Q2 FY26
Investor Presentation

August 26, 2025

Safe Harbor

This presentation contains "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, including but not limited to, statements regarding our financial outlook, business strategy and plans, market trends and market size, opportunities and positioning. These forward-looking statements are based on current expectations, estimates, forecasts and projections. Words such as "expect," "anticipate," "should," "believe," "hope," "target," "project," "goals," "estimate," "potential," "predict," "may," "will," "might," "could," "intend," "shall" and variations of these terms and similar expressions are intended to identify these forward-looking statements, although not all forward-looking statements contain these identifying words. Forward-looking statements are subject to a number of risks and uncertainties, many of which involve factors or circumstances that are beyond our control. For example, macroeconomic conditions have in the past and could in the future reduce demand for our solutions; we and our third-party service providers have in the past and could in the future experience cybersecurity incidents; we may be unable to manage or sustain our revenue growth and profitability; our financial resources may be insufficient to effectively compete in our market; we may be unable to attract new customers, or retain or sell additional solutions to existing customers; we may fail to maintain strategic partnerships to promote or enhance our solutions; we may experience challenges successfully expanding our existing marketing and sales capabilities, including further specializing our go-to-market organization; customer growth has slowed in recent periods and could continue to decelerate in the future; we could experience interruptions or performance problems associated with our technology, including a service outage; and we and our third-party service providers have failed, or were perceived as having failed, to fully comply with various privacy and security provisions to which we are subject, and similar incidents could occur in the future. Further information on potential factors that could affect our financial results is included in our most recent Quarterly Report on Form 10-Q and our other filings with the Securities and Exchange Commission. The forward-looking statements included in this presentation represent our views only as of the date of this presentation and we assume no obligation and do not intend to update these forward-looking statements.

Agenda

Company Overview






Free everyone to safely use any technology





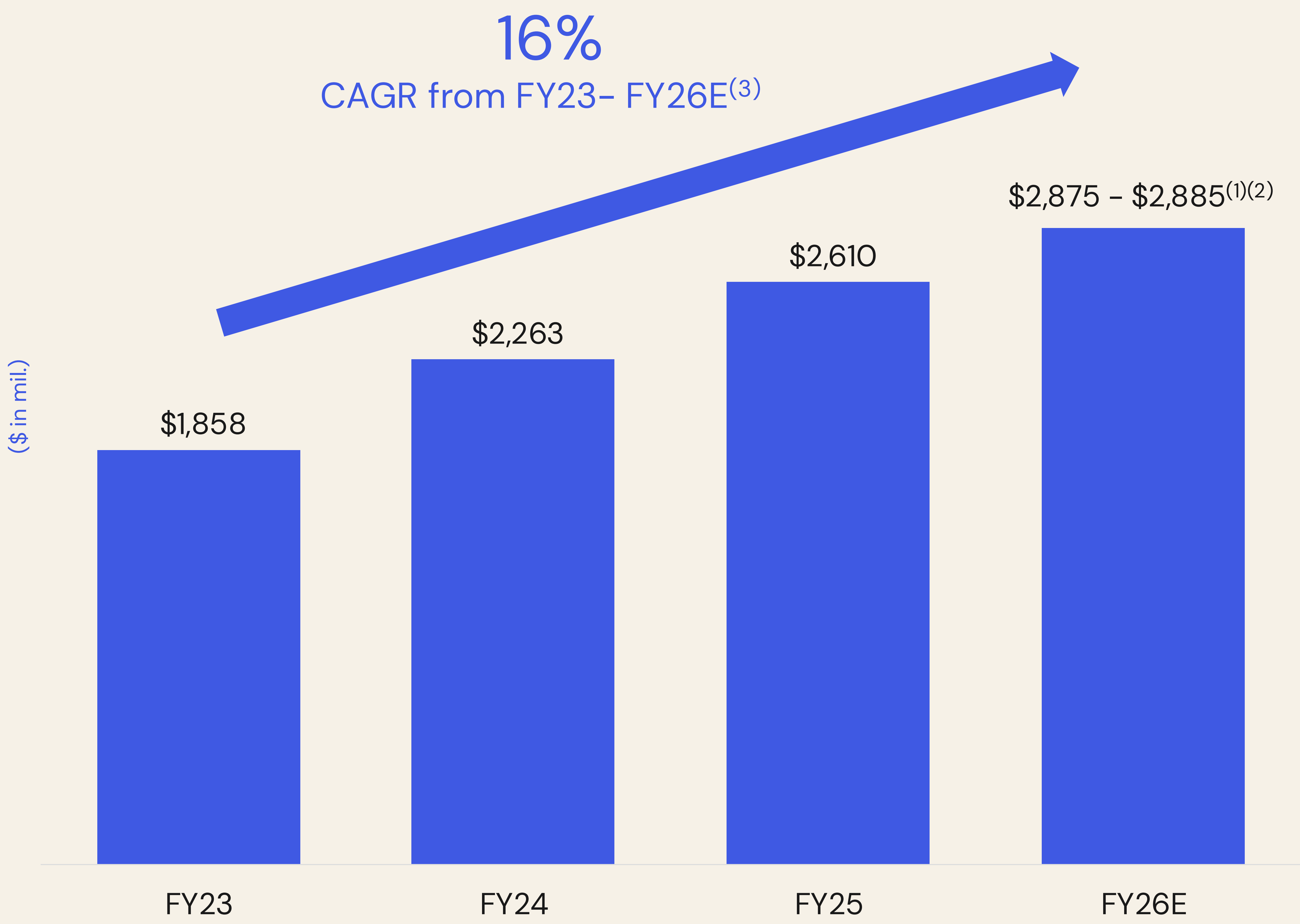

Okta at a Glance

~20,000
Total Customers

4,945
Customers spending >$100K

$4.152B
Remaining performance obligations (RPO)

Total Revenue



(1) FY26E revenue is an estimate based on outlook as of Aug 26, 2025.
(2) Announced acquisition of Axiom Security is expected to be immaterial to all guidance metrics.
(3) CAGR calculation is based on the midpoint of FY26 revenue outlook as of Aug 26, 2025.

FY26 Priorities

Elevate the Industry with OSIC[1]

Win IT & Security with Okta

Win Developers with Auth0

(1) Okta Secure Identity Commitment

Okta Secure Identity Commitment

To lead the industry in the fight against identity attacks

Provide market-leading secure identity products and services

Harden our corporate infrastructure

Champion customer best practices to help ensure they are best protected

Elevate our industry to be more protected from identity attacks

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Identity is the Critical Foundation for Connection and Trust Between Users and Technology

Cloud

Security

Digital transformation

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Okta Provides an End-To-End Secure Identity Fabric for Securing Non-Human Identities

Device identities

Virtual machines

Non-human identities

Service accounts

OAUTH tokens

Visibility

Access control

Governance and remediation

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Every C-suite leader needs identity

Identity

CEO
Business acceleration

CFO
Revenue growth

CMO, CDO, digital teams
- Conversion
- Frictionless onboarding

CPO, product team
- Engagement
- Omnichannel access

CTO, app dev teams
- Unifying identity
- User management

CIO, CISO, IT, security teams
- Creating trust
- Security and privacy

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Secure your Workforce with Okta

Secure your Customers with Auth0

Secure your Workforce with Okta	Secure your Customers with Auth0
Employees · Customers · Partners · Non-human identities	AI agents · B2B customers · B2B customers
Built for IT and security teams	Built for developers
Secure identity products · Secure identity orchestration · Secure identity integrations	Secure experiences - apps and AI agents · Journey orchestration · Extensibility
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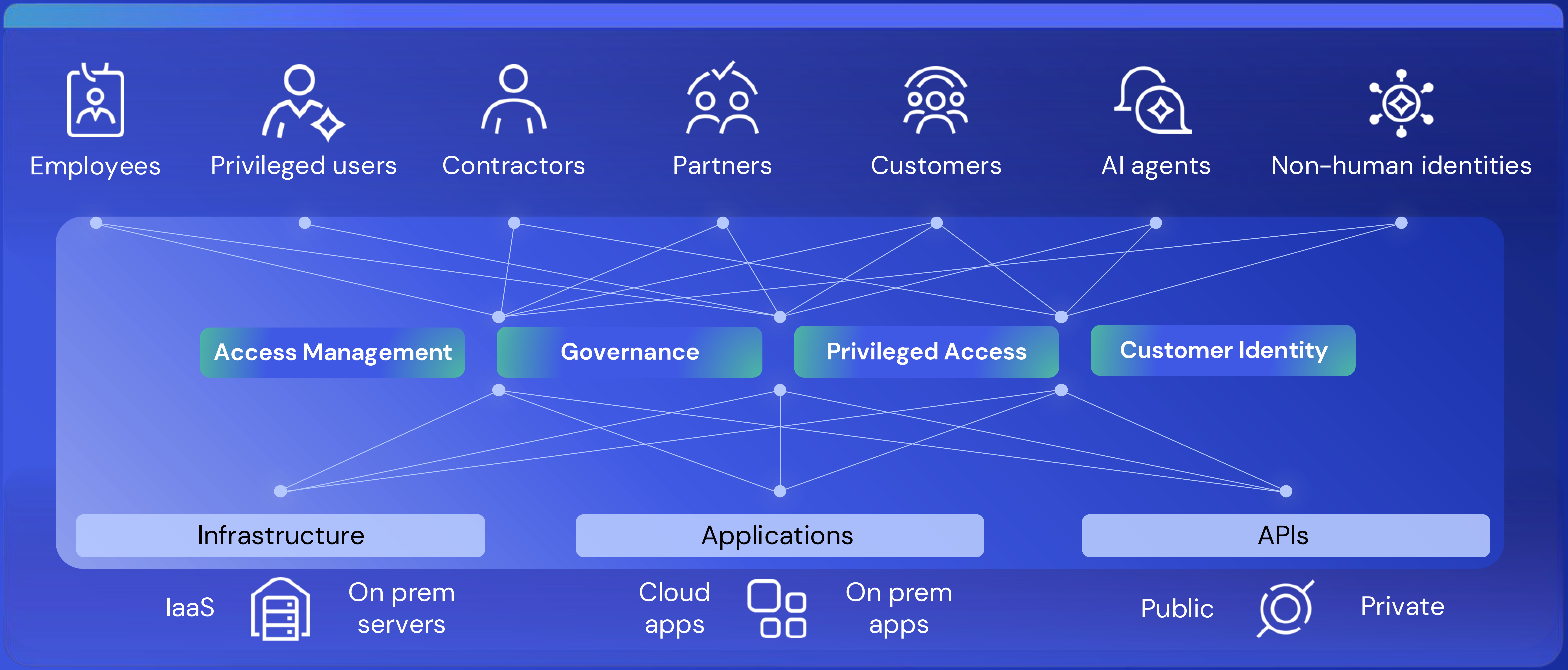
SSO | MFA | Lifecycle Mgmt | Authorization | Universal Logout

Built standards-first to secure every identity

One unified identity solution



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Okta's unique multilayered approach to identity security

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Okta's Opportunity

*See Appendix for TAM calculation methodology. Figure not drawn to scale.

Multiple Growth Vectors

Innovation in platform and network

Landing and expanding in large enterprise

Leveraging partner ecosystem

International expansion

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Okta is the Superior Choice vs. Microsoft - Every Time

Enterprise Agility

(Okta for Global 2000[1] & Okta for M&A[33])

Okta accelerates identity for the world's largest organizations

- Okta saved News Corp 1,000s of hours during domain consolidations (M&A) compared to using Microsoft[5]
- News Corp was able to automate 70% of provisioning tasks[6]
- "Indeed relies on Okta to deliver the agility we need to make our own technology decisions while still providing our parent company with broad visibility." – *Anthony Moisant, CIO*[31]

Reliability & Performance

Okta protects customers from outages and critical service limits

- From 2021-2024, Microsoft suffered over 2,100 mins of outages; [7,8,9,10,12] Okta had 69 minutes[11] in the same span
- Entra ID has had two major incidents this year:
  - Feb 25 2025: 90 min global outage affecting SSO and Entra Connect Sync[29]
  - April 19 2025: a Microsoft error[35] caused up to 1/3 of their customers' users[34] to lock out for up to 3 hours
- Okta has had no global outage in 2025. Okta's FY26 H1 SLA was 100%.
- Microsoft suffers reporting latencies from 2 to 8 hrs[13]

Ease of Use & Time to Value

(Unified Security Solution[2])

Okta delivers the solution customers need most

- Okta protects users before, during, and after authentication[2]
- To boost MFA adoption beyond 34% among admins, Microsoft had to make it mandatory, even though it was offered at zero cost compared to over 90% of Okta admins before it was mandated. [14,15,16]
- Okta is the only vendor recognized as a Gartner® Peer Insights™ Customers' Choice for Access Management in 2024[17]

Executing on Identity Challenges

Okta consistently delivers a complete identity solution

- Okta placed higher than Microsoft in all use cases on the Gartner Critical Capabilities for Access Management for 2024[18]
- This is the eighth year in a row that Okta has been recognized as a Leader in the Magic Quadrant™ for Access Management[19]
- Okta named a Leader in The Forrester Wave Workforce Identity Platforms 2024, outperforming Microsoft across key categories including SSO, authentication, device trust, IAM administration, and identity orchestration[36]

Depth of Integrations

(IPSIE-enabled[32] Shared Signals[3] & OIN[4])

Okta ensures best-in-class integrations for the entire app & security ecosystem

- Microsoft integrations favor its own platform first and best[20,21]
- Okta provides unique and deep integrations that customers want[22,23]
- Okta goes beyond simple SSO and MFA with our Secure Identity Integrations (SII). These include provisioning, entitlements, automation and Universal Logout with more to come[24,25,26,27]

Mitigate Commercial and Operational Risk

Okta's customers avoid risks and reliance on a single vendor

- Okta Secure Identity Commitment (OSIC) is our long-term initiative to lead the industry in the fight against identity attacks[30]
- Changing contract terms represent commercial risk with heavy dependency on a single vendor
- Okta's Enhanced Disaster Recovery gives customers the option to choose their configuration, including failover setup, and decreases the failover time from 1 hour to less than 5 minutes[28]

See Appendix for Sources

Q2 FY26 Financial Review & Financial Outlook

Q2 FY26 Financial Highlights

	Q2 FY26	vs. Q2 FY25
Total Revenue	$728M	+ 13%
Subscription Revenue	$711M	+ 12%
Remaining Performance Obligations (RPO)	$4,152M	+ 18%
Current Remaining Performance Obligations (cRPO)	$2,265M	+ 13%
TTM Dollar Based Net Retention Rate	106%	– 4 pts
Non-GAAP Gross Margin(1)	81.5%	– 0.2 pts
Non-GAAP Subscription Gross Margin(1)	83.7%	+ 0.1 pts
Non-GAAP Operating Margin(1)	27.7%	+ 4.7 pts
Free Cash Flow Margin(1)	22.3%	+ 10.1 pts
TTM Total Rev. Growth + Free Cash Flow Margin (“Rule of 40”)	43%	– 1 pt
Customers > $100K ACV	4,945	+ 7%
	ACV Split(2)	**Growth Rate**
Workforce Identity ACV	59%	+ 10%
Customer Identity ACV	41%	+ 15%

(1) See appendix for non-GAAP reconciliation.
(2) Disclosures for the three-month period ending July 31, 2025

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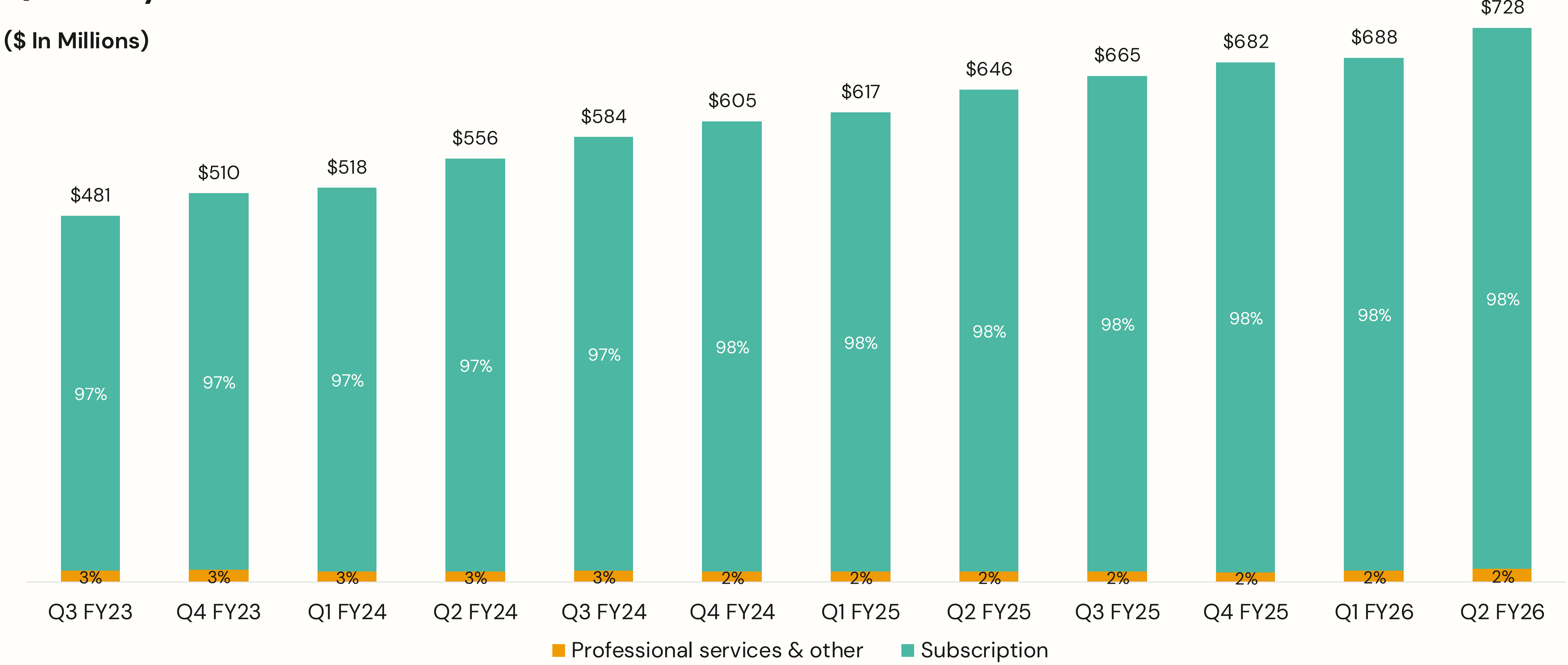
Total Revenue Up 13% Y/Y; Subscription Revenue Up 12% Y/Y

Quarterly Revenue(1)



(1) See appendix for non-GAAP reconciliation.

cRPO[1] is a Leading Indicator for Future Subscription Revenue

Quarterly Bookings

New Customers

Upsells[2]

Renewals

Long-term RPO becoming current

Components that add to cRPO each quarter

cRPO (subscription backlog ≤ 12 months)

Dollar amount added to cRPO is impacted by factors such as the number of customers, size of deals, rate of upsells, and contract duration (affecting the long-term RPO)

cRPO moves to quarterly subscription revenue as product is delivered

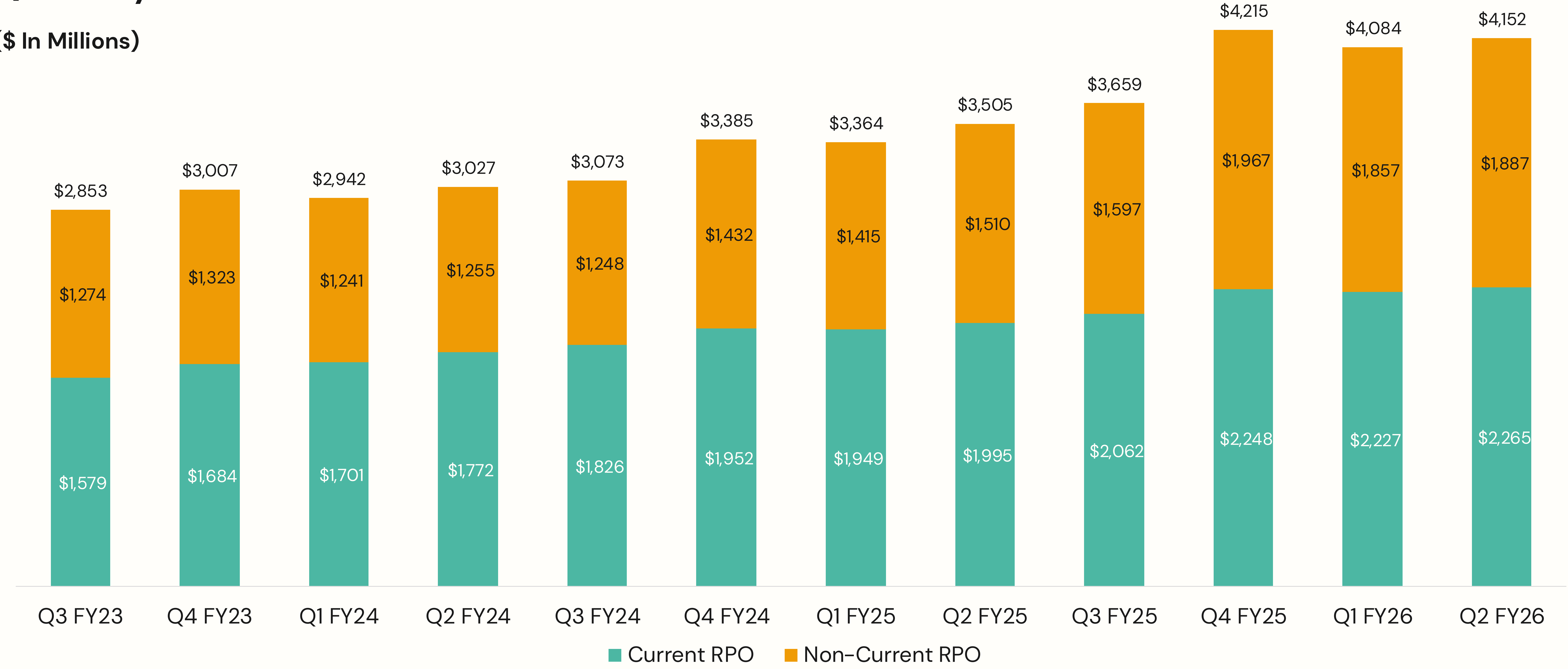
Future subscription revenue is highly correlated to the cRPO performance in the preceding quarters

(1) Current RPO represents the portion of RPO expected to be recognized during the next 12 months.
(2) Upsell is inclusive of cross-selling.

RPO Up 18% Y/Y; Current RPO Up 13% Y/Y

Quarterly RPO

($ In Millions)



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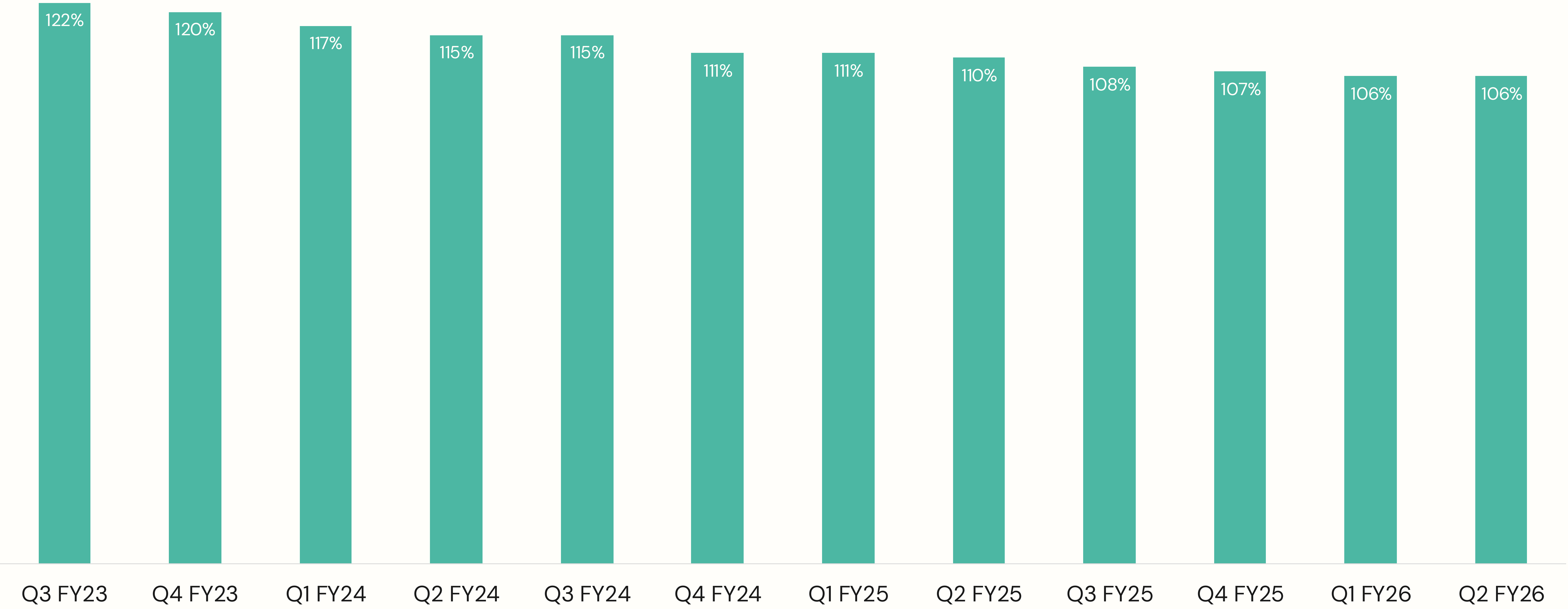
TTM Dollar-based Net Retention Rate

TTM Dollar-based net retention rate(1)



(1) Trailing Twelve Months (TTM) dollar-based net retention rate is calculated based on total ACV. See Appendix for definition.

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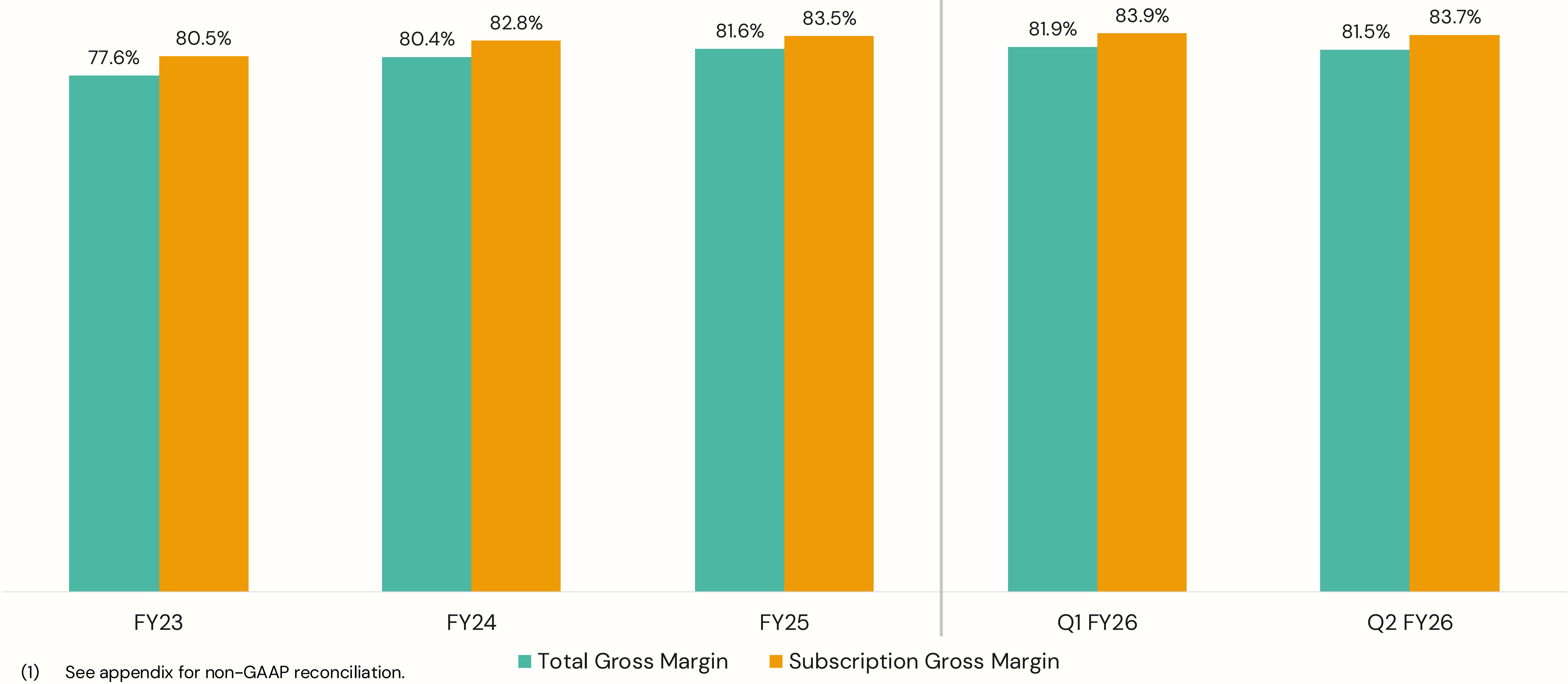
Strong Non-GAAP Gross Margins

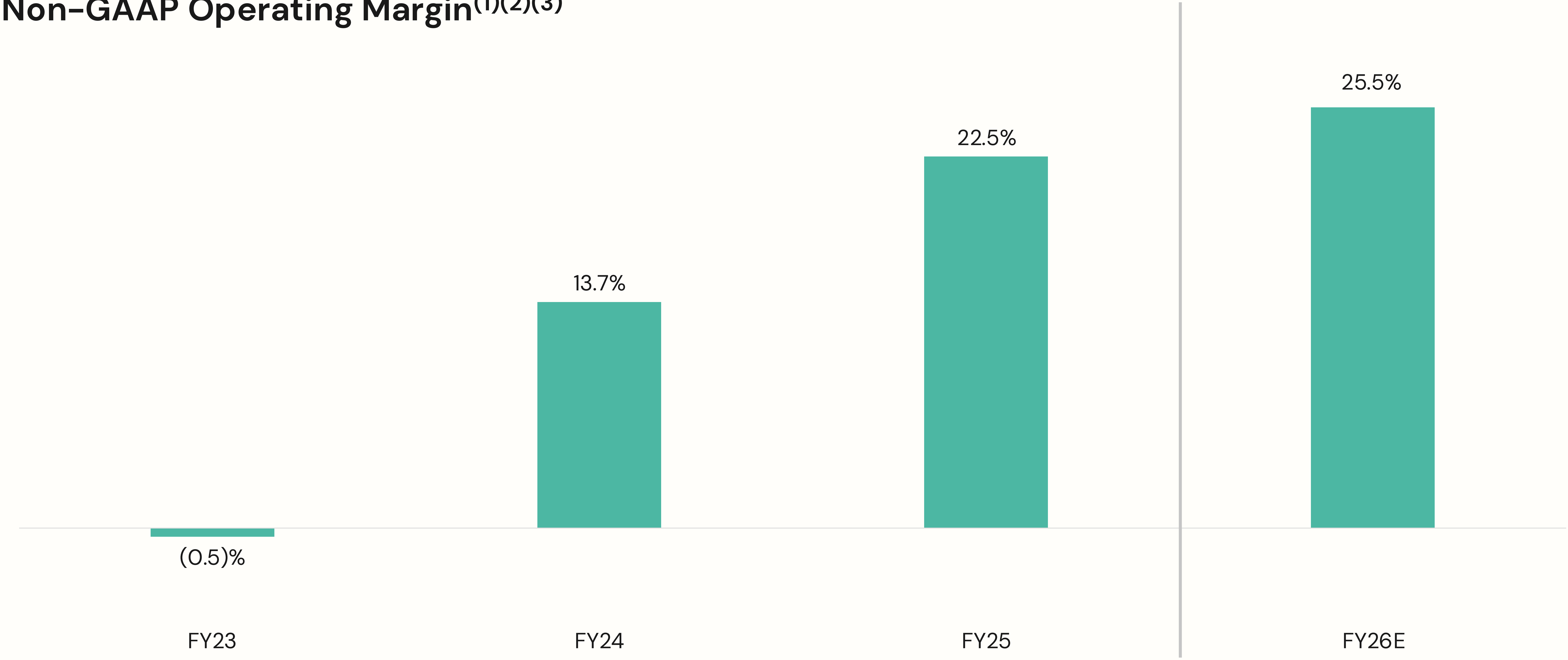
Non-GAAP Gross Margins[1]



(1) See appendix for non-GAAP reconciliation.

Operational Efficiency Yielding Significant Margin Improvement

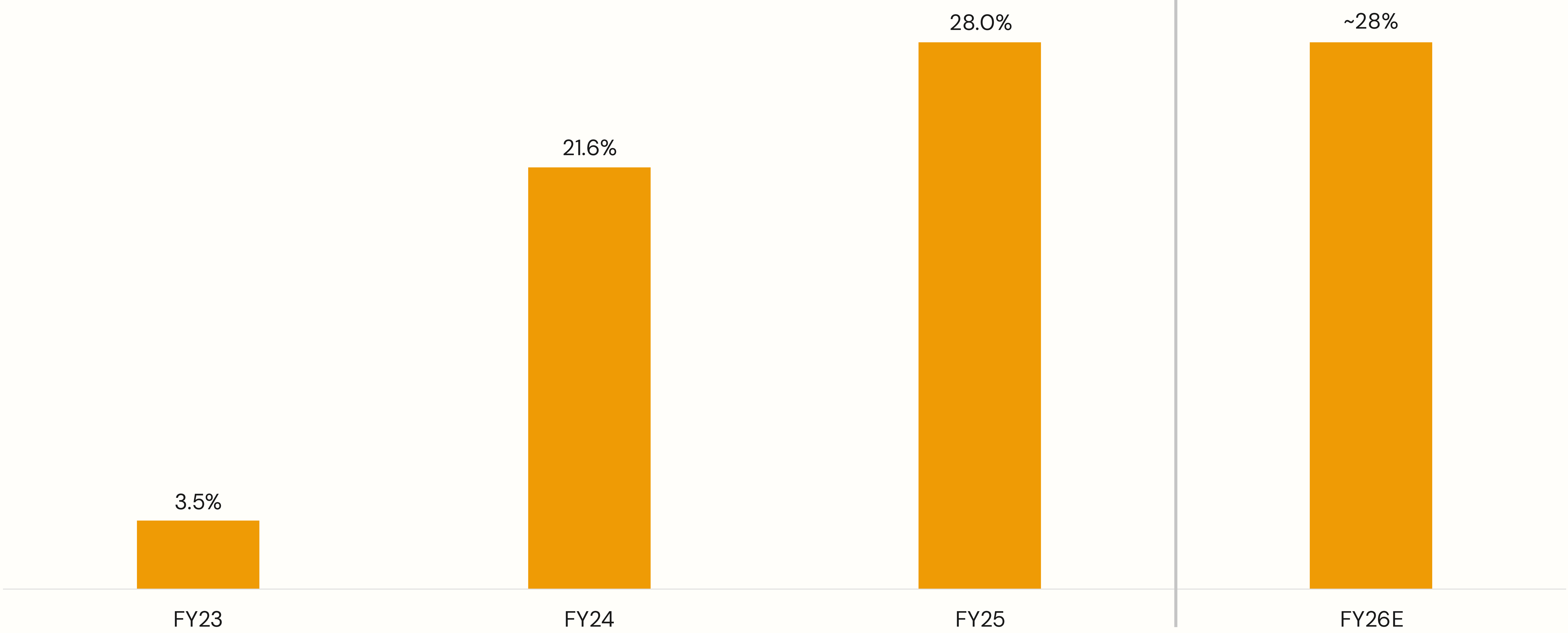
Non-GAAP Operating Margin[1][2][3]



(1) See appendix for non-GAAP reconciliation.
(2) FY26E is based on the midpoint of our FY26 outlook as of Aug 26, 2025.
(3) Announced acquisition of Axiom Security is expected to be immaterial to all guidance metrics.

Operational Efficiency Yielding Significant Margin Improvement

Non-GAAP Free Cash Flow Margin[(1)(2)(3)]



(1) See appendix for non-GAAP reconciliation.
(2) FY26E is based on the midpoint of our FY26 outlook as of Aug 26, 2025.
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Customers With >$100K Annual Contract Value
Up 7% Y/Y

Customers with >$100k ACV

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Key Takeaways

Strong foundation for growth at scale

Large addressable markets with multiple growth vectors

Positioned for profitable growth

Financial Outlook[1][2] for Q3 FY26

	Q3 FY26 (Oct 31, 2025)
Total Revenue *Total Revenue Growth (Y/Y)*	$728M to $730M *9% - 10%*
Current Remaining Performance Obligations *cRPO Growth (Y/Y)*	$2,260M to $2,265M *10%*
Non-GAAP Operating Income	$160M to $162M
Non-GAAP Operating Margin	22%
Non-GAAP Diluted Net Income Per Share	$0.74 to $0.75
Diluted Weighted Average Share Count[3]	185 million
Non-GAAP Tax Rate	26%
Non-GAAP Free Cash Flow Margin	~21%

(1) Outlook is as of Aug 26, 2025. Okta has not reconciled its forward-looking non-GAAP financial measures to their most directly comparable GAAP measures because certain items are out of Okta's control or cannot be reasonably predicted. Accordingly, reconciliations for forward-looking non-GAAP financial measures are not available without unreasonable effort.
(2) Announced acquisition of Axiom Security is expected to be immaterial to all guidance metrics.
(3) Fully diluted share count is on a non-GAAP basis.

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Financial Outlook[1][2] for FY26

	Fiscal 2026 (January 31, 2026)
Total Revenue *Total Revenue Growth (Y/Y)*	$2,875M to $2,885M *10% - 11%*
Non-GAAP Operating Income	$730M to $740M
Non-GAAP Operating Margin	25% - 26%
Non-GAAP Diluted Net Income Per Share	$3.33 to $3.38
Diluted Weighted Average Share Count[3]	185 million
Non-GAAP Tax Rate	26%
Non-GAAP Free Cash Flow Margin	~28%

(1) Outlook is as of Aug 26, 2025. Okta has not reconciled its forward-looking non-GAAP financial measures to their most directly comparable GAAP measures because certain items are out of Okta's control or cannot be reasonably predicted. Accordingly, reconciliations for forward-looking non-GAAP financial measures are not available without unreasonable effort.
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Appendix

Total Addressable Market Calculation Methodology

Workforce Identity and Identity Governance and Administration (IGA) TAM based on over 50,000 U.S. businesses with more than 250 employees (per 2019 U.S. Bureau of Labor Statistics) multiplied by 12-month ARR assuming adoption of all our current products and announced IGA products which implies a market of $21 billion domestically, then multiplied by two to account for international opportunity. Privileged Access Management (PAM) TAM based on internal estimates of Modern Infrastructure Access spend as a percent of Total Cloud Spend based on Gartner Forecast Analysis: Public Cloud Services, Worldwide report.

$30B Customer Identity TAM based on 4.4 billion combined Facebook users and service employees worldwide multiplied by internal application usage and pricing assumptions.

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Sources: Okta Advantage

[1] Okta for Global 2000

[2] New enhancements to the Workforce Identity Cloud's unified security solution

[3] Unifying efforts, amplifying security: Shared Signals interoperability

[4] Okta Integration Network

[5] News Corp saves a 1000 work hours annually on synching and consolidating domains after M&A

[6] Automates 70% of provisioning tasks and gets new employees up and running 2 hrs faster.

[7] Bleeping Computer - Microsoft 365 outage blocks access to web apps and services, Apr 2023

[8] Exoprise - Global Azure AD outage affecting Microsoft 365 Services, Dec 2021

[9] BleepingComputer - Microsoft 365 MFA outage locks users out of their accounts, Sept 2021

[10] ZDNET - Microsoft's latest cloud authentication outage: What went wrong, March 2021

[11] Okta Status

[12] Microsoft Confirms New Outage Was Triggered By Cyberattack

[13] Azure AD Report Latencies (e.g. Min 2 hrs, Max 8 hrs)

[14] 34% of Microsoft admins protected by MFA

[15] Announcing mandatory multi-factor authentication for Azure sign-in | Microsoft Azure Blog

[16] 90% of Okta admins use MFA

[17] Okta Recognized as a Customers' Choice for Access Management in 2024

[18] Gartner Critical Capabilities for Access Management, 2024

[19] 2024 Gartner® Magic Quadrant™ for Access Management

[20] 3rd party MDM prerequisite is a subscription to Microsoft Intune, Microsoft's MDM

[21] Microsoft Sentinel vs Splunk Enterprise Security: Key Differences

[22] Okta Identity Threat Protection with Okta AI integrates with best of breed partners

[23] Okta Workday Real-Time Sync

[24] Universal Logout

[25] Entitlement Management

[26] Okta Workflows | Okta

[27] Provision apps | Okta

[28] Overview of Enhanced Disaster Recovery

[29] Microsoft Entra ID DNS Resolution Failures Results in Authentication Issues

[30] Okta Secure Identity Commitment

[31] Maximize business strategies with Okta for Global 2000

[32] Okta's mission to standardize Identity Security

[33] Okta for Mergers & Acquisitions

[34] Widespread Microsoft Entra lockouts tied to new security feature rollout

[35] Microsoft Entra account lockouts caused by user token logging mishap

[36] Okta named a Leader in Forrester Wave™: Workforce Identity Platforms, Q1 2024

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Statement Regarding Use of Non-GAAP Financial Measures

This presentation contains certain non-GAAP financial measures and other metrics. This appendix contains our reconciliation of those non-GAAP measures and other financial metrics.

This presentation may reference one or more of the following non-GAAP financial measures: non-GAAP subscription gross profit, non-GAAP subscription gross margin, non-GAAP professional services gross profit, non-GAAP professional services gross margin, non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating income (loss), non-GAAP operating margin, non-GAAP net income (loss), non-GAAP net margin, non-GAAP diluted net income (loss) per share, non-GAAP tax rate, free cash flow and free cash flow margin.

Certain of these non-GAAP financial measures exclude stock-based compensation, non-cash charitable contributions, amortization of acquired intangibles, acquisition and integration-related expenses, restructuring costs related to severance and termination benefits and lease impairments in connection with the closing of certain leased facilities, certain non-ordinary course legal settlements and related expenses, amortization of debt issuance costs and gain on early extinguishment of debt. Acquisition and integration-related expenses include transaction costs and other non-recurring incremental costs incurred through the one-year anniversary of the transaction close.

In addition to these exclusions, we subtract an assumed provision for income taxes to calculate non-GAAP net income. We use a fixed long-term projected tax rate of 26% in our computation of the non-GAAP income tax provision to provide better consistency across the reporting periods. The non-GAAP tax rate could be subject to change for a variety of reasons, including changes in tax laws and regulations, significant changes in our geographic earnings mix, or other changes to our strategy or business operations. We will periodically reevaluate the projected long-term tax rate, as necessary, for significant events based on our ongoing analysis of relevant tax law changes, material changes in the forecasted geographic earnings mix, and any significant acquisitions.

Free cash flow, which is a non-GAAP financial measure, is calculated as net cash provided by (used in) operating activities, less cash used for purchases of property and equipment, net of sales proceeds, and capitalized software. Free cash flow margin is calculated as free cash flow as a percentage of total revenue.

Our dollar-based net retention rate is based upon our annual contract value, or ACV, which is calculated based on the terms of that customer’s contract and represents the total contracted annual subscription amount as of that period end. We calculate our dollar-based net retention rate as of a period end by starting with the ACV from all customers as of twelve months prior to such period end, or prior period ACV. We then calculate the ACV from these same customers as of the current period end, or current period ACV. Current period ACV includes any upsells and is net of contraction or churn over the trailing twelve months but excludes ACV from new customers in the current period. We then divide the current period ACV by the prior period ACV to arrive at our dollar-based net retention rate.

We believe that non-GAAP financial information, when taken collectively, may be helpful to investors because it provides consistency and comparability with past financial performance and assists in comparisons with other companies, some of which use similar non-GAAP financial information to supplement their GAAP results.

The non-GAAP financial information is presented for supplemental informational purposes only, and should not be considered a substitute for financial information presented in accordance with GAAP, and may be different from similarly-titled non-GAAP measures used by other companies.

The principal limitation of these non-GAAP financial measures is that they exclude significant expenses that are required by GAAP to be recorded in our financial statements. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by our management about which expenses are excluded or included in determining these non-GAAP financial measures. A reconciliation is provided in the appendix for each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP.

Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures, and not to rely on any single financial measure to evaluate our business. Please see the tables included in this presentation for the reconciliation of GAAP and non-GAAP results.

GAAP to Non-GAAP Reconciliations - Fiscal Quarters[1]

(dollars in millions)

	FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	FY24	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	FY25	Q1 FY26	Q2 FY26	FY26 YTD
GAAP subscription gross profit	$ 1,330	$ 381	$ 414	$ 443	$ 465	$ 1,703	$ 473	$ 495	$ 511	$ 528	$ 2,007	$ 537	$ 564	$ 1,101
Stock-based compensation	69	16	21	20	18	75	19	22	20	21	82	17	21	38
Amortization of acquired intangibles	46	12	12	11	12	47	12	12	10	10	44	10	11	21
Acquisition and integration-related expenses	1	—	—	—	—	—	—	—	—	—	—	—	—	—
Non-GAAP subscription gross profit	$ 1,446	$ 409	$ 447	$ 474	$ 495	$ 1,825	$ 504	$ 529	$ 541	$ 559	$ 2,133	$ 564	$ 596	$ 1,160
Non-GAAP subscription gross margin	*80.5 %*	*81.5 %*	*82.5 %*	*83.3 %*	*83.7 %*	*82.8 %*	*83.5 %*	*83.6 %*	*83.2 %*	*83.5 %*	*83.5 %*	*83.9 %*	*83.7 %*	*83.8 %*
GAAP professional services gross profit	$ (18)	$ (5)	$ (7)	$ (4)	$ (5)	$ (21)	$ (4)	$ (4)	$ (3)	$ (4)	$ (15)	$ (4)	$ (4)	$ (8)
Stock-based compensation	14	4	4	3	4	15	3	3	3	3	12	3	2	5
Non-GAAP professional services gross profit	$ (4)	$ (1)	$ (3)	$ (1)	$ (1)	$ (6)	$ (1)	$ (1)	$ —	$ (1)	$ (3)	$ (1)	$ (2)	$ (3)
Non-GAAP professional services gross margin	*(4.4)%*	*(12.5)%*	*(19.7)%*	*(2.7)%*	*(8.6)%*	*(10.8)%*	*(3.4)%*	*(6.6)%*	*(2.5)%*	*(13.2)%*	*(6.2)%*	*(9.0)%*	*(8.2)%*	*(8.6)%*
GAAP total gross profit	$ 1,312	$ 376	$ 407	$ 439	$ 460	$ 1,682	$ 469	$ 491	$ 508	$ 524	$ 1,992	$ 533	$ 560	$ 1,093
Stock-based compensation	83	20	25	23	22	90	22	25	23	24	94	20	23	43
Amortization of acquired intangibles	46	12	12	11	12	47	12	12	10	10	44	10	11	21
Acquisition and integration-related expenses	1	—	—	—	—	—	—	—	—	—	—	—	—	—
Non-GAAP total gross profit	$ 1,442	$ 408	$ 444	$ 473	$ 494	$ 1,819	$ 503	$ 528	$ 541	$ 558	$ 2,130	$ 563	$ 594	$ 1,157
Non-GAAP total gross margin	*77.6 %*	*78.9 %*	*79.8 %*	*81.0 %*	*81.6 %*	*80.4 %*	*81.5 %*	*81.7 %*	*81.4 %*	*81.8 %*	*81.6 %*	*81.9 %*	*81.5 %*	*81.7 %*

GAAP to Non-GAAP Reconciliations - Fiscal Quarters[1]

(dollars in millions)

	FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	FY24	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	FY25	Q1 FY26	Q2 FY26	FY26 YTD
GAAP research and development expense	$ 620	$ 163	$ 172	$ 165	$ 156	$ 656	$ 163	$ 164	$ 158	$ 157	$ 642	$ 154	$ 160	$ 314
Stock-based compensation	275	68	74	70	65	277	63	56	49	48	216	47	51	98
Amortization of acquired intangibles	—	—	—	—	—	—	—	—	—	1	1	—	—	—
Non-GAAP research and development expense	$ 345	$ 95	$ 98	$ 95	$ 91	$ 379	$ 100	$ 108	$ 109	$ 108	$ 425	$ 107	$ 109	$ 216
Non-GAAP research and development expense as a percentage of revenue	*18.5 %*	*18.4 %*	*17.6 %*	*16.2 %*	*15.2 %*	*16.8 %*	*16.2 %*	*16.7 %*	*16.4 %*	*15.9 %*	*16.3 %*	*15.5 %*	*14.9 %*	*15.2 %*
GAAP sales and marketing expense	$ 1,066	$ 256	$ 261	$ 270	$ 249	$ 1,036	$ 236	$ 238	$ 256	$ 235	$ 965	$ 237	$ 246	$ 483
Stock-based compensation	159	38	41	40	37	156	30	36	33	32	131	32	35	67
Amortization of acquired intangibles	39	11	6	7	7	31	7	6	8	7	28	7	6	13
Acquisition and integration-related expenses	1	—	—	—	—	—	—	—	—	—	—	—	—	—
Non-GAAP sales and marketing expense	$ 867	$ 207	$ 214	$ 223	$ 205	$ 849	$ 199	$ 196	$ 215	$ 196	$ 806	$ 198	$ 205	$ 403
Non-GAAP sales and marketing expense as a percentage of revenue	*46.7 %*	*40.1 %*	*38.5 %*	*38.1 %*	*33.8 %*	*37.5 %*	*32.3 %*	*30.3 %*	*32.4 %*	*28.9 %*	*30.9 %*	*28.8 %*	*28.3 %*	*28.5 %*
GAAP general and administrative expense	$ 409	$ 110	$ 119	$ 111	$ 110	$ 450	$ 117	$ 108	$ 110	$ 113	$ 448	$ 103	$ 113	$ 216
Stock-based compensation	160	40	45	39	37	161	36	31	30	27	124	29	35	64
Non-cash charitable contributions	4	1	1	2	2	6	3	1	1	—	5	—	—	—
Acquisition and integration-related expenses	5	—	—	—	2	2	—	—	—	—	—	—	—	—
Legal settlements and related expenses	—	—	—	—	—	—	7	—	—	—	7	—	—	—
Non-GAAP general and administrative expense	$ 240	$ 69	$ 73	$ 70	$ 69	$ 281	$ 71	$ 76	$ 79	$ 86	$ 312	$ 74	$ 78	$ 152
Non-GAAP general and administrative expense as a percentage of revenue	*12.9 %*	*13.3 %*	*13.1 %*	*12.0 %*	*11.5 %*	*12.4 %*	*11.5 %*	*11.7 %*	*12.0 %*	*12.3 %*	*11.9 %*	*10.8 %*	*10.7 %*	*10.7 %*
GAAP restructuring and other charges	$ 29	$ 7	$ 17	$ 4	$ 28	$ 56	$ —	$ —	$ —	$ 11	$ 11	$ —	$ —	$ —
Restructuring costs	29	7	17	4	28	56	—	—	—	11	11	—	—	—
Non-GAAP restructuring and other charges	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Non-GAAP restructuring and other charges as a percentage of revenue	*— %*	*— %*	*— %*	*— %*	*— %*	*— %*	*— %*	*— %*	*— %*	*— %*	*— %*	*— %*	*— %*	*— %*

GAAP to Non-GAAP Reconciliations - Fiscal Quarters(1)

(dollars in millions)

	FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	FY24	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	FY25	Q1 FY26	Q2 FY26	FY26 YTD
GAAP total operating expenses	$ 2,124	$ 536	$ 569	$ 550	$ 543	$ 2,198	$ 516	$ 510	$ 524	$ 516	$ 2,066	$ 494	$ 519	$ 1,013
Stock-based compensation	594	146	160	149	139	594	129	123	112	107	471	108	121	229
Non-cash charitable contributions	4	1	1	2	2	6	3	1	1	—	5	—	—	—
Amortization of acquired intangibles	39	11	6	7	7	31	7	6	8	8	29	7	6	13
Acquisition and integration-related expenses	6	—	—	—	2	2	—	—	—	—	—	—	—	—
Restructuring costs	29	7	17	4	28	56	—	—	—	11	11	—	—	—
Legal settlements and related expenses	—	—	—	—	—	—	7	—	—	—	7	—	—	—
Non-GAAP total operating expenses	$ 1,452	$ 371	$ 385	$ 388	$ 365	$ 1,509	$ 370	$ 380	$ 403	$ 390	$ 1,543	$ 379	$ 392	$ 771
Non-GAAP total operating expenses as a percentage of revenue	*78.1 %*	*71.8 %*	*69.2 %*	*66.3 %*	*60.4 %*	*66.7 %*	*60.0 %*	*58.7 %*	*60.7 %*	*57.2 %*	*59.1 %*	*55.1 %*	*53.8 %*	*54.4 %*
GAAP operating income (loss)	$ (812)	$ (160)	$ (162)	$ (111)	$ (83)	$ (516)	$ (47)	$ (19)	$ (16)	$ 8	$ (74)	$ 39	$ 41	$ 80
Stock-based compensation	677	166	185	172	161	684	151	148	135	131	565	128	144	272
Non-cash charitable contributions	4	1	1	2	2	6	3	1	1	—	5	—	—	—
Amortization of acquired intangibles	85	23	18	18	19	78	19	18	18	18	73	17	17	34
Acquisition and integration-related expenses	7	—	—	—	2	2	—	—	—	—	—	—	—	—
Restructuring costs	29	7	17	4	28	56	—	—	—	11	11	—	—	—
Legal settlements and related expenses	—	—	—	—	—	—	7	—	—	—	7	—	—	—
Non-GAAP operating income (loss)	$ (10)	$ 37	$ 59	$ 85	$ 129	$ 310	$ 133	$ 148	$ 138	$ 168	$ 587	$ 184	$ 202	$ 386
Non-GAAP operating margin	*(0.5)%*	*7.1 %*	*10.6 %*	*14.7 %*	*21.2 %*	*13.7 %*	*21.6 %*	*23.0 %*	*20.7 %*	*24.6 %*	*22.5 %*	*26.7 %*	*27.7 %*	*27.2 %*
Interest and other, net	$ 11	$ 45	$ 58	$ 37	$ 39	$ 179	$ 25	$ 31	$ 41	$ 23	$ 120	$ 29	$ 26	$ 55
Amortization of debt issuance costs	6	1	1	1	—	3	—	1	1	—	2	1	—	1
Gain on early extinguishment of debt	—	(31)	(42)	(18)	(15)	(106)	—	(3)	(16)	—	(19)	—	—	—
Non-GAAP interest and other, net	$ 17	$ 15	$ 17	$ 20	$ 24	$ 76	$ 25	$ 29	$ 26	$ 23	$ 103	$ 30	$ 26	$ 56

GAAP to Non-GAAP Reconciliations - Fiscal Quarters[1]

(dollars in millions, shares in thousands, except per share data)

	FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	FY24	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	FY25	Q1 FY26	Q2 FY26	FY26 YTD
GAAP net income (loss)	$ (815)	$ (119)	$ (111)	$ (81)	$ (44)	$ (355)	$ (40)	$ 29	$ 16	$ 23	$ 28	$ 62	$ 67	$ 129
Stock-based compensation	677	166	185	172	161	684	151	148	135	131	565	128	144	272
Amortization of debt issuance costs	6	1	1	1	—	3	—	1	1	—	2	1	—	1
Non-cash charitable contributions	4	1	1	2	2	6	3	1	1	—	5	—	—	—
Amortization of acquired intangibles	85	23	18	18	19	78	19	18	18	18	73	17	17	34
Acquisition and integration-related expenses	7	—	—	—	2	2	—	—	—	—	—	—	—	—
Gain on early extinguishment of debt	—	(31)	(42)	(18)	(15)	(106)	—	(3)	(16)	—	(19)	—	—	—
Restructuring costs	29	7	17	4	28	56	—	—	—	11	11	—	—	—
Legal settlements and related expenses	—	—	—	—	—	—	7	—	—	—	7	—	—	—
Tax adjustment	—	(10)	(13)	(19)	(40)	(82)	(23)	(63)	(34)	(42)	(162)	(50)	(59)	(109)
Non-GAAP net income (loss)	$ (7)	$ 38	$ 56	$ 79	$ 113	$ 286	$ 117	$ 131	$ 121	$ 141	$ 510	$ 158	$ 169	$ 327
GAAP net income (loss) per share, diluted	$ (5.16)	$ (0.74)	$ (0.68)	$ (0.49)	$ (0.26)	$ (2.17)	$ (0.24)	$ 0.15	$ —	$ 0.13	$ 0.06	$ 0.35	$ 0.37	$ 0.72
Adjustments for difference in weighted-average shares outstanding	—	0.06	0.06	0.05	0.02	0.19	0.02	0.01	0.09	0.01	0.09	(0.01)	(0.01)	(0.03)
Stock-based compensation	4.28	0.94	1.03	0.96	0.90	3.83	0.84	0.81	0.74	0.72	3.11	0.70	0.78	1.48
Amortization of debt issuance costs	0.04	0.01	0.01	—	—	0.02	—	0.01	—	—	0.02	—	—	0.01
Non-cash charitable contributions	0.02	0.01	0.01	0.01	0.01	0.03	0.01	0.01	0.01	—	0.03	—	—	—
Amortization of acquired intangibles	0.55	0.12	0.10	0.10	0.10	0.43	0.11	0.10	0.09	0.09	0.39	0.09	0.09	0.18
Acquisition and integration-related expenses	0.04	—	—	—	0.01	0.01	—	—	—	—	—	—	—	—
Gain on early extinguishment of debt	—	(0.17)	(0.24)	(0.10)	(0.09)	(0.60)	—	(0.02)	(0.08)	—	(0.10)	—	—	—
Restructuring costs	0.19	0.04	0.09	0.03	0.16	0.32	—	—	—	0.06	0.06	—	—	—
Legal settlements and related expenses	—	—	—	—	—	—	0.04	—	—	—	0.04	—	—	—
Tax adjustment	—	(0.05)	(0.07)	(0.12)	(0.22)	(0.46)	(0.13)	(0.35)	(0.18)	(0.23)	(0.89)	(0.27)	(0.32)	(0.59)
Non-GAAP net income (loss) per share, diluted	$ (0.04)	$ 0.22	$ 0.31	$ 0.44	$ 0.63	$ 1.60	$ 0.65	$ 0.72	$ 0.67	$ 0.78	$ 2.81	$ 0.86	$ 0.91	$ 1.77
Weighted-average shares outstanding used to compute non-GAAP net income (loss) per share, diluted	158,023	176,195	178,742	179,285	179,249	178,397	180,427	182,364	181,949	181,572	181,589	183,176	185,227	184,213

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Calculations of Key and Other Selected Metrics – Fiscal Quarters[1]

(dollars in millions, except headcount data)

	FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	FY24	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	FY25	Q1 FY26	Q2 FY26	FY26 YTD
Free Cash Flow and Margin														
Net cash provided by operating activities	$ 86	$ 129	$ 53	$ 156	$ 174	$ 512	$ 219	$ 86	$ 159	$ 286	$ 750	$ 241	$ 167	$ 408
Less:														
Purchases of property and equipment	(12)	—	(2)	(3)	(3)	(8)	(1)	(5)	(1)	(1)	(8)	(1)	(2)	(3)
Capitalized software	(9)	(5)	(2)	(3)	(5)	(15)	(4)	(3)	(4)	(1)	(12)	(2)	(3)	(5)
Free cash flow	$ 65	$ 124	$ 49	$ 150	$ 166	$ 489	$ 214	$ 78	$ 154	$ 284	$ 730	$ 238	$ 162	$ 400
Operating cash flow margin	4.6 %	24.8 %	9.5 %	26.8 %	28.6 %	22.6 %	35.6 %	13.2 %	23.9 %	42.0 %	28.7 %	35.0 %	22.9 %	28.8 %
Free cash flow margin	3.5 %	24.0 %	8.7 %	25.7 %	27.6 %	21.6 %	34.6 %	12.2 %	23.1 %	41.6 %	28.0 %	34.7 %	22.3 %	28.3 %
Headcount														
Total headcount	6,013	5,683	5,806	5,913	5,908	5,908	5,710	5,938	6,006	5,914	5,914	5,754	5,979	5,979
y-y growth	20 %	6 %	1 %	(2)%	(2)%	(2)%	— %	2 %	2 %	— %	— %	1 %	1 %	1 %
Revenue by Location														
United States	$ 1,456	$ 407	$ 439	$ 459	$ 478	$ 1,783	$ 487	$ 509	$ 526	$ 540	$ 2,062	$ 547	$ 579	$ 1,126
International	402	111	117	125	127	480	130	137	139	142	548	141	149	290
Total	$ 1,858	$ 518	$ 556	$ 584	$ 605	$ 2,263	$ 617	$ 646	$ 665	$ 682	$ 2,610	$ 688	$ 728	$ 1,416

[1] Amounts reported in millions are rounded based on the amounts in thousands. As a result, the sum of the components reported in millions may not equal the total amount reported in millions due to rounding. In addition, percentages presented may not add to their respective totals or recalculate due to rounding.

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