dynatrace

Q2 2026
Investor Presentation

November 5, 2025

Legal Disclaimer

This presentation consists of these slides and the associated remarks and comments, which are related and intended to be presented and understood together. Please refer to the appendix of these slides for definitions of certain terms.

Cautionary Language Concerning Forward-Looking Statements

This presentation includes certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding cloud and artificial intelligence (AI) workload growth and the related need for AI-powered observability platforms, Dynatrace's capabilities and platform and the company's related market opportunity; the expected and current benefits that we believe organizations receive from using the Dynatrace platform; our planned development of future artificial intelligence capabilities, including agentic AI; the observability market segment and Dynatrace's positioning and opportunities; Dynatrace's investments in sales and marketing initiatives and its partnerships; Dynatrace's log management solution; average annual recurring revenue (ARR) per customer; the Dynatrace Platform Subscription licensing model; and our financial and business outlook, including our financial guidance for the third quarter and full year of fiscal 2026. These forward-looking statements include, but are not limited to, plans, objectives, expectations and intentions and other statements contained in this presentation that are not historical facts and statements identified by words such as "will," "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, our ability to maintain our revenue growth rates in future periods; market adoption of our product offerings; continued demand for, and spending on, our solutions; our ability to innovate and develop solutions that meet customer needs, including through Davis AI; the ability of our platform and solutions to effectively interoperate with customers' IT infrastructures; our ability to acquire new customers and retain and expand our relationships with existing customers; our ability to expand our sales and marketing capabilities; our ability to compete; our ability to maintain successful relationships with partners; security breaches, other security incidents and any real or perceived errors, failures, defects or vulnerabilities in our solutions; our ability to protect our intellectual property; our ability to hire and retain necessary qualified employees to grow our business and expand our operations; our ability to successfully complete acquisitions and to integrate newly acquired businesses and offerings; the effect on our business of the macroeconomic environment, associated global economic conditions and geopolitical disruption; and other risks set forth under the caption "Risk Factors" in our Annual Report on Form 10-K, subsequent 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.

Non-GAAP Financial Measures

In addition to disclosing financial measures prepared in accordance with GAAP, this presentation contains certain non-GAAP financial measures as defined by Regulation G, including non-GAAP income from operations, non-GAAP operating margin, non-GAAP net income, non-GAAP net income per diluted share, free cash flow (FCF), FCF margin, pre-tax FCF, and pre-tax FCF margin. We also use or discuss non-GAAP financial measures in earnings releases, conference calls, other slide presentations and webcasts. We use these non-GAAP financial measures for financial and operational decision-making purposes, and as a means to evaluate period-to-period comparisons and liquidity. We believe that these non-GAAP financial measures provide useful information about our operating results, enhance the overall understanding of past financial performance and allow for greater transparency with respect to metrics used by our management in its financial and operational decision-making. The presentation of the non-GAAP financial measures is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. Our non-GAAP financial measures may not provide information that is directly comparable to similarly titled metrics provided by other companies. Non-GAAP financial measures are defined in our press release dated November 5, 2025 and in this presentation and the tables included in that press release and this presentation include reconciliations of historical non-GAAP financial measures to their most directly comparable GAAP measures. Please also see the Data Trends Table on the Investor Relations page of our website.

Dynatrace presents constant currency (CC) amounts for Annual Recurring Revenue (ARR), Total Revenue and Subscription Revenue to provide a framework for assessing how our underlying businesses performed excluding the effect of foreign currency rate fluctuations.

In this presentation, YoY (year over year) compares our financial performance to the applicable period in the previous fiscal year.

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Transform complexity into powerful business assets

Dynatrace is the **leading AI-powered observability platform**, ensuring **digital businesses run smoothly and recover quickly**—keeping the world working.

Enterprises face unprecedented challenges

Fragmented tools

Challenging customer experiences

Limited analytics

We help our customers understand their business like never before

So they can drive their business forward

Analyze
Analyze every transaction
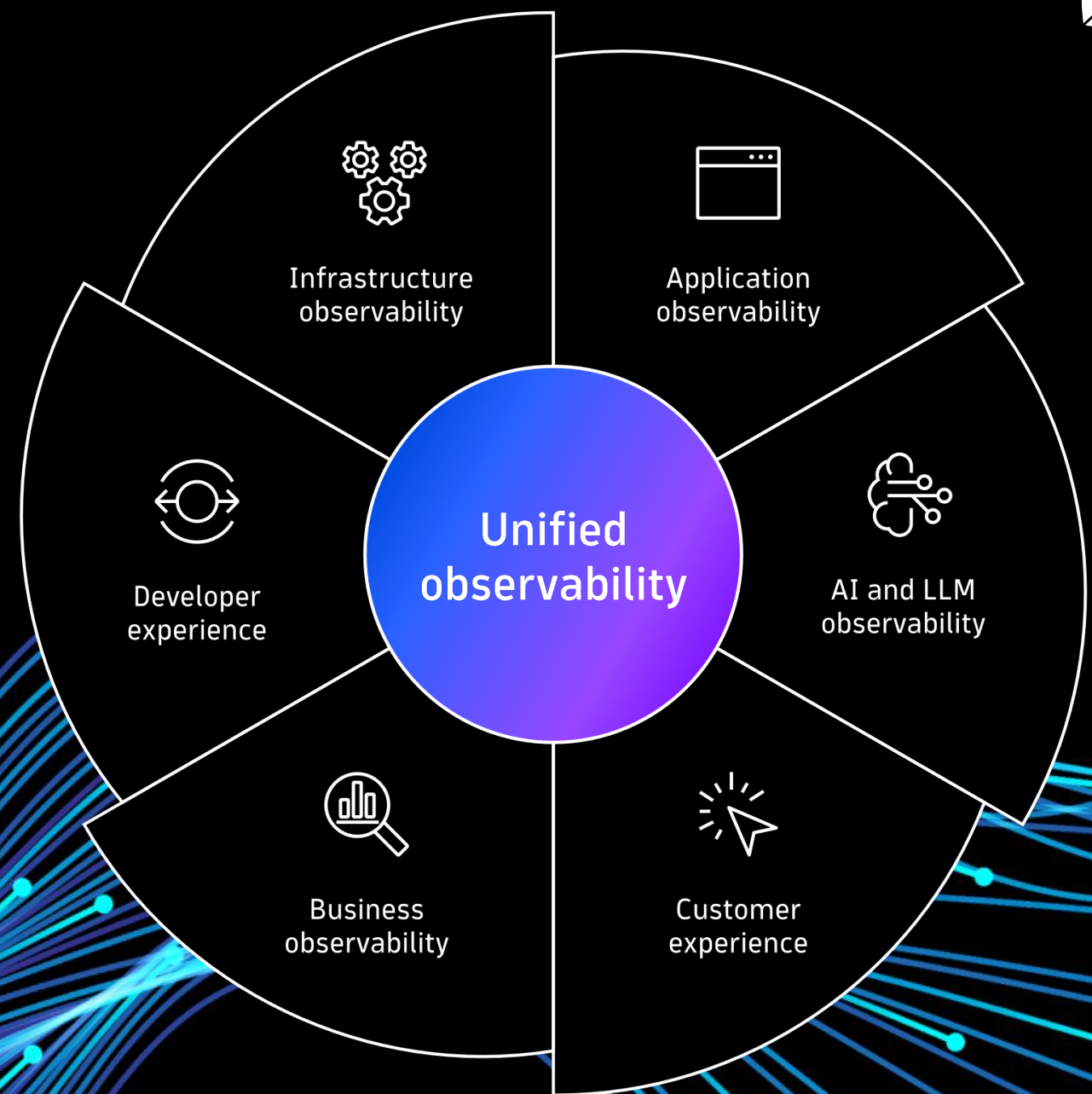
Automate
Automate at the speed of AI

Innovate faster
Innovate without limits

The unparalleled value of a unified platform

Unified observability

- Infrastructure observability
- Application observability
- AI and LLM observability
- Customer experience
- Business observability
- Developer experience

The Dynatrace difference

Development teams

IT operations teams
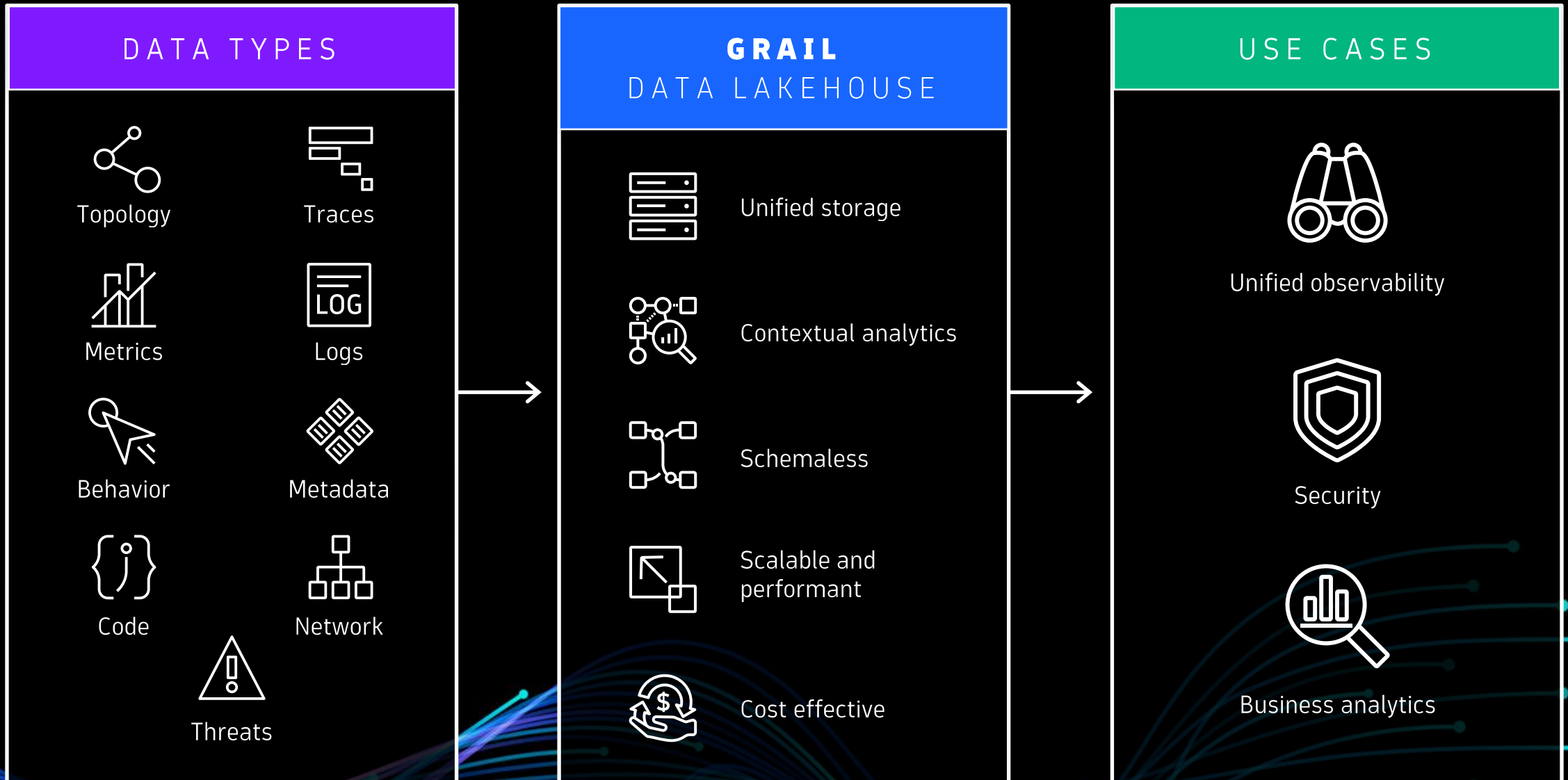
Cloud native teams

AI native teams

Business teams

Understand all your
data in context

Get precise answers from causal,
predictive, and generative AI
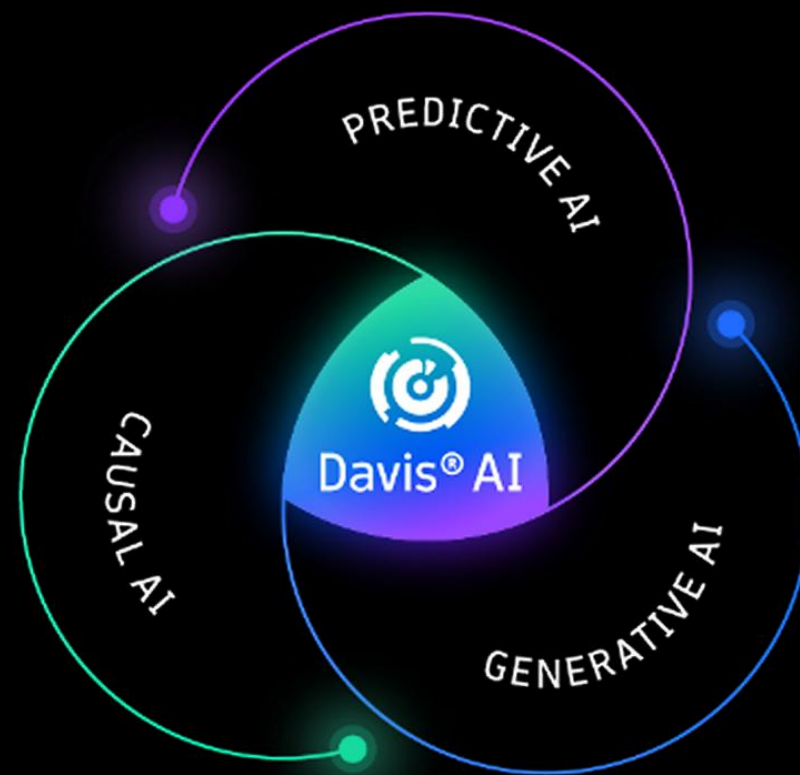
Empower every team in the
enterprise to automate

Grail: Our game-changing platform architecture

DATA TYPES

- Topology
- Traces
- Metrics
- Logs
- Behavior
- Metadata
- Code
- Network
- Threats

GRAIL
DATA LAKEHOUSE

- Unified storage
- Contextual analytics
- Schemaless
- Scalable and performant
- Cost effective

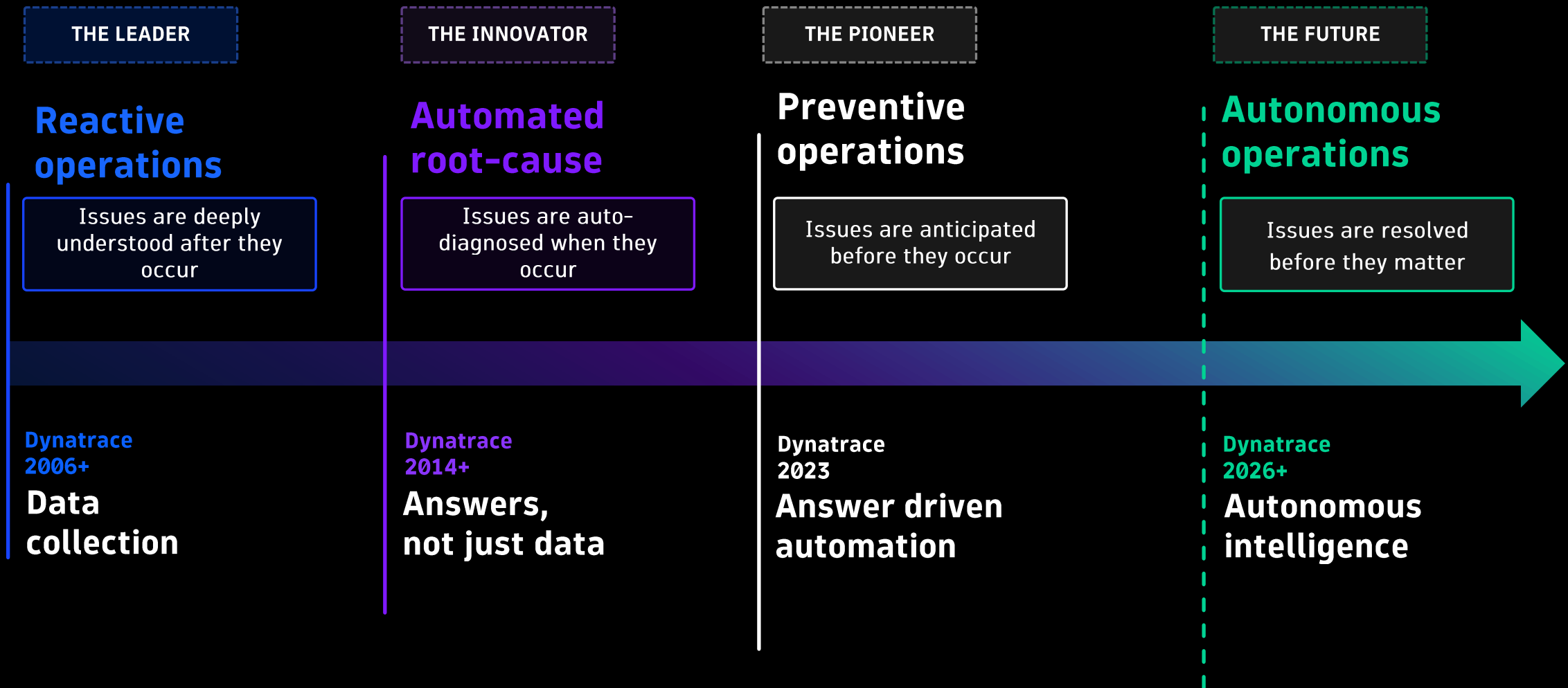## USE CASES

- Unified observability
- Security
- Business analytics

Davis: Purpose-built for the AI era

Dynatrace applies the power of three AI approach—integrating **causal, predictive, and generative AI—**to give you precise answers that drive action, not just data on glass.
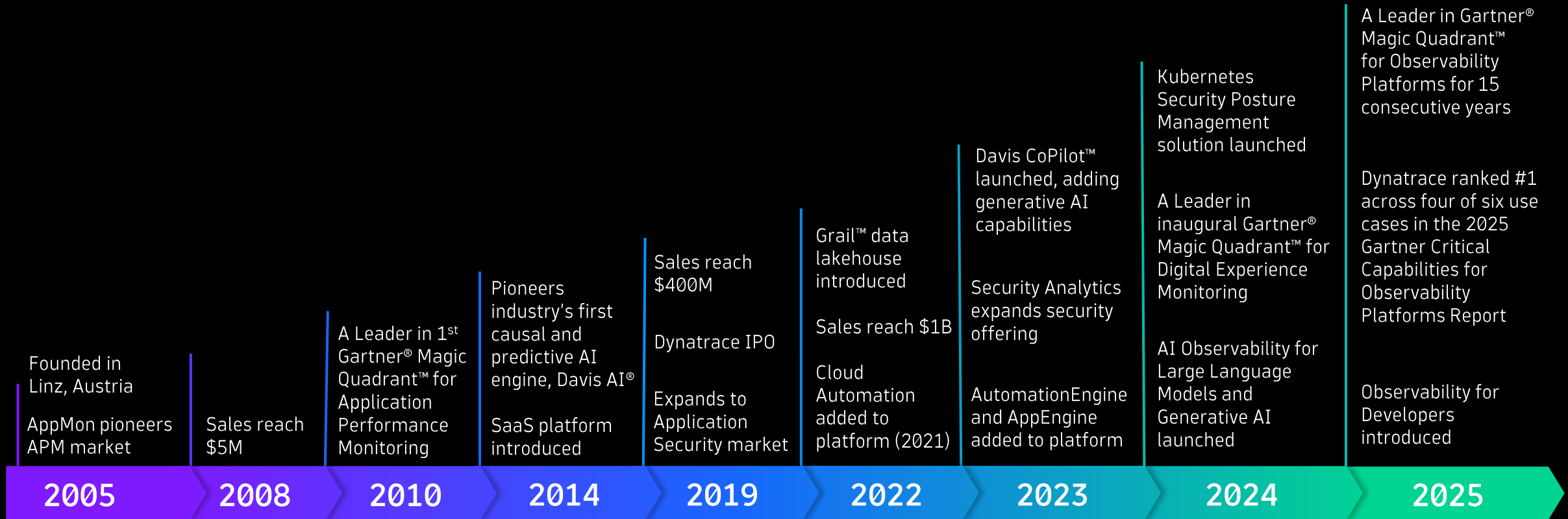
Platform evolution to support autonomous operations

THE LEADER	THE INNOVATOR	THE PIONEER	THE FUTURE

Reactive operations

Issues are deeply understood after they occur

Automated root-cause

Issues are auto-diagnosed when they occur

Preventive operations

Issues are anticipated before they occur

Autonomous operations

Issues are resolved before they matter

Dynatrace 2006+
Data collection

Dynatrace 2014+
Answers, not just data

Dynatrace 2023
Answer driven automation

Dynatrace 2026+
Autonomous intelligence

20+ years of groundbreaking innovation & milestones

2005
Founded in Linz, Austria

AppMon pioneers APM market

2008
Sales reach $5M

2010
A Leader in 1st Gartner® Magic Quadrant™ for Application Performance Monitoring

SaaS platform introduced

2014
Pioneers industry's first causal and predictive AI engine, Davis AI®

Expands to Application Security market

2019
Sales reach $400M

Dynatrace IPO

2022
Grail™ data lakehouse introduced

Sales reach $1B

Cloud Automation added to platform (2021)

2023
Davis CoPilot™ launched, adding generative AI capabilities

Security Analytics expands security offering

AutomationEngine and AppEngine added to platform

2024
Kubernetes Security Posture Management solution launched

A Leader in inaugural Gartner® Magic Quadrant™ for Digital Experience Monitoring

AI Observability for Large Language Models and Generative AI launched

2025
A Leader in Gartner® Magic Quadrant™ for Observability Platforms for 15 consecutive years

Dynatrace ranked #1 across four of six use cases in the 2025 Gartner Critical Capabilities for Observability Platforms Report

Observability for Developers introduced

A <u>leader</u> in the cloud observability market since 2005

Gartner

Positioned highest in Execution in the 2025 Gartner® Magic Quadrant™ for Observability Platforms. This is the 15th consecutive year that Gartner has named Dynatrace a Leader in this report.[1]

FORRESTER®

Dynatrace named a Leader in The Forrester Wave™: AIOps Platforms, Q2 2025

ISG®

Named a Leader in the Cloud-Native Observability Quadrant in the 2024 ISG Provider Lens, Multi Public Cloud Solutions Report, for competitive strength and portfolio attractiveness.

GIGAOM

Dynatrace named a Leader and Outperformer in 2025 GigaOm Radar for Kubernetes Observability

The observability and security market is large and growing

$65B

TOTAL ADDRESSABLE MARKET

$51B

OBSERVABILITY TAM

$14B

SECURITY TAM

Expansive
go-to-market
to capture global
15,000 customers

STRATEGIC

ENTERPRISE

COMMERCIAL
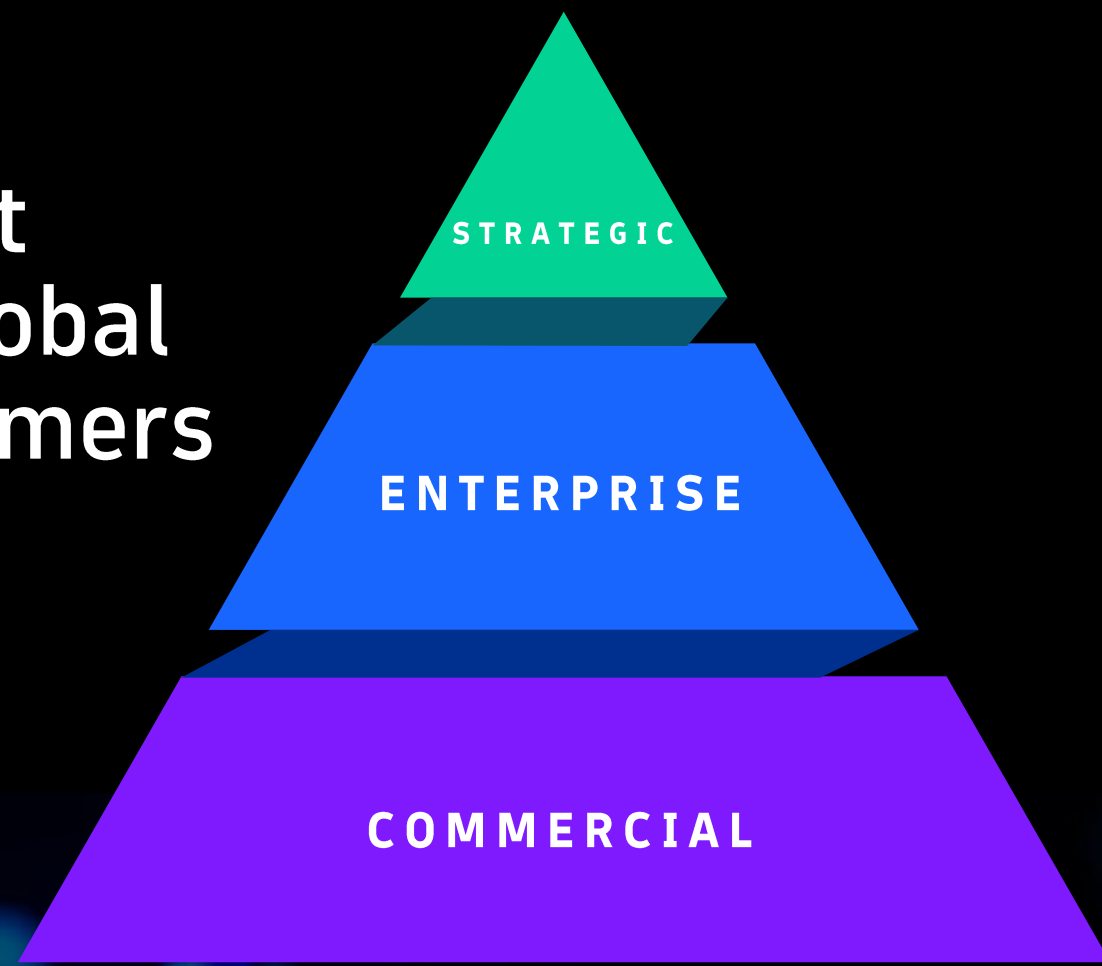
Comprehensive partner channels

Global System Integrators (GSIs), Hyperscaler and Technology Alliance Partners, Regional resellers and solution partners

Global go-to-market reach

30+ countries across NORAM, EMEA, APAC, and LATAM

accenture   DXC TECHNOLOGY   Deloitte.   AHEAD   AtoS   aws   Microsoft Azure   Google Cloud   Red Hat

Dynatrace Platform Subscription (DPS)

Flexible and scalable pricing model suited for the enterprise

FULL PLATFORM ACCESS

SIMPLE CONTRACT

NO HIDDEN FEES

FRICTIONLESS UPSELL

Building blocks in place for continued success

Differentiated unified observability platform

Continued innovation extending platform and expanding TAM

Large and expanding TAM

Proven and scalable go-to-market model

Flexible, customer-friendly pricing model driving consumption

Powerful combination of growth and profitability at scale

Q2 FY 2026
Financial Results

Dynatrace financials at a glance

$1.90B Annual Recurring Revenue[1]	**96%** Q2-26 Subscription Revenue Mix	**Mid-90s %** Gross Retention Rate[1]	**29%** TTM Q2-26 Non-GAAP Operating Margin[1,3]
16% ARR Growth YoY[2]	**17%** Q2-26 Subscription Revenue Growth YoY[2]	**111%** Net Retention Rate[1]	**32%** TTM Q2-26 Pre-tax FCF Margin[1,3]

Financial results as of September 30, 2025.
1. See the Appendix for definitions.
2. Denotes growth when adjusted for constant currency exchange rates. See the Appendix for definition.
3. Operating margin and pre-tax FCF margin are non-GAAP financial measures. See the Appendix for reconciliations of GAAP to non-GAAP financial measures.

Total ARR growth

QUARTERLY TOTAL ARR ($M)[1]

	Q3-24	Q4-24	Q1-25	Q2-25	Q3-25	Q4-25	Q1-26	Q2-26
ARR ($M)	$1,425	$1,504	$1,541	$1,617	$1,647	$1,734	$1,822	$1,899
As Reported YoY Growth %	23%	21%	19%	20%	16%	15%	18%	17%
Constant Currency YoY Growth %	21%	20%	20%	19%	18%	17%	16%	16%
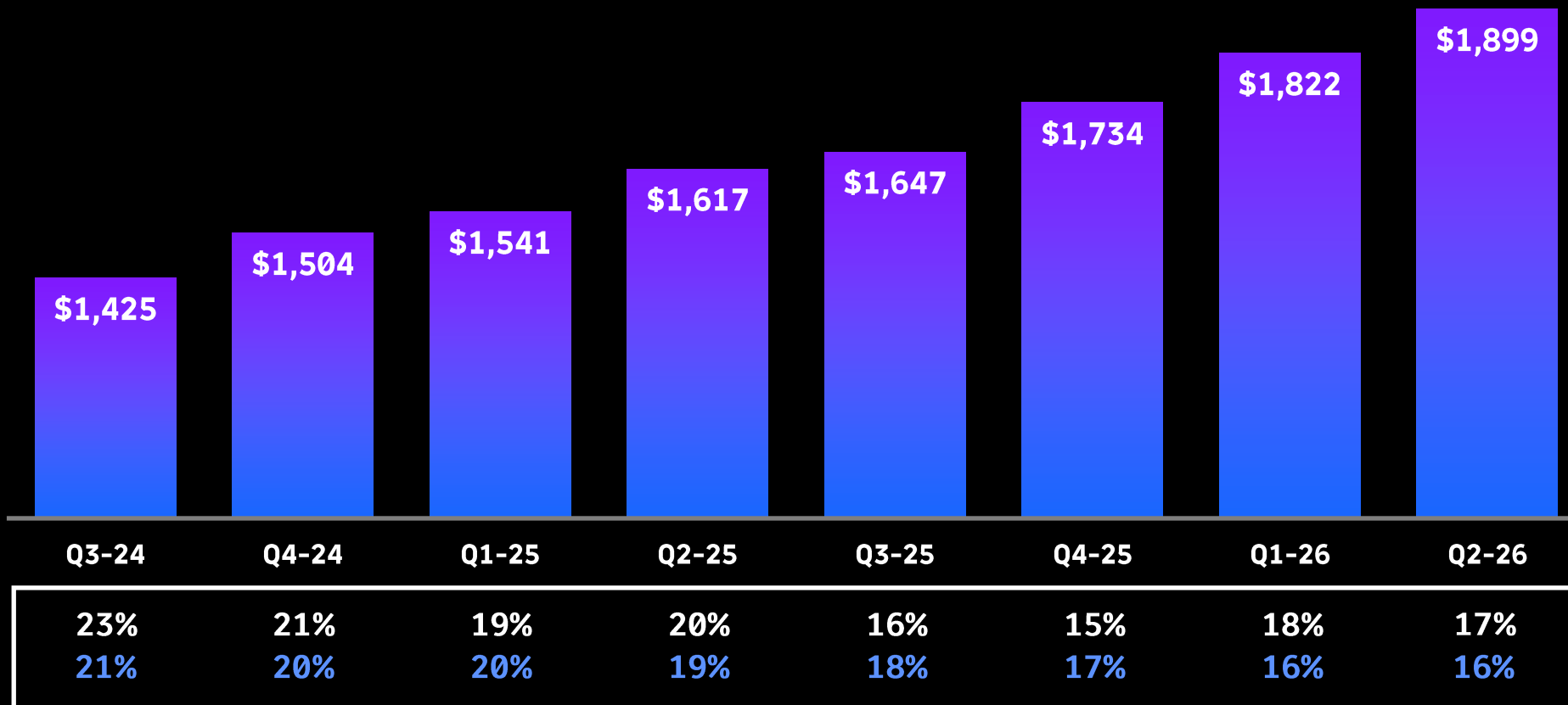
As Reported YoY Growth %

Constant Currency YoY Growth %[2]

Net new ARR growth

QUARTERLY NET NEW ARR @ CC ($M)[1]

FY 2024 **FY 2025** **FY 2026**

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Net New ARR ($M)	$37	$59	$70	$84	$46	$61	$68	$74	$51	$70
YoY Growth %	(33)%	2%	(12)%	1%	23%	3%	(3)%	(12)%	13%	16%
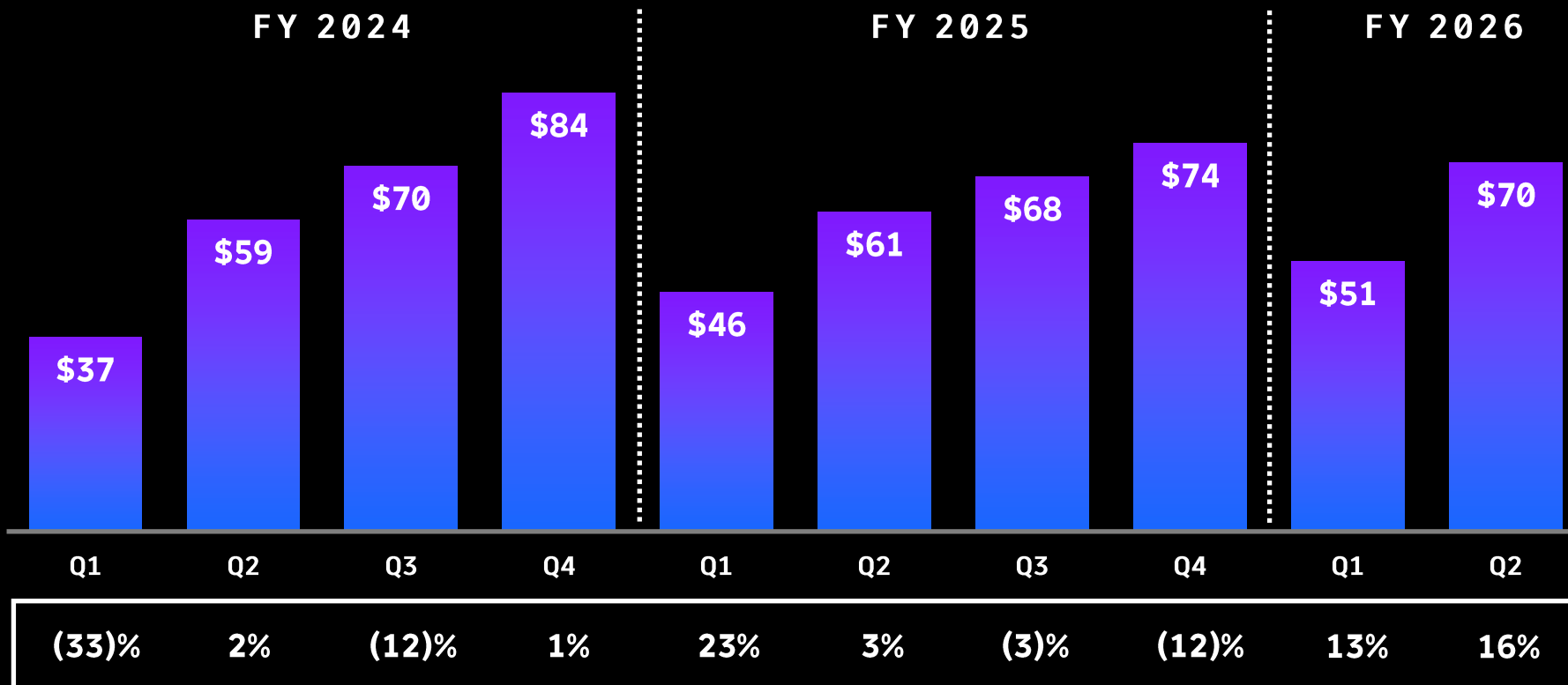
Constant Currency YoY Growth %[2]

1. Net New ARR amounts shown in bar graphs represent Total Net New ARR at constant currency.
2. Defined as quarterly increase in net new ARR in constant currency compared to the year-ago quarter net new ARR in constant currency.

Subscription & total revenue growth

QUARTERLY REVENUE ($M)

- ■ Total Revenue[1]
- ■ Subscription Revenue

	Q3-24	Q4-24	Q1-25	Q2-25	Q3-25	Q4-25	Q1-26	Q2-26
Total Revenue	$365	$381	$399	$418	$436	$445	$477	$494
Subscription Revenue	$348	$360	$382	$400	$417	$424	$458	$473
Total Revenue Constant Currency YoY Growth	21%	21%	21%	19%	20%	19%	19%	17%
Subscription Revenue Constant Currency YoY Growth	23%	22%	21%	20%	21%	20%	19%	17%
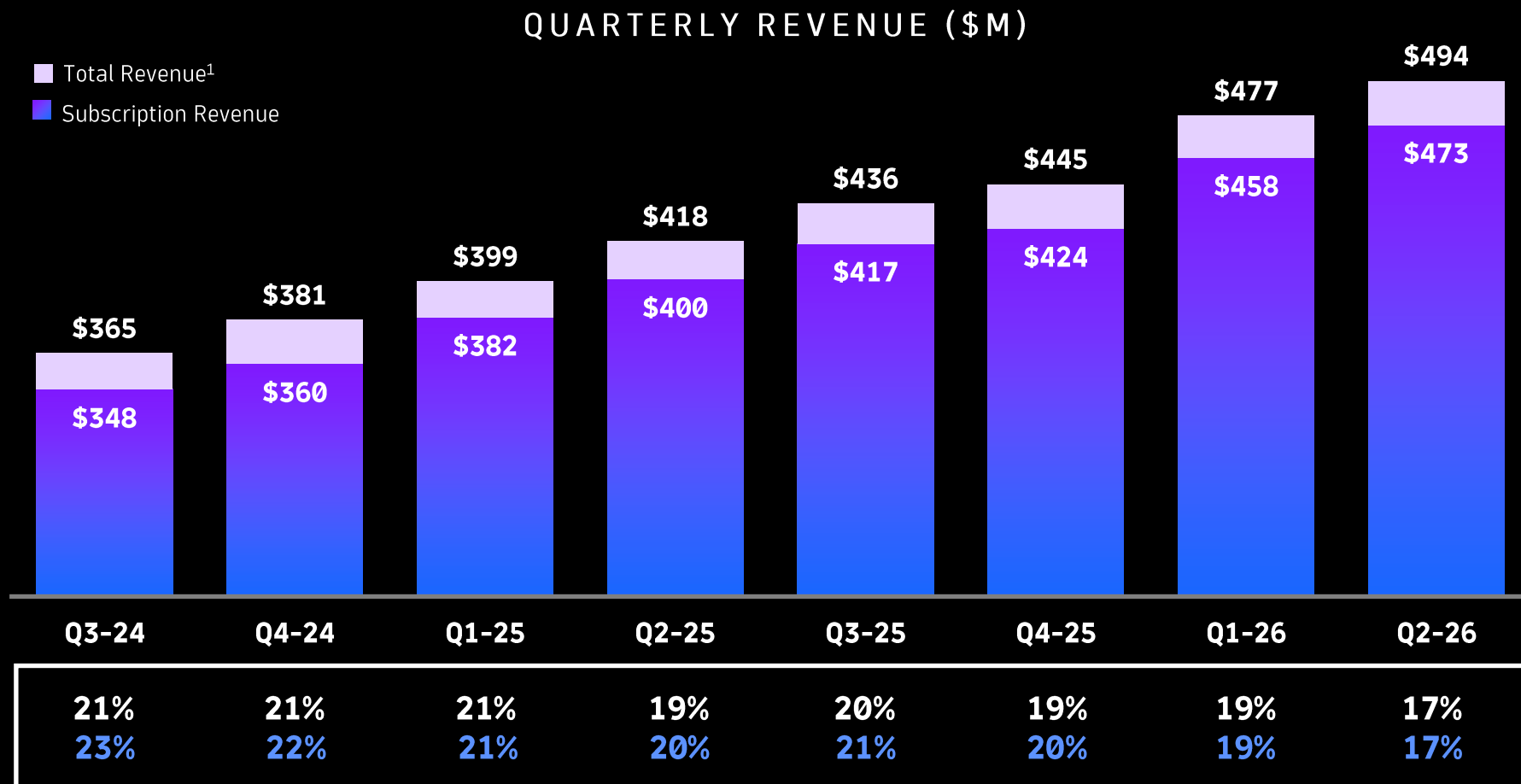
Total Revenue Constant Currency YoY Growth[2]

Subscription Revenue Constant Currency YoY Growth[2]

1. Total revenue includes subscription and services revenue.
2. Constant currency growth rates reflect YoY growth when using exchange rates from the same period in the prior year. See Appendix for definition.

Efficient model with best-in-class gross margins[1]

GAAP GROSS PROFIT MARGIN
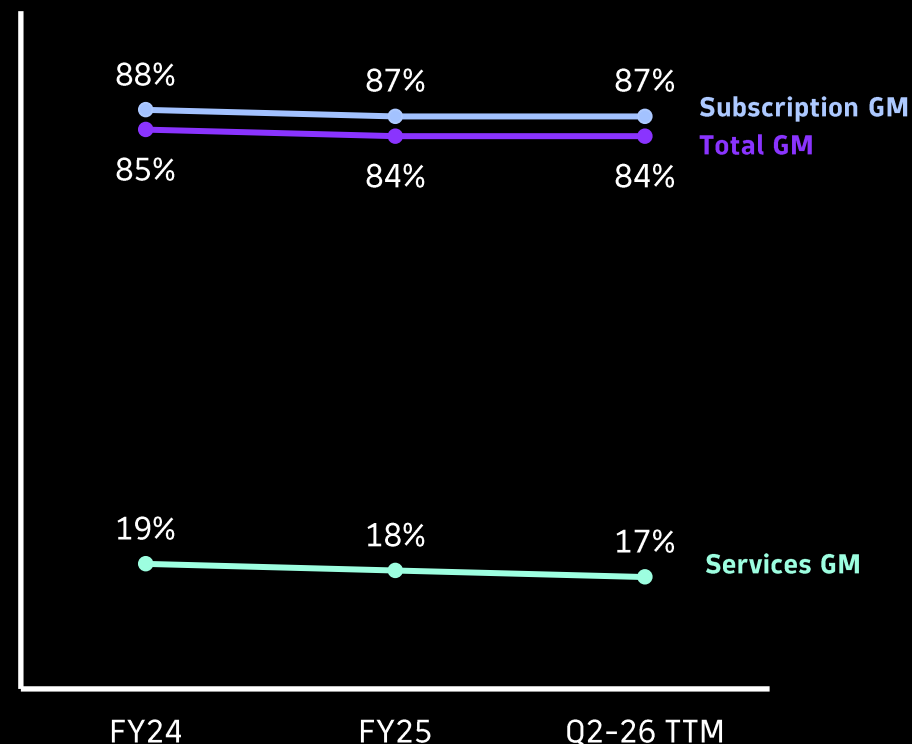
86%　　　86%　　　85% — **Subscription GM**

81%　　　81%　　　82% — **Total GM**

8%　　　4%　　　3% — **Services GM**

FY24　　FY25　　Q2-26 TTM

NON-GAAP GROSS PROFIT MARGIN[2]

88%　　　87%　　　87% — **Subscription GM**

85%　　　84%　　　84% — **Total GM**

19%　　　18%　　　17% — **Services GM**

FY24　　FY25　　Q2-26 TTM

Highly efficient operating model

GAAP OPEX $'S & AS % OF REVENUE ($M)

$1,036
- 2%
- 21%
- 37%
- 12%

$1,199
- 1%
- 23%
- 36%
- 11%

$1,284
- <1% — Other OPEX[2]
- 23% — R&D
- 35% — S&M
- 11% — G&A

FY24 · FY25 · Q2-26 TTM

NON-GAAP OPEX $'S & AS % OF REVENUE ($M)[1]

$811
- 16%
- 32%
- 8%

$938
- 16%
- 31%
- 8%

$1,014
- 17% — R&D
- 30% — S&M
- 8% — G&A

FY24 · FY25 · Q2-26 TTM
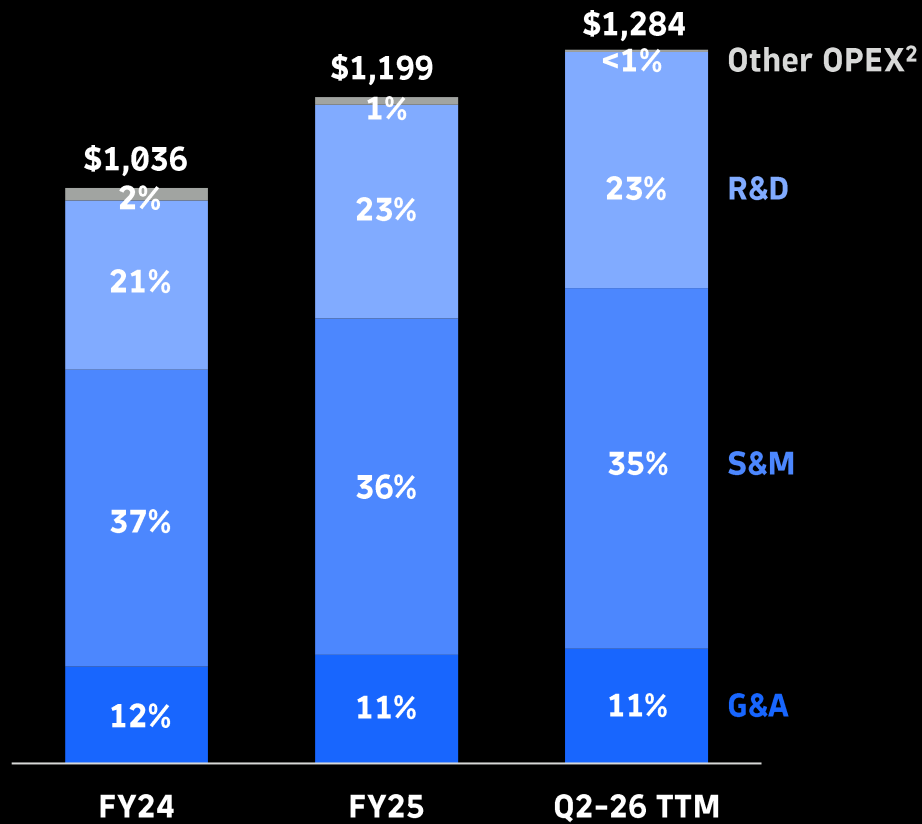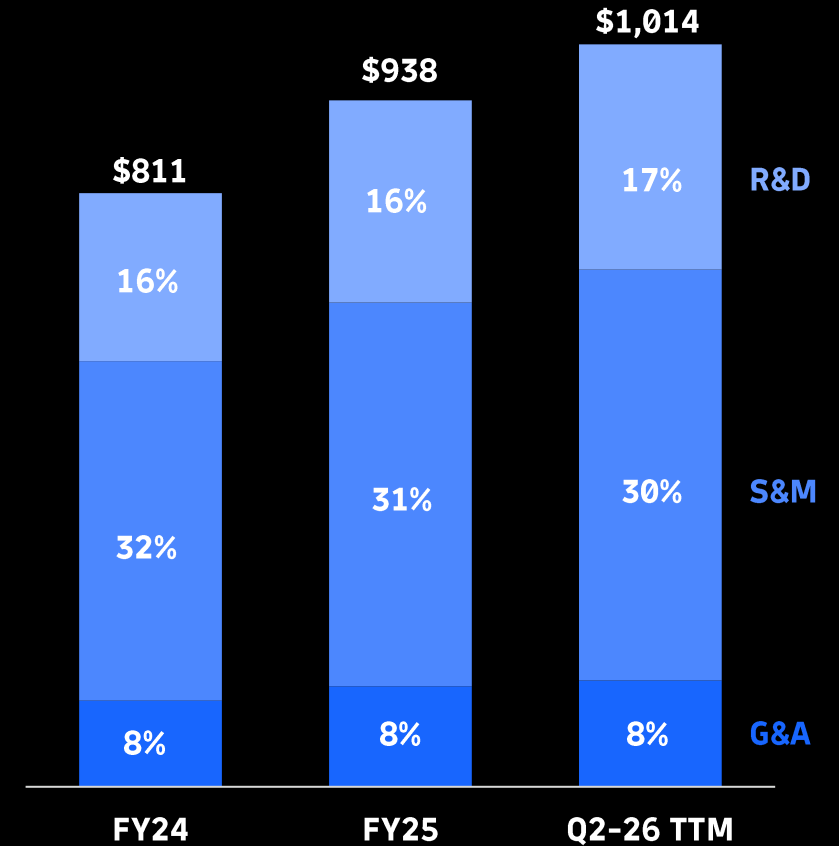
1. These are non-GAAP financial measures. See the Appendix for reconciliations of GAAP to non-GAAP financial measures.
2. Other OpEx includes amortization of intangibles.

Proven profitable business model

INCOME FROM OPERATIONS[2] ($M)

- GAAP Operating Income
- Non-GAAP Operating Income[1]

	FY24	FY25	Q2-26 TTM
GAAP Operating Income	9% / $128	11% / $179	12% / $226
Non-GAAP Operating Income	28% / $398	29% / $494	29% / $545

FREE CASH FLOW (FCF)[1,2] ($M)

- Free Cash Flow
- Pre-Tax Free Cash Flow

	FY24	FY25	Q2-26 TTM
Free Cash Flow	24% / $346	25% / $431	26% / $473
Pre-Tax Free Cash Flow	30% / $428	32% / $549	32% / $595

FY26 guidance summary

Based on information available as of November 5, 2025, Dynatrace is issuing guidance for the third quarter and updating its previous guidance for full year fiscal 2026 in the table below. This guidance is based on foreign exchange rates as of October 31, 2025. We now expect foreign exchange to be a tailwind of approximately $38 million on ARR and approximately $34 million on revenue for fiscal 2026 compared to ARR and revenue at constant currency. This represents an incremental tailwind of approximately $5 million to both ARR and revenue compared to our prior guidance. This guidance also excludes the impact of any share repurchases after September 30, 2025.

(in millions, except per share data)	Current FY 2026 Guidance	Prior FY 2026 Guidance	Guidance Change at Midpoint
ARR	**$2,010 – $2,025**	**$1,988 – $2,003**	**$22**
As reported	16% – 17%	15% – 16%	100 bps
Constant currency	14% – 15%	13% – 14%	100 bps
Total revenue	**$1,985 – $1,995**	**$1,970 – $1,985**	**$13**
As reported	17 –17.5%	16% – 17%	75 bps
Constant currency	15% – 15.5%	14% – 15%	75 bps
Subscription revenue	**$1,898 – $1,908**	**$1,884 – $1,899**	**$12**
As reported	17% – 17.5%	16% – 17%	75 bps
Constant currency	15% – 15.5%	14% – 15%	75 bps
Non-GAAP income from operations	**$571 – $581**	**$563 – $573**	**$8**
Non-GAAP Operating Margin	29%	29%	–
Non-GAAP net income	**$497 – $506**	**$488 – $500**	**$8**
Non-GAAP net income per diluted share	**$1.62 – $1.64**	**$1.58 – $1.61**	**$0.04**
Diluted weighted average shares outstanding	**307– 308**	**309 – 310**	**(2)**
Free cash flow	**$505 – $515**	**$505 – $515**	**–**
Free cash flow margin	26%	26%	–

(in millions, except per share data)	Q3 Fiscal 2026 Guidance
Total revenue	**$503 – $508**
As reported	15% – 16%
Constant currency	13% – 14%
Subscription revenue	**$481 – $486**
As reported	15% – 16%
Constant currency	13% – 14%
Non-GAAP income from operations	**$143 – $148**
Non-GAAP Operating Margin	28.5% – 29%
Non-GAAP net income	**$123 – $128**
Non-GAAP net income per diluted share	**$0.40 – $0.42**
Diluted weighted average shares outstanding	**305 – 306**

All growth rates are compared to the third quarter and full year of fiscal 2025.

Reconciliations of non-GAAP income from operations, non-GAAP net income, non-GAAP net income per diluted share and free cash flow guidance to the most directly comparable GAAP measures are 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 these non-GAAP measures; in particular, the measures and effects of share-based compensation expense, employer taxes and tax deductions specific to equity compensation awards that are directly impacted by future hiring, turnover and retention needs, as well as 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.

*Prior guidance issued on August 6, 2025

Updated FY26 ARR Guidance vs. Prior[1]
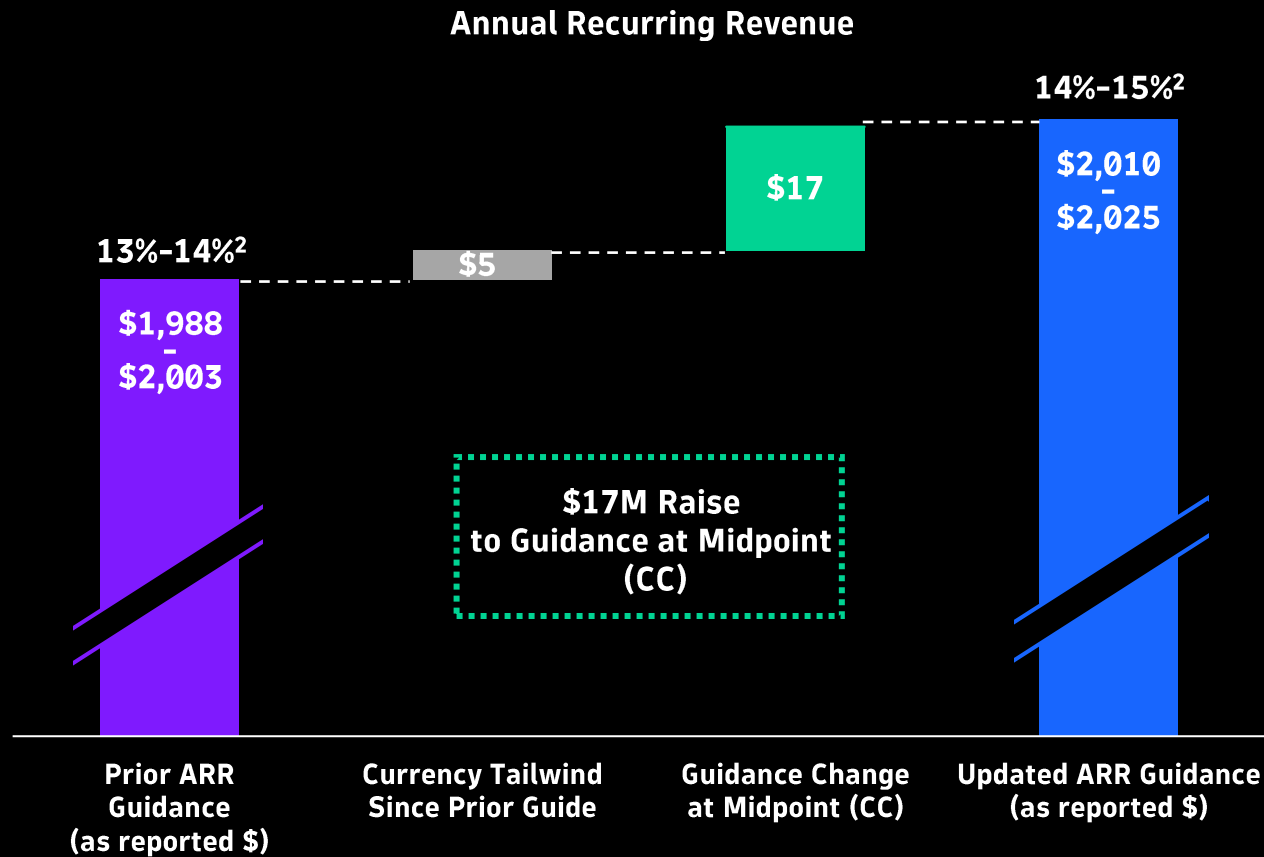
Annual Recurring Revenue

14%-15%[2]

$2,010
–
$2,025

$17

13%-14%[2]

$5

$1,988
–
$2,003

**$17M Raise
to Guidance at Midpoint
(CC)**

**Prior ARR
Guidance
(as reported $)**

**Currency Tailwind
Since Prior Guide**

**Guidance Change
at Midpoint (CC)**

**Updated ARR Guidance
(as reported $)**

1) Values have been rounded and may not add up precisely to the totals.
2) Represents year-over-year growth rates in constant currency. See the Appendix for definition.

Updated FY26 Revenue & Subscription Revenue Guidance vs. Prior[1]
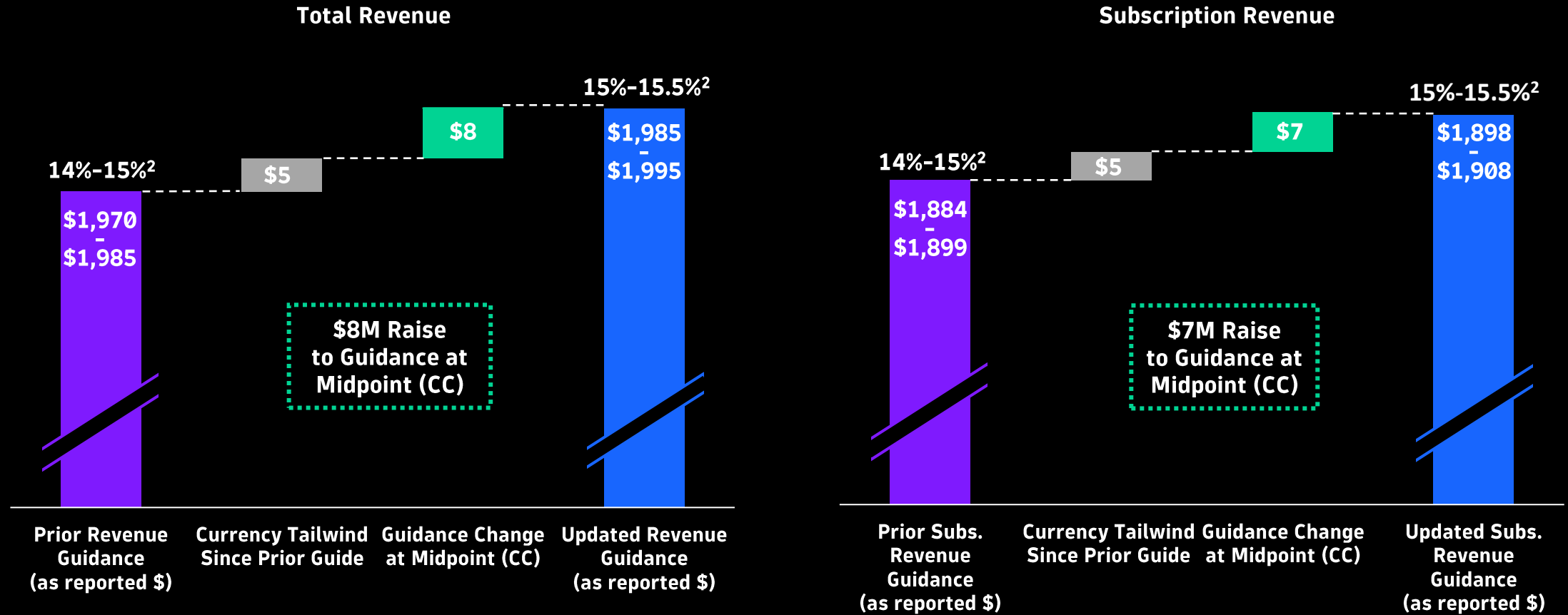
Total Revenue

14%–15%[2]
$1,970 - $1,985

$5

$8

15%–15.5%[2]
$1,985 - $1,995

$8M Raise to Guidance at Midpoint (CC)

Prior Revenue Guidance (as reported $) | Currency Tailwind Since Prior Guide | Guidance Change at Midpoint (CC) | Updated Revenue Guidance (as reported $)

Subscription Revenue

14%–15%[2]
$1,884 - $1,899

$5

$7

15%–15.5%[2]
$1,898 - $1,908

$7M Raise to Guidance at Midpoint (CC)

Prior Subs. Revenue Guidance (as reported $) | Currency Tailwind Since Prior Guide | Guidance Change at Midpoint (CC) | Updated Subs. Revenue Guidance (as reported $)

1) Values have been rounded and may not add up precisely to the totals.
2) Represents year-over-year growth rates in constant currency. See the Appendix for definition.

Updated FY26 Non-GAAP Income from Operations Guidance vs. Prior[1]

Non-GAAP Income from Operations[2]

29%
$8

29%
$571
-
$581

29%
$563
-
$573

$8M Raise
to Guidance at
Midpoint

Prior NG Op Income
Guidance

Guidance Change
at Midpoint

Updated NG Op Income
Guidance
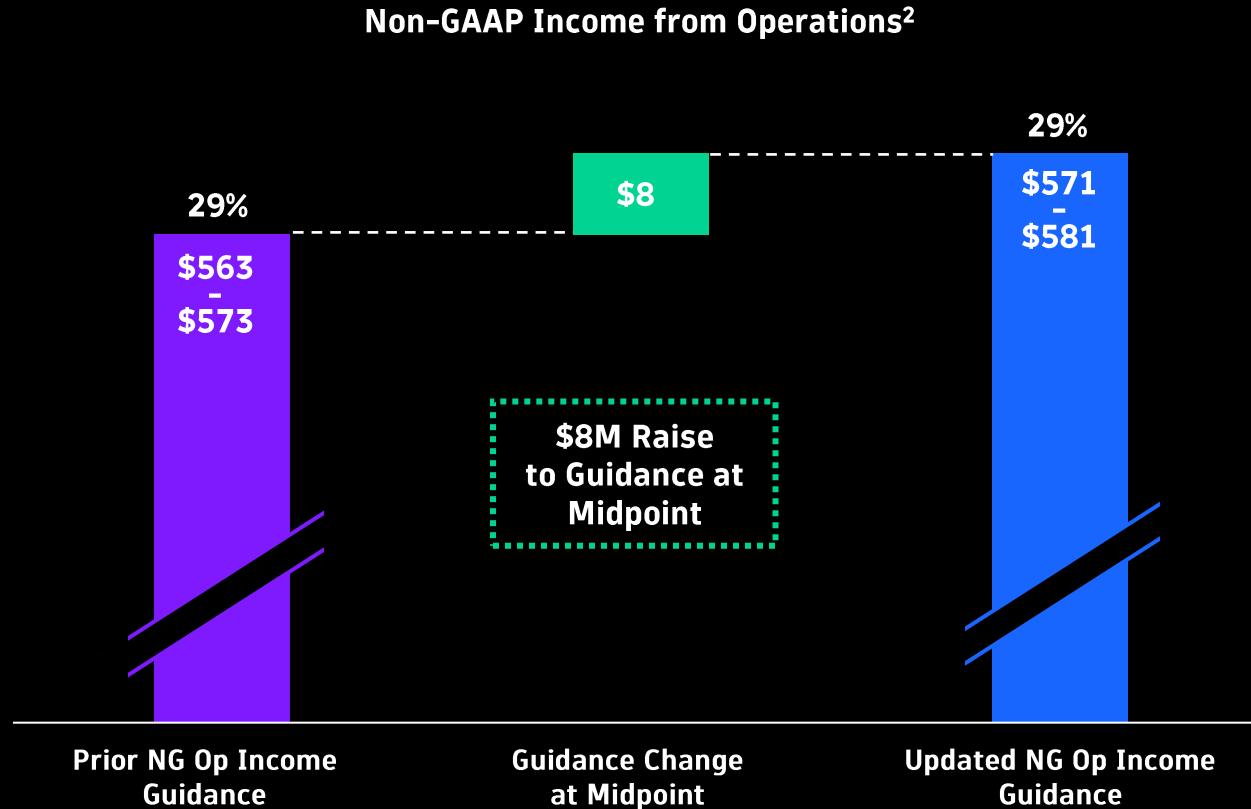
1) Values have been rounded and may not add up precisely to the totals.
2) As reported dollars and percent of revenue.

Definitions & Non-GAAP Reconciliations

Appendix – Definitions

1) <u>Annual Recurring Revenue (ARR)</u> 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) <u>Constant Currency (CC)</u> amounts for ARR, Total Revenue and Subscription Revenue are presented to provide a framework for assessing how our underlying businesses performed excluding the effect of foreign exchange rate fluctuations. To present this information, current and comparative prior period results for entities reporting in currencies other than United States dollars are converted into United States dollars using the average exchange rates from the comparative period rather than the actual exchange rates in effect during the respective periods. All growth comparisons relate to the corresponding period in the last fiscal year.

3) <u>Dollar-Based Gross Retention Rate</u> is defined as the ARR from all customers as of one year prior, less contraction and customer churn, divided by the total ARR from one year prior. This metric reflects the percentage of ARR from all customers as of the year prior that has been retained.

4) <u>Dollar-Based Net Retention Rate</u> is defined as the 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 ARR one year prior to the date of calculation for that same cohort. Our dollar-based net retention rate reflects customer renewals, expansion, contraction and churn. Dollar-based net retention rate is presented on a constant currency basis.

5) <u>Dynatrace Customers</u> are defined as accounts, as identified by a unique account identifier, that generate at least $10,000 of Dynatrace ARR as of the reporting date. In infrequent cases, a single large organization may comprise multiple customer accounts when there are distinct divisions, departments or subsidiaries that operate and make purchasing decisions independently from the parent organization. In cases where multiple customer accounts exist under a single organization, each customer account is counted separately based on a mutually exclusive accounting of ARR.

6) <u>Free Cash Flow (FCF)</u> is defined as net cash provided by (used in) operating activities less capital expenditures (reflected as "purchase of property and equipment" and "capitalized software additions" in our financial statements). The related margin is free cash flow expressed as a percentage of total revenue.

7) <u>Pre-Tax Free Cash Flow (FCF)</u> is defined as Free Cash Flow adjusted for cash paid for or received from taxes. The related margin is pre-tax free cash flow expressed as a percentage of total revenue.

ARR expansion trends[1]

($ in millions)	FY24				FY25				FY26	
	Q1-24	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25	Q3-25	Q4-25	Q1-26	Q2-26
Year-over-Year										
ARR (As Reported)	$1,294	$1,344	$1,425	$1,504	$1,541	$1,617	$1,647	$1,734	$1,822	$1,899
Year-over-Year increase	25%	26%	23%	21%	19%	20%	16%	15%	18%	17%
TTM FX headwind/(tailwind)[2]	(3)	(27)	(17)	(10)	12	(14)	37	19	(28)	(19)
ARR – Constant Currency	1,291	1,316	1,408	1,494	1,553	1,603	1,684	1,753	1,795	1,880
Year-over-Year ARR Increase – Constant Currency[3]	25%	24%	21%	20%	20%	19%	18%	17%	16%	16%

	Q1-24	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25	Q3-25	Q4-25	Q1-26	Q2-26	Q2-26 TTM
Quarter-over-Quarter											
ARR (As Reported)	$1,294	$1,344	$1,425	$1,504	$1,541	$1,617	$1,647	$1,734	$1,822	$1,899	
Net New ARR (As Reported)[4]	47	50	82	79	37	76	31	87	88	77	283
Quarterly FX headwind/(tailwind)[5]	(10)	10	(12)	5	9	(15)	37	(13)	(37)	(7)	(20)
Net New ARR – Constant Currency	37	59	70	84	46	61	68	74	51	70	263
Year-over-Year Net New ARR Growth – Constant Currency[6]	-33%	2%	-12%	1%	23%	3%	-3%	-12%	13%	16%	1%

1. Values have been rounded and may not add up precisely to the totals.
2. Year-over-year FX headwind/(tailwind) using exchange rates from the same quarter in the prior fiscal year.
3. Represents the year-over-year growth rate excluding the FX headwind/(tailwind).
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. Defined as net new ARR in constant currency compared to the year-ago period net new ARR in constant currency.

Non-GAAP subscription and services gross margin reconciliation[1]

FY25

($ in millions)	GAAP	Share-Based Comp.	Employer Payroll Tax on Employee Stock trans.	Amort. of Intangibles	Restructuring & Other	Non-GAAP
Subscription Cost of Revenue	233	(27)	(2)	–	–	205
Subscription Gross Profit	**$1,389**	**$27**	**$2**	**–**	**–**	**$1,418**
Subscription Gross Margin	*86%*					*87%*
Services Cost of Revenue	74	(10)	(1)	–	–	63
Services Gross Profit	**$3**	**$10**	**$1**	**–**	**–**	**$13**
Services Gross Margin	*4%*					*18%*

Q2-26 TTM

GAAP	Share-Based Comp.	Employer Payroll Tax on Employee Stock trans.	Amort. of Intangibles	Restructuring & Other	Non-GAAP
257	(28)	(2)	–	–	227
$1,514	**$28**	**$2**	**–**	**–**	**$1,544**
85%					*87%*
79	(11)	(1)	–	–	67
$2	**$11**	**$1**	**–**	**–**	**$14**
3%					*17%*

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

Non-GAAP subscription and services gross margin reconciliation[1]

($ in millions)	GAAP	Share-Based Comp.	Employer Payroll Tax on Employee Stock trans.	Amort of Intangibles	Restructuring & Other	Non-GAAP
FY24						
Subscription Cost of Revenue	185	(19)	(1)	-	-	164
Subscription Gross Profit	**$1,175**	**$19**	**$1**	**-**	**-**	**$1,195**
Subscription Gross Margin	*86%*					*88%*
Services Cost of Revenue	65	(7)	(1)	-	-	58
Services Gross Profit	**$6**	**$7**	**$1**	**-**	**-**	**$14**
Services Gross Margin	*8%*					*19%*

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

Non-GAAP income from operations reconciliation[1]

FY25						
($ in millions)	GAAP	Stock-Based Comp.	Employer Payroll Tax on Employee Stock trans.	Amort. of Intangibles	Restructuring & Other	Non-GAAP
Cost of Revenues	320	(37)	(2)	(13)	–	268
Gross Profit	**$1,378**	**$37**	**$2**	**$13**	**–**	**$1,431**
Gross Margin	*81%*					*84%*
Research and Development	385	(101)	(7)	–	–	277
Sales and Marketing	606	(77)	(4)	–	–	524
General and Administrative	195	(57)	(2)	–	–	137
Amortization of other intangibles	14	–	–	(14)	–	–
Income from Operations[1]	**$179**	**$272**	**$15**	**$27**	**–**	**$494**
Operating Margin	*11%*					*29%*

Q2-26 TTM						
GAAP	Stock-Based Comp.	Employer Payroll Tax on Employee Stock trans.	Amort. of Intangibles	Restructuring & Other	Non-GAAP
343	(39)	(3)	(6)	–	294
$1,510	**$39**	**$3**	**$6**	**–**	**$1,558**
82%					*84%*
425	(109)	(8)	–	–	308
649	(83)	(5)	–	–	561
206	(59)	(2)	–	–	145
4	–	–	(4)	–	–
$226	**$291**	**$17**	**$10**	**–**	**$545**
12%					*29%*

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

Non-GAAP income from operations reconciliation[1]

($ in millions)	FY24					
	GAAP	Stock-Based Comp.	Employer Payroll Tax on Employee Stock trans.	Amort of Intangibles	Restructuring & Other	Non-GAAP
Cost of Revenues	266	(27)	(2)	(16)	-	222
Gross Profit	**$1,164**	**$27**	**$2**	**$16**	**-**	**$1,209**
Gross Margin	*81%*					*85%*
Research and Development	305	(70)	(5)	-	-	230
Sales and Marketing	534	(66)	(5)	-	-	463
General and Administrative	174	(47)	(2)	-	(8)	118
Amortization of other intangibles	22	-	-	(22)	-	-
Income from Operations[1]	**$128**	**$209**	**$14**	**$39**	**$8**	**$398**
Operating Margin	*9%*					*28%*

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

FCF reconciliation[1]

($ in millions)	FY24	FY25	Q2-26 TTM
Free Cash Flow			
Net Cash Provided by Operating Activities	**$ 378**	**$459**	**$507**
PP&E	(26)	(26)	(31)
Capitalized software additions	(6)	(3)	(3)
Total FCF	**$ 346**	**$431**	**$473**
FCF % of Revenue	*24%*	*25%*	*26%*
Total FCF	**$ 346**	**$431**	**$473**
Cash paid for tax	81	118	122
Total Pre-tax FCF	**$428**	**$549**	**$595**
Pre-tax FCF % of Revenue	*30%*	*32%*	*32%*

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