

# Investor Presentation & Business Overview

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August 2021





# Legal Disclaimer

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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 second 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.

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# Leading Software Intelligence Platform

For Modern, Dynamic Multiclouds



Accelerate digital transformation

Simplify cloud complexity

Innovate faster

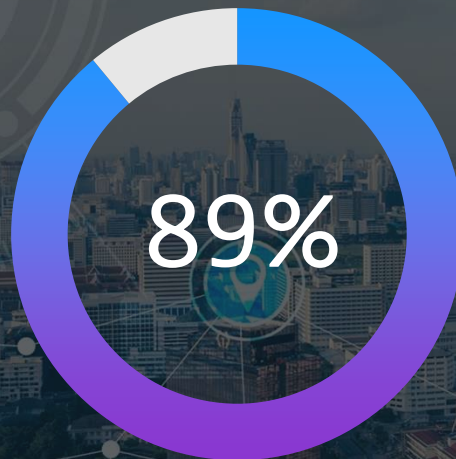
Collaborate more efficiently

Secure cloud applications



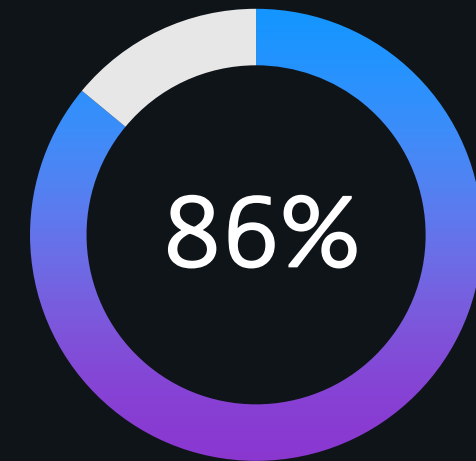
# Macro Trends Provide Long-Term Tailwinds for Growth

**Trend 1:**  
Digital Transformation  
is Accelerating



*Digital transformation has  
accelerated in the last 12  
months*

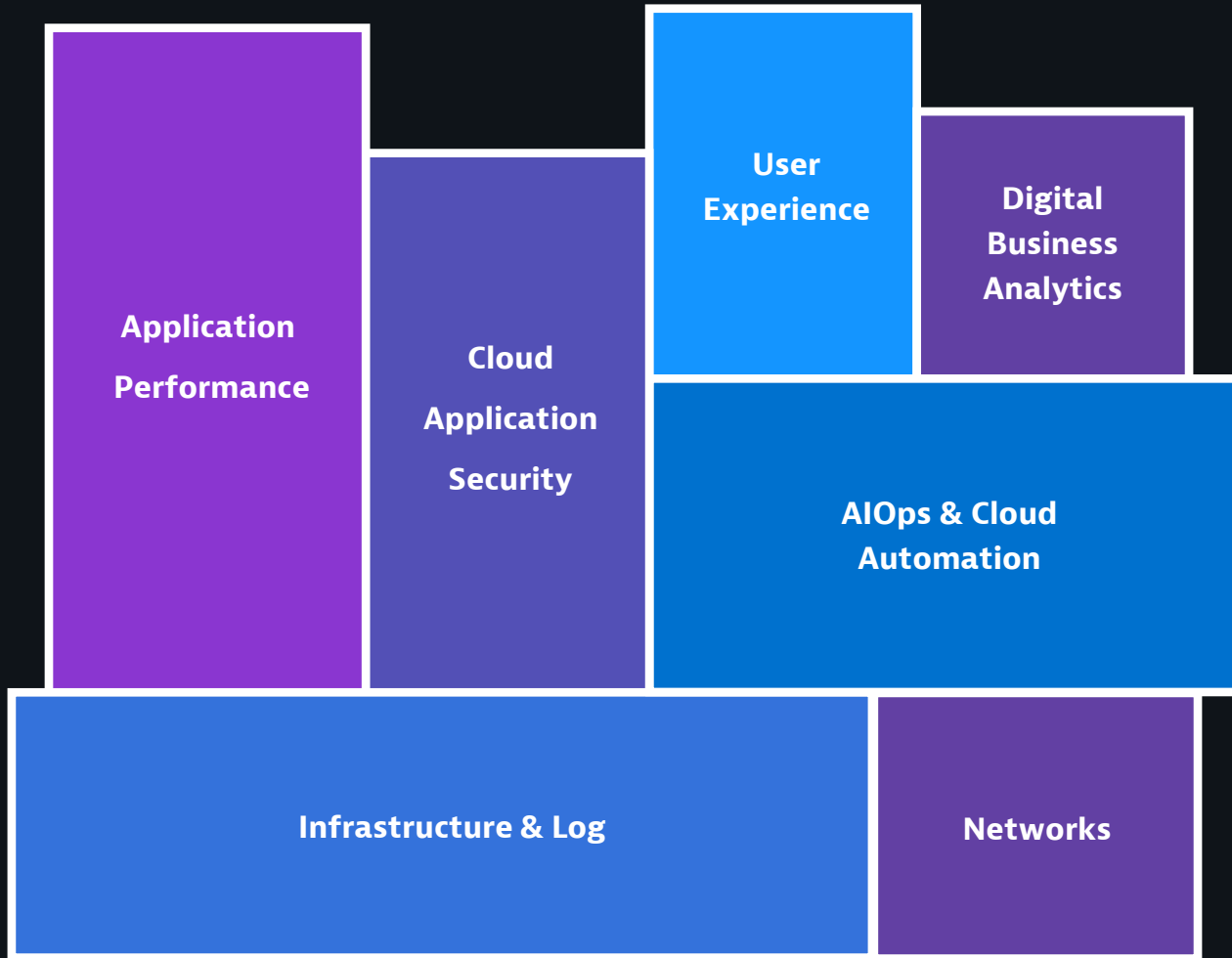
**Trend 2:**  
Dynamic Clouds are the  
Platform of Choice



*Organizations are using cloud-  
native technologies and  
platforms such as Kubernetes,  
microservices and containers*



# A Large, Rapidly Growing Available Market



**\$50B+ TAM\***

\*\$50B TAM comprised of \$18B Gartner – Forecast Analysis: Information Security and Risk Management, Worldwide, July 9, 2020 plus \$32B+ bottom-up TAM based on the total number of global enterprises with greater than \$1 billion in annual revenue, as identified by S&P Capital IQ in September 2020. For each respective band of customers, we multiply the average annualized Dynatrace bookings per customer of the top 5% of Dynatrace customers in the band (which we believe to be representative of broader implementation of our solutions), for the 12 months ended December 31, 2020, by the number of customers in the size band.



# Focus on Enterprise Accounts – Global 15,000

\$1B+



## Banking / Finance



## Insurance



## Retail / Commerce



## Technology / Services



## Telecommunications / Media



## Travel / Transportation



## Automotive / Manufacturing



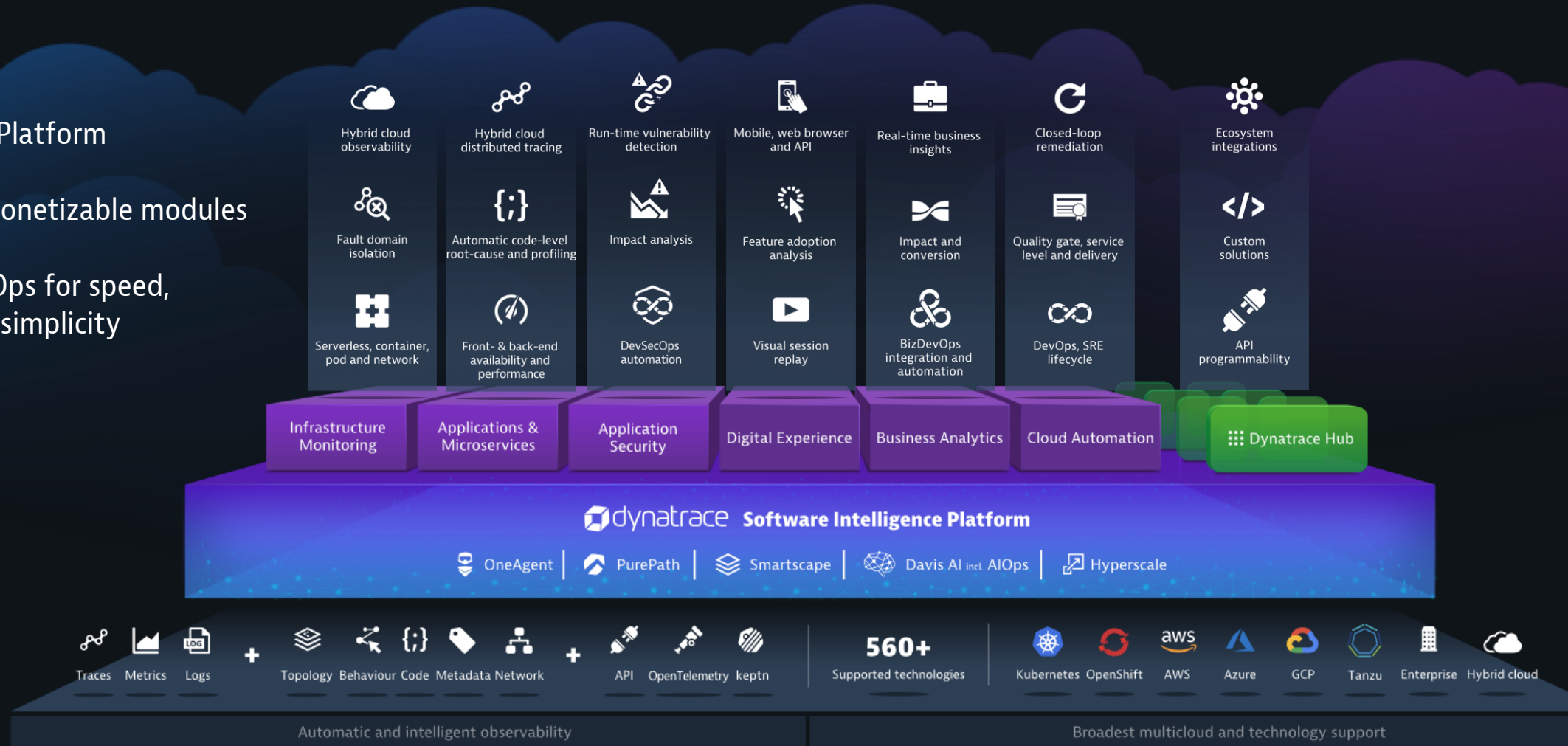
## Government





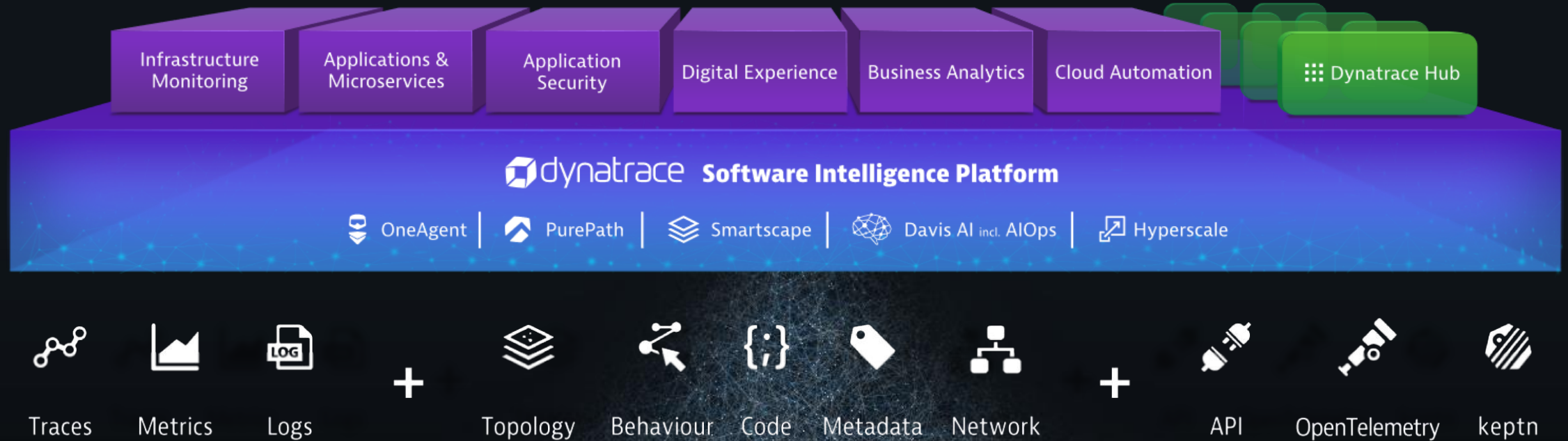
# The Dynatrace Software Intelligence Platform

- All-in-one Platform
- Multiple monetizable modules
- Unified AIOps for speed, efficiency, simplicity





# Starts with best-in-class observability

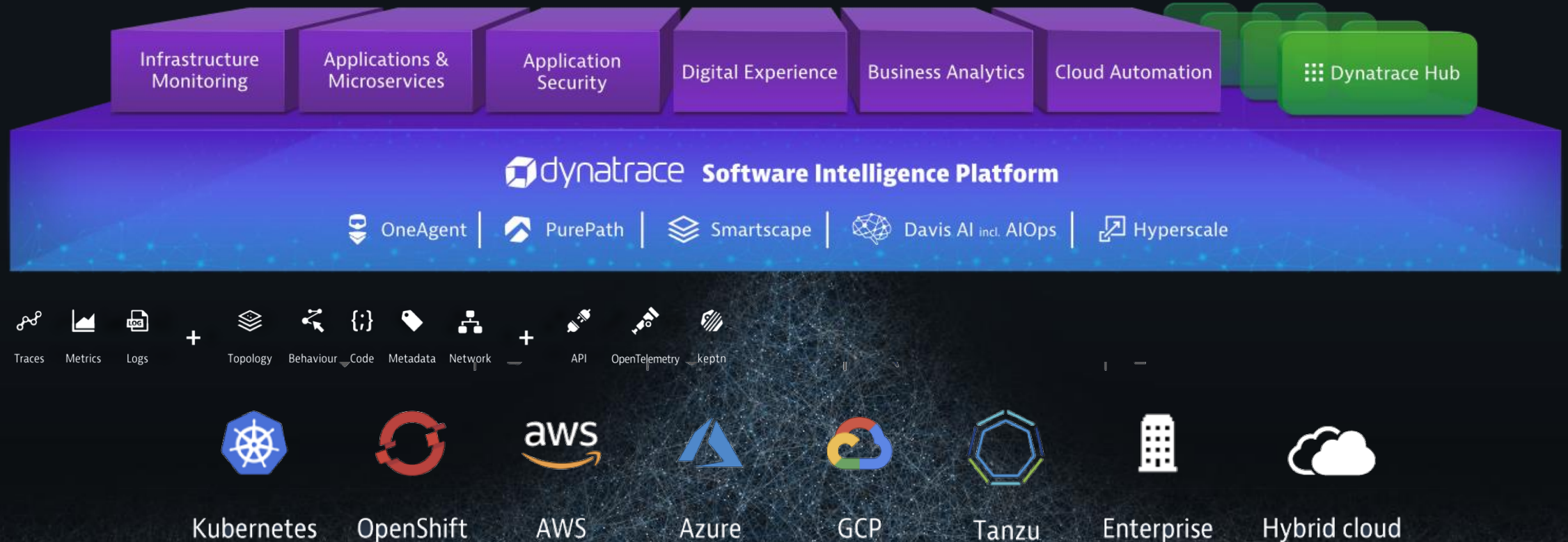


Automatically discovers and gathers traces, metrics, logs and a whole lot more





# Works automatically across any multicloud environment



Supports all major IaaS, PaaS and hybrid-cloud environments

Provides the widest and deepest visibility across  
the entire multicloud landscape



560+

Supported technologies

 **Software Intelligence Platform**



OneAgent



PurePath



Smartscape



Davis AI incl. AIOps



Hyperscale



Traces



Metrics



Logs



Topology



Behaviour



Code



Metadata



Network



API



OpenTelemetry



keptn



Kubernetes



OpenShift



AWS



Azure



GCP



Tanzu



Enterprise



Hybrid cloud

Automatic and intelligent observability

Broadest multicloud and technology support

Open platform, broadest out-of-the- box support, and easy extensibility



# With automation and intelligence to continuously turn data into answers

## Automatic Data Capture

OneAgent provides automatic, full-stack data capture for dynamic cloud environments

## Automatic Distributed Tracing

PurePath provides distributed tracing with code-level detail at scale and with context

## Continuous Dependency Mapping

Smartscape automatically maps dependencies for real-time, precise context

## Explainable AI Engine

Davis delivers automatic answers, insights and actions continuously



**dynatrace** Software Intelligence Platform

OneAgent | PurePath | Smartscape | Davis AI incl. AIOps | Hyperscale

Traces Metrics Logs + Topology Behaviour Code Metadata Network + API OpenTelemetry kptn | **560+** Supported technologies | Kubernetes OpenShift AWS Azure GCP Tanzu Enterprise Hybrid cloud

Automatic and intelligent observability

Broadest multicloud and technology support

Unified AIOps capabilities deliver unparalleled speed, efficiency and simplicity





# Our Approach Creates Strong and Defensible Moats

Costly, do-it-yourself approach  
without Dynatrace



Automatic, all-in-one approach  
with Dynatrace



Simplicity

Speed

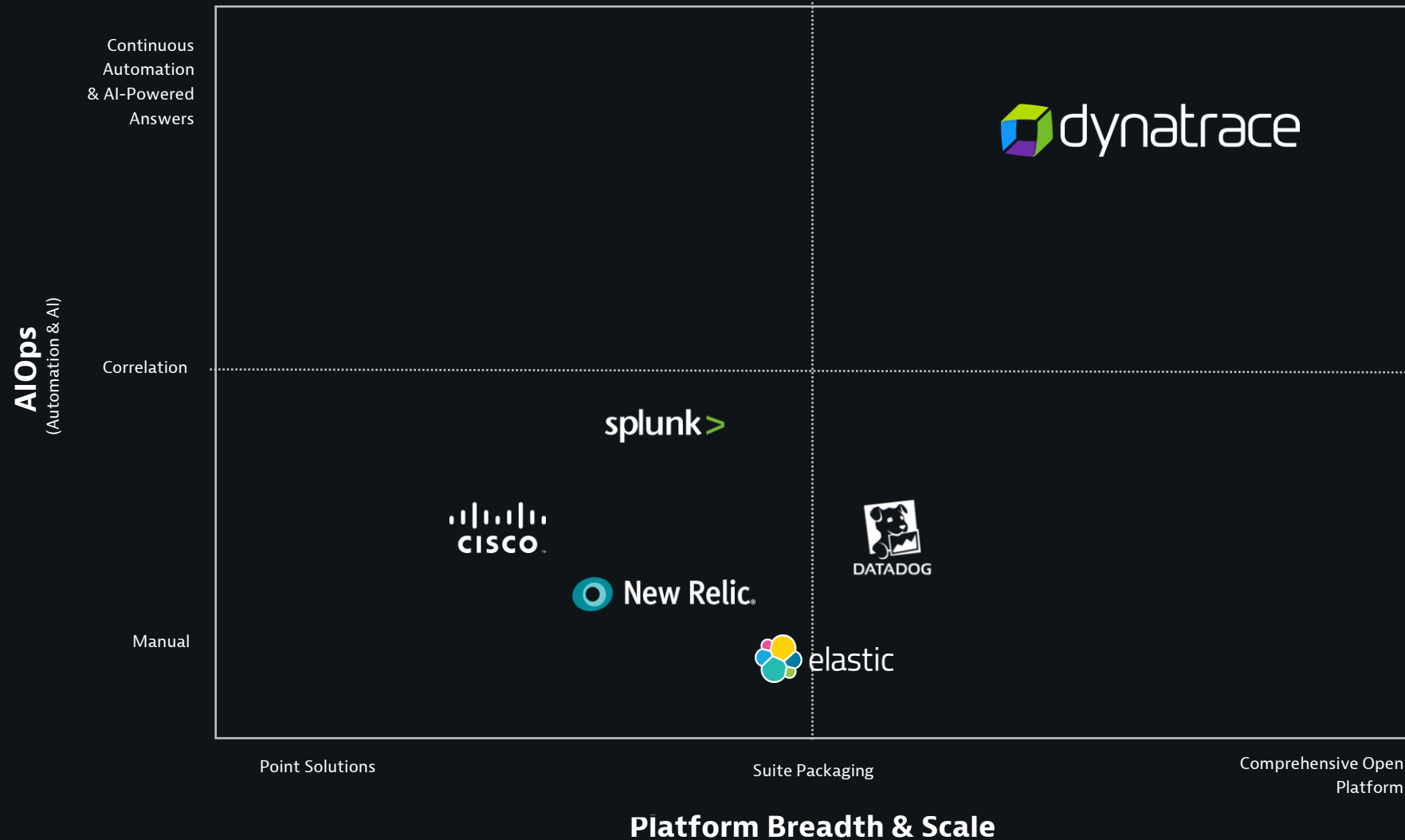
Efficiency

Extensibility





# Uniquely Positioned For Dynamic Multiclouds





## Leading multinational bank tames multicloud environment with Dynatrace

- Complex cloud environment with hundreds of applications across an Azure, AWS, GCP, Kubernetes, OpenShift, Pivotal, and serverless-based architecture
- Dozens of legacy monitoring solutions produced >100K alerts every day

*"Dynatrace has enabled us to make huge strides in our digital transformation."*

Global CTO

### Dynatrace impact:

#### Dynatrace Modules

Apps & Microservices,  
Infrastructure/Logs,  
Digital Experience,  
Business Analytics,  
Cloud Automation

**100%**  
COVERAGE

across multicloud  
environment

**99%**  
REDUCTION

false positive alerts

**180**  
TEAMS  
COLLABORATING

using one common data  
platform



## Multinational energy provider simplifies hybrid-cloud complexity with Dynatrace

- Hybrid-cloud architecture features Azure, Kubernetes running on AWS, and SAP ERP
- Reliance on traditional monitoring resulted in observability gaps, application crashes without clear root cause, and slow development cycles

*"The Dynatrace platform's observability, AIOps, and its applicability for expansive use cases are the best in the industry."*

Head of Infrastructure and Services  
Management and Monitoring

### Dynatrace impact:

#### Dynatrace Modules

Apps & Microservices,  
Infrastructure/Logs,  
Digital Experience

**5X**  
FASTER

dev cycle shortened to  
1 day from >1 week

**3X**  
INCREASE

in DevOps throughput

**70%**  
REDUCTION

in cloud consumption



## U.S. state government ensures 24/7 availability of essential services during tenfold increase in demand

- Migrated from an on-premises to an AWS-based ecosystem
- Experienced 10X surge in demand from constituents for digital services
- Legacy monitoring systems and reliance on manual processes resulted in time-consuming 'war room' meetings, stealing from innovation

*"With Dynatrace, we no longer waste hours chasing down problems. We've rededicated this time to developing and delivering new services for our citizens, faster and more efficiently than ever before."*

Application Architect

### Dynatrace impact:

#### Dynatrace Modules

Apps & Microservices,  
Infrastructure/Logs,  
Digital Experience,  
Business Analytics

## 24/7

AVAILABILITY

of essential digital  
services, despite surge in  
demand

## 1ST

IN NATION

leads U.S. states in  
delivery of new digital  
services

## 80%

REDUCTION

in issues impacting  
app performance



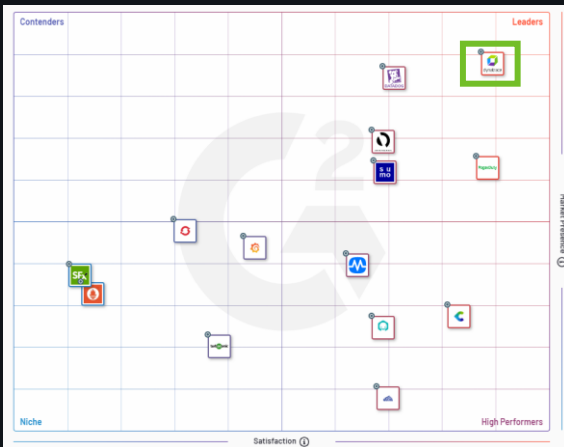
# Industry Analysts Continue to Recognize Dynatrace as the Leader



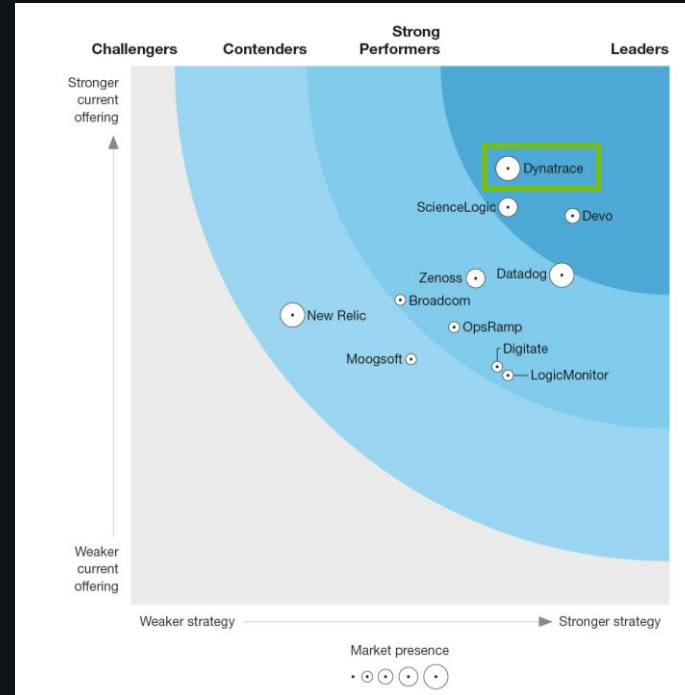
## Leader ISG Provider Lens Cloud-Native Observability



## Leader G2 AI-Powered Observability



## Leader Forrester Wave Artificial Intelligence for IT Operations (AIOps)



## Leader Gartner 2021 MQ

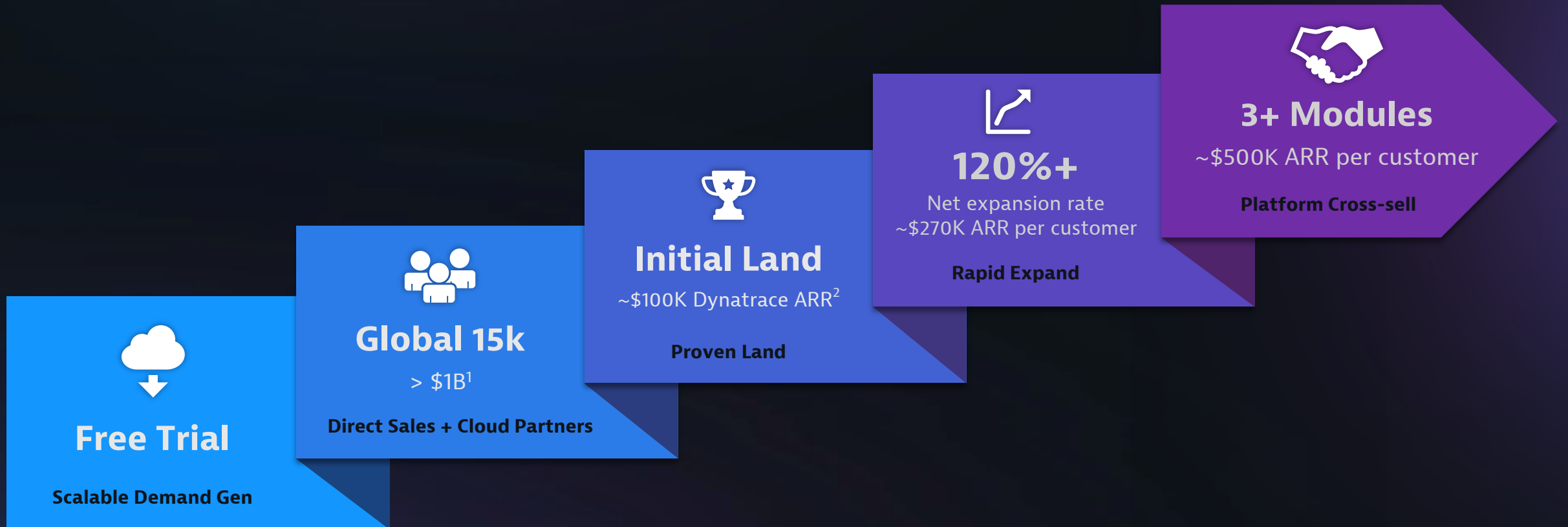


Highest score in 4 out  
of 5 use cases,  
Gartner Critical  
Capabilities 2021





# An Efficient Enterprise 'Land and Expand' Model



1) 15,000 global enterprise accounts which generally have revenues in excess of \$1B.  
2) Initial average Dynatrace ARR for new customers added during the twelve months ended June 30, 2021.

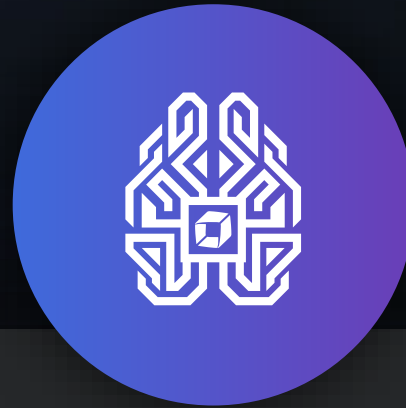


# Continued Investment in Growth Drivers



## Commercial Expansion

Sales | Marketing | Partnerships



## Continuous Innovation

Platform | Modules | Future Innovation



## Customer Success

Adoption | Value | Expansion

# Proven Team and Successful Culture



**John Van Sichen**  
Chief Executive Officer



**Bernd Greifeneder**  
Chief Technology Officer & Founder



**Steve Tack**  
SVP, Product Management



**Andrew Hittle**  
Chief Customer Officer



**Craig Newfield**  
SVP, General Counsel



**Kevin Burns**  
Chief Financial Officer



**Steve Pace**  
SVP, Global Sales



**Mike Maciag**  
Chief Marketing Officer



**Matthias Scharer**  
SVP, Business Operations



**Denise Mitchell**  
VP, Global Human Resources



**glassdoor**  
4.4 ★★★★★



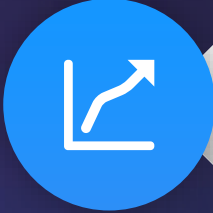

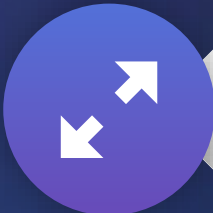

# Financial Overview

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# Compelling Financial Profile

	<b>Rapid ARR growth</b>	<b>\$823M</b> Q1-22 ARR <sup>1</sup> , up <b>\$222M</b> or <b>37% YoY</b> (32% @ CC <sup>2</sup> )
	<b>Predictable model</b>	<b>94%</b> Q1-22 subscription revenue, up <b>36% YoY</b> (30% @ CC <sup>2</sup> ) <b>\$210M</b> total revenue, up 35% YoY (29% @ CC <sup>2</sup> )
	<b>Healthy growth dynamics</b>	<b>120%+</b> Dynatrace net expansion rate <sup>1</sup> for <b>13 consecutive quarters</b> <b>135</b> New Logo additions Q1-22, +52% growth YoY
	<b>Investing for growth, balancing healthy margins</b>	<b>30%</b> and <b>37%</b> YoY TTM <sup>3</sup> R&D and S&M investments, respectively <b>36%</b> uFCF margin TTM <sup>3</sup>

1) See Appendix for definition.

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

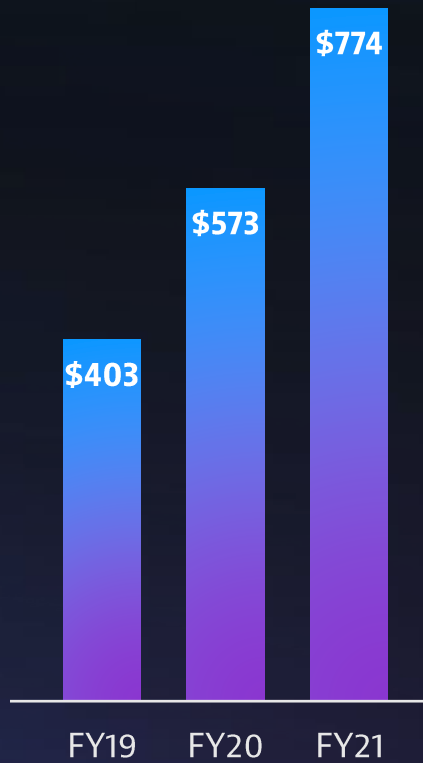
3) Non-GAAP R&D, S&M and uFCF reported on a trailing twelve-month basis (TTM) as of June 30, 2021. These are non-GAAP financial measures. See Appendix for reconciliation of GAAP to non-GAAP financial measures.



# Sustainable ARR Growth @ CC

## Annual Total ARR (\$M)<sup>1</sup>

ARR Growth @ CC (YoY) <sup>2</sup>	49%	44%	32%
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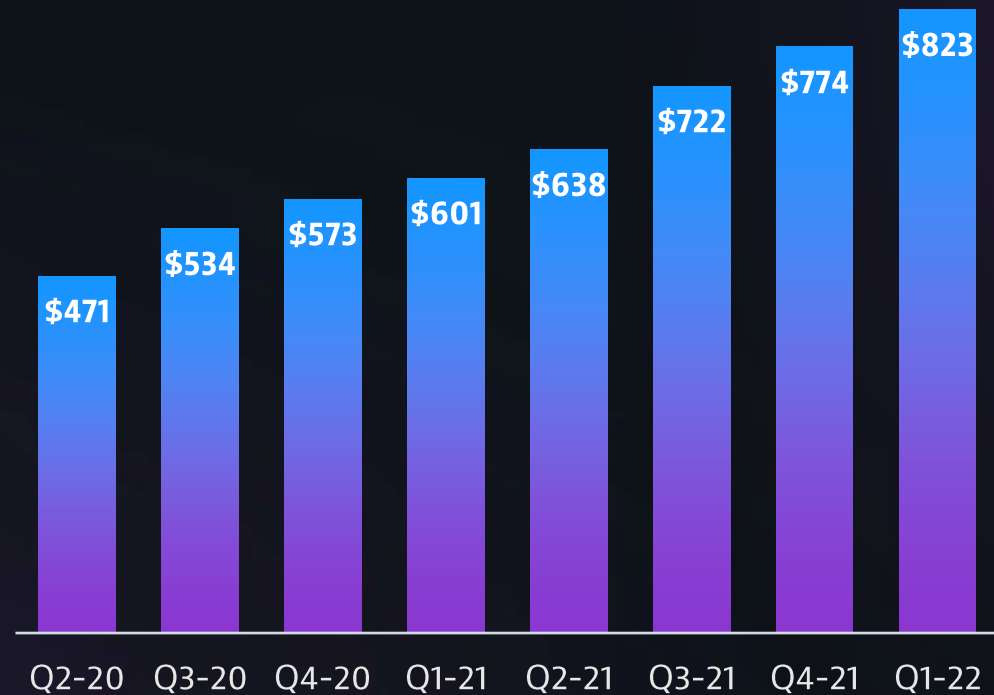
## Quarterly Total ARR (\$M)<sup>1</sup>

ARR Growth @ CC (YoY) <sup>2</sup>	47%	45%	44%	39%	33%	32%	32%	32%
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% Total Adjusted ARR Growth (YoY) <sup>2,3</sup>	NMF <sup>4</sup>	35%	33%	35%	36%
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37% (As Rept'd)

41% (As Rept'd)

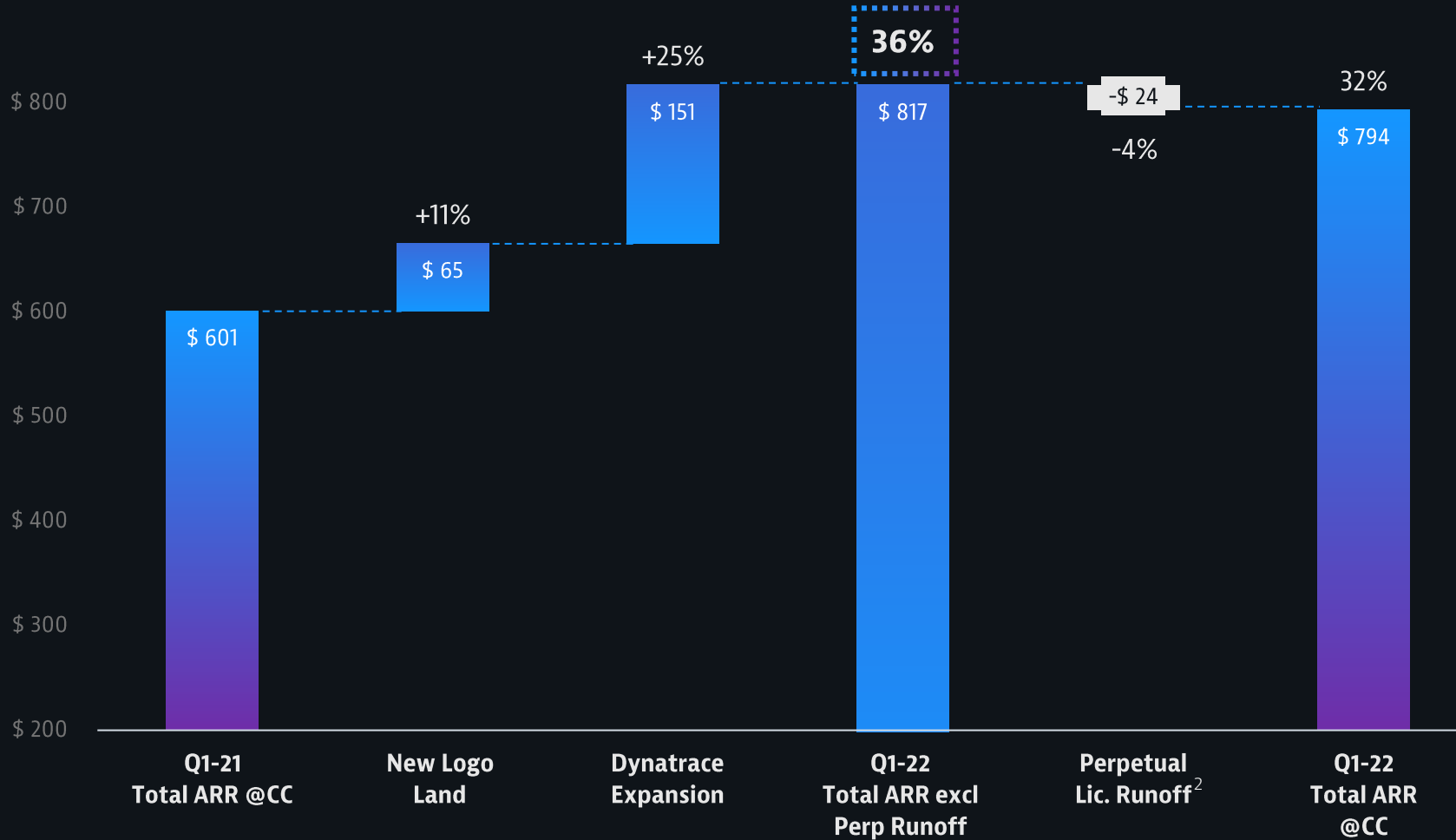


1) Annual and Quarterly Total ARR amounts shown in bar graphs are 'As Reported' metrics.  
2) Constant currency growth rates reflect YoY growth when using exchange rates from the same quarter in the prior year.  
3) Total adjusted ARR excludes the headwind associated with the perpetual license roll-off.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



# Total ARR Growth @ CC<sup>1</sup>

Q1-22 +\$193M year over year or 32% @ CC



## Headwinds

- Perpetual roll-off

## Tailwinds

- Sales capacity
- Cloud partner contribution

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

2) Represents the cumulative trailing-twelve-month amount of Dynatrace perpetual license ARR that had reached the end of its revenue recognition schedule as of June 30, 2021. As of June 30, 2021, Dynatrace had \$34 million in perpetual ARR license ARR remaining that will run off in the future.





# ARR Growth Drivers – Q1 New Logos & On-going Expansion

New Logo  
Additions<sup>1</sup>

**135**



Up 52% YoY

Initial ARR  
Land<sup>2</sup>

**\$105K**



Healthy Initial Land

Strong Dynatrace  
Net Expansion Rate<sup>3</sup>

**120%+**



Last 13 Quarters

Avg  
ARR/Customer

**~\$270K**



Up 19% YoY

**3,000+ Dynatrace Customers**

1) New logos added for during the first quarter ended June 30, 2021.  
2) Initial average Dynatrace ARR for new customers added during the twelve months ended June 30, 2021.  
3) See Appendix for definition.



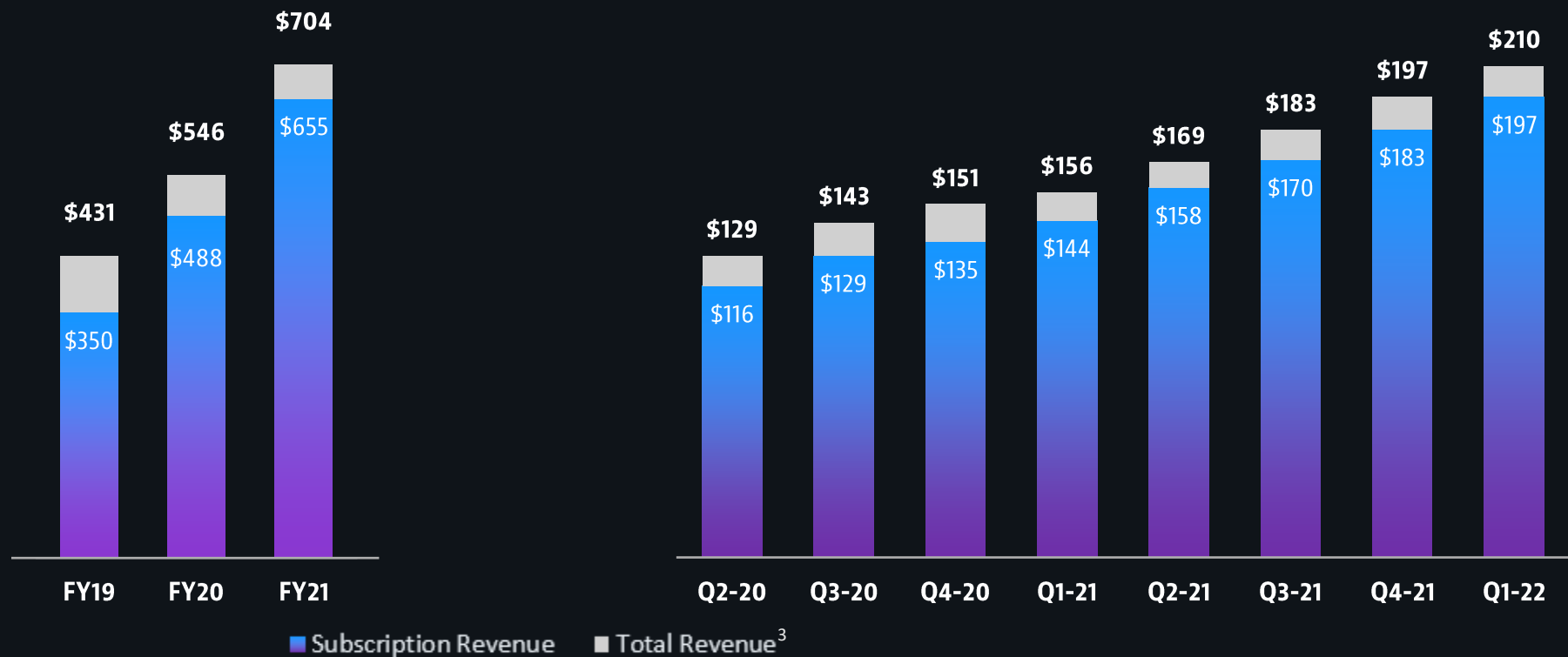
# Subscription & Total Revenue Growth (As Rept'd)

Annual Revenue (\$M)

Total Revenue Growth (YoY) <sup>1</sup>	8%	27%	29%
Subscription Revenue Growth (YoY) <sup>1</sup>	36%	39%	34%

Quarterly Revenue (\$M)

27%	25%	30%	27%	30%	28%	31%	35%	29% CC <sup>2</sup>
41%	40%	38%	34%	36%	33%	35%	36%	30% CC <sup>2</sup>

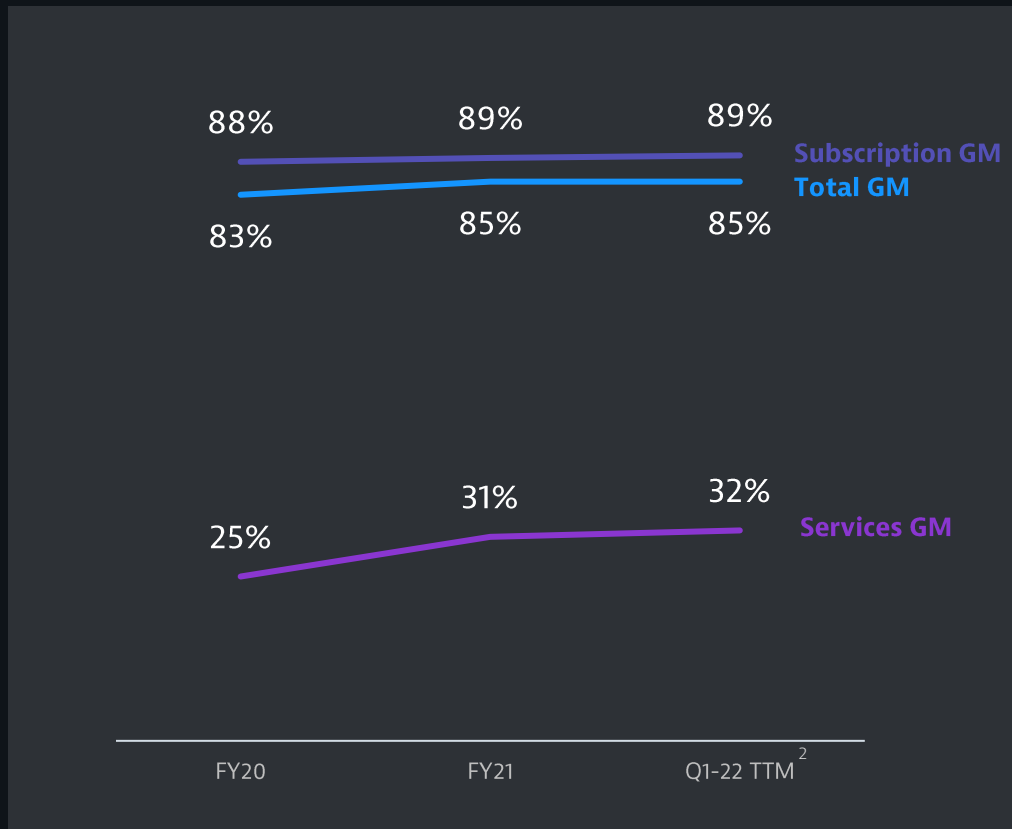


1) Growth rates compare to the As Reported revenue from the same quarter end in the prior year.  
2) Constant currency growth rates reflect YoY growth when using exchange rates from the same quarter in the prior year.  
3) Total revenue includes subscription, services and license revenue.

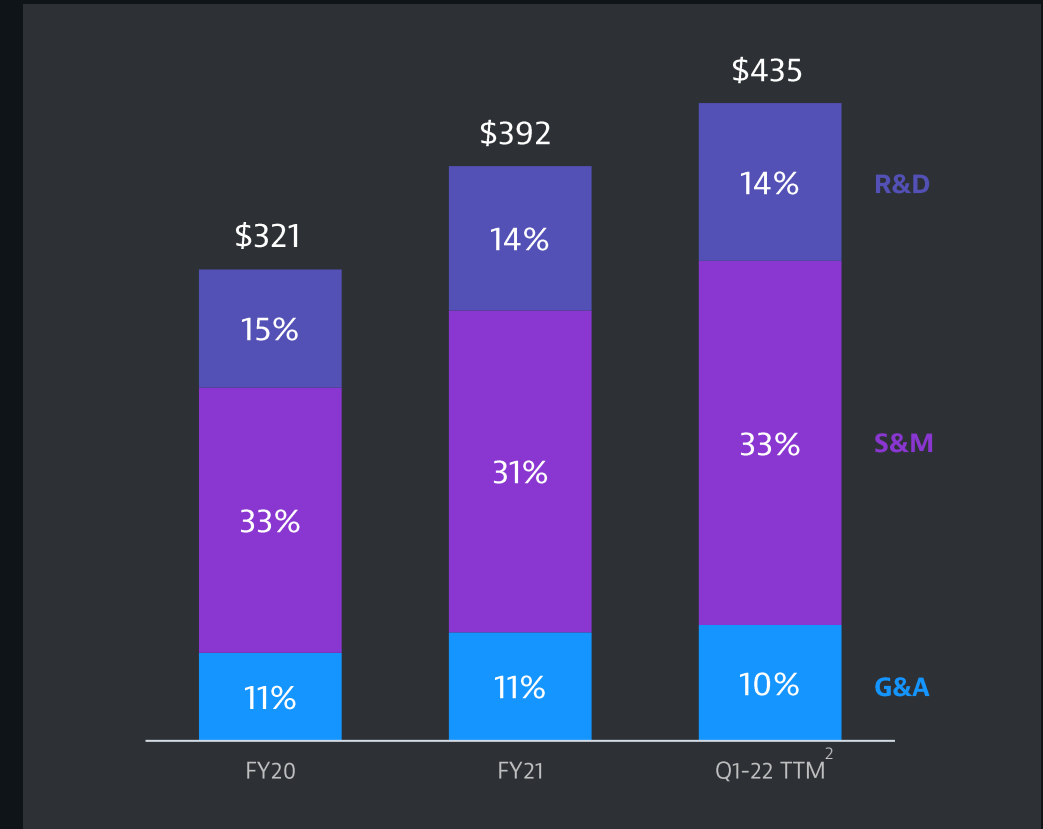


# Efficient Model with Best-in-Class Margins<sup>1</sup>

Non-GAAP Gross Profit Margin



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



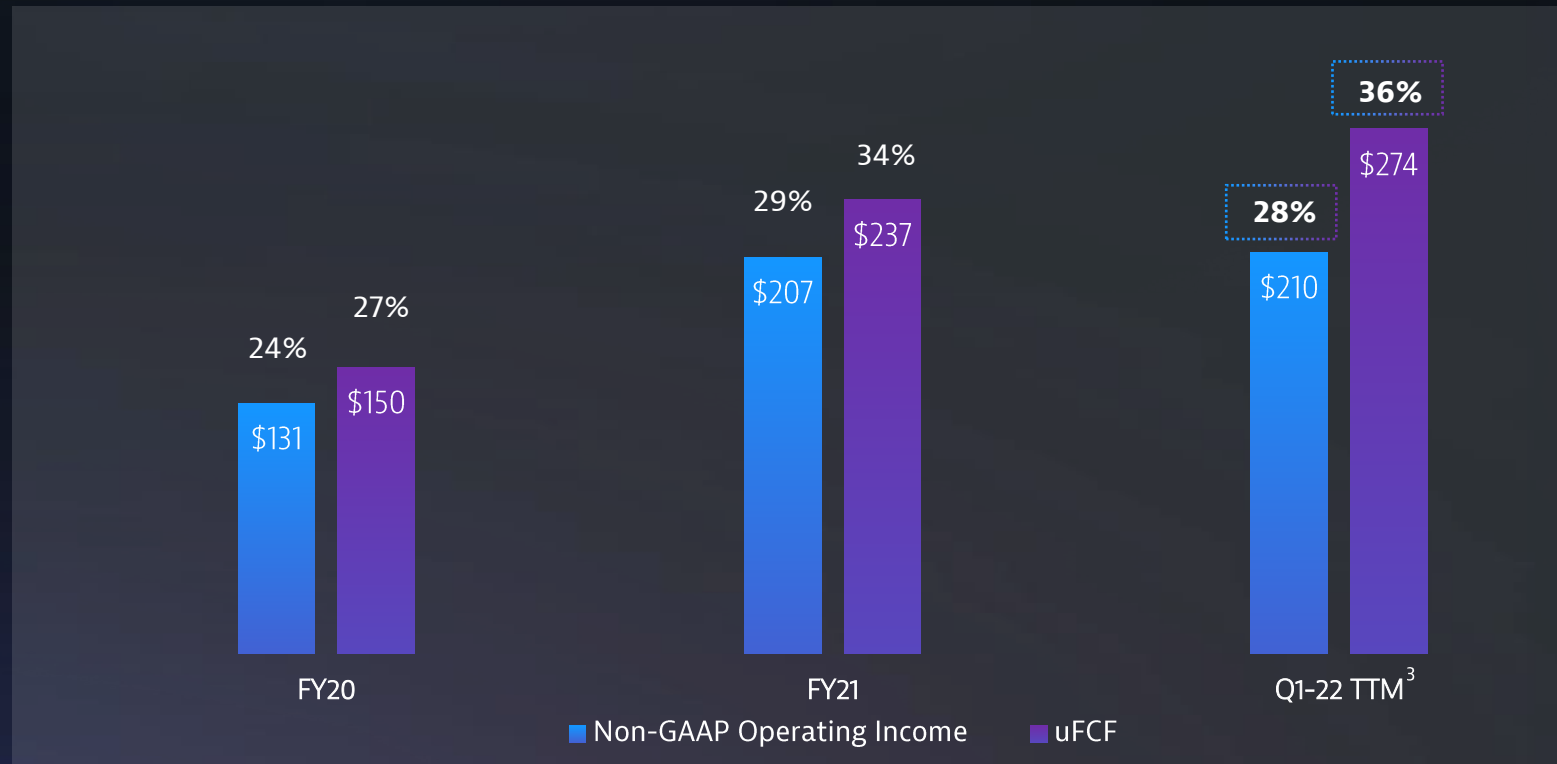
Q1-22 TTM Non-GAAP OPEX reflects increased investments in S&M and R&D

<sup>1</sup> These are non-GAAP financial measures. See Appendix to presentation for reconciliation of GAAP to non-GAAP financial measures.  
<sup>2</sup> Q1-22 TTM Non-GAAP Gross Profit Margins and Non-GAAP OpEx reflect metrics for twelve months ended June 30, 2021.



# Proven Profitable Business Model

## Non-GAAP Operating Income and Unlevered Free Cash Flow (uFCF) <sup>1,2</sup> (\$M)



Q1-22 TTM and FY21 Non-GAAP Op Inc and uFCF driven by COVID related cost savings

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). These are non-GAAP financial measures. See Appendix for reconciliation of GAAP to non-GAAP financial measures.





# Building Blocks for Continued Success

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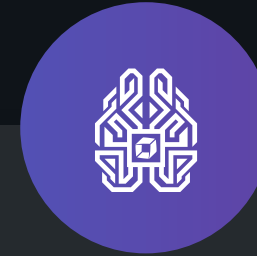
**Large and  
expanding TAM  
\$50B**



**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

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## Appendix - Definitions

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- 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.*



# ARR Growth at Constant Currency

	Three Months Ended	
(\$ in millions)	30-Jun-2020	30-Jun-2021
Total ARR Year-over-Year Increase	\$ 601	\$ 823 37%
Total ARR – Constant currency Year over Year Increase	\$ 601	\$ 794 32%





# Non-GAAP Operating Income Reconciliation

FY21 <sup>1</sup>						
(\$ in millions)	GAAP	Stock-Based Comp.	Employer Payroll Tax on Employee Stock trans.	Amort of Other Intangibles	Restructuring & Other	Non-GAAP
Cost of Revenues	\$128	\$(7)	\$(1)	\$(15)	-	\$ 104
<b>Gross Profit</b>	<b>\$576</b>	<b>\$7</b>	<b>\$1</b>	<b>\$15</b>	<b>-</b>	<b>\$ 599</b>
<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	-	-	-	-	-	-
<b>Operating Income (loss)<sup>1</sup></b>	<b>\$92</b>	<b>\$58</b>	<b>\$4</b>	<b>\$50</b>	<b>\$3</b>	<b>\$207</b>
<i>Operating Margin</i>	13%					29%

Q1-22 TTM <sup>1,2</sup>					
GAAP	Stock-Based Comp.	Employer Payroll Tax on Employee Stock trans.	Amort. of Other Intangibles	Restructuring & Other	Non-GAAP
\$138	\$(9)	\$(1)	\$(15)	-	\$ 113
<b>\$620</b>	<b>\$9</b>	<b>\$1</b>	<b>\$15</b>	<b>-</b>	<b>\$ 645</b>
82%					85%
123	(13)	(2)	-	-	108
277	(26)	(2)	-	-	248
98	(16)	(1)	-	(2)	79
34	-	-	(34)	-	-
-	-	-	-	-	-
<b>\$89</b>	<b>\$64</b>	<b>\$6</b>	<b>\$49</b>	<b>\$2</b>	<b>\$210</b>
12%					28%

1) Values have been rounded and may not add up precisely to the total.  
2) Q1-22 TTM reflects metrics for twelve months ended June 30, 2021.



# uFCF Reconciliation

(\$ in millions)	FY21 <sup>1</sup>	Q1-22 TTM <sup>1</sup>
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 220</b>	<b>\$ 267</b>
Cash paid for interest expense	12	11
Discrete tax items	18	9
Restructuring and other	-	-
PP&E	(14)	(13)
Transaction and sponsor related costs	3	2
<b>Total uFCF</b>	<b>\$ 240</b>	<b>\$ 276</b>
Interest Tax Adjustment	(3)	(3)
<b>uFCF (After tax adjustment)</b>	<b>\$ 237</b>	<b>\$ 274</b>
<b>uFCF % of Revenue</b>	<b>34%</b>	<b>36%</b>

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