# Hello, we're UiPath.

*We make software robots so people don't have to be robots.*

3Q'2022 Earnings Supplemental Slides

# Safe Harbor

Statements we make in this presentation 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,” “projects,” "outlook", “seeks,” “should,” “will,” and variations of such 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 and Section 21E of the Securities Exchange Act 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 financial guidance for the fourth fiscal quarter and fiscal year-end 2022, our expectations regarding seasonality, our strategic plans or objectives, the estimated addressable market opportunity for our platform and our position in the market, future growth opportunities, the success of our platform and new platform releases, the success of our investments in our partnerships, the success of our collaborations with third parties, the ability of our platform to deliver our customers a return on investment, and our customers' behaviors and potential automation spend. 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: (1) our recent rapid growth may not be indicative of our future growth; (2) our limited operating history; (3) our ability to successfully manage our growth; (4) our ability and the ability of our platform to satisfy and adapt to customer demands; (5) our business depends on our existing customers renewing their licenses and purchasing additional licenses and products from us and our channel partners; (6) our ability to attract and retain customers; (7) the competitive markets in which we participate; (8) general market, political, economic, and business conditions; (9) our ability to maintain and expand our distribution channels; (10) our reliance on third-party providers of cloud-based infrastructure; and (11) the potential impact that the COVID-19 pandemic and any related economic downturn could have on our or our customers’ businesses, financial condition and results of operations. Further information on risks that could cause actual results to differ materially from our guidance can be found in our Quarterly Report on Form 10-Q for the fiscal quarter ended July 31, 2021 filed with the Securities and Exchange Commission (SEC) on September 8, 2021, and our Quarterly Report on Form 10-Q for the fiscal quarter ended October 31, 2021 that will be filed with the SEC. Any forward-looking statements contained in this presentation 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.

Certain information contained in this presentation and statements made orally during this presentation relate to or are based on studies, publications, surveys and other data obtained from third-party sources and UiPath’s own internal estimates and research. While UiPath believes these third-party studies, publications, surveys and other data to be reliable as of the date of this presentation, UiPath has not independently verified, and makes no representations as to the adequacy, fairness, accuracy or completeness of, any information obtained from third-party sources. In addition, no independent source has evaluated the reasonableness or accuracy of UiPath’s internal estimates or research and no reliance should be made on any information or statements made in this presentation relating to or based on such internal estimates and research.

Our fiscal year end is January 31, and our fiscal quarters end on April 30, July 31, October 31, and January 31. Prior to the fiscal year ended January 31, 2020, UiPath’s fiscal year was aligned with the calendar year with fiscal quarters ending March 31, June 30, September 30 and December 31. All third-party trademarks, including names, logos and brands, referenced by us in this presentation are property of their respective owners. All references to third-party trademarks are for identification purposes only. Such use should not be construed as an endorsement of the products or services of us.

# Non-GAAP Financial Measures and Key Performance Metric

UiPath uses certain non-GAAP financial measures in this presentation, including non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income (loss) and margin and non-GAAP adjusted free cash flow. 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, or GAAP. We believe these non-GAAP financial measures provide investors with useful supplementary information in evaluating our performance. 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. Please refer to the Appendix and to the tables in our earnings release and the Investors section of our website for a reconciliation of these non-GAAP financial measures 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 presentation.

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 obligations assuming no increases or reductions in the subscriptions. ARR does not include the costs we may incur to obtain such subscription licenses or provide such maintenance and does not reflect any actual or anticipated reductions in invoiced value due to contract non-renewals or service cancellations other than for specific bad debt or disputed amounts. Additionally, though we use ARR as a forward-looking metric in the management of our business, it does not include invoiced amounts reported as perpetual licenses or professional services revenue in our consolidated statement of operations, and is not a forecast of future revenue, which can be impacted by contract start and end dates, duration, and renewal rates. Investors should not place undue reliance on ARR as an indicator of future or expected results. Our presentation of ARR may differ from similarly titled metrics presented by other companies and therefore comparability may be limited.

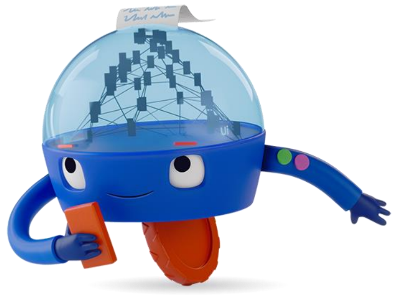
# UiPath at a glance

**$818M**
ARR[1,2]

**58%**
ARR[1,2] growth rate year-over-year

**9,630+**
Global customer base[2]

**1,363**
Customers ≥ $100k ARR[1,2]



**Notes:**
1.. See Appendix for definition of Annualized Renewal Run-rate (ARR)
2. ARR, YoY ARR growth rate, customer metrics as of October 31, 2021

# Strong industry tailwinds

**The Next Supply Chain Disruption: Skilled Labor Shortage**

Forbes

**To Solve Labor Shortage, Companies Turn to Automation**

WSJ

**Rise of the Robots Speeds Up in Pandemic With U.S. Labor Scarce**

Bloomberg

“Automation is emerging out of the back office to become a potent enabler of new business and operating models. **Companies with advanced automation programs will obliterate — not merely beat — the competition**

Forrester Predictions 2022: Automation*

**Businesses Are Increasingly Relying on Automation to Compensate for Labor Shortages**

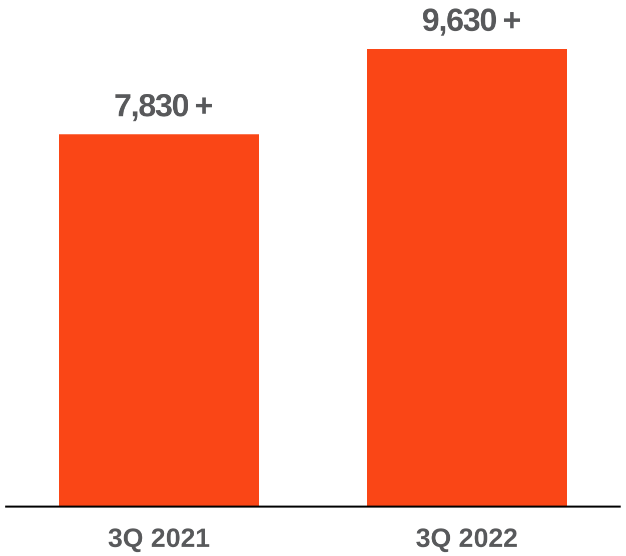
How to sell robotic co-workers to your employees.

Inc.

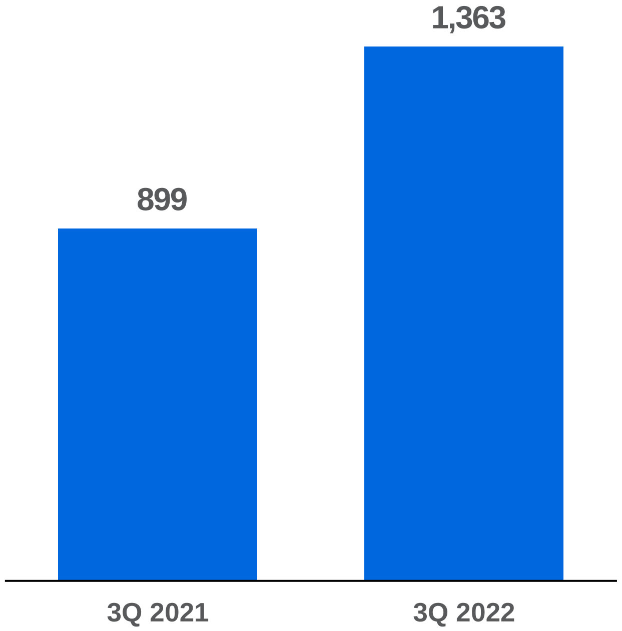
*Forrester, Predictions 2022: Automation, Craig Le Clair, JP Gownder, et. al., 28 October 2021

# Strong customer momentum

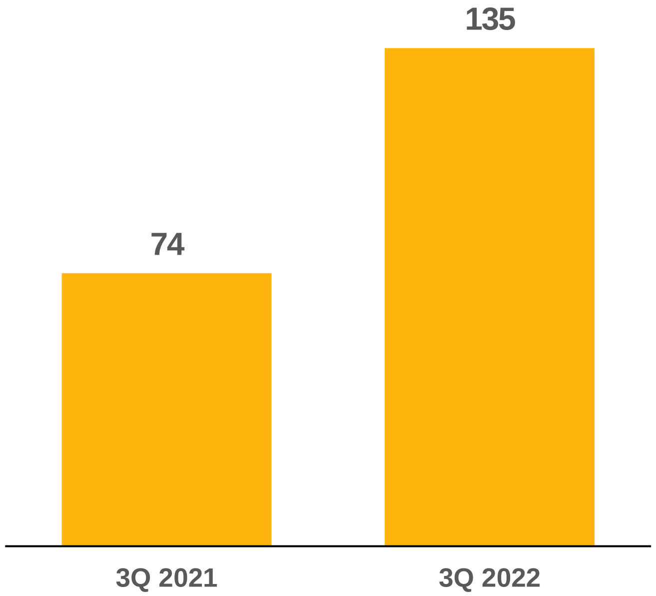
## Total customers




## Scaling large customers (Customers ≥ $100k ARR[1, 2])




## Becoming C-Suite priority (Customers ≥ $1 million ARR[1])




**Notes:**
1. See Appendix for definition of Annualized Renewal Run-rate (ARR)
2. Customers ≥ $100k ARR inclusive of customers ≥ $1 million ARR
3. As of October 31, 2021
4. Fiscal year end January 31

**Efficiently acquiring customers and driving rapid expansion**


UiPath™ ForwardIV

**2021.10**
Platform Release

---

**100+**
New Platform Features

---

**2,000+**
Automation Practitioners

## Automation Cloud

The Cloud Native UiPath Platform delivered from UiPath

**3,250 Cloud customers**


## Platform Products

UiPath Platform products can be individually installed and managed on prem

# Automation Suite

The Cloud Native UiPath Platform delivered as a single, containerized suite

**“Start Instantly, Scale Infinitely with the UiPath Automation Cloud”**

# A vibrant community with a deep commitment to workforce readiness and education

| Business Partners | Technology Partners | UiPath Marketplace |
| --- | --- | --- |
| 4,900+ Business Partners | 400+ Technology Partners | 1,300+ RPA listings |
| Investing for growth | Extend the UiPath platform to their customers | 100,000 Marketplace users |
| Enables digital transformation journeys | Enables faster time-to-value | RPA content by industry and domain |

# Financials

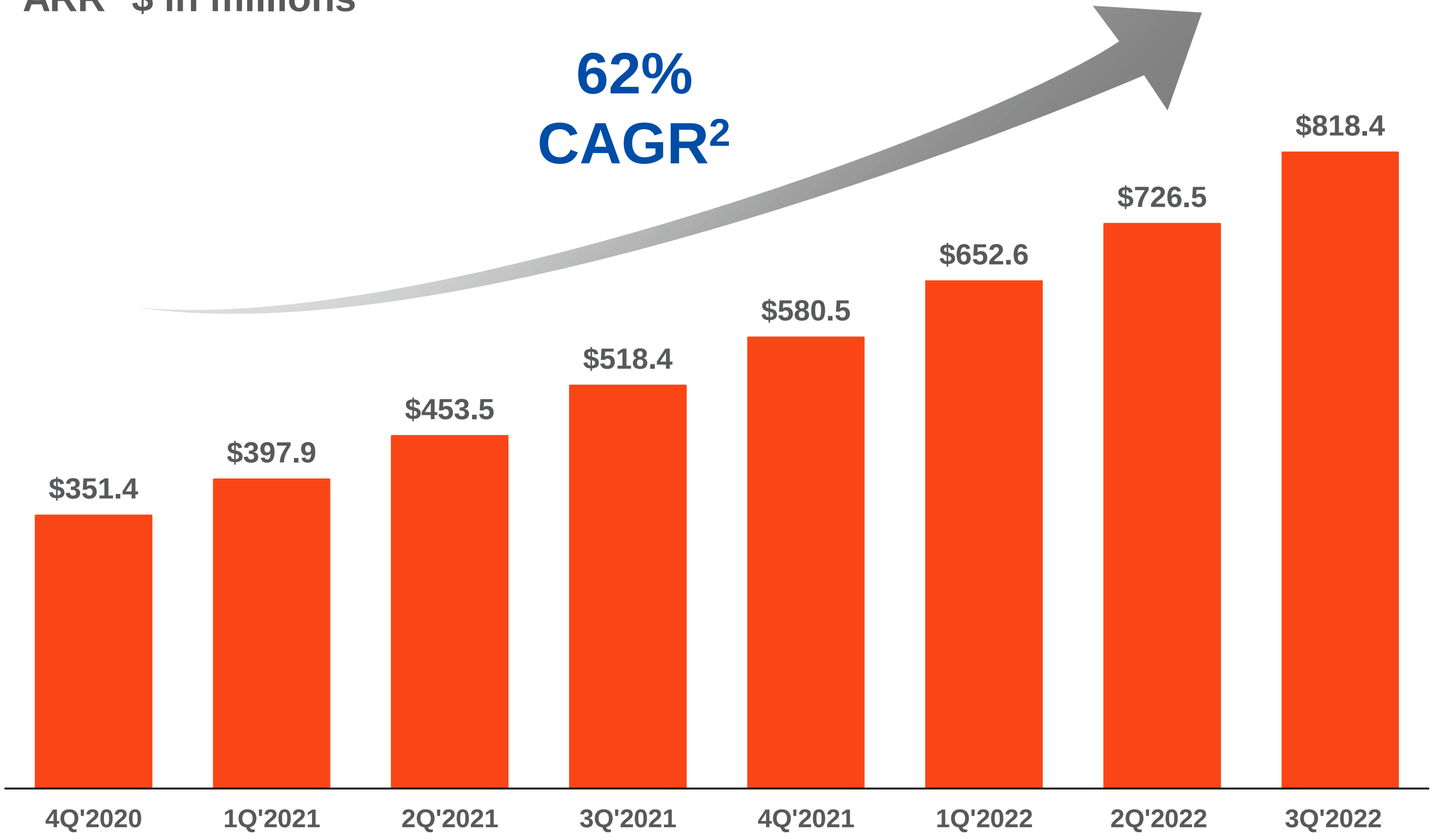
# UiPath at a glance

| | | |
|---|---|---|
| **$221M** Revenue[2] | **$818M** ARR[1,2] | **$92M** Net new ARR[1,2] |
| **50%** Revenue[2] growth rate year-over-year | **58%** ARR[1,2] growth rate year-over-year | **9,630+** Global customer base[2] |

**Notes:**
1. See Appendix for definition of Annualized Renewal Run-rate (ARR)
2. Revenue, ARR, YoY ARR growth rate, YoY Revenue growth rate, customer metrics as of October 31, 2021

# ARR is our key operating metric

ARR[1] $ in millions




## Our business model

- Highly-recurring subscription-based model predominantly billed annually in advance
- ARR grows when customers: deploy more robots, adopt more platform products, and expand use cases

**Notes**
**1.** See Appendix for definition of Annualized Renewal Run-rate (ARR)
2. CAGR for the period 4Q'2020 – 3Q'2022

# Annualized Renewal Run-rate (ARR[1])

**ARR is annualized invoiced amounts[2] from subscription licenses and maintenance obligations assuming no increases or reductions in their subscriptions.**

$$\text{ARR} = \text{Invoice amount} \div \text{Subscription term} \times 365$$

**Notes:**
1. See Appendix for a detailed definition of Annualized Renewal Run-rate (ARR)
2. Per solution SKU

# We run and manage our business to ARR[1] because…

## ARR[1] is invoice based

- ARR most closely correlates to long-term cash flow and customer commitment
- ARR aligns to expected renewals given our high dollar-based gross retention rate[1] regardless of deployment model
- ARR is agnostic to contract duration, deployment model, and the timing of license delivery…prioritizing customer choices

## Revenue is Total Contract Value[1] based

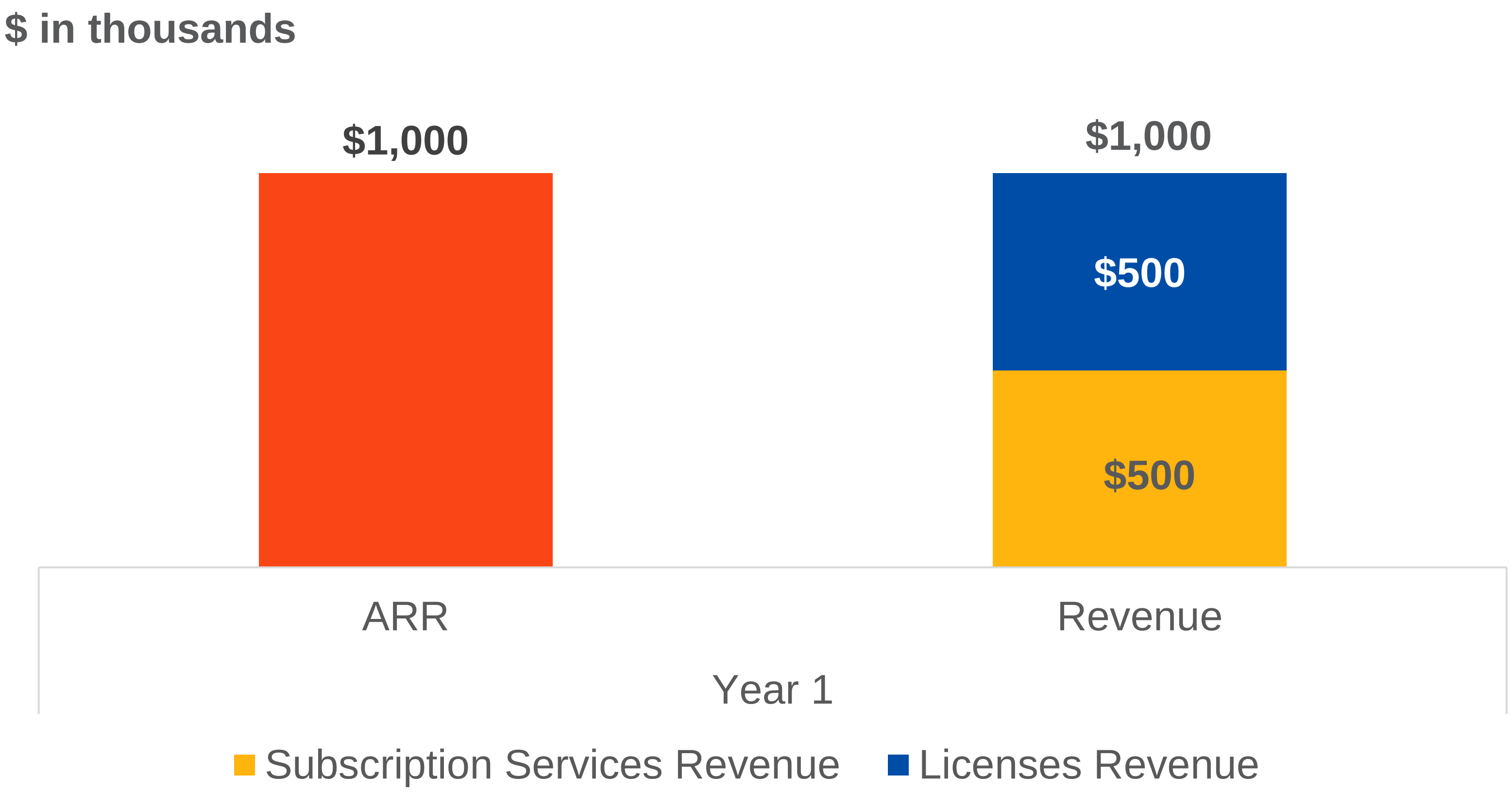
- Revenue recognition is driven by contract duration, deployment model, and the timing of license delivery as required by ASC 606
- Focusing the sales team on revenue growth (which is influenced by factors above), may result in deal structures with unfavorable long-term economics to UiPath

**Notes:**

1. See Appendix for definitions of Annualized Renewal Run-rate (ARR), dollar-based gross retention rate and Total Contract Value

**Driving the business to ARR is most representative of our business model and drives the best operating behaviors**

# Example[1, 3]: one-year duration




**ARR[2] would equal TTM[4] Software Revenue if all contracts were 1-year in duration**

**Notes:**
1. For illustrative purposes only
2. See Appendix for definition of Annualized Renewal Run-rate (ARR)
3. Illustrative Deal Assumptions: $1 million TCV, one-year, on premises deal, paid up front, revenue recognition assumption: $500K attributable to license (recognized upfront) and $500K attributable to subscription services (recognized ratably over license term)
4. Trailing Twelve Months

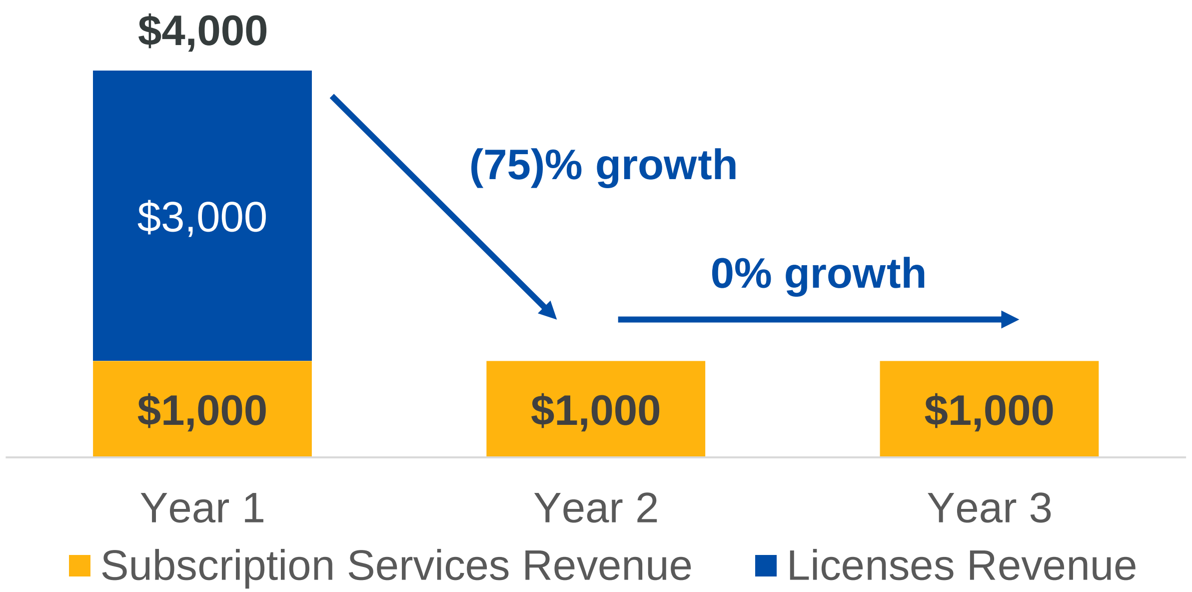
# Example[1, 3]: multi-year duration

$ in thousands

## ARR[2] Remains Constant


**Cumulative ARR: $6,000**

## Revenue is impacted by ASC 606



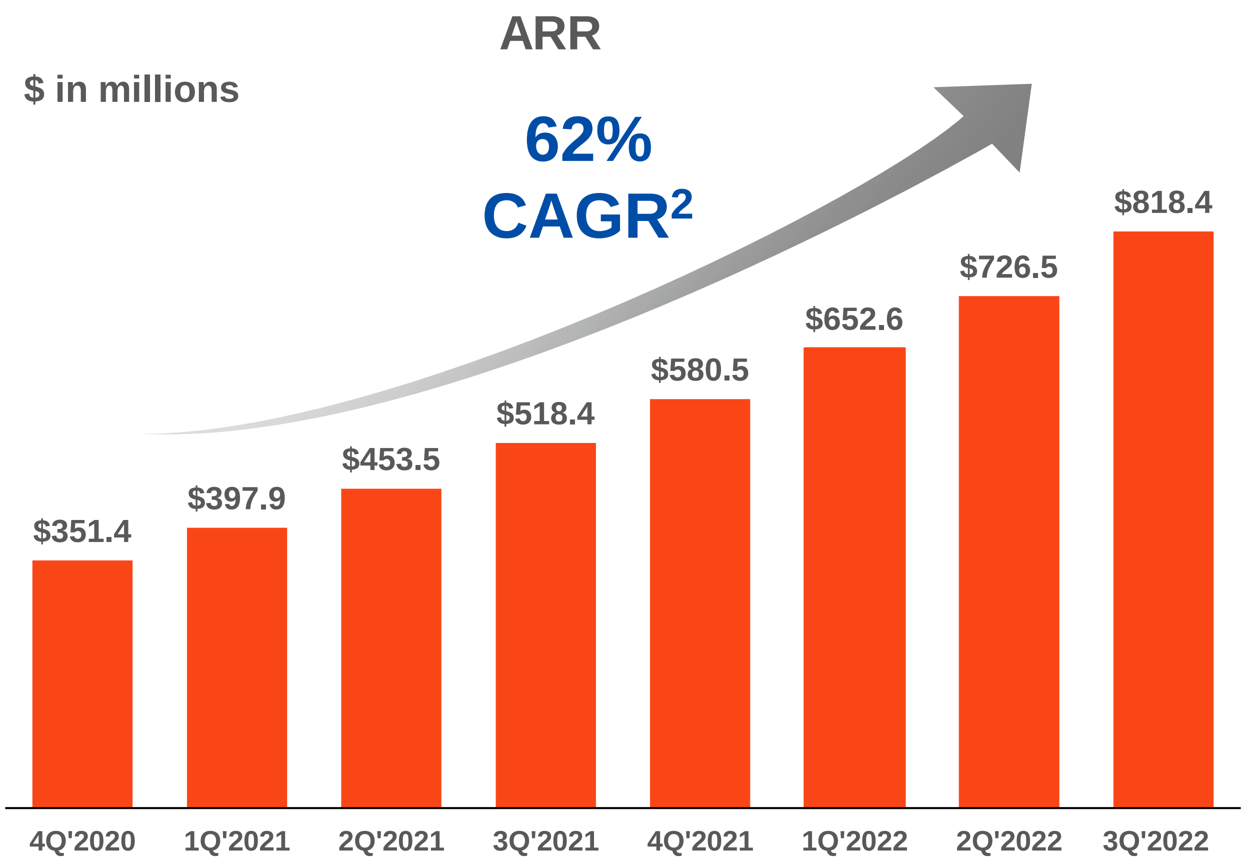

**Cumulative Revenue: $6,000**

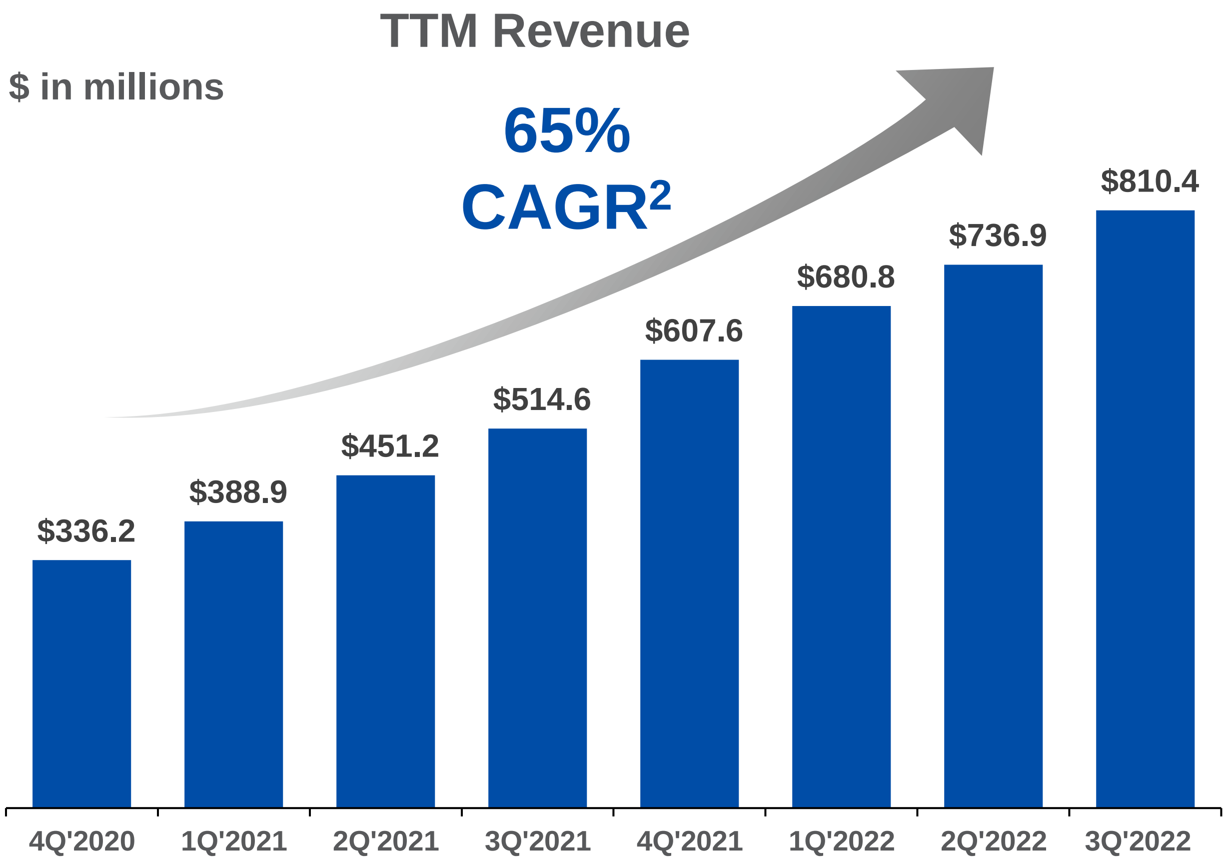
**ARR[2] is a more stable indicator of our performance**

**Notes:**
1. For illustrative purposes only
2. See Appendix for definition of Annualized Renewal Run-rate (ARR)
3. Illustrative Deal Assumptions: $6 million TCV, three-year, on premises deal, paid up front with no ramping, revenue recognition assumption: $3M attributable to three-year license (recognized upfront) and $1 million attributable to each year of subscription services

# ARR[1] and Revenue correlation over the long-term

## Annualized Renewal Run-rate (ARR) vs. Trailing Twelve Months (TTM) Revenue




**Notes:**
1. See Appendix for definition of Annualized Renewal Run-rate (ARR)
2. CAGR for the period 4Q'2020 – 3Q'2022
3. Fiscal year end January 31

# Fiscal third quarter 2022 results

| ($M) | 3Q 2022 | 3Q 2021 |
|---|---|---|
| Revenue | $220.8 | $147.3 |
| Non-GAAP Gross Margin | 85% | 89% |
| Non-GAAP Operating expenses: | | |
| Sales and marketing | $106.8 | $94.4 |
| Research and development | $35.4 | $24.3 |
| General and administrative | $36.9 | $26.1 |
| GAAP operating loss | $(116.2) | $(63.0) |
| Non-GAAP operating income (loss) | $9.1 | $(13.6) |
| Non-GAAP Adjusted Free Cash Flow | $(7.7) | $6.5 |

## Investing for growth

Driving efficient operations while investing in the business. Investments include:

- Engineering talent to drive innovation
- Headcount additions across our sales force
- Partner enablement
- Success teams to accelerate customer ROI
- Community ecosystem

Notes:
See appendix for reconciliation of GAAP to Non-GAAP results
Fiscal year end January 31

# Guidance[1]

| ARR[2] Guidance | |
|---|---|
| 4Q'2022 ARR[2] | $901 million - $903 million |
| **Financial Modeling Guidance** | |
| 4Q'2022 Revenue | $281 million - $283 million |
| 4Q'2022 Non-GAAP Operating Income[3] | $10 million - $20 million |

**Notes:**
1. Guidance inherently is forward-looking and is subject to the risks and uncertainties noted elsewhere in these materials and in our risk factors disclosed and to be disclosed in our SEC filings
2. See Appendix for definition of Annualized Renewal Run-rate (ARR)
3. Includes gradual return of post-COVID related expenses including marketing and travel
4. Fiscal year end January 31

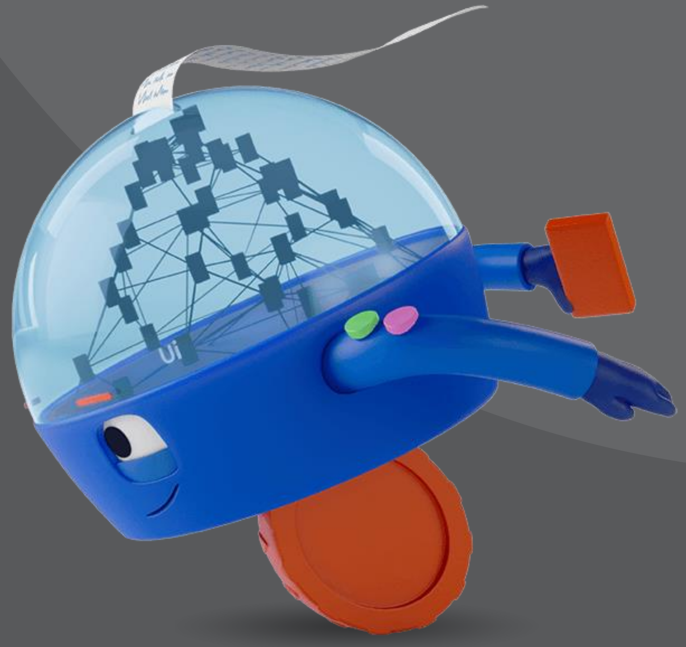
# Questions?

UiPath Reboot™ Work.

# *Thank You!*

UiPath Reboot™ Work.

# Appendix



# Definitions and Calculations

**Annualized Renewal Run-rate (ARR):** *We define ARR as annualized invoiced amounts per solution SKU from term subscription licenses and maintenance obligations assuming no increases or reductions in their subscriptions. ARR does not include the costs we may incur to obtain such subscription licenses or provide such maintenance and does not reflect any actual or anticipated reductions in invoiced value due to contract non-renewals or service cancellations other than for specific bad debt or disputed amounts. Additionally, though we use ARR as a forward-looking metric in the management of our business, it does not include invoiced amounts reported as perpetual licenses or professional services revenue in our consolidated statement of operations, and is not a forecast of future revenue, which can be impacted by contract start and end dates, duration, and renewal rates.*

**Dollar-Based Gross Retention Rate:** *We calculate our dollar-based gross retention rate as of a period end by starting with the ARR from the cohort of all subscription customers as of 12 months prior to such period-end, or the Prior Period ARR. We then deduct from the Prior Period ARR any ARR from subscription customers who are no longer customers as of the current period end to determine the Current Period Remaining ARR. We then divide the total Current Period Remaining ARR by the total Prior Period ARR to arrive at the point-in-time dollar-based gross retention rate. Because our dollar-based gross retention rate reflects only customer losses and does not reflect customer expansion or contraction, it demonstrates that the vast majority of our customers continue to use our platform and renew their licensed software.*

**Total Contract Value (TCV):** *TCV represents the transaction price for the arrangement, which is the amount of consideration to which we expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.*

# GAAP to Non-GAAP reconciliation

| Total gross margin ($M) | 3Q 2022 | 3Q 2021 |
|---|---|---|
| **GAAP Revenue** | **$220.8** | **$147.3** |
| **GAAP gross profit** | **$177.7** | **$129.9** |
| **GAAP gross margin %** | **80%** | **88%** |
| Add: | | |
| Stock-based compensation expenses | $6.4 | $0.7 |
| Amortization of acquired intangible assets | $1.0 | $0.6 |
| Employer payroll tax expense related to employee equity transactions | $3.2 | -- |
| Non-GAAP gross profit | $188.3 | $131.2 |
| **Non-GAAP gross margin %** | ***85%*** | ***89%*** |

Fiscal year end January 31

# GAAP to Non-GAAP reconciliation (cont'd)

| Sales and marketing ($M) | | |
|---|---|---|
| | **3Q 2022** | **3Q 2021** |
| **GAAP sales and marketing** | **$172.9** | **$99.5** |
| Less: | | |
| Stock-based compensation expenses | $41.8 | $5.1 |
| Amortization of acquired intangible assets | $0.4 | $0.0 |
| Employer payroll tax expense related to employee equity transactions | $23.8 | -- |
| Non-GAAP sales and marketing | $106.8 | $94.4 |

| Research and Development ($M) | | |
|---|---|---|
| | **3Q 2022** | **3Q 2021** |
| **GAAP research and development** | **$61.6** | **$27.5** |
| Less: | | |
| Stock-based compensation expenses | $24.9 | $3.2 |
| Amortization of acquired intangible assets | -- | -- |
| Employer payroll tax expense related to employee equity transactions | $1.3 | -- |
| Non-GAAP research and development | $35.4 | $24.3 |

| General and Administrative ($M) | | |
|---|---|---|
| | **3Q 2022** | **3Q 2021** |
| **GAAP general and administrative** | **$59.5** | **$66.0** |
| Less: | | |
| Stock-based compensation expenses | $22.1 | $39.8 |
| Amortization of acquired intangible assets | -- | -- |
| Employer payroll tax expense related to employee equity transactions | $0.5 | -- |
| Non-GAAP general and administrative | $36.9 | $26.1 |

Fiscal year end January 31

# GAAP to Non-GAAP reconciliation (cont’d)

| Total operating margin ($M) | | |
|---|---|---|
| | **3Q 2022** | **3Q 2021** |
| **GAAP Revenue** | **$220.8** | **$147.3** |
| **GAAP operating loss** | **$(116.2)** | **$(63.0)** |
| **GAAP operating margin %** | **(53%)** | **(43%)** |
| Add: | | |
| Stock-based compensation expenses | $95.1 | $48.8 |
| Amortization of acquired intangible assets | $1.4 | $0.7 |
| Employer payroll tax expense related to employee equity transactions | $28.8 | -- |
| Non-GAAP operating income (loss) | $9.1 | $(13.6) |
| **Non-GAAP operating margin %** | ***4%*** | ***(9%)*** |

Fiscal year end January 31

# GAAP to Non-GAAP reconciliation (cont'd)

| Non-GAAP adjusted free cash flow ($M) | 3Q 2022 | 3Q 2021 |
|---|---|---|
| **GAAP Revenue** | **$220.8** | **$147.3** |
| GAAP Net cash flows (used in) provided by operating activities | $(25.4) | $6.9 |
| Purchases of property and equipment | $(2.1) | $(0.4) |
| Capitalized software development costs | $(2.2) | -- |
| Cash paid for employer payroll taxes related to employee equity transactions | $25.6 | -- |
| Net receipts of employee tax withholdings on stock option exercises | $(3.6) | -- |
| **Non-GAAP adjusted free cash flow** | $(7.7) | $6.5 |
| **Non-GAAP adjusted free cash flow margin %** | ***(3%)*** | ***4%*** |
| GAAP Net cash flows used in investing activities | $(51.0) | $(19.1) |
| GAAP Net cash flows provided by financing activities | $20.1 | $16.3 |

Fiscal year end January 31

# UiPath™

## The automation software company

**HUMBLE** | **BOLD** | **IMMERSED** | **FAST**