NETSUITE FOR SOFTWARE & HIGH TECH COMPANIES

Kimberly Odom, Director of Industry Marketing

Carrie Augustine, Software Vertical Market Expert

February 24, 2016

NETSUITE

Cautionary Note: Forward Looking Statement

This presentation contains "forward-looking" statements that involve risks and uncertainties and assumptions. These statements are based on information available to NetSuite management at the time of this presentation.

Actual results could differ materially from our current expectations as a result of many factors, including, but not limited to, risks associated with quarterly fluctuations in our business and results of operations; current macro-economic conditions and the possibility they could deteriorate; changes in business plans of our SuiteCloud partners and other strategic partners; and the effects of competition[1]. These and other risks and uncertainties associated with our business are described in our most recently filed annual report on Form 10-K for the year ending 12/31/15[2] and any subsequently filed reports on Form 10-K, 10-Q or 8-K. These filings are available on the SEC's website at www.sec.gov and on NetSuite's website at www.netsuite.com.

We assume no obligation and do not intend to update any forward looking statements. Customers who purchase our services should make sure the decisions are based on features that are currently available. Please be advised that any unreleased services or features from NetSuite that are not currently available may not be delivered on time, or at all.[3]

---

(1) These factors should be tailored to the specific forward looking statements in the presentation.

(2) This date needs to be updated to refer to the year for which the most recent 10-K has been filed or else remove the reference to the date.

(3) This language can be removed from internal presentations where no customers or prospects will be present like the internal all hands presentation (but there is no harm if it is left in).

NETSUITE

NETSUITE #1 CLOUD ERP

- First Cloud ERP - founded in 1998

- Publicly-traded on NYSE – 'N'

- More than 5,000 employees

- $741m revenue in FY15

- Grown by 30%+ in each of the last 14 consecutive quarters

- Used by 30,000+ organizations

- Used in 160+ countries

- 400+ new clients in the last quarter

- Accumulated best practice reduces time to value

- 40+ recent IPOs run NetSuite

NETSUITE

BUILT FOR HIGH TECH

VERTICAL FOCUS

- 1,300+ software/high tech industry customers

- Dedicated software industry experts in:
  - Implementation
  - Account Management
  - Support
  - Product Management
  - Executive team

SPECIFIC FUNCTIONALITY

- Revenue Recognition

- Subscription and Contract Management

- SOX Controls

- Billing

- Resource Management

- Project Management

- Time & Expense

- Issue Tracking

LEADING CUSTOMERS

channeladvisor

solarwinds

splunk>

+ableau

Cornerstone
ONDEMAND Empowering People

HubSpot

+ Over 1,300 companies; start-ups to mature public companies

NETSUITE

BUSINESSES IMPROVEMENTS AT TECH COMPANIES LIKE YOURS

Business Visibility	360° Visibility & Actionable Insight	↑ Increased **50% – 80%**
Financial Management	Time Required for Compliance Support	↓ Decreased **25% – 45%**
	Reporting Time and Resources	↓ Reduction **60% – 90%**
	Time to Close Financial Books	↓ Reduced **40% – 70%**
Sales & Support	Order Processing Efficiency	↑ Improved **45% – 75%**
	Customer Support Capacity	↑ Increased **25% – 60%**
Professional Services	Professional Services Productivity	↑ Improved **40% – 65%**
	Invoice Management	↑ Improved **45% – 75%**
IT Management	IT Support Resource Costs	↓ Reduction **45% – 70%**
	Business Continuity/Disaster Recovery Costs	↓ Reduced **35% – 50%**

KPI improvements are based on discussions with NetSuite software industry customers. SL Associates

NETSUITE

TOMORROW'S TECH LEADERS RUN NETSUITE TODAY

56

J | M | P
SECURITIES
HOT 100
SOFTWARE
COMPANIES

of the JMP Hot 100 private
software companies

40+IPO

Recent tech industry IPOs
ran on NetSuite

94%
of Bessemer's
'Next Cloud Unicorns'

BESSEMER
VENTURE PARTNERS

25
WSJ 'Billion Dollar'
Start-Ups

THE WALL STREET JOURNAL.

NETSUITE

#1 CLOUP ERP POWERING THE SOFTWARE INDUSTRY

Scalable Startup   **Mid-Market / Transition**   **Mature / Public Company**

NETSUITE

SOLUTION DEMONSTRATION

NETSUITE

AGENDA

1. **NetSuite Overview**

- System Architecture / Roles / Navigation / Dashboards
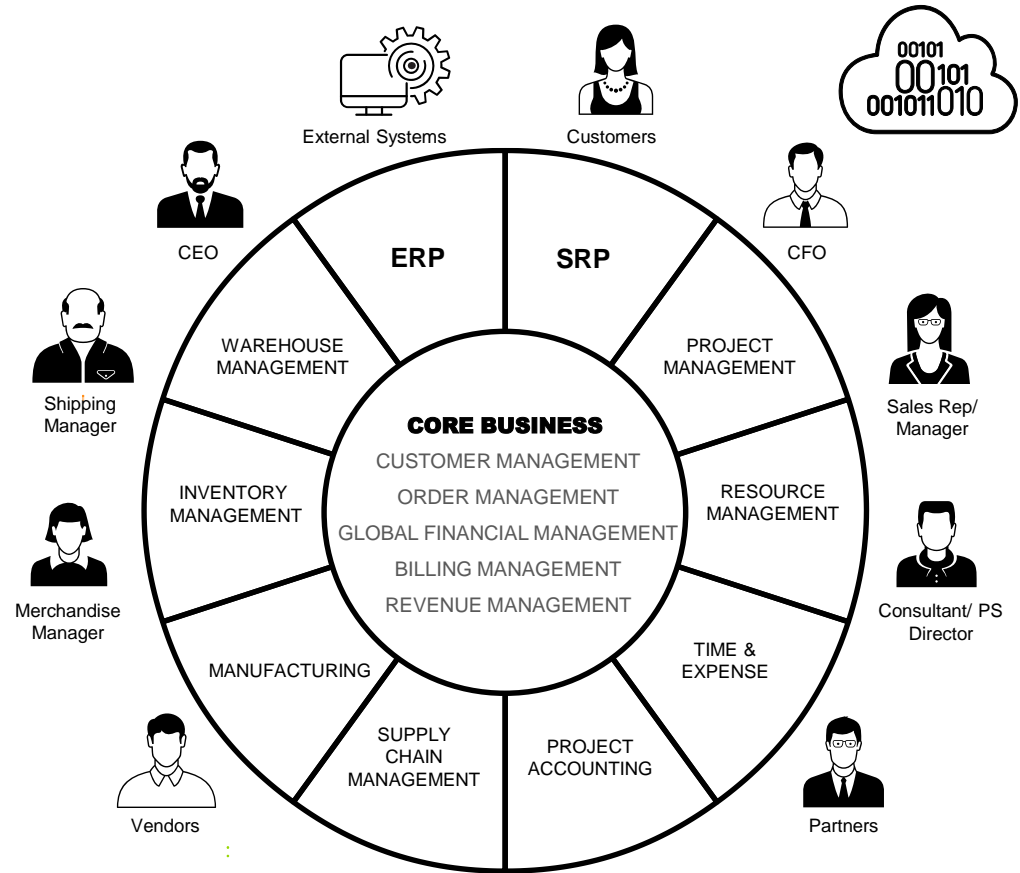- Customer 360

2. **Automating Order to Cash**

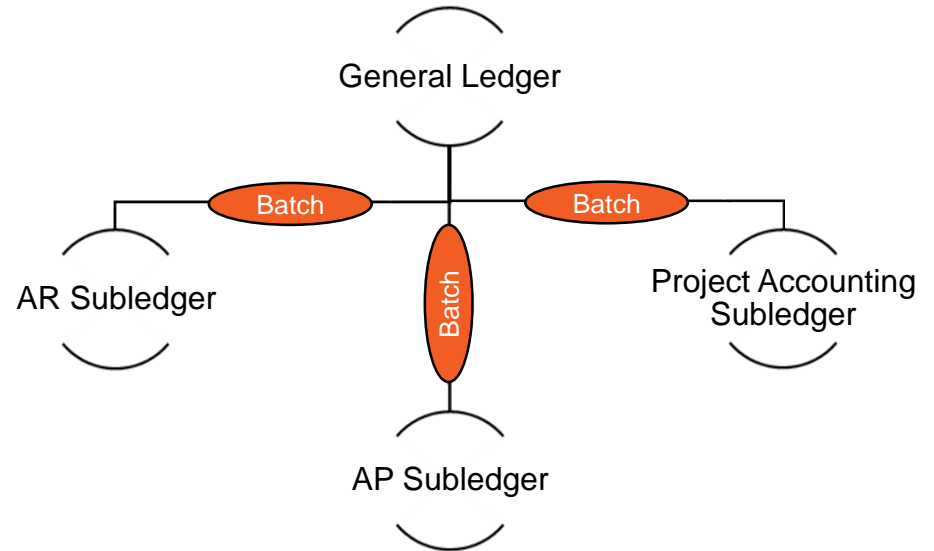- Order Management / Billing / Revenue Recognition and Reporting
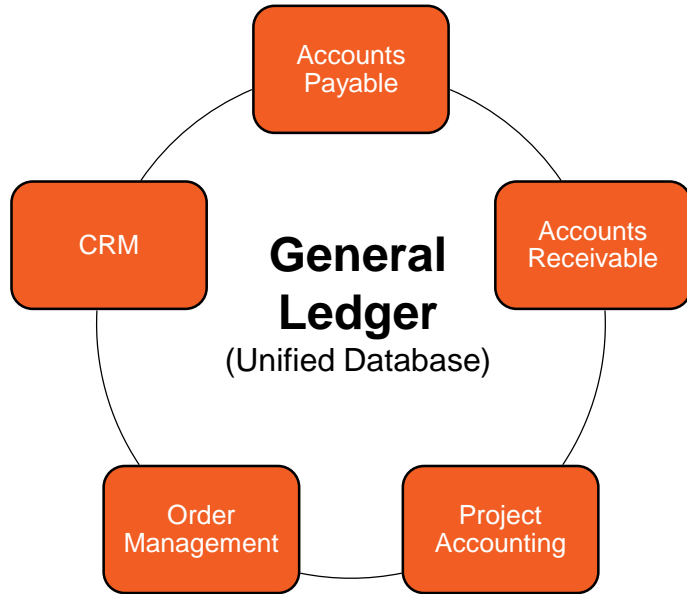- Renewals Management

3. **Global Financial Accounting and Reporting**

- Consolidated Reporting / Multi-Company and FX Management
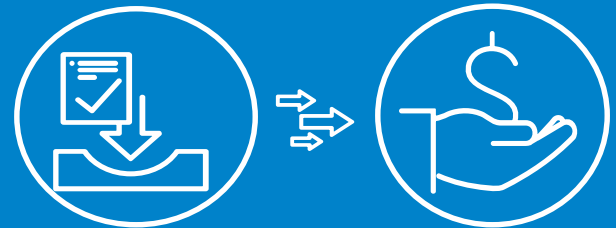- GL setup / Reporting

N NETSUITE

ONE PLATFORM

External Systems
Customers
CEO
CFO

ERP

SRP

Shipping Manager

WAREHOUSE MANAGEMENT

PROJECT MANAGEMENT

Sales Rep/ Manager

CORE BUSINESS
CUSTOMER MANAGEMENT
ORDER MANAGEMENT
GLOBAL FINANCIAL MANAGEMENT
BILLING MANAGEMENT
REVENUE MANAGEMENT

INVENTORY MANAGEMENT

RESOURCE MANAGEMENT

Merchandise Manager

Consultant/ PS Director

MANUFACTURING

TIME & EXPENSE

SUPPLY CHAIN MANAGEMENT

PROJECT ACCOUNTING

Vendors

Partners

NETSUITE

NetSuite Data Model vs Legacy ERP Data Model

© NetSuite Inc. 2016

ORDER TO CASH

NETSUITE

CUSTOMER SATISFACTION THROUGH OPERATIONAL EXCELLENCE

Drive Efficiency & Effectiveness through Automation

Invoice Customers Near Real Time
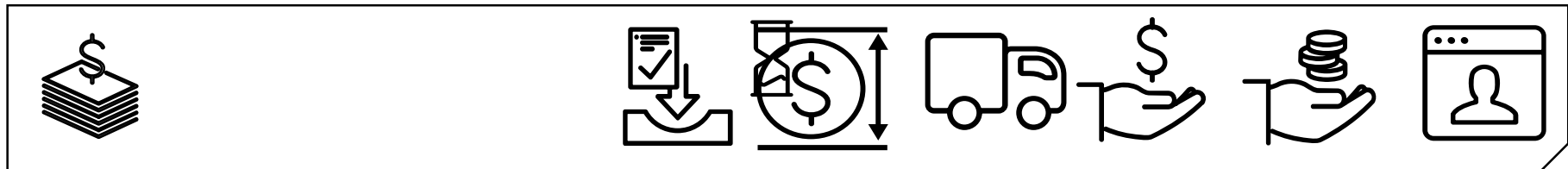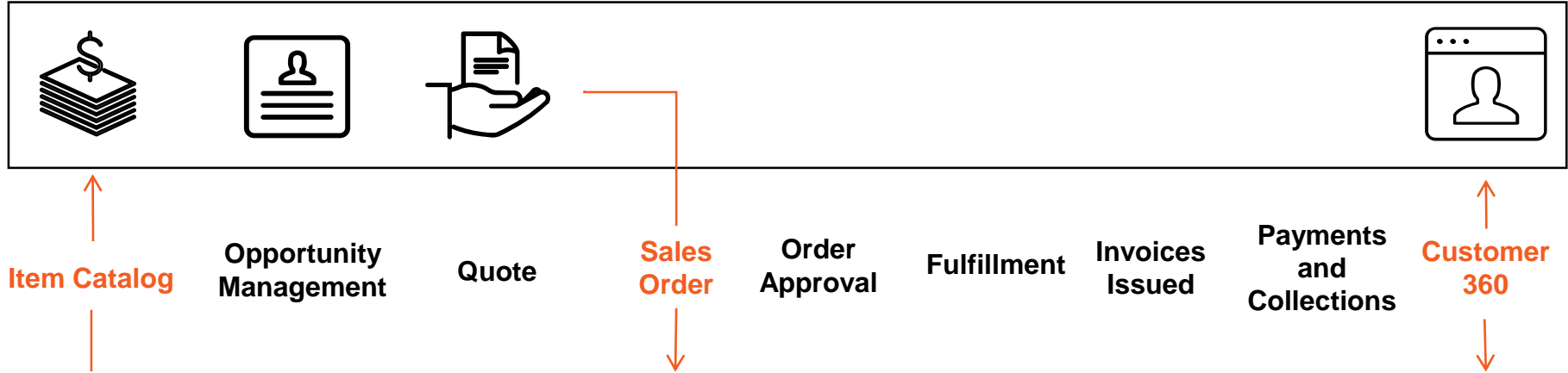
Drive Timely Cash Collection
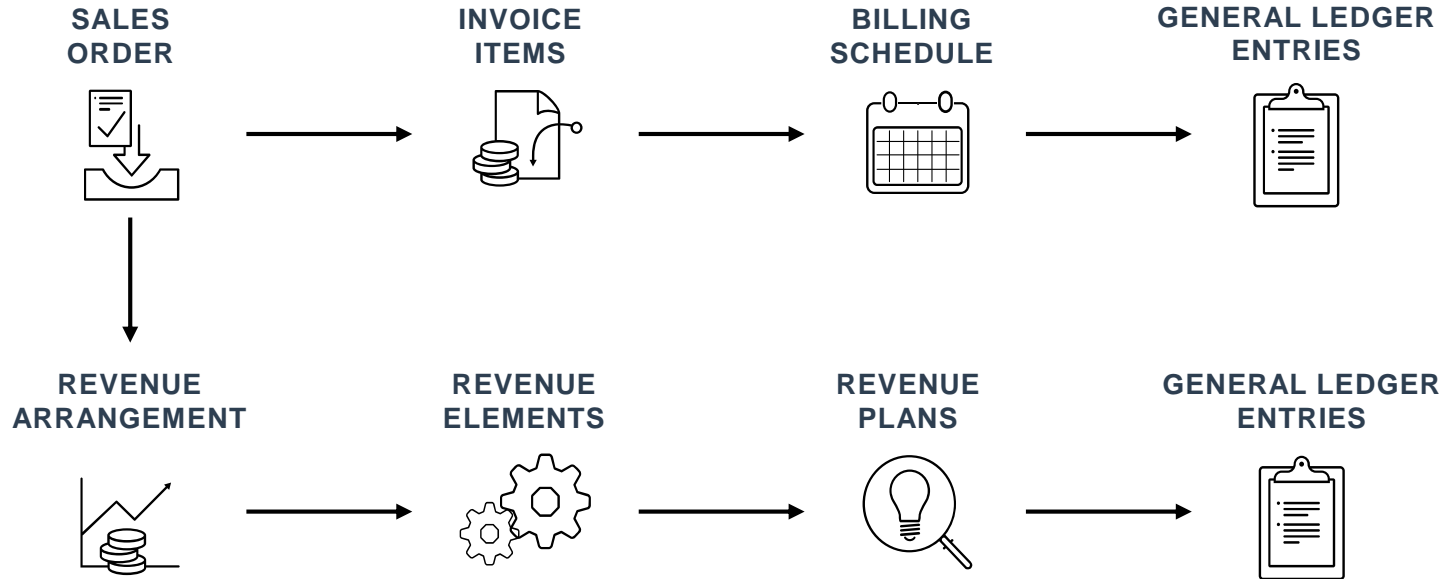
Leverage Technology to Drive Transparency

NETSUITE

Process Flow

Salesforce CRM

NetSuite ERP

| Item Catalog | Opportunity Management | Quote | Sales Order | Order Approval | Fulfillment | Invoices Issued | Payments and Collections | Customer 360 |

NETSUITE

Billing and Revenue Recognition Workflow

SALES ORDER

INVOICE ITEMS

BILLING SCHEDULE

GENERAL LEDGER ENTRIES

REVENUE ARRANGEMENT

REVENUE ELEMENTS

REVENUE PLANS

GENERAL LEDGER ENTRIES

NETSUITE

ADVANCED REVENUE MANAGEMENT

NETSUITE

The Five Step Model for Revenue Recognition

1 Identify the contract with a customer

2 Identify the performance obligations in the contract

3 Determine the transaction price

4 Allocate the transaction price to the performance obligations

5 Recognize revenue when (or as) the entity satisfies a performance obligation
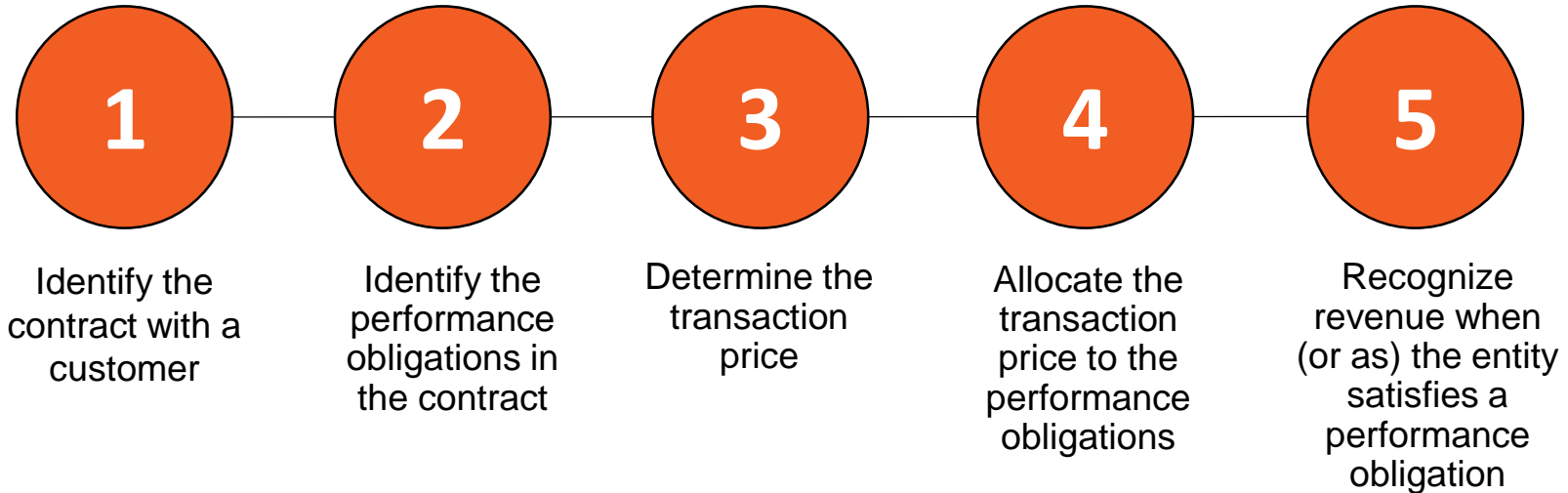
NETSUITE

NetSuite Revenue Accounting – Automated Process

```
Revenue Arrangement          Contract

   ↓
        Revenue Element          Performance Obligations

            ↓
                 Allocation of Revenue Across Elements          Revenue Allocation

                     ↓
                          Revenue Plan          Rules Applied for GL impact

                              ↓
                                   Revenue Rule          Basis for Revenue Recognition
```
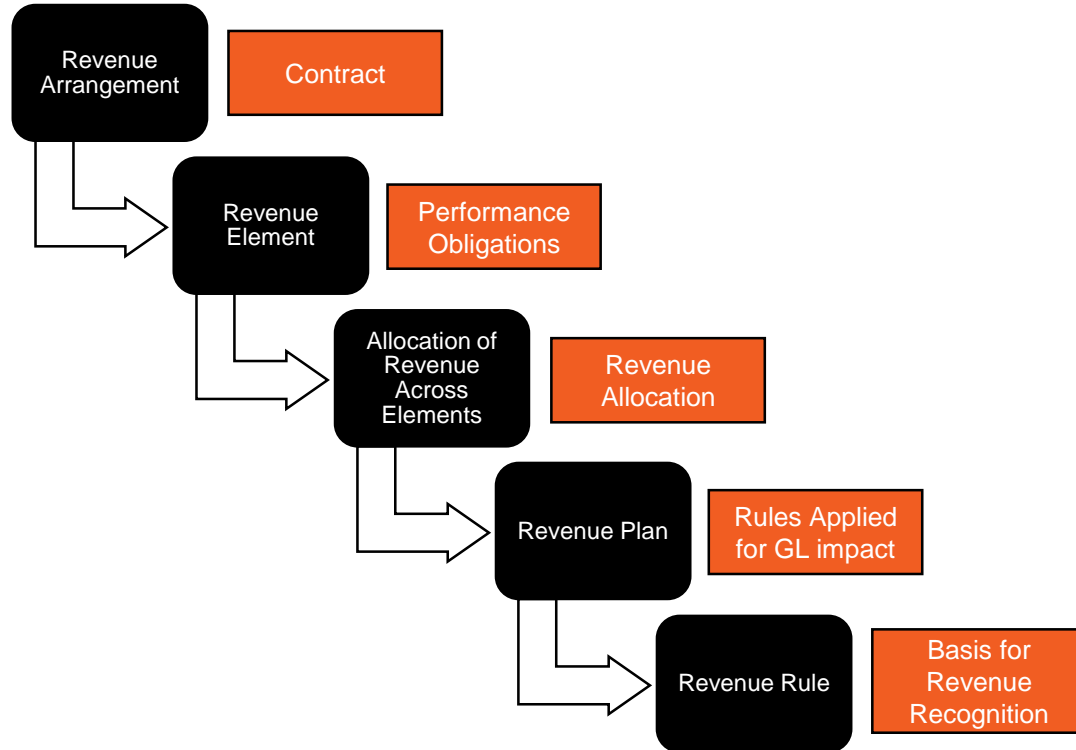
N NETSUITE

NETSUITE'S REVENUE RECOGNITION HIGHLIGHTS

Compliant with today's and future revenue standards for SaaS, Software, and Hardware sales

Allocate revenue across elements on order(s)
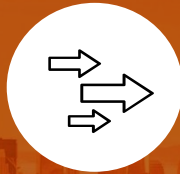
Ratable or event based RR (i.e. fulfillment, invoice)

Record Unbilled Receivables (e.g. % complete RR for services)

Dynamic fair value pricing engine

Revenue plans can be amended, put on hold, and caught up

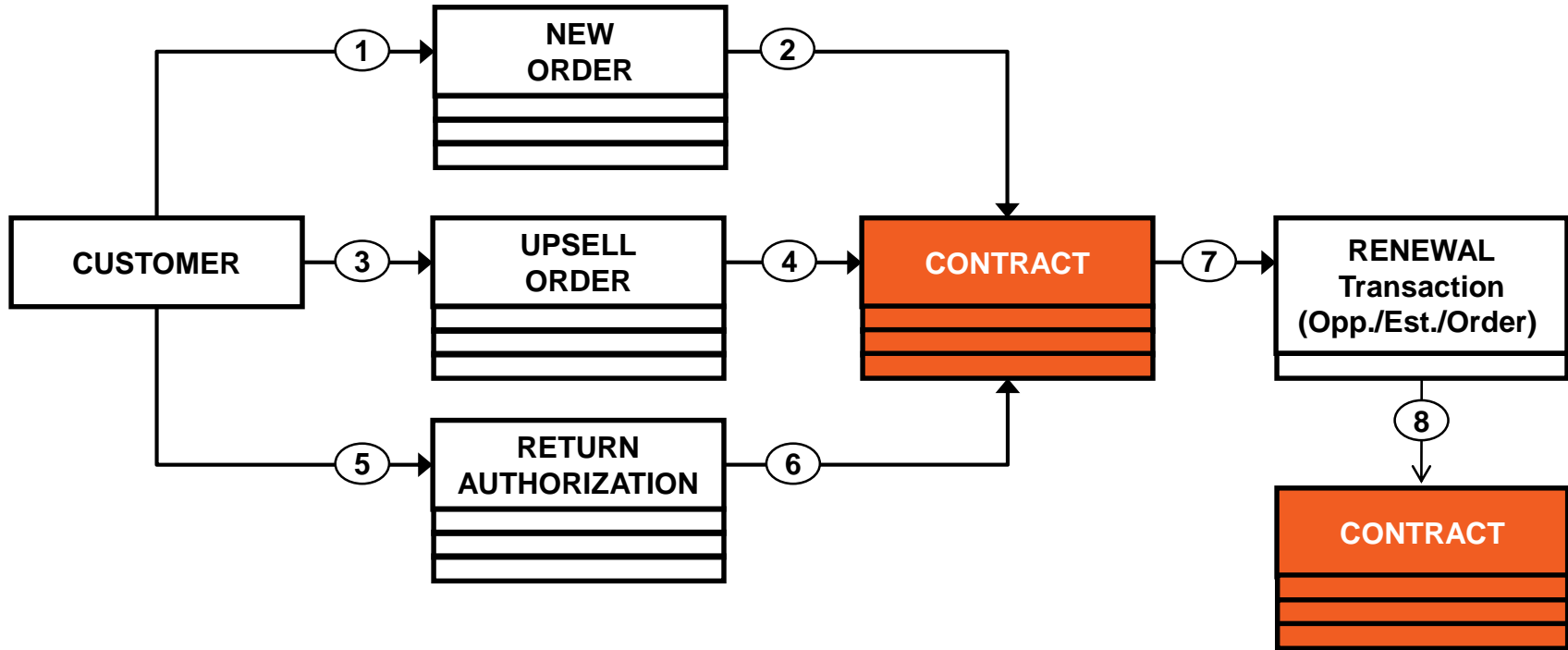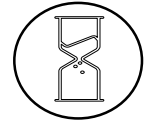**Automate month-end Deferred Revenue re-class for FX Adjustment by element**

Real-time revenue reporting (Deferred Revenue Waterfall, Deferred Revenue Rollforward)

NETSUITE

RENEWAL MANAGEMENT

NETSUITE

NetSuite Renewal Management
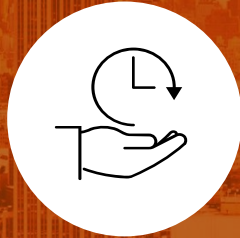

© NetSuite Inc. 2016

NETSUITE'S RENEWAL HIGHLIGHTS

Subscription/ Support/Maintenance terms are linked to Sales Orders

Contract record holds entitlement information

Renewals automatically created from the contract record

Reseller and end user information maintained at contract record

Powerful business intelligence

NETSUITE

GLOBAL FINANCIAL ACCOUNTING & REPORTING

NETSUITE

NETSUITE ONEWORLD GLOBAL FINANCIALS

160+
Countries & Dependent Territories Deployed

20
UI languages

100+
Countries Tax Calculation & Reporting

200+
Countries & Dependent Territories Transacted

90+
Bank Payment Formats

N NETSUITE

NetSuite Currency Processing

Remeasurement

- Currency Transaction
  - Payment or Receipt
  - Today's Exchange Rate
  - Records a Realized Gain/Loss upon Settlement (cash receipt or AP payment)

- Currency Revaluation – Balance Sheet
  - Month End Close Process
  - Records an Unrealized Gain/Loss and Reverses in Following Month

Translation
  - On Consolidations
  - Current, Average & Historical Rates

Localized Tax Reports - 100+ Countries

- Australia
- **Austria**
- **Belgium**
- **Bulgaria**
- Canada
- Chile
- Columbia
- Cyprus

- **Czech Republic**
- **Denmark**
- Finland
- France
- **Germany**
- Hungary
- Indonesia
- **Ireland**

- Japan
- Kenya
- Luxembourg
- Malaysia
- Mexico
- Netherlands
- New Zealand
- Norway

- Peru
- **Philippines**
- Poland
- Portugal
- Romania
- Serbia
- Singapore
- Slovakia

- Slovenia
- South Africa
- South Korea
- Spain
- Sweden
- Switzerland
- Taiwan

- Turkey
- Thailand
- Uruguay
- **UK**
- Ukraine
- Vietnam
- USA

No Taxes
- Bahamas
- Bahrain
- Bermuda
- Hong Kong
- Kuwait
- Oman
- Qatar
- Saudi Arabia
- UAE

Partner Supported
- Argentina
- Brazil
- China
- Costa Rica
- India
- Israel
- Italy
- Panama
- Russia

Countries listed in Orange = Online filing ready

NETSUITE

NetSuite Electronic Payments

Lets you generate payment files that contain instructions for facilitating electronic fund transfers between bank accounts to process payments for:

- Vendor Bills, Employee Expenses & Commissions
- Customer Direct Debits and Refunds

Fully supports payment discounts and credits. It can also generate Positive Pay files that are used by banks for check fraud protection.
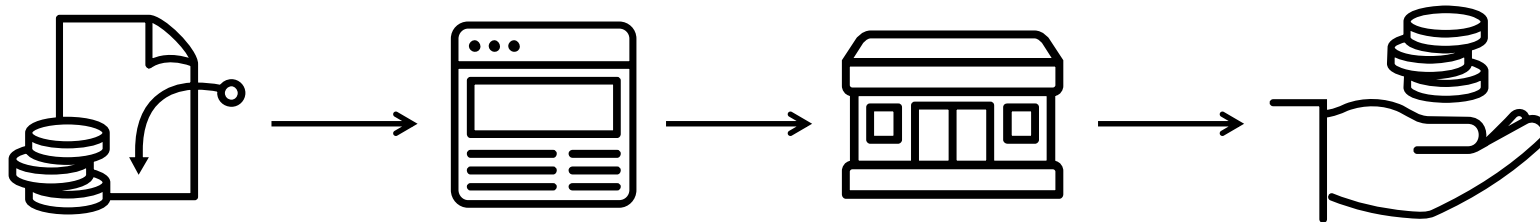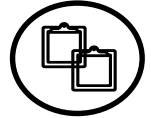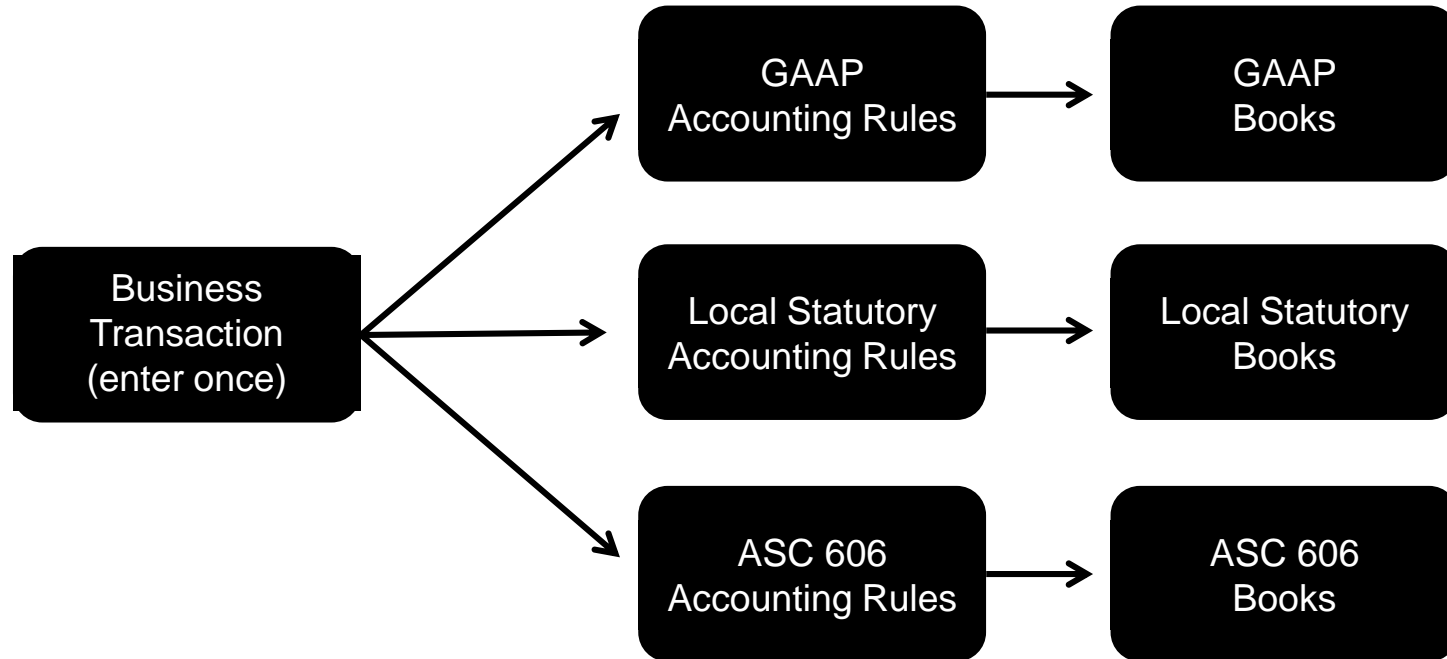
Electronic Payments Supported Countries

01	Australia	09	France	17	Netherlands
02	Austria	10	Germany	18	New Zealand
03	Belgium	11	Hong Kong	19	Singapore
04	Brazil	12	Ireland	20	South Africa
05	Canada	13	Isle of Man	21	Spain
06	Czech Republic	14	Italy	22	Sweden
07	Denmark	15	Japan	23	UK
08	Finland	16	Luxembourg	24	USA

NETSUITE

NETSUITE MULTI-BOOK

NETSUITE

How Does Multi-Book Work?

Business Transaction (enter once) →

- GAAP Accounting Rules → GAAP Books
- Local Statutory Accounting Rules → Local Statutory Books
- ASC 606 Accounting Rules → ASC 606 Books
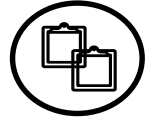
NETSUITE

NetSuite Multi-Book

Multiple Accounting Books

☑ **Multiple Accounting Books**
Use multiple accounting books to manage your business accounting.

☑ **Chart of Accounts and Classification Management**
Map accounts and classifications across books.

☑ **Foreign Currency Management**
Manage foreign currency transactions across books.

☑ **Revenue and Expense Management**
Recognize revenue and amortize expenses per book.

- **ERP solution to help…**
  - Manage multiple sets of accounting information per legal or business entity.
  - Produce financial statements in accordance with various accounting standards.

NETSUITE

Per Book Arrangements and Allocations – Residual vs Relative Fair Value

ACCOUNTING BOOK
Primary Accounting Book

Revenue Elements   Communication   Related Records   System Information   Custom

Revenue Element•   **Allocation Detail•**   Revenue Arrangement Version   Revenue Arrangement Message•

☑ RESIDUAL

REVENUE ELEMENT	ITEM	FAIR VALUE PRICE RECORD	BASE FAIR VALUE	USED SALES PRICE AS FAIR VALUE	IS VSOE PRICE?	FAIR VALUE FORMULA	PRE-RANGE CHECKING CALCULATED AMOUNT	RANGE POLICY	LOW VALUE	DISCOUNTED SALES AMOUNT	HIGH VALUE	CALCULATED FAIR VALUE AMOUNT	STEP ONE RESULT	STEP TWO RESULT	
193	BA1: Perpetual License A1	8	0.00	No	No	PERPETUAL - Sales Price	120,000.00	Fair Value	120,000.00	120,000.00	120,000.00	120,000.00	112,577.32	108,000.00	
194	BA3: 20% A Maintenance	7	0.00	No	Yes	MAINTENANCE - 20% NET GROUP PERPETUALA	24,000.00	Fair Value	24,000.00	12,000.00	240,000.00	24,000.00	22,515.46	24,000.00	
195	BC1: Professional Services	9	0.00	No	Yes	PERPETUAL - 100% of List	50,000.00	Fair Value	50,000.00	50,000.00	500,000.00	50,000.00	46,907.22	50,000.00	

ACCOUNTING BOOK
606 Revenue Book

Revenue Elements   Communication   Related Records   System Information   Custom

Revenue Element•   **Allocation Detail•**   Revenue Arrangement Version   Revenue Arrangement Message•

☐ RESIDUAL

| REVENUE ELEMENT	ITEM	FAIR VALUE PRICE RECORD	BASE FAIR VALUE	USED SALES PRICE AS FAIR VALUE	IS VSOE PRICE?	FAIR VALUE FORMULA	PRE-RANGE CHECKING CALCULATED AMOUNT	RANGE POLICY	LOW VALUE	DISCOUNTED SALES AMOUNT	HIGH VALUE	CALCULATED FAIR VALUE AMOUNT	STEP ONE RESULT	STEP TWO RESULT	
196	BA1: Perpetual License A1	8	0.00	No	No	PERPETUAL - Sales Price	120,000.00	Fair Value	120,000.00	120,000.00	120,000.00	120,000.00	112,577.32	112,577.32	
197	BA3: 20% A Maintenance	7	0.00	No	Yes	MAINTENANCE - 20% NET GROUP PERPETUALA	24,000.00	Fair Value	24,000.00	12,000.00	240,000.00	24,000.00	22,515.46	22,515.46	
198	BC1: Professional Services	9	0.00	No	Yes	PERPETUAL - 100% of List	50,000.00	Fair Value	50,000.00	50,000.00	500,000.00	50,000.00	46,907.22	46,907.22	

NETSUITE

NETSUITE'S GLOBAL HIGHLIGHTS

Automated daily currency updates for 190+ currencies

Currency Management: Automated remeasurement and translation
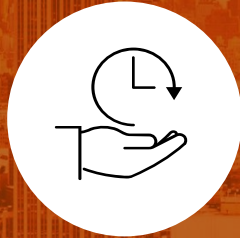
Scalability: localized tax reporting, electronic payments, and languages

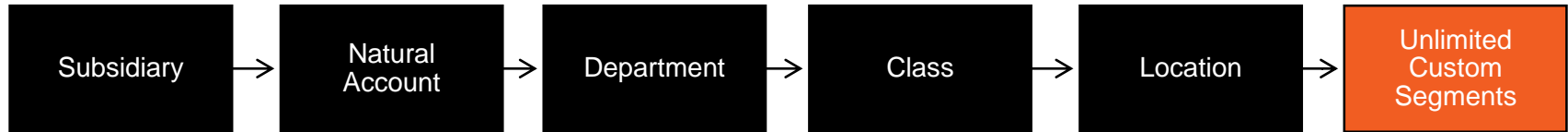Multi-book for statutory reporting

Real-time consolidations
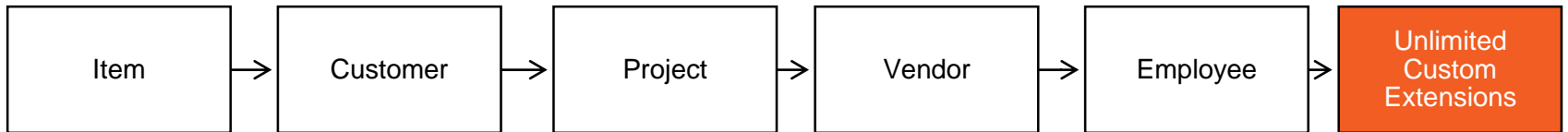
NETSUITE

GENERAL LEDGER & REPORTING OVERVIEW

NETSUITE

Standard NetSuite Reportable Dimensions

Chart of Account String (Coded to the Transaction)

| Subsidiary | → | Natural Account | → | Department | → | Class | → | Location | → | Unlimited Custom Segments |

General Ledger Extensions (Inherently Linked to Transaction)

| Item | → | Customer | → | Project | → | Vendor | → | Employee | → | Unlimited Custom Extensions |

NETSUITE

NetSuite Journal Entries

MANUAL	Standard Journal Entries	Can be imported via .csv/API or created manually
	Intercompany Journal Entries	Can be imported via .csv/API or created manually
AUTOMATED	Reversing Journal Entries	Set on a Journal Entry
	Elimination Journal Entries	Monthly Close Checklist
	Revenue Recognition Journal Entries	From Revenue Recognition Plans
	Deferred Revenue Reclassification Journal Entries	Revenue Re-Classification Feature
	Memorized/Recurring Journal Entries	Can be imported, created manually, or automatically booked from Statistical Schedule
	Statistical Journal Entries	Non-monetary data used to allocate costs, or compare relationship with the financial activity of your organization (e.g. headcount, square footage)
	Amortization Journal Entries	- From Amortization Schedules - Amortization Schedules can be set on Vendor Bills or Journal Entries
	Allocation Journal Entries	- From Allocation Schedules based on %, Weighted Ave (Headcount), Equalized - Dynamic Allocation Schedules created from Statistical Account Balances
	Fixed Asset Related – Depreciation, Asset Transfer, Disposal, Revaluation	Fixed Asset Module

NETSUITE

FLEXIBILITY:
Easily Configured or Customized By Mere Mortals, No Version Lock

SuiteApp

Custom Forms

Custom Workflows

Web Services Integration

Personalize Dashboard

Custom Searches

Custom Reports

Custom Fields

Custom Records

Custom Code

End User

Business Analyst

Developer

NETSUITE

Q&A

NETSUITE

THANK YOU

NETSUITE