Hi, everybody. Welcome to Okta's Second Quarter Fiscal Year 2022 Earnings Webcast. I'm Dave Gennarelli, Vice President of Investor Relations at Okta. With me in today's meeting, we have Todd McKinnon, our Chief Executive Officer and Co-Founder; Brett Tighe, our Interim Chief Financial Officer; and Frederic Kerrest, our Executive Vice Chairman, Chief Operating Officer and Co-Founder.

Today's meeting will include forward-looking statements pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements regarding our financial outlook and market positioning. Forward-looking statements involve known and unknown risks and uncertainties that may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements.

Forward-looking statements represent our management's beliefs and assumptions only as of the date made. Information on factors that could affect the company's financial results is included in our filings with the SEC from time to time, including the section titled Risk Factors in our previously filed Form 10-Q.

In addition, during today's meeting, we will discuss non-GAAP financial measures. These non-GAAP financial measures are in addition to and not a substitute for or superior to measures of financial performance prepared in accordance with GAAP. A reconciliation between GAAP and non-GAAP financial measures and a discussion of the limitations of using non-GAAP measures versus their closest GAAP equivalents is available in our earnings release. You can also find more detailed information in our supplemental financial materials, which include trended financial statements and key metrics posted on our Investor Relations website.

In today's meeting, we will quote a number of numeric or growth changes as we discuss our financial performance and, unless otherwise noted, each such reference represents a year-on-year comparison.

And now I'd like to turn the meeting over to Todd McKinnon. Todd?
As the world continues to work through the ongoing pandemic, organizations have had to maintain fluid plans for returning to offices. Regardless of the timeline, it's clear that most organizations are adopting plans that include more remote access. Organizations also realize that their interactions with customers will continue to shift more online and need to accelerate their digital transformation business plans. These factors, combined with the ever-evolving security threat landscape, mean that the demand for Okta's modern identity solutions has never been greater.

I'll start with a quick recap of our Q2 financial results and then get into some of the other notable highlights from the quarter. I know this audience is looking for more information regarding Auth0's contribution to our results, so this quarter, we'll be sharing a number of Okta stand-alone and Auth0 metrics on an onetime basis. With these, you'll be able to see that both businesses delivered great Q2 results and better understand the combined company going forward.

To highlight just a few of our second quarter financial metrics, revenue growth for both stand-alone Okta and Auth0 was strong, which produced combined company revenue growth of 57% and subscription revenue growth of 59%. RPO surpassed the $2 billion milestone. For reference, it took Okta 10 years to reach the $1 billion RPO milestone and less than 2 years to hit the $2 billion milestone. That's tremendous progress. Current RPO also reached a milestone by surpassing the $1 billion mark.

Our total base of customers now stands at over 13,000. Okta stand-alone added 750 customers, which is a record for any quarter. Also included in the base is the addition of 1,650 Auth0 customers, net of common customers. Our total base of $100,000-plus average contract value customers, or ACV, now stands at over 2,600. Okta stand-alone added 160 new $100,000 customers, and once again, half were brand-new customers. And Auth0 brings 375 $100,000 customers to the base.

Here are just a few notable examples of large enterprise wins and upsells in Q2, which come from a wide range of industries. A great federal agency win for both Workforce and CIAM was with the Indian Health Service, a U.S. Department of Health and Human Services agency. Okta is providing IHS with a modern identity solution to connect and secure access to various cloud-hosted health care applications based on user role, including IHS employees, travel partners and public users. With Okta Workforce and CIAM solution, the organization will be able to streamline personalized digital access by user type, provide self-service password resets and create customized and secure access policies for external and internal IHS users.

Salesforce was an exciting Workforce Identity expansion in Q2. Okta's Workforce Identity solutions, including Okta Workflows, will help the company automate business processes and customize identity use cases at scale while reducing friction for its end users. A great new Auth0 win was with Warby Parker. The company completely disrupted the eyewear industry by selling primarily through its website. In an effort to improve customer experience, they chose Auth0 to reduce customer sign-in friction, further mitigate the risk of authentication-based attacks and freed up their developer time. Auth0 will be used for all eyewear purchases as well as to conduct virtual vision tests.

Combining with Auth0 further strengthens our position as the world's leading independent identity cloud. In addition to the base of enterprise and SMB customers that I mentioned earlier, Auth0 has an incredible base of over 13,000 paying self-service subscriptions. What's more, there are currently over 40,000 active free subscriptions being utilized by developers on the Auth0 platform. All told, this is a tremendous developer community that is building custom identity tools using the Auth0 platform and further differentiates the Auth0 platform from anything else in the market.

With developers in mind, just last week, Auth0's co-founder Eugenio Pace and Matias Woloski hosted Okta's and Auth0's Developer Day Event. The themes were Build the Future of Identity with Us and Auth for All. Over the course of the day, there were engaging keynotes from renowned security and identity experts as well as hands-on labs and tutorials. It was a big success all around, and highlights the continued focus on empowering our loyal developer audience.

Now let's take a look at the split between Customer Identity and Workforce Identity in terms of ACV. For this particular metric, the growth rate is inclusive of Auth0 in both comparison periods. Both the Okta stand-alone and Auth0 CIAM businesses continued to perform very well. CIAM now represents over 1/3 of total ACV and grew at 54%. Within this, Okta stand-alone CIAM ACV grew 49%, and Auth0's ACV
grew 63%. Workforce ACV now represents just under 2/3 of total ACV and grew 37%. Those are great results that reflect the market demand and the success we’ve had at maintaining the momentum of both businesses.

It’s been less than 4 months since we closed the acquisition of Auth0, but we’ve already made a lot of progress and learned quite a bit. We’ve made the decision to accelerate the time line for integrating the sales organizations under Susan St. Ledger’s leadership to the beginning of the new fiscal year in February. This move will allow the unified sales team to sell both platforms and benefits customers by providing more options to meet their unique use cases. It’s this kind of progress that will help us realize our vision of identity as a primary cloud, winning the CIAM market and deliver best-in-class experiences for our customers.

At our upcoming Showcase event on October 13, we’re going to spend more time outlining the expansive opportunity we see in the CIAM market. At the event, you’ll also hear from both Okta and Auth0 customers that will really help illustrate the wide range of use cases.

Last quarter, we talked more about broadening our platform. Specifically, we’re adding to our capabilities around identity governance and privileged access for the Workforce Identity market. We’re very excited about the opportunity to bring modern IGA and PAM to a broader audience and the progress we’re making to deliver new products and functionality.

Augmenting our internal development efforts is last month’s acquisition of a small innovative company called atSpoke, which built a modern workplace operations platform. atSpoke’s access request workflow capability helps augment our broader IGA strategy and vision with their incredibly talented 20-person team that we’re thrilled to have on board.

You’ve heard us talk about the megatrends that are driving Okta’s business, the deployment of cloud and hybrid IT, digital transformation projects and the adoption of Zero Trust security environments. We recently published the third annual installment of our State of Zero Trust Security Report, and the trends are crystal clear. With the rise in remote work and the sheer volume of identity-based cyberattacks, it’s no surprise that the adoption of Zero Trust is accelerating. Identity has become the new perimeter and the critical component of Zero Trust. One chart in the report that struck me indicates that 83% of Global 2000 businesses have increased their budget for Zero Trust security initiatives in the past 12 months. I encourage you to download the white paper from our website for more details of the findings.

And lastly, I want to note that Okta was recognized by Forrester Research as a leader. Forrester ranked Okta highest in both the current offering and strategy categories in their 2021 Identity as a Service for Enterprise Wave. Okta received the highest possible scores in 14 of the 18 evaluation criteria, including product vision, innovation roadmap, market approach as well as user experience and navigation.

I’ll close by saying that we remain incredibly enthusiastic about the demand trends we’re seeing in our business. Okta’s neutral and independent platform, modern cloud approach and growing array of identity capabilities make us uniquely positioned to execute against the $80 billion total addressable market opportunity for identity.

I’ll turn it over to Brett to walk you through more of the Q2 financial details and how we’re raising our outlook for the fiscal year.

**Brett Tighe Okta, Inc. - Interim CFO**

Thanks, Todd, and thank you to everyone for joining us. As Todd noted, we’ll be sharing a number of Okta stand-alone and Auth0 metrics on a onetime basis. For the rest of this fiscal year, we will only be sharing Auth0’s GAAP revenue and net loss breakout. Okta and Auth0 are integrating quickly, which will make it increasingly difficult to determine the stand-alone metrics in future quarters.

With that, I’ll now discuss in more detail the results for the second quarter as well as provide our business outlook. Total revenue for the second quarter increased 57%, driven by a 59% increase in subscription revenue. Subscription revenue represented 96% of our total revenue. Okta standalone revenue was $278 million, an increase of 39%. Auth0 revenue, net of recognized purchase accounting adjustments, was $38 million. As an additional point of reference, the total deferred revenue haircut for Auth0 was $13 million, with the largest impact to revenue in Q2.

RPO or backlog, which for us is contracted subscription revenue both billed and unbilled that has not yet been recognized, grew 57% to
$2.24 billion. On an Okta stand-alone basis, RPO grew 42%. The growth rate decrease from last quarter is primarily attributable to the stabilizing of contract duration, which now averages just under 3 years in length. Current RPO, which represents subscription revenue we expect to recognize over the next 12 months, also experienced strong growth of 60%. On an Okta stand-alone basis, current RPO grew 43%.

Both total and current calculated billings grew 83%. Excluding the billings process changes that were implemented last quarter, calculated billings would have grown 74%. Okta stand-alone calculated billings, excluding the benefit from the billings process changes, experienced strong growth of 47%. Calculated billings growth in the second quarter was driven by strength across both new and existing customers as demand for our products remains robust, driven by the macro trends that Todd mentioned earlier.

Turning to retention. Our dollar-based net retention rate for the trailing 12-month period was strong at 124%. The Okta stand-alone dollar-based net retention rate increased 2 percentage points sequentially to 122%. Auth0's net retention rate was a robust 127%. These net retention rates reflect the strong upsell motion we are seeing at our existing customers as they expand on both purchased products and users. Consistent with prior quarters, gross retention rates remain very healthy and reflect the value of our products to our customers. The retention rate may fluctuate from quarter-to-quarter and in the current environment, it's possible that fluctuation in retention rates may be more pronounced.

Before turning to expense items and profitability, I'll point out that I'll be discussing non-GAAP results going forward. Now looking at operating expenses. Total operating expenses grew 76%. The growth in expenses is primarily attributable to Auth0. With the addition of over 900 Auth0 employees, total headcount now stands at over 4,100 employees. OpEx was lower than expected, primarily because we are operating more effectively together with Auth0 than previously expected.

As you’ll see in our Form 10-Q, Auth0's GAAP net loss was $150 million. This figure includes $102 million of stock-based compensation. Within the $102 million, $34 million in onetime expenses is related to the acquisition. Adjusting for this and other non-GAAP items, Auth0's non-GAAP net loss is generally consistent with Okta's non-GAAP net loss when it was at a similar revenue level.

Moving to cash flow. Cash flow from operations and free cash flow were negative $3 million and negative $4 million, respectively, which yielded a negative 1% free cash flow margin. We ended the second quarter with a strong balance sheet anchored by $2.47 billion in cash, cash equivalents and short-term investments.

Now let's get into our financial outlook for Q3 and FY '22. We had great Q2 results and maintain conviction in the secular market tailwinds. We continue to be prudent and thoughtful about the rate and pace of near-term integration and synergies with Auth0. This is reflected in our guidance. For the third quarter of fiscal '22, we expect total revenue of $325 million to $327 million, representing a growth rate of 50% year-over-year; non-GAAP operating loss of $35 million to $34 million; and non-GAAP net loss per share of $0.25 to $0.24, assuming weighted average shares outstanding of approximately 153 million.

Given our strong Q2 results, we are raising our revenue outlook for the full year. For the full year fiscal '22, we now expect total revenue of $1.243 billion to $1.250 billion, representing growth of 49% to 50% year-over-year. We also now expect non-GAAP operating loss of $119 million to $114 million and non-GAAP net loss per share of $0.77 to $0.74, assuming average weighted shares outstanding of approximately 147 million.

There are a lot of exciting things happening with the company. As such, I want to provide a few comments for modeling the rest of FY '22. We continue to believe that current RPO is a better metric than calculated billings to measure quarterly performance. Current RPO removes the effect of billings duration and timing. It also provides a more predictable and consistent view of the business. We expect current RPO growth to remain strong with growth similar to subscription revenue growth for the full year.

For FY '22, we’re expecting calculated billings growth to outpace subscription revenue growth by low double digits. And finally, given our strong cash flow generation in the first half of the year, we now expect free cash flow margin to be positive and in the mid-single digits for the fiscal year, inclusive of integration and transaction-related costs, which is an improvement over our prior outlook.
To wrap things up, we had a great quarter and are extremely excited about the $80 billion market opportunity in front of us. Okta is very well positioned to build on its strong foundation and market leadership position, which gives us continued confidence in our long-term outlook of $4 billion in revenue in FY ’26, growing at least 35% in each year and 20% free cash flow margin in FY ’26.

With that, I'll turn it over to Dave for Q&A. Dave?

QUESTIONS AND ANSWERS

Dave Gennarelli Okta, Inc. - VP of IR

Thanks, Brett. (Operator Instructions) I see that many of you have already, and I'm going to take them in the order that they were raised. So we'll go to the first question from Alex Henderson at Needham.

Alexander Henderson Needham & Company, LLC, Research Division - Senior Analyst

Great. So there’s been a very significant increase in the number of attacks and hacks, broadly speaking. And there’s been presidential edicts that have specifically called out identity as critical drivers of properly designed security. Can you talk a little bit about to what extent those events and that backdrop has altered the dynamics and the demand for the company? Has the -- have we seen an acceleration in conditions as a result?

Todd McKinnon Okta, Inc. - Co-Founder, Chairman & CEO

I think it’s a really significant factor. I was talking to -- a couple of months ago, I was talking to the CIO of a large three-letter federal agency. And they've been an Okta customer for a couple of years now in parts of the agency. And -- but this was the CIO of the whole thing, CIO and the Deputy CIOs and the Deputy CSOs and as in the meeting and it was a pretty very compelling meeting from my perspective, because they were basically giving me the Okta pitch and saying how identity was so critical with all of these supply chain-based attacks and ransomware attacks and everyone being remote and having to adapt to this hybrid work environment. Identity was really the center, and it was the keystone of having a robust security strategy.

And I'm thinking to myself, that's usually the pitch I give in this meeting. So -- and what they wanted for me was they wanted my support, "Hey, we're going to really go wall-to-wall with Okta and make a huge investment. It's going to be the cornerstone of our strategy. Can -- will you support us?" and basically give them confidence. And it was -- I think that captures a shift in the market, where a big part of our success is predicated on identity being this primary component in this pillar of company's technology strategies, not something that you get as a feature with other platforms or maybe with your applications, but it's actually a primary cloud in your environment.

And this is a great testament of how that's starting to shift, and it's a great thing for Okta because when you talk about an independent and neutral identity cloud and now especially with combined with Auth0, we are in the catbird seat to own that, and that's why it's so compelling for our future.

Dave Gennarelli Okta, Inc. - VP of IR

Great. Next question is from Gray Powell with BTIG.

Gray Wilson Powell BTIG, LLC, Research Division - MD & Security and Analytics Software Analyst

Great. Can you hear me okay?

Todd McKinnon Okta, Inc. - Co-Founder, Chairman & CEO

Loud and clear, Gray.

Dave Gennarelli Okta, Inc. - VP of IR

I think he just froze up there. Why don't we come back to Gray. We'll go to Patrick Colville from Deutsche Bank.

Patrick Edwin Ronald Colville Deutsche Bank AG, Research Division - Research Analyst

And I mean congrats on the process you've -- I guess, the progress you made so far with Auth0. I mean your disclosure is really fantastic, kind of providing the standalone revenue and your Auth0 revenue is really helpful. So I appreciate you guys doing that.
As we think forward for guidance, you kind of kindly told us that $38 million of inorganic Auth0 revenue in fiscal second quarter. How do we expect that inorganic Auth0 revenue to trend throughout the rest of the fiscal year? And I guess the reason I ask that is because if we assume even if it's stable at $38 million, it suggests that the core business is going to see quite a material deceleration in the third and fourth quarter. So just help me understand those 2 segments of the business?

Todd McKinnon, Okta, Inc. - Co-Founder, Chairman & CEO

First of all, we heard the feedback loud and clear on the disclosures. So hopefully, those are helpful as you think through the businesses going forward. On the guidance, we had a lot of debate about breaking out the guidance between different companies. And the big reason not to is we don't -- we want to keep flexibility on how we package and sell and position the products and we might do some creative things that would change the actual how you ascribe revenue to each side. So we want to keep our options up in there.

We will, as we mentioned, be breaking out the Auth0 top line for the next few quarters at least to give you -- as we go through the quarters to give you more insight into what's going on there. The -- and I'll talk about it at a high level and then pass it off to Brett for some more comments. But it's really, really important for us to -- as we go through -- this is a long-term strategic move for us, Auth0. It's about building this primary cloud. It's about offering all of these identity use cases to customers and making identity a key part of their technology landscape. And you do that by supporting all of these multiple use cases, customer identity, workforce identity, eventually privileged access management, identity governance and on and on.

But a real core of this is owning the CIAM market. And when you think about us plus Auth0, it is going very well. And the first order of business is these 2 companies, 2 products that had a lot of momentum. So the first order of business is keep that momentum going. And hopefully, you can see in the numbers that that's definitely true. So that's the first order of business.

And then it's also very important as we keep executing through the rest of this year that we get the integration going. We mentioned the sales integration, getting that synergy going and making sure we take this from initial success, keep the momentum going to this long-term future, where we are really this one-stop shop for all these identity choices and compelling leader in the market for customers.

Brett Tighe, Okta, Inc. - Interim CFO

I think a few more thoughts there. The first thing that comes to mind really is just talking about the Q2 metrics, really the visibility. I just want to reiterate a few points that Todd said around the reason why we gave such a fulsome look on the visibility of the Okta stand-alone versus Auth0 across numerous metrics, really for 2 reasons. One, like Todd said, we really want to give you the DNA of how the organization is built up today as of the end of Q2. And then secondarily, give you insight into how are each business performing. And I -- it goes without saying both of them are performing very well.

You can tell, really, any number of metrics. It can be CRPO growing 43% for Okta stand-alone, you double-click down into that in terms of ACV, whether Workforce is growing 37% for Okta stand-alone, 49% for CIAM stand-alone. Obviously, Auth0 doing great for our first quarter together, 63% ACV growth. So really strong performance across the board. And just like Todd was saying, we're going to run this company as one entity to go get a huge $80 billion TAM. And really, that's how we're going to talk about in the future with the exception of the few comments that Todd said, which is we'll give Auth0 revenue and net loss -- GAAP net loss, to be clear, in Q3 and Q4 this year to give a little bit more visibility. But we're going to -- this is a onetime look and hopefully gives everyone a very good sense of how well both organizations have been running and an idea of the DNA between the 2 organizations of how it actually breaks down.

But a little bit more on the guidance itself, maybe a couple of points to help you with your modeling. As you can tell by the strong quarter that Auth0 just posted in terms of 63% ACV growth, like I said a second ago, we have talked about in the past a $200 million ARR goal by the end of FY '22, and they are definitely on track for that. So performing very well. We're very excited about the opportunity operating together. And then if you were to think, okay, of the $25 million raised, so $1.25 billion at the top end, growing 50%, how much of that is Okta, how much of that is Auth0, I think if you look at the great performance by both businesses in Q2, it really says, hopefully, to the world that both would be raising because both are performing very well. So hopefully, that gives you a little bit more color on the guidance going forward.
Dave Gennarelli Okta, Inc. - VP of IR

Great. Okay. We're going to try Gray Powell again from BTIG. Gray?

Gray Wilson Powell BTIG, LLC, Research Division - MD & Security and Analytics Software Analyst

All right. Great. Can you hear me this time?

Todd McKinnon Okta, Inc. - Co-Founder, Chairman & CEO

Yes. It's all loud and clear, Gray.

Gray Wilson Powell BTIG, LLC, Research Division - MD & Security and Analytics Software Analyst

All right, cool. I'll be quick. Yes. So can you talk about the success you're having so far upselling Okta Workforce into the Auth0 installed base? And then I know you just kind of reiterated the expectations for Auth0 to contribute $200 million in ARR this year. Theoretically, if every Auth0 customer signed up for Workforce immediately, how big could that -- how big could it be?

Jacques Frederic Kerrest Okta, Inc. - Co-Founder, Executive Vice Chairperson & COO

Thanks, Gray. Nice to hear from you. So the -- it's only 4 months in, so we're very excited about it, but we're just getting going really. We have now at least figured out what some of the enterprise bases look like. So we talked about over 13,000 total customers now. Okta stand-alone added 750 customers, which is a record. We're adding in Auth0, 1,650. And then we had about 300 common customers, to give you an idea. So that's just 2% of the overall customer base and should give everyone an idea of how big the market is and how little overlap there really was out there.

So there is a lot of opportunity for not only of Auth0's sales team to take advantage of some of the products that we have on the CIAM side. Good examples are Workflows, Okta Access Gateway, Advanced Server Access. These are products that play very well in CIAM attaches that Auth0 didn't have. But also, as you mentioned, Auth0 has largely been selling just CIAM. And so we are just getting going with that motion. A lot of great communication among our sales teams.

There are some very good examples already of both sides actually. There was Warby Parker, which we talked about briefly in the prepared remarks, an existing Okta Workforce customer, new Auth0 customer, right? They've been working on that for a little while, but it gave a lot of confidence to accelerate that deal saying, "Okay, great. We're comfortable with Okta. We've been using them for a while. Now it's going to be part of the same group. So that's great." Now Warby Parker is going to be, by the way, using Auth0 for all customer purchases going forward, which is a big deal on their website.

And then on the flip side, Salesforce has been an Auth0 customer for some time. Workforce upsell for us, obviously, G2K using a lot of our products, including Workflows, helping automate a lot of business processes there. So just a couple of examples, a lot more of that to come. Obviously, huge opportunity. But again, we're very happy with the 13,000 total customer count. As an entrepreneur, if you give me those numbers when we started, I would have taken them in a heartbeat. But it should be 20,000, 50,000, 100,000 customers. We should be working throughout the world with all the world's organization. So lot of ways to -- a lot of room to run, but it's a good start.

Todd McKinnon Okta, Inc. - Co-Founder, Chairman & CEO

And Gray, one thing that -- this just happened this past week that I'm really psyched about is that Freddy talked about the kind of the -- not call it low-hanging fruit, but the somewhat obvious cross-sell. So Workforce to Auth0 customers, so Auth0 CIAM to Okta Workforce customers, and that's in the different product modules, Workflows and the Access Gateway, Advanced Server Access, the very near-term opportunities there.

What I saw this past week was the first mockups and the first concepts of what deep integrated products could look like in the future. It was very cool. These are just -- the teams have just started to work together. So in terms of like what could be possible in the years ahead, I saw the coolest demo where if you build an app using Auth0 and then how that could hook into the Okta IGA on the other side, so if your app is built with Auth0, then so a customer deploys that app, and now that has a much tighter integration to the Okta Identity Governance that can control exactly what's done in that app, who has access to what, at a very fine grain level.
That is the kind of compelling integration, that mix beyond just this go-to-market synergies and the ability for one vendor to come with the market, but the -- really, 1 plus 1 equals 3 from the technology and the product perspective, and there's a bunch more ideas we have. And as the teams come together, it's going to be amazing to see the progress over time.

Gray Wilson Powell BTIG, LLC, Research Division - MD & Security and Analytics Software Analyst

That's really interesting. Okay. I look forward to hearing more about that.

Todd McKinnon Okta, Inc. - Co-Founder, Chairman & CEO

Yes, we have our Showcase event coming up in October, where we're going to be talking a little bit more about this. So make sure you tune in to that, it will be all-virtual, and we'll talk about the integration and the opportunities ahead in a little bit more detail.

Dave Gennarelli Okta, Inc. - VP of IR

Okay. Let's go to Jonathan Ho at William Blair.

Jonathan Frank Ho William Blair & Company L.L.C., Research Division - Technology Analyst

Just wanted to get a sense of how you are educating the channel on when to either promote Okta's CIAM products or Auth0's? Or perhaps maybe you've been selling both products to a customer. And can you give us a sense of what those guidelines, the challenge you'd be using to make that decision on which product, to begin with, would look like?

Todd McKinnon Okta, Inc. - Co-Founder, Chairman & CEO

Yes. This is a key point of the work we've done. And we had a thesis about this, and it's really been validated over the first several months working together. And the idea is that this $30 billion market for CIAM is a massive market. And you can see the combined companies now, it's about 1/3 of the ACV. So it's not only just a big material part of the company now, but it's a massive upside in the future.

But that's just from a -- and that's from a kind of a quantitative perspective. From a qualitative perspective, we talked about how the CIAM market is so strategic for Okta and that it gives the Identity Cloud another compelling anchor use case to further propel that to be a really strategic platform in the mind of every CIO and CSO in the world. So there's the qualitative, there's the quantitative in terms of the strategic priority of the combined entity.

So -- and then when you think about how we could further accelerate some of this integration, you think about what is actually happening in the first 4 months. And the first thing is we only have 300 overlapping customers. So if these 2 CIAM platforms that were -- if it was just about like 2 competitors going after the same small pie, you would have had a way more overlap in terms of customers or at least the competitive pipeline, and we haven't seen that materialize. You only have 300 companies that are overlapping customers.

And then the pipeline reviews, it's very clear which CIAM platform, Okta CIAM or the Auth0 CIAM platform should be targeted for which customer. So this is not confusing in the field. They're figuring it out. The channel is figuring it out organically. So the way it breaks down is that this $30 billion TAM is really a couple of separate TAMs. There's a very -- like very customized or developer-focused, fine grain control, control every pixel, every bit and byte. That's the market that Auth0 is very well suited to go after.

Then there's the more tightly integrated to -- you might have a company that's doing customer identity, but it's maybe more B2B. It's really one part of mini personas where they want some employees logging into the application and some business customers log into the application or they might have separate distinct back-end applications that they want to have a single policy layer. It's less development and code per se, and it's more policy and they want a low-code environment, that's where the Okta CIAM platform really excels.

But what you get is you get a vendor now that can go with these 2 platforms and products, prosecute the entire market from these different perspectives and you get a vendor at scale. We talked about 30 -- about 33% of our ACV, roughly about $1 billion of ACV, it's $330 million roughly. And that's the biggest CIAM vendor by far. It's not even close, if you look at the other competitors. It's hard to tease apart some of the platform guys, but the point competitors is not even close. And so you have a vendor that's able to bring all of these options to customer -- a customer with a go-to-market advantage in how we're going to sell it now that the sales teams are being integrated.
Plus going forward, as we actually build the platforms to be -- have this 1 plus 1 equals 3 technical integration over time, it's a pretty exciting time for me. You can tell I'm a little pumped up about it. So excuse the long answer, but it's exciting times for us.

Dave Gennarelli Okta, Inc. - VP of IR

Let's go to Hamza Fodderwala at Morgan Stanley.

Hamza Fodderwala Morgan Stanley, Research Division - Equity Analyst

Perhaps a question for Todd and/or Freddy. On the Workforce side, I was wondering if you could give us any updates on progress with the IGA and the PAM product, to the extent that you have customers who are using the product on beta. And then also, what are you guys doing from a go-to-market perspective to really build pipeline for that ahead of general availability next year?

Jacques Frederic Kerrest Okta, Inc. - Co-Founder, Executive Vice Chairperson & COO

Yes. Happy to talk about that. Thanks, Hamza, for the question. So you're referring to the Privileged Access Management, Identity Governance and Administration products that we've announced that are going to be coming out next fiscal year, they're making really good progress on both sides. Obviously, these are not brand-new areas for us. These are natural adjacencies to what we've done with Access Management for a long time. We have the basis for both of the product suites already. They've been generally available for some time, which also is one of the pieces that give us confidence to talk about general availability coming next year.

On the Privileged Access Management side, obviously, it's Advanced Server Access, a product that's been in market for a couple of years and has done very, very well. Obviously, PAM is going to be a bigger suite of products. They are going to be upsells, they're going to be new SKUs, they're going to be add-ons for customers to buy just to be clear, but Advanced Server Access is the basis for that product suite. And then on the IGA side, the basis is Lifecycle Management and Advanced Lifecycle Management, 2 products that have done very well. Some of the top sellers last year. So much so that we had the confidence to take them from Workforce and bring them over to the CIAM side of the businesses this year, and that's gone very, very well. We announced IGA earlier this year, and that's been selling extremely well, both on the Okta standalone side as well as the Auth0 side, as I mentioned earlier.

So that's going very well. Again, IGA will be broader than that. There will be more products. The product suite will be bigger, so there'll be upsell opportunities and net new SKUs for customers, but that's all going very well. We also acquired a very good small organization called atSpoke recently that's a great technology and team tuck-in into what we're doing with IGA. Very opportunistic, great technology, great team, just about to hit that go-to-market inflection point. So a great time for us to bring them into the fold. We've known them for quite some time. That's obviously doing very well.

But it's really -- from an organic perspective, a lot of customers are excited about saying, "Hey, I want one vendor, I want one platform, I want access management." Privileged Access Management, you could argue a lot of cloud is already Privileged Access Management. So they want to see that same modern infrastructure and architecture. Same is true for IGA. If you've got all your identity information already running in the public cloud, you're going to want a product that's right next to that in an adjacent suite. So that's all going very, very well. We're very excited about it.

In terms of pipeline, that is a natural pipeline, actually. This is, again, products that we're building. It's not as though we're sitting in an ivory tower coming up with great ideas, although we do, do that from time to time. But this is actually one where the customers have been saying for some time, "Hey, will you give me a modern PAM solution? Will you give me a modern IGA solution? I want something new, I don't want to buy it from the legacy vendors of yesteryear." And I think that's a great opportunity for us.

So a lot of pipeline already built up. In fact, there's more customers asking to get early access to the product that we want to open it up for just because we want to make sure that we get it right, as with all of our products. We want to make sure that when they get out there, they're really rolling. But yes, very optimistic and bullish about that. I think it's going to be great for next year and the years beyond.
Dave Gennarelli Okta, Inc. - VP of IR

All right. Let's go to Ittai Kidron at Oppenheimer.

Ittai Kidron Oppenheimer & Co. Inc., Research Division - MD

Congrats, great quarter, and thanks for the extra disclosure, very helpful. Maybe I'm going to dig into that a little bit, Brett, on the -- I just want to make sure I understand the guidance on the next quarter. On the top line, you're showing about a 7 to 9 points deceleration from a revenue growth standpoint. Maybe you can give us some details on how much of that is Auth0 or Okta related. Is there something funky in the comps year-over-year that would make for that? And also, regarding the gross margins, there was a dip there. I'm guessing it's because of the inclusion of Auth0. How quickly will you be able to bring that back to your historical levels?

Brett Tighe Okta, Inc. - Interim CFO

Sure. Thanks. And I'll take that. For the top line, when we -- when I talked about it a few minutes ago, there really -- we're just being prudent about the back half in terms of growth because of the sales integration that Todd spoke about earlier. We're obviously bringing that forward because we think it's a good thing for the company in the long run. And obviously, we've been working very well together. So we're just being prudent about the rate and pace of the integration between the sales teams.

And then what was your second question again?

Ittai Kidron Oppenheimer & Co. Inc., Research Division - MD

The gross margin.

Brett Tighe Okta, Inc. - Interim CFO

Gross margin, that's right. So yes, it is being depressed a little bit or taken down a little bit due to Auth0. But you can look at our history, and I think one of the reasons we talked about why Auth0, not just this quarter but last quarter, why Auth0 looks a lot like us a few years ago, when we talked about our prepared remarks looking a lot like us, because our gross margins, back then, weren't as strong as we built them up over time, and we're going to do the same thing that we've done for years, which is balance growth and margin. And it's really just part of the way we operate, and so you'll see that in the future.

Dave Gennarelli Okta, Inc. - VP of IR

And then let's go to Brian Essex at Goldman.

Brian Lee Essex Goldman Sachs Group, Inc., Research Division - Equity Analyst

Great. And thank you from me as well for the additional disclosure, very helpful. I was -- maybe if I could talk about customer mix a little bit. If we were to look at versus Auth0 (inaudible) quarter-over-quarter. Maybe -- just maybe parse that out a little bit. What was incremental...

Todd McKinnon Okta, Inc. - Co-Founder, Chairman & CEO

Brian, could you stop your video and ask again? You cut out there a little bit.

Brian Lee Essex Goldman Sachs Group, Inc., Research Division - Equity Analyst

Sorry about that.

Todd McKinnon Okta, Inc. - Co-Founder, Chairman & CEO

No worries. I want to make sure I get the whole -- or I can just answer what I want to answer.

Brian Lee Essex Goldman Sachs Group, Inc., Research Division - Equity Analyst

Either way it works. But yes, we turned off the video. So yes, I mean essentially, where I was going is, it looks like your incremental adds and -- or the customer mix for large customer accelerated quarter-over-quarter. So I want to understand what the business mix of Auth0 was and what it brought to the table versus what Okta organically added for large enterprise. And how do you anticipate managing that going forward?
Todd McKinnon, Okta, Inc. - Co-Founder, Chairman & CEO

The -- I think that at a high level, when you think about the customer mix, and the contribution, I'll just call out that they're the same in a lot of ways, but they're different in a pretty significant way, which is they have this groundswell of free developer accounts and they have the -- Auth0 has this group of self-service, basically, essentially month-to-month credit card customers, which is revenue, but it's also, more importantly, it's a potential upsell avenue.

So they have -- Auth0 business gets a lot of momentum from developers trying the product, using it maybe in a hobby, side project and then bring it to work and they start with a project at work where it's a month-to-month credit card. And then all of a sudden, a few quarters later, it's used in a real customer-facing initiative or an internal system that's really important. And then all of a sudden, it's upgraded to a material year-long contract. In terms of the way the metrics work, the 1,650 companies that were added to the customer count are all customers around our contract. The self-service as we -- as you saw on the slides, is a different number. And then the free developer accounts is the 40,000 number that was mentioned separately as well.

In terms of the large customers, we broke out the $100,000 additional customers, which is a -- it is a very good -- we had a very good quarter in terms of large customer additions, both from Okta stand-alone and on the Auth0 side. And I think over time, what you'll see is the traits in terms of the CIAM opportunity is getting big for Auth0 or the CIAM opportunity is getting big on the Okta platform or the Workforce platform, or similar. There's a lot of starting small and growing. There are some starting big, but the characteristics are generally similar in those businesses.

Jacques Frederic Kerrest, Okta, Inc. - Co-Founder, Executive Vice Chairperson & COO

And Brian, I'll just add a couple of metrics for you. So obviously, continued success with enterprise customers, now as a combined Auth0, we have over 2,600 customers paying us over $100,000 a year. Okta stand-alone added 160 customers of over $100,000 a year, half of those were new net new customers, net new logos to us. That's the second highest total for a quarter ever after Q4 of last year, and obviously, Q4s were always big years so -- or big quarters. So you're really starting to see that momentum pick up already in the middle of this year.

Auth0 added 375 of those $100,000-plus customers that they had to our overall 2,600 number.

But we've been talking a lot, obviously, and for good reason on this call, about Auth0 metrics, about Okta metrics, about stand-alone and about combined, there's a lot of really good Q2 wins that are Global 2000, even Fortune 100, Fortune 50. Collins Aerospace is a new CIAM customer for us, Raytheon, which is obviously Fortune-50 sub. There was a Fortune 500 global automotive tech leader. Wyndham had a big upsell in CIAM Workflows. So there's a lot of these large customers that are either net new logos or buying a lot more. And I think that's going on across the base, and you're going to see that continue to accelerate in the quarters ahead.

Dave Gennarelli, Okta, Inc. - VP of IR

Let's go to Adam Tindle at Raymond James.

Adam Tyler Tindle, Raymond James & Associates, Inc., Research Division - Senior Research Associate

Perfect. I wanted to ask on customer identity, maybe starting with Todd and then a follow-up for Brett. Both businesses are showing healthy growth, but Auth0 is a little bit ahead of Okta in customer identity. So I'm wondering if you could double-click on the logistics of the sales integration. I know Susan calls herself a self-professed growth junkie. So some ideas that she has in place to push growth higher for the combined company and customer.

And Brett, you talked about how the Auth0 economic model is at a similar level to Okta at its level of scale, which I think was a little bit of a positive surprise to a lot of us. How do we think about contribution margins from here and economics from here for Auth0? You show those customer cohorts for Okta, should the Auth0 customer cohorts look similar?

Todd McKinnon, Okta, Inc. - Co-Founder, Chairman & CEO

The sales integration is -- I'll talk about it at a high level. And then beyond that, the reality is that we haven't done all the detailed planning, and we haven't carved the territories, and we haven't assigned the accounts. So there's some stuff to be figured out. We're really starting the planning process for next year, in general. And then, plus the integration is -- the sales integration detail planning is starting now. So we have a lot more work to do at the detail level and then budget communication internally and externally on that.
At a high level, it's about growth and it's about taking the entire sales capacity of both organizations, combining them together and making sure that all of that sales capacity, to some degree, can sell all the products: Okta CIAM, Okta Workforce, Auth0 CIAM. There'll be obviously some specialization and some overlays to get the -- to make sure the transition to this unified Salesforce works and that you get the right technical specialization because especially on the -- both CIAM products require technical specialization and particularly on the Auth0 side, it's a more developer-facing product, which means it has different kind of technical requirements.

So there will be specialization there, but the main high-level idea is more sales capacity, more ability to take this big lead we have in this market. And this market, like I mentioned before, is a $30 billion market, and we're by far the biggest vendor in here, but our ACV is only like $330 million. So this is a market that's happening before our eyes, and we're going to go capture it, both from the go-to-market, from the branding and positioning of us being the premier identity vendor from the execution on how we build the products going forward to make sure we're continuing to advance our respective leads in a separate category -- in the respective categories and subcategories. And then at the end of the day, we're all one identity cloud, and we're going to make sure that all the products you buy from Okta are more valuable because you have other products from Okta going forward.

Brett Tighe Okta, Inc. - Interim CFO

On the financial question, first and foremost, we're really excited about Auth0, obviously, as you can tell by our commentary today. But the -- I think maybe the fundamental point is really around how we're going to run them. If we were running them as a separate entity, which as you've heard today, we're running as a product unit, things are becoming integrated from a G&A perspective, from a sales perspective, but if say, and let's pretend that wasn't happening, we would run it just like we ran Okta back then, where we focused on growing the business while also doing -- while also expanding margins over time.

Dave Gennarelli Okta, Inc. - VP of IR

Okay. Let’s go to Matt Hedberg at RBC.

Matthew George Hedberg RBC Capital Markets, Research Division - Analyst

Great. I guess for Todd or Freddy, a little bit of a follow-up on Workforce. But can you talk about why Workforce Identity trends have accelerated post-COVID? And I guess, specifically, what are some of the incremental things that are working for you within your G2K success on the Workforce side?

Jacques Frederic Kerrest Okta, Inc. - Co-Founder, Executive Vice Chairperson & COO

Absolutely, Matt. Thanks for the question. So obviously, the 3 megatrends that we based the thesis of the company on are still very much there. They're growing every day, and they're in the early innings. Everyone is still trying to adopt more cloud and hybrid IT. Everyone has to figure out this digital transformation and the underpinnings of Zero Trust security are now prevalent.

I think what you're seeing is organizations are also having to adapt to this pandemic environment. You're not sure if you're going back to work, you're staying at home, how that's working, number one. Number two, they have to retool their digital strategy. I mean they have to figure out how to get this to work in this modern environment. And third of all, they have to shift to dynamic work because they have to have an environment where some folks might go to the office, they might be at home, they might be there certain days, and that's going to continue for the foreseeable future, especially in large organizations.

And so when we think about the Workforce products, as you said, they are continuing to do very well. We're very happy to break them out. Obviously, 64% of our ACV growing 37% year-over-year, and that's a big business. So we're very excited about that. I think the existing products are going to continue to do very well for the years ahead for a number of reasons. First of all, if you think about traditional enterprise identity management, as it's been known for the last 30 years, it's for employees, contractors, consultants. That
budget line item that's been there for CIOs, it's always been historically about internal IT. And so the vendors there, the IBMs, the Oracles, the CAs, the RSAs, they're basically running maintenance streams.

And over time, as our business is not about forklift upgrade, we show up, we show customer success in short order. We build the relationship, they get to know us. You see it in a dollar basis net retention quarter after quarter after quarter, that continues. As we do that, we will then earn the right to turn around to these Fortune 500, Global 2000 CIOs and CSOs and say, "Great. Now let us show you the road map to rip and replace your Oracle or IBM over the next 24 to 36 months." We have very good examples of doing that time and time again now. That template is really starting to work. The GSIs love that business, as you can imagine, because that's a lot of people they can put to work as well.

And then finally, in terms of reps, right, just getting reps to understand how this motion works, people have been selling traditional enterprise identity management, the workforce stuff, for 30 years. There's a lot of sales reps out there who understand that motion. Todd mentioned that for CIAM, there is a little more technical specificity because every specific situation is unique. Some of them might be B2B, some of them might be B2C, some of them might have supply chains. With Workforce, we can really develop those stencils, we can hire the reps, we can train them quickly, we can give them the stencils and they can get out there and sell something that they already know and understand, and that the buyer has known how to buy for many, many years.

And I think that's why when I look at Workforce, I'm very, very excited about it. I think the next 3, 5, 10 years are just going to continue in that business to grow, and they're going to do very, very well. So we're very excited about the Workforce side of the business.

Dave Gennarelli Okta, Inc. - VP of IR

All right. Next up, we have Ben Bollin from Cleveland Research.

Benjamin James Bollin Cleveland Research Company - Senior Research Analyst

A few specific items I wanted to address with customer identity. But first, could you talk, Todd, about how much of the pre-existing -- that DIY market on the customer identity side, how much of that do you think is up for grabs right now? And how do you think that develops over time? A second piece is, how would you guys characterize the sales cycle or the duration in the sales process for CIAM versus Workforce?

And then the last is with the combination of Auth0, how do you think that's influenced pipeline? Was there incremental urgency because now there's this best-of-breed tool? Or was it -- it was always a tipping point and you're getting there a little bit faster? Just any thoughts on those would be helpful.

Todd McKinnon Okta, Inc. - Co-Founder, Chairman & CEO

Good questions. On the last question about the pipeline influence, I think that mostly on the Auth0 pipeline, I think that just having a -- just being public, right? Now they're public with the merger with Okta, that positively impact their pipeline, just like I think we saw when we went public, our pipeline was positively impacted.

There's also just the name recognition and -- because if you think what happens in a lot of these -- and this is your -- to your question about the sales cycle. What happens in a lot of these Auth0-led deals is that it's a bottoms-up thing. So the developers start using the product. I mentioned the free accounts and then the self-service accounts. They get built into services the company is building. And then all of a sudden, it gets enough usage and enough momentum in the company that they've -- someone has to write a substantial check. And that's executive, CIO, Chief Digital Officer and Chief Product Officer.

And I think at that level, as great as the APIs are and as great as the capabilities and the documentation is, that helps to have a scaled vendor behind it. That helps to look at an organization and say, oh, yes, this is a $1 billion-plus a year company growing very quickly. This -- these people are the leaders in identity, not just customer identity, but in workforce identity, that brings some weight and some gravity. So it's helped positively the Auth0's sales cycle. And I think that on the -- I forget what the first question was, you asked. What was the first part?
Benjamin James Bollin  
Cleveland Research Company - Senior Research Analyst

So much of the customer identity market is still...

Todd McKinnon  
Okta, Inc. - Co-Founder, Chairman & CEO

Yes, up for grabs. Yes, sorry.

Benjamin James Bollin  
Cleveland Research Company - Senior Research Analyst

How much of that's up for grabs?

Todd McKinnon  
Okta, Inc. - Co-Founder, Chairman & CEO

Yes. I think I was just looking at this, I was -- every quarter, I do spend some time really drilling into our competitive dashboards and look at the win rates across the board against competitors and see what's going on. And probably the -- one of the interesting things that stuck out to me is that as an organization, we're doing much better in terms of win rates against do-it-yourself. So we track win rates when we "lose" because they decided to build themselves.

And so that win rate has increased a lot for us. And I think it's -- what's happening is that the market is learning that you don't have to build this yourself. I think part of that is just an efficiency story. You'd rather spend your time building your customer-facing solution on differentiated value versus the plumbing of identity. But part of it is a security story, too. Everyone hears about the hacks and the breaches and they don't want to build a customer-facing app that gets hacked. Especially on the Okta CIAM side, a big part of the driver on the sales cycles is we could build it ourselves, but it's -- once you have a complex password reset flow and you have SMS confirmation, you have SIM jacking and I don't want to allow that password to be set with a stolen cellphone, then you start to think the security risk is a big pressing need to bring in a solution for customer identity versus just the ROI of not having to spend the developer time on it.

Dave Gennarelli  
Okta, Inc. - VP of IR

Okay. A couple of minutes left. Let's go to Sterling Auty at JPMorgan.

Sterling Auty  
JPMorgan Chase & Co, Research Division - Senior Analyst

Yes. I agree. The additional disclosure is very helpful, but I want to make sure we connect the dots from the original because I think originally, the target was $200 million of ARR exiting the year. And I just want to make sure we clarify because I've heard people talk about that in different ways, including the way it was characterized by one of the questions earlier. And if that's the case, does that actually mean you need to see acceleration in that Auth0 performance to get to that number by the end of the year?

Brett Tighe  
Okta, Inc. - Interim CFO

I'll take that, Sterling. So it's $200 million in ARR exiting the fiscal year '22. So you are correct. And to answer your second question, no, we do not need to see acceleration as we exit the year or the back half of the year because Auth0 is well underway. And that is what's giving us the confidence -- one of the reasons of giving us the confidence in a strong revenue rate that we delivered today, the $1.25 billion, up 50% at the top end of the guide.

Sterling Auty  
JPMorgan Chase & Co, Research Division - Senior Analyst

All right. Great. One quick one, Todd, for you. You mentioned the sales integration. You're going through the detailed planning now. This is the point where you get that uncertainty if you're a salesperson for Auth0, Okta, wondering what's going to happen to your territory, your job, et cetera. What are you doing to make sure that you retain the people that you really want to go forward with the combined organization between now and when you communicate the final details?

Todd McKinnon  
Okta, Inc. - Co-Founder, Chairman & CEO

Well, one of the things we're not doing is we're not announcing new territories on the earnings call.

Sterling Auty  
JPMorgan Chase & Co, Research Division - Senior Analyst

Well, that's good. That's a good starting point.
Todd McKinnon, Okta, Inc. - Co-Founder, Chairman & CEO

But I think that the main thing is as we manage the company in general, there's a ton of openness and transparency internally. As we walked through this integration process, we've worked really hard to be open about it even when we didn't have all the answers. And I think that helps a lot.

But I think the high order thing is that people see the opportunity. And particularly salespeople, they want to be able to -- their hard work and their talent as a salesperson translate into results. And what they see out there is they see the opportunity. They see a scaled vendor, they see all these people realizing they don't need to build the customer identity themselves. And that's compelling for them. On the Okta side, they see more products to sell. They see not just one CIAM platform, but two CIAM platforms that have distinct use cases and a way to deliver more value to the customer. So it's an important point you bring up, and those are some of the things we're thinking about as we go forward.

Dave Gennarelli, Okta, Inc. - VP of IR

Okay. Adam Borg at Stifel.

Adam Charles Borg, Stifel, Nicolaus & Company, Incorporated, Research Division - Associate

Just on the international front, and I apologize if I missed this, but international, obviously, you saw some really strong growth, and partly due to Auth0. I guess 2 parts. One, did you share what the organic international growth was for Okta? And two, just given the larger footprint that Auth0 has internationally, any early learnings as you continue to build out your overall go-to-market internationally?

Brett Tighe, Okta, Inc. - Interim CFO

I'll take the first part of the question around organic. No, we did not break it out, but obviously, very strong results in the quarter growing to 21% of total revenue at international. But had we broken it out, you would have seen a gentle increase and up into the right for Okta standalone as we continue to have success internationally. And I'll turn it over to Freddy to talk about the rest of the question.

Jacques Frederic Kerrest, Okta, Inc. - Co-Founder, Executive Vice Chairperson & COO

Yes. And that's saying something because that's a tough compare, right? To grow international, you have to be growing it faster than the overall business, which is doing very well. Regarding the Auth0 contribution to international, they have a distinct advantage, which is certainly something we've been working on. I know many other organizations have as well. But they grew up natively as a distributed organization. So when you talk about remote work, it's baked in the DNA of their company. I mean they have amazing employees in all sorts of countries, some of which we're in, some of which we're not in.

And so I think that just having that as an additional driver inside the company really helps us think about international first. It's one thing for us to talk about it. It's another thing for us to get on airplanes and go support those territories internationally, when we can, obviously, for health reasons. It's another when you just added 800 people, 900 people to the company, and you added this big momentum shifter, where that's how they think about things. They are distributed by nature. They think about communication internationally off -- from the beginning. And I think that's been really helpful. It's a good reminder. It's a good accelerator. A lot of things we can do there.

That being said, stand-alone Okta is doing really well. I am very pleased with the growth that we've seen, not only in terms of the numbers, obviously, and the customer accounts and the importance of the large customers, we're really making some inroads in some really important industries with some large logos which is going well, but also leadership. We just have better and better people joining the company every single day, not only at the senior leadership level, but at management levels. I think that's going to obviously continue. I think it will accelerate when we all have a chance to get back on an airplane and go out there and help them in person as well.

But yes, we are very bullish on international. I think it's a huge opportunity. Again, very happy with 21%, which is 103% year-over-year growth as a combined company, but I think a lot more that we can do there. Obviously, the opportunity for independent identity as a primary cloud is global. It's every company, every geo, every industry, every size of company, public sector, private sector. So it's going to obviously be hard to get it to 50%, given where we started and how fast the business is going, but there's no reason that it shouldn't be a bigger contributor to the business, and it will be going forward.
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Dave Gennarelli Okta, Inc. - VP of IR
All right. We're into overtime, let's try to do some rapid fire in the last 3 questions. We'll go to Josh Tilton at Wolfe.

Josh, we lost you. Let's go to Keith Bachman at BMO.

Keith Frances Bachman BMO Capital Markets Equity Research - MD & Senior Research Analyst
Yes. I'll just ask one question. Could you talk about what you see as the growth of the net retention rate? And what I mean by that is you talked a lot about upsell opportunities between Auth0 and core Okta. And then over time, you also -- Freddy, you in particular, talked about the building pipeline of the 2 new IGA and PAM. If you could just talk about how investors should think about the net retention rate. And I'm not referring to the next quarter, but over the next year, does that course finally move up because of the addition to cross-sell Auth0 and then some of the new products coming out at the beginning of next year?

Todd McKinnon Okta, Inc. - Co-Founder, Chairman & CEO
I think, potentially, I think the -- I think in the near term, it will be kind of in the range. You've seen it basically depending on how much upsell we do in that quarter. I think going forward, one of the interesting potential changes is that the -- on the developer-focused CIAM, the Auth0 CIAM, there is more of this bottoms-up groundswell and then the big upsell comes later, just because of the nature of how the product is adopted. So you might see that be a positive -- that just -- that element be a positive driver for upsell. And then as you mentioned, plus, we also have this potential of just more cross-sell and upsell because of the different platforms and different products.

Dave Gennarelli Okta, Inc. - VP of IR
All right. Last but not least, Michael Turits at KeyBanc.

Michael Turits KeyBanc Capital Markets Inc., Research Division - MD & Senior Analyst
Brett, and Todd, probably, great to see the organic acceleration. Thanks for breaking that out. And I know it's a game we have to play. But if you back into what might have been the expectations for Auth0 this quarter, back that out versus the upside that you got in Auth0, it seems as if the beat on the core business was maybe a little less than historical. Anything that might have been a headwind to that?

Todd McKinnon Okta, Inc. - Co-Founder, Chairman & CEO
I would actually say we had a very strong quarter. I think you can look at any number of the metrics from a stand-alone perspective. CRPO growing 43% at over $1 billion in ACV. That's pretty strong growth when you think about the scale that it's operating in. You can look at the net retention results we just talked about, 122%, up from 120. You could look at any of the number of the customer account numbers, greater than $100,000 accelerating in terms of the growth on the number of $100,000 customers on the Okta stand-alone basis. So from my perspective, it really felt like it was a strong quarter, regardless of which metric you look at.

Dave Gennarelli Okta, Inc. - VP of IR
All right, guys, we're right to have to call it there. Just as a reminder, we're going to be attending 2 virtual conferences this quarter, the Piper Sandler Conference on September 14 and the Citi Global Conference on September 15. And as you heard, we're also going to be having our third annual Showcase event that's going to be on October 13. And in addition to the content, we'll also be hosting a virtual Q&A session with the investor community as well. So details on that to follow.

That's it for today. If you have any follow-up questions, you can e-mail us at investor@okta.com. Thanks for joining.