




# Investor Presentation and Company Overview

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Fourth Quarter Fiscal 2021



# Forward Looking Statements and Non-GAAP Disclaimer

This presentation and the accompanying oral presentation contain forward-looking statements that involve substantial risk and uncertainties, which include, but are not limited to, statements regarding our future results of operations and financial position, including our expectations regarding demand for our products and solutions and our future revenue; financial targets; business strategy; plans and objectives for expansion and future operations; our licensing and pricing models; our assessments of our competitive advantages and the strength of our solutions and products; the effectiveness of our go-to-market and growth strategies, including the positioning of our solutions and products, assessments of new and existing customers' reasons for selecting our solutions and products, and anticipated benefits from our strategic partnerships; new enhancements to our existing products and services or plans for future products; the expected performance or benefits of our offerings; our customer base; estimates of our potential addressable market and growth opportunities and our ability to address those opportunities; and our expectations regarding revenue mix, our ability to grow our business, the drivers of growth and the benefits of our investments. These forward-looking statements are subject to the safe harbor provisions under the Private Securities Litigation Reform Act of 1995. Our expectations and beliefs in light of currently available information regarding these matters may not materialize. 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 future profitability; our ability to continue to deliver and improve our offerings and develop new offerings, including security-related product and cloud and SaaS offerings; customer acceptance and purchase of our existing offerings and new offerings, including the expansion and adoption of our SaaS offerings; our inability to realize value from investments in the business, including R&D investments; our ability to maintain and expand our user and customer base; the impact of the COVID-19 pandemic on the macroeconomic environment, on our business, operations, hiring and financial results, and on businesses of our customers and partners, including their spending priorities, the effect of lockdowns, restrictions and new regulations; the impact of our licensing model on the use and adoption of our software; the impact of foreign currency exchange rate and interest rate fluctuations on our results; our international expansion strategy; our operating results and cash flows; our beliefs and objectives for future operations; the sufficiency of our capital resources; our ability to successfully execute our go-to-market strategy and expand in our existing markets and into new markets, and our ability to forecast customer retention and expansion; and general market, political, economic and business conditions.

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, 2020 and any subsequent reports filed with the SEC. SEC filings are available on the Investor Relations section of Elastic's website at [ir.elastic.co](http://ir.elastic.co) and the SEC's website at [www.sec.gov](http://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 their nearest GAAP equivalent.



# Elastic at a Glance (NYSE: ESTC)

Founded 2012

**>15,000**

Subscription  
Customers

**\$608.5M**

Revenue

**~\$12B**

Market  
Capitalization<sup>1</sup>

**35+**

Countries with  
Employees

**2,100+**

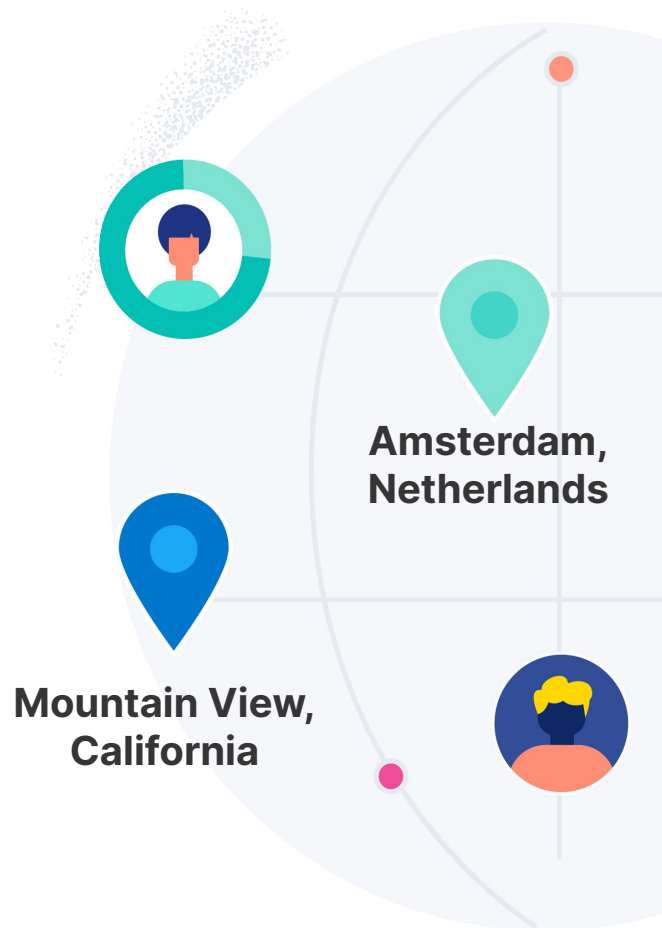
Employees

**\$18.3M**

Free Cash Flow

**45%**

Revenue from  
outside the U.S.



As of FY21

<sup>1</sup>As of June 11, 2021

# Elastic Highlights: Search. Observe. Protect.



## Large, Diverse User and Customer Base

Customer penetration: 48% Fortune 500, 34% Forbes 2000



## Diverse Deployment Model - On-premise, hybrid, public cloud

66% of total revenue Self-Managed, 34% YoY growth  
27% of total revenue Cloud; 80% YoY growth



## Strong Customer Growth

>15,000 Subscription Customers; >730 customers with ACV >\$100K; >75 customers with ACV >\$1M



## Strong Expansion Motion with Multiple Levers

Multiple expansion motions drive high Net Expansion Rate of ~130%



## Secular Tailwinds Driving Significant Opportunity

\$78B TAM in 2021



## High Recurring Revenue Model

Total Revenue: \$608.5M; 42% YoY growth  
Subscription Revenue: 93% of total; 45% YoY growth



## Sustainable Competitive Differentiation

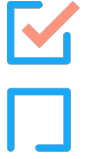
Monetization model is based on subscriptions that provide proprietary features and support



## Experienced, Founder-led Team

Strong conviction to build a long-lasting company

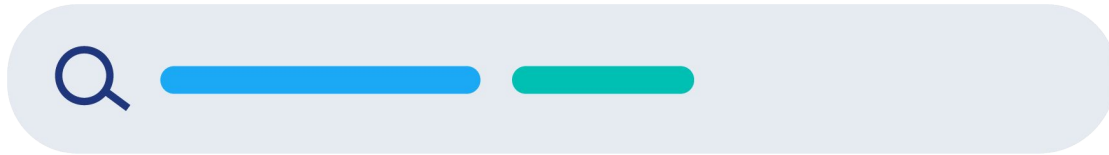




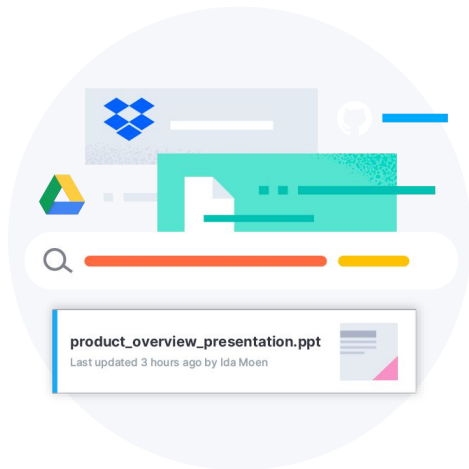
**We are a search company.**



We all know search as a search box that we see on our favorite app or website ...



## but search is so much more



Search finds insights across your enterprise apps and content repositories to improve employee productivity and satisfaction



Search discovers insights from within your enterprise systems, applications, and infrastructure to drive operational efficiencies

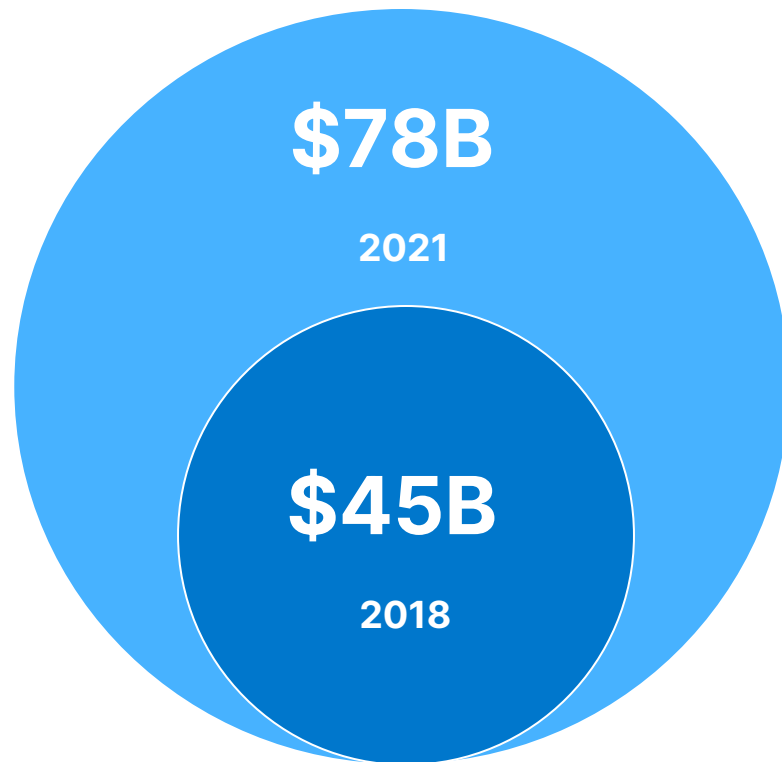


Search correlates insights within your security data, networks, and endpoints to protect your organization and thwart attacks

# our TAM

Source: IDC

WW AI-enabled Search Software Forecast 2020-2024  
WW Business Analytics Software Forecast 2020-2024  
WW IT Operations Management Software Forecast 2020-2024  
WW Device Vulnerability Management Forecast 2020-2024  
WW Security-as-a-Service Forecast 2020-2024  
WW Corporate Endpoint Security Software Forecast 2020-2024  
WW SIEM Forecast 2020-2024  
WW Business Analytics Software Forecast 2020-2024





# Customers across various industries, segments, and geographies

Technology	Finance	Telco	Consumer	Healthcare	Public Sector	Automotive/ Transportation	Retail/ Ecommerce
							
							
							
							
							

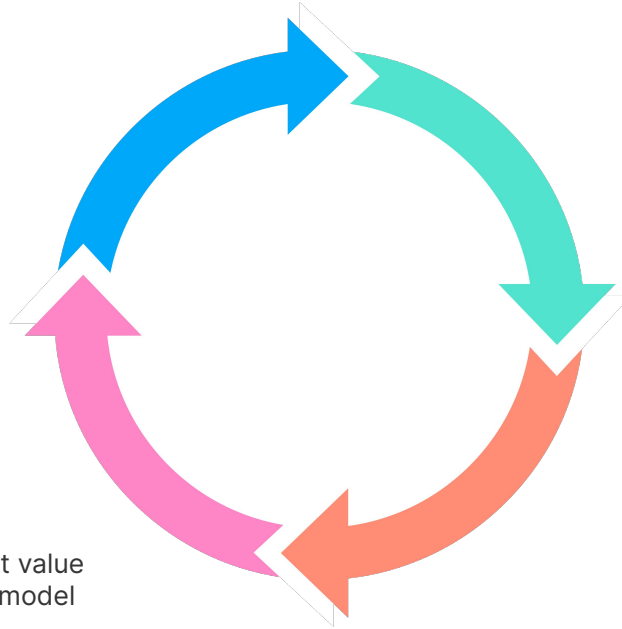
# Powerful Business Model with Strong Network Effects

## Multiple Expansion Levers

- More data sources & volume
- More projects for the same solution across an enterprise
- More solutions adopted

## Compelling Commercial Model

- Proprietary features deliver significant value
- Low-friction, resource-based pricing model
- Strong new customer acquisition
- Free Basic features become paid in Cloud



## Technology Differentiation

- Solving problems from a unified search lens
- Speed, scale, and relevance
- 3 solutions, a single stack

## Massive Adoption

- Basic tier drives massive adoption of proprietary, free features

# Large Market Opportunity with Many Growth Levers



Large Total Addressable Market



Demonstrated track record of strong expansion: more data, more projects, more solutions



Rapid pace of new customer additions driven by paid features and support



Solutions driving expansion with significant growth opportunity



Robust growth in Elastic Cloud

# Powerful Engine for New Customer Growth



Massive frictionless adoption  
through free and open tier  
(proprietary features)



Nurture campaigns in  
marketing



Self-service on-ramp for SaaS  
Monthly payments  
No commitment



Paid features and Support  
drive customer growth  
All features monetized in  
SaaS (no free tier)



Expanding sales coverage  
driving annual subscriptions -  
Cloud and Self-managed



Single pricing model

# Levers to Drive Expansion



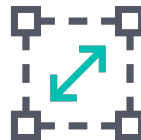
## Projects Grow

- More data
- More sources of data
- Upsell to higher tiers



## More Projects for Same Solution

- Expand across the enterprise
- Upsell to higher tiers



## More Solutions

- Extend across Enterprise Search, Observability, Security
- Upsell to higher tiers

# power of search

We aim to enable every organization in the world to utilize the power of search across their data to instantly find relevant insights and take action.



# power of community

- Millions of developers; drives a developer mindshare movement
- Creates a strong top of the funnel foundation
- Facilitates bottom up adoption within enterprises
- Generates an entry point into new markets and geos
- >150K meetup members, 263 global groups



netpanda Panda face  
@davidban77

So I did a proof of concept instrumenting my python application that collects network infrastructure data with the @elastic APM and its python agent, and it went really well!



Jakub Ziolkowski @JakubZiolkowski

I took my first steps with @elastic today and it's amazing what you can do with data there



gabriel boorse @gnboorse

Really loving #Elasticsearch right now. @elastic That's it. That's the tweet.



Liago Faria  
@Oxf

Really awesome work in the UI for @elastic. These changes allow for easier reading of information as well as an overall better exp



Artem Russakovskii @ArtemR

@elastic is amazing - now raw search queries take 3-10ms.



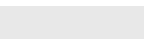
Grant Visser @ICantSeeSharp

Yo. @elastic Application Performance Metrics are literally magic.



# power of a single stack

- Organizations get leverage across multiple use cases and teams
- A unified foundation for solutions
- Accelerates feature velocity





# power of open



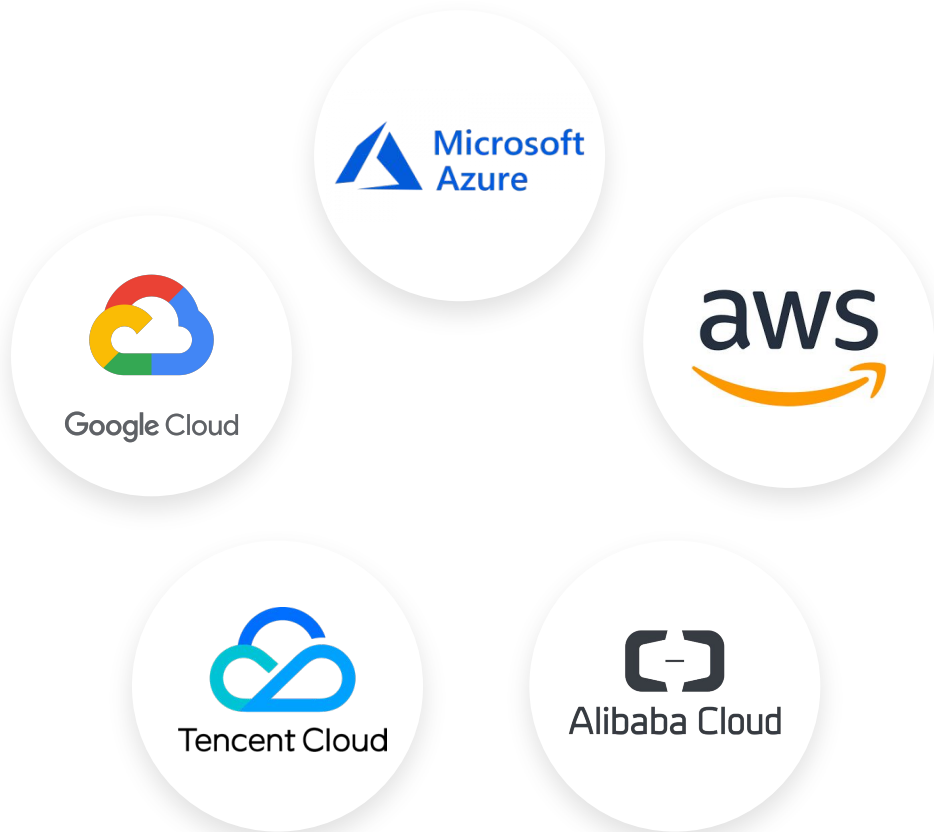
- Apache 2.0-licensed source code is now dual-licensed (Elastic License v2 or SSPL)
- Elastic License v2 is simplified and more permissive
- Our community and customers continue to have free and open access to use, modify, redistribute, and collaborate on the code
- Further protects our continued investments and extends our competitive differentiation
- Does not impact customers or the vast majority of users

# power of cloud and hybrid

- Ease of use, turnkey SaaS, consumption-based
- Provides customers with data gravity and locality
- Support for customer data privacy regulations
- Multi-cloud support with native integration (billing/marketplace)
- 45 cloud regions; 3x from FY19
- Support for cloud and on-premises deployments with ECE an ECK



**Elastic Cloud is  
available and  
integrated with every  
major cloud provider**



# Growth Drivers for Elastic Cloud



Customer Preference



Differentiated Solutions



Rich Proprietary Features



Partnerships



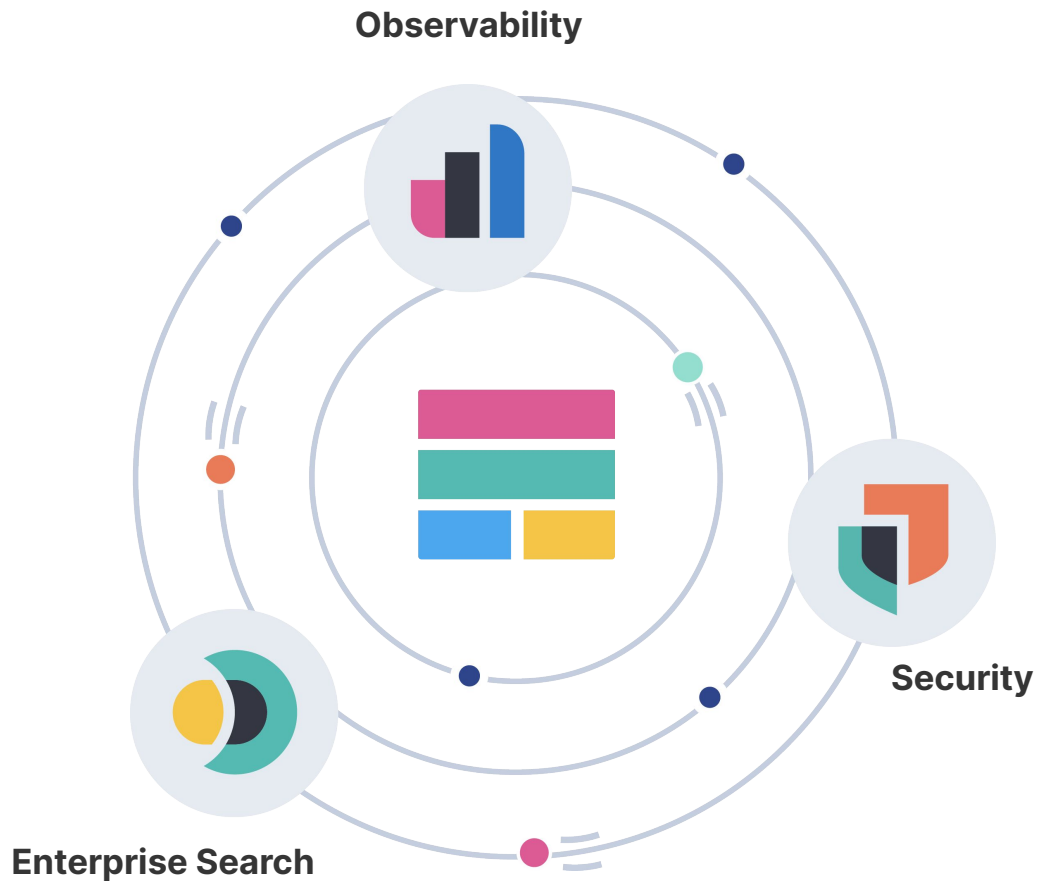
Expanding Investments,  
Locations

# Investing in Global Cloud Regions Coverage



# power of solutions

- Solves specific business problems with ease of use
- Built into the Elastic Stack
- Single, unified experience across all solutions

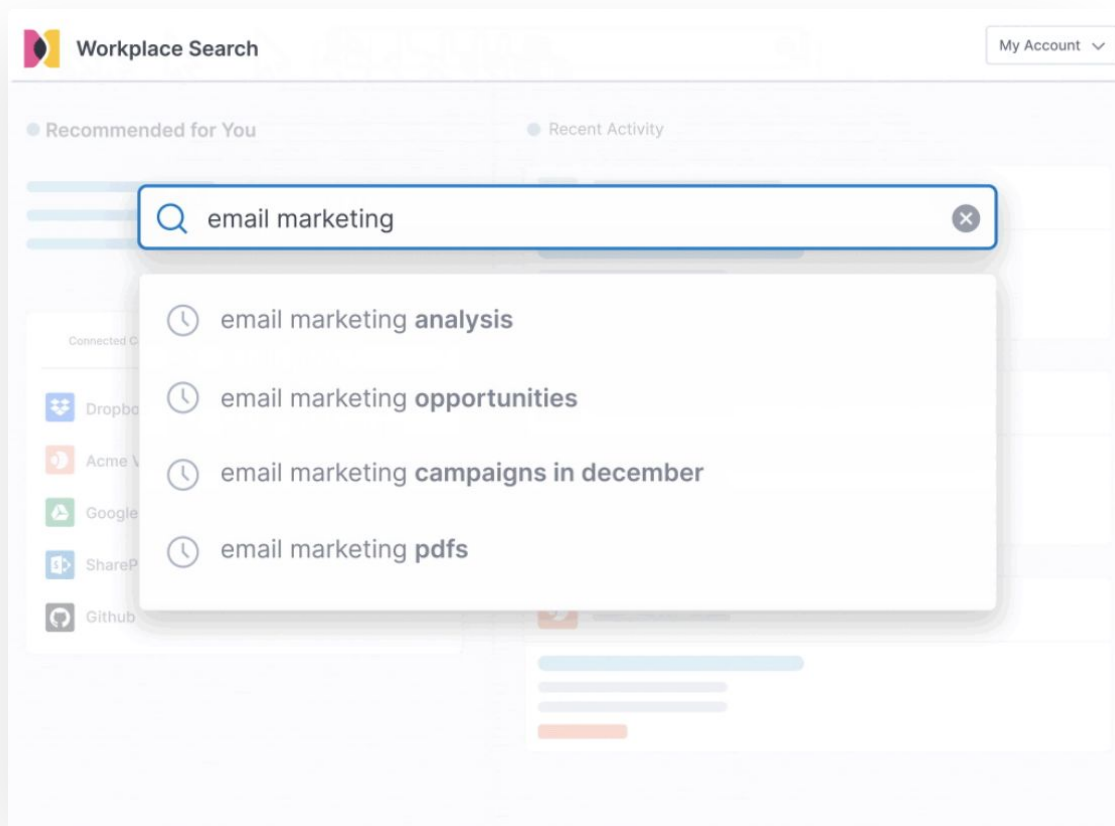




## Enterprise Search

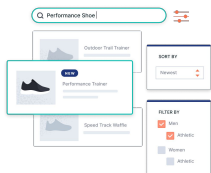
Search everything, anywhere.

Site Search  
Workplace Search  
Application Search  
Ecommerce Search  
Customer Support Search



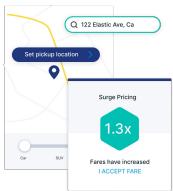
# Every business today is an online business.

Website



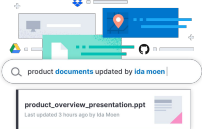
Search drives improved user experiences and increased conversions

Application



Search enables new monetization models and app stickiness

Workplace



Search increases employee productivity across internal docs and applications

## Customers want ...

Powerful, fast, and relevant search experiences. Out-of-the-box. Open APIs. Capability to have pre-tuned search for any website, application, or workplace app. Complete visibility into the search analytics, results and user behavior.



Elasticsearch is not only a powerful search engine, but also a powerful analytics engine for making product recommendations and alerting on order thresholds, powering our e-commerce business.

*Leading E-commerce Company*

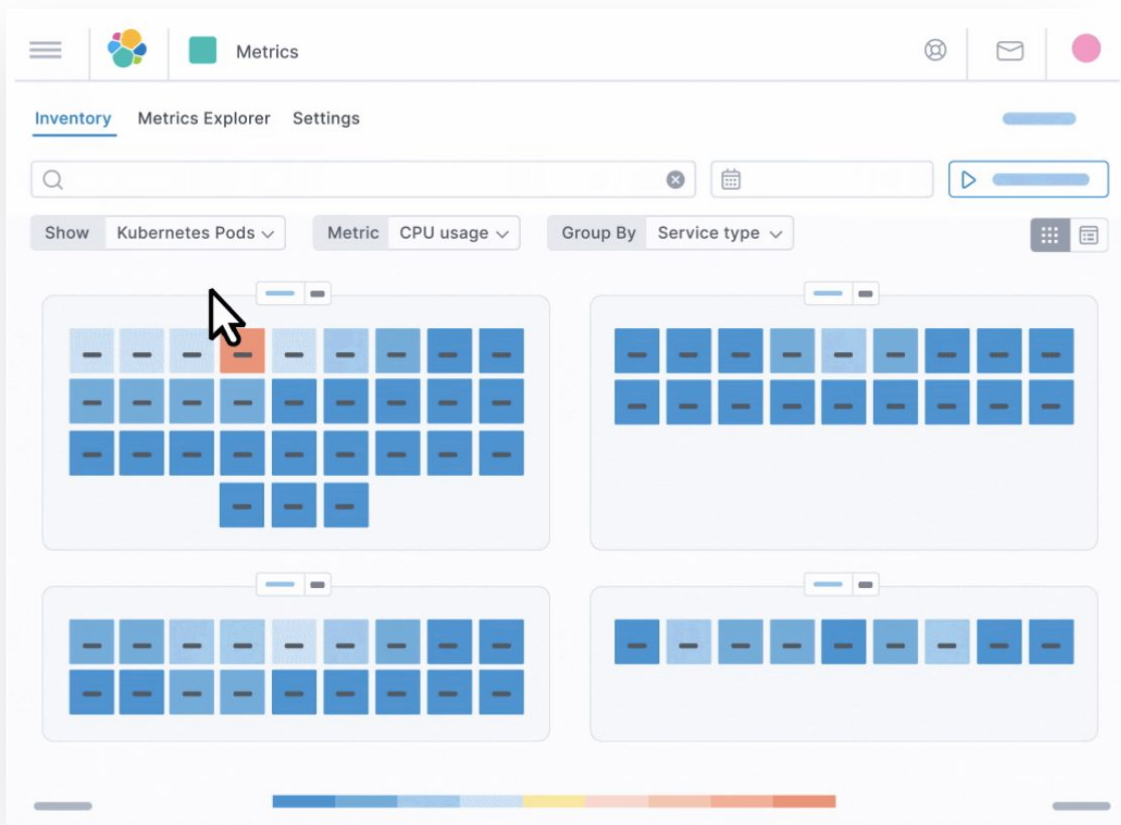




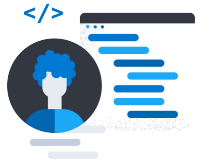
## Observability

Unified observability for your entire digital ecosystem.

Logs  
Metrics / Monitoring  
APM / Tracing  
Uptime / Synthetics



# Managing systems is complex.



Search enables correlation of logs, metrics, and APM traces



Search improves IT operations efficiency and reduces MTTR



Search provides actionable insights to meet business objectives

## Customers want ...

A single pane of glass across their observability data — logs, metrics, APM traces, and more. Easy ingestion. Accessible machine learning and anomaly detection. Automated alerts and workflow. Operational simplicity. Collaboration between Dev, Ops, and Security teams.



We're really happy with Elastic Observability and we've been able to dramatically reduce our operations cost by 50% and free up 95% of devops time.

*Fortune 500 Auto Manufacturer*



# Security

Prevent, detect, and protect your organization from attacks.

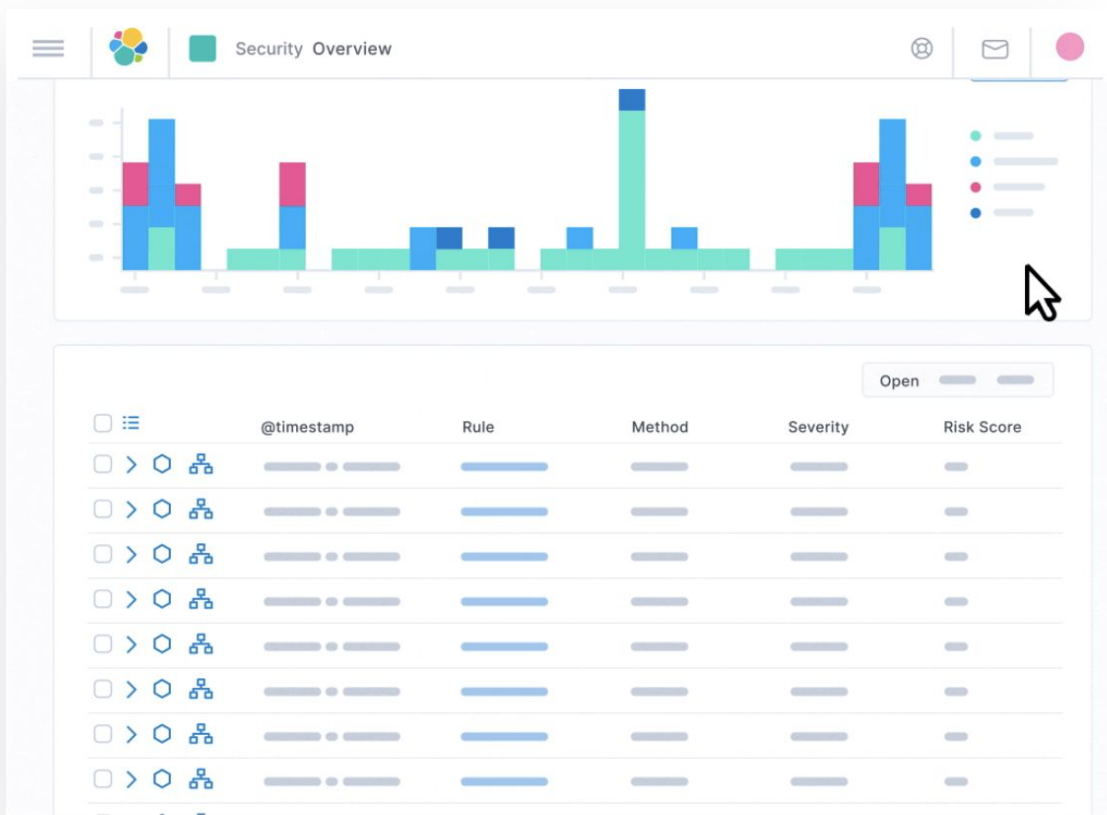
Security Information and Event Monitoring (SIEM)

Security Analytics

Endpoint Security (EPP/EDR)

Threat Hunting

SecOps/Cloud Monitoring



# Stopping attack at scale is hard.



Search facilitates real-time detection and protection from endpoints to the data center



Search enables real-time, holistic visibility for all SecOps



Search reduces dwell times to minimize or avoid damage

## Customers want ...

Threat protection at scale across their systems, networks, and endpoints. Out-of-the-box detection rules with machine learning, integration with MITRE ATT&CK, automated alerts and workflow to stop an attack in real-time, collaboration between ITOps, DevOps, and SecOps teams.



The dream was to automate a 24x7 protection system that works on its own. With our Elastic powered security platform, we save millions of dollars.

*Fortune 100 Retailer*

# power of the customer



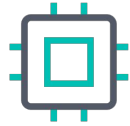
# Customers Among the Top 10 Companies of Each Industry

48%

Fortune 500  
Customers

34%

Forbes 2000  
Customers



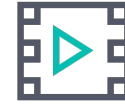
9/10

Computer  
Services



9/10

Software  
Companies



7/10

Broadcast &  
Cable



8/10

Telecom  
Services



8/10

Aerospace &  
Defense



7/10

Auto  
Manufacturers



7/10

Major  
Banks



7/10

Pharmaceutical  
Companies

# power of single pricing

Resource-based Pricing | Pay for the data you use



## Elastic Enterprise Search

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### Site Search

No query-based pricing

### App Search

No docs-based pricing

### Workplace Search

No user-based pricing



## Elastic Observability

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### APM

No agent/user-based pricing

### Logs

No ingest-based pricing

### Metrics

No host-based pricing



## Elastic Security

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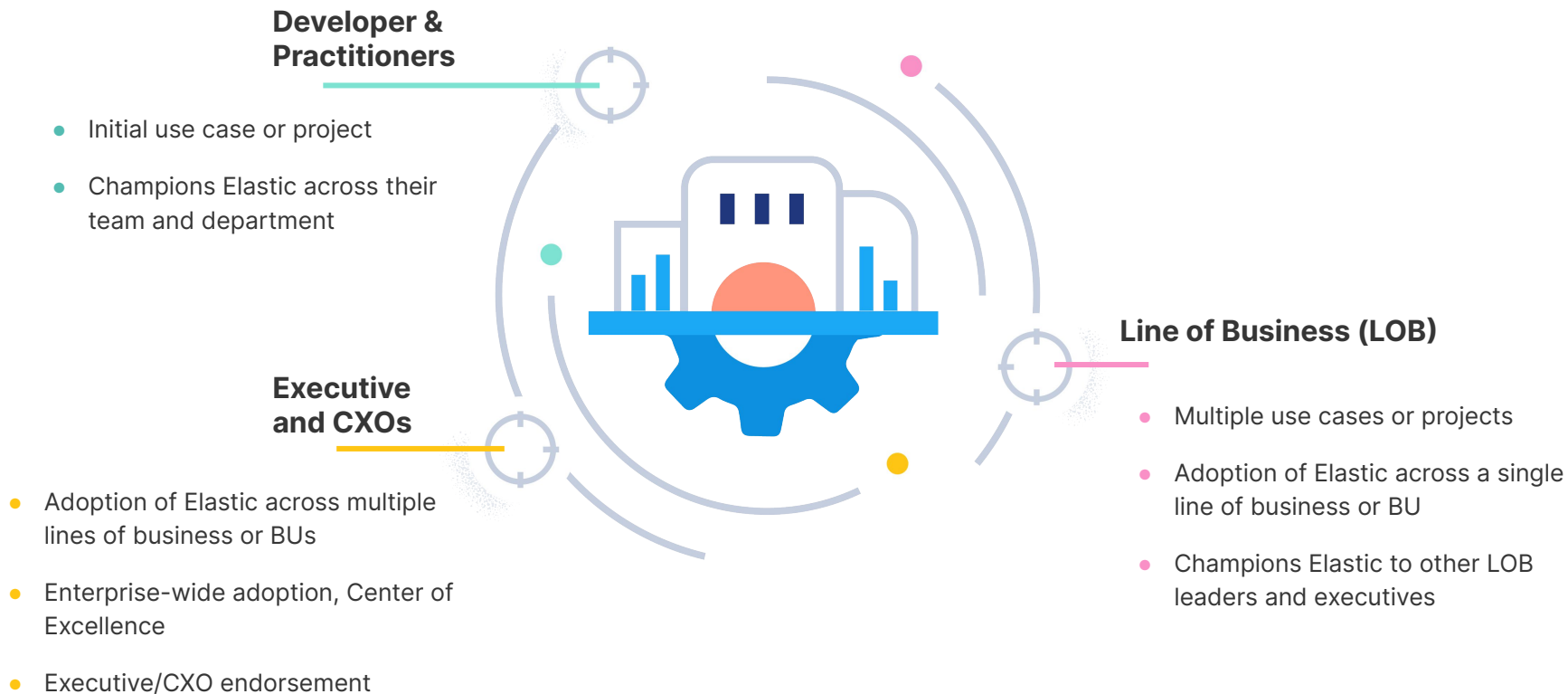
### SIEM

No user/ingest-based pricing

### Endpoint Security

No endpoint-based pricing

# Developer to CXO Motion





# Customer Journey

High Volume, Frictionless  
User Engagement

## ENGAGE & ADOPT

- Meetups
- Website
- ElasticON
- Documentation
- Forums
- Training
- Cloud Trials (SaaS)
- Download
- Basic Feature Usage
- Trial to Paid Features

Warm Touch, Value-Focused  
Customer Engagement

## ONBOARD & EXPAND

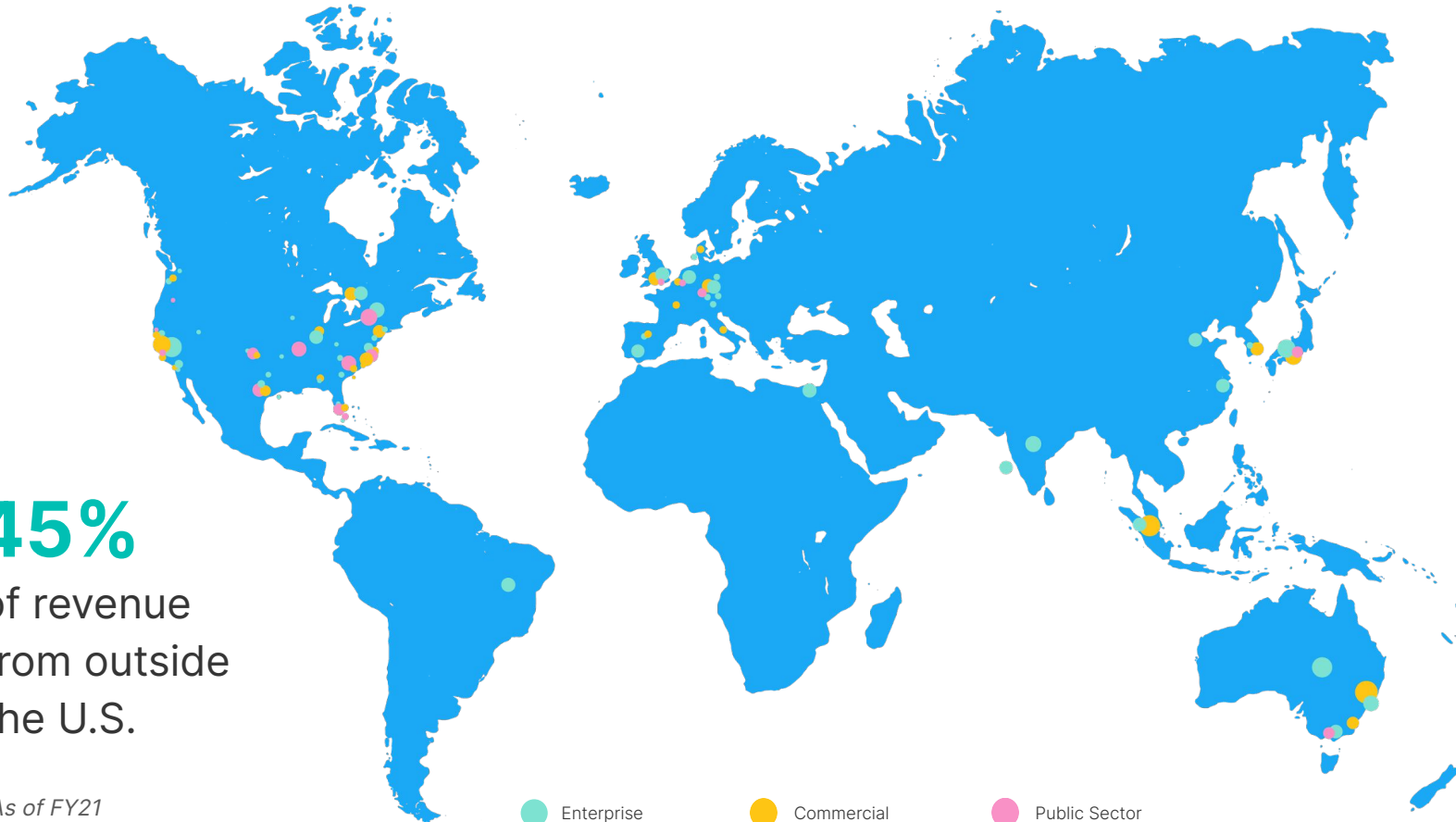
- Sales Development
- Field Sales
- Solution Architects
- Inside Sales
- Support
- Training
- Customer Success
- Renewals

# Globally Distributed Sales Coverage

**45%**

of revenue  
from outside  
the U.S.

*As of FY21*

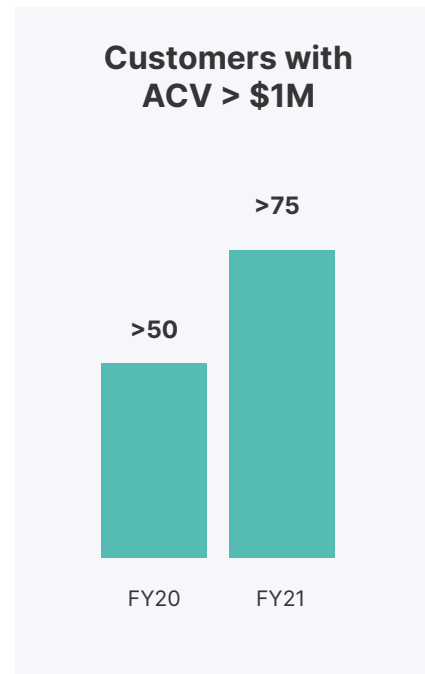
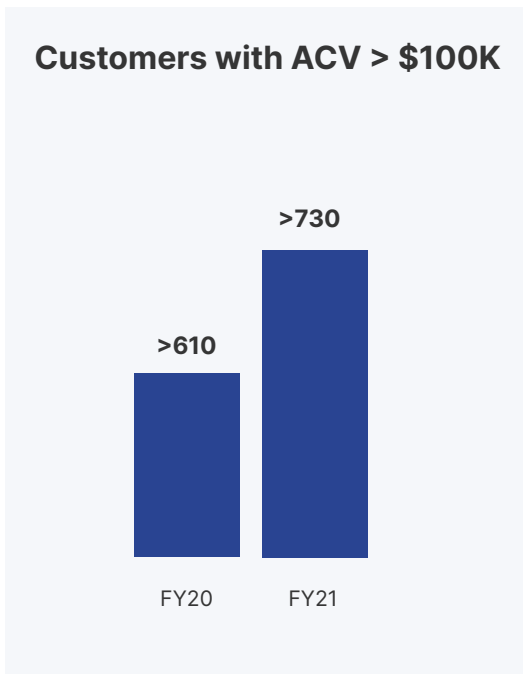


Enterprise

Commercial

Public Sector

# Rapid customer growth and increasing strategic commitments



# Solutions Driving Expansion with Significant Growth Opportunity

## >\$100K ACV Customers

1 Solution

>50%

2 Solutions

>30%

3 Solutions

<20%

## >\$1M ACV Customers

1 Solution

<25%

2 Solutions

>30%

3 Solutions

>45%

As of FY21

Solutions represent Enterprise Search, Observability and Security. For instance, if a customer uses logging and APM, that counts as one solution (Observability), not two.



# Why We Win

## Search = Value

.....

Search drives immediate value core to a customer's business and critical use cases in a way that is continuous.

## Technology = Versatility

.....

A single technology that is versatile enables customers to have economies of scale across multiple projects, teams, and use cases.

## Pricing = Transparency

.....

Resource-based pricing ensures there are no hidden costs and that customers can grow over time with transparency.

# Our Leadership Team



**Shay Banon**  
Founder & CEO



**Janesh Moorjani**  
CFO



**Paul Appleby**  
President, Worldwide  
Field Operations



**Ash Kulkarni**  
Chief Product Officer



**Sally Jenkins**  
Chief Marketing  
Officer



**Justin Hoffman**  
Senior VP, Sales



**Kevin Kluge**  
Senior VP of  
Engineering



**W.H. Baird Garrett**  
Senior VP, Legal  
General Counsel  
and Secretary



**Leah Sutton**  
Senior VP, Global  
Human Resources

# Commitment to Social Responsibility is a Key Component to Elastic's Culture

## Employee and Community Engagement

- Diversity and inclusion are core to our source code
  - Employ anti-bias interviewer training and a structured hiring process with regards to D&I
  - Maintain global targets for percentage of women in management, engineering, and across the company
- Conduct regular employee engagement surveys and pay equity analyses to drive pay equity across gender globally
- Offer wide range of equitable benefits across areas such as health, family, community, and time away
- Drive employee learning and organizational development via LinkedIn Learning and other internal initiatives
- Employee resource groups to support employee engagement and foster an inclusive environment
- "Elastic Cares" program drives all year around community and giving campaigns

## Environmental Health and Safety

- Elastic's workforce is "Distributed by Design". Leveraging a globally distributed workforce enables:
  - Less transportation: minimizes traffic congestion and overall carbon footprint
  - Lower energy usage, emissions and waste: much smaller office portfolio than most comparable organizations minimizes waste and energy consumption
- Supply chain environmental and social responsibility management: Developing programs using several industry standards such as ISO (International Standards Organization), RBA (Responsible Business Alliance, formerly EICC - Electronic Industry Citizenship Coalition) and others.

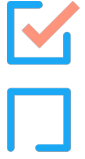
## Governance

- Board of Directors: independent majority board and an independent pay committee; 7 of 8 directors are independent, the board has a lead independent director and all members of our board committees are independent
- Diversity: 25% of our directors are female and the board is California AB 979 (underrepresented community) compliant
- Term limits: Initial term of three years and a maximum term of 12 years for non-executive directors
- Corporate policies and mandatory employee training: Strong policies such as "Corporate Governance Guidelines", "Code of Business Conduct and Ethics", "Anti-Corruption Policy and Whistleblowing Policy" and mandatory ethics and compliance trainings for all employees

# Building a Culture of Success



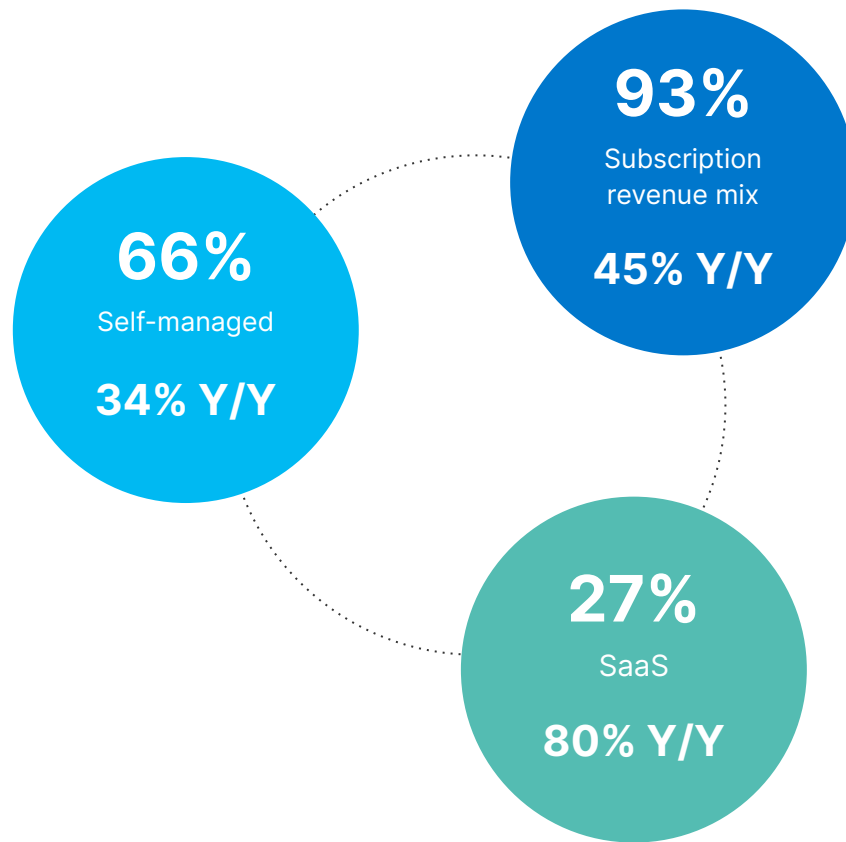




# Financial Overview



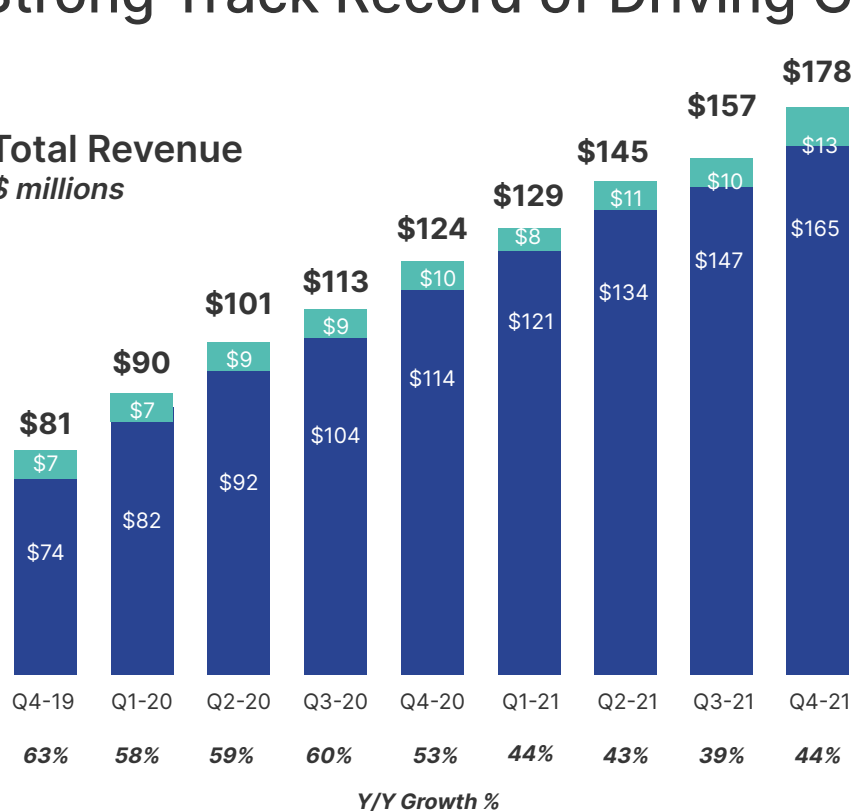
## High Recurring Revenue Model with Robust SaaS Growth



# Strong Track Record of Driving Growth

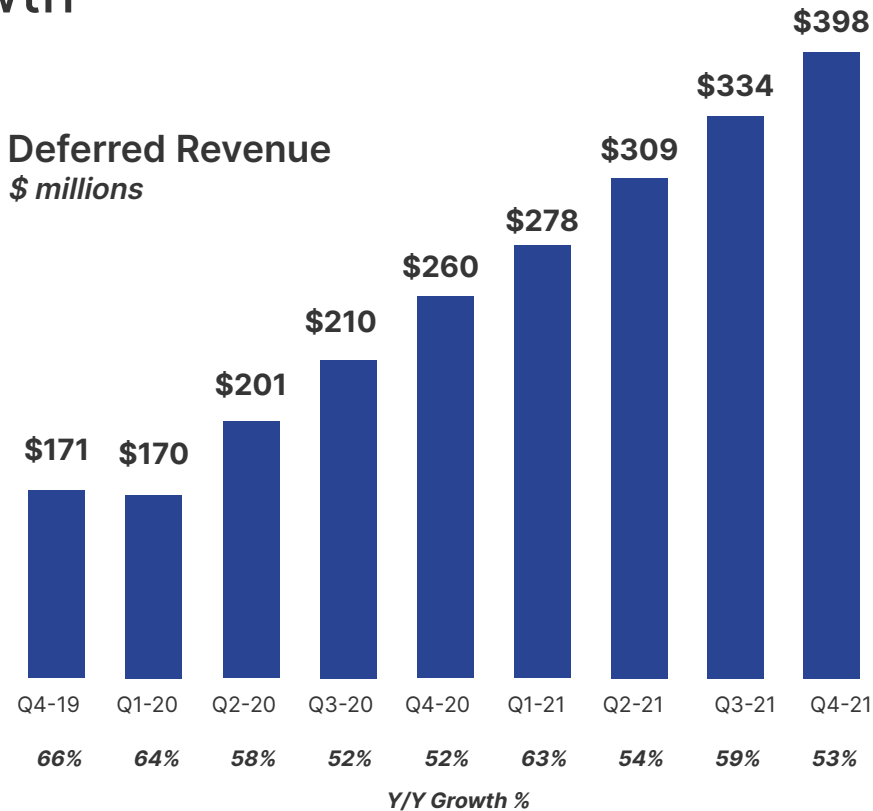
## Total Revenue

\$ millions



## Deferred Revenue

\$ millions

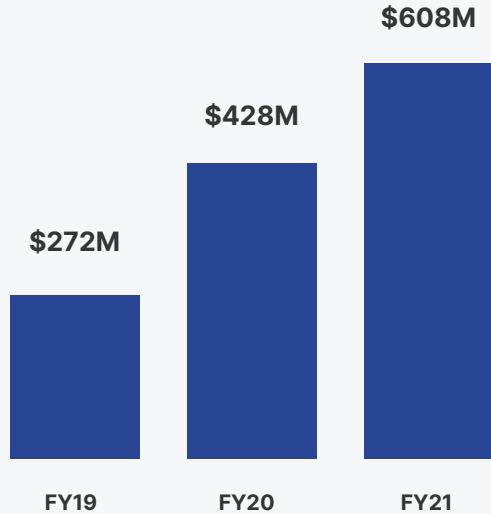


Subscription Services

Sums may not add to totals due to rounding.

# Operating Leverage Inherent in Model Visible As We Scale

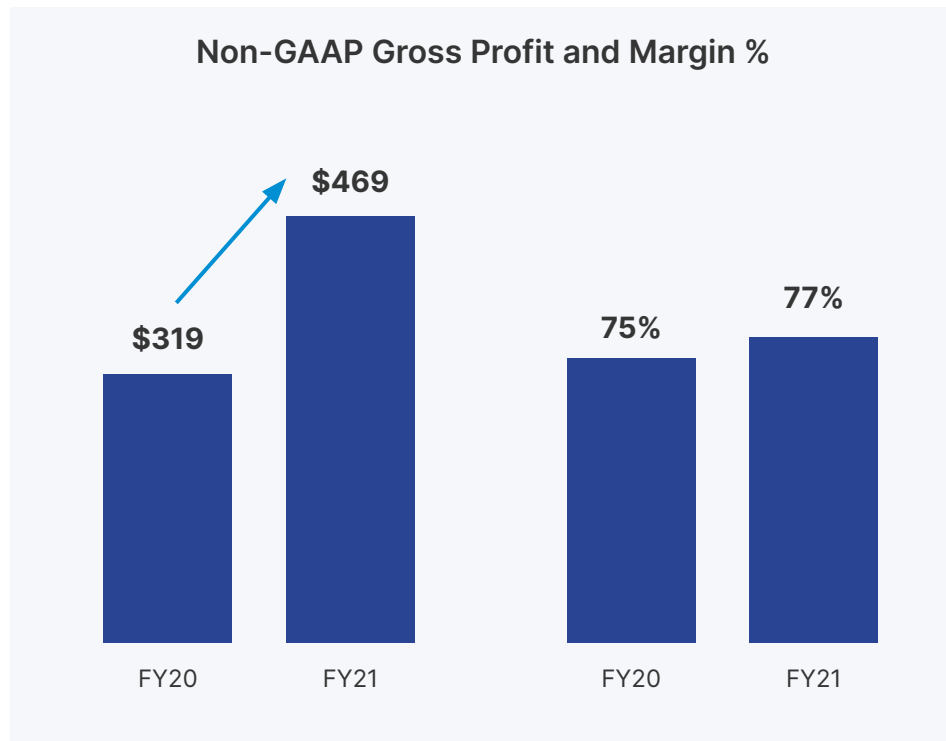
Total Revenue



Non-GAAP Operating Margin %



# Continued Expansion in Gross Profit As We Scale



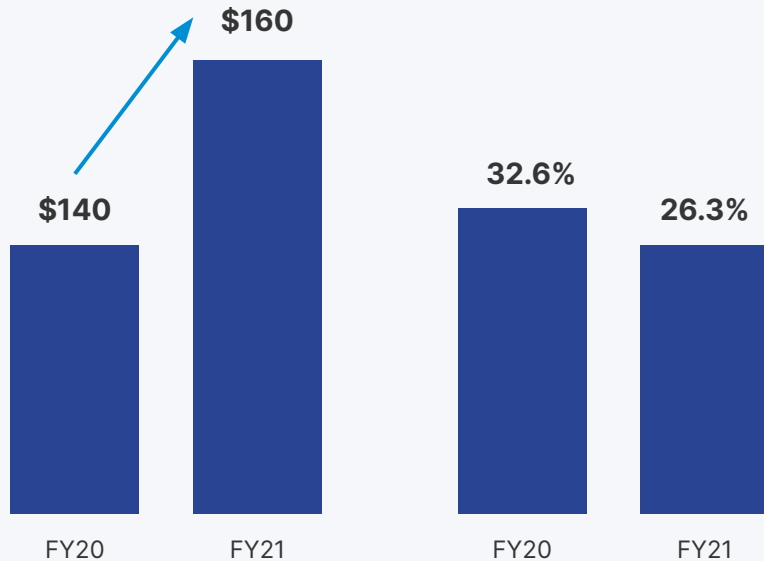
Elastic Cloud is dilutive to gross margin % but accretive to gross profit dollars.

Maintained Non-GAAP Gross Margin % through efficiencies despite increase in SaaS mix

Anticipate modest continued headwind to Non-GAAP Gross Margin as SaaS mix increases

# Investing in Proprietary Innovation Increases Competitive Advantage

Non-GAAP R&D Expense and % of Revenue



High velocity of releases with mainly proprietary features drives competitive advantage

Rapid adoption delivers value early; paid features drive monetization

Endgame acquired in Q2 FY20

Operating leverage through:

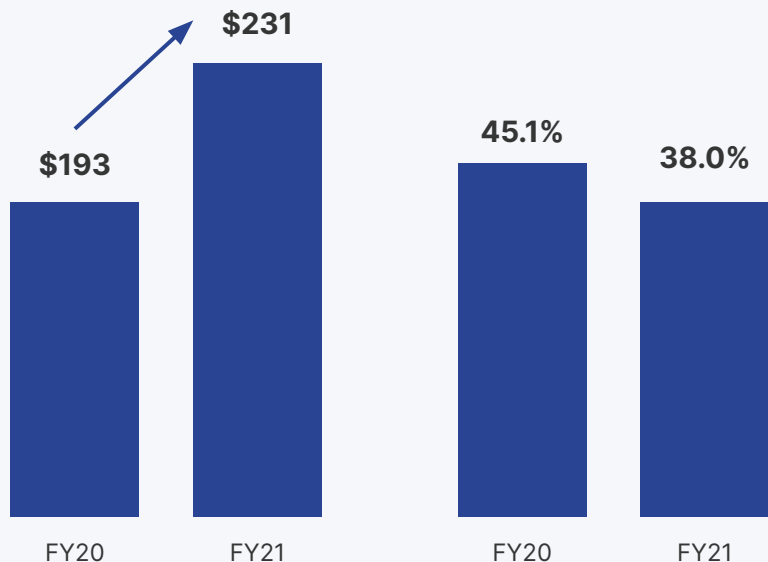
- Single code base across Stack and Solutions

- Power Plays in Stack leveraged across Solutions

- Top line growth > investment growth

# Rapidly Scaling Efficient Go-to-Market Model

Non-GAAP S&M Expense and Margin %



Efficient distribution model drives efficiency in go-to-market motions with strong productivity

Investing globally in coverage and capacity across roles

Operating leverage through:

Productivity Gains

Growth in Cloud

Moving further up within the enterprise

Scaling velocity model

Partnerships

# Financial Framework

Drive recurring revenue growth: Subscriptions mix at 90% or more

Grow Elastic Cloud faster than overall business: Gradual increase in SaaS mix

Balance profitability and growth: Disciplined reinvestment

Target <5% annual share dilution (excluding acquisitions)

Turned free cash flow positive in FY21

Expect \$1 billion-plus of revenue in FY23



# Revenue Highlights

<i>\$ millions</i>	Q4 FY21	Y/Y	Y/Y CC	FY21	Y/Y	Y/Y CC
Total Revenue	\$177.6	44%	39%	\$608.5	42%	40%
Total Subscription Revenue	\$164.5	44%	40%	\$567.3	45%	42%
SaaS Revenue	\$51.3	77%	73%	\$166.3	80%	78%
Subscription % of Total Revenue	93%			93%		
Professional Services Revenue	\$13.1	34%	30%	\$41.2	16%	14%

CC = Constant Currency

# Strong Billings and Customer Metrics

<i>\$ millions</i>	Q4 FY21	Y/Y	Y/Y CC	TTM Y/Y
Calculated Billings <sup>(1)</sup>	\$ 240.9	38%	33%	41%

## Q4 FY21 CUSTOMER METRICS

Total Subscription Customers	>15,000
Subscription Customers with TCV >\$1M	>75
Subscription Customers with ACV > \$100,000	>730
Net Expansion Rate	Slightly below 130%

<sup>(1)</sup> Calculated Billings represents total revenue plus the sequential increase in deferred revenue as presented on the statement of cash flows, less the increase in unbilled accounts receivable. See appendix for reconciliation to GAAP.

CC = Constant Currency



# Non-GAAP Income Statement Highlights

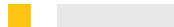
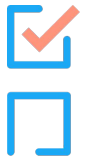
<i>\$ millions, except per share amounts</i>	Q4 FY21	% OF REVENUE	FY21	% OF REVENUE
Total Revenue	\$177.6	100%	\$608.5	100%
Gross Profit/Margin	\$137.9	78%	\$469.1	77%
Research & Development Expense	\$43.5	24%	\$160.3	26%
Sales & Marketing Expense	\$69.8	39%	\$231.2	38%
General & Administrative Expense	\$25.9	15%	\$85.0	14%
Operating Income/Margin	-\$1.2	-1%	-\$7.3	-1%
Earnings Per Share	-\$0.08		-\$0.09	

See appendix for reconciliation to GAAP

# Select Financial Measures

<i>\$ millions, except employees</i>	Q4 FY21
Free Cash Flow	-\$3.1
Cash & Cash Equivalents	\$400.8
Total Deferred Revenue	\$397.7
Remaining Performance Obligations	\$796.4
Employees	2,179

See appendix for reconciliation to GAAP



# Appendix



# Releases: Continued rapid pace of innovation

Powerful foundational features in the Elastic Stack included: schema on read (GA), frozen tier (GA), supervised machine learning (GA)

Elastic Enterprise Search	Elastic Observability	Elastic Security	Elastic Cloud
<ul style="list-style-type: none"><li>• Updated data architecture, including a new Elastic App Search precision tuning API</li><li>• Added performance and stability improvements to the Elastic App Search web crawler and support for web crawling standards</li><li>• Introduced a new Dropbox Paper connector and enhanced custom source APIs in Elastic Workplace Search</li></ul>	<ul style="list-style-type: none"><li>• Launched the beta of Elastic APM correlations</li><li>• Added support for Microsoft Azure monitoring use cases with native Microsoft Azure console integration</li><li>• Enabled additional scalability and flexibility of data ingest architectures with the beta release of Fleet Server</li></ul>	<ul style="list-style-type: none"><li>• General availability of analyst-driven correlation powered by Event Query Language (EQL)</li><li>• Added a new layer of ransomware prevention with behavioral analysis in the Elastic Agent</li><li>• Launched beta support for central management of osquery</li></ul>	<ul style="list-style-type: none"><li>• Launched support for the frozen data tier, powered by searchable snapshots</li><li>• Expanded support for autoscaling on Elastic Cloud</li><li>• Launched two new Microsoft Azure cloud regions: Azure South Central US (Texas), and Azure East US (Virginia)</li></ul>

# Remaining Performance Obligations (RPO)

## Historical Trend

<i>\$ millions</i>	Q4 FY20	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21
Remaining Performance Obligations (RPO)	\$535.6	\$576.4	\$643.5	\$705.7	\$796.4

# GAAP to Non-GAAP Reconciliations

## Gross Profit and Gross Margin

\$ in millions	Q4 FY21	FY21
GAAP gross profit	\$131.8	\$447.4
(+) Stock based compensation	3.6	11.9
(+) Amortization of acquired intangibles	2.1	8.4
(+) Employer payroll taxes on employee stock transactions	0.4	1.3
Non-GAAP gross profit	\$137.9	\$469.1
GAAP subscription gross margin %	78.7%	78.4%
(+) Stock based compensation	1.2%	1.3%
(+) Amortization of acquired intangibles	1.3%	1.5%
(+) Employer payroll taxes on employee stock transactions	0.1%	0.1%
Non-GAAP subscription gross margin %	81.4%	81.3%
GAAP professional services gross margin %	17.4%	6.3%
(+) Stock based compensation	11.8%	11.7%
(+) Employer payroll taxes on employee stock transactions	1.8%	1.6%
Non-GAAP professional services gross margin %	31.0%	19.7%
GAAP gross margin %	74.2%	73.5%
(+) Stock based compensation	2.0%	2.0%
(+) Amortization of acquired intangibles	1.2%	1.4%
(+) Employer payroll taxes on employee stock transactions	0.2%	0.2%
Non-GAAP gross margin %	77.6%	77.1%

Sums may not add to totals due to rounding



# GAAP to Non-GAAP Reconciliations

## Operating Expenses

\$ in millions except percentages			Q4 FY21	FY21	
	Q4 FY20	Q4 FY21	% Revenue	FY21	% Revenue
GAAP sales & marketing expenses	\$58.2	\$82.2	46%	\$273.9	45%
(-) Stock based compensation	(5.8)	(9.1)	(5.1%)	(31.6)	(5.2%)
(-) Amortization of acquired intangibles	(1.4)	(1.4)	(0.8%)	(5.7)	(0.9%)
(-) Acquisition and related expenses	(0.0)	0.0	0.0%	0.0	0.0%
(-) Employer payroll taxes on employee stock transactions	(0.4)	(1.9)	(1.1%)	(5.4)	(0.9%)
Non-GAAP sales & marketing expenses	\$50.5	\$69.8	39%	\$231.2	38%
Y/Y		38%		20%	
GAAP research & development expenses	\$45.6	\$55.4	31%	\$199.2	33%
(-) Stock based compensation	(6.5)	(11.0)	(6.2%)	(35.3)	(5.8%)
(-) Employer payroll taxes on employee stock transactions	(0.3)	(1.0)	(0.5%)	(3.7)	(0.6%)
Non-GAAP research & development expenses	\$38.8	\$43.5	24%	\$160.3	26%
Y/Y		12%		15%	
GAAP general & administrative expenses	\$20.2	\$31.3	18%	\$103.8	17%
(-) Stock based compensation	(2.7)	(4.8)	(2.7%)	(14.9)	(2.4%)
(-) Acquisition and related expenses	(0.2)	0.0	0.0%	0.0	0.0%
(-) Employer payroll taxes on employee stock transactions	(0.1)	(0.6)	(0.4%)	(4.0)	(0.7%)
Non-GAAP general & administrative expenses	\$17.2	\$25.9	15%	\$85.0	14%
Y/Y		50%		35%	

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# GAAP to Non-GAAP Reconciliations

## Operating Loss, Operating Margin and Net Loss per share

\$ in millions except percentages and per share amounts	Q4 FY20	Q4 FY21	FY21
GAAP operating loss	(\$34.6)	(\$37.1)	(\$129.5)
(+) Stock based compensation	17.2	28.4	93.7
(+) Amortization of acquired intangibles	3.6	3.5	14.2
(+) Acquisition and related expenses	0.2	0.0	0.0
(+) Employer payroll taxes on employee stock transactions	0.8	3.9	14.4
Non-GAAP operating loss	(\$12.7)	(\$1.2)	(\$7.3)
GAAP operating margin %	(28.0%)	(20.9%)	(21.3%)
(+) Stock based compensation	13.9%	16.0%	15.4%
(+) Amortization of acquired intangibles	2.9%	2.0%	2.3%
(+) Acquisition and related expenses	0.2%	0.0%	0.0%
(+) Employer payroll taxes on employee stock transactions	0.7%	2.2%	2.4%
Non-GAAP operating margin %	(10.3%)	(0.7%)	(1.2%)
GAAP net loss per share	(\$0.38)	(\$0.48)	(\$1.48)
(+) Stock based compensation	0.21	0.32	1.07
(+) Amortization of acquired intangibles	0.04	0.04	0.16
(+) Acquisition and related expenses	0.00	0.00	0.00
(+) Employer payroll taxes on employee stock transactions	0.01	0.04	0.16
(-) Tax adjustment	(0.01)	(0.00)	(0.01)
Non-GAAP net loss per share	(\$0.12)	(\$0.08)	(\$0.09)

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# GAAP to Non-GAAP Reconciliations

## Calculated Billings

\$ in millions	Q4 FY20	Q4 FY21
Revenue	\$123.6	\$177.6
Add: Increase in total deferred revenue	52.0	62.6
Less: (Increase) decrease in unbilled accounts receivable	(0.5)	0.6
Calculated billings	\$175.1	\$240.9
Y/Y		38%

FY20	FY21
\$427.6	\$608.5
85.7	115.9
(0.6)	(2.6)
\$512.7	\$721.8
	41%

## Free Cash Flow

\$ in millions	Q4 FY20	Q4 FY21
Net cash used in operating activities	(\$5.9)	(\$1.6)
Less: Purchase of property and equipment	(0.8)	(1.2)
Less: Capitalization of internal-use software	0.0	(0.3)
Free cash flow	(\$6.8)	(\$3.1)
Free cash flow margin*	(5%)	(2%)

FY20	FY21
(\$30.6)	\$22.5
(5.1)	(3.9)
0.0	(0.3)
(\$35.6)	\$18.3
(8%)	3%

\*Free cash flow margin represents free cash flow divided by total revenue  
Sums may not add to totals due to rounding

# GAAP to Non-GAAP Reconciliation

## Gross Profit, Gross Margin and Operating Margin

(\$ in millions)	FY19	FY20	FY21
<b>GAAP gross profit</b>	<b>\$193.6</b>	<b>\$304.9</b>	<b>\$447.4</b>
(+) Stock based compensation	4.6	7.1	11.9
(+) Amortization of acquired intangibles	2.8	6.8	8.4
(+) Employer payroll taxes on employee stock transactions	0.0	0.5	1.3
<b>Non-GAAP gross profit</b>	<b>\$201.1</b>	<b>\$319.4</b>	<b>\$469.1</b>

<b>GAAP gross margin</b>	<b>71.3%</b>	<b>71.3%</b>	<b>73.5%</b>
(+) Stock based compensation	1.7%	1.7%	2.0%
(+) Amortization of acquired intangibles	1.0%	1.6%	1.4%
(+) Employer payroll taxes on employee stock transactions	0.0%	0.1%	0.2%
<b>Non-GAAP gross margin %</b>	<b>74.0%</b>	<b>74.7%</b>	<b>77.1%</b>

<b>GAAP operating margin %</b>	<b>-37.3%</b>	<b>-40.0%</b>	<b>-21.3%</b>
(+) Stock based compensation	14.7%	14.0%	15.4%
(+) Amortization of acquired intangibles	1.1%	2.4%	2.3%
(+) Acquisition and related expenses	0.3%	4.2%	0.0%
(+) Employer payroll taxes on employee stock transactions	0.7%	1.8%	2.4%
<b>Non-GAAP operating margin %</b>	<b>-20.5%</b>	<b>-17.7%</b>	<b>-1.2%</b>

Sums may not add to totals due to rounding

# GAAP to Non-GAAP Reconciliation

## Research & Development and Sales & Marketing Expenses

(\$ in millions)	FY19	FY20	FY21	FY19 % Revenue	FY20 % Revenue	FY21 % Revenue
<b>GAAP research &amp; development expenses</b>	<b>\$101.2</b>	<b>\$165.4</b>	<b>\$199.2</b>	<b>37.2%</b>	<b>38.7%</b>	<b>33%</b>
(-) Stock based compensation	-16.1	-23.6	-35.3	-5.9%	-5.5%	-5.8%
(-) Acquisition and related expenses	-0.7	-0.0	0.0	-0.3%	0.0%	0.0%
(-) Employer payroll taxes on employee stock transactions	-0.9	-2.2	-3.7	-0.3%	-0.5%	-0.6%
<b>Non-GAAP research &amp; development expenses</b>	<b>\$83.4</b>	<b>\$139.5</b>	<b>\$160.3</b>	<b>30.7%</b>	<b>32.6%</b>	<b>26.3%</b>
<b>GAAP sales &amp; marketing expenses</b>	<b>\$147.3</b>	<b>\$219.0</b>	<b>\$273.9</b>	<b>54.2%</b>	<b>51.2%</b>	<b>45%</b>
(-) Stock based compensation	-12.0	-19.3	-31.6	-4.4%	-4.5%	-5.2%
(-) Amortization of acquired intangibles	-0.1	-3.3	-5.7	-0.1%	-0.8%	-0.9%
(-) Acquisition and related expenses	-0.0	-0.5	0.0	-0.0%	-0.1%	0.0%
(-) Employer payroll taxes on employee stock transactions	-0.7	-3.2	-5.4	-0.3%	-0.8%	-0.9%
<b>Non-GAAP sales &amp; marketing expenses</b>	<b>\$134.4</b>	<b>\$192.6</b>	<b>\$231.2</b>	<b>49.5%</b>	<b>45.1%</b>	<b>38.0%</b>

## Definitions

*Customers:* We define a customer as an entity that generated revenue in the quarter ending on the measurement date from an annual or month-to-month subscription. All affiliated entities are typically counted as a single customer.

*Customers >\$100K ACV and Customers >\$1M ACV:* The annual contract value, or ACV, of a customer's commitments is calculated based on the terms of that customer's subscriptions, and represents the total committed annual subscription amount as of the measurement date. Month-to-month subscriptions are not included in the calculation of ACV.

*Net Expansion Rate:* To calculate an expansion rate as of the end of a given month, we start with the ACV from all customers as of twelve months prior to that month end, or Prior Period Value. We then calculate the ACV from these same customers as of the given month end, or Current Period Value, which includes any growth in the value of their subscriptions and is net of contraction or attrition over the prior twelve months. We then divide the Current Period Value by the Prior Period Value to arrive at an expansion rate. The Net Expansion Rate at the end of any period is the weighted average of the expansion rates as of the end of each of the trailing twelve months.