Non-GAAP Financial Measures

GitLab believes non-GAAP measures are useful in evaluating its operating performance. GitLab uses this supplemental information to evaluate its ongoing operations and for internal planning and forecasting purposes. GitLab believes that non-GAAP financial information, when taken collectively with its GAAP financial information, may be helpful to investors because it provides consistency and comparability with past financial performance. However, non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool, and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. Reconciliations of non-GAAP financial measures to the most directly comparable financial results as determined in accordance with GAAP are included at the end of this press release following the accompanying financial data. We define non-GAAP financial measures as GAAP measures, excluding certain items such as stock-based compensation expense, amortization of acquired intangible assets, foreign exchange (gain) loss, equity method investment loss and impairment, acquisition related expenses, charitable donation of common stock, restructuring charges, a non-recurring income tax adjustment related to bilateral advance pricing agreement ("BAPA") negotiations, non-recurring charges associated with the formation of our GitLab Information Technology (Hubei) Co., LTD Joint Venture in China ("JiHu"), and other expenses that the Company believes are not indicative of its ongoing operations. In addition to these exclusions, effective Q1 FY26 we utilize a fixed long-term projected tax rate in our computation of the non-GAAP income tax provision which reflects the new location of GitLab's intellectual property in the U.S. following the conclusion of our bilateral advance pricing agreements. For FY26, we have determined the projected non-GAAP tax rate to be 22%. Shares used for net income per share on a non-GAAP basis include incremental dilutive shares related to restricted stock units, options, and shares issuable under GitLab Inc.'s 2021 Employee Stock Purchase Plan that are anti-dilutive on a GAAP basis. A reconciliation of non-GAAP guidance measures to corresponding GAAP measures is not available on a forward-looking basis without unreasonable effort due to the uncertainty of expenses that may be incurred in the future. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures and not rely on any single financial measure to evaluate our business.

Adjusted Free Cash Flow

Adjusted free cash flow is a non-GAAP financial measure that we calculate as net cash provided by operating activities less cash used for purchases of property and equipment, plus any non-recurring income tax payments related to the BAPA or minus any non-recurring income tax refunds related to the BAPA, plus any non-recurring payments related to the formation of JiHu. We believe that adjusted free cash flow is a useful indicator of liquidity that provides information to management and investors about the amount of cash generated from our operations that, after the investments in property and equipment, any non-recurring income tax payments or refunds related to the BAPA, and any non-recurring payments related to the formation of JiHu, can be used for strategic initiatives, including investing in our business, and strengthening our financial position. One limitation of adjusted free cash flow is that it does not reflect our future contractual commitments. Additionally, adjusted free cash flow does not represent the total increase or decrease in our cash balance for a given period.

GitLab Inc.
Condensed Consolidated Balance Sheets
(in thousands)
(unaudited)

	July 31, 2025	April 30, 2025	January 31, 2025	October 31, 2024	July 31, 2024	April 30, 2024	January 31, 2024	October 31, 2023
ASSETS								
CURRENT ASSETS:								
Cash and cash equivalents	$ 261,371	$ 255,719	$ 227,649	$ 176,632	$ 438,616	$ 420,322	$ 287,996	$ 285,309
Short-term investments	903,806	849,113	764,728	740,340	644,488	641,173	748,289	704,325
Accounts receivable, net	197,775	201,408	264,565	197,555	165,001	135,195	166,731	135,614
Deferred contract acquisition costs, current	35,306	35,455	38,964	34,518	33,841	31,034	32,300	27,196
Prepaid expenses and other current assets	37,912	39,066	40,411	46,641	35,879	38,853	49,143	33,383
Total current assets	1,436,170	1,380,761	1,336,317	1,195,686	1,317,825	1,266,577	1,284,459	1,185,827
Property and equipment, net	7,642	4,856	4,013	3,563	2,899	2,820	2,954	3,690
Operating lease right-of-use assets	393	329	381	444	482	543	405	533
Goodwill	16,634	16,029	16,139	16,131	16,017	16,070	8,145	8,145
Intangible assets, net	13,804	15,819	17,834	19,536	21,867	16,637	1,733	2,254
Deferred contract acquisition costs, non-current	18,961	19,830	20,142	17,248	15,753	17,738	19,317	15,104
Equity method investment	—	—	—	—	—	—	—	9,634
Other non-current assets	4,583	4,366	4,437	3,552	4,888	4,776	4,390	5,200
TOTAL ASSETS	$ 1,498,187	$ 1,441,990	$ 1,399,263	$ 1,256,160	$ 1,379,731	$ 1,325,161	$ 1,321,403	$ 1,230,387
LIABILITIES AND STOCKHOLDERS' EQUITY								
CURRENT LIABILITIES:								
Accounts payable	$ 11,395	$ 11,288	$ 7,519	$ 2,224	$ 3,219	$ 3,230	$ 1,738	$ 5,023
Accrued expenses and other current liabilities	52,339	66,308	54,680	68,137	287,811	322,224	301,262	284,410
Accrued compensation and benefits	30,164	28,119	40,233	27,274	29,117	22,743	35,809	23,272
Deferred revenue, current	459,459	450,668	442,599	383,183	362,348	341,830	338,348	287,647
Total current liabilities	553,357	556,383	545,031	480,818	682,495	690,027	677,157	600,352
Deferred revenue, non-current	25,749	25,981	26,369	14,138	14,732	15,267	23,794	23,016
Other non-current liabilities	7,499	7,029	6,557	3,776	6,678	17,465	14,060	24,776
TOTAL LIABILITIES	586,605	589,393	577,957	498,732	703,905	722,759	715,011	648,144
STOCKHOLDERS' EQUITY:								
Additional paid-in capital	2,080,759	2,013,228	1,952,031	1,891,653	1,833,786	1,768,947	1,718,661	1,658,375
Accumulated deficit	(1,212,697)	(1,203,489)	(1,167,614)	(1,174,506)	(1,203,609)	(1,216,521)	(1,161,288)	(1,124,420)
Accumulated other comprehensive income (loss)	(1,511)	(1,459)	(8,508)	(5,098)	623	3,598	2,398	1,812
Total GitLab stockholders' equity	866,551	808,280	775,909	712,049	630,800	556,024	559,771	535,767
Noncontrolling interests	45,031	44,317	45,397	45,379	45,026	46,378	46,621	46,476
TOTAL STOCKHOLDERS' EQUITY	911,582	852,597	821,306	757,428	675,826	602,402	606,392	582,243
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 1,498,187	$ 1,441,990	$ 1,399,263	$ 1,256,160	$ 1,379,731	$ 1,325,161	$ 1,321,403	$ 1,230,387

GitLab Inc.
Condensed Consolidated Statements of Operations
(in thousands, except per share data)
(unaudited)

	Three Months Ended							
	July 31, 2025	**April 30, 2025**	**January 31, 2025**	**October 31, 2024**	**July 31, 2024**	**April 30, 2024**	**January 31, 2024**	**October 31, 2023**
Revenue:								
Subscription—self-managed and SaaS	$ 212,684	$ 194,481	$ 185,562	$ 175,257	$ 163,181	$ 151,179	$ 142,026	$ 130,993
License—self-managed and other	23,276	20,028	25,869	20,790	19,403	18,008	21,753	18,675
Total revenue	235,960	214,509	211,431	196,047	182,584	169,187	163,779	149,668
Cost of revenue:								
Subscription—self-managed and SaaS	21,753	19,268	17,277	17,170	16,630	13,839	12,165	11,559
License—self-managed and other	6,752	5,767	5,592	4,955	4,740	4,937	3,824	3,525
Total cost of revenue	28,505	25,035	22,869	22,125	21,370	18,776	15,989	15,084
Gross profit	207,455	189,474	188,562	173,922	161,214	150,411	147,790	134,584
Operating expenses:								
Sales and marketing	109,583	107,587	98,753	95,340	97,778	92,424	90,762	86,978
Research and development	71,488	65,410	62,885	61,354	61,273	54,140	52,388	49,058
General and administrative	44,735	51,087	46,262	45,960	43,168	57,487	39,523	38,815
Total operating expenses	225,806	224,084	207,900	202,654	202,219	204,051	182,673	174,851
Loss from operations	(18,351)	(34,610)	(19,338)	(28,732)	(41,005)	(53,640)	(34,883)	(40,267)
Interest income	11,511	10,862	10,292	12,586	12,827	12,030	11,813	10,874
Other income (expense), net	(911)	(9,971)	4,017	4,799	1,260	(889)	(11,451)	224
Loss before income taxes	(7,751)	(33,719)	(5,029)	(11,347)	(26,918)	(42,499)	(34,521)	(29,169)
Loss from equity method investment, net of tax	—	—	—	—	—	—	(1,416)	(743)
Provision for (benefit from) income taxes	2,245	2,539	(11,344)	(39,152)	(39,155)	12,977	2,035	257,053
Net income (loss)	$ (9,996)	$ (36,258)	$ 6,315	$ 27,805	$ 12,237	$ (55,476)	$ (37,972)	$ (286,965)
Net loss attributable to noncontrolling interest	(788)	(383)	(577)	(1,298)	(675)	(243)	(1,104)	(1,197)
Net income (loss) attributable to GitLab	$ (9,208)	$ (35,875)	$ 6,892	$ 29,103	$ 12,912	$ (55,233)	$ (36,868)	$ (285,768)
Net income (loss) per share attributable to GitLab Class A and Class B common stockholders:								
Basic	$ (0.06)	$ (0.22)	$ 0.04	$ 0.18	$ 0.08	$ (0.35)	$ (0.24)	$ (1.84)
Diluted	$ (0.06)	$ (0.22)	$ 0.04	$ 0.17	$ 0.08	$ (0.35)	$ (0.24)	$ (1.84)
Weighted-average shares used to compute net income (loss) per share attributable to GitLab Class A and Class B common stockholders:								
Basic	165,953	164,491	163,055	161,317	159,677	158,157	156,601	155,123
Diluted	165,953	164,491	170,094	167,436	166,346	158,157	156,601	155,123

GitLab Inc.
Reconciliation of GAAP to Non-GAAP
(in thousands, except per share data)
(unaudited)

	Three Months Ended							
	July 31, 2025	April 30, 2025	January 31, 2025	October 31, 2024	July 31, 2024	April 30, 2024	January 31, 2024	October 31, 2023
Gross profit on GAAP basis	$ 207,455	$ 189,474	$ 188,562	$ 173,922	$ 161,214	$ 150,411	$ 147,790	$ 134,584
Stock-based compensation expense	2,261	1,929	1,998	1,993	2,076	1,855	1,640	1,648
Amortization of acquired intangibles	2,015	2,020	2,195	2,511	2,333	1,087	521	521
Gross profit on non-GAAP basis	$ 211,731	$ 193,423	$ 192,755	$ 178,426	$ 165,623	$ 153,353	$ 149,951	$ 136,753
Gross margin on non-GAAP basis	*90 %*	*90 %*	*91 %*	*91 %*	*91 %*	*91 %*	*91 %*	*91 %*
Sales and marketing on GAAP basis	$ 109,583	$ 107,587	$ 98,753	$ 95,340	$ 97,778	$ 92,424	$ 90,762	$ 86,978
Stock-based compensation expense	(19,950)	(22,091)	(18,664)	(17,012)	(19,881)	(17,397)	(17,184)	(16,523)
Restructuring charges	—	—	—	(130)	(266)	(730)	(188)	54
Sales and marketing on non-GAAP basis	$ 89,633	$ 85,496	$ 80,089	$ 78,198	$ 77,631	$ 74,297	$ 73,390	$ 70,509
Research and development on GAAP basis	$ 71,488	$ 65,410	$ 62,885	$ 61,354	$ 61,273	$ 54,140	$ 52,388	$ 49,058
Stock-based compensation expense	(19,197)	(14,272)	(15,478)	(14,384)	(16,114)	(12,336)	(13,887)	(12,738)
Restructuring charges	—	—	—	—	(393)	—	—	(72)
Research and development on non-GAAP basis	$ 52,291	$ 51,138	$ 47,407	$ 46,970	$ 44,766	$ 41,804	$ 38,501	$ 36,248
General and administrative on GAAP basis	$ 44,735	$ 51,087	$ 46,262	$ 45,960	$ 43,168	$ 57,487	$ 39,523	$ 38,815
Stock-based compensation expense	(12,876)	(17,535)	(10,496)	(14,653)	(10,898)	(10,664)	(10,306)	(10,425)
Restructuring charges	—	—	—	11	(112)	(276)	—	4
Charitable donation of common stock	(1,787)	(1,739)	(2,957)	(2,957)	(2,957)	(2,957)	(2,675)	(2,675)
Changes in the fair value of acquisition related contingent consideration	—	—	—	—	(3,750)	—	—	—
Acquisition related expenses	(157)	(183)	(391)	(140)	(658)	(2,051)	(1,314)	—
Other non-recurring charges	320	(963)	(4,538)	(872)	261	(473)	(404)	(413)
General and administrative on non-GAAP basis	$ 30,235	$ 30,667	$ 27,880	$ 27,349	$ 25,054	$ 41,066	$ 24,824	$ 25,306
Loss from operations on GAAP basis	$ (18,351)	$ (34,610)	$ (19,338)	$ (28,732)	$ (41,005)	$ (53,640)	$ (34,883)	$ (40,267)
Stock-based compensation expense	54,284	55,827	46,636	48,042	48,969	42,252	43,017	41,334
Amortization of acquired intangibles	2,015	2,020	2,195	2,511	2,333	1,087	521	521
Restructuring charges	—	—	—	119	771	1,006	188	14
Charitable donation of common stock	1,787	1,739	2,957	2,957	2,957	2,957	2,675	2,675
Changes in the fair value of acquisition related contingent consideration	—	—	—	—	3,750	—	—	—
Acquisition related expenses	157	183	391	140	658	2,051	1,314	—
Other non-recurring charges	(320)	963	4,538	872	(261)	473	404	413

Income (loss) from operations on non-GAAP basis	$ 39,572	$ 26,122	$ 37,379	$ 25,909	$ 18,172	$ (3,814)	$ 13,236	$ 4,690
Other income (expense), net on GAAP basis	$ (911)	$ (9,971)	$ 4,017	$ 4,799	$ 1,260	$ (889)	$ (11,451)	$ 224
Foreign exchange gains (losses), net	1,117	9,954	(3,860)	(5,074)	(1,267)	785	2,611	(314)
Impairment of equity method investment	—	—	—	—	—	—	8,858	—
Other non-recurring charges	172	170	173	171	172	174	173	171
Other income (expense), net on non-GAAP basis	$ 378	$ 153	$ 330	$ (104)	$ 165	$ 70	$ 191	$ 81
Net income (loss) attributable to GitLab common stockholders on GAAP basis	$ (9,208)	$ (35,875)	$ 6,892	$ 29,103	$ 12,912	$ (55,233)	$ (36,868)	$ (285,768)
Stock-based compensation expense	54,284	55,827	46,636	48,042	48,969	42,252	43,017	41,334
Amortization of acquired intangibles	2,015	2,020	2,195	2,511	2,333	1,087	521	521
Restructuring charges	—	—	—	119	771	1,006	188	14
Charitable donation of common stock	1,787	1,739	2,957	2,957	2,957	2,957	2,675	2,675
Changes in the fair value of acquisition related contingent consideration	—	—	—	—	3,750	—	—	—
Acquisition related expenses	157	183	391	140	658	2,051	1,314	—
Loss from equity method investment, net of tax	—	—	—	—	—	—	1,416	743
Impairment of equity method investment	—	—	—	—	—	—	8,858	—
Foreign exchange gains (losses), net	1,117	9,954	(3,860)	(5,074)	(1,267)	785	2,611	(314)
Income tax adjustment	(9,077)	(5,631)	(3,222)	(39,696)	(46,472)	8,922	735	254,657
Other non-recurring charges	(148)	1,133	4,711	1,043	(89)	647	577	584
Net income attributable to GitLab common stockholders on non-GAAP basis	$ 40,927	$ 29,350	$ 56,700	$ 39,145	$ 24,522	$ 4,474	$ 25,044	$ 14,446
GAAP net income (loss) per share, basic	$ (0.06)	$ (0.22)	$ 0.04	$ 0.18	$ 0.08	$ (0.35)	$ (0.24)	$ (1.84)
GAAP net income (loss) per share, diluted	$ (0.06)	$ (0.22)	$ 0.04	$ 0.17	$ 0.08	$ (0.35)	$ (0.24)	$ (1.84)
Non-GAAP net income per share, basic	$ 0.25	$ 0.18	$ 0.35	$ 0.24	$ 0.15	$ 0.03	$ 0.16	$ 0.09
Non-GAAP net income per share, diluted	$ 0.24	$ 0.17	$ 0.33	$ 0.23	$ 0.15	$ 0.03	$ 0.15	$ 0.09
Shares used in per share calculation - basic on GAAP basis	165,953	164,491	163,055	161,317	159,677	158,157	156,601	155,123
Effect of dilutive securities	4,535	5,669	7,039	6,119	6,669	8,767	8,820	7,671
Shares used in per share calculation - diluted on non-GAAP basis	170,488	170,160	170,094	167,436	166,346	166,924	165,421	162,794
Computation of adjusted free cash flow								
GAAP net cash provided by (used in) operating activities	$ 49,369	$ 106,302	$ 63,222	$ (177,028)	$ 11,697	$ 38,138	$ 24,853	$ (5,961)
Less: Purchases of property and equipment	(2,904)	(912)	(1,157)	(1,057)	(851)	(700)	(329)	(736)
Add: Income tax payments (refunds) related to BAPA	(12)	(1,293)	—	187,735	—	—	—	—
Non-GAAP adjusted free cash flow	$ 46,453	$ 104,097	$ 62,065	$ 9,650	$ 10,846	$ 37,438	$ 24,524	$ (6,697)

GitLab Inc.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Three Months Ended							
	July 31, 2025	**April 30, 2025**	**January 31, 2025**	**October 31, 2024**	**July 31, 2024**	**April 30, 2024**	**January 31, 2024**	**October 31, 2023**
CASH FLOWS FROM OPERATING ACTIVITIES:								
Net income (loss), including amounts attributable to noncontrolling interest	$ (9,996)	$ (36,258)	$ 6,315	$ 27,805	$ 12,237	$ (55,476)	$ (37,972)	$ (286,965)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:								
Stock-based compensation expense	54,284	55,827	46,636	48,042	48,969	42,252	43,017	41,334
Change in fair value of acquisition related contingent consideration	—	—	—	—	3,750	—	—	—
Charitable donation of common stock	1,787	1,739	2,956	2,957	2,957	2,957	2,675	2,675
Amortization of intangible assets	2,015	2,020	2,195	2,511	2,333	1,087	521	521
Depreciation expense	759	556	499	680	744	937	1,039	1,123
Amortization of deferred contract acquisition costs	13,370	13,899	14,064	12,704	11,837	11,109	12,397	10,447
Loss from equity method investment	—	—	—	—	—	—	776	940
Impairment of equity method investment	—	—	—	—	—	—	8,858	—
Net amortization of premiums or discounts on short-term investments	(2,609)	(2,996)	(3,813)	(3,792)	(4,241)	(4,900)	(5,988)	(5,867)
Unrealized foreign exchange loss (gain), net	1,069	9,901	(4,083)	(5,175)	(988)	720	4,194	(302)
Other non-cash expense (income), net	192	208	162	467	(111)	412	1,013	420
Changes in assets and liabilities:								
Accounts receivable	3,859	65,928	(67,991)	(32,883)	(29,847)	31,072	(31,050)	(30,572)
Prepaid expenses and other current assets	1,219	1,527	5,927	(10,847)	2,982	10,362	(15,722)	(3,902)
Deferred contract acquisition costs	(12,304)	(8,126)	(22,421)	(14,751)	(12,415)	(8,540)	(21,340)	(13,623)
Other non-current assets	(198)	379	(1,034)	1,348	(78)	(419)	865	(453)
Accounts payable	(472)	3,586	5,472	(1,317)	14	1,336	(3,219)	799
Accrued expenses and other current liabilities	(14,257)	9,979	(12,755)	(219,544)	(41,093)	20,023	13,090	244,980
Accrued compensation and benefits	2,021	(13,084)	13,558	(1,913)	6,250	(13,152)	12,331	231
Deferred revenue	8,284	1,205	74,240	19,665	19,286	2,806	(10,821)	14,270
Other non-current liabilities	346	12	3,295	(2,985)	(10,889)	(4,448)	50,189	17,983
Net cash provided by (used in) operating activities	49,369	106,302	63,222	(177,028)	11,697	38,138	24,853	(5,961)
CASH FLOWS FROM INVESTING ACTIVITIES:								
Purchases of short-term investments	(237,946)	(245,952)	(204,304)	(240,136)	(118,866)	(144,392)	(242,021)	(238,680)
Proceeds from maturities of short-term investments	184,280	163,606	183,520	148,763	121,412	254,687	207,028	253,995
Proceeds from sales of short-term investments	—	1,367	—	—	—	—	—	—
Purchases of property and equipment	(2,904)	(912)	(1,157)	(1,057)	(851)	(700)	(329)	(736)
Payments for business combination, net of cash acquired	—		—	—	—	(20,210)	—	—

Payments for asset acquisition	—	—	—	(346)	(7,314)	—	—	—
Other investing activities	—	—	—	—	457	—	(450)	—
Net cash provided by (used in) investing activities	(56,570)	(81,891)	(21,941)	(92,776)	(5,162)	89,385	(35,772)	14,579
CASH FLOWS FROM FINANCING ACTIVITIES:								
Proceeds from the issuance of common stock upon exercise of stock options, including early exercises, net of repurchases	3,947	3,328	6,069	7,822	4,980	5,093	9,810	4,715
Issuance of common stock under employee stock purchase plan	8,404	—	5,624	—	7,932	—	5,182	—
Settlement of acquisition related contingent cash consideration	—	—	—	(4,900)	—	—	—	—
Net cash provided by financing activities	12,351	3,328	11,693	2,922	12,912	5,093	14,992	4,715
Impact of foreign exchange on cash and cash equivalents	502	331	(1,957)	4,898	(1,153)	(290)	(1,386)	(1,249)
Net increase (decrease) in cash and cash equivalents	5,652	28,070	51,017	(261,984)	18,294	132,326	2,687	12,084
Cash and cash equivalents at beginning of period	255,719	227,649	176,632	438,616	420,322	287,996	285,309	273,225
Cash, and cash equivalents at end of period	$ 261,371	$ 255,719	$ 227,649	$ 176,632	$ 438,616	$ 420,322	$ 287,996	$ 285,309