Sprout Social Announces Third Quarter 2026 Financial Results
Approximated TTM Subscription Revenue Contribution for ≥$30K ARR Customers Grew 18% year-over-year

CHICAGO, November 3, 2026 – Sprout Social, Inc. ("Sprout Social", the "Company") (NASDAQ: SPT), a leading AI-powered Social Intelligence Platform, today announced financial results for its third quarter ended September 30, 2026.

"We are pleased with our financial performance this quarter, highlighted by a record non-GAAP operating income of $26.3 million, equating to a 21% non-GAAP operating margin. We posted an 18% year-over-year increase in approximated trailing twelve month subscription revenue contribution from our $30k+ ARR customer cohort and our Non-GAAP free cash flow was $26.7 million, an increase of 158% year-over-year. We also initiated our $50 million stock buyback program with over $26 million of repurchases in Q3, which allows us to return value to shareholders and offset dilution," said Ryan Barretto, CEO of Sprout Social. *"Importantly, we are targeting GAAP profitability looking ahead, a significant milestone that reflects our focus on cost discipline."*

Third Quarter 2026 Financial Highlights

Revenue

- Revenue was $125.1 million, up 8% compared to the third quarter of 2025.
- Total remaining performance obligations (RPO) of $393.9 million as of September 30, 2026, up 10% year-over-year.
- Current remaining performance obligations (cRPO) of $280.2 million as of September 30, 2026, up 8% year-over-year.

Operating Income (Loss)

- GAAP operating loss was ($6.9) million, compared to ($9.1) million in the third quarter of 2025.
- Non-GAAP operating income was $26.3 million, compared to $13.7 million in the third quarter of 2025.

Net Income (Loss)

- GAAP net loss was ($6.5) million, compared to ($9.4) million in the third quarter of 2025.
- Non-GAAP net income was $26.7 million, compared to $13.4 million in the third quarter of 2025.
- GAAP net loss per share was ($0.11) based on 59.7 million weighted-average shares of common stock outstanding, compared to ($0.16) based on 58.9 million weighted-average shares of common stock outstanding in the third quarter of 2025.
- Non-GAAP net income per share was $0.45 based on 59.7 million weighted-average shares of common stock outstanding, compared to $0.23 based on 58.9 million weighted-average shares of common stock outstanding in the third quarter of 2025.

Cash

- Cash and cash equivalents totaled $103.7 million as of September 30, 2026, compared to $119.9 million as of June 30, 2026.
- Net cash provided by operating activities was $10.7 million, compared to $9.3 million in the third quarter of 2025.
- Non-GAAP free cash flow was $26.7 million, compared to $10.3 million in the third quarter of 2025.

See "Use of Non-GAAP Financial Measures" below for definitions of Non-GAAP operating income (loss), Non-GAAP net income (loss), Non-GAAP net income (loss) per share, non-GAAP operating margin, and Non-GAAP free cash flow and the financial tables that accompany this release for reconciliations of our non-GAAP measures to their closest comparable GAAP measures. See "Key Business Metrics" below for how Sprout Social defines RPO, cRPO,

the number of customers contributing $30,000 or more in ARR, the number of customers contributing $50,000 or more in ARR and approximated TTM subscription revenue contribution from customers contributing $30,000 or more in ARR.

Customer Metrics

- Grew number of customers contributing $30,000 or more in ARR to 3,925 customers as of September 30, 2026, up 6% compared to September 30, 2025.
- Grew number of customers contributing $50,000 or more in ARR to 2,155 customers as of September 30, 2026, up 11% compared to September 30, 2025.

Beginning in the fourth quarter of 2025, we replaced our disclosure of customers with ARR of $10,000 or more with customers with ARR of $30,000 or more. We believe this metric better reflects our strategic focus on larger customers and aligns with how management evaluates performance and allocates resources. Prior-period amounts have been presented for comparability.

	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026
Number of customers contributing $30,000 or more in ARR	3,451	3,538	3,711	3,803	3,875	3,926	3,925
Approximated TTM Subscription Revenue Contribution for ≥$30K ARR Customers ($M)	$231.8	$243.3	$255.2	$268.0	$280.1	$291.7	$301.5
Approximated TTM Subscription Revenue Contribution for ≥$30K ARR Customers as a % of Total Subscription Revenue	55.9%	56.9%	57.9%	59.1%	60.3%	61.4%	62.3%

Recent Customer Highlights

- During the third quarter, we had the opportunity to grow with new and existing customers, including U.S. Department of Transportation, Freddie Mac, Stanley Black & Decker, Sheetz, Banijay Entertainment, Premier Foods Group, Citizens Energy Group, and Pabst Brewing Company.

Recent Business Highlights

Sprout Social recently:

- Released the second annual Social Media Dictionary (link)
- Released Sprout Social's Q3 2026 Consumer Pulse Survey (link)
- Announced Winners of the Inaugural 2026 Social Intelligence Awards (link)
- Featured Trellis in Breaking Ground (link)

Fourth Quarter and 2026 Financial Outlook

For the fourth quarter of 2026, the Company currently expects:

- Total revenue between $124.2 million and $125.2 million.
- Non-GAAP operating income between $21.4 million and $22.4 million.
- Non-GAAP net income per share between $0.36 and $0.38 based on approximately 59.0 million basic weighted-average shares of common stock outstanding.

For the full year 2026, the Company currently expects:

- Total revenue between $494.7 million and $495.7 million.
- Non-GAAP operating income between $77.8 million and $78.8 million.

- Non-GAAP net income per share between $1.29 and $1.31 based on approximately 59.7 million basic weighted-average shares of common stock outstanding.

The Company is targeting GAAP profitability on a sustainable quarterly basis beginning in the fourth quarter of 2026. The Company raised its outlook for non-GAAP operating margin exiting the fourth quarter of 2026 from 17% to approximately 18%. The Company reiterates its 30% target for a Rule of 40 framework (as defined by year-over-year revenue growth plus current quarter non-GAAP operating margin) by the fourth quarter of fiscal 2027.

The Company's fourth quarter and 2026 financial outlook is based on a number of assumptions that are subject to change and many of which are outside the Company's control. If actual results vary from these assumptions, the Company's expectations may change. There can be no assurance that the Company will achieve these results.

The Company does not provide guidance for operating loss, the most directly comparable GAAP measure to non-GAAP operating income, operating margin, the most directly comparable GAAP measure to non-GAAP operating margin, or net loss per share, the most directly comparable GAAP measure to non-GAAP net income per share, and similarly cannot provide a reconciliation between its forecasted non-GAAP operating income, non-GAAP operating margin and non-GAAP net income per share and these comparable GAAP measures without unreasonable effort due to the unavailability of reliable estimates for certain items. These certain items include the adjustments made for non-GAAP purposes as described below in Use of Non-GAAP Financial Measures. These items are not within the Company's control and may vary greatly between periods and could significantly impact future financial results.

Conference Call Information

The financial results and business highlights will be discussed on a conference call and webcast scheduled at 3:30 p.m. Central Time (4:30 p.m. Eastern Time) today, November 3, 2026. Online registration for this event conference call can be found at https://events.q4inc.com/analyst/. The live webcast of the conference call can be accessed from Sprout Social's investor relations website at http://investors.sproutsocial.com.

Following completion of the events, a webcast replay will also be available at http://investors.sproutsocial.com for 12 months.

About Sprout Social

Sprout Social is a leading AI-powered Social Intelligence Platform, built on the belief that All Business is Social℠. Powered by Trellis, Sprout's proprietary AI agent, the platform is designed to transform real-time social media signals into actionable insights that drive business forward. Consistently recognized as a top software by G2, Sprout enables brands to deliver smarter, faster business impact through a suite of solutions including comprehensive publishing and engagement, customer care, influencer marketing, advocacy and predictive media intelligence. Sprout's software operates across all major social networks and digital platforms. For more information about Sprout Social (NASDAQ: SPT), visit sproutsocial.com.

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. In some cases, you can identify forward-looking statements by the use of words such as "anticipate," "believe," "can," "continue," "could," "estimate," "expect," "explore," "future," "intend," "long-term model," "may," "might," "outlook," "plan," "potential," "predict," "project," "should," "strategy," "target," "will," "would," or the negative of these terms, and similar expressions intended to identify forward-looking statements, as they relate to Sprout Social, our business and our management. However, not all forward-looking statements contain these identifying words. Forward-looking statements are necessarily based upon estimates and assumptions that, while considered reasonable by Sprout Social and our management based on their knowledge and understanding of the business and industry, are inherently uncertain. These statements may relate to our market size and growth strategy, our estimated and projected costs, margins, revenue, expenditures and customer and financial growth rates, our Q4 2026 and full year 2026 financial outlook, our plans and objectives for future operations, growth, initiatives or strategies, including our investments in research and development, and share repurchases, and other statements that are not historical fact. 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 forward-looking statements. These assumptions, uncertainties and risks include that, among others: we may not be able to sustain our revenue and customer growth rate in the future, including due to risks associated with our strategic focus on enterprise customers; price increases have negatively impacted and price increases and packaging changes may in the future negatively impact demand for our products, customer acquisition and retention and reduce the total number of customers or customer additions; our business would be harmed by any significant

interruptions, delays or outages in services from our platform, our API providers, or certain social media platforms, or if we are unable to renew agreements governing access to the data provided by such APIs on terms acceptable to us or at all; if we are unable to attract potential customers through unpaid channels, or other sources of demand, including expansion opportunities from existing customers and outbound sales efforts or convert prospective customers and expansion opportunities into paid subscriptions, our business and results of operations may be adversely affected; technological advances in AI may in the future disrupt the social media industry, which could significantly reduce the demand for our services or otherwise adversely impact our business or reputation if we are unable to keep pace and navigate this evolving environment; we may be unable to successfully enter new markets, manage our international expansion and comply with any applicable international laws and regulations; we may be unable to integrate acquired businesses or technologies successfully or achieve the expected benefits of such acquisitions and investments; unstable market, economic, and geopolitical conditions, such as recession risks, effects of inflation, tariffs and trade tensions, changes in government spending, labor shortages, supply chain issues, geopolitical instability and uncertainty, and fluctuation in interest rates, have and could continue to adversely impact our business and that of our existing and prospective customers, which may result in reduced demand for our products; we may not be able to generate sufficient cash to service our indebtedness; covenants in our credit agreement may restrict our operations, and if we do not effectively manage our business to comply with these covenants, our financial condition could be adversely impacted; our workforce reduction plan may not achieve the anticipated benefits and could adversely affect our business; any cybersecurity-related attack, significant data breach or disruption of the information technology systems or networks on which we rely could negatively affect our business; changing regulations relating to privacy, information security and data protection could increase our costs, affect or limit how we collect and use personal information and harm our brand; and risks related to ongoing legal proceedings. These forward-looking statements should not be read as a guarantee of future performance or results, and stockholders should not place undue reliance on forward-looking statements. Additional risks and uncertainties that could cause actual outcomes and results to differ materially from those contemplated by the forward-looking statements are included under the caption “Risk Factors” and elsewhere in our filings with the Securities and Exchange Commission (the “SEC”), including our Annual Report on Form 10-K for the year ended December 31, 2025 filed with the SEC on February 27, 2026, our Quarterly Report on Form 10-Q for the quarter ended June 30, 2026, filed with the SEC on August 7, 2026 and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2026 to be filed with the SEC, as well as any future reports that we file with the SEC. Moreover, you should interpret many of the risks identified in those reports as being heightened as a result of the current and ongoing instability in market, economic, and geopolitical conditions. Forward-looking statements speak only as of the date the statements are made and are based on information available to Sprout Social at the time those statements are made and/or management's good faith belief as of that time with respect to future events. Sprout Social assumes no obligation to update forward-looking statements to reflect events or circumstances after the date they were made, except as required by law.

Use of Non-GAAP Financial Measures

We have provided in this press release certain financial information that has not been prepared in accordance with generally accepted accounting principles in the United States (“GAAP”). Our management uses these non-GAAP financial measures internally in analyzing our financial results and believes that these non-GAAP financial measures are useful to investors as additional tools to evaluate ongoing operating results and trends and in comparing our financial results with other companies in our industry, many of which present similar non-GAAP financial measures. Non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable financial measures prepared in accordance with GAAP and should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP. Our non-GAAP financial measures may differ from similarly titled measures presented by other companies and therefore may not be comparable. A reconciliation of our historical non-GAAP financial measures to the most directly comparable GAAP measures has been provided in the financial statement tables included in this press release, and investors are encouraged to review these reconciliations.

Non-GAAP gross profit. We define non-GAAP gross profit as GAAP gross profit, excluding stock-based compensation expense, amortization expense associated with the acquired developed technology from the Tagger Media, Inc. (“Tagger”) and NewsWhip Group Holdings Limited (“NewsWhip”) acquisitions, and restructuring and related charges. We believe non-GAAP gross profit provides our management and investors consistency and comparability with our past financial performance and facilitates period-to-period comparisons of operations, as it eliminates the effect of stock-based compensation, amortization expense and restructuring and related charges, which are often unrelated to overall operating performance.

Non-GAAP operating income. We define non-GAAP operating income as GAAP loss from operations, excluding stock-based compensation expense, acquisition-related expenses, amortization expense associated with the acquired intangible assets from the Tagger and NewsWhip acquisitions, restructuring and related charges, non-cash (gains)/losses from lease modifications and terminations and changes in the fair value of contingent consideration.

We believe non-GAAP operating income provides our management and investors consistency and comparability with our past financial performance and facilitates period-to-period comparisons of operations, as it eliminates the effect of stock-based compensation, acquisition-related expenses, amortization expense, restructuring and related charges, non-cash (gains)/losses from lease modifications and termination and changes in the fair value of contingent consideration, which are often unrelated to overall operating performance.

Non-GAAP operating margin. We define non-GAAP operating margin as non-GAAP operating income (loss) as a percentage of revenue.

Non-GAAP net income. We define non-GAAP net income as GAAP net loss, excluding stock-based compensation expense, acquisition-related expenses, amortization expense associated with the acquired intangible assets from the Tagger and NewsWhip acquisitions, restructuring and related charges, non-cash (gains)/losses from lease modifications and terminations and changes in the fair value of contingent consideration. We believe non-GAAP net income provides our management and investors consistency and comparability with our past financial performance and facilitates period-to-period comparisons of operations, as this non-GAAP financial measure eliminates the effect of stock-based compensation, acquisition-related expenses, amortization expense, restructuring and related charges, non-cash (gains)/losses from lease modifications and terminations and changes in the fair value of contingent consideration, which are often unrelated to overall operating performance.

Non-GAAP net income per share. We define non-GAAP net income per share as GAAP net loss per share attributable to common shareholders, basic and diluted, excluding stock-based compensation expense, acquisition-related expenses, amortization expense associated with the acquired intangible assets from the Tagger and NewsWhip acquisitions, restructuring and related charges, non-cash (gains)/losses from lease modifications and terminations and changes in the fair value of contingent consideration. We believe non-GAAP net income per share provides our management and investors consistency and comparability with our past financial performance and facilitates period-to-period comparisons of operations, as this non-GAAP financial measure eliminates the effect of stock-based compensation, acquisition-related expenses, amortization expense, restructuring and related charges, non-cash (gains)/losses from lease modifications and terminations and changes in the fair value of contingent consideration, which are often unrelated to overall operating performance.

Non-GAAP free cash flow. We define non-GAAP free cash flow as net cash provided by operating activities, less expenditures for property and equipment, plus interest payments on our revolving credit facility, payments related to restructuring and related charges and acquisition-related costs. Non-GAAP free cash flow does not reflect our future contractual obligations or represent the total increase or decrease in our cash balance for a given period. We believe non-GAAP free cash flow is a useful indicator of liquidity that provides information to management and investors about the amount of cash provided by our core operations that, after expenditures for property and equipment, interest payments on our revolving credit facility, payments related to restructuring and related charges and acquisition-related costs, is available for strategic initiatives.

Non-GAAP sales and marketing expenses, non-GAAP research and development expenses and non-GAAP general and administrative expenses. Non-GAAP sales and marketing expenses, non-GAAP research and development expenses and non-GAAP general and administrative expenses are defined as sales and marketing expenses, research and development expenses and general and administrative expenses, respectively, less stock-based compensation expense, amortization expense associated with the acquired intangible assets from the Tagger and NewsWhip acquisitions, restructuring and related charges and changes in the fair value of contingent consideration. We believe these non-GAAP measures provide our management and investors with insight into day-to-day operating expenses given that these measures eliminate the effect of stock-based compensation, amortization expense associated with the acquired intangible assets from the Tagger and NewsWhip acquisitions, restructuring and related charges and changes in the fair value of contingent consideration.

Key Business Metrics

Remaining performance obligations (“RPO”). RPO, or remaining performance obligations, represents contracted revenue that has not yet been recognized, and includes deferred revenue and amounts that will be invoiced and recognized in future periods.

Current remaining performance obligations (“cRPO”). cRPO, or current RPO, represents contracted revenue that has not yet been recognized, and includes deferred revenue and amounts that will be invoiced and recognized in the next 12 months.

30% target for a Rule of 40. We define this target as year-over-year revenue growth plus current quarter non-GAAP operating margin equal to 30%.

Number of customers contributing $30,000 or more in ARR. We define number of customers contributing $30,000 or more in ARR as those on a paid subscription plan that had $30,000 or more in ARR as of a period end. We view the number of customers that contribute $30,000 or more in ARR as a measure of our ability to scale with our customers and attract larger organizations. We believe this represents potential for future growth, including expanding within our current customer base.

Number of customers contributing $50,000 or more in ARR. We define number of customers contributing $50,000 or more in ARR as those on a paid subscription plan that had $50,000 or more in ARR as of a period end. We view the number of customers that contribute $50,000 or more in ARR as a measure of our ability to scale with large customers and attract sophisticated organizations. We believe this represents potential for future growth, including expanding within our current customer base.

Approximated TTM Subscription Revenue Contribution for ≥$30K ARR Customers. This metric depicts our approximation of the trailing twelve month subscription revenue contribution from customers contributing $30,000 or more in ARR. We calculate this metric by averaging the ARR of these customers as of the end of the applicable quarter and the immediately preceding quarter and dividing by four to derive a quarterly revenue contribution estimate for this customer cohort. This quarterly estimate is then summed over the preceding four quarters to approximate a trailing twelve month revenue contribution for this customer cohort, subject to minor adjustments for rounding.

We believe that customers contributing $30,000 or more in ARR represent those customers that can benefit the most from our platform given their more sophisticated needs for social media management software as compared to customers below this spending threshold. We believe this metric is useful in measuring our success in serving this particular customer cohort. This metric does not reflect the actual revenue contribution by these customers over the trailing twelve month period, and should not be viewed in isolation as a substitute for revenue or any of our other financial measures presented in accordance with GAAP. We use this metric to approximate revenue contribution over a specified period because the historical data and account mapping is not available to present the actual revenue generated by this cohort of customers over a historical period.

While we no longer believe that ARR and number of customers are key performance indicators of Sprout Social's business, these metrics are necessary for an understanding of how we define number of customers contributing $30,000 or more in ARR and number of customers contributing $50,000 or more in ARR. For this purpose, we define ARR as the annualized revenue run-rate of subscription agreements from all customers as of the last date of the specified period and we define a customer as a unique account, multiple accounts containing a common non-personal email domain, or multiple accounts governed by a single agreement or entity.

We no longer believe that the number of customers contributing $10,000 or more in ARR is a key performance indicator of Sprout Social's business due to our evolving customer mix and we will no longer publicly disclose that metric. We believe that customers contributing $30,000 or more in ARR and approximated TTM subscription revenue contribution from customers contributing $30,000 or more in ARR are stronger indicators of Sprout Social's performance in its target customer segments.

Availability of Information on Sprout Social's Website and Social Media Profiles

Investors and others should note that Sprout Social routinely announces material information to investors and the marketplace using SEC filings, press releases, public conference calls, webcasts and the Sprout Social Investors website. We also intend to use the social media profiles listed below as a means of disclosing information about us to our customers, investors and the public. While not all of the information that the Company posts to the Sprout Social Investors website or to social media profiles is of a material nature, some information could be deemed to be material. Accordingly, the Company encourages investors, the media, and others interested in Sprout Social to review the information that it shares at the Investors link located at the bottom of the page on www.sproutsocial.com and to regularly follow our social media profiles. Users may automatically receive email alerts and other information about Sprout Social when enrolling an email address by visiting "Email Alerts" in the "Shareholder Services" section of Sprout Social's Investor website at https://investors.sproutsocial.com/.

Social Media Profiles:
www.x.com/SproutSocial
www.x.com/SproutSocialIR
www.facebook.com/SproutSocialInc
www.linkedin.com/company/sprout-social-inc-/
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Sprout Social, Inc.

Consolidated Statements of Operations (Unaudited)

(in thousands, except share and per share data)

	Three Months Ended September 30,	
	2026	**2025**
Revenue		
Subscription	$ 123,385	$ 114,720
Professional services and other	1,762	873
Total revenue	125,147	115,593
Cost of revenue(1)		
Subscription	28,793	25,362
Professional services and other	545	422
Total cost of revenue	29,338	25,784
Gross profit	95,809	89,809
Operating expenses		
Research and development(1)	28,914	25,068
Sales and marketing(1)	48,926	47,034
General and administrative(1)	24,883	26,818
Total operating expenses	102,723	98,920
Loss from operations	(6,914)	(9,111)
Interest expense	(632)	(761)
Interest income	872	859
Other income (expense), net	(108)	(294)
Loss before income taxes	(6,782)	(9,307)
Income tax (benefit) expense	(329)	74
Net loss	$ (6,453)	$ (9,381)
Net loss per share attributable to common shareholders, basic and diluted	$ (0.11)	$ (0.16)
Weighted-average shares outstanding used to compute net loss per share, basic and diluted	59,666,057	58,930,087

(1) Includes stock-based compensation expense as follows:

	Three Months Ended September 30,	
	2026	**2025**
Cost of revenue	$ 507	$ 627

Research and development	3,454	5,696
Sales and marketing	2,738	5,696
General and administrative	4,718	7,010
Total stock-based compensation expense	$ 11,417	$ 19,029

Sprout Social, Inc.

Consolidated Statements of Operations (Unaudited)

(in thousands, except share and per share data)

	Nine Months Ended September 30,	
	2026	**2025**
Revenue		
Subscription	$ 365,282	$ 334,510
Professional services and other	5,209	2,150
Total revenue	370,491	336,660
Cost of revenue(1)		
Subscription	83,387	74,386
Professional services and other	1,701	1,170
Total cost of revenue	85,088	75,556
Gross profit	285,403	261,104
Operating expenses		
Research and development(1)	82,504	72,884
Sales and marketing(1)	144,888	142,638
General and administrative(1)	73,440	78,210
Total operating expenses	300,832	293,732
Loss from operations	(15,429)	(32,628)
Interest expense	(1,917)	(1,684)
Interest income	2,466	2,700
Other income (expense), net	(562)	(106)
Loss before income taxes	(15,442)	(31,718)
Income tax expense	436	868
Net loss	$ (15,878)	$ (32,586)
Net loss per share attributable to common shareholders, basic and diluted	$ (0.27)	$ (0.56)
Weighted-average shares outstanding used to compute net loss per share, basic and diluted	59,881,267	58,397,790

(1) Includes stock-based compensation expense as follows:

	Nine Months Ended September 30,	
	2026	**2025**
Cost of revenue	$ 1,636	$ 2,057
Research and development	14,753	18,307
Sales and marketing	12,262	17,721
General and administrative	16,777	20,905
Total stock-based compensation expense	$ 45,428	$ 58,990

Sprout Social, Inc.

Consolidated Balance Sheets (Unaudited)

(in thousands, except share and per share data)

	September 30, 2026	**December 31, 2025**
Assets		
Current assets		
Cash and cash equivalents	$ 103,733	$ 95,268
Accounts receivable, net of allowances of $2,185 and $2,719 at September 30, 2026 and December 31, 2025, respectively	69,458	100,996
Deferred Commissions	29,362	26,995
Prepaid expenses and other assets	15,578	13,945
Total current assets	218,131	237,204
Property and equipment, net	9,549	9,864
Deferred commissions, net of current portion	54,054	57,049
Operating lease, right-of-use asset	8,538	9,810
Goodwill	167,122	167,122
Intangible assets, net	32,584	39,733
Other assets, net	3,199	2,280
Total assets	$ 493,177	$ 523,062
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 9,641	$ 10,115

Deferred revenue	184,571	205,639
Operating lease liability	2,706	2,664
Accrued wages and payroll related benefits	16,103	20,549
Accrued expenses and other	25,628	17,294
Total current liabilities	238,649	256,261
Revolving credit facility	32,500	40,000
Deferred revenue, net of current portion	1,164	752
Operating lease liability, net of current portion	9,998	12,055
Other non-current liabilities	3,816	10,572
Total liabilities	286,127	319,640
Stockholders' equity		
Class A common stock, par value $0.0001 per share; 1,000,000,000 shares authorized; 55,993,986 and 52,955,247 shares issued and outstanding at September 30, 2026, respectively; 56,576,444 and 53,607,556 shares issued and outstanding at December 31, 2025, respectively	5	5
Class B common stock, par value $0.0001 per share; 25,000,000 shares authorized; 5,696,301 and 5,489,357 shares issued and outstanding at September 30, 2026, respectively; 6,156,301 and 5,949,357 shares issued and outstanding at December 31, 2025, respectively	1	1
Additional paid-in capital	658,956	638,894
Treasury stock, at cost	(38,324)	(37,768)
Accumulated deficit	(413,588)	(397,710)
Total stockholders’ equity	207,050	203,422
Total liabilities and stockholders’ equity	$ 493,177	$ 523,062

Sprout Social, Inc.

Consolidated Statements of Cash Flows (Unaudited)

(in thousands)

	Three Months Ended September 30,	
	2026	**2025**
Cash flows from operating activities		
Net loss	$ (6,453)	$ (9,381)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation and amortization of property, equipment and software	1,023	906
Amortization of line of credit issuance costs	59	60
Amortization of acquired intangible assets	2,333	2,036
Amortization of deferred commissions	7,598	6,287
Amortization of right-of-use operating lease asset	434	392
Stock-based compensation expense	11,417	19,029
Provision for accounts receivable allowances	343	204
Change in fair value of contingent consideration	1,975	169
Other, net	(175)	-
Changes in operating assets and liabilities, excluding impact from business acquisition		
Accounts receivable	8,274	5,814
Prepaid expenses and other current assets	(665)	(945)
Deferred commissions	(5,964)	(10,225)
Accounts payable and accrued expenses	54	(1,534)
Deferred revenue	(8,853)	(2,934)
Lease liabilities	(679)	(580)
Net cash provided by operating activities	10,721	9,298
Cash flows from investing activities		

Expenditures for property and equipment	(477)	(787)
Payments for business acquisition, net of cash acquired	-	(50,333)
Net cash used in investing activities	(477)	(51,120)
Cash flows from financing activities		
Borrowings from line of credit	-	32,000
Repayments of line of credit	-	(3,000)
Employee taxes paid related to the net share settlement of stock-based awards	(171)	(161)
Repurchases of common stock	(26,267)	-
Net cash (used in) provided by financing activities	(26,438)	28,839
Net increase (decrease) in cash, cash equivalents, and restricted cash	(16,194)	(12,983)
Cash, cash equivalents, and restricted cash		
Beginning of period	121,869	105,555
End of period	$ 105,675	$ 92,572

Sprout Social, Inc.

Consolidated Statements of Cash Flows (Unaudited)

(in thousands)

	Nine Months Ended September 30,	
	2026	**2025**
Cash flows from operating activities		
Net loss	$ (15,878)	$ (32,586)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation and amortization of property, equipment and software	2,862	2,895
Amortization of line of credit issuance costs	178	170
Accretion of discount on marketable securities	-	(7)

Amortization of acquired intangible assets	7,149	4,622
Amortization of deferred commissions	21,972	17,206
Amortization of right-of-use operating lease asset	1,272	1,114
Stock-based compensation expense	45,428	58,990
Provision for accounts receivable allowances	1,423	2,449
Change in fair value of contingent consideration	1,127	169
Loss on lease termination	-	1,175
Other, net	(606)	-
Changes in operating assets and liabilities, excluding impact from business acquisition		
Accounts receivable	30,115	20,338
Prepaid expenses and other current assets	(2,889)	(744)
Deferred commissions	(21,344)	(25,320)
Accounts payable and accrued expenses	(3,733)	(4,755)
Deferred revenue	(20,656)	(10,512)
Lease liabilities	(2,015)	(2,712)
Net cash provided by operating activities	44,405	32,492
Cash flows from investing activities		
Expenditures for property and equipment	(2,197)	(3,052)
Payments for business acquisition, net of cash acquired	-	(50,333)
Proceeds from maturity of marketable securities	-	3,750
Net cash used in investing activities	(2,197)	(49,635)
Cash flows from financing activities		
Borrowings from line of credit	-	32,000
Repayments of line of credit	(7,500)	(13,000)
Payments for line of credit issuance costs	-	(486)
Proceeds from employee stock purchase plan	587	944

Employee taxes paid related to the net share settlement of stock-based awards	(556)	(161)
Repurchases of common stock	(26,267)	-
Net cash (used in) provided by financing activities	(33,736)	19,297
Net increase in cash, cash equivalents, and restricted cash	8,472	2,154
Cash, cash equivalents, and restricted cash		
Beginning of period	97,203	90,418
End of period	$ 105,675	$ 92,572

The following schedule reflects our non-GAAP financial measures and reconciles our non-GAAP financial measures to the related GAAP financial measures (in thousands, except per share data and percentages):

Reconciliation of Non-GAAP Financial Measures

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Reconciliation of Non-GAAP gross profit				
Gross profit	$ 95,809	$ 89,809	$ 285,403	$ 261,104
Stock-based compensation expense	507	627	1,636	2,057
Amortization of acquired developed technology	1,125	985	3,375	2,395
Restructuring and related charges	355	-	355	416
Non-GAAP gross profit	$ 97,796	$ 91,421	$ 290,769	$ 265,972
Reconciliation of Non-GAAP operating income and operating margin				
Loss from operations	$ (6,914)	$ (9,111)	$ (15,429)	$ (32,628)
Stock-based compensation expense	11,417	19,029	45,428	58,990
Amortization of acquired intangible assets	2,253	1,957	6,909	4,383

Restructuring and related charges	17,521	-	18,337	2,731
Loss on lease termination	-	-	-	1,175
Change in fair value of contingent consideration	1,975	169	1,127	169
Acquisition-related expenses	-	1,690	-	1,780
Non-GAAP operating income	$ 26,252	$ 13,734	$ 56,372	$ 36,600
GAAP operating margin	-5.5%	-7.9%	-4.2%	-9.7%
Non-GAAP operating margin	21.0%	11.9%	15.2%	10.9%
Reconciliation of Non-GAAP net income				
Net loss	$ (6,453)	$ (9,381)	$ (15,878)	$ (32,586)
Stock-based compensation expense	11,417	19,029	45,428	58,990
Amortization of acquired intangible assets	2,253	1,957	6,909	4,383
Restructuring and related charges	17,521	-	18,337	2,731
Loss on lease termination	-	-	-	1,175
Change in fair value of contingent consideration	1,975	169	1,127	169
Acquisition-related expenses	-	1,690	-	1,780
Non-GAAP net income	$ 26,713	$ 13,464	$ 55,923	$ 36,642
Reconciliation of Non-GAAP net income per share				
Net loss per share attributable to common shareholders, basic and diluted	$ (0.11)	$ (0.16)	$ (0.27)	$ (0.56)
Stock-based compensation expense	0.19	0.33	0.76	1.01
Amortization of acquired intangible assets	0.04	0.03	0.12	0.08
Restructuring and related charges	0.30	-	0.30	0.05
Loss on lease termination	-	-	-	0.02

Change in fair value of contingent consideration	0.03	-	0.02	-
Acquisition-related expenses	-	0.03	-	0.03
Non-GAAP net income per share	$ 0.45	$ 0.23	$ 0.93	$ 0.63

Reconciliation of Non-GAAP free cash flow				
Net cash provided by operating activities	$ 10,721	$ 9,298	$ 44,405	$ 32,492
Expenditures for property and equipment	(477)	(787)	(2,197)	(3,052)
Interest paid on credit facility	494	254	1,617	1,076
Payments related to restructuring charges	15,946	-	15,946	2,946
Acquisition-related costs	-	1,574	-	1,574
Non-GAAP free cash flow	$ 26,684	$ 10,339	$ 59,771	$ 35,036