September 6, 2023

# UiPath Reports Second Quarter Fiscal 2024 Financial Results

*Revenue of $287 million increases 19 percent year-over-year*

*ARR of $1.308 billion increases 25 percent year-over-year*

*Cash flow from operations reaches $44 million and non-GAAP adjusted free cash flow reaches $47 million*

*Announces $500 million stock repurchase program*

NEW YORK--(BUSINESS WIRE)-- UiPath, Inc. (NYSE: PATH), a leading enterprise automation software company, today announced financial results for its second quarter fiscal 2024 ended July 31, 2023.

“We delivered second quarter fiscal 2024 ARR growth of 25 percent while executing on our strategic initiatives and driving operational excellence across the company,” said Rob Enslin, UiPath Co-Chief Executive Officer. “I am energized by the excitement around our continuous investments in AI which are driving business outcomes for our customers. Looking to the second half of the year, momentum is building across the business as customers recognize the need for efficiency in the current operating environment and the long-term structural advantages of automation.”

Daniel Dines, UiPath Co-Founder and Co-Chief Executive Officer continued, “Harnessing the potential of AI is at the top of almost every executive’s agenda. Our automation platform enables customers to operationalize the promise of AI today with an integrated set of capabilities that combines our Specialized AI and governance with the creative power of Generative AI to unlock the almost limitless value this powerful combination creates.”

**Second Quarter Fiscal 2024 Financial Highlights**

- **Revenue** of $287.3 million increased 19 percent year-over-year.
- **ARR** of $1.308 billion increased 25 percent year-over-year.
- **Net new ARR** of $59.0 million.
- **Dollar based net retention rate** of 121 percent.
- **GAAP gross margin** was 83 percent.
- **Non-GAAP gross margin** was 86 percent.
- **GAAP operating loss** was $(77.6) million.
- **Non-GAAP operating income** was $30.1 million.
- **Net cash flow from operations** was $44.3 million.
- **Non-GAAP adjusted free cash flow** was $46.6 million.
- **Cash, cash equivalents, and marketable securities** were $1.8 billion as of July 31, 2023.

“I am pleased with the execution and discipline of our team as we continue to balance growth at scale with meaningful increases in profitability and cash flow,” said Ashim Gupta, UiPath Chief Financial Officer. “With more than $1.8 billion in cash, cash equivalents, and marketable securities, the UiPath Board of Directors has authorized a $500 million stock repurchase program, which underscores our confidence in the future and our commitment to building shareholder value.”

**Stock Repurchase Program**

UiPath, Inc. today announced that its Board of Directors has authorized the Company to repurchase up to an aggregate of $500 million of its Class A common stock in a manner deemed in the best interest of the Company and its stockholders, taking into account the economic cost and prevailing market conditions, including the relative trading prices and volumes of the Class A shares. The repurchases are expected to be executed from time to time, subject to general business and market conditions and other investment opportunities, through open market purchases or privately negotiated transactions, including through Rule 10b5-1 trading plans and under Rule 10b-18 of the Securities Exchange Act of 1934, as amended. The stock repurchase program authorization expires on March 1, 2025, subject to modification by the Board of Directors in the future.

**Financial Outlook**

For the third quarter fiscal 2024, UiPath expects:

- Revenue in the range of $313 million to $318 million
- ARR in the range of $1.359 billion to $1.364 billion as of October 31, 2023
- Non-GAAP operating income of approximately $32 million

For the full year fiscal 2024, UiPath expects:

- Revenue in the range of $1.273 billion to $1.278 billion
- ARR in the range of $1.432 billion to $1.437 billion as of January 31, 2024
- Non-GAAP operating income of approximately $188 million

Reconciliation of non-GAAP operating income guidance to the most directly comparable GAAP measure is not available without unreasonable efforts on a forward-looking basis due to the high variability, complexity and low visibility with respect to the charges excluded from this non-GAAP measure; in particular, the effects of stock-based compensation expense specific to equity compensation awards that are directly impacted by unpredictable fluctuations in our stock price. We expect the variability of the above charges to have a significant, and potentially unpredictable, impact on our future GAAP financial results.

**Recent Business Highlights**

- **Announced General Availability of Generative AI and Specialized AI Offerings:** These latest AI-powered automation features accelerate customers’ ability to discover, automate, and operate automations at scale through Generative AI and Specialized AI, including the general availability of OpenAI and Azure OpenAI connectors with support for GPT-4. The Company also introduced support for the Falcon Large Language Model (LLM) via its Amazon SageMaker connector, and the preview of the Google

Vertex connector with support for PaLM 2.

- **Delivered New AI-powered Features and Developer Experiences to Accelerate Automation Across All Knowledge Work:** New platform features include powerful developer tools that extend options for both citizen developers and professional developers to put automation into practice faster with enhanced low-code tools, solution accelerators, and automated testing. Also announced preview of Clipboard AI™, our advanced AI tool specifically for non-technical knowledge workers that takes the waste out of copy-and-paste tasks.
- **Received widespread industry recognition for platform capabilities, including document understanding, communications mining, process mining, and task mining:**
    - **Named a Leader and the only Star Performer in the Everest Group Intelligent Document Processing (IDP) Products report.** This report analyzes AI technologies such as computer vision, natural language processing (NLP), and machine/deep learning to classify and extract information from structured, semi-structured, and unstructured documents. Everest Group commented: "UiPath's acquisition of Re-infer has helped it improve its NLP capabilities for context understanding and communications mining, further contributing to its success."
    - **Named a Leader in Everest Group Process Mining Products PEAK Matrix® Assessment 2023** for the fourth consecutive year. "Investments in product innovation, enhanced integration with its automation suite, and strong YoY growth in its process mining client and revenue base have helped UiPath strengthen its position as a Leader on Everest Group's Process Mining Products PEAK Matrix® 2023," Everest Group said.
    - **Named a Leader in Everest Group Task Mining Products PEAK Matrix® Assessment 2023** for the first time. The report states that UiPath is a top provider by task mining clients, and that UiPath has experienced 150% year-over-year growth in task mining clients.
    - **Positioned by Gartner, Inc. as a Leader in the 2023 Gartner® Magic Quadrant™ for Robotic Process Automation**[1] research report. UiPath was named a Leader for the fifth year in a row, and in this report UiPath was positioned highest for Ability to Execute.
- **Announced Partnership with Peraton to Expand Cloud-based Automation in U.S. Intelligence, Defense, and Federal Civilian Sectors:** Peraton, a leading mission capability integrator and transformative enterprise IT provider, is partnering with UiPath to deliver the UiPath Business Automation Platform as a cloud-based managed service to high-security environments within U.S. intelligence, defense, and civilian agencies. The partnership will allow federal government customers to create and execute on automation strategies, drive mission agility, and orchestrate transformational impact for highly sensitive secure workloads.
- **Released its Fiscal Year 2023 Impact Report:** In this report, UiPath highlights its environmental, social, and governance (ESG) approach and shares the Company's first materiality assessment, identifying the most relevant areas of impact on stakeholders. In addition, for the first time, the report includes a comprehensive greenhouse gas inventory of data across Scopes 1, 2, and 3 and introduces a commitment by UiPath to set corporate climate targets, in alignment with the Science-Based Target Initiative.

**Conference Call and Webcast**

UiPath will host a conference call today, Wednesday, September 6, 2023, at 5:00 p.m. Eastern Time, to discuss the Company's second quarter fiscal 2024 financial results and its guidance for the third quarter and full year fiscal 2024. To access this call, dial 1-201-689-8057 (domestic) or 1-877-407-8309 (international). The passcode is 13740527. A live webcast of this conference call will be available on the "Investor Relations" page of UiPath's website (https://ir.uipath.com), and a replay will also be archived on the website for one year.

**Gartner Disclaimers**

[1] Gartner, "Magic Quadrant for Robotic Process Automation", Saikat Ray, Arthur Villa, Melanie Alexander, Andy Wang, Mukul Saha, Sachin Joshi, 2 August 2023

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**About UiPath**

UiPath (NYSE: PATH) is on a mission to uplevel knowledge work so more people can work more creatively, collaboratively, and strategically. The AI-powered UiPath Business Automation Platform combines the leading robotic process automation (RPA) solution with a full suite of capabilities to understand, automate, and operate end-to-end processes, offering unprecedented time-to-value. For organizations that need to evolve to survive and thrive through increasingly changing times, UiPath is The Foundation of Innovation™. For more information, visit www.uipath.com.

**Forward Looking Statements**

Statements we make in this press release may include statements which are not historical facts and are considered forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995, which are usually identified by the use of words such as "anticipates," "believes," "estimates," "expects," "intends," "may," "plans," "possible," "projects," "outlook," "seeks," "should," "will," and variations of such words or similar expressions, including the negatives of these words or similar expressions.

We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and are making this statement for purposes of complying with those safe harbor provisions.

These forward-looking statements include, but are not limited to, statements regarding our guidance for the third fiscal quarter and fiscal year 2024, our strategic plans, objectives and roadmap, the estimated addressable market opportunity for our platform and statements

regarding the growth of the enterprise automation market, the success of our platform and new releases, the success of our collaborations with third parties, our customers' behaviors and potential automation spend and details of UiPath's stock repurchase program. Accordingly, actual results could differ materially or such uncertainties could cause adverse effects on our results. Forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These risks include, but are not limited to, risks and uncertainties related to: the market, political, economic, and business conditions, including turmoil and macro-economic effects caused by geopolitical tensions and conflict, increasing inflationary cost trends, and foreign exchange volatility; volatility in credit and financial markets; our recent rapid growth, which may not be indicative of our future growth; our limited operating history; our ability to successfully manage our growth and achieve or maintain profitability; our ability and the ability of our platform and products to satisfy and adapt to customer demands, including our ability to continue to successfully develop, integrate and compete against competitors and new market entrants with artificial intelligence tools and capabilities; our dependency on our existing customers to renew their licenses and purchase additional licenses and products from us and our channel partners; our ability to attract and retain customers; the competitive markets in which we participate; our ability to maintain and expand our distribution channels; our ability to attract, retain and motivate our management and key employees, integrate new team members, and manage management transitions; our reliance on third-party providers of cloud-based infrastructure; the potential effects that regional or global pandemics could have on our or our customers' businesses, financial conditions and future operating results; our failure to achieve our environmental, social and governance (ESG) goals; and the price volatility of our Class A common stock.

Further information on risks that could cause actual results to differ materially from our guidance can be found in our Annual Report on Form 10-K for the annual period ended January 31, 2023 filed with the SEC on March 24, 2023, and in our Quarterly Reports on Form 10-Q filed with the SEC, and other filings and reports that we may file from time to time with the SEC. Any forward-looking statements contained in this press release are based on assumptions that we believe to be reasonable as of this date. Except as required by law, we assume no obligation to update these forward-looking statements.

**Key Performance Metric**

Annualized Renewal Run-rate (ARR) is a key performance metric we use in managing our business because it illustrates our ability to acquire new subscription customers and to maintain and expand our relationships with existing subscription customers. We define ARR as annualized invoiced amounts per solution SKU from subscription licenses and maintenance and support obligations assuming no increases or reductions in customers' subscriptions. ARR does not include the costs we may incur to obtain such subscription licenses or provide such maintenance and support, and does not reflect any actual or anticipated reductions in invoiced value due to contract non-renewals or service cancellations other than for specific reserves, for example those for credit losses or disputed amounts. ARR does not include invoiced amounts associated with perpetual licenses or professional services. ARR is not a forecast of future revenue, which can be impacted by contract start and end dates and duration. ARR should be viewed independently of revenue

and deferred revenue as ARR is an operating metric and is not intended to replace these items.

Dollar-based net retention rate represents the rate of net expansion of our ARR from existing customers over the preceding 12 months. We calculate dollar-based net retention rate as of a period end by starting with ARR from the cohort of all customers as of 12 months prior to such period end (Prior Period ARR). We then calculate the ARR from these same customers as of the current period end (Current Period ARR). Current Period ARR includes any expansion and is net of any contraction or attrition over the preceding 12 months but does not include ARR from new customers in the current period. We then divide total Current Period ARR by total Prior Period ARR to arrive at dollar-based net retention rate. Dollar-based net retention rate may fluctuate based on the customers that qualify to be included in the cohort used for calculation and may not reflect our actual performance.

Investors should not place undue reliance on ARR or dollar-based net retention rate as an indicator of future or expected results. Our presentation of these metrics may differ from similarly titled metrics presented by other companies and therefore comparability may be limited.

**Non-GAAP Financial Measures**

Non-GAAP financial measures are financial measures that are derived from the consolidated financial statements, but that are not presented in accordance with generally accepted accounting principles in the United States (GAAP). This earnings press release includes financial measures defined as non-GAAP financial measures by the SEC, including non-GAAP cost of licenses, non-GAAP cost of subscription services, non-GAAP cost of professional services and other, non-GAAP gross profit and margin, non-GAAP sales and marketing expenses, non-GAAP research and development expenses, non-GAAP general and administrative expenses, non-GAAP operating income (loss) and margin, and non-GAAP net income (loss) and non-GAAP net income (loss) per share. These non-GAAP financial measures exclude:

- stock-based compensation expense;
- amortization of acquired intangibles;
- employer payroll tax expense related to employee equity transactions;
- restructuring costs;
- charitable donation of Class A common stock; and
- in the case of non-GAAP net income (loss), tax adjustments associated with the add-back items, as applicable.

Additionally, this earnings release presents non-GAAP adjusted free cash flow, which is calculated by adjusting GAAP operating cash flows for the impact of purchases of property and equipment, cash paid for employer payroll taxes related to employee equity transactions, net payments/receipts of employee tax withholdings on stock option exercises, and cash paid for restructuring costs.

UiPath uses these non-GAAP financial measures internally in analyzing its financial results and believes they are useful to investors, by excluding the effects of special items that do not reflect the ordinary earnings of our operations, and as a supplement to GAAP measures. UiPath believes that the use of these non-GAAP financial measures provides an additional

tool for investors to use in evaluating ongoing operating results and trends and in comparing its financial results with other companies in UiPath's industry, many of which present similar non-GAAP financial measures to investors. Investors should consider these non-GAAP financial measures in addition to, and not as a substitute for, our financial performance measures prepared in accordance with GAAP. Further, our non-GAAP information may be different from the non-GAAP information provided by other companies. The information below provides a reconciliation of non-GAAP financial measures used in this press release to the most directly comparable GAAP financial measures. We encourage investors to consider our GAAP results alongside our supplemental non-GAAP measures, and to review the reconciliation between GAAP results and non-GAAP measures that is included at the end of this earnings press release. This earnings press release and any future releases containing such non-GAAP reconciliations can also be found on the Investor Relations page of UiPath's website at https://ir.uipath.com.

**UiPath, Inc.**
**Condensed Consolidated Statements of Operations**
*in thousands, except per share data*
*(unaudited)*

| | Three Months Ended July 31, | | Six Months Ended July 31, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Revenue: | | | | |
| Licenses | $ 119,300 | $ 103,696 | $ 253,339 | $ 220,700 |
| Subscription services | 159,999 | 124,656 | 306,351 | 240,150 |
| Professional services and other | 8,011 | 13,870 | 17,208 | 26,438 |
| Total revenue | 287,310 | 242,222 | 576,898 | 487,288 |
| Cost of revenue: | | | | |
| Licenses | 3,008 | 2,170 | 5,555 | 4,707 |
| Subscription services | 26,777 | 22,326 | 49,855 | 43,371 |
| Professional services and other | 19,202 | 20,080 | 37,244 | 41,514 |
| Total cost of revenue | 48,987 | 44,576 | 92,654 | 89,592 |
| Gross profit | 238,323 | 197,646 | 484,244 | 397,696 |
| Operating expenses: | | | | |
| Sales and marketing | 169,725 | 181,547 | 330,131 | 371,329 |
| Research and development | 86,606 | 67,849 | 161,948 | 136,539 |
| General and administrative | 59,577 | 68,443 | 116,161 | 125,973 |
| Total operating expenses | 315,908 | 317,839 | 608,240 | 633,841 |
| Operating loss | (77,585) | (120,193) | (123,996) | (236,145) |
| Interest income | 13,582 | 4,505 | 27,430 | 5,496 |
| Other income (expense), net | 7,472 | (600) | 11,766 | (3,411) |
| Loss before income taxes | (56,531) | (116,288) | (84,800) | (234,060) |
| Provision for income taxes | 3,830 | 4,090 | 7,462 | 8,879 |
| Net loss | $ (60,361) | $ (120,378) | $ (92,262) | $ (242,939) |
| Net loss per share attributable to common stockholders, basic and diluted | $ (0.11) | $ (0.22) | $ (0.16) | $ (0.45) |
| Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted | 562,883 | 546,058 | 560,422 | 544,014 |

**UiPath, Inc.**
**Condensed Consolidated Balance Sheets**
*in thousands*
*(unaudited)*

| | As of | |
|---|---|---|
| | **July 31, 2023** | **January 31, 2023** |
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | $ 1,093,898 | $ 1,402,119 |
| Restricted cash | 400 | — |
| Marketable securities | 735,670 | 354,774 |
| Accounts receivable, net of allowance for credit losses of $1,128 and $2,698, respectively | 226,327 | 374,217 |
| Contract assets | 80,602 | 69,260 |
| Deferred contract acquisition costs | 59,326 | 49,887 |
| Prepaid expenses and other current assets | 107,373 | 94,150 |
| Total current assets | 2,303,596 | 2,344,407 |
| Marketable securities, non-current | — | 2,942 |
| Contract assets, non-current | 5,021 | 6,523 |
| Deferred contract acquisition costs, non-current | 134,021 | 137,616 |
| Property and equipment, net | 24,679 | 29,045 |
| Operating lease right-of-use assets | 52,847 | 52,052 |
| Intangible assets, net | 19,244 | 23,010 |
| Goodwill | 90,051 | 88,010 |
| Deferred tax assets | 5,573 | 5,895 |
| Other assets, non-current | 35,108 | 45,706 |
| Total assets | $ 2,670,140 | $ 2,735,206 |
| | | |
| Liabilities and stockholders' equity | | |
| Current liabilities | | |
| Accounts payable | $ 1,887 | $ 8,891 |
| Accrued expenses and other current liabilities | 64,404 | 76,645 |
| Accrued compensation and employee benefits | 67,836 | 142,582 |
| Deferred revenue | 384,015 | 398,334 |
| Total current liabilities | 518,142 | 626,452 |
| Deferred revenue, non-current | 103,780 | 121,697 |
| Operating lease liabilities, non-current | 56,699 | 56,442 |
| Other liabilities, non-current | 8,153 | 10,457 |
| Total liabilities | 686,774 | 815,048 |
| Commitments and contingencies | | |
| Stockholders' equity | | |
| Class A common stock | 5 | 5 |
| Class B common stock | 1 | 1 |
| Additional paid-in capital | 3,888,414 | 3,736,838 |
| Accumulated other comprehensive income | 11,506 | 7,612 |
| Accumulated deficit | (1,916,560) | (1,824,298) |
| Total stockholders’ equity | 1,983,366 | 1,920,158 |
| Total liabilities and stockholders’ equity | $ 2,670,140 | $ 2,735,206 |

**UiPath, Inc.**
**Condensed Consolidated Statements of Cash Flows**
*in thousands*
*(unaudited)*

| | Six Months Ended July 31, | |
|---|---|---|
| | **2023** | **2022** |
| Cash flows from operating activities | | |
| Net loss | $ (92,262) | $ (242,939) |
| Adjustments to reconcile net loss to net cash provided by (used in) operating activities: | | |
| Depreciation and amortization | 11,160 | 8,065 |
| Amortization of deferred contract acquisition costs | 31,229 | 21,860 |
| Net amortization on marketable securities | (10,745) | 860 |
| Stock-based compensation expense | 187,145 | 189,706 |
| Charitable donation of Class A common stock | 4,215 | 5,499 |
| Amortization of operating lease right-of-use assets | 6,299 | 4,597 |
| Provision for deferred income taxes | (57) | 1,505 |
| Abandonment and impairment charges | — | 2,881 |
| Other non-cash charges (credits), net | 965 | (1,031) |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | 147,725 | 51,707 |
| Contract assets | (9,455) | (26,146) |
| Deferred contract acquisition costs | (36,389) | (39,572) |
| Prepaid expenses and other assets | (6,679) | (4,277) |
| Accounts payable | (6,033) | 2,759 |
| Accrued expenses and other liabilities | (4,229) | (14,507) |
| Accrued compensation and employee benefits | (74,184) | (45,042) |
| Operating lease liabilities, net | (7,532) | (2,422) |
| Deferred revenue | (29,547) | 9,876 |
| Net cash provided by (used in) operating activities | 111,626 | (76,621) |
| Cash flows from investing activities | | |
| Purchases of marketable securities | (709,199) | (45,600) |
| Maturities of marketable securities | 338,644 | 47,433 |
| Purchases of property and equipment | (2,876) | (16,298) |
| Payments related to business acquisitions, net of cash acquired | — | (29,477) |
| Other investing, net | 2,754 | (507) |
| Net cash used in investing activities | (370,677) | (44,449) |
| Cash flows from financing activities | | |
| Proceeds from exercise of stock options | 3,904 | 4,682 |
| Payments of tax withholdings on net settlement of equity awards | (52,832) | (38,717) |
| Net payments of tax withholdings on sell-to-cover equity award transactions | (679) | (10,132) |
| Proceeds from employee stock purchase plan contributions | 9,643 | 8,507 |
| Payment of deferred consideration related to business acquisition | (5,863) | — |
| Repurchase of unvested early exercised stock options | — | (1,493) |
| Net cash used in financing activities | (45,827) | (37,153) |
| Effect of exchange rate changes | (2,943) | (3,144) |
| Net decrease in cash, cash equivalents, and restricted cash | (307,821) | (161,367) |
| Cash, cash equivalents, and restricted cash - beginning of period | 1,402,119 | 1,768,723 |
| Cash, cash equivalents, and restricted cash - end of period | $ 1,094,298 | $ 1,607,356 |

**UiPath, Inc.**

**Reconciliation of GAAP Cost of Revenue, Gross Profit and Margin to Non-GAAP Cost of Revenue, Gross Profit and Margin**

*in thousands, except percentages*

*(unaudited)*

| | Three Months Ended July 31, | | Six Months Ended July 31, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| GAAP cost of licenses | $ 3,008 | $ 2,170 | $ 5,555 | $ 4,707 |
| Less: Amortization of acquired intangible assets | 851 | 562 | 1,687 | 1,158 |
| Non-GAAP cost of licenses | $ 2,157 | $ 1,608 | $ 3,868 | $ 3,549 |
| | | | | |
| GAAP cost of subscription services | $ 26,777 | $ 22,326 | $ 49,855 | $ 43,371 |
| Less: Stock-based compensation expense | 3,809 | 2,841 | 6,987 | 6,057 |
| Less: Amortization of acquired intangible assets | 594 | 330 | 1,178 | 660 |
| Less: Employer payroll tax expense related to employee equity transactions | 85 | 62 | 175 | 146 |
| Less: Restructuring costs | 167 | 137 | 167 | 137 |
| Non-GAAP cost of subscription services | $ 22,122 | $ 18,956 | $ 41,348 | $ 36,371 |
| | | | | |
| GAAP cost of professional services and other | $ 19,202 | $ 20,080 | $ 37,244 | $ 41,514 |
| Less: Stock-based compensation expense | 3,083 | 2,528 | 5,782 | 6,402 |
| Less: Employer payroll tax expense related to employee equity transactions | 68 | 62 | 139 | 141 |
| Less: Restructuring costs | — | 320 | — | 320 |
| Non-GAAP cost of professional services and other | $ 16,051 | $ 17,170 | $ 31,323 | $ 34,651 |
| | | | | |
| GAAP gross profit | $ 238,323 | $ 197,646 | $ 484,244 | $ 397,696 |
| *GAAP gross margin* | *83%* | *82%* | *84%* | *82%* |
| Plus: Stock-based compensation expense | 6,892 | 5,369 | 12,769 | 12,459 |
| Plus: Amortization of acquired intangible assets | 1,445 | 892 | 2,865 | 1,818 |
| Plus: Employer payroll tax expense related to employee equity transactions | 153 | 124 | 314 | 287 |
| Plus: Restructuring costs | 167 | 457 | 167 | 457 |
| Non-GAAP gross profit | $ 246,980 | $ 204,488 | $ 500,359 | $ 412,717 |
| *Non-GAAP gross margin* | *86%* | *84%* | *87%* | *85%* |

**UiPath, Inc.**

**Reconciliation of GAAP Operating Expenses, Loss, and Margin to Non-GAAP Operating Expenses, Income (Loss) and Margin**

*in thousands, except percentages*

*(unaudited)*

| | Three Months Ended July 31, | | Six Months Ended July 31, | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| GAAP sales and marketing | $ 169,725 | $ 181,547 | $ 330,131 | $ 371,329 |
| Less: Stock-based compensation expense | 39,007 | 35,889 | 72,130 | 86,647 |
| Less: Amortization of acquired intangible assets | 681 | 413 | 1,352 | 827 |
| Less: Employer payroll tax expense related to employee equity transactions | 501 | 1,202 | 1,725 | 2,629 |
| Less: Restructuring costs | 1,087 | 10,732 | 1,316 | 10,732 |
| Non-GAAP sales and marketing | $ 128,449 | $ 133,311 | $ 253,608 | $ 270,494 |
| | | | | |
| GAAP research and development | $ 86,606 | $ 67,849 | $ 161,948 | $ 136,539 |
| Less: Stock-based compensation expense | 33,071 | 23,501 | 57,844 | 50,124 |
| Less: Employer payroll tax expense related to employee equity transactions | 584 | 320 | 1,185 | 801 |
| Less: Restructuring costs | 109 | 43 | 394 | 43 |
| Non-GAAP research and development | $ 52,842 | $ 43,985 | $ 102,525 | $ 85,571 |
| | | | | |
| GAAP general and administrative | $ 59,577 | $ 68,443 | $ 116,161 | $ 125,973 |
| Less: Stock-based compensation expense | 23,127 | 23,493 | 44,402 | 40,476 |
| Less: Amortization of acquired intangible assets | 41 | 46 | 82 | 92 |
| Less: Employer payroll tax expense related to employee equity transactions | 491 | 186 | 869 | 363 |
| Less: Restructuring costs | 354 | 802 | 729 | 802 |
| Less: Charitable donation of Class A common stock | — | 5,499 | 4,215 | 5,499 |
| Non-GAAP general and administrative | $ 35,564 | $ 38,417 | $ 65,864 | $ 78,741 |
| | | | | |
| GAAP operating loss | $ (77,585) | $ (120,193) | $ (123,996) | $ (236,145) |
| *GAAP operating margin* | *(27)%* | *(50)%* | *(21)%* | *(48)%* |
| Plus: Stock-based compensation expense | 102,097 | 88,252 | 187,145 | 189,706 |
| Plus: Amortization of acquired intangible assets | 2,167 | 1,351 | 4,299 | 2,737 |
| Plus: Employer payroll tax expense related to employee equity transactions | 1,729 | 1,832 | 4,093 | 4,080 |
| Plus: Restructuring costs | 1,717 | 12,034 | 2,606 | 12,034 |
| Plus: Charitable donation of Class A common stock | — | 5,499 | 4,215 | 5,499 |
| Non-GAAP operating income (loss) | $ 30,125 | $ (11,225) | $ 78,362 | $ (22,089) |
| *Non-GAAP operating margin* | *10%* | *(5)%* | *14%* | *(5)%* |

**UiPath, Inc.**
**Reconciliation of GAAP Net Loss and GAAP Net Loss Per Share to Non-GAAP Net Income (loss) and Non-GAAP Net Income (loss) Per Share**
*in thousands, except per share data*
*(unaudited)*

| | Three Months Ended July 31, | | Six Months Ended July 31, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| GAAP net loss attributable to common stockholders | $ (60,361) | $ (120,378) | $ (92,262) | $ (242,939) |
| Plus: Stock-based compensation expense | 102,097 | 88,252 | 187,145 | 189,706 |
| Plus: Amortization of acquired intangible assets | 2,167 | 1,351 | 4,299 | 2,737 |
| Plus: Employer payroll tax expense related to employee equity transactions | 1,729 | 1,832 | 4,093 | 4,080 |
| Plus: Restructuring costs | 1,717 | 12,034 | 2,606 | 12,034 |
| Plus: Charitable donation of Class A common stock | — | 5,499 | 4,215 | 5,499 |
| Tax adjustments to add-backs | 1,640 | — | 2,682 | — |
| Non-GAAP net income (loss) | $ 48,989 | $ (11,410) | $ 112,778 | $ (28,883) |
| | | | | |
| GAAP net loss per share, basic and diluted | $ (0.11) | $ (0.22) | $ (0.16) | $ (0.45) |
| GAAP weighted average common shares outstanding, basic and diluted | 562,883 | 546,058 | 560,422 | 544,014 |
| Non-GAAP weighted average common shares outstanding, basic | 562,883 | 546,058 | 560,422 | 544,014 |
| Plus: Dilutive potential common shares from outstanding equity awards | 11,580 | — | 12,145 | — |
| Non-GAAP weighted average common shares outstanding, diluted | 574,463 | 546,058 | 572,567 | 544,014 |
| Non-GAAP net income (loss) per share, basic | $ 0.09 | $ (0.02) | $ 0.20 | $ (0.05) |
| Non-GAAP net income (loss) per share, diluted | $ 0.09 | $ (0.02) | $ 0.20 | $ (0.05) |

**UiPath, Inc.**
**Reconciliation of GAAP Operating Cash Flow to Non-GAAP Adjusted Free Cash Flow**
*in thousands*
*(unaudited)*

| | Six Months Ended July 31, | |
|---|---|---|
| | 2023 | 2022 |
| GAAP net cash provided by (used in) operating activities | $ 111,626 | $ (76,621) |
| Purchases of property and equipment | (2,876) | (16,298) |
| Cash paid for employer payroll taxes related to employee equity transactions | 4,830 | 4,953 |
| Net payments of employee tax withholdings on stock option exercises | 924 | 5,664 |
| Cash paid for restructuring costs | 4,792 | 5,196 |
| Non-GAAP adjusted free cash flow | $ 119,296 | $ (77,106) |

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