



Okta Q2 FY27 Investor Presentation

August 26, 2026

Safe harbor

This presentation contains “forward-looking statements” (“FLS”) 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 FLS 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 FLS, although not all FLS contain these identifying words. FLS are subject to a number of risks and uncertainties 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 and our other filings with the Securities and Exchange Commission. The FLS included in this presentation represent our views only as of the date of this presentation and we assume no obligation to update them.

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Agenda

01 Company Overview

02 Q2 FY27 Financial Review

03 Q3 & FY27 Financial Outlook

04 Appendix

Company Overview



Free everyone to safely
use any technology



Okta at a glance

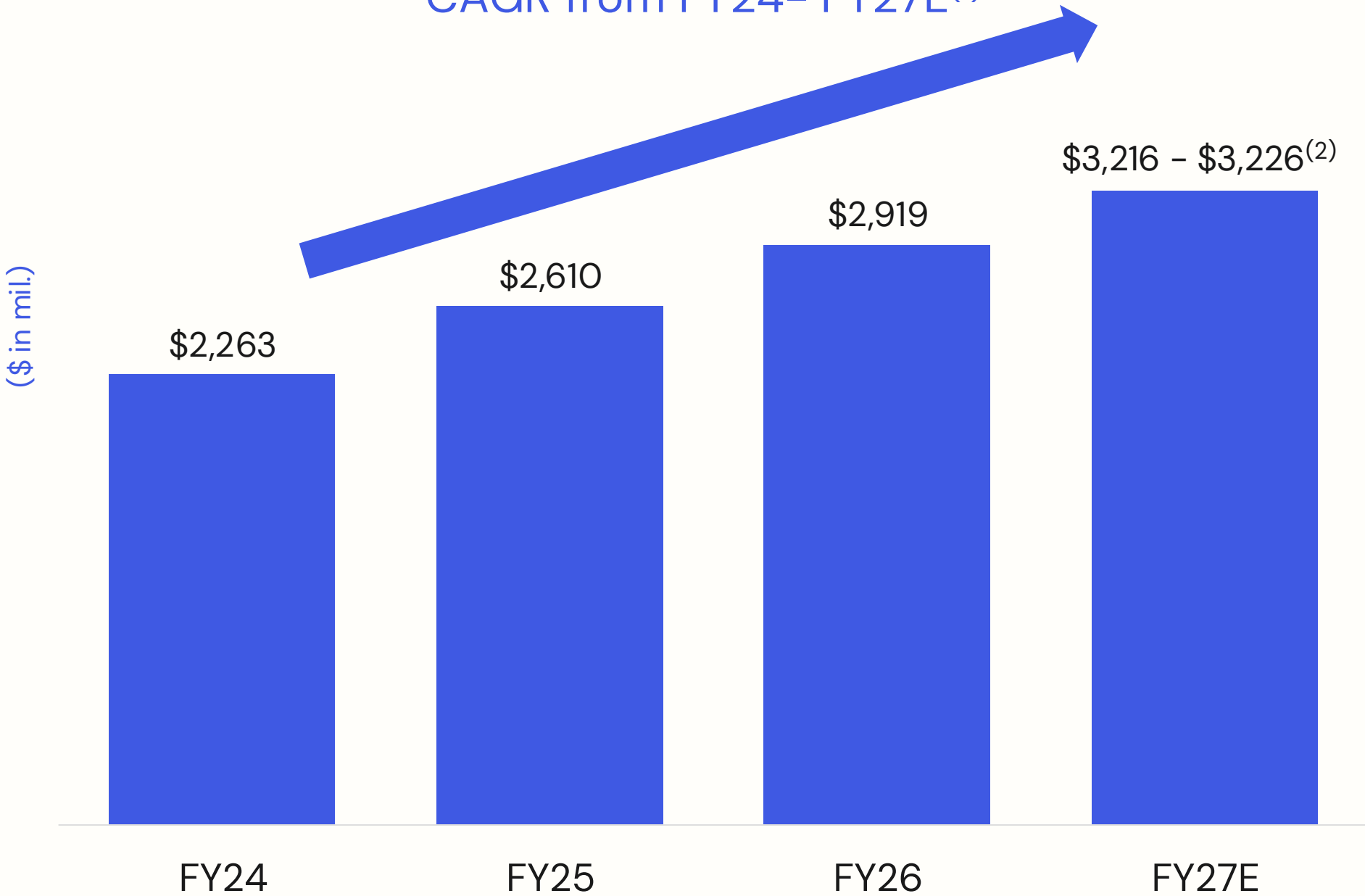
20,000+ Total Customers

5,255 Customers spending >\$100K in ACV

\$4.858B Remaining performance obligation (RPO)

Total Revenue

12%
CAGR from FY24– FY27E⁽¹⁾

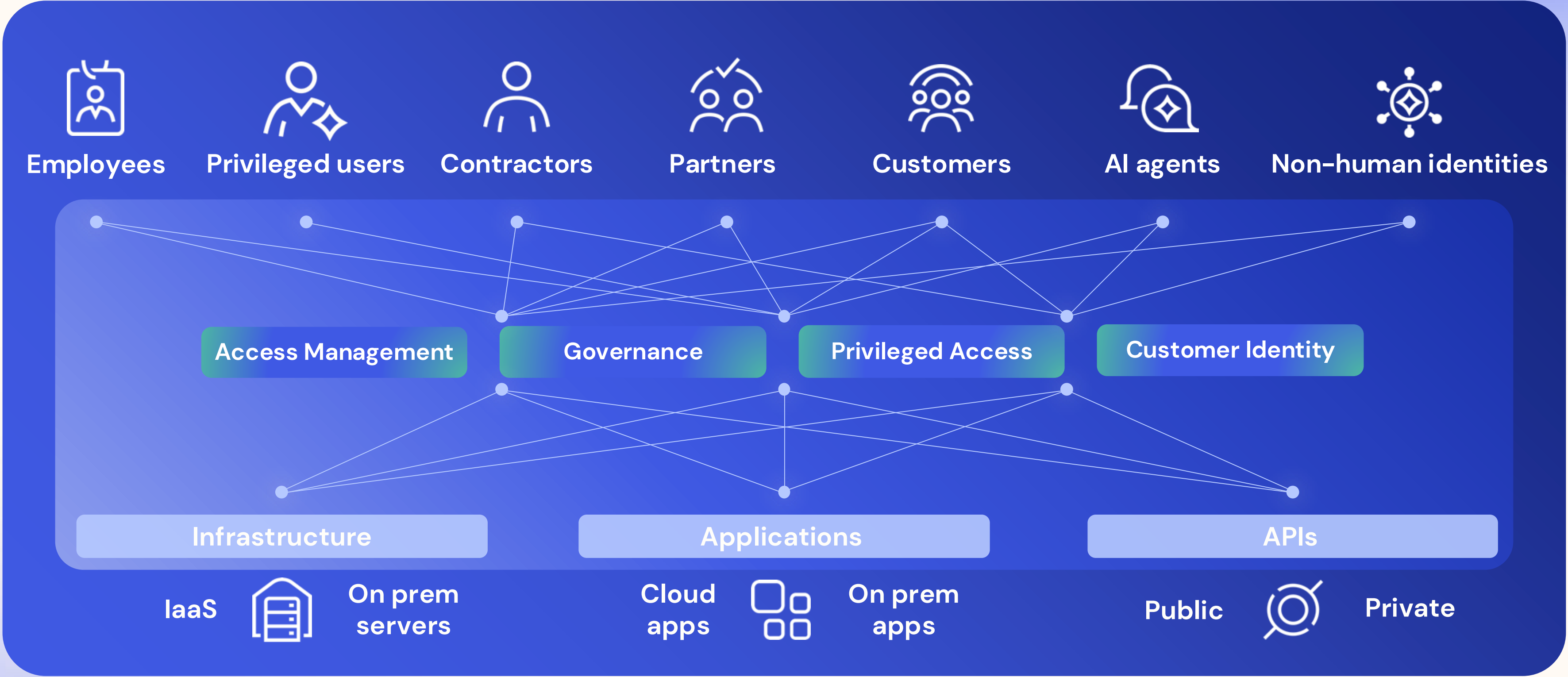


⁽¹⁾ Calculation is based on the midpoint of FY27 revenue outlook as of Aug 26, 2026.

⁽²⁾ FY27E revenue is an estimate based on outlook as of Aug 26, 2026.



One unified identity platform



Strong performance from portfolio of new products



Okta Identity Governance



Okta Privileged Access



Identity Security Posture Management



Identity Threat Protection



Okta Device Access



Fine Grained Authorization



Okta for AI Agents

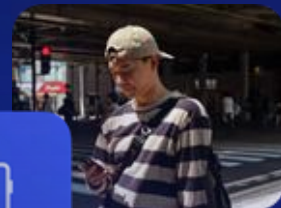
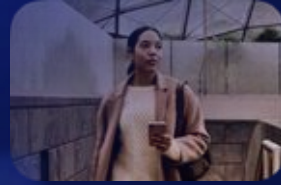


Auth0 for AI Agents





The future of technology is agentic



Okta secures AI



For IT & security teams:
Okta for AI Agents

- Agent registry in Universal Directory
- Agent detection with Identity Security Posture Management
- Agent governance and access certification with Okta Identity Governance
- Privileged account credential vaulting for agents with Okta Privileged Access
- Universal Logout for agents
- Agent gateway



For builders:
Auth0 for AI Agents

- Authentication for AI Agents
- Token Vault
- Fine Grained Authorization for Retrieval-Augmented Generation (RAG)
- Async Auth
- Cross App Access
- Auth for Model Context Protocol (MCP)



Okta provides end-to-end security for non-human identities



Visibility



Access control



Governance and remediation



Okta is the superior choice vs. Microsoft



Ease of Use & Time to Value ([Unified Security Solution](#)¹)

Okta delivers the solution customers need most

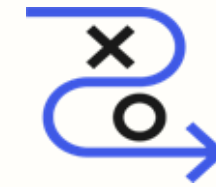
- [Okta protects users before, during, and after authentication](#)²
- To boost MFA adoption beyond [34% among admins](#)³, Microsoft had to make it [mandatory](#)⁴, even though it was offered at zero cost compared to over [90% of Okta admins](#)⁵ before it was mandated
- [Okta outscores MFST 4.5 to 4.1 on Support Experience](#)⁶ in the Gartner® Voice of the Customer report



Executing on Identity Challenges

Okta consistently delivers a complete identity solution

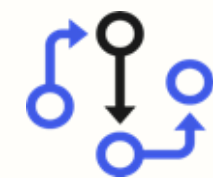
- [Okta places higher than Microsoft in all five use cases](#)⁷ on the Gartner Critical Capabilities for Access Management
- This is the [ninth year in a row](#)⁸ that Okta has been recognized as [a Leader](#)⁹ in the Magic Quadrant™ for Access Management
- Okta surpasses MFST in KuppingerCole's CIAM Leadership Compass; Okta strength called out for "[Extensive Ecosystem of Integrations large partner ecosystem](#)"¹⁰



Depth of Integrations ([IPSIE-enabled](#)¹¹, [Shared Signals](#)¹² & [OIN](#)¹³)

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

- Microsoft integrations favor [its own platform first and best](#)¹⁴
- Okta provides unique and [deep integrations](#)¹⁵ that customers want
- Okta goes beyond simple SSO and MFA with our Secure Identity Integrations (SII). These include [provisioning](#)¹⁶, [entitlements](#)¹⁷, [automation](#)¹⁸, and [Universal Logout](#)¹⁹ with more to come
- [Forrester explicitly recommends Okta for enterprises](#)²⁰ seeking an independent, full-scope workforce IAM platform.



Mitigate Commercial and Operational Risk

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

- The [Okta Secure Identity Commitment \(OSIC\)](#)²¹ is our long-term initiative to lead the industry in the fight against Identity attacks
- Changing contract terms represent significant commercial risk when customers have a heavy dependency on a single vendor. [Okta helps prevent vendor lock-in](#)²²
- Okta's [Enhanced Disaster Recovery](#)²³ gives customers the option to choose their configuration, including failover setup, and decreases the failover time from 1 hour to less than 5 minutes



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



Okta's opportunity



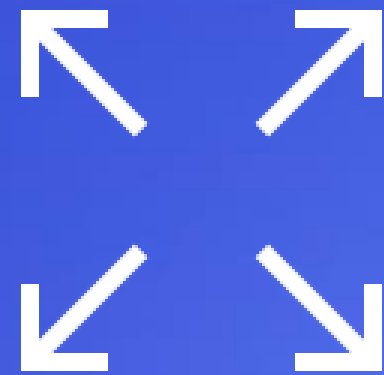
*See Appendix for TAM calculation methodology. Figure not drawn to scale.



Multiple growth vectors



Innovation in
platform and
network



Landing and
expanding in
large enterprise



Leveraging
partner
ecosystem



International
expansion



FY27 Priorities



Okta
secures AI



Land bigger and
grow faster with
large customers



Focus on the US
federal & highly
regulated
environments



Q2 FY27 Financial Review & Financial Outlook

Q2 FY27 financial highlights

	Q2 FY27	vs. Q2 FY26
Total Revenue	\$805M	+ 11%
Subscription Revenue	\$793M	+ 12%
Remaining Performance Obligations (RPO)	\$4,858M	+ 17%
Current Remaining Performance Obligations (cRPO)	\$2,585M	+ 14%
TTM Dollar Based Net Retention Rate	107%	+ 1 pts
Non-GAAP Gross Margin ⁽¹⁾	81.9%	+ 0.4 pts
Non-GAAP Subscription Gross Margin ⁽¹⁾	83.9%	+ 0.2 pts
Non-GAAP Operating Margin ⁽¹⁾	28.2%	+ 0.5 pts
Free Cash Flow Margin ⁽¹⁾	28.1%	+ 5.8 pts
TTM Total Rev. Growth + Free Cash Flow Margin ("Rule of 40")	42%	- 1 pt
Customers > \$100K ACV	5,255	+ 6%
	ACV Split ⁽²⁾	Growth Rate
Workforce Identity ACV	59%	+ 11%
Customer Identity ACV	41%	+ 13%

(1) See appendix for non-GAAP reconciliation.

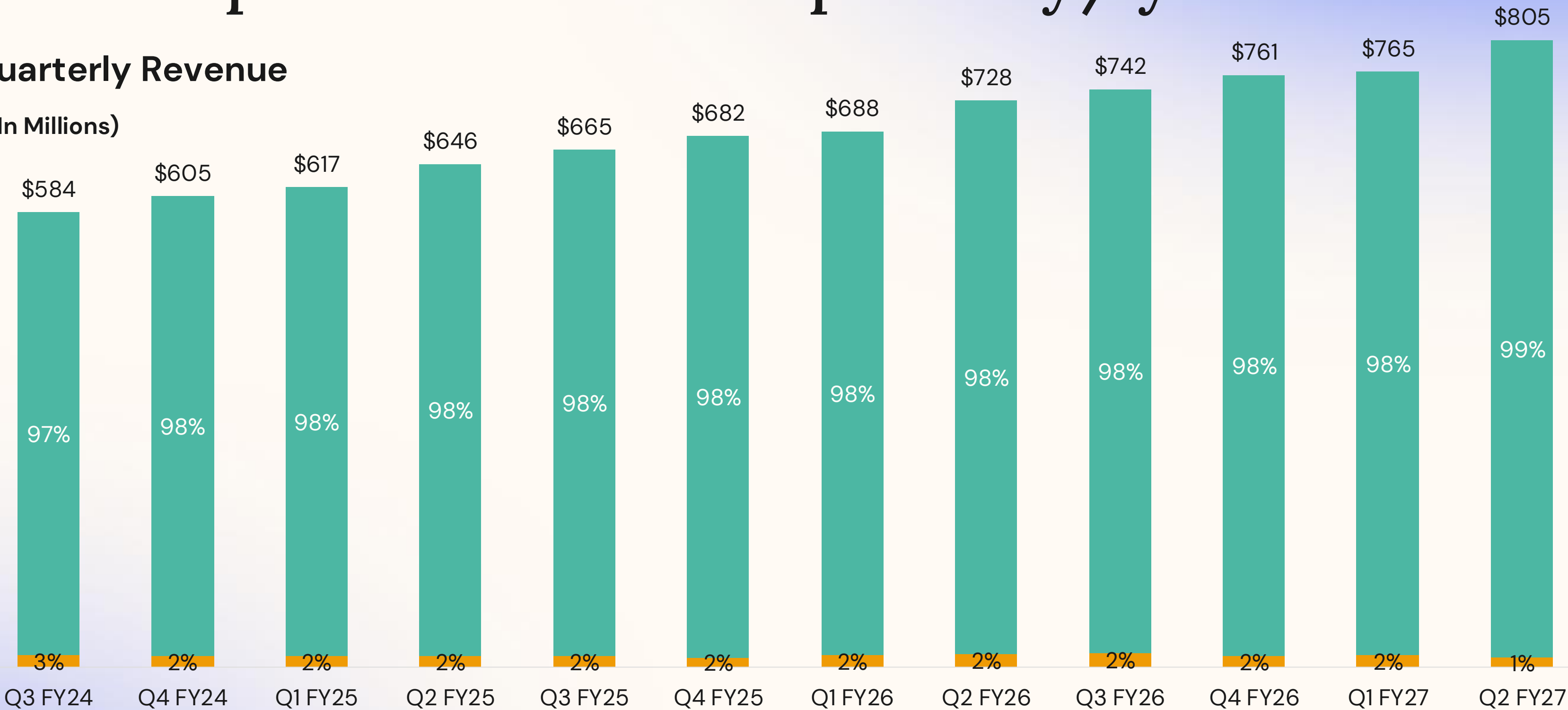
(2) Disclosures for the three-month period ending July 31, 2026.



Total revenue up 11% y/y; Subscription revenue up 12% y/y

Quarterly Revenue

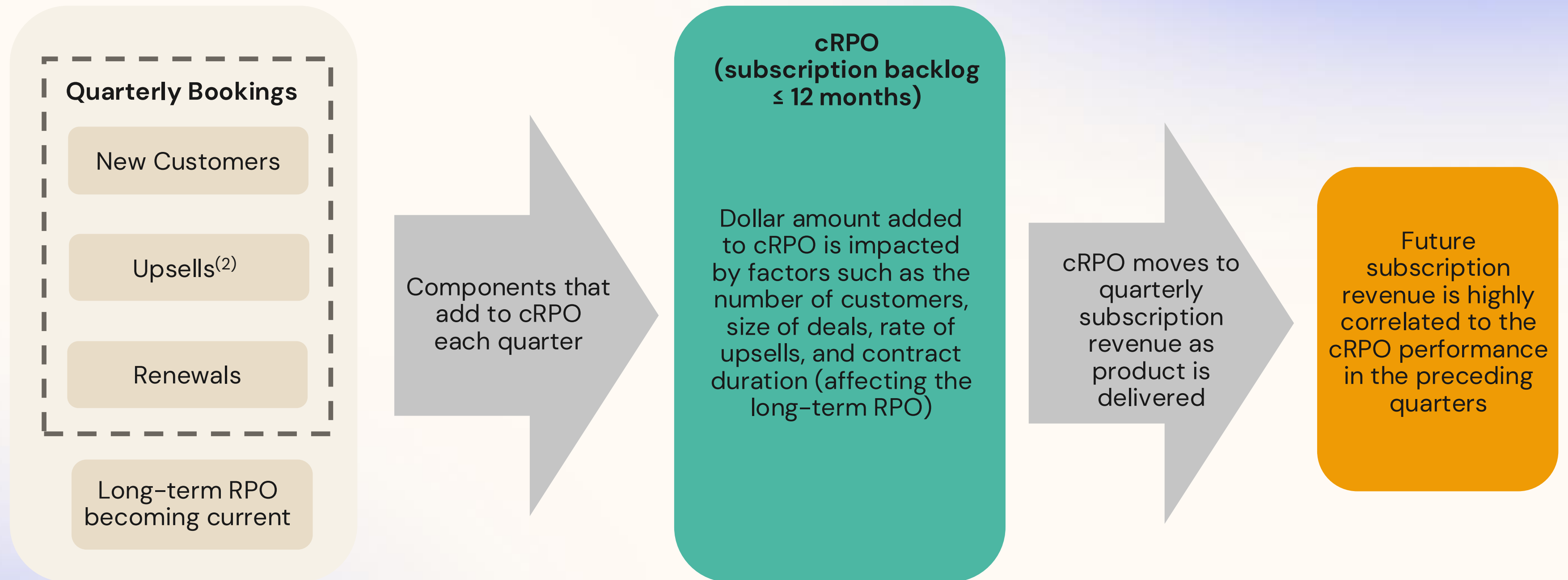
(\$ In Millions)



Professional services & other Subscription



cRPO⁽¹⁾ is a leading indicator for future subscription revenue



(1) Current RPO represents the portion of RPO expected to be recognized during the next 12 months.

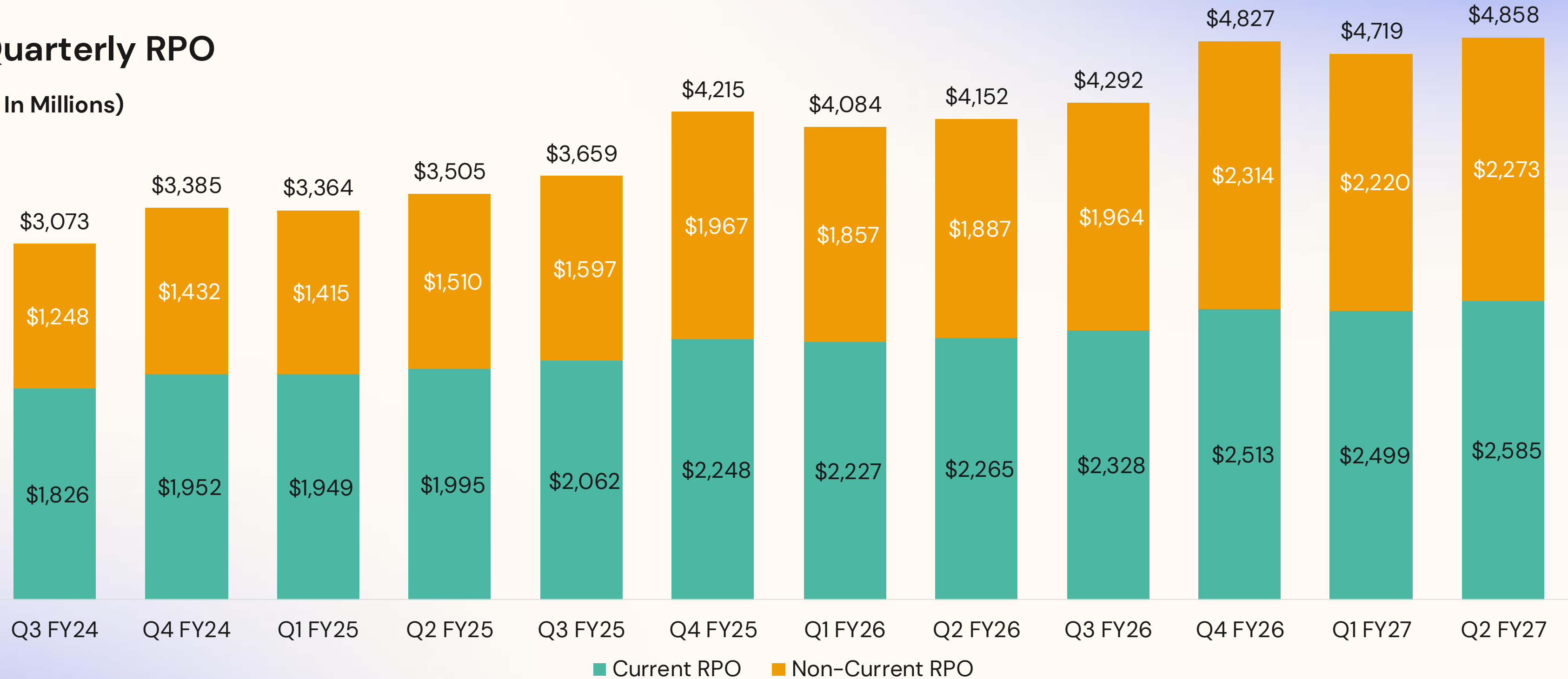
(2) Upsell is inclusive of cross-selling.



RPO up 17% y/y; Current RPO up 14% y/y

Quarterly RPO

(\$ In Millions)



TTM dollar-based net retention rate of 107%

TTM Dollar-based net retention rate⁽¹⁾

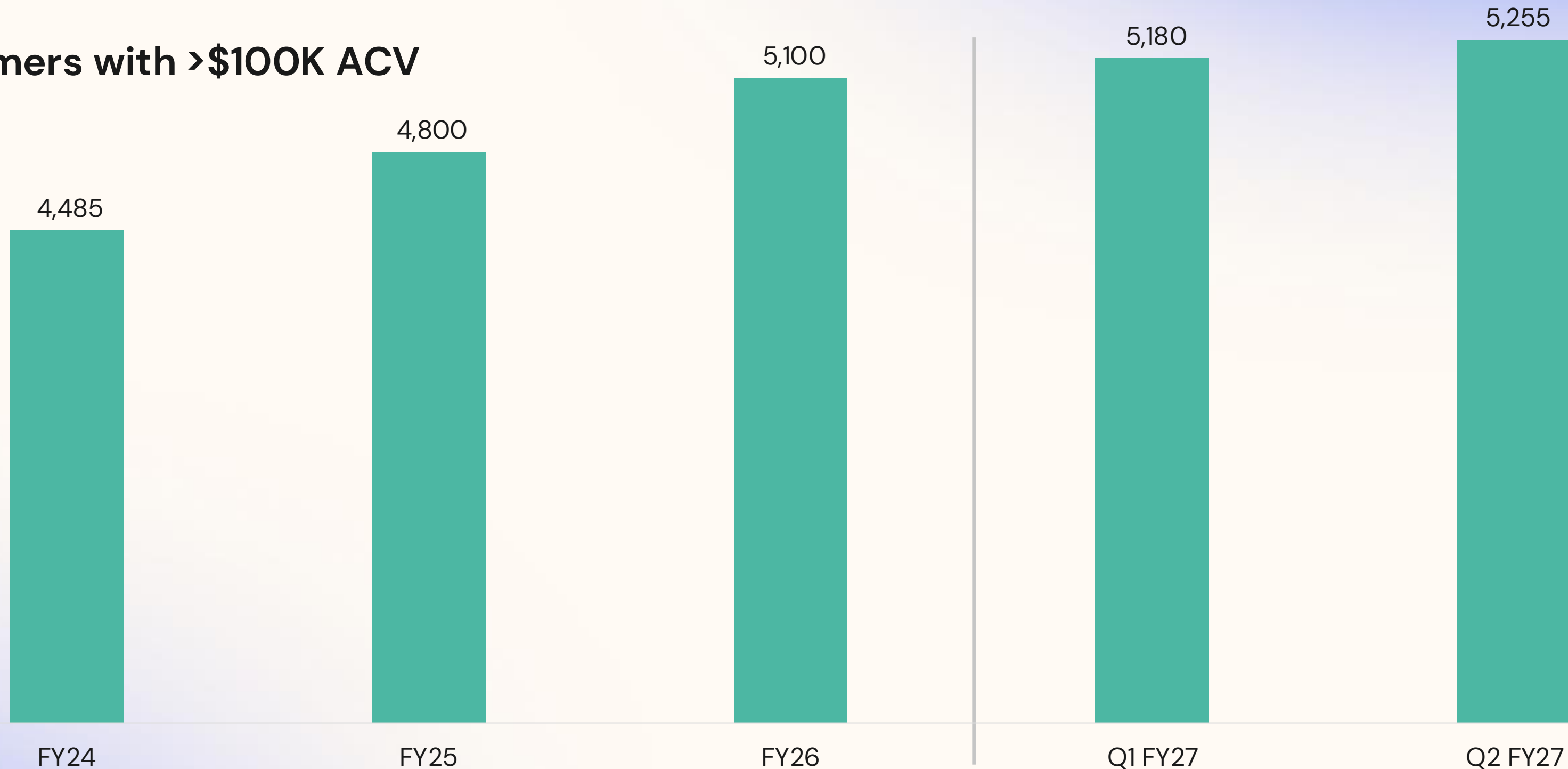


(1) Trailing Twelve Months (TTM) dollar-based net retention rate is calculated based on total ACV. See Appendix for definition.



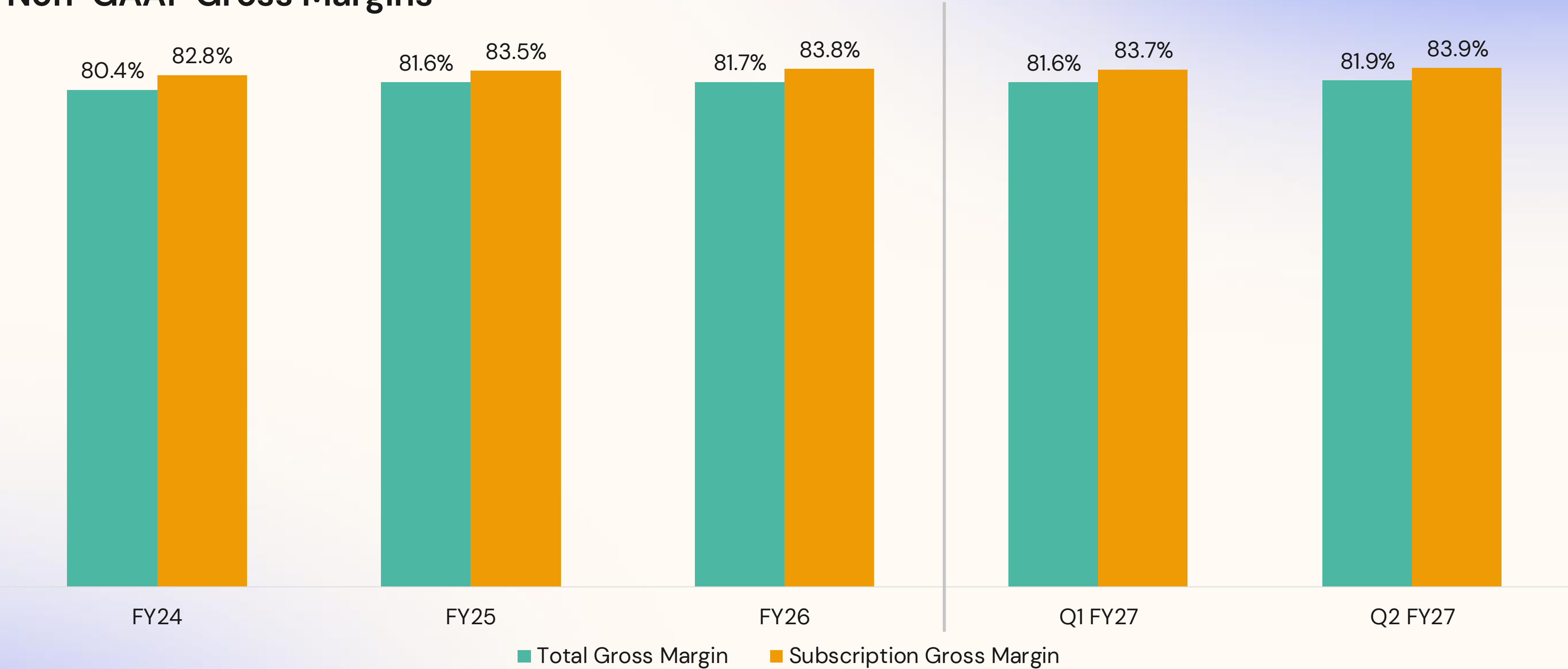
Customers with >\$100k annual contract value up 6% y/y

Customers with >\$100K ACV



Strong non-GAAP gross margins

Non-GAAP Gross Margins⁽¹⁾

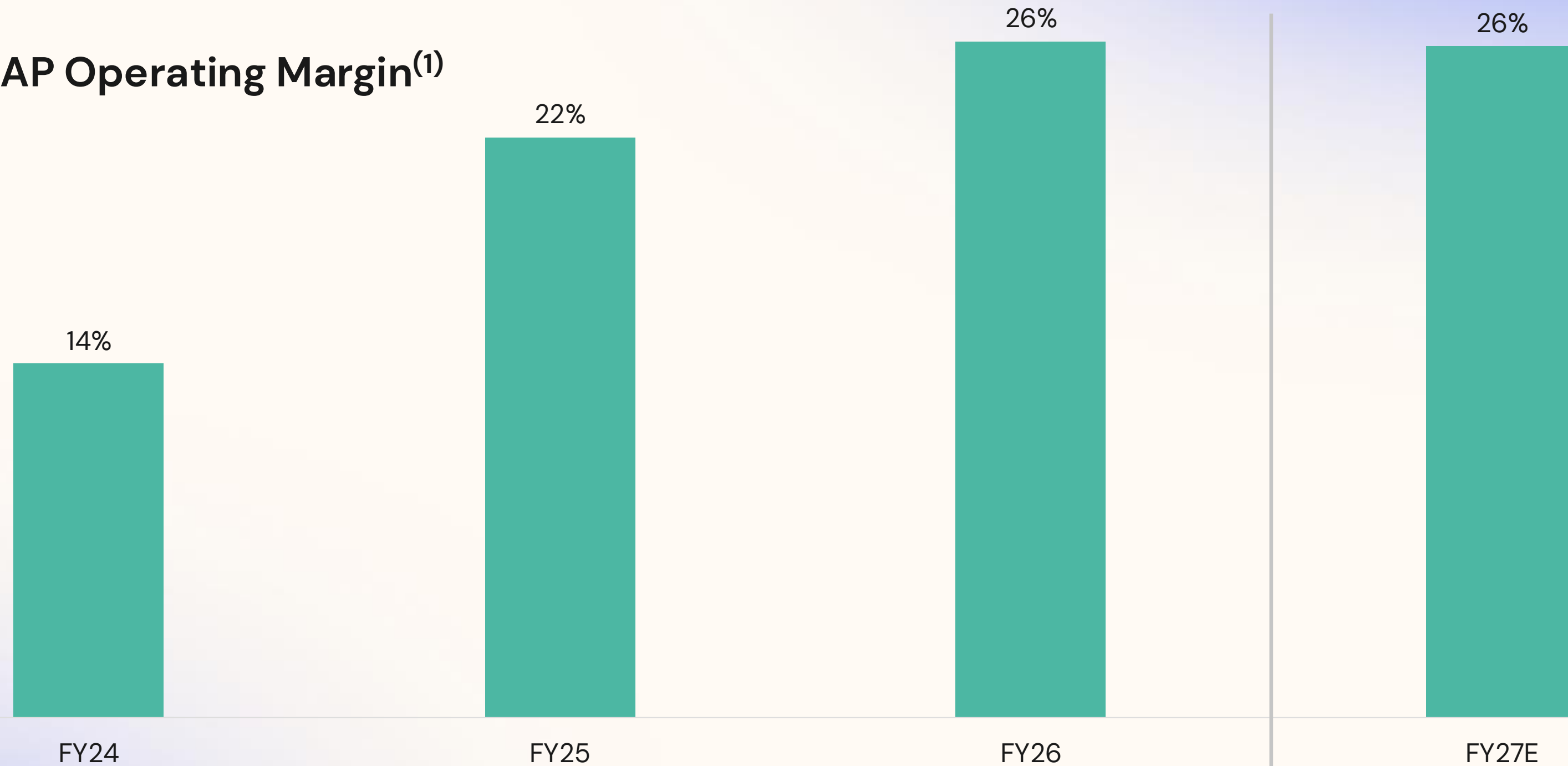


(1) See appendix for non-GAAP reconciliation.



Significant operational efficiency

Non-GAAP Operating Margin⁽¹⁾

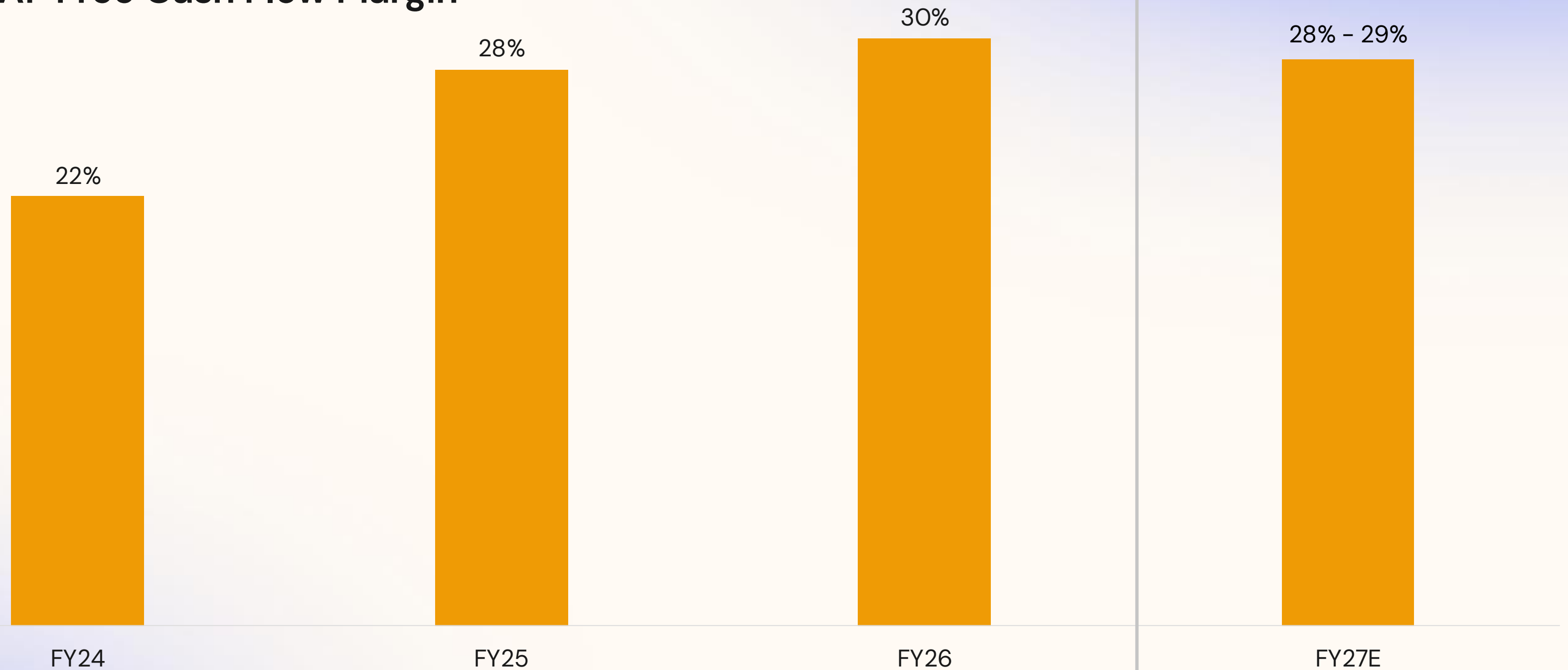


(1) See appendix for non-GAAP reconciliation.



Strong free cash flow margin

Non-GAAP Free Cash Flow Margin⁽¹⁾



(1) See appendix for non-GAAP reconciliation.



Financial outlook⁽¹⁾ for Q3 FY27

	Q3 FY27 (Oct 31, 2026)
Total Revenue <i>Total Revenue Growth (Y/Y)</i>	\$813M to \$817M 10%
Current Remaining Performance Obligations <i>cRPO Growth (Y/Y)</i>	\$2,590M to \$2,600M 11% – 12%
Non-GAAP Operating Income	\$196M to \$200M
Non-GAAP Operating Margin	24% – 25%
Non-GAAP Diluted Net Income Per Share	\$0.92 to \$0.94
Diluted Weighted Average Share Count ⁽²⁾	184 million
Non-GAAP Tax Rate	21%
Non-GAAP Free Cash Flow	\$175M to \$185M
Non-GAAP Free Cash Flow Margin	21% – 23%

(1) Outlook is as of Aug 26, 2026. 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) Fully diluted share count is on a non-GAAP basis.



Financial outlook⁽¹⁾ for FY27

	Fiscal 2027 (January 31, 2027)
Total Revenue <i>Total Revenue Growth (Y/Y)</i>	\$3,216M to \$3,226M 10% – 11%
Non-GAAP Operating Income	\$830M to \$840M
Non-GAAP Operating Margin	26%
Non-GAAP Diluted Net Income Per Share	\$3.90 to \$3.94
Diluted Weighted Average Share Count ⁽²⁾	184 million
Non-GAAP Tax Rate	21%
Non-GAAP Free Cash Flow	\$910M to \$930M
Non-GAAP Free Cash Flow Margin	28% – 29%

(1) Outlook is as of Aug 26, 2026. 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) Fully diluted share count is on a non-GAAP basis.



Key Takeaways

-
- 01 Strong foundation for growth at scale
 - 02 Positioned to extend leadership in identity security
 - 03 Demonstrated leverage in financial model
 - 04 Positioned for profitable growth

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.



Sources: Okta is the superior choice vs. Microsoft

1. [Unified security solution](#)
2. [Okta protects users before, during, and after authentication](#)
3. [The real number of admin accounts \(those holding an Azure AD admin role\) protected by MFA is 34.15%](#)
4. [Microsoft had to make MFA for Azure mandatory](#)
5. [90% of administrators use MFA](#)
6. [Okta outscores MFST 4.5 to 4.1 on Support Experience](#)
7. [Okta places higher than Microsoft in all five use cases](#)
8. [Ninth year in a row that Okta has been recognized in the Magic Quadrant™ for Access Management](#)
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11. [IPSIE](#)
12. [Shared signals](#)
13. [Okta Integration Network](#)
14. [Microsoft integrations favor its own platform first and best](#)
15. [Okta provides unique and deep integrations](#)
16. [Provisioning](#)
17. [Entitlements](#)
18. [Automation](#)
19. [Universal Logout](#)
20. [Forrester explicitly recommends Okta for enterprises](#)
21. [Okta Secure Identity Commitment](#)
22. [Okta helps prevent vendor lock-in](#)
23. [Enhanced Disaster Recovery](#)



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. Effective February 1, 2026, the beginning of our first quarter of fiscal 2027, we are using a fixed long-term projected non-GAAP tax rate of 21% in our computation of the non-GAAP income tax provision. Through fiscal 2026 we used a tax rate of 26%. The non-GAAP tax rate is 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)

	FY24	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	FY25	Q1 FY26	Q2 FY26	Q3 FY26	Q4 FY26	FY26	Q1 FY27	Q2 FY27	FY27 YTD
GAAP subscription gross profit	\$ 1,703	\$ 473	\$ 495	\$ 511	\$ 528	\$ 2,007	\$ 537	\$ 564	\$ 577	\$ 599	\$ 2,277	\$ 600	\$ 648	\$ 1,248
Stock-based compensation	75	19	22	20	21	82	17	21	19	17	74	16	15	31
Amortization of acquired intangibles	47	12	12	10	10	44	10	11	10	12	43	11	3	14
Non-GAAP subscription gross profit	\$ 1,825	\$ 504	\$ 529	\$ 541	\$ 559	\$ 2,133	\$ 564	\$ 596	\$ 606	\$ 628	\$ 2,394	\$ 627	\$ 666	\$ 1,293
Non-GAAP subscription gross margin	82.8 %	83.5 %	83.6 %	83.2 %	83.5 %	83.5 %	83.9 %	83.7 %	83.6 %	84.1 %	83.8 %	83.7 %	83.9 %	83.8 %
GAAP professional services gross profit	\$ (21)	\$ (4)	\$ (4)	\$ (3)	\$ (4)	\$ (15)	\$ (4)	\$ (4)	\$ (5)	\$ (6)	\$ (19)	\$ (5)	\$ (7)	\$ (12)
Stock-based compensation	15	3	3	3	3	12	3	2	3	2	10	2	1	3
Non-GAAP professional services gross profit	\$ (6)	\$ (1)	\$ (1)	\$ —	\$ (1)	\$ (3)	\$ (1)	\$ (2)	\$ (2)	\$ (4)	\$ (9)	\$ (3)	\$ (6)	\$ (9)
Non-GAAP professional services gross margin	(10.8)%	(3.4)%	(6.6)%	(2.5)%	(13.2)%	(6.2)%	(9.0)%	(8.2)%	(8.4)%	(30.3)%	(13.1)%	(20.2)%	(53.4)%	(34.4)%
GAAP total gross profit	\$ 1,682	\$ 469	\$ 491	\$ 508	\$ 524	\$ 1,992	\$ 533	\$ 560	\$ 572	\$ 593	\$ 2,258	\$ 595	\$ 641	\$ 1,236
Stock-based compensation	90	22	25	23	24	94	20	23	22	19	84	18	16	34
Amortization of acquired intangibles	47	12	12	10	10	44	10	11	10	12	43	11	3	14
Non-GAAP total gross profit	\$ 1,819	\$ 503	\$ 528	\$ 541	\$ 558	\$ 2,130	\$ 563	\$ 594	\$ 604	\$ 624	\$ 2,385	\$ 624	\$ 660	\$ 1,284
Non-GAAP total gross margin	80.4 %	81.5 %	81.7 %	81.4 %	81.8 %	81.6 %	81.9 %	81.5 %	81.4 %	82.1 %	81.7 %	81.6 %	81.9 %	81.8 %



GAAP to non-GAAP reconciliations - fiscal quarters⁽¹⁾

(dollars in millions)

	FY24	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	FY25	Q1 FY26	Q2 FY26	Q3 FY26	Q4 FY26	FY26	Q1 FY27	Q2 FY27	FY27 YTD
GAAP research and development expense	\$ 656	\$ 163	\$ 164	\$ 158	\$ 157	\$ 642	\$ 154	\$ 160	\$ 160	\$ 165	\$ 639	\$ 163	\$ 163	\$ 326
Stock-based compensation	277	63	56	49	48	216	47	51	49	49	196	41	36	77
Amortization of acquired intangibles	—	—	—	—	1	1	—	—	—	—	—	—	—	—
Non-GAAP research and development expense	\$ 379	\$ 100	\$ 108	\$ 109	\$ 108	\$ 425	\$ 107	\$ 109	\$ 111	\$ 116	\$ 443	\$ 122	\$ 127	\$ 249
Non-GAAP research and development expense as a percentage of revenue	16.8 %	16.2 %	16.7 %	16.4 %	15.9 %	16.3 %	15.5 %	14.9 %	15.1 %	15.2 %	15.2 %	15.9 %	15.7 %	15.8 %
GAAP sales and marketing expense	\$ 1,036	\$ 236	\$ 238	\$ 256	\$ 235	\$ 965	\$ 237	\$ 246	\$ 271	\$ 264	\$ 1,018	\$ 278	\$ 273	\$ 551
Stock-based compensation	156	30	36	33	32	131	32	35	33	32	132	29	32	61
Amortization of acquired intangibles	31	7	6	8	7	28	7	6	6	6	25	7	—	7
Non-GAAP sales and marketing expense	\$ 849	\$ 199	\$ 196	\$ 215	\$ 196	\$ 806	\$ 198	\$ 205	\$ 232	\$ 226	\$ 861	\$ 242	\$ 241	\$ 483
Non-GAAP sales and marketing expense as a percentage of revenue	37.5 %	32.3 %	30.3 %	32.4 %	28.9 %	30.9 %	28.8 %	28.3 %	31.1 %	29.7 %	29.5 %	31.8 %	29.8 %	30.7 %
GAAP general and administrative expense	\$ 450	\$ 117	\$ 108	\$ 110	\$ 113	\$ 448	\$ 103	\$ 113	\$ 118	\$ 114	\$ 448	\$ 98	\$ 98	\$ 196
Stock-based compensation	161	36	31	30	27	124	29	35	34	34	132	29	30	59
Non-cash charitable contributions	6	3	1	1	—	5	—	—	—	—	—	—	—	—
Acquisition and integration-related expenses	2	—	—	—	—	—	—	—	1	—	1	—	2	2
Legal settlements and related expenses	—	7	—	—	—	7	—	—	—	—	—	—	—	—
Non-GAAP general and administrative expense	\$ 281	\$ 71	\$ 76	\$ 79	\$ 86	\$ 312	\$ 74	\$ 78	\$ 83	\$ 80	\$ 315	\$ 69	\$ 66	\$ 135
Non-GAAP general and administrative expense as a percentage of revenue	12.4 %	11.5 %	11.7 %	12.0 %	12.3 %	11.9 %	10.8 %	10.7 %	11.1 %	10.7 %	10.8 %	9.0 %	8.3 %	8.6 %
GAAP restructuring and other charges	\$ 56	\$ —	\$ —	\$ —	\$ 11	\$ 11	\$ —	\$ —	\$ —	\$ 4	\$ 4	\$ —	\$ —	\$ —
Restructuring costs	56	—	—	—	11	11	—	—	—	4	4	—	—	—
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)

	FY24	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	FY25	Q1 FY26	Q2 FY26	Q3 FY26	Q4 FY26	FY26	Q1 FY27	Q2 FY27	FY27 YTD
GAAP total operating expenses	\$ 2,198	\$ 516	\$ 510	\$ 524	\$ 516	\$ 2,066	\$ 494	\$ 519	\$ 549	\$ 547	\$ 2,109	\$ 539	\$ 534	\$ 1,073
Stock-based compensation	594	129	123	112	107	471	108	121	116	115	460	99	98	197
Non-cash charitable contributions	6	3	1	1	—	5	—	—	—	—	—	—	—	—
Amortization of acquired intangibles	31	7	6	8	8	29	7	6	6	6	25	7	—	7
Acquisition and integration-related expenses	2	—	—	—	—	—	—	—	1	—	1	—	2	2
Restructuring costs	56	—	—	—	11	11	—	—	—	4	4	—	—	—
Legal settlements and related expenses	—	7	—	—	—	7	—	—	—	—	—	—	—	—
Non-GAAP total operating expenses	\$ 1,509	\$ 370	\$ 380	\$ 403	\$ 390	\$ 1,543	\$ 379	\$ 392	\$ 426	\$ 422	\$ 1,619	\$ 433	\$ 434	\$ 867
Non-GAAP total operating expenses as a percentage of revenue	66.7 %	60.0 %	58.7 %	60.7 %	57.2 %	59.1 %	55.1 %	53.8 %	57.3 %	55.6 %	55.5 %	56.7 %	53.8 %	55.2 %
GAAP operating income (loss)	\$ (516)	\$ (47)	\$ (19)	\$ (16)	\$ 8	\$ (74)	\$ 39	\$ 41	\$ 23	\$ 46	\$ 149	\$ 56	\$ 107	\$ 163
Stock-based compensation	684	151	148	135	131	565	128	144	138	134	544	117	114	231
Non-cash charitable contributions	6	3	1	1	—	5	—	—	—	—	—	—	—	—
Amortization of acquired intangibles	78	19	18	18	18	73	17	17	16	18	68	18	3	21
Acquisition and integration-related expenses	2	—	—	—	—	—	—	—	1	—	1	—	2	2
Restructuring costs	56	—	—	—	11	11	—	—	—	4	4	—	—	—
Legal settlements and related expenses	—	7	—	—	—	7	—	—	—	—	—	—	—	—
Non-GAAP operating income	\$ 310	\$ 133	\$ 148	\$ 138	\$ 168	\$ 587	\$ 184	\$ 202	\$ 178	\$ 202	\$ 766	\$ 191	\$ 226	\$ 417
Non-GAAP operating margin	13.7 %	21.6 %	23.0 %	20.7 %	24.6 %	22.5 %	26.7 %	27.7 %	24.0 %	26.5 %	26.2 %	24.9 %	28.2 %	26.6 %
Interest and other, net	\$ 179	\$ 25	\$ 31	\$ 41	\$ 23	\$ 120	\$ 29	\$ 26	\$ 27	\$ 24	\$ 106	\$ 22	\$ 19	\$ 41
Amortization of debt issuance costs	3	—	1	1	—	2	1	—	—	—	1	—	—	—
Gain on early extinguishment of debt	(106)	—	(3)	(16)	—	(19)	—	—	—	—	—	—	—	—
Non-GAAP interest and other, net	\$ 76	\$ 25	\$ 29	\$ 26	\$ 23	\$ 103	\$ 30	\$ 26	\$ 27	\$ 24	\$ 107	\$ 22	\$ 19	\$ 41



GAAP to non-GAAP reconciliations - fiscal quarters⁽¹⁾

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

	FY24	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	FY25	Q1 FY26	Q2 FY26	Q3 FY26	Q4 FY26	FY26	Q1 FY27	Q2 FY27	FY27 YTD
GAAP net income (loss)	\$ (355)	\$ (40)	\$ 29	\$ 16	\$ 23	\$ 28	\$ 62	\$ 67	\$ 43	\$ 63	\$ 235	\$ 74	\$ 116	\$ 190
Stock-based compensation	684	151	148	135	131	565	128	144	138	134	544	117	114	231
Amortization of debt issuance costs	3	—	1	1	—	2	1	—	—	—	1	—	—	—
Non-cash charitable contributions	6	3	1	1	—	5	—	—	—	—	—	—	—	—
Amortization of acquired intangibles	78	19	18	18	18	73	17	17	16	18	68	18	3	21
Acquisition and integration-related expenses	2	—	—	—	—	—	—	—	1	—	1	—	2	2
Gain on early extinguishment of debt	(106)	—	(3)	(16)	—	(19)	—	—	—	—	—	—	—	—
Restructuring costs	56	—	—	—	11	11	—	—	—	4	4	—	—	—
Legal settlements and related expenses	—	7	—	—	—	7	—	—	—	—	—	—	—	—
Tax adjustment	(82)	(23)	(63)	(34)	(42)	(162)	(50)	(59)	(46)	(52)	(207)	(41)	(41)	(82)
Non-GAAP net income	\$ 286	\$ 117	\$ 131	\$ 121	\$ 141	\$ 510	\$ 158	\$ 169	\$ 152	\$ 167	\$ 646	\$ 168	\$ 194	\$ 362
GAAP net income (loss) per share, diluted	\$ (2.17)	\$ (0.24)	\$ 0.15	\$ —	\$ 0.13	\$ 0.06	\$ 0.35	\$ 0.37	\$ 0.24	\$ 0.35	\$ 1.31	\$ 0.42	\$ 0.65	\$ 1.07
Adjustments for difference in weighted-average shares outstanding	0.19	0.02	0.01	0.09	0.01	0.09	(0.01)	(0.01)	(0.01)	(0.01)	(0.05)	(0.02)	(0.01)	(0.04)
Stock-based compensation	3.83	0.84	0.81	0.74	0.72	3.11	0.70	0.78	0.74	0.73	2.95	0.64	0.61	1.25
Amortization of debt issuance costs	0.02	—	0.01	—	—	0.02	—	—	—	—	0.01	—	—	—
Non-cash charitable contributions	0.03	0.01	0.01	0.01	—	0.03	—	—	—	—	—	—	—	—
Amortization of acquired intangibles	0.43	0.11	0.10	0.09	0.09	0.39	0.09	0.09	0.09	0.09	0.37	0.09	0.02	0.12
Acquisition and integration-related expenses	0.01	—	—	—	—	—	—	—	0.01	—	0.01	—	0.01	0.01
Gain on early extinguishment of debt	(0.60)	—	(0.02)	(0.08)	—	(0.10)	—	—	—	—	—	—	—	—
Restructuring costs	0.32	—	—	—	0.06	0.06	—	—	—	0.02	0.02	—	—	—
Legal settlements and related expenses	—	0.04	—	—	—	0.04	—	—	—	—	—	—	—	—
Tax adjustment	(0.46)	(0.13)	(0.35)	(0.18)	(0.23)	(0.89)	(0.27)	(0.32)	(0.25)	(0.28)	(1.12)	(0.22)	(0.23)	(0.45)
Non-GAAP net income per share, diluted	\$ 1.60	\$ 0.65	\$ 0.72	\$ 0.67	\$ 0.78	\$ 2.81	\$ 0.86	\$ 0.91	\$ 0.82	\$ 0.90	\$ 3.50	\$ 0.91	\$ 1.05	\$ 1.96

Weighted-average shares outstanding used to compute non-GAAP net income per share, diluted

178,397	180,427	182,364	181,949	181,572	181,589	183,176	185,227	184,758	184,891	184,528	184,061	184,448	184,240
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Calculations of key & other selected metrics - fiscal quarters⁽¹⁾

(dollars in millions, except headcount data)

	FY24	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	FY25	Q1 FY26	Q2 FY26	Q3 FY26	Q4 FY26	FY26	Q1 FY27	Q2 FY27	FY27 YTD
Free Cash Flow and Margin														
Net cash provided by operating activities	\$ 512	\$ 219	\$ 86	\$ 159	\$ 286	\$ 750	\$ 241	\$ 167	\$ 218	\$ 258	\$ 884	\$ 277	\$ 234	\$ 511
Less:														
Purchases of property and equipment	(8)	(1)	(5)	(1)	(1)	(8)	(1)	(2)	(4)	(2)	(9)	(1)	(1)	(2)
Capitalized software	(15)	(4)	(3)	(4)	(1)	(12)	(2)	(3)	(3)	(4)	(12)	(5)	(6)	(11)
Free cash flow	\$ 489	\$ 214	\$ 78	\$ 154	\$ 284	\$ 730	\$ 238	\$ 162	\$ 211	\$ 252	\$ 863	\$ 271	\$ 227	\$ 498
Operating cash flow margin	22.6 %	35.6 %	13.2 %	23.9 %	42.0 %	28.7 %	35.0 %	22.9 %	29.4 %	33.9 %	30.3 %	36.3 %	29.0 %	32.5 %
Free cash flow margin	21.6 %	34.6 %	12.2 %	23.1 %	41.6 %	28.0 %	34.7 %	22.3 %	28.3 %	33.2 %	29.6 %	35.5 %	28.1 %	31.7 %
Headcount														
Total headcount	5,908	5,710	5,938	6,006	5,914	5,914	5,754	5,979	6,270	6,366	6,366	6,447	6,572	6,572
<i>y-y growth</i>	(2)%	— %	2 %	2 %	— %	— %	1 %	1 %	4 %	8 %	8 %	12 %	10 %	10 %
Revenue by Location														
United States	\$ 1,783	\$ 487	\$ 509	\$ 526	\$ 540	\$ 2,062	\$ 547	\$ 579	\$ 590	\$ 605	\$ 2,321	\$ 608	\$ 638	\$ 1,246
International	480	130	137	139	142	548	141	149	152	156	598	157	167	324
Total	\$ 2,263	\$ 617	\$ 646	\$ 665	\$ 682	\$ 2,610	\$ 688	\$ 728	\$ 742	\$ 761	\$ 2,919	\$ 765	\$ 805	\$ 1,570

⁽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.

