 1st, Latency of the Controller Manager's workqueue processing unit was up for about 14 hours

name:plain1a-k8s\_plain1a-k8s-control-plane-c5-4xla...  
was impacted

ENV	SERVICE	QUEUE	KUBE_CLUSTER
prod	k8s-control-plane +1	deployment	parent1

Latency of the Controller Manager's workqueue processing unit 3.1k (average)



# Watchdog Insights

Insights 5 | View all

- LOG ERROR OUTLIER**  
env: staging  
40.0% of total errors < 0.1% of total logs
- PROFILING ANALYSIS**  
product-recommendation  
Deadlock involving 2 threads detected  
This could impact performance
- RUM LATENCY OUTLIER**  
view.url\_path\_group: /product/?  
p90 p90
- LOG PATTERN ANOMALY**  
product-recommendation ERROR  
Jun 24, 15:45 - 19:45

source:python

Showing 467 of 655 | 50,721 results found

DATE	ROLE	NAME	HOST	CONTENT
Sep 22 16:10:14.000	kube-node	app-firehose-store	1-041712c616dd5cd6a	[Recovered on {host:1-041712c616dd5cd6a}]
Sep 22 16:10:14.000	kube-node	web-canary_support-admin	1-0dce91df08368328e	[Triggered] [ASN] Test 2 test
Sep 22 16:10:12.000	kube-node	consul-sync-external-sps	1-08eebf4bd0ff54d48	Events from the CronJob sre/consul-sync-ex...
Sep 22 16:10:09.000	kube-node	consul-sync-external-sps-16	1-0da43f0f0264862e7	Events from the Pod sre/consul-sync-extern...
Sep 22 16:10:08.000	kube-node	consul-sync-external-sps-16	1-02f83d3aad54bb16	Events from the Pod sre/consul-sync-extern...
Sep 22 16:10:08.000	kube-node	consul-sync-external-sps-16	1-03123f9f185fe02d	Events from the Job sre/consul-sync-extern...
Sep 22 16:10:03.000	kube-node	sre_sre-default	1-053ea9b2ae2e64869	Events from the Pod sre/consul-sync-extern...
Sep 22 16:10:03.000	kube-node	web_mcnulty-synthetics	1-0fa13bdafd224f322	[Triggered on {host:1-0fa13bdafd224f322}]
Sep 22 16:10:03.000	kube-node	sre_sre-default	1-06f8365e3cf3800c8	Events from the Pod sre/consul-sync-extern...
Sep 22 16:10:03.000	kube-node	web_support-admin	1-0af9a6ad15dfb99c2	[Triggered on {host:1-0af9a6ad15dfb99c2}]
Sep 22 16:10:03.000	kube-node	smoke-testing	1-0985f8314faf0d765	[Triggered] [ASN] Test 2 test
Sep 22 16:10:03.000	kube-node	web_mcnulty-synthetics	1-0fa13bdafd224f322	[Triggered on {host:1-0fa13bdafd224f322}]
Sep 22 16:10:03.000	kube-node	sre_sre-default	1-06f8365e3cf3800c8	Events from the Pod sre/consul-sync-extern...
Sep 22 16:10:03.000	kube-node	smoke-testing	1-0985f8314faf0d765	[Triggered] [ASN] Test 2 test
Sep 22 16:10:03.000	kube-node	sre_sre-default	1-053ea9b2ae2e64869	Events from the Pod sre/consul-sync-extern...
Sep 22 16:10:02.000	kube-node	consul-sync-external-sps-16	1-022a7842d3f5cb5ce	Events from the Pod sre/consul-sync-extern...
Sep 22 16:10:02.000	mindy-bhandle	mindy-bhandle	1-062445427c8a1823b	[Recovered] [ASN] Test 2 test
Sep 22 16:10:02.000	common	vault-2xlb.c.datadog-enclav...		[Triggered] [ASN] Test 2 test
Sep 22 16:10:02.000	kube-node	consul-sync-external-sps-16	1-08eebf4bd0ff54d48	Events from the Job sre/consul-sync-extern...
Sep 22 16:10:02.000	kube-node	consul-sync-external-sps-16	1-022a7842d3f5cb5ce	Events from the Job sre/consul-sync-extern...

## Augmented Troubleshooting with insights

- Driven by current search context
- Cross-product insights

# Watchdog Root Cause Analysis

Views Watchdog + Save 1mo Oct 17, 5:07 am - Nov 16, 4:07 am

- Story Category
  - APM 3
  - Infrastructure 2
- Story Type
  - APM Latency 2
  - APM Error Rate 1
  - AWS ELB 1
  - Cloud Network Health 1
- APM
  - APM Environment
    - shop.ist 3
  - APM Service
    - ad-server 1
    - ad-server-http-client 1
    - product-recommendati... 1
    - shipping-queue-redis 1
    - web-store 1

**Root Cause 1:** An increase in latency on ad-server-http-client caused increased latency on 1 resource on ad-server. The GET /ads endpoint was driving the increase in latency. ENV: shop.ist. Diagram: ad-server-http-client (1 of 2 endpoints) -> ad-server (1 of 8 endpoints).

**Root Cause 2:** An increase in latency on product-recommendation-db caused an increase in errors on 1 resource on product-recommendation-db. The INSERT INTO purchases ( id... query was driving the increase in error rate. ENV: shop.ist. Graph: % Error Rate 104 total (0.8 err/s) on Nov 10, 06:30 - 07:15.

**Root Cause 3:** A version change on web-store caused an increase in errors on 3 services. The ShoppingCartController#che... endpoint was driving the increase in latency. Diagram: web-store (3 of 34 endpoints) branching to three other services.



# Watchdog: The Datadog AI Engine

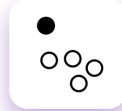
Anomalies



Rare Events



Outliers



Correlations



Clusters



Dependencies



**Watchdog Insights**

- reduce MTTR
- Contextual
- Surfaces signals

**Watchdog Alerts**

- reduce MTTD
- Proactive
- Surfaces symptoms

**Watchdog RCA**

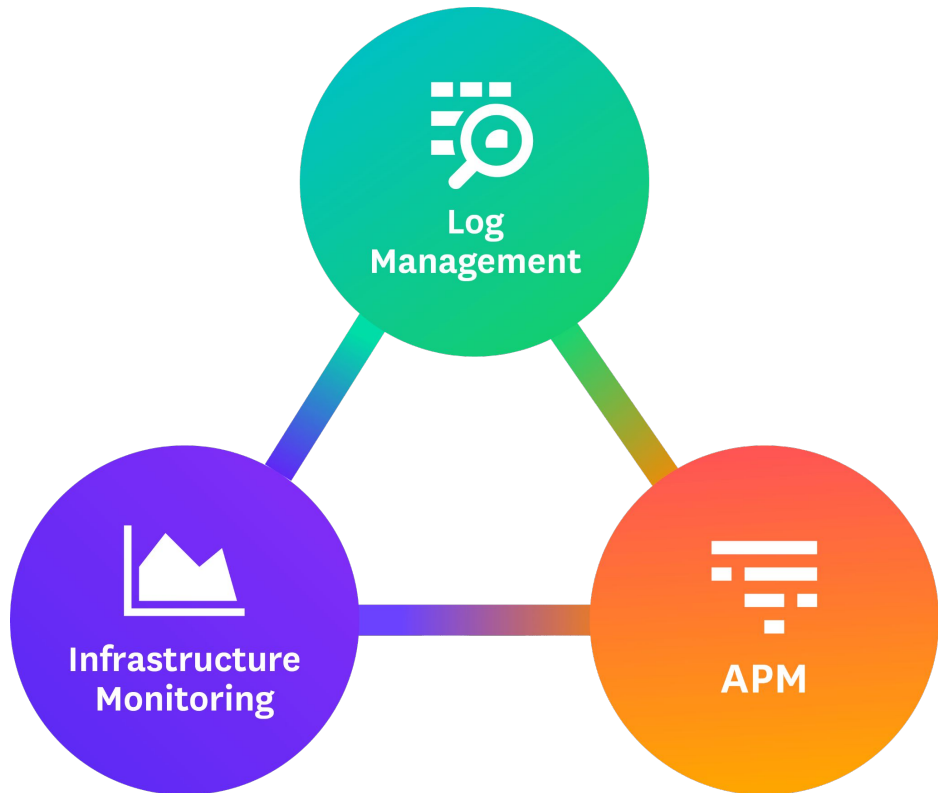
- reduce MTTR
- Connect the dots
- Surfaces root causes

# Log Management

# What Is Log Management?



# Designed from the start to be part of the platform



## Seamless correlation & troubleshooting:

- Common tagging structure across all 3 pillars
- Metric-trace-log correlation
- Lower MTTD and faster MTTR with more collaboration and less context switching

# Log problem statement

1

**(Very) high  
log volumes**

Often makes it cost  
prohibitive

2

**Large variation  
of log volumes**

Generates cost uncertainty

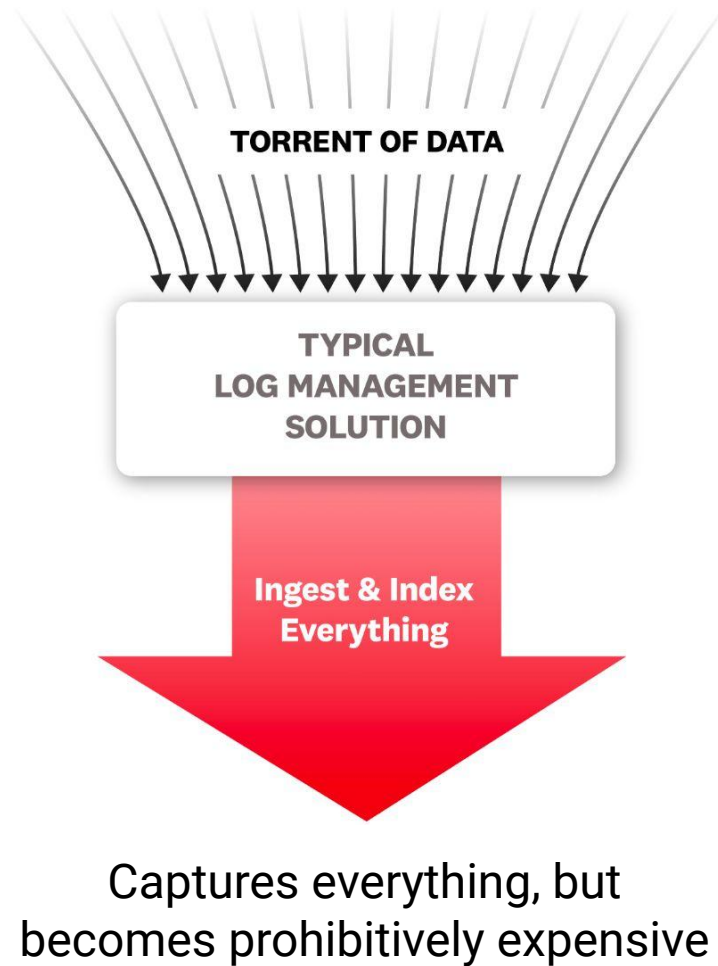
3

**Large variation  
in log value**

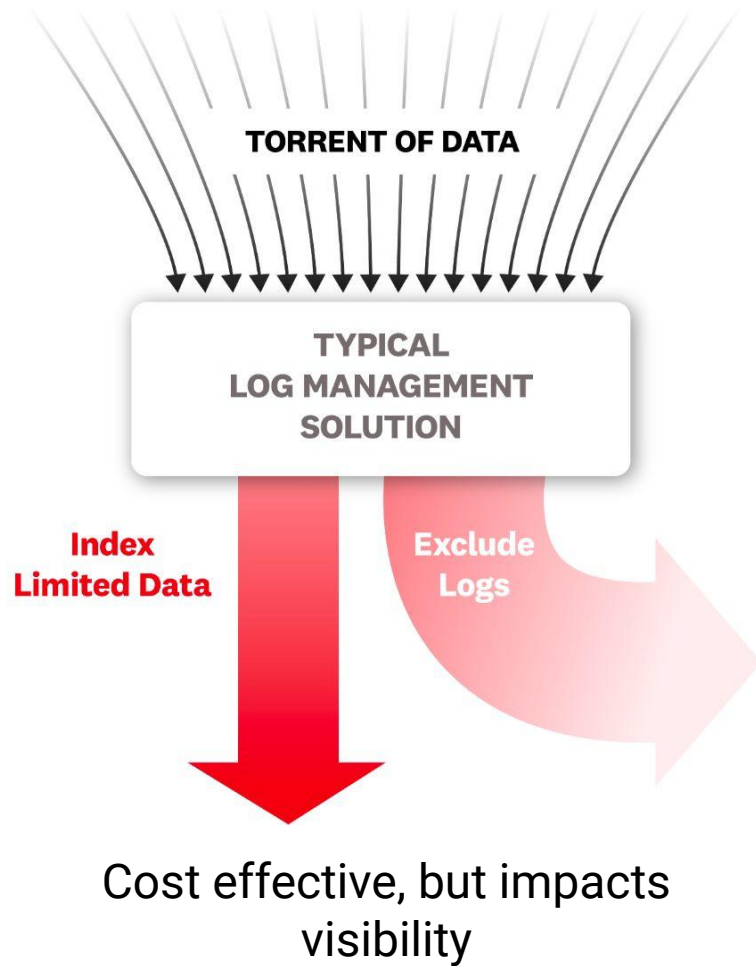
Makes up-front filtering  
strategies fail

# Traditional Log Management

Index everything at high cost, or throw out data and lose visibility

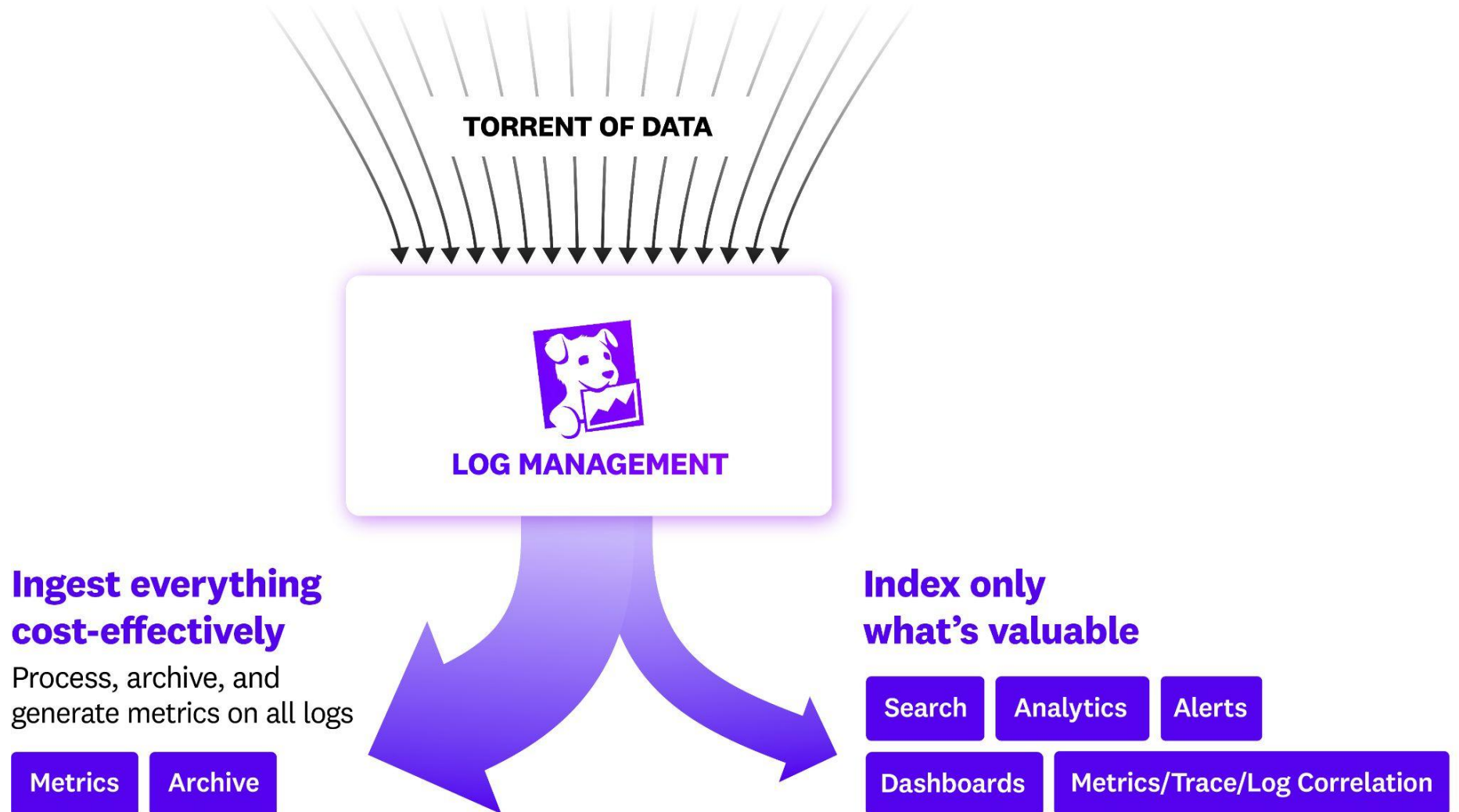


OR



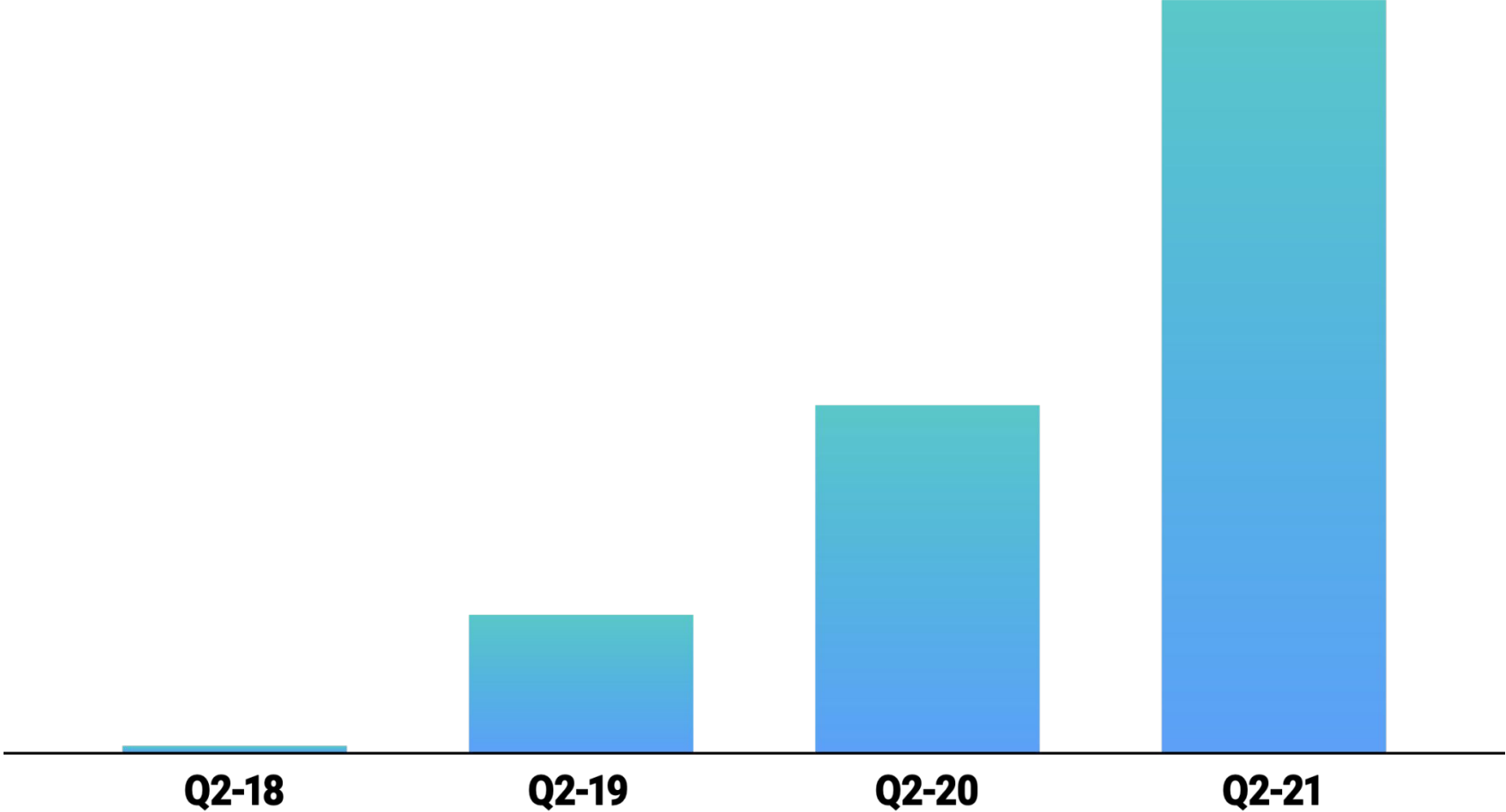
# Logging without Limits™

No cost vs. visibility trade-offs



# Strong uptake of Log Management

Log Management Annual Recurring Revenue





# Large companies tend to have larger problems

## Extra large volumes

(>1 petabyte/day)

Means network clogging and substantial additional costs

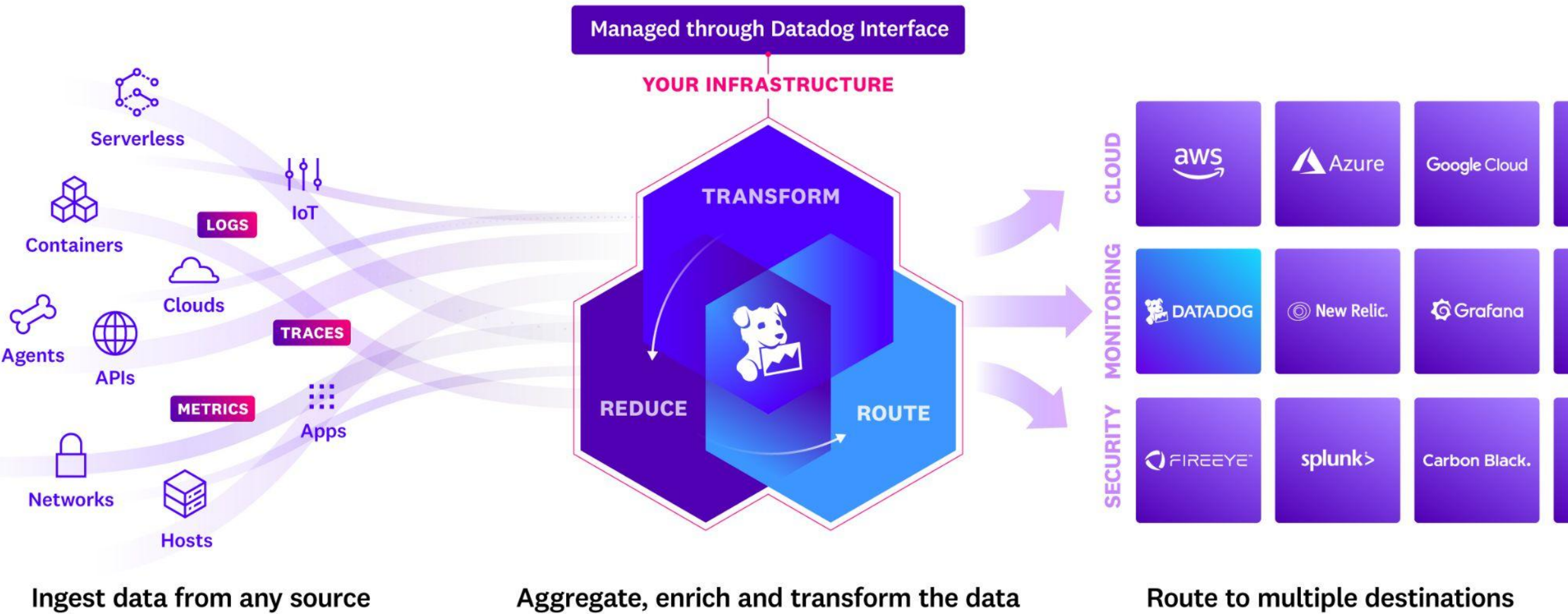
## Sensitive data

Must be scrubbed before leaving the premise of the company

## Migrations to new tools

Typically a painful, costly, disruptive multi-month process

# Vector & Observability Pipelines for scaled data needs

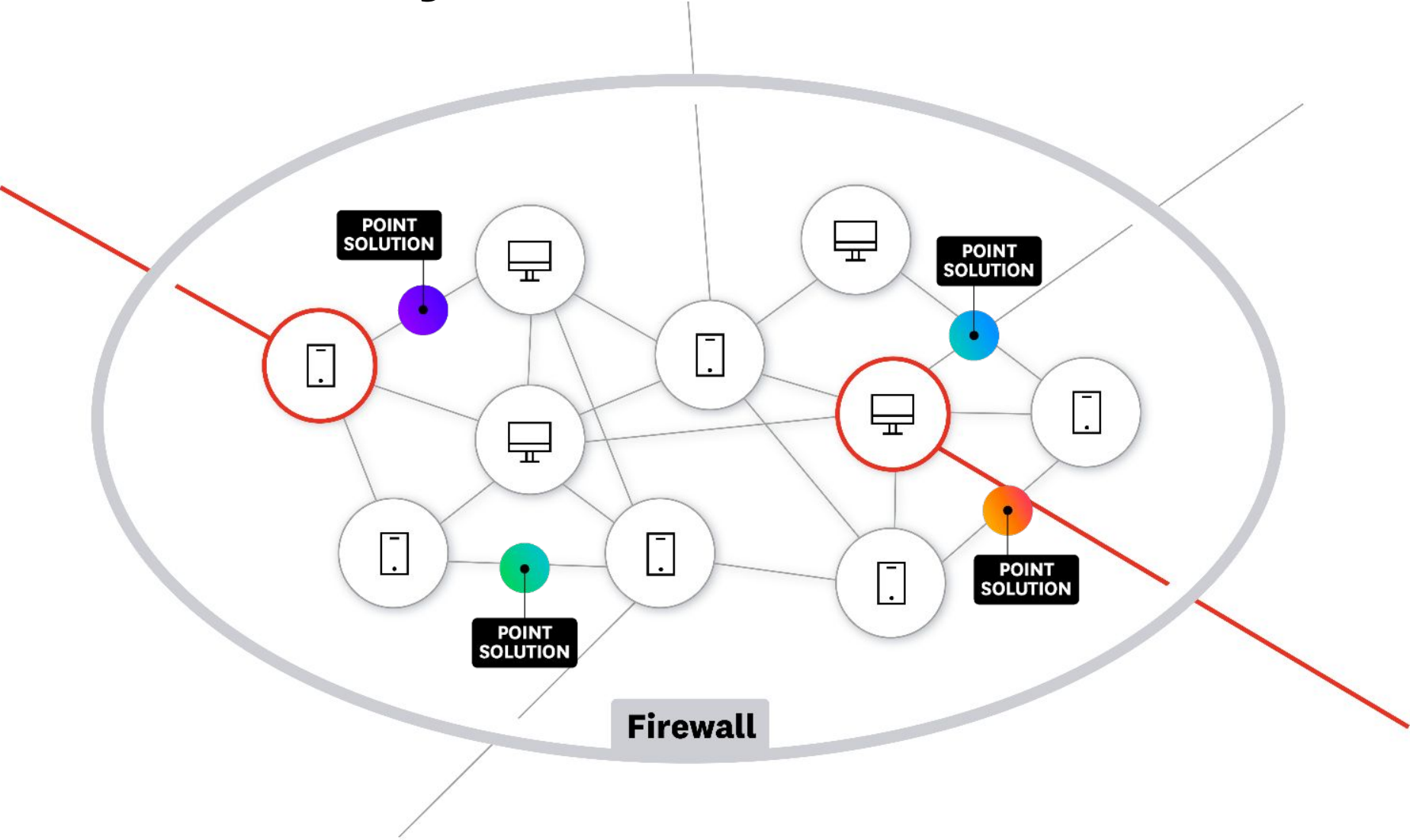




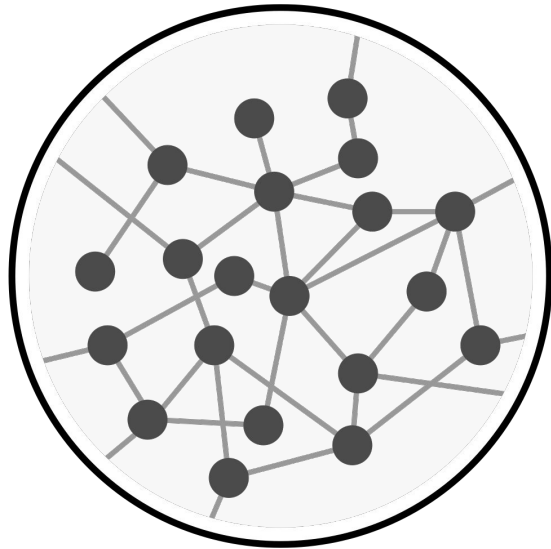
**Pierre Betouin**

Vice President, Product Management

# Traditional security

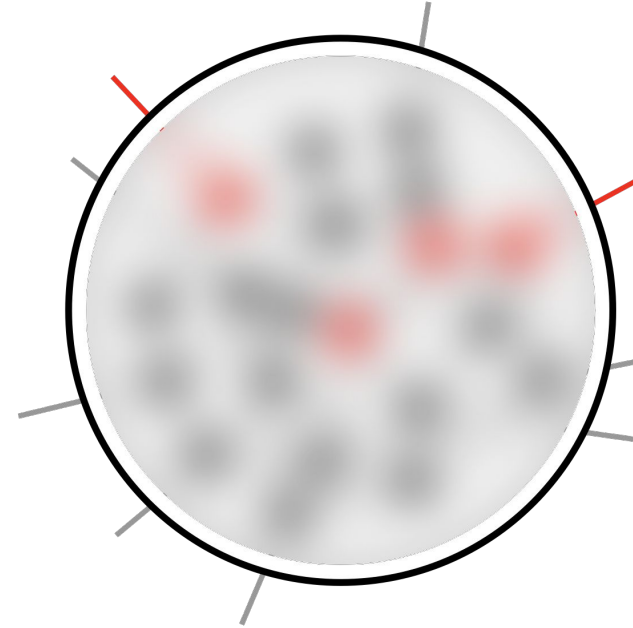


# DevOps observability and security visibility are siloed



## Observability

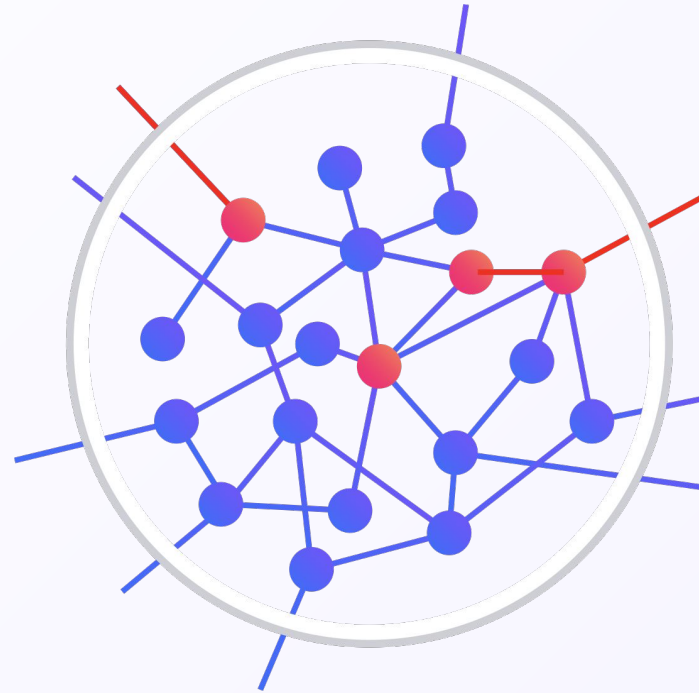
Rich data insights without network visibility



## Traditional Security

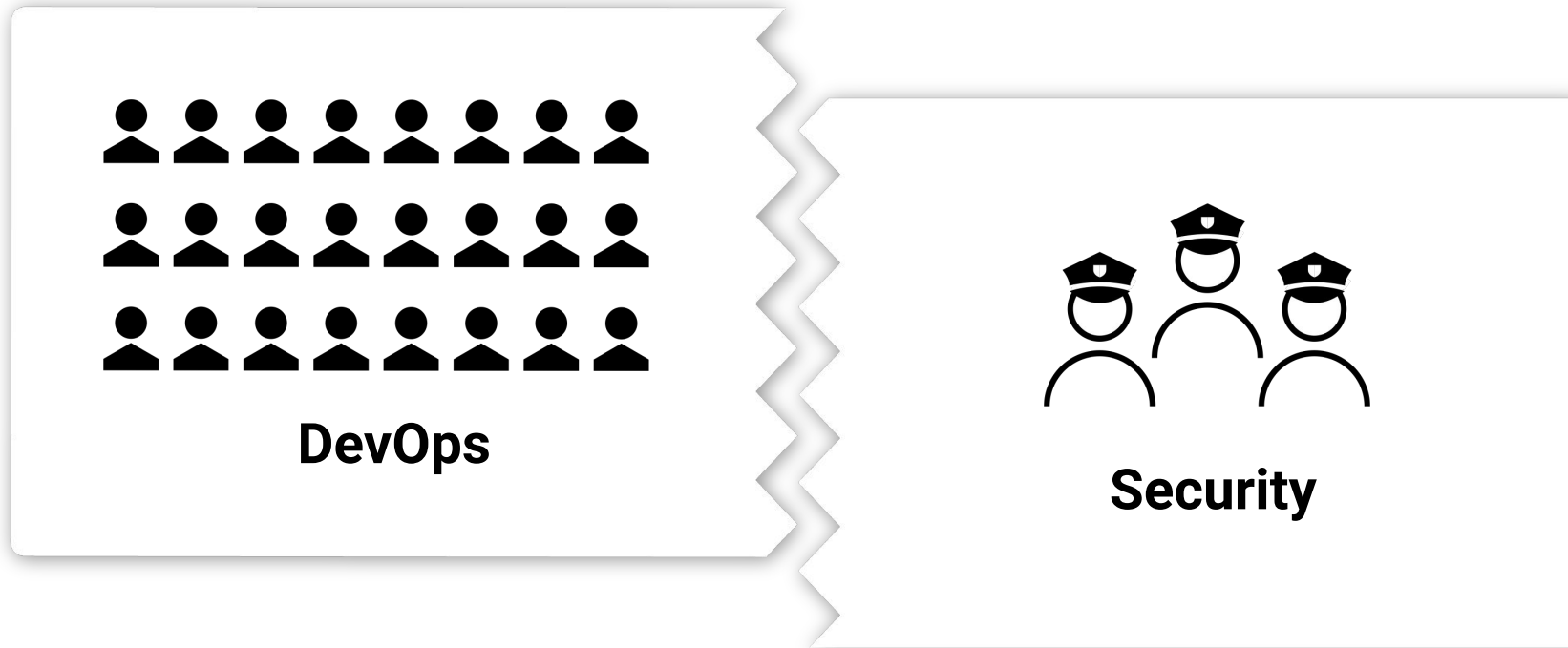
Network data without runtime context

# A unified platform for Dev, Ops, and Security teams



**Datadog Cloud Security**

# DevOps and Security teams are not aligned

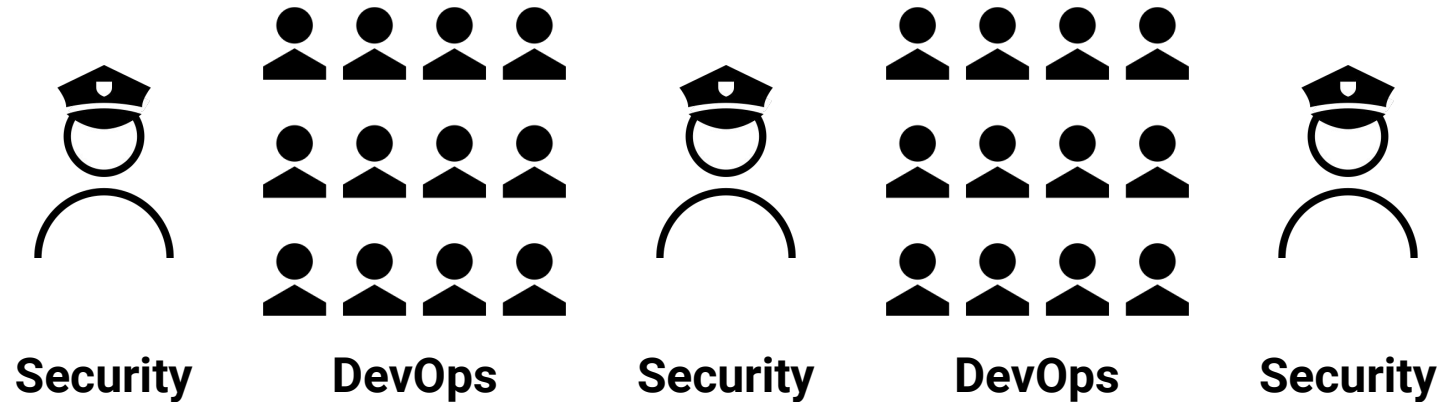


**Different goals**

**Different tools**

**Visibility to different data**

# Break down silos between DevOps and Security

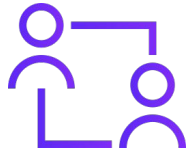


**Enable DevOps to be the first line on security**

**Align around the same, rich sources of data**



# Why Datadog for cloud security?



**Break down silos between DevSec and Ops**

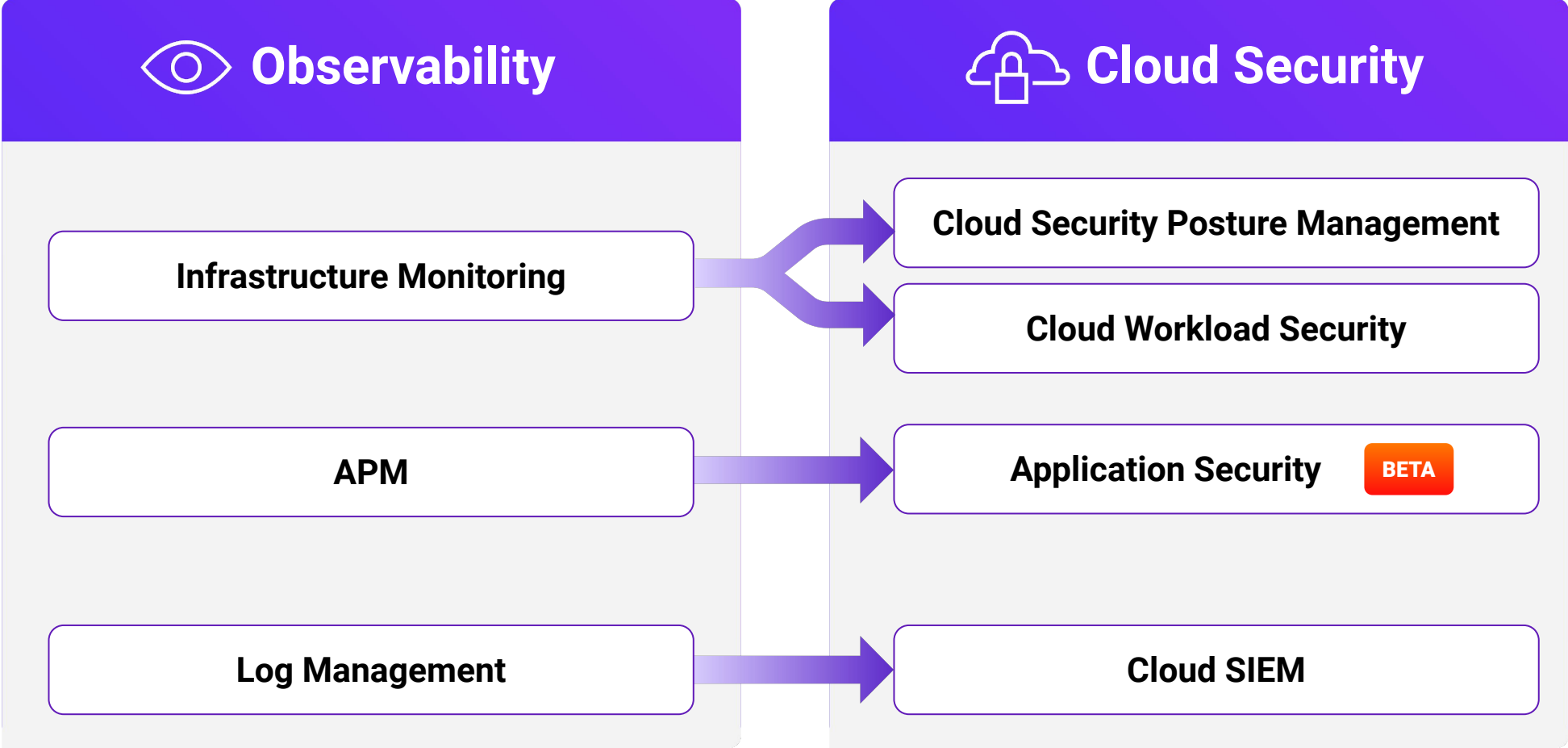


**Datadog has the richest, deepest data**



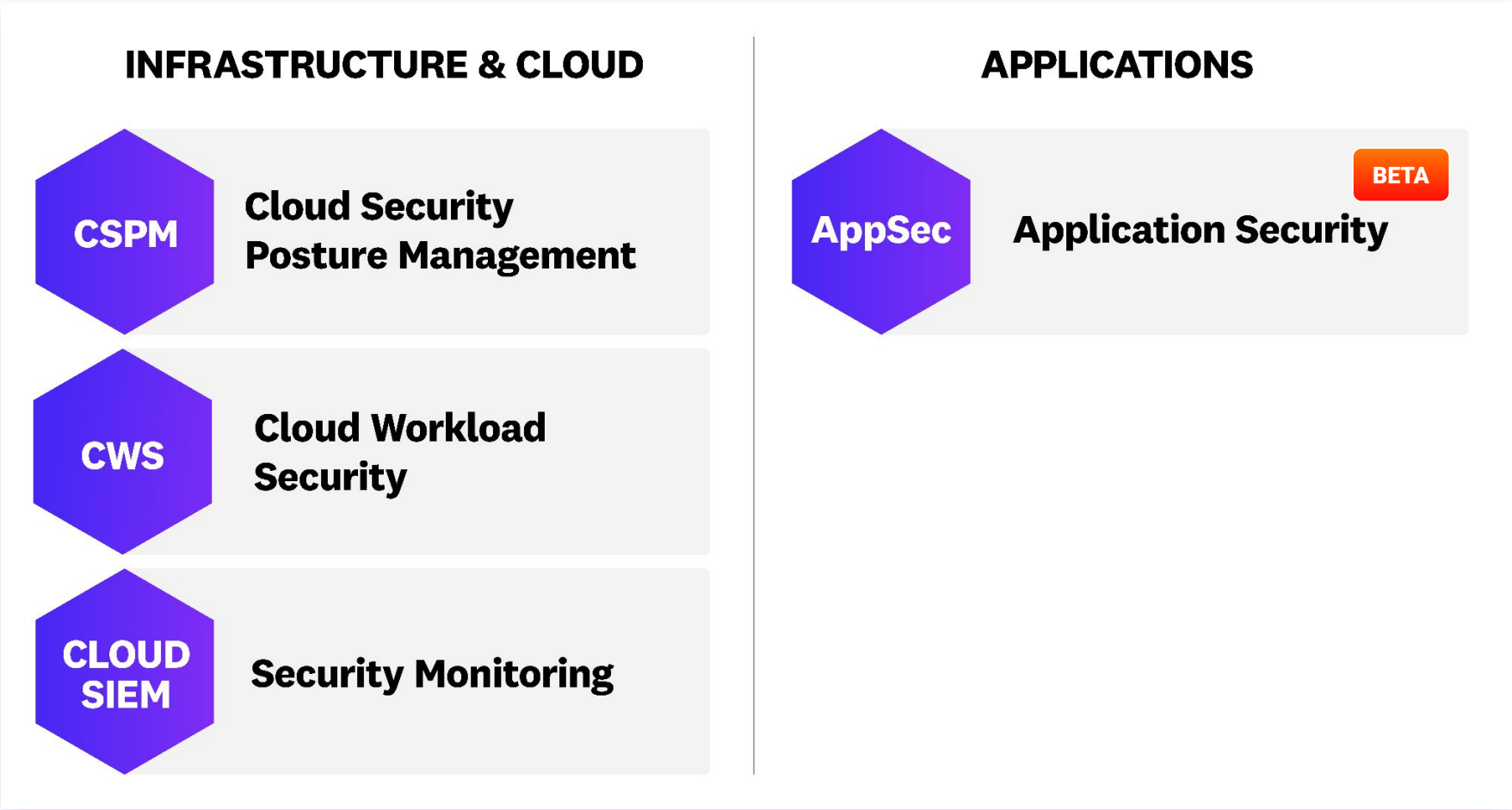
**No additional friction or performance penalty to instrument**

# Observability as a platform for security



# Full-stack security for production cloud environments

## CLOUD SECURITY PLATFORM



# Datadog Investor Meeting

October 27, 2021



**DATADOG**



**Amit Agarwal**

Chief Product Officer

# Focus on the customer



## KEY VALUE TO CUSTOMER

# Ease of implementation and use

---

**Deploy within minutes,**  
for quick time-to-value

---

**Quickly integrate all technologies,** whether cloud/next-gen technologies or on-premise

---

**Easy-to-use UI:** Minimal onboarding time for users

---

**Alerting and dashboarding capabilities** available to all users, regardless of role

---

**No-code:** No query language expertise required

---

**No need for professional services** or extensive training

## KEY VALUE TO CUSTOMER

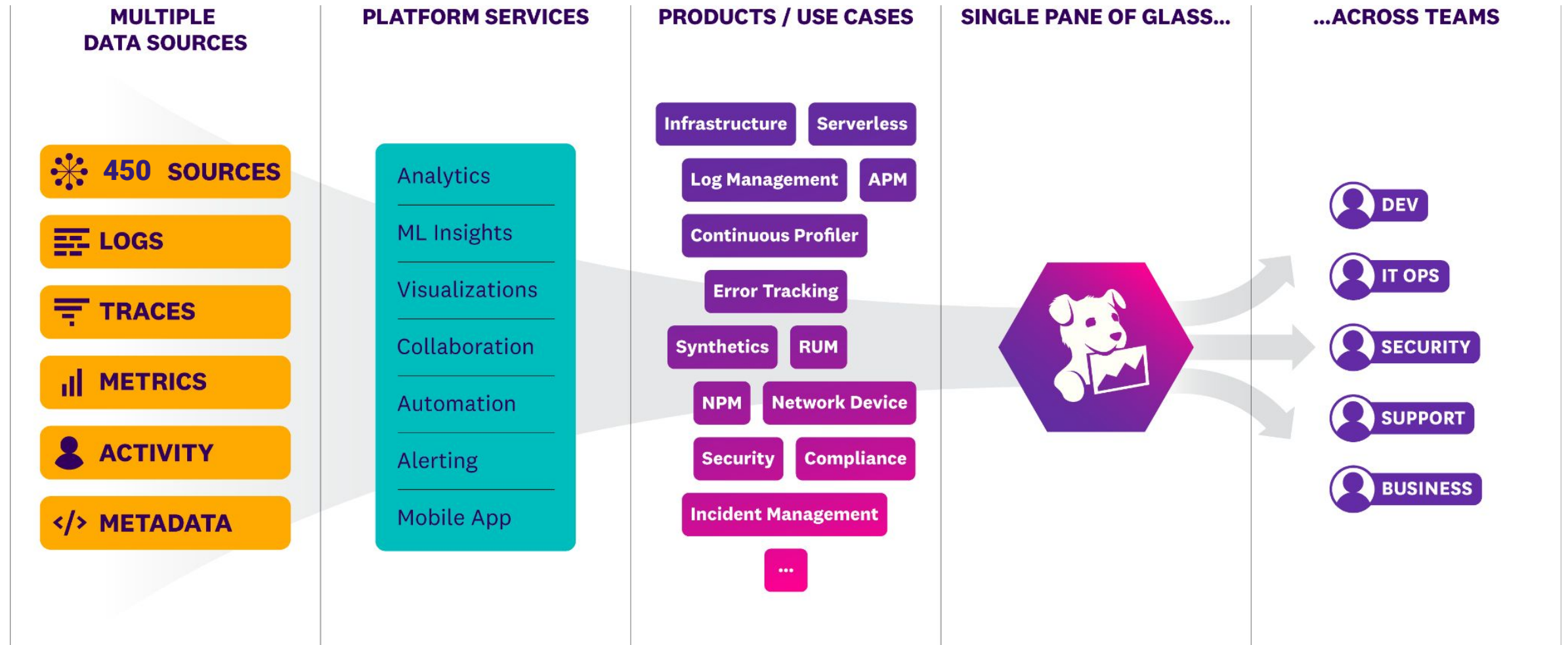
# Each product competes





## KEY VALUE TO CUSTOMER

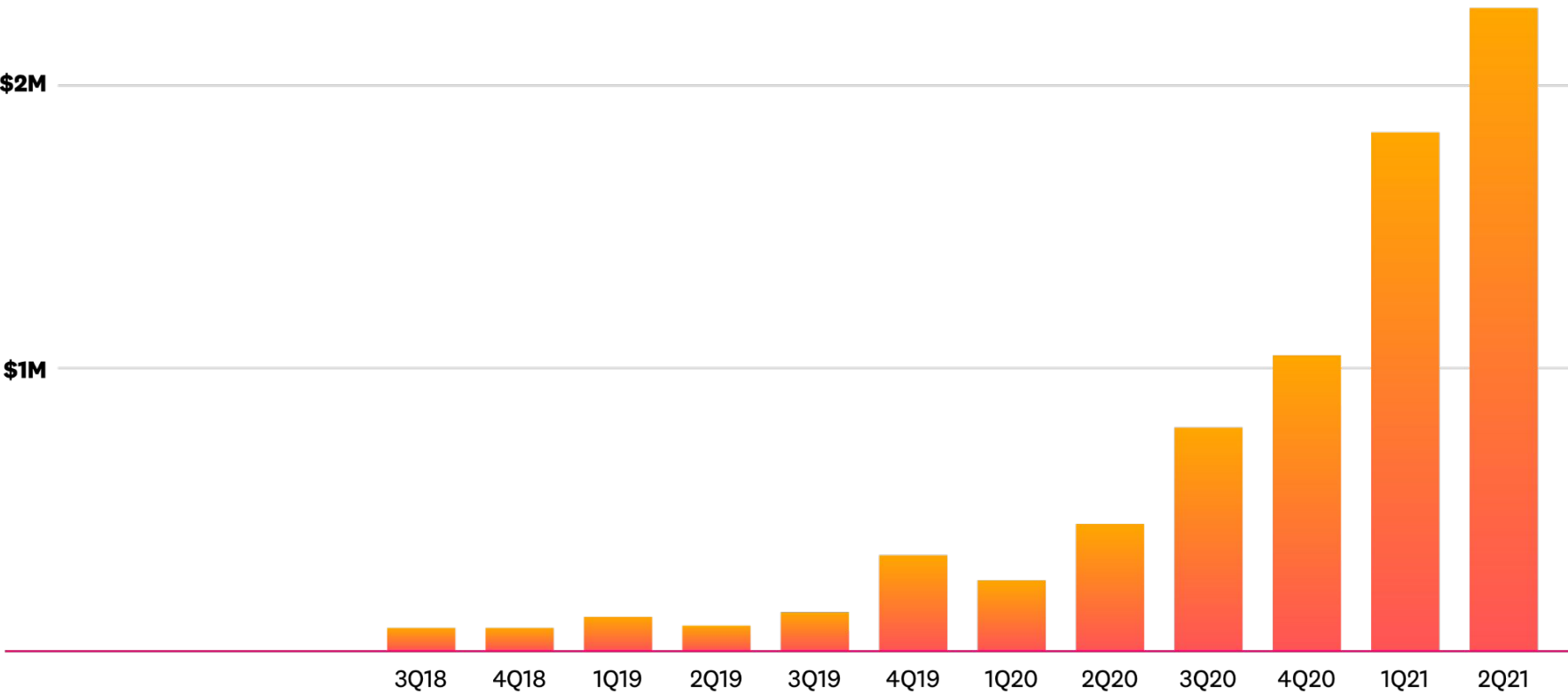
# Every product is deeply integrated



**CUSTOMER EXAMPLE**

# Global shipping company

Annual Recurring Revenue (ARR)

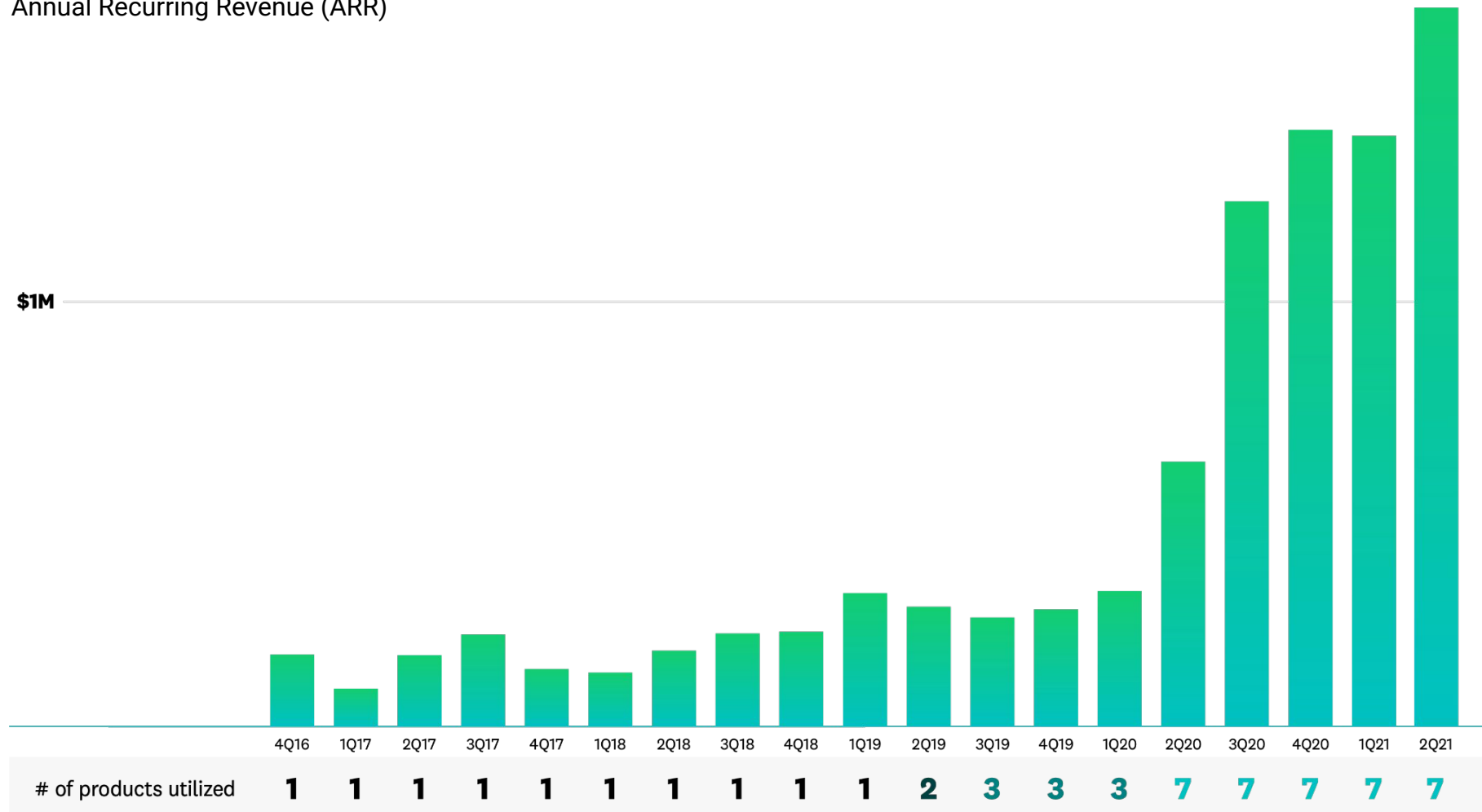


# of products utilized	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>6</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
------------------------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------

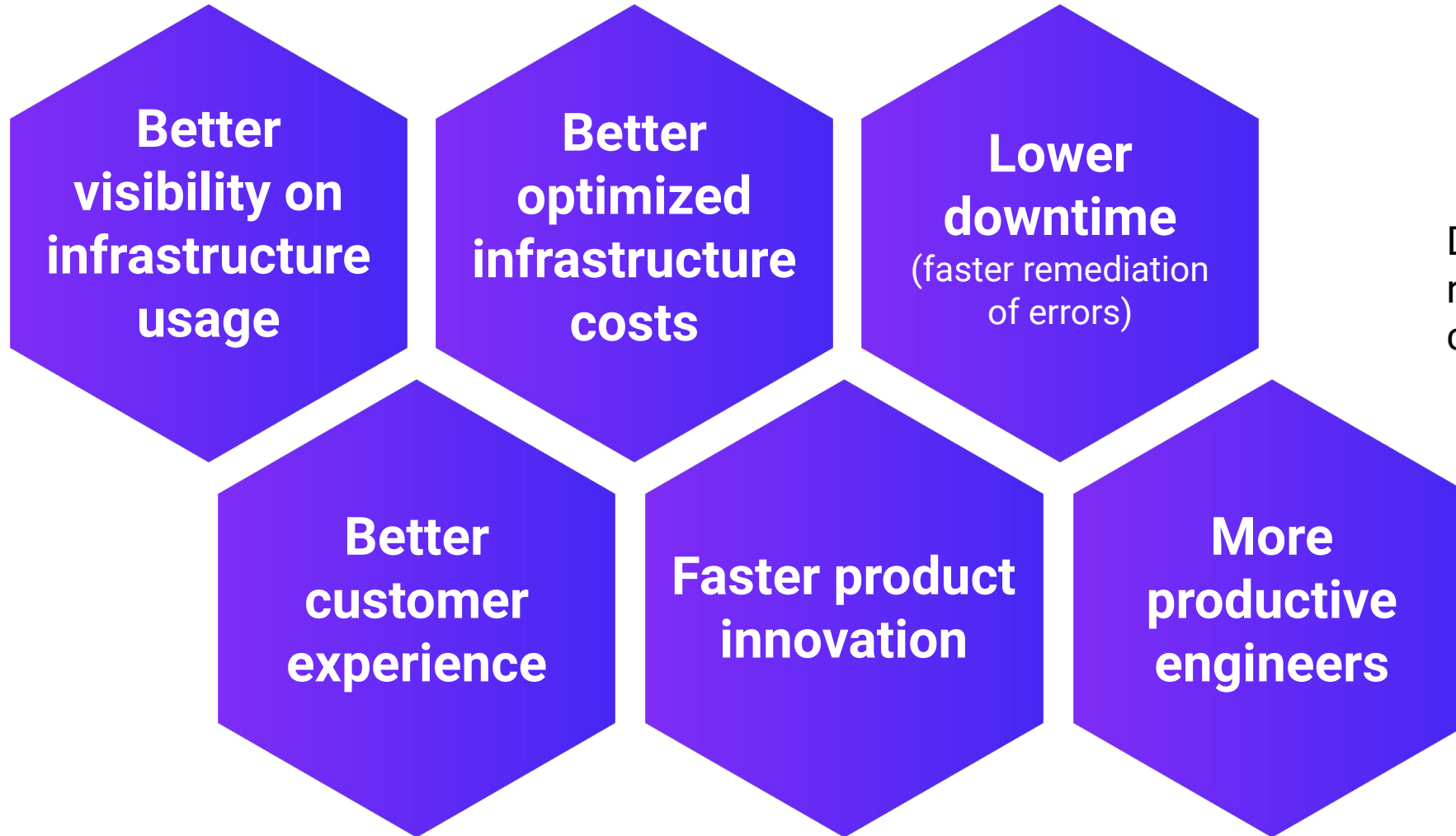
## CUSTOMER EXAMPLE

# Global payroll and HR services company

Annual Recurring Revenue (ARR)



# Customer benefits

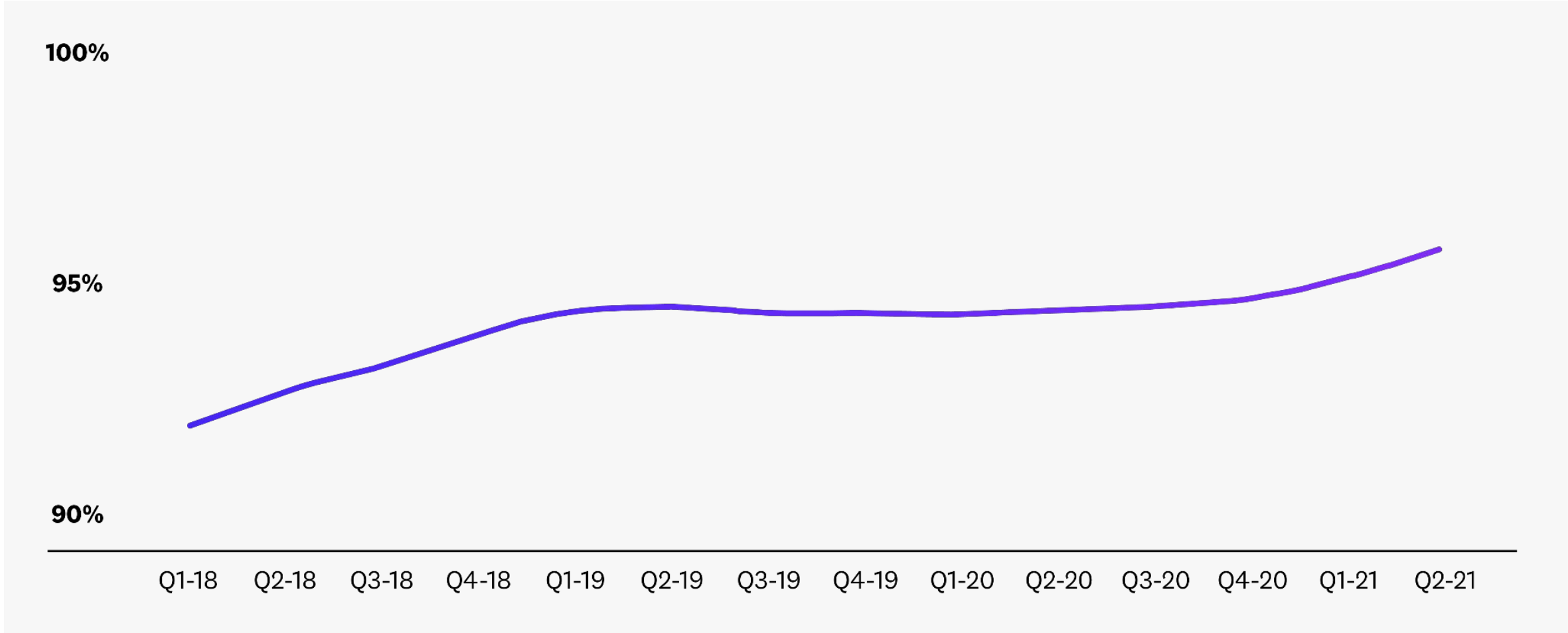


# 130%+

Dollar-based net retention rate for 16 consecutive quarters



# TTM gross retention rate



# Key characteristics of Datadog's pricing model



# Our pricing is transparent



Infrastructure

Pro	Enreprise
\$15	\$23



Log Management

Ingest	Retain or Rehydrate
\$0.10	\$1.70



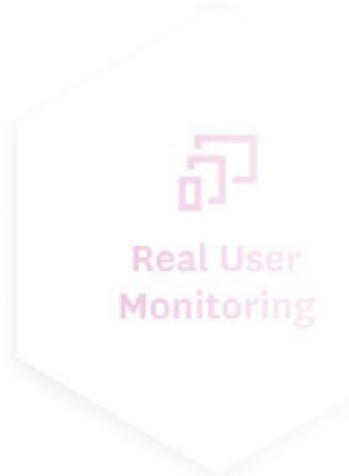
APM  
& Continuous  
Profiling

APM	APM & Continuous Profiler
\$31	\$40



Synthetic  
Monitoring

API Test	Browser Test
\$5	\$12



Real User  
Monitoring

Real User Monitoring	
	\$15

[datadoghq.com/pricing](https://datadoghq.com/pricing)

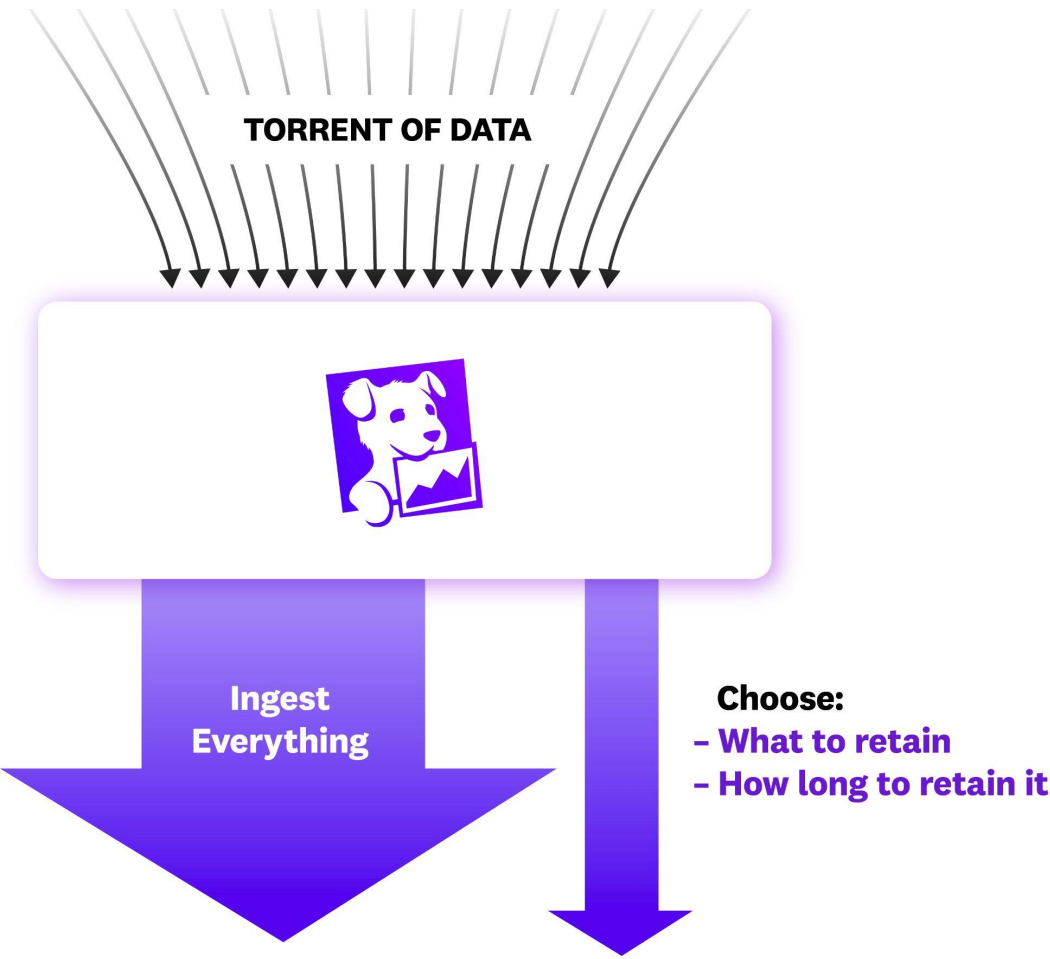
# Our products are priced for usage and value

PRODUCT	PRICING
<b>Infrastructure</b>	per host
<b>APM</b>	per host
<b>Logs</b>	per ingested GB / per indexed event
<b>Synthetics</b>	per test run
<b>Real User Monitoring</b>	per session
<b>Serverless</b>	per invocation
<b>Database Monitoring</b>	per host

PRODUCT	PRICING
<b>Network Monitoring</b>	per host / per device
<b>Incident Management</b>	per user
<b>Security Monitoring</b>	per GB of analyzed logs
<b>Cloud Security Posture Management</b>	per host
<b>Cloud Workload Security</b>	per host
<b>CI Visibility</b>	per user

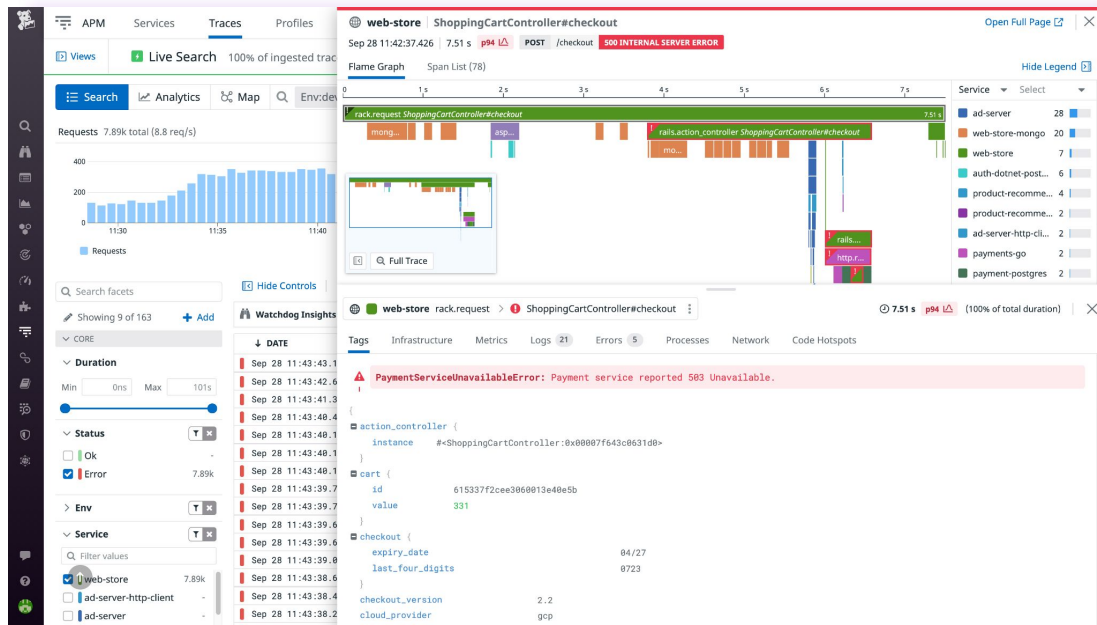


# Our products are priced to give customers control

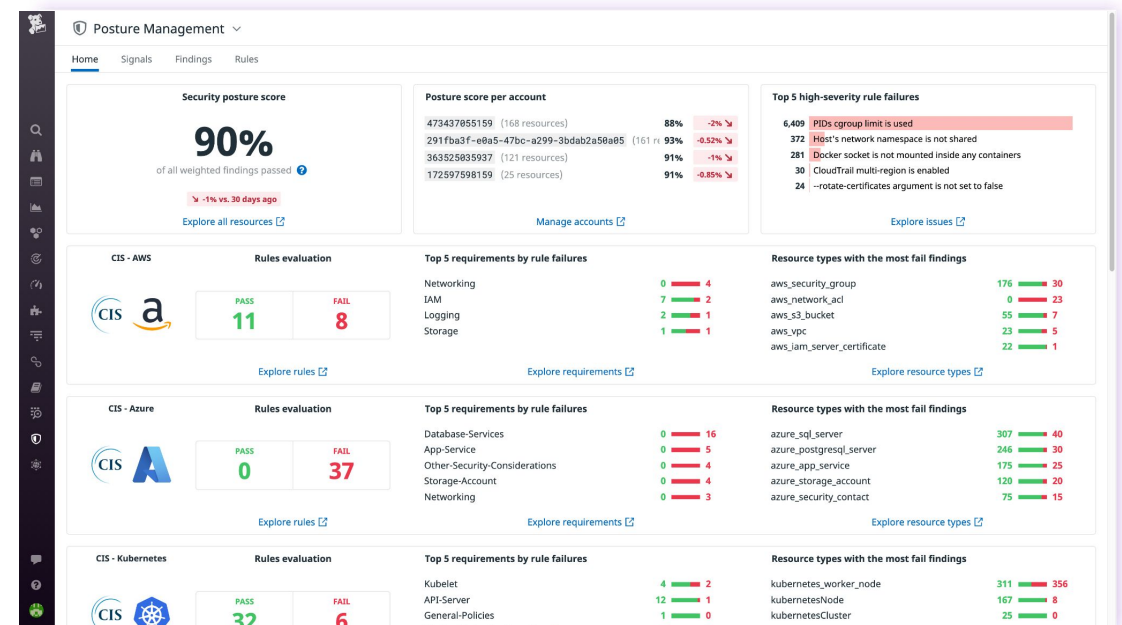


# Datadog democratizes data

One platform - deployed everywhere, used by everyone



Developer sample view



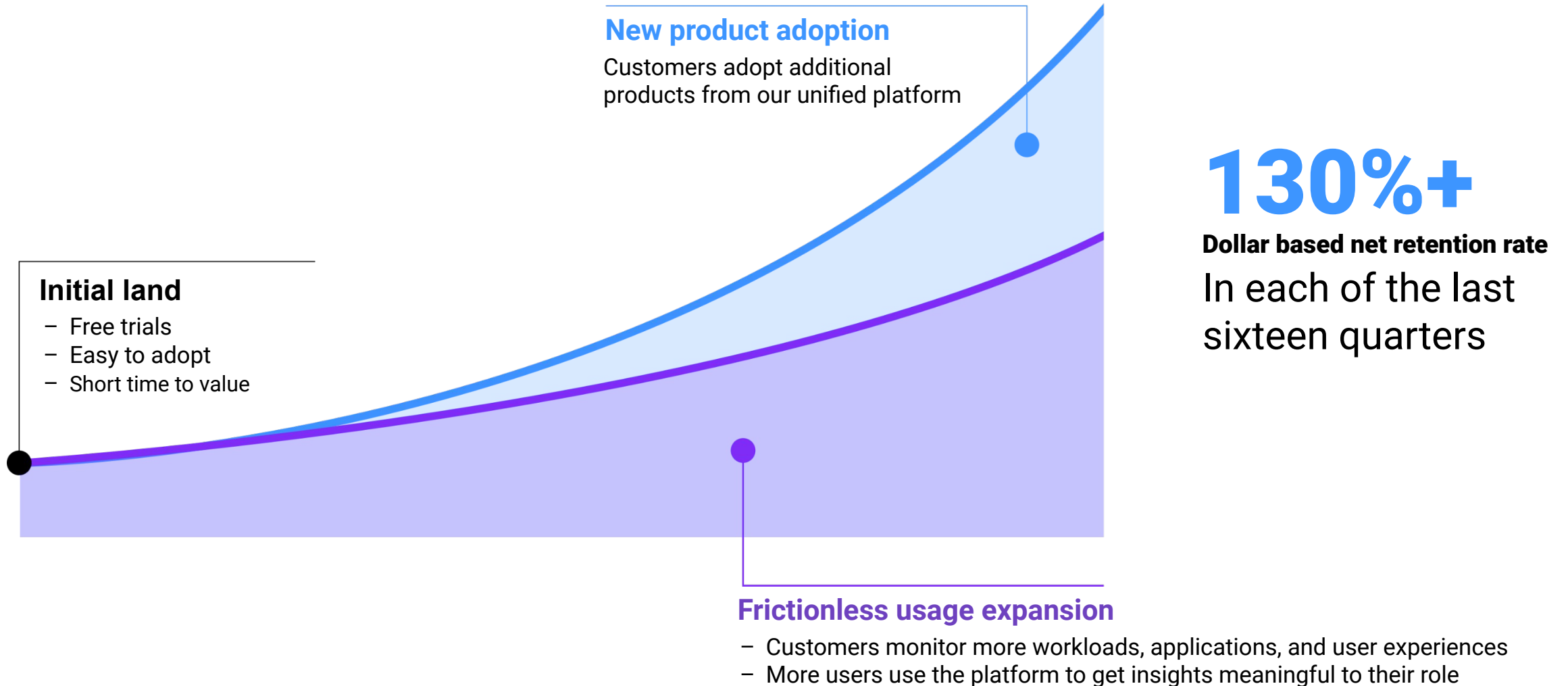
Security user sample view



**Adam Blitzler**

Chief Operating Officer

# What we do: land-and-expand



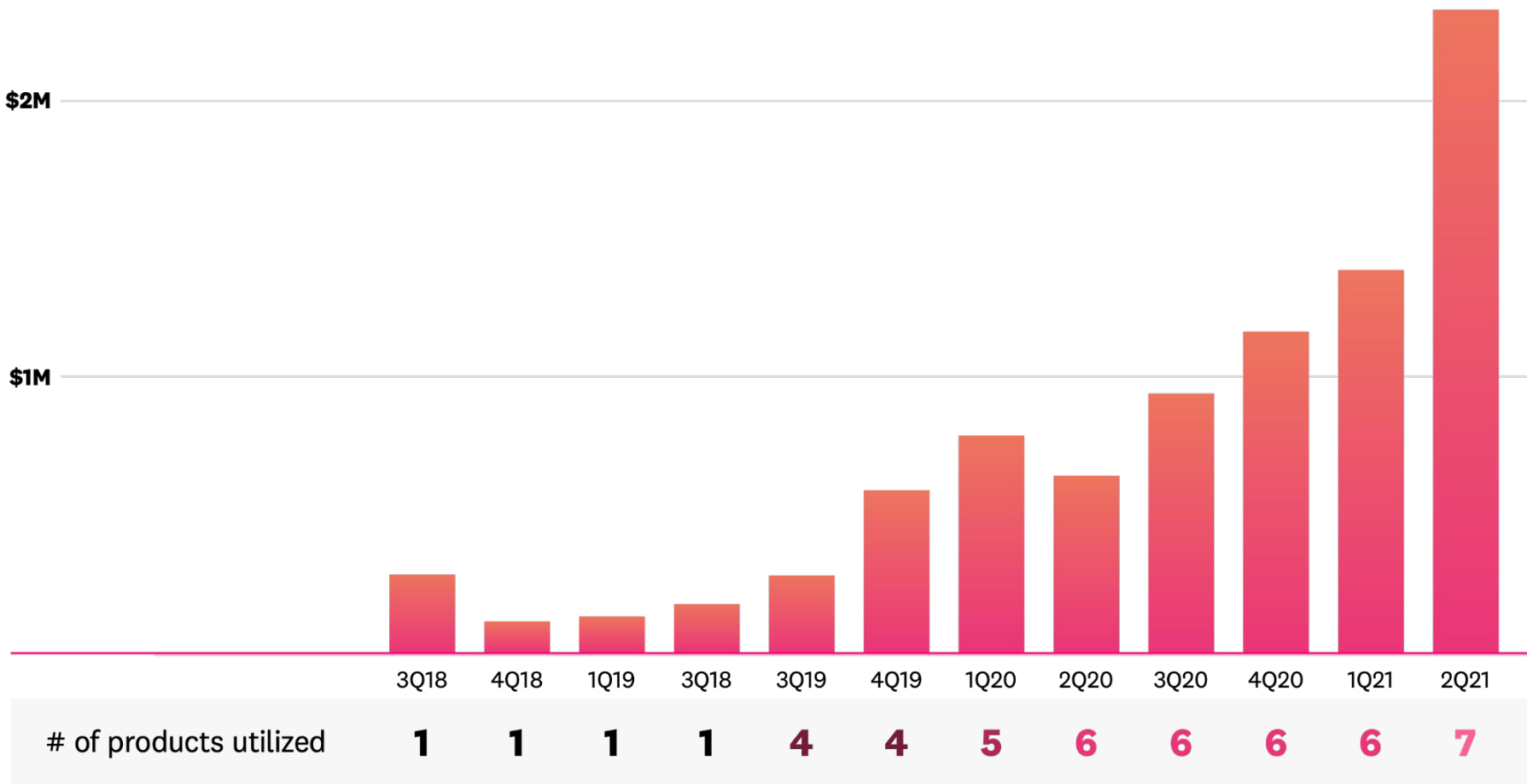
## CUSTOMER EXAMPLE

# Multinational financial info services company

Annual Recurring Revenue (ARR)

\$2M

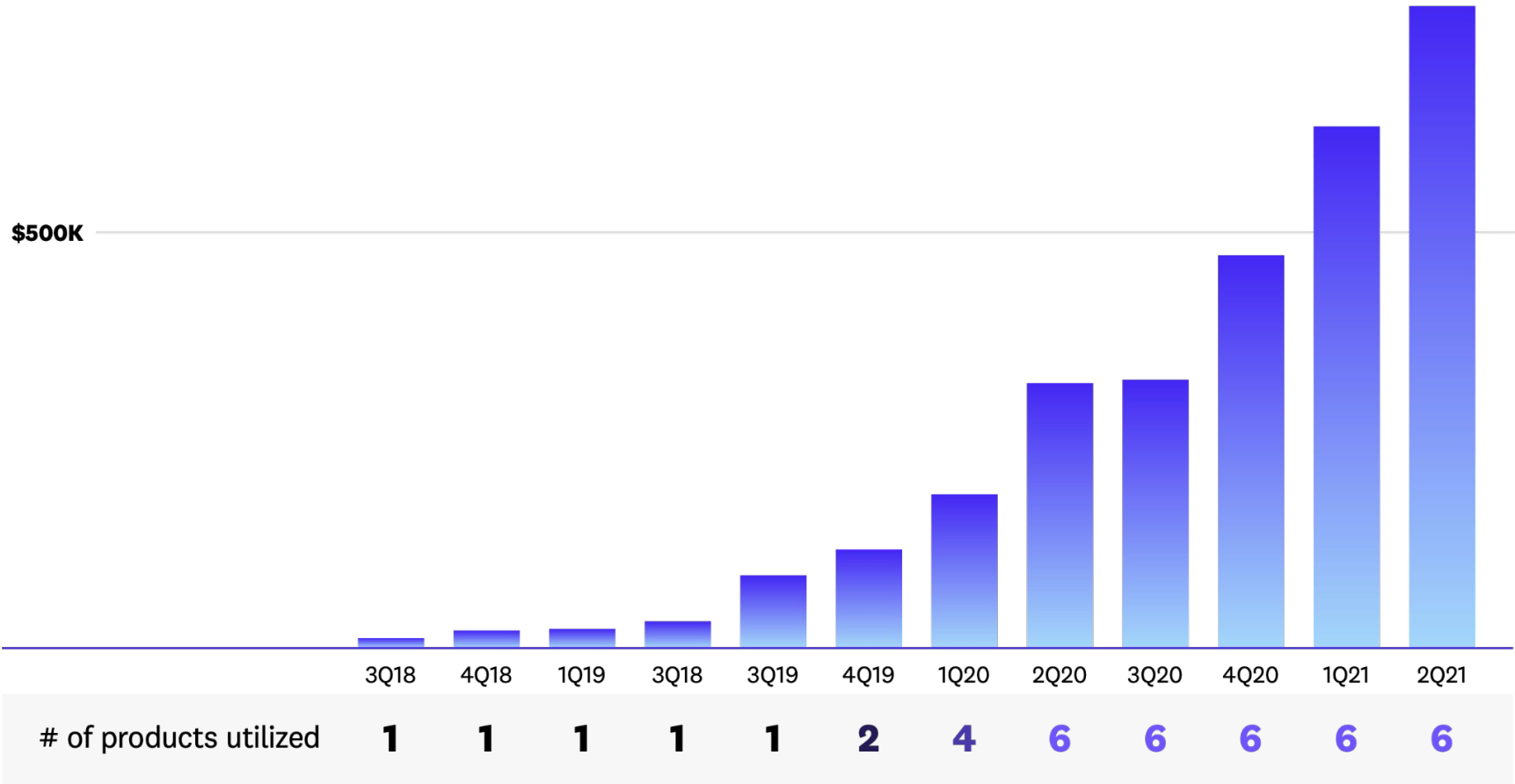
\$1M



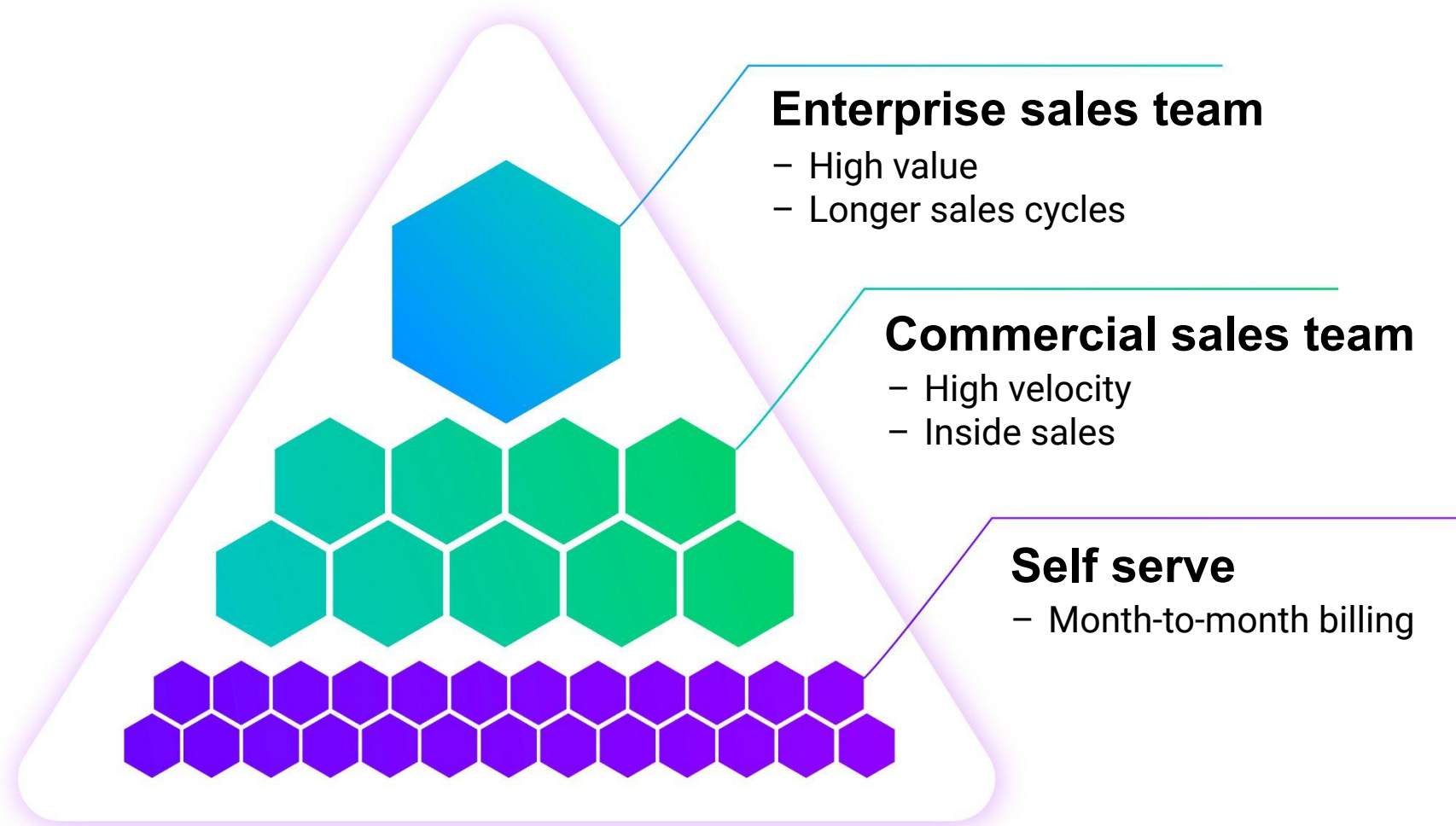
# CUSTOMER EXAMPLE

## Major US grocery chain

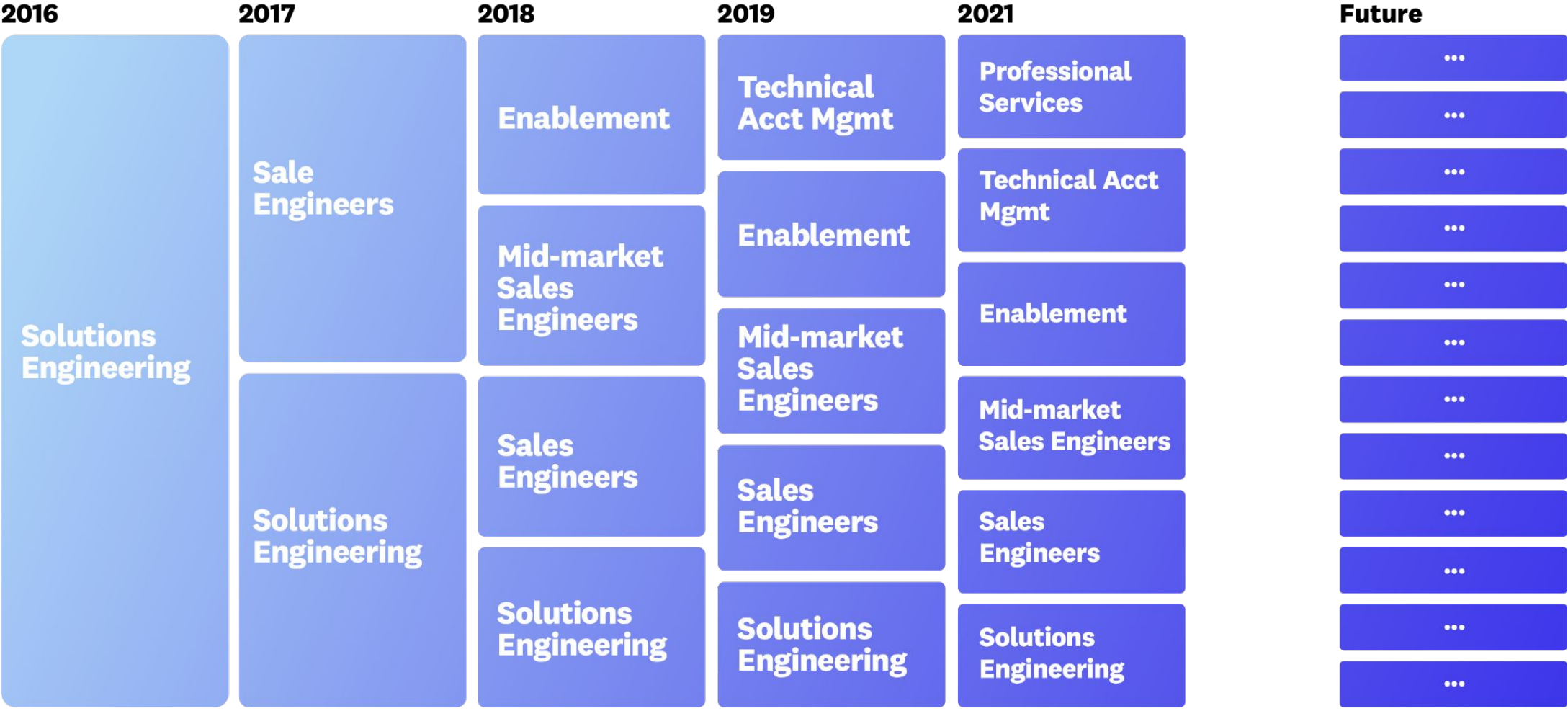
Annual Recurring Revenue (ARR)



# Our go-to-market strategy

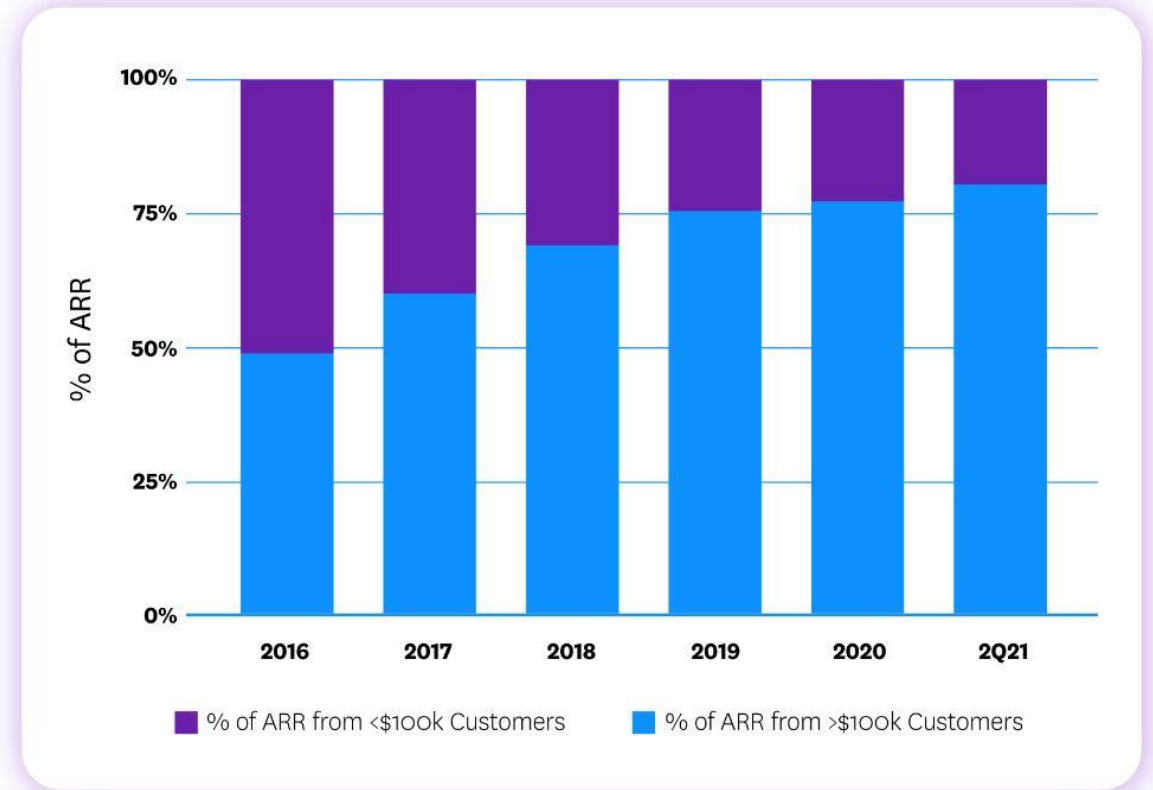
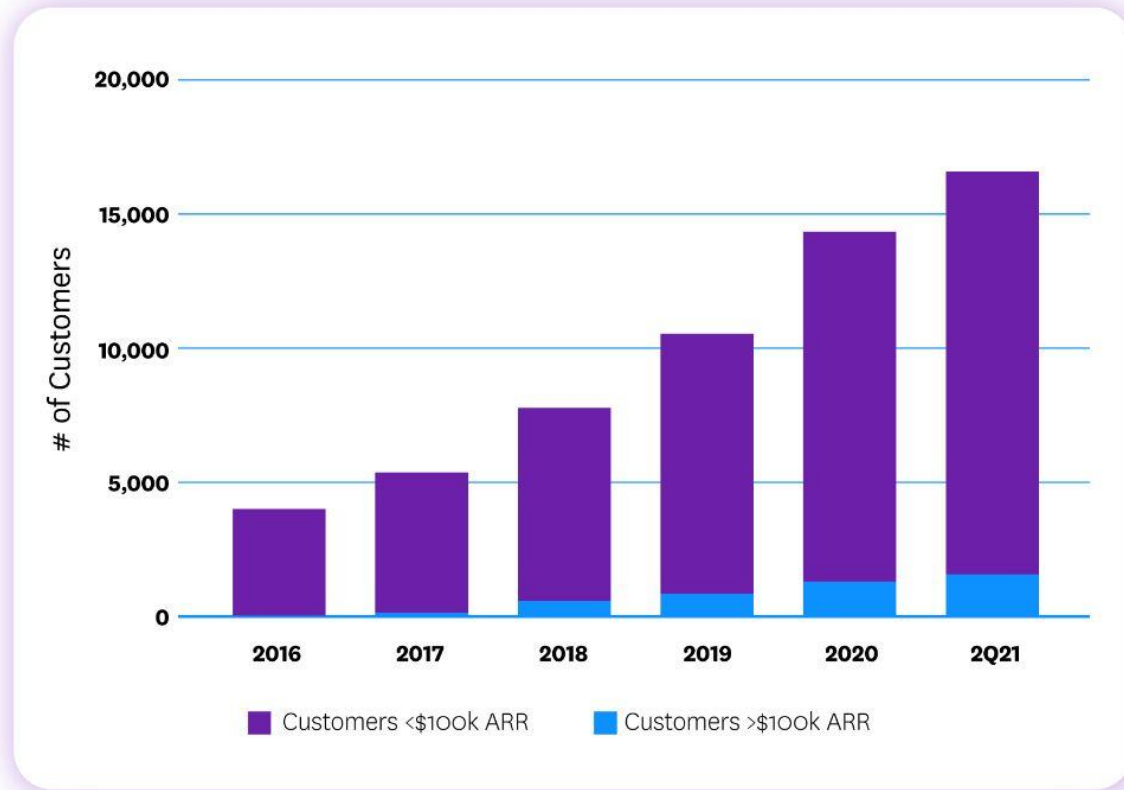


# Our support evolution





# Executing on strong customer growth





**David Obstler**

Chief Financial Officer

# Key takeaways

---

**Product-led company;**  
continuous innovation

---

**Frictionless, customer-led**  
selling motion

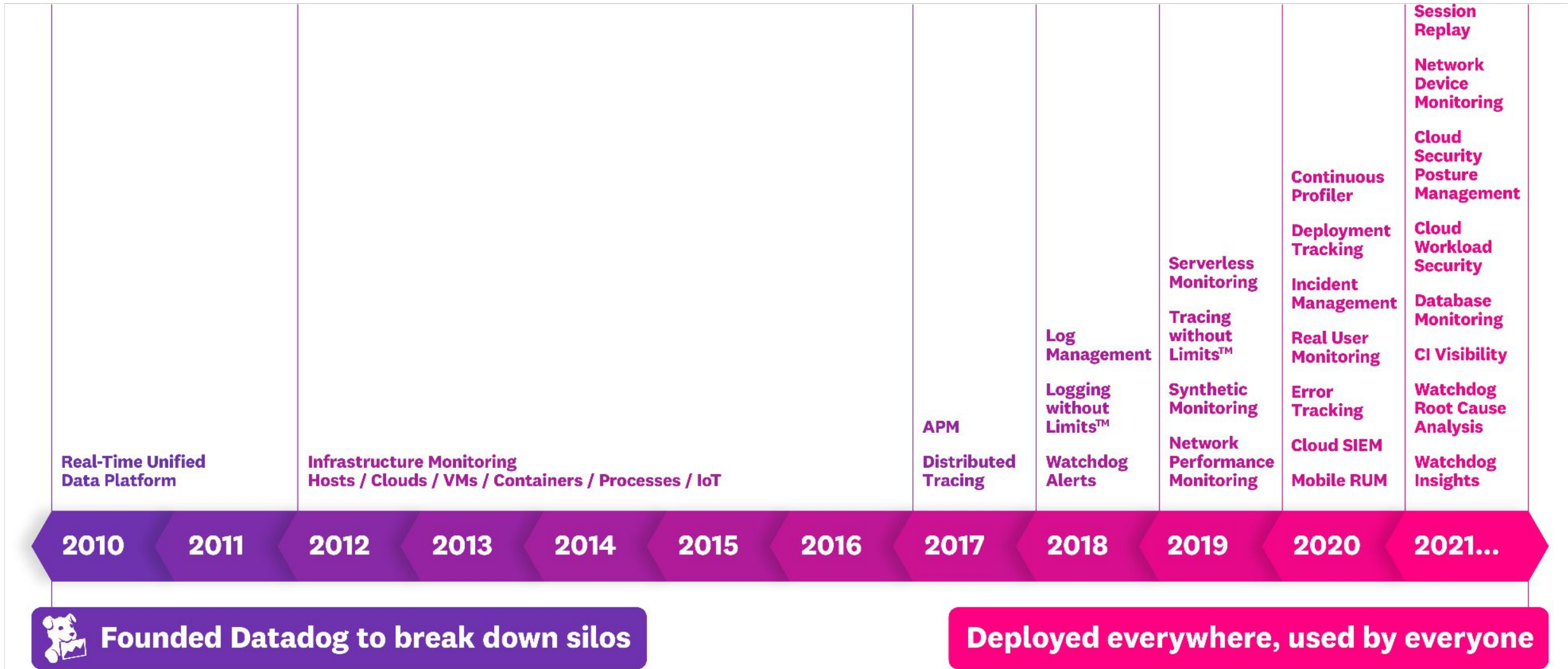
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**Strong customer growth;**  
rapid expansion of large  
customers

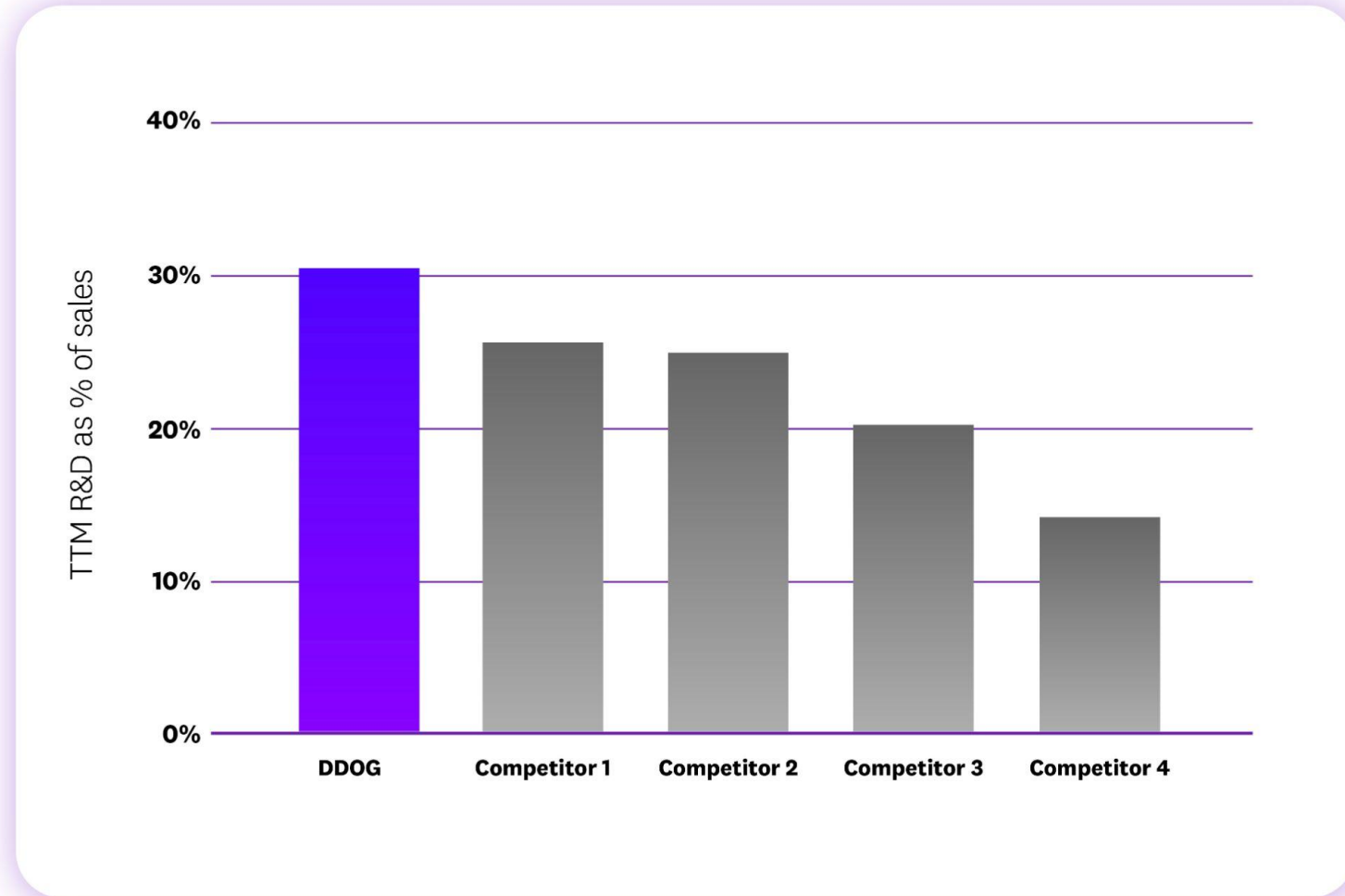
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**High revenue growth** with  
operating efficiency

# Product innovation



# Aggressive investment in R&D



# Strong upsell and retention

**Mid-90%s**

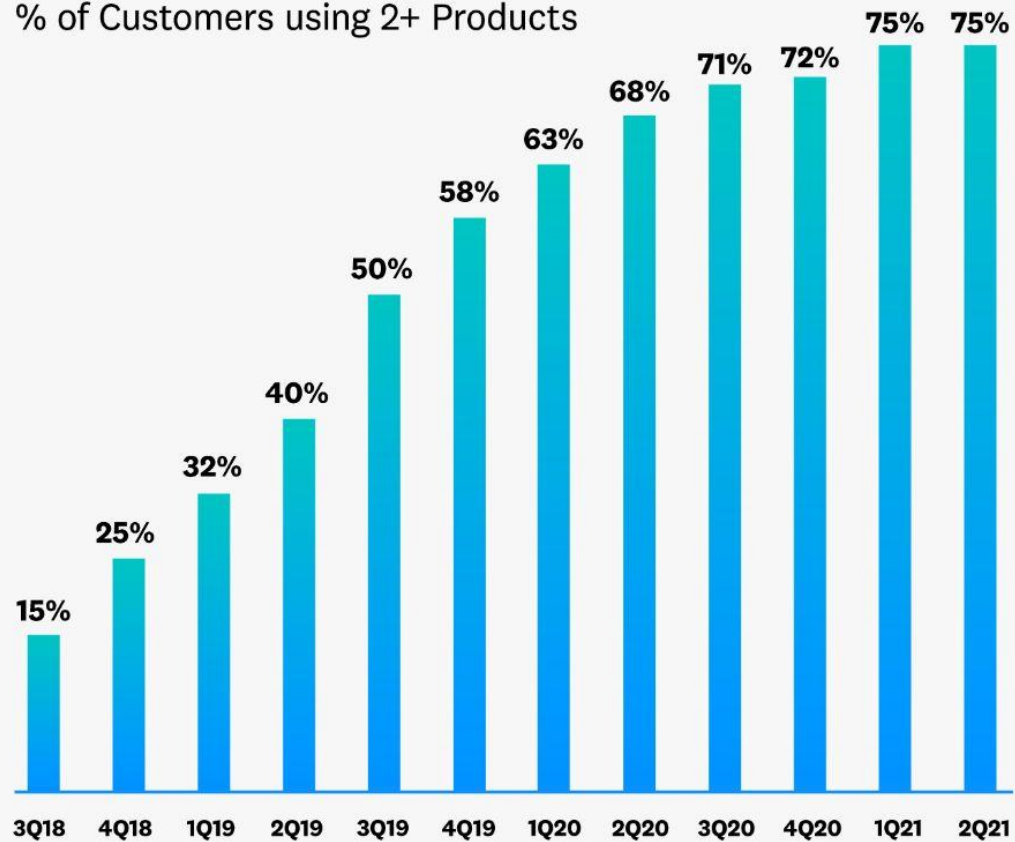
Dollar-based  
gross retention rate

**130%+**

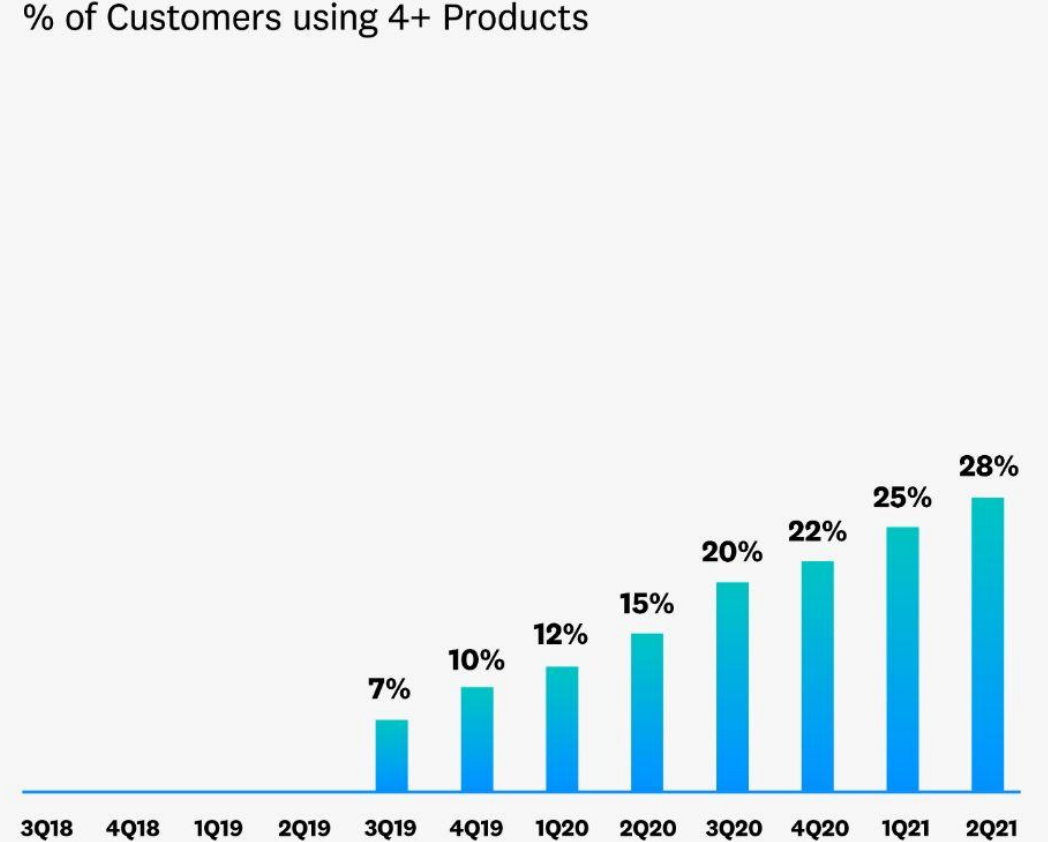
Dollar-based  
net retention rate for  
16 consecutive quarters

# Platform strategy is resonating with customers

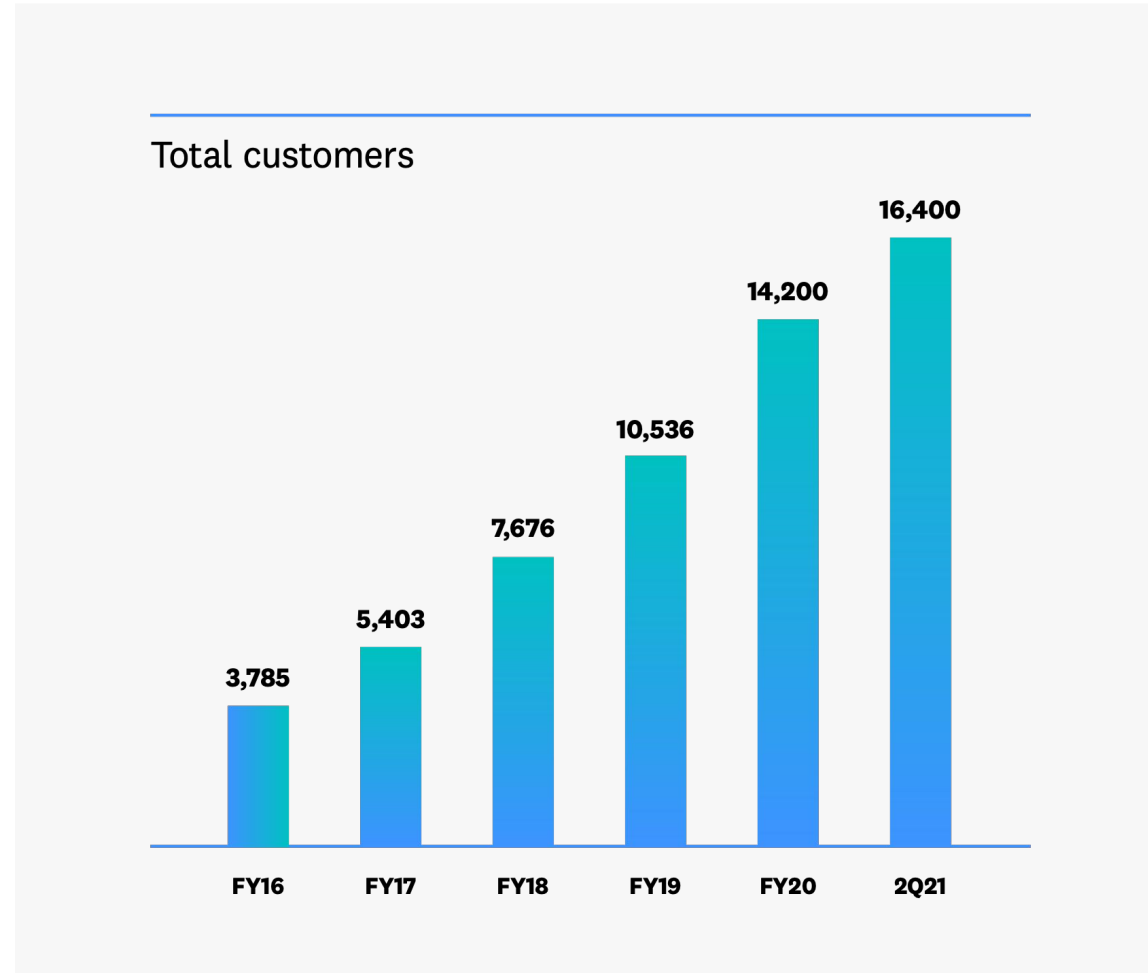
% of Customers using 2+ Products



% of Customers using 4+ Products

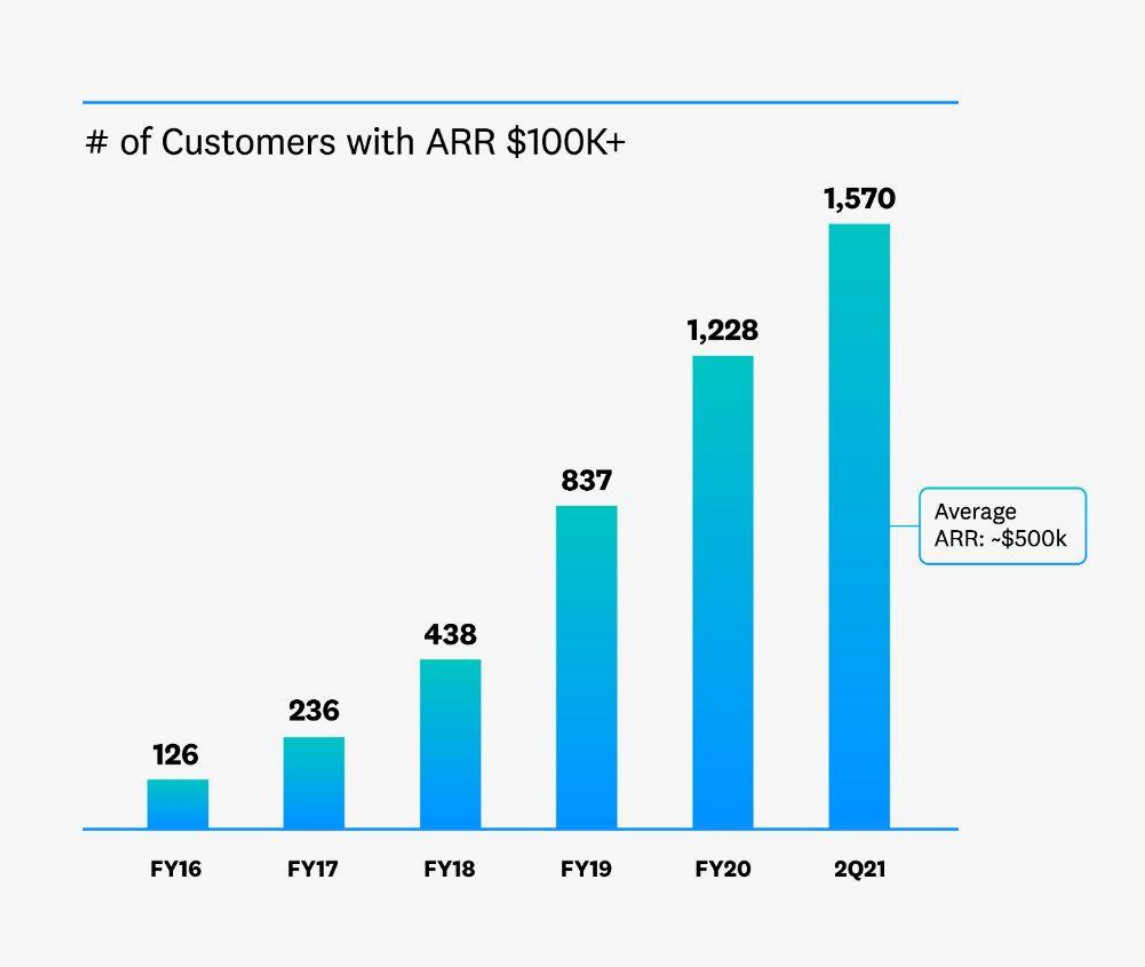
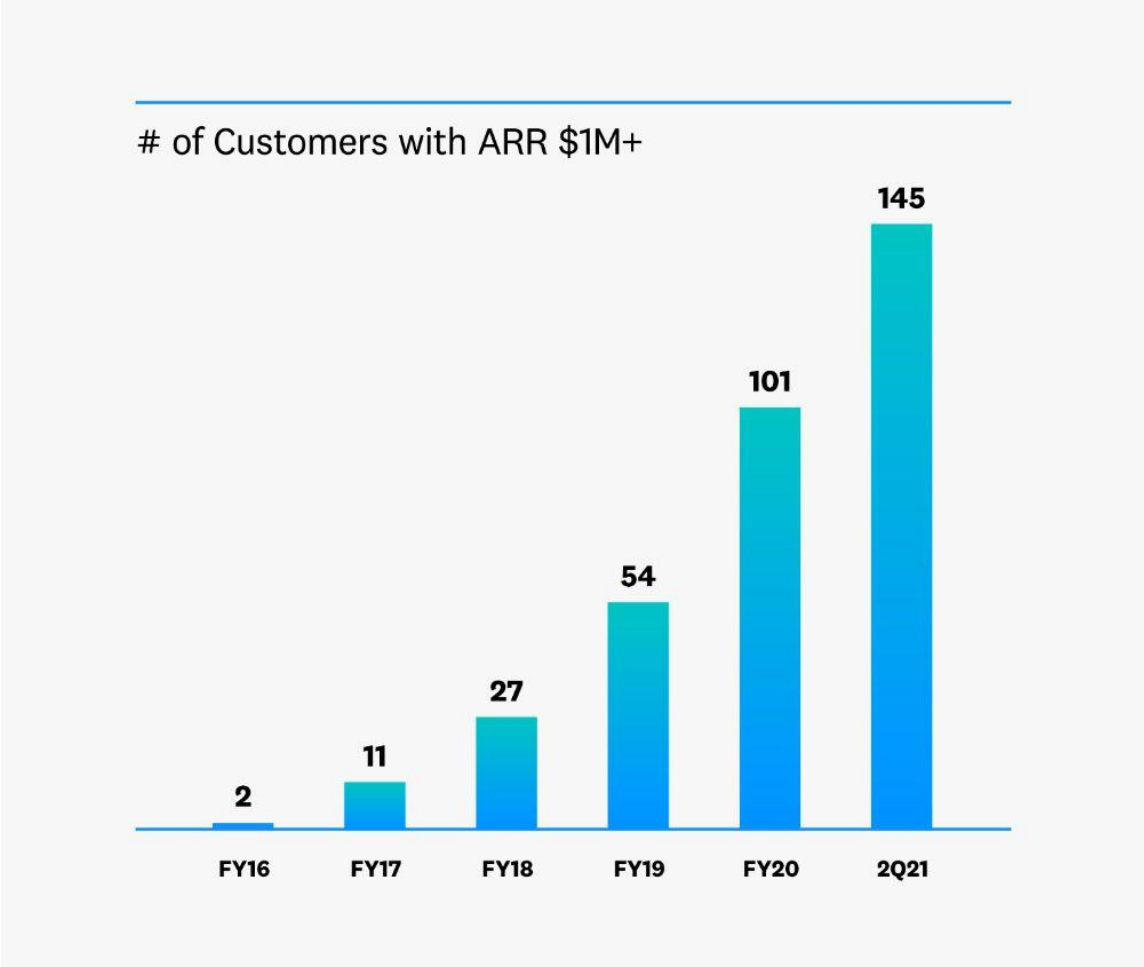


# Strong customer growth



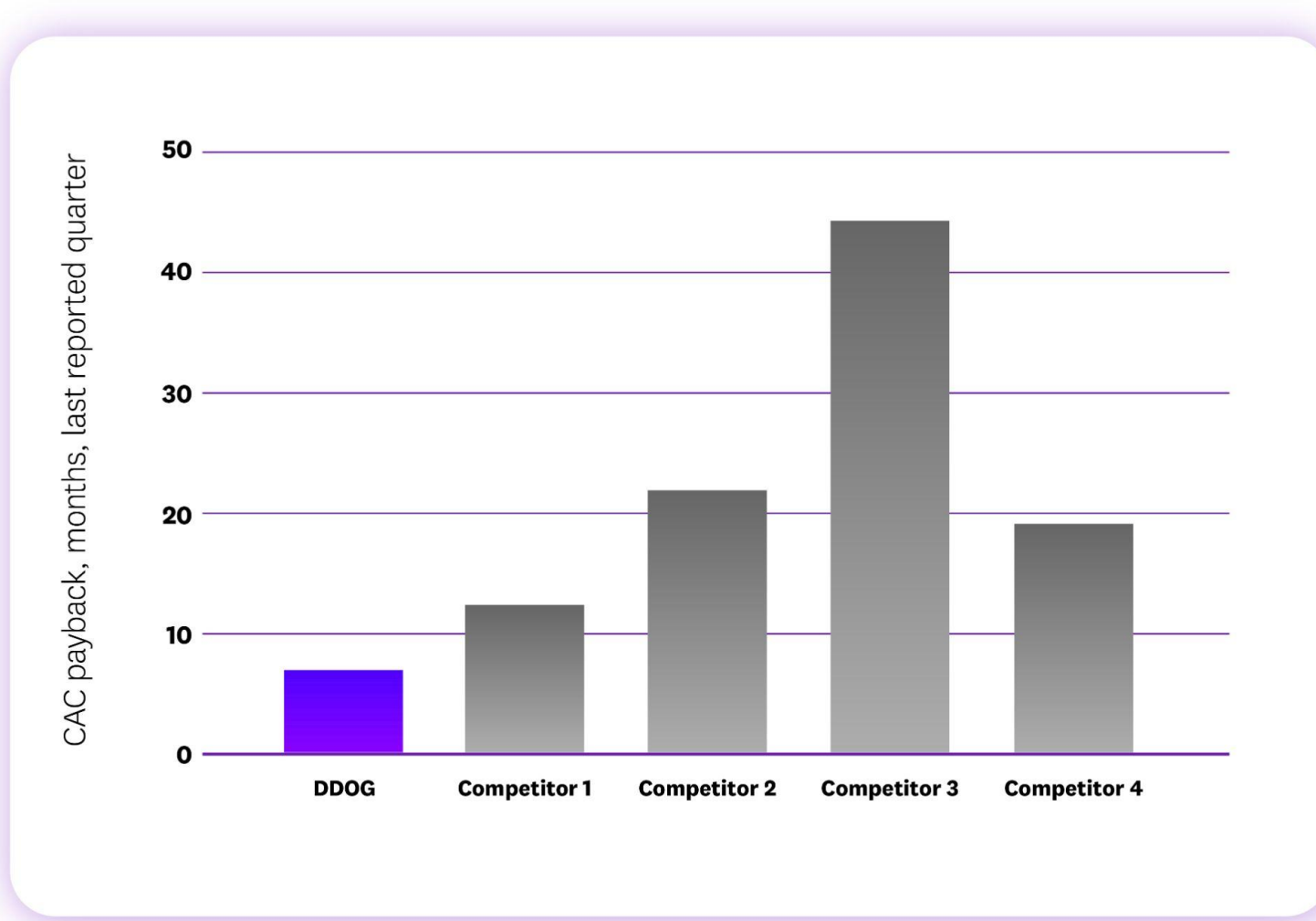


# Strong customer growth



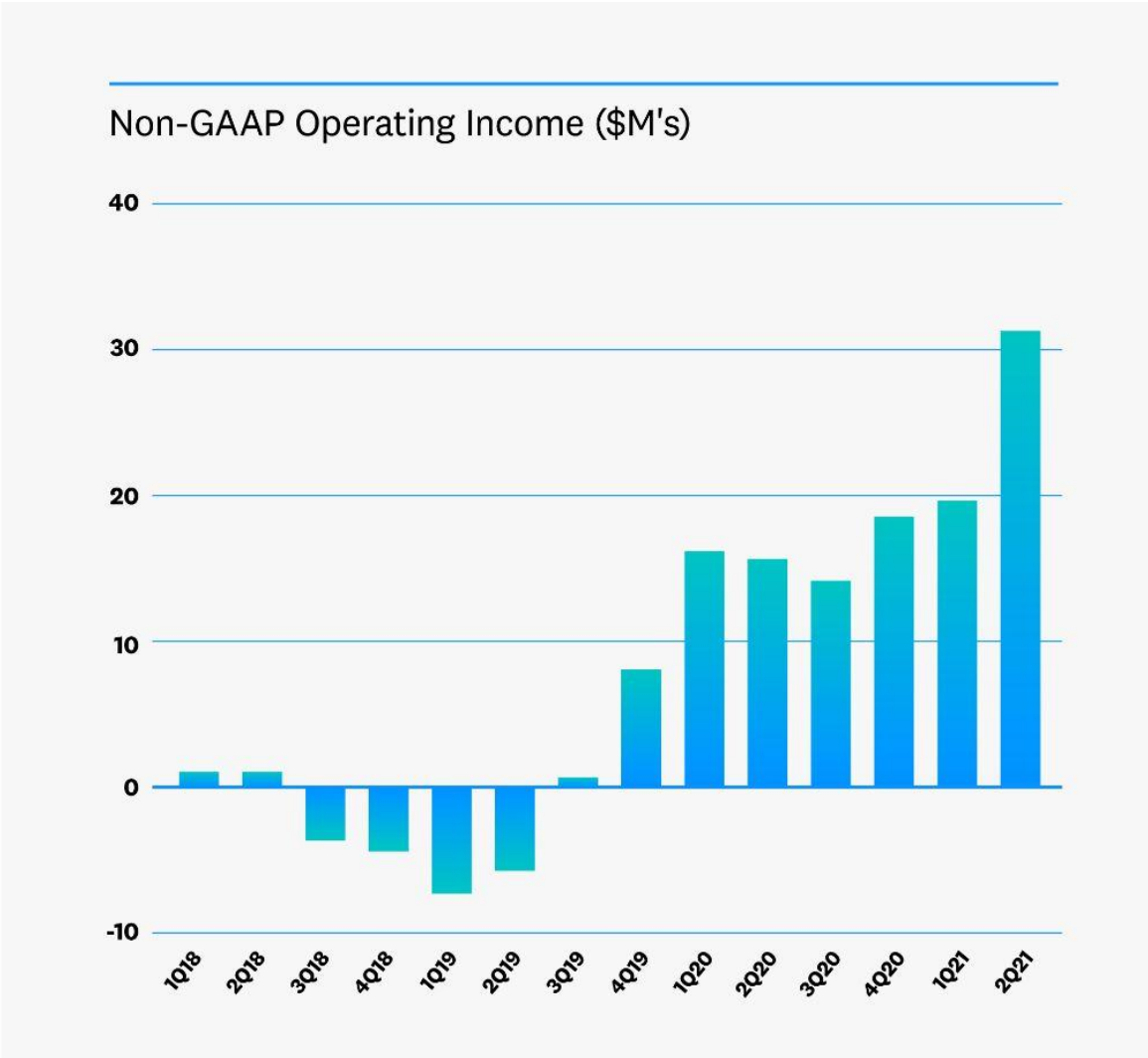
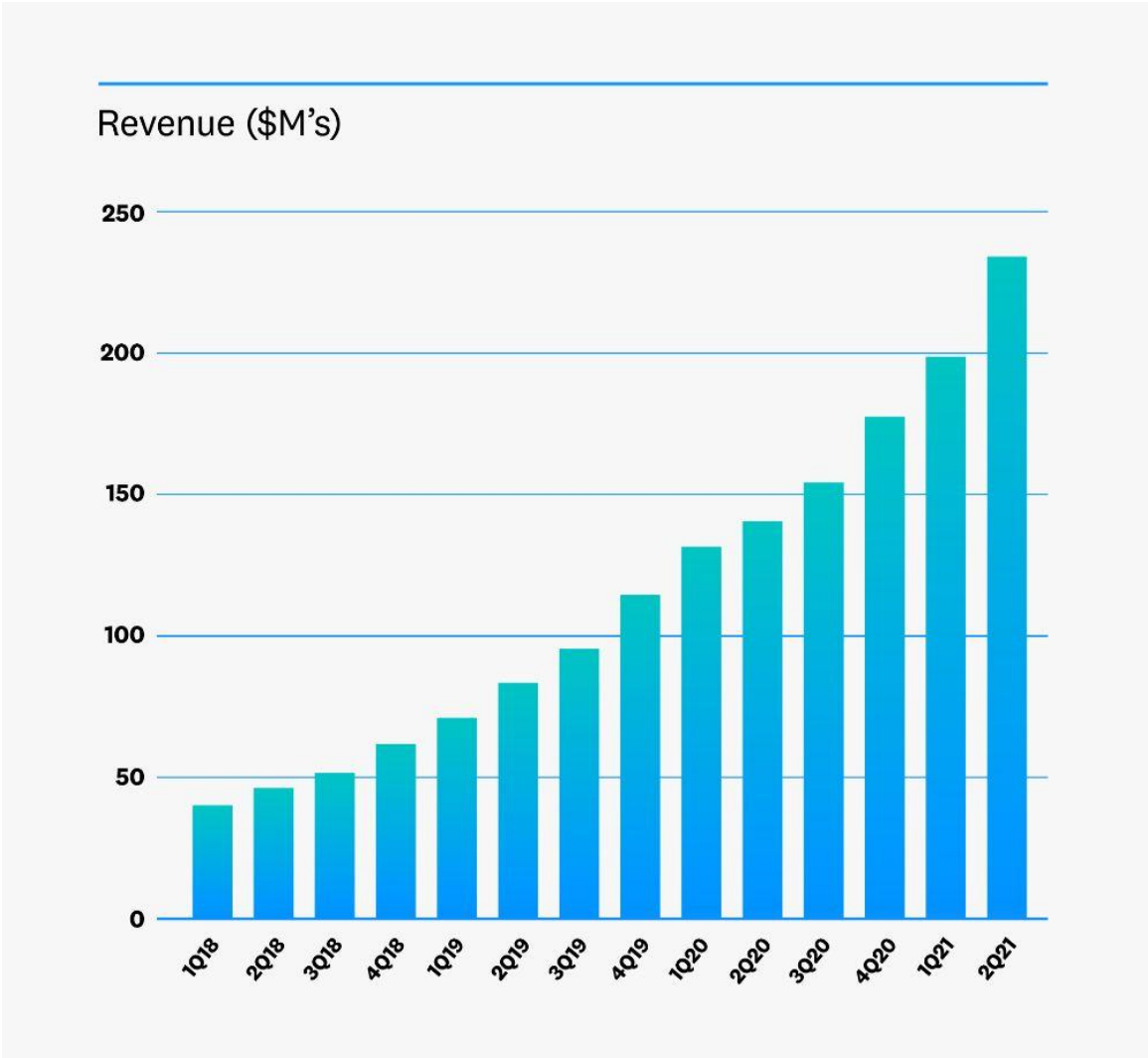
We updated the definition of MRR as of the quarter ended September 30, 2021 to capture usage from subscriptions with committed contractual amounts and applied this change retroactively.

# Best-in-class sales efficiency



CAC payback is the prior quarter S&M expense, divided by gross-margin adjusted change in revenue, quarter over quarter.

# Strong revenue and profit growth



# Q&A Session

**Olivier Pomel**

CEO & Co-founder

**Alexis Lê-Quốc**

CTO & Co-founder

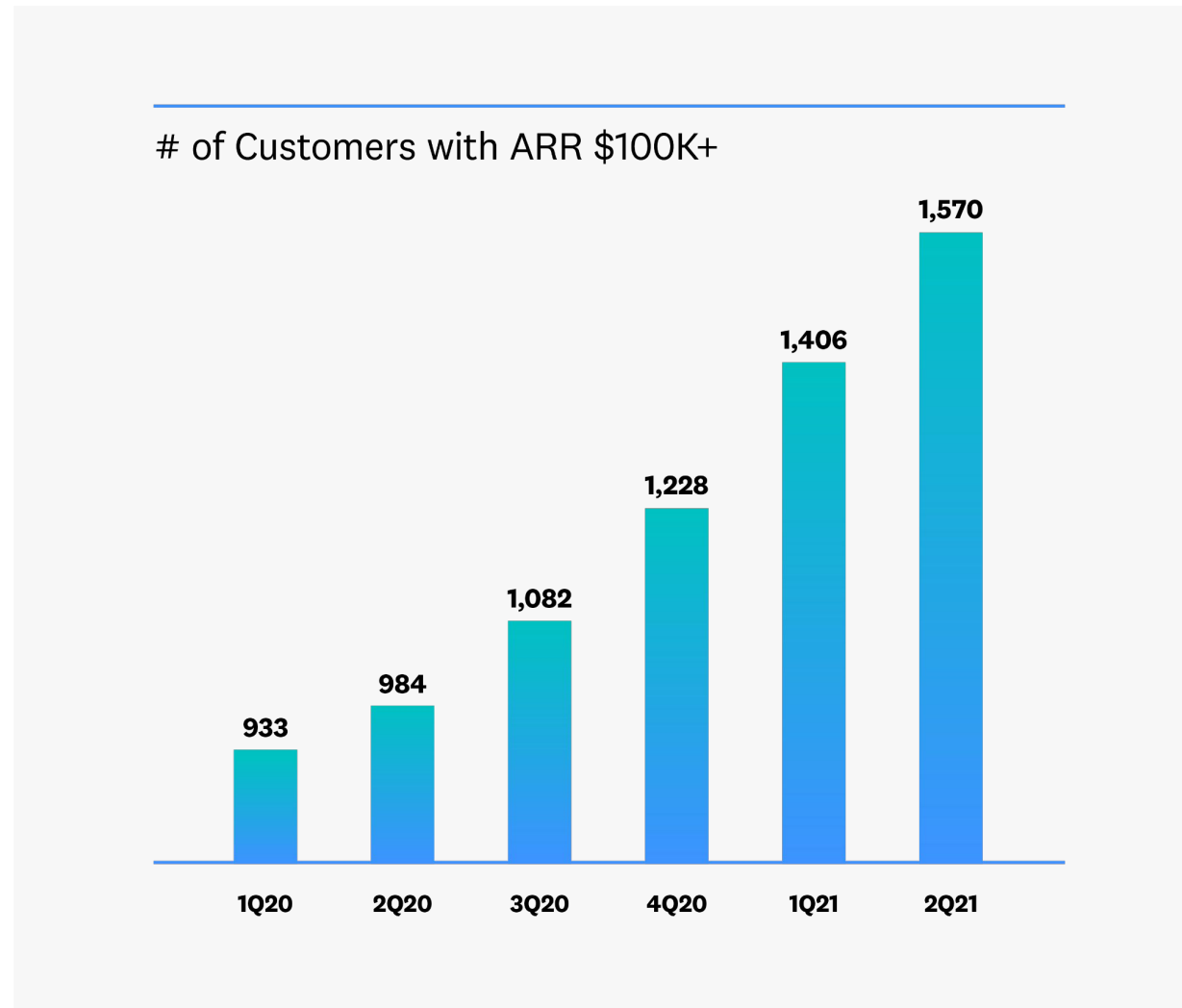
**David Obstler**

CFO

**Yuka Broderick**

Head of Investor Relations

# Appendix



We updated the definition of MRR as of the quarter ended September 30, 2021 to capture usage from subscriptions with committed contractual amounts and applied this change retroactively.

# Appendix

## Non-GAAP operating profit (\$000's)

	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
Revenue	\$39,715	\$45,678	\$51,074	\$61,610	\$70,050	\$83,222	\$95,864	\$113,644	\$131,248	\$140,012	\$154,675	\$177,531	\$198,549	\$233,549
GAAP operating income (loss)	\$153	\$123	\$(4,635)	\$(6,674)	\$(9,662)	\$(3,994)	\$(4,218)	\$(2,266)	\$3,778	\$654	\$(9,267)	\$(8,938)	\$(12,830)	\$(9,886)
<b>GAAP operating margin</b>	<b>0%</b>	<b>0%</b>	<b>(9)%</b>	<b>(11)%</b>	<b>(14)%</b>	<b>(4)%</b>	<b>(4)%</b>	<b>(2)%</b>	<b>3%</b>	<b>0%</b>	<b>(6)%</b>	<b>(5)%</b>	<b>(6)%</b>	<b>(4)%</b>
Add: Share-based compensation expense	794	949	1,308	2,193	2,445	2,894	4,677	9,018	12,060	16,834	20,716	24,764	28,861	34,515
Amortization of acquired intangibles	112	108	112	179	175	177	179	221	247	147	274	275	355	1,071
Non-cash benefit related to tax adjustment	-	-	-	-	-	(5,007)	-	-	-	(5,561)	-	-	-	-
Plus: Employer payroll taxes related to employee stock transactions	-	-	-	-	12	460	88	901	246	3,264	2,086	2,021	3,169	5,167
Non-GAAP operating income (loss)	\$1,059	\$1,180	\$(3,215)	\$(4,302)	\$(7,030)	\$(5,470)	\$726	\$7,874	\$16,331	\$15,338	\$13,809	\$18,122	\$19,555	\$30,867
<b>Non-GAAP operating margin</b>	<b>3%</b>	<b>3%</b>	<b>(6)%</b>	<b>(7)%</b>	<b>(10)%</b>	<b>(7)%</b>	<b>1%</b>	<b>7%</b>	<b>12%</b>	<b>11%</b>	<b>9%</b>	<b>10%</b>	<b>10%</b>	<b>13%</b>