



okta

Q4 FY23 Investor Presentation

March 1, 2023

Safe harbor

This presentation contains “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, including but not limited to, statements regarding our financial outlook, long-term financial plans, product development, 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, the market for our products may develop more slowly than expected or than it has in the past; there may be significant fluctuations in our results of operations and cash flows related to our revenue recognition or otherwise; we may fail to successfully integrate any new business, including Auth0, Inc.; we may be unable to retain key personnel;

global economic conditions could worsen; a network or data security incident that allows unauthorized access to our network or data or our customers’ data could damage our reputation and cause us to incur significant costs; we could experience interruptions or performance problems associated with our technology, including a service outage; and we may not be able to pay off our convertible senior notes when due. Further information on potential factors that could affect our financial results is included in our most recent Quarterly Report on Form 10-Q and our other filings with the Securities and Exchange Commission. The forward-looking statements included in this presentation represent our views only as of the date of this presentation and we assume no obligation and do not intend to update these forward-looking statements.

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



Agenda

01 Company Overview

02 Q4 FY23 Financial Review & Financial Outlook

03 Appendix



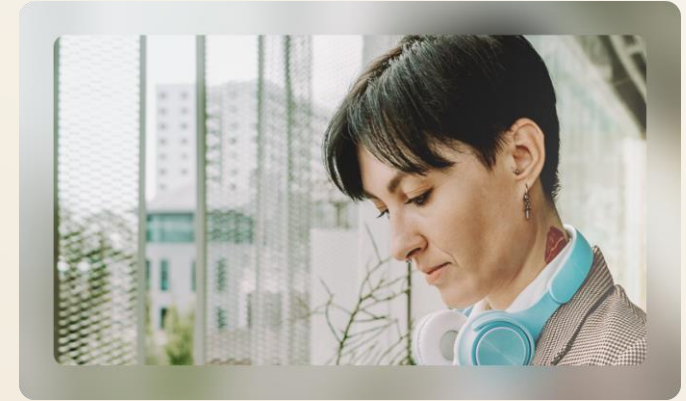
Company Overview





Vision

Free everyone
to safely use
any technology



Okta at a Glance

17,600

Total customers

\$3.01B

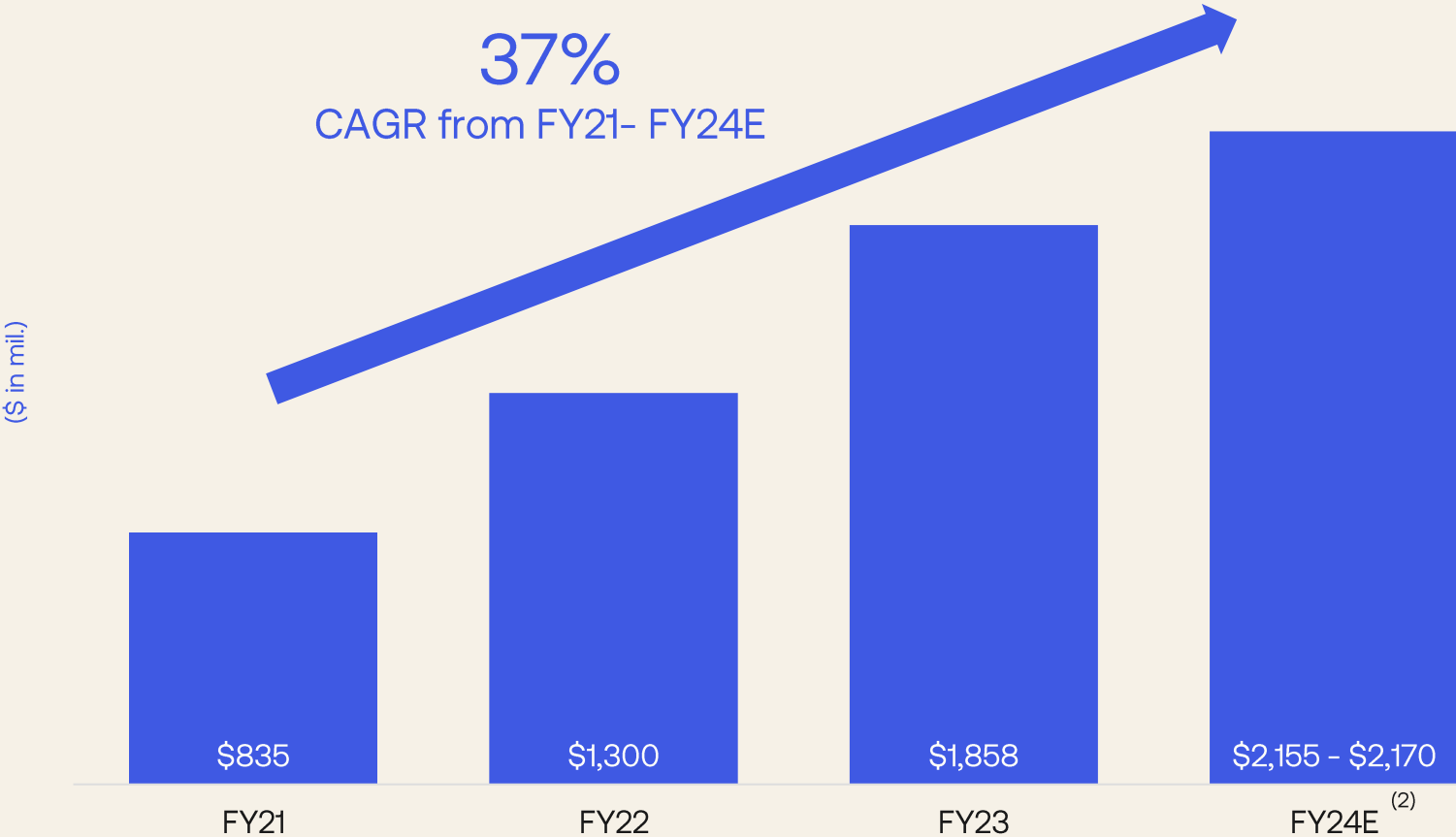
Remaining performance obligations (RPO)

120%

TTM Dollar-based net retention rate⁽¹⁾
at January 31, 2023

(1) Trailing Twelve Months (TTM) dollar-based net retention rate is calculated based on total ACV. See Appendix for definition.
(2) FY24E revenue is an estimate based on outlook as of March 1, 2023.

Total Revenue



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

 Cloud

 Security

 Digital transformation



Every C-suite leader uses identity



The Okta Identity Cloud

Delivers a unified
identity solution

Okta Trust: Cloud security certifications with 99.99% uptime

Vendor neutrality supports best-of-breed stack

Cloud-first, providing hybrid access from cloud to ground

Unified solution to secure workforce, customer and infrastructure identity

7,000+ OIN integrations

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



Better Together

Workforce Identity Cloud

Employees • Contractors
• Business Partners



Customer Identity Cloud

Consumer Apps and
Digital Experiences
• SaaS Apps



Okta Identity Platform

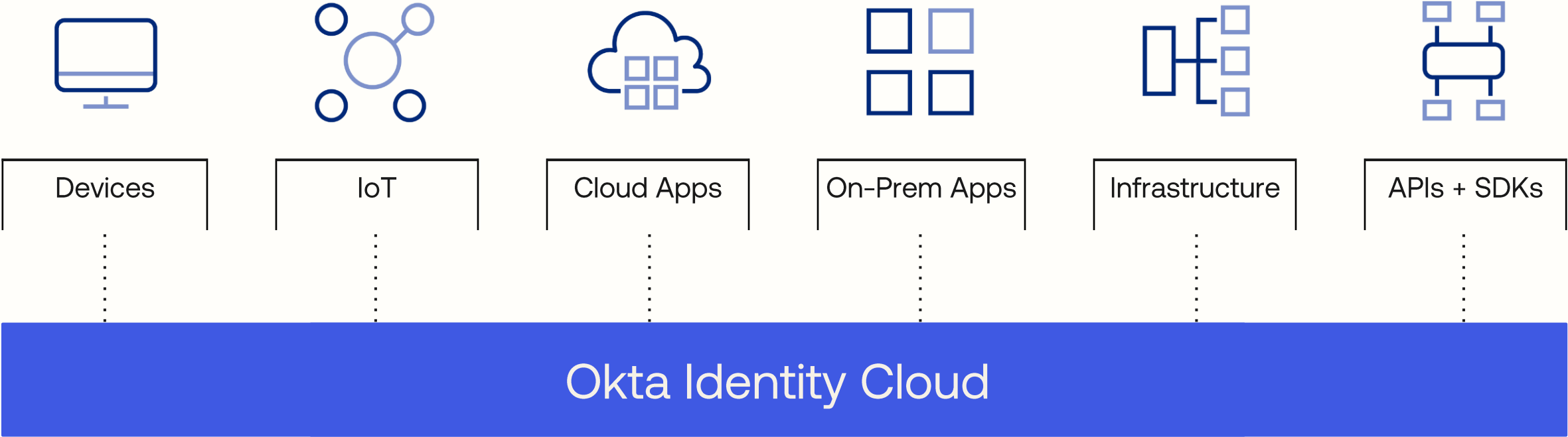


okta

One Unified Identity Solution



One Platform to Secure Every Identity



Delivering Measurable Customer Value



Mitigate risk

Reduced time to detect and respond to malicious attacks



Accelerate growth & innovation

Faster application launch and time-to-revenue

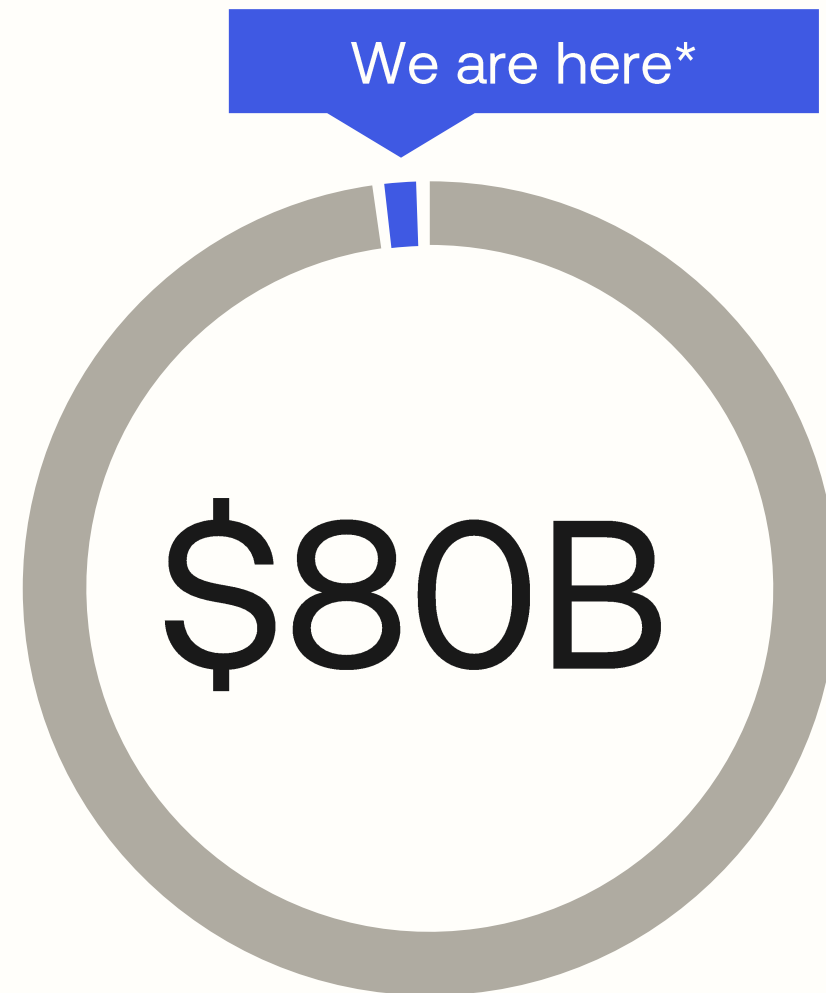


Reduce costs & streamline ops

Reduced operations and maintenance costs compared with on-prem solutions



Okta's Opportunity



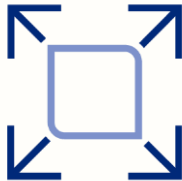
*See Appendix for TAM calculation methodology



Multiple Growth Vectors



Innovation in platform and network



Landing and expanding in large enterprise



International expansion

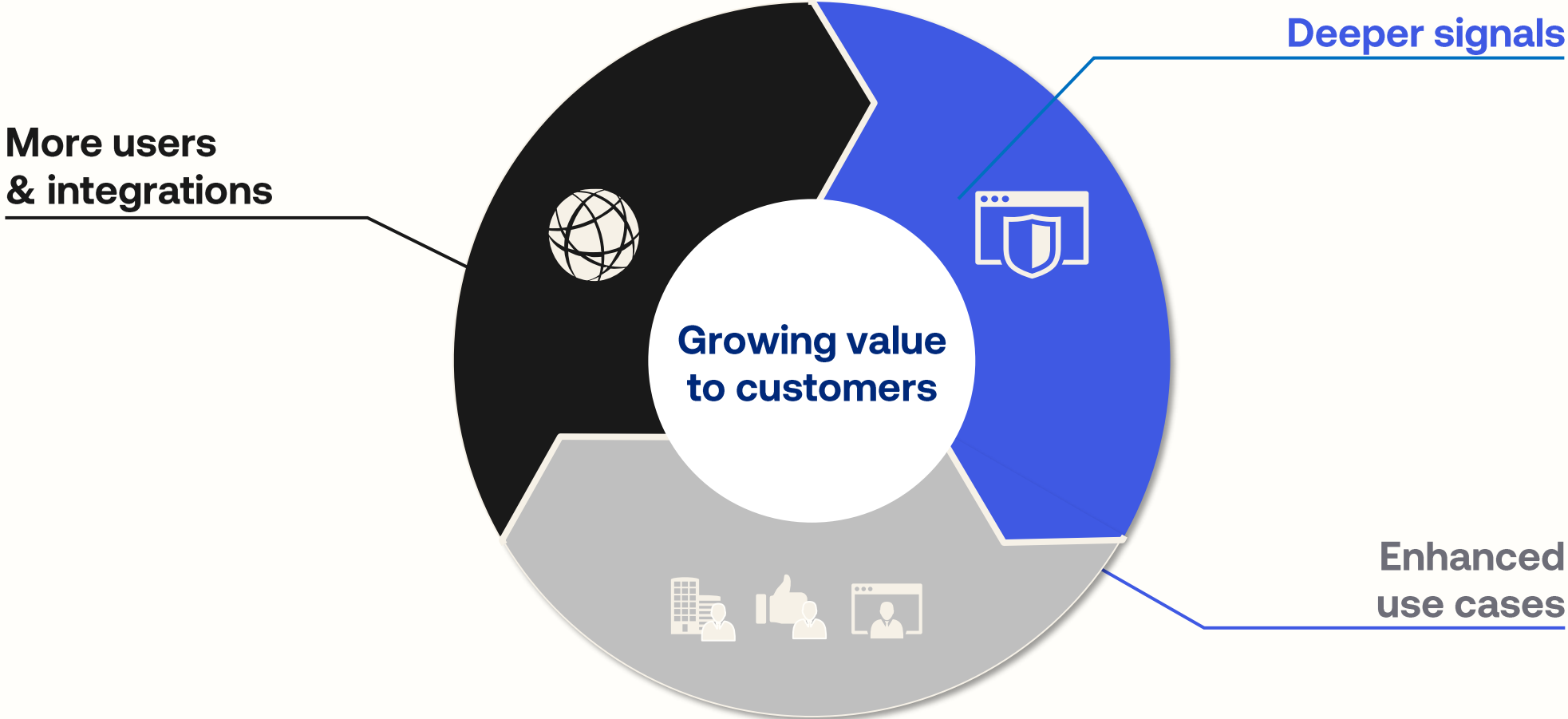


Leveraging partner ecosystem



Innovation in Platform and Network

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



Environmental, Social and Governance



Environmental

Science Based Targets approved by the Science Based Targets initiative



Social

Released 2023 Okta for Good Impact Report



Governance

Updated ESG Fact Sheet, which summarizes key ESG disclosures

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



Q4 FY23

Financial Review & Financial Outlook



Q4 FY23 Financial Highlights

	Q4 FY23	vs. Q4 FY22
Total Revenue	\$510M	+ 33%
Subscription Revenue	\$495M	+ 34%
Remaining Performance Obligations (RPO)	\$3,007M	+ 12%
Current Remaining Performance Obligations (cRPO)	\$1,684M	+ 25%
Total Calculated Billings ⁽¹⁾	\$710M	+ 18%
TTM Dollar Based Net Retention Rate	120%	- 4 pts
Non-GAAP Gross Margin ⁽¹⁾	78.9%	+ 2.1 pts
Non-GAAP Operating Margin ⁽¹⁾	9.0%	+ 15.2 pts
Free Cash Flow Margin ⁽¹⁾	14.1%	+ 12.8 pts
TTM Total Rev. Growth + Free Cash Flow Margin (“Rule of 40”)	46%	- 16 pts
Total Customers	17,600	+ 17%
Customers > \$100K ACV	3,930	+ 27%
	ACV Split ⁽²⁾	Growth Rate
Workforce Identity ACV	61% of total	+ 30%
Customer Identity ACV	39% of total	+ 35%

(1) See appendix for non-GAAP reconciliation.

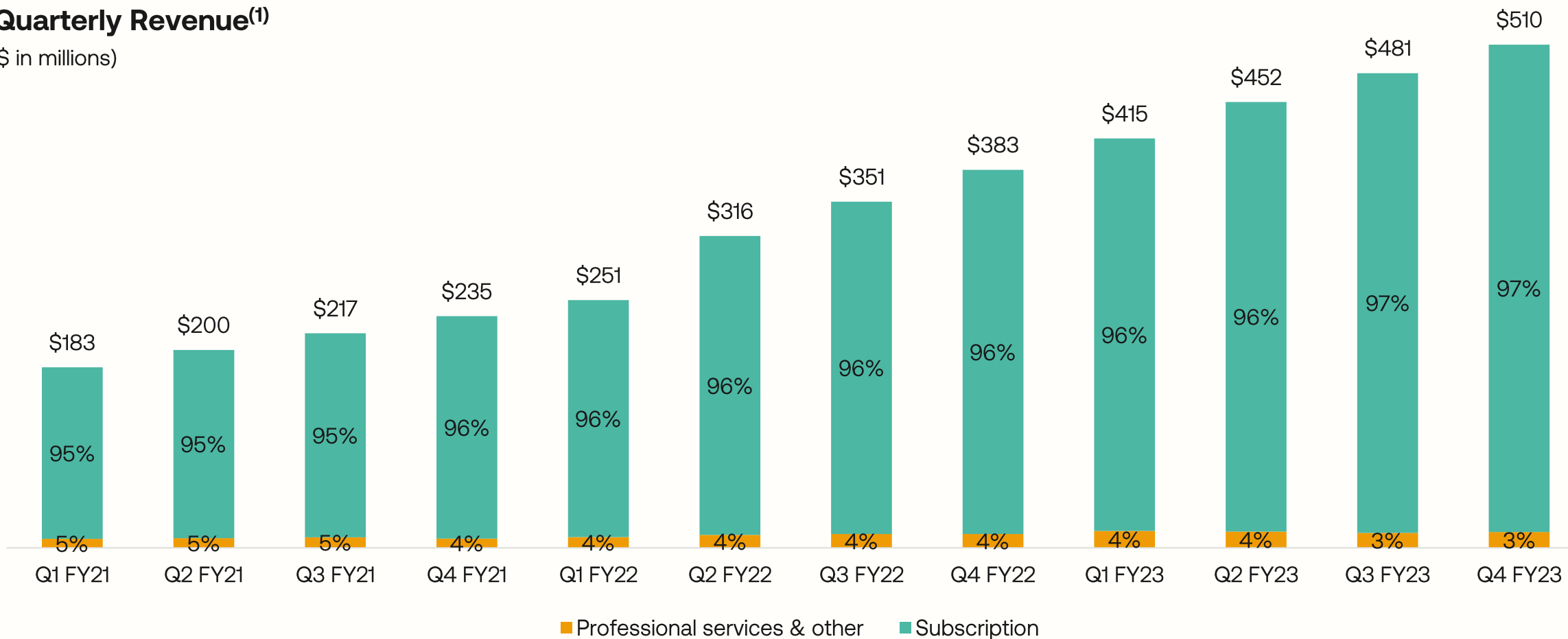
(2) Disclosures for the three months ended January 31, 2023.



Total Revenue Up 33% Y/Y; Subscription Revenue Up 34% Y/Y

Quarterly Revenue⁽¹⁾

(\$ in millions)



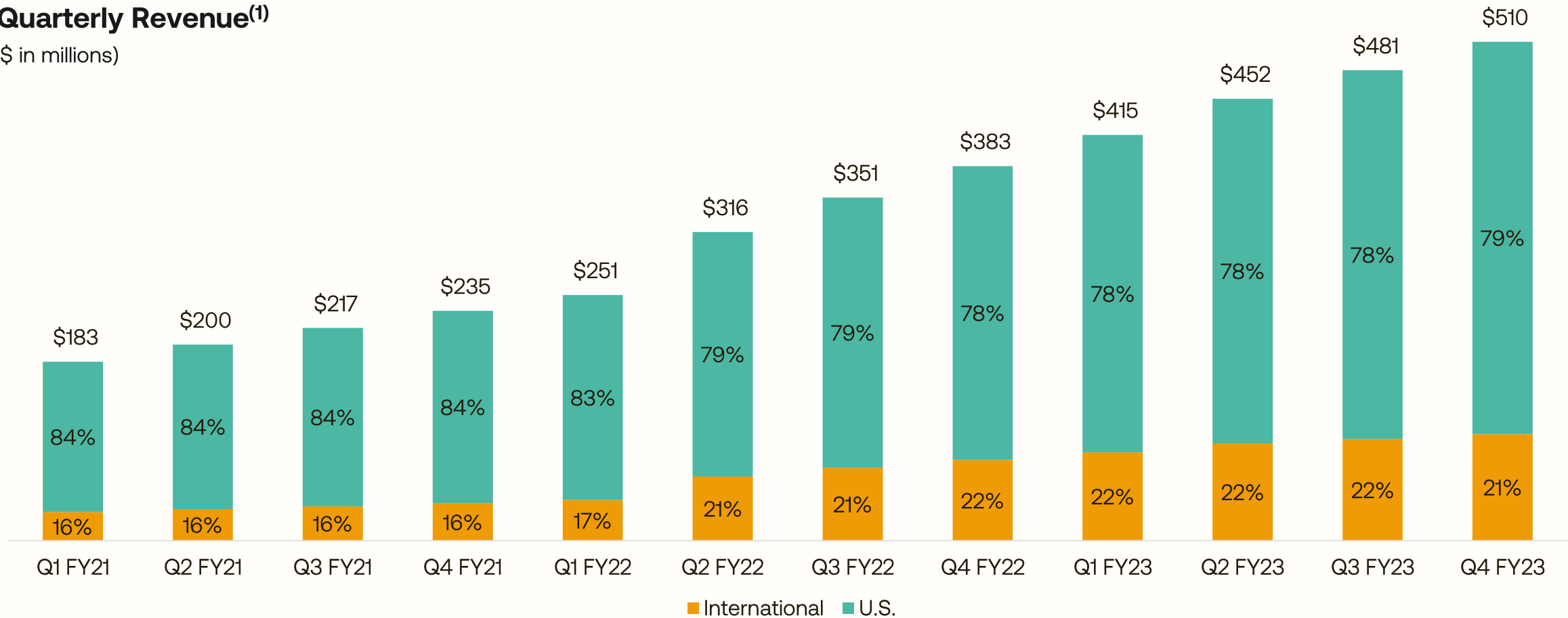
(1) Includes \$38M, \$46M, \$56M, and \$66M from Auth0 in Q2, Q3, and Q4 of FY22, and Q1 of FY23, respectively.



International Revenue Up 32% Y/Y

Quarterly Revenue⁽¹⁾

(\$ in millions)



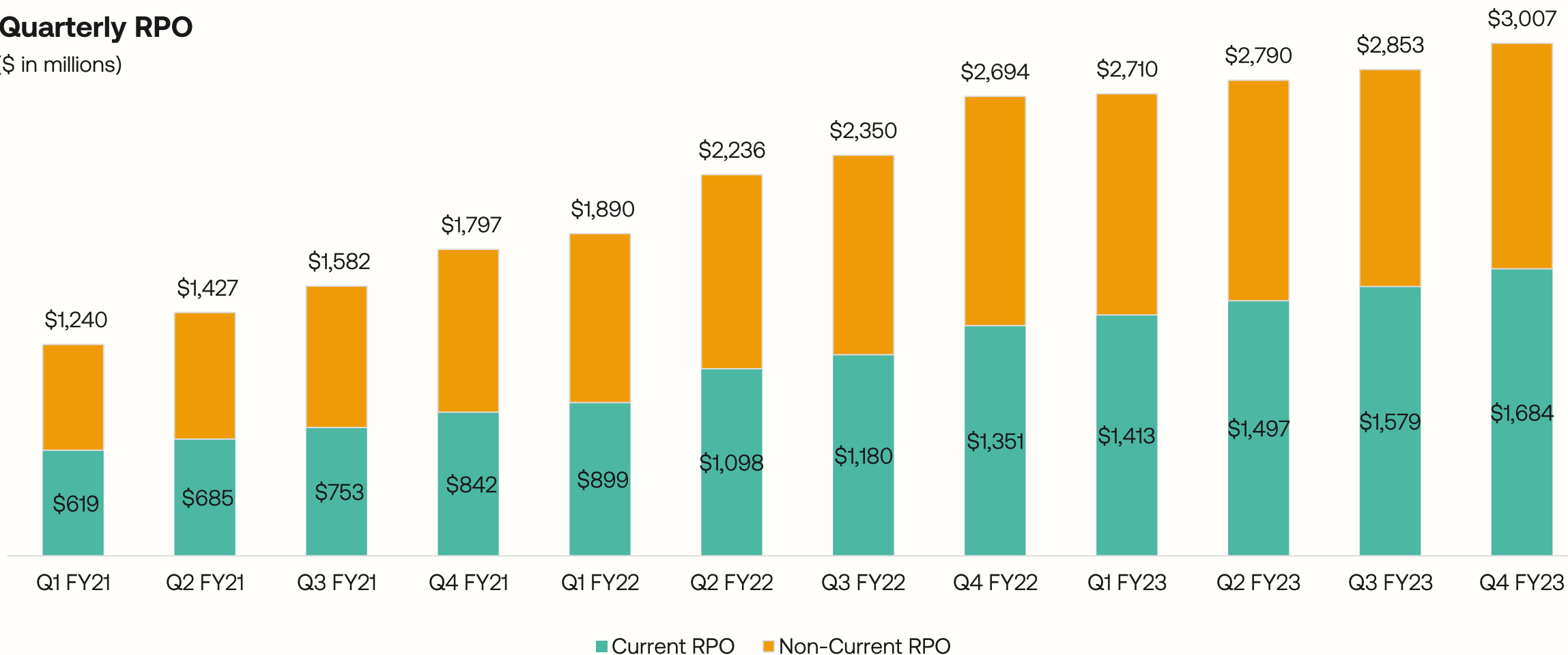
(1) Includes \$38M, \$46M, \$56M, and \$66M from Auth0 in Q2, Q3, and Q4 of FY22, and Q1 of FY23, respectively.



RPO Up 12% Y/Y; Current RPO Up 25% Y/Y

Quarterly RPO

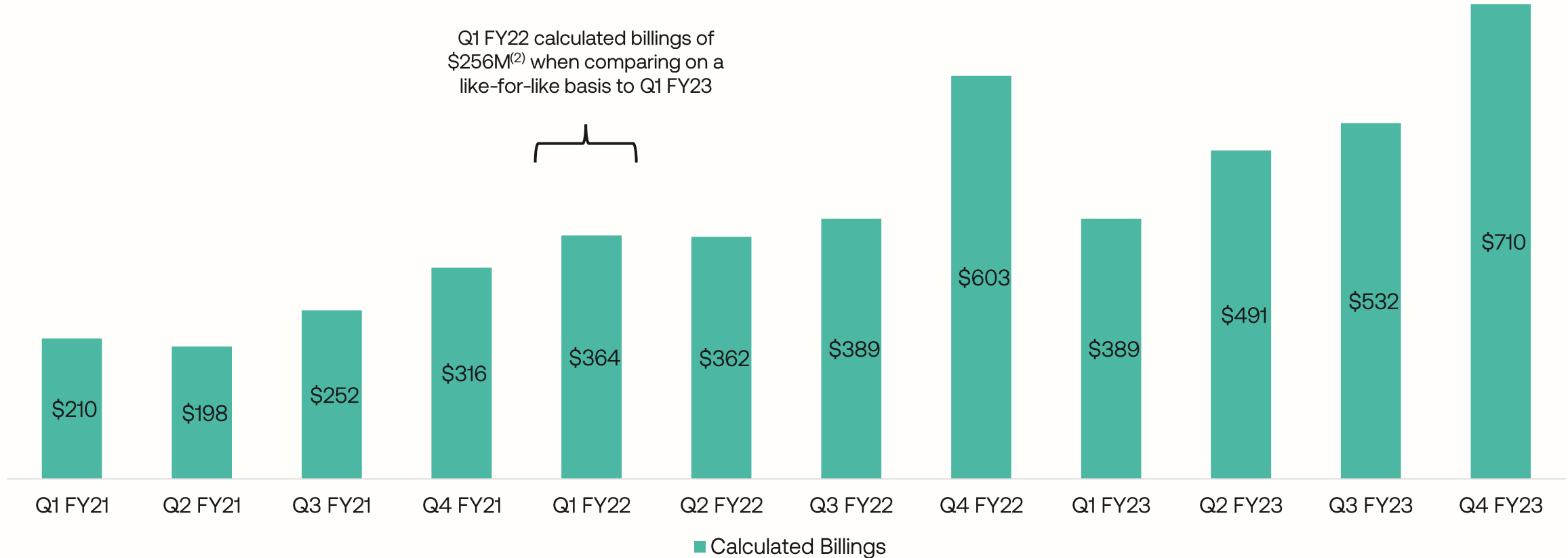
(\$ in millions)



Total Calculated Billings⁽¹⁾ Up 18% Y/Y

Quarterly Total Calculated Billings⁽³⁾

(\$ in millions)

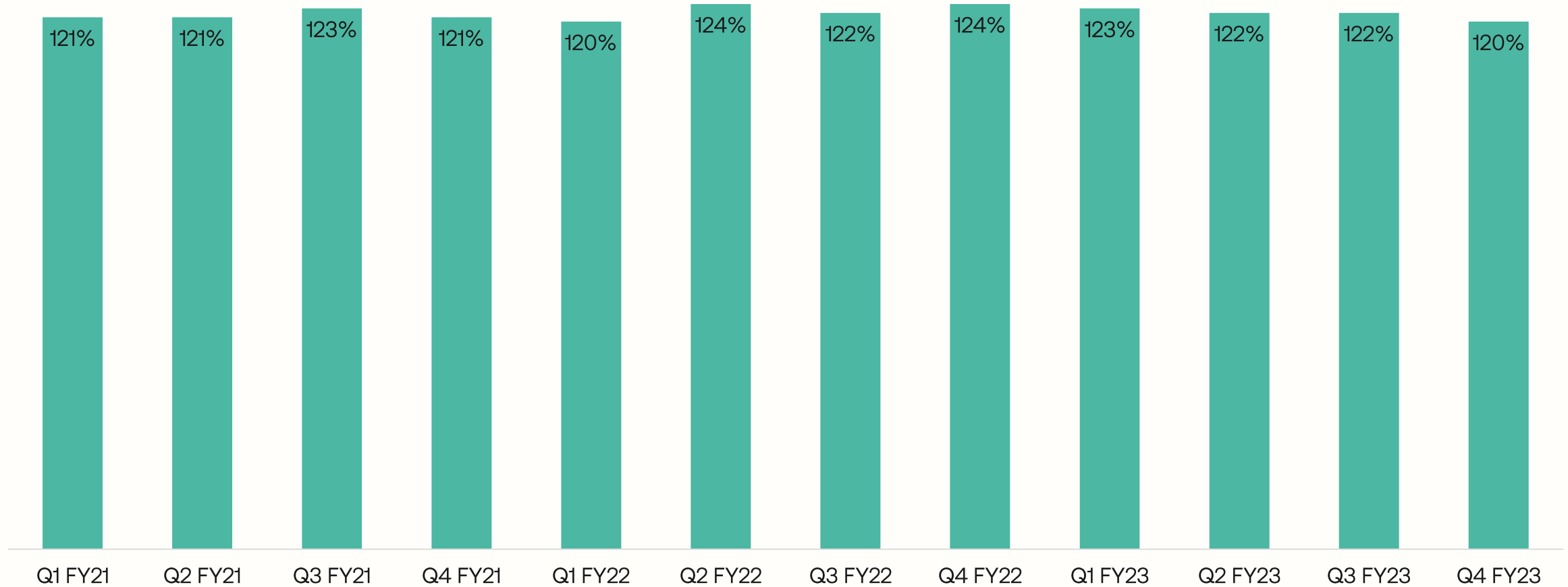


- (1) Calculated billings includes process improvements that were implemented at the end of Q1 FY22; changes implemented were: billing at contract signature rather than subscription start date, and subsequent annual payments are now due, rather than billed, on the anniversary date.
- (2) Assumes the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



TTM Dollar-based Net Retention Rate of 120%

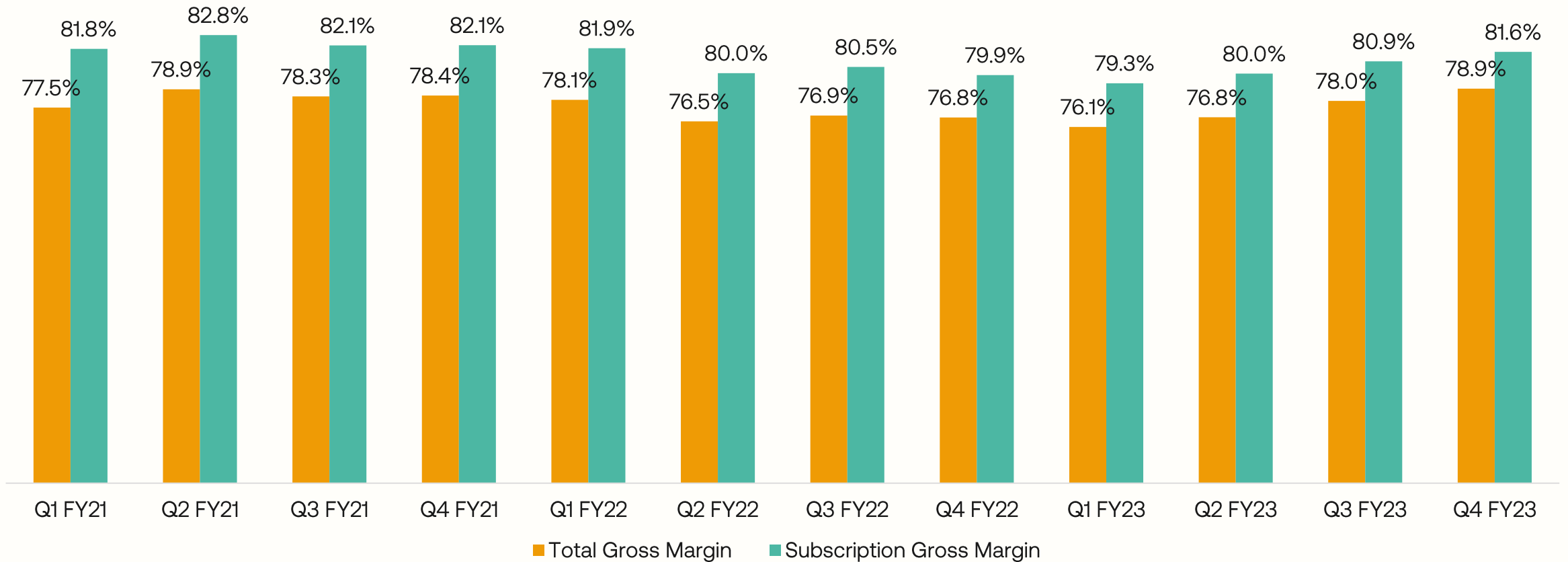
TTM Dollar-based net retention rate



Non-GAAP Total Gross Margin Up 210 bps Y/Y⁽¹⁾

Non-GAAP Subscription Gross Margin Up 170 bps Y/Y

Quarterly Non-GAAP Gross Margins⁽²⁾

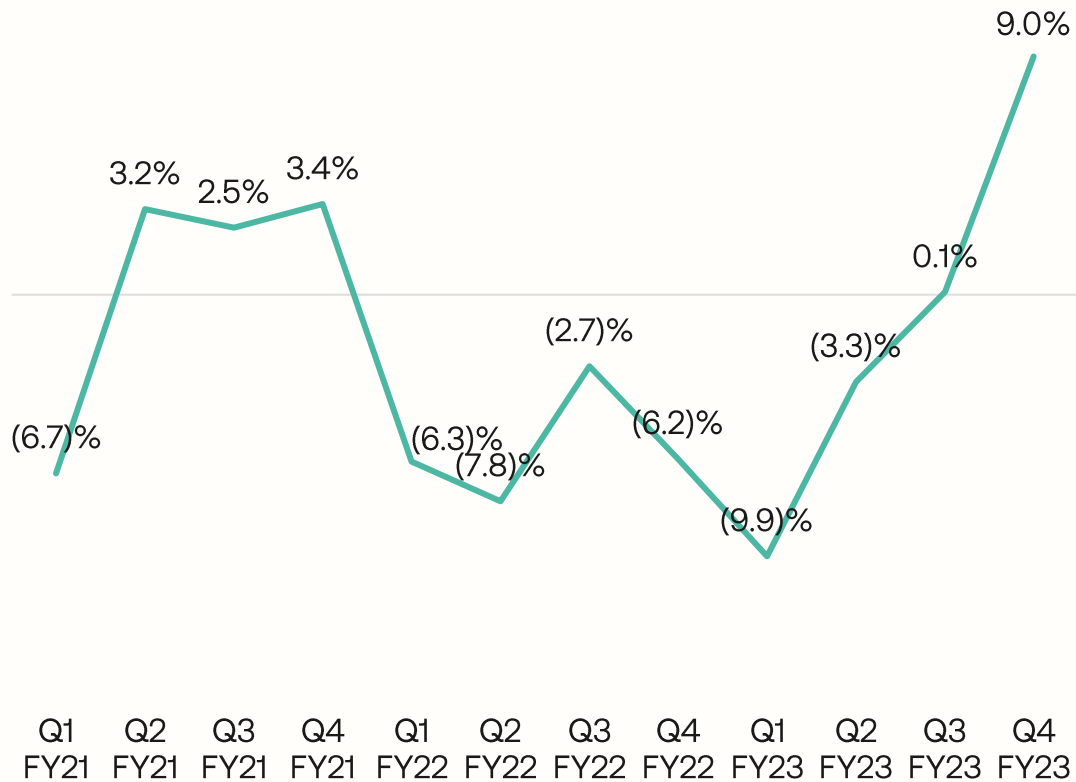


(1) Y/Y change may not sum due to rounding.
(2) See appendix for non-GAAP reconciliation.

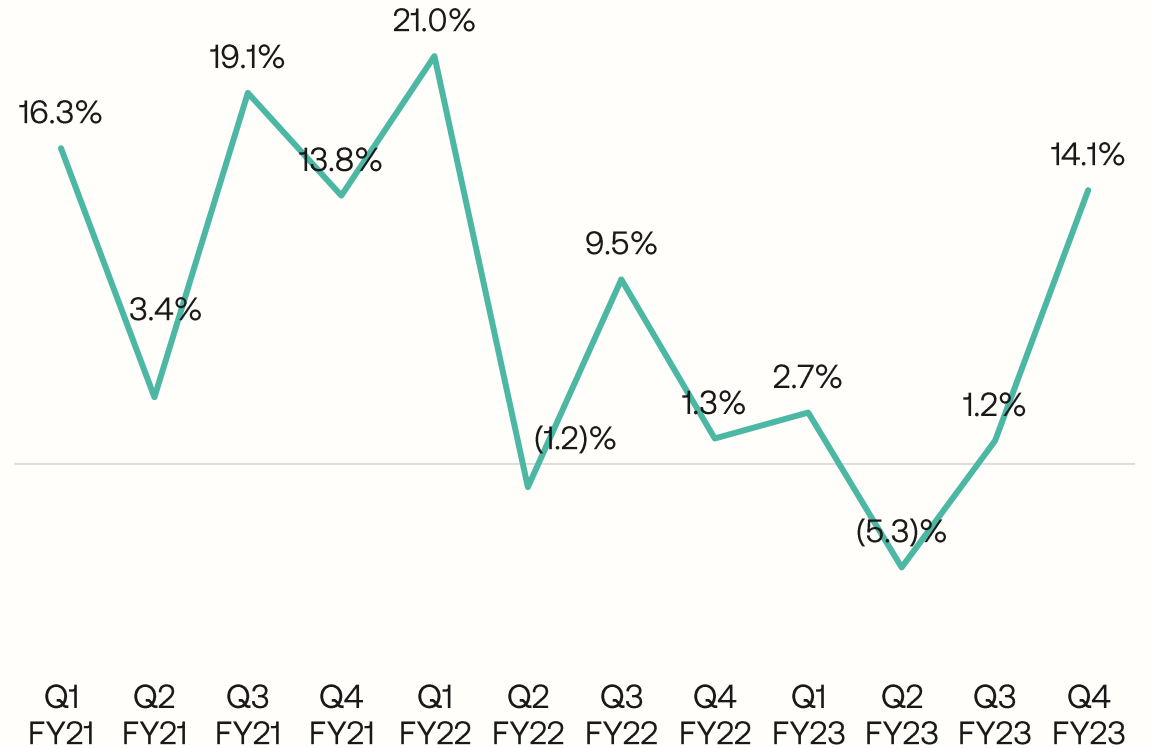


Non-GAAP Operating Margin Up 15.2 pts Y/Y; Free Cash Flow Margin Up 12.8 pts Y/Y

Quarterly Non-GAAP Operating Margin⁽¹⁾



Quarterly Free Cash Flow Margin⁽¹⁾⁽²⁾



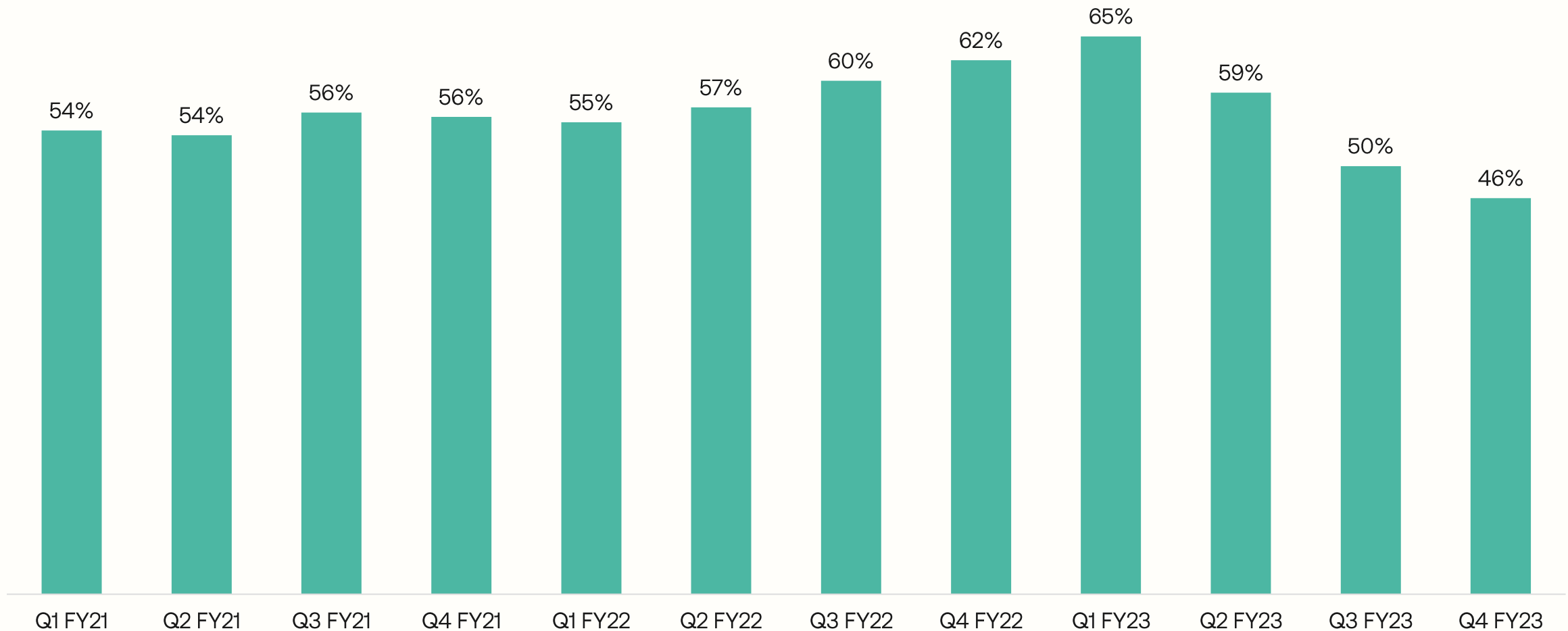
(1) See appendix for non-GAAP reconciliation.

(2) Y/Y change may not sum due to rounding.



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

TTM total revenue growth plus free cash flow margin⁽¹⁾

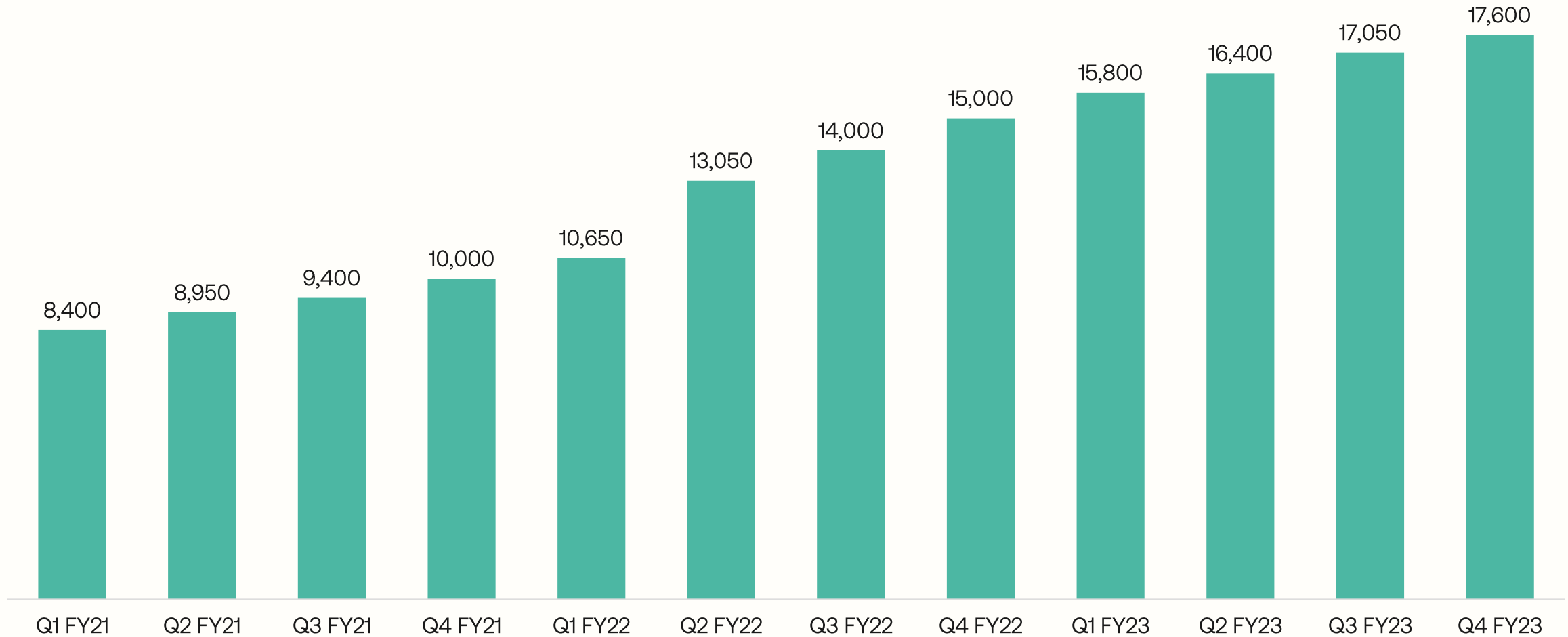


(1) See appendix for non-GAAP reconciliation.



Total Customers Up 17% Y/Y

Total customers⁽¹⁾

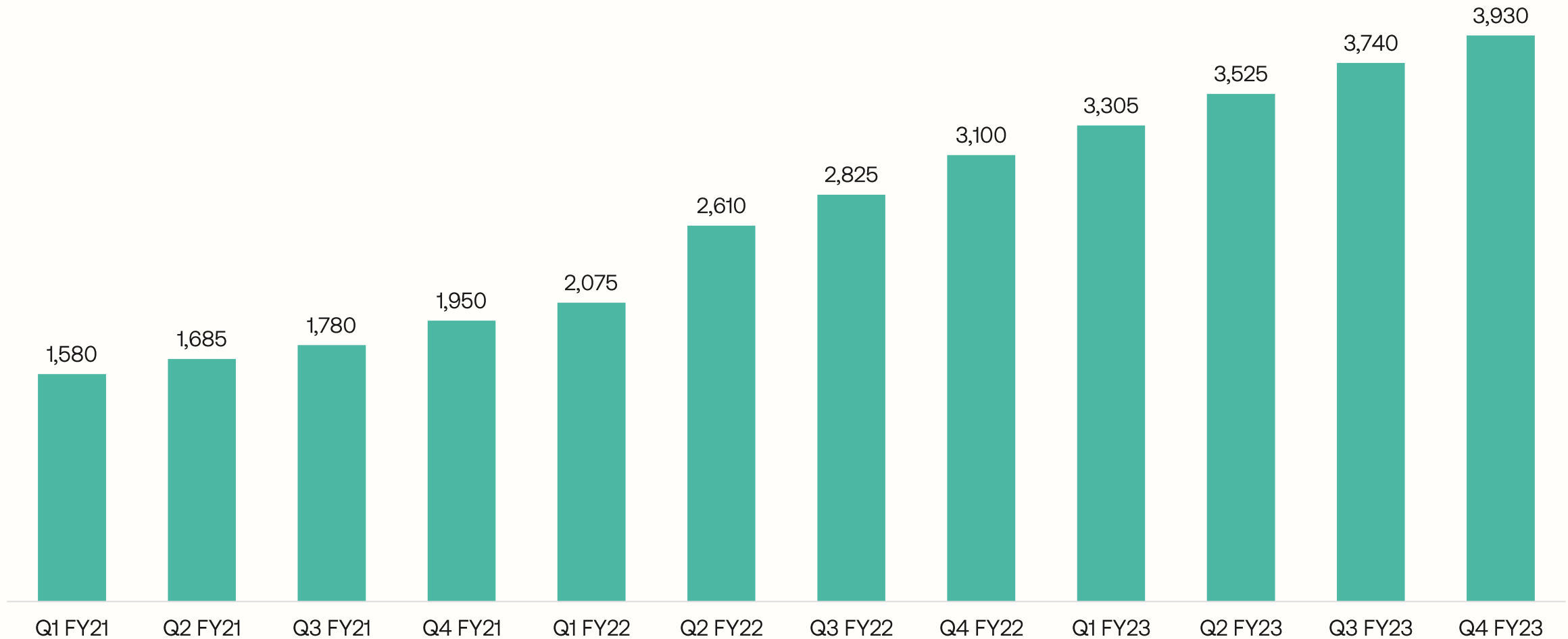


(1) Includes one time addition of 1,650 customers from Auth0 in Q2 FY22.



Customers with >\$100K Annual Contract Value Up 27% Y/Y

Customers with >\$100K ACV⁽¹⁾



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



Financial Outlook⁽¹⁾

	Q1 FY24 (April 30, 2023)
Total Revenue <i>Total Revenue Growth (Y/Y)</i>	\$509M to \$511M 23%
Current Remaining Performance Obligations <i>cRPO Growth (Y/Y)</i>	\$1,675M to \$1,685M 19%
Non-GAAP Operating Income ⁽²⁾	\$18M to \$20M
Non-GAAP Net Income Per Share ^{(2) (3)}	\$0.11 to \$0.12
Diluted Weighted Average Share Count	178 million ⁽⁴⁾

(1) Outlook is as of March 1, 2023.

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

(3) Based on non-GAAP effective tax rate of 26%.

(4) Fully diluted share count is on a non-GAAP basis.



Financial Outlook⁽¹⁾

	Fiscal 2024 (January 31, 2024)
Total Revenue <i>Total Revenue Growth (Y/Y)</i>	\$2,155M to \$2,170M 16% - 17%
Non-GAAP Operating Income ⁽²⁾	\$136M to \$145M
Non-GAAP Net Income Per Share ^{(2) (3)}	\$0.74 to \$0.79
Diluted Weighted Average Share Count	180 million ⁽⁴⁾
Non-GAAP Free Cash Flow Margin	~10%

(1) Outlook is as of March 1, 2023.

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

(3) Based on non-GAAP effective tax rate of 26%.

(4) Fully diluted share count is on a non-GAAP basis.



Key Takeaways

Strong foundation for growth at scale

Large addressable markets with multiple growth vectors

Positioned for profitable growth⁽¹⁾

(1) 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.



Statement Regarding Use of Non-GAAP Financial Measures

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

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

Certain of these non-GAAP financial measures exclude stock-based compensation expense, 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, amortization of debt discount, amortization of debt issuance costs and loss on early extinguishment and conversion 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.

Based on our financial outlook for the first quarter of and full year fiscal 2024, we will utilize a fixed long-term projected tax rate of 26% in our computation of the non-GAAP income tax provision effective February 1, 2023. 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.

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

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

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

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)

	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23
GAAP subscription gross profit	\$ 137	\$ 152	\$ 162	\$ 176	\$ 627	\$ 188	\$ 219	\$ 246	\$ 267	\$ 920	\$ 287	\$ 318	\$ 349	\$ 376	\$ 1,330
Stock-based compensation	3	5	6	7	21	7	13	13	16	49	17	18	17	17	69
Amortization of acquired intangibles	2	2	2	1	7	1	10	11	12	34	10	12	11	13	46
Acquisition and integration-related expenses	—	—	—	—	—	—	1	1	—	2	1	—	—	—	1
Non-GAAP subscription gross profit	\$ 142	\$ 159	\$ 170	\$ 184	\$ 655	\$ 196	\$ 243	\$ 271	\$ 295	\$ 1,005	\$ 315	\$ 348	\$ 377	\$ 406	\$ 1,446
Non-GAAP subscription gross margin	81.8 %	82.8 %	82.1 %	82.1 %	82.2 %	81.9 %	80.0 %	80.5 %	79.9 %	80.5 %	79.3 %	80.0 %	80.9 %	81.6 %	80.5 %
GAAP professional services gross profit	\$ (3)	\$ (3)	\$ (2)	\$ (2)	\$ (10)	\$ (3)	\$ (5)	\$ (5)	\$ (3)	\$ (16)	\$ (3)	\$ (4)	\$ (6)	\$ (5)	\$ (18)
Stock-based compensation	3	2	2	2	9	3	3	4	2	12	4	3	4	3	14
Acquisition and integration-related expenses	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Non-GAAP professional services gross profit	\$ —	\$ (1)	\$ —	\$ —	\$ (1)	\$ —	\$ (2)	\$ (1)	\$ (1)	\$ (4)	\$ 1	\$ (1)	\$ (2)	\$ (2)	\$ (4)
Non-GAAP professional services gross margin	(4.8)%	1.1 %	5.7 %	(10.3)%	(1.8)%	(4.0)%	(8.2)%	(8.4)%	(7.7)%	(7.2)%	2.5 %	(6.8)%	(10.5)%	(3.5)%	(4.4)%
GAAP total gross profit	\$ 134	\$ 149	\$ 160	\$ 174	\$ 617	\$ 185	\$ 214	\$ 241	\$ 264	\$ 904	\$ 284	\$ 314	\$ 343	\$ 371	\$ 1,312
Stock-based compensation	6	7	8	9	30	10	16	17	18	61	21	21	21	20	83
Amortization of acquired intangibles	2	2	2	1	7	1	10	11	12	34	10	12	11	13	46
Acquisition and integration-related expenses	—	—	—	—	—	—	1	1	—	2	1	—	—	—	1
Non-GAAP total gross profit	\$ 142	\$ 158	\$ 170	\$ 184	\$ 654	\$ 196	\$ 241	\$ 270	\$ 294	\$ 1,001	\$ 316	\$ 347	\$ 375	\$ 404	\$ 1,442
Non-GAAP total gross margin	77.5 %	78.9 %	78.3 %	78.4 %	78.3 %	78.1 %	76.5 %	76.9 %	76.8 %	77.0 %	76.1 %	76.8 %	78.0 %	78.9 %	77.6 %

(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.



GAAP to Non-GAAP Reconciliations – Fiscal Quarters⁽¹⁾

(dollars in millions)

	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23
GAAP research and development expense	\$ 49	\$ 54	\$ 58	\$ 62	\$ 223	\$ 69	\$ 122	\$ 131	\$ 147	\$ 469	\$ 162	\$ 156	\$ 148	\$ 154	\$ 620
Stock-based compensation	12	15	17	19	63	20	53	57	63	193	70	70	69	66	275
Acquisition and integration-related expenses	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Non-GAAP research and development expense	\$ 37	\$ 39	\$ 41	\$ 43	\$ 160	\$ 49	\$ 69	\$ 74	\$ 84	\$ 276	\$ 92	\$ 86	\$ 79	\$ 88	\$ 345
Non-GAAP research and development expense as a percentage of revenue	20.0 %	19.4 %	18.7 %	18.5 %	19.1 %	19.4 %	21.8 %	21.0 %	22.1 %	21.2 %	22.3 %	19.0 %	16.5 %	16.9 %	18.5 %
GAAP sales and marketing expense	\$ 104	\$ 97	\$ 110	\$ 116	\$ 427	\$ 147	\$ 198	\$ 204	\$ 222	\$ 771	\$ 252	\$ 265	\$ 290	\$ 259	\$ 1,066
Stock-based compensation	11	12	15	15	53	22	41	39	34	136	39	39	41	40	159
Amortization of acquired intangibles	—	—	—	—	—	—	10	10	10	30	10	10	10	9	39
Acquisition and integration-related expenses	—	—	—	—	—	—	1	1	1	3	1	—	—	—	1
Non-GAAP sales and marketing expense	\$ 93	\$ 85	\$ 95	\$ 101	\$ 374	\$ 125	\$ 146	\$ 154	\$ 177	\$ 602	\$ 202	\$ 216	\$ 239	\$ 210	\$ 867
Non-GAAP sales and marketing expense as a percentage of revenue	50.8 %	42.5 %	43.9 %	42.6 %	44.7 %	50.0 %	46.4 %	43.8 %	46.1 %	46.3 %	48.7 %	47.8 %	49.6 %	41.3 %	46.7 %
GAAP general and administrative expense	\$ 33	\$ 43	\$ 44	\$ 51	\$ 171	\$ 60	\$ 158	\$ 105	\$ 109	\$ 432	\$ 110	\$ 101	\$ 98	\$ 100	\$ 409
Stock-based compensation	8	13	14	14	49	13	78	43	42	176	41	40	41	38	160
Non-cash charitable contributions	—	2	2	5	9	2	2	2	2	8	1	1	—	2	4
Acquisition and integration-related expenses	—	—	—	—	—	7	28	8	8	51	5	—	—	—	5
Non-GAAP general and administrative expense	\$ 25	\$ 28	\$ 28	\$ 32	\$ 113	\$ 38	\$ 50	\$ 52	\$ 57	\$ 197	\$ 63	\$ 60	\$ 57	\$ 60	\$ 240
Non-GAAP general and administrative expense as a percentage of revenue	13.5 %	13.7 %	13.2 %	13.8 %	13.6 %	15.0 %	16.1 %	14.8 %	14.8 %	15.2 %	15.0 %	13.4 %	11.9 %	11.8 %	12.9 %
GAAP restructuring and other charges	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 14	\$ 15	\$ 29
Restructuring costs	—	—	—	—	—	—	—	—	—	—	—	—	14	15	29
Non-GAAP restructuring and other charges	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Non-GAAP restructuring and other charges as a percentage of revenue	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %

(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.



GAAP to Non-GAAP Reconciliations – Fiscal Quarters⁽¹⁾

(dollars in millions)

	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23
GAAP total operating expenses	\$ 186	\$ 194	\$ 212	\$ 229	\$ 821	\$ 276	\$ 478	\$ 440	\$ 478	\$ 1,672	\$ 524	\$ 522	\$ 550	\$ 528	\$ 2,124
Stock-based compensation	31	40	46	48	165	55	172	139	139	505	150	149	151	144	594
Non-cash charitable contributions	—	2	2	5	9	2	2	2	2	8	1	1	—	2	4
Amortization of acquired intangibles	—	—	—	—	—	—	10	10	10	30	10	10	10	9	39
Acquisition and integration-related expenses	—	—	—	—	—	7	29	9	9	54	6	—	—	—	6
Restructuring costs	—	—	—	—	—	—	—	—	—	—	—	—	14	15	29
Non-GAAP total operating expenses	\$ 155	\$ 152	\$ 164	\$ 176	\$ 647	\$ 212	\$ 265	\$ 280	\$ 318	\$ 1,075	\$ 357	\$ 362	\$ 375	\$ 358	\$ 1,452
Non-GAAP total operating expenses as a percentage of revenue	84.3 %	75.6 %	75.8 %	75.0 %	77.4 %	84.4 %	84.3 %	79.7 %	83.0 %	82.7 %	86.0 %	80.1 %	78.0 %	70.0 %	78.1 %
GAAP operating loss	\$ (52)	\$ (45)	\$ (52)	\$ (55)	\$ (204)	\$ (91)	\$ (264)	\$ (199)	\$ (214)	\$ (768)	\$ (240)	\$ (208)	\$ (207)	\$ (157)	\$ (812)
Stock-based compensation	37	47	54	57	195	65	188	156	157	566	171	170	172	164	677
Non-cash charitable contributions	—	2	2	5	9	2	2	2	2	8	1	1	—	2	4
Amortization of acquired intangibles	2	2	2	1	7	1	20	21	22	64	20	22	21	22	85
Acquisition and integration-related expenses	—	—	—	—	—	7	30	10	9	56	7	—	—	—	7
Restructuring costs	—	—	—	—	—	—	—	—	—	—	—	—	14	15	29
Non-GAAP operating income (loss)	\$ (13)	\$ 6	\$ 6	\$ 8	\$ 7	\$ (16)	\$ (24)	\$ (10)	\$ (24)	\$ (74)	\$ (41)	\$ (15)	\$ —	\$ 46	\$ (10)
Non-GAAP operating margin	(6.7)%	3.2 %	2.5 %	3.4 %	0.9 %	(6.3)%	(7.8)%	(2.7)%	(6.2)%	(5.7)%	(9.9)%	(3.3)%	0.1 %	9.0 %	(0.5)%
Interest and other, net	\$ (6)	\$ (15)	\$ (21)	\$ (20)	\$ (62)	\$ (19)	\$ (20)	\$ (22)	\$ (21)	\$ (82)	\$ (1)	\$ 2	\$ 2	\$ 8	\$ 11
Amortization of debt discount and debt issuance costs	10	17	21	21	69	22	21	21	22	86	1	1	2	2	6
Loss on early extinguishment and conversion of debt	—	2	—	—	2	—	—	—	—	—	—	—	—	—	—
Non-GAAP interest and other, net	\$ 4	\$ 4	\$ —	\$ 1	\$ 9	\$ 3	\$ 1	\$ (1)	\$ 1	\$ 4	\$ —	\$ 3	\$ 4	\$ 10	\$ 17

(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.



GAAP to Non-GAAP Reconciliations – Fiscal Quarters⁽¹⁾

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

	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23
GAAP net loss	\$ (57)	\$ (60)	\$ (73)	\$ (76)	\$ (266)	\$ (109)	\$ (277)	\$ (221)	\$ (241)	\$ (848)	\$ (243)	\$ (210)	\$ (209)	\$ (153)	\$ (815)
Stock-based compensation	37	47	54	57	195	65	188	156	157	566	171	170	172	164	677
Amortization of debt discount and debt issuance costs	10	17	21	21	69	22	21	21	22	86	1	1	1	2	6
Non-cash charitable contributions	—	2	2	5	9	2	2	2	2	8	1	1	—	2	4
Amortization of acquired intangibles	2	2	2	1	7	1	20	21	22	64	20	22	21	22	85
Acquisition and integration-related expenses	—	—	—	—	—	7	30	10	9	56	7	—	—	—	7
Loss on early extinguishment and conversion of debt	—	2	—	—	2	—	—	—	—	—	—	—	—	—	—
Restructuring costs	—	—	—	—	—	—	—	—	—	—	—	—	14	15	29
Non-GAAP net income (loss)	\$ (8)	\$ 10	\$ 6	\$ 8	\$ 16	\$ (12)	\$ (16)	\$ (11)	\$ (29)	\$ (68)	\$ (43)	\$ (16)	\$ (1)	\$ 52	\$ (7)
GAAP net loss per share, basic	\$ (0.47)	\$ (0.48)	\$ (0.56)	\$ (0.58)	\$ (2.09)	\$ (0.83)	\$ (1.83)	\$ (1.44)	\$ (1.56)	\$ (5.73)	\$ (1.56)	\$ (1.34)	\$ (1.32)	\$ (0.95)	\$ (5.16)
Stock-based compensation	0.31	0.38	0.42	0.43	1.54	0.49	1.24	1.01	1.02	3.82	1.09	1.09	1.08	1.03	4.28
Amortization of debt discount and debt issuance costs	0.09	0.13	0.16	0.16	0.54	0.16	0.14	0.14	0.14	0.58	0.01	0.01	0.01	0.01	0.04
Non-cash charitable contributions	—	0.02	0.01	0.04	0.07	0.02	0.01	0.01	0.01	0.05	0.01	—	—	0.01	0.02
Amortization of acquired intangibles	0.01	0.01	0.01	0.01	0.05	0.01	0.13	0.14	0.14	0.44	0.14	0.14	0.14	0.13	0.55
Acquisition and integration-related expenses	—	—	—	—	—	0.05	0.20	0.07	0.07	0.38	0.04	—	—	—	0.04
Loss on early extinguishment and conversion of debt	—	0.02	—	—	0.02	—	—	—	—	—	—	—	—	—	—
Restructuring costs	—	—	—	—	—	—	—	—	—	—	—	—	0.09	0.10	0.19
Non-GAAP net income (loss) per share, basic	\$ (0.06)	\$ 0.08	\$ 0.04	\$ 0.06	\$ 0.13	\$ (0.10)	\$ (0.11)	\$ (0.07)	\$ (0.18)	\$ (0.46)	\$ (0.27)	\$ (0.10)	\$ —	\$ 0.33	\$ (0.04)
Weighted-average shares outstanding used to compute non-GAAP net income (loss) per share, basic	123,494	126,319	128,813	130,138	127,212	131,777	151,357	153,756	154,720	148,036	155,875	157,400	158,708	160,038	158,023

(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.



GAAP to Non-GAAP Reconciliations – Fiscal Quarters⁽¹⁾

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

	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23
GAAP net loss per share, diluted	\$ (0.47)	\$ (0.48)	\$ (0.56)	\$ (0.58)	\$ (2.09)	\$ (0.83)	\$ (1.83)	\$ (1.44)	\$ (1.56)	\$ (5.73)	\$ (1.56)	\$ (1.34)	\$ (1.32)	\$ (0.95)	\$ (5.16)
Adjustments for difference in weighted-average shares outstanding	—	0.06	0.05	0.06	0.21	—	—	—	—	—	—	—	—	0.07	—
Stock-based compensation	0.31	0.34	0.37	0.39	1.38	0.49	1.24	1.01	1.02	3.82	1.09	1.09	1.08	0.95	4.28
Amortization of debt discount and debt issuance costs	0.09	0.11	0.15	0.15	0.48	0.16	0.14	0.14	0.14	0.58	0.01	0.01	0.01	0.01	0.04
Non-cash charitable contributions	—	0.01	0.02	0.03	0.07	0.02	0.01	0.01	0.01	0.05	0.01	—	—	0.01	0.02
Amortization of acquired intangibles	0.01	0.01	0.01	0.01	0.04	0.01	0.13	0.14	0.14	0.44	0.14	0.14	0.14	0.12	0.55
Acquisition and integration-related expenses	—	—	—	—	—	0.05	0.20	0.07	0.07	0.38	0.04	—	—	—	0.04
Loss on early extinguishment and conversion of debt	—	0.02	—	—	0.02	—	—	—	—	—	—	—	—	—	—
Restructuring costs	—	—	—	—	—	—	—	—	—	—	—	—	0.09	0.09	0.19
Non-GAAP net income (loss) per share, diluted	\$ (0.06)	\$ 0.07	\$ 0.04	\$ 0.06	\$ 0.11	\$ (0.10)	\$ (0.11)	\$ (0.07)	\$ (0.18)	\$ (0.46)	\$ (0.27)	\$ (0.10)	\$ —	\$ 0.30	\$ (0.04)
Weighted-average shares outstanding used to compute non-GAAP net income (loss) per share, diluted	123,494	142,255	143,392	143,679	142,383	131,777	151,357	153,756	154,720	148,036	155,875	157,400	158,708	174,026	158,023

(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.



Calculations of Key and Other Selected Metrics – Fiscal Quarters⁽¹⁾

(dollars in millions)

	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23
Calculated Billings															
Total revenue	\$ 183	\$ 200	\$ 217	\$ 235	\$ 835	\$ 251	\$ 315	\$ 351	\$ 383	\$ 1,300	\$ 415	\$ 452	\$ 481	\$ 510	\$ 1,858
Add:															
Deferred revenue, current (end of period)	392	391	425	503	503	613	722	760	973	973	952	994	1,045	1,242	1,242
Unbilled receivables, current (beginning of period)	1	1	2	2	1	3	1	3	5	3	3	4	5	5	3
Acquired unbilled receivables, current	—	—	—	—	—	—	2	—	—	2	—	—	—	—	—
Less:															
Deferred revenue, current (beginning of period)	(365)	(392)	(391)	(425)	(365)	(503)	(613)	(722)	(760)	(503)	(973)	(952)	(994)	(1,045)	(973)
Unbilled receivables, current (end of period)	(1)	(2)	(2)	(3)	(3)	(1)	(3)	(5)	(3)	(3)	(4)	(5)	(5)	(2)	(2)
Acquired deferred revenue, current	—	—	—	—	—	—	(60)	(1)	—	(61)	—	—	—	—	—
Current Calculated Billings	210	198	251	312	971	363	364	386	598	1,711	393	493	532	710	2,128
Add:															
Deferred revenue, noncurrent (end of period)	6	6	7	11	11	12	15	18	23	23	19	17	18	18	18
Less:															
Deferred revenue, noncurrent (beginning of period)	(6)	(6)	(6)	(7)	(6)	(11)	(12)	(15)	(18)	(11)	(23)	(19)	(17)	(18)	(23)
Acquired deferred revenue, noncurrent	—	—	—	—	—	—	(5)	—	—	(5)	—	—	—	—	—
Calculated Billings	\$ 210	\$ 198	\$ 252	\$ 316	\$ 976	\$ 364	\$ 362	\$ 389	\$ 603	\$ 1,718	\$ 389	\$ 491	\$ 533	\$ 710	\$ 2,123
<i>y-y growth - current calculated billings</i>	41 %	27 %	42 %	38 %	38 %	73 %	83 %	54 %	91 %	76 %	8 %	36 %	37 %	19 %	24 %
<i>y-y growth - calculated billings</i>	42 %	27 %	44 %	40 %	39 %	74 %	83 %	54 %	91 %	76 %	7 %	36 %	37 %	18 %	24 %
Trailing 12 months calculated billings	\$ 766	\$ 808	\$ 885	\$ 976	\$ 976	\$ 1,131	\$ 1,295	\$ 1,431	\$ 1,718	\$ 1,718	\$ 1,743	\$ 1,872	\$ 2,015	\$ 2,123	\$ 2,123
<i>y-y growth</i>	42 %	38 %	39 %	39 %	39 %	48 %	60 %	62 %	76 %	76 %	54 %	45 %	41 %	24 %	24 %

(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.



Calculations of Key and Other Selected Metrics – Fiscal Quarters⁽¹⁾

(dollars in millions, except headcount data)

	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23
Free Cash Flow and Margin															
Net cash provided by (used in) operating activities	\$ 39	\$ 11	\$ 43	\$ 35	\$ 128	\$ 56	\$ (3)	\$ 37	\$ 14	\$ 104	\$ 19	\$ (19)	\$ 10	\$ 76	\$ 86
Less:															
Purchases of property and equipment	(8)	(3)	—	(2)	(13)	(3)	(1)	(2)	(7)	(13)	(5)	(2)	(2)	(3)	(12)
Capitalization of internal-use software costs	(1)	(1)	(1)	(1)	(4)	—	—	(2)	(2)	(4)	(3)	(3)	(2)	(1)	(9)
Free cash flow	\$ 30	\$ 7	\$ 42	\$ 32	\$ 111	\$ 53	\$ (4)	\$ 33	\$ 5	\$ 87	\$ 11	\$ (24)	\$ 6	\$ 72	\$ 65
Free cash flow margin	16.3 %	3.4 %	19.1 %	13.8 %	13.3 %	21.0 %	(1.2)%	9.5 %	1.3 %	6.7 %	2.7 %	(5.3)%	1.2 %	14.1 %	3.5 %
Headcount															
Total headcount	2,379	2,489	2,604	2,806	2,806	3,056	4,176	4,584	5,030	5,030	5,342	5,776	6,037	6,013	6,013
<i>y-y growth</i>	34 %	28 %	23 %	25 %	25 %	28 %	68 %	76 %	79 %	79 %	75 %	38 %	32 %	20 %	20 %
Revenue by Location															
United States	\$ 154	\$ 168	\$ 183	\$ 197	\$ 702	\$ 210	\$ 250	\$ 276	\$ 300	\$ 1,036	\$ 325	\$ 353	\$ 377	\$ 401	\$ 1,456
International	29	32	34	38	133	41	65	75	83	264	90	99	104	109	402
Total	\$ 183	\$ 200	\$ 217	\$ 235	\$ 835	\$ 251	\$ 315	\$ 351	\$ 383	\$ 1,300	\$ 415	\$ 452	\$ 481	\$ 510	\$ 1,858

(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.

