

Coupa Software Reports Third Quarter Fiscal 2021 Financial Results

Record Quarterly Revenues of \$133 Million, 31% Year-Over-Year Growth

Quarterly Calculated Billings of \$140 Million, 33% Year-Over-Year Growth

Quarterly Operating Cash Flows and Adjusted Free Cash Flows of \$19 Million and \$17 Million, Respectively

SAN MATEO, Calif., Dec. 7, 2020 -- Coupa Software (NASDAQ: COUP) today announced financial results for its third fiscal quarter ended October 31, 2020.

"We were very pleased to deliver over 30% year-over-year billings growth, as well as another quarter of record revenue," said Rob Bernshteyn, chairman and chief executive officer at Coupa. "As we approach the end of the year with a focus on resilience and long-term market dominance, we continue to be assertive in expanding our comprehensive Business Spend Management platform to address all spend, unlocking value and profitability for the ever-growing set of customers in our community."

Chief Revenue Officer Steven Winter will be retiring from his executive position at the end of the company's 2021 fiscal year. Rob Glenn, currently Coupa's SVP Americas, will be promoted and will be in charge of all global sales, effective February 1, 2021, and will report directly to Rob Bernshteyn, Coupa's CEO. Mr. Winter will remain employed in an advisory role during fiscal 2022.

Third Quarter Results:

Total revenues were \$133.0 million, an increase of 31% compared to the same period last year. Subscription revenues were \$118.1 million, an increase of 31% compared to the same period last year.

GAAP operating loss was \$33.6 million, compared to a GAAP operating loss of \$16.9 million for the same period last year. Non-GAAP operating income was \$14.3 million, compared to a non-GAAP operating income of \$11.6 million for the same period last year.

GAAP net loss was \$60.8 million, compared to a GAAP net loss of \$26.3 million for the same period last year. GAAP net loss per basic and diluted share was \$0.88, compared to a GAAP net loss per basic and diluted share of \$0.42 for the same period last year. Non-GAAP net income was \$13.0 million, compared to a non-GAAP net income of \$14.2 million for the same period last year. Non-GAAP net income per diluted share was \$0.18, compared to non-GAAP net income per diluted share of \$0.20 for the same period last year.

Operating cash flows and adjusted free cash flows were positive \$19.0 million and \$17.3 million, respectively. See the section titled "Non-GAAP Financial Measures" and the reconciliation tables here for important information regarding the non-GAAP measures used by Coupa.

Business Outlook:

The following forward-looking statements reflect Coupa's expectations as of December 7, 2020, and include the expected impact from the LLamasoft acquisition.

Fourth quarter of fiscal 2021:

Total revenues are expected to be \$145.0 to \$146.0 million.

Subscription revenues are expected to be \$124.5 to \$125.5 million.

Professional services and other revenues are expected to be approximately \$20.5 million.

Non-GAAP loss from operations is expected to be \$6.0 to \$8.0 million.

Non-GAAP net loss per basic and diluted share is expected to be \$0.11 to \$0.13 per share.

Basic and diluted weighted average share count is expected to be approximately 72.0 million shares. Full year fiscal 2021:

Total revenues are expected to be \$523.0 to \$524.0 million.

Non-GAAP income from operations is expected to be \$34.0 to \$36.0 million.

Non-GAAP net income per diluted share is expected to be \$0.47 to \$0.49 per share.

Diluted weighted average share count is expected to be approximately 72.5 million shares. Coupa has not reconciled its expectations for non-GAAP income or loss from operations to GAAP loss from operations, or non-GAAP net income or loss per share to GAAP net loss per share because certain items excluded from non-GAAP income or loss from operations and non-GAAP net income or loss, such as charges related to stock-based compensation expenses, amortization of acquired intangible assets, the change in fair value of contingent consideration related to acquisition earnout payments, amortization of debt discount and issuance costs, gain or loss on conversion of convertible senior notes, and related tax effects, including non-recurring income tax adjustments, cannot be reasonably calculated or predicted at this time. In addition, the effect of the anti-dilutive impact of the capped call transactions entered into in connection with the convertible notes cannot be reasonably calculated or predicted at this time. The effect of these items may be significant.

Recent Business Highlights:

Welcomed many new customers into the Coupa community in Q3, including the following: ADB Companies, Akzo Nobel, Casey's General Stores, Damm, DHL Global Forwarding LATAM, Downer EDI Services, Elevate Textiles, Flender, GIS International, GlobalLogic, Ibstock Brick, iCapital Network, Immunovant, Interroll, Kodiak Sciences, Kura Oncology, Latchable, LKAB, Mayne Pharma, miR Scientific, OES Equipment, Ovid Therapeutics, Pilot Freight Services, SafetyCulture, Sam's Mart, Solomon Telekom, Turo, Unicharm, United Safety and Survivability, Uniting Care – Queensland, University of Bristol, Venture Global, Welbilt, and ZoomInfo.

Acquired AI-powered supply chain design and planning leader, LLamasoft, in November 2020.

Appointed Michelle Brennan to the Board of Directors.

Smarter Together Webinar discussed how communities will shape the next revolution in business.

Expanded partnership with American Express to bring Virtual Card payments to the US.

Named a Leader in the 2020 Gartner Magic Quadrant for Procure-to-Pay suites for the fifth consecutive time. Conference Call Information:

Coupa will host a conference call and live webcast for analysts and investors at 4:30 p.m. Eastern time today.

The live webcast will be accessible on Coupa's investor relations website at <http://investors.coupa.com>. A replay will be available through the same link.

Non-GAAP Financial Measures:

In addition to disclosing financial measures prepared in accordance with U.S. generally accepted accounting principles (GAAP), this press release and the accompanying tables contain certain non-GAAP financial measures, including non-GAAP operating income, non-GAAP net income and adjusted free cash flows. Coupa believes these non-GAAP measures are useful in evaluating its operating performance, and Coupa's management regularly reviews and uses these measures for business planning and other purposes.

Non-GAAP operating income and non-GAAP net income exclude certain items from the corresponding GAAP measures, including: stock-based compensation expense; amortization of acquired intangible assets; the change in fair value of contingent consideration related to acquisition earnout payments; amortization of debt discount and issuance costs; gain or loss on conversion of convertible senior notes; and related tax effects, including non-recurring income tax adjustments. In addition, the weighted average diluted shares figure used to calculate non-GAAP net income per share reflects the anti-dilutive impact of the capped call transactions entered into in connection with the company's offerings of convertible notes.

Adjusted free cash flows is defined as net cash provided by operating activities, less purchases of property and equipment, plus repayments of convertible senior notes attributable to debt discount. Coupa has the ability to settle obligations related to its senior notes through the use of cash, shares of its common stock, or a combination of both, at its election.

Coupa believes these non-GAAP measures are useful to investors and other users of its financial information because they provide a way to measure and evaluate Coupa's underlying operating performance and the strength of its core business consistently across the periods presented. Coupa believes these non-GAAP measures are also useful for comparing its operating performance to that of other companies in its industry, because they eliminate the effects of certain items that may vary between companies for reasons unrelated to their operating performance. Coupa believes that adjusted free cash flows also provides a useful measure of the company's capital strength and liquidity, although it is not intended and should not be viewed as the amount of residual cash flow available for discretionary expenditures.

Coupa uses these non-GAAP measures in conjunction with GAAP measures as part of its overall assessment of its performance and liquidity, including the preparation of its annual operating budget and quarterly forecasts, to evaluate the effectiveness of its business strategies, and to communicate with its board of directors concerning its financial performance and liquidity. Coupa's definitions of its non-GAAP measures may differ from those used by other companies for similarly-titled measures, and therefore comparability may be limited. In addition, other companies may not publish these or similar metrics. Thus, Coupa's non-GAAP measures should be considered in addition to, not as substitutes for, or in isolation from, the company's GAAP results.

Coupa encourages investors and others to review its financial information in its entirety, not to rely on any single financial measure and to view its non-GAAP measures in conjunction with GAAP financial measures. In addition, Coupa compensates for the limitations of its non-GAAP financial measures by providing a reconciliation of each non-GAAP measure to the most directly comparable GAAP financial measure. These reconciliations are included in the tables attached to this release.

Forward-Looking Statements:

This release includes forward-looking statements. All statements other than statements of historical facts, including the statements of management and statements in "Business Outlook," are forward-looking statements. These forward-looking statements are based on Coupa's current expectations and projections about future events and trends that Coupa believes may affect its financial condition, results of operations, strategy, short- and long-term business operations and objectives, and financial needs.

These forward-looking statements are subject to a number of risks, uncertainties and assumptions that may cause actual results to differ materially from those projected, including: the uncertain impact of the COVID-19 pandemic; Coupa has a limited operating history at its current scale, which makes it difficult to predict its future operating results; if Coupa fails to manage its recent rapid growth effectively, Coupa may be unable to execute its business plan, maintain high levels of service, or adequately address competitive challenges; the impact of acquisitions on its business, such as integration issues, assumption of unknown or unforeseen liabilities and ability to retain customers; if Coupa is unable to attract new customers, the growth of its revenues will be adversely affected; because its platform is sold to large enterprises with complex operating environments, Coupa

encounters long and unpredictable sales cycles; the markets in which Coupa participates are intensely competitive; Coupa's business depends in part on its customers renewing their subscriptions and purchasing additional subscriptions; if Coupa fails to develop widespread brand awareness cost-effectively, its business may suffer; risks and liabilities related to breach of its security measures or unauthorized access to customer data; and the impact of foreign currency exchange rates and global economic conditions.

These and other risks and uncertainties that could affect Coupa's future results are included under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," in Coupa's quarterly report on Form 10-Q filed with the Securities and Exchange Commission (SEC) on September 9, 2020, which is available at investors.coupa.com and on the SEC's website at www.sec.gov. Further information on potential risks that could affect actual results will be included in other periodic filings Coupa makes with the SEC.

The forward-looking statements in this release reflect Coupa's expectations as of December 7, 2020. Coupa undertakes no obligation to update publicly any forward-looking statements for any reason after the date of this release to conform these statements to actual results or to changes in its expectations.

See here for released Statements and Balance Sheets.

Contacts

Richelle Gillett

0418781610

mailto: rg@giantsquidinc.com.au