VIREO CAPITAL RESEARCH

Equity Research · Market Update · September 5, 2026

GITLAB INC. · NASDAQ: GTLB

Technology · DevSecOps / Application Software · Analyst: Lucas Skomial · Vireo Capital Research

RATING	PRICE TARGET	CURRENT PRICE	UPSIDE / DOWN	MARKET CAP	P/E (FWD)	EV / EBITDA	52-WEEK RANGE
SELL	$39.10	$49.83	(21.5%)	$8.30B	55.0x	NM	$18.73 - $55.55
REVENUE (TTM)	**EBIT MARGIN**	**FCF (TTM)**	**NET MARGIN**	**DIV YIELD**	**BETA**	**NET DEBT / (CASH)**	**NEXT EARNINGS**
$1.055B	(6.1%)	$0.286B	(5.0%)	-	0.99x	($1.260B)	Dec. 1, 2026 (est.)

INVESTMENT SUMMARY

GitLab's Q2 FY2027 results were strong, but the stock has since repriced sharply. Revenue was $286.3MM, up 21% year over year; adjusted EPS was $0.24; non-GAAP operating income was $42.6

Q2 FY2027 EARNINGS UPDATE

KEY CATALYSTS

- Duo Agent Platform monetization and broader AI orchestration adoption
- Continued enterprise expansion in $100K+ ARR customers and RPO
- Faster-than-modeled GAAP operating-margin expansion
- Capital returns through the $400MM repurchase authorization

KEY RISKS

- Microsoft / GitHub competition and ecosystem bundling
- AI commoditization reducing platform differentiation
- Revenue growth decelerating faster than modeled
- SBC dilution, restructuring execution, and valuation sensitivity

PRICE TARGET SUMMARY — BLENDED METHODOLOGY

Methodology	Weight	Implied Price	Commentary
DCF (5-Year Projection)	50%	$32.54	*10.0% WACC; 3.0% terminal growth*
EV/Revenue	35%	$52.82	*5.5x FY2031E exit EV/Revenue multiple*
P/E	15%	$28.97	*25.0x FY2031E diluted EPS (~$1.87 after Q2 revenue revision)*

BLENDED PRICE TARGET · 100% · $39.10 · 21.5% downside from current price

DISCLAIMER · For educational purposes only. Not investment advice. Market price, market capitalization, 52-week range, beta, TTM financial statistics and next-earnings estimate updated using public market data through the Sep. 4, 2026 close. Q2 FY2027 operating results reflect GitLab's Sep. 1, 2026 earnings release. Model estimates updated Sep. 5, 2026.

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Discounted Cash Flow Model · GitLab Inc. · Market Data Through September 4, 2026

GitLab Inc.	FY2027E	FY2028E	FY2029E	FY2030E	FY2031E	TERMINAL	OUTPUT
A. REVENUE BUILD ($MM)							
Total Revenue	1,131.0	**1,306.3**	**1,495.7**	**1,697.6**	**1,909.8**		
YoY Growth %	18.4%	15.5%	14.5%	13.5%	12.5%		
Subscription Revenue	$951	$1,037	$1,120	$1,198	$1,270		
Non-Subscription Revenue	$180	$270	$376	$500	$640		
Segment 3 Revenue	-	-	-	-	-		
Other / Corporate	-	-	-	-	-		
B. EBITDA & FREE CASH FLOW ($MM)							
Gross Profit	1,000.9	1,162.6	1,338.7	1,527.9	1,718.9		
Gross Margin %	0.9	0.9	0.9	0.9	0.9		
EBITDA	**41.8**	**107.1**	**190.0**	**283.5**	**366.7**		
EBITDA Margin %	0.0	0.1	0.1	0.2	0.2		
EBIT (Operating Income)	**28.3**	**91.4**	**172.0**	**263.1**	**343.8**		
(-) Cash Taxes	5.9	19.2	36.1	55.3	72.2		
NOPAT	**22.3**	**72.2**	**135.9**	**207.9**	**271.6**		
(+) D&A	13.6	15.7	17.9	20.4	22.9		
(-) Capital Expenditures	13.6	15.7	17.9	20.4	22.9		
(-) Change in NWC	74.7	51.7	63.4	60.6	73.2		
Unlevered Free Cash Flow	**97.0**	**124.0**	**199.2**	**268.5**	**344.8**		
C. DCF CALCULATION							
Discount Period	1	2	3	4	5		
Unlevered FCF (from Section B)	$97	$124	$199	$268	$345		
Discount Factor = 1/(1+WACC)^t	0.9091	0.8264	0.7513	0.6830	0.6209		
PV of Free Cash Flow	$88	$102	$150	$183	$214		

D. KEY ASSUMPTIONS		
WACC	**10.0%**	*Model assumption from existing GitLab valuation model*
Terminal Growth Rate	**3.0%**	*Long-term terminal growth assumption from existing model*
Tax Rate	**21.0%**	*Tax rate used throughout forecast*
Risk-Free Rate (Rf)	**4.6%**	*U.S. 10-Year Treasury yield on Aug. 24, 2026*
Equity Risk Premium	**5.5%**	*Implied ERP consistent with 10.0% WACC and 0.99 beta*
Beta (5Y Monthly)	**0.99x**	*5-year beta from public market data*
Net Debt / (Cash) ($mm)	**($1,260)**	*FY2026A cash + short-term investments; no debt modeled*

Diluted Shares (mm)	158	*FY2026A diluted share count used in DCF bridge*						
Terminal EV/EBITDA Check	13.8x	*Terminal value / FY2031E EBITDA check*						
FY2031E Net Cash for Exit Multiple ($mm)	2,954.1	Carried forward from the existing						

E. VALUATION OUTPUT

Sum of PV of Forecast FCFs ($mm)	$738							
Terminal Value — Gordon Growth Model ($mm)	$5,073							
PV of Terminal Value ($mm)	$3,150							
Enterprise Value ($mm)	**$3,888**							
(−) Net Debt / (+) Net Cash ($mm)	$1,260							
Equity Value ($mm)	$5,148							
÷ Diluted Shares Outstanding (mm)	158							
DCF Implied Share Price	**$32.54**							
Current Market Price	$49.83							
Implied Upside / (Downside)	(34.7%)							

F. SENSITIVITY ANALYSIS — DCF IMPLIED SHARE PRICE ($)

TGR ↓ / WACC →		8.0%	9.0%	10.0%	11.0%	12.0%
	2.0%	$38.15	$33.42	$29.88	$27.14	$24.96
	2.5%	$40.58	$35.11	$31.12	$28.08	$25.69
	3.0%	$43.49	$37.09	**$32.54**	$29.14	$26.50
	3.5%	$47.05	$39.43	$34.18	$30.33	$27.41
	4.0%	$51.50	$42.24	$36.08	$31.70	$28.42

Blue = Hardcoded inputs · Black = Formulas · Green = Cross-sheet links · Yellow background = Key assumptions · For educational purposes only — Vireo Capital Research

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Comparable Company Analysis · GitLab Inc. · Market Data Through September 4, 2026

Company	Ticker	Mkt Cap ($B)	EV ($B)	Revenue ($B)	EV/Revenue	EV/EBITDA	P/E (Fwd)	Rev Growth	EBITDA Margin	FCF Yield
▸ GitLab Inc.	**GTLB**	**8.30**	**7.05**	**1.06**	**6.7x**	**NM**	**55.0x**	**23.0%**	**(6.1%)**	**2.6%**
Microsoft / GitHub	MSFT	3710.00	3760.00	331.84	11.3x	19.4x	25.8x	17.8%	58.5%	1.8%
Atlassian	TEAM	47.99	47.98	6.57	7.3x	110.4x	35.9x	26.0%	6.6%	2.7%
JFrog	FROG	10.80	9.99	0.60	16.7x	NM	91.5x	26.4%	(6.8%)	1.5%
Datadog	DDOG	76.30	72.59	3.97	18.3x	924.9x	81.1x	31.5%	2.1%	1.5%
Dynatrace	DT	15.00	14.00	2.10	6.7x	49.8x	25.4x	17.9%	13.9%	3.7%
Cloudflare	NET	99.32	98.68	2.51	39.3x	NM	188.7x	33.5%	(0.1%)	0.3%
25th Percentile	Public Peers	12.90	12.00	1.58	7.0x	42.2x	30.9x	20.4%	-3.1%	1.5%
Median	**Public Peers**	**47.99**	**47.98**	**2.51**	**11.3x**	**80.1x**	**55.0x**	**26.0%**	**2.1%**	**1.8%**
75th Percentile	Public Peers	87.81	85.64	5.27	17.5x	314.0x	86.3x	29.0%	10.3%	2.6%
Mean	Public Peers	566.82	572.90	49.81	15.2x	276.1x	71.9x	25.2%	9.7%	2.0%

IMPLIED VALUATION FROM TRADING COMPARABLES

Methodology	Multiple Applied	Reference Metric	Implied EV ($B)	Implied Price
EV / Revenue	5.5x	$1.9	$10.5	$52.82
EV / EBITDA	NM	$0.4	NM	NM
P/E (Forward)	25.0x	$1.9	—	$28.97
Blended Implied Price	**$39.10**	**vs. Current:**	**$49.83**	**(21.5%)**

COLOR CODING LEGEND

Blue text	Hardcoded inputs — numbers the analyst changes for scenarios or updates
Black text	Formulas and calculations — do not overwrite
Green text	Cross-sheet links pulling from another tab in this workbook

Sources: GitLab Investor Relations (Q2 FY2027 results); Yahoo Finance; StockAnalysis / S&P Global Market Intelligence. GTLB market data updated through Sep. 4, 2026; peer data updated through Sep. 4, 2026 where available.

Valuation outputs remain analyst estimates based on the revised Q2 FY2027 forecast. Current market price changes upside/downside, but does not mechanically change intrinsic-value assumptions.

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