Q1 FY25
Investor Presentation

May 29, 2024

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, 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; 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 integrate the 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 Annual Report on Form 10-K 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 products, features or functionality referenced in this presentation that are not currently generally available 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

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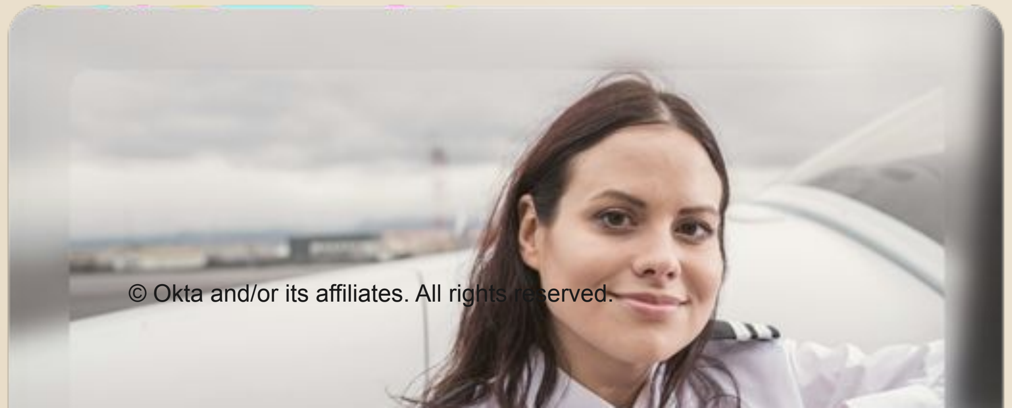
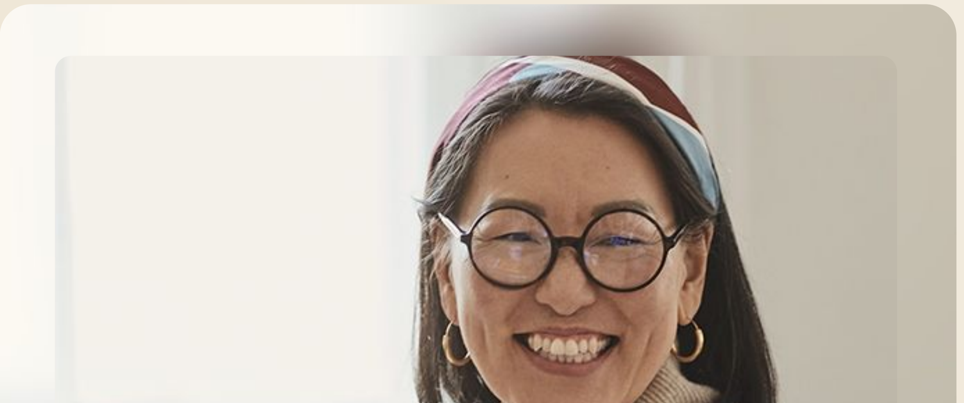
Company Overview

Vision

Free everyone to safely use any technology





Okta at a Glance

19,100

Total customers

$3.364B

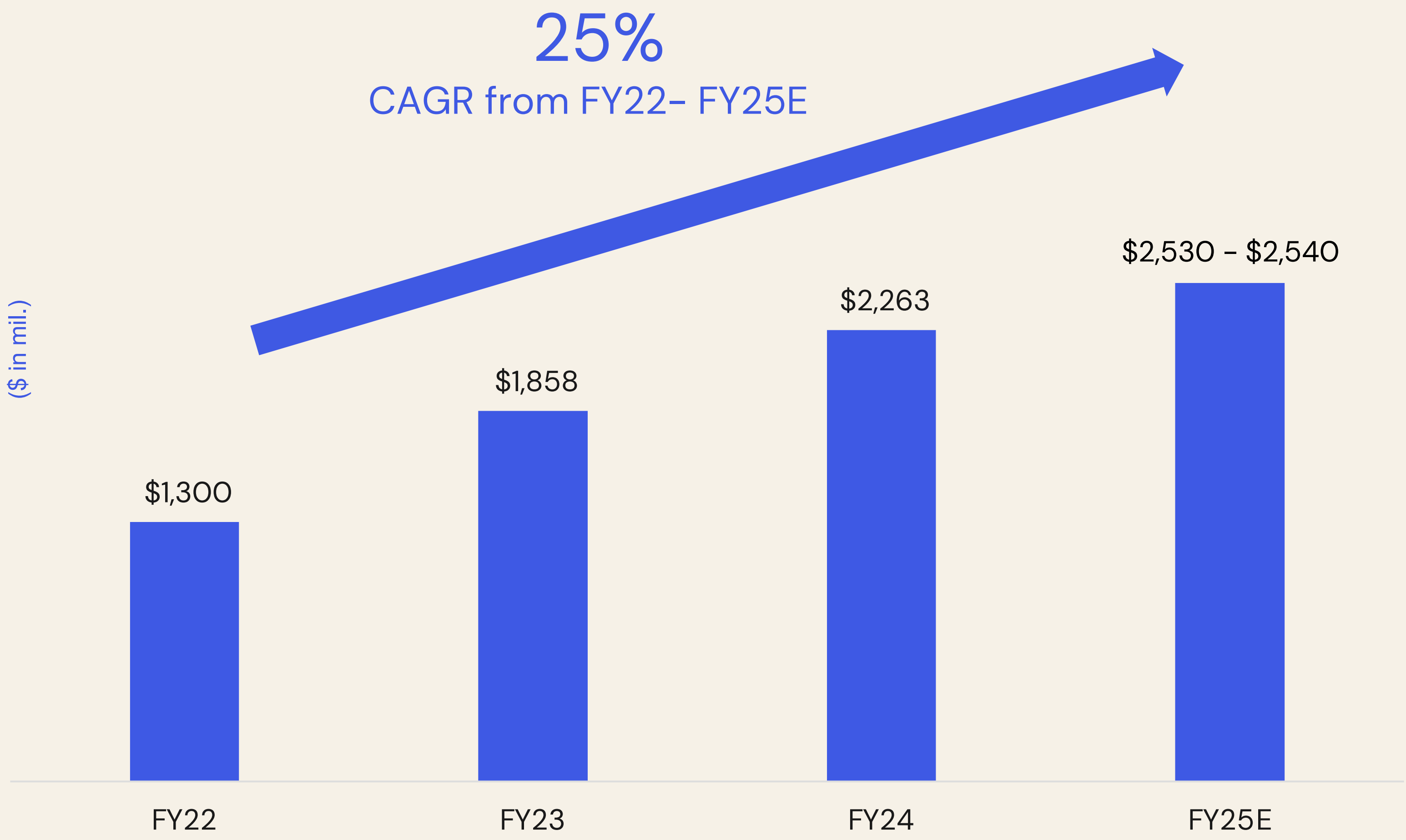
Remaining performance obligations (RPO)

111%

TTM Dollar-based net retention rate[(1)] at April 30, 2024

(1) Trailing Twelve Months (TTM) dollar-based net retention rate is calculated based on total ACV. See Appendix for definition.
(2) FY25E revenue is an estimate based on outlook as of May 29, 2024.

Total Revenue



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

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Every C-suite leader uses identity

CMO, CDO, digital teams

Conversion

Frictionless onboarding

CEO

Business acceleration

CTO, app dev teams

Unifying identity

User management

Identity

CPO, product team

Engagement

Omnichannel access

CFO

Revenue growth

CIO, CISO, IT, security teams

Creating trust

Security and privacy

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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

Identity Threat Protection...

...with Okta AI

Enables powerful, real-time actions and insights

Takes our products to the next level

Built on over a decade of experience

Enhanced security

Improved UX

Higher productivity

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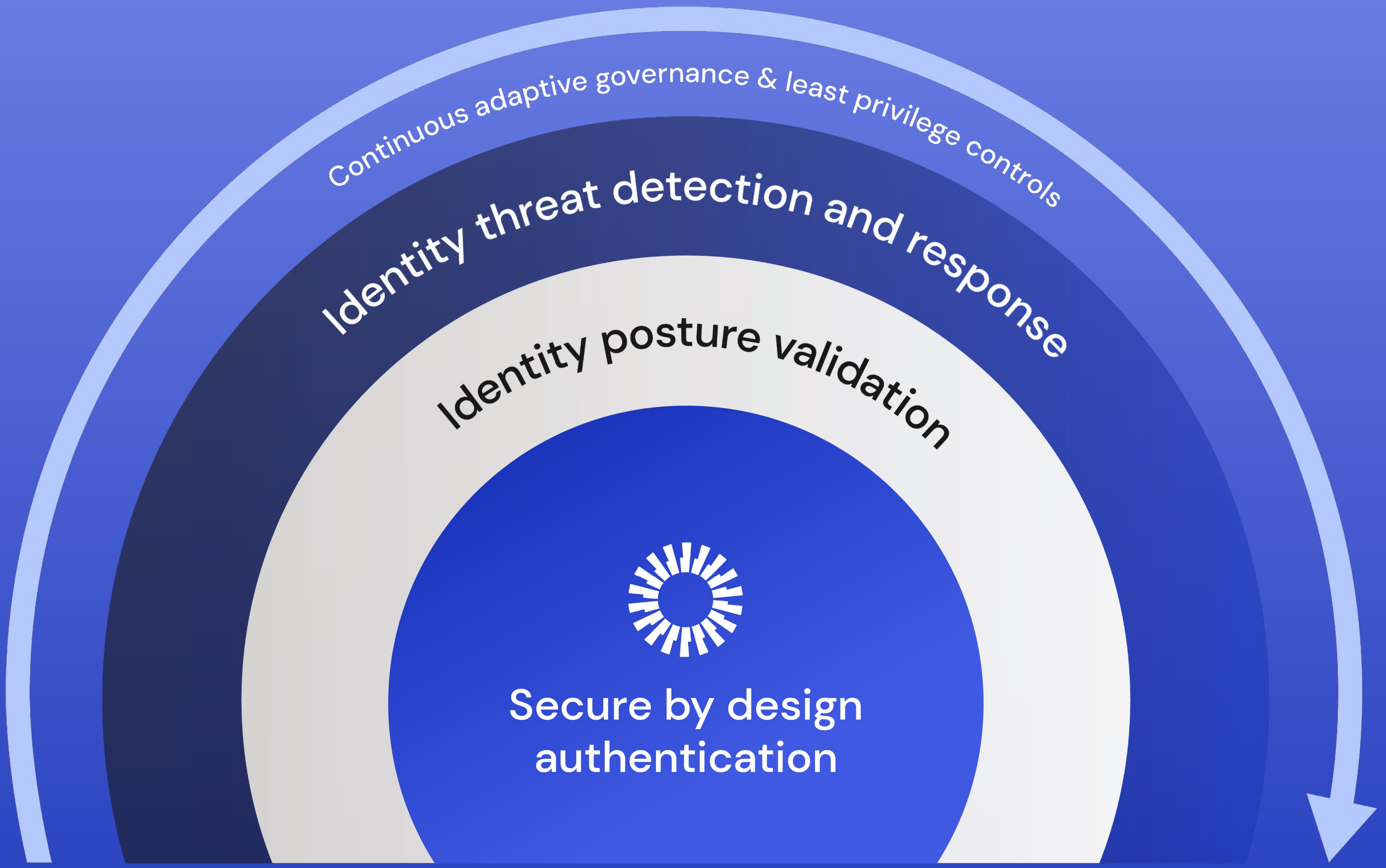
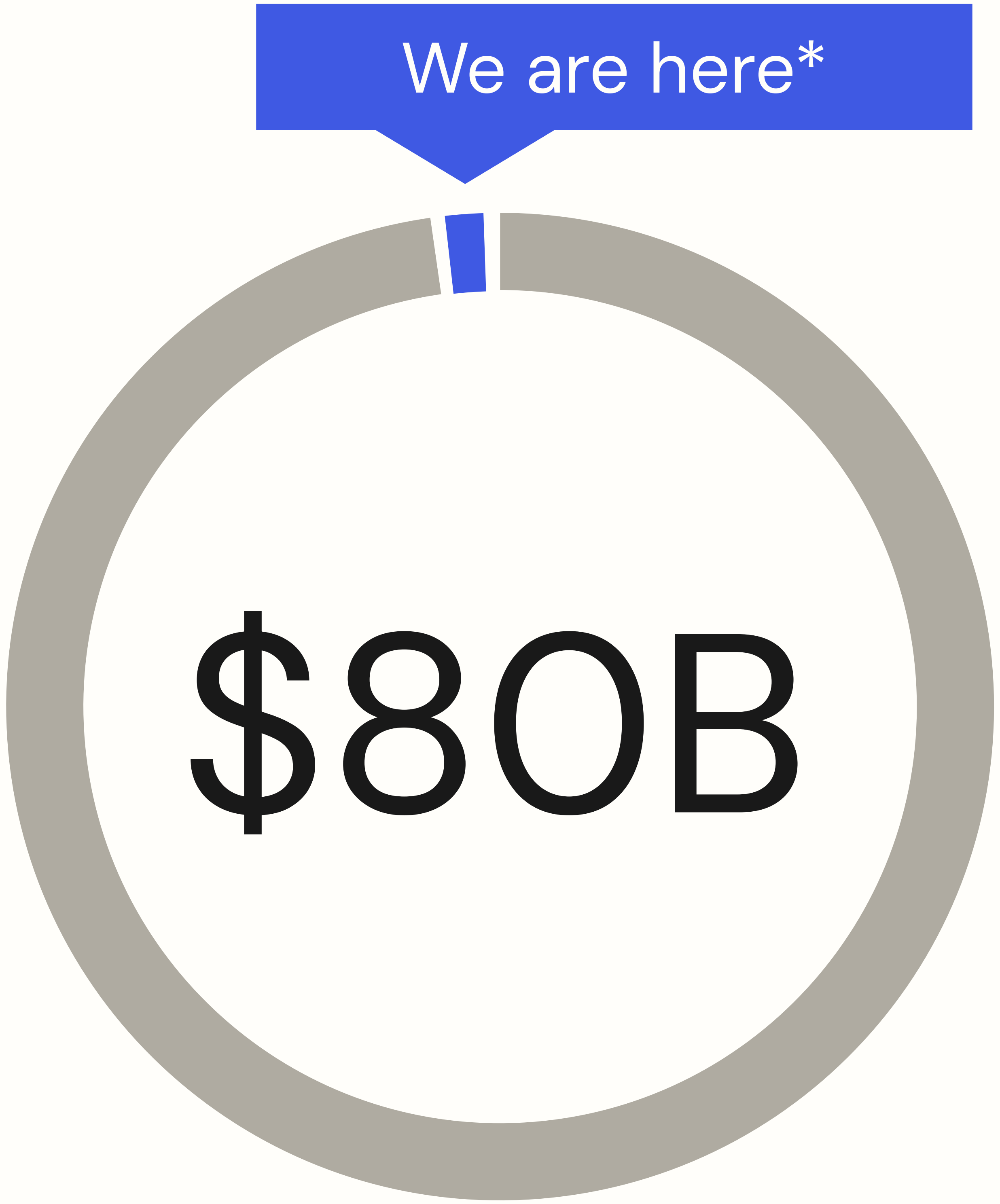
Okta's unique multilayered approach to identity security



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

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Okta is the superior choice vs. Microsoft - every time

Enterprise Agility

Okta accelerates identity for the world's largest organizations

- Okta saves News Corp 1,000 work hours per year for M&A and domain consolidations[1]

Reliability & Performance

Okta protects customers from outages and critical service limits

- From 2021-2023, Microsoft suffered a total of 1,500 min in outages.[2,3,4,5] Okta had 69 minutes[6] in the same span
- Microsoft suffers reporting latencies at a minimum of 2 hrs up to 8 hrs[7]

Ease of Use & Time to Value for the Best Outcomes

Okta delivers the solution customers need most

- Despite being free, only 34% of Microsoft admins adopt MFA whereas 90% of Okta's admins adopt MFA[8,9]
- Okta is the only vendor recognized as a Gartner® Peer Insights™ Customers' Choice for Access Management 5X in a Row[10]

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[11]
- Okta placed highest on the Gartner Magic Quadrant for Ability to Execute for the 3rd straight year[12]

Okta Integration Network

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

- Microsoft integrations favor its own platform first and best[13,14,15]
- Okta provides unique and deep integrations that customers want[16,17]

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
- "Customers may see cost increases somewhere between 30-50% when switching to Unified (support)"[18]

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 address the world's most pressing challenges

~4,000

Nonprofits supported through giving and volunteering

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 signs on to CISA's Secure By Design Pledge

Okta releases latest State of Inclusion Report

Okta releases FY24 Impact Report

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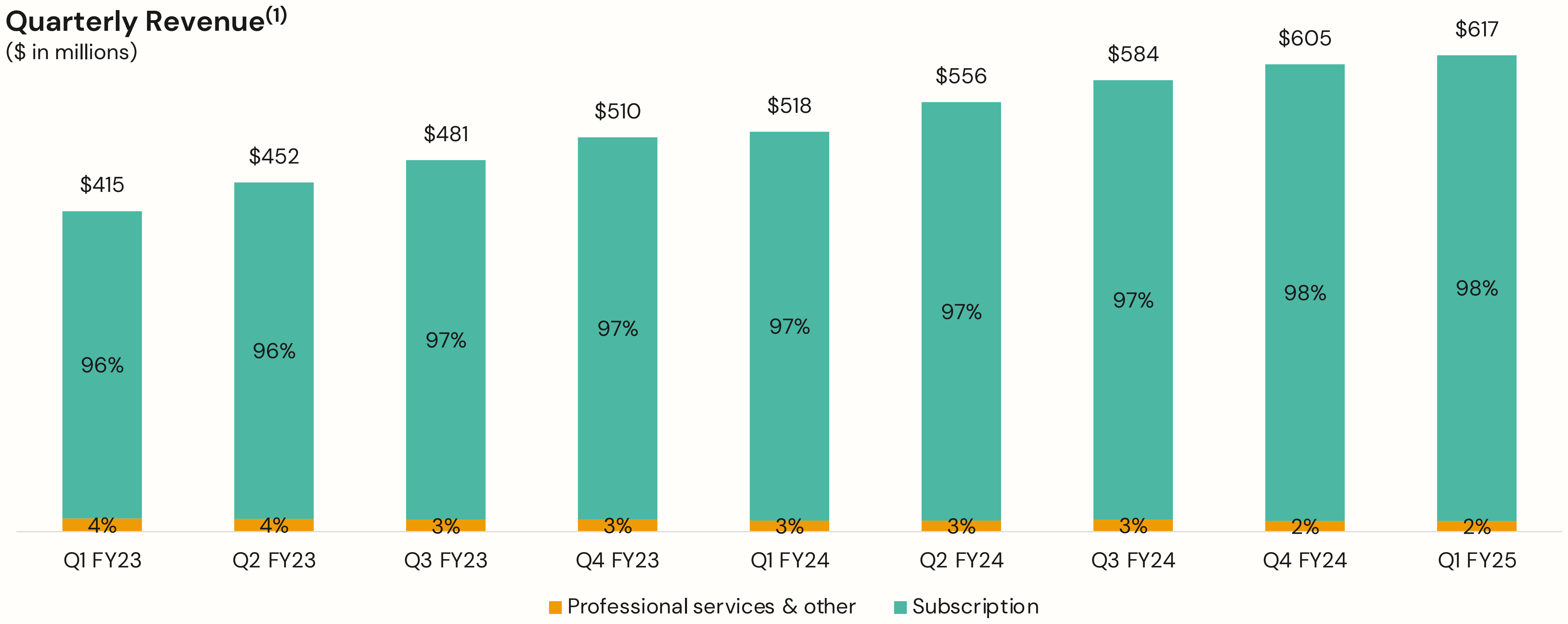
Q1 FY25 Financial Review & Financial Outlook

Q1 FY25 Financial Highlights

	Q1 FY25	vs. Q1 FY24
Total Revenue	$617M	+ 19%
Subscription Revenue	$603M	+ 20%
Remaining Performance Obligations (RPO)	$3,364M	+ 14%
Current Remaining Performance Obligations (cRPO)	$1,949M	+ 15%
TTM Dollar Based Net Retention Rate	111%	– 6 pts
Non-GAAP Gross Margin(1)	81.5%	+ 2.6 pts
Non-GAAP Subscription Gross Margin(1)	83.5%	+ 2.0 pts
Non-GAAP Operating Margin(1)	21.6%	+ 14.5 pts
Free Cash Flow Margin(1)	34.6%	+ 10.6 pts
TTM Total Rev. Growth + Free Cash Flow Margin ("Rule of 40")	45%	+ 2 pts
Total Customers	19,100	+ 6%
Customers > $100K ACV	4,550	+ 12%

(1) See appendix of Q1FY25 Earnings Presentation for non-GAAP reconciliation.

Total Revenue Up 19% Y/Y; Subscription Revenue Up 20% Y/Y



(1) Includes $66M from Auth0 in Q1 of FY23.

cRPO is a Leading Indicator for Future Subscription Revenue

Quarterly Bookings

New Customers

Upsells[1]

Renewals

Long-term RPO becoming current

Components that add to cRPO each quarter

cRPO (subscription backlog ≤ 12 months)

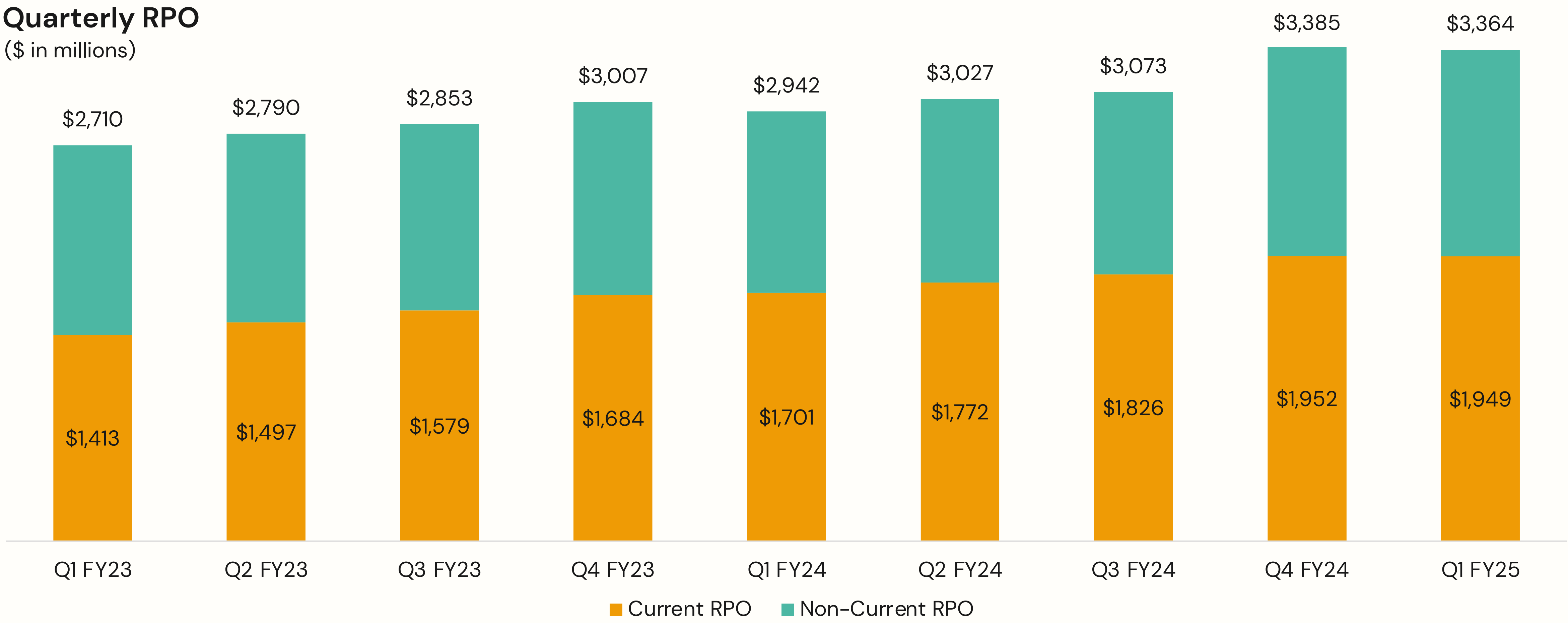
Dollar amount added to cRPO is impacted by factors such as the number of customers, size of deals, rate of upsells, and contract duration (affecting the long-term RPO)

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) Upsell is inclusive of cross-selling.

RPO Up 14% Y/Y; Current RPO Up 15% Y/Y



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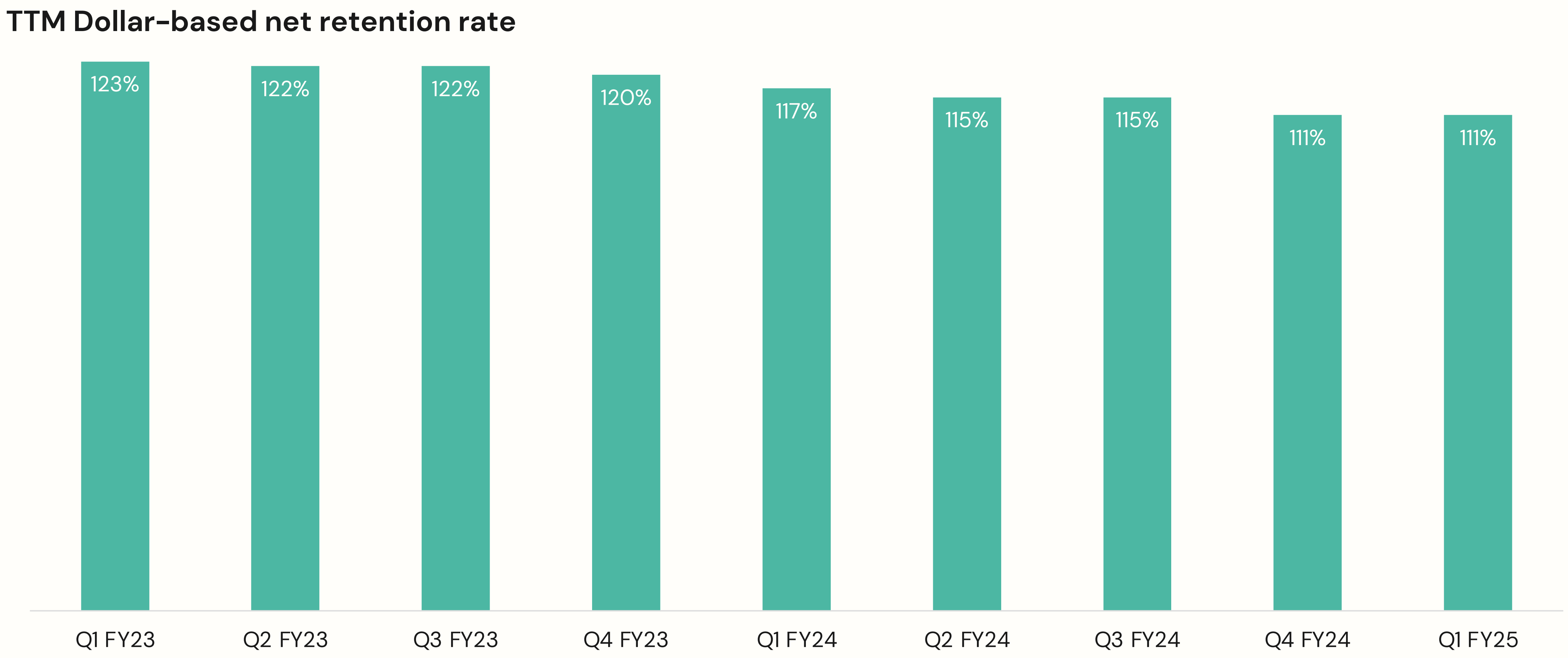
TTM Dollar-based Net Retention Rate of 111%



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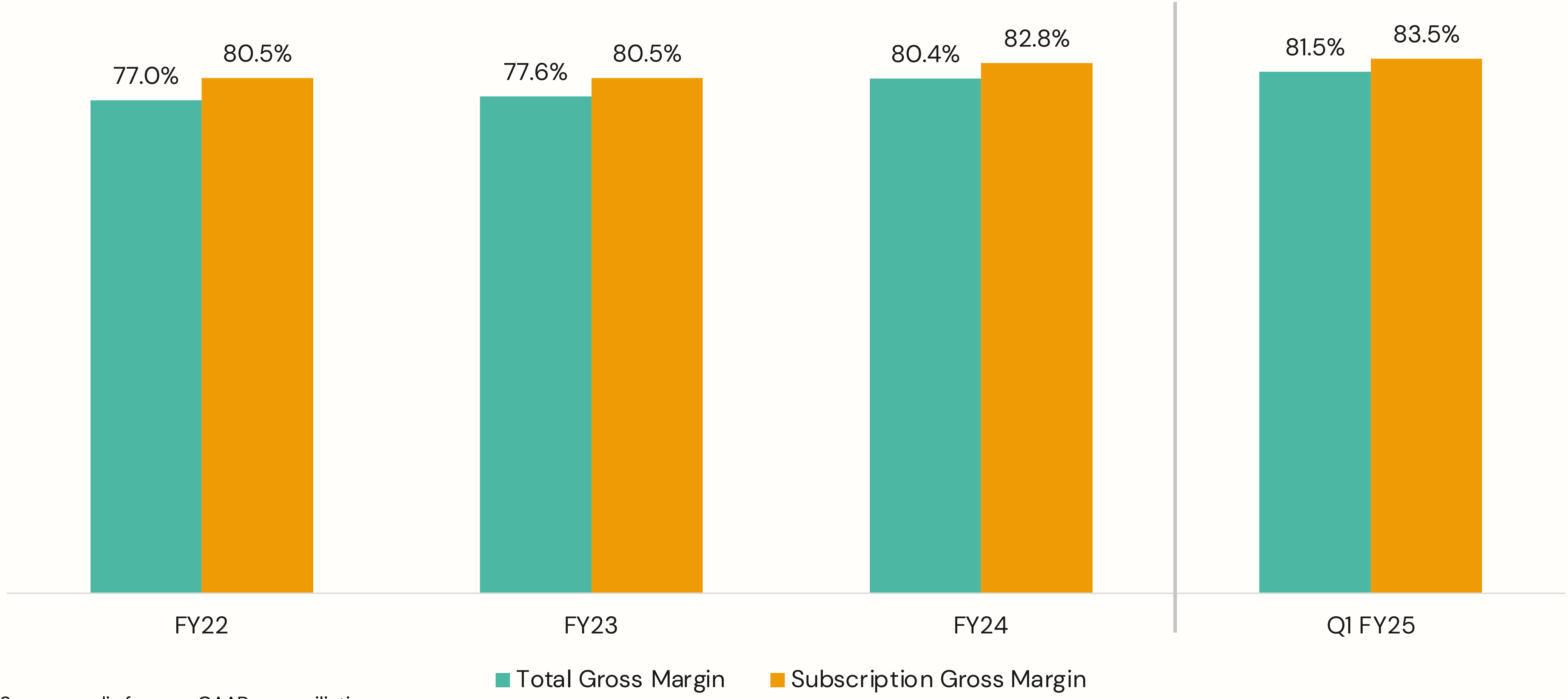
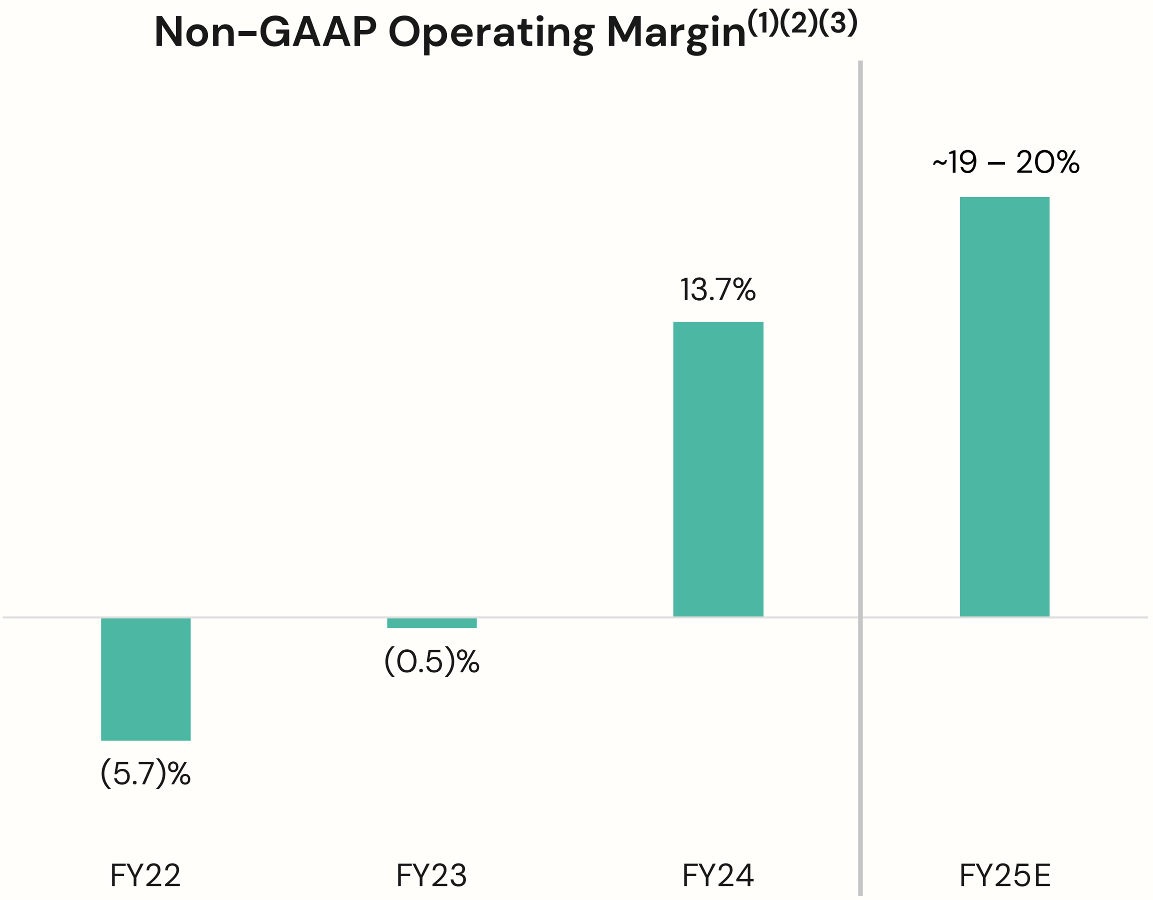
Strong Non-GAAP Gross Margins

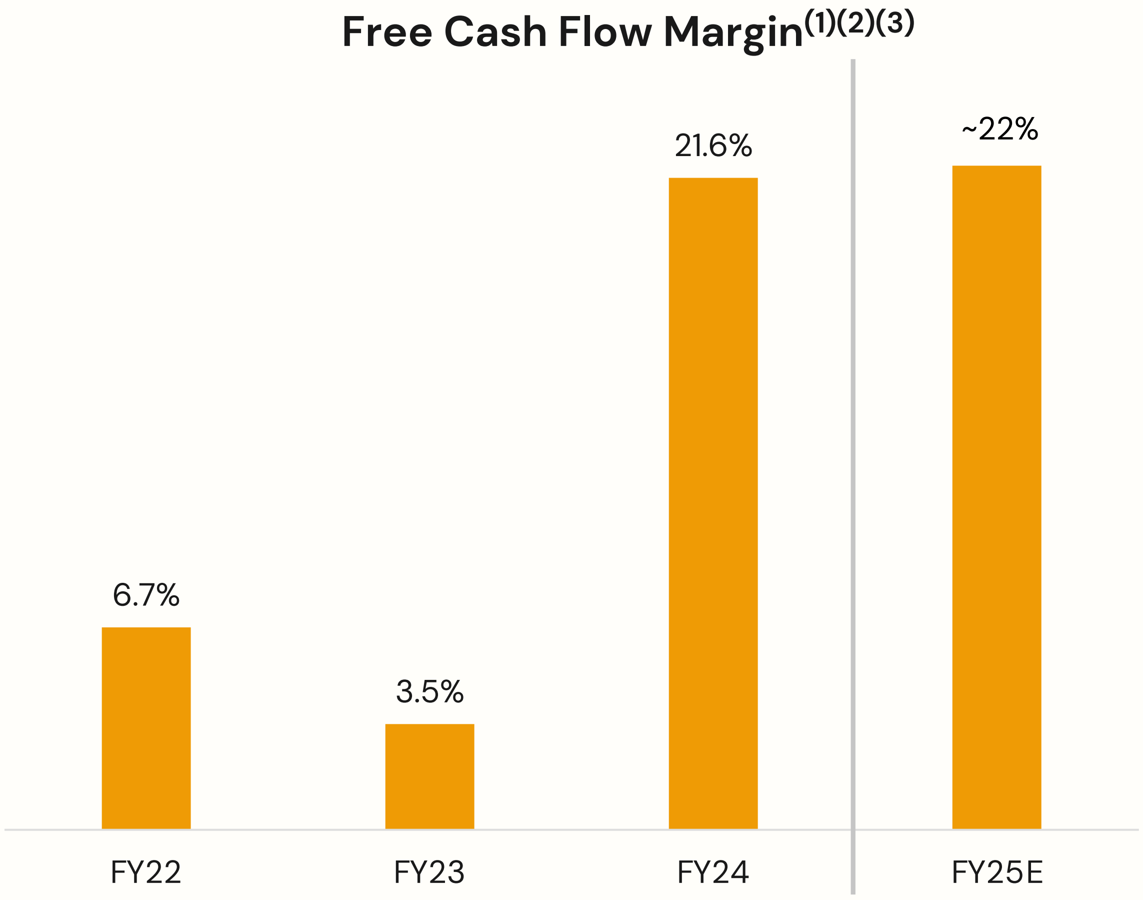
Non-GAAP Gross Margins(1)



(1) See appendix for non-GAAP reconciliation.

Efficiency and Reduced Cost Structure Yielding Significant Margin Improvement





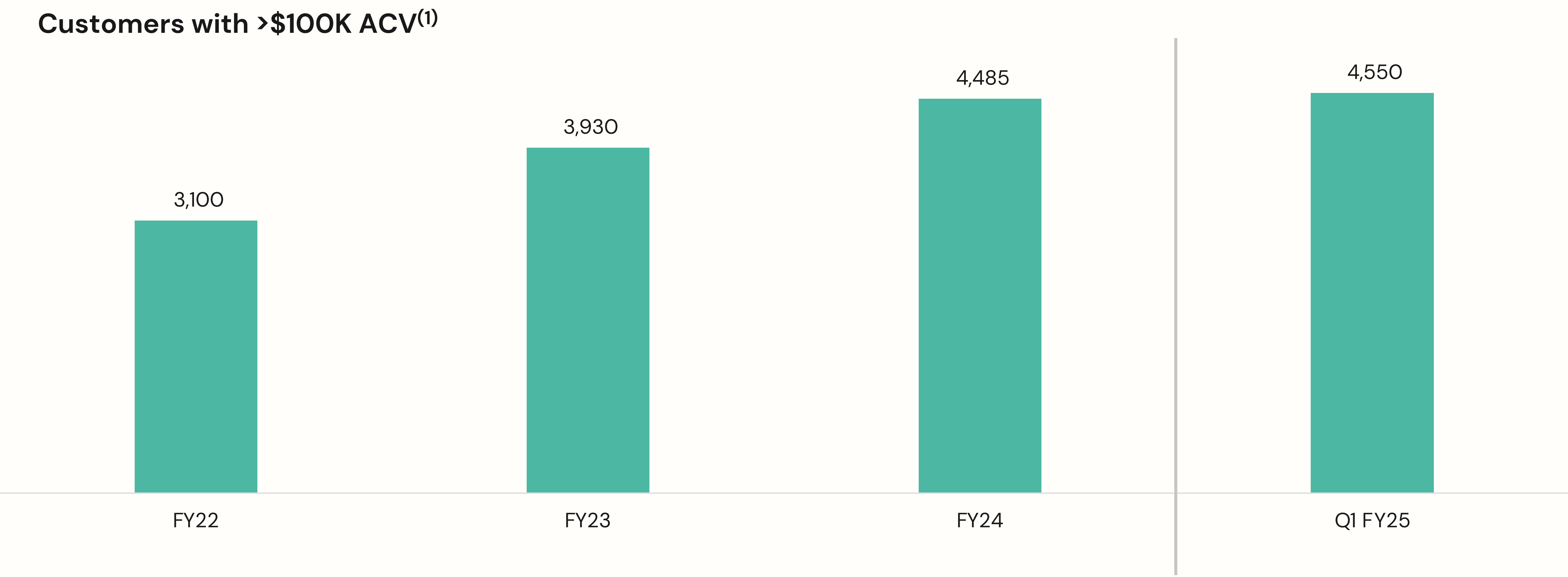
(1) See appendix for non-GAAP reconciliation.
(2) FY22 includes 3 quarters of impact from Auth0.
(3) FY25E is an estimate based on outlook as of May 29, 2024.

19,100 Total Customers

Total customers[1]

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

Customers with >$100K Annual Contract Value



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

Financial Outlook[1] for Q2 FY25

	Q2 FY25 (July 31, 2024)
Total Revenue *Total Revenue Growth (Y/Y)*	$631M to $633M *13-14%*
Current Remaining Performance Obligations *cRPO Growth (Y/Y)*	$1,955M to $1,960M *10-11%*
Non-GAAP Operating Income	$123M to $125M
Non-GAAP Operating Margin	19-20%
Non-GAAP Diluted Net Income Per Share[2]	$0.60 to $0.61
Diluted Weighted Average Share Count[3]	182 million
Non-GAAP Free Cash Flow Margin	~5%

(1) Outlook is as of May 29, 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)*	$2,530M to $2,540M *12%*
Non-GAAP Operating Income	$490M to $500M
Non-GAAP Operating Margin	19-20%
Non-GAAP Diluted Net Income Per Share[2]	$2.35 to $2.40
Diluted Weighted Average Share Count[3]	182 million
Non-GAAP Free Cash Flow Margin	~22%

(1) Outlook is as of May 29, 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.

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.

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Sources: Okta is the superior choice vs. Microsoft

[1] News Corp transforms media. Okta helps all 25,000 global employees connect., Okta.
[2] Microsoft 365 outage blocks access to web apps and services, BleepingComputer (Apr 2023)
[3] Global Azure AD outage affecting Microsoft 365 Services, Exoprise (Dec 2021)
[4] Microsoft 365 MFA outage locks users out of their accounts, BleepingComputer (Sept 2021)
[5] Microsoft's latest cloud authentication outage: What went wrong, ZDNet (Mar 2021)
[6] Okta Status
[7] Azure AD Report Latencies, GitHub
[8] Heard at TEC: Don't Feed The Script Kiddies – Enable MFA Now!, Quest (Sep 2022)
[9] The Secure Sign-in Trends Report 2023, Okta
[10] 2023 Gartner® Peer Insights™ Customers' Choice in Access Management
[11] Gartner Critical Capabilities for Access Management, 2023
[12] 2023 Gartner® Magic Quadrant™ for Access Management
[13] Known Limitations to Custom Controls, Microsoft
[14] Support third-party device compliance partners in Intune, Microsoft
[15] Azure Active Directory Report Latencies, GitHub
[16] Identity Threat Protection with Okta AI, Okta
[17] Workday Real-Time Sync, Okta
[18] The Growing Cost of Microsoft Premier/Unified Support, US Cloud

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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 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.

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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
GAAP subscription gross profit	$ 920	$ 287	$ 318	$ 349	$ 376	$ 1,330	$ 381	$ 414	$ 443	$ 465	$ 1,703	$ 473
Stock-based compensation	49	17	18	17	17	69	16	21	20	18	75	19
Amortization of acquired intangibles	34	10	12	11	13	46	12	12	11	12	47	12
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
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 %*
GAAP professional services gross profit	$ (16)	$ (3)	$ (4)	$ (6)	$ (5)	$ (18)	$ (5)	$ (7)	$ (4)	$ (5)	$ (21)	$ (4)
Stock-based compensation	12	4	3	4	3	14	4	4	3	4	15	3
Non-GAAP professional services gross profit	$ (4)	$ 1	$ (1)	$ (2)	$ (2)	$ (4)	$ (1)	$ (3)	$ (1)	$ (1)	$ (6)	$ (1)
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)%*
GAAP total gross profit	$ 904	$ 284	$ 314	$ 343	$ 371	$ 1,312	$ 376	$ 407	$ 439	$ 460	$ 1,682	$ 469
Stock-based compensation	61	21	21	21	20	83	20	25	23	22	90	22
Amortization of acquired intangibles	34	10	12	11	13	46	12	12	11	12	47	12
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
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 %*

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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
GAAP research and development expense	$ 469	$ 162	$ 156	$ 148	$ 154	$ 620	$ 163	$ 172	$ 165	$ 156	$ 656	$ 163
Stock-based compensation	193	70	70	69	66	275	68	74	70	65	277	63
Non-GAAP research and development expense	$ 276	$ 92	$ 86	$ 79	$ 88	$ 345	$ 95	$ 98	$ 95	$ 91	$ 379	$ 100
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 %*
GAAP sales and marketing expense	$ 771	$ 252	$ 265	$ 290	$ 259	$ 1,066	$ 256	$ 261	$ 270	$ 249	$ 1,036	$ 236
Stock-based compensation	136	39	39	41	40	159	38	41	40	37	156	30
Amortization of acquired intangibles	30	10	10	10	9	39	11	6	7	7	31	7
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
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 %*
GAAP general and administrative expense	$ 432	$ 110	$ 101	$ 98	$ 100	$ 409	$ 110	$ 119	$ 111	$ 110	$ 450	$ 117
Stock-based compensation	176	41	40	41	38	160	40	45	39	37	161	36
Non-cash charitable contributions	8	1	1	—	2	4	1	1	2	2	6	3
Acquisition and integration-related expenses	51	5	—	—	—	5	—	—	—	2	2	—
Legal settlements and related expenses	—	—	—	—	—	—	—	—	—	—	—	7
Non-GAAP general and administrative expense	$ 197	$ 63	$ 60	$ 57	$ 60	$ 240	$ 69	$ 73	$ 70	$ 69	$ 281	$ 71
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 %*
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
GAAP total operating expenses	$ 1,672	$ 524	$ 522	$ 550	$ 528	$ 2,124	$ 536	$ 569	$ 550	$ 543	$ 2,198	$ 516
Stock-based compensation	505	150	149	151	144	594	146	160	149	139	594	129
Non-cash charitable contributions	8	1	1	—	2	4	1	1	2	2	6	3
Amortization of acquired intangibles	30	10	10	10	9	39	11	6	7	7	31	7
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
Non-GAAP total operating expenses	$ 1,075	$ 357	$ 362	$ 375	$ 358	$ 1,452	$ 371	$ 385	$ 388	$ 365	$ 1,509	$ 370
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 %*
GAAP operating loss	$ (768)	$ (240)	$ (208)	$ (207)	$ (157)	$ (812)	$ (160)	$ (162)	$ (111)	$ (83)	$ (516)	$ (47)
Stock-based compensation	566	171	170	172	164	677	166	185	172	161	684	151
Non-cash charitable contributions	8	1	1	—	2	4	1	1	2	2	6	3
Amortization of acquired intangibles	64	20	22	21	22	85	23	18	18	19	78	19
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
Non-GAAP operating income (loss)	$ (74)	$ (41)	$ (15)	$ —	$ 46	$ (10)	$ 37	$ 59	$ 85	$ 129	$ 310	$ 133
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 %*
Interest and other, net	$ (82)	$ (1)	$ 2	$ 2	$ 8	$ 11	$ 45	$ 58	$ 37	$ 39	$ 179	$ 25
Amortization of debt issuance costs	86	1	1	2	2	6	1	1	1	—	3	—
Gain on early extinguishment of debt	—	—	—	—	—	—	(31)	(42)	(18)	(15)	(106)	—
Non-GAAP interest and other, net	$ 4	$ —	$ 3	$ 4	$ 10	$ 17	$ 15	$ 17	$ 20	$ 24	$ 76	$ 25

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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
GAAP net loss	$ (848)	$ (243)	$ (210)	$ (209)	$ (153)	$ (815)	$ (119)	$ (111)	$ (81)	$ (44)	$ (355)	$ (40)
Stock-based compensation	566	171	170	172	164	677	166	185	172	161	684	151
Amortization of debt issuance costs	86	1	1	2	2	6	1	1	1	—	3	—
Non-cash charitable contributions	8	1	1	—	2	4	1	1	2	2	6	3
Amortization of acquired intangibles	64	20	22	21	22	85	23	18	18	19	78	19
Acquisition and integration-related expenses	56	7	—	—	—	7	—	—	—	2	2	—
Gain on early extinguishment of debt	—	—	—	—	—	—	(31)	(42)	(18)	(15)	(106)	—
Restructuring costs	—	—	—	14	15	29	7	17	4	28	56	—
Legal settlements and related expenses	—	—	—	—	—	—	—	—	—	—	—	7
Tax adjustment	—	—	—	—	—	—	(10)	(13)	(19)	(40)	(82)	(23)
Non-GAAP net income (loss)	$ (68)	$ (43)	$ (16)	$ —	$ 52	$ (7)	$ 38	$ 56	$ 79	$ 113	$ 286	$ 117
GAAP net loss per share, basic	$ (5.73)	$ (1.56)	$ (1.34)	$ (1.32)	$ (0.95)	$ (5.16)	$ (0.74)	$ (0.68)	$ (0.49)	$ (0.26)	$ (2.17)	$ (0.24)
Stock-based compensation	3.82	1.09	1.09	1.08	1.03	4.28	1.03	1.14	1.04	0.97	4.18	0.91
Amortization of debt issuance costs	0.58	0.01	0.01	0.01	0.01	0.04	0.01	0.01	0.01	—	0.03	—
Non-cash charitable contributions	0.05	0.01	—	—	0.01	0.02	0.01	0.01	0.01	0.01	0.04	0.01
Amortization of acquired intangibles	0.44	0.14	0.14	0.14	0.13	0.55	0.13	0.10	0.11	0.11	0.47	0.12
Acquisition and integration-related expenses	0.38	0.04	—	—	—	0.04	—	—	—	0.01	0.01	—
Gain on early extinguishment of debt	—	—	—	—	—	—	(0.19)	(0.26)	(0.10)	(0.09)	(0.65)	—
Restructuring costs	—	—	—	0.09	0.10	0.19	0.05	0.10	0.03	0.17	0.34	—
Legal settlements and related expenses	—	—	—	—	—	—	—	—	—	—	—	0.04
Tax adjustment	—	—	—	—	—	—	(0.06)	(0.08)	(0.13)	(0.24)	(0.50)	(0.14)
Non-GAAP net income (loss) per share, basic	$ (0.46)	$ (0.27)	$ (0.10)	$ —	$ 0.33	$ (0.04)	$ 0.24	$ 0.34	$ 0.48	$ 0.68	$ 1.75	$ 0.70
Weighted-average shares outstanding used to compute non-GAAP net income (loss) per share, basic	148,036	155,875	157,400	158,708	160,038	158,023	161,323	162,755	164,381	166,002	163,634	167,465

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
GAAP net 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)
Adjustments for difference in weighted-average shares outstanding	—	—	—	—	0.07	—	0.06	0.06	0.05	0.02	0.19	0.02
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
Amortization of debt issuance costs	0.58	0.01	0.01	0.01	0.01	0.04	0.01	0.01	—	—	0.02	—
Non-cash charitable contributions	0.05	0.01	—	—	0.01	0.02	0.01	0.01	0.01	0.01	0.03	0.01
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
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)	—
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
Tax adjustment	—	—	—	—	—	—	(0.05)	(0.07)	(0.12)	(0.22)	(0.46)	(0.13)
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
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

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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
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
Less:												
Purchases of property and equipment	(13)	(5)	(2)	(2)	(3)	(12)	—	(2)	(3)	(3)	(8)	(1)
Capitalized software	(4)	(3)	(3)	(2)	(1)	(9)	(5)	(2)	(3)	(5)	(15)	(4)
Free cash flow	$ 87	$ 11	$ (24)	$ 6	$ 72	$ 65	$ 124	$ 49	$ 150	$ 166	$ 489	$ 214
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 %
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 %
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
y-y growth	79 %	75 %	38 %	32 %	20 %	20 %	6 %	1 %	(2)%	(2)%	(2)%	— %
Revenue by Location												
United States	$ 1,036	$ 325	$ 353	$ 377	$ 401	$ 1,456	$ 407	$ 439	$ 459	$ 478	$ 1,783	$ 487
International	264	90	99	104	109	402	111	117	125	127	480	130
Total	$ 1,300	$ 415	$ 452	$ 481	$ 510	$ 1,858	$ 518	$ 556	$ 584	$ 605	$ 2,263	$ 617

[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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