Corporate Overview and Q1FY27 Financial Results

August 27, 2026

elastic | The Search AI Company

Forward Looking Statements; Use of Non-GAAP Measures

This presentation and the accompanying oral presentation contain forward-looking statements that involve substantial risks and uncertainties, which include, but are not limited to, statements regarding our expected financial results for the fiscal quarter ending October 31, 2026 and fiscal year ending April 30, 2027, our strategic areas of focus, expectations and plans regarding our future growth, our go-to-market and growth strategies and the effectiveness of such strategies, estimates of the impact of AI, assessments of our strategic partnerships, the expected performance or benefits of our offerings, our assessments of our competitive advantages, the strength of and demand for our solutions and products, and our expectations regarding the markets in which we operate and growth opportunities as well as our ability to address those opportunities. Actual outcomes and results may differ materially from those contemplated by these forward-looking statements due to uncertainties, risks, and changes in circumstances, including but not limited to those related to: our future financial performance, including our expectations regarding our revenue, cost of revenue, gross profit or gross margin, operating expenses (which include changes in sales and marketing, research and development and general and administrative expenses), and our ability to achieve and maintain profitability; the success of our AI initiatives; competition we face in the AI landscape; market understanding and valuation of AI technologies; the use of AI by our workforce; the impact of the evolving macroeconomic and geopolitical environments, on our business, operations, hiring and financial results, and on businesses and spending priorities of our customers and partners; the impact of our pricing model strategies on our business; the impact of foreign currency exchange rate fluctuations, the uncertain inflation and interest rate environment, and tariffs and other international trade policies on our results; our ability to continue to deliver and improve our offerings and develop new offerings; customer acceptance and purchase of our new and existing offerings; the expansion and adoption of our offerings; our ability to realize value from investments in the business; our ability to maintain and expand our user and customer base; our international expansion strategy; our operating results and cash flows; the sufficiency of our capital resources; our ability to successfully execute our go-to-market strategy, our forecasts regarding our business; our ability to repurchase our ordinary shares at favorable prices, or at all; our plan to align our investments more closely with our strategic priorities that we announced earlier this year, and general market, political, economic and business conditions.

Any additional or unforeseen effect from the evolving macroeconomic and geopolitical environments may exacerbate these risks. Additional risks and uncertainties that could cause actual outcomes and results to differ materially are included in our filings with the Securities and Exchange Commission (the "SEC"), including our Annual Report on Form 10-K for the fiscal year ended April 30, 2026 and subsequent quarterly and current reports filed with the SEC. SEC filings are available on the Investor Relations section of Elastic's website at ir.elastic.co and the SEC's website at www.sec.gov. Elastic assumes no obligation to, and does not currently intend to, update any such forward-looking statements, except as required by law.

In addition to GAAP financial information, this presentation and the accompanying oral presentation include certain non-GAAP financial measures. See the Appendix for a reconciliation of all historical non-GAAP financial measures to the most directly comparable GAAP financial measures.

Q1FY27

Results

TOTAL REVENUE

$478M

+15% Y/Y · +15% Y/Y in CC

KEY METRICS

Sales-led Subscription Revenue*

$399M

+18% Y/Y · +17% Y/Y in CC

Current Remaining Performance Obligations (cRPO)

$1.153B

+21% Y/Y · +20% Y/Y in CC

Non-GAAP Operating Margin*

16.2%

Customers with ACV >$100K

1,800+

ACV = annual contract value, CC = constant currency
Sales-led subscription revenue is a non-GAAP financial measure that is calculated as total subscription revenue excluding Monthly Elastic Cloud.
*See appendix for reconciliation to the most directly comparable GAAP financial measures.

Elastic, the Search AI Company, combines the **precision of search** with the **intelligence of AI** to help everyone **find answers that matter** from all data.
In real time. At scale.

elastic

Today’s business priorities all connect to data

- Elevating Customer Experiences
- Improving Operational Resilience
- Mitigating Security Risk

elastic

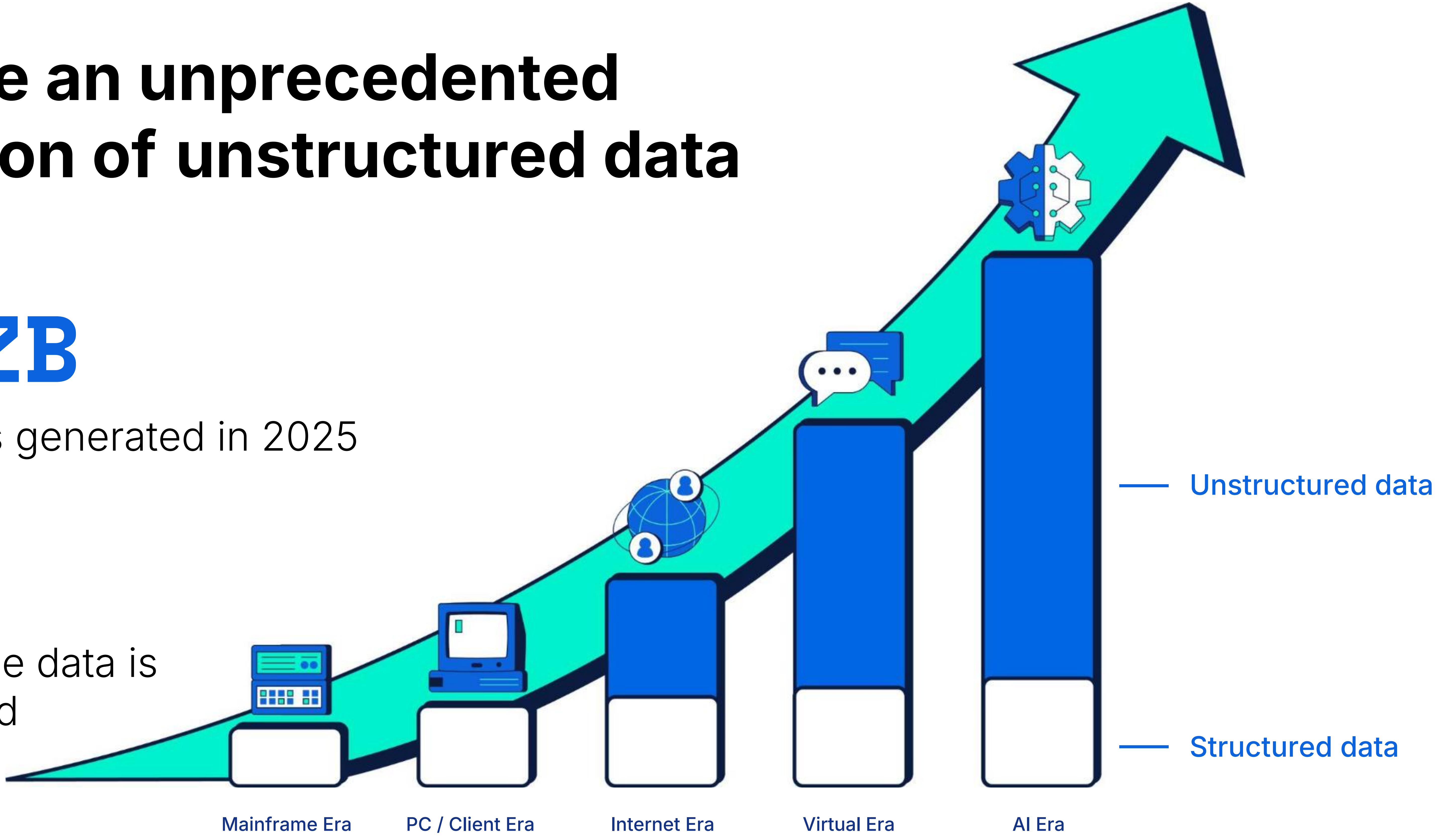
We face an unprecedented explosion of unstructured data

175 ZB

Of data was generated in 2025

90%

Of enterprise data is unstructured

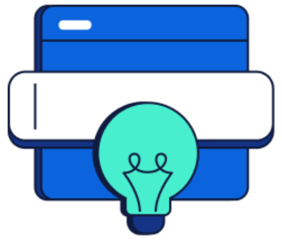


Worldwide IDC Global DataSphere Forecast, 2024_2028: AI Everywhere, But Upsurge in Data Will Take Time
IDC White Paper: The Untapped Value of Unstructured Data

AI is reshaping the software stack

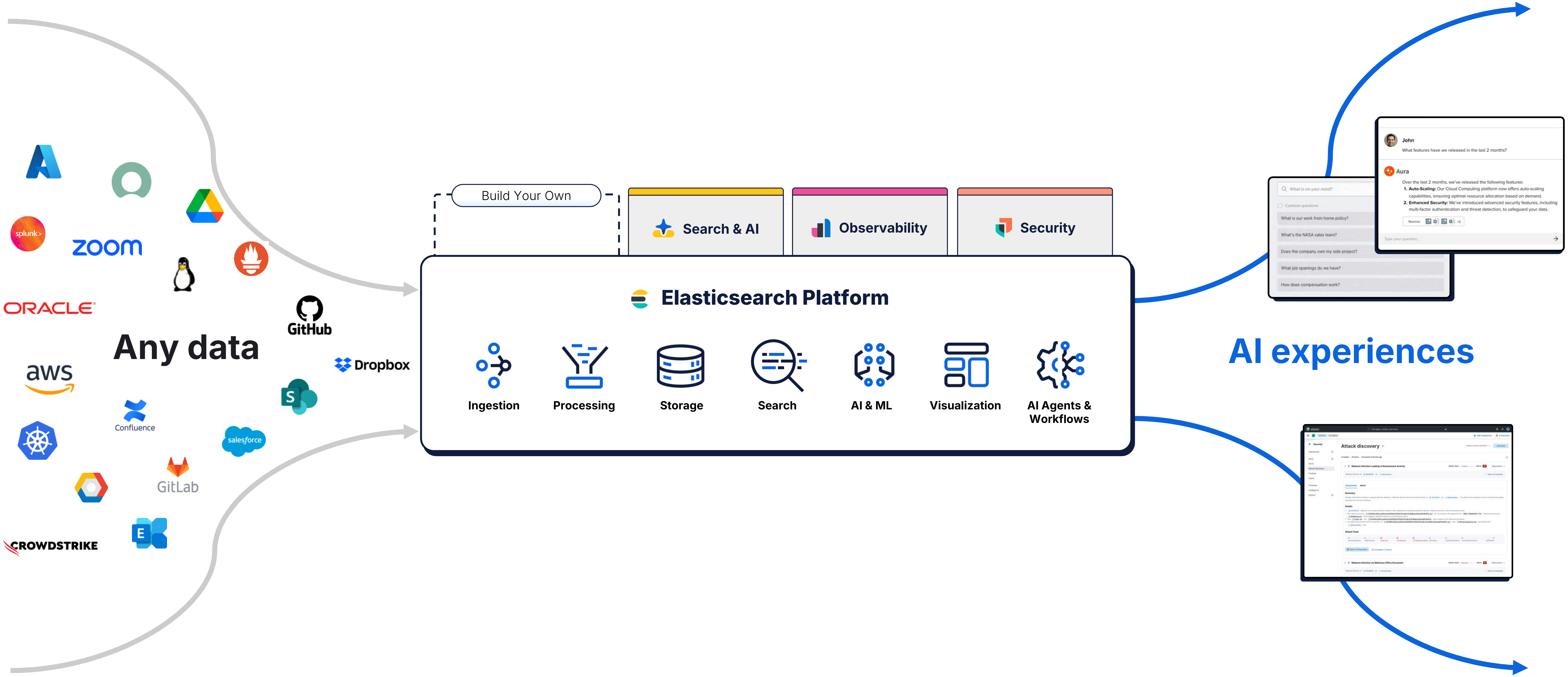
LLMs are the new operating system

Data of all shapes and types are the fuel



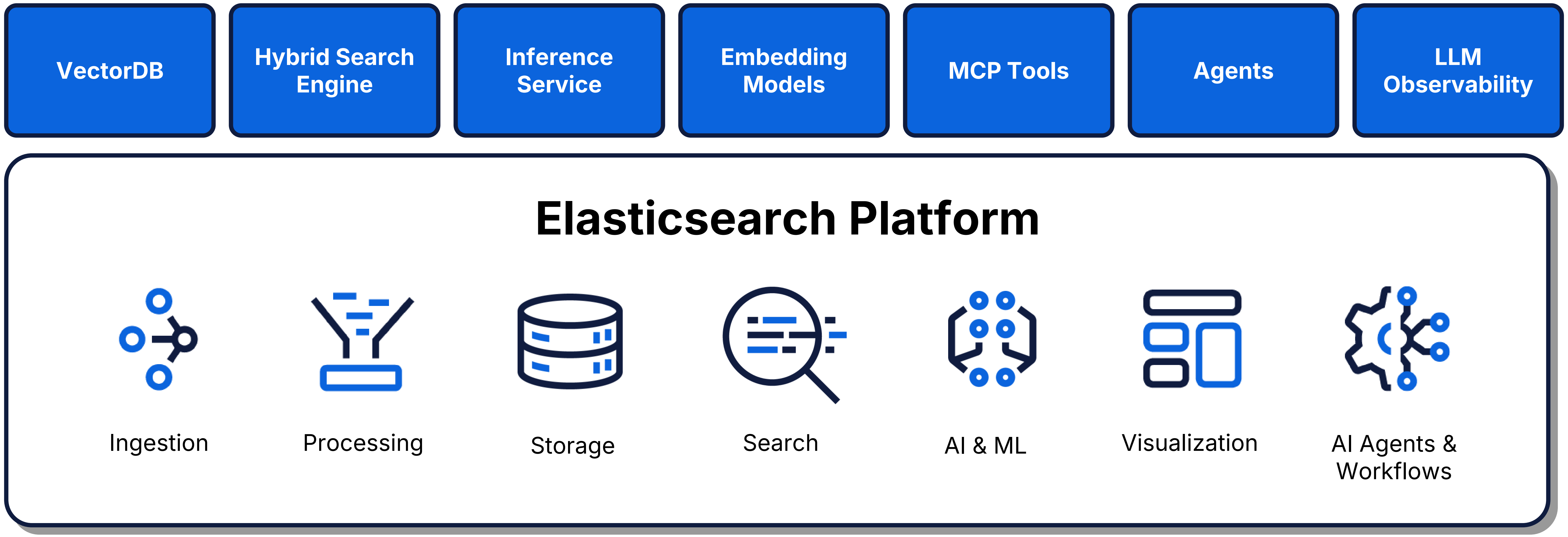
Relevance is the key to production-ready AI

Elasticsearch was built for this moment

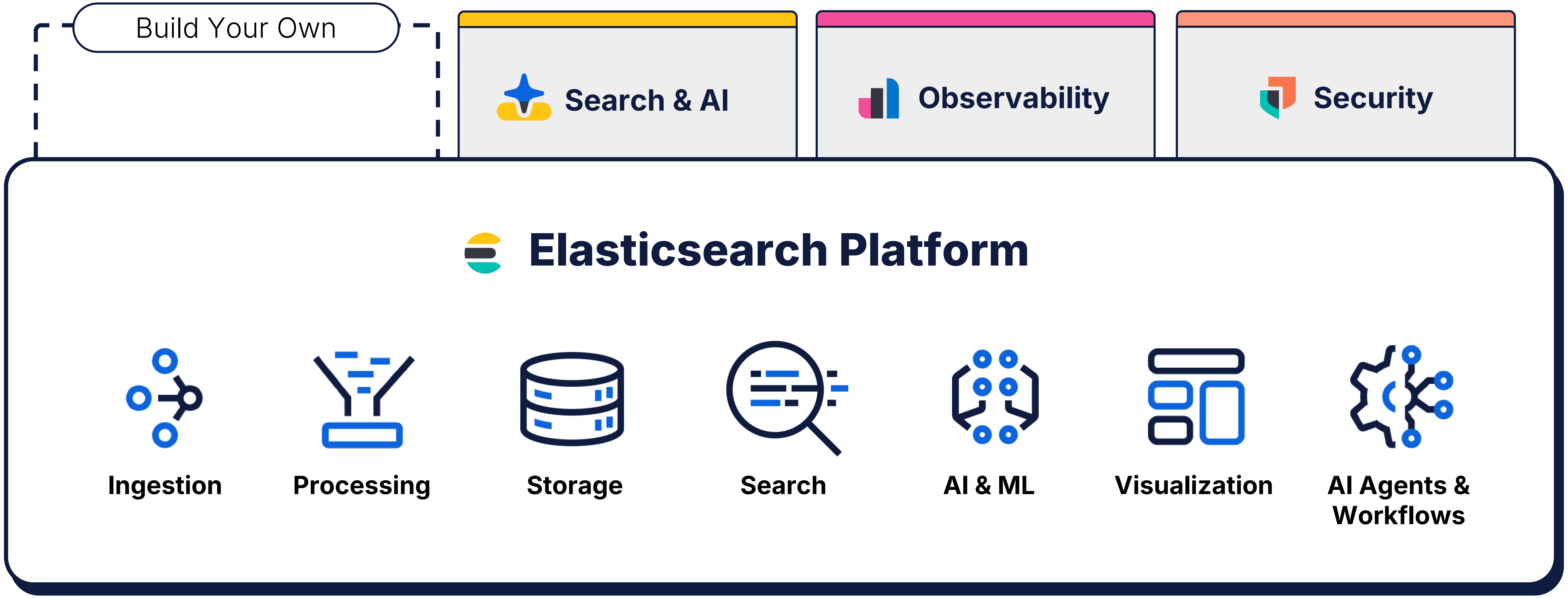


elastic

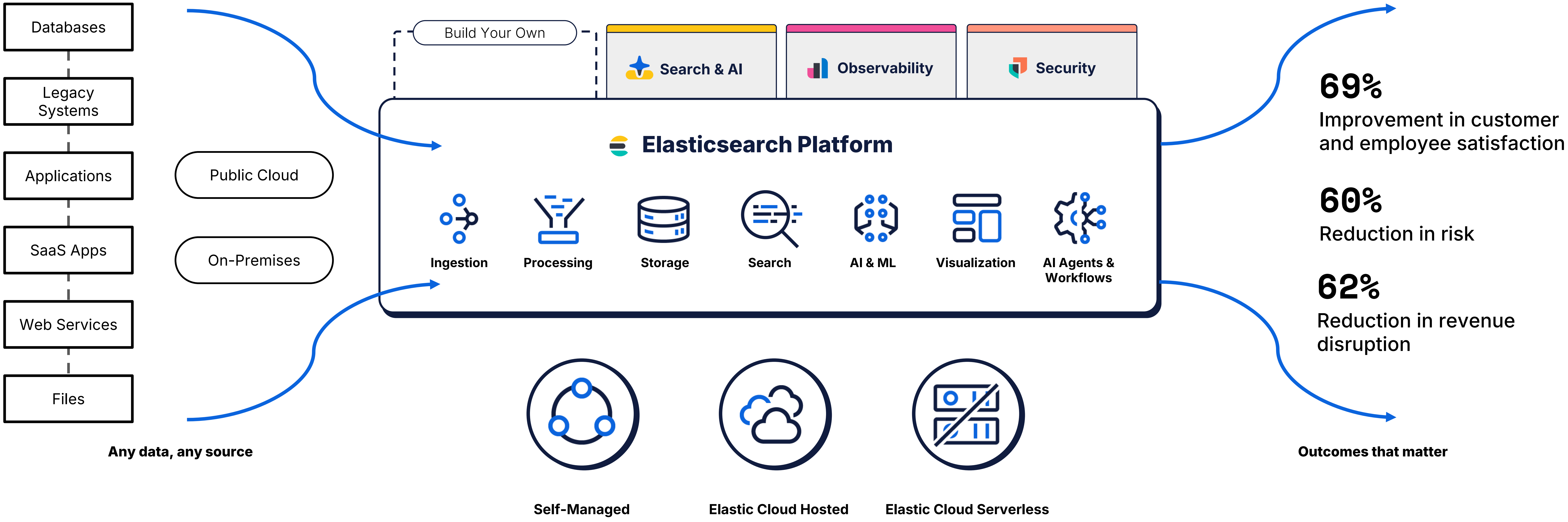
The Elasticsearch Platform provides everything developers need to do context engineering right



One platform, with the freedom to build anything



A comprehensive and open platform that delivers relevant results in real-time



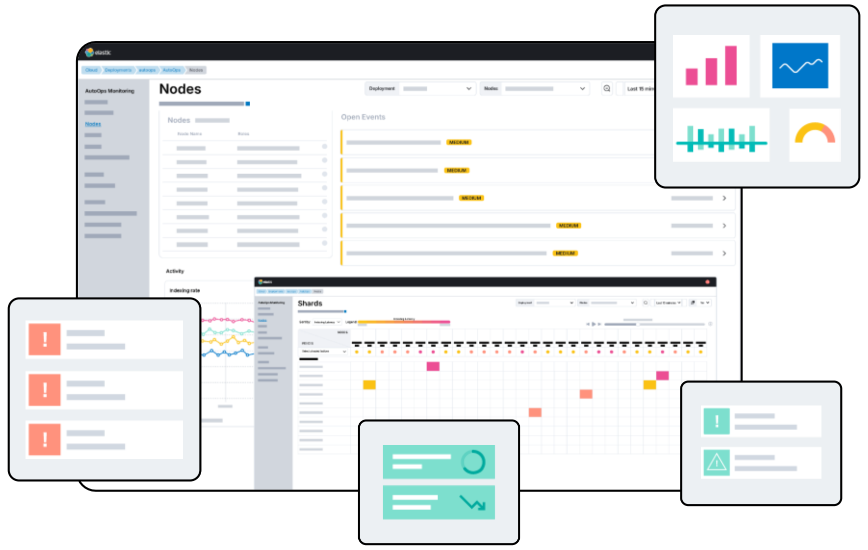
Adopting Elasticsearch has never been easier

Self-Managed

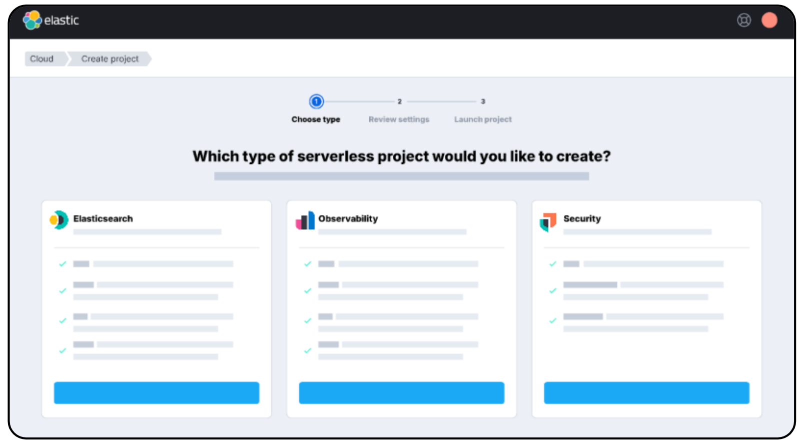
Elastic Cloud Hosted

Elastic Cloud Serverless

Spin up **Elastic Self-Managed** with one simple command.



Run Elastic in a cloud-hosted manner with full control over your Elasticsearch environment.



Deploy and use Elastic via **Elastic Cloud Serverless** without managing the underlying Elastic cluster, such as nodes, data tiers, and scaling.

Elastic has built a strong foundation for AI, 15 years in the making

Founded Elasticsearch

Lexical Search

Filters & Facets

Relevance & Ranking

Native Vector Search

Native vector search

KNN search + vector distance functions

Approximate Nearest Neighbor (ANN)

HNSW

Lucene 9 optimizations

AI Workloads

Memory breakthroughs (up to 32x reduction)

Hybrid search (vectors + keywords)

Pre-trained models (ELSER, E5)

Inference API

AI Playground

Agentic AI

Advanced parallelism (CPU, I/O, storage)

Sparse indexing optimizations

ACORN

DISK BBQ and other performance optimizations

Elastic Inference Service

MCP Tools

Agent Builder

NVIDIA Hardware Acceleration

Jina AI Models

Elastic Workflows

Auto-calibration for DiskBBQ

Simplified Vector Search (semantic_text, semantic field)

VectorDB Index Mode

Columnar Mode

More…

v0.x - v6.x							v7.x					v8.x			v9.x	
2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026

elastic

Elastic provides everything you need to build AI applications

Data Prep & Inference

- Sparse & dense vector encoding models
- Multi-lingual embedding models
- Multi-modal embedding models
- GPU-based inference service
- Automatic chunking
- 200+ connectors
- Web crawlers
- Automated parsing
- Quantization

Vector DB

Retrieval

- Vector search
- Lexical search
- Hybrid search
- Geospatial search
- Graph traversal
- Filtering & faceting
- Reranking models
- Query rules & rescoring
- Query understanding models
- RAG Workflows
- LLM integration

Agentic AI

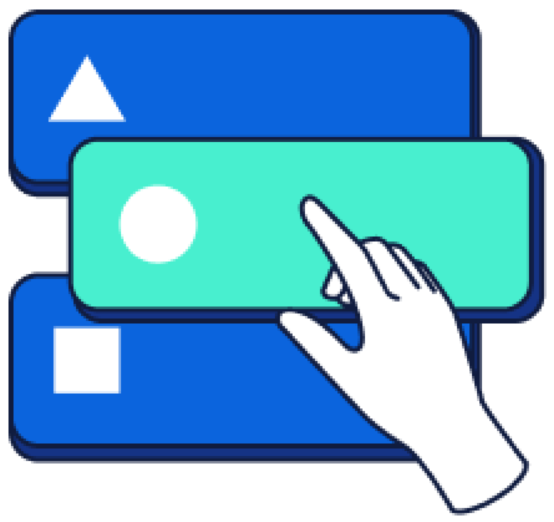
- Tool building
- Agentic workflows
- Tool selection
- Memory systems
- Prompt management
- MCP/Agent interfaces

Evaluation & Monitoring

- Relevance benchmarking
- A/B testing
- Behavioral analytics
- Cost & token tracking
- Query logging, metrics, tracing

Context Engineering

AI applications lead to better outcomes



Delivers the most relevant content

Before GenAI composes a response, Elasticsearch delivers the most relevant content to best answer the query

Maintains security and confidentiality

Recognizes and implements the appropriate access to the user and data, removes private information

Reduces costs

By providing the information most relevant to the query, less compute and storage resources are required

Complete platform for AI apps

End to end platform to build and deliver AI search applications

Recognized leadership in search, log analytics, and security analytics

Elasticsearch

Leader in The Forrester Wave™: **Cognitive Search**, Oct. 2025

Leader in the IDC Marketscape: **Worldwide General-Purpose Knowledge Discovery Software** 2025

Leader in the IDC Marketscape: **Knowledge Discovery for External-Facing Use Cases** 2024

Observability

Leader in the Gartner® Magic Quadrant™ for **Observability Platforms**, Jul. 2026

Leader in IDC MarketScape: **Worldwide Observability Platforms** 2025 Vendor

Security

Leader in IDC MarketScape for Worldwide **SIEM** 2026, Jul. 2026

Strong Performer in The Forrester Wave™: **Extended Detection And Response Platforms**, Q2 2026

Leader in The Forrester Wave™: **Security Analytics Platforms**, Jul. 2025

Leader in IDC MarketScape for Worldwide **XDR** 2025

Visionary in Gartner® Magic Quadrant™ for **SIEM**, Oct. 2025

Leader in IDC Marketscape for **SIEM** 2024

Gartner FORRESTER® IDC

elastic

Trusted by organizations around the world

FINANCE	TECHNOLOGY	TELCO / MEDIA	CONSUMER	HEALTHCARE	PUBLIC SECTOR	AUTOMOTIVE / TRANSPORTATION	RETAIL
DISCOVER	Adobe	COMCAST	ebay	Nebraska Medicine	GSA	Audi	Auchan
Swift	docusign	orange	Miles & More Lufthansa	NHS King's College Hospital NHS Foundation Trust	Lawrence Livermore National Laboratory	BMW	THE HOME DEPOT
USAA	GitHub	Telefónica	lyft	opala	THE TEXAS A&M UNIVERSITY SYSTEM	Ford	HSE
VISA	IBM	T Mobile	PEPSICO	Pfizer	U.S. AIR FORCE	JAGUAR LAND ROVER	Waitrose
WELLS FARGO	stackoverflow	verizon	Uber	UCLA Health	USDA	PORSCHE INFORMATIK	Walgreens

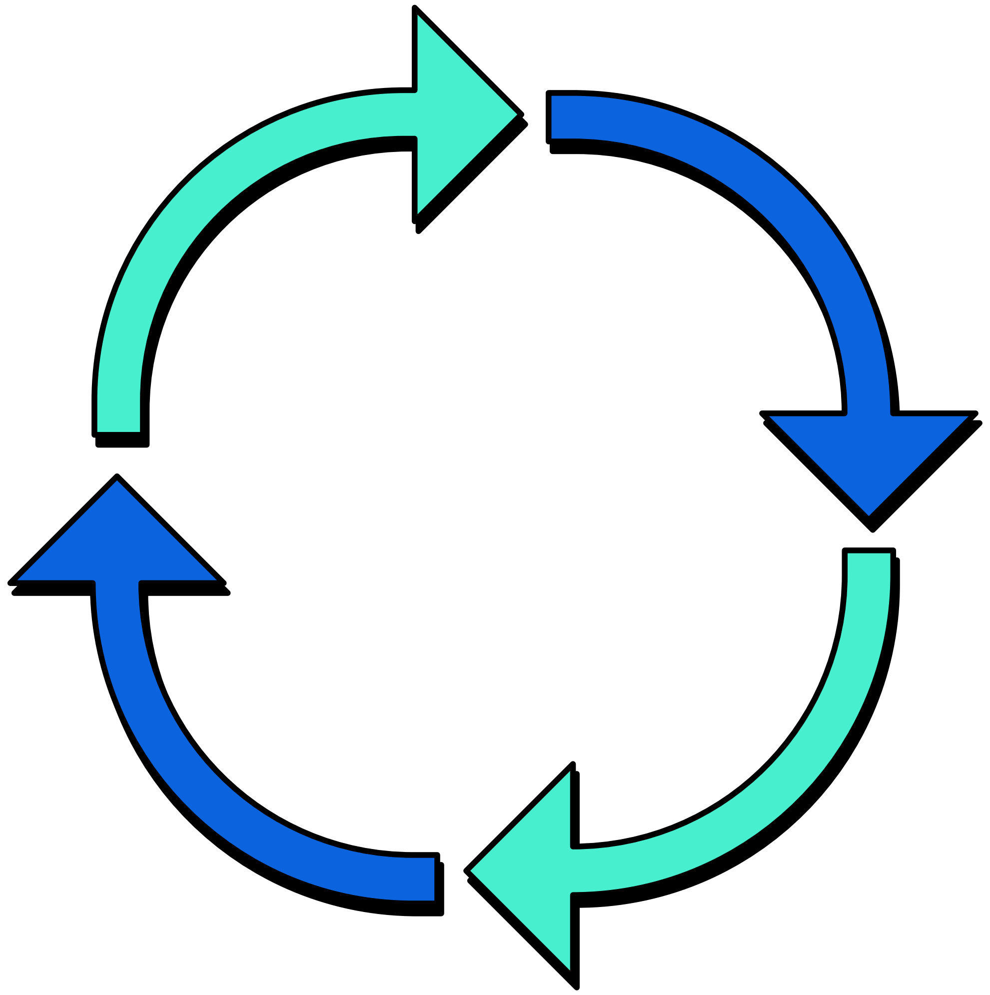
Why Elastic wins

Power of Elasticsearch

- Solving problems from a search and AI lens: speed, scale, relevance
- Strong foundation in AI/ML, with support for AI across solutions
- Unstructured data from any source
- All solutions on a single stack
- Deploy anywhere - cloud, hybrid, on-prem

Power of the Community

- Millions of developers with billions of downloads
- Facilitates bottom up adoption within enterprises
- Generates an entry point into new markets
- Engaging with open communities across solutions (Open Security, OpenTelemetry)



Power of the Commercial Model

- Compelling TCO advantages and greater business value
- Uniform resource-based pricing model
- Consumption-based model for Cloud

Power of Partnerships

- Strategic partnerships with hyperscalers, including co-investments
- Powerful technology integrations
- Preferential access and relationships
- Joint sales pursuits

Massive adoption world wide

Community

17%
of all professional developers use Elasticsearch [1]

19%
of all AI developers use Elasticsearch [1]

Millions
of developers world wide use Elasticsearch [1]

Open Source

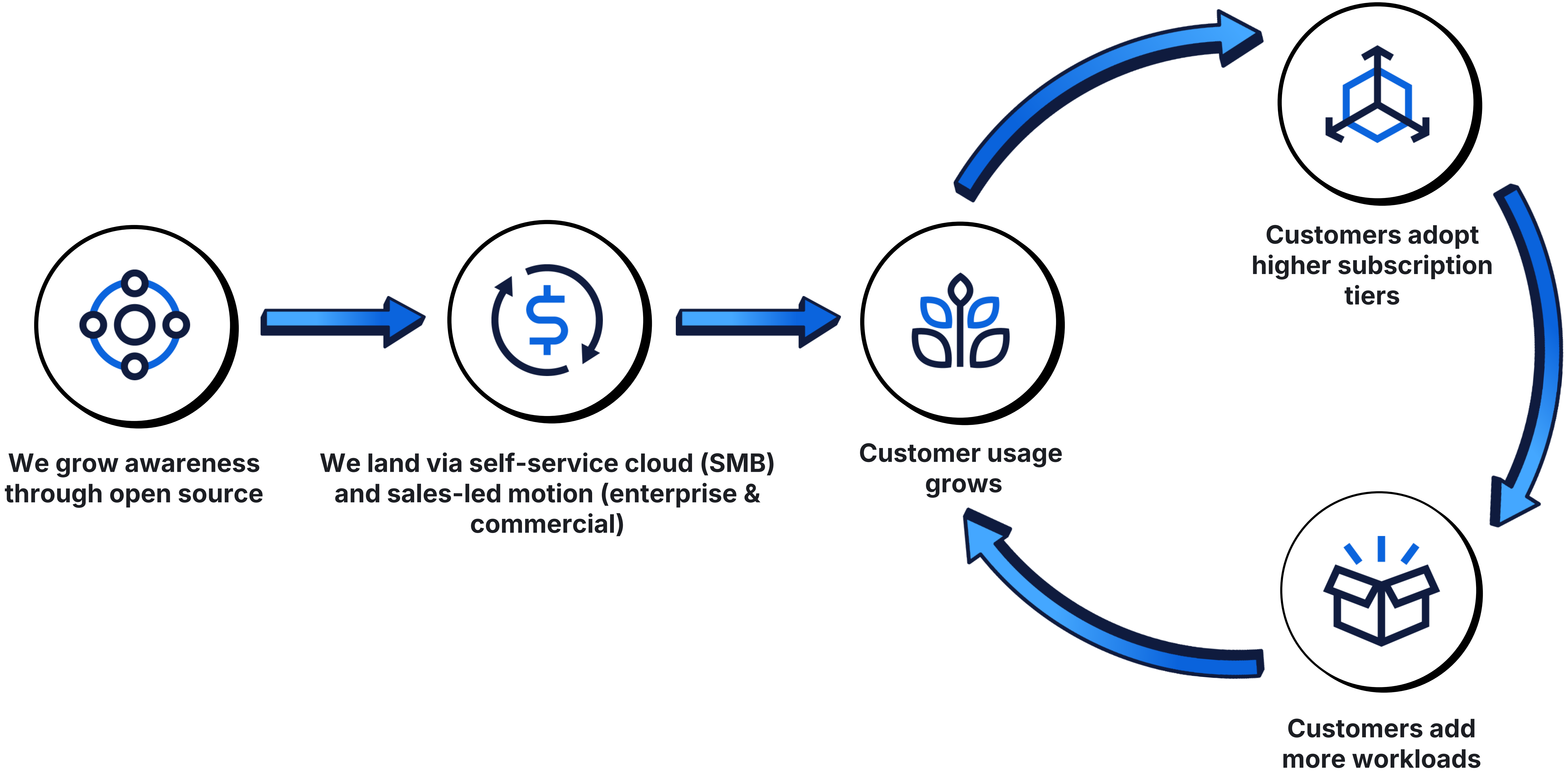
5.9B
Total Downloads (12 Dlds. per Sec. / 15 Years)

#1
Search Engine & Vector Database in the World [2]

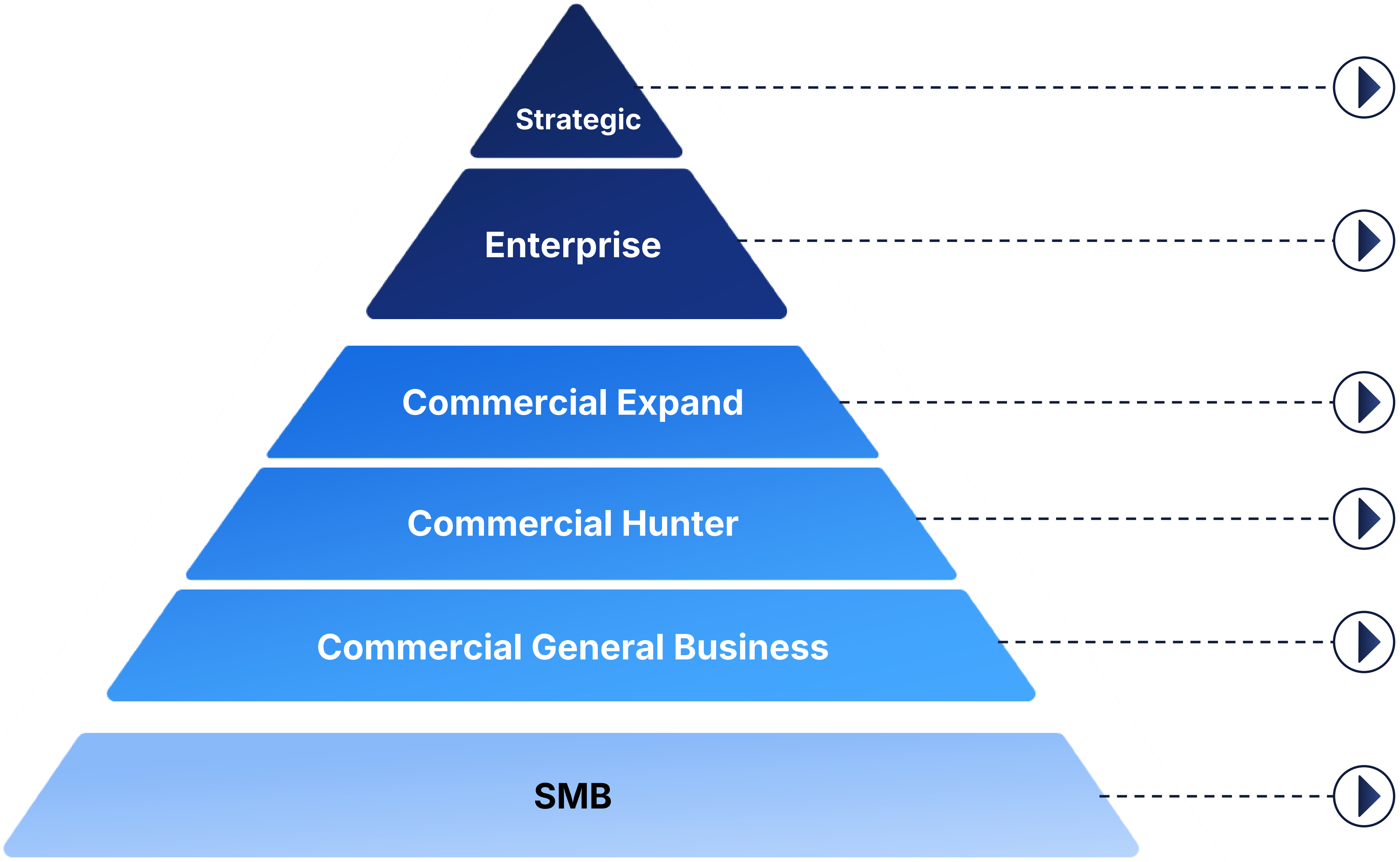
125K+
Total GitHub Stars

1. Stack Overflow Developer Survey
2. DB Engines Ranking of Vector DBMS

We land and expand with multiple paths to growth



Segmentation optimized for performance



Focus

- Largest opportunities, highest density coverage
- Expansion and new logo
- Expansion
- New logo
- Low-cost inside sales coverage
- Product-led growth

Coverage Model

Direct Sales
Services
Partner Ecosystem
(Cloud, OEM/MSP, GSI, Resellers)

High automation, self-serve product-led motion

elastic

Elastic & Hyperscalers: Powering AI innovation at scale

Elastic partners with the world's leading cloud providers to deliver our **Search AI Platform** that powers **search**, **observability**, and **security** in 50+ cloud regions globally

aws

GenAI Partner of The Year

- Rapidly build and scale generative AI apps with Elastic integrated into Amazon Bedrock
- High performance and reliability with Elastic co-innovating to run natively on AWS
- Available through Monthly Subscription (PAYG), Private Offer and through your preferred reseller

aws PARTNER OF THE YEAR WINNER 2024

aws elastic AWS Rising Star Partner of the Year 2023 - US

Google Cloud

5x Partner of The Year

- Ground LLMs with real-time enterprise data using Elastic's vector search in Vertex AI
- Accelerate AI and data-driven outcomes leveraging observability and security insights with GCP-native integrations
- Available through Monthly Subscription, Private Offer and through your preferred reseller

Google Cloud ARTIFICIAL INTELLIGENCE Partner of the Year Data Management & AI 2025

Google Cloud ARTIFICIAL INTELLIGENCE Partner of the Year Tooling 2025

Microsoft Azure

2x Partner of The Year

- Build Agentic AI Apps using Elasticsearch AI integrated with Azure AI Services and Semantic Kernel
- Natively monitor, and secure Azure workloads using Elastic Observability and Security as an Azure Native ISV Service
- Available through Monthly Subscription (PAYG) and Annual Agreements

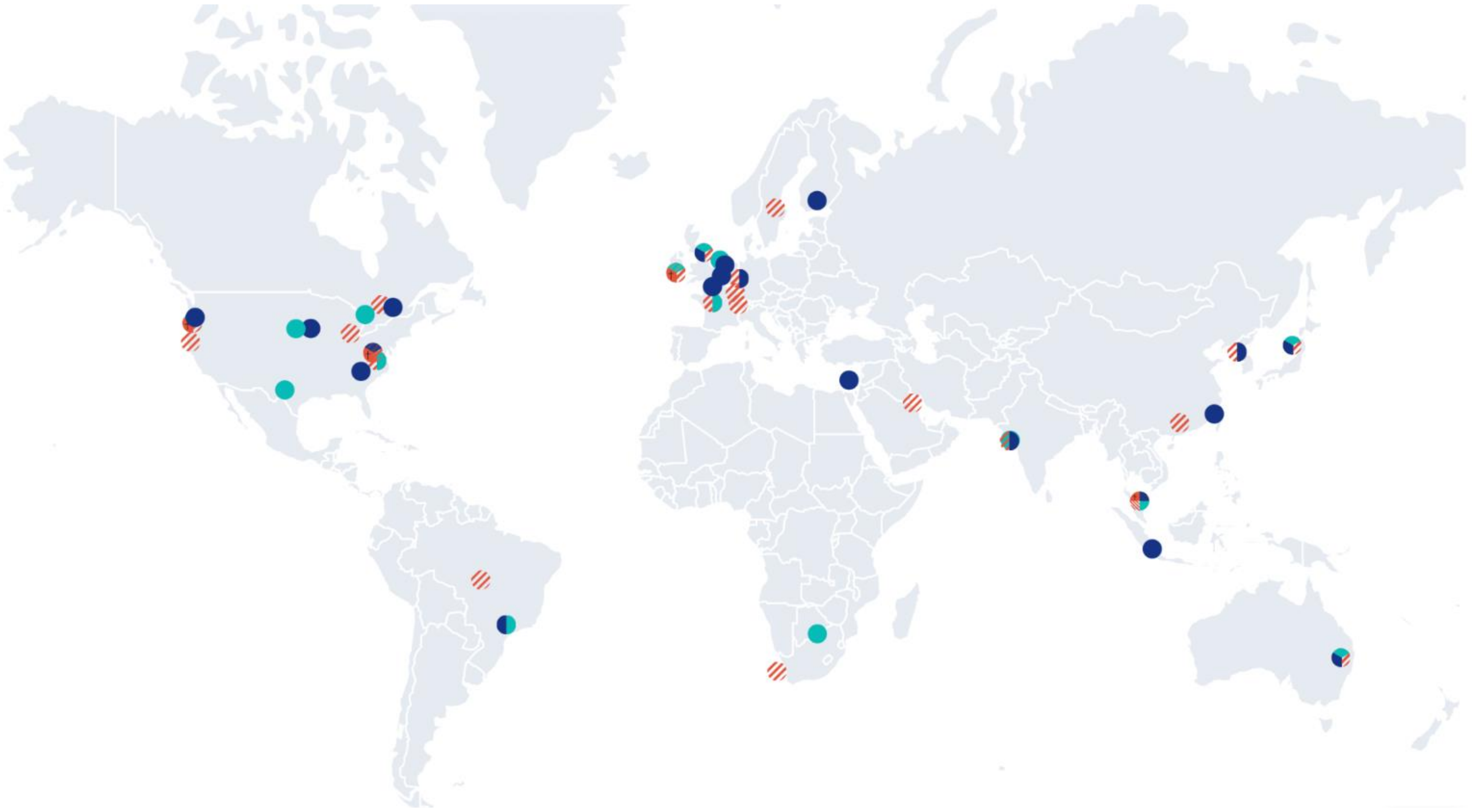
Microsoft 2024 Partner of the Year Winner United States

Simplified procurement through marketplace aws Google Cloud Microsoft Azure

Alibaba Cloud Tencent Cloud

The Elasticsearch Platform is available wherever your data lives

- Public cloud
- Hybrid
- On-premises



Amazon Web Services | Google Cloud | Microsoft Azure

60+ cloud regions globally

elastic

Customer Stories

elastic

READ THE STORY

Software & Technology | United States

395M+

Repositories and billions of documents searchable with semantic search

GitHub brings semantic search to billions of documents with Elastic

> The fact that we can run a search platform used by hundreds of millions of users with a team of about five or six engineers is mind-blowing.

David Tippett

Senior Search Engineer

GitHub

Overview

GitHub is the world's largest software development platform, supporting more than 180M developers and 4M organizations with over 395M repositories and billions of searchable documents. GitHub uses Elasticsearch and semantic search to help developers and AI systems quickly discover code, APIs, discussions, and documentation at massive scale.

Challenges

- Traditional keyword search struggled with natural-language and AI-driven queries.
- Billions of documents required fast, scalable semantic retrieval.
- Zero-result searches and poor discoverability impacted user experience.

Solution

- Elasticsearch
- Elastic Cloud
- Kibana
- Semantic Search
- Vector Search
- BBQ (Better Binary Quantization)

Outcomes

- Supports semantic search across 395M+ repositories and billions of documents.
- Reduced zero-hit searches and improved click-through rates for natural-language queries.
- Operates a global-scale search platform with a lean team of 5–6 engineers.

elastic

WATCH VIDEO

READ THE STORY

CATHAY PACIFIC

Aviation and transport | Singapore

30% Reduction in operational noise, with 98% apps migrated off legacy system

Cutting operational noise by 30%: How Cathay Pacific unified observability on Elastic Cloud

> **When an incident happens, there is no longer a debate about whether it is a security incident or a platform issue. Both teams are looking at the same data points and the same triggers. Security can focus on threat hunting, and the platform team can focus on availability.**

Rajeev Nair
General Manager,
IT Infrastructure & Security,
Cathay Pacific Group

Overview

Cathay Pacific, the premium airline of the 80-year-old Cathay group, runs 300+ mission-critical applications across 100+ stations worldwide. As part of a decade-long modernization, it consolidated observability and security telemetry onto Elastic Cloud, giving teams one shared platform and cutting operational IT noise by ~30%.

Challenges

- Disconnected monitoring tools made it **impossible to see a customer journey** end to end.
- Every incident began with a debate: **infrastructure or security?**
- Monitoring tracked i**nfrastructure symptoms**, *not* business outcomes.

Solution

Cathay unified observability and security telemetry into a single Elastic Cloud deployment built on Elasticsearch, with one schema and one query language for every team. On this shared layer, it now monitors business functions like booking, payment, and inventory as complete end-to-end transactions rather than isolated infrastructure metrics.

Outcomes

- Eliminated the **ownership debate**, giving both teams **one source of truth and faster resolution**
- Cut **operational IT noise ~30%** by shedding patching and hardware work
- Shifted from **reactive firefighting to proactively fixing issues** before they reach customers

elastic

VISA

Financial Services | United States

READ THE STORY

Min → sec

How Visa used Elastic Workflows to cut alert triage from 10–20 minutes to seconds with a controlled, human-on-the-loop AI step

> **What used to require 10 to 20 minutes of analyst effort per fire now completes in seconds. The IR team is no longer receiving a raw signal that requires investigation to begin. They are receiving a fully contextualized alert that is ready for decision-making.**

Visa cybersecurity engineering team

Overview

Visa is a world leader in digital payments, facilitating transactions between consumers, merchants, financial institutions and government entities across more than 200 countries and territories.

Challenges

- Manual follow-up searches added 10–20 minutes to every alert investigation.
- Mainframe logs and legacy query languages created inconsistent analyst experiences.
- Analysts had to switch between multiple tools before beginning incident response.

Solution

- Elastic Security
- Elastic Workflows
- ES|QL (Elasticsearch Query Language)
- AI-powered validation workflows
- Webhook integrations
- IR ticketing systems

Outcomes

- **10–20 minutes → seconds** for per-fire triage on the mainframe default-account detection.
- **4 automated pipeline stages:** detection, enrichment, AI validation, and webhook delivery.
- **5-minute execution cadence** with a **10-minute lookback window** for continuous monitoring.

Medium-term Financial Framework

elastic

Medium-term financial framework

Sales-led Subscription Revenue Growth

Base Growth		GenAI Tailwinds		Target Growth
15%+ Continued execution via core solution set	+	**5%+** Growing penetration of GenAI use cases	=	**20%+** Base growth + GenAI tailwinds

Adj. FCF Margin

Opex flexibility to invest in profitable growth and enable Rule of 40%+

Total Revenue + Adj. FCF Margin

Rule of 40

Non-GAAP Operating Margin

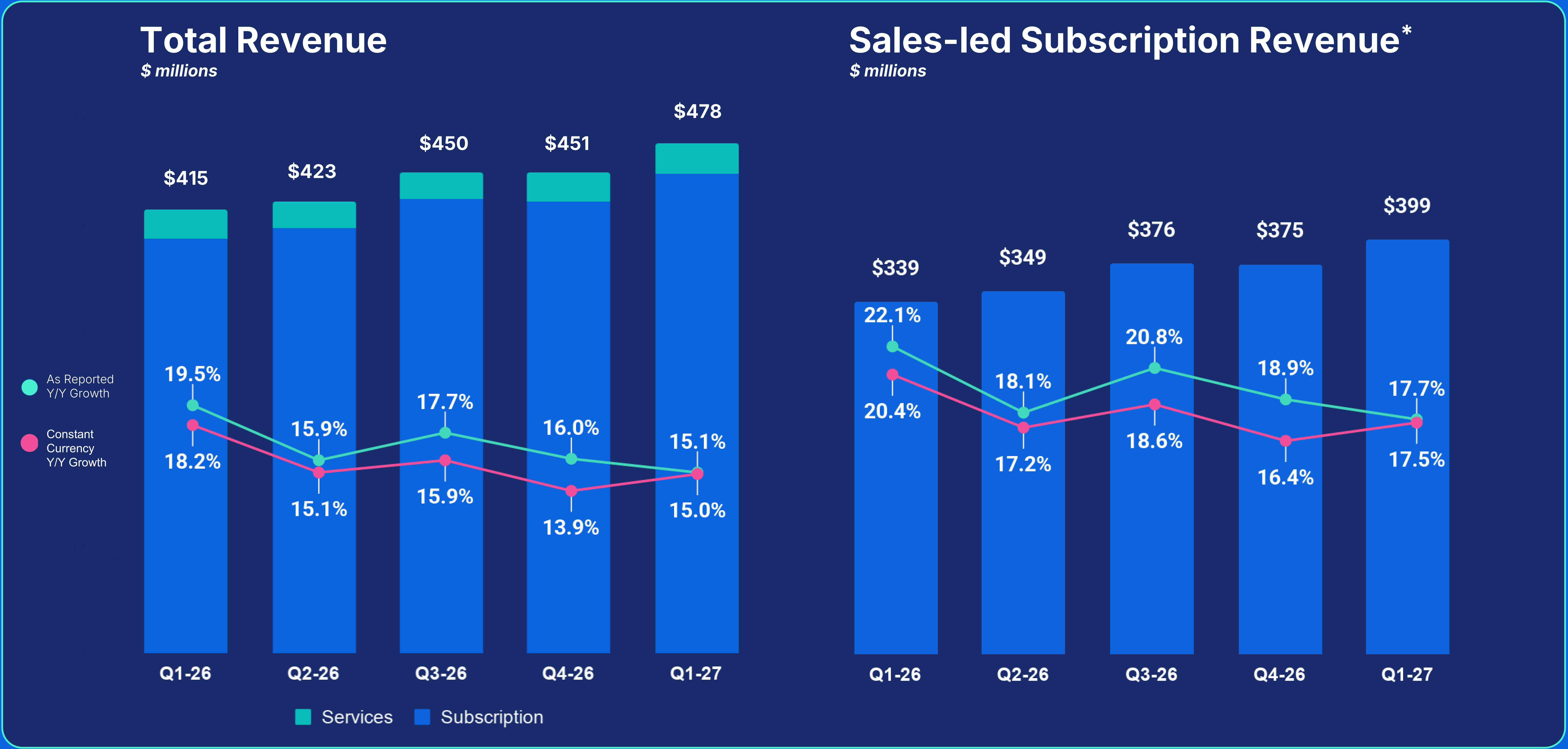
~25% (up from >20% at 2025 Financial Analyst Day)

Rule of 40 is calculated at total revenue growth plus adjusted free cash flow margin.

Q1 FY27 Results

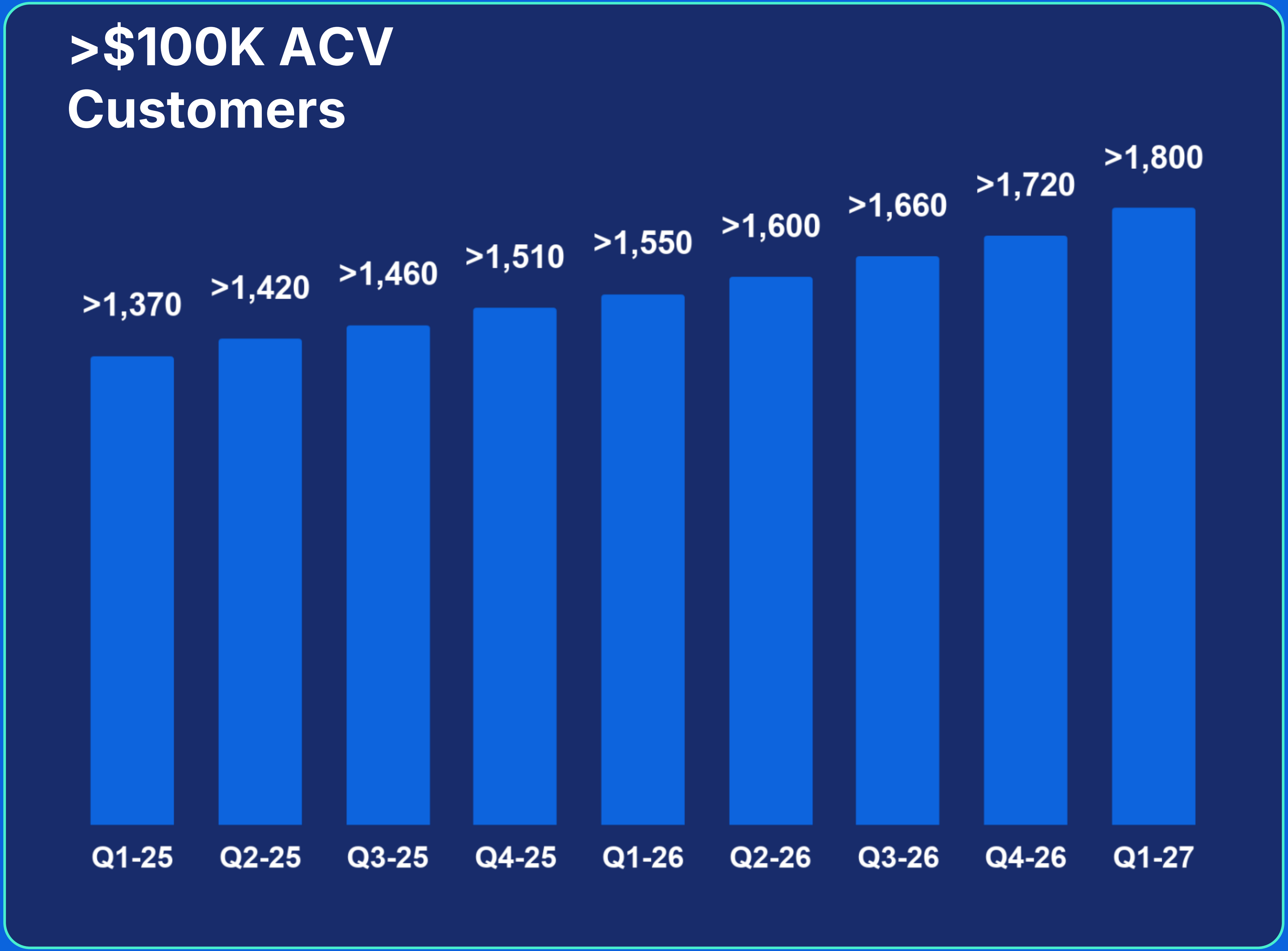
elastic

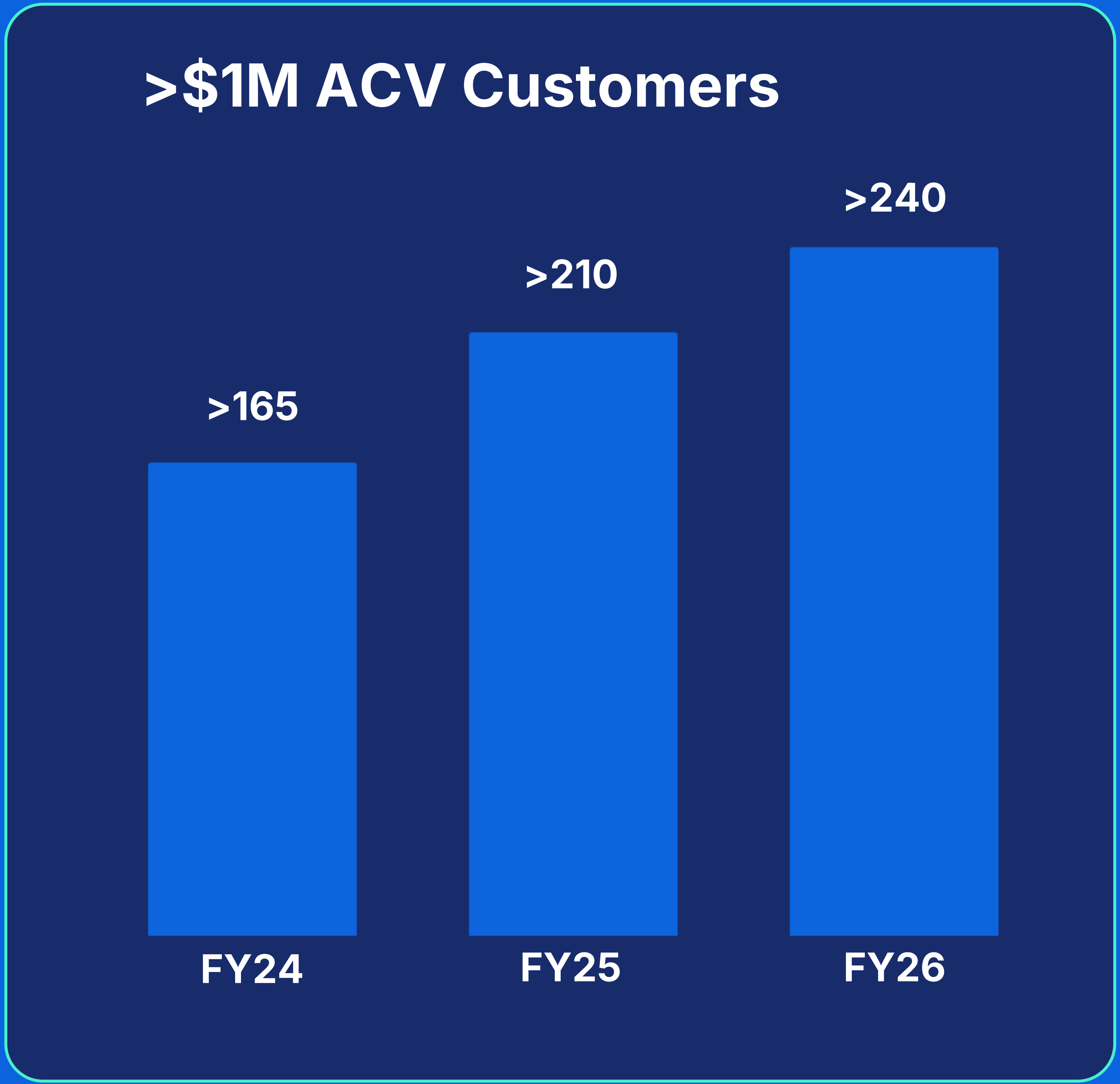
Sales-led subscription growth drives our model



* See appendix for reconciliation to the most directly comparable GAAP financial measure.

Top-line results powered by our >$100K ACV customers





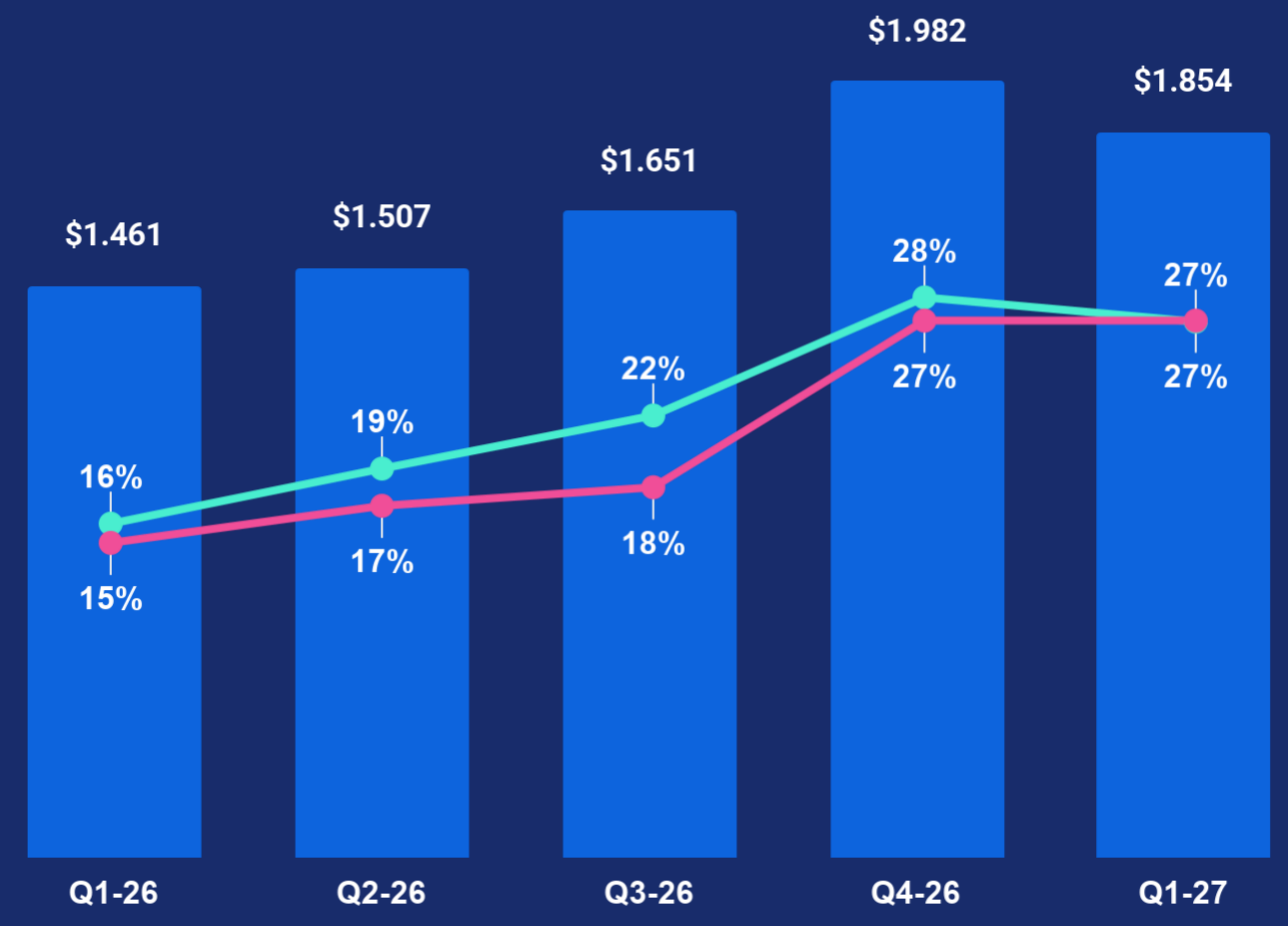
Customer commitments remain strong

Current Remaining Performance Obligations (cRPO)

$ billions

Remaining Performance Obligations (RPO)

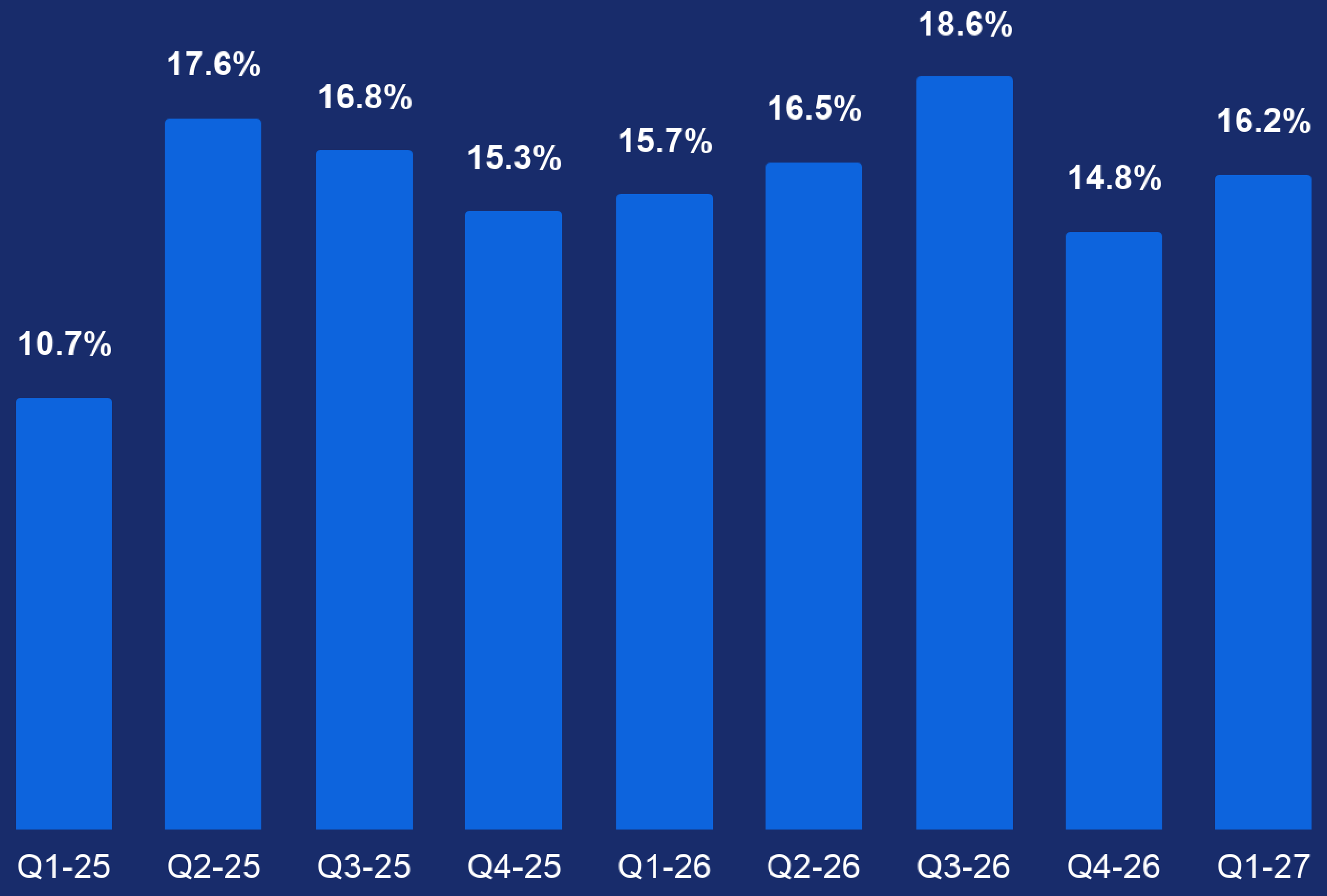
$ billions



elastic

Driving ongoing leverage in our model

Quarterly Non-GAAP Operating Margin*

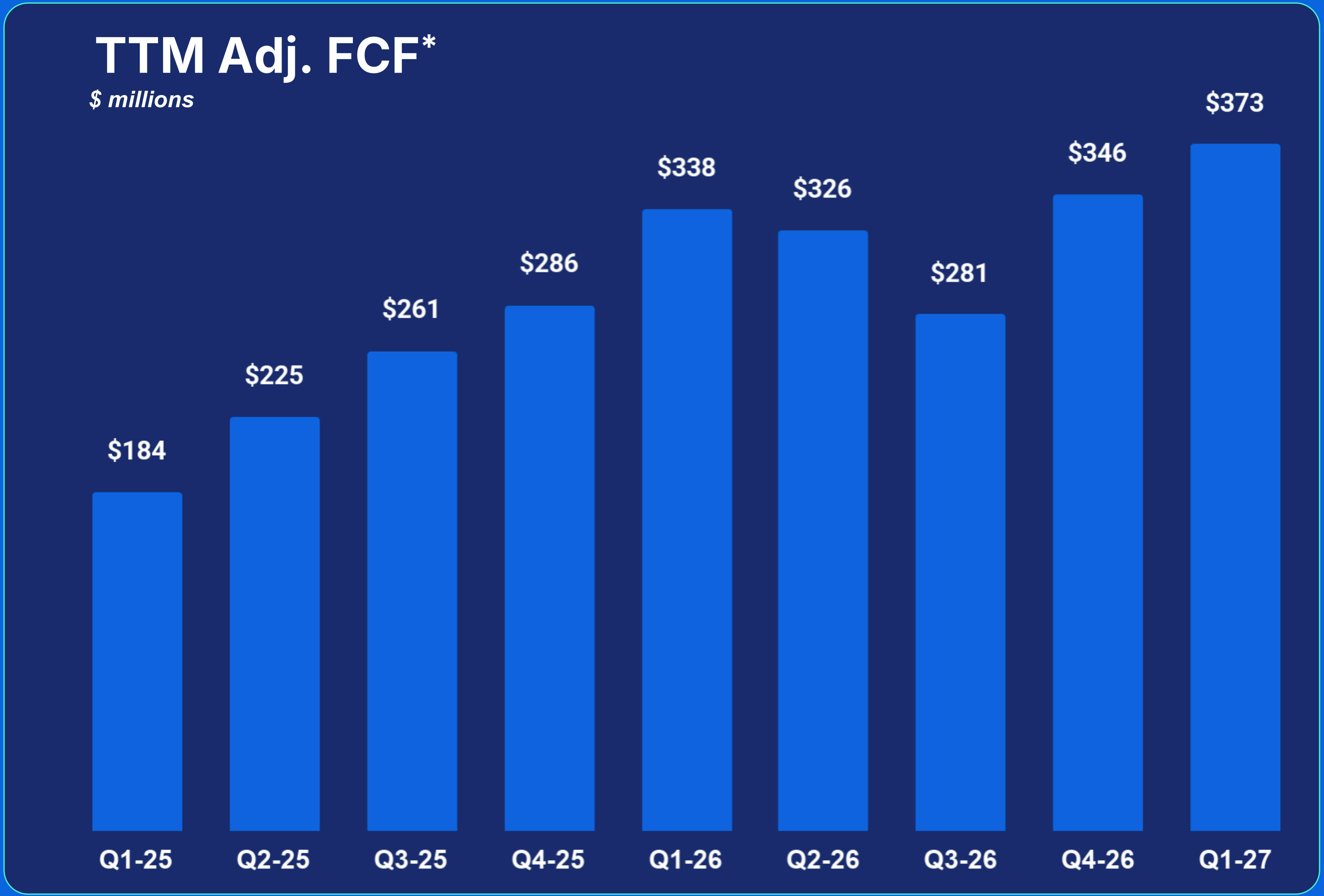


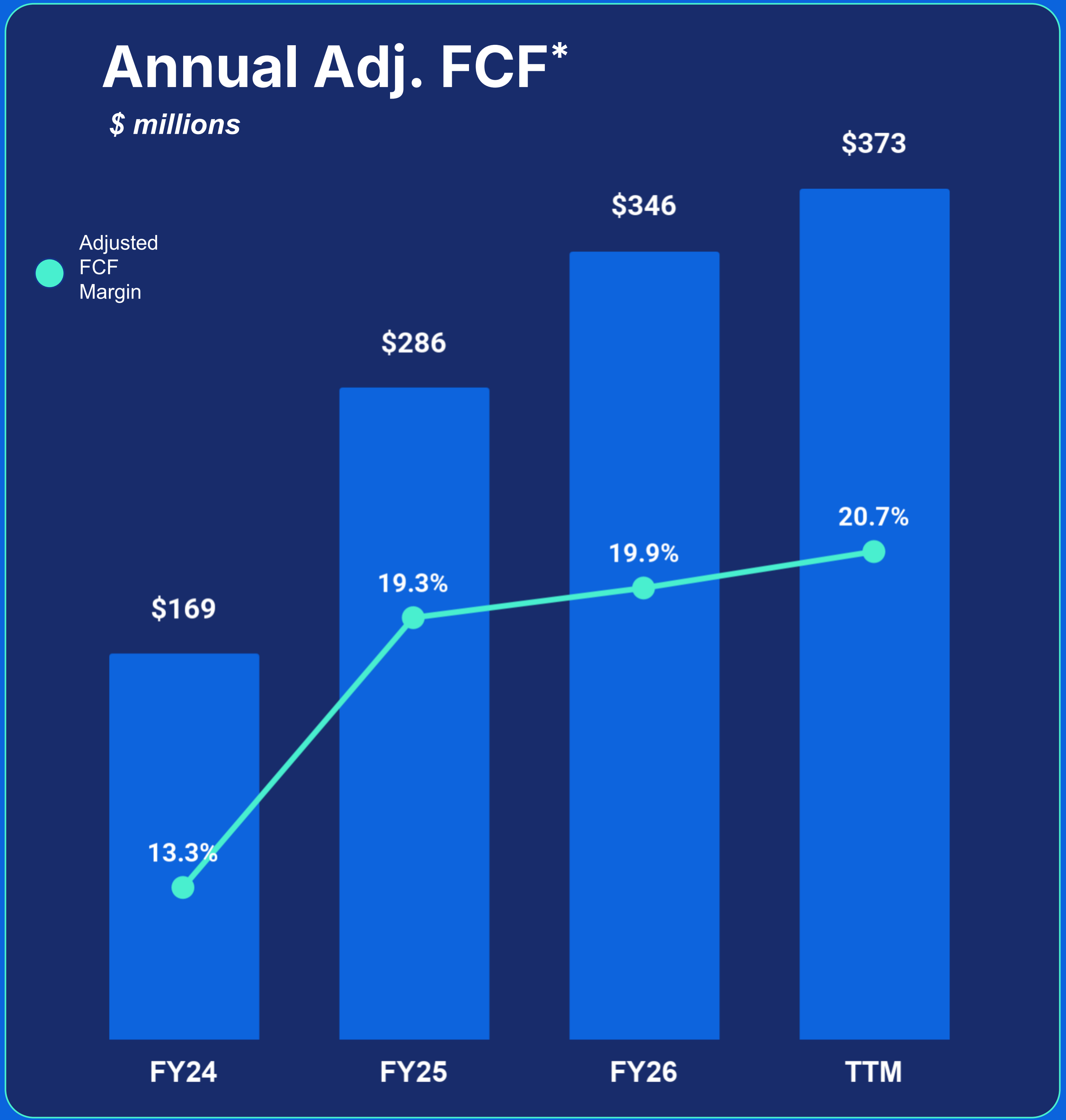
Annual Non-GAAP Operating Margin*

*See appendix for reconciliation to the most directly comparable GAAP financial measure.

elastic

Solid history of adjusted free cash flow growth





*See appendix for reconciliation to the most directly comparable GAAP financial measure.

Revenue Highlights

$ millions	Q1 FY27	Y/Y	Y/Y CC
Total Revenue	$478	15%	15%
Total Subscription Revenue	$449	15%	15%
Total Sales-led Subscription Revenue*	$399	18%	17%
Monthly Elastic Cloud	$50	1%	1%
Subscription % of Total Revenue	94%		
Sales-led Subscription Revenue % of Total Revenue*	83%		
Professional Services Revenue	$29	10%	10%

*Sales-led subscription revenue is a non-GAAP financial measure we calculate as total subscription revenue excluding Monthly Elastic Cloud. See appendix for reconciliation to the most directly comparable GAAP financial measure.
CC = Constant Currency

GAAP Statement Highlights

$ millions, except per share amounts	**Q1 FY27**	**% of Revenue**
GAAP Revenue	$478	100%
Gross Profit/Margin	$356	74%
Research & Development Expense	$112	23%
Sales & Marketing Expense	$199	42%
General & Administrative Expense	$48	10%
Restructuring and other related charges	$20	4%
Operating Loss/Margin	($24)	(5)%
Net loss per share - basic and diluted	($0.16)	
Basic and diluted share count	105M	

Sums may not add to totals due to rounding.

Non-GAAP Statement Highlights*

$ millions, except per share amounts	Q1 FY27	% of Revenue
Total GAAP Revenue	$478	100%
Gross Profit/Margin	$366	77%
Research & Development Expense	$87	18%
Sales & Marketing Expense	$173	36%
General & Administrative Expense	$29	6%
Operating Income/Margin	$77	16%
Earnings per share - Diluted	$0.70	
Diluted share count	106M	

*See appendix for reconciliation to the most directly comparable GAAP financial measures.

elastic

Select Financial Measures

$ millions, except NER, and employees	**Q1 FY27**
Adjusted Free Cash Flow*	$143
Total Deferred Revenue	$884
Remaining Performance Obligations	$1,854
Current Remaining Performance Obligations	$1,153
Cash, Cash Equivalents, and Marketable Securities	$1,461
Total Debt	$575
Employees	3,834
Net Expansion Rate**	111%

*See appendix for reconciliation to the most directly comparable GAAP financial measure.
**NER is a trailing twelve month measure and includes only consumption, not commitments, for customers on Cloud consumption contracts.

Guidance

Updated FY27 Guidance

Metric	Prior Guidance	Guidance Change	Updated Guidance
Total Revenue Constant currency Y/Y growth midpoint	**$1.985B - $2.000B** 14.5%	**+$11.5M (at midpoint)** +80bps raise to CC midpoint	**$1.998B - $2,010B** 15.3%
Sales-Led Subscription Constant currency Y/Y growth midpoint	**$1.673B - $1.688B** 16.8%	**+$7.5M (at midpoint)** +70bps raise to CC midpoint	**$1.682B - $1.694B** 17.5%
Non-GAAP Operating Margin	**~19.0%**	**+0.4%**	**~19.4%**
Non-GAAP Diluted EPS	**$3.21 - $3.29**	**+$0.08 (at midpoint)**	**$3.29 - $3.37**

Prior guidance represents forecasts issued on May 27, 2026.

A reconciliation of non-GAAP guidance measures to corresponding GAAP measures for sales-led subscription revenue, non-GAAP operating margin, and non-GAAP diluted earnings per share is not available on a forward-looking basis without unreasonable effort due to the uncertainty regarding, and the potential variability of, many of the costs and expenses that may be incurred in the future. These items necessary to reconcile such non-GAAP measures could be material and have a significant impact on the Company's results computed in accordance with GAAP.

Q2 & FY27 Guidance

	Q2 FY27	FY27
Total Revenue	$486.5	$2,004.0
Year-over-year growth %	14.9%	15.2%
Constant currency year-over-year growth %	15.0%	15.3%
Sales-led Subscription Revenue	$408.0	$1,688.0
Year-over-year growth %	16.9%	17.4%
Constant currency year-over-year growth %	17.1%	17.5%
Non-GAAP Operating Margin	~19.0%	~19.4%
Non-GAAP Diluted Earnings Per Share	$0.81	$3.33
Diluted Weighted Average Shares Outstanding	108.5	109.0
Adjusted Free Cash Flow Margin	-	~21.5%

A reconciliation of non-GAAP guidance measures to corresponding GAAP measures for sales-led subscription revenue, non-GAAP operating margin, non-GAAP diluted earnings per share, and adjusted free cash flow is not available on a forward-looking basis without unreasonable effort due to the uncertainty regarding, and the potential variability of, many of the costs and expenses that may be incurred in the future. These items necessary to reconcile such non-GAAP measures could be material and have a significant impact on the Company's results computed in accordance with GAAP.

Appendix

GAAP to Non-GAAP Reconciliations
Gross Profit and Gross Margin

$ in millions except percentages	**Q1 FY27**
GAAP gross profit	$356
Stock-based compensation expense and related employer taxes	8
Amortization of acquired intangibles	3
Non-GAAP gross profit	$366
GAAP gross margin %	74%
Stock-based compensation expense and related employer taxes	2%
Amortization of acquired intangibles	1%
Non-GAAP gross margin %	77%

Sums may not add to totals due to rounding.

GAAP to Non-GAAP Reconciliations
Operating Expenses

$ in millions except percentages	Q1 FY27
GAAP sales & marketing expenses	$199
Stock-based compensation expense and related employer taxes	(26)
Non-GAAP sales & marketing expenses	$173
Y/Y	*15%*
GAAP research & development expenses	$112
Stock-based compensation expense and related employer taxes	(26)
Acquisition-related expenses	—
Non-GAAP research & development expenses	$87
Y/Y	*7%*
GAAP general & administrative expenses	$48
Stock-based compensation expense and related employer taxes	(18)
Acquisition-related expenses	(1)
Non-GAAP general & administrative expenses	$29
Y/Y	*(4)%*

Sums may not add to totals due to rounding.

GAAP to Non-GAAP Reconciliations (Loss) / Earnings per Share

	Q1 FY27
GAAP net loss per share - basic & diluted	($0.16)
Stock-based compensation expense and related employer taxes	0.74
Amortization of acquired intangibles	0.02
Acquisition-related expenses	0.01
Restructuring and other related charges	0.19
Tax adjustment	(0.10)
Non-GAAP earnings per share - basic & diluted	$0.70

Sums may not add to totals due to rounding.

GAAP to Non-GAAP Reconciliations
Sales-led Subscription Revenue

$ in millions	**Q1 FY26**	**Q2 FY26**	**Q3 FY26**	**Q4 FY26**	**Q1 FY27**
Annual Elastic Cloud	$146	$157	$169	$170	$185
Monthly Elastic Cloud	50	49	50	48	50
Total Elastic Cloud	196	206	218	217	235
Other subscription	193	192	207	205	214
Total subscription	$389	$398	$426	$422	$449
Total revenue	$415	$423	$450	$451	$478
Total sales-led subscription revenue	$339	$349	$376	$375	$399

Sales-led subscription revenue is calculated as total subscription revenue excluding Monthly Elastic Cloud.

elastic

GAAP to Non-GAAP Reconciliations
Operating (Loss) / Income, Operating Margin

$ in millions except percentages	**Q1 FY25**	**Q2 FY25**	**Q3 FY25**	**Q4 FY25**	**Q1 FY26**	**Q2 FY26**	**Q3 FY26**	**Q4 FY26**	**Q1 FY27**	**FY24**	**FY25**	**FY26**	**Q1 FY27 TTM**
GAAP operating (loss) / income	($34)	($4)	($5)	($12)	($9)	($8)	$1	($16)	($24)	($130)	($55)	($33)	($48)
Stock-based compensation expense and related employer taxes	68	66	67	70	73	75	80	80	78	250	270	308	313
Amortization of acquired intangibles	3	3	2	2	2	2	3	2	3	14	9	9	10
Acquisition-related expenses	-	-	-	1	-	1	-	1	1	2	1	2	2
Restructuring and other related charges	-	-	-	-	-	-	-	-	20	5	-	-	20
Non-GAAP operating income	$37	$64	$64	$60	$65	$70	$83	$67	$77	$142	$225	$285	$297
GAAP operating margin %	(9.7)%	(1.2)%	(1.2)%	(3.1)%	(2.3)%	(1.9)%	0.1%	(3.6)%	(4.9)%	(10.3)%	(3.7)%	(1.9)%	(2.6)%
Stock-based compensation expense and related employer taxes	19.4%	18.0%	17.5%	17.9%	17.5%	17.8%	17.7%	17.8%	16.2%	19.8%	18.2%	17.7%	17.4%
Amortization of acquired intangibles	0.9%	0.8%	0.4%	0.4%	0.4%	0.5%	0.6%	0.5%	0.5%	1.1%	0.6%	0.5%	0.5%
Acquisition-related expenses	-%	-%	-%	0.1%	-%	0.1%	0.1%	0.1%	0.2%	0.2%	-%	0.1%	0.1%
Restructuring and other related charges	-%	-%	-%	-%	-%	-%	-%	-%	4.2%	0.4%	-%	-%	1.1%
Non-GAAP operating margin %	10.7%	17.6%	16.8%	15.3%	15.7%	16.5%	18.6%	14.8%	16.2%	11.2%	15.2%	16.4%	16.5%

GAAP to Non-GAAP Reconciliations
Adjusted Free Cash Flow*

	Trailing Twelve Months (TTM)												
$ in millions except percentages	**Q1 FY25**	**Q2 FY25**	**Q3 FY25**	**Q4 FY25**	**Q1 FY26**	**Q2 FY26**	**Q3 FY26**	**Q4 FY26**	**Q1 FY27**	**FY24**	**FY25**	**FY26**	**Q1 FY27**
Net cash provided by operating activities	$164	$204	$240	$266	$318	$306	$261	$327	$354	$149	$266	$327	$132
Less: Purchases of property and equipment	(4)	(3)	(3)	(4)	(4)	(4)	(4)	(5)	(5)	(3)	(4)	(5)	(1)
Add: Interest paid on long-term debt	24	24	24	24	24	24	24	24	24	24	24	24	12
Adjusted free cash flow*	$184	$225	$261	$286	$338	$326	$281	$346	$373	$169	$286	$346	$143
Net cash provided by operating activities (as a percentage of total revenue)	12.4%	14.9%	16.8%	17.9%	20.5%	19.0%	15.6%	18.8%	19.6%	11.7%	17.9%	18.8%	27.6%
Less: Purchases of property and equipment (as a percentage of total revenue)	(0.3)%	(0.2)%	(0.2)%	(0.3)%	(0.3)%	(0.3)%	(0.3)%	(0.3)%	(0.3)%	(0.3)%	(0.3)%	(0.3)%	-%
Add: Interest paid on long-term debt (as a percentage of total revenue)	1.8%	1.7%	1.7%	1.6%	1.5%	1.5%	1.4%	1.4%	1.3%	1.9%	1.6%	1.4%	2.5%
Adjusted free cash flow margin	13.9%	16.3%	18.2%	19.3%	21.8%	20.3%	16.7%	19.9%	20.7%	13.3%	19.3%	19.9%	30.0%

Sums may not add to totals due to rounding.

*Adjusted free cash flow is a non-GAAP financial measure that we define as net cash provided by operating activities adjusted for cash paid for long-term debt interest less cash used for investing activities for purchases of property and equipment. Adjusted free cash flow margin is calculated as adjusted free cash flow divided by total revenue. Adjusted free cash flow does not represent residual cash flow available for discretionary expenditures since, among other things, we have mandatory debt service requirements.

elastic