

# okta

# Investor Presentation

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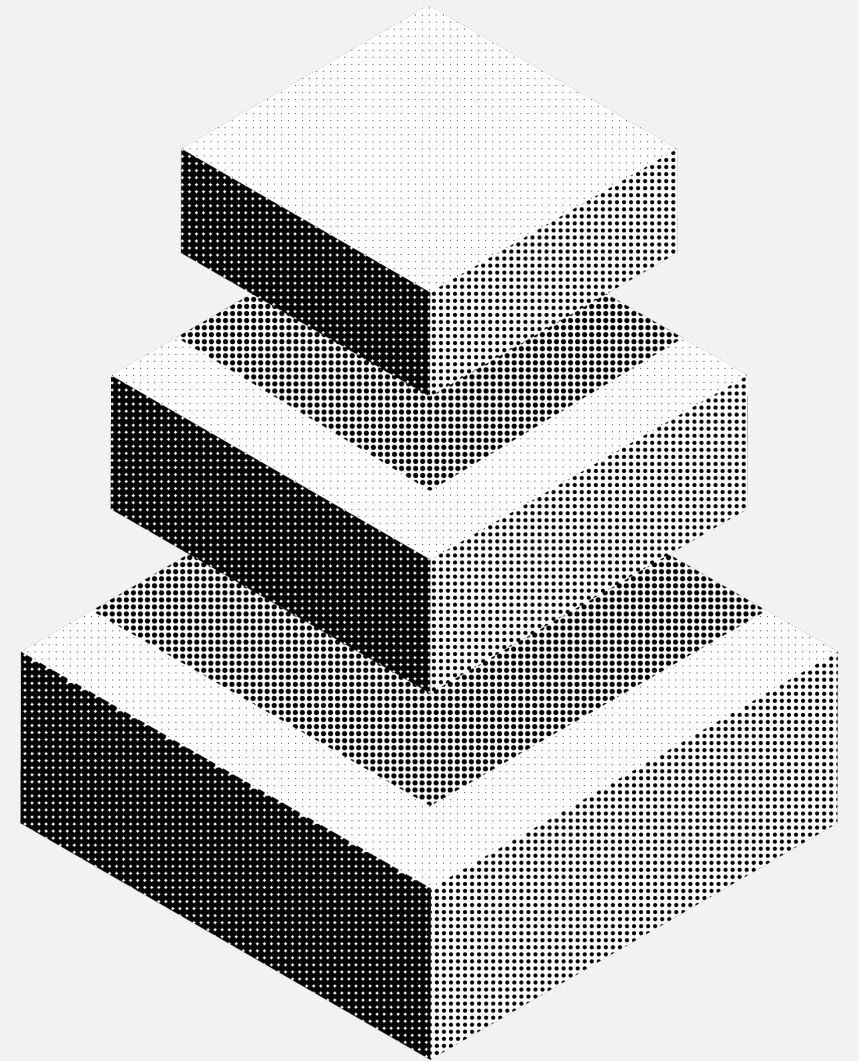
Q2 FY23

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August 31, 2022

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okta



# Safe Harbor

This presentation contains “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, including but not limited to, statements regarding our financial outlook, long-term financial targets, product development, business strategy and plans, market trends and market size, opportunities, positioning and expected benefits that will be derived from the acquisition of Auth0, Inc. These forward-looking statements are based on current expectations, estimates, forecasts and projections. Words such as “expect,” “anticipate,” “should,” “believe,” “hope,” “target,” “project,” “goals,” “estimate,” “potential,” “predict,” “may,” “will,” “might,” “could,” “intend,” “shall” and variations of these terms and similar expressions are intended to identify these forward-looking statements, although not all forward-looking statements contain these identifying words. Forward-looking statements are subject to a number of risks and uncertainties, many of which involve factors or circumstances that are beyond our control. For example, the market for our products may develop more slowly than expected or than it has in the past; there may be significant fluctuations in our results of operations and cash flows related to our revenue recognition or otherwise; we may fail to successfully integrate any new business, including Auth0, Inc.; we may fail to realize anticipated benefits of any combined operations with Auth0, Inc.; we may experience unanticipated costs of integrating Auth0, Inc.; the potential impact of the acquisition on relationships with third parties, including employees, customers, partners and competitors; we may be unable to retain key personnel; global economic conditions could worsen; a network or data security incident that allows unauthorized access to our

network or data or our customers’ data could damage our reputation and cause us to incur significant costs; we could experience interruptions or performance problems associated with our technology, including a service outage; the impact of COVID-19 and variants of concern, related public health measures and any associated economic downturn on our business and results of operations may be more than we expect; and we may not be able to pay off our convertible senior notes when due. Further information on potential factors that could affect our financial results is included in our most recent Quarterly Report on Form 10-Q and our other filings with the Securities and Exchange Commission. The forward-looking statements included in this presentation represent our views only as of the date of this presentation and we assume no obligation and do not intend to update these forward-looking statements.

Any unreleased products, features or functionality referenced in this presentation are not currently available and may not be delivered on time or at all. Product roadmaps do not represent a commitment, obligation or promise to deliver any product, feature or functionality, and you should not rely on them to make your purchase decisions.

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01

Company Overview

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02

Q2 FY23 Financial Review &  
Financial Outlook

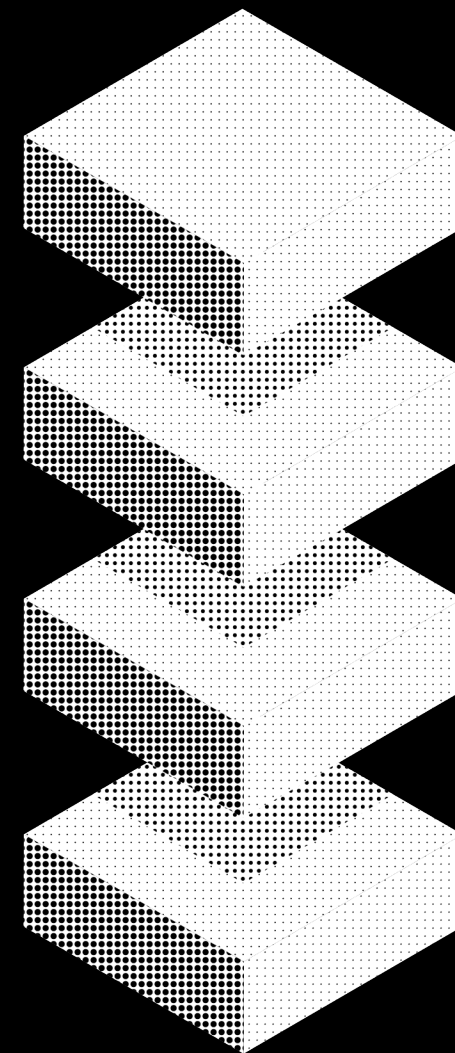
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03

Appendix  
Includes historical financial statements,  
reconciliations, and other select metrics

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# Company Overview



Okta's vision

Free everyone to  
safely use any  
technology.

# Okta at a Glance

16,400

Total customers

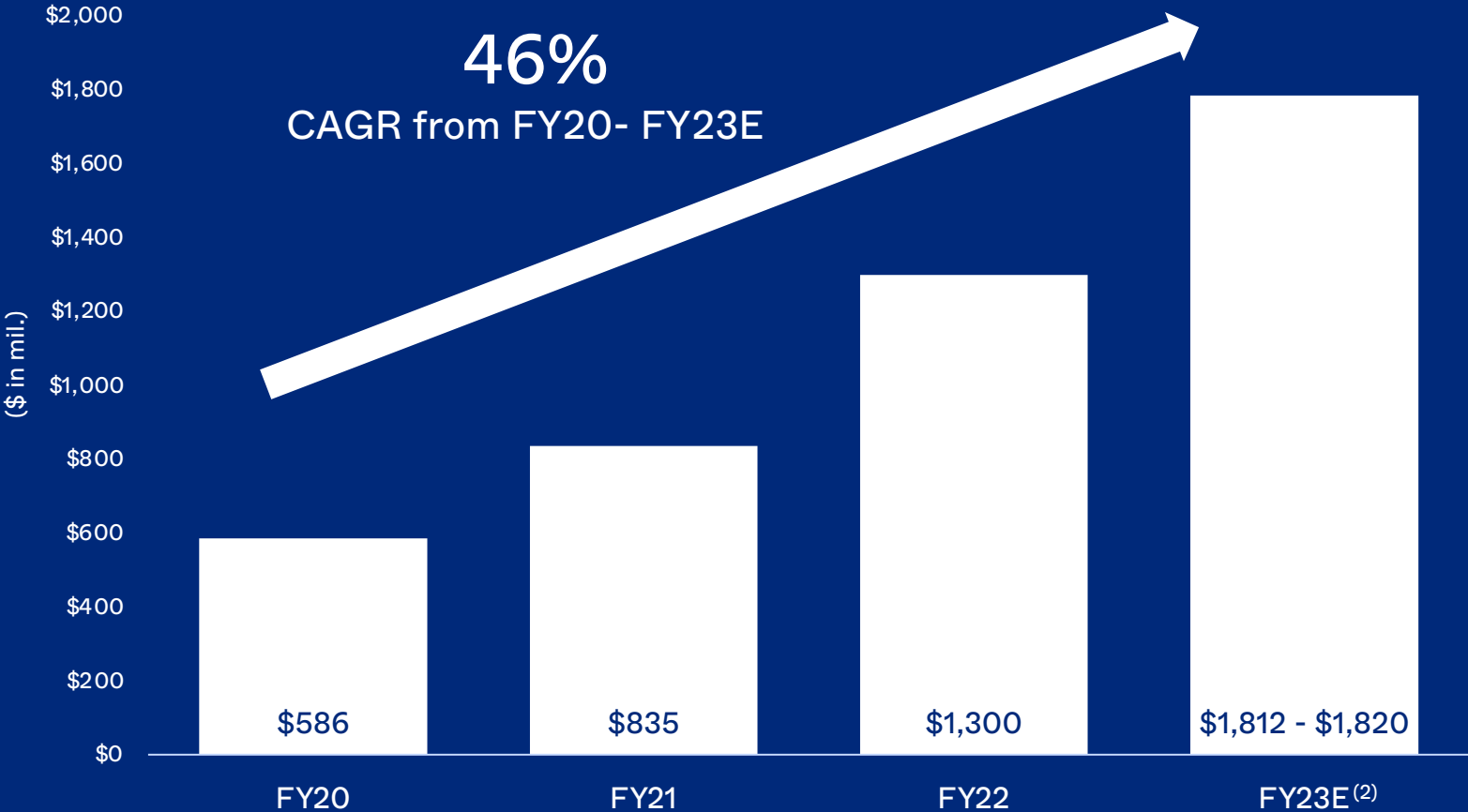
\$2.79B

Remaining performance obligations (RPO)

122%

TTM Dollar-based net retention rate<sup>(1)</sup>  
at July 31, 2022

## Total Revenue



(1) Trailing Twelve Months (TTM) dollar-based net retention rate is calculated based on total ACV. See Appendix for definition.  
(2) FY23E revenue is an estimate based on outlook as of August 31, 2022.

# Macro Trends Driving Growth in Identity

## Identity

is the critical foundation for connection and trust between users and technology



**Cloud adoption  
and Hybrid IT**



**Digital  
transformation**



**Zero Trust  
security**

# The Okta Identity Cloud

Delivers a unified identity solution

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**Okta Trust:** Cloud security certifications with 99.99% uptime

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**Vendor neutrality** supports best-of-breed stack

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**Cloud-first**, providing hybrid access from cloud to ground

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**Unified solution** to secure workforce, customer and infrastructure identity

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**7,000+** OIN integrations

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All powered by a **unified, extensible identity platform**



# Why Okta: Delivering a secure and frictionless **Workforce** experience



## Securely Enable Remote Work

Enable productivity without compromising on security



## Move to the Cloud

Modernize IT, without the headaches



## Adopt a Zero Trust Security Model

Go from zero to Zero Trust to prevent data breaches



## Reduce IT Friction

Minimize costs and foster org-wide innovation



## Collaborate with Partners

Reduce IT complexities as partner ecosystems grow



## Improve M&A Agility

Centralize IAM and enable day-one access for all

# Why Okta: Get support for your most important **customer-facing** initiatives



## Transform into a Digital Platform

Secure your transition into the API economy



## Cultivate User Trust

Secure customer accounts and keep attackers at bay



## Build Highly Scalable Apps

Delight customers with secure, scalable experiences



## Modernize Infrastructure

Retire legacy identity and scale app development



## Integrate Apps

Create a seamless experience across apps and portals



## Secure Access to APIs

Create, apply, and adapt API authorization policies



## Protect Against Account Takeover

Thwart fraudsters with secure customer logins

# Delivering Measurable Customer Value



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## Mitigate risk

Reduced time to detect and respond to malicious attacks



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## Accelerate growth & innovation

Faster application launch and time-to-revenue

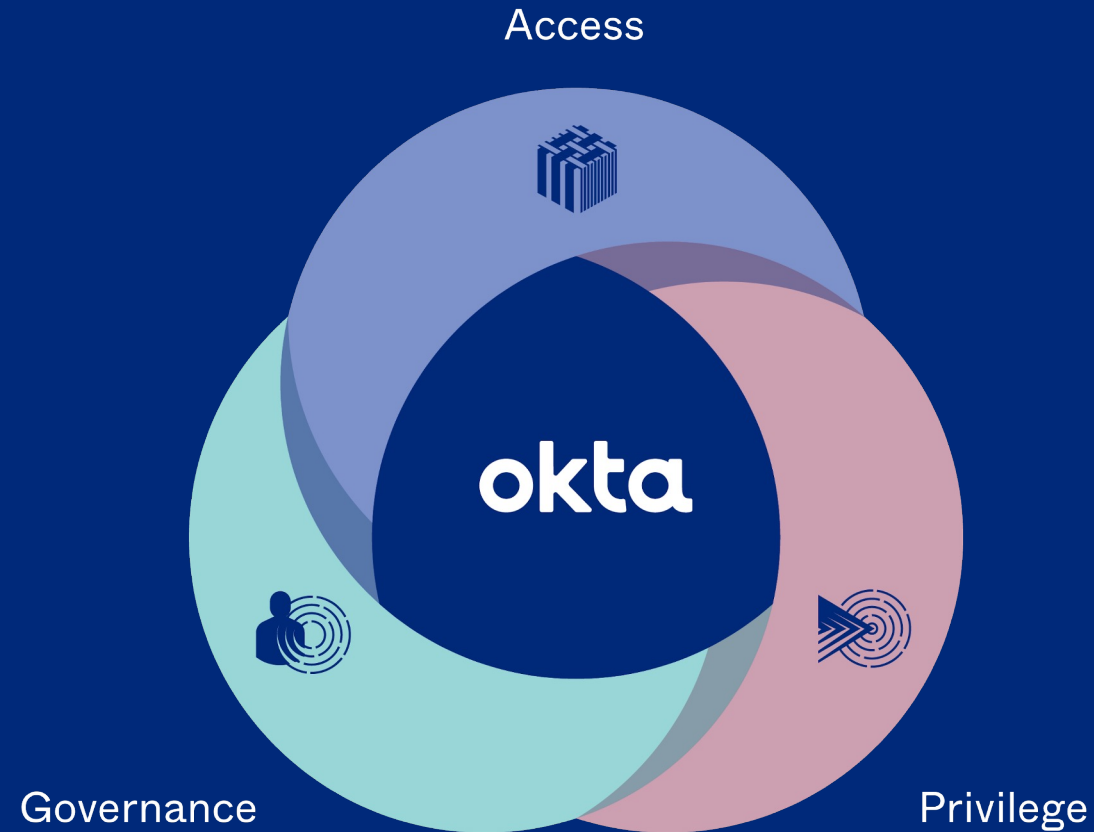


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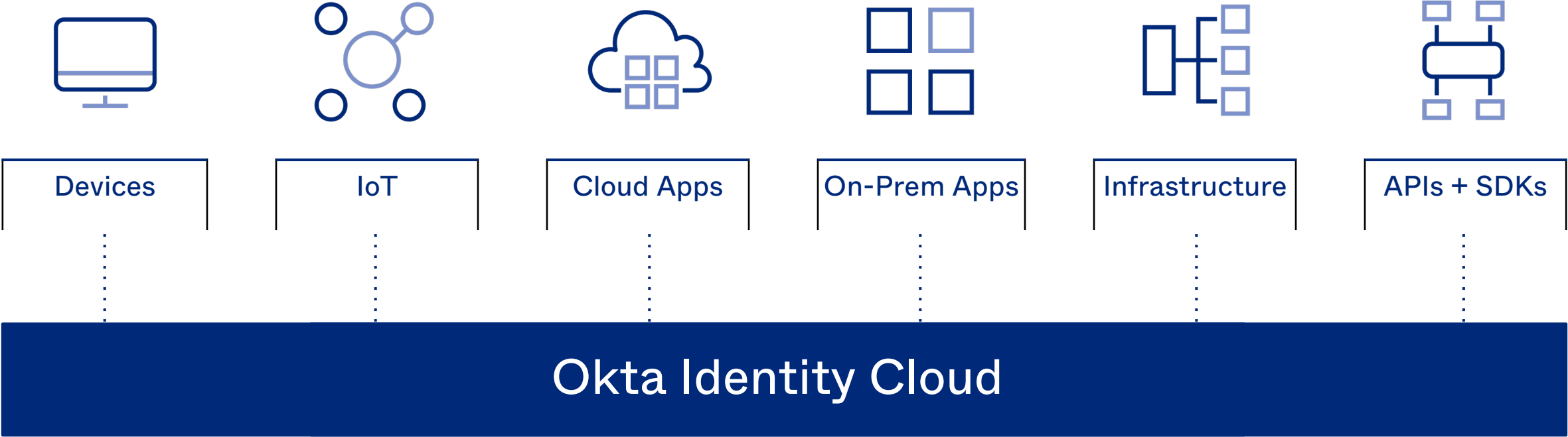
## Reduce costs & streamline ops

Reduced operations and maintenance costs compared with on-prem solutions

# Unifying Identity with One Control Plane



# One Platform to Secure Every Identity



# There is a Massive Future for Identity

**MASSIVE**  
Adjacent Addressable Market

Workforce Identity  
Customer Identity



**OKTA**  
**IDENTITY**  
**CLOUD**

**Identity**  
Identity Governance  
Privileged Access

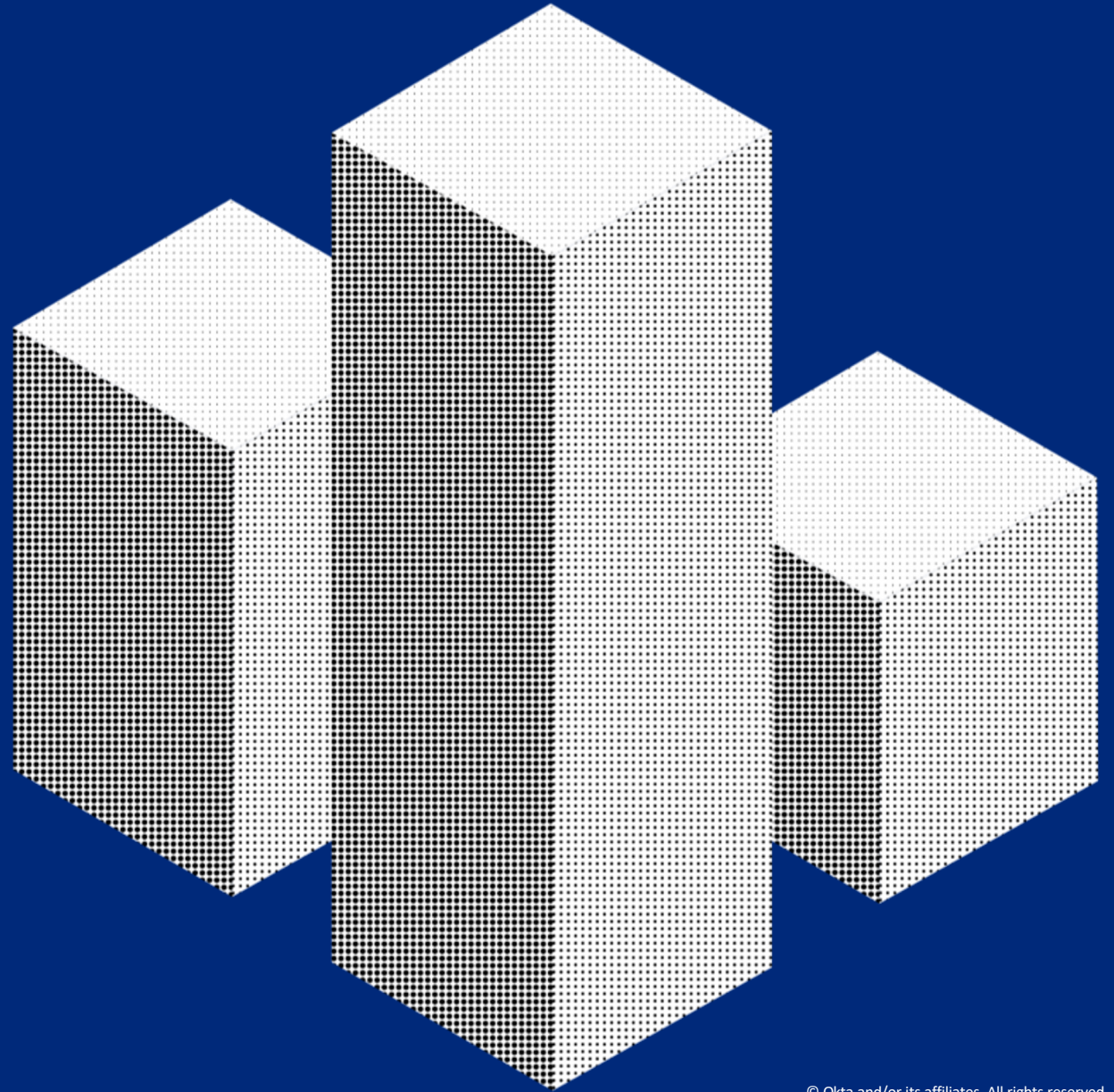
**Analytics & Insights**  
Security Analytics  
Behavioral Biometrics

**Privacy & Consent**  
**Management**

**Identity Proofing & Affirmation**  
Anti-Fraud  
Identity Proofing  
Background Check

**Security**  
Zero Trust Network Access  
Password Management  
Secure Access Service Edge  
IoT Security  
SaaS Management

# Attractive Long-Term Financial Profile

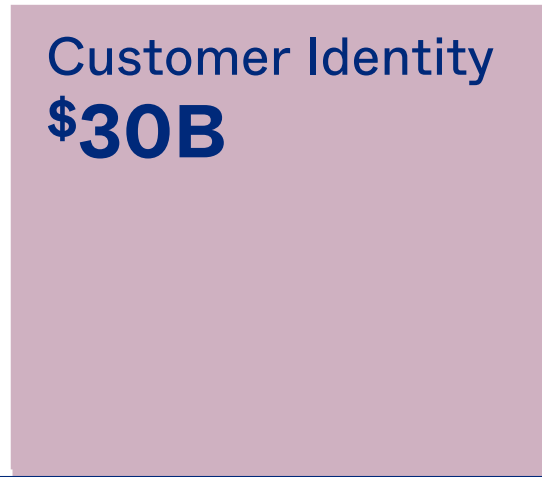


# Large Addressable Market

Total Workforce  
**\$50B**



+



=

Total TAM  
of  
**\$80B**

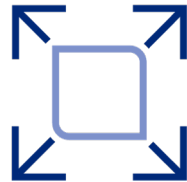


# Multiple Growth Vectors



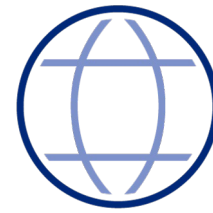
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Innovation in platform  
and network



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Landing and expanding  
in large enterprise



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International expansion

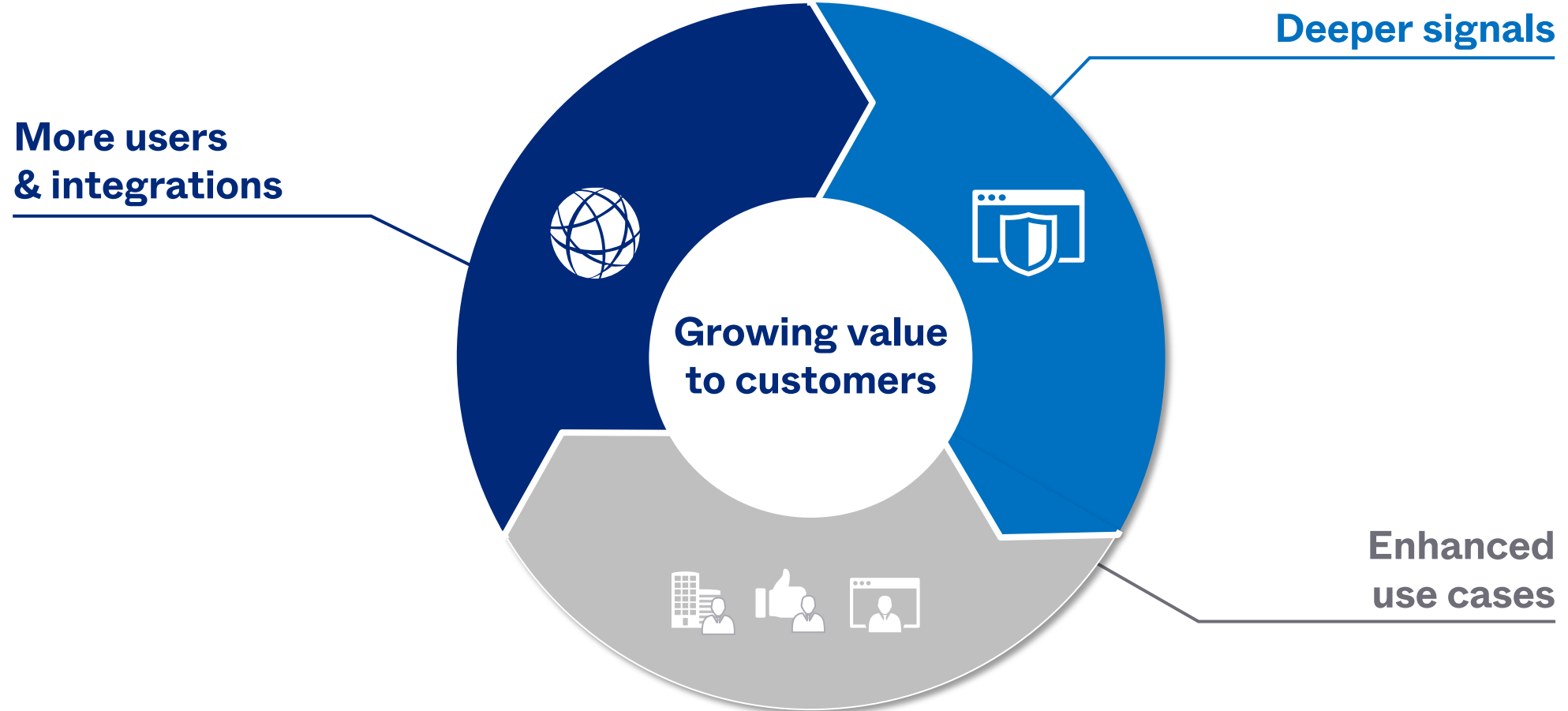


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Leveraging partner  
ecosystem

# Innovation in Platform and Network

More users and integrations result in deeper signals and enhanced use cases

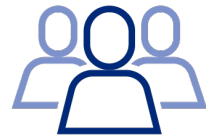


# Environmental, Social and Governance



## Environmental

Achieved 100% renewable electricity for cloud service providers' in addition to our global offices and employee work from home



## Social

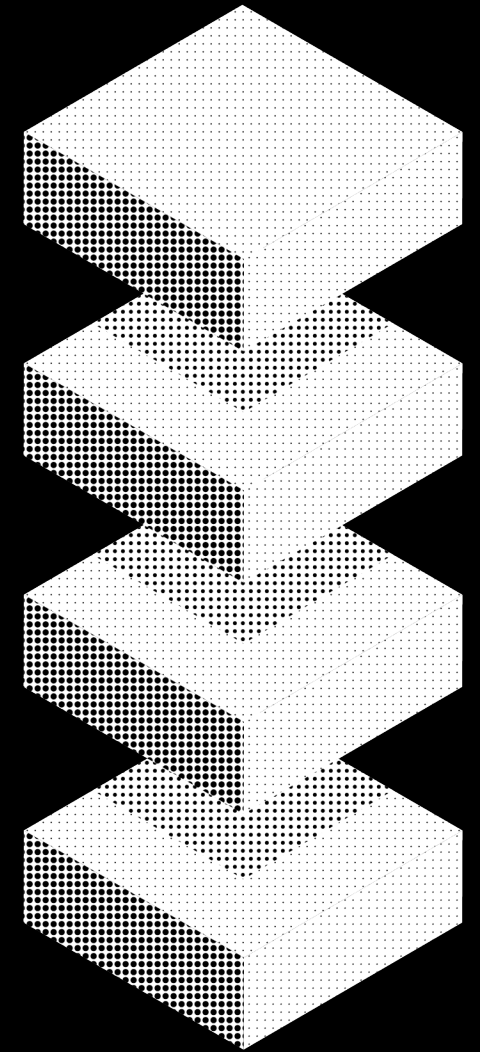
Okta for Good launched Nonprofit Cybersecurity Portfolio and \$1M in grants to support better security across the social sector



## Governance

Published our ESG Fact Sheet, which summarizes our key ESG disclosures

# Q2 FY23 Financial Review & Financial Outlook



# Q2 FY23 Financial Highlights<sup>(1)</sup>

	Q2 FY23	vs. Q2 FY22
Total Revenue	\$452M	+ 43%
Subscription Revenue	\$435M	+ 44%
Remaining Performance Obligations (RPO)	\$2,790M	+ 25%
Current Remaining Performance Obligations (cRPO)	\$1,497M	+ 36%
Total Calculated Billings <sup>(2)</sup>	\$491M	+ 36%
TTM Dollar Based Net Retention Rate	122%	- 200 bps
Non-GAAP Gross Margin <sup>(2)</sup>	76.8%	+ 30 bps
Non-GAAP Operating Margin <sup>(2)</sup>	(3.3)%	+ 450 bps
Free Cash Flow Margin <sup>(2)</sup>	(5.3)%	- 410 bps
TTM Total Rev. Growth + Free Cash Flow Margin (“Rule of 40”)	59%	+ 200 bps
Total Customers	16,400	+ 26%
Customers > \$100K ACV	3,525	+ 35%
	ACV Split <sup>(3)</sup>	Growth Rate
Workforce Identity ACV	63% of total	+ 36%
Customer Identity ACV	37% of total	+ 47%



(1) Quarterly Y/Y growth rates for are now on a like-for-like basis and include Auth0 in the comparison period.

(2) See appendix for non-GAAP reconciliation.

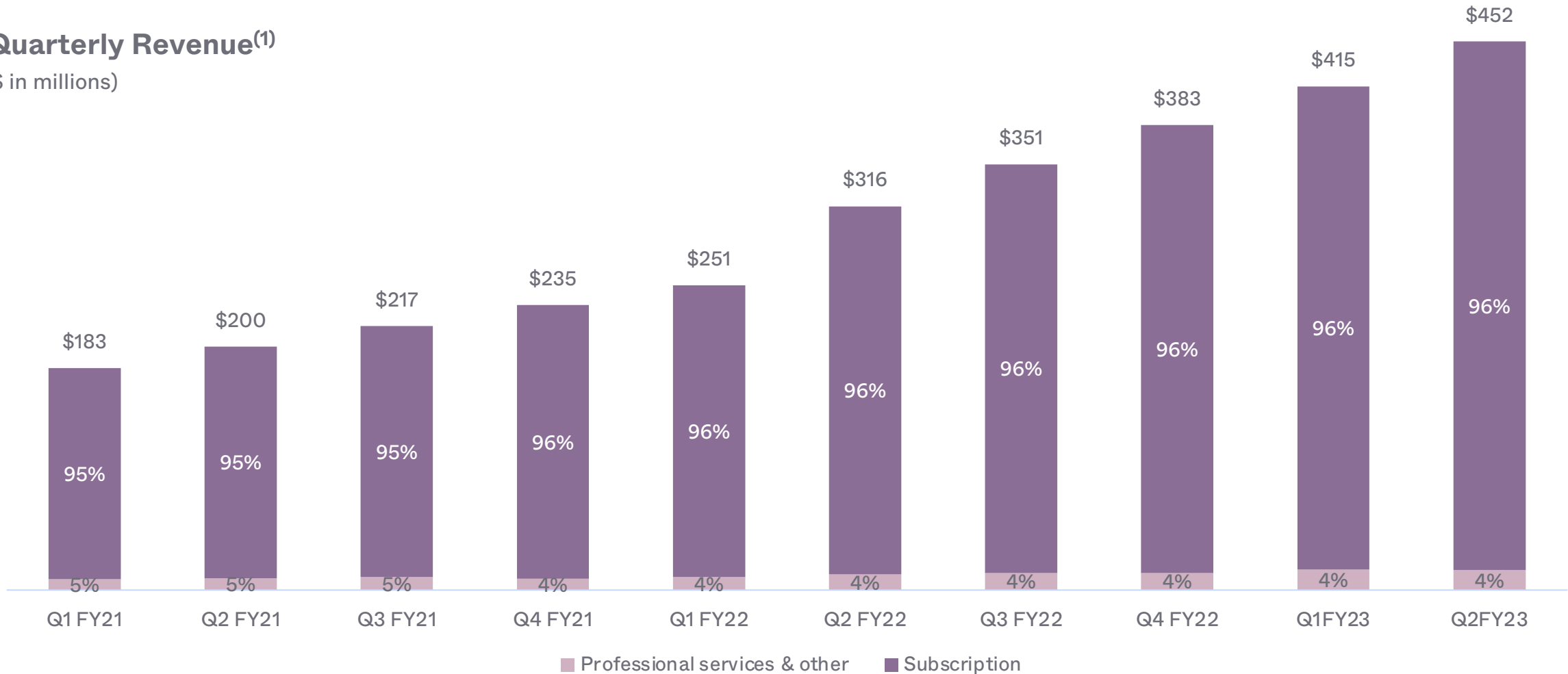
(3) Disclosures for the three months ended July 31, 2022.

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# Total Revenue Up 43% Y/Y; Subscription Revenue Up 44% Y/Y

## Quarterly Revenue<sup>(1)</sup>

(\$ in millions)



■ Professional services & other ■ Subscription

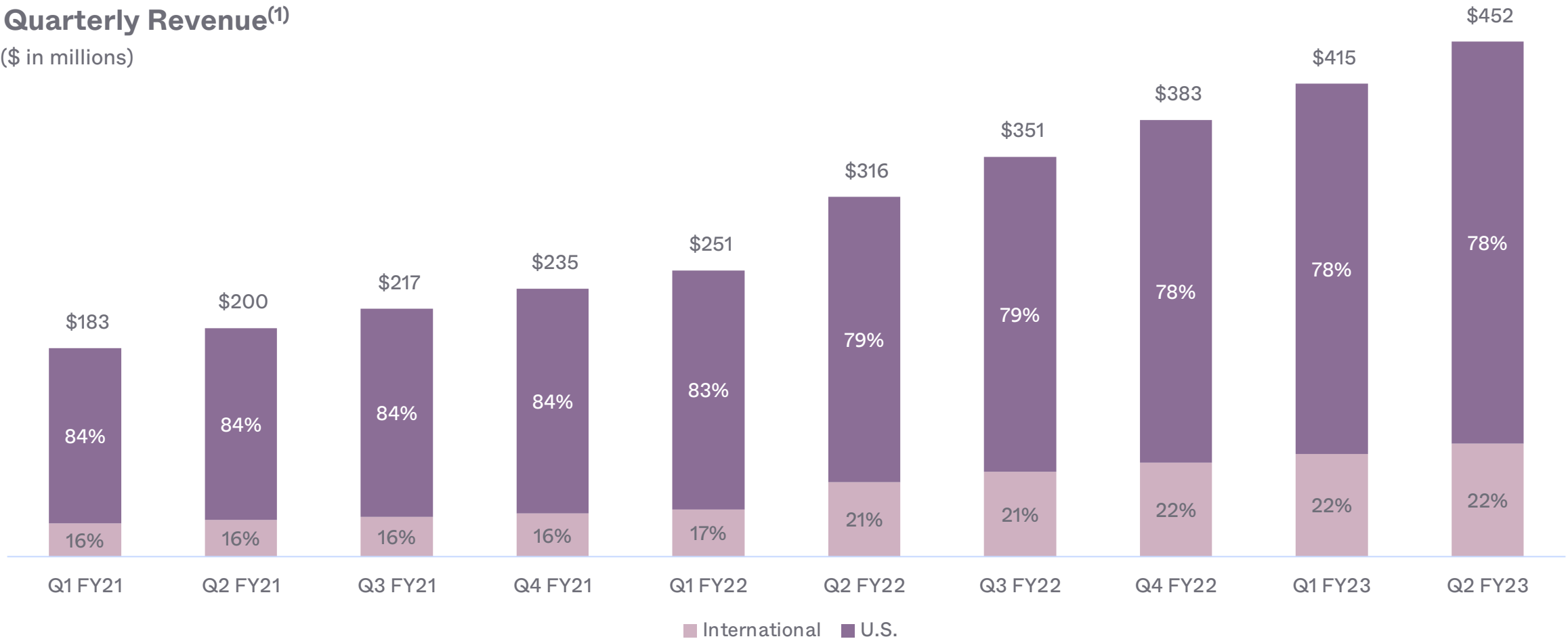


(1) Includes \$38M, \$46M, \$56M, and \$66M from Auth0 in Q2, Q3, and Q4 of FY22, and Q1 of FY23, respectively.

# International Revenue Up 52% Y/Y

## Quarterly Revenue<sup>(1)</sup>

(\$ in millions)

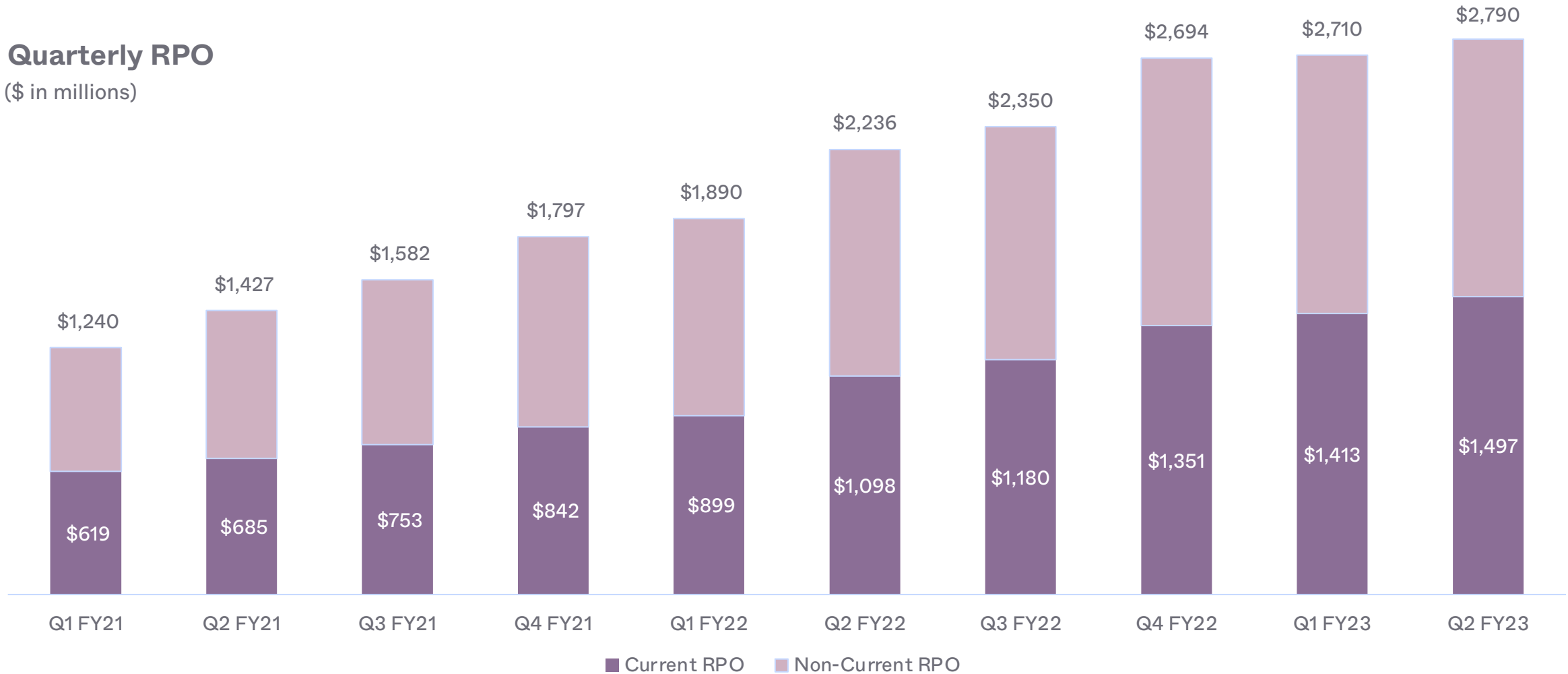


(1) Includes \$38M, \$46M, \$56M, and \$66M from Auth0 in Q2, Q3, and Q4 of FY22, and Q1 of FY23, respectively.

# RPO Up 25% Y/Y; Current RPO Up 36% Y/Y

## Quarterly RPO

(\$ in millions)

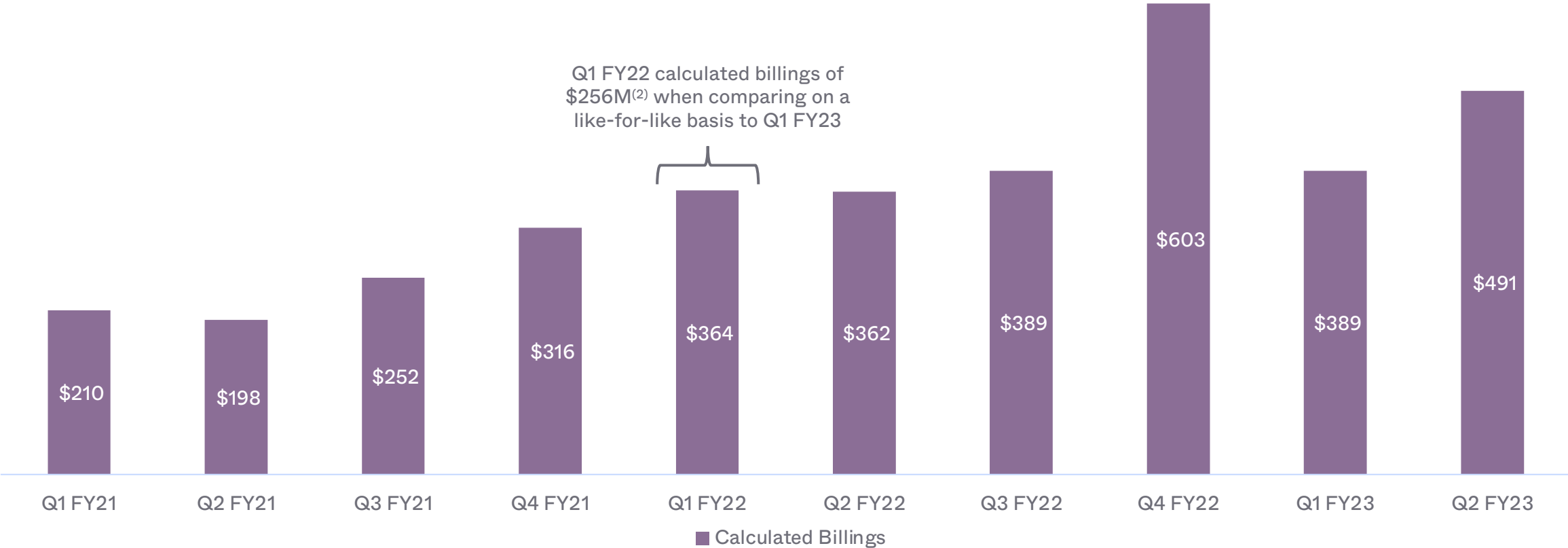




# Total Calculated Billings<sup>(1)</sup> Up 36% Y/Y

## Quarterly Total Calculated Billings<sup>(3)</sup>

(\$ in millions)



(1) Calculated billings includes process improvements that were implemented at the end of Q1 FY22; changes implemented were: billing at contract signature rather than subscription start date, and subsequent annual payments are now due, rather than billed, on the anniversary date.  
 (2) Assumes the billings process improvements were implemented prior to Q1 FY22, which results in Q1 FY22 calculated billings of \$256M when reflecting the full billings process improvements impact. Provided to show a like-for-like comparison between FY22 and FY23 for modeling purposes.  
 (3) See appendix for non-GAAP reconciliation.



# Calculated Billings Supplemental Modeling Details<sup>(1)</sup>

Table 1: Like-for-like view of FY21 for modeling FY22 (\$ in millions)	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22
Calculated billings excl. process improvements <sup>(2)</sup>	\$293	\$345	\$387	\$540	\$1,565
Billings process improvements impact as implemented at the end of Q1 FY22	\$71	\$17	\$2	\$63	\$153
Reported Calculated Billings incl. process improvements	\$364	\$362	\$389	\$603	\$1,718

Table 2: Like-for-like view of FY22 for modeling FY23 (\$ in millions)	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22
Calculated billings excl. process improvements	\$293	\$345	\$387	\$540	\$1,565
Billings process improvements impact as implemented at the end of Q1 FY22	\$71	\$17	\$2	\$63	\$153
Incremental billings process improvements impact if implemented prior to Q1 FY22	(\$108)				(\$108)
Calculated Billings incl. process improvements if implemented in full for FY22 <sup>(3)</sup>	\$256	\$362	\$389	\$603	\$1,610

Table 3: Billings Guidance (\$ in millions)	
FY23E	
\$2,040	\$2,050
27%	27%

Y/Y growth rate calculated from the like-for-like view of FY22 provided in Table 2

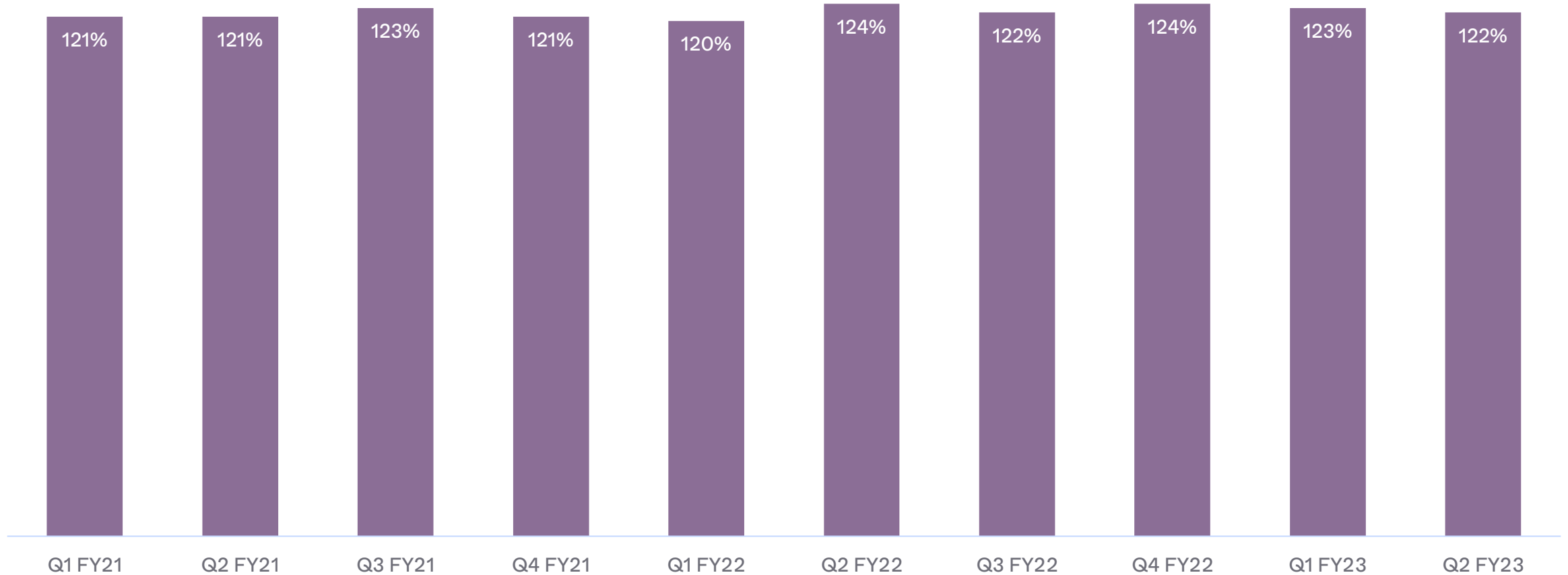
(1) Supplemental details provided for modeling purposes only. There is no operational impact.

(2) Assumes there was no change to the billings policy in FY22. Provided to show a like-for-like comparison between FY21 and FY22 for modeling purposes.

(3) Assumes the billings process improvements were implemented prior to Q1 FY22, which results in Q1 FY22 reflecting the full billings process improvements impact. Provided to show a like-for-like comparison between FY22 and FY23 for modeling purposes.

# TTM Dollar-based Net Retention Rate of 122%

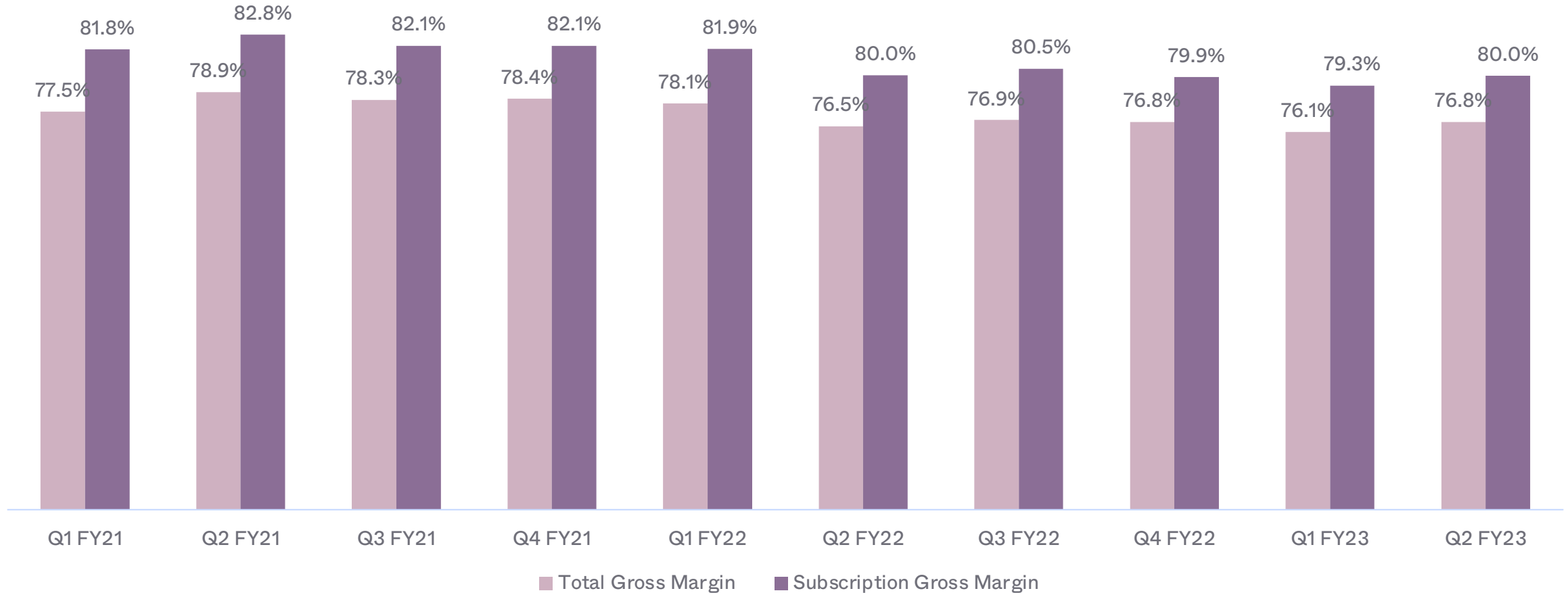
## TTM Dollar-based net retention rate



# Non-GAAP Total Gross Margin Up 30 bps Y/Y<sup>(1)</sup>

## Non-GAAP Subscription Gross Margin Flat Y/Y

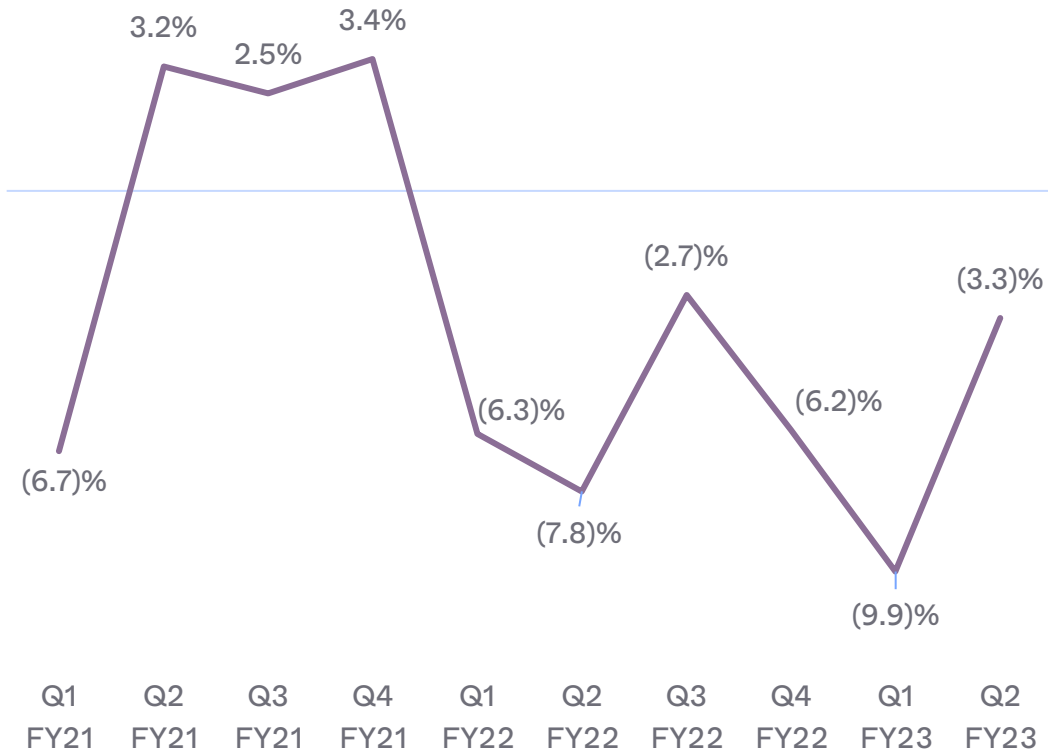
### Quarterly Non-GAAP Gross Margins<sup>(2)</sup>



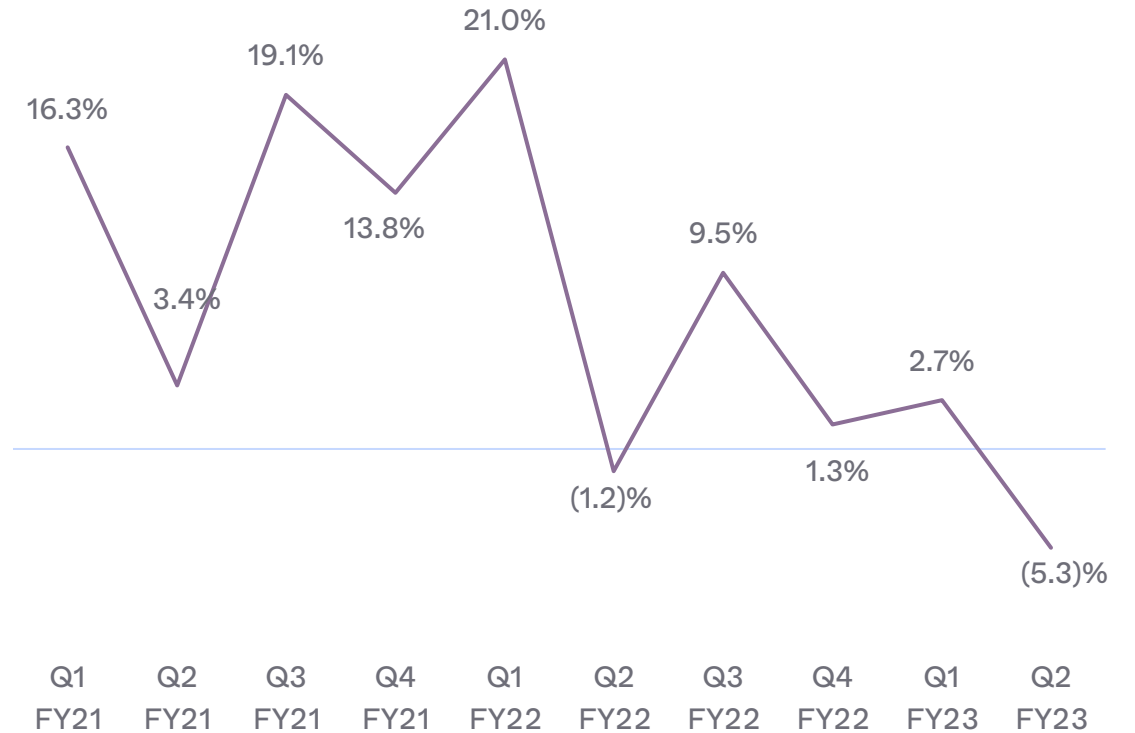
(1) Y/Y change may not sum due to rounding.  
(2) See appendix for non-GAAP reconciliation.

# Non-GAAP Operating Margin Up 450 bps Y/Y; Free Cash Flow Margin Down 410 bps Y/Y

## Quarterly Non-GAAP Operating Margin<sup>(2)</sup>



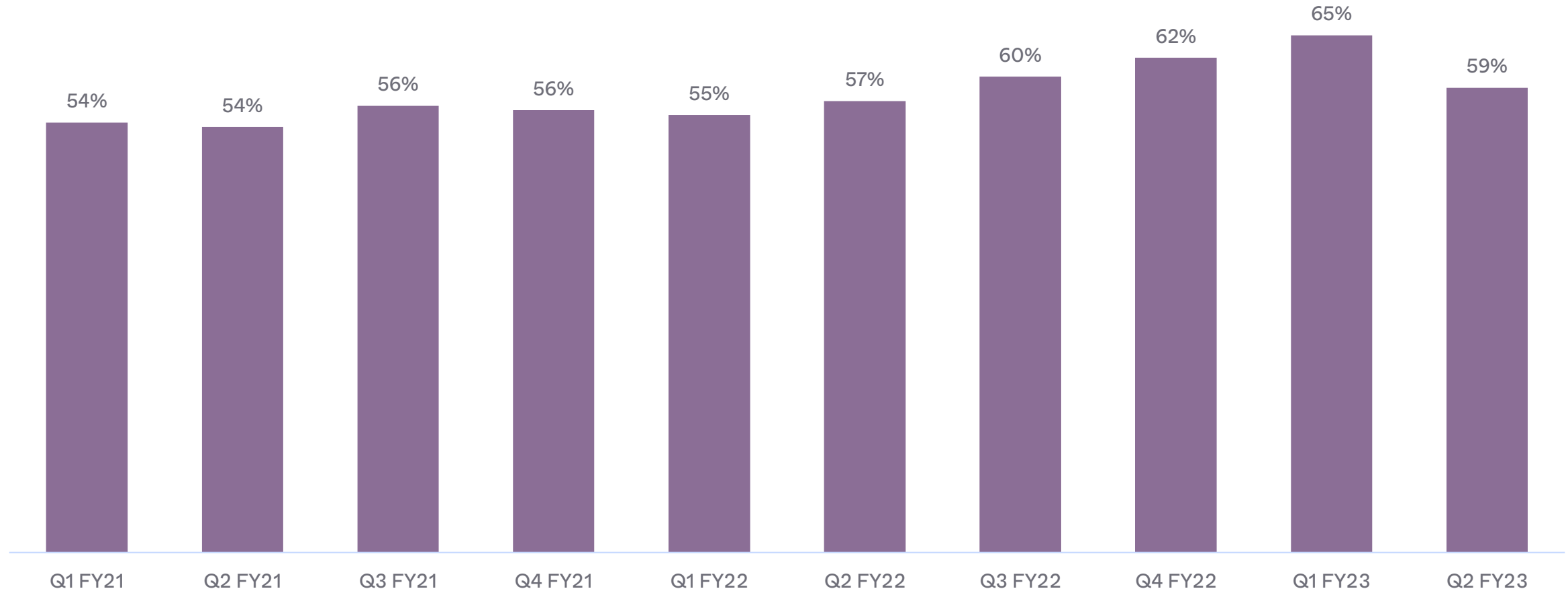
## Quarterly Free Cash Flow Margin<sup>(1)(2)</sup>



(1) Y/Y change may not sum due to rounding.  
 (2) See appendix for non-GAAP reconciliation.

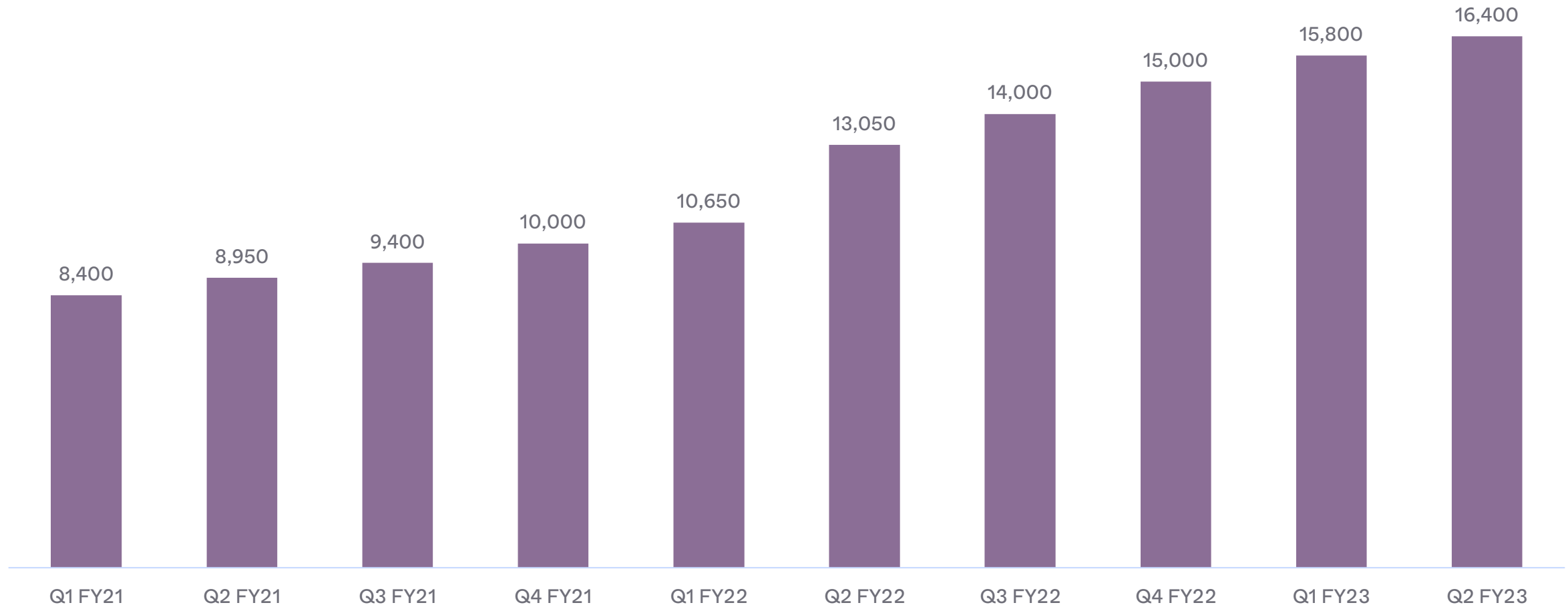
# TTM Total Revenue Growth Plus Free Cash Flow Margin ("Rule of 40")

TTM total revenue growth plus free cash flow margin<sup>(1)</sup>



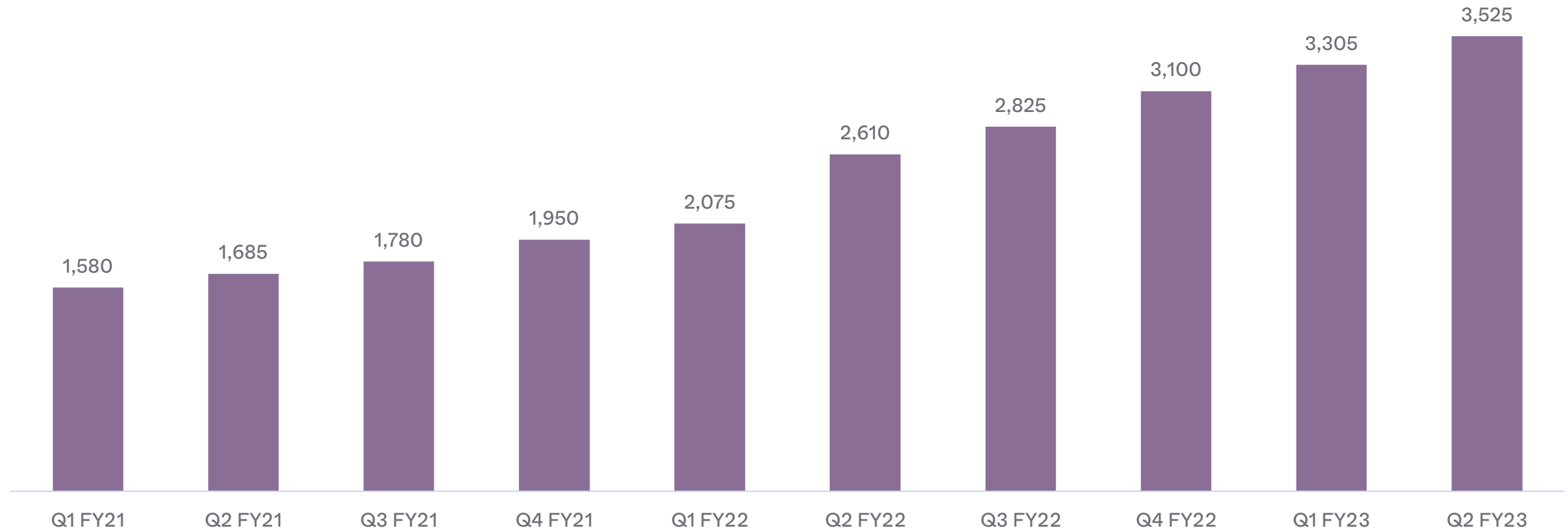
# Total Customers Up 26% Y/Y

## Total customers<sup>(1)</sup>



# Customers with >\$100K Annual Contract Value Up 35% Y/Y

## Customers with >\$100K ACV<sup>(1)</sup>





# Financial Outlook<sup>(1)</sup>

	<b>Q3 FY23</b> (October 31, 2022)	<b>Fiscal 2023</b> (January 31, 2023)
Total Revenue <i>Total Revenue Growth (Y/Y)</i>	\$463M to \$465M 32% - 33%	\$1,812M to \$1,820M 39% - 40%
Current Remaining Performance Obligations <i>cRPO Growth (Y/Y)</i>	\$1,540M to \$1,550M 30% - 31%	N/A
Non-GAAP Operating Loss <sup>(2)</sup>	\$37M to \$36M	\$110M to \$105M
Non-GAAP Net Loss Per Share <sup>(2)</sup>	\$0.25 to \$0.24	\$0.73 to \$0.70
Weighted Average Share Count (Basic) <sup>(3)</sup>	158 million	157 million

(1) Outlook is as of August 31, 2022.

(2) Okta has not reconciled its expectations as to non-GAAP operating loss and non-GAAP net loss per share to their most directly comparable GAAP measure because certain items are out of Okta's control or cannot be reasonably predicted. Accordingly, a reconciliation for forward-looking non-GAAP operating loss and non-GAAP net loss per share is not available without unreasonable effort.

(3) Fully diluted share count on October 31, 2022 expected to be approximately 175 million shares, on a non-GAAP basis.

# Key Takeaways

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Strong foundation  
for growth at scale

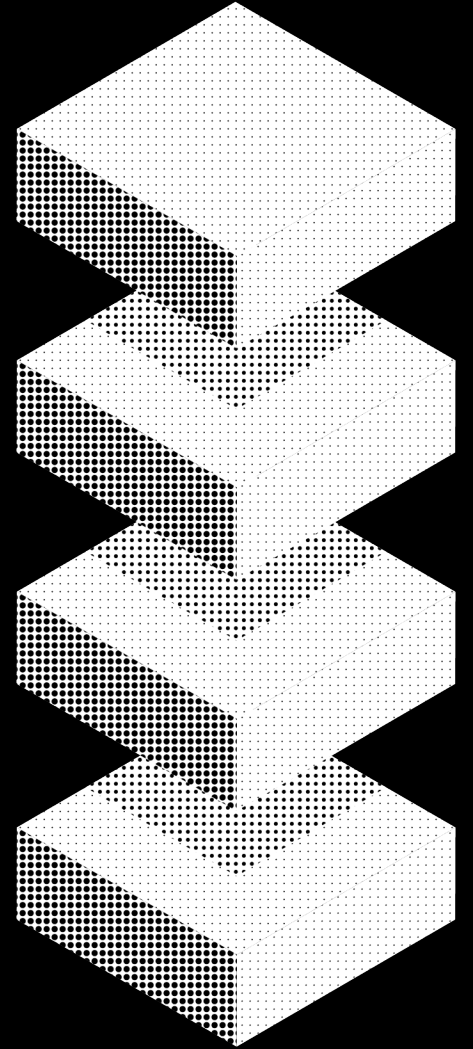
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Large addressable  
markets with multiple  
growth vectors

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Attractive long-term  
financial profile

# Appendix



# Appendix

## Total Addressable Market Calculation Methodology

Workforce Identity and Identity Governance and Administration (IGA) TAM based on over 50,000 U.S. businesses with more than 250 employees (per 2019 U.S. Bureau of Labor Statistics) multiplied by 12-month ARR assuming adoption of all our current products and announced IGA products which implies a market of \$21 billion domestically, then multiplied by two to account for international opportunity. Privileged Access Management (PAM) TAM based on internal estimates of Modern Infrastructure Access spend as a percent of Total Cloud Spend based on Gartner Forecast Analysis: Public Cloud Services, Worldwide report.

\$30B Customer Identity TAM based on 4.4 billion combined Facebook users and service employees worldwide multiplied by internal application usage and pricing assumptions.

# Statement Regarding Use of Non-GAAP Financial Measures

This presentation contains certain non-GAAP financial measures and other metrics. This appendix contains our reconciliation of those non-GAAP measures and other financial metrics.

This presentation may reference one or more of the following non-GAAP financial measures: non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating income (loss), non-GAAP operating margin, non-GAAP net income (loss), non-GAAP net income (loss) per share, basic and diluted, free cash flow, free cash flow margin, current calculated billings and calculated billings.

Our non-GAAP presentation of gross profit, gross margin, operating expenses, operating income (loss), interest expense and other, net, net income (loss) and net income (loss) per share, basic and diluted measures excludes stock-based compensation expense, non-cash charitable contributions, amortization of acquired intangibles, acquisition and integration-related expenses, amortization of debt discount and debt issuance costs and loss on early extinguishment and conversion of debt. Non-GAAP financial measures reflect the adoption of ASU 2020-06 under the modified retrospective method as of February 1, 2022, as applicable.

We present current calculated billings as total revenue plus the change in current deferred revenue, net of acquired current deferred revenue, and less the change in current unbilled receivables, net of acquired current unbilled receivables, during the period, and we present calculated billings as total revenue plus the change in deferred revenue, net of acquired deferred revenue, and less the change in unbilled receivables, net of acquired unbilled receivables, during the period. Trailing 12-months calculated billings represent the sum of the last four quarters of calculated billings.

Free Cash Flow, which is a non-GAAP financial measure, is calculated as net cash provided by (used in) operating activities, less cash used for purchases of property and equipment, net of sales proceeds, and capitalized internal-use software costs. Free cash flow margin is calculated as free cash flow as a percentage of total revenue.

Our Dollar-Based Net Retention Rate is based upon our Annual Contract Value, or ACV, which is calculated based on the terms of that customer's contract and represents the total contracted annual subscription amount as of that period end. We calculate our Dollar-Based Net Retention Rate as of a period end by starting with the ACV from all customers as of twelve months prior to such period end, or Prior Period ACV. We then calculate the ACV from these same customers as of the current period end, or Current Period ACV. Current Period ACV includes any upsells and is net of contraction or churn over the trailing twelve months but excludes ACV from new customers in the current period. We then divide the Current Period ACV by the Prior Period ACV to arrive at our Dollar-Based Net Retention Rate.

Acquisition and integration-related expenses include transaction costs and other non-recurring incremental costs incurred through the one-year anniversary of transaction close.

We believe that non-GAAP financial information, when taken collectively, may be helpful to investors because it provides consistency and comparability with past financial performance and assists in comparisons with other companies, some of which use similar non-GAAP financial information to supplement their GAAP results.

The non-GAAP financial information is presented for supplemental informational purposes only, and should not be considered a substitute for financial information presented in accordance with GAAP, and may be different from similarly-titled non-GAAP measures used by other companies.

The principal limitation of these non-GAAP financial measures is that they exclude significant expenses that are required by GAAP to be recorded in our financial statements. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by our management about which expenses are excluded or included in determining these non-GAAP financial measures. A reconciliation is provided in the appendix for each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP.

Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures, and not to rely on any single financial measure to evaluate our business. Please see the tables included in this presentation for the reconciliation of GAAP and non-GAAP results.

# Condensed Consolidated Statements of Operations - Fiscal Quarters

(in thousands, except per share data)

	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22	Q1 FY23	Q2 FY23	FY23 YTD
<b>Revenue:</b>													
Subscription	\$ 173,781	\$ 190,689	\$ 206,743	\$ 225,400	\$ 796,613	\$ 240,058	\$ 303,121	\$ 336,702	\$ 369,329	\$ 1,249,210	\$ 397,941	\$ 435,384	\$ 833,325
Professional services and other	9,078	9,757	10,636	9,340	38,811	10,948	12,379	13,978	13,686	50,991	17,002	16,423	33,425
<b>Total revenue</b>	<b>182,859</b>	<b>200,446</b>	<b>217,379</b>	<b>234,740</b>	<b>835,424</b>	<b>251,006</b>	<b>315,500</b>	<b>350,680</b>	<b>383,015</b>	<b>1,300,201</b>	<b>414,943</b>	<b>451,807</b>	<b>866,750</b>
<b>Cost of revenue:</b>													
Subscription	37,157	39,501	44,762	48,675	170,095	52,398	84,457	91,048	101,228	329,131	110,876	116,342	227,218
Professional services and other	11,329	11,646	12,146	12,465	47,586	13,725	16,649	18,626	18,274	67,274	20,289	21,352	41,641
<b>Total cost of revenue</b>	<b>48,486</b>	<b>51,147</b>	<b>56,908</b>	<b>61,140</b>	<b>217,681</b>	<b>66,123</b>	<b>101,106</b>	<b>109,674</b>	<b>119,502</b>	<b>396,405</b>	<b>131,165</b>	<b>137,694</b>	<b>268,859</b>
<b>Gross profit</b>	<b>134,373</b>	<b>149,299</b>	<b>160,471</b>	<b>173,600</b>	<b>617,743</b>	<b>184,883</b>	<b>214,394</b>	<b>241,006</b>	<b>263,513</b>	<b>903,796</b>	<b>283,778</b>	<b>314,113</b>	<b>597,891</b>
<b>Operating expenses:</b>													
Research and development	48,494	53,866	58,150	62,316	222,826	68,863	122,407	130,535	147,454	469,259	161,651	155,836	317,487
Sales and marketing	104,043	98,322	109,812	115,173	427,350	146,521	198,350	203,878	221,577	770,326	252,473	264,653	517,126
General and administrative	34,035	42,499	44,485	50,707	171,726	60,180	157,077	105,149	108,908	431,314	109,343	101,686	211,029
<b>Total operating expenses</b>	<b>186,572</b>	<b>194,687</b>	<b>212,447</b>	<b>228,196</b>	<b>821,902</b>	<b>275,564</b>	<b>477,834</b>	<b>439,562</b>	<b>477,939</b>	<b>1,670,899</b>	<b>523,467</b>	<b>522,175</b>	<b>1,045,642</b>
<b>Operating loss</b>	<b>(52,199)</b>	<b>(45,388)</b>	<b>(51,976)</b>	<b>(54,596)</b>	<b>(204,159)</b>	<b>(90,681)</b>	<b>(263,440)</b>	<b>(198,556)</b>	<b>(214,426)</b>	<b>(767,103)</b>	<b>(239,689)</b>	<b>(208,062)</b>	<b>(447,751)</b>
Interest expense	(10,764)	(16,931)	(22,368)	(22,597)	(72,660)	(22,760)	(22,872)	(23,144)	(23,406)	(92,182)	(2,868)	(2,915)	(5,783)
Interest income and other, net	4,899	3,960	1,878	2,154	12,891	4,355	2,211	1,056	2,146	9,768	1,704	4,721	6,425
Loss on early extinguishment and conversion of debt	—	(2,174)	(89)	—	(2,263)	(136)	(43)	—	—	(179)	—	—	—
<b>Interest and other, net</b>	<b>(5,865)</b>	<b>(15,145)</b>	<b>(20,579)</b>	<b>(20,443)</b>	<b>(62,032)</b>	<b>(18,541)</b>	<b>(20,704)</b>	<b>(22,088)</b>	<b>(21,260)</b>	<b>(82,593)</b>	<b>(1,164)</b>	<b>1,806</b>	<b>642</b>
<b>Loss before provision for (benefit from) income taxes</b>	<b>(58,064)</b>	<b>(60,533)</b>	<b>(72,555)</b>	<b>(75,039)</b>	<b>(266,191)</b>	<b>(109,222)</b>	<b>(284,144)</b>	<b>(220,644)</b>	<b>(235,686)</b>	<b>(849,696)</b>	<b>(240,853)</b>	<b>(206,256)</b>	<b>(447,109)</b>
Provision for (benefit from) income taxes	(402)	(433)	209	767	141	10	(7,462)	667	5,500	(1,285)	1,860	4,216	6,076
<b>Net loss</b>	<b>(57,662)</b>	<b>(60,100)</b>	<b>(72,764)</b>	<b>(75,806)</b>	<b>(266,332)</b>	<b>(109,232)</b>	<b>(276,682)</b>	<b>(221,311)</b>	<b>(241,186)</b>	<b>(848,411)</b>	<b>(242,713)</b>	<b>(210,472)</b>	<b>(453,185)</b>
<b>Net loss per share, basic and diluted</b>	<b>\$ (0.47)</b>	<b>\$ (0.48)</b>	<b>\$ (0.56)</b>	<b>\$ (0.58)</b>	<b>\$ (2.09)</b>	<b>\$ (0.83)</b>	<b>\$ (1.83)</b>	<b>\$ (1.44)</b>	<b>\$ (1.56)</b>	<b>\$ (5.73)</b>	<b>\$ (1.56)</b>	<b>\$ (1.34)</b>	<b>\$ (2.89)</b>
<b>Weighted-average shares used to compute net loss per share, basic and diluted</b>	<b>123,494</b>	<b>126,319</b>	<b>128,813</b>	<b>130,138</b>	<b>127,212</b>	<b>131,777</b>	<b>151,357</b>	<b>153,756</b>	<b>154,720</b>	<b>148,036</b>	<b>155,875</b>	<b>157,400</b>	<b>156,650</b>

# Non-GAAP Condensed Consolidated Statements of Operations - Fiscal Quarters

(in thousands, except per share data)

	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22	Q1 FY23	Q2 FY23	FY23 YTD
<b>Revenue:</b>													
Subscription	\$ 173,781	\$ 190,689	\$ 206,743	\$ 225,400	\$ 796,613	\$ 240,058	\$ 303,121	\$ 336,702	\$ 369,329	\$ 1,249,210	\$ 397,941	\$ 435,384	\$ 833,325
Professional services and other	9,078	9,757	10,636	9,340	38,811	10,948	12,379	13,978	13,686	50,991	17,002	16,423	33,425
<b>Total revenue</b>	<b>182,859</b>	<b>200,446</b>	<b>217,379</b>	<b>234,740</b>	<b>835,424</b>	<b>251,006</b>	<b>315,500</b>	<b>350,680</b>	<b>383,015</b>	<b>1,300,201</b>	<b>414,943</b>	<b>451,807</b>	<b>866,750</b>
<b>Cost of revenue:</b>													
Subscription	31,589	32,743	37,079	40,416	141,827	43,555	60,631	65,704	74,158	244,048	82,524	87,190	169,714
Professional services and other	9,518	9,646	10,033	10,306	39,503	11,383	13,390	15,146	14,743	54,662	16,585	17,536	34,121
<b>Total cost of revenue</b>	<b>41,107</b>	<b>42,389</b>	<b>47,112</b>	<b>50,722</b>	<b>181,330</b>	<b>54,938</b>	<b>74,021</b>	<b>80,850</b>	<b>88,901</b>	<b>298,710</b>	<b>99,109</b>	<b>104,726</b>	<b>203,835</b>
<b>Gross profit</b>	<b>141,752</b>	<b>158,057</b>	<b>170,267</b>	<b>184,018</b>	<b>654,094</b>	<b>196,068</b>	<b>241,479</b>	<b>269,830</b>	<b>294,114</b>	<b>1,001,491</b>	<b>315,834</b>	<b>347,081</b>	<b>662,915</b>
<b>Operating expenses:</b>													
Research and development	36,559	38,913	40,604	43,480	159,556	48,770	68,728	73,591	84,463	275,552	92,490	85,758	178,248
Sales and marketing	92,883	85,157	95,444	100,064	373,548	125,455	146,358	153,766	176,709	602,288	202,279	215,801	418,080
General and administrative	24,652	27,506	28,705	32,440	113,303	37,741	50,932	51,994	56,702	197,369	62,090	60,528	122,618
<b>Total operating expenses</b>	<b>154,094</b>	<b>151,576</b>	<b>164,753</b>	<b>175,984</b>	<b>646,407</b>	<b>211,966</b>	<b>266,018</b>	<b>279,351</b>	<b>317,874</b>	<b>1,075,209</b>	<b>356,859</b>	<b>362,087</b>	<b>718,946</b>
<b>Operating income (loss)</b>	<b>(12,342)</b>	<b>6,481</b>	<b>5,514</b>	<b>8,034</b>	<b>7,687</b>	<b>(15,898)</b>	<b>(24,539)</b>	<b>(9,521)</b>	<b>(23,760)</b>	<b>(73,718)</b>	<b>(41,025)</b>	<b>(15,006)</b>	<b>(56,031)</b>
Interest expense	(407)	(958)	(1,437)	(1,434)	(4,236)	(1,429)	(1,423)	(1,446)	(1,423)	(5,721)	(1,419)	(1,469)	(2,888)
Interest income and other, net	4,899	3,960	1,878	2,154	12,891	4,355	2,211	1,056	2,146	9,768	1,704	4,721	6,425
<b>Interest and other, net</b>	<b>4,492</b>	<b>3,002</b>	<b>441</b>	<b>720</b>	<b>8,655</b>	<b>2,926</b>	<b>788</b>	<b>(390)</b>	<b>723</b>	<b>4,047</b>	<b>285</b>	<b>3,252</b>	<b>3,537</b>
<b>Income (loss) before provision for (benefit from) income taxes</b>	<b>(7,850)</b>	<b>9,483</b>	<b>5,955</b>	<b>8,754</b>	<b>16,342</b>	<b>(12,972)</b>	<b>(23,751)</b>	<b>(9,911)</b>	<b>(23,037)</b>	<b>(69,671)</b>	<b>(40,740)</b>	<b>(11,754)</b>	<b>(52,494)</b>
Provision for (benefit from) income taxes	(402)	(433)	209	767	141	10	(7,462)	667	5,500	(1,285)	1,860	4,216	6,076
<b>Non-GAAP net income (loss)</b>	<b>\$ (7,448)</b>	<b>\$ 9,916</b>	<b>\$ 5,746</b>	<b>\$ 7,987</b>	<b>\$ 16,201</b>	<b>\$ (12,982)</b>	<b>\$ (16,289)</b>	<b>\$ (10,578)</b>	<b>\$ (28,537)</b>	<b>\$ (68,386)</b>	<b>\$ (42,600)</b>	<b>\$ (15,970)</b>	<b>\$ (58,570)</b>
<b>Non-GAAP net income (loss) per share, basic</b>	<b>\$ (0.06)</b>	<b>\$ 0.08</b>	<b>\$ 0.04</b>	<b>\$ 0.06</b>	<b>\$ 0.13</b>	<b>\$ (0.10)</b>	<b>\$ (0.11)</b>	<b>\$ (0.07)</b>	<b>\$ (0.18)</b>	<b>\$ (0.46)</b>	<b>\$ (0.27)</b>	<b>\$ (0.10)</b>	<b>\$ (0.37)</b>
<b>Weighted-average shares used to compute non-GAAP net income (loss) per share, basic</b>	<b>123,494</b>	<b>126,319</b>	<b>128,813</b>	<b>130,138</b>	<b>127,212</b>	<b>131,777</b>	<b>151,357</b>	<b>153,756</b>	<b>154,720</b>	<b>148,036</b>	<b>155,875</b>	<b>157,400</b>	<b>156,650</b>
<b>Non-GAAP net income (loss) per share, diluted</b>	<b>\$ (0.06)</b>	<b>\$ 0.07</b>	<b>\$ 0.04</b>	<b>\$ 0.06</b>	<b>\$ 0.11</b>	<b>\$ (0.10)</b>	<b>\$ (0.11)</b>	<b>\$ (0.07)</b>	<b>\$ (0.18)</b>	<b>\$ (0.46)</b>	<b>\$ (0.27)</b>	<b>\$ (0.10)</b>	<b>\$ (0.37)</b>
<b>Weighted-average shares used to compute non-GAAP net income (loss) per share, diluted</b>	<b>123,494</b>	<b>142,255</b>	<b>143,392</b>	<b>143,679</b>	<b>142,383</b>	<b>131,777</b>	<b>151,357</b>	<b>153,756</b>	<b>154,720</b>	<b>148,036</b>	<b>155,875</b>	<b>157,400</b>	<b>156,650</b>

# Condensed Consolidated Balance Sheets - Fiscal Quarters

(in thousands, except per share data)

	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23
<b>Assets</b>										
<b>Current assets:</b>										
Cash and cash equivalents	\$ 619,221	\$ 957,234	\$ 409,769	\$ 434,607	\$ 659,886	\$ 225,265	\$ 372,372	\$ 260,134	\$ 194,227	\$ 216,022
Short-term investments	827,556	1,557,279	2,085,373	2,121,584	2,030,180	2,243,638	2,109,687	2,241,657	2,292,902	2,260,956
Accounts receivable, net of allowances	111,039	110,540	139,473	194,818	218,474	238,478	253,568	397,509	258,911	323,377
Deferred commissions	34,795	37,808	40,908	45,949	47,822	54,526	60,465	74,728	77,120	80,657
Prepaid expenses and other current assets	40,912	44,074	82,016	81,609	55,777	115,251	56,776	66,605	75,483	64,490
<b>Total current assets</b>	<b>1,633,523</b>	<b>2,706,935</b>	<b>2,757,539</b>	<b>2,878,567</b>	<b>3,012,139</b>	<b>2,877,158</b>	<b>2,852,868</b>	<b>3,040,633</b>	<b>2,898,643</b>	<b>2,945,502</b>
Property and equipment, net	61,914	63,406	62,405	62,783	62,515	61,858	60,751	65,488	66,418	66,958
Operating lease right-of-use assets	162,763	157,781	154,699	149,604	145,462	146,492	154,522	147,940	144,731	141,940
Deferred commissions, noncurrent	79,270	86,556	94,305	108,555	110,098	129,671	145,655	191,029	188,490	191,309
Intangible assets, net	31,032	30,031	28,953	27,009	24,190	337,786	336,354	316,968	298,823	281,470
Goodwill	48,023	48,023	48,023	48,023	48,023	5,338,116	5,401,343	5,401,343	5,401,343	5,400,275
Other assets	20,482	22,283	24,355	24,256	28,020	41,014	45,480	42,294	47,233	46,553
<b>Total assets</b>	<b>\$ 2,037,007</b>	<b>\$ 3,115,015</b>	<b>\$ 3,170,279</b>	<b>\$ 3,298,797</b>	<b>\$ 3,430,447</b>	<b>\$ 8,932,095</b>	<b>\$ 8,996,973</b>	<b>\$ 9,205,695</b>	<b>\$ 9,045,681</b>	<b>\$ 9,074,007</b>



# Condensed Consolidated Balance Sheets - Fiscal Quarters

(in thousands, except per share data)

	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23
<b>Liabilities and stockholders' equity</b>										
<b>Current liabilities:</b>										
Accounts payable	\$ 8,021	\$ 4,726	\$ 5,114	\$ 8,557	\$ 9,542	\$ 9,414	\$ 11,547	\$ 20,203	\$ 33,752	\$ 43,708
Accrued expenses and other current liabilities	36,601	54,803	47,330	53,729	108,727	80,463	91,516	89,315	110,928	106,477
Accrued compensation	31,447	39,227	61,600	71,906	48,244	85,126	109,233	143,805	83,207	87,094
Convertible senior notes, net	102,198	43,578	35,131	908,684	20,781	15,723	15,956	16,194	5,198	5,209
Deferred revenue	392,121	391,246	424,765	502,738	613,167	721,808	759,914	973,289	952,190	994,097
<b>Total current liabilities</b>	<b>570,388</b>	<b>533,580</b>	<b>573,940</b>	<b>1,545,614</b>	<b>800,461</b>	<b>912,534</b>	<b>988,166</b>	<b>1,242,806</b>	<b>1,185,275</b>	<b>1,236,585</b>
Convertible senior notes, net, noncurrent	845,862	1,689,438	1,709,777	857,387	1,751,326	1,772,511	1,793,970	1,815,714	2,188,675	2,190,110
Operating lease liabilities, noncurrent	194,889	189,208	185,860	179,518	173,467	171,141	179,205	170,611	163,868	158,577
Deferred revenue, noncurrent	6,070	5,574	7,349	10,860	11,745	15,489	17,958	22,933	19,074	17,187
Other liabilities, noncurrent	6,702	12,018	12,705	11,375	10,670	18,230	33,119	31,775	16,095	18,532
<b>Total liabilities</b>	<b>1,623,911</b>	<b>2,429,818</b>	<b>2,489,631</b>	<b>2,604,754</b>	<b>2,747,669</b>	<b>2,889,905</b>	<b>3,012,418</b>	<b>3,283,839</b>	<b>3,572,987</b>	<b>3,620,991</b>
<b>Stockholders' equity:</b>										
Preferred stock	—	—	—	—	—	—	—	—	—	—
Class A common stock	12	12	12	12	13	15	15	15	15	15
Class B common stock	1	1	1	1	1	1	1	1	1	1
Additional paid-in capital	1,168,127	1,498,549	1,569,714	1,656,096	1,753,842	7,391,169	7,558,816	7,749,716	7,411,550	7,607,382
Accumulated other comprehensive income (loss)	3,742	5,521	2,571	5,390	5,610	4,375	404	(12,009)	(36,148)	(41,186)
Accumulated deficit	(758,786)	(818,886)	(891,650)	(967,456)	(1,076,688)	(1,353,370)	(1,574,681)	(1,815,867)	(1,902,724)	(2,113,196)
<b>Total stockholders' equity</b>	<b>413,096</b>	<b>685,197</b>	<b>680,648</b>	<b>694,043</b>	<b>682,778</b>	<b>6,042,190</b>	<b>5,984,555</b>	<b>5,921,856</b>	<b>5,472,694</b>	<b>5,453,016</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 2,037,007</b>	<b>\$ 3,115,015</b>	<b>\$ 3,170,279</b>	<b>\$ 3,298,797</b>	<b>\$ 3,430,447</b>	<b>\$ 8,932,095</b>	<b>\$ 8,996,973</b>	<b>\$ 9,205,695</b>	<b>\$ 9,045,681</b>	<b>\$ 9,074,007</b>

# Condensed Consolidated Statements of Cash Flows - Fiscal Quarters

(in thousands)

	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22	Q1 FY23	Q2 FY23	FY23 YTD
<b>Operating activities:</b>													
Net loss	\$ (57,662)	\$ (60,100)	\$ (72,764)	\$ (75,806)	\$ (266,332)	\$ (109,232)	\$ (276,682)	\$ (221,311)	\$ (241,186)	\$ (848,411)	\$ (242,713)	\$ (210,472)	\$ (453,185)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:													
Stock-based compensation	37,728	48,378	53,668	56,407	196,181	64,112	187,714	155,785	157,869	565,480	169,523	171,179	340,702
Depreciation, amortization and accretion	5,466	7,225	11,003	13,171	36,865	13,134	31,769	31,728	30,981	107,612	30,060	29,688	59,748
Amortization of debt discount and issuance costs	10,357	15,973	20,931	21,163	68,424	21,331	21,449	21,698	21,983	86,461	1,449	1,446	2,895
Amortization of deferred commissions	8,680	9,397	10,351	11,233	39,661	11,816	13,319	14,906	17,136	57,177	19,140	20,397	39,537
Deferred income taxes	(905)	(1,010)	(499)	1,232	(1,182)	(829)	(10,677)	(2,100)	7,449	(6,157)	(355)	1,894	1,539
Non-cash charitable contributions	536	1,881	2,245	4,630	9,292	2,024	1,639	1,986	1,589	7,238	1,381	633	2,014
Loss on early extinguishment and conversion of debt	—	2,174	89	—	2,263	136	43	—	—	179	—	—	—
(Gain) loss on strategic investments	—	—	628	—	628	(2,895)	(2,376)	(394)	(1,944)	(7,609)	(1,380)	(585)	(1,965)
Other, net	915	520	2,452	1,022	4,909	(909)	619	23	1,318	1,051	(648)	1,109	461
Changes in operating assets and liabilities:													
Accounts receivable	18,250	376	(29,173)	(55,826)	(66,373)	(22,747)	7,949	(14,763)	(145,256)	(174,817)	139,247	(65,232)	74,015
Deferred commissions	(11,865)	(18,467)	(21,505)	(29,179)	(81,016)	(14,861)	(40,241)	(37,081)	(78,394)	(170,577)	(21,928)	(28,195)	(50,123)
Prepaid expenses and other assets	(3,493)	(4,129)	828	(6,380)	(13,174)	(3,861)	4,579	4,638	(12,114)	(6,758)	(12,952)	10,716	(2,236)
Operating lease right-of-use assets	4,055	4,917	5,007	5,074	19,053	5,072	5,660	5,832	6,292	22,856	6,643	6,925	13,568
Accounts payable	3,943	(3,133)	567	2,704	4,081	1,627	(3,671)	1,849	6,959	6,764	15,177	9,455	24,632
Accrued compensation	2,995	12,050	22,818	6,294	44,157	(23,837)	17,330	25,995	30,821	50,309	(60,318)	5,099	(55,219)
Accrued expenses and other liabilities	(2,773)	(358)	5,573	3,085	5,527	10,965	(873)	12,445	(1,146)	21,391	9,470	(8,326)	1,144
Operating lease liabilities	(4,270)	(3,393)	(4,087)	(5,400)	(17,150)	(6,285)	(7,204)	(3,791)	(7,175)	(24,455)	(8,007)	(4,800)	(12,807)
Deferred revenue	26,740	(1,371)	35,294	81,485	142,148	111,314	47,046	39,675	218,350	416,385	(24,958)	40,020	15,062
<b>Net cash provided by (used in) operating activities</b>	<b>38,697</b>	<b>10,930</b>	<b>43,426</b>	<b>34,909</b>	<b>127,962</b>	<b>56,075</b>	<b>(2,608)</b>	<b>37,120</b>	<b>13,532</b>	<b>104,119</b>	<b>18,831</b>	<b>(19,049)</b>	<b>(218)</b>

# Condensed Consolidated Statements of Cash Flows - Fiscal Quarters

(in thousands)

	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22	Q1 FY23	Q2 FY23	FY23 YTD
<b>Investing activities:</b>													
Capitalization of internal-use software costs	(1,000)	(1,326)	(1,204)	(629)	(4,159)	(10)	(368)	(1,970)	(1,988)	(4,336)	(2,487)	(2,909)	(5,396)
Purchases of property and equipment	(7,930)	(2,739)	(628)	(1,786)	(13,083)	(3,259)	(775)	(1,766)	(6,510)	(12,310)	(5,328)	(2,165)	(7,493)
Purchases of securities available for sale and other	(129,079)	(900,202)	(816,677)	(183,072)	(2,029,030)	(189,533)	(733,974)	(409,997)	(513,205)	(1,846,709)	(306,831)	(264,250)	(571,081)
Proceeds from maturities and redemption of securities available for sale	102,293	178,102	106,379	148,349	535,123	344,820	418,787	354,841	363,585	1,482,033	231,314	290,501	521,815
Proceeds from sales of securities available for sale and other	86,320	3,300	116,509	—	206,129	—	906	227,438	1,454	229,798	—	—	—
Payments for business acquisition, net of cash acquired	—	—	—	—	—	—	(148,042)	(67,087)	(46)	(215,175)	(3,970)	(90)	(4,060)
Purchases of intangible assets	—	—	—	(126)	(126)	(113)	—	—	—	(113)	(1,040)	(1,457)	(2,497)
<b>Net cash provided by (used in) investing activities</b>	<b>50,604</b>	<b>(722,865)</b>	<b>(595,621)</b>	<b>(37,264)</b>	<b>(1,305,146)</b>	<b>151,905</b>	<b>(463,466)</b>	<b>101,459</b>	<b>(156,710)</b>	<b>(366,812)</b>	<b>(88,342)</b>	<b>19,630</b>	<b>(68,712)</b>

# Condensed Consolidated Statements of Cash Flows - Fiscal Quarters

(in thousands)

	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22	Q1 FY23	Q2 FY23	FY23 YTD
<b>Financing activities:</b>													
Proceeds from issuance of convertible senior notes, net of issuance costs	—	1,135,418	(577)	—	1,134,841	—	—	—	—	—	—	—	—
Payments for repurchases and conversions of convertible senior notes	—	(181)	(266)	1	(446)	(12)	(3)	(11)	—	(26)	(4)	(2)	(6)
Proceeds from hedges related to convertible senior notes	—	195,046	—	—	195,046	1	1	—	—	2	—	1	1
Payments for warrants related to convertible senior notes	—	(175,399)	—	—	(175,399)	—	—	—	—	—	—	—	—
Purchases of capped calls related to convertible senior notes	—	(133,975)	—	—	(133,975)	—	—	—	—	—	—	—	—
Proceeds from stock option exercises, net of repurchases, and other	14,172	13,345	6,053	12,050	45,620	16,190	15,639	9,225	12,468	53,522	5,386	3,591	8,977
Proceeds from shares issued in connection with employee stock purchase plan	—	12,821	—	13,090	25,911	—	17,417	—	18,151	35,568	—	18,960	18,960
Other, net	(5)	5	—	—	—	—	—	—	—	—	—	—	—
<b>Net cash provided by financing activities</b>	<b>14,167</b>	<b>1,047,080</b>	<b>5,210</b>	<b>25,141</b>	<b>1,091,598</b>	<b>16,179</b>	<b>33,054</b>	<b>9,214</b>	<b>30,619</b>	<b>89,066</b>	<b>5,382</b>	<b>22,550</b>	<b>27,932</b>
Effects of changes in foreign currency exchange rates on cash, cash equivalents and restricted cash	(1,128)	1,706	(457)	2,142	2,263	647	(454)	(687)	(1,853)	(2,347)	(4,041)	(2,031)	(6,072)
<b>Net increase (decrease) in cash, cash equivalents and restricted cash</b>	<b>102,340</b>	<b>336,851</b>	<b>(547,442)</b>	<b>24,928</b>	<b>(83,323)</b>	<b>224,806</b>	<b>(433,474)</b>	<b>147,106</b>	<b>(114,412)</b>	<b>(175,974)</b>	<b>(68,170)</b>	<b>21,100</b>	<b>(47,070)</b>
Cash, cash equivalents and restricted cash at beginning of period	531,953	634,293	971,144	423,702	531,953	448,630	673,436	239,962	387,068	448,630	272,656	204,486	272,656
<b>Cash, cash equivalents and restricted cash at end of period</b>	<b>\$ 634,293</b>	<b>\$ 971,144</b>	<b>\$ 423,702</b>	<b>\$ 448,630</b>	<b>\$ 448,630</b>	<b>\$ 673,436</b>	<b>\$ 239,962</b>	<b>\$ 387,068</b>	<b>\$ 272,656</b>	<b>\$ 272,656</b>	<b>\$ 204,486</b>	<b>\$ 225,586</b>	<b>\$ 225,586</b>

# GAAP to Non-GAAP Reconciliations - Fiscal Quarters

(in thousands, except percentages and per share data)

	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22	Q1 FY23	Q2 FY23	FY23 YTD
<b>GAAP subscription gross profit</b>	\$ 136,624	\$ 151,188	\$ 161,981	\$ 176,725	\$ 626,518	\$ 187,660	\$ 218,664	\$ 245,654	\$ 268,101	\$ 920,079	\$ 287,065	\$ 319,042	\$ 606,107
Stock-based compensation	3,975	5,164	6,090	6,666	21,895	7,250	13,138	13,455	15,248	49,091	16,625	17,778	34,403
Amortization of acquired intangibles	1,593	1,594	1,593	1,593	6,373	1,593	10,128	11,335	11,335	34,391	11,335	11,374	22,709
Acquisition and integration-related expenses	—	—	—	—	—	—	560	554	487	1,601	392	—	392
<b>Non-GAAP subscription gross profit</b>	\$ 142,192	\$ 157,946	\$ 169,664	\$ 184,984	\$ 654,786	\$ 196,503	\$ 242,490	\$ 270,998	\$ 295,171	\$ 1,005,162	\$ 315,417	\$ 348,194	\$ 663,611
<b>Non-GAAP subscription gross margin</b>	81.8 %	82.8 %	82.1 %	82.1 %	82.2 %	81.9 %	80.0 %	80.5 %	79.9 %	80.5 %	79.3 %	80.0 %	79.6 %
<b>GAAP professional services gross profit</b>	\$ (2,251)	\$ (1,889)	\$ (1,510)	\$ (3,125)	\$ (8,775)	\$ (2,777)	\$ (4,270)	\$ (4,648)	\$ (4,588)	\$ (16,283)	\$ (3,287)	\$ (4,929)	\$ (8,216)
Stock-based compensation	1,811	2,000	2,113	2,159	8,083	2,342	3,161	3,376	3,445	12,324	3,637	3,816	7,453
Acquisition and integration-related expenses	—	—	—	—	—	—	98	104	86	288	67	—	67
<b>Non-GAAP professional services gross profit</b>	\$ (440)	\$ 111	\$ 603	\$ (966)	\$ (692)	\$ (435)	\$ (1,011)	\$ (1,168)	\$ (1,057)	\$ (3,671)	\$ 417	\$ (1,113)	\$ (696)
<b>Non-GAAP professional services gross margin</b>	(4.8)%	1.1 %	5.7 %	(10.3)%	(1.8)%	(4.0)%	(8.2)%	(8.4)%	(7.7)%	(7.2)%	2.5 %	(6.8)%	(2.1)%
<b>GAAP total gross profit</b>	\$ 134,373	\$ 149,299	\$ 160,471	\$ 173,600	\$ 617,743	\$ 184,883	\$ 214,394	\$ 241,006	\$ 263,513	\$ 903,796	\$ 283,778	\$ 314,113	\$ 597,891
Stock-based compensation	5,786	7,164	8,203	8,825	29,978	9,592	16,299	16,831	18,693	61,415	20,262	21,594	41,856
Amortization of acquired intangibles	1,593	1,594	1,593	1,593	6,373	1,593	10,128	11,335	11,335	34,391	11,335	11,374	22,709
Acquisition and integration-related expenses	—	—	—	—	—	—	658	658	573	1,889	459	—	459
<b>Non-GAAP total gross profit</b>	\$ 141,752	\$ 158,057	\$ 170,267	\$ 184,018	\$ 654,094	\$ 196,068	\$ 241,479	\$ 269,830	\$ 294,114	\$ 1,001,491	\$ 315,834	\$ 347,081	\$ 662,915
<b>Non-GAAP total gross margin</b>	77.5 %	78.9 %	78.3 %	78.4 %	78.3 %	78.1 %	76.5 %	76.9 %	76.8 %	77.0 %	76.1 %	76.8 %	76.5 %

# GAAP to Non-GAAP Reconciliations - Fiscal Quarters

(in thousands, except percentages and per share data)

	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22	Q1 FY23	Q2 FY23	FY23 YTD
<b>GAAP research and development expense</b>	\$ 48,494	\$ 53,866	\$ 58,150	\$ 62,316	\$ 222,826	\$ 68,863	\$ 122,407	\$ 130,535	\$ 147,454	\$ 469,259	\$ 161,651	\$ 155,836	\$ 317,487
Stock-based compensation	11,935	14,953	17,546	18,836	63,270	20,093	53,332	56,573	62,714	192,712	69,044	70,078	139,122
Acquisition and integration-related expenses	—	—	—	—	—	—	347	371	277	995	117	—	117
<b>Non-GAAP research and development expense</b>	\$ 36,559	\$ 38,913	\$ 40,604	\$ 43,480	\$ 159,556	\$ 48,770	\$ 68,728	\$ 73,591	\$ 84,463	\$ 275,552	\$ 92,490	\$ 85,758	\$ 178,248
<b>Non-GAAP research and development expense as a percentage of revenue</b>	20.0 %	19.4 %	18.7 %	18.5 %	19.1 %	19.4 %	21.8 %	21.0 %	22.1 %	21.2 %	22.3 %	19.0 %	20.6 %
<b>GAAP sales and marketing expense</b>	\$ 104,043	\$ 98,322	\$ 109,812	\$ 115,173	\$ 427,350	\$ 146,521	\$ 198,350	\$ 203,878	\$ 221,577	\$ 770,326	\$ 252,473	\$ 264,653	\$ 517,126
Stock-based compensation	11,160	13,165	14,368	15,109	53,802	21,066	41,288	39,248	34,314	135,916	39,802	38,982	78,784
Amortization of acquired intangibles	—	—	—	—	—	—	9,870	9,869	9,870	29,609	9,870	9,870	19,740
Acquisition and integration-related expenses	—	—	—	—	—	—	834	995	684	2,513	522	—	522
<b>Non-GAAP sales and marketing expense</b>	\$ 92,883	\$ 85,157	\$ 95,444	\$ 100,064	\$ 373,548	\$ 125,455	\$ 146,358	\$ 153,766	\$ 176,709	\$ 602,288	\$ 202,279	\$ 215,801	\$ 418,080
<b>Non-GAAP sales and marketing expense as a percentage of revenue</b>	50.8 %	42.5 %	43.9 %	42.6 %	44.7 %	50.0 %	46.4 %	43.8 %	46.1 %	46.3 %	48.7 %	47.8 %	48.2 %
<b>GAAP general and administrative expense</b>	\$ 34,035	\$ 42,499	\$ 44,485	\$ 50,707	\$ 171,726	\$ 60,180	\$ 157,077	\$ 105,149	\$ 108,908	\$ 431,314	\$ 109,343	\$ 101,686	\$ 211,029
Stock-based compensation	8,847	13,112	13,535	13,637	49,131	13,361	76,795	43,133	42,148	175,437	40,415	40,525	80,940
Non-cash charitable contributions	536	1,881	2,245	4,630	9,292	2,024	1,639	1,986	1,589	7,238	1,381	633	2,014
Acquisition and integration-related expenses	—	—	—	—	—	7,054	27,711	8,036	8,469	51,270	5,457	—	5,457
<b>Non-GAAP general and administrative expense</b>	\$ 24,652	\$ 27,506	\$ 28,705	\$ 32,440	\$ 113,303	\$ 37,741	\$ 50,932	\$ 51,994	\$ 56,702	\$ 197,369	\$ 62,090	\$ 60,528	\$ 122,618
<b>Non-GAAP general and administrative expense as a percentage of revenue</b>	13.5 %	13.7 %	13.2 %	13.8 %	13.6 %	15.0 %	16.1 %	14.8 %	14.8 %	15.2 %	15.0 %	13.4 %	14.1 %

# GAAP to Non-GAAP Reconciliations - Fiscal Quarters

(in thousands, except percentages and per share data)

	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22	Q1 FY23	Q2 FY23	FY23 YTD
<b>GAAP total operating expenses</b>	\$ 186,572	\$ 194,687	\$ 212,447	\$ 228,196	\$ 821,902	\$ 275,564	\$ 477,834	\$ 439,562	\$ 477,939	\$1,670,899	\$ 523,467	\$ 522,175	\$1,045,642
Stock-based compensation	31,942	41,230	45,449	47,582	166,203	54,520	171,415	138,954	139,176	504,065	149,261	149,585	298,846
Non-cash charitable contributions	536	1,881	2,245	4,630	9,292	2,024	1,639	1,986	1,589	7,238	1,381	633	2,014
Amortization of acquired intangibles	—	—	—	—	—	—	9,870	9,869	9,870	29,609	9,870	9,870	19,740
Acquisition and integration-related expenses	—	—	—	—	—	7,054	28,892	9,402	9,430	54,778	6,096	—	6,096
<b>Non-GAAP total operating expenses</b>	\$ 154,094	\$ 151,576	\$ 164,753	\$ 175,984	\$ 646,407	\$ 211,966	\$ 266,018	\$ 279,351	\$ 317,874	\$1,075,209	\$ 356,859	\$ 362,087	\$ 718,946
<b>Non-GAAP total operating expenses as a percentage of revenue</b>	84.3 %	75.6 %	75.8 %	75.0 %	77.4 %	84.4 %	84.3 %	79.7 %	83.0 %	82.7 %	86.0 %	80.1 %	82.9 %
<b>GAAP operating loss</b>	\$ (52,199)	\$ (45,388)	\$ (51,976)	\$ (54,596)	\$ (204,159)	\$ (90,681)	\$ (263,440)	\$ (198,556)	\$ (214,426)	\$ (767,103)	\$ (239,689)	\$ (208,062)	\$ (447,751)
Stock-based compensation	37,728	48,394	53,652	56,407	196,181	64,112	187,714	155,785	157,869	565,480	169,523	171,179	340,702
Non-cash charitable contributions	536	1,881	2,245	4,630	9,292	2,024	1,639	1,986	1,589	7,238	1,381	633	2,014
Amortization of acquired intangibles	1,593	1,594	1,593	1,593	6,373	1,593	19,998	21,204	21,205	64,000	21,205	21,244	42,449
Acquisition and integration-related expenses	—	—	—	—	—	7,054	29,550	10,060	10,003	56,667	6,555	—	6,555
<b>Non-GAAP operating income (loss)</b>	\$ (12,342)	\$ 6,481	\$ 5,514	\$ 8,034	\$ 7,687	\$ (15,898)	\$ (24,539)	\$ (9,521)	\$ (23,760)	\$ (73,718)	\$ (41,025)	\$ (15,006)	\$ (56,031)
<b>Non-GAAP operating margin</b>	(6.7)%	3.2 %	2.5 %	3.4 %	0.9 %	(6.3)%	(7.8)%	(2.7)%	(6.2)%	(5.7)%	(9.9)%	(3.3)%	(6.5)%
<b>Interest and other, net</b>	\$ (5,865)	\$ (15,145)	\$ (20,579)	\$ (20,443)	\$ (62,032)	\$ (18,541)	\$ (20,704)	\$ (22,088)	\$ (21,260)	\$ (82,593)	\$ (1,164)	1,806	642
Amortization of debt discount and debt issuance costs	10,357	15,973	20,931	21,163	68,424	21,331	21,449	21,698	21,983	86,461	1,449	1,446	2,895
Loss on early extinguishment and conversion of debt	—	2,174	89	—	2,263	136	43	—	—	179	—	—	—
<b>Non-GAAP interest and other, net</b>	\$ 4,492	\$ 3,002	\$ 441	\$ 720	\$ 8,655	\$ 2,926	\$ 788	\$ (390)	\$ 723	\$ 4,047	\$ 285	\$ 3,252	\$ 3,537

# GAAP to Non-GAAP Reconciliations - Fiscal Quarters

(in thousands, except percentages and per share data)

	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22	Q1 FY23	Q2 FY23	FY23 YTD
<b>GAAP net loss</b>	\$ (57,662)	\$ (60,100)	\$ (72,764)	\$ (75,806)	\$ (266,332)	\$ (109,232)	\$ (276,682)	\$ (221,311)	\$ (241,186)	\$ (848,411)	\$ (242,713)	\$ (210,472)	\$ (453,185)
Stock-based compensation	37,728	48,394	53,652	56,407	196,181	64,112	187,714	155,785	157,869	565,480	169,523	171,179	340,702
Amortization of debt discount and debt issuance costs	10,357	15,973	20,931	21,163	68,424	21,331	21,449	21,698	21,983	86,461	1,449	1,446	2,895
Non-cash charitable contributions	536	1,881	2,245	4,630	9,292	2,024	1,639	1,986	1,589	7,238	1,381	633	2,014
Amortization of acquired intangibles	1,593	1,594	1,593	1,593	6,373	1,593	19,998	21,204	21,205	64,000	21,205	21,244	42,449
Acquisition and integration-related expenses	—	—	—	—	—	7,054	29,550	10,060	10,003	56,667	6,555	—	6,555
Loss on early extinguishment and conversion of debt	—	2,174	89	—	2,263	136	43	—	—	179	—	—	—
<b>Non-GAAP net income (loss)</b>	\$ (7,448)	\$ 9,916	\$ 5,746	\$ 7,987	\$ 16,201	\$ (12,982)	\$ (16,289)	\$ (10,578)	\$ (28,537)	\$ (68,386)	\$ (42,600)	\$ (15,970)	\$ (58,570)
<b>GAAP net loss per share, basic</b>	\$ (0.47)	\$ (0.48)	\$ (0.56)	\$ (0.58)	\$ (2.09)	\$ (0.83)	\$ (1.83)	\$ (1.44)	\$ (1.56)	\$ (5.73)	\$ (1.56)	\$ (1.34)	\$ (2.89)
Stock-based compensation	0.31	0.38	0.42	0.43	1.54	0.49	1.24	1.01	1.02	3.82	1.09	1.09	2.17
Amortization of debt discount and debt issuance costs	0.09	0.13	0.16	0.16	0.54	0.16	0.14	0.14	0.14	0.58	0.01	0.01	0.02
Non-cash charitable contributions	—	0.02	0.01	0.04	0.07	0.02	0.01	0.01	0.01	0.05	0.01	—	0.01
Amortization of acquired intangibles	0.01	0.01	0.01	0.01	0.05	0.01	0.13	0.14	0.14	0.44	0.14	0.14	0.28
Acquisition and integration-related expenses	—	—	—	—	—	0.05	0.20	0.07	0.07	0.38	0.04	—	0.04
Loss on early extinguishment and conversion of debt	—	0.02	—	—	0.02	—	—	—	—	—	—	—	—
<b>Non-GAAP net income (loss) per share, basic</b>	\$ (0.06)	\$ 0.08	\$ 0.04	\$ 0.06	\$ 0.13	\$ (0.10)	\$ (0.11)	\$ (0.07)	\$ (0.18)	\$ (0.46)	\$ (0.27)	\$ (0.10)	\$ (0.37)
<b>Weighted-average shares outstanding used to compute non-GAAP net income (loss) per share, basic</b>	123,494	126,319	128,813	130,138	127,212	131,777	151,357	153,756	154,720	148,036	155,875	157,400	156,650



# GAAP to Non-GAAP Reconciliations - Fiscal Quarters

(in thousands, except percentages and per share data)

	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22	Q1 FY23	Q2 FY23	FY23 YTD
<b>GAAP net loss per share, diluted</b>	\$ (0.47)	\$ (0.48)	\$ (0.56)	\$ (0.58)	\$ (2.09)	\$ (0.83)	\$ (1.83)	\$ (1.44)	\$ (1.56)	\$ (5.73)	\$ (1.56)	\$ (1.34)	\$ (2.89)
Adjustments for difference in weighted-average shares outstanding	—	0.06	0.05	0.06	0.21	—	—	—	—	—	—	—	—
Stock-based compensation	0.31	0.34	0.37	0.39	1.38	0.49	1.24	1.01	1.02	3.82	1.09	1.09	2.17
Amortization of debt discount and debt issuance costs	0.09	0.11	0.15	0.15	0.48	0.16	0.14	0.14	0.14	0.58	0.01	0.01	0.02
Non-cash charitable contributions	—	0.01	0.02	0.03	0.07	0.02	0.01	0.01	0.01	0.05	0.01	—	0.01
Amortization of acquired intangibles	0.01	0.01	0.01	0.01	0.04	0.01	0.13	0.14	0.14	0.44	0.14	0.14	0.28
Acquisition and integration-related expenses	—	—	—	—	—	0.05	0.20	0.07	0.07	0.38	0.04	—	0.04
Loss on early extinguishment and conversion of debt	—	0.02	—	—	0.02	—	—	—	—	—	—	—	—
<b>Non-GAAP net income (loss) per share, diluted</b>	\$ (0.06)	\$ 0.07	\$ 0.04	\$ 0.06	\$ 0.11	\$ (0.10)	\$ (0.11)	\$ (0.07)	\$ (0.18)	\$ (0.46)	\$ (0.27)	\$ (0.10)	\$ (0.37)
<b>Weighted-average shares outstanding used to compute non-GAAP net income (loss) per share, diluted</b>	123,494	142,255	143,392	143,679	142,383	131,777	151,357	153,756	154,720	148,036	155,875	157,400	156,650

# Calculations of Key and Other Selected Metrics - Fiscal Quarters

(in thousands, except percentages and headcount data)

	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22	Q1 FY23	Q2 FY23	FY23 YTD
<b>Calculated Billings</b>													
Total revenue	\$ 182,859	\$ 200,446	\$ 217,379	\$ 234,740	\$ 835,424	\$ 251,006	\$ 315,500	\$ 350,680	\$ 383,015	\$1,300,201	\$ 414,943	\$ 451,807	\$ 866,750
<b>Add:</b>													
Deferred revenue, current (end of period)	392,121	391,246	424,765	502,738	502,738	613,167	721,808	759,914	973,289	973,289	952,190	994,097	994,097
Unbilled receivables, current (beginning of period)	1,026	1,121	2,113	2,427	1,026	2,604	894	3,409	5,085	2,604	3,228	4,039	3,228
Acquired unbilled receivables, current	—	—	—	—	—	—	2,327	—	—	2,327	—	—	—
<b>Less:</b>													
Deferred revenue, current (beginning of period)	(365,236)	(392,121)	(391,246)	(424,765)	(365,236)	(502,738)	(613,167)	(721,808)	(759,914)	(502,738)	(973,289)	(952,190)	(973,289)
Unbilled receivables, current (end of period)	(1,121)	(2,113)	(2,427)	(2,604)	(2,604)	(894)	(3,409)	(5,085)	(3,228)	(3,228)	(4,039)	(4,530)	(4,530)
Acquired deferred revenue, current	—	—	—	—	—	—	(60,522)	(900)	—	(61,422)	—	—	—
<b>Current Calculated Billings</b>	<b>209,649</b>	<b>198,579</b>	<b>250,584</b>	<b>312,536</b>	<b>971,348</b>	<b>363,145</b>	<b>363,431</b>	<b>386,210</b>	<b>598,247</b>	<b>1,711,033</b>	<b>393,033</b>	<b>493,223</b>	<b>886,256</b>
<b>Add:</b>													
Deferred revenue, noncurrent (end of period)	6,070	5,574	7,349	10,860	10,860	11,745	15,489	17,958	22,933	22,933	19,074	17,187	17,187
<b>Less:</b>													
Deferred revenue, noncurrent (beginning of period)	(6,214)	(6,070)	(5,574)	(7,349)	(6,214)	(10,860)	(11,745)	(15,489)	(17,958)	(10,860)	(22,933)	(19,074)	(22,933)
Acquired deferred revenue, noncurrent	—	0	—	—	—	—	(4,817)	—	—	(4,817)	—	—	—
<b>Calculated Billings</b>	<b>\$ 209,505</b>	<b>\$ 198,083</b>	<b>\$ 252,359</b>	<b>\$ 316,047</b>	<b>\$ 975,994</b>	<b>\$ 364,030</b>	<b>\$ 362,358</b>	<b>\$ 388,679</b>	<b>\$ 603,222</b>	<b>\$1,718,289</b>	<b>\$ 389,174</b>	<b>\$ 491,336</b>	<b>\$ 880,510</b>
<i>y-y growth - current calculated billings</i>	41 %	27 %	42 %	38 %	38 %	73 %	83 %	54 %	91 %	76 %	8 %	36 %	22 %
<i>y-y growth - calculated billings</i>	42 %	27 %	44 %	40 %	39 %	74 %	83 %	54 %	91 %	76 %	7 %	36 %	21 %
Trailing 12 months calculated billings	\$ 765,868	\$ 808,187	\$ 884,970	\$ 975,994	\$ 975,994	\$1,130,519	\$1,294,794	\$1,431,114	\$1,718,289	\$1,718,289	\$1,743,433	\$1,872,411	\$1,872,411
<i>y-y growth</i>	42 %	38 %	39 %	39 %	39 %	48 %	60 %	62 %	76 %	76 %	54 %	45 %	45 %

# Calculations of Key and Other Selected Metrics - Fiscal Quarters

(in thousands, except percentages and headcount data)

	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22	Q1 FY23	Q2 FY23	FY23 YTD
<b>Free Cash Flow and Margin</b>													
Net cash provided by (used in) operating activities	\$ 38,697	\$ 10,930	\$ 43,426	\$ 34,909	\$ 127,962	\$ 56,075	\$ (2,608)	\$ 37,120	\$ 13,532	\$ 104,119	\$ 18,831	\$ (19,049)	\$ (218)
<b>Less:</b>													
Purchases of property and equipment	(7,930)	(2,739)	(628)	(1,786)	(13,083)	(3,259)	(775)	(1,766)	(6,510)	(12,310)	(5,328)	(2,165)	(7,493)
Capitalization of internal-use software costs	(1,000)	(1,326)	(1,204)	(629)	(4,159)	(10)	(368)	(1,970)	(1,988)	(4,336)	(2,487)	(2,909)	(5,396)
<b>Free cash flow</b>	<b>\$ 29,767</b>	<b>\$ 6,865</b>	<b>\$ 41,594</b>	<b>\$ 32,494</b>	<b>\$ 110,720</b>	<b>\$ 52,806</b>	<b>\$ (3,751)</b>	<b>\$ 33,384</b>	<b>\$ 5,034</b>	<b>\$ 87,473</b>	<b>\$ 11,016</b>	<b>\$ (24,123)</b>	<b>\$ (13,107)</b>
Free cash flow margin	16.3 %	3.4 %	19.1 %	13.8 %	13.3 %	21.0 %	(1.2)%	9.5 %	1.3 %	6.7 %	2.7 %	(5.3)%	(1.5)%
<b>Headcount</b>													
<b>Total headcount</b>	<b>2,379</b>	<b>2,489</b>	<b>2,604</b>	<b>2,806</b>	<b>2,806</b>	<b>3,056</b>	<b>4,176</b>	<b>4,584</b>	<b>5,030</b>	<b>5,030</b>	<b>5,342</b>	<b>5,776</b>	<b>5,776</b>
<i>y-y growth</i>	34 %	28 %	23 %	25 %	25 %	28 %	68 %	76 %	79 %	79 %	75 %	38 %	38 %
<b>Revenue by Location</b>													
United States	\$ 153,787	\$ 168,239	\$ 182,564	\$ 197,045	\$ 701,635	\$ 209,562	\$ 250,120	\$ 276,147	\$ 300,560	\$ 1,036,389	\$ 324,726	\$ 352,502	\$ 677,228
International	29,072	32,207	34,815	37,695	133,789	41,444	65,380	74,533	82,455	263,812	90,217	99,305	189,522
<b>Total</b>	<b>\$ 182,859</b>	<b>\$ 200,446</b>	<b>\$ 217,379</b>	<b>\$ 234,740</b>	<b>\$ 835,424</b>	<b>\$ 251,006</b>	<b>\$ 315,500</b>	<b>\$ 350,680</b>	<b>\$ 383,015</b>	<b>\$ 1,300,201</b>	<b>\$ 414,943</b>	<b>\$ 451,807</b>	<b>\$ 866,750</b>

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