

May 28, 2025

Q1 FY2026 Earnings Prepared Remarks

Peter Gassner, Founder & CEO

Brian Van Wagener, CFO

Legal Disclaimer

These prepared remarks contain forward-looking statements regarding Veeva's expected future performance and, in particular, includes statements regarding Veeva's products and services and guidance, provided as of May 28, 2025, 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 these prepared remarks 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 9 and 10 in our filing on Form 10-K for the period ended January 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-K 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.

Q1'26 Business Update

Peter Gassner, Founder & CEO



Financial Results

We had another strong quarter delivering results ahead of our guidance. Total revenue was \$759 million, up 17% year over year. Non-GAAP operating income was \$350 million, or 46% of total revenue.

Macroevironment

Recent changes and uncertainty in U.S. policies are causing some distractions and potential challenges as we look ahead. In general, lack of clarity on tariffs and geopolitical tensions are not good for economic activity, especially for global industries like life sciences that depend on stable environments due to their long investment cycles. There is uncertainty around the recent executive order on drug pricing and FDA staffing changes and shortages may impact FDA drug approval timelines and policies.

It's a highly dynamic environment. Persistent pressure and uncertainty could result in greater conservatism in large biopharma and negatively impact the funding environment for emerging biotechs. Discussions with customers are starting to reflect this general unease. However, we have not seen a material change to our financial results or pipeline at this time.

To the positive, as we have seen in the past, high quality and profitable companies like Veeva benefit from a flight to quality in uncertain times with customers and employees. When core capability projects are delayed due to uncertainty, it creates pent-up demand that will be fulfilled at some point in the future. We also see continued scientific innovation in the industry which will fuel long-term growth.

Our annual guidance takes into consideration all the things we see at this time, and we remain committed to our 2030 revenue targets.

Achieving Our Long-Term Goals and Crossing \$3 Billion

Veeva has a history of setting and achieving ambitious long-term goals to advance the company and the industries we serve. In 2019, we set a goal to achieve a \$3 billion revenue run rate in calendar 2025, which we crossed this quarter.

We now have a \$6 billion revenue run rate goal for life sciences in 2030. I am encouraged by the progress we are making as we look to double the positive impact we can have on the industry and for patients.

A Strong Start to the Year

It was an outstanding quarter of execution. I consider this our best first quarter ever in how we are executing with speed, quality, and innovation across many large markets. Our execution was strong across all our pillars: Commercial Cloud, Data Cloud, Development Cloud, Quality Cloud, and Business Consulting. In part, this is due to the foundational work we did last year in establishing our 2030 goals and adjusting our operating model for further scale with autonomy and alignment.

Another major highlight was Veeva Executive Summit in New York in April. We brought together senior business and IT leaders from large biopharma across all major functional areas for strategic discussions and long-term planning. It was the first meeting of this type across areas, and, because it was so successful, we'll host it annually going forward.

Our AI Strategy and Veeva AI

I'm excited about the impact we can have with AI that works deeply with core Veeva applications. Announced in April, Veeva AI is a major initiative for us with a clear vision that's focused on delivering tangible value.

We're building AI into Vault Platform and Veeva applications across all major areas from clinical to commercial. Adding AI – through AI Agents and AI Shortcuts – to our core applications can significantly improve productivity for customers and the industry.

Veeva AI Agents have application-specific context and direct, secure access to Veeva application data, documents, and workflows. AI Shortcuts enable end users to set up personal AI-powered automations for their most frequent user-specific tasks.

The first release of Veeva AI is planned for December 2025. Our first two AI Agent solutions, CRM Bot and MLR Bot in commercial, are also planned for year end.

Veeva AI is part of our overall AI strategy which also includes the Veeva Direct Data API and the Veeva AI Partner Program, which are both available and operating well today.

Moving now to results in the quarter.

Veeva Development Cloud

We saw continued success with Development Cloud and advanced several major top 20 opportunities in clinical, regulatory, and safety.

Our Clinical Platform vision is to simplify and standardize clinical trials for greater efficiency and a better experience for sponsors, sites, and patients. It's a major evolution for trials that will take many years to achieve.

Customers typically start on the path to greater trial efficiency and execution with a foundation of our clinical operations applications including eTMF and CTMS. In the quarter, we had another top 20 biopharma select Veeva eTMF, Veeva Study Startup, and Veeva Site Connect after selecting our CTMS a year ago.

eTMF was our first clinical product released in 2012. With the top 20 addition in Q1, 19 of the top 20 biopharmas have now selected eTMF and we hope to have all top 20s by the end of the year. Becoming the standard for the industry in a critical function is an honor and responsibility we take very seriously. When industry standardization like this happens in an area, we maintain continued focus and use our position as the industry standard to fuel further innovation and value creation for customers and the industry.

In the quarter, we also announced Veeva SiteVault CTMS, a clinical trial management system for research sites. Planned for availability in August, SiteVault CTMS offers excellent software for sites to improve internal efficiency and compliance and connects with sponsors using Veeva Clinical Platform for seamless

clinical trial data flow. SiteVault CTMS is free to smaller research sites, which account for roughly 90% of total research sites worldwide, and is offered by subscription for larger sites.

Our momentum also continued in regulatory. We added 26 customers in the quarter and had a top 20 biopharma select Veeva Submissions. Having had previous success with Registrations and Submissions Archive, they added Submissions for a unified global RIM solution. Veeva Submissions was our first regulatory application and is now the chosen standard for 16 of the top 20 biopharmas. We continue to focus on product excellence and are actively engaged with the four remaining top 20 biopharmas.

Safety is going well as our products mature and early customers are successful. Having two top 20 biopharmas live globally and getting significant value is generating increased interest. We had an enterprise biopharma select Veeva Safety in the quarter and are in active discussions with others on how we can help them modernize.

Veeva Commercial Cloud

Earlier this month in Boston we hosted Veeva Commercial Summit, the largest commercial gathering for life sciences. It was an incredible event, with a lot of energy and enthusiasm for connected software and connected data with Commercial Cloud and Data Cloud working together.

We showed our AI Agents – CRM Bot, Voice Control, Compliant Free Text, and MLR Bot. Vault CRM will be a fast path to highly productive AI for many of our customers.

At last year's Summit, we had only a few Vault CRM customers live. This year we had more than 80 live and are on a path for about 200 live next year, including three top 20 biopharmas. Looking ahead, we continue to expect multiple top 20 biopharma commitments in 2025, and most decisions to be made by the end of 2026. This is a testament to the depth and quality of the application and clear focus on long-term customer success and product excellence.

Crossix had a very strong quarter of growth and share gains in Measurement and Audiences. Since our acquisition of Crossix about five years ago, it has grown to become the standard for marketing analytics in life sciences. The investments in innovation we have made in Crossix are really starting to come together and pay off. The ROI customers are achieving by going all in on the Crossix Suite is impressive. Word is getting around, which is fueling interest and further growth.

At more than a \$200 million revenue run rate today, Crossix is about three times larger than when it was acquired and has significant room to grow through 2030 and beyond. Overall, it's a great business, with great people, and it's been well integrated into Veeva. I am very pleased with how well it has worked out for employees and customers.

New Markets

Finally, an update on our planned expansion into new markets, which I'm very excited about as well.

The new markets team is making great progress, executing with speed and quality against a focused set of near-term plans while keeping our long-term vision in mind. As I shared when we announced our new markets initiative, the first step is developing a next-generation platform with major innovations to ultimately support horizontal enterprise applications.

Our first application focus will be in the horizontal CRM area. We will decide the initial specific application area and customer segments in the coming months and will likely be ready for early customers by year end.

We aren't looking to develop a solution that's just incrementally better. We are taking the hard and more rewarding path to deliver fundamentally new innovation to the market. Our success will be determined over the long term, but I am encouraged by our early progress.

Looking Ahead

In summary, it was a great start to the year. I am confident we have the right team, product strategy, and customer relationships to deliver against the significant opportunity we see ahead.

A handwritten signature in black ink, appearing to read 'Peter Gassner', with a stylized, cursive script.

Peter Gassner, Founder & CEO

Q1'26 Financial Update

Brian Van Wagener, CFO



Fiscal Year 2026 First Quarter Performance

Q1 was a strong start to the year, with all financial metrics coming in ahead of guidance.

Total revenue grew 17% year over year to \$759 million with subscription revenue of \$635 million, growing 19% year over year. Subscription revenue growth in Q1 continued to be broad-based, with R&D Solutions and Crossix as key contributors.

Services revenue in Q1 grew 7% year over year to \$124 million, driven by continued strength in business consulting.

Q1 normalized billings¹ were \$714 million, up 16% year over year. Outperformance compared to guidance was primarily driven by Crossix, as well as favorable foreign exchange (FX) impacts, deal timing, and billing duration.

Q1 non-GAAP operating income was \$350 million, or 46% of revenue. Outperformance was driven primarily by strong revenue results and timing of certain expenses. Net headcount increased by 52 in the quarter.

In Q1, non-GAAP cash flow from operations² was about \$875 million. Cash and short-term investments totalled \$6 billion at quarter-end.

The impact from FX on Q1 total revenue, normalized billings, and non-GAAP operating income was immaterial on a year-over-year basis.

Guidance for Second Quarter and Fiscal 2026

For Q2, we expect total revenue between \$766 and \$769 million, which represents growth of about 14% year over year. We anticipate subscription revenue of \$649 million in Q2, which represents growth of about 16%.

We expect Q2 non-GAAP operating income of \$335 to \$337 million. Non-GAAP earnings per share for Q2 is anticipated to be \$1.89 to \$1.90 based on a fully diluted share count of approximately 167 million. We are maintaining our non-GAAP tax rate at 21% for the fiscal year. Our guidance reflects current tax laws and we continue to monitor the impact of any policy changes.

Normalized billings¹ is projected to be \$663 million in Q2 and is expected to be about \$1 million below calculated billings. As a reminder, there are numerous factors that make year-over-year comparisons of normalized billings highly variable on a quarterly basis. Therefore, we do not believe quarterly billings growth is a good indicator of the underlying momentum of our business. Full-year subscription revenue guidance is the best indicator of our momentum.

Following strong results in Q1, we are updating our financial guidance for the year. We now expect total revenue of \$3.09 to \$3.10 billion, which represents growth of about 13% year over year. The \$45 million increase from prior guidance includes a \$20 million benefit from FX due to the recent weakening of the dollar.

Subscription revenue for the fiscal year is projected to be \$2.625 billion, representing growth of about 15% year over year. This consists of Commercial Solutions subscription revenue of \$1.225 billion, an increase of \$40 million from prior guidance, and R&D Solutions subscription revenue of \$1.400 billion, an increase of \$5 million from prior guidance. The increase to subscription revenue primarily reflects continued momentum in Crossix and benefits from FX.

We expect professional services revenue for the fiscal year of \$465 to \$475 million, an increase of \$5 million at the high end from prior guidance.

We now expect non-GAAP operating income of \$1.36 billion, resulting in a non-GAAP operating margin of about 44%. This is an increase of \$60 million from prior guidance, driven by the updated revenue guidance and continued operating expense discipline.

Non-GAAP earnings per share for the fiscal year is expected to be \$7.63 based on a fully diluted share count of approximately 167 million.

We expect full-year normalized billings¹ to be \$3.32 billion, representing growth of about 12% year over year. The increase of \$55 million from prior guidance includes a \$40 million benefit from FX.

Full-year normalized billings is expected to be about \$25 million above calculated billings. We expect roughly 43% of full-year normalized billings to occur in Q4.

We project fiscal 2026 non-GAAP cash flow from operations, which excludes excess tax benefit, to be \$1.210 billion, an increase of \$40 million from prior guidance.

Our guidance has been updated to reflect current FX rates and assumes they stay near current levels.

Looking Ahead

I am pleased with the team's strong execution in Q1. While there is more volatility in the environment around us, we remain focused on helping the life sciences industry become more efficient and effective. We are proud of reaching our 2025 revenue goal, and remain confident in our long-range strategy and ability to execute.



Brian Van Wagener, CFO

NOTES

¹ Normalized billings reflect calculated billings adjusted for the impact of customer term changes in our renewal business and delayed renewals that have closed and billed after the period end. A reconciliation of normalized to calculated billings can be found in our supplemental investor presentation.

² Q1'26 non-GAAP cash flow from operations excluded an excess tax benefit of about \$3 million.