



Q4'22 Quarterly Results

March 2, 2022

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 2, 2022 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 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, and general macroeconomic and geo-political events (including impacts related to events in Ukraine). We have summarized on one page what we believe are the principal risks to our business in a section titled "Summary of Risk Factors" on page 39 in our filing on Form 10-Q for the period ended October 31, 2021, 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.

Terms such as "Excess Tax Benefit," "Calculated Billings," and "R&D Tax" have the meanings set forth in the Appendix.

The comparison period amounts and the related growth rates included in this presentation have been adjusted from previously reported amounts to reflect the impact of the full retrospective adoption of Topic 606.



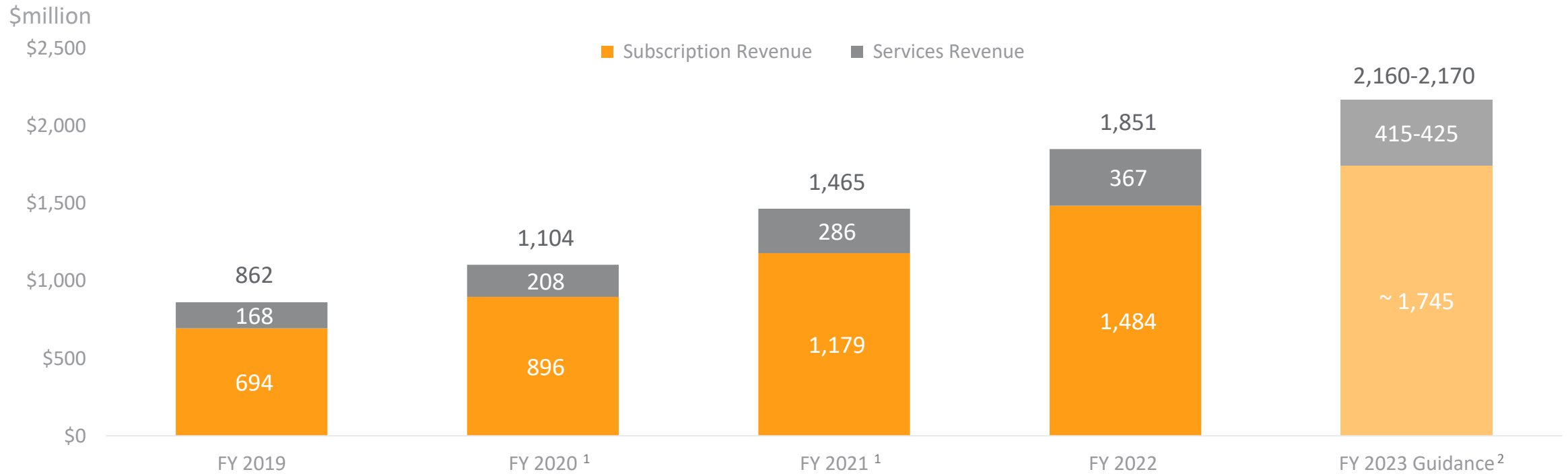
Statement Regarding Use of Non-GAAP Financial Measures

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.



Total Revenue – Annual



Y/Y Growth

Total	25%	28% ¹	33% ¹	26%	~17% ²
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% Mix

Commercial Solutions	68%	63% ¹	61% ¹	56%	-
R&D Solutions	32%	37%	39%	44%	-

Fiscal Year Ending January 31

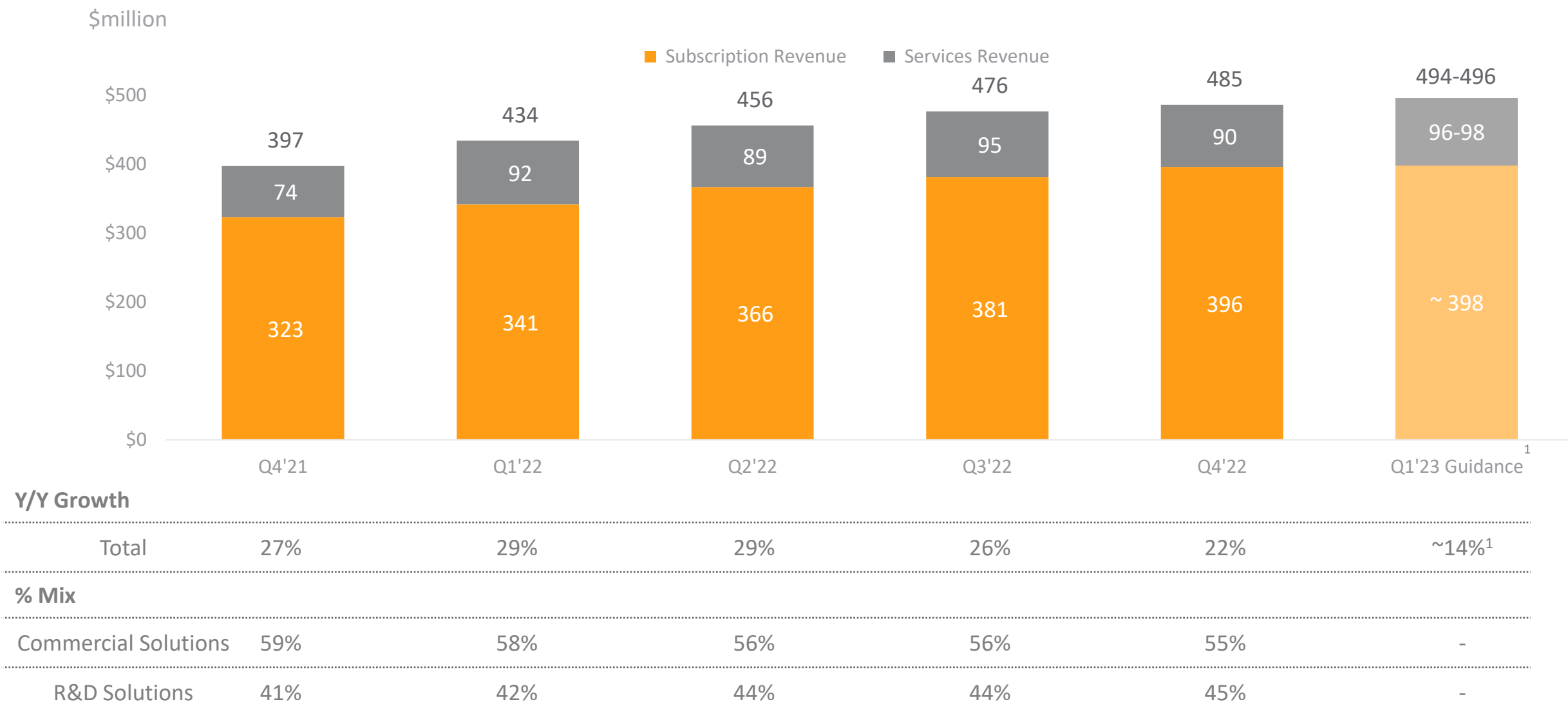
Components of total revenue may not sum to total revenue due to rounding

¹ 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

² Guidance issued on March 2, 2022



Total Revenue – Quarterly



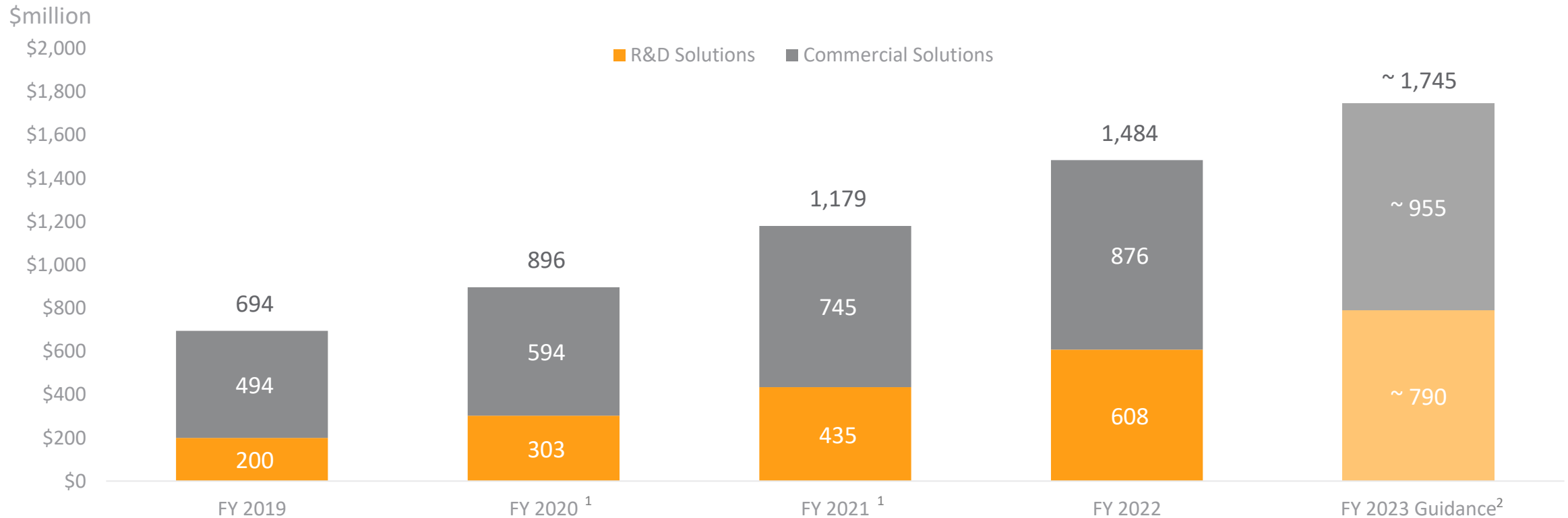
Fiscal Year Ending January 31

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

¹Guidance issued on March 2, 2022



Subscription Revenue – Annual



Y/Y Growth

Total Subscription	24%	29% ¹	32% ¹	26%	~18% ²
Commercial Solutions	15%	20% ¹	25% ¹	18%	~9% ²
R&D Solutions	57%	51%	44%	40%	~30% ²

Fiscal Year Ending January 31

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

¹ The Crossix acquisition closed in the quarter ended January 31, 2020 and contributed \$14M in subscription services revenue for the year ended January 31, 2020 and \$79M for the year ended January 31, 2021

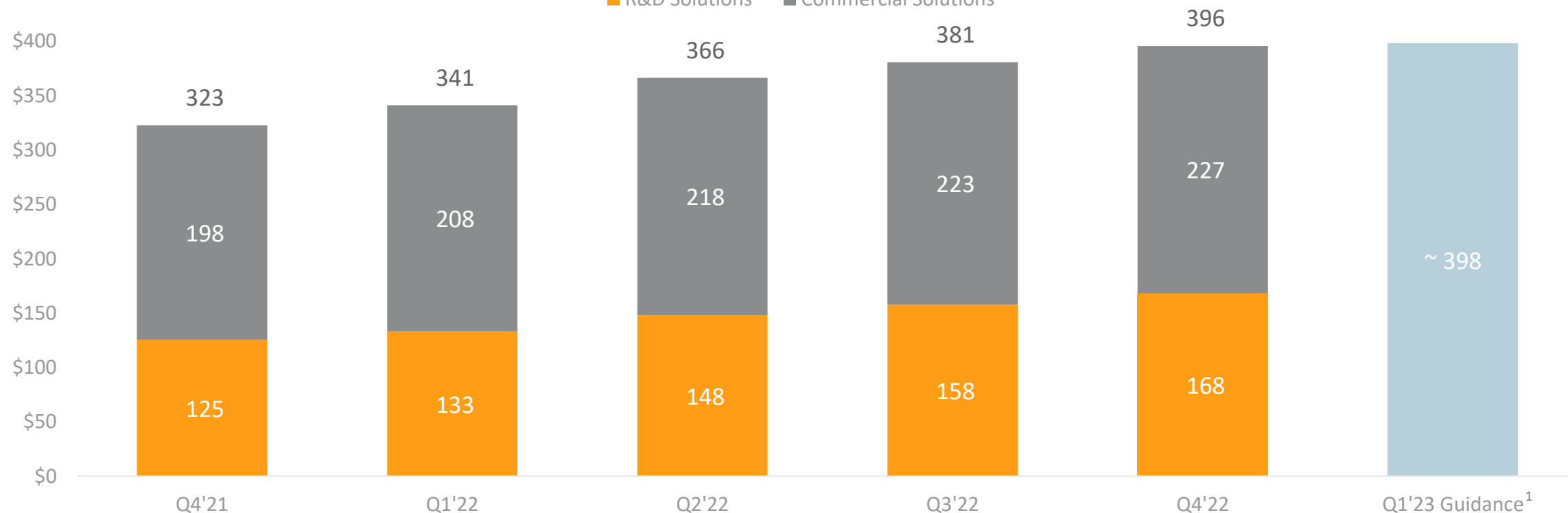
² Guidance issued on March 2, 2022



Subscription Revenue – Quarterly

\$million

■ R&D Solutions ■ Commercial Solutions



Y/Y Growth

Total Subscription	27%	26%	29%	26%	23%	~17% ¹
Commercial Solutions	18%	18%	21%	18%	15%	-
R&D Solutions	45%	42%	45%	39%	34%	-

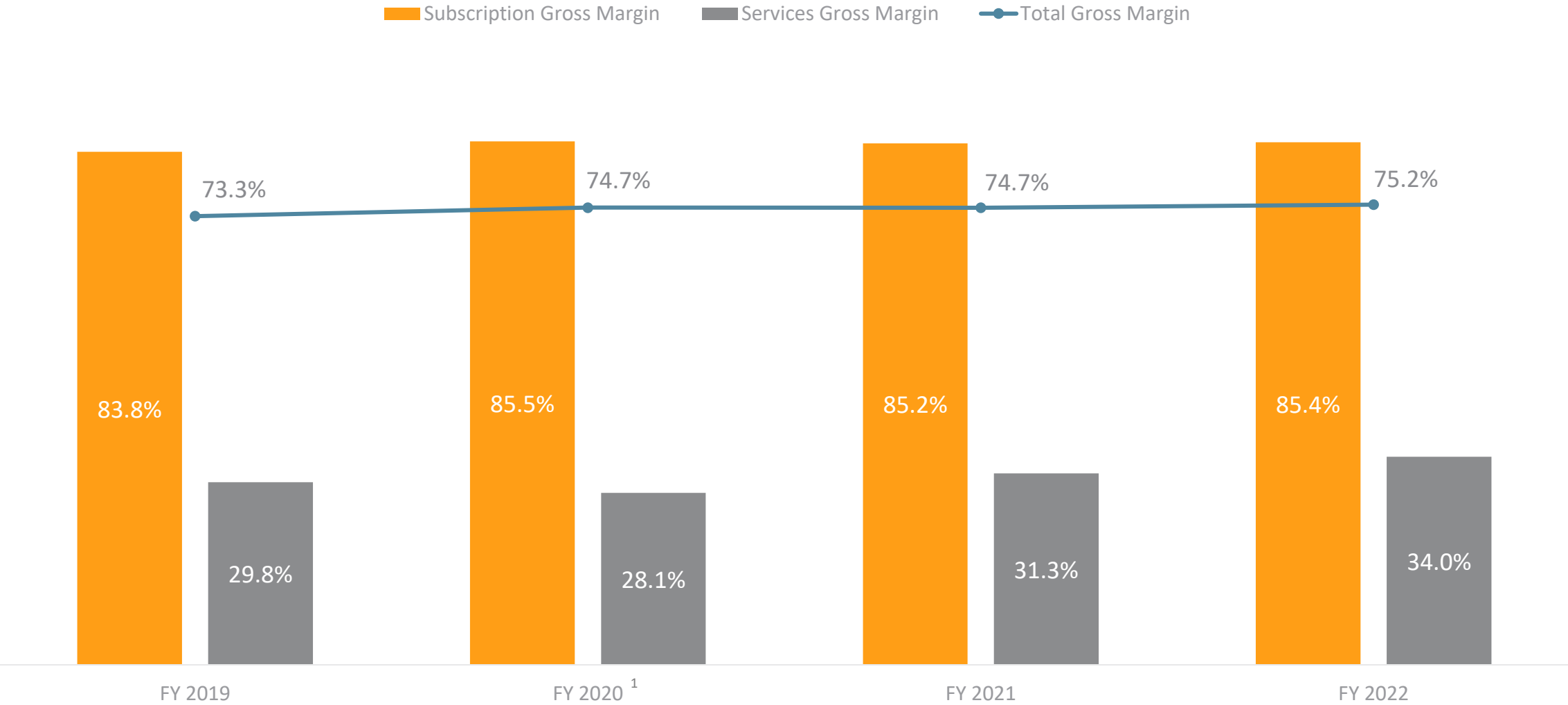
Fiscal Year Ending January 31

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

¹Guidance issued on March 2, 2022



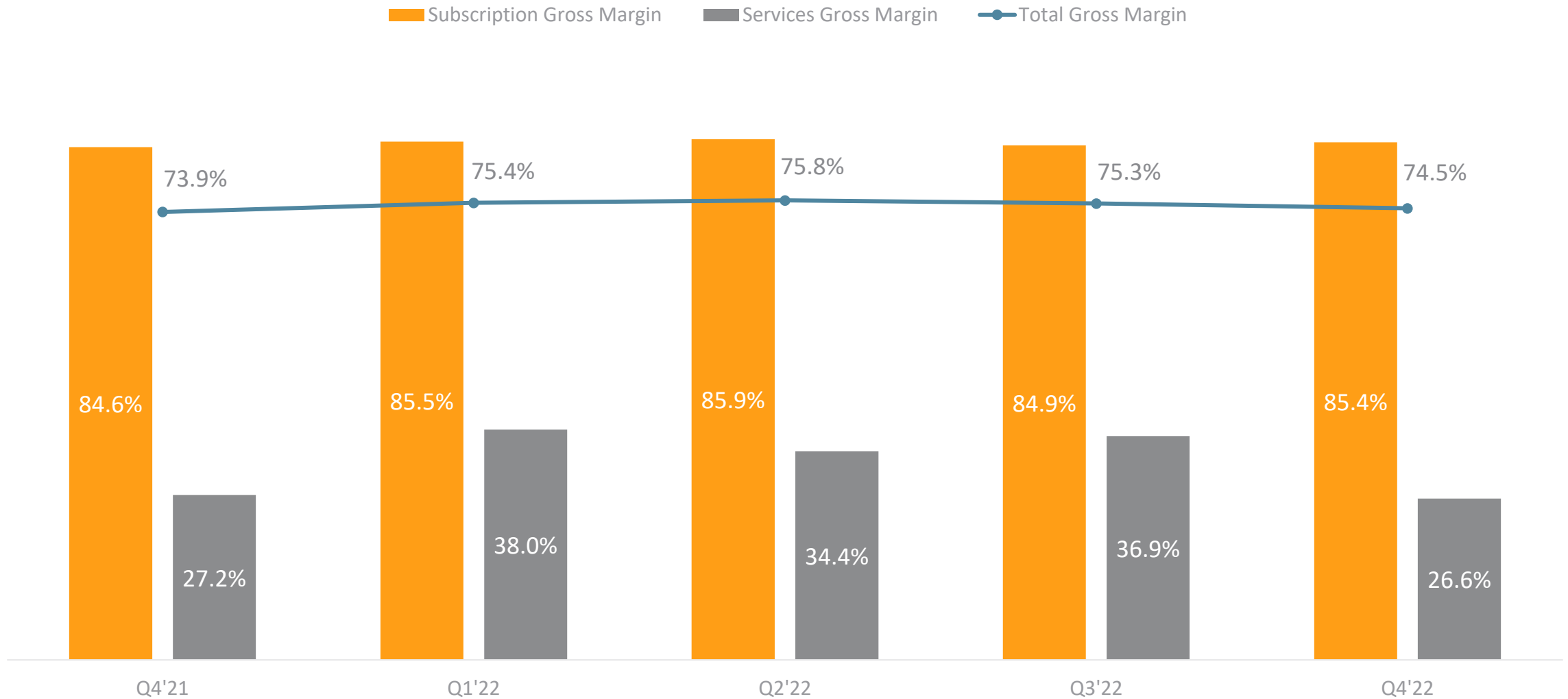
Non-GAAP Gross Margin – Annual



Fiscal Year Ending January 31
A reconciliation of GAAP to non-GAAP measures is set forth in the Appendix
¹ The Crossix and Physicians World acquisitions closed at the beginning of the quarter ended January 31, 2020. The impact to subscription gross margin included a purchase accounting adjustment starting in the quarter ended January 31, 2020, which was fully recognized by the quarter ended October 31, 2020.
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Non-GAAP Gross Margin – Quarterly

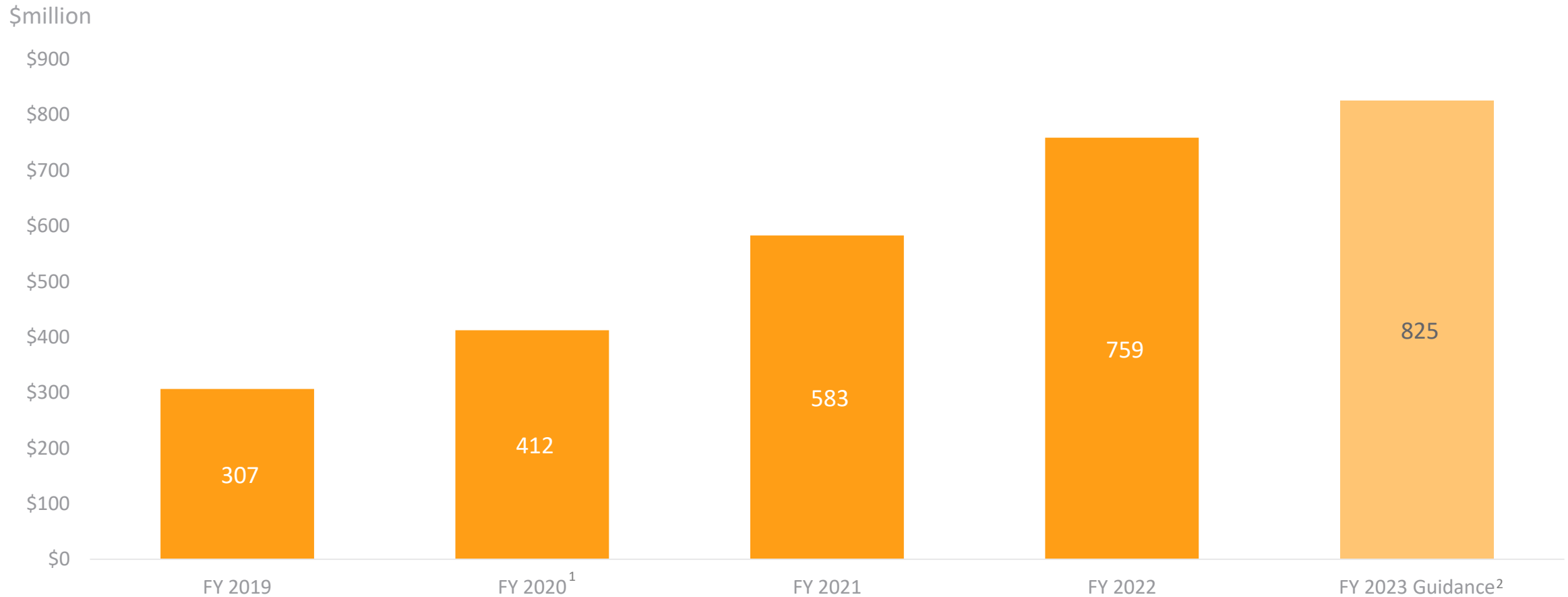


Fiscal Year Ending January 31

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



Non-GAAP Operating Income – Annual



Non-GAAP Operating Margin

35.6%

37.3%¹

39.8%

41.0%

~38%²

Fiscal Year Ending January 31

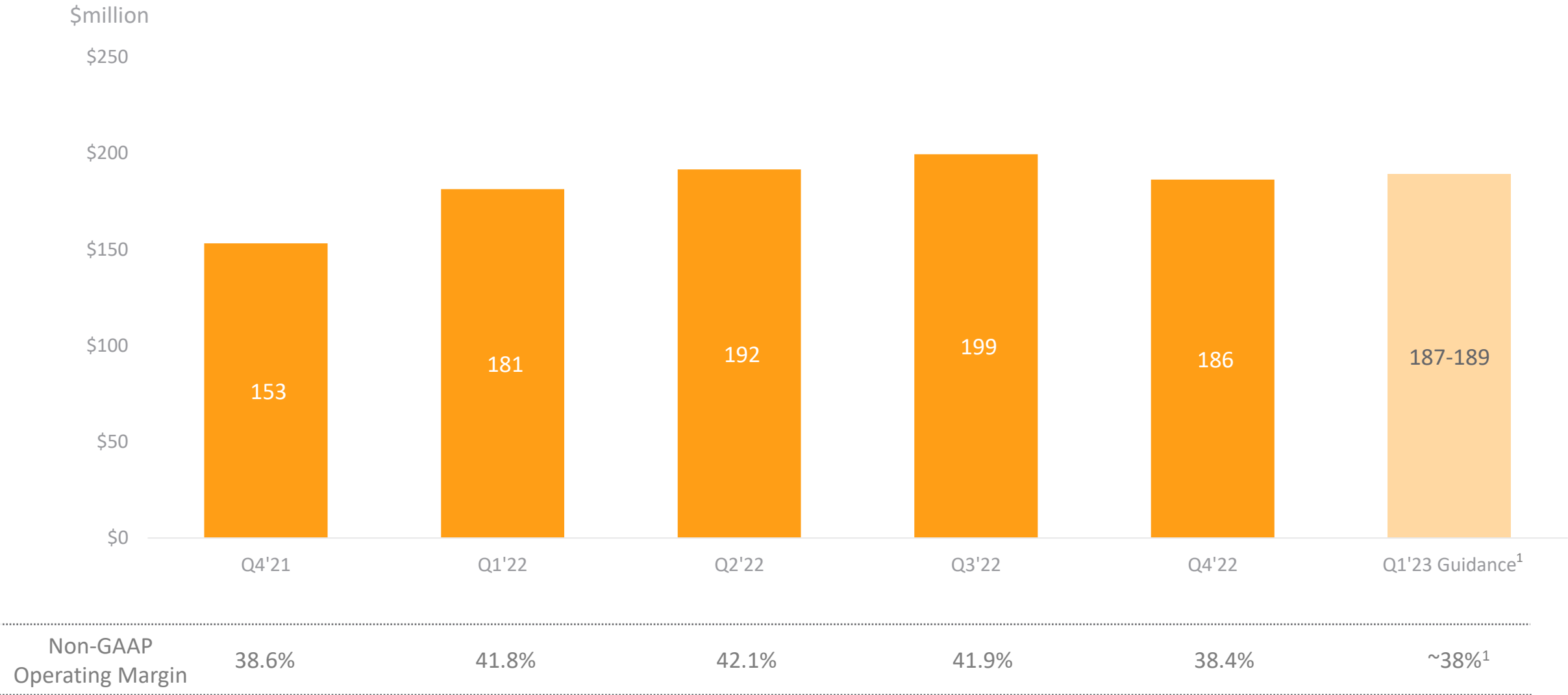
A reconciliation of GAAP to non-GAAP measures is set forth in the Appendix

¹ The Crossix and Physicians World acquisitions closed at the beginning of the quarter ended January 31, 2020. The impact to operating income and operating margin includes a purchase accounting adjustment starting in the quarter ended January 31, 2020, which was fully recognized by the quarter ended October 31, 2020.

² Guidance issued on March 2, 2022



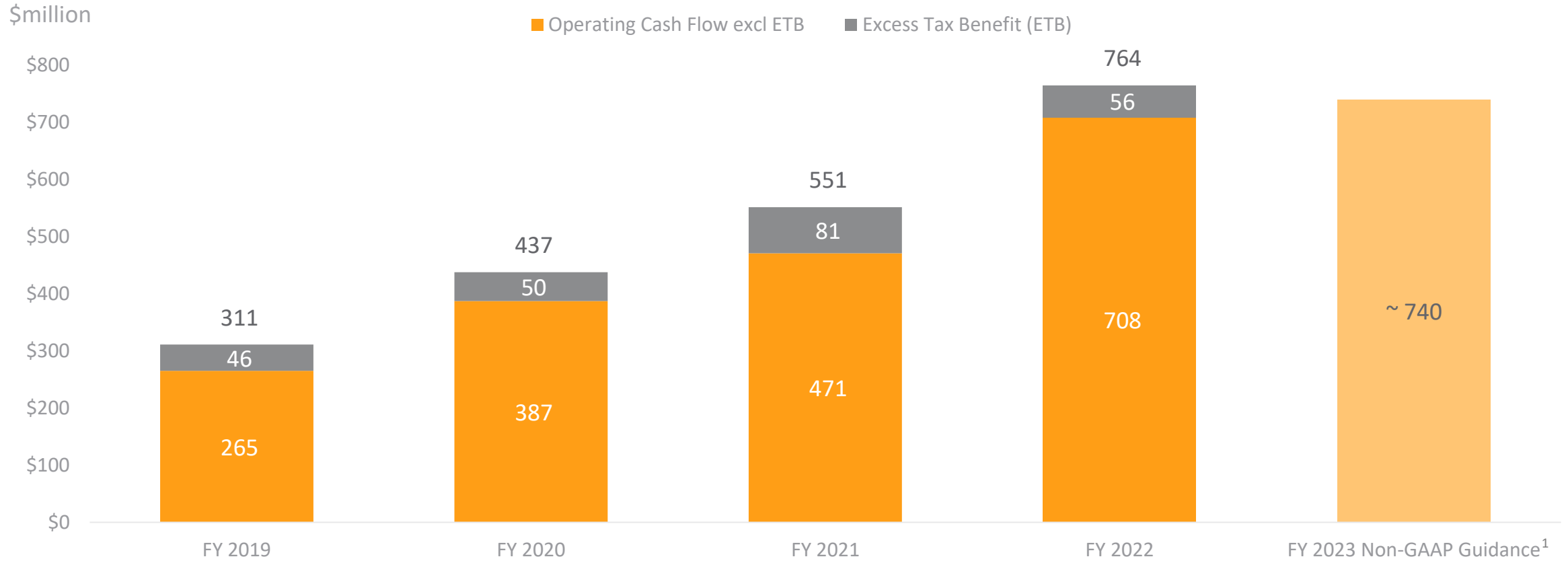
Non-GAAP Operating Income – Quarterly



Fiscal Year Ending January 31
A reconciliation of GAAP to non-GAAP measures is set forth in the Appendix
¹Guidance issued on March 2, 2022



Operating Cash Flow – Annual



OCF Margin
(ex ETB and RDT)

31%

35%

32%

38%

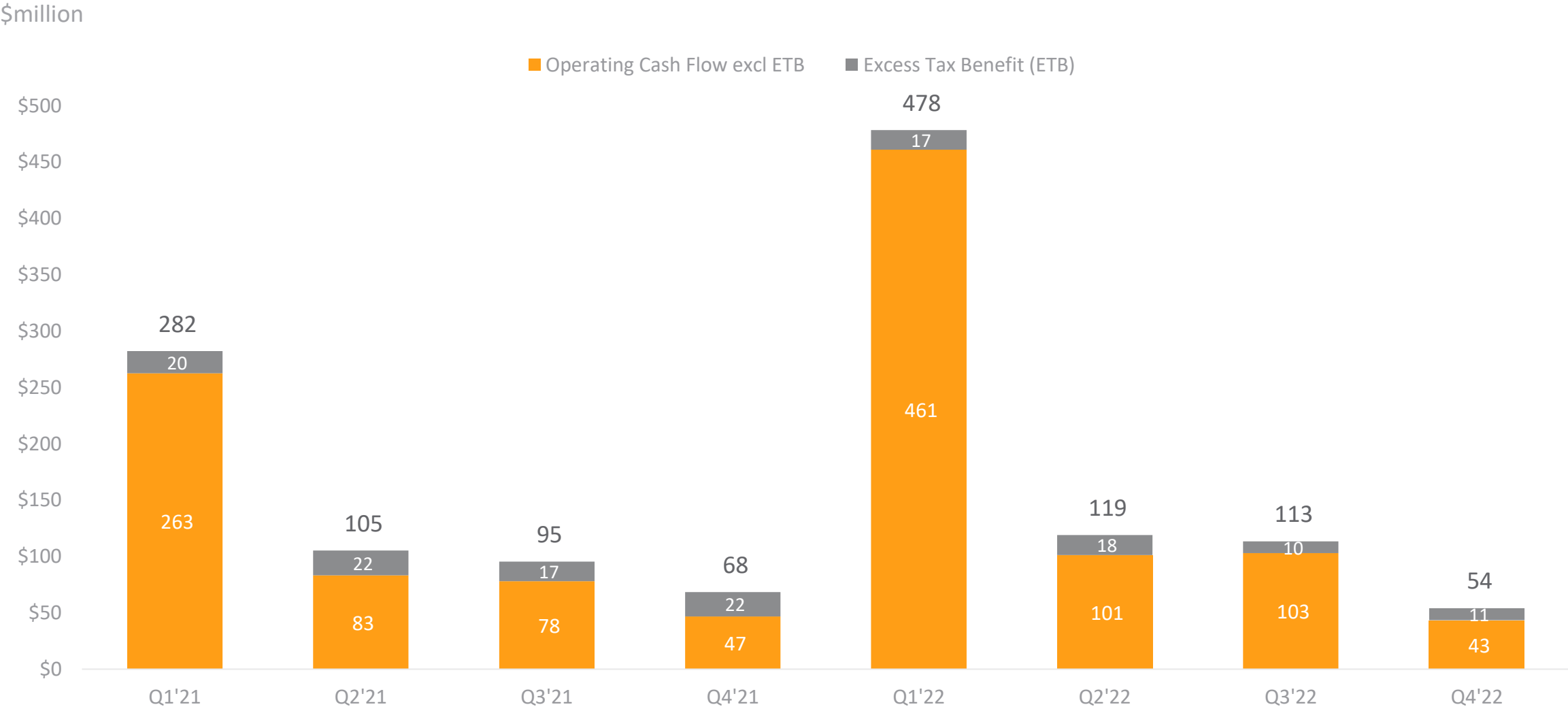
~34%¹

Fiscal Year Ending January 31

¹ Guidance issued on March 2, 2022. Non-GAAP guidance excludes any potential impact of the Excess Tax Benefit (defined in the appendix) and any potential impact of the R&D Tax (defined in the appendix). We do not guide to cash flow from excess tax benefit because a target for excess tax benefit cannot be reasonably predicted due to the nature of equity compensation activity and related stock-based compensation expense. The effect may be significant.



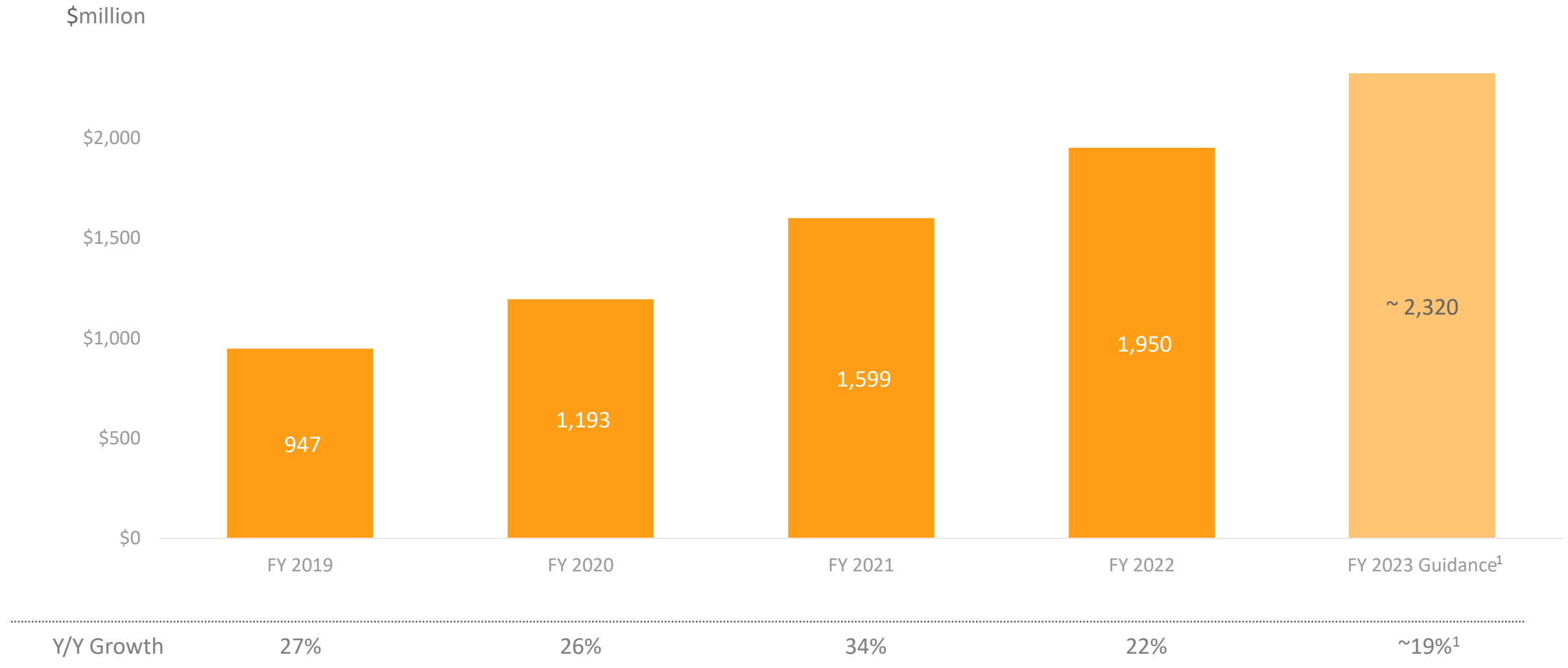
Operating Cash Flow – Quarterly



Fiscal Year Ending January 31
Excess tax benefit is defined in the Appendix



Calculated Billings – Annual



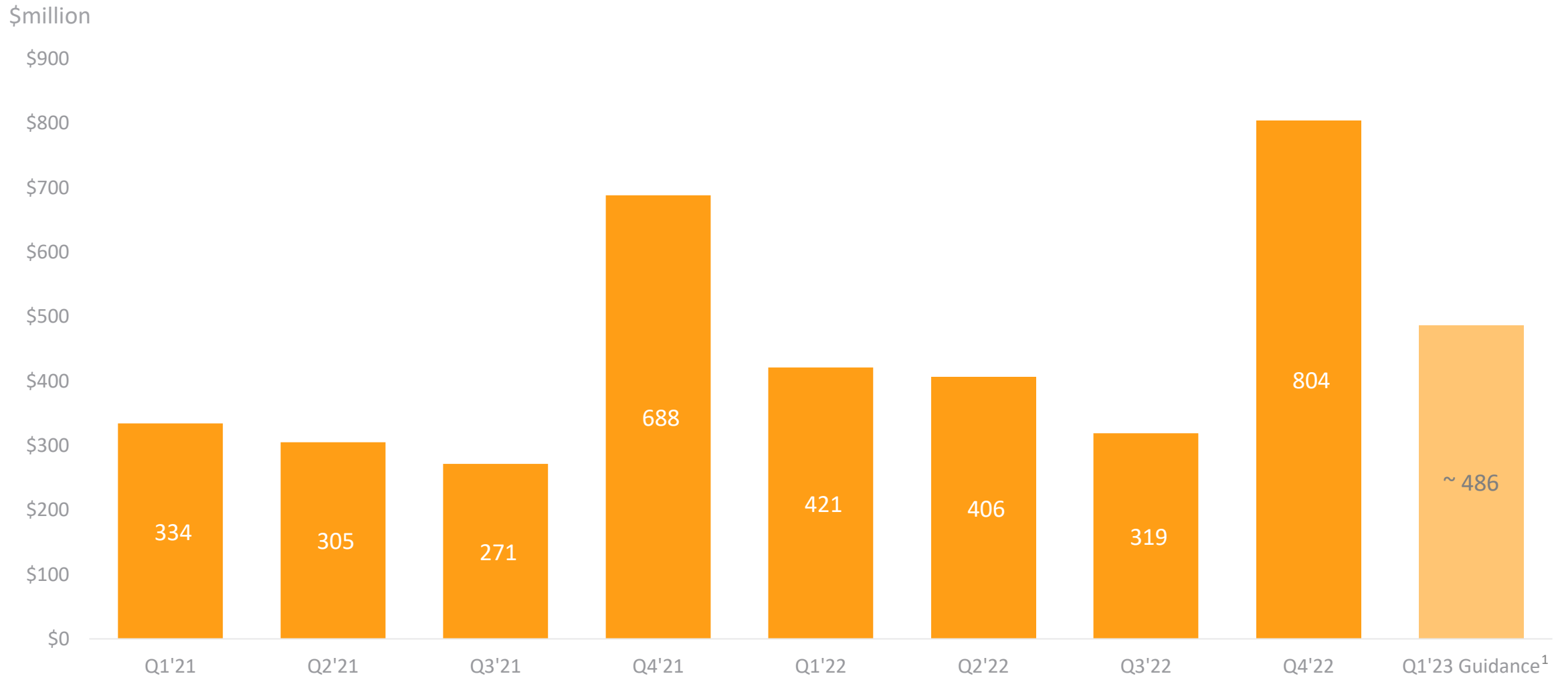
Fiscal Year Ending January 31

Calculated billings is defined in the Appendix

¹ Guidance issued on March 2, 2022



Calculated Billings – Quarterly



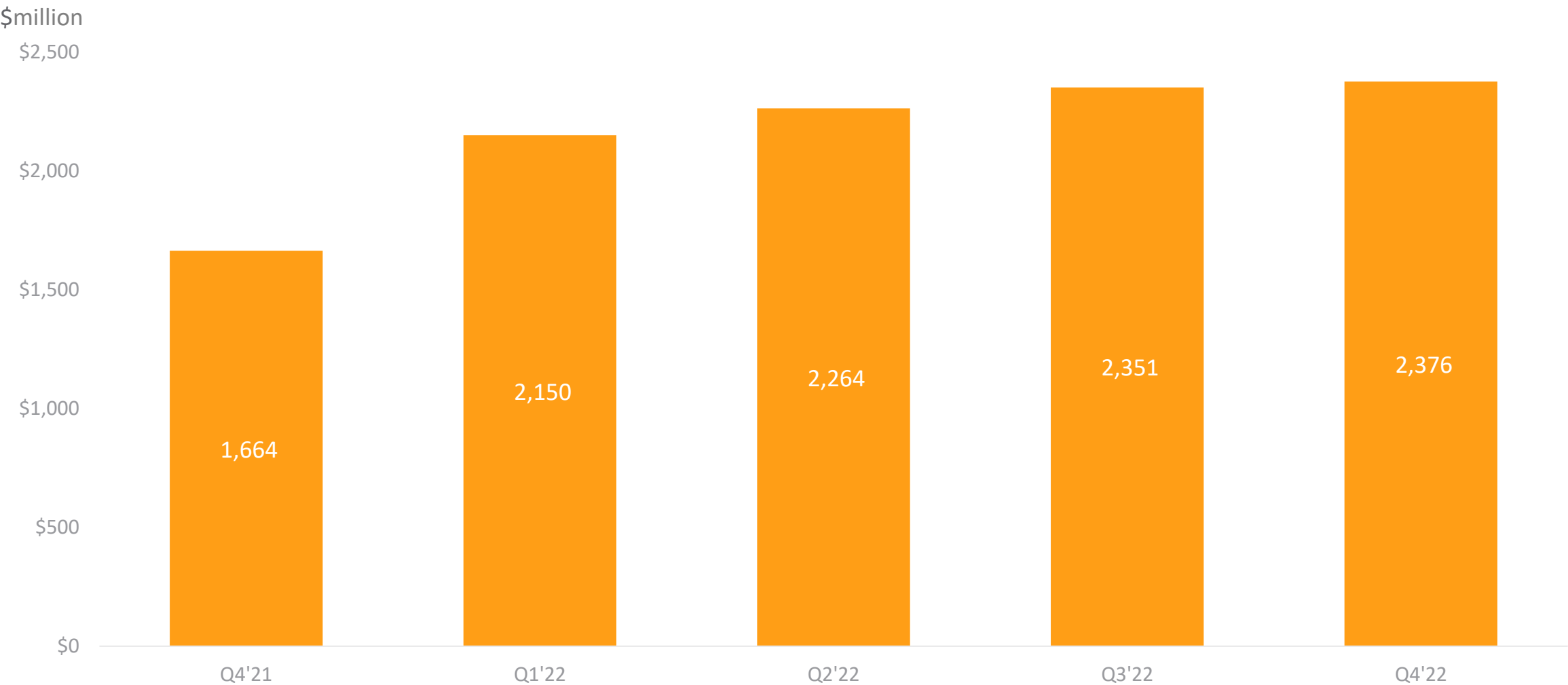
Fiscal Year Ending January 31

Calculated billings is defined in the Appendix. There are numerous factors that make year-over-year comparisons of calculated billings highly variable on a quarterly basis. Therefore, we do not believe it is a good indicator of the underlying momentum of our business, and we do not manage to it internally. Our subscription revenue guidance and calculated billings guidance for the full fiscal year are better indicators of our momentum.

¹Guidance issued on March 2, 2022



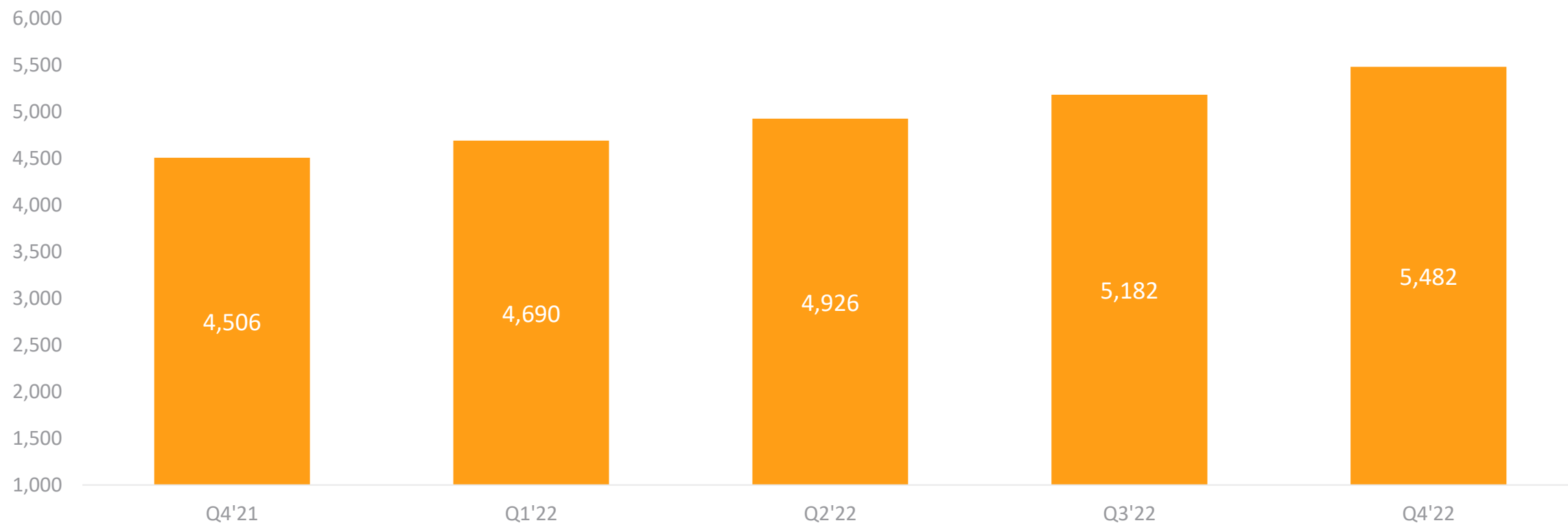
Cash, Cash Equivalents, and ST Investments – Quarterly



Fiscal Year Ending January 31



Employee Headcount – Quarterly



Quarterly Net
Additions

202

184

236

256

300

Y/Y Growth

29%

28%

22%

20%

22%

Fiscal Year Ending January 31



FY 2023 Guidance

	Guidance
Total Revenue	\$2,160-2,170 million
Subscription Revenue	~\$1,745 million
Commercial Solutions Subscription Revenue	~\$955 million
R&D Solutions Subscription Revenue	~\$790 million
Services Revenue	\$415-425 million
Non-GAAP Operating Income	~\$825 million
Non-GAAP Fully Diluted Net Income per Share	~\$4.02
Calculated Billings	~\$2,320 million
Cash from Operations (excluding ETB and RDT)	~\$740 million

Guidance issued on March 2, 2022. 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, 2023 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.



Q1'23 Guidance

	Guidance
Total Revenue	\$494-496 million
Subscription Revenue	~\$398 million
Services Revenue	\$96-98 million
Non-GAAP Operating Income	\$187-189 million
Non-GAAP Fully Diluted Net Income per Share	\$0.91-0.92
Calculated Billings	~\$486 million

Guidance issued on March 2, 2022. 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, 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.





Appendix

Current Revenue Alignment

	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020¹</u>	<u>Q1'FY21</u>	<u>Q2'FY21</u>	<u>Q3'FY21</u>	<u>Q4'FY21</u>	<u>FY2021¹</u>	<u>Q1'FY22</u>	<u>Q2'FY22</u>	<u>Q3'FY22</u>	<u>Q4'FY22</u>	<u>FY2022</u>
Commercial Solutions	366.2	431.7	494.3	593.6	176.6	180.9	189.9	197.5	744.9	207.8	218.1	223.2	227.3	876.5
R&D Solutions	74.6	127.7	200.1	302.7	93.7	102.6	113.1	125.3	434.6	133.3	148.3	157.6	168.4	607.5
Total Subscription Services	440.8	559.4	694.5	896.3	270.2	283.5	302.9	322.8	1,179.5	341.1	366.4	380.7	395.7	1,484.0
Commercial Solutions	81.8	83.2	87.9	103.8	34.4	33.9	36.6	37.1	142.0	43.6	39.0	41.7	40.8	165.1
R&D Solutions	28.0	47.9	79.8	104.0	32.5	36.3	38.0	36.8	143.6	48.9	50.2	53.7	49.0	201.7
Total Professional Services and Other	109.7	131.1	167.7	207.8	66.9	70.2	74.6	73.9	285.6	92.5	89.2	95.4	89.8	366.8
Commercial Solutions	448.0	515.0	582.3	697.4	211.0	214.8	226.5	234.7	886.9	251.4	257.1	264.9	268.1	1,041.5
R&D Solutions	102.6	175.6	279.9	406.7	126.1	138.9	151.0	162.1	578.2	182.1	198.5	211.3	217.4	809.2
Total	550.5	690.6	862.2	1,104.1	337.1	353.7	377.5	396.8	1,465.1	433.6	455.6	476.1	485.5	1,850.8

During the fiscal quarter ended October 31, 2021, we changed the product areas under which we group revenues to Commercial Solutions and R&D Solutions to better align with how we manage our business and to reflect the principal functions served by our products. Commercial Solutions consist of our software, data, and analytics products built specifically to more efficiently and effectively commercialize their products. R&D Solutions consist of our clinical, regulatory, quality, and safety products. Revenues attributable to Vault PromoMats and Vault MedComms, applications used for commercial operations, are now reflected in Commercial Solutions. Prior periods have been adjusted to reflect the current revenue alignment. There were no changes to our total revenues.

¹ 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. On a subscription basis, the Crossix acquisition contributed \$14M in subscription services revenue for the year ended January 31, 2020 and \$79M for the year ended January 31, 2021.



Prior Revenue Alignment

	<u>FY2020¹</u>	<u>Q1'FY21</u>	<u>Q2'FY21</u>	<u>Q3'FY21</u>	<u>Q4'FY21</u>	<u>FY2021¹</u>	<u>Q1'FY22</u>	<u>Q2'FY22</u>	<u>Q3'FY22</u>	<u>Q4'FY22</u>	<u>FY2022</u>
Commercial Cloud	468.6	142.6	144.8	152.5	159.4	599.2	168.5	176.1	179.8	182.6	707.0
Vault	427.7	127.7	138.7	150.5	163.4	580.3	172.7	190.4	200.9	213.1	777.0
Total Subscription Services	896.3	270.2	283.5	302.9	322.8	1,179.5	341.1	366.4	380.7	395.7	1,484.0
Commercial Cloud	76.3	27.4	26.6	29.1	30.4	113.5	36.0	32.2	34.9	35.0	138.0
Vault	131.4	39.5	43.6	45.5	43.6	172.1	56.4	57.0	60.5	54.8	228.8
Total Professional Services and Other	207.8	66.9	70.2	74.6	74.0	285.6	92.5	89.2	95.4	89.8	366.8
Commercial Cloud	545.0	170.0	171.4	181.6	189.8	712.7	204.5	208.2	214.7	217.6	845.0
Vault	559.1	167.2	182.3	195.9	207.0	752.3	229.1	247.4	261.4	267.9	1,005.8
Total	1,104.1	337.1	353.7	377.5	396.8	1,465.1	433.6	455.6	476.1	485.5	1,850.8

Prior to the fiscal quarter ended October 31, 2021, we grouped our revenues into two product areas: Commercial Cloud and Vault. During the fiscal quarter ended October 31, 2021, we changed the product areas under which we group revenues to Commercial Solutions and R&D Solutions to better align with how we manage our business and to reflect the principal functions served by our products. The table above reflects the prior revenue alignment and is provided for informational purposes only.

¹ 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. On a subscription basis, the Crossix acquisition contributed \$14M in subscription services revenue for the year ended January 31, 2020 and \$79M for the year ended January 31, 2021.



Appendix

- 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.
- R&D Tax (RDT) – Newly effective tax legislation that requires the capitalization of certain R&D expenses. We anticipate this legislation to be deferred during fiscal 2023. If the new requirement is not deferred, we expect that our fiscal 2023 cash flow from operations would be reduced by roughly \$70 to \$80 million.
- 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.



Reconciliation of GAAP to non-GAAP Measures

	FY'19	FY'20	FY'21	FY'22
Gross margin on total revenues on a GAAP basis	71.6 %	72.5 %	72.1 %	72.8 %
Stock-based compensation expense	1.4 %	1.8 %	2.2 %	2.2 %
Amortization of purchased intangibles	0.3 %	0.4 %	0.4 %	0.2 %
Deferred compensation associated with Zinc Ahead acquisition	- %	- %	- %	- %
Gross margin on total revenues on a non-GAAP basis	<u>73.3 %</u>	<u>74.7 %</u>	<u>74.7 %</u>	<u>75.2 %</u>
	FY'19	FY'20	FY'21	FY'22
Gross margin on subscription services revenues on a GAAP basis	83.2 %	84.8 %	84.4 %	84.8 %
Stock-based compensation expense	0.2 %	0.3 %	0.4 %	0.3 %
Amortization of purchased intangibles	0.4 %	0.4 %	0.4 %	0.3 %
Gross margin on subscription services revenues on a non-GAAP basis	<u>83.8 %</u>	<u>85.5 %</u>	<u>85.2 %</u>	<u>85.4 %</u>
	FY'19	FY'20	FY'21	FY'22
Gross margin on professional services and other revenues on a GAAP basis	23.5 %	19.6 %	21.4 %	24.0 %
Stock-based compensation expense	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	<u>29.8 %</u>	<u>28.1 %</u>	<u>31.3 %</u>	<u>34.0 %</u>
	FY'19	FY'20	FY'21	FY'22
Research and development expense on a GAAP basis	\$ 158.8	\$ 209.9	\$ 294.2	\$ 382.0
Stock-based compensation expense	(22.1)	(37.0)	(63.5)	(83.8)
Deferred compensation associated with Zinc Ahead acquisition	(0.3)	-	-	-
Amortization of purchased intangibles	-	-	(0.1)	(0.1)
Research and development expense on a non-GAAP basis	<u>\$ 136.4</u>	<u>\$ 172.9</u>	<u>\$ 230.6</u>	<u>\$ 298.1</u>
	FY'19	FY'20	FY'21	FY'22
Sales and marketing expense on a GAAP basis	\$ 148.9	\$ 190.3	\$ 235.0	\$ 288.1
Stock-based compensation expense	(18.4)	(27.5)	(40.6)	(56.8)
Deferred compensation associated with Zinc Ahead acquisition	-	-	-	-
Amortization of purchased intangibles	(3.9)	(6.0)	(14.3)	(13.7)
Sales and marketing expense on a non-GAAP basis	<u>\$ 126.6</u>	<u>\$ 156.8</u>	<u>\$ 180.2</u>	<u>\$ 217.5</u>
	FY'19	FY'20	FY'21	FY'22
General and administrative expense on a GAAP basis	\$ 86.4	\$ 114.3	\$ 149.1	\$ 171.5
Stock-based compensation expense	(23.8)	(31.2)	(48.3)	(52.9)
Amortization of purchased intangibles	-	(0.1)	(0.2)	(0.2)
General and administrative expense on a non-GAAP basis	<u>\$ 62.6</u>	<u>\$ 83.0</u>	<u>\$ 100.5</u>	<u>\$ 118.4</u>



Reconciliation of GAAP to non-GAAP Measures

	FY'19	FY'20	FY'21	FY'22
Operating income on a GAAP basis	\$ 222.9	\$ 286.2	\$ 377.8	\$ 505.5
Stock-based compensation expense	76.4	115.9	185.0	234.6
Amortization of purchased intangibles	7.0	10.1	20.0	18.5
Deferred compensation associated with Zinc Ahead acquisition	0.3	-	-	-
Operating income on a non-GAAP basis	<u>\$ 306.6</u>	<u>\$ 412.2</u>	<u>\$ 582.8</u>	<u>\$ 758.7</u>
	FY'19	FY'20	FY'21	FY'22
Operating margin on a GAAP basis	25.8 %	25.9 %	25.8 %	27.3 %
Stock-based compensation expense	8.9 %	10.5 %	12.6 %	12.7 %
Amortization of purchased intangibles	0.9 %	0.9 %	1.4 %	1.0 %
Deferred compensation associated with Zinc Ahead acquisition	- %	- %	- %	- %
Operating margin on a non-GAAP basis	<u>35.6 %</u>	<u>37.3 %</u>	<u>39.8 %</u>	<u>41.0 %</u>

Reconciliation of GAAP to non-GAAP Measures

	<u>Q4 FY'21</u>	<u>Q1 FY'22</u>	<u>Q2 FY'22</u>	<u>Q3 FY'22</u>	<u>Q4 FY'22</u>
Gross margin on total revenues on a GAAP basis	71.3 %	73.2 %	73.2 %	72.8 %	72.0 %
Stock-based compensation expense	2.3 %	1.9 %	2.4 %	2.3 %	2.2 %
Amortization of purchased intangibles	0.3 %	0.3 %	0.2 %	0.2 %	0.3 %
Gross margin on total revenues on a non-GAAP basis	<u>73.9 %</u>	<u>75.4 %</u>	<u>75.8 %</u>	<u>75.3 %</u>	<u>74.5 %</u>
	<u>Q4 FY'21</u>	<u>Q1 FY'22</u>	<u>Q2 FY'22</u>	<u>Q3 FY'22</u>	<u>Q4 FY'22</u>
Gross margin on subscription services revenues on a GAAP basis	83.9 %	85.0 %	85.3 %	84.3 %	84.8 %
Stock-based compensation expense	0.4 %	0.3 %	0.4 %	0.3 %	0.3 %
Amortization of purchased intangibles	0.3 %	0.2 %	0.2 %	0.3 %	0.3 %
Gross margin on subscription services revenues on a non-GAAP basis	<u>84.6 %</u>	<u>85.5 %</u>	<u>85.9 %</u>	<u>84.9 %</u>	<u>85.4 %</u>
	<u>Q4 FY'21</u>	<u>Q1 FY'22</u>	<u>Q2 FY'22</u>	<u>Q3 FY'22</u>	<u>Q4 FY'22</u>
Gross margin on professional services and other revenues on a GAAP basis	16.5 %	29.8 %	23.5 %	26.7 %	15.7 %
Stock-based compensation expense	10.5 %	8.0 %	10.7 %	10.1 %	10.7 %
Amortization of purchased intangibles	0.2 %	0.2 %	0.2 %	0.1 %	0.2 %
Gross margin on professional services and other revenues on a non-GAAP basis	<u>27.2 %</u>	<u>38.0 %</u>	<u>34.4 %</u>	<u>36.9 %</u>	<u>26.6 %</u>
	<u>Q4 FY'21</u>	<u>Q1 FY'22</u>	<u>Q2 FY'22</u>	<u>Q3 FY'22</u>	<u>Q4 FY'22</u>
Operating income on a GAAP basis	\$ 98.8	\$ 128.4	\$ 124.6	\$ 132.7	\$ 119.7
Stock-based compensation expense	49.8	48.5	62.4	62.0	61.7
Amortization of purchased intangibles	4.6	4.4	4.6	4.7	4.8
Operating income on a non-GAAP basis	<u>\$ 153.2</u>	<u>\$ 181.4</u>	<u>\$ 191.6</u>	<u>\$ 199.4</u>	<u>\$ 186.3</u>
	<u>Q4 FY'21</u>	<u>Q1 FY'22</u>	<u>Q2 FY'22</u>	<u>Q3 FY'22</u>	<u>Q4 FY'22</u>
Operating margin on a GAAP basis	24.9 %	29.6 %	27.4 %	27.9 %	24.7 %
Stock-based compensation expense	12.5 %	11.2 %	13.7 %	13.0 %	12.7 %
Amortization of purchased intangibles	1.2 %	1.0 %	1.0 %	1.0 %	1.0 %
Operating margin on a non-GAAP basis	<u>38.6 %</u>	<u>41.8 %</u>	<u>42.1 %</u>	<u>41.9 %</u>	<u>38.4 %</u>

