

# Hello, we're UiPath.

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



2Q FY 2023 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, 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 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 guidance for the third fiscal quarter and fiscal year end 2023, our strategic plans, objectives and roadmap, the estimated addressable market opportunity for our platform and statements regarding the growth of the automation market. 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 geo-political turmoil and macro-economic efforts caused by the war in Ukraine, increasing inflationary cost pressures, and foreign exchange volatility; our recent rapid growth, which may not be indicative of our future growth; our limited operating history; our ability to successfully manage our growth; our ability and the ability of our platform to satisfy and adapt to customer demands; 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 retain and motivate our management and key employees and integrate new team members and manage management transitions; our reliance on third-party providers of cloud-based infrastructure; the potential impact that the COVID-19 pandemic, and an economic downturn could have on our or our customers’ businesses, financial condition, and future operating results.

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## 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 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. 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. 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 ARR may differ from similarly titled metrics presented by other companies and therefore comparability may be limited.

# UiPath at a glance

**\$1,043M**  
ARR<sup>1,2</sup>

**10,500+**  
Global customer base<sup>2</sup>

**132%**  
Dollar based net  
retention rate<sup>1,2</sup>



**44%**  
ARR<sup>1,2</sup> growth rate  
year-over-year

**1,660**  
Customers ≥  
\$100k ARR<sup>1,2</sup>

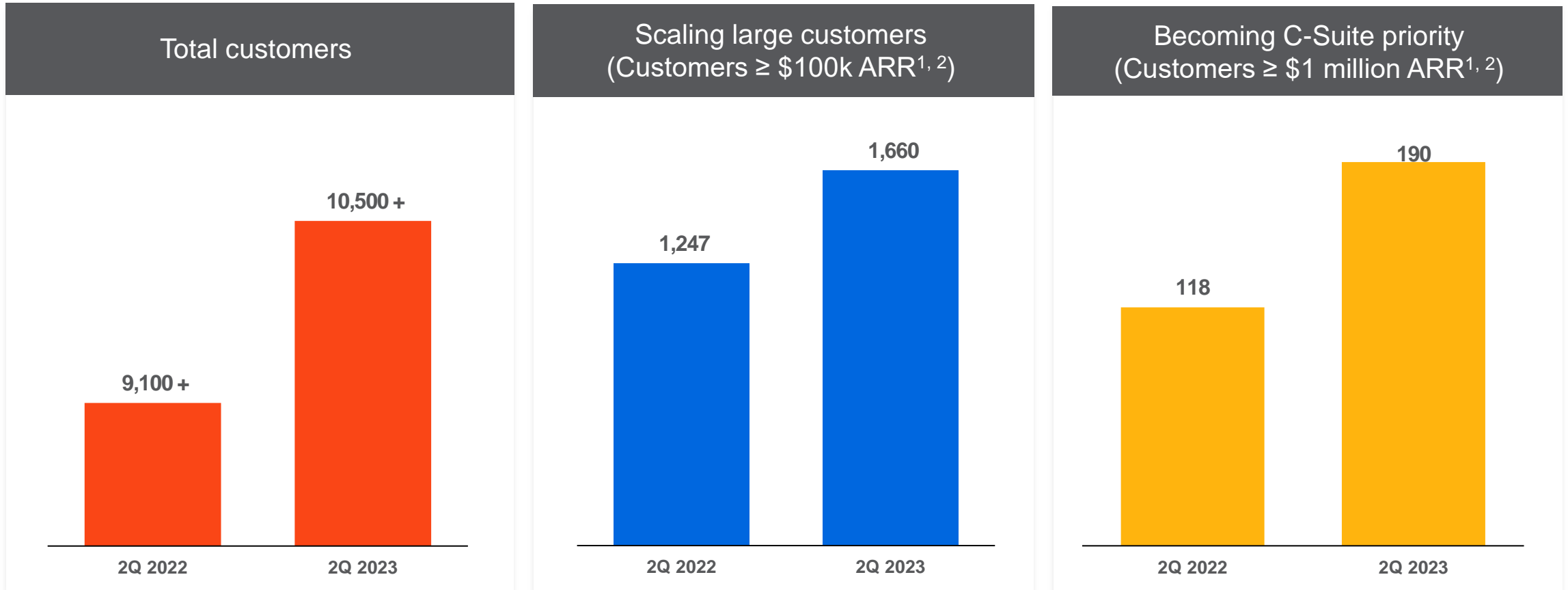
**~135%**  
Dollar based net  
retention rate<sup>1,2</sup> excluding  
FX impact and Russian  
sanctions

**Notes:**

1. See Appendix for definition of Annualized Renewal Run-rate (ARR) and dollar based net retention rate

2. ARR, YoY ARR growth rate, dollar based net retention rate, customer metrics as of July 31, 2022

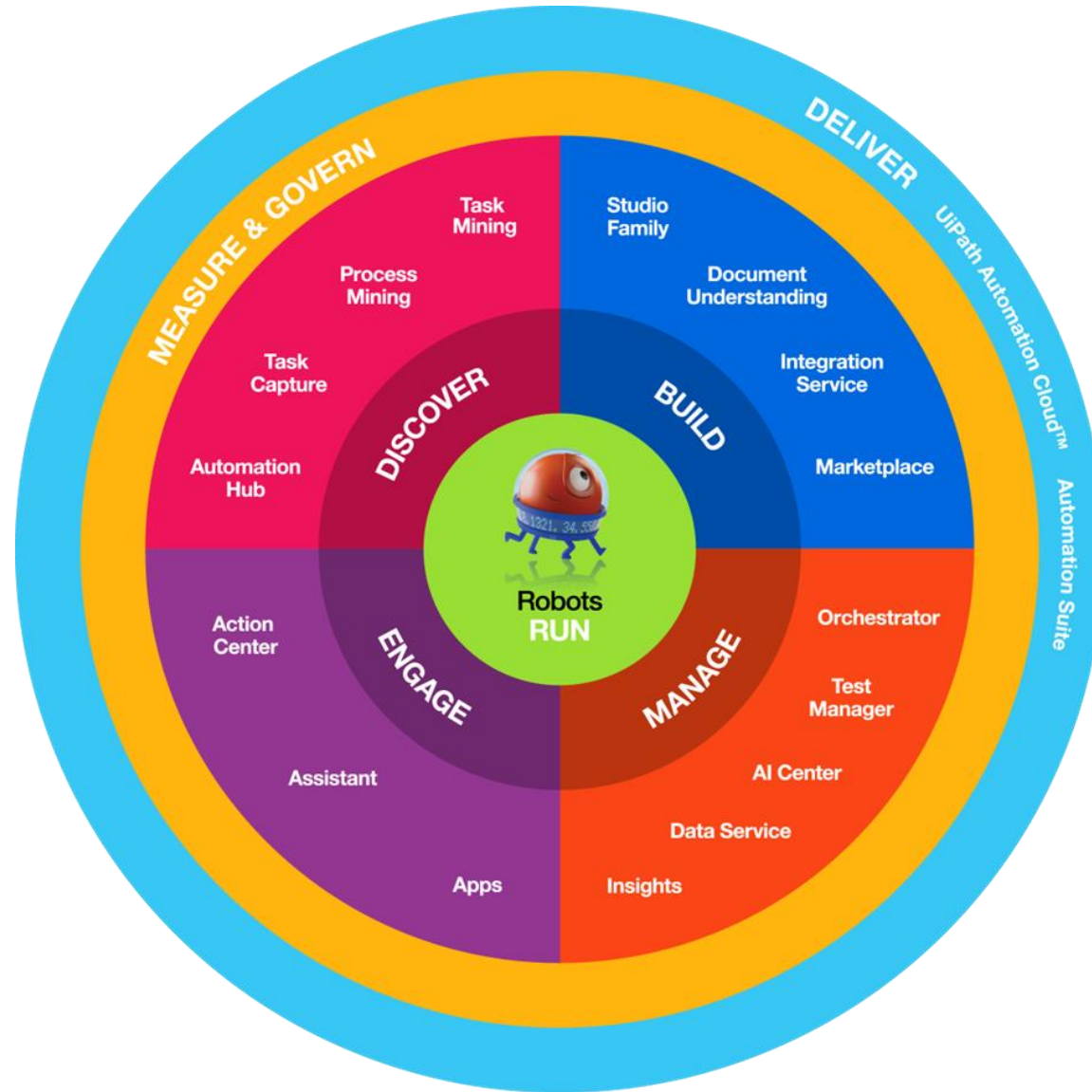
# Strong customer momentum



**Notes:**

- 1. See Appendix for definition of Annualized Renewal Run-rate (ARR)
- 2. Customers ≥ \$100k ARR inclusive of customers ≥ \$1 million ARR

# UiPath Business Automation Platform



# Strategic objectives



**Expand Market  
Leadership**



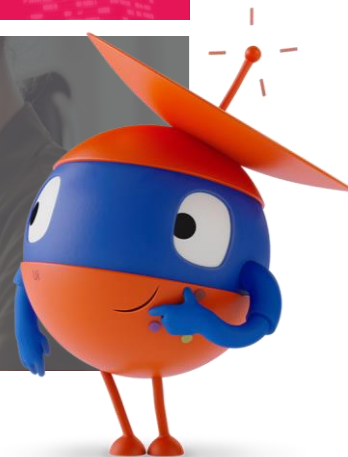
**Accelerate Customer  
Adoption**



**Drive Operating Leverage and  
Free Cash Flow<sup>1</sup>**



**Build World-Class Team**



**Notes:**

1. Non-GAAP adjusted free cash flow

# Industry analyst recognition

## 2022 Gartner® Magic Quadrant™ for Robotic Process Automation\*

UiPath named a Leader for the fourth year in a row, with highest overall position for both Ability to Execute and Completeness of Vision.

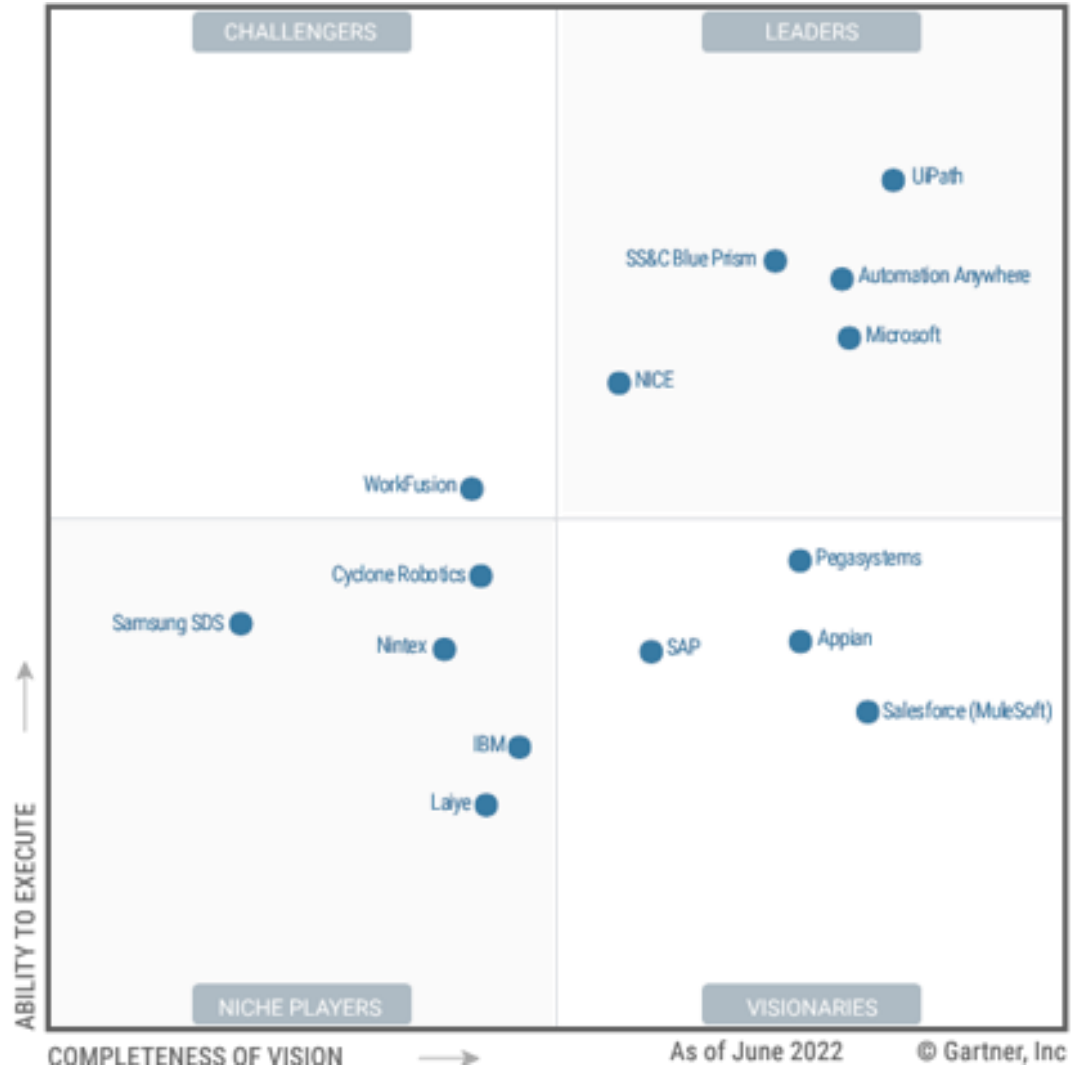
### Gartner, Inc.

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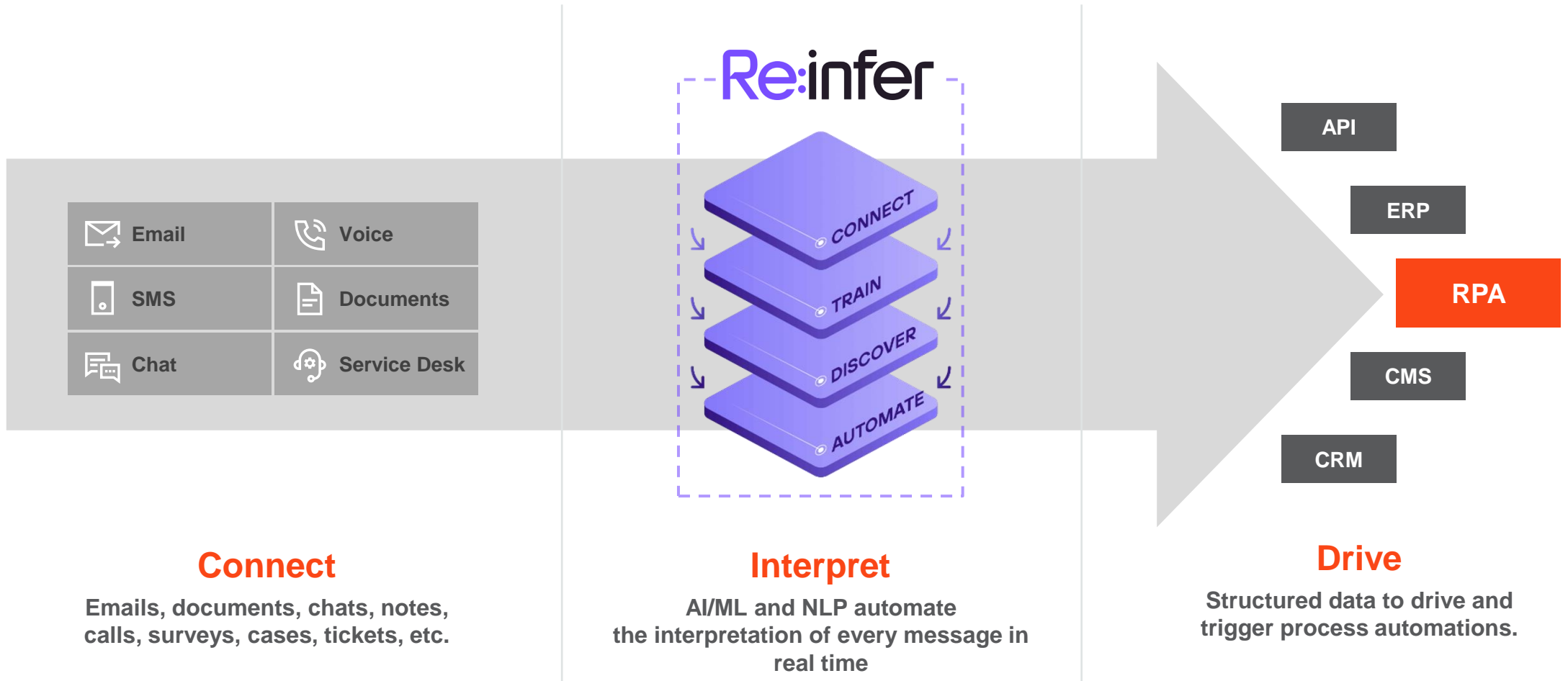
This graphic was published by Gartner, Inc. as part of a larger research document and should be evaluated in the context of the entire document. The Gartner document is available upon request from UiPath.

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\*Gartner, Magic Quadrant for Robotic Process Automation, by Saikat Ray, Arthur Villa, Melanie Alexander, Keith Guttridge, Andy Wang, Paul Vincent , 25 July, 2022.



## Automation of Unstructured Communications







# FORWARD5

Robots Work. People Thrive.

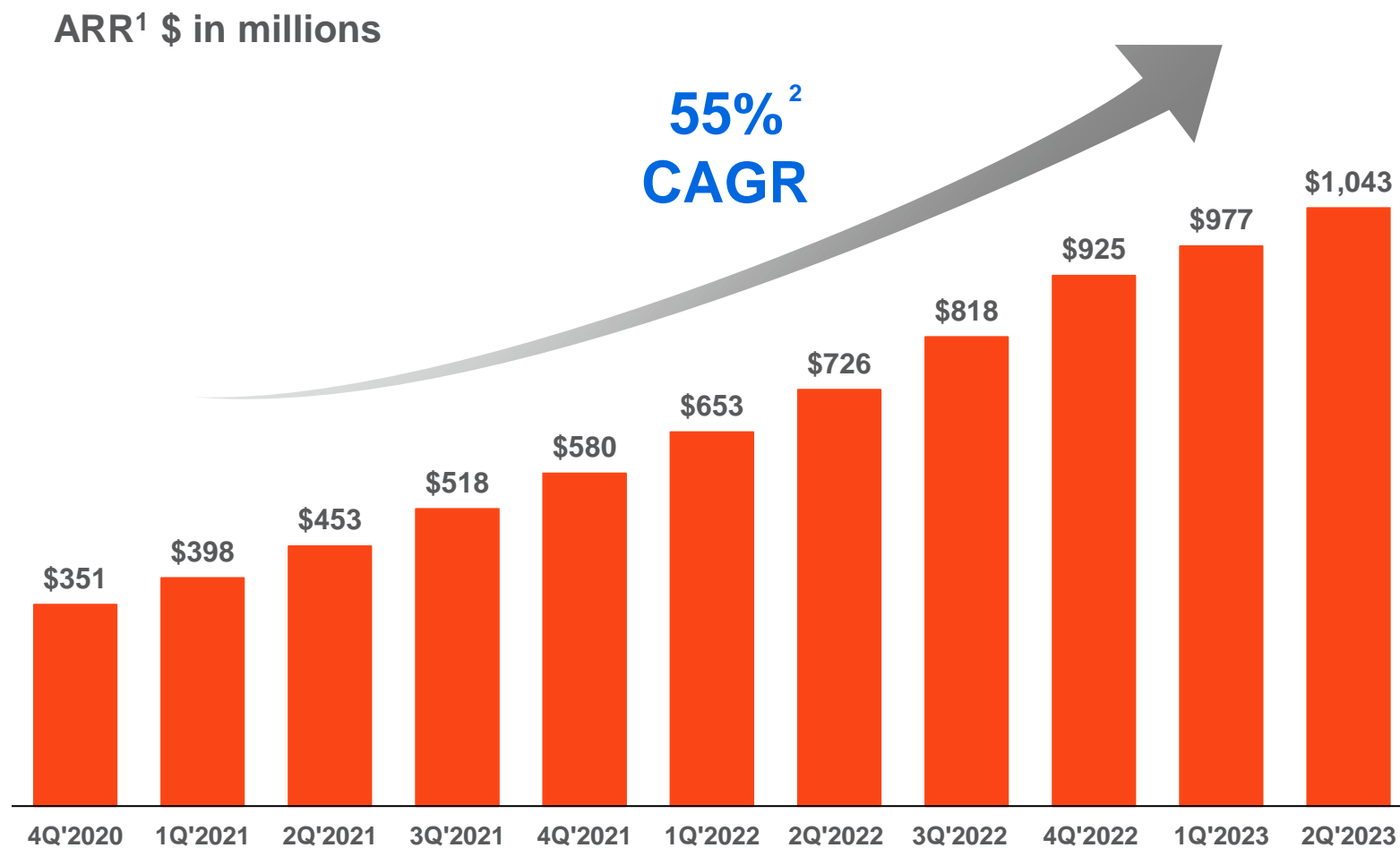


The Venetian Resort, Las Vegas  
September 27-29, 2022

# Financials



# Beyond \$1B in ARR



## Notes

1. See Appendix for definition of Annualized Renewal Run-rate (ARR)

2. CAGR for the period 4Q'2020 – 2Q'2023

Fiscal year end January 31

# UiPath at a glance

**\$242M**

Revenue<sup>2,3</sup>

**24%**

Revenue<sup>2,3</sup> growth rate  
year-over-year

**~35%**

Revenue<sup>2,3</sup> growth rate  
year-over-year  
excluding FX impact<sup>4</sup>



**\$1,043M**

ARR<sup>1,2</sup>

**44%**

ARR<sup>1,2</sup> growth rate  
year-over-year

**\$66M**

Net new ARR<sup>1,2,3</sup>

**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 July 31, 2022
3. Metrics for 2Q 2023
4. 2Q 2023 revenue FX impact was \$20 million

# Fiscal second quarter 2023 results

(\$M)	2Q 2023	2Q 2022
Revenue	\$242.2	\$195.5
Non-GAAP gross margin	84%	86%
Non-GAAP operating expenses:		
Sales and marketing	\$133.3	\$94.5
Research and development	\$44.0	\$33.3
General and administrative	\$38.4	\$33.2
GAAP operating loss	\$(120.2)	\$(97.8)
Non-GAAP operating (loss) income	\$(11.2)	\$6.7
Non-GAAP adjusted free cash flow	\$(23.3)	\$(3.5)

**Notes:**

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



## 3Q 2023 Guidance

<b>ARR<sup>2</sup></b>	<b>\$1,091 million – \$1,093 million</b>
<b>Revenue</b>	<b>\$243 million – \$245 million</b>
<b>Non-GAAP Operating Loss</b>	<b>\$(30) million – \$(25) million</b>

## 3Q 2023 FX Impact

## Incremental Impact

## Year-Over-Year Growth Excluding Total FX Impact<sup>3,4</sup>

<b>ARR<sup>2</sup></b>	<b>~\$(5) million</b>	<b>~36%</b>
<b>Revenue</b>	<b>~\$(10) million</b>	<b>~22%</b>
<b>Non-GAAP Operating Loss</b>	<b>~\$(5) million</b>	

### Notes:

- 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
  - See Appendix for definition of Annualized Renewal Run-rate (ARR)
  - Year-over-year growth excluding FX is versus the midpoint of guidance
  - Total FX impact which includes the incremental FX impact
- Fiscal year end January 31

## FY 2023 Guidance

<b>ARR<sup>2</sup></b>	<b>\$1,153 million – \$1,158 million</b>
<b>Revenue</b>	<b>\$1,002 million – \$1,007 million</b>
<b>Non-GAAP Operating Loss</b>	<b>~\$(15) million</b>

## FY 2023 FX Impact

## Incremental Impact

## Year-Over-Year Growth Excluding Total FX Impact<sup>3,4</sup>

<b>ARR<sup>2</sup></b>	<b>~\$(15) million</b>	<b>~30%</b>
<b>Revenue</b>	<b>~\$(25) million</b>	<b>~22%</b>
<b>Non-GAAP Operating Loss</b>	<b>~\$(15) million</b>	

**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. Year-over-year growth excluding FX is versus the midpoint of guidance
  4. Total FX impact which includes the incremental FX impact
- Fiscal year end January 31

# Strategic objectives



**Expand Market  
Leadership**



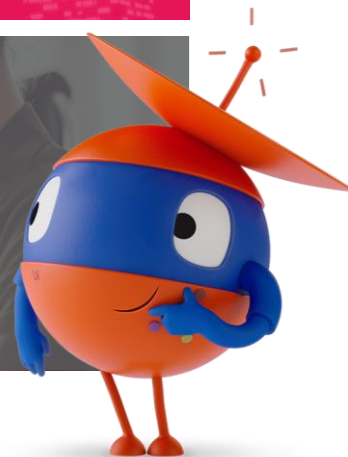
**Accelerate Customer  
Adoption**



**Drive Operating Leverage and  
Free Cash Flow<sup>1</sup>**



**Build World-Class Team**



**Notes:**

1. Non-GAAP adjusted free cash flow



# Investor Day 2022

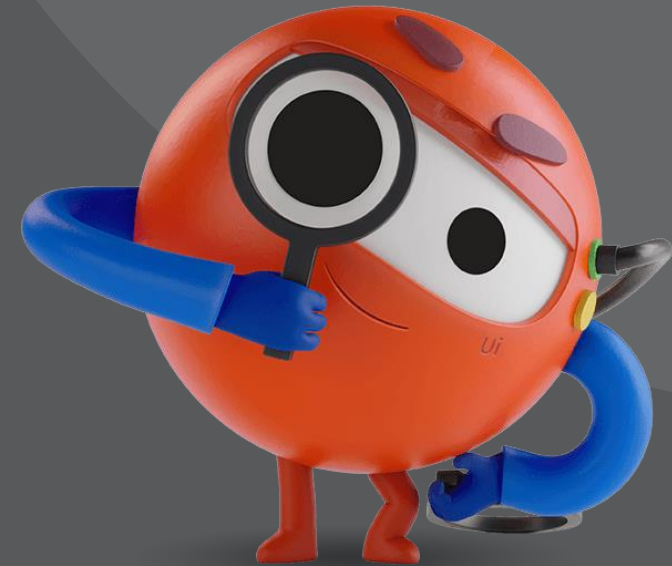
Hosted at **FORWARD5**

**Tuesday, September 27, 2022**

If you are interested in attending, please contact investor relations [investor.relations@uipath.com](mailto:investor.relations@uipath.com)



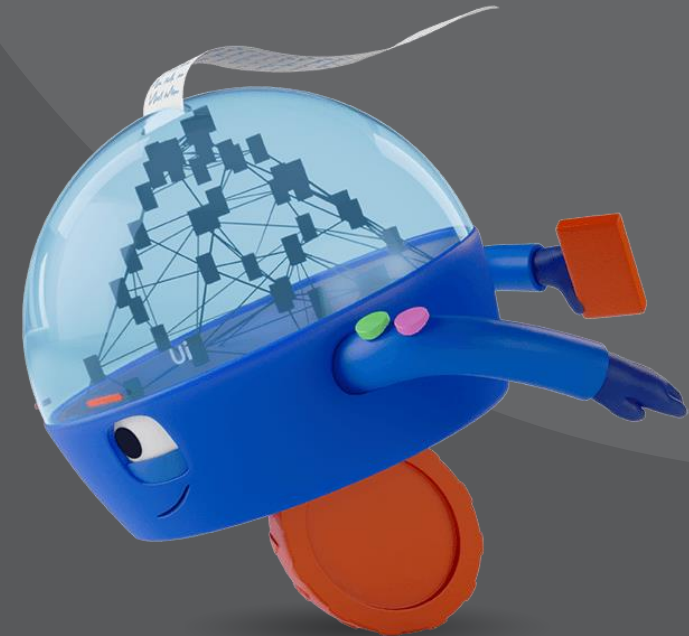
# Questions?



Thank you!



# 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 Net Retention Rate:** *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 the ARR from the cohort of all customers as of 12 months prior to such period-end, or the Prior Period ARR. We then calculate the ARR from these same customers as of the current period-end, or the Current Period ARR. Current Period ARR includes any expansion and is net of contraction or attrition over the last 12 months but does not include ARR from new customers in the current period. We then divide the total Current Period ARR by the total Prior Period ARR to arrive at the point-in-time dollar-based net retention rate.*

# GAAP to Non-GAAP reconciliation

Total gross margin (\$M)	2Q 2023	2Q 2022
<b>GAAP revenue</b>	<b>\$242.2</b>	<b>\$195.5</b>
<b>GAAP gross profit</b>	<b>\$197.6</b>	<b>\$159.9</b>
<b>GAAP gross margin %</b>	<b>82%</b>	<b>82%</b>
Add:		
Stock-based compensation expenses	\$5.4	\$5.6
Amortization of acquired intangible assets	\$0.9	\$1.0
Employer payroll tax expense related to employee equity transactions	\$0.1	\$1.3
Restructuring costs	\$0.5	--
<b>Non-GAAP gross profit</b>	<b>\$204.5</b>	<b>\$167.7</b>
<b>Non-GAAP gross margin %</b>	<b>84%</b>	<b>86%</b>

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

Sales and marketing (\$M)		
	2Q 2023	2Q 2022
<b>GAAP sales and marketing</b>	<b>\$181.5</b>	<b>\$144.3</b>
Less:		
Stock-based compensation expenses	\$35.9	\$41.0
Amortization of acquired intangible assets	\$0.4	\$0.4
Employer payroll tax expense related to employee equity transactions	\$1.2	\$8.4
Restructuring costs	\$10.7	--
<b>Non-GAAP sales and marketing</b>	<b>\$133.3</b>	<b>\$94.5</b>
Research and development (\$M)		
	2Q 2023	2Q 2022
<b>GAAP research and development</b>	<b>\$67.8</b>	<b>\$57.6</b>
Less:		
Stock-based compensation expenses	\$23.5	\$24.0
Amortization of acquired intangible assets	--	--
Employer payroll tax expense related to employee equity transactions	\$0.3	\$0.3
Restructuring costs	--	--
<b>Non-GAAP research and development</b>	<b>\$44.0</b>	<b>\$33.3</b>
General and administrative (\$M)		
	2Q 2023	2Q 2022
<b>GAAP general and administrative</b>	<b>\$68.4</b>	<b>\$55.8</b>
Less:		
Stock-based compensation expenses	\$23.5	\$22.1
Amortization of acquired intangible assets	--	--
Employer payroll tax expense related to employee equity transactions	\$0.2	\$0.6
Restructuring costs	\$0.8	--
Charitable donation of Class A common stock	\$5.5	--
<b>Non-GAAP general and administrative</b>	<b>\$38.4</b>	<b>\$33.2</b>

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

Total operating margin (\$M)		
	2Q 2023	2Q 2022
<b>GAAP revenue</b>	<b>\$242.2</b>	<b>\$195.5</b>
<b>GAAP operating loss</b>	<b>\$(120.2)</b>	<b>\$(97.8)</b>
<b>GAAP operating margin %</b>	<b>(50)%</b>	<b>(50)%</b>
Add:		
Stock-based compensation expenses	\$88.3	\$92.6
Amortization of acquired intangible assets	\$1.4	\$1.4
Employer payroll tax expense related to employee equity transactions	\$1.8	\$10.5
Restructuring costs	\$12.0	--
Charitable donation of Class A common stock	\$5.5	--
Non-GAAP operating (loss) income	\$(11.2)	\$6.7
<b>Non-GAAP operating margin %</b>	<b>(5)%</b>	<b>3%</b>



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

Non-GAAP adjusted free cash flow (\$M)		
	2Q 2023	2Q 2022
<b>GAAP revenue</b>	<b>\$242.2</b>	<b>\$195.5</b>
GAAP net cash flows used in operating activities	\$(23.7)	\$(6.0)
Purchases of property and equipment	\$(6.6)	\$(1.4)
Capitalized software development costs	--	\$(0.4)
Cash paid for employer payroll taxes related to employee equity transactions	\$1.9	\$9.1
Net payments of employee tax withholdings on stock option exercises	\$(0.1)	\$(4.7)
Cash paid for restructuring costs	\$5.2	--
<b>Non-GAAP adjusted free cash flow</b>	<b>\$(23.3)</b>	<b>\$(3.5)</b>
Non-GAAP adjusted free cash flow margin %	(10)%	(2)%
GAAP net cash flows (used in) provided by investing activities	\$(28.8)	\$11.0
GAAP net cash flows (used in) provided by financing activities	\$(19.0)	\$9.0



**The automation software company**

**HUMBLE**

**BOLD**

**FAST**

**IMMERSED**