

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported)

September 2, 2021

YEXT, INC.

(Exact name of registrant as specified in its charter)

001-38056

(Commission File Number)

20-8059722

(IRS Employer
Identification No.)

Delaware

(State or other jurisdiction of incorporation)

**61 Ninth Avenue
New York, NY 10011**

(Address of principal executive offices, including zip code)

(212) 994-3900

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.001 per share	YEXT	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition

On September 2, 2021, Yext, Inc. (the “Company”) issued a press release announcing its financial results for the second fiscal quarter ended July 31, 2021. A copy of the Company’s press release is attached hereto as Exhibit 99.1.

The information in this Item 2.02 (including Exhibit 99.1) shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
99.1	Press release dated September 2, 2021
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

Yext, Inc. Announces Second Quarter Fiscal 2022 Results

- Customer Count Increased 23% Year-over-Year to Over 2,600
- Second Quarter Revenue Increased 11% Year-over-Year to \$98.1 Million
- Unearned Revenue Increased 12% Year-over-Year to \$165 Million
- ARR Increased 12% Year-over-Year to \$378 Million
- Cash and Cash Equivalents of \$240 Million
- Issues Guidance for Third Quarter Fiscal 2022
- Updates Guidance for Full Year Fiscal 2022

NEW YORK, September 2, 2021 /PRNewswire/ -- Yext, Inc. (NYSE: YEXT), the AI Search Company, today announced its results for the three months ended July 31, 2021, or the Company's second quarter of fiscal 2022.

"We had a solid second quarter, driven by new customers and upsells," said Howard Lerman, Founder and CEO of Yext. "Yext continues to be a critical partner for businesses by driving operational efficiencies, especially within marketing and support. From pre-purchase information discovery to post-purchase troubleshooting, our innovative, AI-powered search platform helps create a seamless online experience at every stop in the customer journey."

Second Quarter Fiscal 2022 Highlights:

- **Revenue** of \$98.1 million, an 11% increase, compared to \$88.1 million reported in the second quarter fiscal 2021.
- **Gross Profit** of \$71.5 million, an 8% increase, compared to \$66.1 million reported in the second quarter fiscal 2021. Gross margin of 72.9%, compared to 75.0% reported in the second quarter fiscal 2021.
- **Net Loss and Non-GAAP Net Loss:**
 - Net loss of \$27.6 million, compared to the net loss of \$25.1 million in the second quarter fiscal 2021.
 - Non-GAAP net loss of \$7.2 million, compared to the non-GAAP net loss of \$7.9 million in the second quarter fiscal 2021.
- **Net Loss Per Share and Non-GAAP Net Loss Per Share:**
 - Net loss per share of \$0.22 in the second quarter fiscal 2022, compared to net loss per share of \$0.21 in the second quarter fiscal 2021.
 - Non-GAAP net loss per share of \$0.06 in the second quarter fiscal 2022, compared to non-GAAP net loss per share of \$0.07 in the second quarter fiscal 2021.
 - Net loss per share and non-GAAP net loss per share were based on 126.9 million and 118.4 million weighted-average basic shares outstanding for the second quarter fiscal 2022 and for the second quarter fiscal 2021, respectively.
- **Balance Sheet:** Cash and cash equivalents of \$240 million as of July 31, 2021. Unearned revenue of \$165 million as of July 31, 2021, compared to \$147 million as of July 31, 2020.
- **Remaining Performance Obligations ("RPO"):** RPO of \$342 million as of July 31, 2021. RPO expected to be recognized over the next 24 months of \$324 million with the remaining balance expected to be recognized thereafter. RPO does not include amounts under contract subject to certain accounting exclusions.
- **Cash Flow:** Net cash used in operating activities was \$32.6 million for the three months ended July 31, 2021, compared to net cash used in operating activities of \$15.6 million for the three months ended July 31, 2020.

Readers are encouraged to review the tables labeled "Reconciliation of GAAP to Non-GAAP Financial Measures" at the end of this release.

Recent Business Highlights:

- Launched Yext AI Search on Salesforce AppExchange, enabling clients to augment their existing Salesforce Service Cloud-powered help sites, agent consoles, and support form with Support Answers.
- Announced new integrations with Zendesk, Inc., further empowering customer support teams.
- Announced the availability of its Summer '21 Release.
- Announced its participation in Visa's 2021 She's Next Grant Program. The initiative aims to address the disproportionate barriers Black women entrepreneurs face when founding and running businesses.
- Announced its first-place ranking and "leader" designation across several categories in the Summer 2021 G2 Grid® from G2.com, Inc., a leading software review platform.
- Announced that Shane Battier, Vice President of Basketball Development and Analytics of the Miami Heat has been appointed to its Board of Directors, effective June 30, 2021.
- Announced Laurie "LC" Cook as its first-ever Vice President of Public Sector, effective August 2, 2021.
- Announced Joe Jorczak as its first-ever Head of Industry for Service and Support, effective June 1, 2021.
- Customer count, which excludes our small business and third-party reseller customers, increased 23% year-over-year to over 2,600 as of July 31, 2021.
- Annual recurring revenue, or ARR, increased 12% year-over-year to \$378 million as of July 31, 2021, compared to \$338 million as of July 31, 2020.

Financial Outlook:

Yext is also providing the following guidance for its third fiscal quarter ending October 31, 2021 and the fiscal year ending January 31, 2022.

- Third Quarter Fiscal 2022 Outlook:
 - Revenue is projected to be in the range of \$97.5 million to \$98.5 million.
 - Non-GAAP net loss per share is projected to be \$0.08 to \$0.06 which assumes 128.6 million weighted-average basic shares outstanding.
- Full Year Fiscal 2022 Outlook:
 - Revenue is projected to be in the range of \$386 million to \$388 million.
 - Non-GAAP net loss per share is projected to be \$0.24 to \$0.20 which assumes 127.9 million weighted-average basic shares outstanding.

Conference Call Information

Yext will host a conference call today at 4:30 P.M. Eastern Time (1:30 P.M. Pacific Time) to discuss its financial results with the investment community. A live webcast of the call will be available on the Yext Investor Relations website at <http://investors.yext.com>. A live dial-in is available domestically at (877) 883-0383 and internationally at (412) 902-6506, passcode 3063525.

A replay will be available domestically at (877) 344-7529 or internationally at (412) 317-0088, passcode 10159332, until midnight (ET) September 9, 2021.

About Yext

Yext (NYSE: YEXT) is the AI Search Company and is on a mission to transform the enterprise with AI search. With the explosion of information and data online, search has never been more important. However, while the world of consumer search has innovated over time, enterprise search has not. In fact, the majority of enterprise search is powered by outdated keyword technology that only scans for keywords and delivers a list of hyperlinks rather than actually answering questions.

Yext, the AI Search Company, offers a modern, AI-powered Answers Platform that understands natural language so that when people ask questions about a business online they get direct answers – not links. Brands like

Verizon, Vanguard, Subway and Marriott — as well as organizations like the U.S. State Department and World Health Organization — trust Yext to radically improve their business with answers-led AI search.

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995

This release includes forward-looking statements including, but not limited to, statements regarding our revenue, non-GAAP net loss and shares outstanding for our third quarter and full year fiscal 2022 in the paragraphs under "Financial Outlook" above, statements regarding the impact of the COVID-19 pandemic on our business and results of operations and other statements regarding our expectations regarding the growth of our company, our market opportunity, product roadmap, sales efficiency efforts and our industry. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "could," "expect," "plan," "anticipate," "believe," "estimate," "predict," "intend," "potential," "might," "would," "continue," or the negative of these terms or other comparable terminology. Actual events or results may differ from those expressed in these forward-looking statements, and these differences may be material and adverse.

We have based the forward-looking statements contained in this release primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations, strategy, short- and long-term business operations, prospects, business strategy and financial needs. Our actual results could differ materially from those stated or implied in forward-looking statements due to a number of factors, including, but not limited to, the impact of the COVID-19 pandemic on U.S. and global markets, our business, operations, financial results, cash flow, demand for our products, sales cycles, and customer acquisition and retention; our ability to renew and expand subscriptions with existing customers especially enterprise customers and attract new customers generally; our ability to successfully expand and compete in new geographies and industry verticals; our ability to expand and scale our sales force; our ability to expand our service and application provider network; our ability to develop new product and platform offerings to expand our market opportunity, including with Yext Answers; our ability to release new products and updates that are adopted by our customers; our ability to manage our growth effectively; weakened or changing global economic conditions; the number of options exercised by our employees and former employees; and the accuracy of the assumptions and estimates underlying our financial projections. For a detailed discussion of these and other risk factors, please refer to the risks detailed in our filings with the Securities and Exchange Commission, including, without limitation, our most recent Quarterly Report on Form 10-Q and Annual Report on Form 10-K, which are available at <http://investors.yext.com> and on the SEC's website at <https://www.sec.gov>. Further information on potential risks that could affect actual results will be included in other filings we make with the SEC from time to time. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this release. We cannot assure you that the results, events and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements.

The forward-looking statements made in this release relate only to events as of the date on which such statements are made. We undertake no obligation to update any forward-looking statements after the date hereof or to conform such statements to actual results or revised expectations, except as required by law.

Non-GAAP Measurements

In addition to disclosing financial measures prepared in accordance with U.S. generally accepted accounting principles (GAAP), this press release and the accompanying tables include non-GAAP cost of revenue, non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses (sales and marketing, research and development, general and administrative), non-GAAP operating expenses (sales and marketing, research and development, general and administrative) as a percentage of revenue, non-GAAP loss from operations, non-GAAP operating margin, non-GAAP net income (loss), non-GAAP net income (loss) per share, non-GAAP net income (loss) as a percentage of revenue, which are referred to as non-GAAP financial measures.

These non-GAAP financial measures are not calculated in accordance with GAAP as they have been adjusted to exclude the effects of stock-based compensation expenses. Non-GAAP gross margin, non-GAAP operating expenses (sales and marketing, research and development, general and administrative) as a percentage of revenue, non-GAAP operating margin, and non-GAAP net income (loss) as a percentage of revenue are calculated by

dividing the applicable non-GAAP financial measure by revenue. Non-GAAP net income (loss) per share is defined as non-GAAP net income (loss) on a per share basis. See "Reconciliation of GAAP to Non-GAAP Financial Measures" for a discussion of the applicable weighted-average shares outstanding.

We believe these non-GAAP financial measures provide investors and other users of our financial information consistency and comparability with our past financial performance and facilitate period-to-period comparisons of our results of operations. With respect to non-GAAP gross margin, non-GAAP operating expenses (sales and marketing, research and development, general and administrative) as a percentage of revenue, non-GAAP operating margin and non-GAAP net loss as a percentage of revenue, we believe these non-GAAP financial measures are useful in evaluating our profitability relative to the amount of revenue generated, excluding the impact of stock-based compensation expense. We also believe non-GAAP financial measures are useful in evaluating our operating performance compared to that of other companies in our industry, as these metrics eliminate the effects of stock-based compensation, which may vary for reasons unrelated to overall operating performance.

We use these non-GAAP financial measures in conjunction with traditional GAAP measures as part of our overall assessment of our performance, including the preparation of our annual operating budget and quarterly forecasts, and to evaluate the effectiveness of our business strategies. Our definition may differ from the definitions used by other companies and therefore comparability may be limited. In addition, other companies may not publish this or similar metrics. Thus, our non-GAAP financial measures should be considered in addition to, not as a substitute for, nor superior to or in isolation from, measures prepared in accordance with GAAP.

These non-GAAP financial measures may be limited in their usefulness because they do not present the full economic effect of our use of stock-based compensation. We compensate for these limitations by providing investors and other users of our financial information a reconciliation of the non-GAAP financial measure to the most closely related GAAP financial measures. However, we have not reconciled the non-GAAP guidance measures disclosed under "Financial Outlook" to their corresponding GAAP measures because certain reconciling items such as stock-based compensation and the corresponding provision for income taxes depend on factors such as the stock price at the time of award of future grants and thus cannot be reasonably predicted. Accordingly, reconciliations to the non-GAAP guidance measures is not available without unreasonable effort. We encourage investors and others to review our financial information in its entirety, not to rely on any single financial measure and to view non-GAAP net loss and non-GAAP net loss per share in conjunction with net loss and net loss per share.

Operating Metrics

This press release also includes certain operating metrics that we believe are useful in providing additional information in assessing the overall performance of our business.

Customer count is defined as the total number of customers with contracts executed as of the last day of the reporting period and a unique administrative account identifier on the Yext platform. We believe that customer count provides insight into our ability to grow our enterprise and mid-market customer base. As such, customer count excludes third-party reseller customers and small businesses customers as well as customers only receiving free trials.

Annual recurring revenue, or ARR, is defined as the annualized recurring amount of all contracts executed as of the last day of the reporting period. The recurring amount of a contract is determined based upon the terms of a contract and is calculated by dividing the amount of a contract by the term of the contract and then annualizing such amount. The calculation assumes no subsequent changes to the existing subscription and excludes amounts related to overages above the contractual minimum commitment. Contracts include portions of professional services contracts that are recurring in nature. ARR is independent of historical revenue, unearned revenue, remaining performance obligations or any other GAAP financial measure over any period. It should be considered in addition to, not as a substitute for, nor superior to or in isolation from, these measures and other measures prepared in accordance with GAAP. We believe ARR provides insight into the performance of our recurring revenue business model while mitigating for fluctuations in billing and contract terms.

For Further Information Contact:

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YEXT, INC.

Condensed Consolidated Balance Sheets
(In thousands, except share and per share data)
(Unaudited)

	July 31, 2021	January 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 240,490	\$ 230,411
Accounts receivable, net of allowances of \$2,786 and \$2,528, respectively	59,110	97,455
Prepaid expenses and other current assets	16,192	17,993
Costs to obtain revenue contracts, current	33,428	30,325
Total current assets	349,220	376,184
Property and equipment, net	80,287	80,344
Operating lease right-of-use assets	99,972	104,844
Costs to obtain revenue contracts, non-current	27,916	22,692
Goodwill	4,764	4,842
Intangible assets, net	458	767
Other long term assets	6,127	6,316
Total assets	\$ 568,744	\$ 595,989
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable, accrued expenses and other current liabilities	\$ 49,307	\$ 54,186
Unearned revenue, current	165,377	191,810
Operating lease liabilities, current	14,191	14,165
Total current liabilities	228,875	260,161
Operating lease liabilities, non-current	117,689	123,584
Other long term liabilities	5,601	5,009
Total liabilities	352,165	388,754
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.001 par value per share; 50,000,000 shares authorized at July 31, 2021 and January 31, 2021; zero shares issued and outstanding at July 31, 2021 and January 31, 2021	—	—
Common stock, \$0.001 par value per share; 500,000,000 shares authorized at July 31, 2021 and January 31, 2021; 134,305,353 and 130,494,513 shares issued at July 31, 2021 and January 31, 2021, respectively; 127,800,019 and 123,989,179 shares outstanding at July 31, 2021 and January 31, 2021, respectively	134	130
Additional paid-in capital	788,149	733,933
Accumulated other comprehensive income	2,769	2,422
Accumulated deficit	(562,568)	(517,345)
Treasury stock, at cost	(11,905)	(11,905)
Total stockholders' equity	216,579	207,235
Total liabilities and stockholders' equity	\$ 568,744	\$ 595,989

YEXT, INC.

Condensed Consolidated Statements of Operations and Comprehensive Loss
(In thousands, except share and per share data)
(Unaudited)

	Three months ended July 31,		Six months ended July 31,	
	2021	2020	2021	2020
Revenue	\$ 98,124	\$ 88,055	\$ 190,116	\$ 173,406
Cost of revenue	26,615	21,984	48,469	43,168
Gross profit	71,509	66,071	141,647	130,238
Operating expenses:				
Sales and marketing	58,578	56,049	113,744	114,569
Research and development	18,500	14,788	32,357	29,166
General and administrative	20,843	19,474	39,190	39,932
Total operating expenses	97,921	90,311	185,291	183,667
Loss from operations	(26,412)	(24,240)	(43,644)	(53,429)
Interest income	4	47	10	515
Interest expense	(158)	(154)	(290)	(291)
Other expense, net	(741)	(423)	(827)	(507)
Loss from operations before income taxes	(27,307)	(24,770)	(44,751)	(53,712)
(Provision for) benefit from income taxes	(285)	(346)	(472)	(628)
Net loss	\$ (27,592)	\$ (25,116)	\$ (45,223)	\$ (54,340)
Net loss per share attributable to common stockholders, basic and diluted	\$ (0.22)	\$ (0.21)	\$ (0.36)	\$ (0.46)
Weighted-average number of shares used in computing net loss per share attributable to common stockholders, basic and diluted	126,906,937	118,411,758	126,152,602	117,519,214
Other comprehensive income (loss):				
Foreign currency translation adjustment	\$ (8)	\$ 2,250	\$ 347	\$ 917
Total comprehensive loss	\$ (27,600)	\$ (22,866)	\$ (44,876)	\$ (53,423)

YEXT, INC.

Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Six months ended July 31,	
	2021	2020
Operating activities:		
Net loss	\$ (45,223)	\$ (54,340)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization expense	7,933	5,187
Bad debt expense	909	2,316
Stock-based compensation expense	35,000	34,602
Amortization of operating lease right-of-use assets	4,619	6,827
Other, net	371	344
Changes in operating assets and liabilities:		
Accounts receivable	37,618	26,001
Prepaid expenses and other current assets	1,681	(7,929)
Costs to obtain revenue contracts	(8,442)	3,726
Other long term assets	15	(1,191)
Accounts payable, accrued expenses and other current liabilities	(711)	(7,010)
Unearned revenue	(26,337)	(31,377)
Operating lease liabilities	(5,634)	3,744
Other long term liabilities	650	2,805
Net cash provided by (used in) operating activities	2,449	(16,295)
Investing activities:		
Capital expenditures	(10,555)	(40,055)
Net cash used in investing activities	(10,555)	(40,055)
Financing activities:		
Proceeds from exercise of stock options	14,439	6,651
Payments of deferred financing costs	(263)	(654)
Proceeds, net from employee stock purchase plan withholdings	3,409	3,667
Net cash provided by financing activities	17,585	9,664
Effect of exchange rate changes on cash and cash equivalents	600	1,857
Net increase (decrease) in cash and cash equivalents	10,079	(44,829)
Cash and cash equivalents at beginning of period	230,411	268,176
Cash and cash equivalents at end of period	\$ 240,490	\$ 223,347

YEXT, INC.

Reconciliation of GAAP to Non-GAAP Financial Measures
(In thousands)
(Unaudited)

<u>Costs and expenses</u>	Three months ended July 31, 2021		
	GAAP	Stock-Based Compensation Expense	Non-GAAP
Cost of revenue	\$ 26,615	\$ (2,312)	\$ 24,303
Sales and marketing	\$ 58,578	\$ (7,377)	\$ 51,201
Research and development	\$ 18,500	\$ (5,828)	\$ 12,672
General and administrative	\$ 20,843	\$ (4,885)	\$ 15,958

<u>Costs and expenses as a percentage of revenue</u>	Three months ended July 31, 2021		
	GAAP	Stock-Based Compensation Expense	Non-GAAP
Cost of revenue	27 %	(2) %	25 %
Sales and marketing	60 %	(8) %	52 %
Research and development	19 %	(6) %	13 %
General and administrative	21 %	(5) %	16 %

<u>Costs and expenses</u>	Three months ended July 31, 2020		
	GAAP	Stock-Based Compensation Expense	Non-GAAP
Cost of revenue	\$ 21,984	\$ (1,307)	\$ 20,677
Sales and marketing	\$ 56,049	\$ (7,960)	\$ 48,089
Research and development	\$ 14,788	\$ (3,933)	\$ 10,855
General and administrative	\$ 19,474	\$ (4,030)	\$ 15,444

<u>Costs and expenses as a percentage of revenue</u>	Three months ended July 31, 2020		
	GAAP	Stock-Based Compensation Expense	Non-GAAP
Cost of revenue	25 %	(1) %	24 %
Sales and marketing	64 %	(9) %	55 %
Research and development	17 %	(5) %	12 %
General and administrative	22 %	(4) %	18 %

Note: Numbers rounded for presentation purposes.

YEXT, INC.

Reconciliation of GAAP to Non-GAAP Financial Measures
(In thousands)
(Unaudited)

Costs and expenses	Six months ended July 31, 2021		
	GAAP	Stock-Based Compensation Expense	Non-GAAP
Cost of revenue	\$ 48,469	\$ (3,757)	\$ 44,712
Sales and marketing	\$ 113,744	\$ (12,878)	\$ 100,866
Research and development	\$ 32,357	\$ (9,816)	\$ 22,541
General and administrative	\$ 39,190	\$ (8,549)	\$ 30,641

Costs and expenses as a percentage of revenue	Six months ended July 31, 2021					
	GAAP		Stock-Based Compensation Expense		Non-GAAP	
Cost of revenue	25	%	(1)	%	24	%
Sales and marketing	60	%	(7)	%	53	%
Research and development	17	%	(5)	%	12	%
General and administrative	21	%	(5)	%	16	%

Costs and expenses	Six months ended July 31, 2020		
	GAAP	Stock-Based Compensation Expense	Non-GAAP
Cost of revenue	\$ 43,168	\$ (2,540)	\$ 40,628
Sales and marketing	\$ 114,569	\$ (15,741)	\$ 98,828
Research and development	\$ 29,166	\$ (7,876)	\$ 21,290
General and administrative	\$ 39,932	\$ (8,445)	\$ 31,487

Costs and expenses as a percentage of revenue	Six months ended July 31, 2020					
	GAAP		Stock-Based Compensation Expense		Non-GAAP	
Cost of revenue	25	%	(2)	%	23	%
Sales and marketing	66	%	(9)	%	57	%
Research and development	17	%	(5)	%	12	%
General and administrative	23	%	(5)	%	18	%

Note: Numbers rounded for presentation purposes.

YEXT, INC.

Reconciliation of GAAP to Non-GAAP Financial Measures

(In thousands)

(Unaudited)

	Three months ended July 31,		Six months ended July 31,	
	2021	2020	2021	2020
Gross profit				
GAAP gross profit	\$ 71,509	\$ 66,071	\$ 141,647	\$ 130,238
Plus: Stock-based compensation expense	2,312	1,307	3,757	2,540
Non-GAAP gross profit	\$ 73,821	\$ 67,378	\$ 145,404	\$ 132,778
Gross margin				
GAAP gross margin	72.9 %	75.0 %	74.5 %	75.1 %
Plus: Stock-based compensation expense	2.3 %	1.5 %	2.0 %	1.5 %
Non-GAAP gross margin	75.2 %	76.5 %	76.5 %	76.6 %
Operating expenses				
GAAP operating expenses	\$ 97,921	\$ 90,311	\$ 185,291	\$ 183,667
Less: Stock-based compensation expense	(18,090)	(15,923)	(31,243)	(32,062)
Non-GAAP operating expenses	\$ 79,831	\$ 74,388	\$ 154,048	\$ 151,605
Operating expenses as a percentage of revenue				
GAAP operating expenses as a percentage of revenue	100 %	103 %	98 %	106 %
Less: Stock-based compensation expense	(19)%	(19)%	(17)%	(19)%
Non-GAAP operating expenses as a percentage of revenue	81 %	84 %	81 %	87 %
Loss from operations				
GAAP loss from operations	\$ (26,412)	\$ (24,240)	\$ (43,644)	\$ (53,429)
Plus: Stock-based compensation expense	20,402	17,230	35,000	34,602
Non-GAAP loss from operations	\$ (6,010)	\$ (7,010)	\$ (8,644)	\$ (18,827)
Operating margin (Loss from operations as a percentage of revenue)				
GAAP operating margin	(27)%	(28)%	(23)%	(31)%
Plus: Stock-based compensation expense	21 %	20 %	18 %	20 %
Non-GAAP operating margin	(6)%	(8)%	(5)%	(11)%

Note: Numbers rounded for presentation purposes.

YEXT, INC.

Reconciliation of GAAP to Non-GAAP Financial Measures
(In thousands, except share and per share data)
(Unaudited)

	Three months ended July 31,	
	2021	2020
GAAP net loss	\$ (27,592)	\$ (25,116)
Plus: Stock-based compensation expense	20,402	17,230
Non-GAAP net loss	\$ (7,190)	\$ (7,886)
GAAP net loss per share attributable to common stockholders, basic and diluted	\$ (0.22)	\$ (0.21)
Stock-based compensation expense per share	0.16	0.14
Non-GAAP net loss per share attributable to common stockholders, basic and diluted	\$ (0.06)	\$ (0.07)
Weighted-average number of shares used in computing net loss per share attributable to common stockholders, basic and diluted	126,906,937	118,411,758
	Three months ended July 31,	
	2021	2020
GAAP net loss as a percentage of revenue	(28.1)%	(28.5)%
Plus: Stock-based compensation expense	20.8 %	19.5 %
Non-GAAP net loss as a percentage of revenue	(7.3)%	(9.0)%
	Six months ended July 31,	
	2021	2020
GAAP net loss	\$ (45,223)	\$ (54,340)
Plus: Stock-based compensation expense	35,000	34,602
Non-GAAP net loss	\$ (10,223)	\$ (19,738)
GAAP net loss per share attributable to common stockholders, basic and diluted	\$ (0.36)	\$ (0.46)
Stock-based compensation expense per share	0.28	0.29
Non-GAAP net loss per share attributable to common stockholders, basic and diluted	\$ (0.08)	\$ (0.17)
Weighted-average number of shares used in computing net loss per share attributable to common stockholders, basic and diluted	126,152,602	117,519,214
	Six months ended July 31,	
	2021	2020
GAAP net loss as a percentage of revenue	(23.8)%	(31.3)%
Plus: Stock-based compensation expense	18.4 %	19.9 %
Non-GAAP net loss as a percentage of revenue	(5.4)%	(11.4)%

Note: Numbers rounded for presentation purposes.