Q3 FY24
Investor Presentation

November 29, 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 prior or future network, data of cyber security incident that has allowed or does allow unauthorized access to our network or data or our customers’ data could damage our reputation, cause us to incur significant costs or impact the timing or our ability to land new customers or retain existing customers; 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

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Company Overview

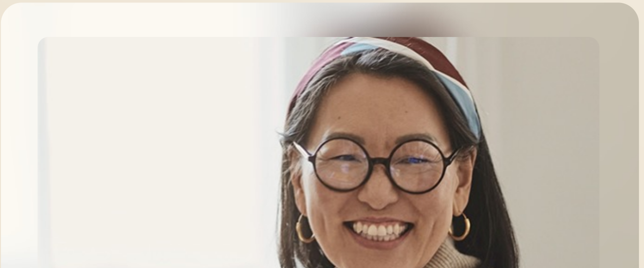




Vision

Free everyone to safely use any technology



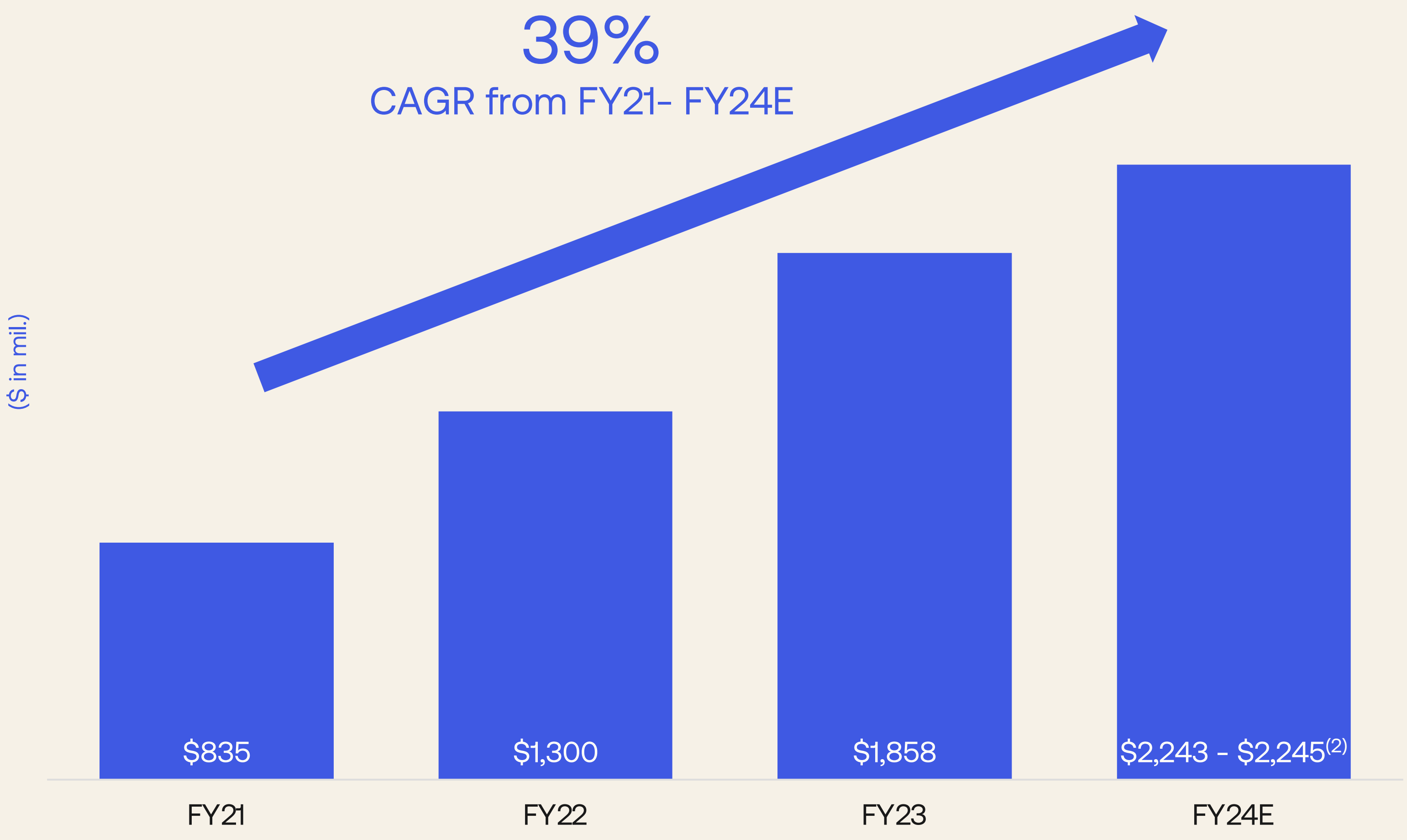
Okta at a Glance

18,800
Total customers

$3.07B
Remaining performance obligations (RPO)

115%
TTM Dollar-based net retention rate(1) at October 31, 2023

Total Revenue



(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 November 29, 2023.

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

Cloud

Security

Digital transformation

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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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

auth0

Okta Identity Platform

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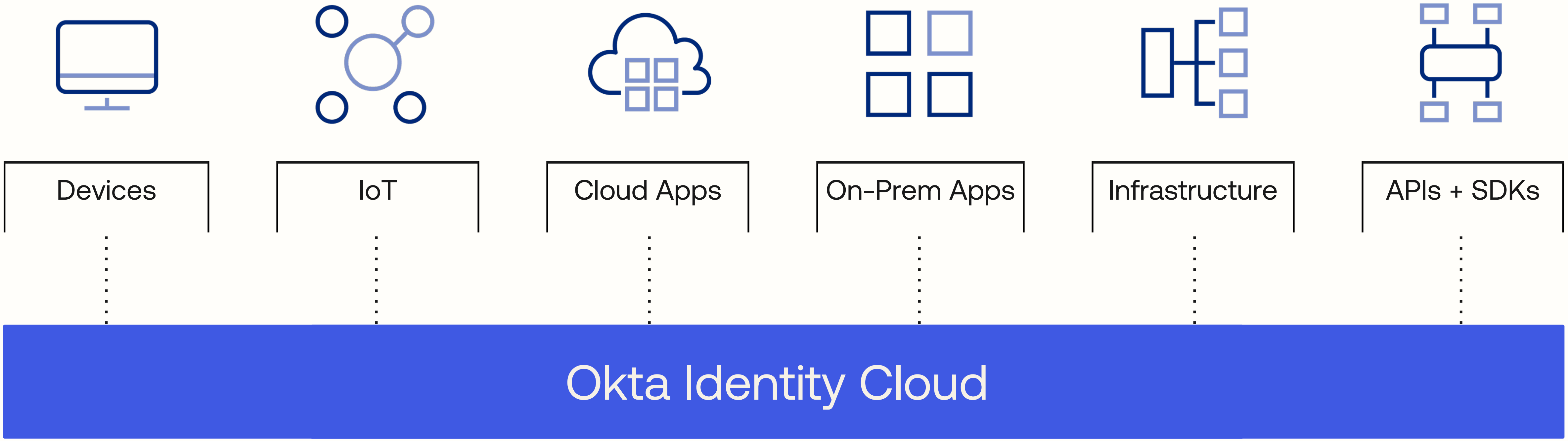
One Unified Identity Solution

One Platform to Secure Every Identity



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Delivering Measurable Customer Value

Mitigate risk

Reduced time to detect and respond to malicious attacks

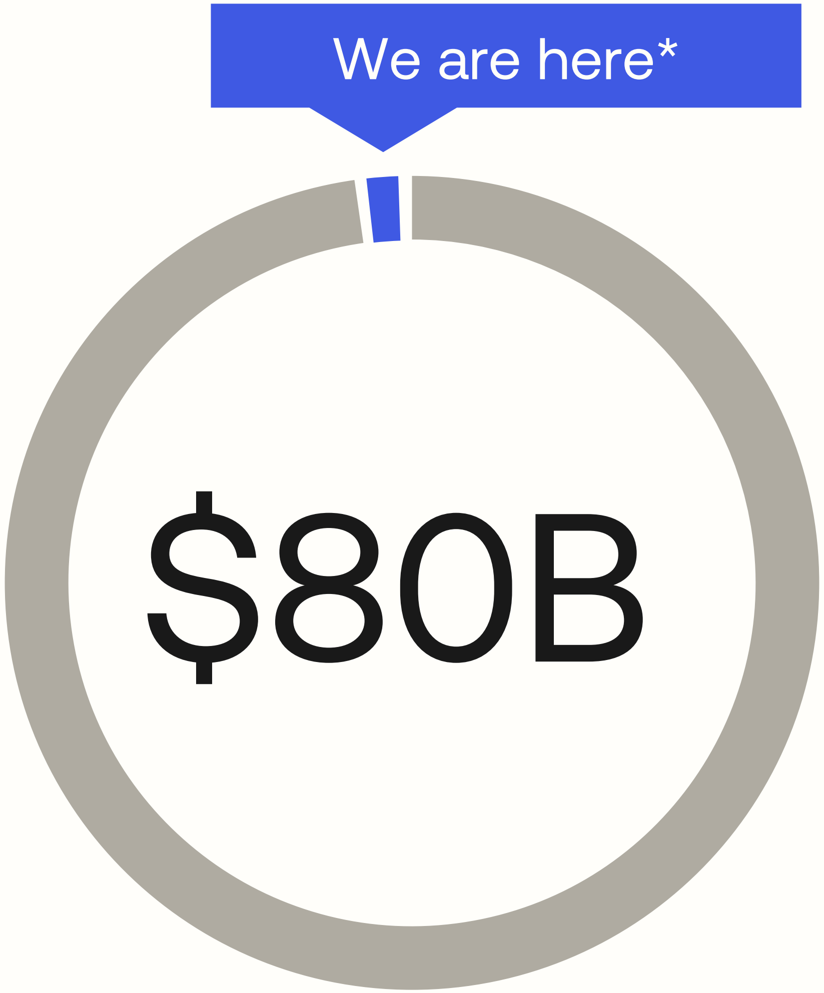
Accelerate growth & innovation

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. Figure not drawn to scale.

Multiple Growth Vectors

Innovation in platform and network

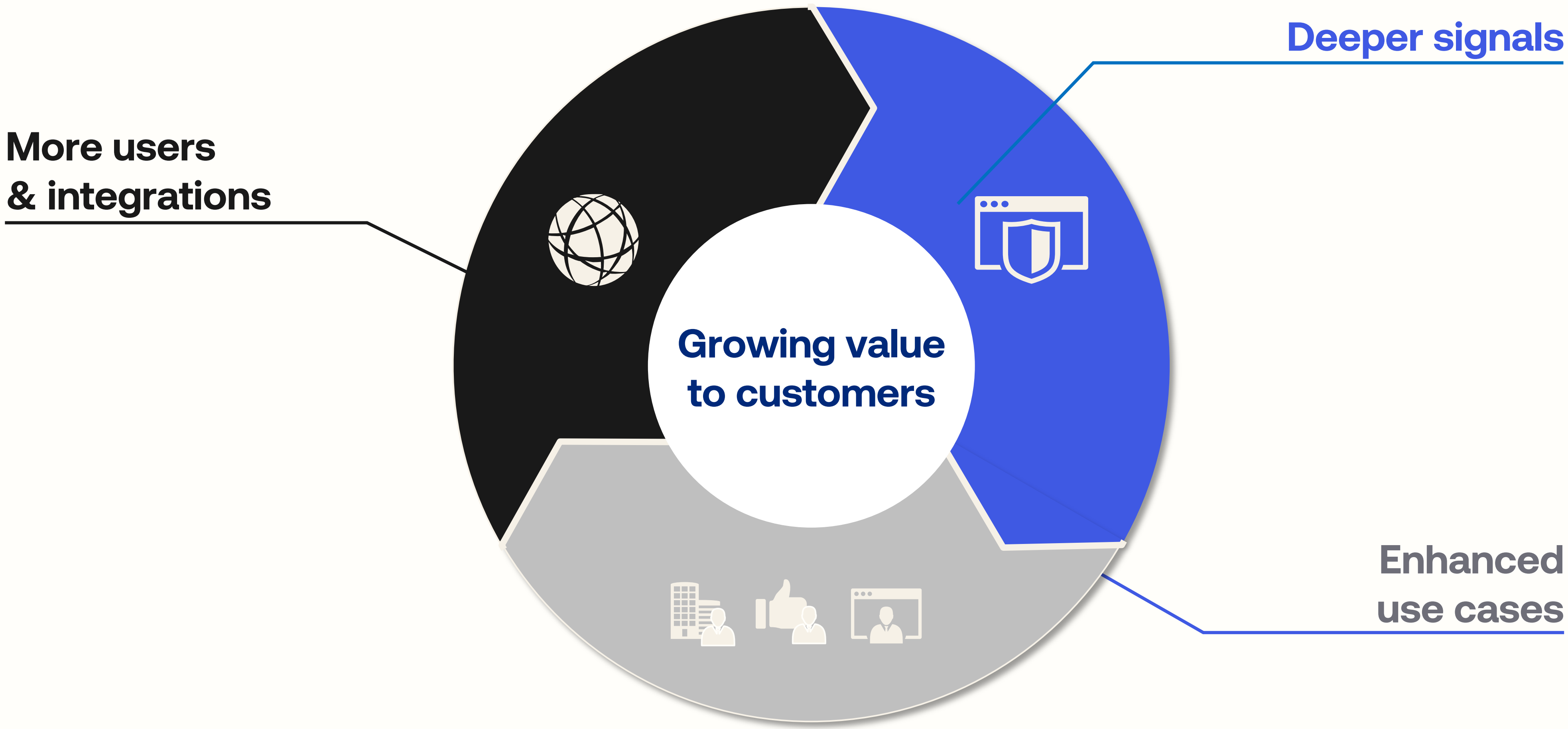
Landing and expanding in large enterprise

International expansion

Leveraging partner ecosystem

Innovation in Platform and Network

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



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

Environmental

Public commitments include 100% Renewable Electricity and Science Based Targets

Governance

Released FY23 ESG Fact Sheet, which summarizes key disclosures

Ratings

Included in the FTSE4Good Index Series by FTSE Russell, which measures the performance of companies demonstrating strong ESG practices

FTSE4Good

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

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Q3 FY24 Financial Review & Financial Outlook

Q3 FY24 Financial Highlights

	Q3 FY24	vs. Q3 FY23
Total Revenue	$584M	+ 21%
Subscription Revenue	$569M	+ 22%
Remaining Performance Obligations (RPO)	$3,073M	+ 8%
Current Remaining Performance Obligations (cRPO)	$1,826M	+ 16%
TTM Dollar Based Net Retention Rate	115%	- 7 pts
Non-GAAP Gross Margin(1)	81.0%	+ 3.0 pts
Non-GAAP Operating Margin(1)	14.7%	+ 14.6 pts
Free Cash Flow Margin(1)	25.7%	+ 24.5 pts
TTM Total Rev. Growth + Free Cash Flow Margin ("Rule of 40")	43%	- 7 pts
Total Customers	18,800	+ 10%
Customers > $100K ACV	4,365	+ 17%

(1) See appendix for non-GAAP reconciliation.

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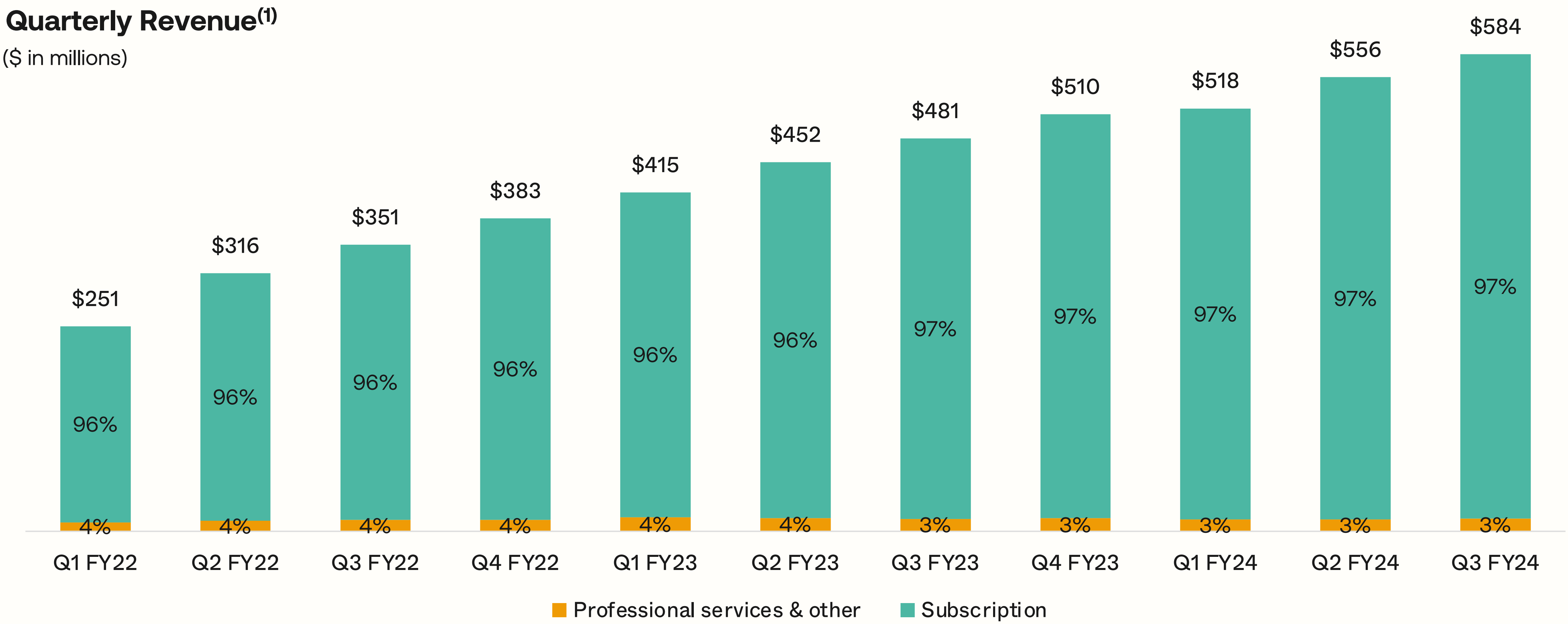
Total Revenue Up 21% Y/Y; Subscription Revenue Up 22% Y/Y



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

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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.

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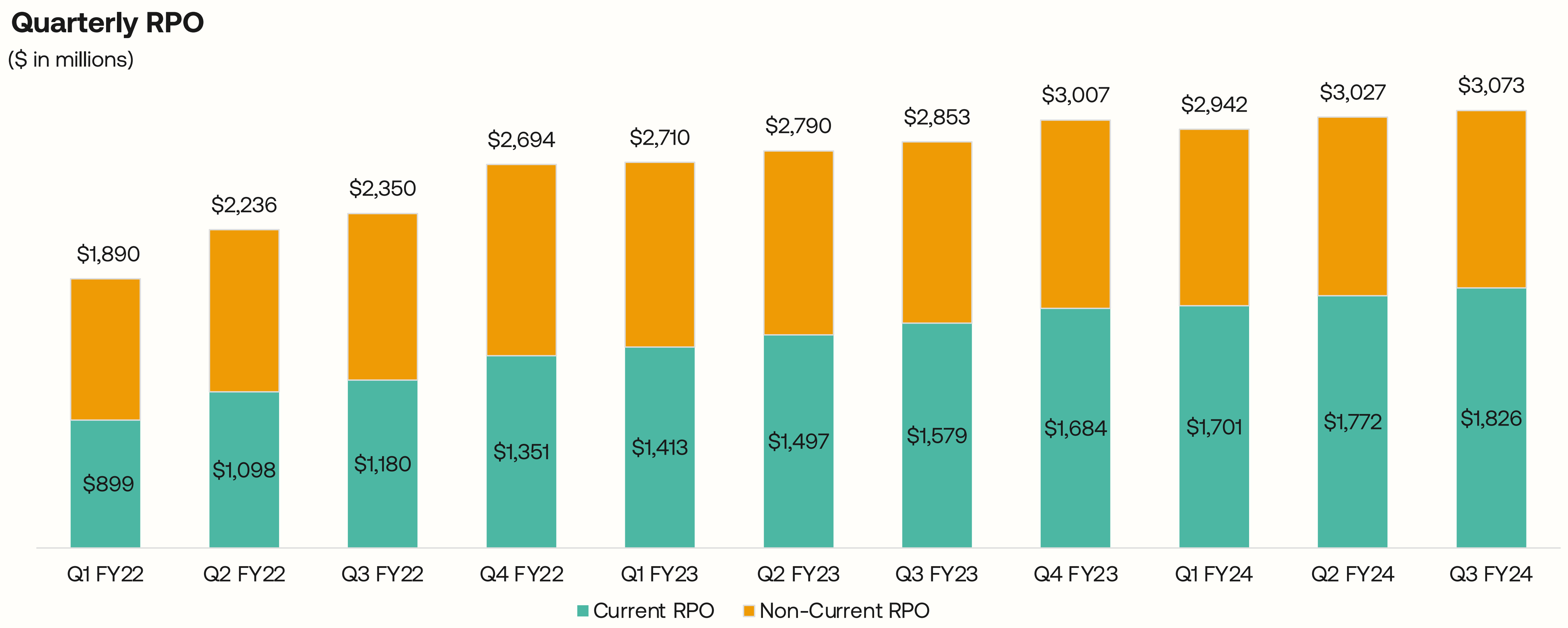
RPO Up 8% Y/Y; Current RPO Up 16% Y/Y



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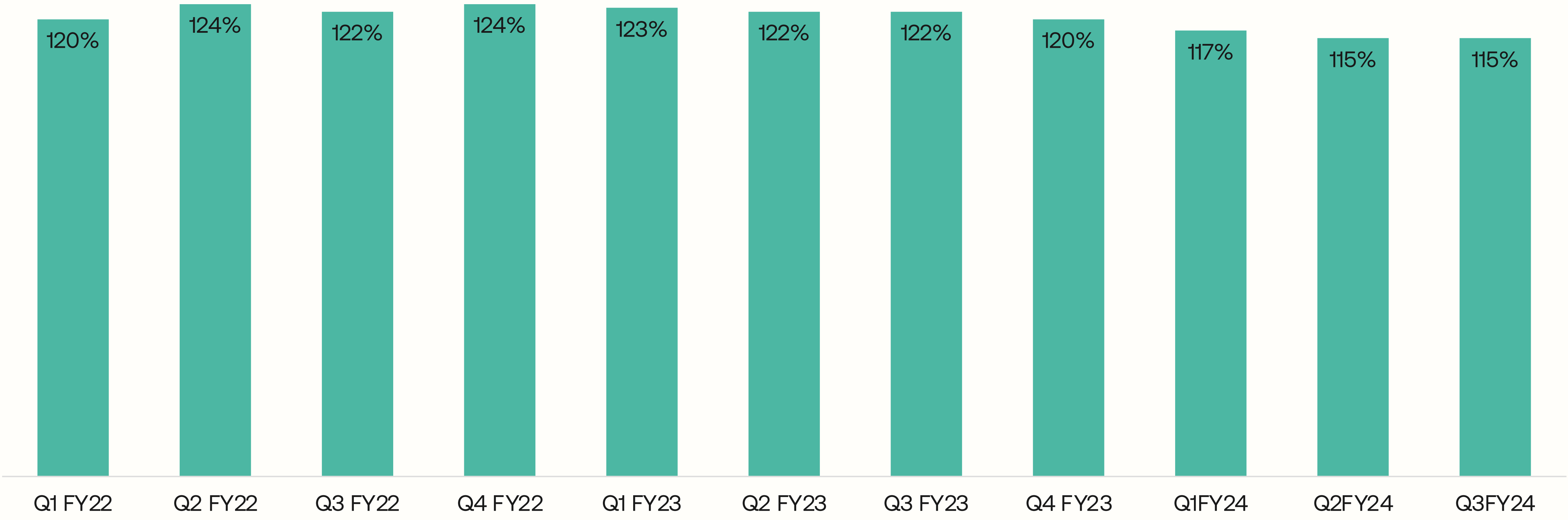
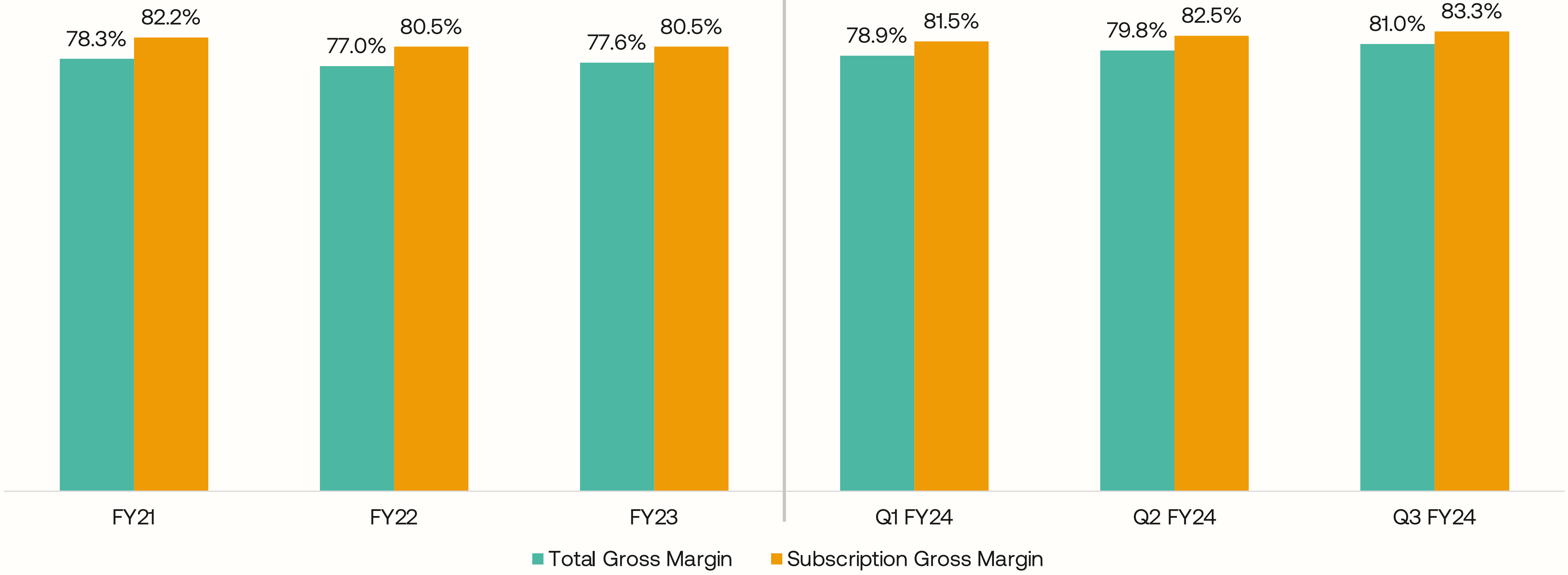
TTM Dollar-based Net Retention Rate of 115%

TTM Dollar-based net retention rate



Strong and Expanding Non-GAAP Gross Margins

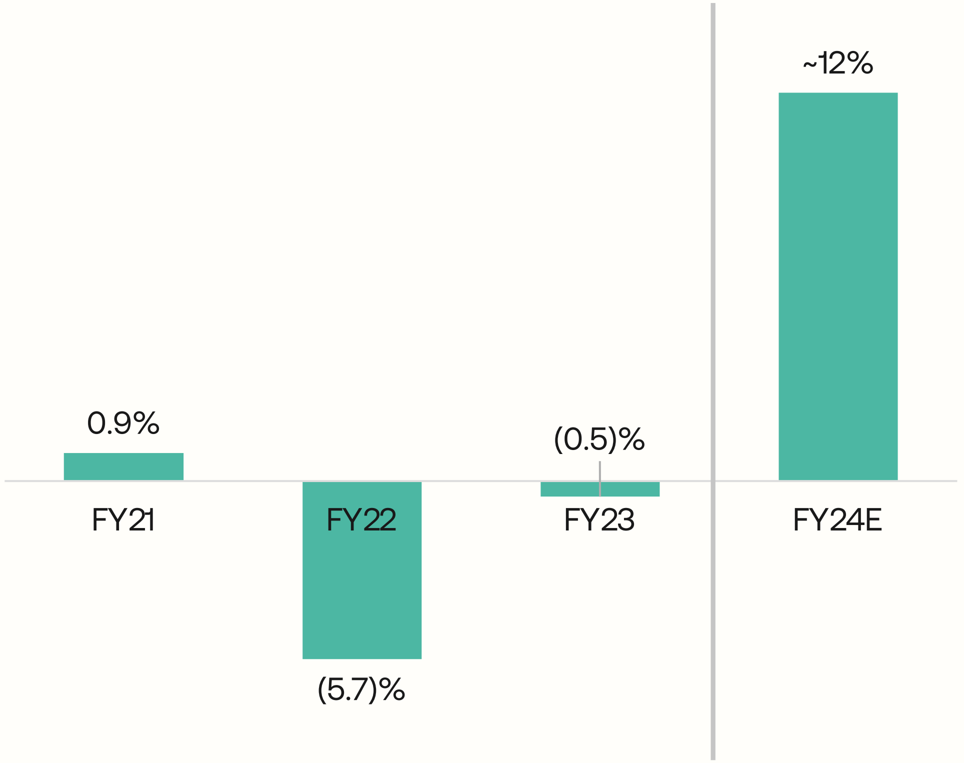
Non-GAAP Gross Margins[1]



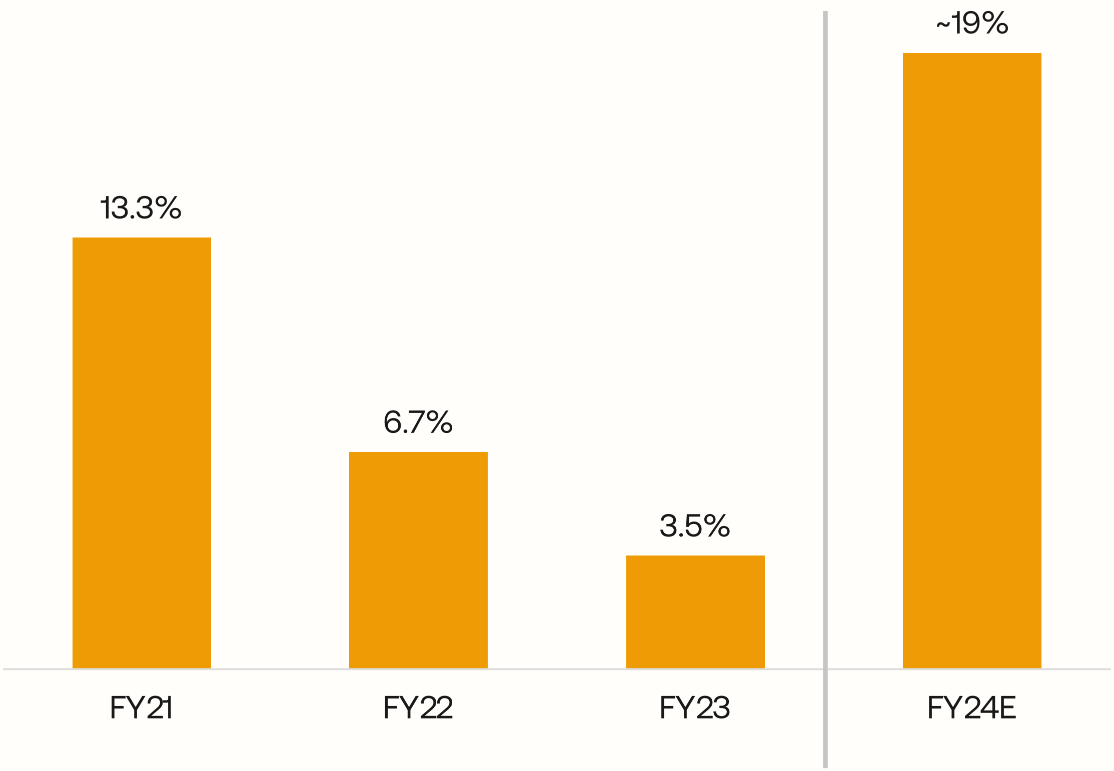
(1) See appendix for non-GAAP reconciliation.

Efficiency and Reduced Cost Structure Yielding Significant Margin Improvement

Non-GAAP Operating Margin[(1)(2)(3)]



Free Cash Flow Margin[(1)(2)(3)]



(1) See appendix for non-GAAP reconciliation.
(2) FY21 does not include any impact from Auth0 and FY22 includes 3 quarters of impact from Auth0.
(3) FY24E is an estimate based on outlook as of November 29, 2023.

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Over 18,800 Total Customers

Total customers[1]

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

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Customers with >$100K Annual Contract Value at 4,365

Customers with >$100K ACV(1)

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

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Financial Outlook[1] for Q4 FY24

	Q4 FY24 (January 31, 2024)
Total Revenue *Total Revenue Growth (Y/Y)*	\$585M to \$587M *15%*
Current Remaining Performance Obligations *cRPO Growth (Y/Y)*	\$1,875M to \$1,880M *11% - 12%*
Non-GAAP Operating Income	\$102M to \$104M
Non-GAAP Operating Margin	17% - 18%
Non-GAAP Diluted Net Income Per Share[2]	\$0.50 to \$0.51
Diluted Weighted Average Share Count[3]	180 million

(1) Outlook is as of November 29, 2023. 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.

Financial Outlook[1] for FY24

	Fiscal 2024 **(January 31, 2024)**
Total Revenue *Total Revenue Growth (Y/Y)*	$2,243M to $2,245M *21%*
Non-GAAP Operating Income	$283M to $285M
Non-GAAP Operating Margin	13%
Non-GAAP Diluted Net Income Per Share[2]	$1.47 to $1.48
Diluted Weighted Average Share Count[3]	179 million
Non-GAAP Free Cash Flow Margin	19%

(1) Outlook is as of November 29, 2023. 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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Preliminary Financial Outlook[1] for FY25

	Fiscal 2025 **(January 31, 2025)**
Total Revenue *Total Revenue Growth (Y/Y)*	$2,460M to $2,470M *10%*
Non-GAAP Operating Margin	~ 17%
Non-GAAP Free Cash Flow Margin	At least 19%

(1) Outlook is as of November 29, 2023. 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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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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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.

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, amortization of debt discount, amortization of debt issuance costs and (gain) loss 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 utilize 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)

	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23	Q1 FY24	Q2 FY24	Q3 FY24	FY24 YTD
GAAP subscription gross profit	$ 188	$ 219	$ 246	$ 267	$ 920	$ 287	$ 318	$ 349	$ 376	$ 1,330	$ 381	$ 414	$ 443	$ 1,238
Stock-based compensation	7	13	13	16	49	17	18	17	17	69	16	21	20	57
Amortization of acquired intangibles	1	10	11	12	34	10	12	11	13	46	12	12	11	35
Acquisition and integration-related expenses	—	1	1	—	2	1	—	—	—	1	—	—	—	—
Non-GAAP subscription gross profit	$ 196	$ 243	$ 271	$ 295	$ 1,005	$ 315	$ 348	$ 377	$ 406	$ 1,446	$ 409	$ 447	$ 474	$ 1,330
Non-GAAP subscription gross margin	*81.9 %*	*80.0 %*	*80.5 %*	*79.9 %*	*80.5 %*	*79.3 %*	*80.0 %*	*80.9 %*	*81.6 %*	*80.5 %*	*81.5 %*	*82.5 %*	*83.3 %*	*82.4 %*
GAAP professional services gross profit	$ (3)	$ (5)	$ (5)	$ (3)	$ (16)	$ (3)	$ (4)	$ (6)	$ (5)	$ (18)	$ (5)	$ (7)	$ (4)	$ (16)
Stock-based compensation	3	3	4	2	12	4	3	4	3	14	4	4	3	11
Non-GAAP professional services gross profit	$ —	$ (2)	$ (1)	$ (1)	$ (4)	$ 1	$ (1)	$ (2)	$ (2)	$ (4)	$ (1)	$ (3)	$ (1)	$ (5)
Non-GAAP professional services gross margin	*(4.0)%*	*(8.2)%*	*(8.4)%*	*(7.7)%*	*(7.2)%*	*2.5 %*	*(6.8)%*	*(10.5)%*	*(3.5)%*	*(4.4)%*	*(12.5)%*	*(19.7)%*	*(2.7)%*	*(11.4)%*
GAAP total gross profit	$ 185	$ 214	$ 241	$ 264	$ 904	$ 284	$ 314	$ 343	$ 371	$ 1,312	$ 376	$ 407	$ 439	$ 1,222
Stock-based compensation	10	16	17	18	61	21	21	21	20	83	20	25	23	68
Amortization of acquired intangibles	1	10	11	12	34	10	12	11	13	46	12	12	11	35
Acquisition and integration-related expenses	—	1	1	—	2	1	—	—	—	1	—	—	—	—
Non-GAAP total gross profit	$ 196	$ 241	$ 270	$ 294	$ 1,001	$ 316	$ 347	$ 375	$ 404	$ 1,442	$ 408	$ 444	$ 473	$ 1,325
Non-GAAP total gross margin	*78.1 %*	*76.5 %*	*76.9 %*	*76.8 %*	*77.0 %*	*76.1 %*	*76.8 %*	*78.0 %*	*78.9 %*	*77.6 %*	*78.9 %*	*79.8 %*	*81.0 %*	*79.9 %*

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

(dollars in millions)

	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23	Q1 FY24	Q2 FY24	Q3 FY24	FY24 YTD
GAAP research and development expense	$ 69	$ 122	$ 131	$ 147	$ 469	$ 162	$ 156	$ 148	$ 154	$ 620	$ 163	$ 172	$ 165	$ 500
Stock-based compensation	20	53	57	63	193	70	70	69	66	275	68	74	70	212
Non-GAAP research and development expense	$ 49	$ 69	$ 74	$ 84	$ 276	$ 92	$ 86	$ 79	$ 88	$ 345	$ 95	$ 98	$ 95	$ 288
Non-GAAP research and development expense as a percentage of revenue	*19.4 %*	*21.8 %*	*21.0 %*	*22.1 %*	*21.2 %*	*22.3 %*	*19.0 %*	*16.5 %*	*16.9 %*	*18.5 %*	*18.4 %*	*17.6 %*	*16.2 %*	*17.3 %*
GAAP sales and marketing expense	$ 147	$ 198	$ 204	$ 222	$ 771	$ 252	$ 265	$ 290	$ 259	$ 1,066	$ 256	$ 261	$ 270	$ 787
Stock-based compensation	22	41	39	34	136	39	39	41	40	159	38	41	40	119
Amortization of acquired intangibles	—	10	10	10	30	10	10	10	9	39	11	6	7	24
Acquisition and integration-related expenses	—	1	1	1	3	1	—	—	—	1	—	—	—	—
Non-GAAP sales and marketing expense	$ 125	$ 146	$ 154	$ 177	$ 602	$ 202	$ 216	$ 239	$ 210	$ 867	$ 207	$ 214	$ 223	$ 644
Non-GAAP sales and marketing expense as a percentage of revenue	*50.0 %*	*46.4 %*	*43.8 %*	*46.1 %*	*46.3 %*	*48.7 %*	*47.8 %*	*49.6 %*	*41.3 %*	*46.7 %*	*40.1 %*	*38.5 %*	*38.1 %*	*38.9 %*
GAAP general and administrative expense	$ 60	$ 158	$ 105	$ 109	$ 432	$ 110	$ 101	$ 98	$ 100	$ 409	$ 110	$ 119	$ 111	$ 340
Stock-based compensation	13	78	43	42	176	41	40	41	38	160	40	45	39	124
Non-cash charitable contributions	2	2	2	2	8	1	1	—	2	4	1	1	2	4
Acquisition and integration-related expenses	7	28	8	8	51	5	—	—	—	5	—	—	—	—
Non-GAAP general and administrative expense	$ 38	$ 50	$ 52	$ 57	$ 197	$ 63	$ 60	$ 57	$ 60	$ 240	$ 69	$ 73	$ 70	$ 212
Non-GAAP general and administrative expense as a percentage of revenue	*15.0 %*	*16.1 %*	*14.8 %*	*14.8 %*	*15.2 %*	*15.0 %*	*13.4 %*	*11.9 %*	*11.8 %*	*12.9 %*	*13.3 %*	*13.1 %*	*12.0 %*	*12.8 %*
GAAP restructuring and other charges	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 14	$ 15	$ 29	$ 7	$ 17	$ 4	$ 28
Restructuring costs	—	—	—	—	—	—	—	14	15	29	7	17	4	28
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)

	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23	Q1 FY24	Q2 FY24	Q3 FY24	FY24 YTD
GAAP total operating expenses	$ 276	$ 478	$ 440	$ 478	$ 1,672	$ 524	$ 522	$ 550	$ 528	$ 2,124	$ 536	$ 569	$ 550	$ 1,655
Stock-based compensation	55	172	139	139	505	150	149	151	144	594	146	160	149	455
Non-cash charitable contributions	2	2	2	2	8	1	1	—	2	4	1	1	2	4
Amortization of acquired intangibles	—	10	10	10	30	10	10	10	9	39	11	6	7	24
Acquisition and integration-related expenses	7	29	9	9	54	6	—	—	—	6	—	—	—	—
Restructuring costs	—	—	—	—	—	—	—	14	15	29	7	17	4	28
Non-GAAP total operating expenses	$ 212	$ 265	$ 280	$ 318	$ 1,075	$ 357	$ 362	$ 375	$ 358	$ 1,452	$ 371	$ 385	$ 388	$ 1,144
Non-GAAP total operating expenses as a percentage of revenue	*84.4 %*	*84.3 %*	*79.7 %*	*83.0 %*	*82.7 %*	*86.0 %*	*80.1 %*	*78.0 %*	*70.0 %*	*78.1 %*	*71.8 %*	*69.2 %*	*66.3 %*	*69.0 %*
GAAP operating loss	$ (91)	$ (264)	$ (199)	$ (214)	$ (768)	$ (240)	$ (208)	$ (207)	$ (157)	$ (812)	$ (160)	$ (162)	$ (111)	$ (433)
Stock-based compensation	65	188	156	157	566	171	170	172	164	677	166	185	172	523
Non-cash charitable contributions	2	2	2	2	8	1	1	—	2	4	1	1	2	4
Amortization of acquired intangibles	1	20	21	22	64	20	22	21	22	85	23	18	18	59
Acquisition and integration-related expenses	7	30	10	9	56	7	—	—	—	7	—	—	—	—
Restructuring costs	—	—	—	—	—	—	—	14	15	29	7	17	4	28
Non-GAAP operating income (loss)	$ (16)	$ (24)	$ (10)	$ (24)	$ (74)	$ (41)	$ (15)	$ —	$ 46	$ (10)	$ 37	$ 59	$ 85	$ 181
Non-GAAP operating margin	*(6.3)%*	*(7.8)%*	*(2.7)%*	*(6.2)%*	*(5.7)%*	*(9.9)%*	*(3.3)%*	*0.1 %*	*9.0 %*	*(0.5)%*	*7.1 %*	*10.6 %*	*14.7 %*	*10.9 %*
Interest and other, net	$ (19)	$ (20)	$ (22)	$ (21)	$ (82)	$ (1)	$ 2	$ 2	$ 8	$ 11	$ 45	$ 58	$ 37	$ 140
Amortization of debt discount and debt issuance costs	22	21	21	22	86	1	1	2	2	6	1	1	1	3
Gain on early extinguishment of debt	—	—	—	—	—	—	—	—	—	—	(31)	(42)	(18)	(91)
Non-GAAP interest and other, net	$ 3	$ 1	$ (1)	$ 1	$ 4	$ —	$ 3	$ 4	$ 10	$ 17	$ 15	$ 17	$ 20	$ 52

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

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

	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23	Q1 FY24	Q2 FY24	Q3 FY24	FY24 YTD
GAAP net loss	$ (109)	$ (277)	$ (221)	$ (241)	$ (848)	$ (243)	$ (210)	$ (209)	$ (153)	$ (815)	$ (119)	$ (111)	$ (81)	$ (311)
Stock-based compensation	65	188	156	157	566	171	170	172	164	677	166	185	172	523
Amortization of debt discount and debt issuance costs	22	21	21	22	86	1	1	2	2	6	1	1	1	3
Non-cash charitable contributions	2	2	2	2	8	1	1	—	2	4	1	1	2	4
Amortization of acquired intangibles	1	20	21	22	64	20	22	21	22	85	23	18	18	59
Acquisition and integration-related expenses	7	30	10	9	56	7	—	—	—	7	—	—	—	—
Gain on early extinguishment of debt	—	—	—	—	—	—	—	—	—	—	(31)	(42)	(18)	(91)
Restructuring costs	—	—	—	—	—	—	—	14	15	29	7	17	4	28
Tax adjustment	—	—	—	—	—	—	—	—	—	—	(10)	(13)	(19)	(42)
Non-GAAP net income (loss)	$ (12)	$ (16)	$ (11)	$ (29)	$ (68)	$ (43)	$ (16)	$ —	$ 52	$ (7)	$ 38	$ 56	$ 79	$ 173

	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23	Q1 FY24	Q2 FY24	Q3 FY24	FY24 YTD
GAAP net loss per share, basic	$ (0.83)	$ (1.83)	$ (1.44)	$ (1.56)	$ (5.73)	$ (1.56)	$ (1.34)	$ (1.32)	$ (0.95)	$ (5.16)	$ (0.74)	$ (0.68)	$ (0.49)	$ (1.91)
Stock-based compensation	0.49	1.24	1.01	1.02	3.82	1.09	1.09	1.08	1.03	4.28	1.03	1.14	1.04	3.21
Amortization of debt discount and debt issuance costs	0.16	0.14	0.14	0.14	0.58	0.01	0.01	0.01	0.01	0.04	0.01	0.01	0.01	0.02
Non-cash charitable contributions	0.02	0.01	0.01	0.01	0.05	0.01	—	—	0.01	0.02	0.01	0.01	0.01	0.03
Amortization of acquired intangibles	0.01	0.13	0.14	0.14	0.44	0.14	0.14	0.14	0.13	0.55	0.13	0.10	0.11	0.36
Acquisition and integration-related expenses	0.05	0.20	0.07	0.07	0.38	0.04	—	—	—	0.04	—	—	—	—
Gain on early extinguishment of debt	—	—	—	—	—	—	—	—	—	—	(0.19)	(0.26)	(0.10)	(0.56)
Restructuring costs	—	—	—	—	—	—	—	0.09	0.10	0.19	0.05	0.10	0.03	0.17
Tax adjustment	—	—	—	—	—	—	—	—	—	—	(0.06)	(0.08)	(0.13)	(0.26)
Non-GAAP net income (loss) per share, basic	$ (0.10)	$ (0.11)	$ (0.07)	$ (0.18)	$ (0.46)	$ (0.27)	$ (0.10)	$ —	$ 0.33	$ (0.04)	$ 0.24	$ 0.34	$ 0.48	$ 1.06
Weighted-average shares outstanding used to compute non-GAAP net income (loss) per share, basic	131,777	151,357	153,756	154,720	148,036	155,875	157,400	158,708	160,038	158,023	161,323	162,755	164,381	162,836

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

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

	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23	Q1 FY24	Q2 FY24	Q3 FY24	FY24 YTD
GAAP net loss per share, diluted	$ (0.83)	$ (1.83)	$ (1.44)	$ (1.56)	$ (5.73)	$ (1.56)	$ (1.34)	$ (1.32)	$ (0.95)	$ (5.16)	$ (0.74)	$ (0.68)	$ (0.49)	$ (1.91)
Adjustments for difference in weighted-average shares outstanding	—	—	—	—	—	—	—	—	0.07	—	0.06	0.06	0.05	0.16
Stock-based compensation	0.49	1.24	1.01	1.02	3.82	1.09	1.09	1.08	0.95	4.28	0.94	1.03	0.96	2.94
Amortization of debt discount and debt issuance costs	0.16	0.14	0.14	0.14	0.58	0.01	0.01	0.01	0.01	0.04	0.01	0.01	—	0.02
Non-cash charitable contributions	0.02	0.01	0.01	0.01	0.05	0.01	—	—	0.01	0.02	0.01	0.01	0.01	0.02
Amortization of acquired intangibles	0.01	0.13	0.14	0.14	0.44	0.14	0.14	0.14	0.12	0.55	0.12	0.10	0.10	0.33
Acquisition and integration-related expenses	0.05	0.20	0.07	0.07	0.38	0.04	—	—	—	0.04	—	—	—	—
Gain on early extinguishment of debt	—	—	—	—	—	—	—	—	—	—	(0.17)	(0.24)	(0.10)	(0.51)
Restructuring costs	—	—	—	—	—	—	—	0.09	0.09	0.19	0.04	0.09	0.03	0.16
Tax adjustment	—	—	—	—	—	—	—	—	—	—	(0.05)	(0.07)	(0.12)	(0.24)
Non-GAAP net income (loss) per share, diluted	$ (0.10)	$ (0.11)	$ (0.07)	$ (0.18)	$ (0.46)	$ (0.27)	$ (0.10)	$ —	$ 0.30	$ (0.04)	$ 0.22	$ 0.31	$ 0.44	$ 0.97
Weighted-average shares outstanding used to compute non-GAAP net income (loss) per share, diluted	131,777	151,357	153,756	154,720	148,036	155,875	157,400	158,708	174,026	158,023	176,195	178,742	179,285	178,090

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

(dollars in millions, except headcount data)

	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23	Q1 FY24	Q2 FY24	Q3 FY24	FY24 YTD
Free Cash Flow and Margin														
Net cash provided by (used in) operating activities	$ 56	$ (3)	$ 37	$ 14	$ 104	$ 19	$ (19)	$ 10	$ 76	$ 86	$ 129	$ 53	$ 156	$ 338
Less:														
Purchases of property and equipment	(3)	(1)	(2)	(7)	(13)	(5)	(2)	(2)	(3)	(12)	—	(2)	(3)	(5)
Capitalized software	—	—	(2)	(2)	(4)	(3)	(3)	(2)	(1)	(9)	(5)	(2)	(3)	(10)
Free cash flow	$ 53	$ (4)	$ 33	$ 5	$ 87	$ 11	$ (24)	$ 6	$ 72	$ 65	$ 124	$ 49	$ 150	$ 323
Operating cash flow margin	22.3 %	(0.8)%	10.6 %	3.5 %	8.0 %	4.5 %	(4.2)%	2.1 %	14.8 %	4.6 %	24.8 %	9.5 %	26.8 %	20.4 %
Free cash flow margin	21.0 %	(1.2)%	9.5 %	1.3 %	6.7 %	2.7 %	(5.3)%	1.2 %	14.1 %	3.5 %	24.0 %	8.7 %	25.7 %	19.5 %
Headcount														
Total headcount	3,056	4,176	4,584	5,030	5,030	5,342	5,776	6,037	6,013	6,013	5,683	5,806	5,913	5,913
y-y growth	28 %	68 %	76 %	79 %	79 %	75 %	38 %	32 %	20 %	20 %	6 %	1 %	(2)%	(2)%
Revenue by Location														
United States	$ 210	$ 250	$ 276	$ 300	$ 1,036	$ 325	$ 353	$ 377	$ 401	$ 1,456	$ 407	$ 439	$ 459	$ 1,305
International	41	65	75	83	264	90	99	104	109	402	111	117	125	353
Total	$ 251	$ 315	$ 351	$ 383	$ 1,300	$ 415	$ 452	$ 481	$ 510	$ 1,858	$ 518	$ 556	$ 584	$ 1,658

(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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