



# Q4'26 Quarterly Results

March 4, 2026

# Safe Harbor and Other Information

This presentation and associated commentary contain forward-looking statements regarding Veeva’s expected future performance and, in particular, includes guidance, provided as of March 4, 2026, about Veeva’s expected future financial results. Estimating guidance accurately for future periods is difficult. It involves assumptions and internal estimates that may prove to be incorrect and is based on plans that may change. Hence, there is a significant risk that actual results could differ materially from the guidance we have provided in this presentation and associated commentary and we have no obligation to update such guidance. There are also numerous risks that have the potential to negatively impact our financial performance, including issues related to the performance, availability, security, or privacy of our products, competitive factors, customer decisions and priorities, developments that impact the life sciences industry (including regulatory, funding, or policy changes), general macroeconomic and geopolitical events (including changes in trade policy or practices, inflationary pressures, currency exchange fluctuations, changes in interest rates, and geopolitical conflicts), and issues that impact our ability to hire, retain and adequately compensate talented employees. We have summarized what we believe are the principal risks to our business in a section titled “Summary of Risk Factors” on pages 33 and 34 in our filing on Form 10-Q for the period ended October 31, 2025 which you can find [here](#). Additional details on the risks and uncertainties that may impact our business can be found in the same filing on Form 10-Q and in our subsequent SEC filings, which you can access at [sec.gov](https://www.sec.gov). We recommend that you familiarize yourself with these risks and uncertainties before making an investment decision.



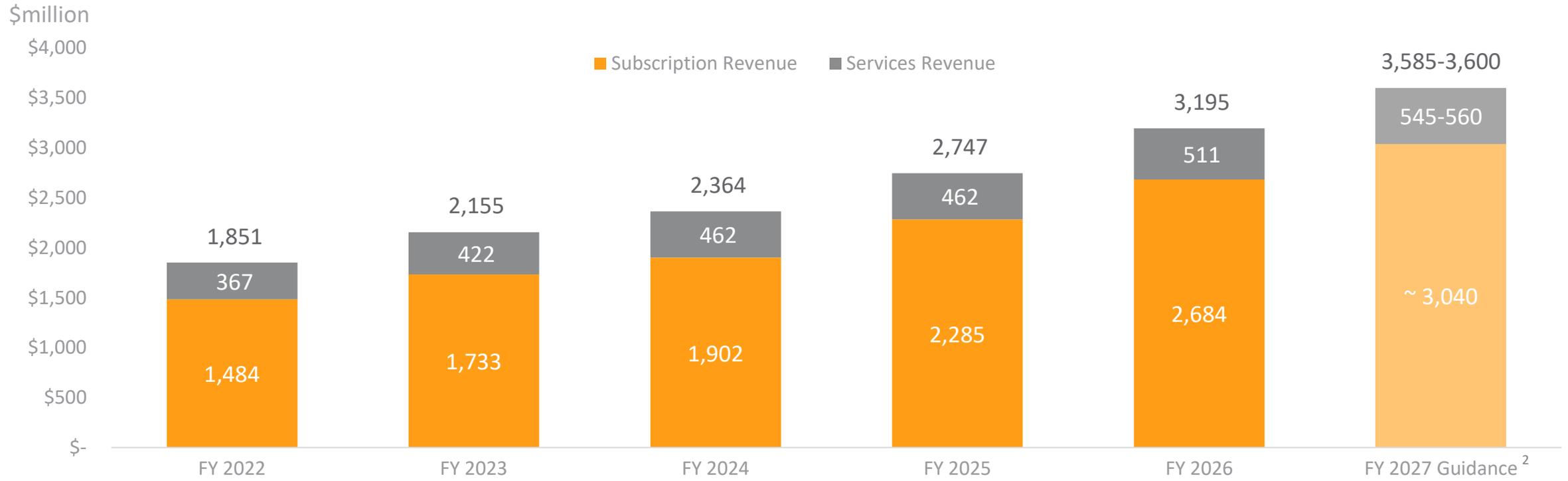
# Statement Regarding Use of Non-GAAP Financial Measures

We provide the following non-GAAP measures, which we define as financial information that has not been prepared in accordance with generally accepted accounting principles in the United States, or GAAP: Non-GAAP gross margin, non-GAAP operating income and margin, non-GAAP net income, non-GAAP net income per share, and non-GAAP operating cash flow. In addition to our GAAP measures, we use these non-GAAP financial measures internally for budgeting and resource allocation purposes and in analyzing our financial results. We believe that excluding stock-based compensation expense, amortization of purchased intangibles, non-recurring litigation settlement-related charges, income tax effects of the same, and Excess Tax Benefit (as defined in the Appendix) provides information that is helpful in understanding our operating results, evaluating our future prospects, comparing our financial results across accounting periods, and comparing our financial results to our peers, many of which provide similar non-GAAP financial measures.

Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. We encourage our investors and others to review our financial information in its entirety, not to rely on any single financial measure to evaluate our business, and to view our non-GAAP financial measures in conjunction with the most directly comparable GAAP financial measures. A reconciliation of GAAP to non-GAAP financial measures has been provided in the Appendix.



# Total Revenue – Annual



## Y/Y Growth<sup>1</sup>

Subscription	26%	17%	10%	20%	17%	~ 13%
Services	28%	15%	9%	0%	11%	~ 10%
<b>Total</b>	<b>26%</b>	<b>16%</b>	<b>10%</b>	<b>16%</b>	<b>16%</b>	<b>~ 13%</b>

Fiscal Year Ending January 31

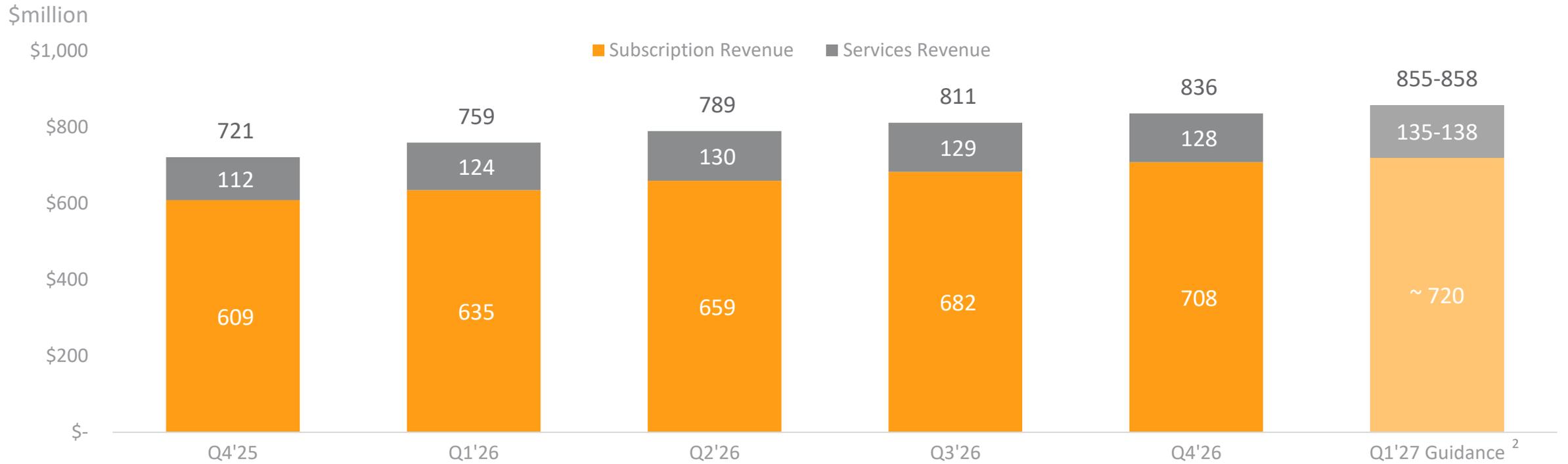
Components of total revenue may not sum to total revenue due to rounding

<sup>1</sup> Y/Y revenue growth normalized for the estimated impact of termination for convenience (TFC) standardization for FY 2024 and FY 2025 is set forth in the Appendix

<sup>2</sup> Guidance issued on March 4, 2026. Our FY 2027 revenue guidance assumes foreign currency exchange rates stay near current levels, which reflects an FX tailwind of approximately \$22 million compared to FY 2026. FY 2027 growth reflects the high-end of our guidance range.



# Total Revenue – Quarterly



## Y/Y Growth<sup>1</sup>

	Q4'25	Q1'26	Q2'26	Q3'26	Q4'26	Q1'27 Guidance <sup>2</sup>
Subscription	17%	19%	17%	17%	16%	~ 13%
Services	3%	7%	13%	9%	14%	~ 11%
<b>Total</b>	<b>14%</b>	<b>17%</b>	<b>17%</b>	<b>16%</b>	<b>16%</b>	<b>~ 13%</b>

Fiscal Year Ending January 31

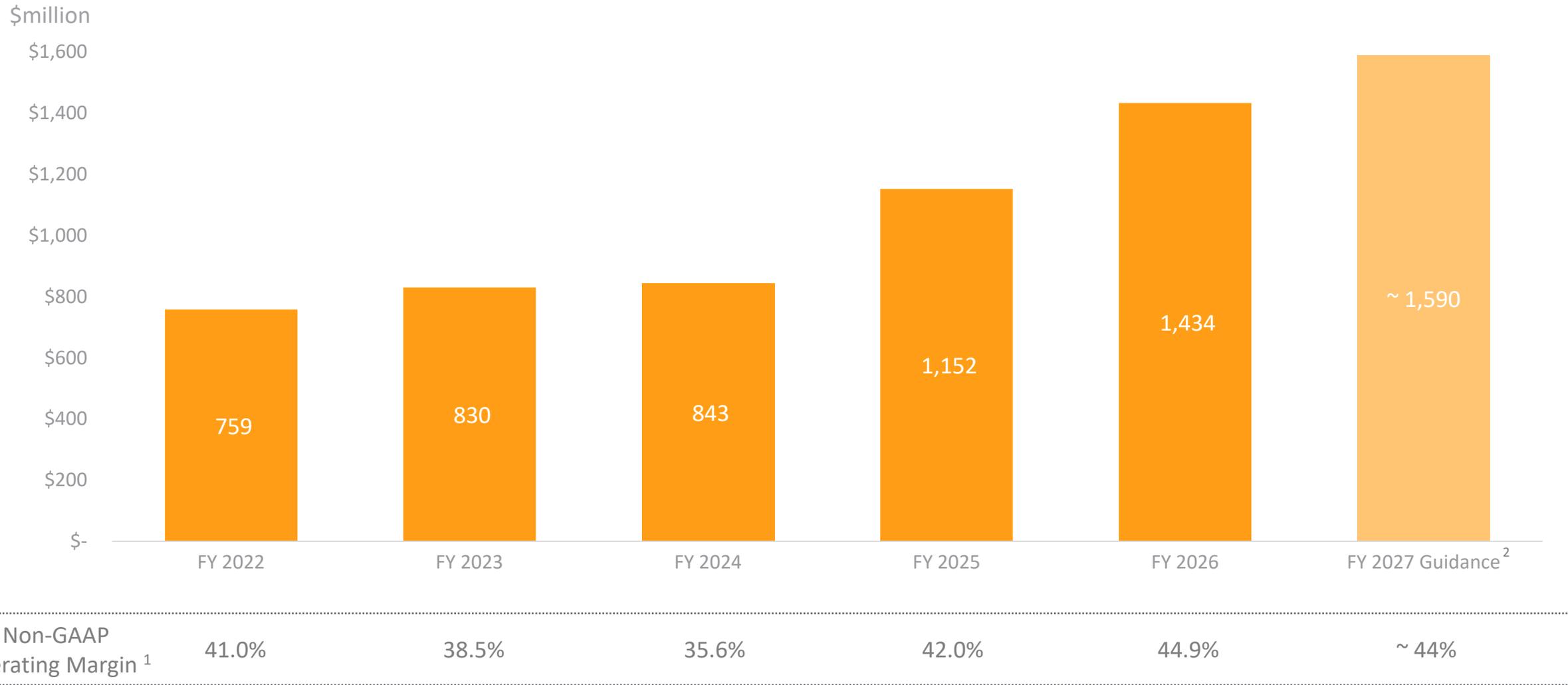
Components of total revenue may not sum to total revenue due to rounding

<sup>1</sup>Y/Y revenue growth normalized for the estimated impact of TFC standardization for Q4'25 is set forth in the Appendix

<sup>2</sup>Guidance issued on March 4, 2026. Our Q1'27 revenue guidance assumes foreign currency exchange rates stay near current levels, which reflects an FX tailwind of approximately \$7 million compared to Q1'26. Q1'27 growth reflects the high-end of our guidance range.



# Non-GAAP Operating Income – Annual



Fiscal Year Ending January 31

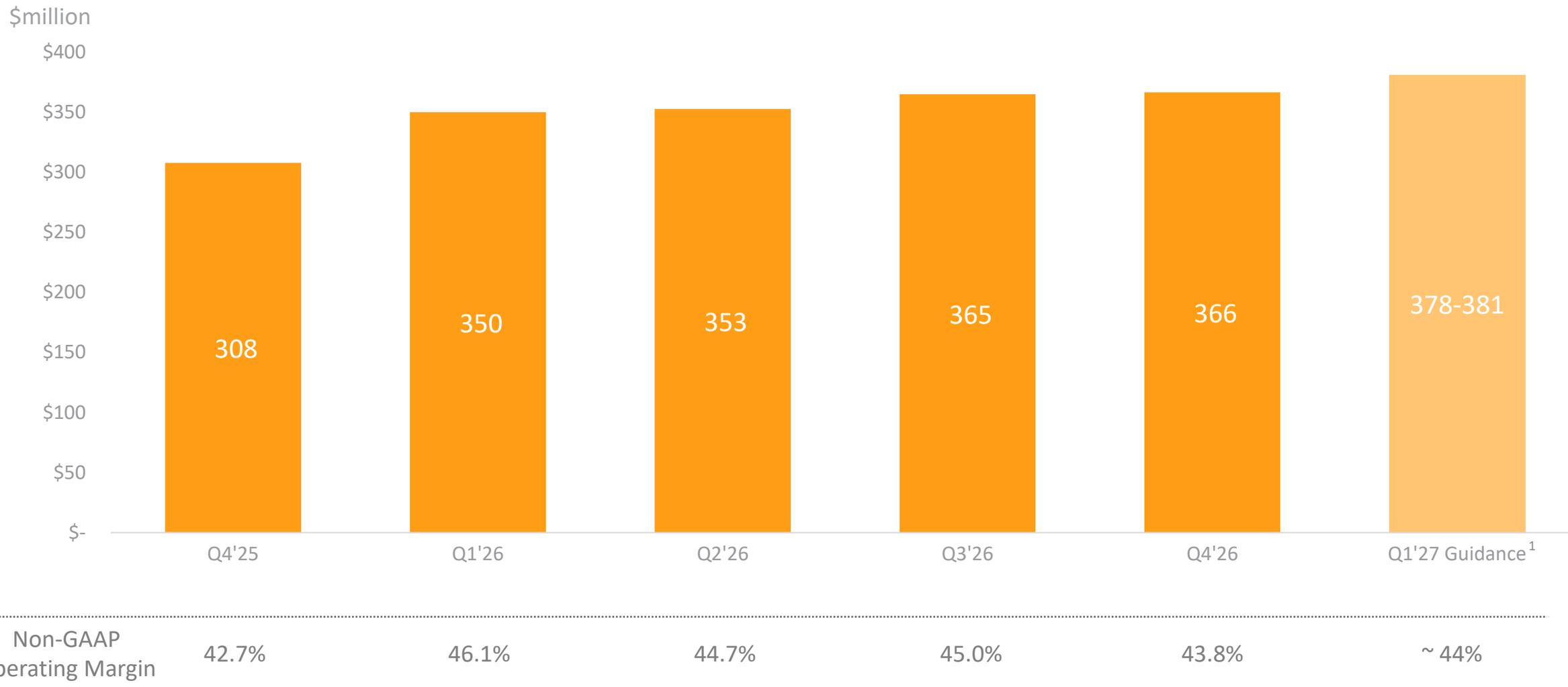
A reconciliation of GAAP to non-GAAP measures is set forth in the Appendix

<sup>1</sup> FY 2024 non-GAAP operating margin normalized for the estimated impact of TFC standardization is set forth in the Appendix

<sup>2</sup> Guidance issued on March 4, 2026. Our FY 2027 guidance assumes foreign currency exchange rates stay near current levels, which reflects an immaterial impact to non-GAAP operating income compared to FY 2026.



# Non-GAAP Operating Income – Quarterly



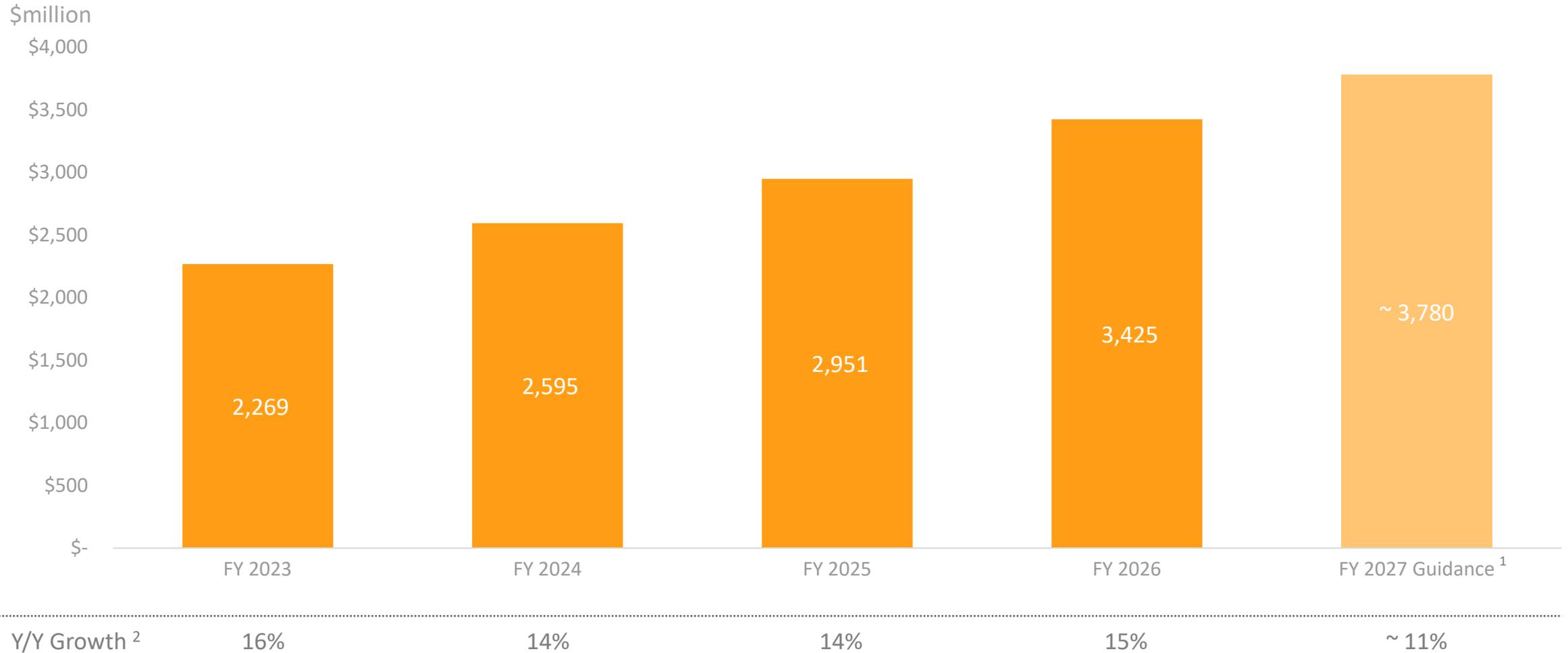
Fiscal Year Ending January 31

A reconciliation of GAAP to non-GAAP measures is set forth in the Appendix

<sup>1</sup>Guidance issued on March 4, 2026. Our Q1'27 guidance assumes foreign currency exchange rates stay near current levels, which reflects an immaterial impact to non-GAAP operating income compared to Q1'26.



# Normalized Billings – Annual



Fiscal Year Ending January 31

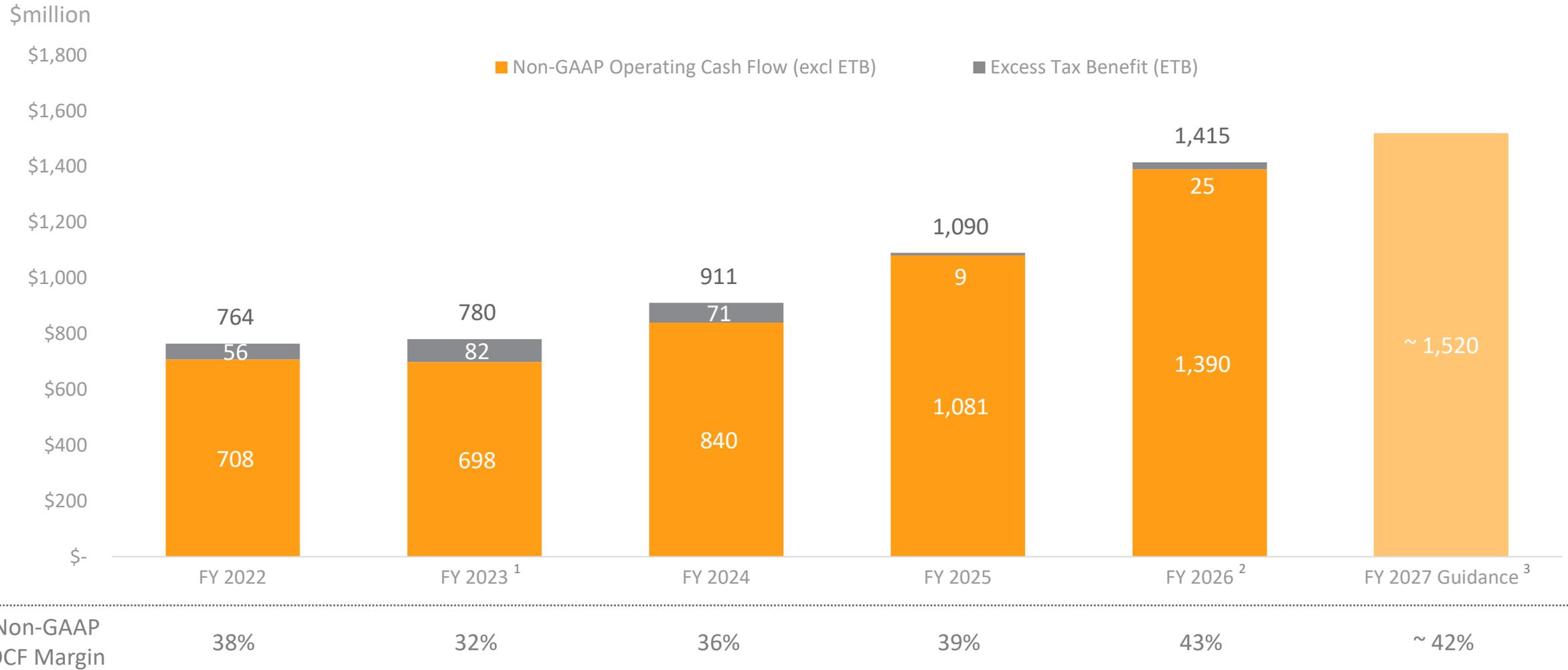
Normalized Billings is defined in the Appendix

<sup>1</sup> Guidance issued on March 4, 2026. Our FY 2027 normalized billings guidance assumes foreign currency exchange rates stay near current levels, which reflects an immaterial impact to normalized billings compared to FY 2026. Our FY 2027 normalized billings guidance is expected to be about \$16 million below calculated billings (as defined in the Appendix) due to billing term changes in customer renewals or delayed renewals that have closed and billed after the period end.

<sup>2</sup> Normalized billings growth reflects the current period normalized billings amount as compared to the year ago calculated billings amount.



# Operating Cash Flow – Annual



Fiscal Year Ending January 31

A reconciliation of GAAP to non-GAAP measures is set forth in the Appendix

<sup>1</sup> From FY 2023 to FY 2025, non-GAAP operating cash flow included the impact of tax legislation that required capitalization of certain R&D expenses. This included an approximately \$100 million headwind in FY 2023 compared to FY 2022.

<sup>2</sup> Starting in FY 2026, non-GAAP operating cash flow included the impact of tax legislation that allows for the immediate deduction of certain domestic R&D expenses. This included an approximately \$145 million tailwind in FY 2026 compared to FY 2025.

<sup>3</sup> Guidance issued on March 4, 2026. Non-GAAP guidance excludes any potential impact of the Excess Tax Benefit (as defined in the Appendix).

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# FY 2027 Guidance

	Guidance
Total Revenue	\$3,585-3,600 million
Subscription Revenue	~\$3,040 million
Commercial Subscription Revenue	~\$1,380 million
R&D and Quality Subscription Revenue	~\$1,660 million
Services Revenue	\$545-560 million
Non-GAAP Operating Income	~\$1,590 million
Non-GAAP Fully Diluted Net Income per Share	~\$8.85
Normalized Billings	~\$3,780 million
Non-GAAP Operating Cash Flow	~\$1,520 million

Guidance issued on March 4, 2026. Our FY 2027 guidance assumes foreign currency exchange rates stay near current levels, which reflects an FX tailwind of approximately \$22 million to total revenue and an immaterial impact to non-GAAP operating income and normalized billings compared to FY 2026. FY 2027 normalized billings is expected to be about \$16 million below calculated billings due to billing term changes in customer renewals or delayed renewals that have closed and billed after the period end. We are not able, at this time, to provide GAAP targets for operating income and fully diluted net income per share for the fiscal year ending January 31, 2027 because of the difficulty of estimating certain items excluded from non-GAAP operating income and non-GAAP fully diluted net income per share that cannot be reasonably predicted, such as charges related to stock-based compensation expense. Non-GAAP operating cash flow excludes any potential impact of Excess Tax Benefit. We do not guide to GAAP operating cash flow because of the difficulty of estimating the potential impact of Excess Tax Benefit (as defined in the Appendix), due to the nature of equity compensation activity and related stock-based compensation expense. The effect of any of these excluded items may be significant.



# Q1'27 Guidance

	Guidance
Total Revenue	\$855-858 million
Subscription Revenue	~\$720 million
Services Revenue	\$135-138 million
Non-GAAP Operating Income	\$378-381 million
Non-GAAP Fully Diluted Net Income per Share	\$2.13-2.14

Guidance issued on March 4, 2026. Our Q1'27 guidance assumes foreign exchange rates stay near current levels, which reflects an FX tailwind of approximately \$7 million to total revenue and an immaterial impact to non-GAAP operating income compared to Q1'26. We are not able, at this time, to provide GAAP targets for operating income and fully diluted net income per share for the first fiscal quarter ending April 30, 2026 because of the difficulty of estimating certain items excluded from non-GAAP operating income and non-GAAP fully diluted net income per share that cannot be reasonably predicted, such as charges related to stock-based compensation expense. The effect of these excluded items may be significant.





# Appendix

# Definitions

- Excess Tax Benefit (ETB) – The realized tax benefit related to employee equity compensation, including the vesting of restricted stock units and the exercising and selling of stock options.
- Calculated Billings – Revenue for the period plus the change in deferred revenue from the immediately preceding period minus the change in unbilled accounts receivable from the immediately preceding period.
- Normalized Billings – Reflects Calculated Billings, adjusted for the impact of (i) term changes in our customer renewals, such as changes to renewal date (for example, changing the renewal date of multiple products to be coterminous) or changes to billing frequency (for example, changing from annual to quarterly billings), and (ii) delayed renewals that have closed and billed after the period end.



# Quarterly Information

	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26	Q3'26	Q4'26	Y/Y Growth				
									Q4'25	Q1'26	Q2'26	Q3'26	Q4'26
<b>Revenue</b>													
Commercial Solutions - Subscription	261.3	271.8	278.4	293.4	305.4	307.5	317.7	327.0	12%	17%	13%	14%	11%
R&D and Quality Solutions - Subscription	272.6	289.5	302.5	315.2	329.4	351.7	364.8	380.8	21%	21%	21%	21%	21%
<b>Total Subscription Revenue (\$M)</b>	<b>534.0</b>	<b>561.3</b>	<b>580.9</b>	<b>608.6</b>	<b>634.8</b>	<b>659.2</b>	<b>682.5</b>	<b>707.7</b>	<b>17%</b>	<b>19%</b>	<b>17%</b>	<b>17%</b>	<b>16%</b>
Commercial Solutions - Services	48.8	45.1	45.9	45.6	46.6	47.7	47.5	47.6	(1%)	(5%)	6%	3%	4%
R&D and Quality Solutions - Services	67.6	69.8	72.5	66.7	77.7	82.2	81.3	80.6	6%	15%	18%	12%	21%
<b>Total Services Revenue (\$M)</b>	<b>116.4</b>	<b>114.9</b>	<b>118.4</b>	<b>112.3</b>	<b>124.3</b>	<b>129.9</b>	<b>128.7</b>	<b>128.2</b>	<b>3%</b>	<b>7%</b>	<b>13%</b>	<b>9%</b>	<b>14%</b>
<b>Total Revenue (\$M)</b>	<b>650.3</b>	<b>676.2</b>	<b>699.2</b>	<b>720.9</b>	<b>759.0</b>	<b>789.1</b>	<b>811.2</b>	<b>836.0</b>	<b>14%</b>	<b>17%</b>	<b>17%</b>	<b>16%</b>	<b>16%</b>
Non-GAAP Subscription Gross Margin	85.9%	86.5%	86.2%	86.7%	88.1%	86.2%	86.6%	86.7%	-	-	-	-	-
Non-GAAP Services Gross Margin	28.6%	31.9%	33.5%	24.7%	33.6%	33.4%	29.8%	20.5%	-	-	-	-	-
<b>Non-GAAP Total Gross Margin</b>	<b>75.6%</b>	<b>77.2%</b>	<b>77.3%</b>	<b>77.1%</b>	<b>79.2%</b>	<b>77.5%</b>	<b>77.6%</b>	<b>76.5%</b>	-	-	-	-	-
<b>Non-GAAP Operating Income (\$M)</b>	<b>260.9</b>	<b>279.8</b>	<b>304.0</b>	<b>307.7</b>	<b>349.9</b>	<b>352.6</b>	<b>364.9</b>	<b>366.5</b>	<b>29%</b>	<b>34%</b>	<b>26%</b>	<b>20%</b>	<b>19%</b>
Non-GAAP Operating Income Margin	40.1%	41.4%	43.5%	42.7%	46.1%	44.7%	45.0%	43.8%	-	-	-	-	-
GAAP Operating Cash Flow	763.5	92.9	164.1	69.5	877.2	238.4	192.8	106.8	20%	15%	157%	17%	54%
Excess Tax Benefit	(3.1)	(1.1)	(0.9)	(3.8)	(2.6)	(13.0)	(7.7)	(2.0)	-	-	-	-	-
<b>Non-GAAP Operating Cash Flow (\$M)</b>	<b>760.4</b>	<b>91.7</b>	<b>163.2</b>	<b>65.8</b>	<b>874.6</b>	<b>225.4</b>	<b>185.1</b>	<b>104.9</b>	<b>19%</b>	<b>15%</b>	<b>146%</b>	<b>13%</b>	<b>59%</b>
Calculated Billings	617	603	476	1,275	710	648	519	1,522	21%	15%	7%	9%	19%
Customer Term Changes	14	14	(8)	(40)	4	18	21	(16)	-	-	-	-	-
<b>Normalized Billings (\$M)</b>	<b>631</b>	<b>617</b>	<b>468</b>	<b>1,235</b>	<b>714</b>	<b>666</b>	<b>540</b>	<b>1,506</b>	<b>17%</b>	<b>16%</b>	<b>10%</b>	<b>13%</b>	<b>18%</b>
<b>Cash, Cash Equivalents, and ST Investments (\$M)</b>	<b>4,765</b>	<b>4,885</b>	<b>5,063</b>	<b>5,150</b>	<b>6,068</b>	<b>6,404</b>	<b>6,637</b>	<b>6,561</b>	<b>28%</b>	<b>27%</b>	<b>31%</b>	<b>31%</b>	<b>27%</b>
<b>Employee Headcount</b>	<b>7,157</b>	<b>7,200</b>	<b>7,288</b>	<b>7,291</b>	<b>7,343</b>	<b>7,627</b>	<b>7,797</b>	<b>7,928</b>	<b>2%</b>	<b>3%</b>	<b>6%</b>	<b>7%</b>	<b>9%</b>
Quarterly Net Additions	(15)	43	88	3	52	284	170	131	-	-	-	-	-

Fiscal Year Ending January 31

A reconciliation of GAAP to non-GAAP measures is set forth in the Appendix  
Numbers are rounded for presentation purposes and may not foot

# Annual Information

						Y/Y Growth				
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
<b>Revenue</b>										
Commercial Solutions - Subscription	876	946	996	1,105	1,258	18%	8%	5%	11%	14%
R&D and Quality Solutions - Subscription	608	787	906	1,180	1,427	40%	30%	15%	30%	21%
<b>Total Subscription Revenue (\$M)</b>	<b>1,484</b>	<b>1,733</b>	<b>1,902</b>	<b>2,285</b>	<b>2,684</b>	<b>26%</b>	<b>17%</b>	<b>10%</b>	<b>20%</b>	<b>17%</b>
Commercial Solutions - Services	165	177	186	185	189	16%	7%	5%	(0%)	2%
R&D and Quality Solutions - Services	202	245	276	277	322	40%	21%	13%	0%	16%
<b>Total Services Revenue (\$M)</b>	<b>367</b>	<b>422</b>	<b>462</b>	<b>462</b>	<b>511</b>	<b>28%</b>	<b>15%</b>	<b>9%</b>	<b>(0%)</b>	<b>11%</b>
<b>Total Revenue (\$M)</b>	<b>1,851</b>	<b>2,155</b>	<b>2,364</b>	<b>2,747</b>	<b>3,195</b>	<b>26%</b>	<b>16%</b>	<b>10%</b>	<b>16%</b>	<b>16%</b>
Non-GAAP Subscription Gross Margin	85.4%	85.8%	85.3%	86.3%	86.9%	-	-	-	-	-
Non-GAAP Services Gross Margin	34.0%	28.7%	28.0%	29.7%	29.3%	-	-	-	-	-
<b>Non-GAAP Total Gross Margin</b>	<b>75.2%</b>	<b>74.6%</b>	<b>74.1%</b>	<b>76.8%</b>	<b>77.7%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non-GAAP Operating Income (\$M)</b>	<b>759</b>	<b>830</b>	<b>843</b>	<b>1,152</b>	<b>1,434</b>	<b>30%</b>	<b>9%</b>	<b>1%</b>	<b>37%</b>	<b>24%</b>
Non-GAAP Operating Income Margin	41.0%	38.5%	35.6%	42.0%	44.9%	-	-	-	-	-
GAAP Operating Cash Flow	764	780	911	1,090	1,415	39%	2%	17%	20%	30%
Excess Tax Benefit	(56)	(82)	(71)	(9)	(25)	-	-	-	-	-
<b>Non-GAAP Operating Cash Flow (\$M)</b>	<b>708</b>	<b>698</b>	<b>840</b>	<b>1,081</b>	<b>1,390</b>	<b>51%</b>	<b>(1%)</b>	<b>20%</b>	<b>29%</b>	<b>29%</b>
Non-GAAP OCF Margin	38.3%	32.4%	35.6%	39.4%	43.5%	-	-	-	-	-
Calculated Billings	1,950	2,277	2,598	2,970	3,399	22%	17%	14%	14%	14%
Customer Term Changes	23	(7)	(3)	(19)	27	-	-	-	-	-
<b>Normalized Billings (\$M)</b>	<b>1,972</b>	<b>2,269</b>	<b>2,595</b>	<b>2,951</b>	<b>3,425</b>	<b>23%</b>	<b>16%</b>	<b>14%</b>	<b>14%</b>	<b>15%</b>
<b>Cash, Cash Equivalents, and ST Investments (\$M)</b>	<b>2,376</b>	<b>3,103</b>	<b>4,028</b>	<b>5,150</b>	<b>6,561</b>	<b>43%</b>	<b>31%</b>	<b>30%</b>	<b>28%</b>	<b>27%</b>
<b>Employee Headcount</b>	<b>5,482</b>	<b>6,744</b>	<b>7,172</b>	<b>7,291</b>	<b>7,928</b>	<b>22%</b>	<b>23%</b>	<b>6%</b>	<b>2%</b>	<b>9%</b>
Annual Net Additions	976	1,262	428	119	637	-	-	-	-	-

Fiscal Year Ending January 31

A reconciliation of GAAP to non-GAAP measures is set forth in the Appendix  
Numbers are rounded for presentation purposes and may not foot



# Reconciliation of GAAP to non-GAAP Measures

	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26	Q3'26	Q4'26
<b>Gross margin on total revenues on a GAAP basis</b>	<b>73.3 %</b>	<b>74.8 %</b>	<b>75.1 %</b>	<b>74.9 %</b>	<b>77.1 %</b>	<b>75.3 %</b>	<b>75.4 %</b>	<b>74.5 %</b>
Stock-based compensation expense	2.2 %	2.2 %	2.1 %	2.0 %	1.9 %	2.1 %	2.1 %	2.0 %
Amortization of purchased intangibles	0.1 %	0.2 %	0.1 %	0.2 %	0.2 %	0.1 %	0.1 %	-
<b>Gross margin on total revenues on a non-GAAP basis</b>	<b>75.6 %</b>	<b>77.2 %</b>	<b>77.3 %</b>	<b>77.1 %</b>	<b>79.2 %</b>	<b>77.5 %</b>	<b>77.6 %</b>	<b>76.5 %</b>
<b>Gross margin on subscription services revenues on a GAAP basis</b>	<b>85.4 %</b>	<b>86.0 %</b>	<b>85.8 %</b>	<b>86.3 %</b>	<b>87.7 %</b>	<b>85.8 %</b>	<b>86.2 %</b>	<b>86.4 %</b>
Stock-based compensation expense	0.3 %	0.3 %	0.3 %	0.3 %	0.3 %	0.3 %	0.3 %	0.3 %
Amortization of purchased intangibles	0.2 %	0.2 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	-
<b>Gross margin on subscription services revenues on a non-GAAP basis</b>	<b>85.9 %</b>	<b>86.5 %</b>	<b>86.2 %</b>	<b>86.7 %</b>	<b>88.1 %</b>	<b>86.2 %</b>	<b>86.6 %</b>	<b>86.7 %</b>
<b>Gross margin on professional services and other revenues on a GAAP basis</b>	<b>17.7 %</b>	<b>20.3 %</b>	<b>22.5 %</b>	<b>13.2 %</b>	<b>23.2 %</b>	<b>21.9 %</b>	<b>18.2 %</b>	<b>8.8 %</b>
Stock-based compensation expense	10.8 %	11.5 %	10.9 %	11.3 %	10.3 %	11.4 %	11.5 %	11.7 %
Amortization of purchased intangibles	0.1 %	0.1 %	0.1 %	0.2 %	0.1 %	0.1 %	0.1 %	-
<b>Gross margin on professional services and other revenues on a non-GAAP basis</b>	<b>28.6 %</b>	<b>31.9 %</b>	<b>33.5 %</b>	<b>24.7 %</b>	<b>33.6 %</b>	<b>33.4 %</b>	<b>29.8 %</b>	<b>20.5 %</b>
<b>Operating income on a GAAP basis (\$M)</b>	<b>\$ 155.2</b>	<b>\$ 166.5</b>	<b>\$ 181.4</b>	<b>\$ 188.4</b>	<b>\$ 233.7</b>	<b>\$ 195.9</b>	<b>\$ 240.9</b>	<b>\$ 245.9</b>
Stock-based compensation expense	95.9	108.4	117.9	115.2	112.2	122.0	120.3	118.3
Amortization of purchased intangibles	4.8	4.9	4.8	4.1	3.9	4.1	3.8	2.3
Litigation settlement-related charges	5.0	-	-	-	-	30.6	-	-
<b>Operating income on a non-GAAP basis (\$M)</b>	<b>\$ 260.9</b>	<b>\$ 279.8</b>	<b>\$ 304.0</b>	<b>\$ 307.7</b>	<b>\$ 349.9</b>	<b>\$ 352.6</b>	<b>\$ 364.9</b>	<b>\$ 366.5</b>
<b>Operating margin on a GAAP basis</b>	<b>23.9 %</b>	<b>24.6 %</b>	<b>25.9 %</b>	<b>26.1 %</b>	<b>30.8 %</b>	<b>24.8 %</b>	<b>29.7 %</b>	<b>29.4 %</b>
Stock-based compensation expense	14.7 %	16.0 %	16.9 %	16.0 %	14.8 %	15.5 %	14.8 %	14.1 %
Amortization of purchased intangibles	0.7 %	0.8 %	0.7 %	0.6 %	0.5 %	0.5 %	0.5 %	0.3 %
Litigation settlement-related charges	0.8 %	-	-	-	-	3.9 %	-	-
<b>Operating margin on a non-GAAP basis</b>	<b>40.1 %</b>	<b>41.4 %</b>	<b>43.5 %</b>	<b>42.7 %</b>	<b>46.1 %</b>	<b>44.7 %</b>	<b>45.0 %</b>	<b>43.8 %</b>
<b>Operating cash flow on a GAAP basis (\$M)</b>	<b>\$ 763.5</b>	<b>\$ 92.9</b>	<b>\$ 164.1</b>	<b>\$ 69.5</b>	<b>\$ 877.2</b>	<b>\$ 238.4</b>	<b>\$ 192.8</b>	<b>\$ 106.8</b>
Excess Tax Benefit (ETB)	(3.1)	(1.1)	(0.9)	(3.8)	(2.6)	(13.0)	(7.7)	(2.0)
<b>Operating cash flow on a non-GAAP basis (\$M)</b>	<b>\$ 760.4</b>	<b>\$ 91.7</b>	<b>\$ 163.2</b>	<b>\$ 65.8</b>	<b>\$ 874.6</b>	<b>\$ 225.4</b>	<b>\$ 185.1</b>	<b>\$ 104.9</b>



# Reconciliation of GAAP to non-GAAP Measures

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
<b>Gross margin on total revenues on a GAAP basis</b>	<b>72.8 %</b>	<b>71.7 %</b>	<b>71.3 %</b>	<b>74.5 %</b>	<b>75.5 %</b>
Stock-based compensation expense	2.2 %	2.7 %	2.6 %	2.1 %	2.0 %
Amortization of purchased intangibles	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %
<b>Gross margin on total revenues on a non-GAAP basis</b>	<b>75.2 %</b>	<b>74.6 %</b>	<b>74.1 %</b>	<b>76.8 %</b>	<b>77.7 %</b>
<b>Gross margin on subscription services revenues on a GAAP basis</b>	<b>84.8 %</b>	<b>85.1 %</b>	<b>84.7 %</b>	<b>85.9 %</b>	<b>86.5 %</b>
Stock-based compensation expense	0.3 %	0.4 %	0.4 %	0.3 %	0.3 %
Amortization of purchased intangibles	0.3 %	0.3 %	0.2 %	0.1 %	0.1 %
<b>Gross margin on subscription services revenues on a non-GAAP basis</b>	<b>85.4 %</b>	<b>85.8 %</b>	<b>85.3 %</b>	<b>86.3 %</b>	<b>86.9 %</b>
<b>Gross margin on professional services and other revenues on a GAAP basis</b>	<b>24.0 %</b>	<b>16.7 %</b>	<b>16.3 %</b>	<b>18.5 %</b>	<b>18.0 %</b>
Stock-based compensation expense	9.9 %	11.9 %	11.6 %	11.1 %	11.2 %
Amortization of purchased intangibles	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %
<b>Gross margin on professional services and other revenues on a non-GAAP basis</b>	<b>34.0 %</b>	<b>28.7 %</b>	<b>28.0 %</b>	<b>29.7 %</b>	<b>29.3 %</b>
<b>Operating income on a GAAP basis (\$M)</b>	<b>\$ 505.5</b>	<b>\$ 459.1</b>	<b>\$ 429.3</b>	<b>\$ 691.4</b>	<b>\$ 916.4</b>
Stock-based compensation expense	234.6	351.9	393.7	437.4	472.7
Amortization of purchased intangibles	18.5	19.5	19.5	18.6	14.1
Litigation settlement-related charges	-	-	-	5.0	30.6
<b>Operating income on a non-GAAP basis (\$M)</b>	<b>\$ 758.7</b>	<b>\$ 830.5</b>	<b>\$ 842.5</b>	<b>\$ 1,152.3</b>	<b>\$ 1,433.8</b>
<b>Operating margin on a GAAP basis</b>	<b>27.3 %</b>	<b>21.3 %</b>	<b>18.2 %</b>	<b>25.2 %</b>	<b>28.7 %</b>
Stock-based compensation expense	12.7 %	16.3 %	16.6 %	15.9 %	14.8 %
Amortization of purchased intangibles	1.0 %	0.9 %	0.8 %	0.7 %	0.4 %
Litigation settlement-related charges	-	-	-	0.2 %	1.0 %
<b>Operating margin on a non-GAAP basis</b>	<b>41.0 %</b>	<b>38.5 %</b>	<b>35.6 %</b>	<b>42.0 %</b>	<b>44.9 %</b>
<b>Operating cash flow on a GAAP basis (\$M)</b>	<b>\$ 764.5</b>	<b>\$ 780.5</b>	<b>\$ 911.3</b>	<b>\$ 1,090.1</b>	<b>\$ 1,415.2</b>
Excess Tax Benefit (ETB)	(56.2)	(82.0)	(71.0)	(8.9)	(25.3)
<b>Operating cash flow on a non-GAAP basis (\$M)</b>	<b>\$ 708.3</b>	<b>\$ 698.5</b>	<b>\$ 840.3</b>	<b>\$ 1,081.1</b>	<b>\$ 1,390.0</b>
<b>Operating cash flow margin on a GAAP basis</b>	<b>41.3 %</b>	<b>36.2 %</b>	<b>38.6 %</b>	<b>39.7 %</b>	<b>44.3 %</b>
Excess Tax Benefit (ETB)	(3.0)%	(3.8)%	(3.0)%	(0.3)%	(0.8)%
<b>Operating cash flow margin on a non-GAAP basis</b>	<b>38.3 %</b>	<b>32.4 %</b>	<b>35.6 %</b>	<b>39.4 %</b>	<b>43.5 %</b>



# Customer Contracting Change

## Standardizing Termination for Convenience (TFC) Rights

### Historically

- Most customer orders had a one-year term, thus TFC rights were not meaningful
- TFC rights differed customer to customer

### As of February 1, 2023

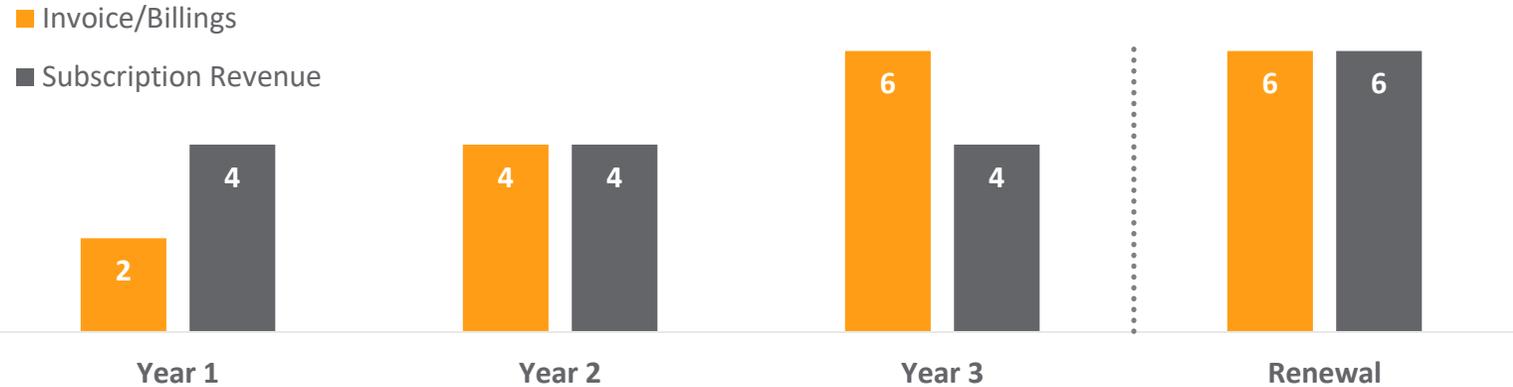
- More orders are multi-year in duration
- TFC rights standardized for customers with multi-year ramping deals



# Impact of TFC on Subscription Revenue Timing

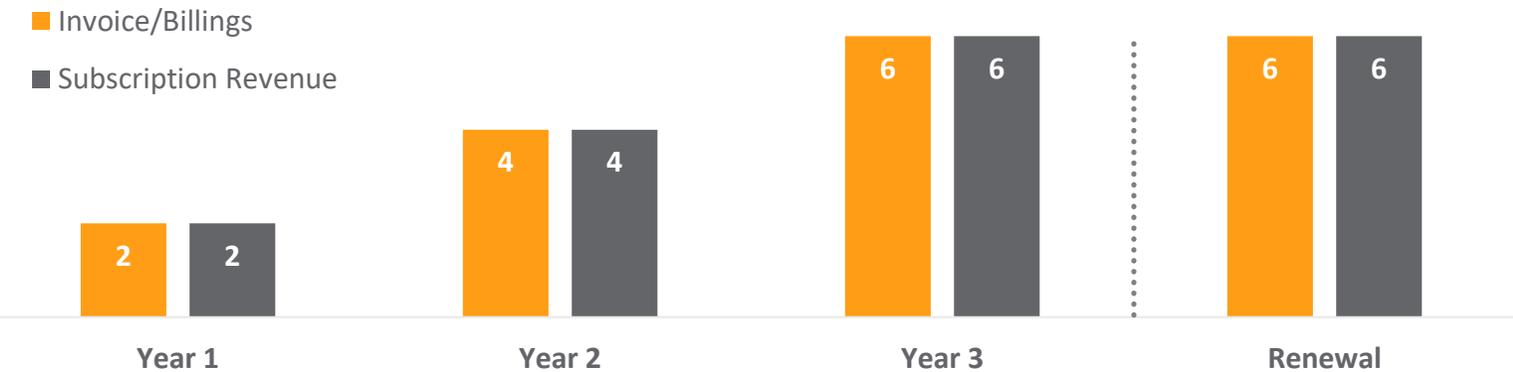
Revenue is recognized ratably over the duration of the committed term

## EXAMPLE 1: Multi-Year Ramping Deal **without** TFC



Revenue is generally recognized consistent with customer billing terms

## EXAMPLE 2: Multi-Year Ramping Deal **with** TFC



# FY 2024 and FY 2025 Results Normalized for Estimated TFC Impacts

## Reported

	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	FY 2024	FY 2025
<b>Y/Y Growth</b>										
Subscription Revenue Growth	3%	10%	12%	13%	29%	19%	17%	17%	10%	20%
Services Revenue Growth	9%	13%	10%	6%	4%	(4%)	(3%)	3%	9%	(0%)
<b>Total Revenue Growth</b>	<b>4%</b>	<b>10%</b>	<b>12%</b>	<b>12%</b>	<b>24%</b>	<b>15%</b>	<b>13%</b>	<b>14%</b>	<b>10%</b>	<b>16%</b>
<b>Non-GAAP Operating Income Margin</b>	<b>30%</b>	<b>36%</b>	<b>38%</b>	<b>38%</b>	<b>40%</b>	<b>41%</b>	<b>43%</b>	<b>43%</b>	<b>36%</b>	<b>42%</b>

## Normalized for Estimated TFC Impact

	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	FY 2024	FY 2025
<b>Y/Y Growth<sup>1</sup></b>										
Subscription Revenue Growth	16%	14%	15%	15%	15%	15%	15%	16%	15%	15%
Services Revenue Growth	9%	13%	10%	6%	4%	(4%)	(3%)	3%	9%	(0%)
<b>Total Revenue Growth</b>	<b>14%</b>	<b>14%</b>	<b>14%</b>	<b>14%</b>	<b>13%</b>	<b>12%</b>	<b>12%</b>	<b>14%</b>	<b>14%</b>	<b>12%</b>
<b>Non-GAAP Operating Income Margin<sup>2</sup></b>	<b>36%</b>	<b>38%</b>	<b>39%</b>	<b>39%</b>	<b>40%</b>	<b>41%</b>	<b>43%</b>	<b>43%</b>	<b>38%</b>	<b>42%</b>

Fiscal Year Ending January 31

Customer contracts were standardized to include termination for convenience (TFC) rights effective February 1, 2023, which created a one-time impact to revenue and operating income in fiscal 2024.

<sup>1</sup> Normalized subscription revenue growth rates and normalized total revenue growth rates for the fiscal 2024 quarters and full year reflect estimated fiscal 2024 revenue had TFC rights not been standardized compared to reported fiscal 2023 revenue.

Normalized subscription revenue growth rates and normalized total revenue growth rates for the fiscal 2025 quarters and full year reflect fiscal 2025 revenue compared to estimated fiscal 2024 revenue had TFC rights always been in place.

<sup>2</sup> Normalized non-GAAP operating income margin for the fiscal 2024 quarters and full year reflect estimated fiscal 2024 revenue and non-GAAP operating income had TFC rights not been standardized. TFC standardization had no impact on non-GAAP operating income margin in fiscal 2025.

Note that there is no impact from standardizing TFC rights after fiscal 2025.

