

Q3 2022 Financials

February 2022





Legal Disclaimer

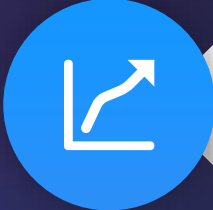

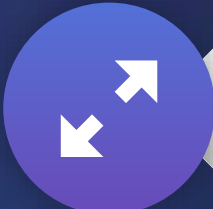

This presentation includes certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding management’s expectations of future financial and operational performance and operational expenditures, expected growth, and business outlook, including our financial guidance for the fourth quarter and full year of fiscal 2022, statements regarding the impact of the COVID-19 pandemic and related economic conditions on our business and results of operations; and statements regarding the size of our market and our positioning for capturing a larger share of our market. These forward-looking statements include, but are not limited to, plans, objectives, expectations and intentions and other statements contained in this press release that are not historical facts and statements identified by words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates” or words of similar meaning. These forward-looking statements reflect our current views about our plans, intentions, expectations, strategies and prospects, which are based on the information currently available to us and on assumptions we have made. Although we believe that our plans, intentions, expectations, strategies and prospects as reflected in or suggested by those forward-looking statements are reasonable, we can give no assurance that the plans, intentions, expectations or strategies will be attained or achieved. Furthermore, actual results may differ materially from those described in the forward-looking statements and will be affected by a variety of risks and factors that are beyond our control including, without limitation, the effect of the COVID-19 pandemic on our business operations and demand for our products as well as its impact on general economic and financial market conditions; our ability to maintain our subscription revenue growth rates in future periods, our ability to service our substantial level of indebtedness, market adoption of software intelligence solutions for application performance monitoring, digital experience monitoring and infrastructure monitoring, continued spending on and demand for software intelligence solutions, our ability to maintain and acquire new customers, our ability to differentiate our platform from competing products and technologies; our ability to successfully recruit and retain highly-qualified personnel; the price volatility of our common stock, and other risks set forth under the caption “Risk Factors” in our most recently filed annual report on Form 10-K and quarterly reports on Form 10-Q, and our other SEC filings. We assume no obligation to update any forward-looking statements contained in this document as a result of new information, future events or otherwise.

Projections, assumptions and estimates of the Company’s future performance are necessarily subject to a high degree of uncertainty and risk. By attending or receiving this presentation you acknowledge that you will be solely responsible for your own assessment of the Company’s market position and potential performance, and that you will conduct your own analysis and be solely responsible for forming your own view of the future performance of the Company’s business.

This presentation includes non-GAAP financial measures which have certain limitations and should not be considered in isolation, or as alternatives to or substitutes for, financial measures determined in accordance with generally accepted accounting principles in the United States (“GAAP”). The non-GAAP measures as defined by the Company may not be comparable to similar non-GAAP measures presented by other companies. The Company’s presentation of such measures, which may include adjustments to exclude unusual or non-recurring items, should not be construed as an inference that its future results will be unaffected by these or other unusual or non-recurring items. A reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures is included in the Appendix to these slides.



Compelling Financial Profile

	Rapid ARR growth	\$930M Q3-22 ARR ¹ , up \$208M or 29% YoY (32% @ CC ²)
	Predictable model	94% Q3-22 subscription revenue, up 33% YoY (34% @ CC ²) \$241M total revenue, up 32% YoY (33% @ CC ²)
	Healthy growth dynamics	120%+ Dynatrace net expansion rate ¹ for 15 consecutive quarters 206 New Logo additions Q3-22, +9% growth YoY
	Investing for growth, balancing healthy margins	35% and 49% YoY TTM ³ R&D and S&M increased investments, respectively 27% uFCF margin TTM ³

1) See Appendix for definition.

2) Denotes growth when adjusted for constant currency exchange rates.

3) Non-GAAP R&D, S&M and uFCF reported on a trailing twelve-month basis (TTM) as of December 31, 2021. These are non-GAAP financial measures. See Appendix for reconciliation of GAAP to non-GAAP financial measures.



Sustainable ARR Growth @ CC

Annual Total ARR (\$M)¹

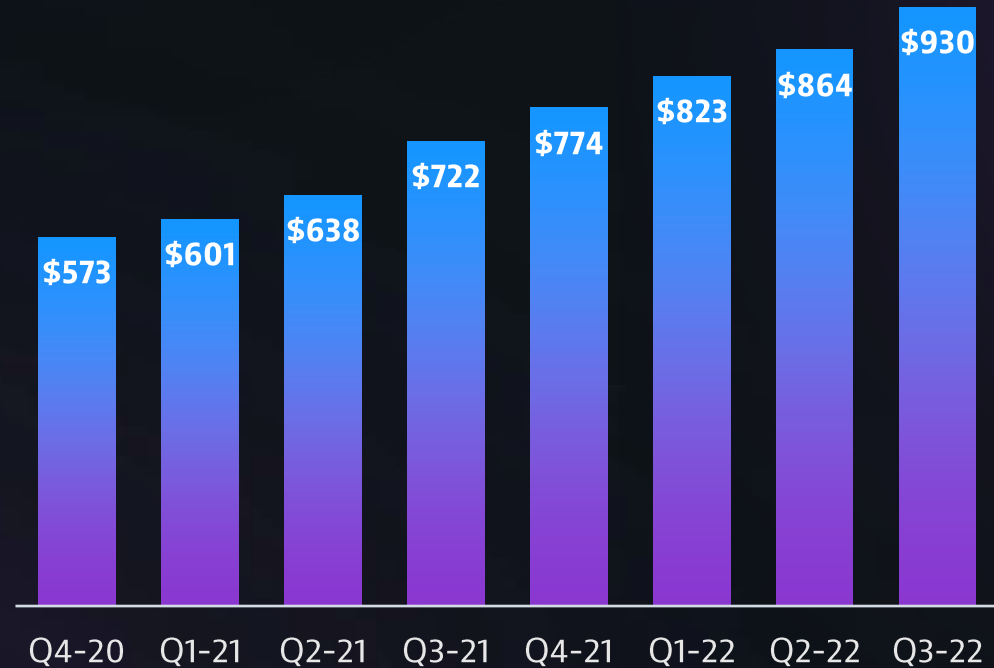
ARR Growth @ CC (YoY) ²	49%	44%	32%
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Quarterly Total ARR (\$M)¹

ARR Growth @ CC (YoY) ²	44%	39%	33%	32%	32%	32%	34%	32%	29% (As Rept'd)
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% Total Adjusted ARR Growth (YoY) ^{2,3}	NMF ⁴	35%	33%	35%	36%	38%	36%	33% (As Rept'd)
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29% (As Rept'd)

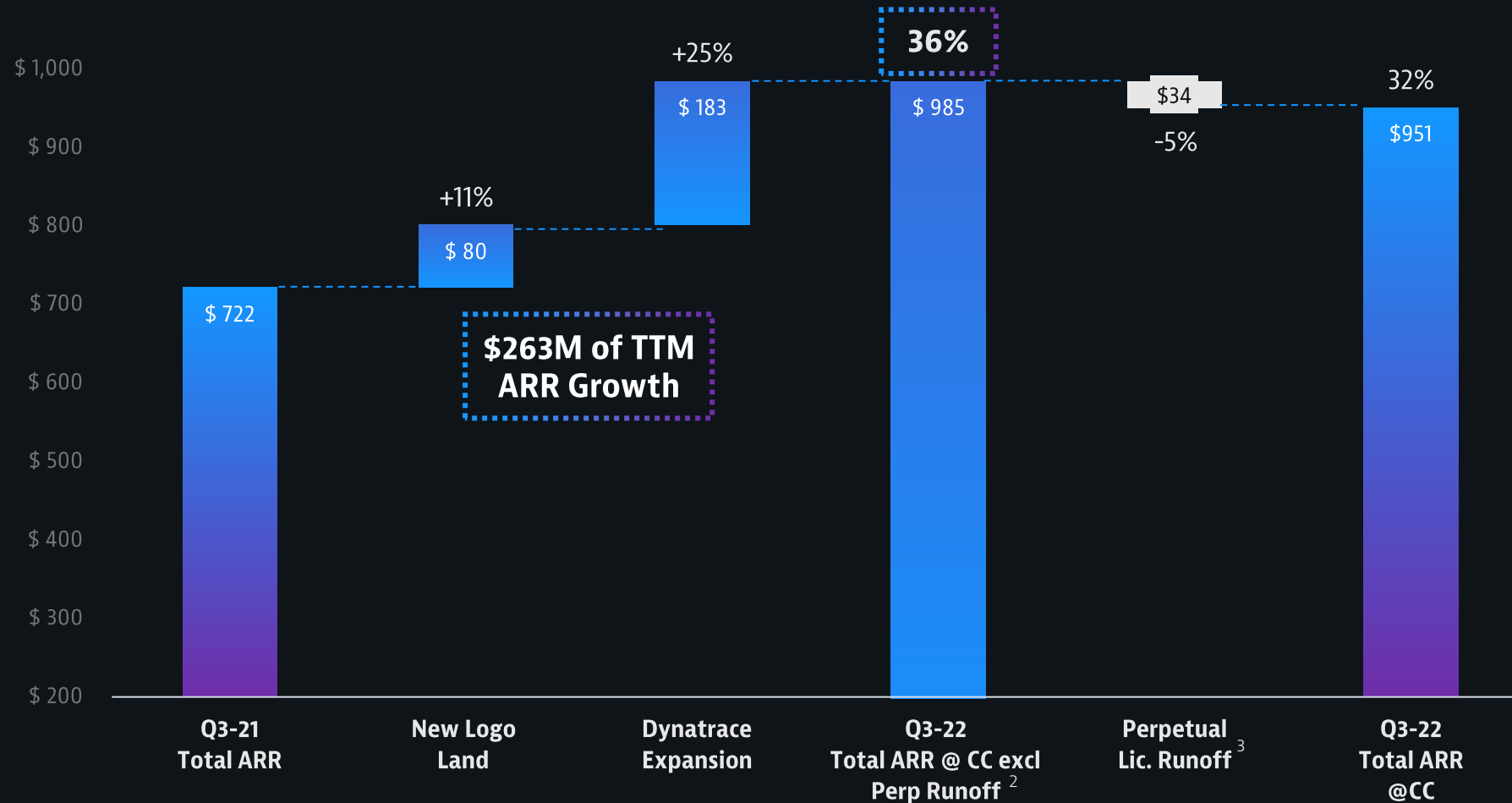
33% (As Rept'd)

1) Annual and Quarterly Total ARR amounts shown in bar graphs are 'As Reported' metrics.
 2) Constant currency growth rates reflect YoY growth when using exchange rates compared to the as reported results from the same quarter in the prior year.
 3) Total adjusted ARR excludes the headwind associated with the perpetual license roll-off.
 4) Perpetual license headwind was not material before Q2-21.



Total ARR Growth @ CC¹

Q3-22 +\$229M year over year or 32% @ CC



1) Values have been rounded and may not add up precisely to the total.

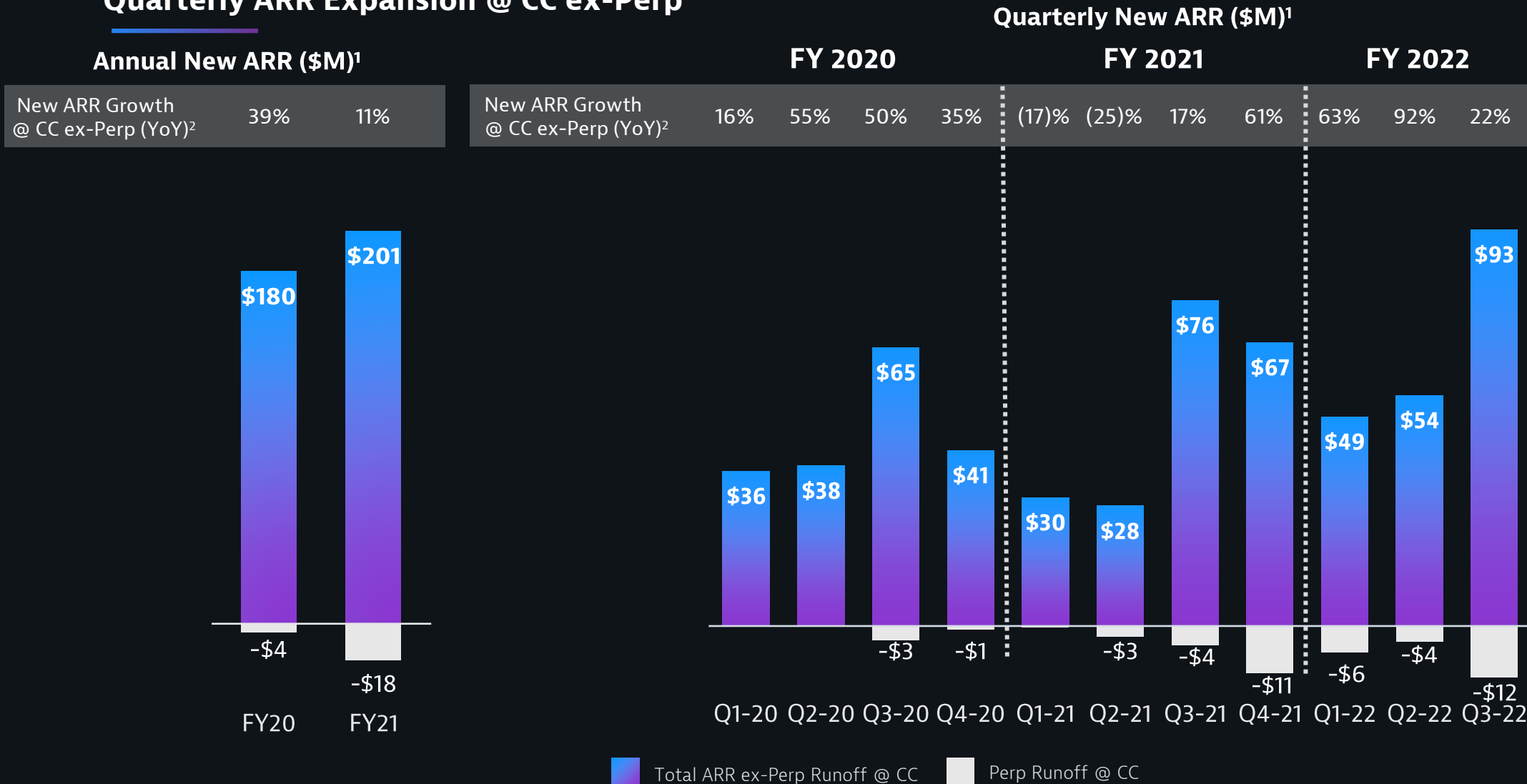
2) Constant currency growth rates reflect YoY growth when using exchange rates compared to the as reported results from the same quarter in the prior year.

3) Represents the cumulative trailing-twelve-month amount of Dynatrace perpetual license ARR that had reached the end of its revenue recognition schedule as of December 31, 2021. As of December 31, 2021, Dynatrace had \$21 million in perpetual ARR license ARR remaining that will run off in the future.



New ARR Growth

Quarterly ARR Expansion @ CC ex-Perp



TTM New ARR of \$263M³, up 49% @ CC ex perp

YTD New ARR of \$196M⁴, up 46% @ CC ex perp

1) Annual and Quarterly New ARR amounts shown in bar graphs represent Total ARR at constant currency excluding the amount of Dynatrace perpetual license ARR at constant currency that had reached the end of its revenue recognition schedule, net of new perpetual ARR signed in the period. See Appendix for more detail.
 2) Constant currency growth rates reflect YoY growth when using exchange rates compared to the as reported results from the same quarter in the prior year.
 3) Q3-22 TTM New ARR reflect metrics for twelve months ended December 31, 2021.
 4) YTD New ARR reflects metrics the first three quarters of FY 2022 ending December 31, 2021.



ARR Growth Drivers – Q3 New Logos & On-going Expansion

New Logo Additions¹

206



Up 9% YoY

Initial ARR Land²

\$116K



Healthy Initial Land

Strong Dynatrace Net Expansion Rate³

120%+



Last 15 Quarters

ARR Per Customer

~\$290K



Up 14% YoY

3,200+ Dynatrace Customers

1) New logos added for during the second quarter ended December 31, 2021.

2) Initial average Dynatrace ARR for new customers added during the twelve months ended December 31, 2021.

3) Defined as the Dynatrace[®] ARR at the end of a reporting period for the cohort of Dynatrace[®] accounts as of one year prior to the date of calculation, divided by the Dynatrace[®] ARR one year prior to the date of calculation for that same cohort.



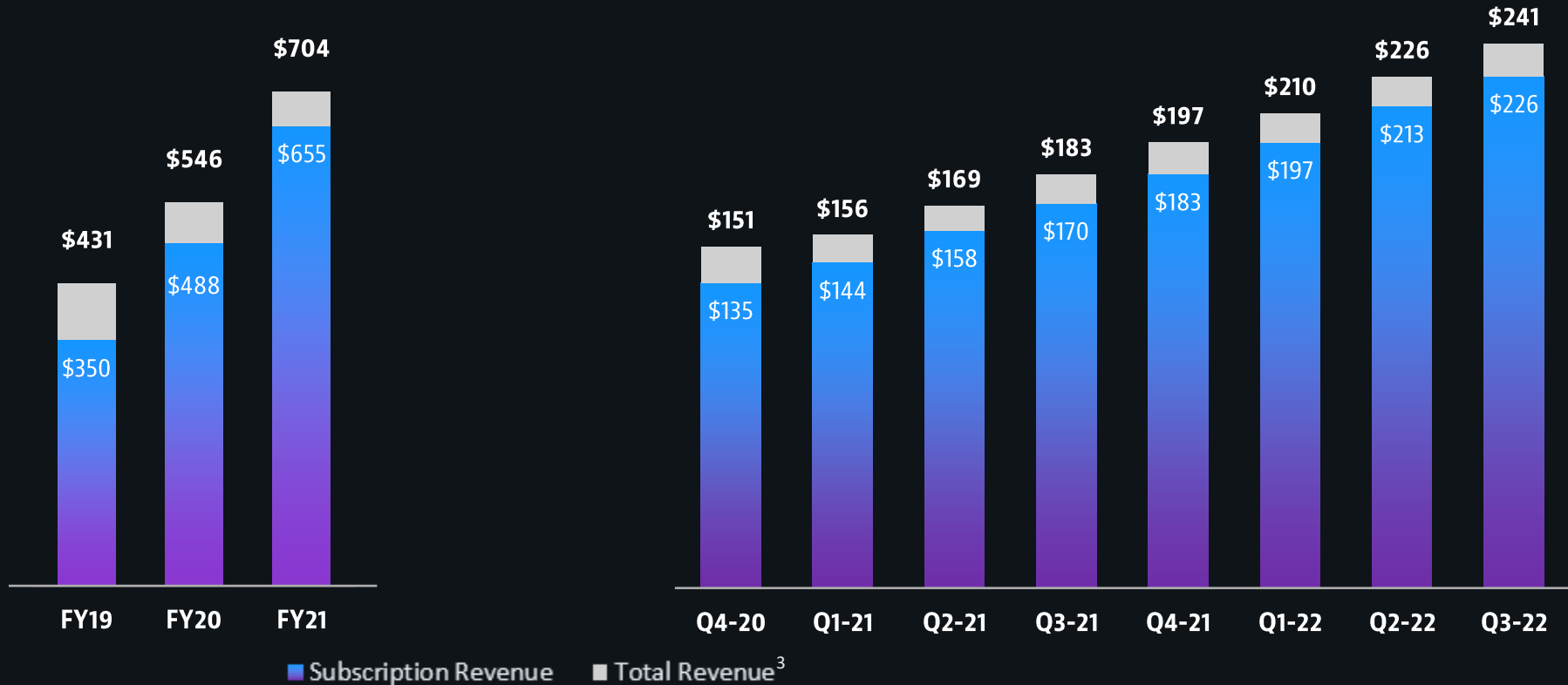
Subscription & Total Revenue Growth (As Rept'd)

Annual Revenue (\$M)

Total Revenue Growth (YoY) ¹	8%	27%	29%
Subscription Revenue Growth (YoY) ¹	36%	39%	34%

Quarterly Revenue (\$M)

30%	27%	30%	28%	31%	35%	34%	32%	33% CC ²
38%	34%	36%	33%	35%	36%	35%	33%	34% CC ²

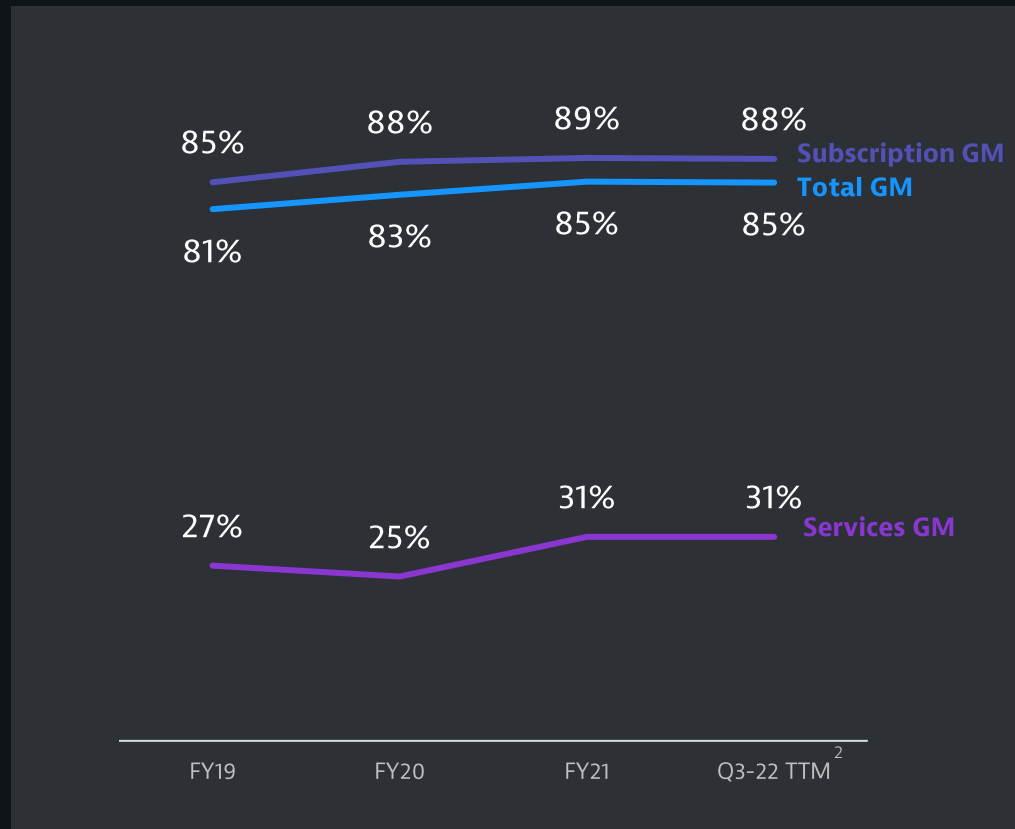


1) Growth rates compare to the As Reported revenue from the same quarter end in the prior year.
 2) Constant currency growth rates reflect YoY growth when using exchange rates from the same quarter in the prior year.
 3) Total revenue includes subscription, services and license revenue.

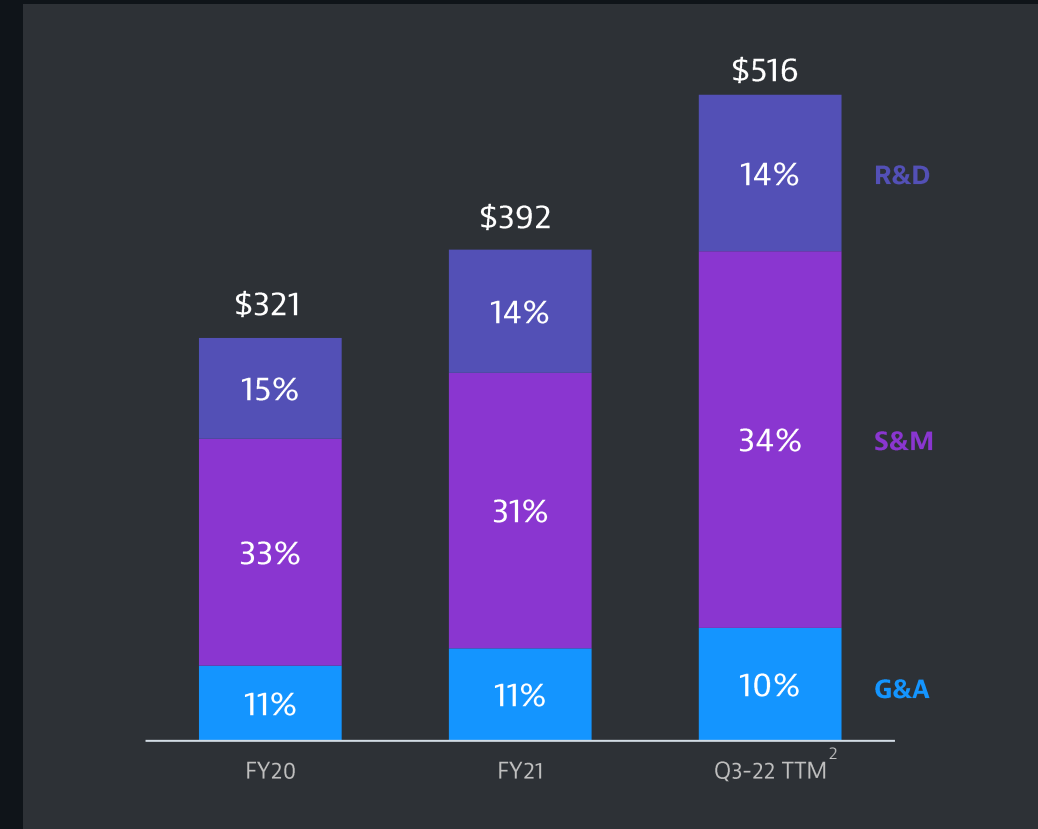


Efficient Model with Best-in-Class Margins¹

Non-GAAP Gross Profit Margin



Non-GAAP OPEX \$'s & as % of Revenue (\$M)



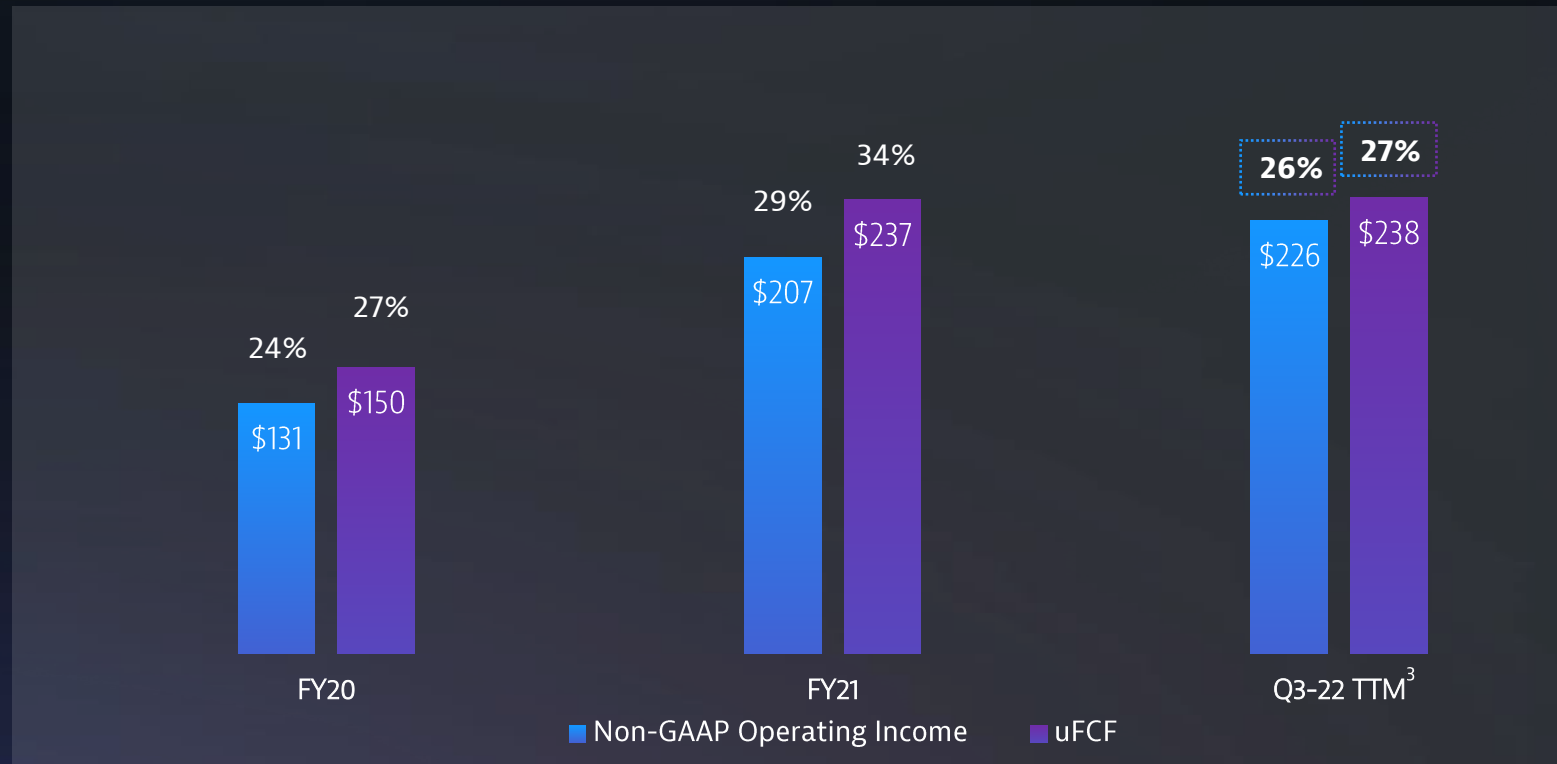
Q3-22 TTM Non-GAAP OPEX reflects increased investments in S&M and R&D

1) These are non-GAAP financial measures. See Appendix to presentation for reconciliation of GAAP to non-GAAP financial measures.
2) Q3-22 TTM Non-GAAP Gross Profit Margins and Non-GAAP OpEx reflect metrics for twelve months ended December 31, 2021.



Proven Profitable Business Model

Non-GAAP Operating Income and Unlevered Free Cash Flow (uFCF) ^{1,2} (\$M)



FY21 Non-GAAP Op Inc and uFCF driven by COVID related cost savings.
Q3-22 TTM driven by increased investments in S&M and R&D in FY22.

1) These are non-GAAP financial measures. See Appendix to presentation for reconciliation of GAAP to non-GAAP financial measures.
2) As reported dollars and percent of revenue.
3) Non-GAAP Operating Income and uFCF reported on a trailing twelve-month basis (TTM).



Building Blocks for Continued Success



**Large and
expanding TAM
\$50B**



**Proven, scalable
go-to-market
'land & expand'
approach**



**Modern,
differentiated
platform with
purpose-built
modules**



**Continued
innovation
expanding use-
case and value**



**Powerful
combination
of growth &
profitability
at scale**

Definitions & Non-GAAP Reconciliations



Appendix - Definitions

- 1. Annual Recurring Revenue "ARR"** *is defined as the daily revenue of all subscription agreements that are actively generating revenue as of the last day of the reporting period multiplied by 365. We exclude from our calculation of Total ARR any revenues derived from month-to-month agreements and/or product usage overage billings.*
- 2. Subscription Revenue** *is defined as Software-as-a-service ("SaaS") agreements, Dynatrace® term-based licenses, for which revenue is recognized ratably over the contract term, Dynatrace® perpetual licenses, which are recognized ratably over the term of the expected optional maintenance renewals, which is generally three years, and maintenance and support agreements.*
- 3. Unlevered Free Cash Flow** *is defined as net cash provided by (used in) operating activities and adjusted to exclude cash paid for interest (net of tax), non-recurring restructuring and acquisition related costs, along with costs associated with one-time offerings and filings, less cash used in investing activities for acquisition of property and equipment. However, given our debt obligations, unlevered free cash flow does not represent residual cash flow available for discretionary expenses.*



Total ARR Expansion Trends

	FY21			
	Q1-21	Q2-21	Q3-21	Q4-21
Year-over-Year				
ARR (As Reported)	601	638	722	774
<i>Year-over-Year increase</i>	37%	35%	35%	35%
<i>TTM FX headwind/(tailwind)¹</i>	<u>8</u>	<u>(9)</u>	<u>(18)</u>	<u>(19)</u>
ARR - Constant Currency	609	629	704	755
<i>Year-over-Year ARR Increase - Constant Currency²</i>	39%	33%	32%	32%
<i>TTM Perpetual License Rolloff - Constant Currency³</i>	<u>4</u>	<u>7</u>	<u>8</u>	<u>18</u>
ARR Excluding TTM Perp License Rolloff - Constant Currency	613	635	711	773
<i>Year-over-Year ARR Growth ex-Perp -Constant Currency</i>	39%	35%	33%	35%
	Q1-21	Q2-21	Q3-21	Q4-21
Quarter-over-Quarter				
ARR (As Reported)	601	638	722	774
<i>Net New ARR (As Reported)⁴</i>	29	37	84	52
<i>Quarterly FX headwind/(tailwind)⁵</i>	<u>1</u>	<u>(11)</u>	<u>(12)</u>	<u>3</u>
Net New ARR - Constant Currency	30	26	72	56
<i>Quarterly Perpetual License Rolloff - Constant Currency⁶</i>	0	3	4	11
Net New ARR Excluding Perpetual License Rolloff - Constant Currency	30	28	76	67
<i>Year-over-Year ARR Growth ex-Perp -Constant Currency</i>	(17)%	(25)%	17%	61%

	FY22			
	Q1-22	Q2-22	Q3-22	FY22 YTD
Year-over-Year				
ARR (As Reported)	823	864	930	930
<i>Year-over-Year increase</i>	37%	35%	29%	
<i>TTM FX headwind/(tailwind)¹</i>	<u>(30)</u>	<u>(8)</u>	<u>21</u>	
ARR - Constant Currency	794	856	951	951
<i>Year-over-Year ARR Increase - Constant Currency²</i>	32%	34%	32%	
<i>TTM Perpetual License Rolloff - Constant Currency³</i>	<u>24</u>	<u>25</u>	<u>34</u>	
ARR Excluding TTM Perp License Rolloff - Constant Currency	817	881	985	985
<i>Year-over-Year ARR Growth ex-Perp -Constant Currency</i>	36%	38%	36%	
	Q1-22	Q2-22	Q3-22	FY22 YTD
Quarter-over-Quarter				
ARR (As Reported)	823	864	930	930
<i>Net New ARR (As Reported)⁴</i>	49	41	66	156
<i>Quarterly FX headwind/(tailwind)⁵</i>	<u>(6)</u>	<u>10</u>	<u>15</u>	<u>19</u>
Net New ARR - Constant Currency	43	50	81	174
<i>Quarterly Perpetual License Rolloff - Constant Currency⁶</i>	6	4	12	22
Net New ARR Excluding Perpetual License Rolloff - Constant Currency	49	54	93	196
<i>Year-over-Year ARR Growth ex-Perp -Constant Currency</i>	63%	92%	22%	46%

1) Year-over-year FX headwind/(tailwind) using exchange rates from the same quarter in the prior year.

2) Represents the year-over-year growth rate excluding the FX headwind/(tailwind).

3) Represents the cumulative trailing-twelve-month amount of Dynatrace perpetual license ARR that had reached the end of its revenue recognition schedule.

4) Defined as the quarterly increase/(decrease) in the current quarter as reported ARR compared to the previous quarters as reported ARR.

5) Quarterly FX impact using exchange rates from the prior quarter.

6) Represents the quarterly amount of Dynatrace perpetual license ARR that had reached the end of its revenue recognition schedule in constant currency, net of new perpetual license ARR signed in the quarter.

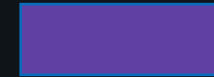


ARR Growth at Constant Currency

(\$ in millions)	Three Months Ended	
	31-Dec-2020	31-Dec-2021
Total ARR Year-over-Year Increase	\$ 722	\$ 930 29%
Total ARR – Constant currency Year over Year Increase	\$ 722	\$ 951 32%



Non-GAAP Operating Income Reconciliation



(\$ in millions)	FY21 ¹					Non-GAAP
	GAAP	Stock-Based Comp.	Employer Payroll Tax on Employee Stock trans.	Amort of Other Intangibles	Restructuring & Other	
Cost of Revenues	\$128	\$(7)	\$(1)	\$(15)	-	\$ 104
Gross Profit	\$576	\$7	\$1	\$15	-	\$ 599
<i>Gross Margin</i>	82%					85%
Research and Development	111	(12)	(1)	-	-	98
Sales and Marketing	245	(24)	(2)	-	-	220
General and Administrative	92	(15)	-	-	(3)	74
Amortization of other intangibles	35	-	-	(35)	-	-
Restructuring and other	-	-	-	-	-	-
Operating Income (loss)¹	\$92	\$58	\$4	\$50	\$3	\$207
<i>Operating Margin</i>	13%					29%

(\$ in millions)	Q3-22 TTM ^{1,2}					Non-GAAP
	GAAP	Stock-Based Comp.	Employer Payroll Tax on Employee Stock trans.	Amort. of Other Intangibles	Restructuring & Other	
Cost of Revenues	\$160	\$(11)	\$(1)	\$(15)	-	\$ 132
Gross Profit	\$713	\$11	\$1	\$15	-	\$ 741
<i>Gross Margin</i>	82%					85%
Research and Development	145	(18)	(2)	-	-	124
Sales and Marketing	336	(33)	(3)	-	-	300
General and Administrative	116	(24)	(1)	-	(1)	90
Amortization of other intangibles	31	-	-	(31)	-	-
Restructuring and other	-	-	-	-	-	-
Operating Income (loss)¹	\$85	\$87	\$6	\$47	\$1	\$226
<i>Operating Margin</i>	10%					26%

1) Values have been rounded and may not add up precisely to the total.
 2) Q3-22 TTM reflects metrics for twelve months ended December 31, 2021.



uFCF Reconciliation

(\$ in millions)	FY21 ¹	Q3-22 TTM ¹
Net Cash Provided by Operating Activities	\$ 220	\$ 248
Cash paid for interest expense	12	9
Discrete tax items	18	(2)
Restructuring and other	-	-
PP&E	(14)	(17)
Transaction and sponsor related costs	3	1
Total uFCF	\$ 240	\$ 240
Interest Tax Adjustment	(3)	(2)
uFCF (After tax adjustment)	\$ 237	\$ 238
uFCF % of Revenue	34%	27%

¹⁾ Values have been rounded and may not add up precisely to the totals.