



Earnings Results for the quarter ended Dec 2020 (Q1 FY 9/21)

PLAID, Inc. (4165, TSE Mothers) | February 2021

Forward-Looking Statements

This document contains forward-looking statements. These statements are based only on information that is available at the time the statements are made. In addition, these statements do not constitute a guarantee of future results. They are subject to risk and uncertainty. Please note that actual results may differ materially from those expressed or implied in the forward-looking statements due to environmental changes and other factors.

Factors that may affect actual results include, but are not limited to, domestic and overseas economic conditions and trends in the industries that the Company serves.

Even when new information is obtained or an event that is not forecast herein, etc. occurs in the future, the Company assumes no obligation to update or revise any of the forward-looking information contained in this document.

Additionally, the information concerning companies or groups outside the Company is quoted from public information and elsewhere. The Company does not verify in any way or guarantee its accuracy, appropriateness, etc.

Earnings Results

Q1 FY 9/21

- JPY⁽¹⁾ 1,209 mil. of Net sales, up 36.6% yoy basis
- 848 mil. of SG&A, down 27.7% yoy basis
- 12 mil. of OP, turning black
- 232 mil. of net income, due to temporary expenses or losses such as listing expenses and a loss on valuation of investment securities

Note: 1. All figures are JPY otherwise specifically mentioned

(JPY mil.)	Q1 FY9/21	Q1 FY9/20	YoY	Q4 FY9/20	QoQ
Net sales	1,209	885	+36.6%	1,115	+8.4%
Cost of sales	348	294	+18.5%	312	+11.5%
Gross profit	861	591	+45.6%	803	+7.2%
Gross profit margin	71.2%	66.8%	+4.4pt	72.0%	▲0.8pt
SG&A	848	1,172	▲27.7%	888	▲4.5%
% of Net sales	70.1%	132.5%	▲62.3pt	79.6%	▲9.5pt
Operating income	12	▲581	-	▲84	-
Operating margin	1.1%	▲65.7%	+66.7pt	▲7.6%	+8.7pt
Non-operating income	1	0	+26.4%	0	+101.8%
Non-operating expenses	175	10	-	6	-
Listing expenses	170	-	-	2	-
Other	4	10	▲62.2%	4	▲8.0%
Ordinary income	▲161	▲591	-	▲90	-
Extraordinary losses	70	-	-	-	-
Loss on valuation of investment securities	70	-	-	-	-
Net income	▲232	▲591	-	▲91	-

Progress Against the Guidance for This Fiscal Year

- Better progress compared with previous fiscal year

Net sales for Q1 FY 9/21

1,209 mil.

23.2%

Guidance⁽¹⁾
5,211 mil.

Net sales for Q1 FY 9/20

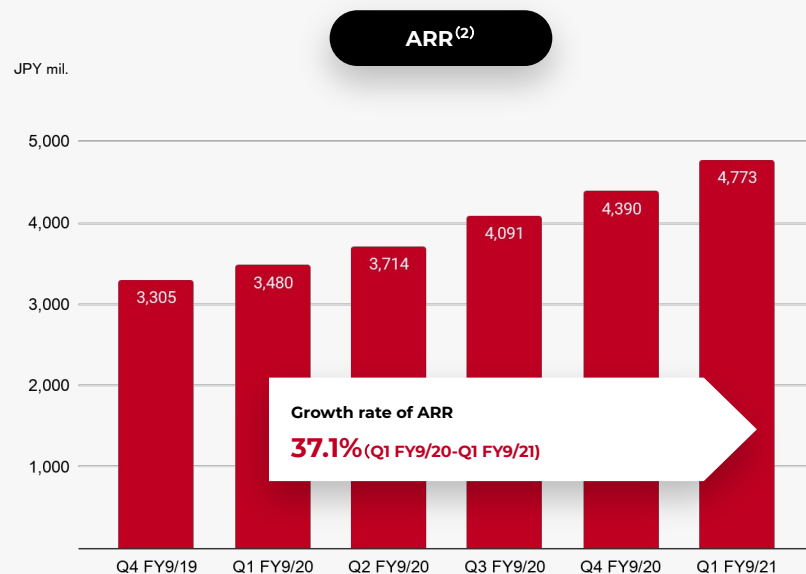
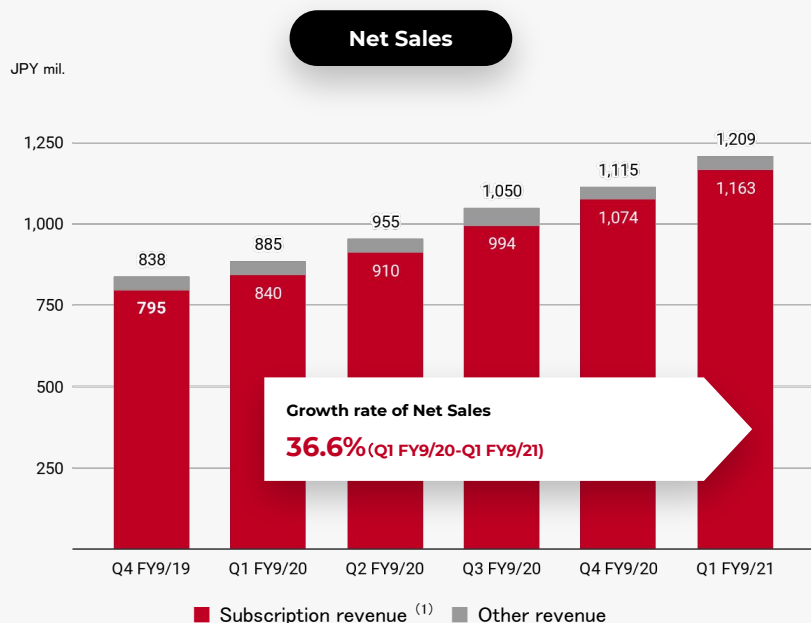
885 mil.

22.1%

Results
4,007 mil.

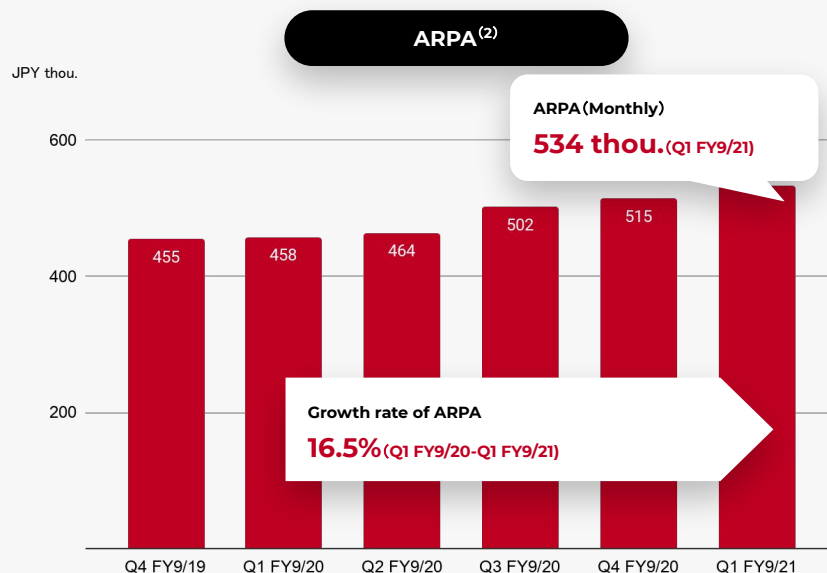
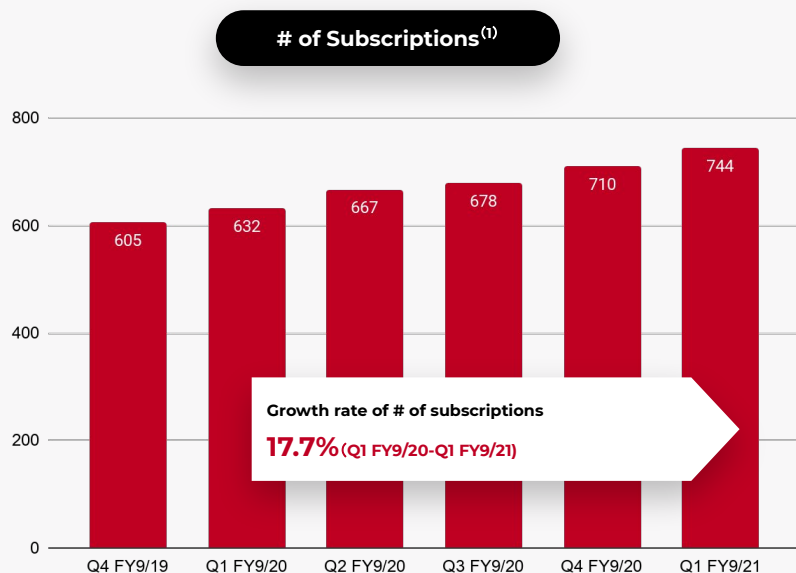
Net Sales and ARR

- 1,209 mil. of net sales, up 36.6% yoy basis
- 4,773 mil. of ARR, up 37.1% yoy basis



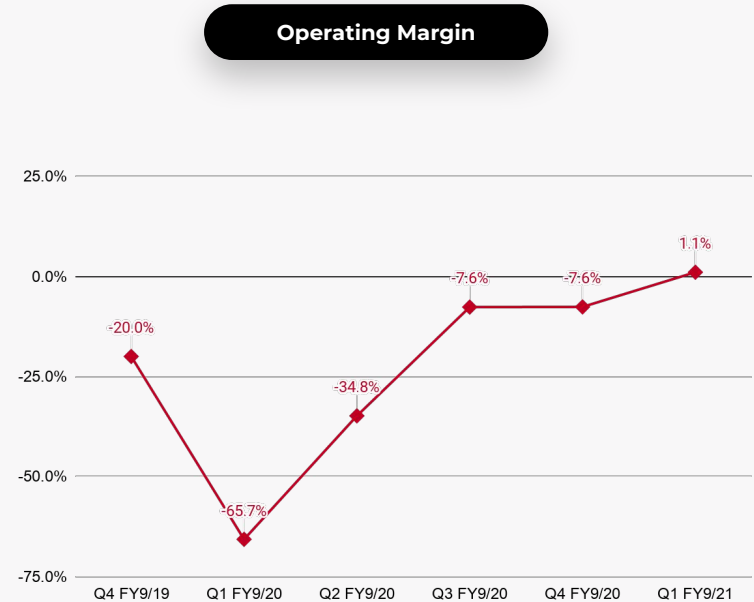
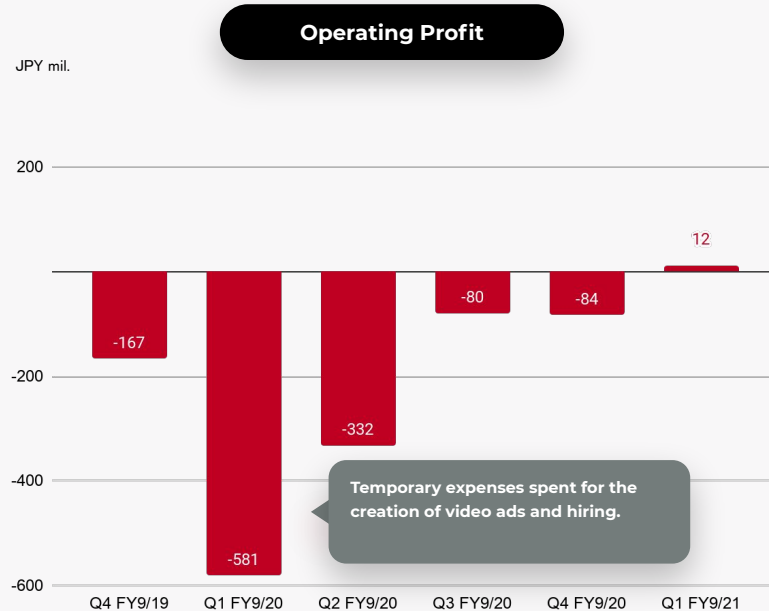
of Subscriptions and ARPA

- # of Subscriptions as of the end of Q1 was 744, up 34 qoq basis, reflecting on-track new customer acquisition and customer retention
- ARPA was 534 thou. up 19 thou. qoq basis, by successful expansions, both upselling and cross-selling, within existing contracts



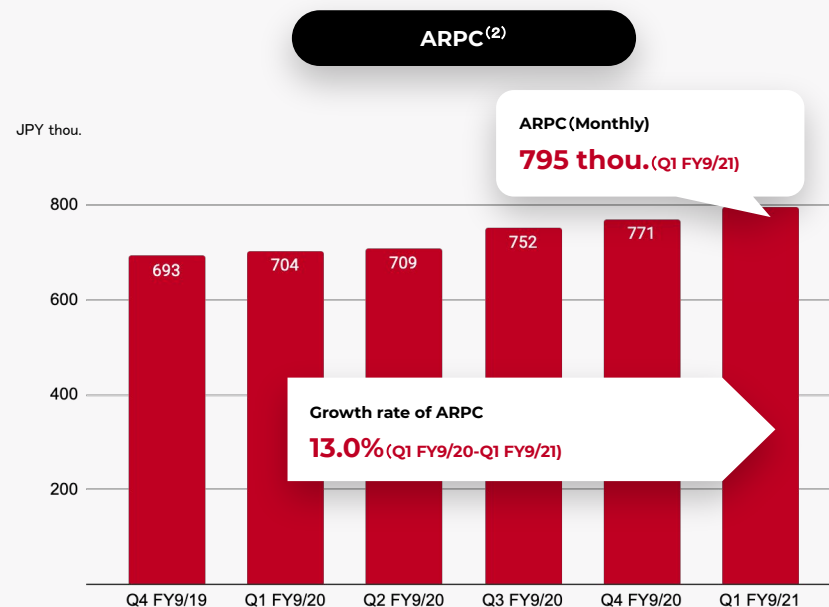
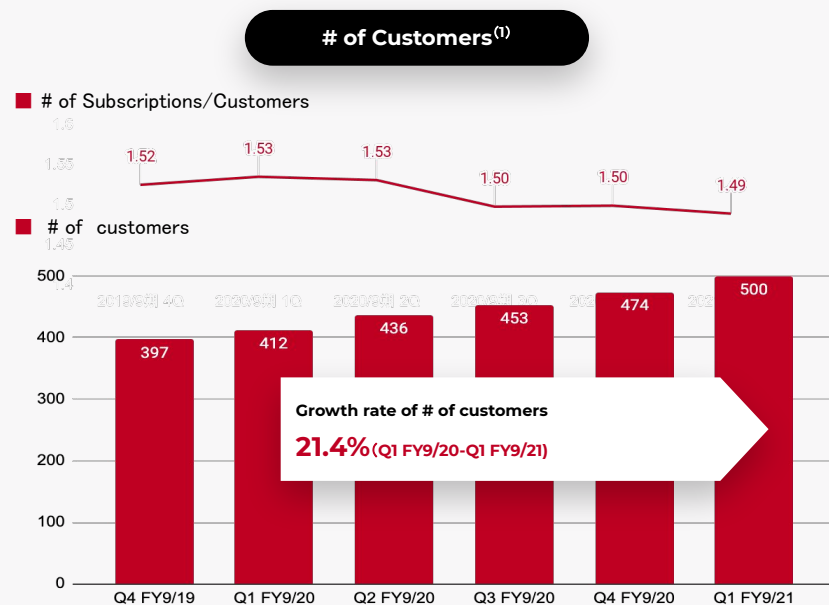
Operating Profit

- Operating profit turned positive at 12 mil. , reflecting accumulated subscription revenues



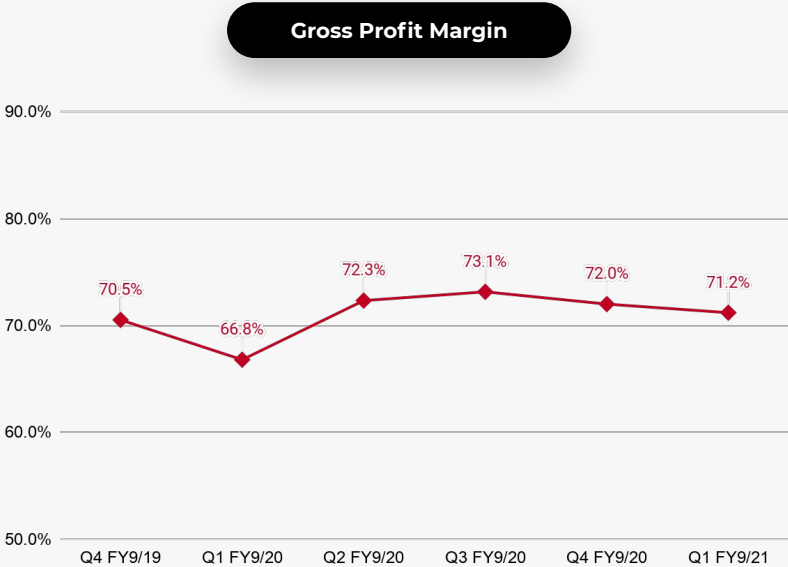
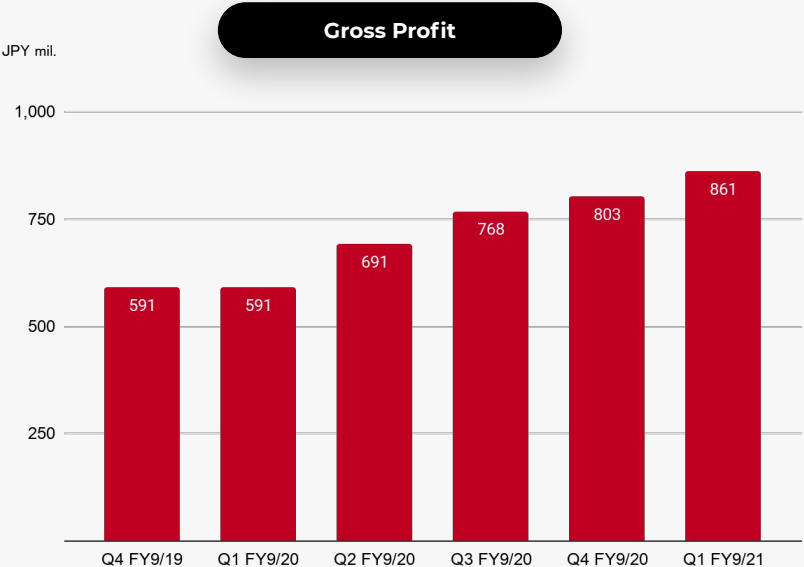
of Customers and ARPC

- # of customers as of the end of Q1 was 500, up 26 qoq basis
- ARPC was 795 thou. up 24 thou. qoq basis



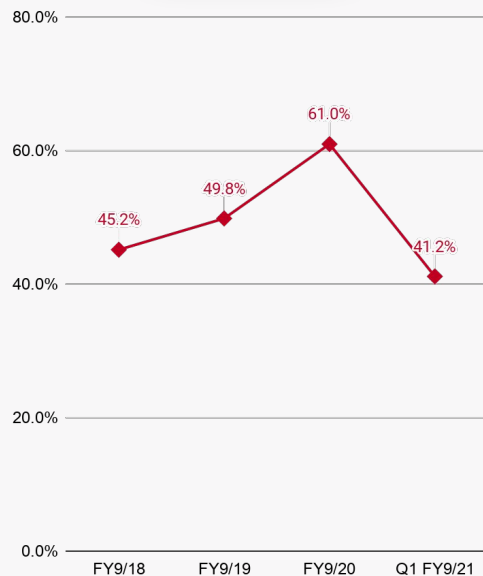
Gross Profit

- 861 mil. of gross profits and 71.2% of gross profit margin
- gross profit margin kept stable owing to effective usage of servers and upselling

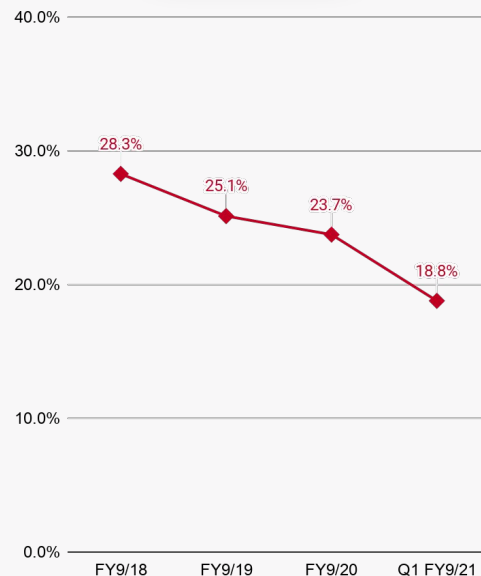


Opex Ratios to Net Sales

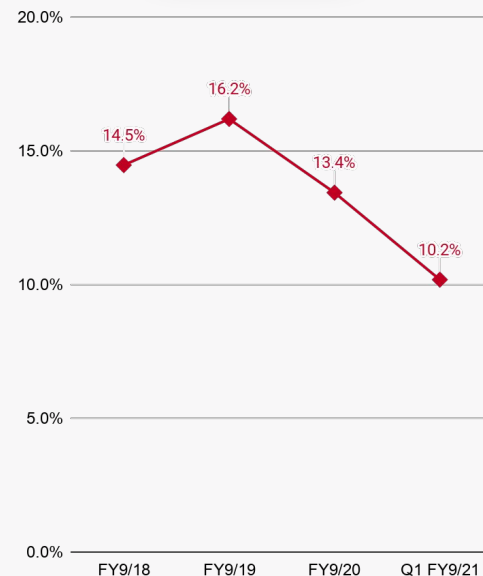
S&M⁽¹⁾



R&D⁽²⁾



G&A⁽³⁾



Notes: 1. S&M: Expenses relate to sales activities, which consist primarily of salaries and allowances for our sales and marketing personnel and advertising expenses as well as allocated overhead costs, and allocated depreciation and amortization, which are generally allocated based on the number of employees / 2. R&D: Expenses consist primarily of salaries and allowances for our engineering, product and design teams, as well as allocated overhead costs, and allocated depreciation and amortization / 3. G&A: Expenses consist primarily of salaries and allowances for our legal, finance and HR operations, as well as allocated overhead costs, and allocated depreciation and amortization

Balance Sheet

- 4,170 mil. of cash and cash equivalents, after the fundraising through IPO
- Sound balance sheet with relatively high shareholders' equity ratio, 71.0%

(JPY mil.)	FY9/18	FY9/19	FY9/20	Q1 FY9/21
Total current assets	2,463	1,892	2,642	4,749
Cash and deposits	2,161	1,374	2,091	4,170
Notes and accounts receivable, trade	232	368	475	506
Other	69	149	75	72
Total non-current assets	494	309	426	354
Total current liabilities	519	615	1,084	1,176
Total non-current liabilities	508	397	380	302
Total net assets	1,929	1,188	1,604	3,624

Key Facts

ARR⁽¹⁾

4,773 mil. (12/2020)

of Subscriptions⁽³⁾

744 (12/2020)

Net sales / Growth rate yoy basis

1,209 mil. (Q1 FY9/21) / **36.6%** (Q1 FY9/21)

ARPA⁽⁴⁾

534 thou. (12/2020)

Gross profit / Gross profit margin

861 mil. (Q1 FY9/21) / **71.2%** (Q1 FY9/21)

NRR⁽⁵⁾

102.1% (LTM)

Subscription revenue ratio⁽²⁾

96.2% (Q1 FY9/21)

Employees⁽⁶⁾

193 (12/2020)

Notes: 1. Annual Recurring Revenue (ARR): (MRR for 12/2020) * 12. Recurring Revenue includes KARTE (for Web), KARTE for App, KARTE Datahub and other add-on options / 2. Calculation: (Q1 FY9/21 cumulative total Subscription Revenue of KARTE (for Web), KARTE for App, KARTE Datahub and other add-on options (not including initial set-up fee for each services etc.)) / (Q1 FY9/21 cumulative total revenue) / 3. # of subscriptions for KARTE (for Web) + KARTE for App only as of end of the month / 4. Average revenue per account: (MRR for 12/2020) / (# of subscriptions as of 12/2020) / 5. Net revenue retention (NRR): Measures as a percentage the increase or decrease of revenue generated from a particular cohort of customers over time. For a given month we calculate it as (i) MRR for the given month from existing customers who have subscribed for more than one year divided by (ii) MRR for the same month of the preceding fiscal year. We present NRR on an average basis for the last twelve months by calculating the NRR for each month in the relevant period and dividing the sum by 12 / 6. Number of employees as of 12/2020

Earnings Results Q1 FY 9/21

1

Net sales has been growing at steady pace

2

Well controlled GPM level by effective usage of servers and upselling

3

OP turned black due to accumulated subscription revenues

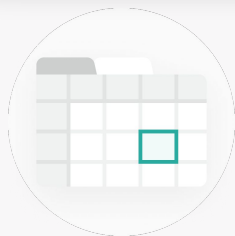
4

Net loss temporarily impacted by listing expenses and a loss on valuation of investment securities

Major Update of the KARTE Datahub

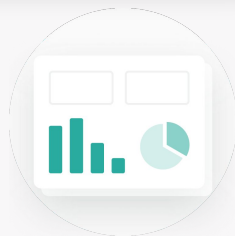
- Major updates of KARTE Datahub, adding Business Intelligence (BI) function and β version machine learning platform
- Use cases will be expanded from marketing focus to broader business areas

Analysis and visualization of big data without changing them into different kinds of data



Spreadsheet

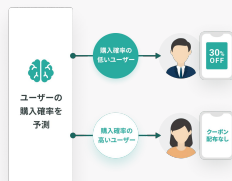
Enables the processing and analysis of data using functions and filters, through operations that are similar to spreadsheet software operations



Dashboard

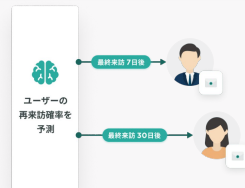
Visualizes data, creating charts based on the results of analysis from queries or sheets. It permits the creation of dashboards with drag and drop operations

Templates for machine learning models for each business issue



Purchasing customer prediction

Purchase probability of each user can be determined or coupons can be distributed to users based on this prediction



Leaving customer prediction

Revisiting probability of each user can be estimated or effects of measures re-engaging dormant users can be maximized with this prediction



Loyal customer prediction

'Magic numbers' effective for high LTV users are derived and UIs or messages can be improved based on this prediction

Provision of the Open β Version of KARTE Blocks

- November 18, 2020, 'KARTE Blocks' open β ⁽¹⁾ version made available, which redefines websites as aggregated 'blocks'

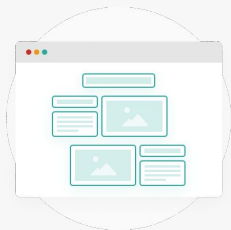
What are possible for website management by this new BMS?

Redefines websites as an aggregation of blocks to manage, update, and review websites by each 'block', just by adding a tag without writing codes



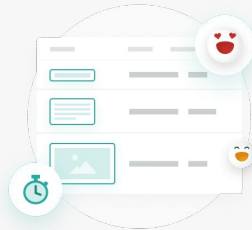
Adding a tag

Ready to use just by adding a tag to the website



Tearing down a website into blocks

A website is torn down into blocks, enabling users to select and replace blocks on their administration screens



Managing blocks

Users can edit and update each block as they desire, without writing code in addition to setting publishing schedules



Measuring effects

Effects of blocks can be measured and visualized, enabling users to continuously improve website performance

KARTE CX Conference 2021

KARTE CX Conference 2021 has been held, through which organizations and their talents can learn why CX and how to practice CX on their services

This year, the third time for this conference, Data and App versions are separately held

KARTE CX Conference 2021

Events date: Tuesday, February 2, 2021 / Wednesday, February 3, 2021 / Thursday, February 4, 2021 11:00–14:00
Form of a meeting: Online

KARTE CX Conference 2021 for Data

Events date: Tuesday, February 9, 2021 / Wednesday, February 10, 2021 11:00–14:00
Form of a meeting: Online

KARTE CX Conference 2021 for App

Events date: Tuesday, February 16, 2021 / Wednesday, February 17, 2021 11:00–14:00
Form of a meeting: Online

Appendix

Income Statement

(JPY mil.)	Q1 FY9/21	Q1 FY9/20	YoY	Q4 FY9/20	QoQ
Net sales	1,209	885	+36.6%	1,115	+8.4%
Subscription revenue	1,163	840	+38.5%	1,074	+8.2%
Other	46	45	+1.9%	40	+12.9%
Cost of sales	348	294	+18.5%	312	+11.5%
Gross profit	861	591	+45.6%	803	+7.2%
Gross profit margin	71.2%	66.8%	+4.4pt	72.0%	▲0.8pt
SG&A	848	1,172	▲27.7%	888	▲4.5%
% of Net sales	70.1%	132.5%	▲62.3pt	79.6%	▲9.5pt
Advertising expenses	90	429	▲78.9%	113	▲20.0%
% of Net sales	7.5%	48.5%	▲41.0pt	10.1%	▲2.7pt
Personnel expenses	530	386	+37.3%	519	+2.3%
% of Net sales	43.9%	43.7%	+0.2pt	46.5%	▲2.6pt
Rents	77	77	▲0.1%	77	–
% of Net sales	6.4%	8.8%	▲2.4pt	7.0%	▲0.5pt
Sales commission	27	21	+24.2%	27	▲0.6%
% of Net sales	2.3%	2.5%	▲0.2pt	2.5%	▲0.2pt
Other	122	257	▲52.4%	151	▲19.1%
% of Net sales	10.1%	29.0%	▲18.9pt	13.5%	▲3.4pt
Operating income	12	▲581	–	▲84	–
Operating margin	1.1%	▲65.7%	+66.7pt	▲7.6%	+8.7pt
Non-operating income	1	0	+26.4%	0	+101.8%
Non-operating expenses	175	10	–	6	–
Listing expenses	170	–	–	2	–
Other	4	10	▲62.2%	4	▲8.0%
Ordinary income	▲161	▲591	–	▲90	–
Extraordinary losses	70	–	–	–	–
Loss on valuation of investment securities	70	–	–	–	–
Net income	▲232	▲591	–	▲91	–

Opex Ratios to Net Sales

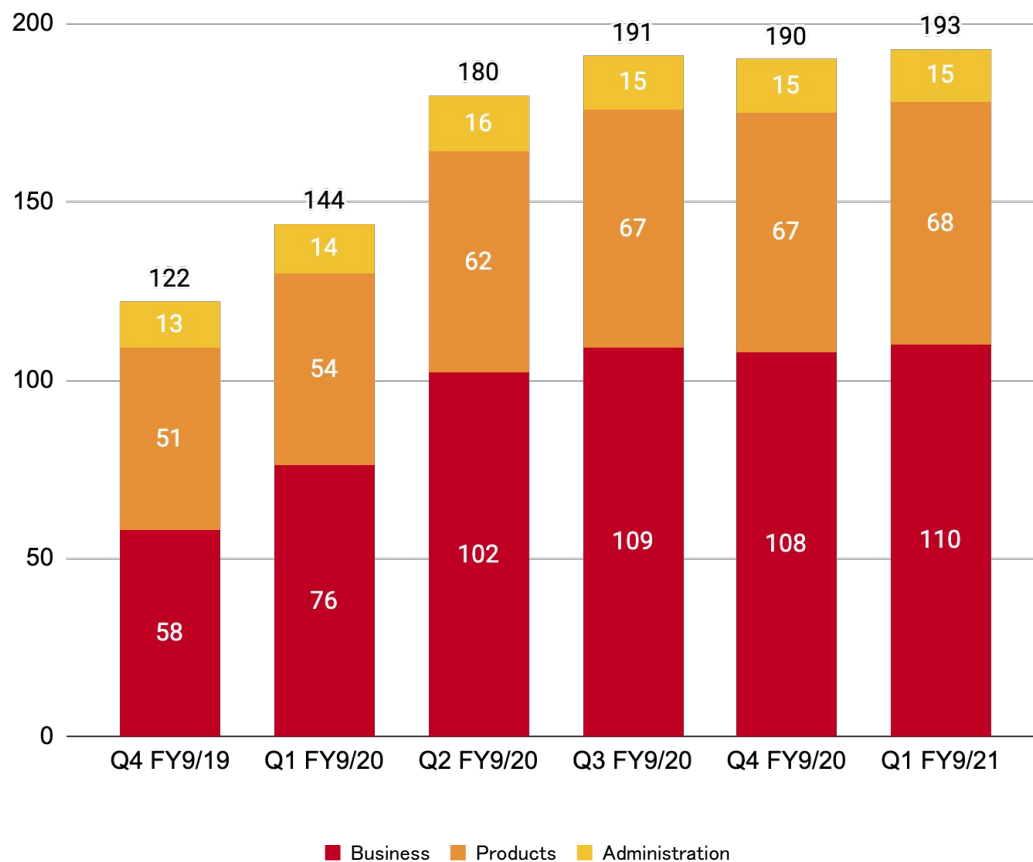
(JPY mil.)	FY9/18	FY9/19	FY9/20	Q1 FY9/21
S&M	720	1,463	2,443	497
% of Net sales	45.2%	49.8%	61.0%	41.2%
R&D	451	738	951	227
% of Net sales	28.3%	25.1%	23.7%	18.8%
G&A	230	475	538	123
% of Net sales	14.5%	16.2%	13.4%	10.2%

Long Term Model⁽¹⁾

	FY9/18	FY9/19	FY9/20	Q1 FY9/21	Long term model
Gross profit margin	75.4%	73.0%	71.2%	71.2%	75–80%
S&M	45.2%	49.8%	61.0%	41.2%	25–30%
R&D	28.3%	25.1%	23.7%	18.8%	18–20%
G&A	14.5%	16.2%	13.4%	10.2%	8–10%
Operating margin	–12.5%	–18.2%	–26.9%	1.1%	20–25%

Note : 1. This long term model is forward-looking, is subject to significant business, economic, regulatory and competitive uncertainties and contingencies, many of which are beyond the control of the Company, and is based upon assumptions with respect to future decisions, which are subject to change. Actual results will vary and those variations may be material due to a number of factors, including those described in the “Risk Factors” section of the Offering Circular issued as of December 17, 2020. Nothing in this presentation should be regarded as a representation by any person that this long term model will be achieved, and the Company undertakes no duty to update its model as circumstances change

Number of Employees



Note: 1. Number of employees as of the end of each fiscal quarter

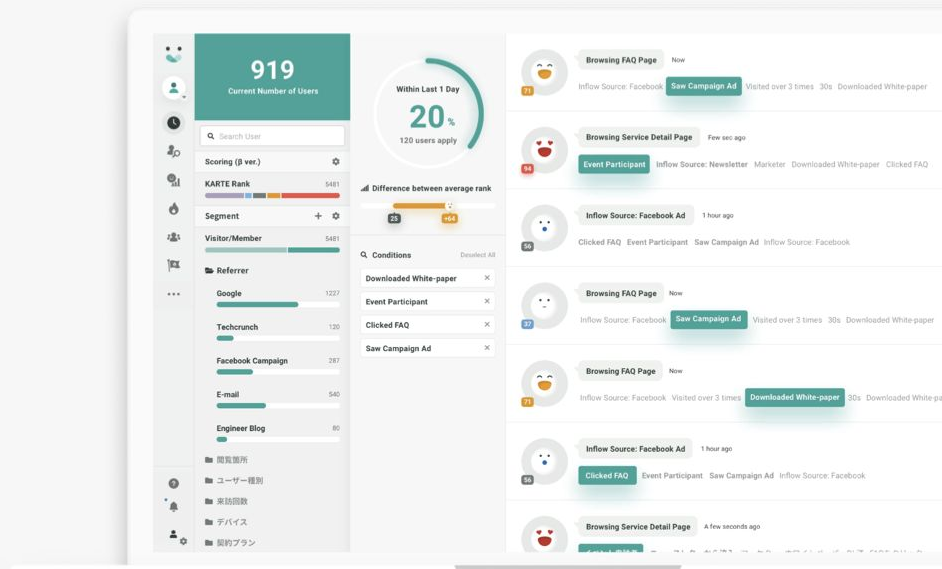
Maximize the value of people With the power of data

Advance the democratization of data to spur innovation in the creation and distribution of value

KARTE (Launched in March 2015)



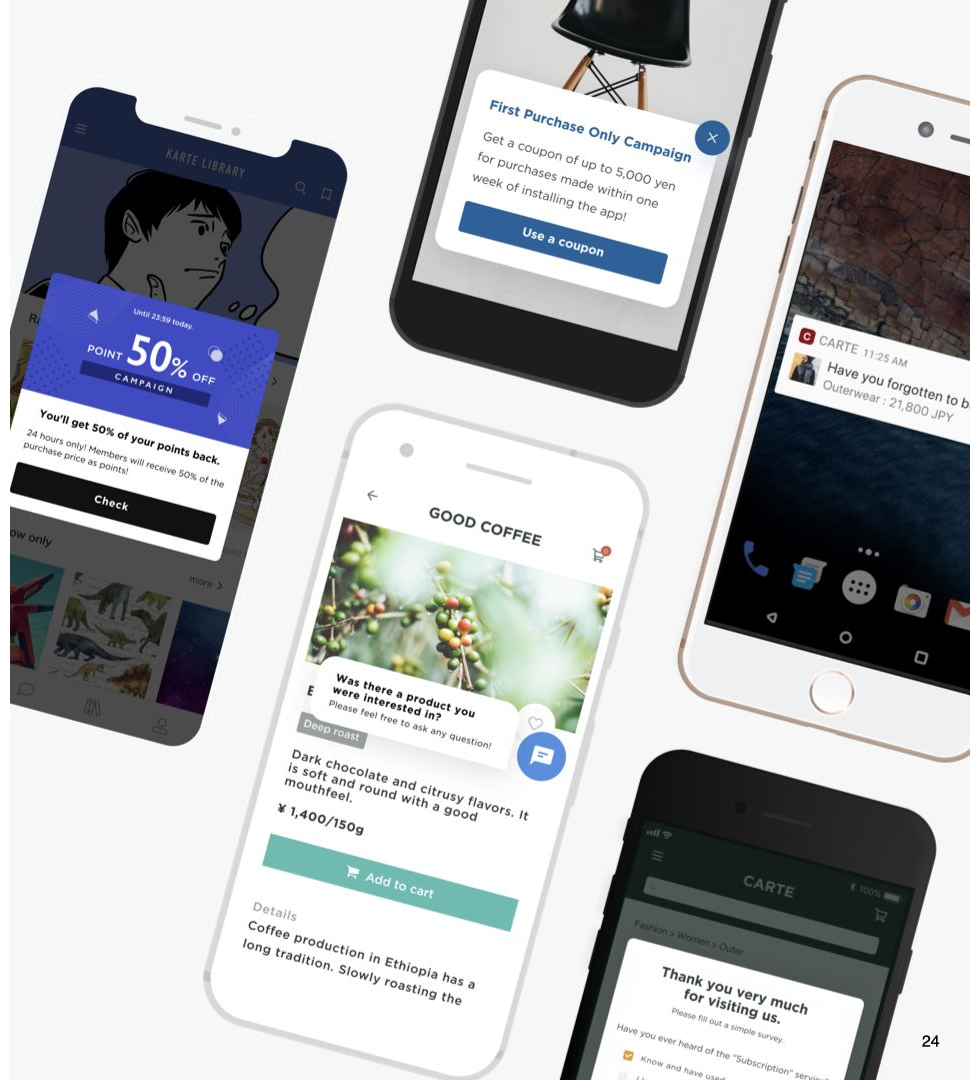
Cloud based software as a service(SaaS) that empowers organizations to make real-time, on-website analysis and segmentation of website visitors and to automate real-time actions such as pop-ups



KARTE for App (Launched in March 2018)



Having the same features with KARTE, KARTE for App provides the features desired by app operators such as automating actions without app version update

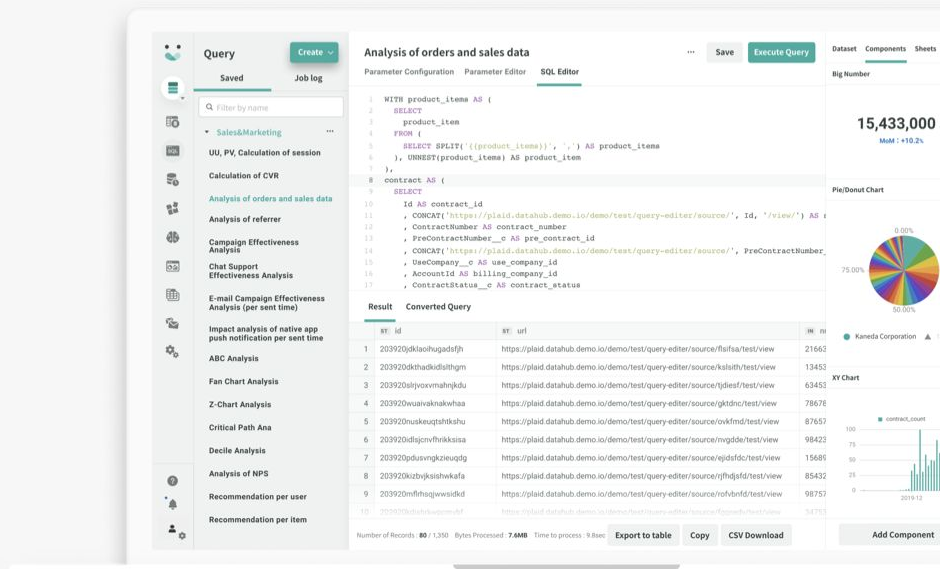


KARTE Datahub

(Launched in December 2018)



Customer data platform enabling organizations to link various data held by organizations to behavioral data measured and segments created on KARTE



Growing Importance of Customer Experience

82%

of the top-performing
companies report paying
close attention to the
human experience around
digital and tech

73%

of all people point to
customer experience as an
important factor in their
purchasing decisions

65%

of U.S. customers consider
a positive experience with a
brand to be more impactful
than great advertising

59%

of U.S. customers will walk
away after several bad
experiences, even if they
love the company or
product

Note: Source: PwC surveyed a representative sample of 15,000 people from 12 countries, via an online survey and in-field interviews; 4,000 respondents were from the U.S., the remaining 11,000 were from a sampling of countries (Argentina, Australia, Brazil, Canada, China, Colombia, Germany, Japan, Mexico, Singapore, and the U.K.)

Increasing Frustrations with Digital Marketing

The customers'



Contents are not
streamlined for individual
customers



Overwhelming amount of
information and repetitive
messages from
marketers

Marketers'



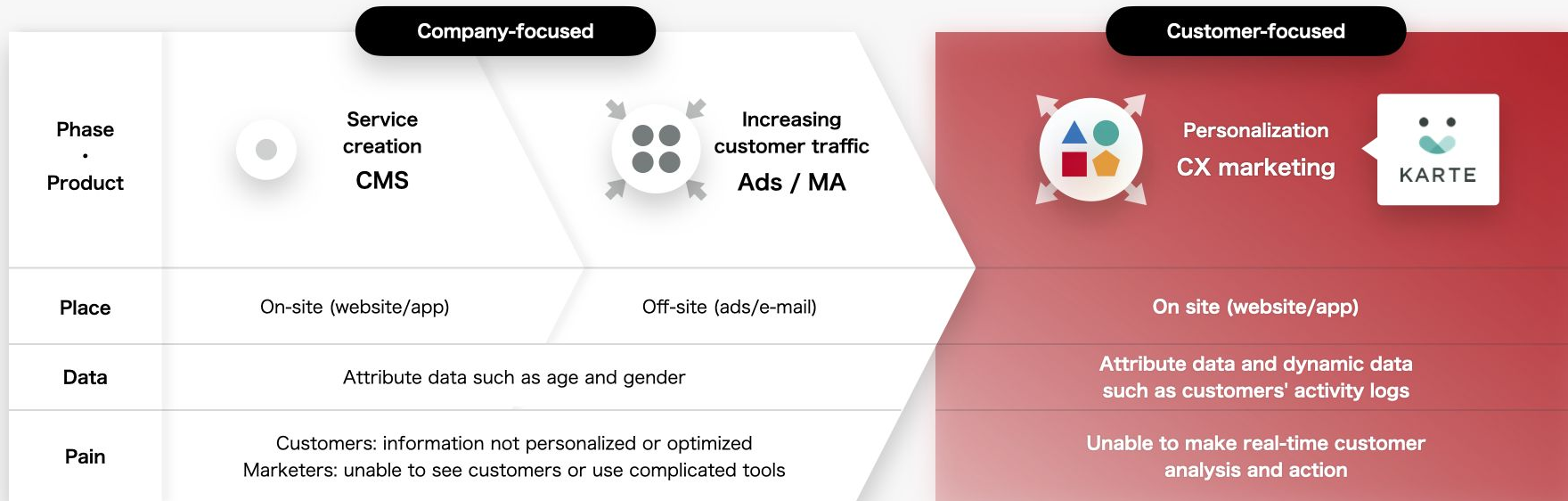
Unable to understand website
customer behavior
and make actions to them
on **real-time** basis



Lack of basis for
"individual"
and **"personalized"**
actions

**Digital marketing initiatives taken by companies
without understanding their customers **do not necessarily contribute to
the improvement of the user and customer experience****

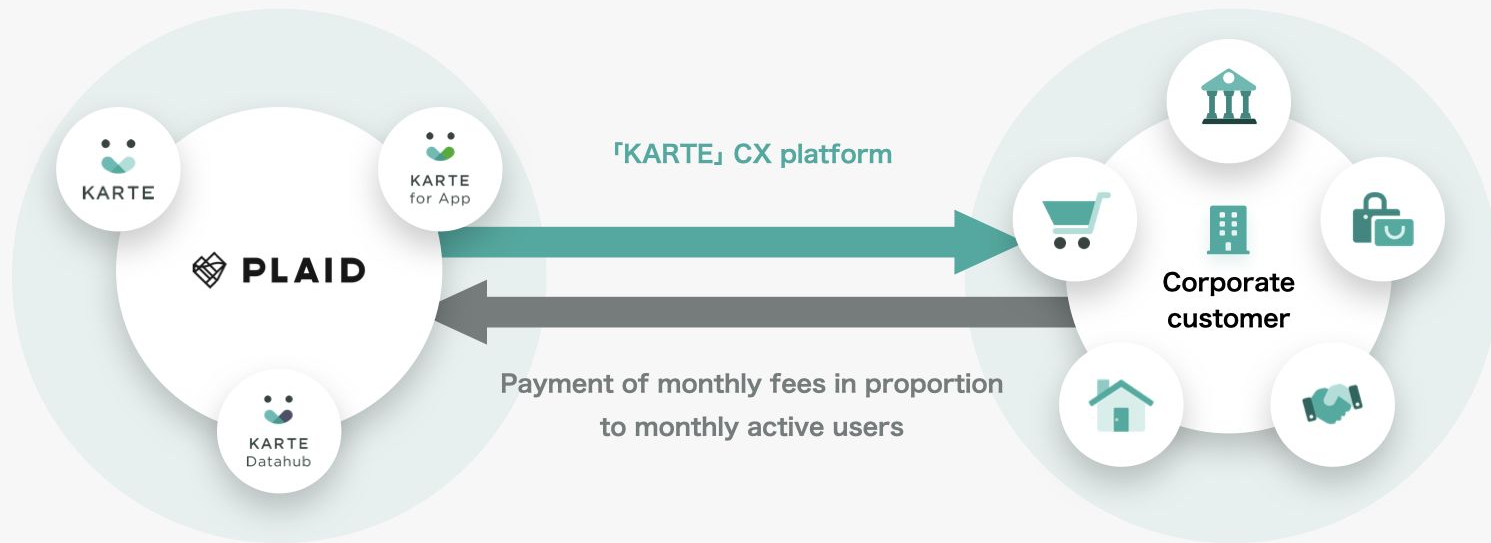
Paradigm Shift in Digital Marketing



**From the phase of service creation and customer attraction
To the phase communicating value to customers**

Business Model

A subscription model in which pricing is based on monthly active users on website or smartphone app



Features of KARTE

Feature 1.

**Visualization of
individual customers**

Feature 2.

**Real-time
analysis**

Feature 3.

**End-to-end
solution**

Feature 1.

Visualization of individual customers

KARTE accumulates behavioral data of customers visiting a website on a customer-by-customer basis, and visualizes those by customer. This enables business operators to understand the status and needs of individual customers intuitively and to implement and examine measures to provide a better experience to customers



Feature 2.

Real-time analysis

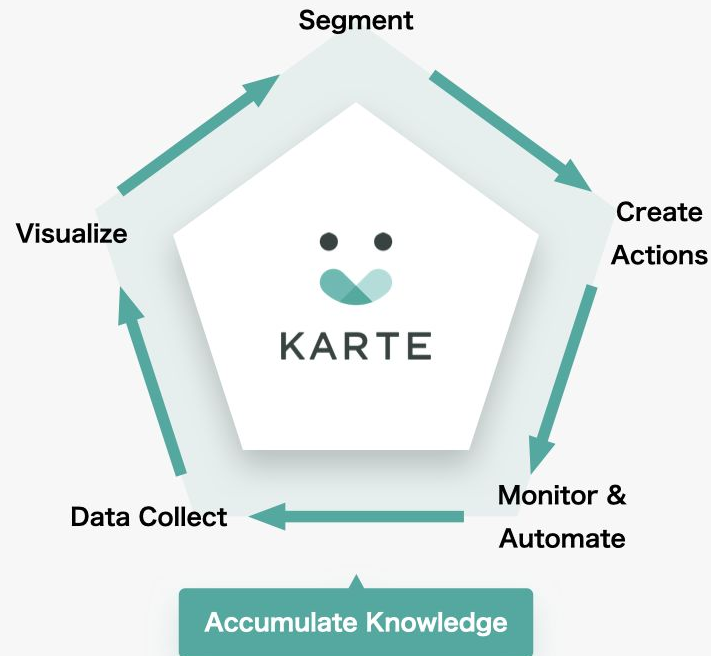
KARTE analyzes the real-time behaviors of customers visiting a website, etc., such as "They have been considering a specific product for a long time," together with the past data. This enables businesses to communicate appropriately with customers, without overlooking a timing or sign of their intent to purchase or similar factor



Feature 3.

End-to-end solution

Unlike dedicated marketing tools for customer analysis, e-mail delivery, Web chat, delivery via social media, or other specific purposes, KARTE enables organizations to implement customer-related operations, from customer analysis to the automating actions



Potential Market Size

Potential Market Size of the CX Platform

There are approximately 19,100 Japanese websites⁽¹⁾ that have more than 30,000 unique users (UUs) each and those are potentially addressable market for KARTE. We believe that there is a white space for KARTE

This number does not include the number of mobile app so that the size of the potential market including KARTE for App might be even larger

Websites with
more than
30,000 UUs each

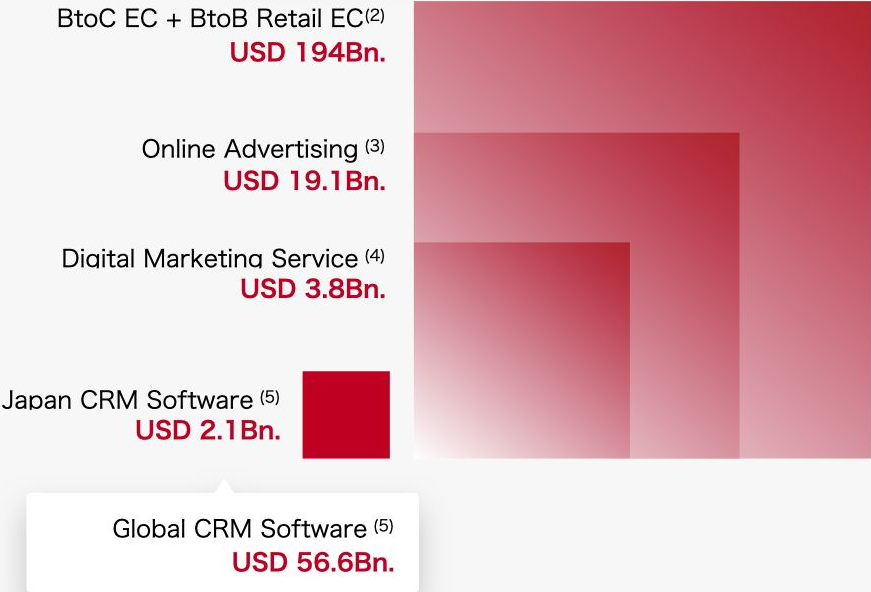
Number of the
websites: 19,100



Notes: 1. This is the number of Japanese websites with more than 30,000 UUs each, based on data from SimilarWeb Ltd. as of February 2019.

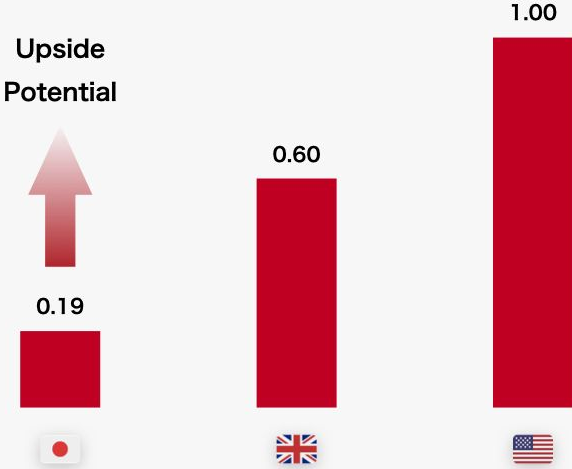
Multiple Touchpoints to Large and Extensive TAM

Extensive Estimated TAM in Japan⁽¹⁾



Cloud CRM Software Penetration⁽⁶⁾

Standardized with the United States as 1.0



Notes: 1. Exchange rate at JPY/USD=110.0. /2. Ministry of Economy, Trade and Industry, "Results of FY2019 E-Commerce Market Survey". /3. Dentsu Inc., "Advertising Expenditures in Japan for 2019", Internet advertising expenditure. /4. IDC, spending in 2019, "Digital Marketing-related Services Market in Japan, 2020-2024". /5. Gartner, "Forecast: Enterprise Application Software, Worldwide, 3Q20 Update". Market size of customer experience and relationship management excluding digital commerce market in 2019. /6. Source: Gartner, "Forecast: Enterprise Application Software, Worldwide, 2018-2024, 3Q20 Update", Neha Gupta, et al., 30 September 2020, Penetration = (Market Size of Customer Experience and Relationship Management (CRM) Software CY2019) / (CY2019 Total Selling and Marketing Expense by Listed Companies). Market Size of Customer Experience and Relationship Management (CRM) Software includes the market both for listed and private companies. Total Selling and Marketing Expense includes numbers only from listed companies.

Potential as a CX Platform

From a tool for marketing, KARTE can be positioned as a core platform for all customer related functions at organization as if visualized customers data is a common 'language' within organizations

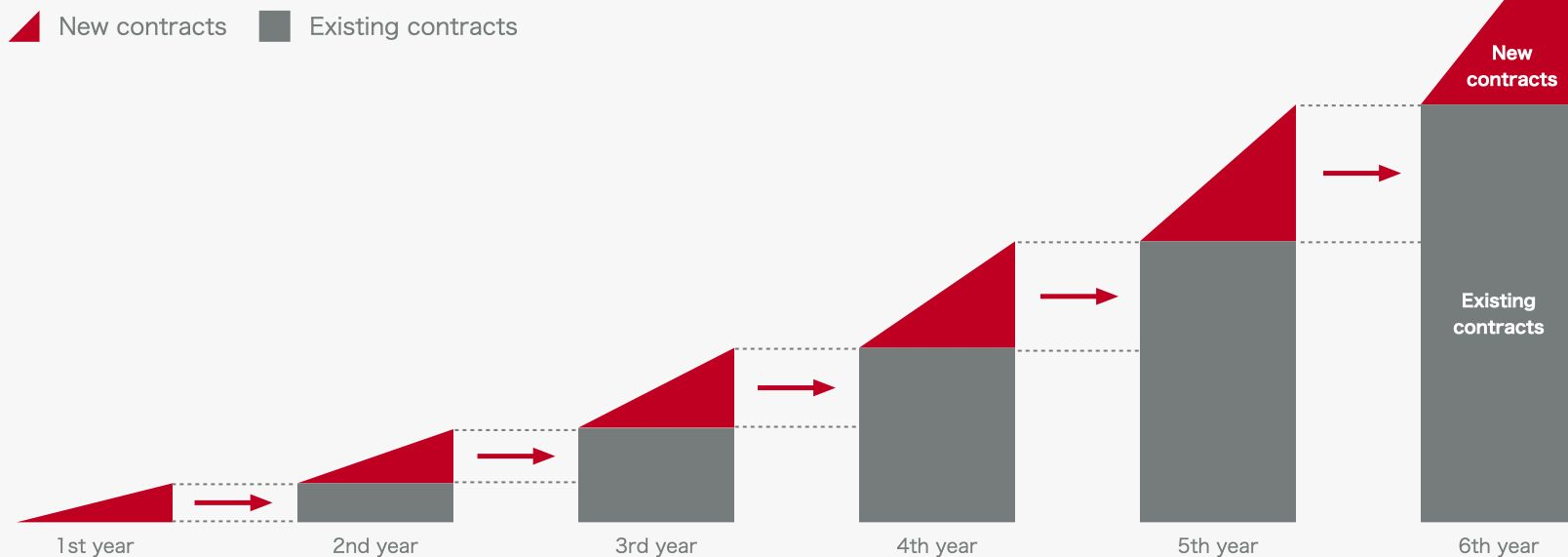


**Improve creativity and productivity
globally by developing products**



A subscription model in which the contract volume accumulates

- A model in which new contracts continue to accumulate and existing contracts continue to increase
- Regarding existing contracts, the additional sale of optional services and the like can also contribute to the increase of the average revenue per existing contract



Security, Privacy Protection, etc

Information assets handled by the Company are valuable information held by its corporate customers. The Company takes measures based on its understanding of initiatives to protect this information, believing that the protection of privacy and personal information are extremely important. At present, the Company's services are used by a large number of corporate customers including major financial institutions

Security

Authentication

The Company has obtained multiple security authentications, including ISMS (ISO 27001) and cloud security authentications (ISO 27017)

Encryption

All communications with KARTE are encrypted using https (TLS 1.3)

Authorizations

KARTE permits detailed authorizations on a user-by-user basis

SLA

Operation rate of 99.5% is set in SLA for KARTE

Automatic testing

In addition to several hours of automatic testing including testing using multiple browsers, humans also test manually

Auto scaling

Active servers are added automatically based on load, ensuring stable operations

bsi

ISMS-REC

17001

Cloud 688345 / ISO 27017

ANAB

bsi

IS 623929 / ISO 27001

Redundancy

All servers are redundant, in principle, to improve fault tolerance

Operation

Human error is eliminated by automating deployment, server operations, and other daily operations using commands, etc

Monitoring

The Company has created a flow in which all components such as instances and databases, including the cloud, are monitored so that abnormalities can be addressed immediately

Protection of privacy

Authentication

The Company has acquired the Privacy Mark certification

Unrestricted permissions

The data sent to KARTE can be designed without restrictions, in accordance with customer's privacy policy

Customer alerts, etc.


The company takes more initiative than required by law, such as alerting customers to protect privacy and personal information and receiving agreements from them

Opt-out

The Company has created an opt-out page for end users who wish to opt out of tracking. It is striving to inform users of this page

Privacy Mark

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