dynatrace

Q2 2027

Investor Presentation

November 3, 2026

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 industry trends related to AI and observability, the expected and current benefits that we believe organizations receive from using the Dynatrace platform, the expected benefits of the Arize acquisition, capabilities expected to be available to organizations from using Dynatrace and Arize, Dynatrace's plans to integrate Arize into the Dynatrace platform, the expected benefits of the company's partnership with CrowdStrike, the company's new share repurchase program, the company's plans to hold an Investor Day that outlines, among other things, its path to becoming a "Rule of 50" company in fiscal 2029, our future growth prospects, and our financial and business outlook, including our financial guidance for the full year and third quarter of fiscal 2027. 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; overall demand for and market adoption of our solutions; our ability to compete; our ability to innovate and develop and effectively market solutions that meet customer needs, including with AI capabilities and functionalities; 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 maintain successful relationships with partners; the ability of our platform and solutions to effectively interoperate with customers' IT infrastructures; our ability to hire and retain necessary qualified employees to grow our business and expand our operations; our ability to successfully complete acquisitions and integrate newly acquired businesses and offerings; our use of new and evolving technologies, including AI, in our offerings and business; security breaches, computer malware, computer hacking attacks, and other security incidents or compromises; real or perceived errors, failures, defects, or vulnerabilities in our solutions; our ability to protect and enforce our proprietary technology and intellectual property rights; the effect on our business of uncertainty in the U.S. and global economies, along with uncertain geopolitical conditions; and other risks set forth under the caption "Risk Factors" in our most recent 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

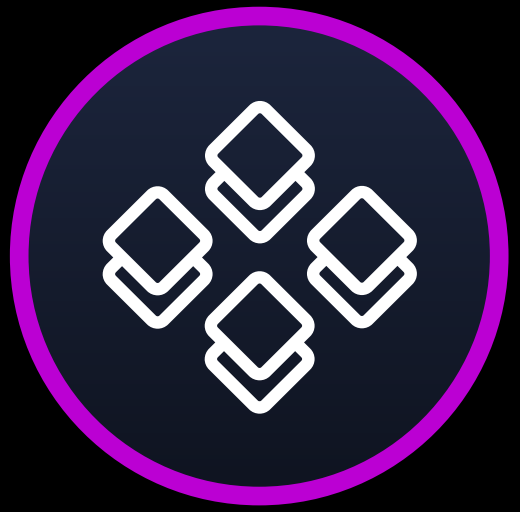
In addition to disclosing financial measures prepared in accordance with GAAP, this presentation contains certain non-GAAP financial measures as defined by Regulation G, including non-GAAP income from operations, non-GAAP operating margin, non-GAAP net income, non-GAAP net income per diluted share, adjusted free cash flow (adjusted FCF), adjusted FCF margin, pre-tax adjusted FCF, and pre-tax adjusted 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 3, 2026 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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Enterprises are facing unprecedented challenges



Explosion of complexity



Tool fragmentation



Struggle to trust AI and realize value

Unprecedented challenges demand a differentiated approach

UNIFIED DATA

Eliminate data blind spots

Unified telemetry for instant answers

CONTEXT

Ground decisions in precise context

Real-time mapping across dependencies

INTELLIGENCE

Get answers, not guesses

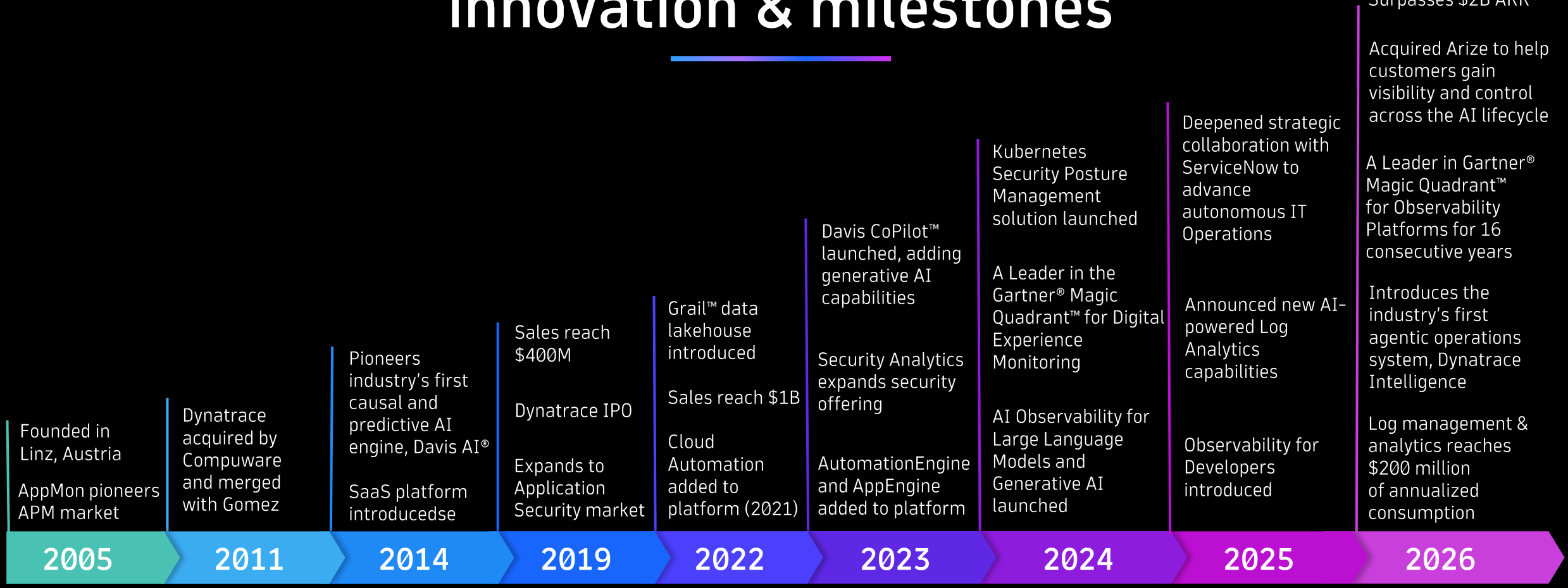
Deterministic intelligence with autonomous action

The AI-powered observability platform

Transform complexity into powerful business assets.

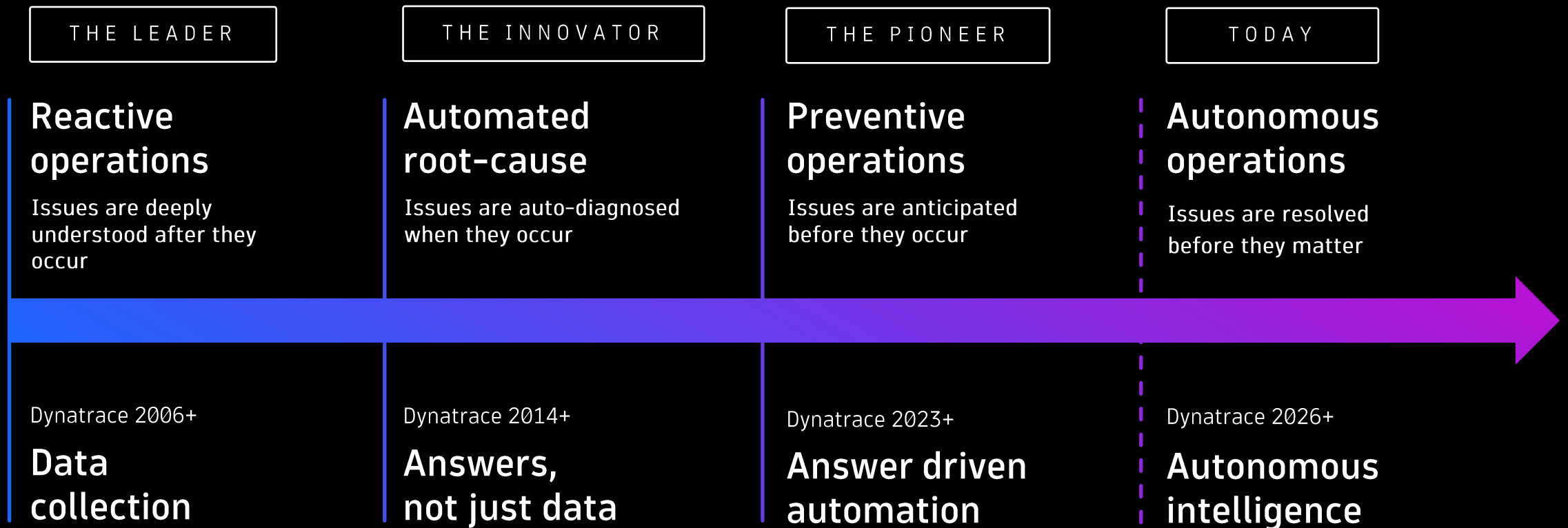


20+ years of groundbreaking innovation & milestones



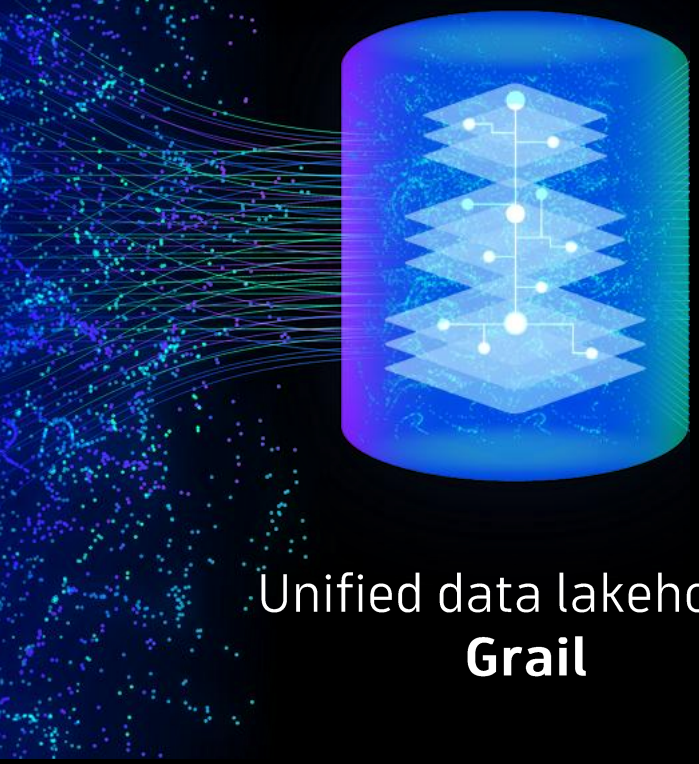
Gartner, Magic Quadrant for Observability Platforms, Padraig Byrne, Martin Caren, D.B. Cummings, Neil Young, 13 July 2026.
Gartner, Magic Quadrant for Digital Experience Monitoring, Padraig Byrne, Matt Crossley, DB Cummings, Martin Caren, Pankaj Prasad, 21 October 2024.
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Platform evolution to support autonomous operations

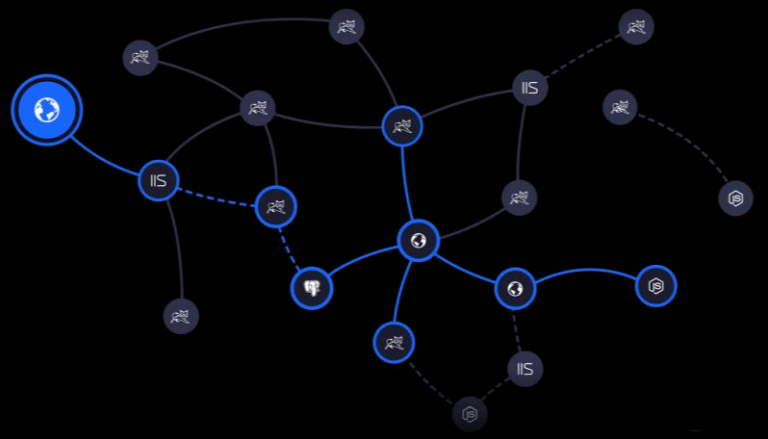


THE DYNATRACE PLATFORM

Groundbreaking technologies at the core



Unified data lakehouse
Grail

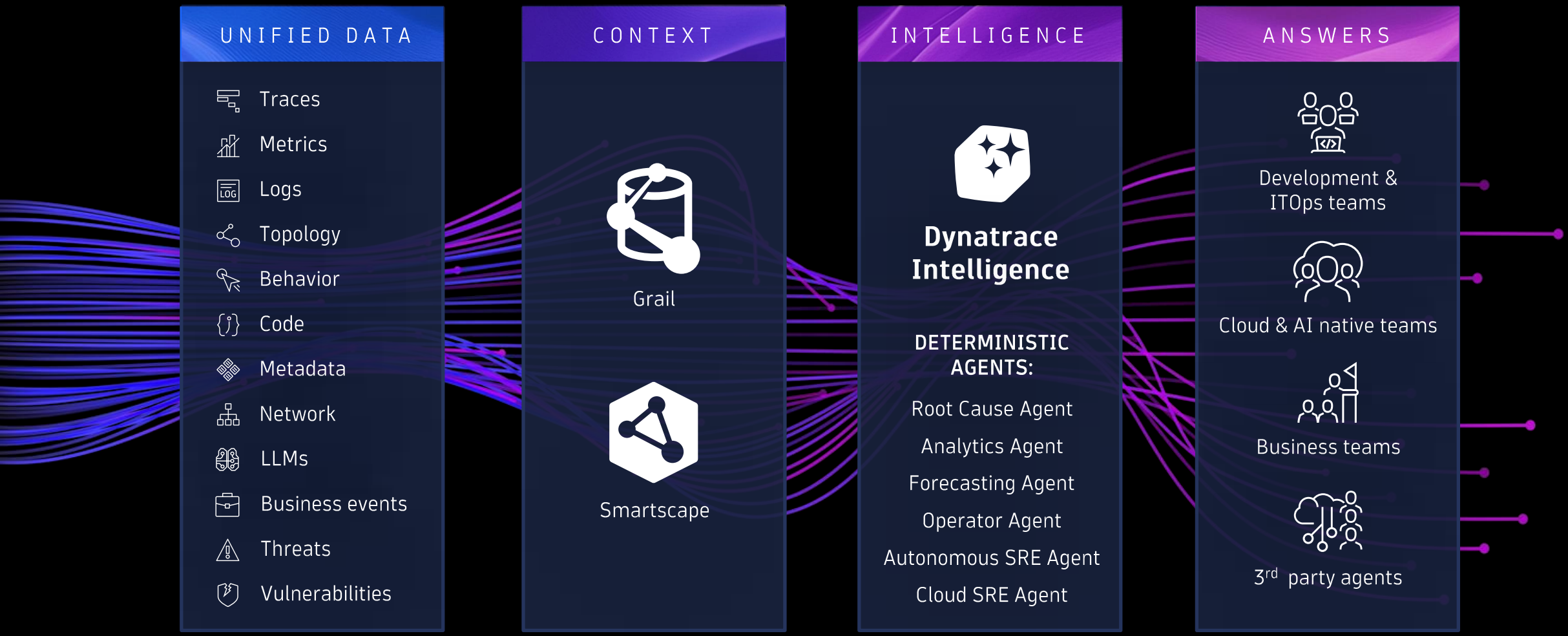


Real-time dependency graph
Smartscape



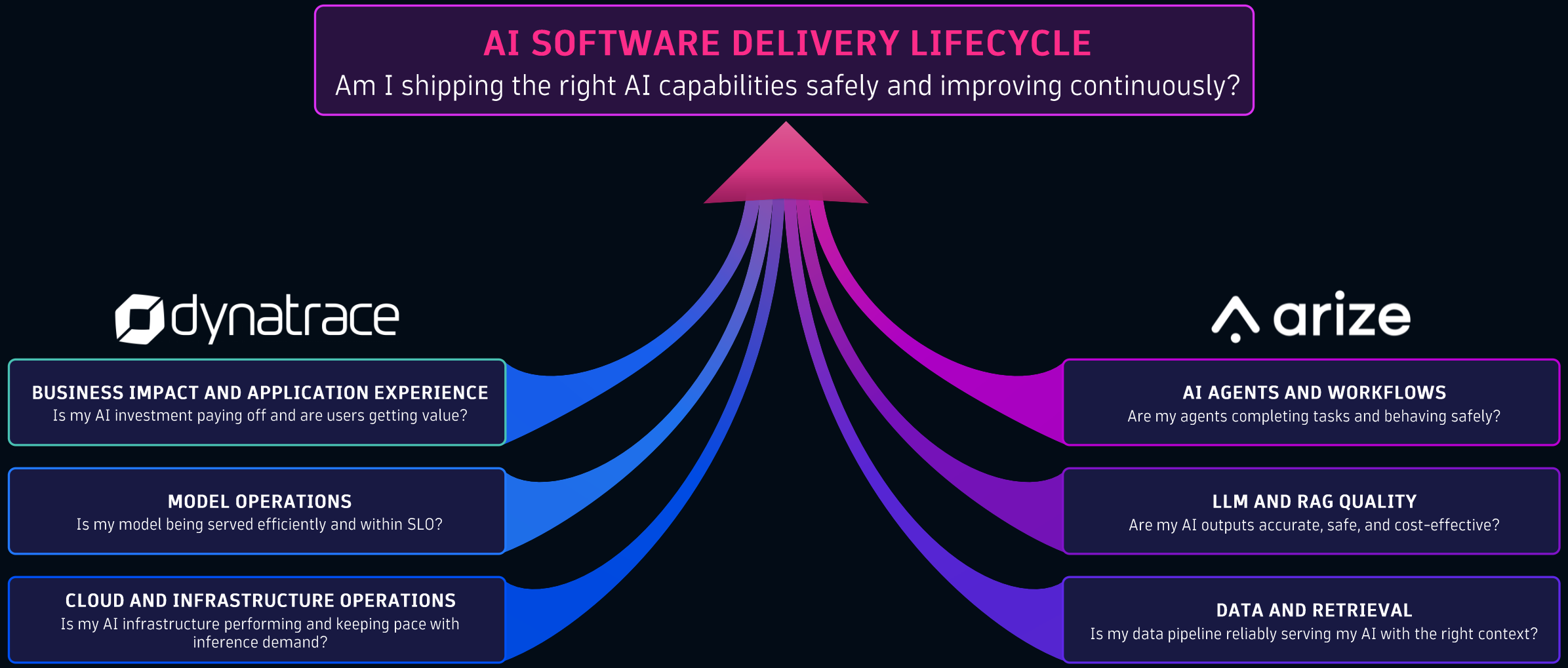
Agentic operations system
Dynatrace Intelligence

Operate on determinism and facts



Dynatrace + Arize: delivering the most comprehensive offering

Spanning pre-production to production



Considered a leader in the cloud observability market since 2005

Gartner®

Named a Leader in the 2026 Gartner® Magic Quadrant™ for Observability Platforms. This is the 16th consecutive year that Gartner has named Dynatrace a Leader in this report.[1]

FORRESTER®

Dynatrace named a Leader in The Forrester Wave™: AIOps Platforms, Q4 2026 report.[2]

ISG®

Recognized as a Leader in both the Cloud-Native Observability and Cloud-Native Security quadrants in the 2025 ISG Provider Lens™ Multi Public Cloud Solutions report.

GIGAOM

Dynatrace named a Leader and Outperformer in 2026 GigaOm Radar for Kubernetes Observability.

1. Gartner, Magic Quadrant for Observability Platforms, Padraig Byrne, Martin Caren, D.B. Cummings, Neil Young, 13 July 2026. Gartner does not endorse any vendor, product or service depicted in its research publications and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner's Business & Technology insights organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose. GARTNER is a registered trademark and service mark of Gartner, Inc. and/or its affiliates in the U.S. and internationally, and MAGIC QUADRANT is a registered trademark of Gartner, Inc. and/or its affiliates and are used herein with permission. All rights reserved.
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American Airlines Transforms Observability and Accelerates Delivery with Dynatrace

Dynatrace impact:

43

Different buckets of logs from a legacy solution all consolidated onto Grail

50%

reduction in mean time to detect by leveraging Dynatrace causal AI to determine root cause



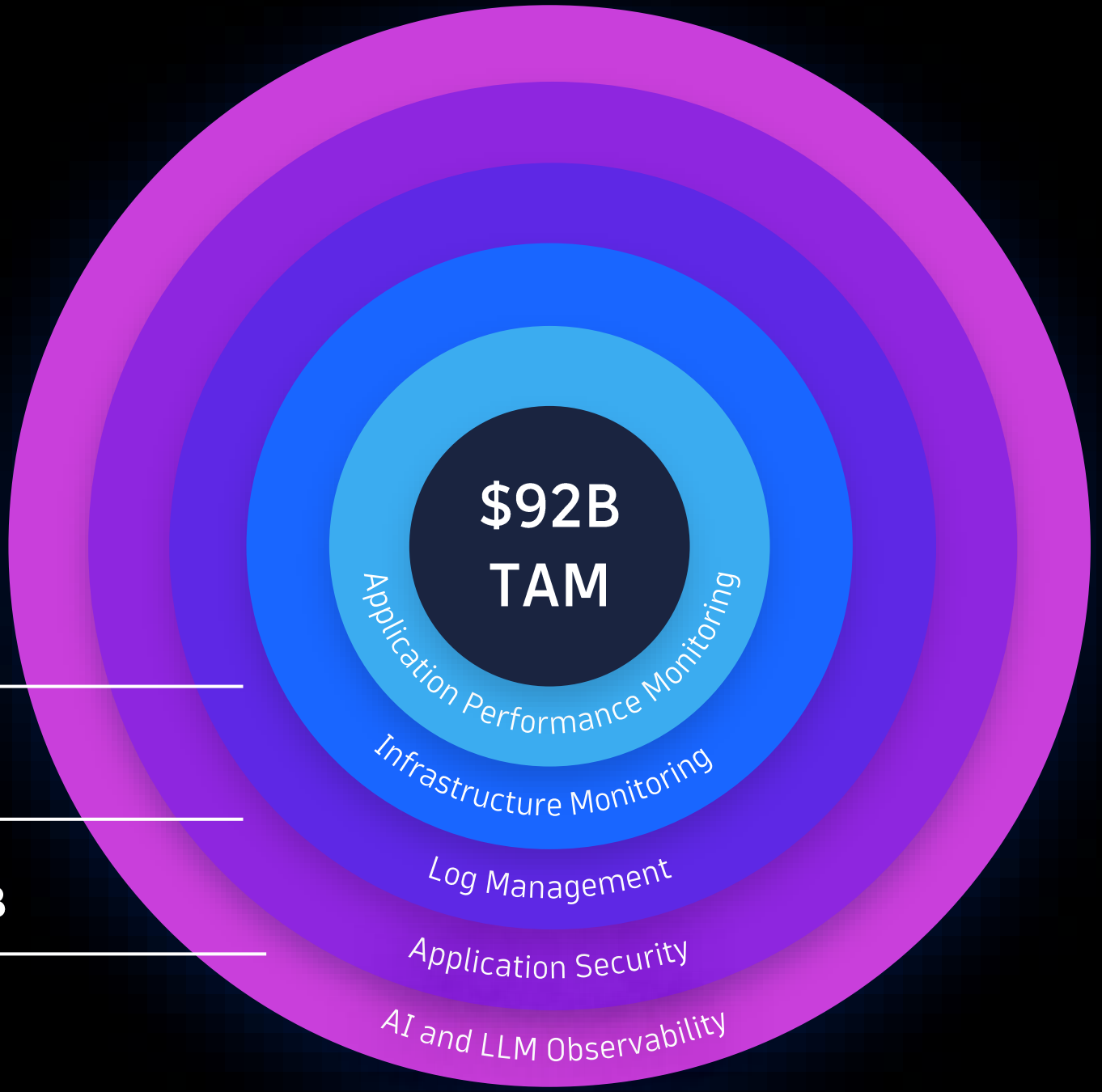
"Dynatrace helped us to **bring our new AI travel tool to market much faster** because it gives our internal stakeholders a **single source of truth** they can use to evaluate the decisions they make and move forward with confidence."

A rapidly expanding total addressable market

Core Observability: **$64B**

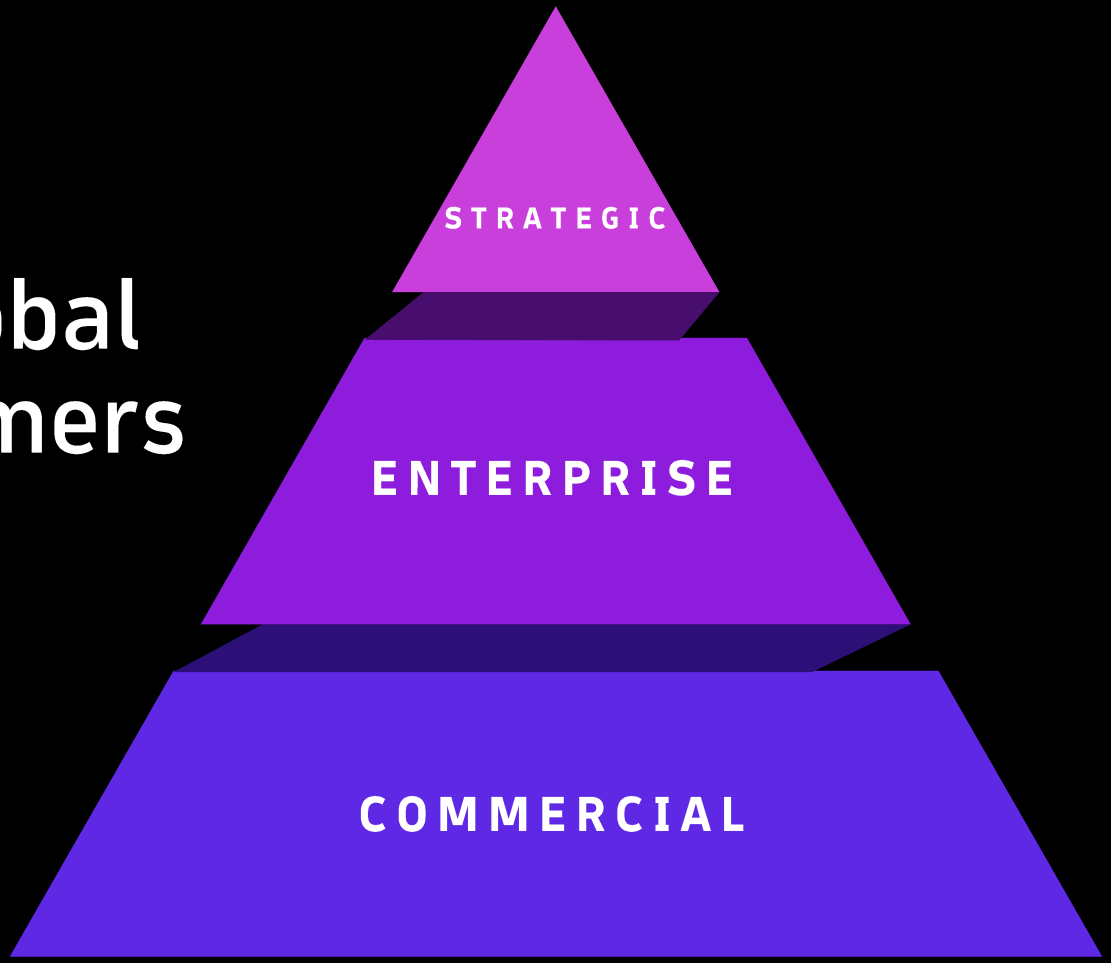
Application Security: **$18B**

AI & LLM Observability: **$10B**



Based on internal estimates and third-party research.

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



Comprehensive partner channels

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

Global go-to-market reach

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

accenture DXC TECHNOLOGY Deloitte. AHEAD Atos aws Microsoft Azure Google Cloud servicenow

Dynatrace Platform Subscription (DPS)

Flexible and scalable pricing model suited for the enterprise



Full platform access



Simple contract



Consumption based



Frictionless upsell

Building blocks in place for continued success



Differentiated AI-powered observability platform



Continuous innovation and platform evolution



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 2027
Financial Results



Dynatrace financials at a glance

$2.21B
Annual Recurring Revenue[1]

95%
Q2-27 Subscription Revenue Mix

Mid-90s %
Gross Retention Rate[1]

29%
TTM Q2-27 Non-GAAP Operating Margin[1,3]

16%
ARR Growth YoY[2]

17%
Q2-27 Subscription Revenue Growth YoY[2]

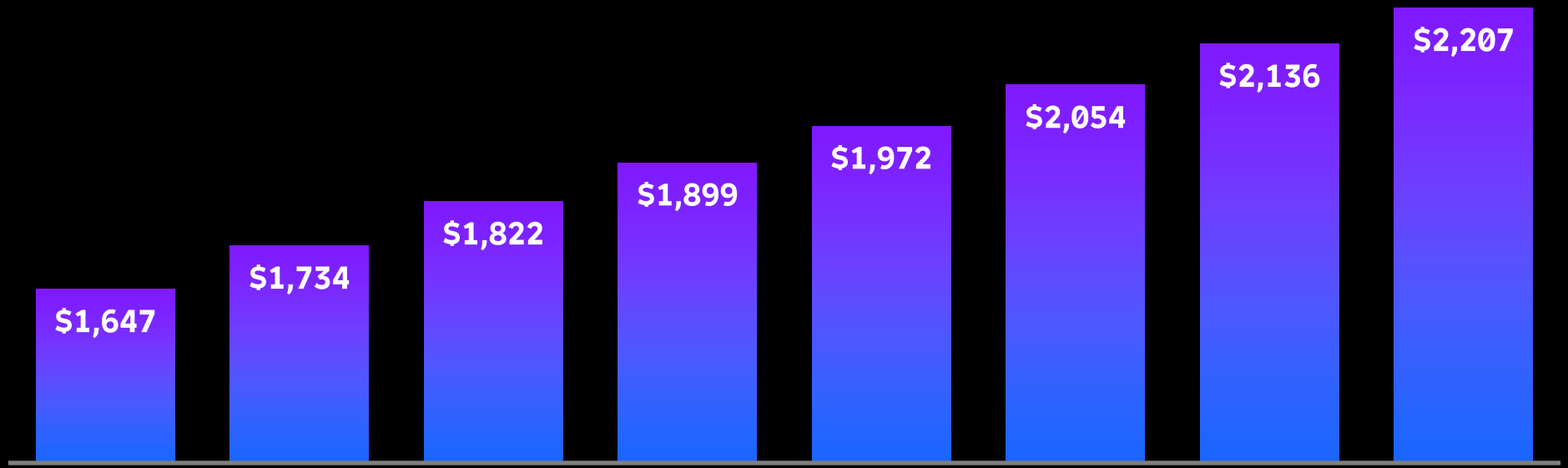
109%
Net Retention Rate[1]

33%
TTM Q2-27 Pre-tax Adjusted FCF Margin[1,3]

Financial results as of November 3rd, 2026.
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 adjusted 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]



Q3-25	Q4-25	Q1-26	Q2-26	Q3-26	Q4-26	Q1-27	Q2-27
16%	15%	18%	17%	20%	18%	17%	16%
18%	17%	16%	16%	16%	16%	17%	16%

As Reported YoY Growth %

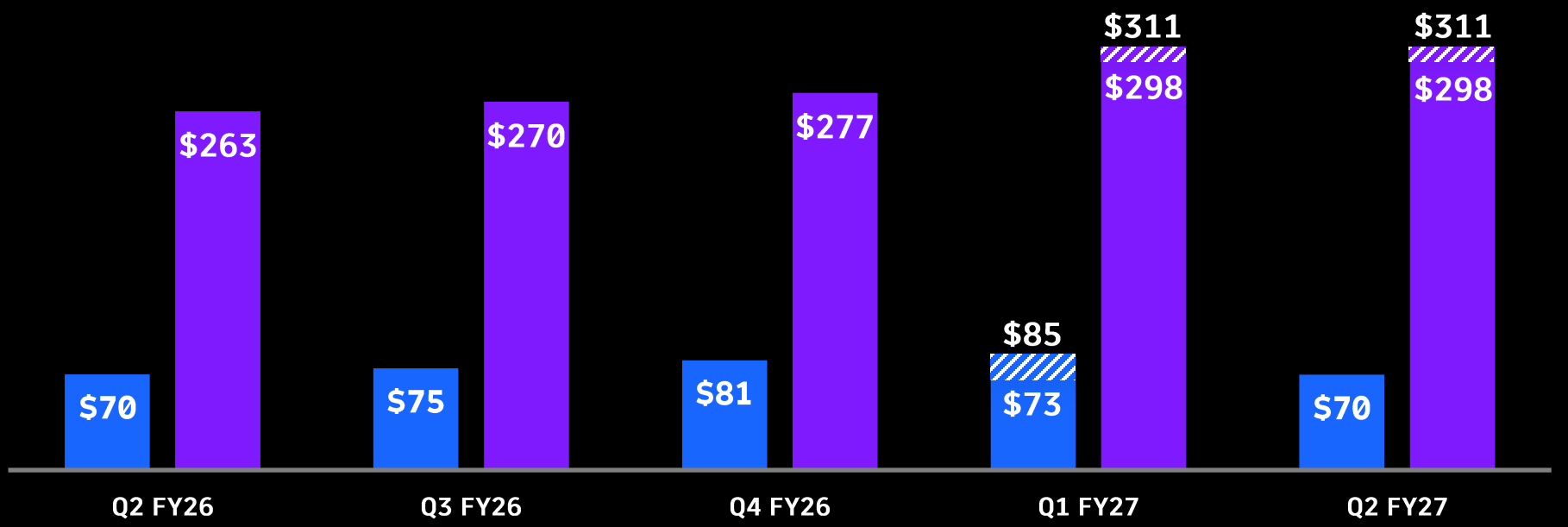
Constant Currency YoY Growth %[2]

1. 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 period in the prior year. See the Appendix for definitions.

Net New ARR growth

QUARTERLY & LAST TWELVE MONTHS (LTM) NET NEW ARR @ CC ($M)[1]

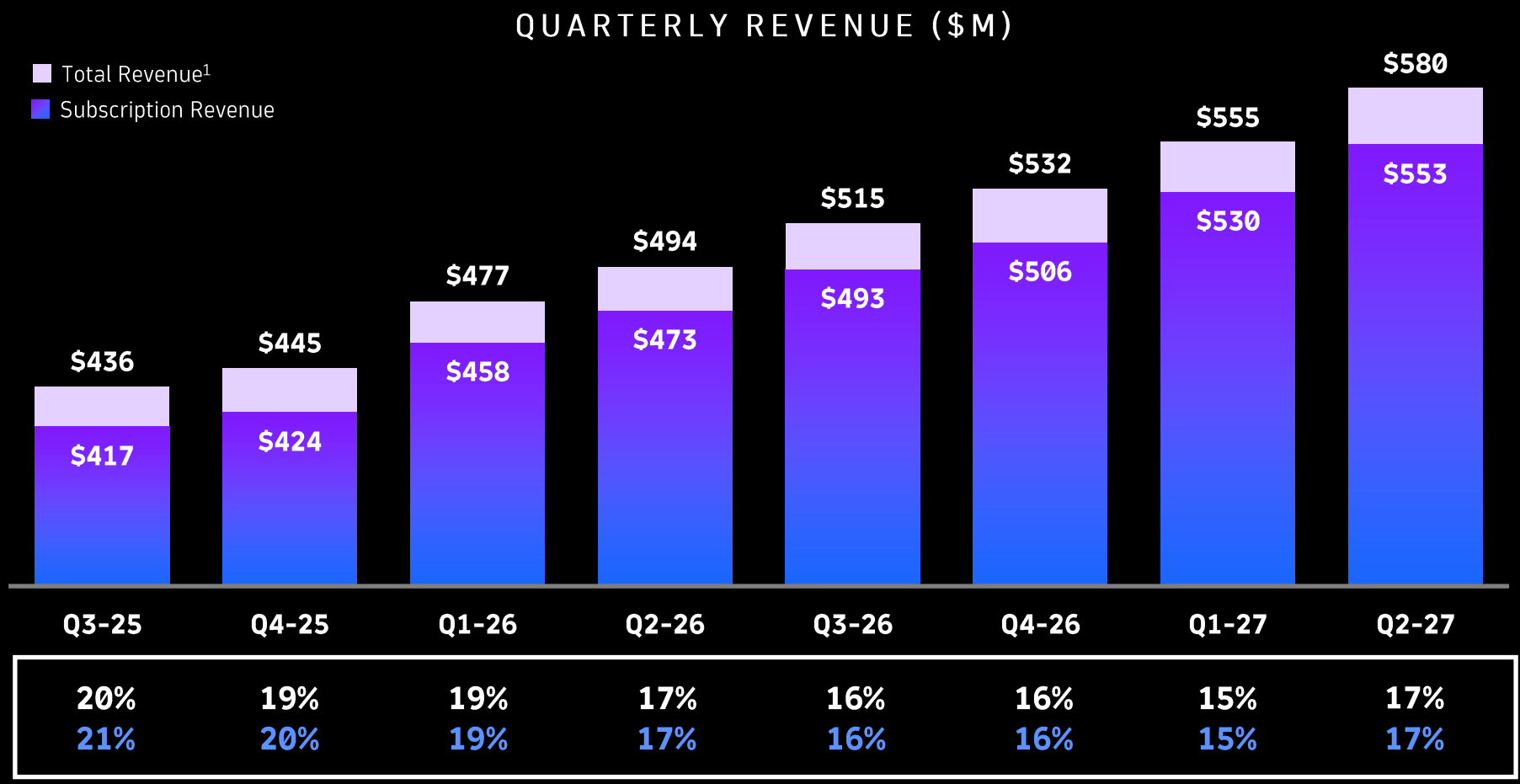
Constant Currency YoY Growth %[2]



	Q2 FY26	Q3 FY26	Q4 FY26	Q1 FY27	Q2 FY27
Quarterly Y/Y Growth	16%	11%	9%	66% / 41%[3]	0%
LTM Y/Y Growth	1%	5%	12%	23% / 17%[3]	18% / 13%[3]

1. Net New ARR amounts shown in bar graphs represent Total Net New ARR at Constant Currency. See the Appendix for definition.
2. Defined as quarterly increase in Net New ARR in Constant Currency compared to the year-ago quarter Net New ARR in Constant Currency.
3. Represent organic growth, excluding $13 million dollars of contribution from Bindplane acquisition.

Subscription & Total Revenue growth



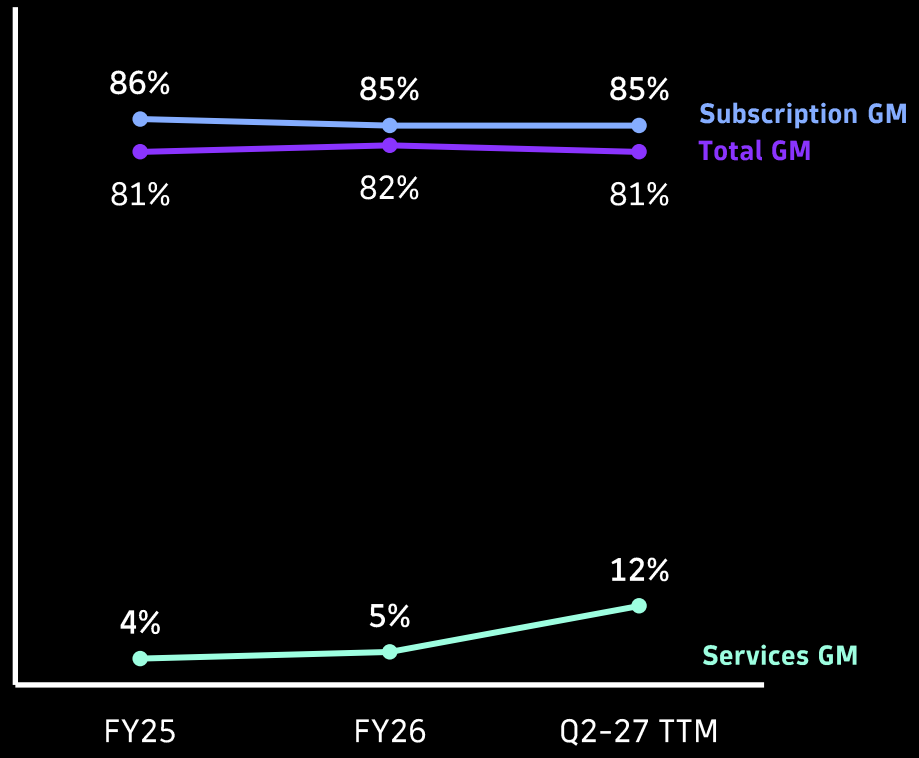
Total Revenue Constant Currency YoY Growth[2]

Subscription Revenue Constant Currency YoY Growth[2]

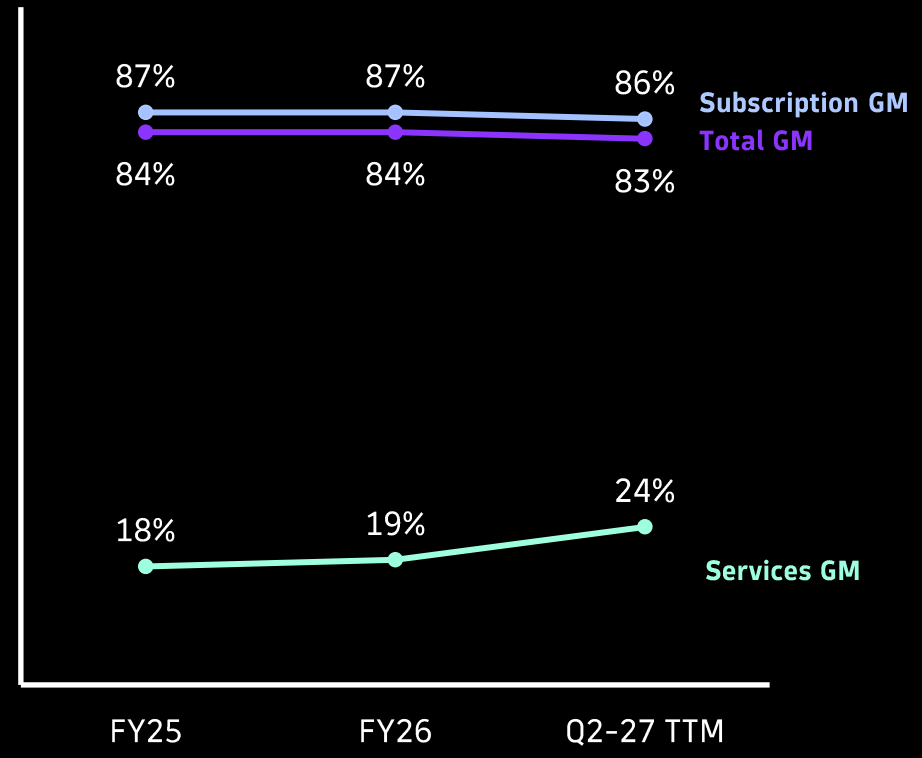
1. Total Revenue includes Subscription and Services Revenue.
2. Constant currency growth rates reflect YoY growth when using exchange rates from the same period in the prior year. See Appendix for definition.

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

GAAP GROSS PROFIT MARGIN



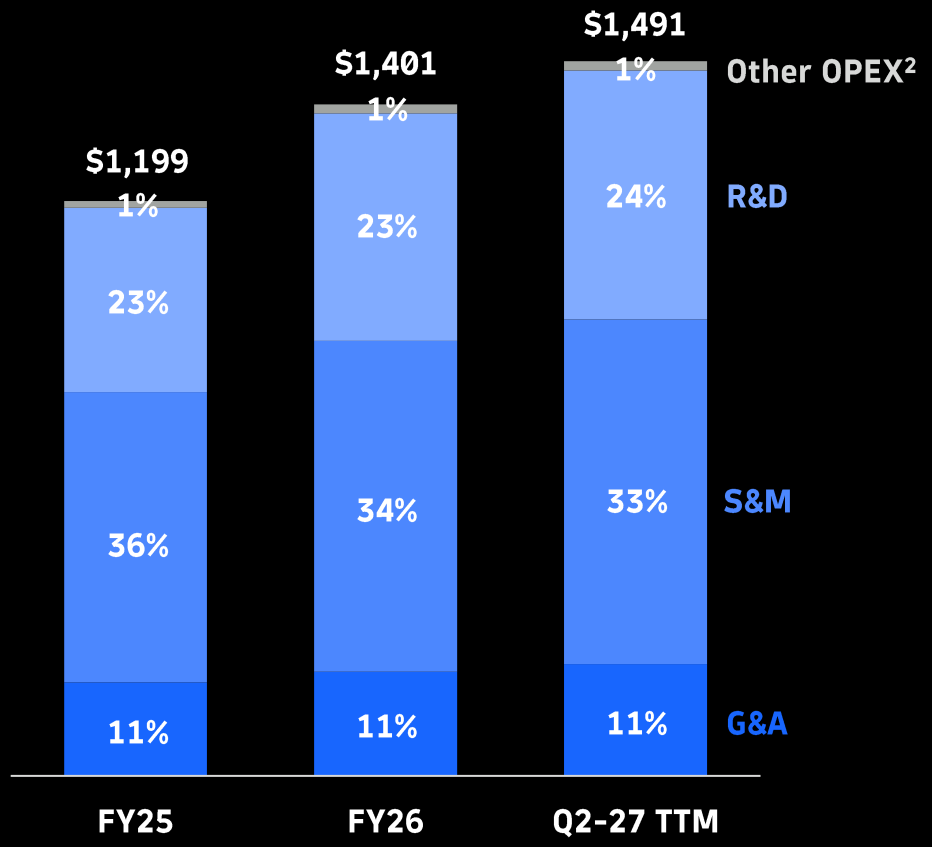
NON-GAAP GROSS PROFIT MARGIN[2]



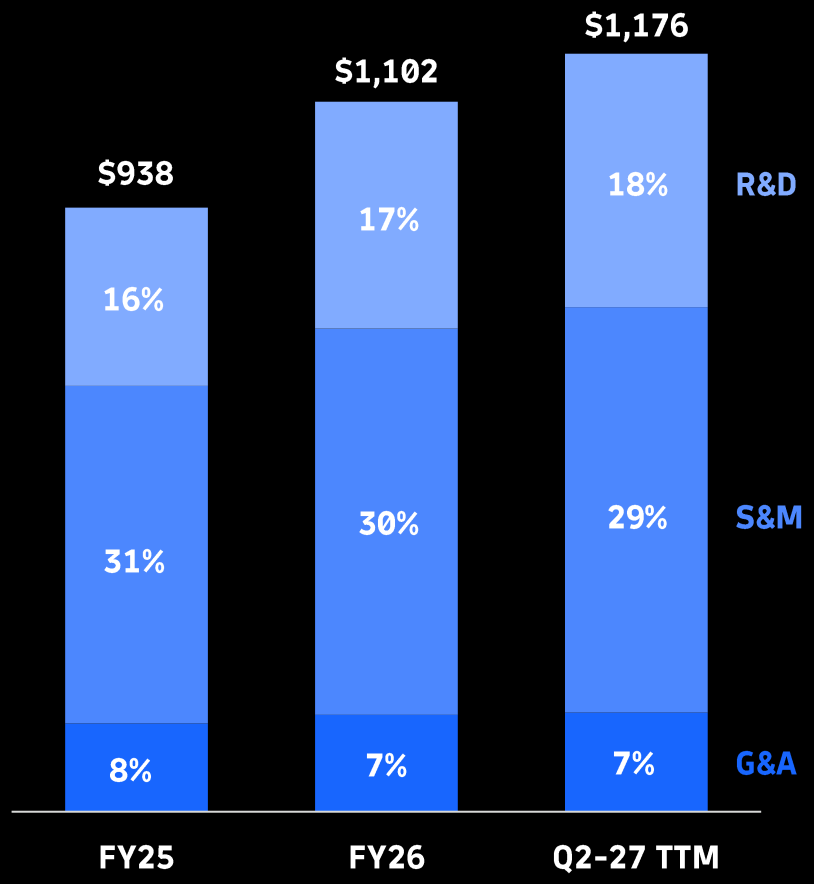
1. Our reference to "best-in-class" is in relation to other public companies that focus on observability.
2. These are non-GAAP financial measures. See the Appendix for reconciliations of GAAP to non-GAAP financial measures.

Highly efficient operating model

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



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



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 and impairment of long-lived assets.

FY27 guidance summary

Based on information available as of November 3rd, 2026, Dynatrace is issuing guidance for the third quarter and updating its prior guidance for full year fiscal 2027 in the tables below. This guidance reflects the expected contribution from the Arize acquisition, including approximately 200 basis points ARR growth accretion and 175 basis points of dilution to non-GAAP operating margin for fiscal 2027.
This guidance is based on the average foreign exchange rates for the month of October 30, 2026. We expect foreign exchange to be a headwind of approximately $20 million on ARR and approximately $6 million on revenue for fiscal 2027 compared to ARR and revenue at constant currency. This represents an incremental headwind of approximately $6 million to ARR and $2 million to revenue compared to our prior guidance. This guidance also excludes the impact of any share repurchases after September 30, 2026. Growth rates for ARR, Total revenue, and Subscription revenue are presented in constant currency to provide better visibility into the underlying growth of the business.

(in millions, except per share data)	Current FY 2027 Guidance	Prior FY 2027 Guidance	Guidance Change at Midpoint**	Arize
ARR	**$2,393 - $2,413**	**$2,359 - $2,379**	**$34**	**$40**
As reported	16.5% - 17.5%	15% - 16%	150 bps	200 bps
Constant currency	17.5% - 18.5%	15.5% - 16.5%	200 bps	200 bps
Total revenue	**$2,330- $2,340**	**$2,306 - $2,320**	**$22**	**$16**
As reported	15.5% - 16%	14% - 15%	125 bps	80 bps
Constant currency	16%	14.5% - 15%	125 bps	80 bps
Subscription revenue	**$2,227 - $2,237**	**$2,206 - $2,220**	**$19**	**$16**
As reported	15.5% - 16%	14% - 15%	125 bps	80 bps
Constant currency	16%	14.5% - 15%	125 bps	80 bps
Non-GAAP income from operations	**$653 - $661**	**$682 - $690**	**$(29)**	**($36)**
Non-GAAP Operating Margin	28% - 28.25%	29.5% - 29.75%	(150) bps	(175) bps
Non-GAAP net income	**$576 - $584**	**$581 - $591**	$(6)	
Non-GAAP net income per diluted share	**$1.88 - $1.90**	**$1.97 - $1.99**	**$(0.09)**	
Diluted weighted average shares outstanding	**306 – 308**	**295 – 297**	**11**	
Adjusted free cash flow*	**$600 - $605**	**$610 - $615**	**$(10)**	**($18)**
Adjusted free cash flow margin*	26%	26.5%	(50) bps	(100) bps

*For additional information, please see the appendix for definition.
**Guidance change at midpoint is rounded to the nearest million.

(in millions, except per share data)	Q3 Fiscal 2027 Guidance	Arize
Total revenue	**$591 - $596**	**$7**
As reported	15% - 16%	130 bps
Constant currency	15.5% - 16.5%	130 bps
Subscription revenue	**$567 - $572**	**$7**
As reported	15% - 16%	140 bps
Constant currency	15.5% - 16.5%	140 bps
Non-GAAP income from operations	**$152 - $157**	**$(19)**
Non-GAAP Operating Margin	26%	(350) bps
Non-GAAP net income	**$136 - $141**	
Non-GAAP net income per diluted share	**$0.44 - $0.45**	
Diluted weighted average shares outstanding	**313 - 314**	

All growth rates are compared to the third quarter and full year of fiscal 2026.

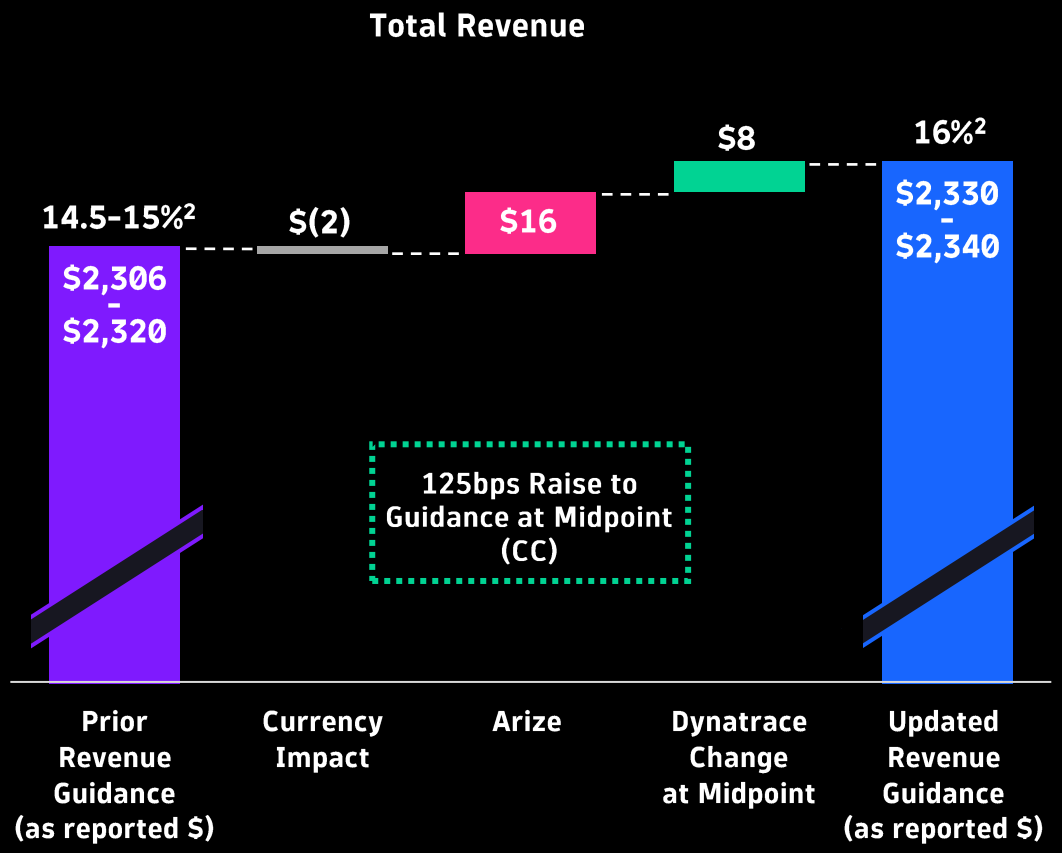
Reconciliations of non-GAAP income from operations, non-GAAP net income, non-GAAP net income per diluted share and adjusted free cash flow guidance to the most directly comparable GAAP measures are not available without unreasonable efforts on a forward-looking basis due to the high variability, complexity 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.

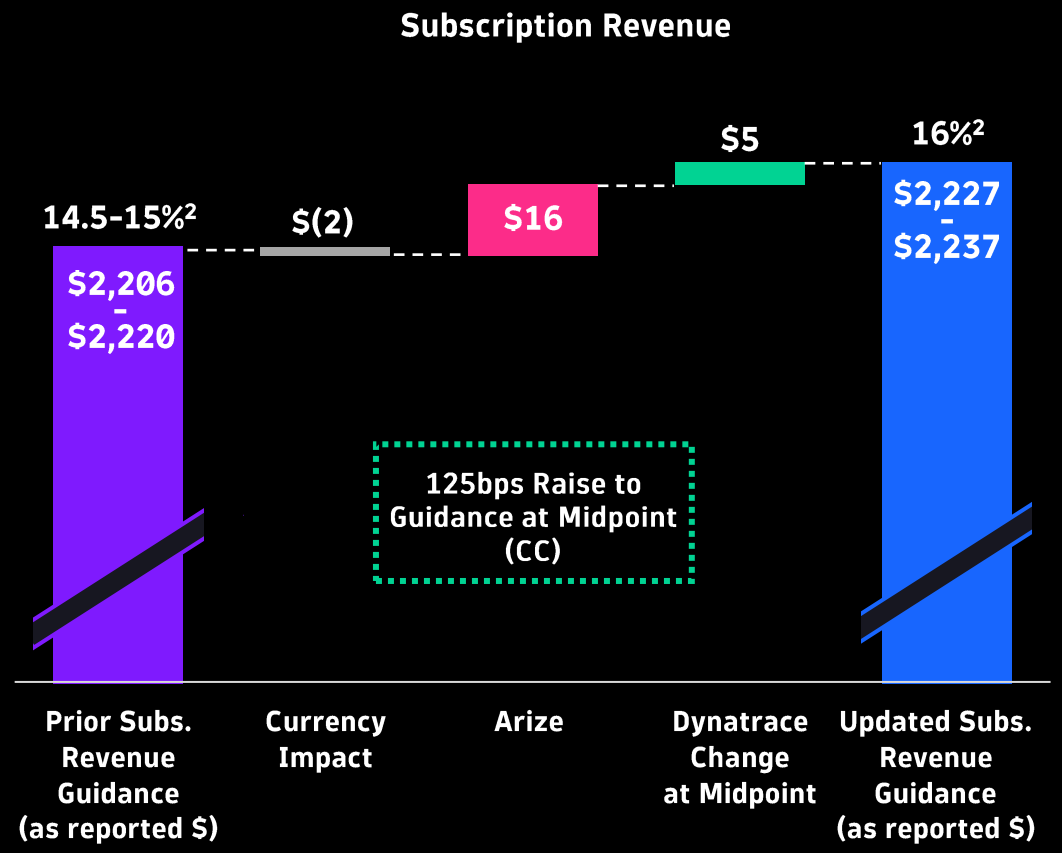
Updated FY27 ARR guidance vs. Prior[1]



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.

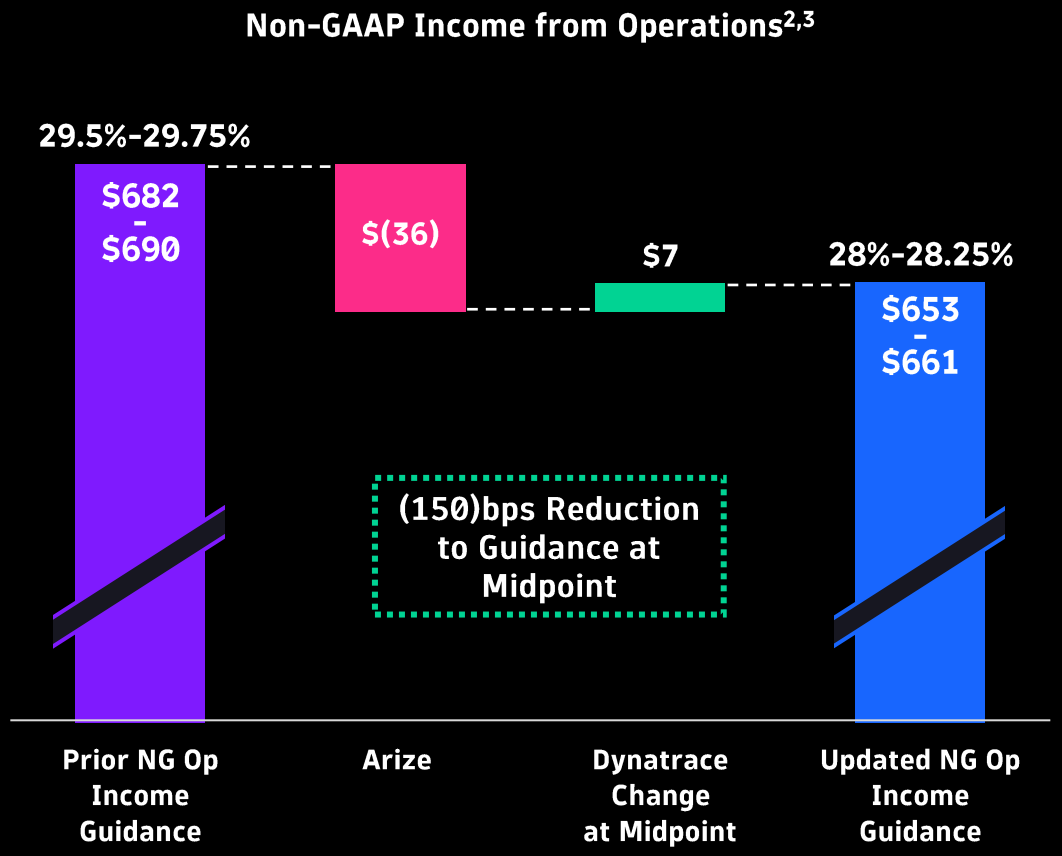
Updated FY27 Revenue & Subscription Revenue guidance vs. Prior[1]

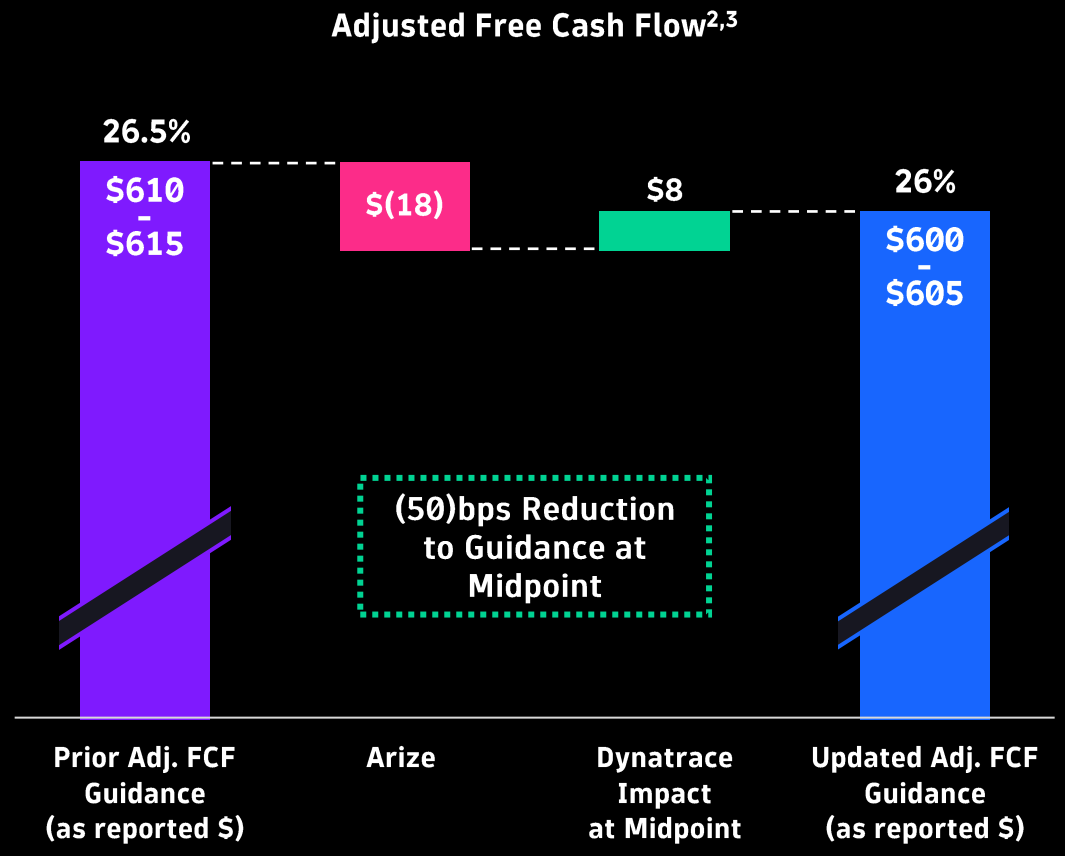




1. Values have been rounded and may not add up precisely to the totals.
2. Represents year-over-year growth rates in constant currency. See the Appendix for definition.

Updated FY27 Non-GAAP Income from Operations & Adjusted Free Cash Flow Guidance & vs. Prior[1]





1. These are non-GAAP financial measures. See the Appendix for definitions of non-GAAP financial measures.
2. Values have been rounded and may not add up precisely to the totals.
3. As reported dollars and percent of revenue.

Definitions & Non-GAAP Reconciliations



Appendix – Definitions

1) Annual Recurring Revenue (ARR) is defined as the daily revenue of all subscription agreements that are actively generating revenue as of the last day of the reporting period multiplied by 365. We exclude from our calculation of Total ARR any revenues derived from month-to-month agreements and/or product usage overage billings.

2) Constant Currency (CC) 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) Dollar-Based Gross Retention Rate 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) Dollar-Based Net Retention Rate 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) Dynatrace Customers 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) Adjusted Free Cash Flow ("Adjusted FCF") is defined as the net cash provided by or used in operating activities less capital expenditures, reflected as purchase of property and equipment and capitalized software additions in our financial statements, plus cash paid for acquisition-related, restructuring, and other non-recurring and unusual items. The related margin is adjusted free cash flow expressed as a percentage of total revenue.

7) Pre-Tax Adjusted Free Cash Flow is defined as adjusted free cash flow excluding the impact of cash paid for or received from taxes. The related margin is pre-tax adjusted free cash flow expressed as a percentage of total revenue.

ARR expansion trends[1]

	FY25				FY26				FY27		
($ in millions)	**Q1-25**	**Q2-25**	**Q3-25**	**Q4-25**	**Q1-26**	**Q2-26**	**Q3-26**	**Q4-26**	**Q1-27**	**Q2-27**	
Year-over-Year											
ARR (As Reported)	**$1,541**	**$1,617**	**$1,647**	**$1,734**	**$1,822**	**$1,899**	**$1,972**	**$2,054**	**$2,136**	**$2,207**	
Year-over-Year increase	*19%*	*20%*	*16%*	*15%*	*18%*	*17%*	*20%*	*18%*	*17%*	*16%*	
TTM FX headwind/(tailwind)[2]	12	(14)	37	19	(28)	(19)	(57)	(46)	(4)	3	
ARR - Constant Currency	**1,553**	**1,603**	**1,684**	**1,753**	**1,795**	**1,880**	**1,915**	**2,008**	**2,132**	**2,210**	
Year-over-Year ARR Increase - Constant Currency[3]	*20%*	*19%*	*18%*	*17%*	*16%*	*16%*	*16%*	*16%*	*17%*	*16%*	
	Q1-25	**Q2-25**	**Q3-25**	**Q4-25**	**Q1-26**	**Q2-26**	**Q3-26**	**Q4-26**	**Q1-27**	**Q2-27**	**Q2-27 TTM**
Quarter-over-Quarter											
ARR (As Reported)	**$1,541**	**$1,617**	**$1,647**	**$1,734**	**$1,822**	**$1,899**	**$1,972**	**$2,054**	**$2,136**	**$2,207**	
Net New ARR (As Reported)[4]	37	76	31	87	88	77	73	81	82	71	308
Quarterly FX headwind/(tailwind)[5]	9	(15)	37	(13)	(37)	(7)	2	(1)	3	(1)	3
Net New ARR - Constant Currency[6]	**46**	**61**	**68**	**74**	**51**	**70**	**75**	**81**	**85**	**70**	**311**
Year-over-Year Net New ARR Growth – Constant Currency[7]	*23%*	*3%*	*-3%*	*-12%*	*13%*	*16%*	*11%*	*9%*	*66%*	*-%*	*18%*

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 (as reported) adjusted for quarterly FX impact.
7. Defined as quarterly increase in Net New ARR in Constant Currency compared to the year-ago quarter Net New ARR in Constant Currency.

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

	FY26					
($ in millions)	GAAP	Share-Based Comp.	Employer Payroll Tax on Employee Stock trans.	Amort. of Intangibles	Acquisition-related, Restructuring & Other	Non-GAAP
Subscription Cost of Revenue	285	(29)	(2)	-	(1)	253
Subscription Gross Profit	**$1,645**	**$29**	**$2**	**-**	**$1**	**$1,677**
Subscription Gross Margin	*85%*					*87%*
Services Cost of Revenue	84	(12)	(1)	-	-	72
Services Gross Profit	**$5**	**$12**	**$1**	**-**	**-**	**$17**
Services Gross Margin	*5%*					*19%*

	Q2-27 TTM				
GAAP	Share-Based Comp.	Employer Payroll Tax on Employee Stock trans.	Amort. of Intangibles	Acquisition-related, Restructuring & Other	Non-GAAP
320	(29)	(1)	-	(1)	288
$1,763	**$29**	**$1**	**-**	**$1**	**$1,795**
85%					*86%*
87	(11)	(1)	-	-	75
$12	**$11**	**$1**	**-**	**-**	**$24**
12%					*24%*

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

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**	**Acquisition-related, 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%*

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

Non-GAAP income from operations reconciliation[1]

	FY26						Q2-27 TTM					
($ in millions)	GAAP	Stock-Based Comp.	Employer Payroll Tax on Employee Stock trans.	Amort. of Intangibles	Acquisition-related, Restructuring & Other	Non-GAAP	GAAP	Stock-Based Comp.	Employer Payroll Tax on Employee Stock trans.	Amort. of Intangibles	Acquisition-related, Restructuring & Other	Non-GAAP
Cost of Revenues	372	(40)	(2)	(3)	(1)	325	413	(40)	(2)	(6)	(1)	363
Gross Profit	**$1,646**	**$40**	**$2**	**$3**	**$1**	**$1,694**	**$1,768**	**$40**	**$2**	**$6**	**$1**	**$1,818**
Gross Margin	*82%*					*84%*	*81%*					*83%*
Research and Development	474	(114)	(7)	-	(2)	352	519	(118)	(7)	-	(2)	393
Sales and Marketing	691	(84)	(4)	-	(2)	599	719	(83)	(4)	-	(2)	629
General and Administrative	217	(61)	(2)	-	(4)	151	233	(61)	(2)	-	(16)	154
Amortization of other intangibles	-	-	-	-	-	-	1	-	-	(1)	-	-
Impairment of long-lived assets	19	-	-	-	(19)	-	19	-	-	-	(19)	-
Income from Operations[1]	**$245**	**$300**	**$15**	**$4**	**28**	**$592**	**$277**	**$303**	**$15**	**$7**	**$40**	**$642**
Operating Margin	*12%*					*29%*	*13%*					*29%*

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**	**Acquisition-related, 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)	-	-
Impairment of long-lived assets	-	-	-	-	-	-
Income from Operations[1]	**$179**	**$272**	**$15**	**$27**	**-**	**$494**
Operating Margin	*11%*					*29%*

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

Adjusted FCF reconciliation[1]

($ in millions)	FY25	FY26	Q2-27 TTM
Adjusted Free Cash Flow			
Net Cash Provided by Operating Activities	**$459**	**$562**	**$607**
PP&E	(26)	(32)	(29)
Capitalized software additions	(3)	-	-
Cash paid for acquisition-related, restructuring, and other costs	1	2	14
Total Adjusted FCF	**$432**	**$532**	**$593**
Adjusted FCF % of Revenue	***25%***	***26%***	***27%***
Total Adjusted FCF	**$432**	**$532**	**$593**
Cash paid for tax	118	118	123
Total Pre-tax Adjusted FCF	**$550**	**$649**	**$716**
Pre-tax Adjusted FCF % of Revenue	***32%***	***32%***	***33%***

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