Q3’25 Quarterly Results

December 5, 2024

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 December 5, 2024, 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, events that impact the life sciences industry, general macroeconomic and geopolitical events (including inflationary pressures, changes in interest rates, currency exchange fluctuations and impacts related to Russia's invasion of Ukraine and the Israel-Hamas conflict), 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 36 and 37 in our filing on Form 10-Q for the period ended July 31, 2024 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.

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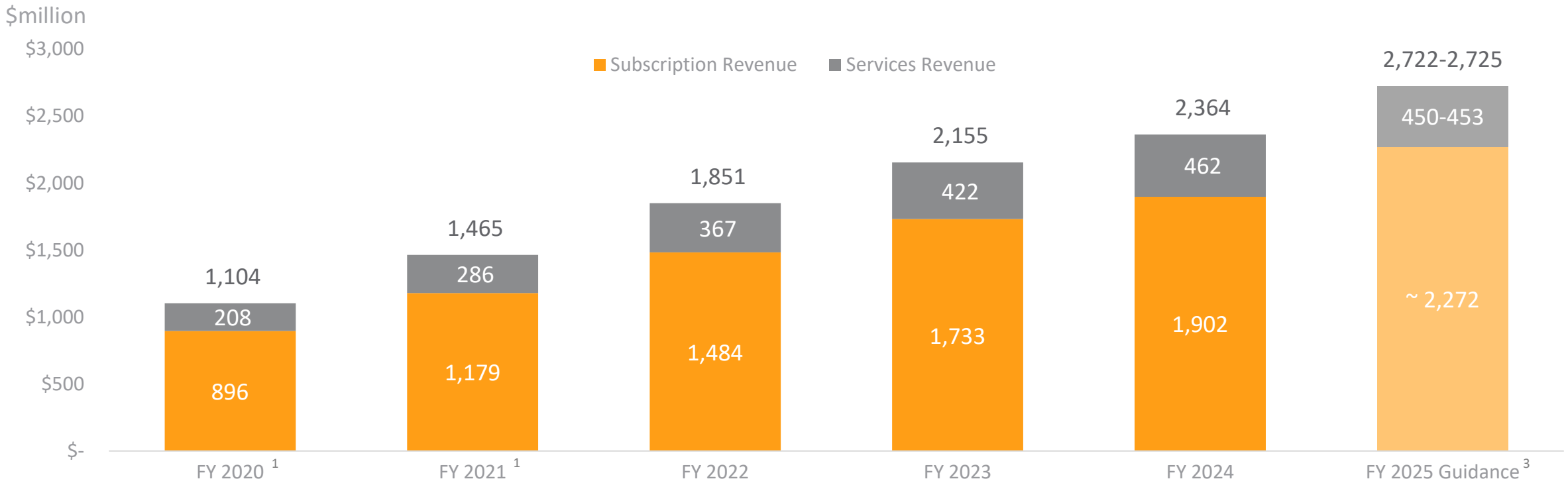
Statement Regarding Use of Non-GAAP Financial Measures

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, litigation settlement costs, 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.

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Total Revenue – Annual



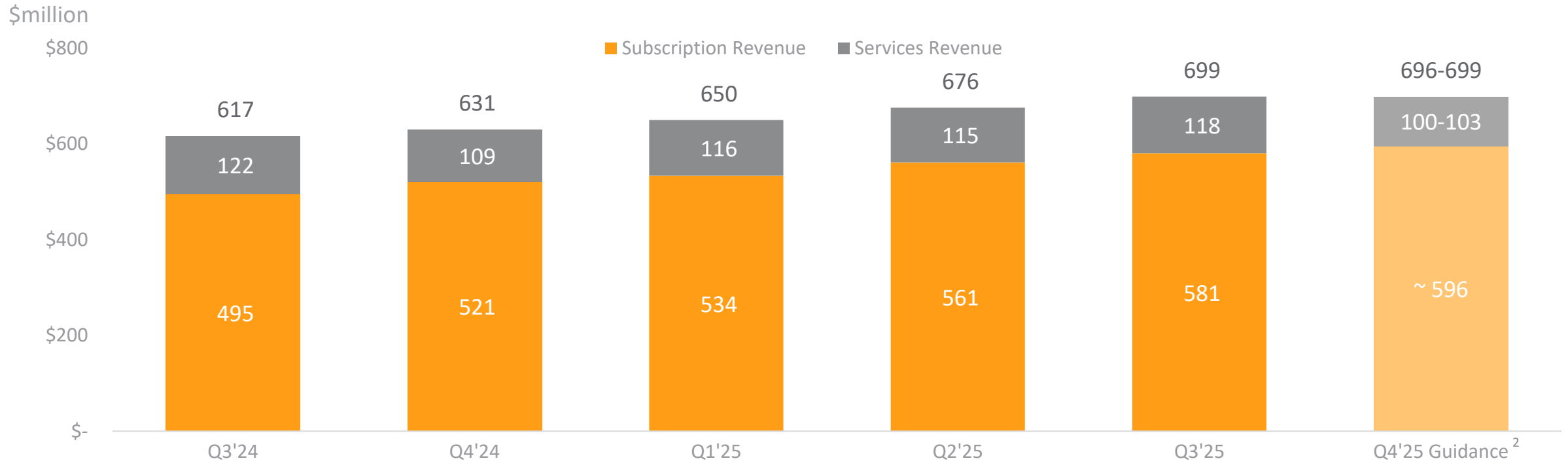
Y/Y Growth [2]

Subscription	29%	32%	26%	17%	10%	~ 19%
Services	24%	37%	28%	15%	9%	~ (2%)
Total	**28%**	**33%**	**26%**	**16%**	**10%**	**~ 15%**

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] Y/Y revenue growth normalized for the estimated impact of termination for convenience (TFC) standardization for FY 2024 and FY 2025 Guidance is set forth in the Appendix
[3] Guidance issued on December 5, 2024. Our FY 2025 revenue guidance assumes foreign currency exchange rates will remain constant. FY 2025 growth reflects the high-end of our guidance range.

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Total Revenue – Quarterly

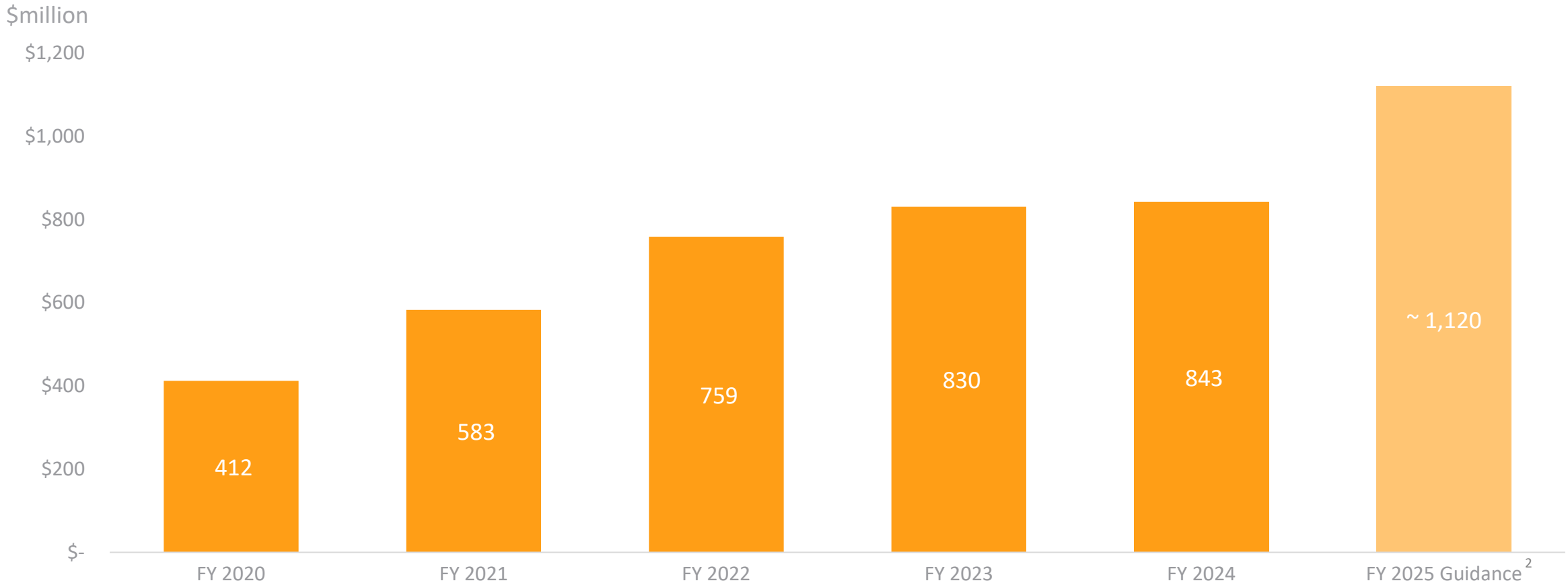


Y/Y Growth [1]						
Subscription	12%	13%	29%	19%	17%	~ 14%
Services	10%	6%	4%	(4%)	(3%)	~ (6%)
Total	**12%**	**12%**	**24%**	**15%**	**13%**	**~ 11%**

Fiscal Year Ending January 31
Components of total revenue may not sum to total revenue due to rounding
[1] Y/Y revenue growth normalized for the estimated impact of TFC standardization for Q1'24 through Q3'25 and Q4'25 Guidance is set forth in the Appendix
[2] Guidance issued on December 5, 2024. Our Q4'25 revenue guidance assumes foreign currency exchange rates will remain constant. Q4'25 growth reflects the high-end of our guidance range.

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Non-GAAP Operating Income – Annual

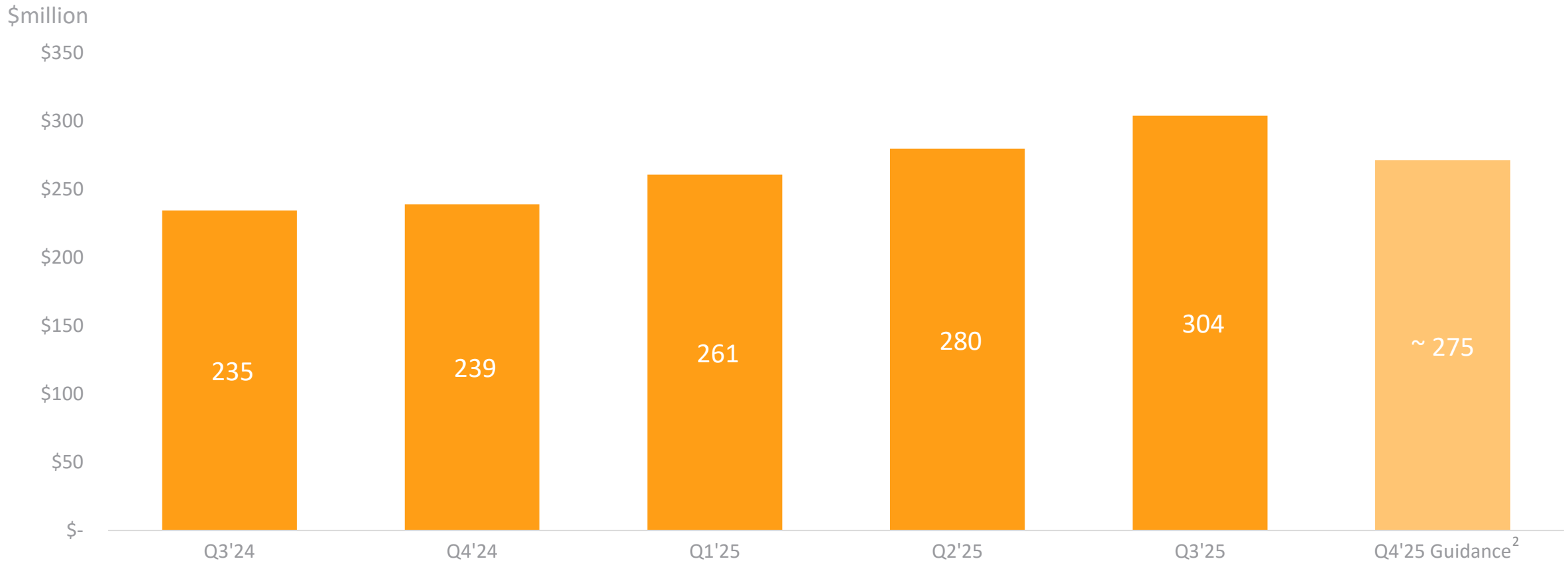


	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025 Guidance [2]
Non-GAAP Operating Margin [1]	37.3%	39.8%	41.0%	38.5%	35.6%	~ 41%

Fiscal Year Ending January 31
A reconciliation of GAAP to non-GAAP measures is set forth in the Appendix
[1] FY 2024 non-GAAP operating margin normalized for the estimated impact of TFC standardization is set forth in the Appendix
[2] Guidance issued on December 5, 2024. Our FY 2025 non-GAAP operating income guidance assumes foreign currency exchange rates will remain constant.

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Non-GAAP Operating Income – Quarterly

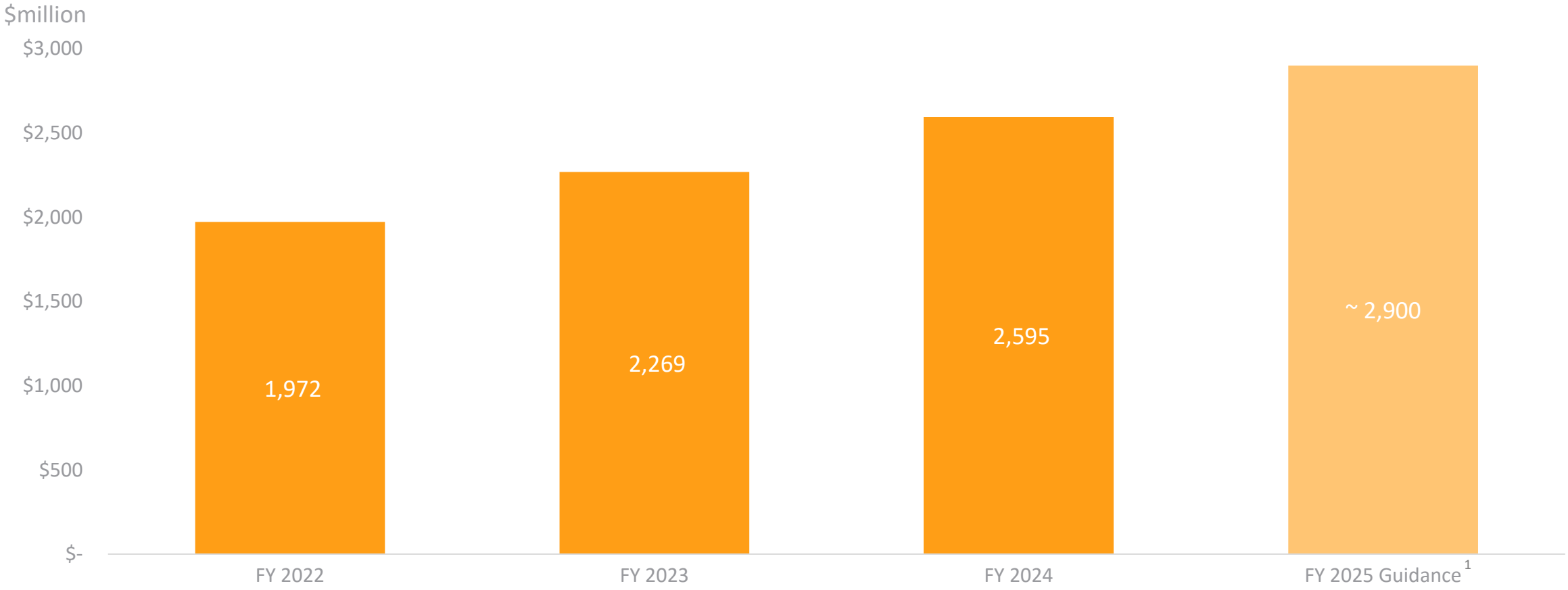


	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25 Guidance[2]
Non-GAAP Operating Margin [1]	38.1%	37.9%	40.1%	41.4%	43.5%	~ 39%

Fiscal Year Ending January 31
A reconciliation of GAAP to non-GAAP measures is set forth in the Appendix
[1] Q1'24 through Q4'24 non-GAAP operating margin normalized for the estimated impact of TFC standardization is set forth in the Appendix
[2] Guidance issued on December 5, 2024. Our Q4'25 non-GAAP operating income guidance assumes foreign currency exchange rates will remain constant.

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Normalized Billings – Annual

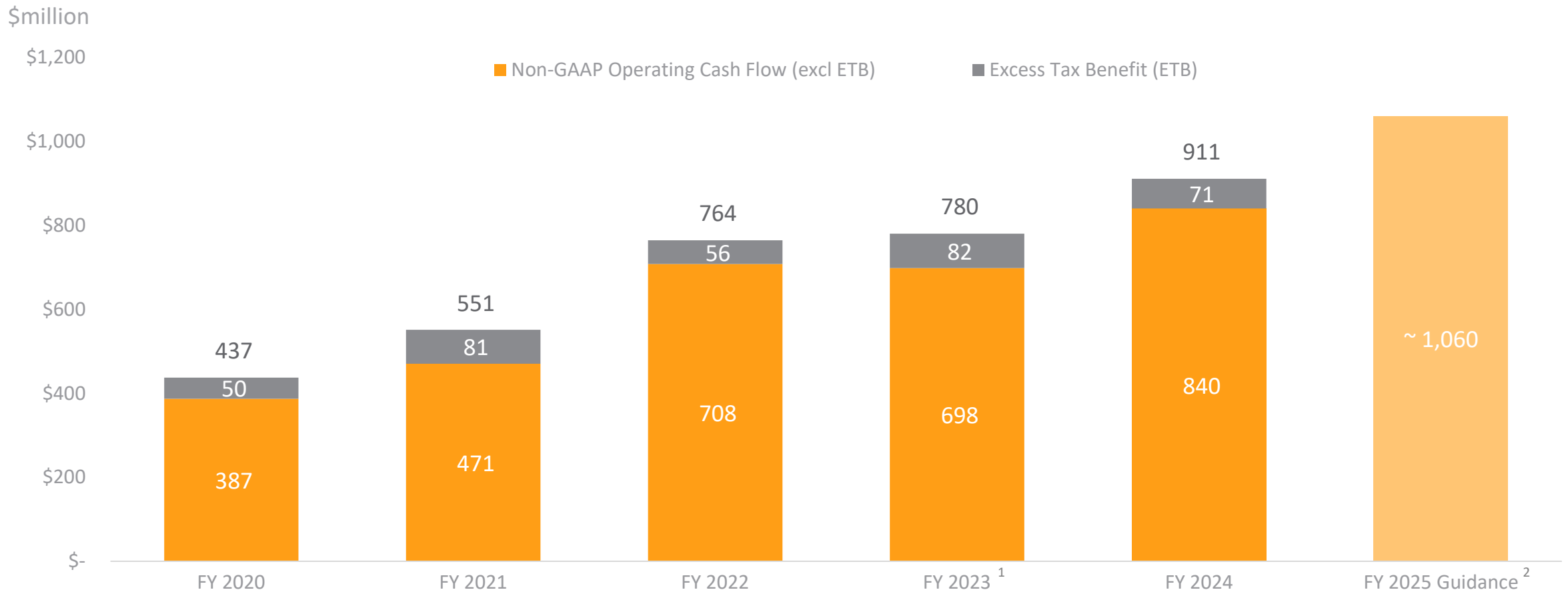


Y/Y Growth [2]	23%	16%	14%	~ 12%

Fiscal Year Ending January 31
Normalized Billings is defined in the Appendix
[1] Guidance issued on December 5, 2024. Our FY 2025 normalized billings guidance assumes foreign currency exchange rates will remain constant. Our FY 2025 Normalized Billings guidance is expected to be about $18 million below Calculated Billings (as defined in the Appendix) due to customer billing term changes.
[2] Normalized Billings growth reflects the current period Normalized Billings amount as compared to the year ago Calculated Billings amount.

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Operating Cash Flow – Annual



	FY 2020	FY 2021	FY 2022	FY 2023 [1]	FY 2024	FY 2025 Guidance [2]
Non-GAAP OCF Margin	35%	32%	38%	32%	36%	~ 39%

Fiscal Year Ending January 31

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

[1] Starting in FY 2023, non-GAAP operating cash flow included the direct cash payments associated with tax legislation that requires the capitalization of certain R&D expenses. This included a roughly $91 million payment in FY 2023, which resulted in an incremental headwind compared to FY 2022.

[2] Guidance issued on December 5, 2024. Non-GAAP guidance excludes any potential impact of the Excess Tax Benefit (as defined in the Appendix).

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FY 2025 Guidance

	Guidance
Total Revenue	$2,722-2,725 million
Subscription Revenue	~$2,272 million
Commercial Solutions Subscription Revenue	~$1,095 million
R&D Solutions Subscription Revenue	~$1,177 million
Services Revenue	$450-453 million
Non-GAAP Operating Income	~$1,120 million
Non-GAAP Fully Diluted Net Income per Share	~$6.44
Normalized Billings	~$2,900 million
Non-GAAP Cash from Operations	~$1,060 million

Guidance issued on December 5, 2024. Our FY 2025 guidance assumes foreign currency exchange rates will remain constant. FY 2025 normalized billings is expected to be about $18 million below calculated billings due to customer billing term changes in customer renewals. 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, 2025 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 cash from operations excludes any potential impact of Excess Tax Benefit. We do not guide to GAAP cash from operations 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.

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Q4’25 Guidance

	Guidance
Total Revenue	$696-699 million
Subscription Revenue	~$596 million
Services Revenue	$100-103 million
Non-GAAP Operating Income	$275 million
Non-GAAP Fully Diluted Net Income per Share	~$1.57
Normalized Billings	~$1,184 million

Guidance issued on December 5, 2024. Our Q4’25 guidance assumes foreign exchange rates will remain constant. Q4’25 normalized billings is expected to be about $38 million below calculated billings due to billing term changes in customer renewals. We are not able, at this time, to provide GAAP targets for operating income and fully diluted net income per share for the fourth fiscal quarter ending January 31, 2025 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.

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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 customer term changes for renewal business during the period, such as timing (e.g., changing the renewal date of multiple products to be coterminous) or billing frequency (e.g., changing from annual to quarterly billings).

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Quarterly Information

	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Y/Y Growth Q3'24	Y/Y Growth Q4'24	Y/Y Growth Q1'25	Y/Y Growth Q2'25	Y/Y Growth Q3'25
Revenue													
Commercial Solutions - Subscription	242.9	239.3	243.4	251.2	261.9	261.3	271.8	278.4	5%	8%	9%	12%	11%
R&D Solutions - Subscription	217.3	175.2	227.2	243.7	259.6	272.6	289.5	302.5	20%	19%	56%	27%	24%
Total Subscription Revenue ($M)	**460.1**	**414.5**	**470.6**	**494.9**	**521.5**	**534.0**	**561.3**	**580.9**	**12%**	**13%**	**29%**	**19%**	**17%**
Commercial Solutions - Services	44.2	44.9	47.3	47.9	45.9	48.8	45.1	45.9	6%	4%	9%	(5%)	(4%)
R&D Solutions - Services	59.1	66.9	72.3	73.7	63.2	67.6	69.8	72.5	13%	7%	1%	(3%)	(2%)
Total Services Revenue ($M)	**103.2**	**111.8**	**119.6**	**121.6**	**109.1**	**116.4**	**114.9**	**118.4**	**10%**	**6%**	**4%**	**(4%)**	**(3%)**
Total Revenue ($M)	**563.4**	**526.3**	**590.2**	**616.5**	**630.6**	**650.3**	**676.2**	**699.2**	**12%**	**12%**	**24%**	**15%**	**13%**
Non-GAAP Subscription Gross Margin	85.6%	84.3%	85.5%	85.5%	85.7%	85.9%	86.5%	86.2%	-	-	-	-	-
Non-GAAP Services Gross Margin	20.6%	22.9%	30.2%	34.1%	23.9%	28.6%	31.9%	33.5%	-	-	-	-	-
Non-GAAP Total Gross Margin	**73.7%**	**71.3%**	**74.3%**	**75.4%**	**75.0%**	**75.6%**	**77.2%**	**77.3%**	-	-	-	-	-
Non-GAAP Operating Income ($M)	**209.4**	**157.0**	**211.9**	**234.6**	**239.1**	**260.9**	**279.8**	**304.0**	**7%**	**14%**	**66%**	**32%**	**30%**
Non-GAAP Operating Income Margin	37.2%	29.8%	35.9%	38.1%	37.9%	40.1%	41.4%	43.5%	-	-	-	-	-
GAAP Operating Cash Flow	63.3	505.9	265.0	82.6	57.8	763.5	92.9	164.1	(42%)	(9%)	51%	(65%)	99%
Excess Tax Benefit	(76.0)	(62.1)	(3.2)	(3.3)	(2.5)	(3.1)	(1.1)	(0.9)	-	-	-	-	-
Non-GAAP Operating Cash Flow ($M)	**(12.7)**	**443.8**	**261.8**	**79.3**	**55.3**	**760.4**	**91.7**	**163.2**	**(44%)**	**NM**	**71%**	**(65%)**	**106%**
Calculated Billings	926	569	556	417	1,055	617	603	476	12%	14%	8%	9%	14%
Customer Term Changes	(4)	(15)	(3)	12	3	14	14	(8)	-	-	-	-	-
Normalized Billings ($M)	**922**	**554**	**553**	**429**	**1,059**	**631**	**617**	**468**	**15%**	**14%**	**11%**	**11%**	**12%**
Cash, Cash Equivalents, and ST Investments ($M)	**3,103**	**3,615**	**3,869**	**3,942**	**4,028**	**4,765**	**4,885**	**5,063**	**30%**	**30%**	**32%**	**26%**	**28%**
Employee Headcount	**6,744**	**6,879**	**7,136**	**7,206**	**7,172**	**7,157**	**7,200**	**7,288**	**11%**	**6%**	**4%**	**1%**	**1%**
Quarterly Net Additions	241	135	257	70	(34)	(15)	43	88	-	-	-	-	-

Fiscal Year Ending January 31
A reconciliation of GAAP to non-GAAP measures is set forth in the Appendix

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Annual Information

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Y/Y Growth FY 2020	Y/Y Growth FY 2021	Y/Y Growth FY 2022	Y/Y Growth FY 2023	Y/Y Growth FY 2024
Revenue										
Commercial Solutions - Subscription	594	745	876	946	996	20%	25%	18%	8%	5%
R&D Solutions - Subscription	303	435	608	787	906	51%	44%	40%	30%	15%
Total Subscription Revenue ($M)	896	1,179	1,484	1,733	1,902	29%	32%	26%	17%	10%
Commercial Solutions - Services	104	142	165	177	186	18%	37%	16%	7%	5%
R&D Solutions - Services	104	144	202	245	276	30%	38%	40%	21%	13%
Total Services Revenue ($M)	208	286	367	422	462	24%	37%	28%	15%	9%
Total Revenue ($M)	**1,104**	**1,465**	**1,851**	**2,155**	**2,364**	**28%**	**33%**	**26%**	**16%**	**10%**
Non-GAAP Subscription Gross Margin	85.5%	85.2%	85.4%	85.8%	85.3%	-	-	-	-	-
Non-GAAP Services Gross Margin	28.1%	31.3%	34.0%	28.7%	28.0%	-	-	-	-	-
Non-GAAP Total Gross Margin	**74.7%**	**74.7%**	**75.2%**	**74.6%**	**74.1%**	**-**	**-**	**-**	**-**	**-**
Non-GAAP Operating Income ($M)	**412**	**583**	**759**	**830**	**843**	**34%**	**41%**	**30%**	**9%**	**1%**
Non-GAAP Operating Income Margin	37.3%	39.8%	41.0%	38.5%	35.6%	-	-	-	-	-
GAAP Operating Cash Flow	437	551	764	780	911	41%	26%	39%	2%	17%
Excess Tax Benefit	(50)	(81)	(56)	(82)	(71)	-	-	-	-	-
Non-GAAP Operating Cash Flow ($M)	**387**	**471**	**708**	**698**	**840**	**46%**	**22%**	**51%**	**(1%)**	**20%**
Non-GAAP OCF Margin	35.0%	32.1%	38.3%	32.4%	35.6%	-	-	-	-	-
Calculated Billings	1,193	1,599	1,950	2,277	2,598	26%	34%	22%	17%	14%
Customer Term Changes	n/a	n/a	23	(7)	(3)	-	-	-	-	-
Normalized Billings ($M)	**n/a**	**n/a**	**1,972**	**2,269**	**2,595**	**-**	**-**	**23%**	**16%**	**14%**
Cash, Cash Equivalents, and ST Investments ($M)	**1,087**	**1,664**	**2,376**	**3,103**	**4,028**	**(0%)**	**53%**	**43%**	**31%**	**30%**
Employee Headcount	**3,501**	**4,506**	**5,482**	**6,744**	**7,172**	**37%**	**29%**	**22%**	**23%**	**6%**
Annual Net Additions	948	1,005	976	1,262	428	-	-	-	-	-

Fiscal Year Ending January 31
A reconciliation of GAAP to non-GAAP measures is set forth in the Appendix

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Reconciliation of GAAP to non-GAAP Measures

	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25
Gross margin on total revenues on a GAAP basis	**70.8 %**	**68.3 %**	**71.4 %**	**72.8 %**	**72.4 %**	**73.3 %**	**74.8 %**	**75.1 %**
Stock-based compensation expense	2.7 %	2.7 %	2.7 %	2.4 %	2.4 %	2.2 %	2.2 %	2.1 %
Amortization of purchased intangibles	0.2 %	0.3 %	0.2 %	0.2 %	0.2 %	0.1 %	0.2 %	0.1 %
Gross margin on total revenues on a non-GAAP basis	**73.7 %**	**71.3 %**	**74.3 %**	**75.4 %**	**75.0 %**	**75.6 %**	**77.2 %**	**77.3 %**
Gross margin on subscription services revenues on a GAAP basis	**85.0 %**	**83.7 %**	**84.9 %**	**85.0 %**	**85.2 %**	**85.4 %**	**86.0 %**	**85.8 %**
Stock-based compensation expense	0.4 %	0.4 %	0.4 %	0.3 %	0.3 %	0.3 %	0.3 %	0.3 %
Amortization of purchased intangibles	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %	0.1 %
Gross margin on subscription services revenues on a non-GAAP basis	**85.6 %**	**84.3 %**	**85.5 %**	**85.5 %**	**85.7 %**	**85.9 %**	**86.5 %**	**86.2 %**
Gross margin on professional services and other revenues on a GAAP basis	**7.6 %**	**11.4 %**	**18.2 %**	**23.3 %**	**11.5 %**	**17.7 %**	**20.3 %**	**22.5 %**
Stock-based compensation expense	12.9 %	11.4 %	11.9 %	10.6 %	12.3 %	10.8 %	11.5 %	10.9 %
Amortization of purchased intangibles	0.1 %	0.2 %	0.1 %	0.2 %	0.1 %	0.1 %	0.1 %	0.1 %
Gross margin on professional services and other revenues on a non-GAAP basis	**20.6 %**	**23.0 %**	**30.2 %**	**34.1 %**	**23.9 %**	**28.6 %**	**31.9 %**	**33.5 %**
Operating income on a GAAP basis ($M)	**$ 108.9**	**$ 61.5**	**$ 104.0**	**$ 128.5**	**$ 135.3**	**$ 155.2**	**$ 166.5**	**$ 181.4**
Stock-based compensation expense	95.5	90.7	103.0	101.2	98.9	95.9	108.4	117.9
Amortization of purchased intangibles	4.9	4.7	4.9	4.9	4.9	4.8	4.9	4.8
Litigation settlement	-	-	-	-	-	5.0	-	-
Operating income on a non-GAAP basis ($M)	**$ 209.4**	**$ 157.0**	**$ 211.9**	**$ 234.6**	**$ 239.1**	**$ 260.9**	**$ 279.8**	**$ 304.0**
Operating margin on a GAAP basis	**19.3 %**	**11.7 %**	**17.6 %**	**20.8 %**	**21.4 %**	**23.9 %**	**24.6 %**	**25.9 %**
Stock-based compensation expense	17.0 %	17.2 %	17.4 %	16.4 %	15.7 %	14.7 %	16.0 %	16.9 %
Amortization of purchased intangibles	0.9 %	0.9 %	0.9 %	0.9 %	0.8 %	0.7 %	0.8 %	0.7 %
Litigation settlement	-	-	-	-	-	0.8 %	-	-
Operating margin on a non-GAAP basis	**37.2 %**	**29.8 %**	**35.9 %**	**38.1 %**	**37.9 %**	**40.1 %**	**41.4 %**	**43.5 %**
Operating cash flow on a GAAP basis ($M)	**$ 63.3**	**$ 505.9**	**$ 265.0**	**$ 82.6**	**$ 57.8**	**$ 763.5**	**$ 92.9**	**$ 164.1**
Excess Tax Benefit (ETB)	(76.0)	(62.1)	(3.2)	(3.3)	(2.5)	(3.1)	(1.1)	(0.9)
Operating cash flow on a non-GAAP basis ($M)	**$ (12.7)**	**$ 443.8**	**$ 261.8**	**$ 79.3**	**$ 55.3**	**$ 760.4**	**$ 91.7**	**$ 163.2**

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Reconciliation of GAAP to non-GAAP Measures

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Gross margin on total revenues on a GAAP basis	**72.5 %**	**72.1 %**	**72.8 %**	**71.7 %**	**71.3 %**
Stock-based compensation expense	1.8 %	2.2 %	2.2 %	2.7 %	2.6 %
Amortization of purchased intangibles	0.4 %	0.4 %	0.2 %	0.2 %	0.2 %
Gross margin on total revenues on a non-GAAP basis	**74.7 %**	**74.7 %**	**75.2 %**	**74.6 %**	**74.1 %**
Gross margin on subscription services revenues on a GAAP basis	**84.8 %**	**84.4 %**	**84.8 %**	**85.1 %**	**84.7 %**
Stock-based compensation expense	0.3 %	0.4 %	0.3 %	0.4 %	0.4 %
Amortization of purchased intangibles	0.4 %	0.4 %	0.3 %	0.3 %	0.2 %
Gross margin on subscription services revenues on a non-GAAP basis	**85.5 %**	**85.2 %**	**85.4 %**	**85.8 %**	**85.3 %**
Gross margin on professional services and other revenues on a GAAP basis	**19.6 %**	**21.4 %**	**24.0 %**	**16.7 %**	**16.3 %**
Stock-based compensation expense	8.4 %	9.7 %	9.9 %	11.9 %	11.6 %
Amortization of purchased intangibles	0.1 %	0.2 %	0.1 %	0.1 %	0.1 %
Gross margin on professional services and other revenues on a non-GAAP basis	**28.1 %**	**31.3 %**	**34.0 %**	**28.7 %**	**28.0 %**
Operating income on a GAAP basis ($M)	**$ 286.2**	**$ 377.8**	**$ 505.5**	**$ 459.1**	**$ 429.3**
Stock-based compensation expense	115.9	185.0	234.6	351.9	393.7
Amortization of purchased intangibles	10.1	20.0	18.5	19.5	19.5
Operating income on a non-GAAP basis ($M)	**$ 412.2**	**$ 582.8**	**$ 758.7**	**$ 830.5**	**$ 842.5**
Operating margin on a GAAP basis	**25.9 %**	**25.8 %**	**27.3 %**	**21.3 %**	**18.2 %**
Stock-based compensation expense	10.5 %	12.6 %	12.7 %	16.3 %	16.6 %
Amortization of purchased intangibles	0.9 %	1.4 %	1.0 %	0.9 %	0.8 %
Operating margin on a non-GAAP basis	**37.3 %**	**39.8 %**	**41.0 %**	**38.5 %**	**35.6 %**
Operating cash flow on a GAAP basis ($M)	**$ 437.4**	**$ 551.2**	**$ 764.5**	**$ 780.5**	**$ 911.3**
Excess Tax Benefit (ETB)	(50.4)	(80.7)	(56.2)	(82.0)	(71.0)
Operating cash flow on a non-GAAP basis ($M)	**$ 387.0**	**$ 470.6**	**$ 708.3**	**$ 698.5**	**$ 840.3**
Operating cash flow margin on a GAAP basis	**39.6 %**	**37.6 %**	**41.3 %**	**36.2 %**	**38.6 %**
Excess Tax Benefit (ETB)	(4.6)%	(5.5)%	(3.0)%	(3.8)%	(3.0)%
Operating cash flow margin on a non-GAAP basis	**35.0 %**	**32.1 %**	**38.3 %**	**32.4 %**	**35.6 %**

Fiscal Year Ending January 31

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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

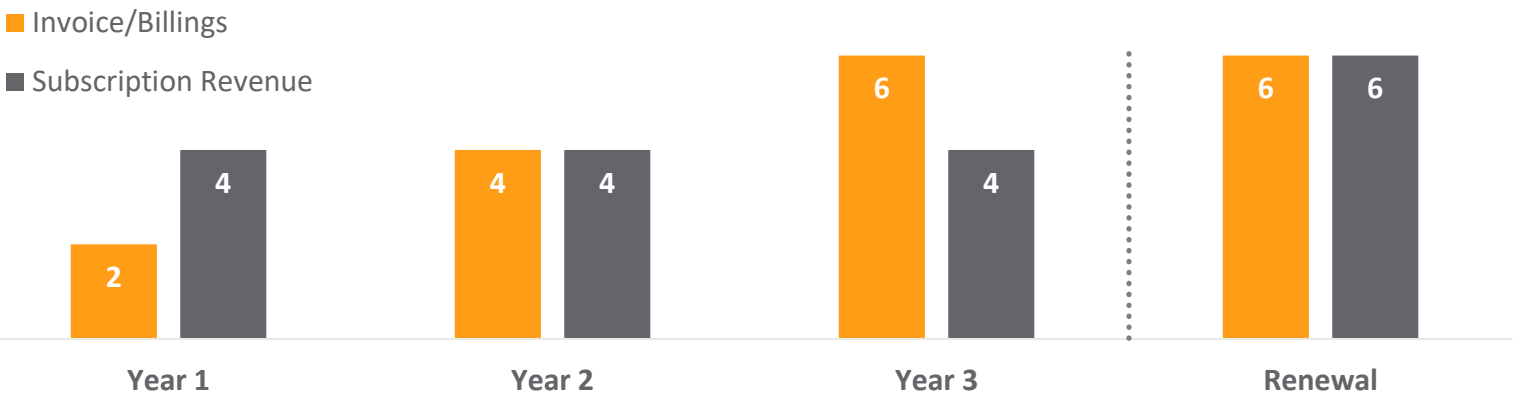
- More orders are multi-year in duration
- TFC rights standardized for customers with multi-year ramping deals

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Impact of TFC on Subscription Revenue Timing

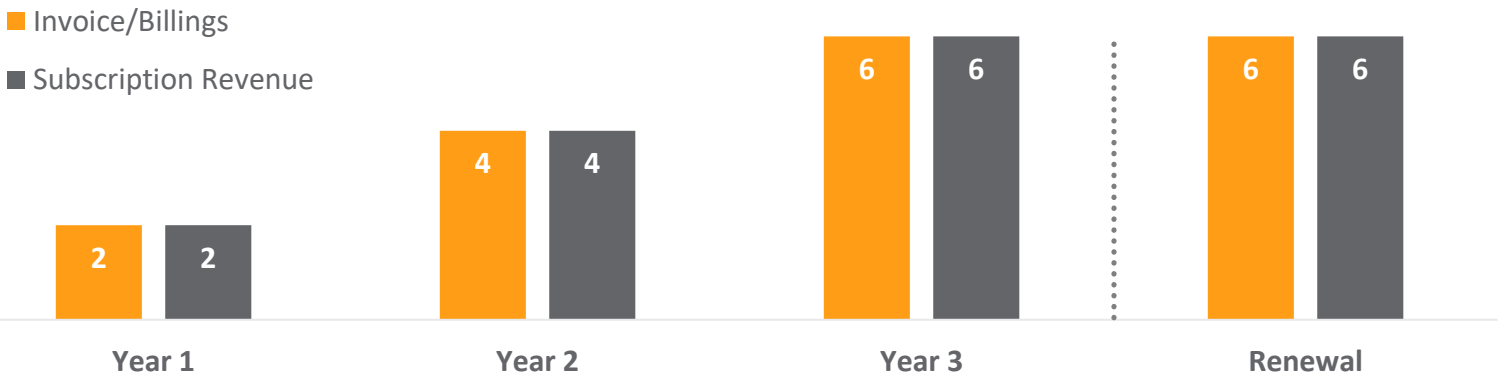
Revenue is recognized ratably over the duration of the committed term

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**



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Key Takeaways - TFC Change

- Consistent TFC treatment of customers with multi-year ramping deals
- With continued execution, we do not expect an impact to:
  - Cash flows
  - Billings
  - Expected total revenue on multi-year ramping deals

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Results and Guidance Normalized for Estimated TFC Impacts

Reported

	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25 Guidance	FY 2024	FY 2025 Guidance
Y/Y Growth										
Subscription Revenue Growth	3%	10%	12%	13%	29%	19%	17%	~14%	10%	~19%
Services Revenue Growth	9%	13%	10%	6%	4%	(4%)	(3%)	~(6%)	9%	(2%)
Total Revenue Growth	**4%**	**10%**	**12%**	**12%**	**24%**	**15%**	**13%**	**~11%**	**10%**	**~15%**
Non-GAAP Operating Income Margin	**30%**	**36%**	**38%**	**38%**	**40%**	**41%**	**43%**	**~39%**	**36%**	**~41%**

Normalized for Estimated TFC Impact

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

Fiscal Year Ending January 31
Guidance issued on December 5, 2024. Growth reflects the high-end of our guidance ranges. A reconciliation of GAAP to non-GAAP measures is set forth in the Appendix.
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.
[1] 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.
[2] 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 will have no impact on non-GAAP operating income margin in fiscal 2025.

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