Q3 FY25 Investor Presentation

December 3, 2024

Safe Harbor

This prepared commentary 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, business strategy and plans, market trends and market size, opportunities and positioning. 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, global economic conditions have in the past and could in the future reduce demand for our products; we and our third-party service providers have in the past and could in the future experience cybersecurity incidents; we may be unable to manage or sustain the level of growth that our business has experienced in prior periods; our financial resources may not be sufficient to maintain or improve our competitive position; we may be unable to attract new customers, or retain or sell additional products to existing customers; we may experience challenges successfully expanding our marketing and sales capabilities, including further specializing our sales force; customer growth has slowed in recent periods and could continue to decelerate in the future; we could experience interruptions or performance problems associated with our technology, including a service outage; we and our third-party service providers have failed, or were perceived as having failed, to fully comply with various privacy and security provisions to which we are subject, and similar incidents could occur in the future; we may not achieve expected synergies and efficiencies of operations from recent acquisitions or business combinations, and we may not be able to successfully identify, integrate and/or realize the benefit of any companies we acquire; 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 prepared commentary represent our views only as of the date of this prepared commentary and we assume no obligation and do not intend to update these forward-looking statements.

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Agenda

Company Overview








Free everyone to safely use any technology





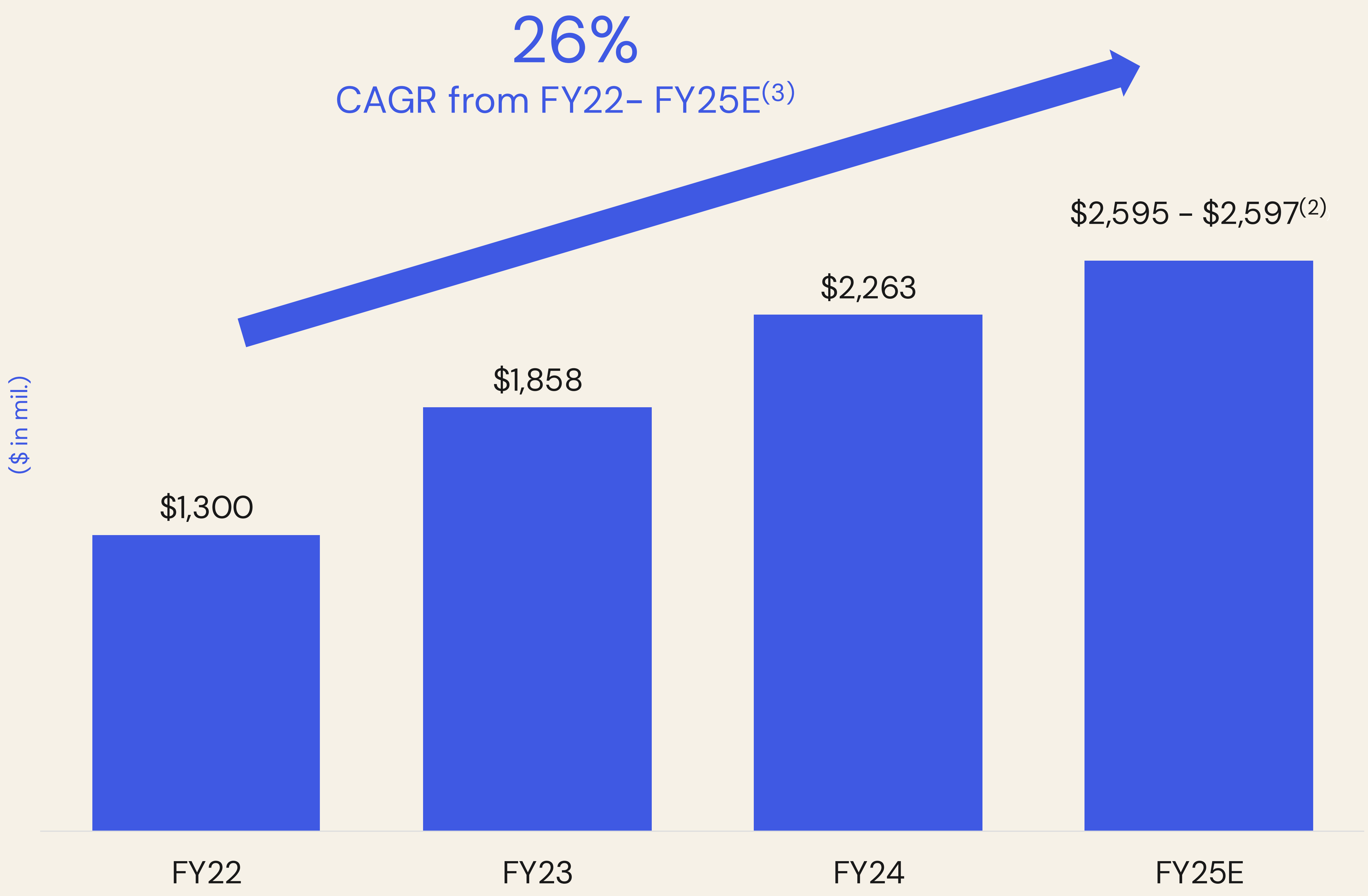

Okta at a Glance

19,450
Total customers

$3.659B
Remaining performance obligations (RPO)

108%
TTM Dollar-based net retention rate[1] at October 31, 2024

Total Revenue



(1) Trailing Twelve Months (TTM) dollar-based net retention rate is calculated based on total ACV. See Appendix for definition.
(1) FY25E revenue is an estimate based on outlook as of December 3, 2024.
(2) CAGR calculation is based on the midpoint of FY25 revenue outlook as of December 3, 2024.

FY25 Priorities

Security

Reignite Growth

Scale Okta

Okta Secure Identity Commitment

To lead the industry in the fight against identity attacks

Provide market-leading secure identity products and services

Harden our corporate infrastructure

Champion customer best practices to help ensure they are best protected

Elevate our industry to be more protected from identity attacks

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

Cloud

Security

Digital transformation

Every C-suite leader needs identity

Better Together

Workforce Identity Cloud

Employees • Contractors • Business Partners

Customer Identity Cloud

Consumer Apps and Digital Experiences • SaaS Apps

auth0

Okta Identity Platform

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One Unified Identity Solution

Okta's unique multilayered approach to identity security

Okta’s Opportunity

*See Appendix for TAM calculation methodology. Figure not drawn to scale.

Multiple Growth Vectors

Innovation in platform and network

Landing and expanding in large enterprise

International expansion

Leveraging partner ecosystem

Okta is the Superior Choice vs. Microsoft - Every Time

Enterprise Agility (Okta for Global 2000[1])

Okta accelerates identity for the world's largest organisations

- Okta saved News Corp 1,000s of hours during domain consolidations (M&A) compared to using Microsoft[5]
- News Corp was able to automate 70% of provisioning tasks[6]

Reliability & Performance

Okta protects customers from outages and critical service limits

- From 2021-2023, Microsoft suffered a total of 1,500 min in outages; [7,8,9,10] Okta had 69 minutes[11] in the same span
- In 2024 Microsoft has already had one outage that lasted almost 10 hours[12] (approx 600 mins); Okta has been down for less than 20 seconds this year
- Microsoft suffers reporting latencies at a minimum of 2 hrs up to 8 hrs[13]

Ease of Use & Time to Value (Unified Platform[2])

Okta delivers the solution customers need most

- To boost MFA adoption beyond 34% among admins, Microsoft had to make it mandatory, even though it was offered at zero cost compared to over 90% of Okta admins before it was mandated. [14,15,16]
- Okta is the only vendor recognized as a Gartner® Peer Insights™ Customers' Choice for Access Management 5X in a Row[17]

Executing on Identity Challenges

Okta consistently delivers a complete identity solution

- Okta placed higher than Microsoft and CyberArk in all use cases on the Gartner Critical Capabilities for Access Management[18]
- Okta placed highest on the Gartner Magic Quadrant for Ability to Execute for the 3rd straight year[19]

Depth of Integrations (IPSIE-enabled[29], Shared Signals[3] & OIN[4])

Okta ensures best-in-class integrations for the entire app & security ecosystem

- Microsoft integrations favor its own platform first and best[20,21]
- Okta provides unique and deep integrations that customers want[22,23]
- Okta goes beyond simple SSO and MFA to include provisioning, entitlements, automation, and Universal Logout[24,25,26,27]

Mitigate Commercial and Operational Risk

Okta's customers avoid risks and reliance on a single vendor

- Changing contract terms represent commercial risk with heavy dependency on a single vendor
- Okta's Enhanced Disaster Recovery gives customers the option to choose their configuration, including failover setup, and decreases the failover time from 1 hour to less than 5 minutes[28]

See Appendix for sources

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Environmental, Social and Governance

>$7M
In cash contributed by the Okta for Good Fund, Okta, Inc., and Okta employees

$6M
In technology and services donated

88%
Employee participation in Okta for Good

$50M
Philanthropy commitment over the next five years to build a more secure world

74%
Reduction in scope 1 and 2 emissions since FY20 per our GHG Emissions Inventory

100%
Continued efforts to achieve 100% renewable electricity of our offices, remote workforce, and third-party cloud service electricity consumption

Learn more at https://www.okta.com/responsibility

Okta partners with NetHope to enhance cybersecurity resilience for non-profits

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Okta and CodePath to deliver cybersecurity training to 3k underrepresented college students

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Okta publishes blog posts discussing Responsible AI Principles, Innovation Practices and Human Rights Privacy Considerations

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Q3 FY25
Financial Review &
Financial Outlook

Q3 FY25 Financial Highlights

	Q3 FY25	vs. Q3 FY24
Total Revenue	$665M	+ 14%
Subscription Revenue	$651M	+ 14%
Remaining Performance Obligations (RPO)	$3,659M	+ 19%
Current Remaining Performance Obligations (cRPO)	$2,062M	+ 13%
TTM Dollar Based Net Retention Rate	108%	– 7 pts
Non-GAAP Gross Margin[1]	81.4%	+ 0.4 pts
Non-GAAP Subscription Gross Margin[1]	83.2%	– 0.1 pts
Non-GAAP Operating Margin[1]	20.7%	+ 6.0 pts
Free Cash Flow Margin[1]	23.1%	– 2.6 pts
TTM Total Rev. Growth + Free Cash Flow Margin ("Rule of 40")	41%	– 2 pts
Total Customers	19,450	+ 3%
Customers > $100K ACV	4,705	+ 8%

(1) See appendix for non-GAAP reconciliation.

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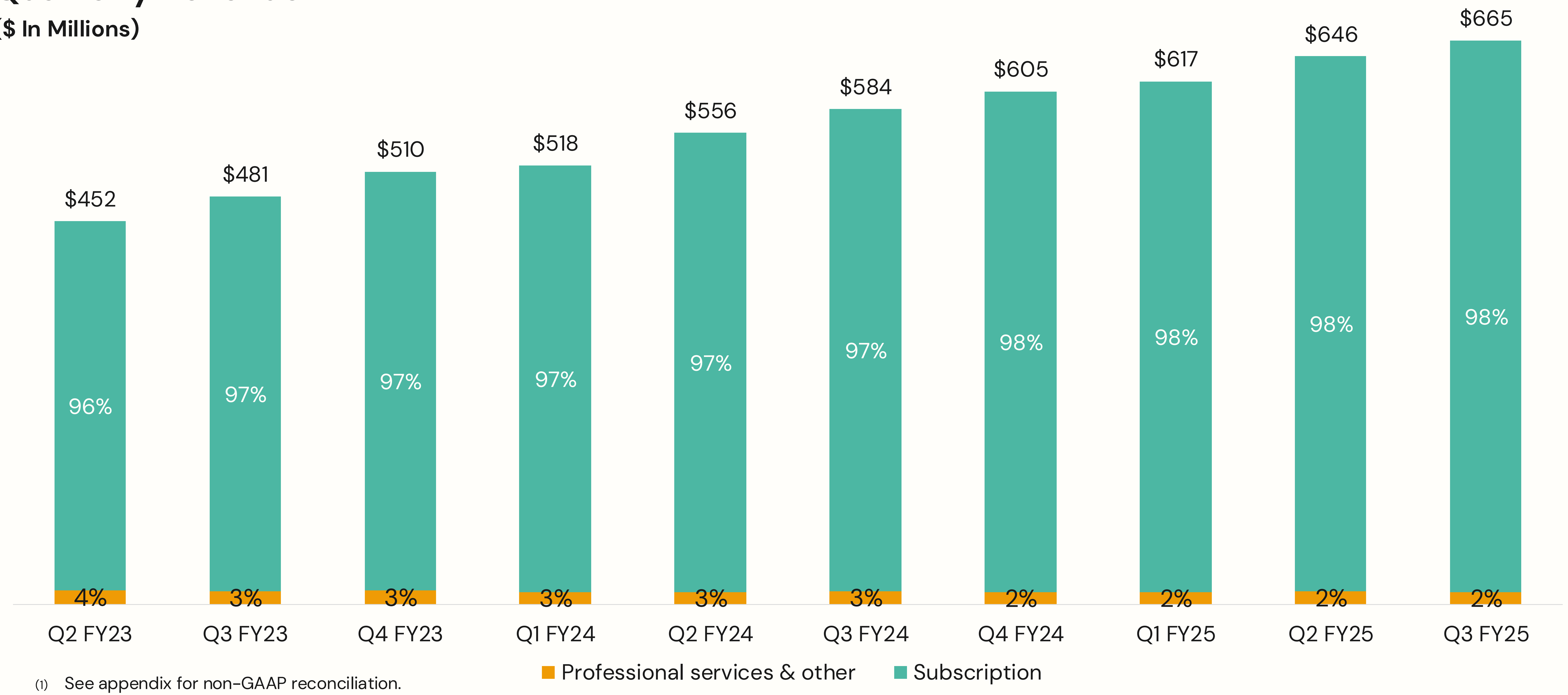
Total Revenue Up 14% Y/Y; Subscription Revenue Up 14% Y/Y

Quarterly Revenue(1)

($ In Millions)



(1) See appendix for non-GAAP reconciliation.

cRPO[1] is a Leading Indicator for Future Subscription Revenue

Quarterly Bookings

- New Customers
- Upsells[2]
- Renewals

Long-term RPO becoming current

Components that add to cRPO each quarter

cRPO (subscription backlog ≤ 12 months)

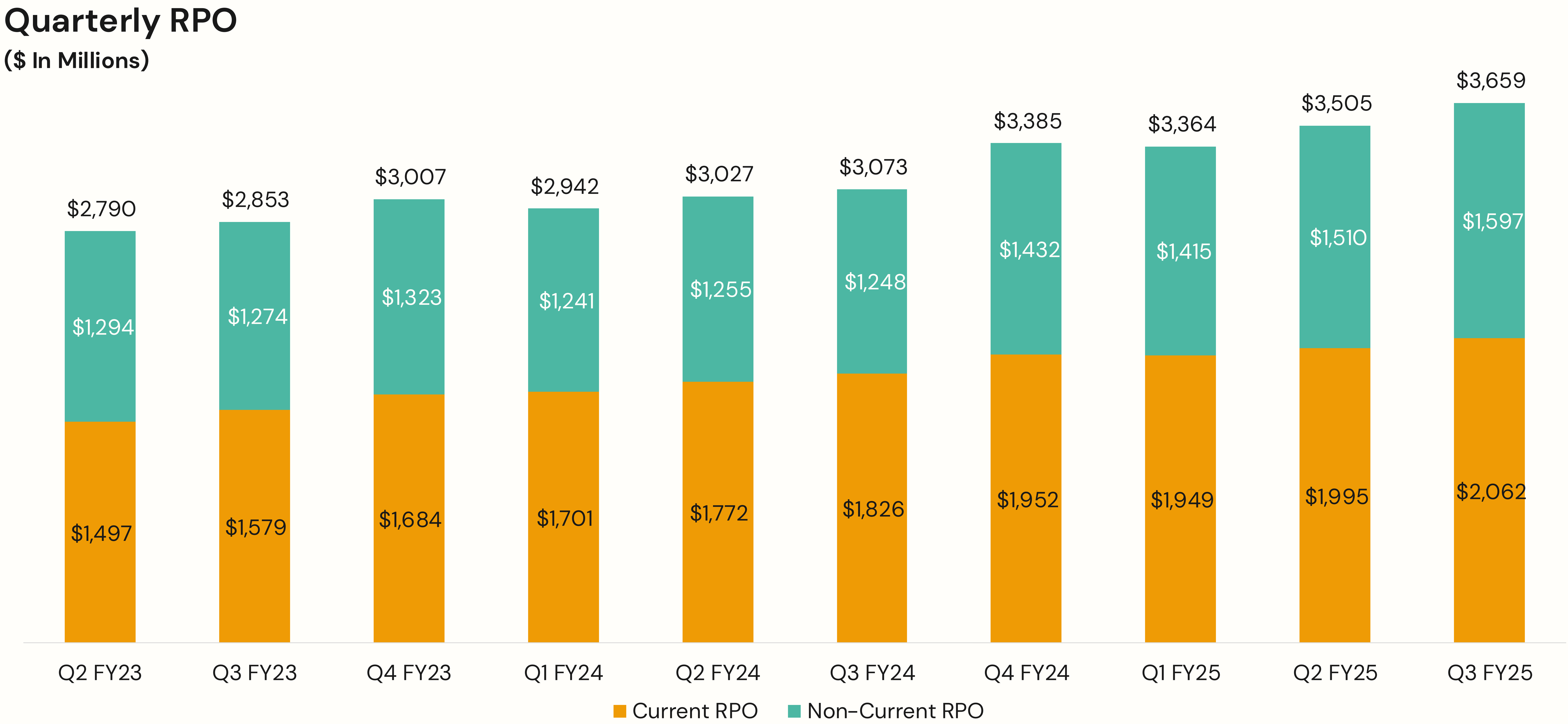
Dollar amount added to cRPO is impacted by factors such as the number of customers, size of deals, rate of upsells, and contract duration (affecting the long-term RPO)

cRPO moves to quarterly subscription revenue as product is delivered

Future subscription revenue is highly correlated to the cRPO performance in the preceding quarters

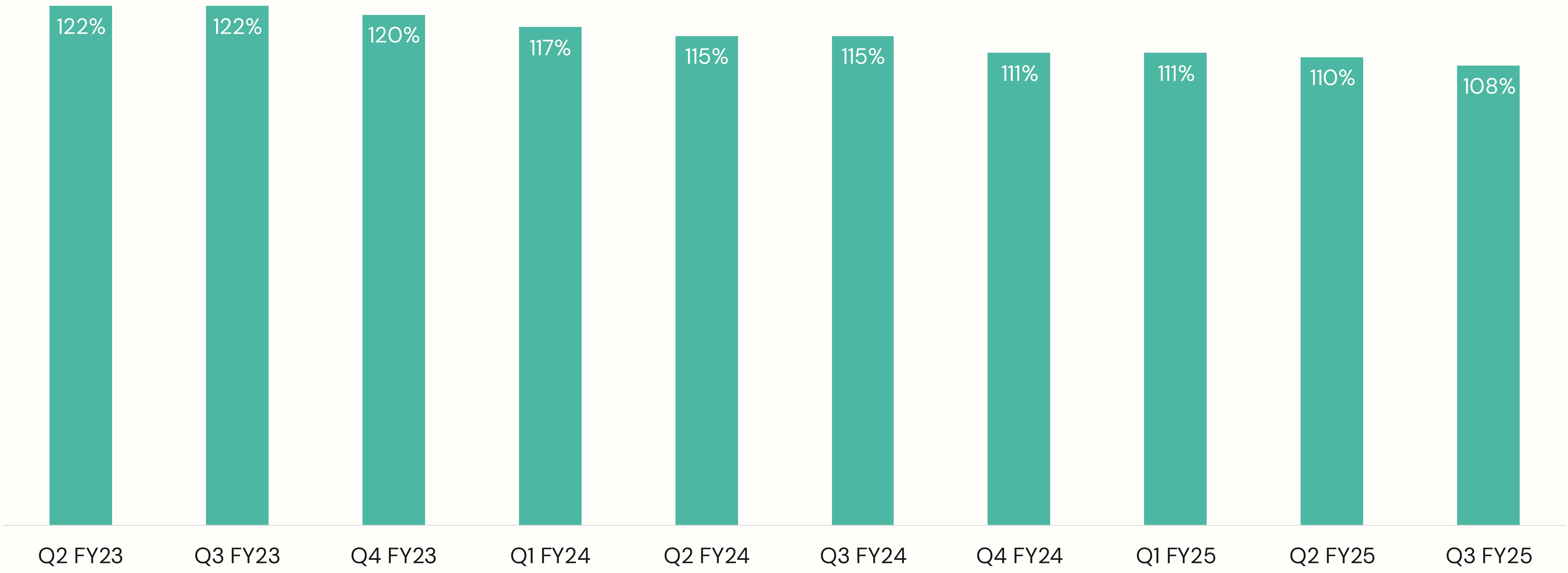
(1) Current RPO represents the portion of RPO expected to be recognized during the next 12 months
(2) Upsell is inclusive of cross-selling.

RPO Up 19% Y/Y; Current RPO Up 13% Y/Y



TTM Dollar-based Net Retention Rate

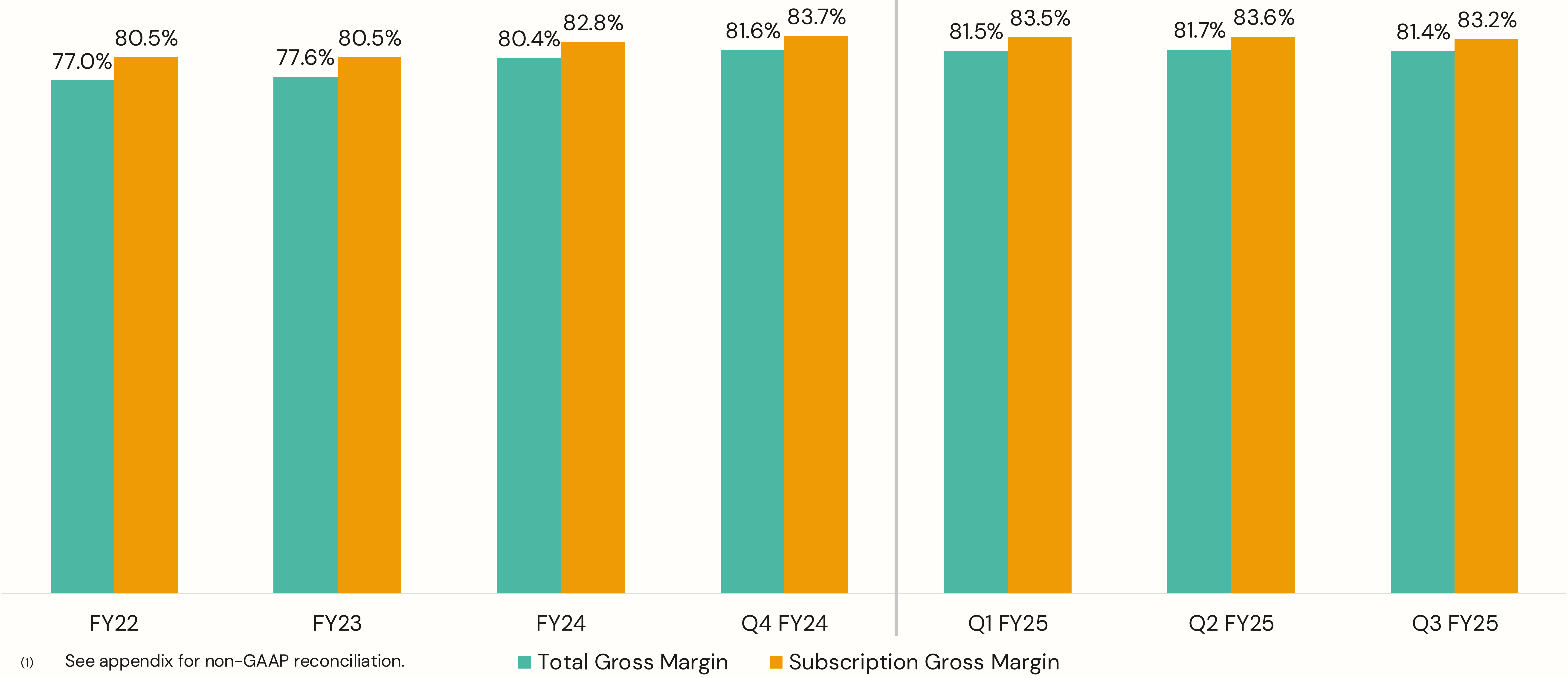
TTM Dollar-based net retention rate(1)



(1) Trailing Twelve Months (TTM) dollar-based net retention rate is calculated based on total ACV. See Appendix for definition.

Strong Non-GAAP Gross Margins

Non-GAAP Gross Margins(1)



(1) See appendix for non-GAAP reconciliation.

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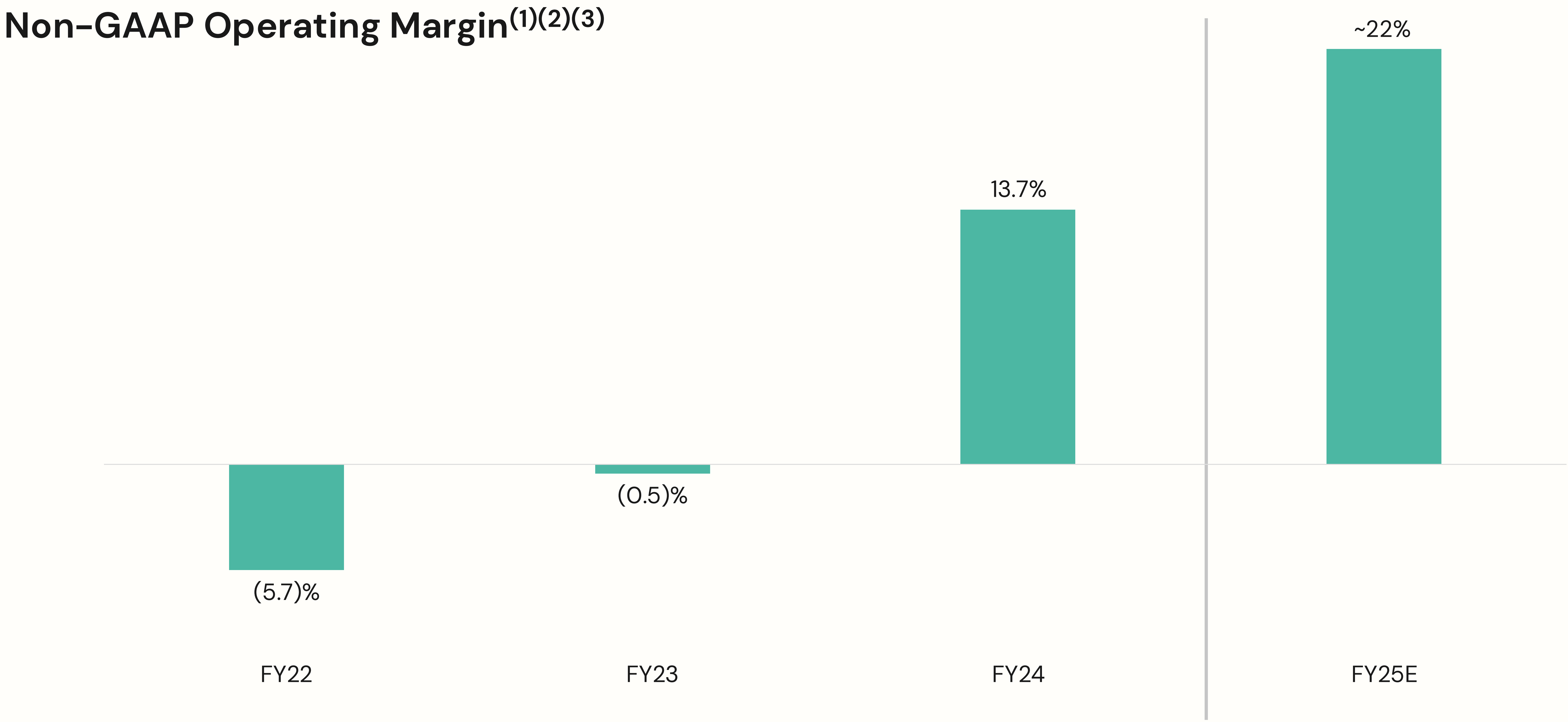
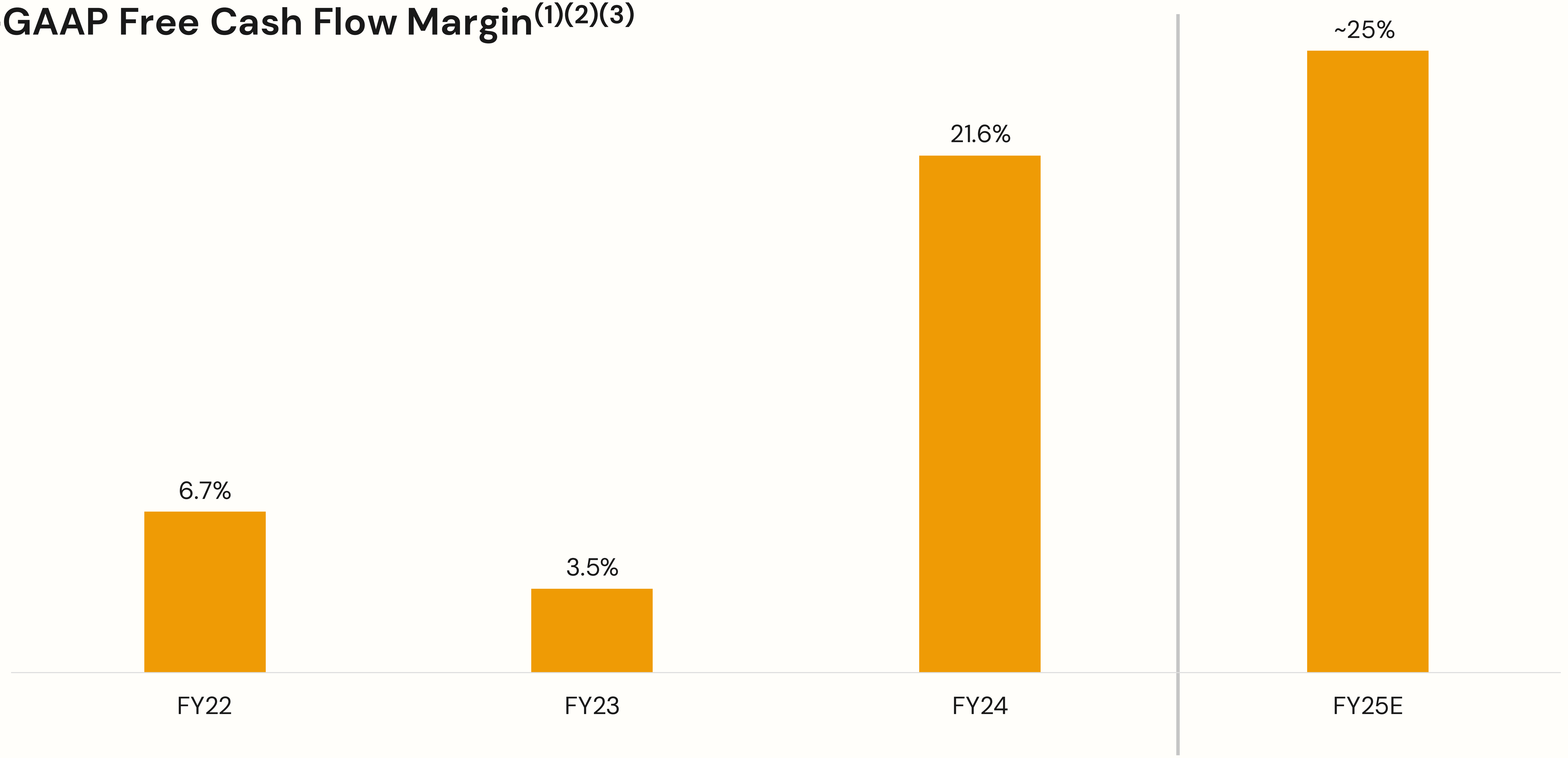
Efficiency and Reduced Cost Structure Yielding Significant Margin Improvement



(1) See appendix for non-GAAP reconciliation.
(2) FY22 includes 3 quarters of impact from Auth0.
(3) FY25E is based on the midpoint of our FY25 outlook as of December 3, 2024.

Efficiency and Reduced Cost Structure Yielding Significant Margin Improvement

Non-GAAP Free Cash Flow Margin(1)(2)(3)



(1) See appendix for non-GAAP reconciliation.
(2) FY22 includes 3 quarters of impact from Auth0.
(3) FY25E is based on the midpoint of our FY25 outlook as of December 3, 2024.

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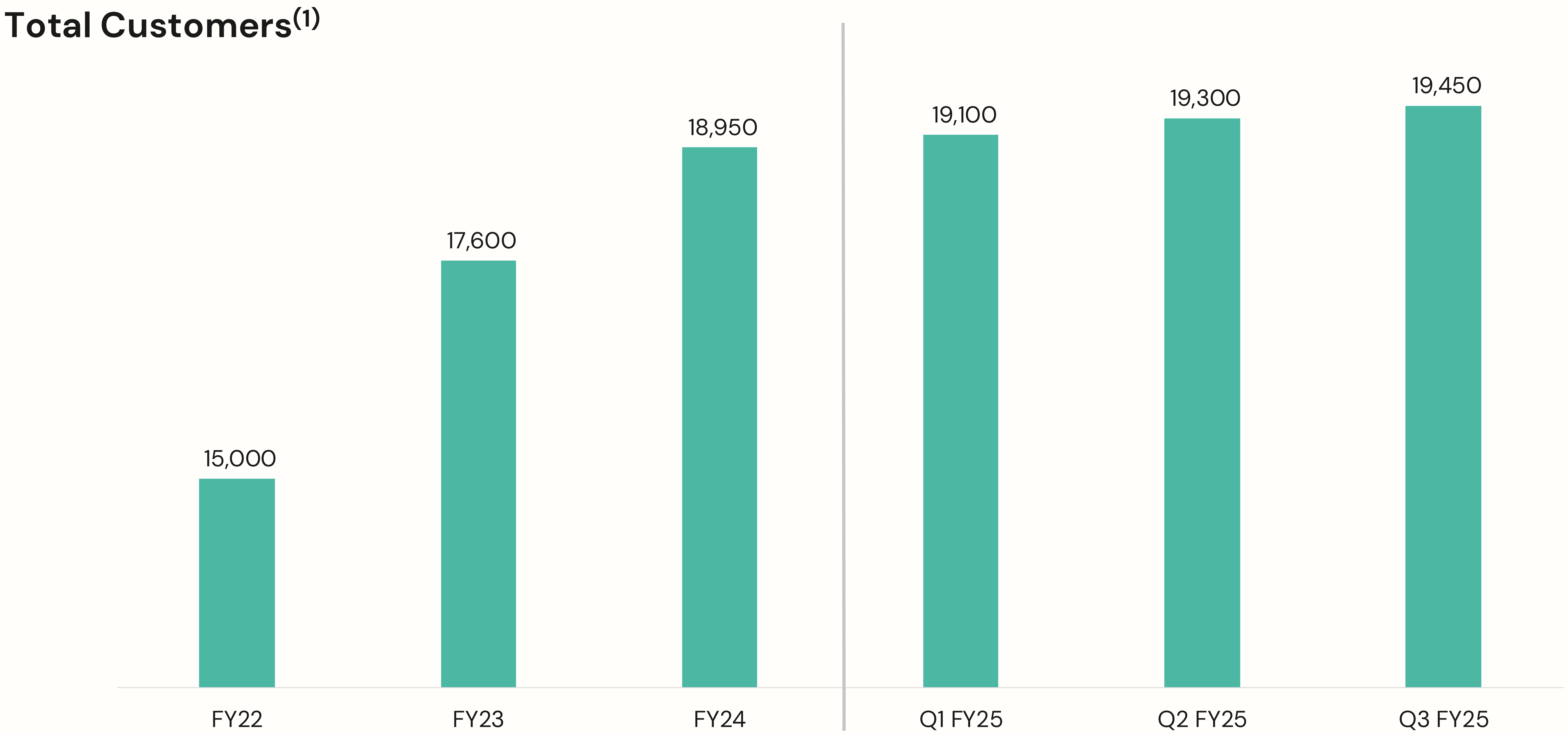
19,450 Total Customers

Up 3% Y/Y

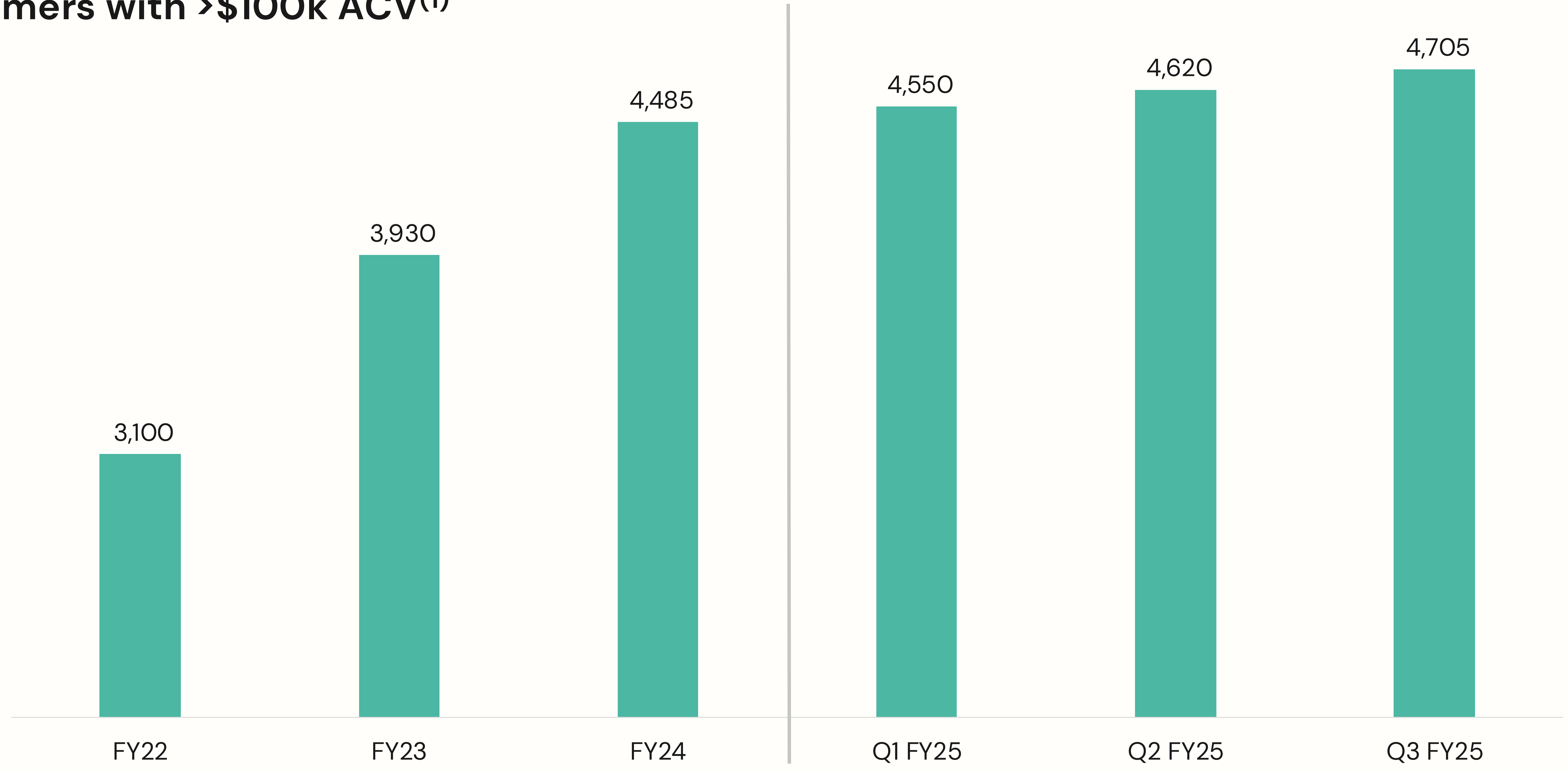


(1) Includes one time addition of 1,650 customers from Auth0 in Q2 FY22.

Customers With >$100K Annual Contract Value

Up 8% Y/Y

Customers with >$100k ACV[1]



(1) Includes one time addition of 375 >$100K ACV customers from Auth0 in Q2 FY22.

Key Takeaways

Strong foundation for growth at scale

Large addressable markets with multiple growth vectors

Positioned for profitable growth[1]

(1) Non-GAAP basis.

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Financial Outlook[1] for Q4 FY25

	Q4 FY25 (January 31, 2025)
Total Revenue *Total Revenue Growth (Y/Y)*	$667M to $669M *10% – 11%*
Current Remaining Performance Obligations *cRPO Growth (Y/Y)*	$2,130M to $2,135M *9%*
Non-GAAP Operating Income	$154M to $156M
Non-GAAP Operating Margin	23%
Non-GAAP Diluted Net Income Per Share[2]	$0.73 to $0.74
Diluted Weighted Average Share Count[3]	182 million
Non-GAAP Free Cash Flow Margin	~32%

(1) Outlook is as of December 3, 2024. Okta has not reconciled its forward-looking non-GAAP financial measures to their most directly comparable GAAP measures because certain items are out of Okta's control or cannot be reasonably predicted. Accordingly, reconciliations for forward-looking non-GAAP financial measures are not available without unreasonable effort.
(2) Based on non-GAAP effective tax rate of 26%.
(3) Fully diluted share count is on a non-GAAP basis.

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Financial Outlook[1] for FY25

	Fiscal 2025 (January 31, 2025)
Total Revenue *Total Revenue Growth (Y/Y)*	$2,595M to $2,597M *15%*
Non-GAAP Operating Income	$573M to $575M
Non-GAAP Operating Margin	22%
Non-GAAP Diluted Net Income Per Share[2]	$2.75 to $2.76
Diluted Weighted Average Share Count[3]	182 million
Non-GAAP Free Cash Flow Margin	~25%

(1) Outlook is as of December 3, 2024. Okta has not reconciled its forward-looking non-GAAP financial measures to their most directly comparable GAAP measures because certain items are out of Okta's control or cannot be reasonably predicted. Accordingly, reconciliations for forward-looking non-GAAP financial measures are not available without unreasonable effort.
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(3) Fully diluted share count is on a non-GAAP basis.

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.

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Sources: Okta Advantage

SOURCES:

[1] Okta for Global 2000
[2] New with Okta's Workforce Identity Cloud: A Unified Identity Solution
[3] Unifying efforts, amplifying security: Shared Signals interoperability
[4] Okta Integration Network
[5] News Corp saves 1000 work hours annually on synchronizing and consolidating domains after mergers and acquisitions.
[6] Automates 70% of provisioning tasks and gets new employees up and running 2 hrs faster.
[7] BleepingComputer - Microsoft 365 outage blocks access to web apps and services, Apr 2023
[8] Exoprise - Global Azure AD outage affecting Microsoft 365 Services, Dec 2021
[9] BleepingComputer - Microsoft 365 MFA outage locks users out of their accounts, Sept 2021
[10] ZDNET - Microsoft's latest cloud authentication outage: What went wrong, March 2021
[11] Okta Status
[12] Microsoft Confirms New Outage Was Triggered By Cyberattack
[13] Azure AD Report Latencies (e.g. Min 2 hrs, Max 8 hrs)
[14] 34% of Microsoft admins protected by MFA
[15] Announcing mandatory multi-factor authentication for Azure sign-in | Microsoft Azure Blog
[16] 90% of Okta admins use MFA
[17] Okta Recognized as a Customers' Choice for Access Management 5X in a row
[18] Gartner Critical Capabilities for Access Management, 2023
[19] 2023 Gartner® Magic Quadrant™ for Access Management
[20] 3rd party MDM prerequisite is a subscription to Microsoft Intune, Microsoft's MDM
[21] 3rd party SIEMs suffer from Azure AD Report Latencies which do not impact MS Sentinel
[22] Okta Identity Threat Protection with Okta AI integrates with best of breed partners
[23] Okta Workday Real-Time Sync
[24] Universal Logout
[25] Entitlement Management
[26] Okta Workflows | Okta
[27] Provision apps | Okta
[28] Overview of Enhanced Disaster Recovery
[29] Okta's mission to standardize Identity Security

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 subscription gross profit, non-GAAP subscription gross margin, non-GAAP professional services gross profit, non-GAAP professional services gross margin, 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 margin, non-GAAP diluted net income (loss) per share, non-GAAP tax rate, free cash flow and free cash flow margin.

Certain of these non-GAAP financial measures exclude stock-based compensation, non-cash charitable contributions, amortization of acquired intangibles, acquisition and integration-related expenses, restructuring costs related to severance and termination benefits and lease impairments in connection with the closing of certain leased facilities, certain non-ordinary course legal settlements and related expenses, amortization of debt issuance costs and gain on early extinguishment of debt. Acquisition and integration-related expenses include transaction costs and other non-recurring incremental costs incurred through the one-year anniversary of the transaction close.

In addition to these exclusions, starting in fiscal 2024, we subtract an assumed provision for income taxes to calculate non-GAAP net income. We use a fixed long-term projected tax rate of 26% in our computation of the non-GAAP income tax provision to provide better consistency across the reporting periods. The non-GAAP tax rate could be subject to change for a variety of reasons, including changes in tax laws and regulations, significant changes in our geographic earnings mix, or other changes to our strategy or business operations. We will periodically reevaluate the projected long-term tax rate, as necessary, for significant events based on our ongoing analysis of relevant tax law changes, material changes in the forecasted geographic earnings mix, and any significant acquisitions.

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 software. 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.

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.

GAAP to Non-GAAP Reconciliations - Fiscal Quarters[1]

(dollars in millions)

	FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	FY24	Q1 FY25	Q2 FY25	Q3 FY25	FY25 YTD
GAAP subscription gross profit	$ 920	$ 287	$ 318	$ 349	$ 376	$ 1,330	$ 381	$ 414	$ 443	$ 465	$ 1,703	$ 473	$ 495	$ 511	$ 1,479
Stock-based compensation	49	17	18	17	17	69	16	21	20	18	75	19	22	20	61
Amortization of acquired intangibles	34	10	12	11	13	46	12	12	11	12	47	12	12	10	34
Acquisition and integration-related expenses	2	1	—	—	—	1	—	—	—	—	—	—	—	—	—
Non-GAAP subscription gross profit	$ 1,005	$ 315	$ 348	$ 377	$ 406	$ 1,446	$ 409	$ 447	$ 474	$ 495	$ 1,825	$ 504	$ 529	$ 541	$ 1,574
Non-GAAP subscription gross margin	*80.5 %*	*79.3 %*	*80.0 %*	*80.9 %*	*81.6 %*	*80.5 %*	*81.5 %*	*82.5 %*	*83.3 %*	*83.7 %*	*82.8 %*	*83.5 %*	*83.6 %*	*83.2 %*	*83.5 %*
GAAP professional services gross profit	$ (16)	$ (3)	$ (4)	$ (6)	$ (5)	$ (18)	$ (5)	$ (7)	$ (4)	$ (5)	$ (21)	$ (4)	$ (4)	$ (3)	$ (11)
Stock-based compensation	12	4	3	4	3	14	4	4	3	4	15	3	3	3	9
Non-GAAP professional services gross profit	$ (4)	$ 1	$ (1)	$ (2)	$ (2)	$ (4)	$ (1)	$ (3)	$ (1)	$ (1)	$ (6)	$ (1)	$ (1)	$ —	$ (2)
Non-GAAP professional services gross margin	*(7.2)%*	*2.5 %*	*(6.8)%*	*(10.5)%*	*(3.5)%*	*(4.4)%*	*(12.5)%*	*(19.7)%*	*(2.7)%*	*(8.6)%*	*(10.8)%*	*(3.4)%*	*(6.6)%*	*(2.5)%*	*(4.1)%*
GAAP total gross profit	$ 904	$ 284	$ 314	$ 343	$ 371	$ 1,312	$ 376	$ 407	$ 439	$ 460	$ 1,682	$ 469	$ 491	$ 508	$ 1,468
Stock-based compensation	61	21	21	21	20	83	20	25	23	22	90	22	25	23	70
Amortization of acquired intangibles	34	10	12	11	13	46	12	12	11	12	47	12	12	10	34
Acquisition and integration-related expenses	2	1	—	—	—	1	—	—	—	—	—	—	—	—	—
Non-GAAP total gross profit	$ 1,001	$ 316	$ 347	$ 375	$ 404	$ 1,442	$ 408	$ 444	$ 473	$ 494	$ 1,819	$ 503	$ 528	$ 541	$ 1,572
Non-GAAP total gross margin	*77.0 %*	*76.1 %*	*76.8 %*	*78.0 %*	*78.9 %*	*77.6 %*	*78.9 %*	*79.8 %*	*81.0 %*	*81.6 %*	*80.4 %*	*81.5 %*	*81.7 %*	*81.4 %*	*81.6 %*

GAAP to Non-GAAP Reconciliations - Fiscal Quarters[(1)]
(dollars in millions)

	FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	FY24	Q1 FY25	Q2 FY25	Q3 FY25	FY25 YTD
GAAP research and development expense	$ 469	$ 162	$ 156	$ 148	$ 154	$ 620	$ 163	$ 172	$ 165	$ 156	$ 656	$ 163	$ 164	$ 158	$ 485
Stock-based compensation	193	70	70	69	66	275	68	74	70	65	277	63	56	49	168
Non-GAAP research and development expense	$ 276	$ 92	$ 86	$ 79	$ 88	$ 345	$ 95	$ 98	$ 95	$ 91	$ 379	$ 100	$ 108	$ 109	$ 317
Non-GAAP research and development expense as a percentage of revenue	*21.2 %*	*22.3 %*	*19.0 %*	*16.5 %*	*16.9 %*	*18.5 %*	*18.4 %*	*17.6 %*	*16.2 %*	*15.2 %*	*16.8 %*	*16.2 %*	*16.7 %*	*16.4 %*	*16.4 %*
GAAP sales and marketing expense	$ 771	$ 252	$ 265	$ 290	$ 259	$ 1,066	$ 256	$ 261	$ 270	$ 249	$ 1,036	$ 236	$ 238	$ 256	$ 730
Stock-based compensation	136	39	39	41	40	159	38	41	40	37	156	30	36	33	99
Amortization of acquired intangibles	30	10	10	10	9	39	11	6	7	7	31	7	6	8	21
Acquisition and integration-related expenses	3	1	—	—	—	1	—	—	—	—	—	—	—	—	—
Non-GAAP sales and marketing expense	$ 602	$ 202	$ 216	$ 239	$ 210	$ 867	$ 207	$ 214	$ 223	$ 205	$ 849	$ 199	$ 196	$ 215	$ 610
Non-GAAP sales and marketing expense as a percentage of revenue	*46.3 %*	*48.7 %*	*47.8 %*	*49.6 %*	*41.3 %*	*46.7 %*	*40.1 %*	*38.5 %*	*38.1 %*	*33.8 %*	*37.5 %*	*32.3 %*	*30.3 %*	*32.4 %*	*31.6 %*
GAAP general and administrative expense	$ 432	$ 110	$ 101	$ 98	$ 100	$ 409	$ 110	$ 119	$ 111	$ 110	$ 450	$ 117	$ 108	$ 110	$ 335
Stock-based compensation	176	41	40	41	38	160	40	45	39	37	161	36	31	30	97
Non-cash charitable contributions	8	1	1	—	2	4	1	1	2	2	6	3	1	1	5
Acquisition and integration-related expenses	51	5	—	—	—	5	—	—	—	2	2	—	—	—	—
Legal settlements and related expenses	—	—	—	—	—	—	—	—	—	—	—	7	—	—	7
Non-GAAP general and administrative expense	$ 197	$ 63	$ 60	$ 57	$ 60	$ 240	$ 69	$ 73	$ 70	$ 69	$ 281	$ 71	$ 76	$ 79	$ 226
Non-GAAP general and administrative expense as a percentage of revenue	*15.2 %*	*15.0 %*	*13.4 %*	*11.9 %*	*11.8 %*	*12.9 %*	*13.3 %*	*13.1 %*	*12.0 %*	*11.5 %*	*12.4 %*	*11.5 %*	*11.7 %*	*12.0 %*	*11.7 %*
GAAP restructuring and other charges	$ —	$ —	$ —	$ 14	$ 15	$ 29	$ 7	$ 17	$ 4	$ 28	$ 56	$ —	$ —	$ —	$ —
Restructuring costs	—	—	—	14	15	29	7	17	4	28	56	—	—	—	—
Non-GAAP restructuring and other charges	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Non-GAAP restructuring and other charges as a percentage of revenue	*— %*	*— %*	*— %*	*— %*	*— %*	*— %*	*— %*	*— %*	*— %*	*— %*	*— %*	*— %*	*— %*	*— %*	*— %*

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GAAP to Non-GAAP Reconciliations - Fiscal Quarters[1]

(dollars in millions)

	FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	FY24	Q1 FY25	Q2 FY25	Q3 FY25	FY25 YTD
GAAP total operating expenses	$ 1,672	$ 524	$ 522	$ 550	$ 528	$ 2,124	$ 536	$ 569	$ 550	$ 543	$ 2,198	$ 516	$ 510	$ 524	$ 1,550
Stock-based compensation	505	150	149	151	144	594	146	160	149	139	594	129	123	112	364
Non-cash charitable contributions	8	1	1	—	2	4	1	1	2	2	6	3	1	1	5
Amortization of acquired intangibles	30	10	10	10	9	39	11	6	7	7	31	7	6	8	21
Acquisition and integration-related expenses	54	6	—	—	—	6	—	—	—	2	2	—	—	—	—
Restructuring costs	—	—	—	14	15	29	7	17	4	28	56	—	—	—	—
Legal settlements and related expenses	—	—	—	—	—	—	—	—	—	—	—	7	—	—	7
Non-GAAP total operating expenses	$ 1,075	$ 357	$ 362	$ 375	$ 358	$ 1,452	$ 371	$ 385	$ 388	$ 365	$ 1,509	$ 370	$ 380	$ 403	$ 1,153
Non-GAAP total operating expenses as a percentage of revenue	*82.7 %*	*86.0 %*	*80.1 %*	*78.0 %*	*70.0 %*	*78.1 %*	*71.8 %*	*69.2 %*	*66.3 %*	*60.4 %*	*66.7 %*	*60.0 %*	*58.7 %*	*60.7 %*	*59.8 %*
GAAP operating loss	$ (768)	$ (240)	$ (208)	$ (207)	$ (157)	$ (812)	$ (160)	$ (162)	$ (111)	$ (83)	$ (516)	$ (47)	$ (19)	$ (16)	$ (82)
Stock-based compensation	566	171	170	172	164	677	166	185	172	161	684	151	148	135	434
Non-cash charitable contributions	8	1	1	—	2	4	1	1	2	2	6	3	1	1	5
Amortization of acquired intangibles	64	20	22	21	22	85	23	18	18	19	78	19	18	18	55
Acquisition and integration-related expenses	56	7	—	—	—	7	—	—	—	2	2	—	—	—	—
Restructuring costs	—	—	—	14	15	29	7	17	4	28	56	—	—	—	—
Legal settlements and related expenses	—	—	—	—	—	—	—	—	—	—	—	7	—	—	7
Non-GAAP operating income (loss)	$ (74)	$ (41)	$ (15)	$ —	$ 46	$ (10)	$ 37	$ 59	$ 85	$ 129	$ 310	$ 133	$ 148	$ 138	$ 419
Non-GAAP operating margin	*(5.7)%*	*(9.9)%*	*(3.3)%*	*0.1 %*	*9.0 %*	*(0.5)%*	*7.1 %*	*10.6 %*	*14.7 %*	*21.2 %*	*13.7 %*	*21.6 %*	*23.0 %*	*20.7 %*	*21.7 %*
Interest and other, net	$ (82)	$ (1)	$ 2	$ 2	$ 8	$ 11	$ 45	$ 58	$ 37	$ 39	$ 179	$ 25	$ 31	$ 41	$ 97
Amortization of debt issuance costs	86	1	1	2	2	6	1	1	1	—	3	—	1	1	2
Gain on early extinguishment of debt	—	—	—	—	—	—	(31)	(42)	(18)	(15)	(106)	—	(3)	(16)	(19)
Non-GAAP interest and other, net	$ 4	$ —	$ 3	$ 4	$ 10	$ 17	$ 15	$ 17	$ 20	$ 24	$ 76	$ 25	$ 29	$ 26	$ 80

GAAP to Non-GAAP Reconciliations - Fiscal Quarters[1]

(dollars in millions, shares in thousands, except per share data)

	FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	FY24	Q1 FY25	Q2 FY25	Q3 FY25	FY25 YTD
GAAP net income (loss)	$ (848)	$ (243)	$ (210)	$ (209)	$ (153)	$ (815)	$ (119)	$ (111)	$ (81)	$ (44)	$ (355)	$ (40)	$ 29	$ 16	$ 5
Stock-based compensation	566	171	170	172	164	677	166	185	172	161	684	151	148	135	434
Amortization of debt issuance costs	86	1	1	2	2	6	1	1	1	—	3	—	1	1	2
Non-cash charitable contributions	8	1	1	—	2	4	1	1	2	2	6	3	1	1	5
Amortization of acquired intangibles	64	20	22	21	22	85	23	18	18	19	78	19	18	18	55
Acquisition and integration-related expenses	56	7	—	—	—	7	—	—	—	2	2	—	—	—	—
Gain on early extinguishment of debt	—	—	—	—	—	—	(31)	(42)	(18)	(15)	(106)	—	(3)	(16)	(19)
Restructuring costs	—	—	—	14	15	29	7	17	4	28	56	—	—	—	—
Legal settlements and related expenses	—	—	—	—	—	—	—	—	—	—	—	7	—	—	7
Tax adjustment	—	—	—	—	—	—	(10)	(13)	(19)	(40)	(82)	(23)	(63)	(34)	(120)
Non-GAAP net income (loss)	$ (68)	$ (43)	$ (16)	$ —	$ 52	$ (7)	$ 38	$ 56	$ 79	$ 113	$ 286	$ 117	$ 131	$ 121	$ 369
GAAP net income (loss) per share, diluted	$ (5.73)	$ (1.56)	$ (1.34)	$ (1.32)	$ (0.95)	$ (5.16)	$ (0.74)	$ (0.68)	$ (0.49)	$ (0.26)	$ (2.17)	$ (0.24)	$ 0.15	$ —	$ (0.08)
Adjustments for difference in weighted-average shares outstanding	—	—	—	—	0.07	—	0.06	0.06	0.05	0.02	0.19	0.02	0.01	0.09	0.10
Stock-based compensation	3.82	1.09	1.09	1.08	0.95	4.28	0.94	1.03	0.96	0.90	3.83	0.84	0.81	0.74	2.39
Amortization of debt issuance costs	0.58	0.01	0.01	0.01	0.01	0.04	0.01	0.01	—	—	0.02	—	0.01	—	0.01
Non-cash charitable contributions	0.05	0.01	—	—	0.01	0.02	0.01	0.01	0.01	0.01	0.03	0.01	0.01	0.01	0.03
Amortization of acquired intangibles	0.44	0.14	0.14	0.14	0.12	0.55	0.12	0.10	0.10	0.10	0.43	0.11	0.10	0.09	0.30
Acquisition and integration-related expenses	0.38	0.04	—	—	—	0.04	—	—	—	0.01	0.01	—	—	—	—
Gain on early extinguishment of debt	—	—	—	—	—	—	(0.17)	(0.24)	(0.10)	(0.09)	(0.60)	—	(0.02)	(0.08)	(0.10)
Restructuring costs	—	—	—	0.09	0.09	0.19	0.04	0.09	0.03	0.16	0.32	—	—	—	—
Legal settlements and related expenses	—	—	—	—	—	—	—	—	—	—	—	0.04	—	—	0.04
Tax adjustment	—	—	—	—	—	—	(0.05)	(0.07)	(0.12)	(0.22)	(0.46)	(0.13)	(0.35)	(0.18)	(0.66)
Non-GAAP net income (loss) per share, diluted	$ (0.46)	$ (0.27)	$ (0.10)	$ —	$ 0.30	$ (0.04)	$ 0.22	$ 0.31	$ 0.44	$ 0.63	$ 1.60	$ 0.65	$ 0.72	$ 0.67	$ 2.03
Weighted-average shares outstanding used to compute non-GAAP net income (loss) per share, diluted	148,036	155,875	157,400	158,708	174,026	158,023	176,195	178,742	179,285	179,249	178,397	180,427	182,364	181,949	181,590

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Calculations of Key and Other Selected Metrics – Fiscal Quarters[1]

(dollars in millions, except headcount data)

	FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	FY24	Q1 FY25	Q2 FY25	Q3 FY25	FY25 YTD
Free Cash Flow and Margin															
Net cash provided by (used in) operating activities	$ 104	$ 19	$ (19)	$ 10	$ 76	$ 86	$ 129	$ 53	$ 156	$ 174	$ 512	$ 219	$ 86	$ 159	$ 464
Less:															
Purchases of property and equipment	(13)	(5)	(2)	(2)	(3)	(12)	—	(2)	(3)	(3)	(8)	(1)	(5)	(1)	(7)
Capitalized software	(4)	(3)	(3)	(2)	(1)	(9)	(5)	(2)	(3)	(5)	(15)	(4)	(3)	(4)	(11)
Free cash flow	$ 87	$ 11	$ (24)	$ 6	$ 72	$ 65	$ 124	$ 49	$ 150	$ 166	$ 489	$ 214	$ 78	$ 154	$ 446
Operating cash flow margin	8.0 %	4.5 %	(4.2)%	2.1 %	14.8 %	4.6 %	24.8 %	9.5 %	26.8 %	28.6 %	22.6 %	35.6 %	13.2 %	23.9 %	24.0 %
Free cash flow margin	6.7 %	2.7 %	(5.3)%	1.2 %	14.1 %	3.5 %	24.0 %	8.7 %	25.7 %	27.6 %	21.6 %	34.6 %	12.2 %	23.1 %	23.1 %
Headcount															
Total headcount	5,030	5,342	5,776	6,037	6,013	6,013	5,683	5,806	5,913	5,908	5,908	5,710	5,938	6,006	6,006
y-y growth	79 %	75 %	38 %	32 %	20 %	20 %	6 %	1 %	(2)%	(2)%	(2)%	— %	2 %	2 %	2 %
Revenue by Location															
United States	$ 1,036	$ 325	$ 353	$ 377	$ 401	$ 1,456	$ 407	$ 439	$ 459	$ 478	$ 1,783	$ 487	$ 509	$ 526	$ 1,522
International	264	90	99	104	109	402	111	117	125	127	480	130	137	139	406
Total	$ 1,300	$ 415	$ 452	$ 481	$ 510	$ 1,858	$ 518	$ 556	$ 584	$ 605	$ 2,263	$ 617	$ 646	$ 665	$ 1,928

[1] Amounts reported in millions are rounded based on the amounts in thousands. As a result, the sum of the components reported in millions may not equal the total amount reported in millions due to rounding. In addition, percentages presented may not add to their respective totals or recalculate due to rounding.

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