

Gloo Q3 2025 Earnings Call

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| Oliver Roll Chief Marketing & Communications Officer | Scott Beck Chief Executive Officer |
| Paul Seamon Chief Financial Officer | Pat Gelsinger Head of Technology, Executive Chair |

Oliver Roll – Introduction

Thank you operator. And thank you to all of you joining us for our fiscal third quarter 2025 earnings conference call. We will be discussing Gloo's performance for the third quarter ended October 31st, 2025, as well as providing guidance for the fiscal fourth quarter 2025 and fiscal year 2026.

Joining me on today's call are CEO and co-founder Scott Beck, and CFO Paul Seamons. Our Board Chair and Head of Technology, Pat Gelsinger, will also join the Q&A session.

Before we begin, please be reminded that this call will contain forward-looking statements which are based on Gloo's current expectations, but which are subject to risks and uncertainties relating to future events and/or the future financial performance of Gloo. Actual results could differ materially from those anticipated in these forward-looking statements. A discussion of some of the risks that could cause actual results to differ materially from our forward-looking statements can be found in today's press release and elsewhere in our filings with the Securities and Exchange Commission, including our Prospectus dated November 18, 2025 and our subsequent quarterly report on Form 10-Q that we expect to file later this week. Both will be available on Gloo's investor relations website at investors.gloo.com and the SEC's website.

In addition, during today's call, we will discuss certain non-GAAP financial measures. Reconciliations of these non-GAAP metrics to the most directly comparable GAAP metrics, as well as the definitions of each measure, their limitations and our rationale for using them, are included in today's press release and in our Form 10-Q.

And now, I will turn the call over to Scott.

Scott Beck – Q3 2025 Earnings Overview

Thanks Oliver, and thank you all for joining us today, for our first earnings call as a public company.

Q3 has been a solid start to this next chapter of our journey. Revenue grew 432% year over year, and 101% compared to Q2. This reflects strong demand across our platform and meaningful growth through acquisitions that have strengthened our business and expanded our capabilities. We also delivered sequential adjusted EBITDA improvement. And we expect additional EBITDA improvement in Q4, and we expect the pace of that improvement to accelerate, beginning in Q1 2026. We are executing on our growth plan, and expect revenue in excess of \$180 million in fiscal year 2026. Moreover, we are committed to achieving positive adjusted EBITDA by the end of Q4 2026.

Mission and Technology Platform

Because this is our first earnings call as a public company, I'd like to take a few minutes to provide an overview of Gloop, our mission, the value we deliver, and our strategy for long-term growth.

Gloop is building the leading technology platform that connects and serves the faith and flourishing ecosystem. This ecosystem is one of the oldest, largest, and most resilient in the world, yet one that remains highly fragmented and significantly underserved by modern technology.

Let me briefly describe the two core parts of this ecosystem. You will hear us refer to them often. First, there are churches and frontline organizations, actually there are more than 315,000 churches in the U.S., and over 100,000 other nonprofits serving people and communities on critical social issues, such as recovery, anti human trafficking and many more. Second, there are Network Capability Providers, the organizations that develop the tech, content, solutions and services that equip those churches and frontline practitioners.

Importantly, Gloop serves both sides of this ecosystem. The Gloop platform includes technology infrastructure, advertising tech, marketing services, and consulting solutions. Gloop also has a marketplace for churches and ministries. All of this is offered directly by us, and by our subsidiaries, which we refer to as Gloop Capital Partners. Additionally, Values-aligned AI capabilities are embedded across the Gloop offerings, ensuring that AI can be harnessed for good, helping people flourish and communities thrive.

Flywheel Strategy

Our platform benefits from a powerful Flywheel effect. The platform becomes more valuable to churches and frontline leaders every time a new Network Capability Provider joins. And as

more churches and frontline leaders engage on the platform, the distribution opportunity becomes more valuable to Network Capability Providers. This mutually reinforcing model strengthens the network effects and increases platform stickiness over time.

Becoming a public company helps us accelerate this flywheel, giving us greater ability to invest in both organic growth and strategic acquisitions. As we have announced we recently closed two new acquisitions. The first is Igniter, a 15 year old media innovator that serves over 10,000 churches with content and media subscriptions. The second is XRI Global, a leader in AI, delivering advanced voice and language translation tech. I will also note that since our IPO the pipeline and pace of our M&A opportunities has increased.

Through acquisitions, we bring best-in-class Network Capability Providers into Gloo as Capital Partners which expands our offerings, deepens the value of the platform, and further reinforces the flywheel as we scale. For example, earlier this year we acquired Masterworks, a leading ad tech, marketing and fundraising company. They help organizations grow their impact, accelerate their mission, and deepen donor relationships.

Westfall Gold Acquisition

Today we are also excited to announce our definitive agreement to acquire Westfall Gold, a leader in major donor engagement. This latest planned acquisition is another powerful example of our flywheel in action.

Westfall Gold will deepen our role in helping organizations build sustainable, mission-aligned funding models. They provide donor development capabilities for non-profit organizations, engaging high capacity, high impact donors. They do this with data driven insights and world class donor experiences. This is particularly significant because donor management sits at the very heart of the faith and flourishing ecosystem. Together with Masterworks, this extends our core competency in the central economic engine of the ecosystem, increasing donations.

Masterworks, and Westfall Gold with decades of proven success, also create significant cross sell and up sell opportunities with one another, as well as with our Barna and Gloo 360 offerings. We expect the acquisition to contribute approximately \$20 million in revenue in fiscal year 2026 and contribute positive 2026 EBITDA. We intend to close the transaction before our fiscal year-end on January 31, 2026.

Advancing our AI Strategy

I'd now like to turn to our AI strategy. Gloo is developing vertical-specific, values-aligned AI. It is designed to serve the unique needs of the faith and flourishing ecosystem. As I mentioned earlier, this quarter we expanded our AI capabilities through the acquisition of XRI Global. XRI has pioneered advanced voice AI and multilingual technologies that engage people across thousands of languages, including low-resource languages that most AI models cannot

serve. This acquisition significantly strengthens our AI stack. It also increases the revenue opportunity for Gloo AI and Gloo 360, a few of our subscription-based enterprise offerings.

As we advance these capabilities, we are also building and equipping a broader community of developers to innovate on top of the Gloo platform. Developer response has been strong. This year's Gloo AI Hackathon brought together more than 700 developers to create faith-aligned AI applications leveraging our platform.

We continue to take a leadership role in shaping AI for good. This includes developing a comprehensive benchmarking framework, so that developers and organizations can measure how the leading large language models perform in accordance with the seven dimensions of human flourishing. Earlier this week, we introduced the Flourishing AI Christian Benchmark, a new tool that provides insight into how various models support a Christian worldview.

Customer Momentum

Overall we've seen good customer momentum across both sides of the eco-system, churches and frontline organizations, and the network capability providers who serve them. So far in 2025 we have secured 20 customers that will contribute over \$1 million in annual contract revenue, and we expect this pace to accelerate in 2026.

Notable engagements include a multi-faceted, multi-year, enterprise-level engagement with American Bible Society for both Gloo 360 and Masterworks. Gloo 360 will support their technology infrastructure to enhance reliability, scalability, and long-term efficiency. Masterworks will serve as their mass fundraising and marketing agency, supporting their brand vision and revenue growth objectives.

We are also very excited to announce a new initiative to develop the world's first biblically aligned AI, with YouVersion as a key partner. Working with YouVersion, who recently reached one billion installs across their Family of Bible Apps, we'll ensure this becomes a trusted tool for users worldwide. This will combine machine learning with centuries of biblical wisdom to help people engage with Scripture safely, deeply, and accurately. Other customer wins in Q3 include expanded agreements with Biblica, United Way of Greater Atlanta, and Project Rescue.

Looking Ahead

Looking ahead our long-term ambition is to extend our position as the trusted infrastructure for technology-enabled impact across the faith and flourishing ecosystem. We remain committed to harnessing technology for good, so that we can serve those who serve, and through them, more people can flourish and organizations and communities can thrive.

Paul will now take you through our Q3 results in more detail, cover our guidance for Q4, and provide preliminary growth and profitability metrics for 2026.

Paul, over to you.

Paul Seamon – Financial Review

Thank you Scott.

It's good to be with you for our first earnings call as a public company. Building on the strategic context Scott just shared, I'll walk you through our financial performance for the quarter.

This was a solid first quarter as a public company and our results reflect good execution across the business and a significant inflection point for revenue growth. As Scott highlighted, demand across both sides of the ecosystem combined with the early impact of our acquisitions, contributed to strong top-line growth.

Q3 Financial Results

Revenue for the quarter was \$32.6 million, an increase of 432% compared to the same period last year, and 101% sequential growth compared to Q2. Our year-over-year results were driven by solid organic growth across our portfolio, as well as acquisitions of several Capital Partner businesses, most notably Masterworks and Midwestern.

Our Platform revenue includes our advertising, marketplace and subscription offerings. Platform revenue totaled \$19.8 million, an increase of \$13.7 million from Q3 of last year, and 127% sequential growth. Much of this growth was driven by advertising revenue from Masterworks as new clients signed in Q2, fully ramped in Q3. This reflects the strong go-to-market execution referenced earlier. During the quarter, we also closed the acquisition of Igniter, which had a small impact on revenue in the quarter. Going forward, Igniter's subscription media products will primarily contribute to Platform revenue and align well with the broader Platform strategy Scott described.

Our Platform Solutions revenue includes technology, consulting and marketing services, primarily delivered by our Capital Partners, Masterworks, Midwestern and Servant. Platform Solutions revenue was \$12.7 million, up 71% sequentially, supported by strong performance from both Masterworks and Midwestern. Masterworks experienced a shift in timing, with some revenue typically associated with the fourth quarter taking place in the third quarter. Midwestern continues to see strong demand for development services and is expanding its sales capacity to meet that interest. As a reminder, Masterworks provides advertising

offerings reported in Platform revenue and marketing and consulting services reported in Platform Solutions revenue. Midwestern provides technology consulting, also reported in Platform Solutions.

Cost of revenue was 76%, an improvement from 81% in the prior year period. The improvement was due to increases in Subscription revenue and Platform Solutions revenue which carry higher margins, partially offset by the shift of revenue timing at Masterworks, affecting the quarter's margin mix. We see clear visibility to cost of revenue declining to below 50% over time.

Adjusted EBITDA improved sequentially at negative \$19.2 million, a \$500 thousand improvement from Q2. This improvement reflects incremental gains across nearly all our Capital Partner businesses. As a reminder, our adjusted EBITDA calculation includes expenses associated with acquisitions that other companies may consider one time in nature.

As of October 31st, 2025, we had \$15.1 million of cash and cash equivalents. Our November IPO added approximately \$72.3 million after underwriting discounts and expenses, significantly strengthening our balance sheet and converting the significant majority of our debt to equity.

Q4 2025 Outlook

I'd like to now turn to our Q4 2025 outlook. We expect revenue to be between \$28 million and \$30 million. This represents a more than tripling of revenue growth year over year. Our fourth quarter guidance assumes continued strong demand across the platform, partially offset by the shift in Masterworks timing I mentioned earlier, and the normal slower December and January seasonality in this ecosystem.

For Q4, adjusted EBITDA loss is expected to be between negative \$19.5 million and negative \$18.5 million, reflecting continued cost discipline. Westfall, which is expected to close in early 2026, is an adjusted EBITDA positive business and will play a positive role in our path to profitability. As a business in excess of \$20 million in revenue, we expect a modest revenue contribution in Q4 with minimal EBITDA effect. As Scott noted, Westfall is a strategic fit for the platform given the critical importance of donor management to the faith and flourishing ecosystem.

For Q4, we expect a weighted average share count of approximately 66 million shares, normalizing to approximately 81 million in Q1 following the IPO, debt conversion, and recent M&A issuance. Importantly, \$143.1 million of debt converted into equity, which left us with approximately \$36.7 million of debt on the balance sheet. \$17.0 million of this is owner financing from several acquisitions, \$12.9 million is senior secured notes that did not convert as part of the IPO, and the remainder is from other notes payables. This significant reduction will meaningfully reduce interest expense moving forward.

As part of this successful debt conversion related to the IPO, we incurred a number of meaningful non-routine direct and non-cash expenses totalling \$11.2 million, that do not continue after the IPO. These charges are adjusted out of our non-GAAP net loss attributable to members of \$26.7 million. Additionally, \$12.3 million of non-routine non-cash financing matters are reflected as deductions attributable to members. The combination of these two sets of non-routine costs results in a non-GAAP net loss of \$39.0 million available to stockholders. The amount available is used to calculate non-GAAP loss per unit, which is \$4.71 for Q3.

2026 Outlook

Looking ahead, our financial approach is focused on building a scalable business by expanding our core offerings, integrating strategic acquisitions, and managing costs responsibly. With significant foundational investments already made, we believe we can now leverage our cost base more effectively to grow the top-line and improve profitability.

We are experiencing an exciting financial turning point for the company and are issuing early guidance for 2026 to provide investors with a roadmap for our growth. We expect to nearly double revenue in 2026 to over \$180 million. We are experiencing strong organic growth across the Gloop platform, including Gloop 360 and other offerings. We are also assuming that \$40 million of the \$180 million will come from incremental acquisitions. Our acquisition of Westfall contributes approximately \$20 million of that \$40 million. We have a robust and actionable M&A pipeline and expect M&A to be front half weighted next fiscal year. Additionally, we are firmly committed to achieving positive Adjusted EBITDA profitability in Q4 2026 and expect meaningful sequential improvement in Adjusted EBITDA to begin in Q1 2026, as cost savings actions combined with revenue growth will begin to flow through at that point.

With that, I will turn the call back to Scott for some closing comments.

Scott Beck – Closing

Let me close by saying thank you to our team, our investors, and all our stakeholders. We've spent more than a decade laying the groundwork for Gloop, investing heavily in our technology, our partnerships, and our mission. Q3 marks a turning point. We're now stepping into the hockey-stick growth phase we've been building toward, setting us up for a strong 2026. Our goal is simple, to build a large, profitable, mission-driven company that helps the ecosystem flourish for decades to come. You have our commitment that we will execute with discipline, communicate transparently, and deliver on what we say we will do.