Veeva

Analyst and Investor Day

November 3, 2022

2022 Veeva Analyst and Investor Day

Thursday, November 3

Veeva Vision and Strategy :	Peter Gassner, Founder & CEO
Financial Update :	Brent Bowman, CFO
Break	
Partnering to Advance the Industry :	Paul Shawah, EVP Commercial Strategy Cindy Hoots, AstraZeneca
Q&A	

Copyright © Veeva Systems 2022

Safe Harbor and Other Information

This presentation and associated commentary contain forward-looking statements regarding Veeva's future performance, market size and opportunity, and financial outlook, including, in particular, guidance provided as of August 31, 2022 about Veeva's expected future financial results. These statements are based on our current expectation and involve assumptions and internal estimates that may prove to be incorrect and are based on plans that may change. Actual results could differ materially from statements made here and we have no obligation to update such statements. There are also numerous risks that have the potential to negatively impact our financial performance, including as a result of competitive factors, customer decisions and priorities, events that impact the life sciences industry, issues related to the security or performance of our products, the pandemic, issues that impact our ability to hire, retain, and adequately compensate talented employees, fluctuations in foreign currency exchange rates, and general macroeconomic and geopolitical events (including inflationary pressures and impacts related to Russia's invasion of Ukraine). We have summarized what we believe are the principal risks to our business in a section titled "Summary of Risk Factors" on pages 39 and 40 in our filing on Form 10-Q for the period ended July 31, 2022 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. We recommend that you familiarize yourself with these risks and uncertainties before making an investment decision.

This presentation includes certain non-GAAP financial measures as defined by SEC rules. For additional information, see the slide titled "Statement Regarding Use of Non-GAAP Financial Measures" in the Appendix.

Copyright © Veeva Systems 2022

Veeva



Peter Gassner

Founder & CEO

Highlights

- Consistent Execution
- Durable Business Model
- Ahead of 2025 Targets
- Long Runway of Growth

Copyright © Veeva Systems 2022

Vision

Building the Industry Cloud for Life Sciences

Values

Do the Right Thing
Customer Success
Employee Success
Speed

Veeva

A Public Benefit Corporation

Our Industry Cloud Segments

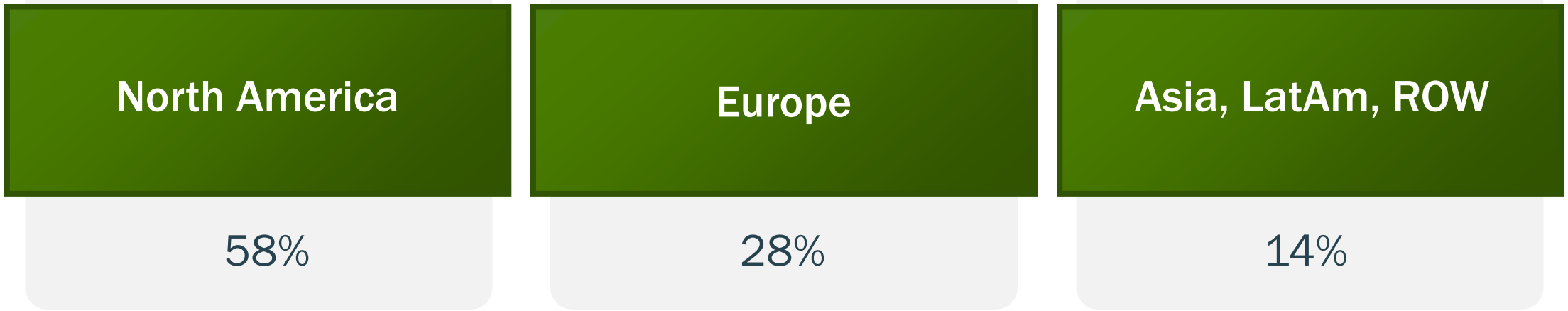
Pharmaceuticals and Biotech	MedTech	Consumer Products
93%	4%	3%

SOFTWARE DATA CONSULTING

Approximates 2Q'23 revenue mix

Copyright © Veeva Systems 2022

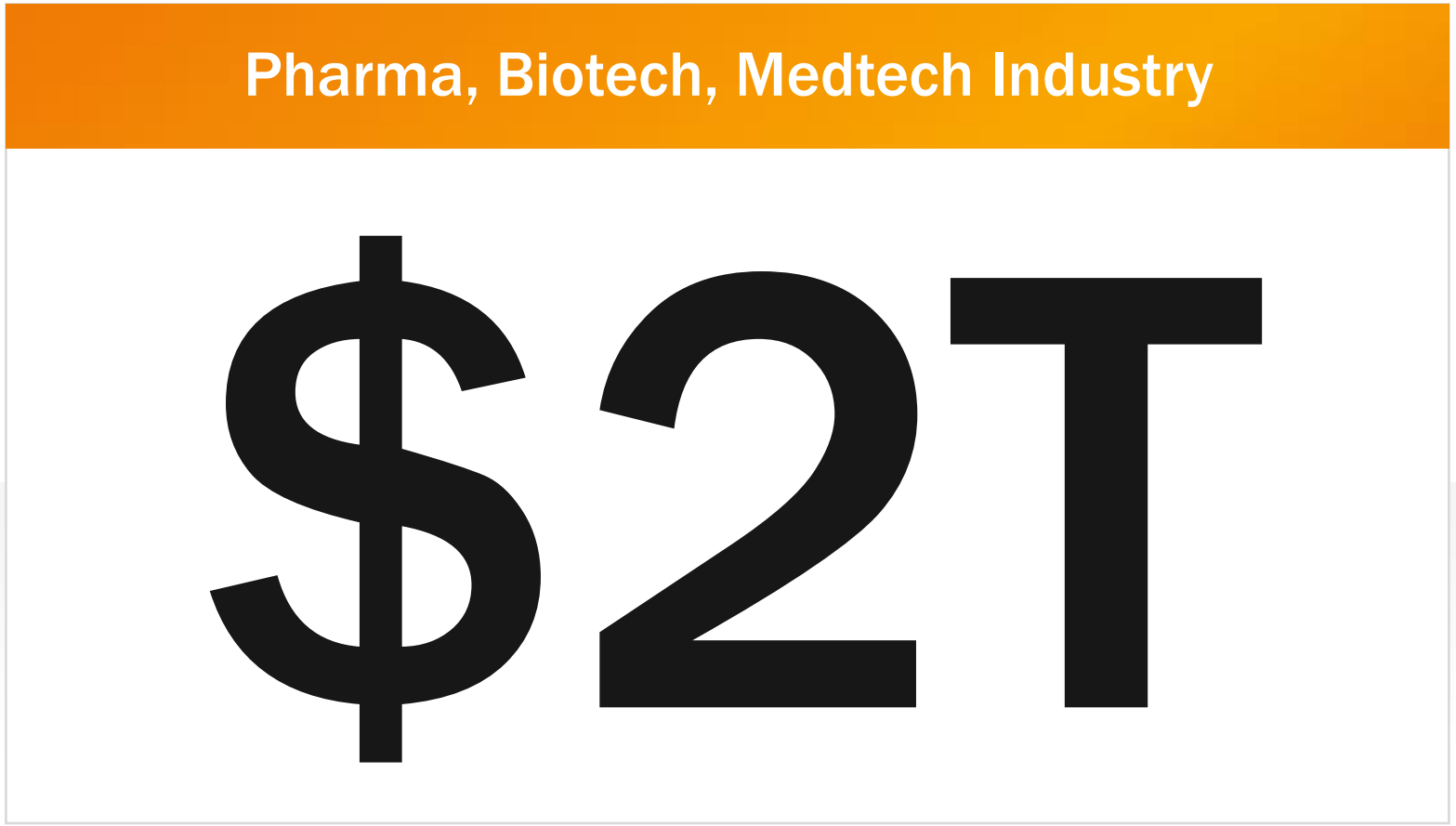
Geographies



Approximates 2Q'23 revenue mix

Copyright © Veeva Systems 2022

Becoming Essential to a Large & Growing Industry



Copyright © Veeva Systems 2022

Industry Cloud for Life Sciences

Software • Data • Consulting

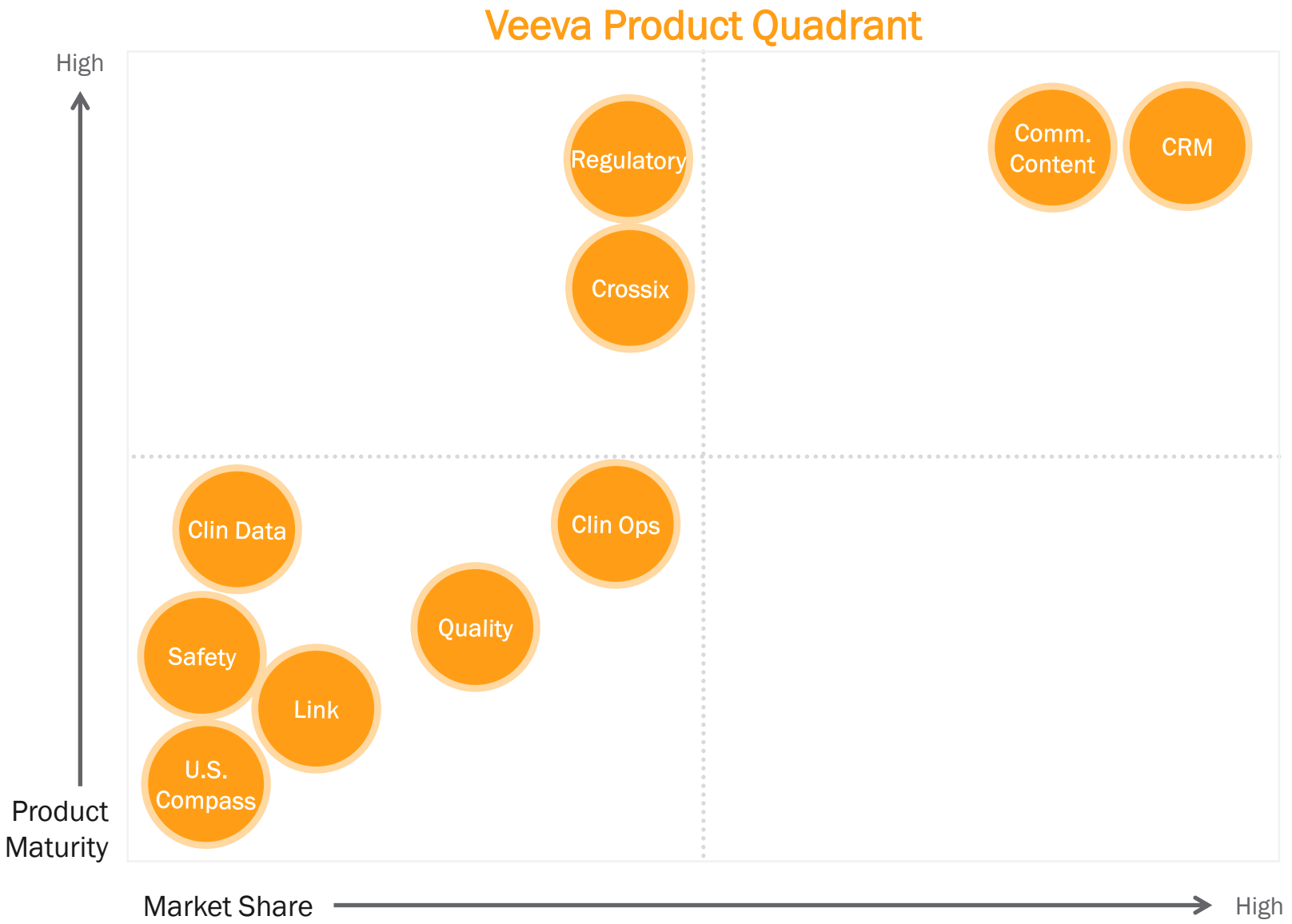


BUSINESS CONSULTING

Copyright © Veeva Systems 2022

Long Runway Ahead in Life Sciences

Product Suite Maturity and Market Share

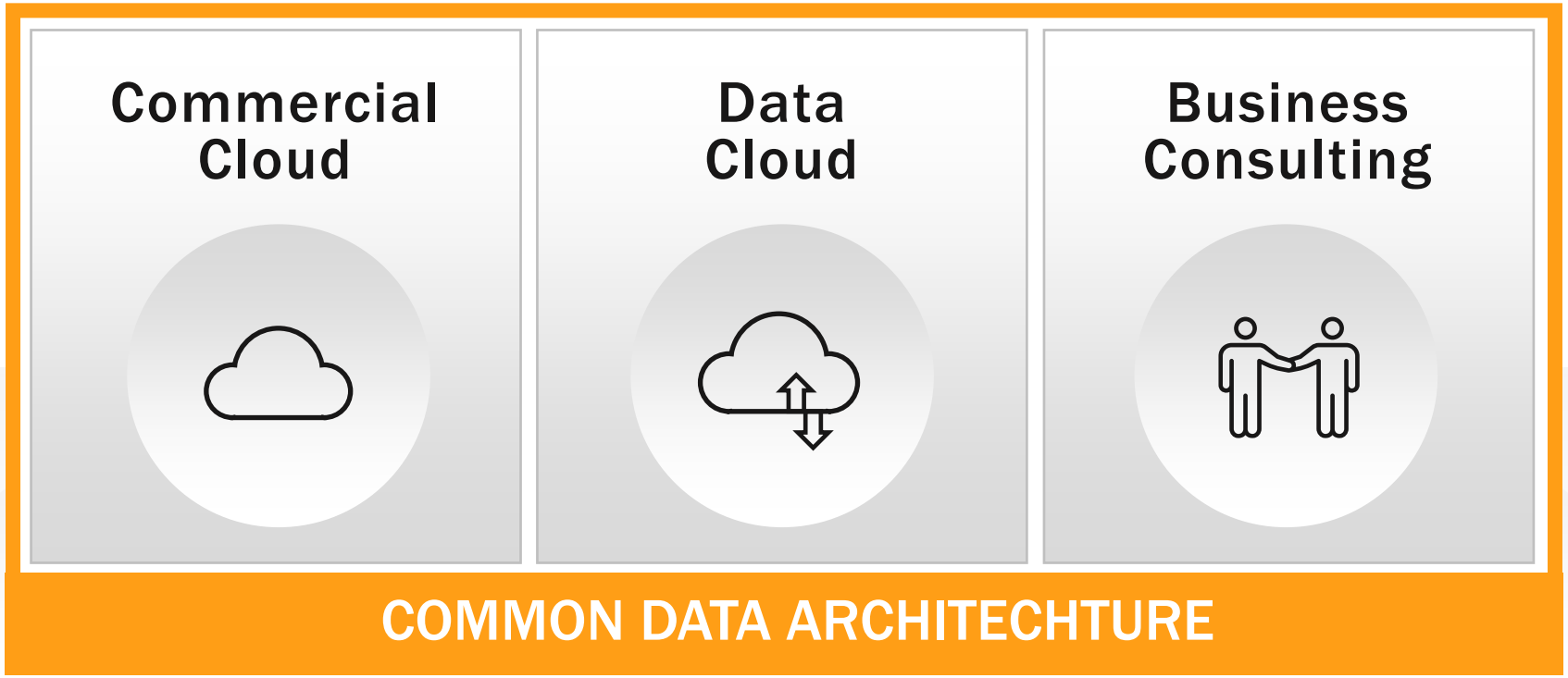


Copyright © Veeva Systems 2022

Commercial Solutions

Veeva Commercial Solutions

Delivering Commercial Excellence



Copyright © Veeva Systems 2022

CRM Suite

Foundation for
Digital Engagement

- Core CRM
- CLM
- Approved Email
- Engage
- Events
- Align

Trusted Market Leader | Engagement + Content | 15 Years of Innovation

Commercial Content

Vault PromoMats
Vault MedComms

- Content Creation
- Review and Approval
- Digital Asset Management

Trusted Market Leader | Modular Content | Global Reuse

Crossix

Marketing Analytics

For the U.S. Market

- Measurement
- Optimization
- Audience Segments

300M Patients | Privacy-safe | Crossix Data Platform

Compass

Modern Approach to Data

For the U.S. Market

- Patient Data
- Prescriber Data$_F$
- Sales Data$_F$

Better Data | Better Delivery | Crossix Data Platform

$_F$ *Reflects products planned for availability in the future*

Link

Applications for Real-time Intelligence

- Key People
- Scientific Awareness
- Key Accounts$_F$
- Medical Insights$_F$

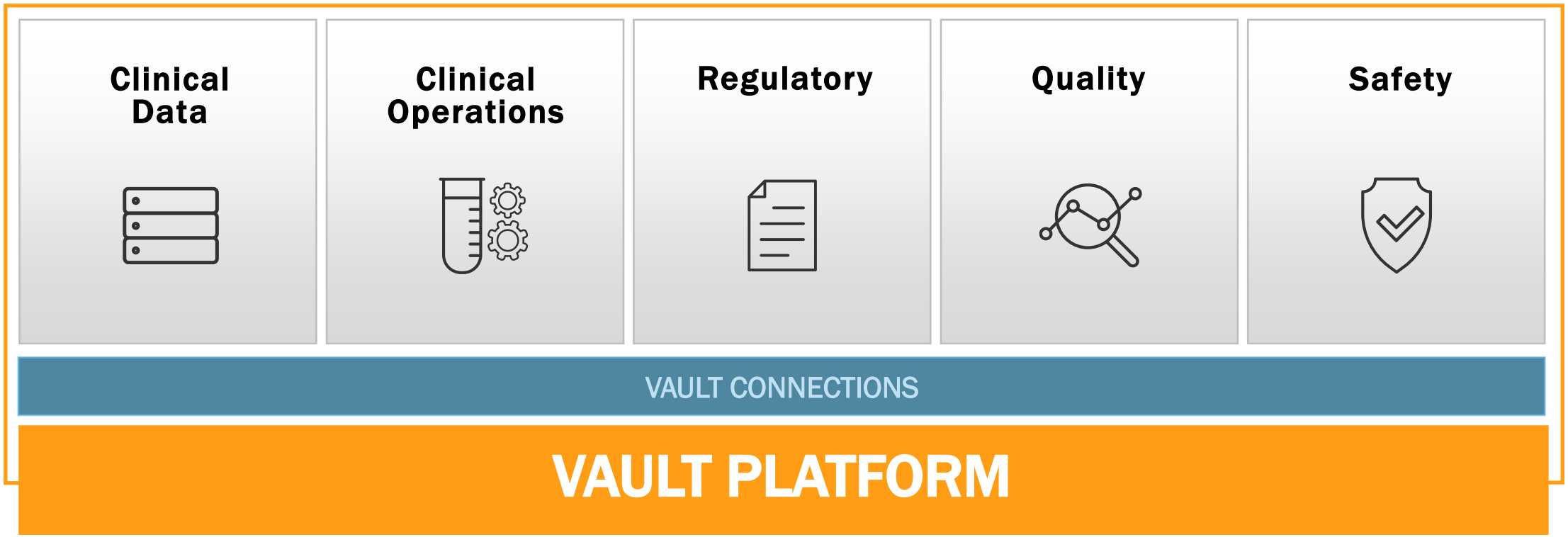
Real-time Intelligence | Link Platform | Innovating

$_F$ *Reflects products planned for availability in the future*

R&D Solutions

Development Cloud

Operating System for Product Development



Copyright © Veeva Systems 2022

Clinical Operations

Foundation for Trial Execution

- eTMF
- CTMS
- Site Connect
- Payments
- Study Startup
- Study Training

More Efficient Trials | 450 Customers | Transforming Site Engagement

Clinical Data Management

Modernizing Data Management

- EDC
- ePRO
- RTSM
- CDB

400 EDC Trials | Foundation for Digital Trials | Complete and Concurrent Data

RIM Suite

Complete Regulatory System

- Submissions
- Archive
- Publishing
- Registrations

End-to-End Efficiency & Compliance | 350 Customers | Complete & Ready

Quality Suite

Unifying Quality Management

- QualityDocs
- LearnGXP
- QMS
- LIMS
- Training
- Validation Management

Unified & Connected Quality | Quality & Manufacturing | 500 Customers

Safety Suite

Comprehensive Safety Management

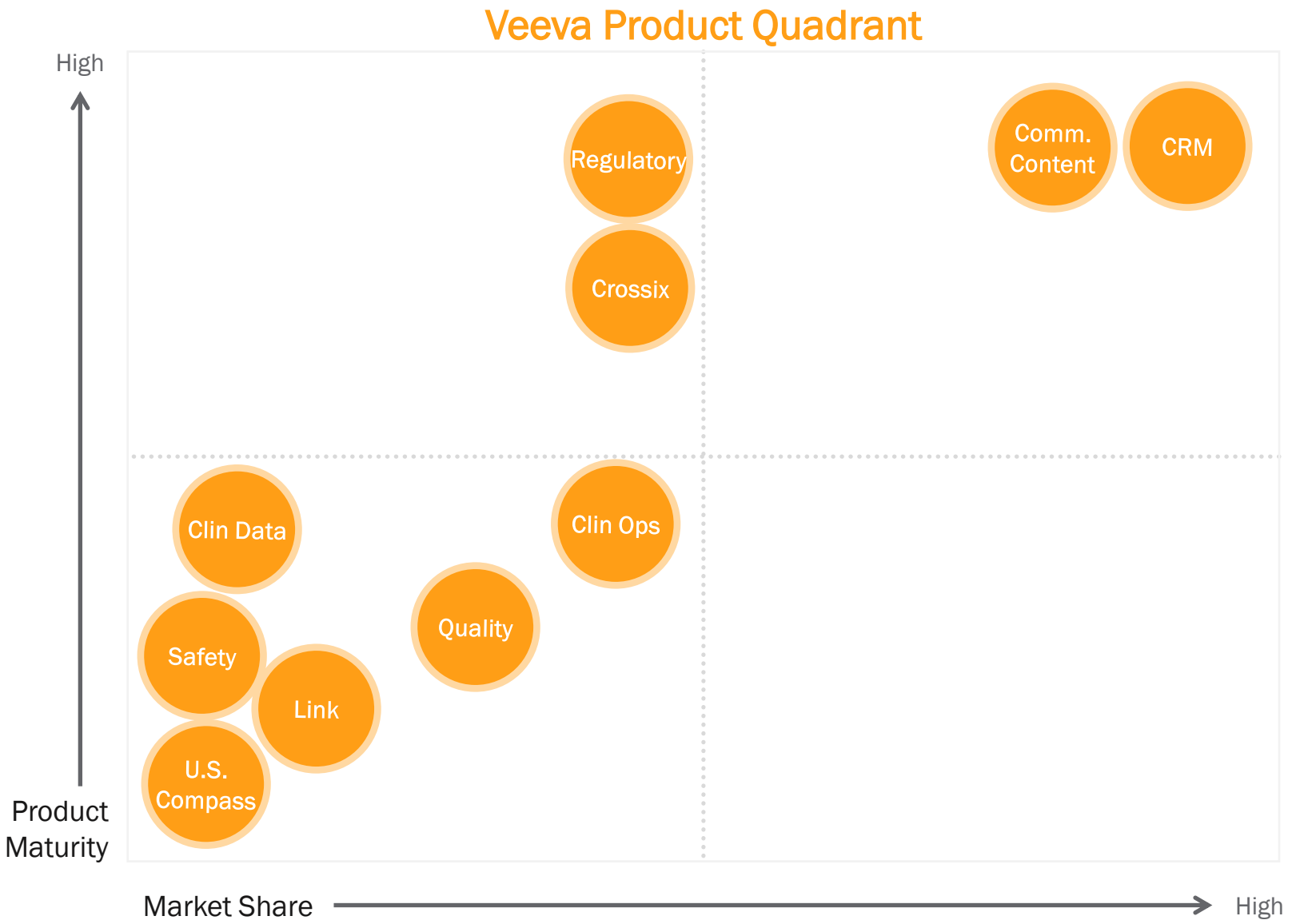
- Safety
- SafetyDocs
- Signal$_F$

Modern Cloud System | End-to-End Safety Management | Unified & Connected

$_F$ *Reflects products planned for availability in the future*

Long Runway Ahead in Life Sciences

Product Suite Maturity and Market Share



Copyright © Veeva Systems 2022

PRODUCT GROWTH & INNOVATION

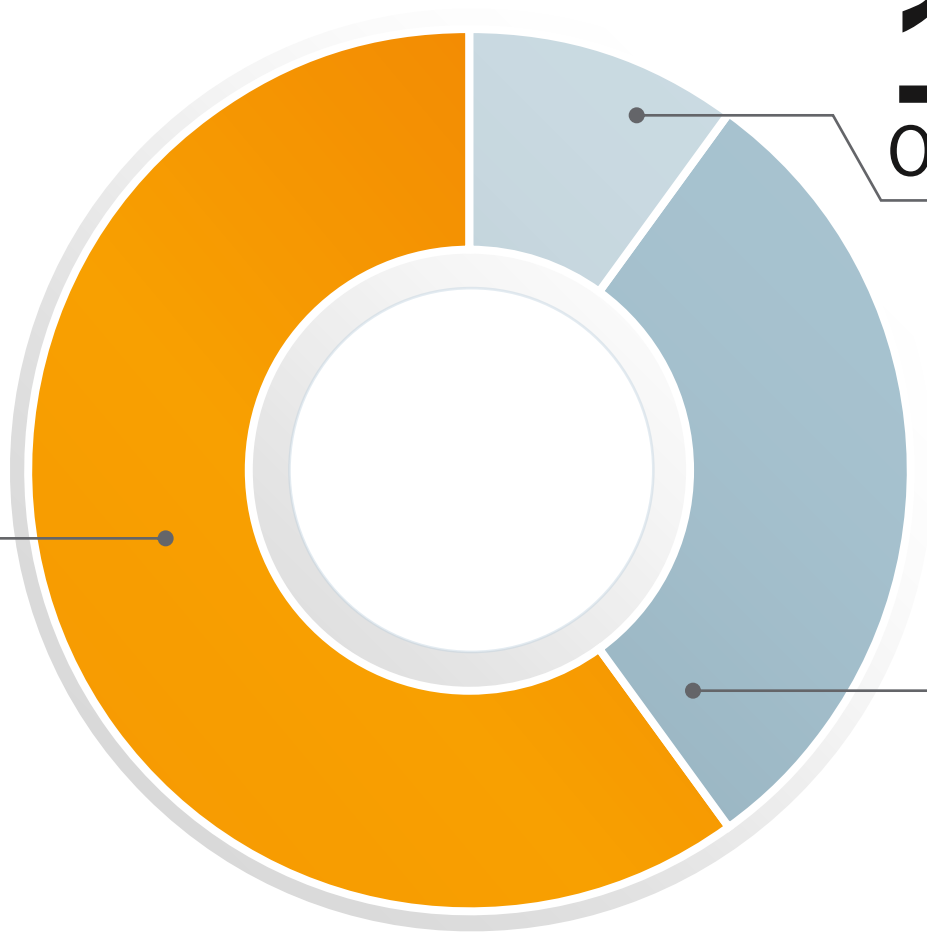
Power of Veeva Platforms

Veeva Platforms



Copyright © Veeva Systems 2022

Platforms by % of Subscription Revenue



10%
Other Platforms

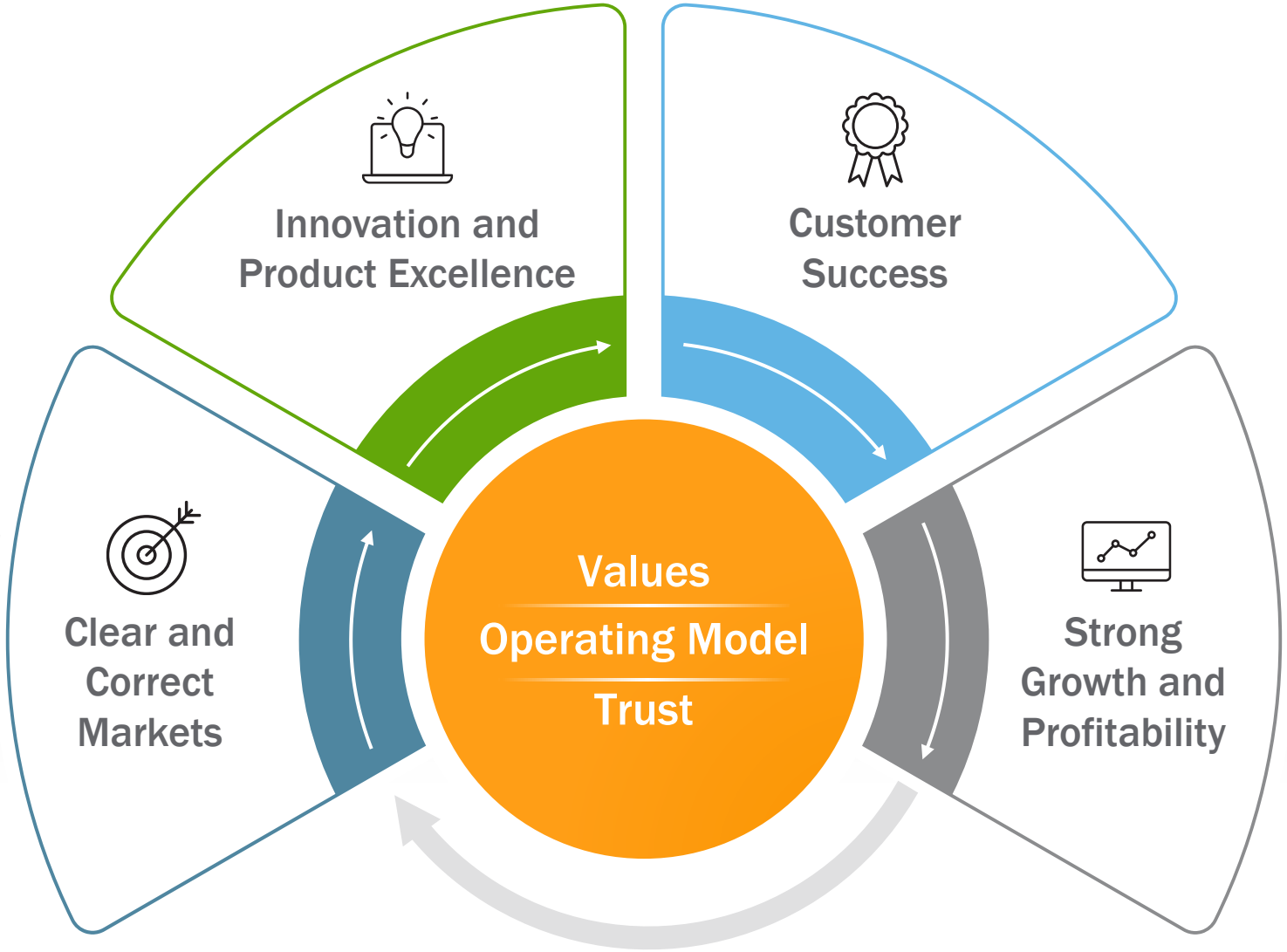
60%
Vault Platform

30%
Salesforce Platform

Approximates 2Q'23 revenue mix

Copyright © Veeva Systems 2022

Execution Matters Most: The Veeva Way



Copyright © Veeva Systems 2022

Consistent Execution with a Long-term View

2015 GOAL

$1B
in 2020

$1B
in *2019*

2019 GOAL

$3B
in 2025

One Year Ahead of Plan

Looking Ahead to 2030

Copyright © Veeva Systems 2022

Highlights

- Consistent Execution
- Durable Business Model
- Ahead of 2025 Targets
- Long Runway of Growth

Copyright © Veeva Systems 2022

Veeva



Brent Bowman

CFO

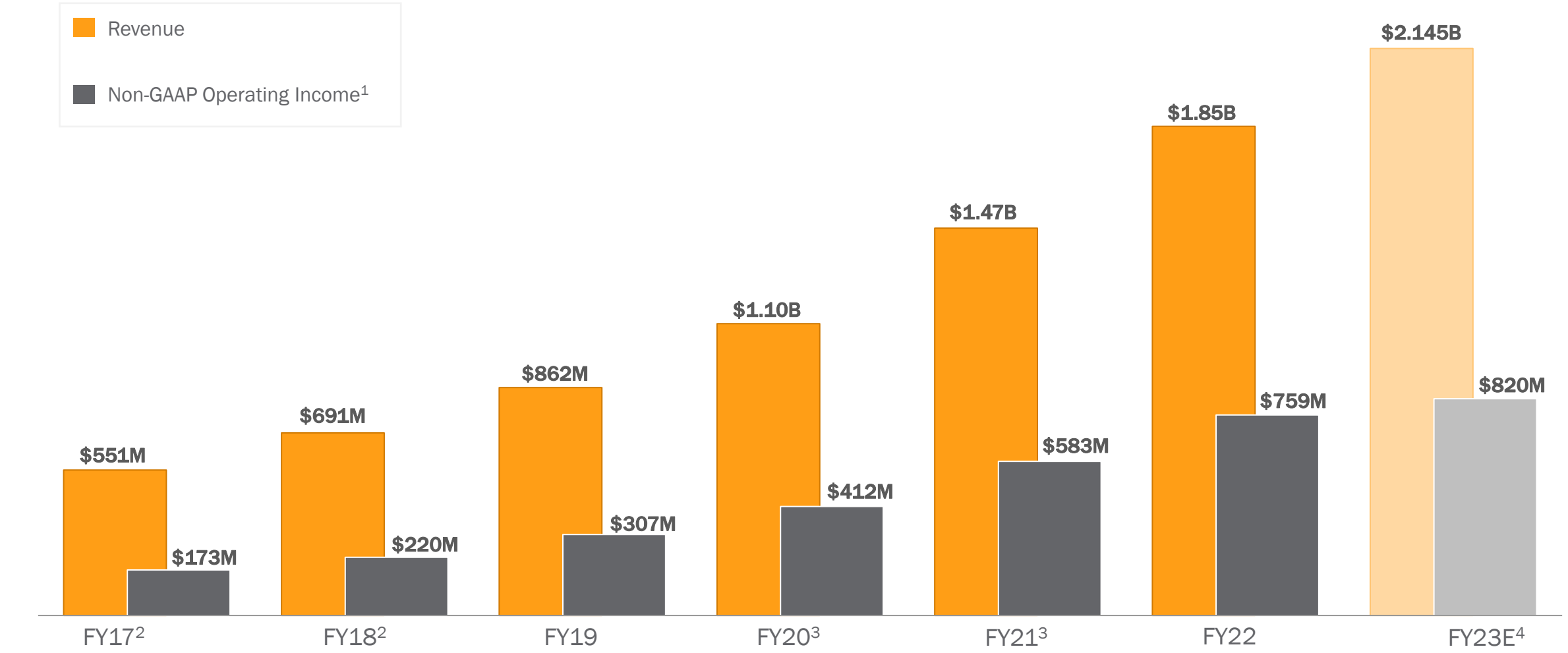
Q3’23 Guidance

	Guidance
Total Revenue	$545-547 million
Subscription Revenue	~$439 million
Services Revenue	$106-108 million
Non-GAAP Operating Income	$209-211 million
Non-GAAP Fully Diluted Net Income per Share	$1.07-1.08
Calculated Billings	~$365 million

Guidance issued on August 31, 2022. Our Q3’23 total revenue and calculated billings guidance assumes foreign exchange rates will remain constant, which reflects FX headwinds of roughly $11 million and $10 million, respectively, as compared to Q3’22. We are not able, at this time, to provide GAAP targets for operating income and fully diluted net income per share for the third fiscal quarter ending October 31, 2022 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.

Copyright © Veeva Systems 2022

Consistent History of Strong Growth and Profitability



Fiscal Year Ending January 31

[1] *A reconciliation of GAAP to non-GAAP measures is set forth in the Appendix*

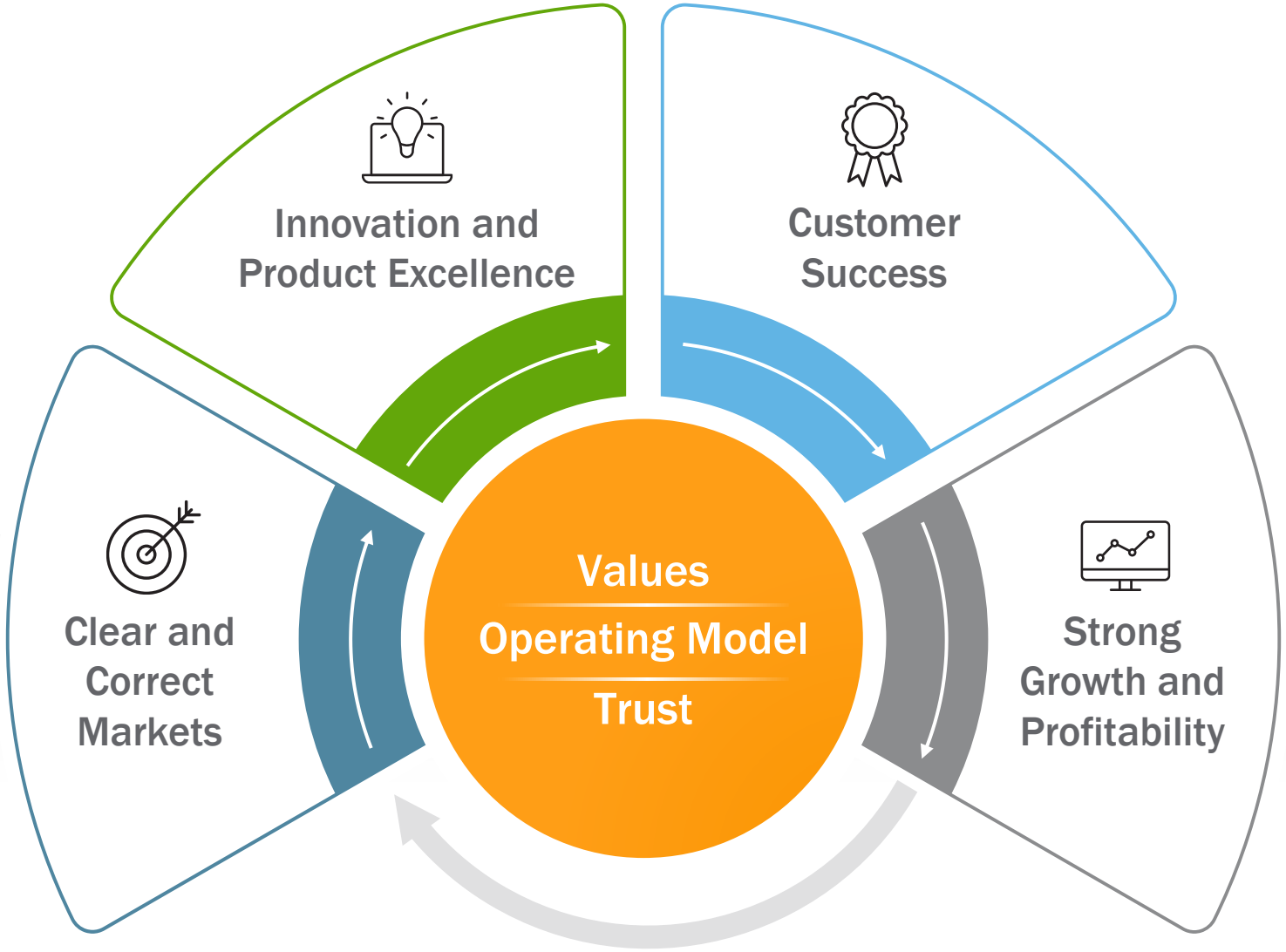
[2] *Restated for ASC 606*

[3] *The Crossix and Physicians World acquisitions closed in the quarter ended January 31, 2020 and contributed an aggregate of $20M in total revenue for the year ended January 31, 2020 and $103M for the year ended January 31, 2021.*

[4] *Based on the high end of our guidance issued August 31, 2022. We are not able, at this time, to provide GAAP targets for operating income for the fiscal year ending January 31, 2023 because of the difficulty of estimating certain items excluded from non-GAAP operating income that cannot be reasonably predicted, such as charges related to stock-based compensation expense. The effect of these excluded items may be significant.*

Copyright © Veeva Systems 2022

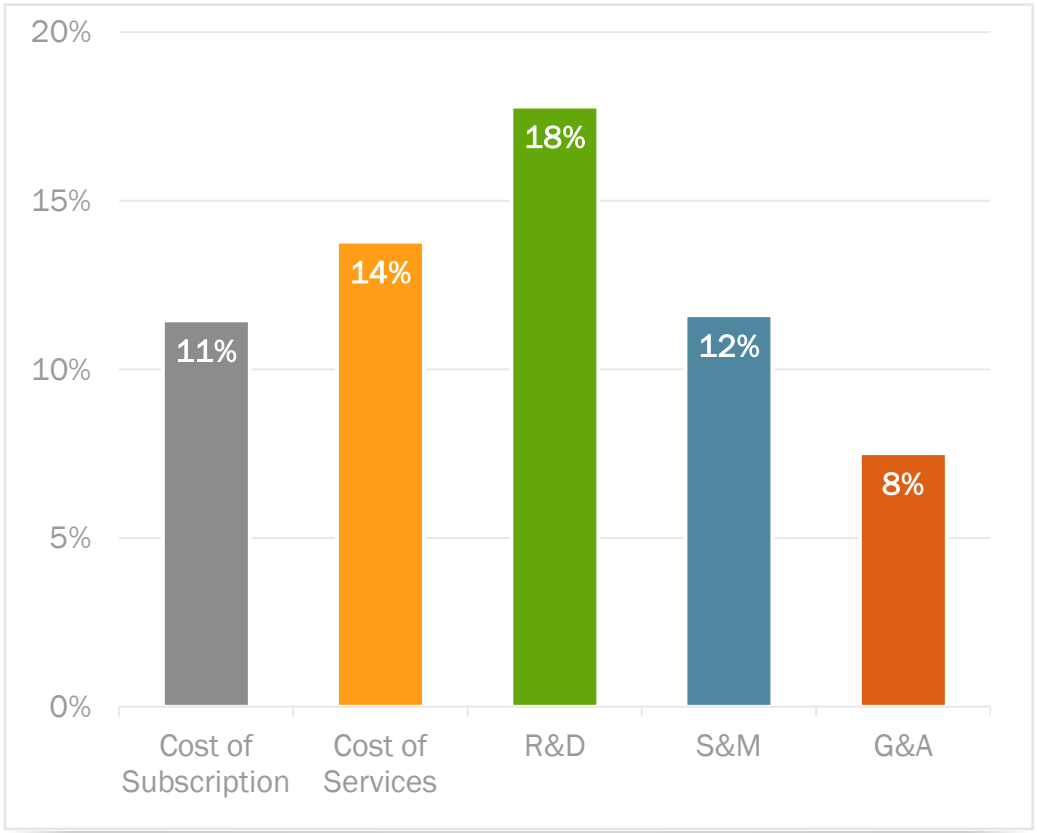
Veeva's Operating Model



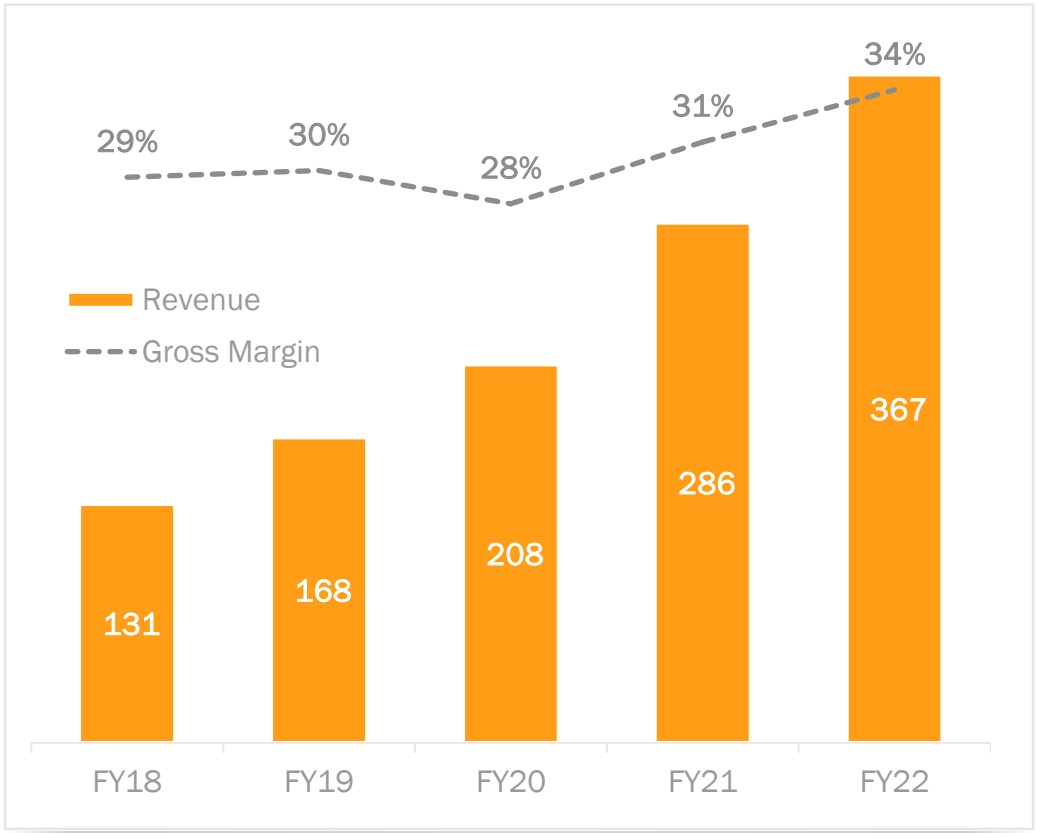
Copyright © Veeva Systems 2022

Disciplined Approach to Spending and Profitability

Q2'23 Total Spend[1] as a % of Total Revenue



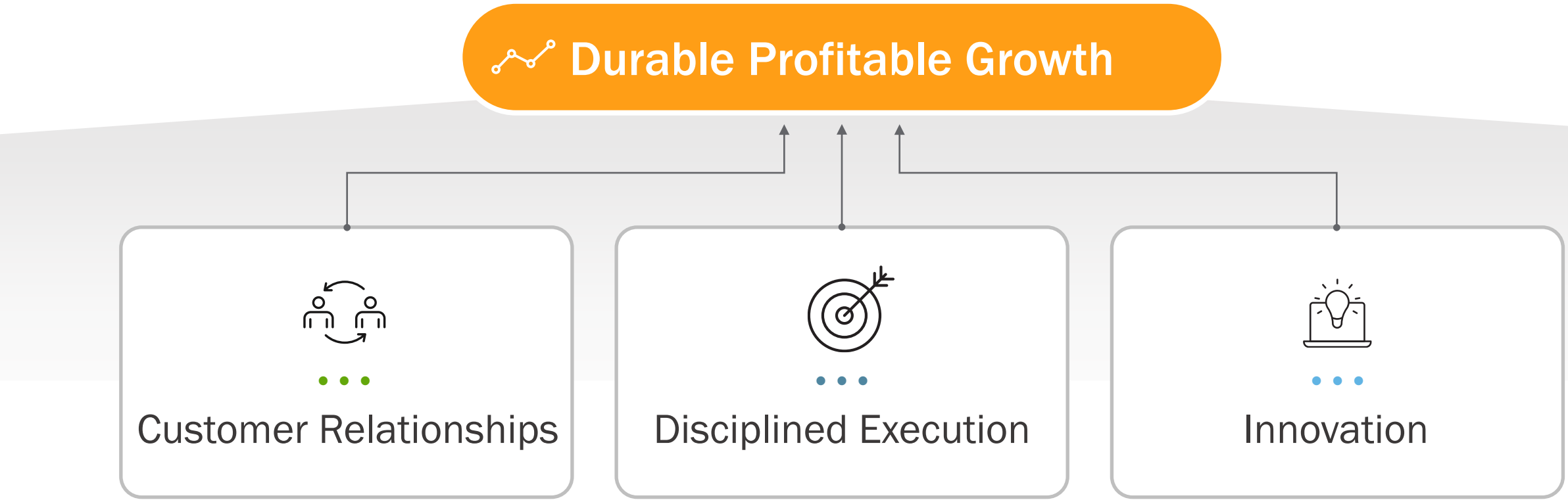
Services Revenue and Gross Margin[1]



[1] *Total spend and gross margin are on a non-GAAP basis. A reconciliation of GAAP to non-GAAP measures is set forth in the Appendix.*

Copyright © Veeva Systems 2022

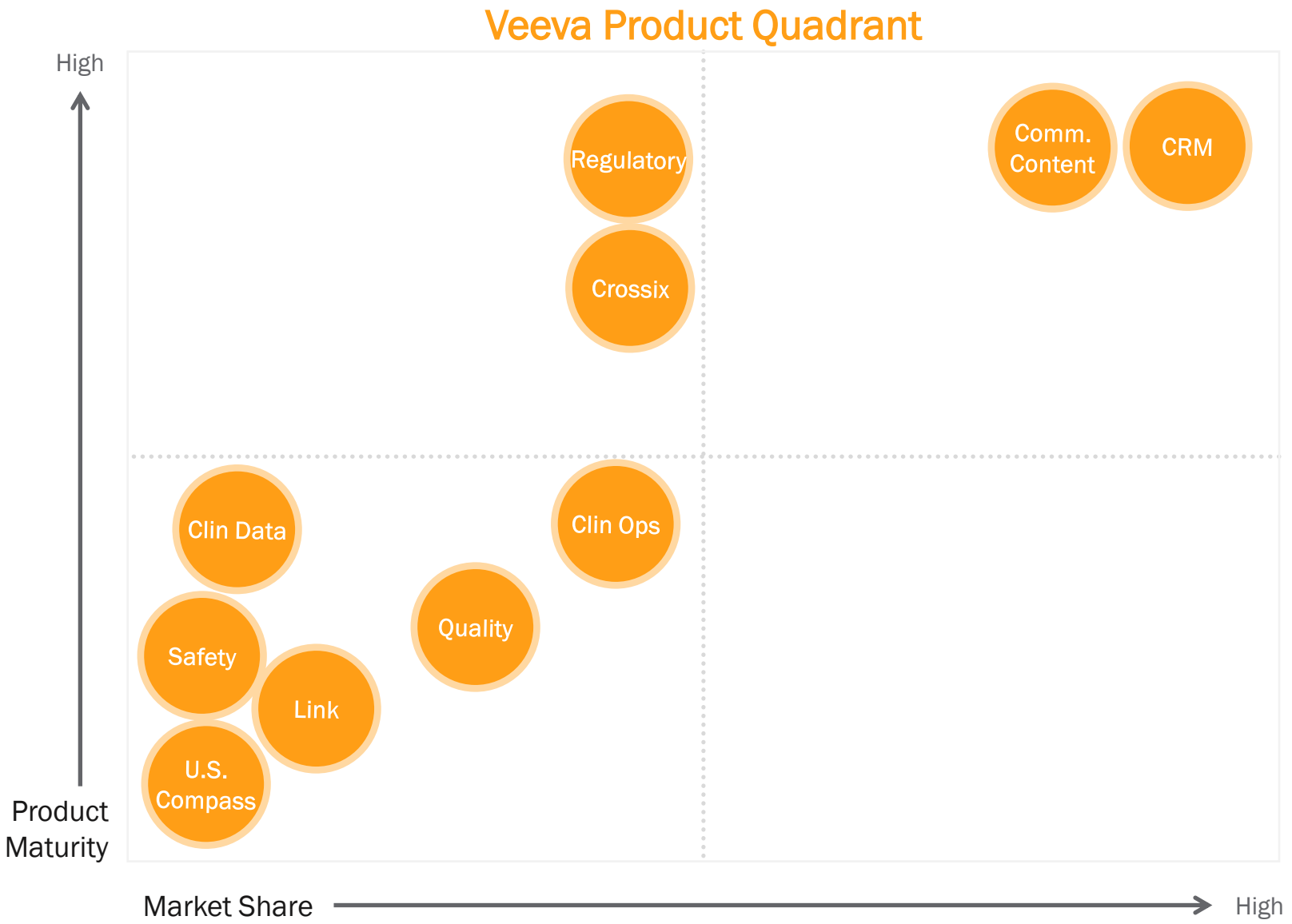
Financial Performance Looking Forward



Copyright © Veeva Systems 2022

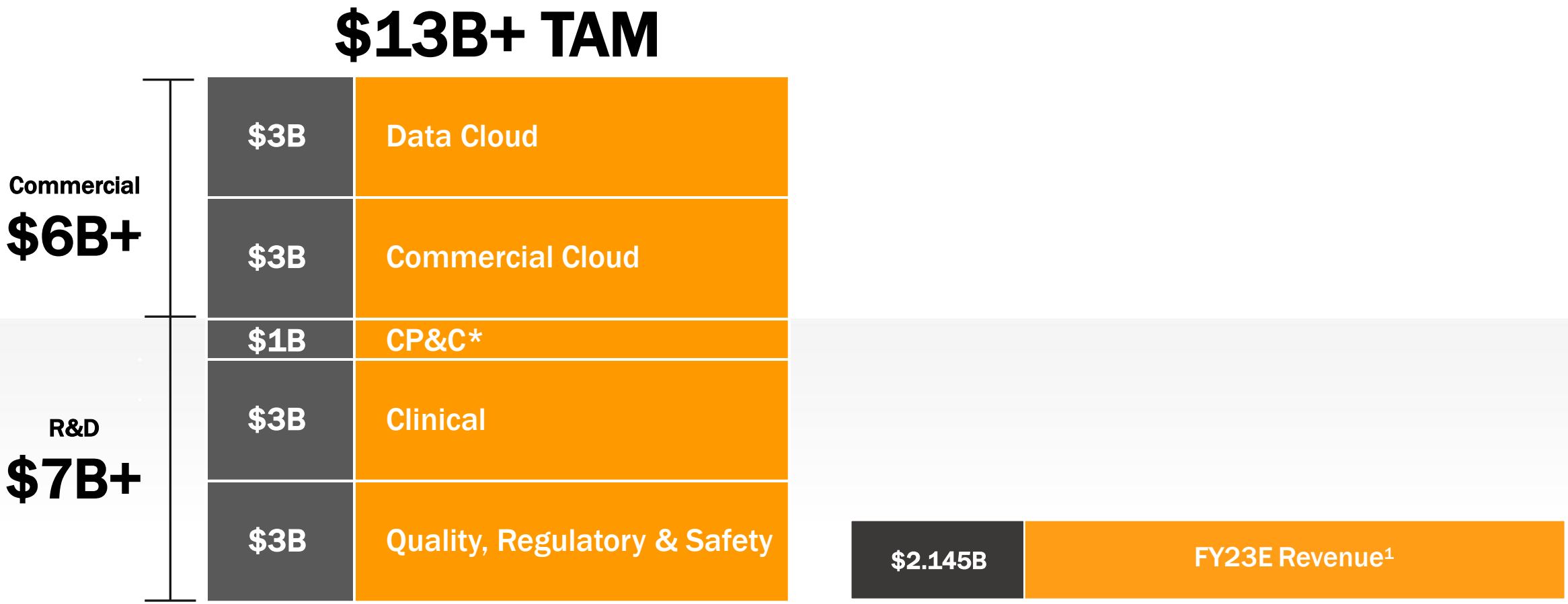
Long Runway Ahead in Life Sciences

Product Suite Maturity and Market Share



Copyright © Veeva Systems 2022

TAM – Significant Room to Grow



*CP&C includes Veeva's CPG, Cosmetics, and Chemicals businesses
Fiscal Year Ending January 31
[1] Based on the high end of our guidance issued August 31, 2022

Copyright © Veeva Systems 2022

Tracking About One Year Ahead of 2025 Targets

Metric	CY 2025 Targets
Total Revenue Run Rate	$3B+
Commercial	~$1.2B
R&D	~$1.8B
Non-GAAP Op Margin	35%+

We are not able, at this time, to provide GAAP targets for operating margin 2025 because of the difficulty of estimating certain items excluded from non-GAAP operating income that cannot be reasonably predicted, such as charges related to stock-based compensation expense. The effect of these excluded items may be significant.

Copyright © Veeva Systems 2022

New Disclosures



Customer Contracting



Inflation Adjustment



Annual Guidance

Copyright © Veeva Systems 2022

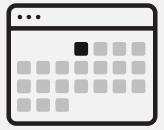
Customer Contracting Change

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

Starting February 1, 2023



Going Forward

- More orders are multi-year in duration
- TFC rights will be standardized for customers with multi-year ramping (MYR) deals

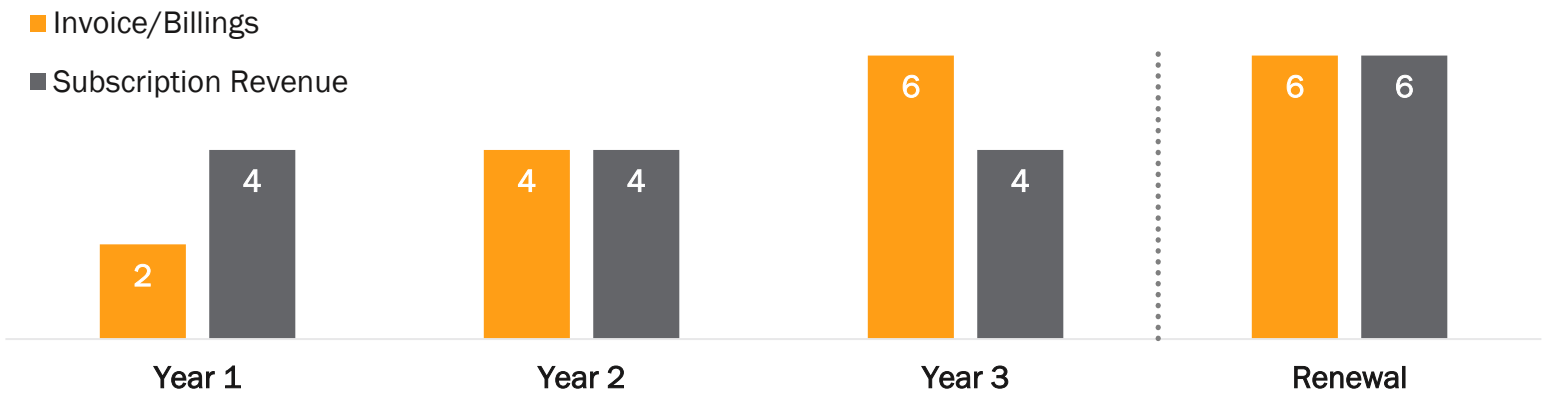
Standardizing TFC rights is not expected to have an impact on our 2025 financial goals

Copyright © Veeva Systems 2022

Impact of TFC on Subscription Revenue (Timing)

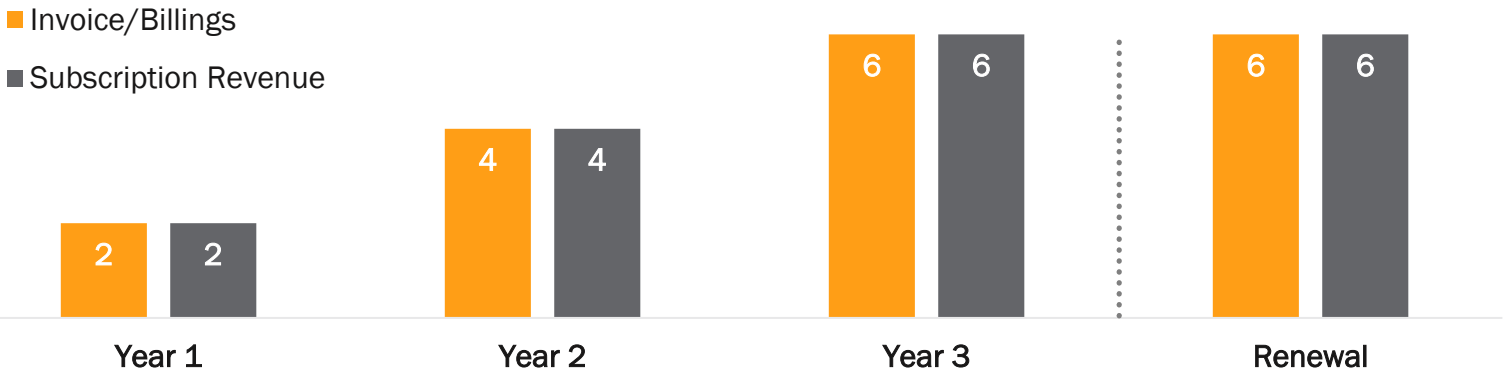
Revenue is recognized ratably over the duration of the committed term

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**



Copyright © Veeva Systems 2022

Key Takeaways - TFC Change

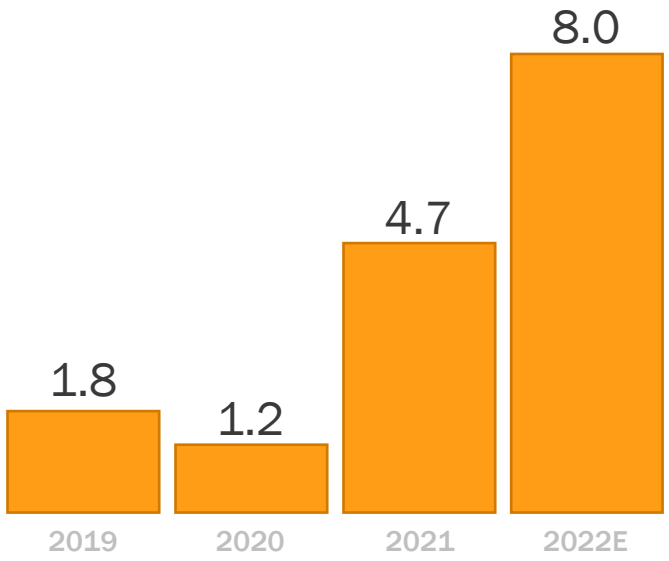
- **Consistent TFC treatment of customers with MYR deals**
- **Impact to FY24**
  - ~$60M one-time reduction to revenue for deals without TFC, resulting in a ~150bps headwind to non-GAAP operating margin
- **With continued execution, we do not expect an impact to:**
  - Cash flows
  - Billings
  - Expected total revenue on MYR deals

No expected impact to delivering our 2025 $3B revenue run rate target about one year ahead and 35%+ operating margin

Copyright © Veeva Systems 2022

Inflation Adjustment

US CPI (%)



Effective April 1, 2023

Veeva Annual Inflation Adjustment

Lower of CPI or 4%

Copyright © Veeva Systems 2022

Expectations for FY24 Guidance

Historically

- Initial limited Guidance on Q3'FY
- Full Guidance on Q4'FY

Going Forward

- Full Guidance on Q4'FY

Copyright © Veeva Systems 2022

Durable Business Model

Software • Data • Consulting



Consistent Execution



Ahead of 2025 Targets



Long Runway of Growth

Copyright © Veeva Systems 2022

FIRESIDE CHAT



Cindy Hoots

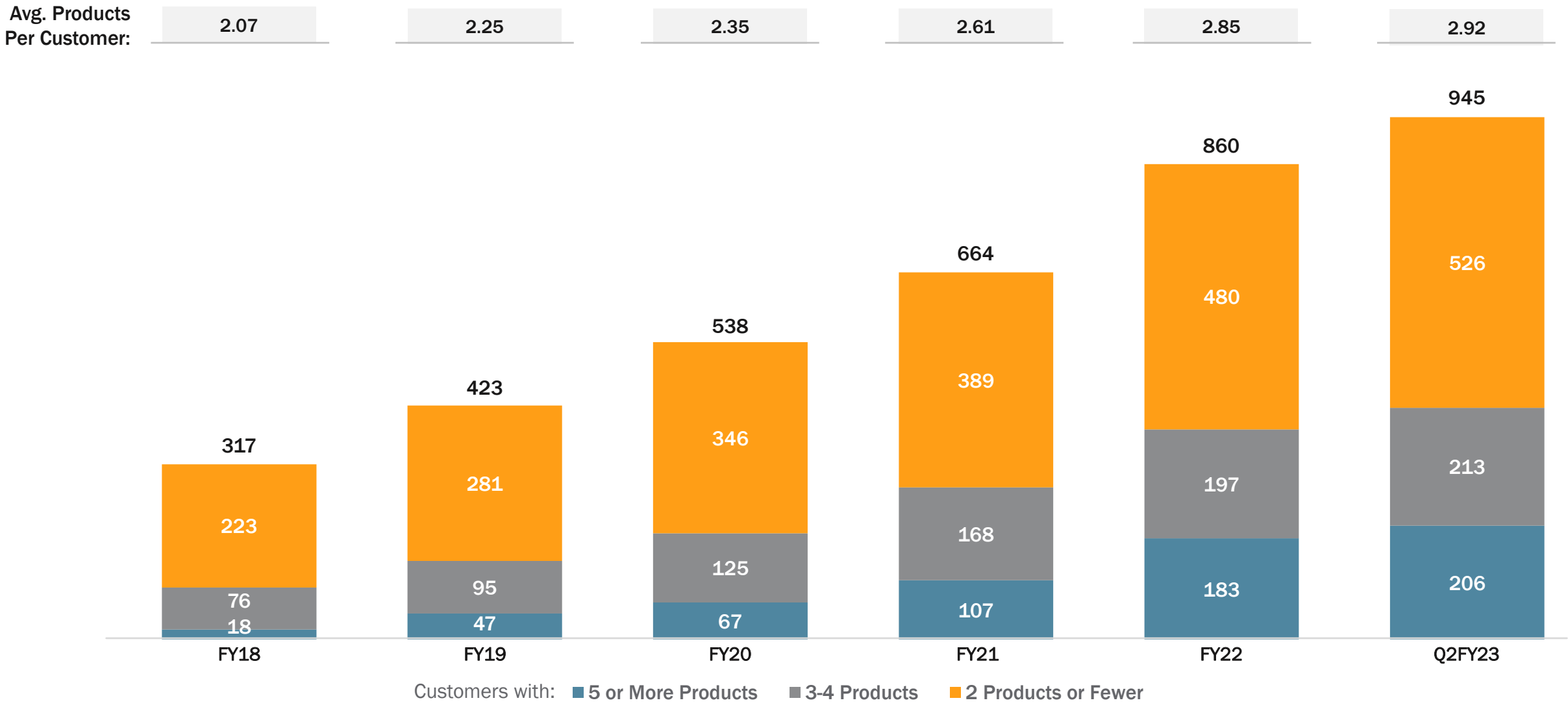
Chief Digital Officer & CIO

AstraZeneca

Veeva

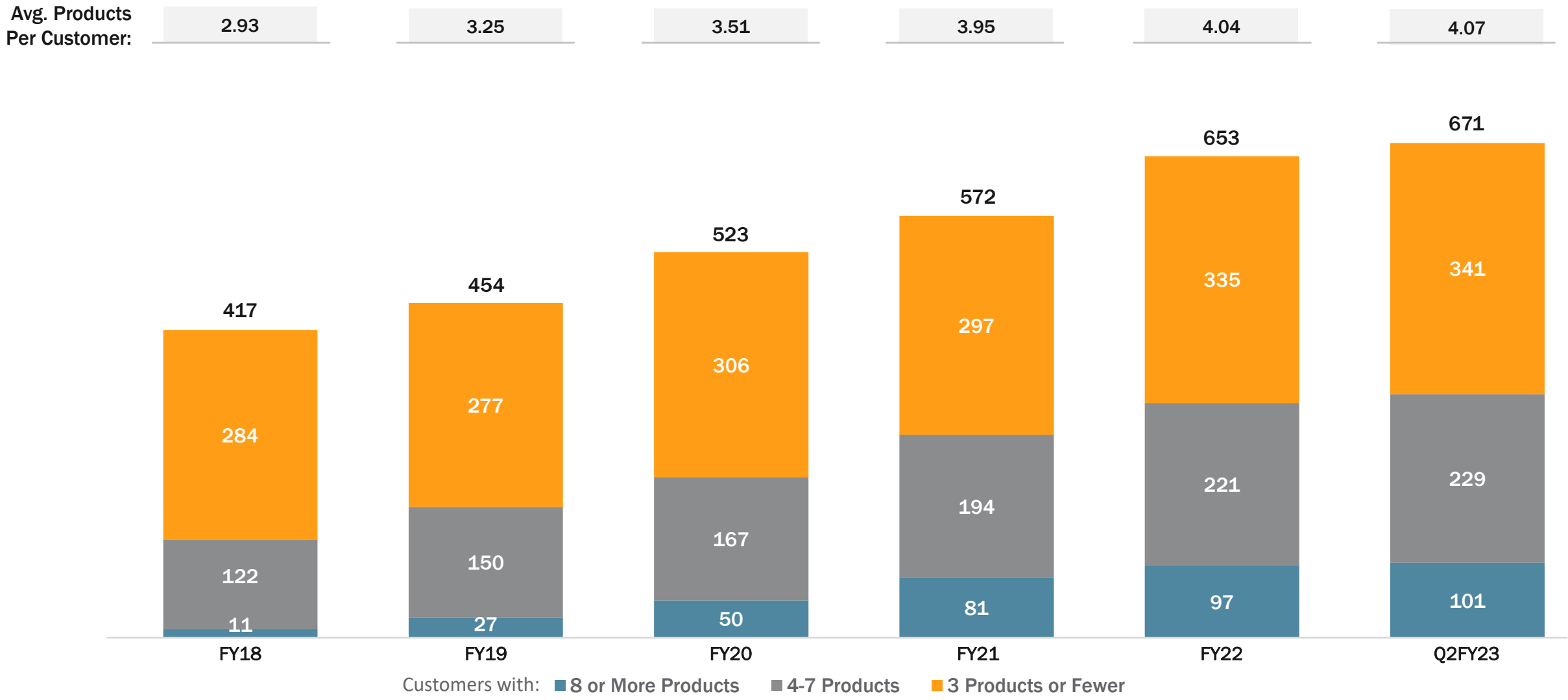
Appendix

Continued Momentum in R&D



Copyright © Veeva Systems 2022

Expanding Our Commercial Leadership



Copyright © Veeva Systems 2022

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, and non-GAAP net income per share. 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, deferred compensation associated with our acquisition of the Zinc Ahead business, and income tax effects of the same 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.

Copyright © Veeva Systems 2022

Reconciliation of GAAP to Non-GAAP Measures

in millions	FY'17*	FY'18*	FY'19	FY'20	FY'21	FY'22
Operating income on a GAAP basis	$ 120.7	$ 157.9	$ 222.9	$ 286.2	$ 377.8	$ 505.5
Stock-based compensation expense	40.8	54.0	76.4	115.9	185.0	234.6
Amortization of purchased intangibles	8.2	7.8	7.0	10.1	20.0	18.5
Deferred compensation associated with Zinc Ahead acquisition	2.8	0.5	0.3	—	—	—
Operating income on a non-GAAP basis	$ 172.5	$ 220.2	$ 306.6	$ 412.2	$ 582.8	$ 758.7

Fiscal Year Ending January 31
** Restated for ASC 606*

Copyright © Veeva Systems 2022

Reconciliation of GAAP to Non-GAAP Measures

	Q2 FY'23	% of Revenue
Cost of subscription services revenue on a GAAP basis	$ 64.0	12%
Stock-based compensation expense	(1.7)	
Amortization of purchased intangibles	(1.1)	
Cost of subscription services revenue on a non-GAAP basis	$ 61.2	11%

	Q2 FY'23	% of Revenue
Cost of professional services revenue on a GAAP basis	$ 87.6	16%
Stock-based compensation expense	(13.8)	
Amortization of purchased intangibles	(0.1)	
Cost of professional services revenue on a non-GAAP basis	$ 73.7	14%

	Q2 FY'23	% of Revenue
Research and development expense on a GAAP basis	$ 134.0	25%
Stock-based compensation expense	(38.9)	
Amortization of purchased intangibles	(0.0)	
Research and development expense on a non-GAAP basis	$ 95.1	18%

	Q2 FY'23	% of Revenue
Sales and marketing expense on a GAAP basis	$ 89.6	17%
Stock-based compensation expense	(24.0)	
Amortization of purchased intangibles	(3.6)	
Sales and marketing expense on a non-GAAP basis	$ 62.0	12%

	Q2 FY'23	% of Revenue
General and administrative expense on a GAAP basis	$ 57.8	11%
Stock-based compensation expense	(17.6)	
Amortization of purchased intangibles	(0.1)	
General and administrative expense on a non-GAAP basis	$ 40.2	8%

Fiscal Year Ending January 31

Copyright © Veeva Systems 2022

Reconciliation of GAAP to Non-GAAP Measures

	FY'18	FY'19	FY'20	FY'21	FY'22
Gross margin on professional services and other revenues on a GAAP basis	23.0 %	23.5 %	19.6 %	21.4 %	24.0 %
Stock-based compensation expense	6.5 %	6.3 %	8.4 %	9.7 %	9.9 %
Amortization of purchased intangibles	- %	- %	0.1 %	0.2 %	0.1 %
Gross margin on professional services and other revenues on a non-GAAP basis	29.5 %	29.8 %	28.1 %	31.3 %	34.0 %

Fiscal Year Ending January 31

Copyright © Veeva Systems 2022

Veeva Product Area Definitions

Commercial Solutions

Commercial Cloud

Veeva CRM Suite

- Veeva CRM
- Veeva CLM
- Veeva CRM Approved Email
- Veeva CRM Events Management
- Veeva CRM Align
- Veeva CRM Engage

Veeva Crossix

Veeva Network

Veeva Nitro

Vault Commercial

- Vault MedComms
- Vault MedInquiry
- Vault PromoMats

Vault CRM for MedTech

Vault Outside Life Sciences

- Vault Claims

Data Cloud

Veeva Compass

- Patient
- Prescriber$_F$
- Sales$_F$

Veeva Link for Commercial

- Link Key People
- Link Key Accounts$_F$
- Link Workflows$_F$
- Link Scientific Awareness
- Link Medical Insights$_F$

Veeva OpenData

R&D Solutions

Vault Clinical Suite

Clinical Data

- Vault EDC
- Veeva RTSM
- Veeva ePRO
- Veeva CDB

Clinical Operations

- Vault eTMF
- Vault CTMS
- Veeva Site Connect
- Vault Payments
- Vault Study Startup
- Vault Study Training

Link for Clinical

- Link SiteBase$_F$
- Link TrialBase$_F$

Vault Outside Life Sciences

- Vault QualityOne
- Vault RegulatoryOne

Vault Quality Suite

- Vault QMS
- Vault Product Surveillance
- Vault QualityDocs
- Vault Validation Management
- Vault Station Manager
- Vault LIMS
- Vault Training
- Veeva LearnGxP

Vault RIM Suite

- Vault Registrations
- Vault Submissions
- Vault Publishing
- Vault Submissions Archive

Vault Safety Suite

- Vault Safety
- Vault SafetyDocs
- Vault Signal$_F$

$_F$ *Reflects products planned for availability in the future.*

Copyright © Veeva Systems 2022