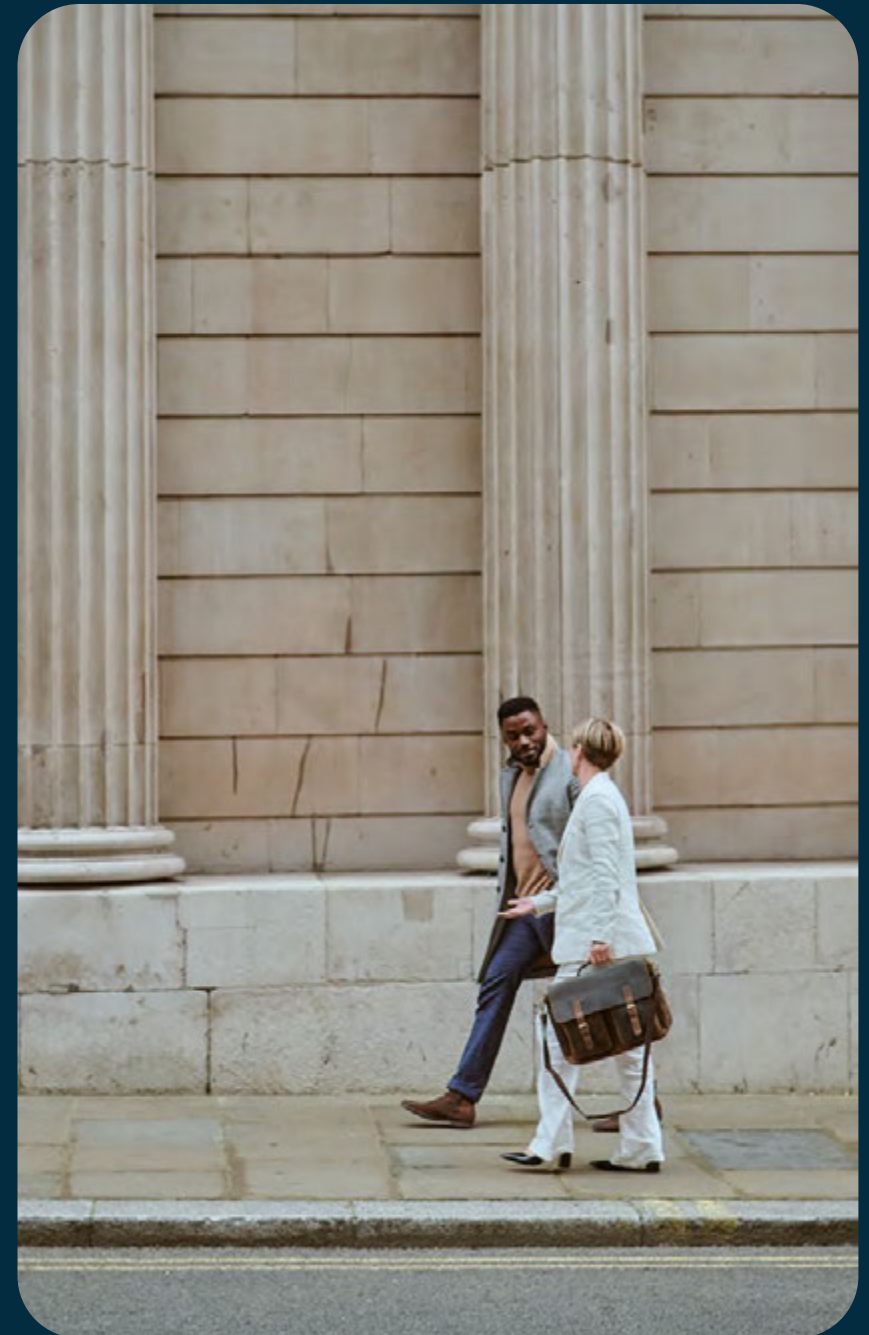


servicenow®

Financial Analyst Day 2022

| **May 24, 2022**

| Las Vegas, NV



Welcome

2. Welcome

Darren Yip, VP of Investor Relations

6. Vision & Strategy

Bill McDermott, President and Chief Executive Officer

Nick Tzitzon, Chief Strategy and Corporate Affairs Officer

14. Innovating our Platform for the Future

CJ Desai, Chief Operating Officer

36. A New Era for Technology Workflows

Pablo Stern, SVP Technology Workflows

47. Experience Design for Business Impact

Amy Lokey, SVP Customer Experience

61. The Customer Experience

Paul Smith, Chief Commercial Officer

66. Financial Overview and ESG Strategy

Gina Mastantuono, Chief Financial Officer

Safe Harbor and Other Information

This presentation contains “forward-looking” statements that are based on our management’s beliefs and assumptions and on information currently available to management. Forward-looking statements include information concerning our possible or assumed strategy, future operations, financing plans, operating model, financial position, future revenues, projected costs, competitive position, industry environment, potential growth opportunities, potential market opportunities, plans and objectives of management, the effects of competition on our business and customer trends.

Forward-looking statements include all statements that are not historical facts and can be identified by terms such as “anticipates,” “believes,” “could,” “seeks,” “estimates” (including, without limitation, financial estimates denoted with an “E,” such as 2022E), “targets,” “guidance,” “expects,” “intends,” “may,” “plans,” “potential,” “predicts,” “prospects,” “projects,” “should,” “will,” “would” or similar expressions and the negatives of those terms, although not all forward-looking statements contain these identifying words.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Additionally, these forward-looking statements, particularly our targets and guidance, involve risk, uncertainties and assumptions based on information available to us as of 5/24/22, including those related to the continued impacts of COVID-19 on our business, future financial performance, global economic conditions and demand for digital transformation. Many of these assumptions relate to matters that are beyond our control and changing rapidly, including, but not limited to, material changes in the value of foreign currencies relative to the U.S. Dollar, the timeframes for and severity of social distancing and other government responses to COVID-19, the continued impact of COVID-19 on new or existing customers’ purchasing decisions and the length of our sales cycles, renewal timing or billings terms, the impact of the Russian invasion of Ukraine on macroeconomic conditions; inflation; and fluctuations and volatility in our stock price. If any such risks or uncertainties materialize or if any of the assumptions prove incorrect, our results could differ materially from the results expressed or implied by the forward-looking statements we make. Further information on these and other factors that could cause or contribute to such differences include, but are not limited to those discussed in the section titled “Risk Factors” in our Annual Report on Form 10-K filed for the year ended December 31, 2021 and in our other Securities and Exchange Commission (“SEC”) filings, including our most recent Quarterly Report on Form 10-Q. We cannot guarantee that we will achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements.

Forward-looking statements represent our management’s beliefs and assumptions only as of the date of this presentation. We undertake no obligation, and do not intend, to update these forward-looking statements, to review or confirm analysts’ expectations, or to provide interim reports or updates on the progress of the current financial quarter.

This presentation includes certain non-GAAP financial measures and the corresponding growth rates as defined by SEC rules. For additional information, see the slide titled “Statement Regarding Use of Non-GAAP Financial Measures.”

Terms such as Remaining Performance Obligations (RPO), Current Remaining Performance Obligations (cRPO) and Renewal Rate shall have the meanings set forth in our filings with the SEC.

The information in this presentation on new products, features, or functionality is intended to outline our general product direction and should not be relied upon in making a purchasing decision. The information on new products, features, and functionality is for informational purposes only and shall not be incorporated into any contract. The information on new products, features, and functionality is not a commitment, promise, or legal obligation to deliver any material, code or functionality. The development, release, and timing of any features or functionality described for our products remains at our sole discretion.

The comparison period amounts and the related growth rates included in this presentation, unless otherwise noted, have been adjusted from previously reported amounts to reflect the impact of the full retrospective adoption of Topic 606.

Numbers in this presentation may be rounded for presentation purposes.

Statement Regarding Use of Non-GAAP Financial Measures

We report non-GAAP financial measures in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP.

We adjust revenues and related growth rates, and current remaining performance obligations growth rates for constant currency to provide a framework for assessing how our business performed excluding the effect of foreign currency rate fluctuations. To present this information, current period results for entities reporting in currencies other than U.S. Dollars are converted into U.S. Dollars at the exchange rates in effect for the comparison period, rather than the actual exchange rates in effect for the current period. We believe the presentation of revenues and corresponding growth rates adjusted for constant currency facilitates the comparison of revenues year-over-year. We believe the presentation of current remaining performance obligations growth rates adjusted for constant currency facilitates the comparison of current remaining performance obligations year-over-year.

Our non-GAAP presentation of sales efficiency represents the change in total revenue in a given year, divided by prior year change in non-GAAP sales & marketing expenses. Our non-GAAP presentation of sales & marketing expenses exclude certain non-cash or non-recurring items, including stock-based compensation, amortization of purchased intangibles and business combinations and other related costs. We believe information regarding sales efficiency provides useful information to investors because it demonstrates the incremental revenue generated by new sales & marketing spend.

Our non-GAAP presentation of income from operations and operating margin exclude certain non-cash or non-recurring items, including stock-based compensation expense, amortization of purchased intangibles, legal settlements, business combination and other related costs. Non-GAAP operating margin is calculated as non-GAAP income from operations as a percentage of total revenues. We believe these adjustments provide useful supplemental information to investors and facilitates the analysis of our operating results and comparison of operating results across reporting periods.

Free cash flow, which is a non-GAAP financial measure, is defined as net cash provided by (used in) operating activities plus cash paid for legal settlements, repayments of convertible senior notes attributable to debt discount and business combination and other related costs, reduced by purchases of property and equipment. Free cash flow margin is calculated as free cash flow as a percentage of total revenues. Our non-GAAP presentation of Rule of 60 is defined as free cash flow margin plus total revenue growth rate. We believe information regarding free cash flow and free cash flow margin and adjustments to free cash flow margin provides useful information to investors because it is an indicator of the strength and performance of our business operations.

Our non-GAAP presentation of tax rate excludes the tax effects of stock-based compensation expense, amortization of purchased intangibles, legal settlements, business combination and other related costs.

Long-term 2024E targets for free cash flow margin, operating margin growth and tax rate are forward-looking non-GAAP financial information. We have not reconciled the targets for these non-GAAP financial measures to their most directly comparable GAAP measure as a result of uncertainty regarding, and the potential variability of, the components in and items excluded from these non-GAAP measures in future periods. Accordingly, reconciliation is not available without unreasonable effort. However, it is important to note that the components and excluded items could be material to our results computed in accordance with GAAP in future periods.

Our presentation of non-GAAP financial measures may not be comparable to similar measures used by other companies. We encourage investors to carefully consider our results under GAAP, as well as our supplemental non-GAAP information and the reconciliation between these presentations, to more fully understand our business. Please see the tables included at the end of this presentation for the reconciliation of GAAP and non-GAAP measures.



THE WORLD WORKS WITH SERVICENOW

Vision & Strategy

Bill McDermott

President and Chief Executive Officer

Nick Tzitzon

Chief Strategy and Corporate Affairs Officer

ServiceNow is an enduring platform for a fast-changing world

Secular tailwinds in our favor; Macro crosswinds can be accelerators of enterprise digitization



Source: IDC, "750 Million New Logical Applications: More Background," Doc #US48441921, December 2021; IDC Press Release, "Worldwide Digital Transformation Investments Forecast to Reach \$1.8 Trillion in 2022," According to New IDC Spending Guide, May 2022

A Class of One achieving “Rule of 60” at scale⁽¹⁾

Best in Class Financials and Shareholder Return

30% + 32% = 62%

Revenue growth + FCF Margin ⁽¹⁾ Rule of 60 In 2021 ⁽¹⁾

34.9% ⁽²⁾

Annualized Shareholder return in 5 years ⁽²⁾
(2x of NASDAQ-100 return)

Customer and Ecosystem Momentum

98%

Renewal Rate

~80%

Fortune 500 penetration

125%+

Net expansion rate

1,345

Customers paying \$1M+ a year

1,500+

Partners

World Class Talent and Culture

18,000+ (+3,800 in 2021)

Total Global Employees ⁽³⁾

Carbon Neutrality

In Operations, Travel and work-from-home footprint



⁽¹⁾ We are a “class of one” as compared to cloud software peers at scale, which includes ADBE, CRM, and WDAY, given we achieved over \$5 billion in total revenue and the Rule of 60 without an acquisition of more than \$1 billion in deal size. Our non-GAAP presentation of Rule of 60 is defined as free cash flow margin plus total revenue growth rate. See tables included at the end of this presentation for a reconciliation of non-GAAP financial measures to the most comparable GAAP measures.

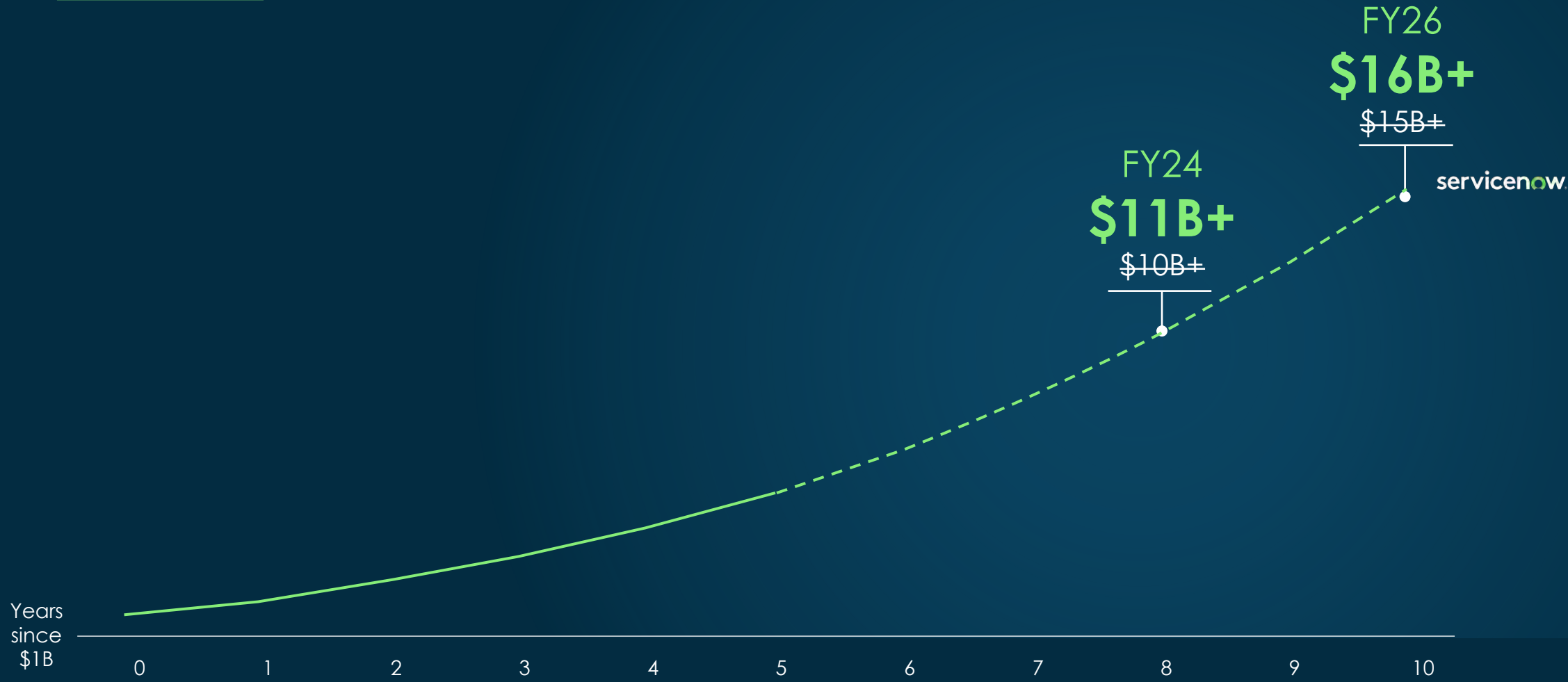
⁽²⁾ As of May 12, 2022, includes

interest, capital gains, dividends, and distributions realized over 5 years

⁽³⁾ As of May 2022

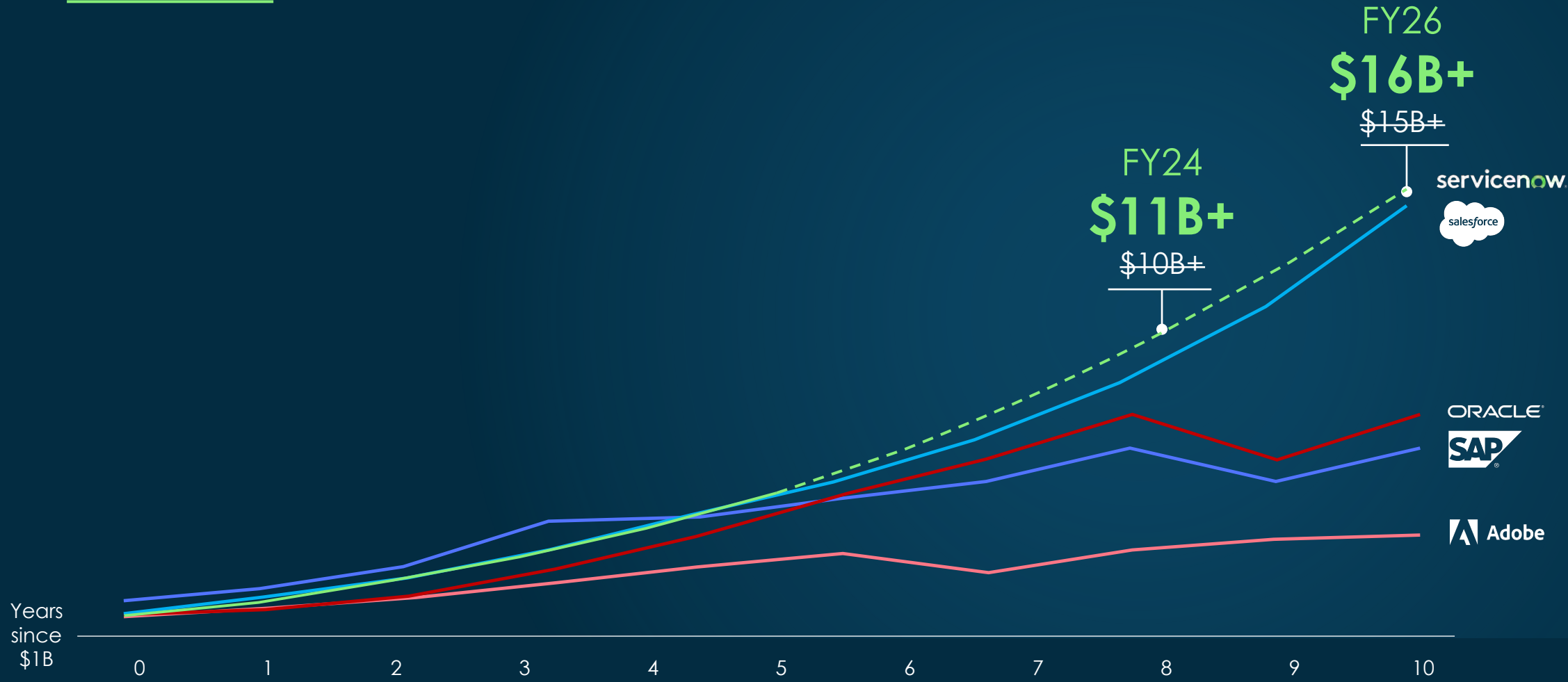
Note: Unless specifically stated, all figures are as of end of 2021.

Our revised ambition reflects our opportunity



Note: Year 0 based on the FY that each company crosses \$1B in revenue.
ServiceNow FY22 to FY26 uses straight line growth. This does not represent guidance.

Our organic trajectory to \$16B+ is unparalleled



Note: Year 0 based on the FY that each company crosses \$1B in revenue. ServiceNow FY22 to FY26 uses straight line growth. This does not represent guidance. SAP and Oracle based on total revenues, not subscription revenues

We are not opportunity constrained



Expand
Platform Opportunity



Accelerate
Customer Adoption



Broaden
Market Presence



Scale
Partner Ecosystem



Industry
Solutions



ERP
Workflows



Lightstep
Observability



JPMorganChase



Microsoft

accenture



Deloitte.

The platform for digital business

Unlock value from existing investments while creating new and compelling digital experiences

Digital workflows

Workflows across departments, vendors, partners and customers



Cloud platform

The foundation for all workflows

One data model

One architecture

Platform Foundation

-  Workflow and task management
-  Service catalog
-  CMDB / Service Graph
-  Security
-  Seamless upgrades
-  Industry data model

Configuration

-  Omni-channel user experience
-  Low code
-  Developer tools
-  Pre-built extensions
-  Process flow design
-  Integrations

Intelligence

-  Process mining
 -  Analytics and insights
 -  Virtual agent, Natural language AI
 -  Machine learning
 -  Robotic Process Automation
-  **ServiceNow Impact**

Cross-Functional Ecosystem Connection

CRM • Supply Chain • ERP • HCM • IT • Infrastructure • Dev Ops/SRE • Any System



Note: Other company and product names may be trademarks of the respective companies with which they are associated.

A man with glasses, wearing a dark denim jacket over a blue shirt, dark trousers, and red sneakers, is walking across a city street. He is stepping over a large concrete block. The background features tall, historic buildings with many windows. A street sign for 'E 22 St' is visible on the left. A silver car is parked on the street. The sky is blue with some clouds.

THE WORLD WORKS WITH SERVICENOW

Innovating our Platform for the Future

CJ Desai

Chief Operating Officer



WE ARE A
PLATFORM
COMPANY

Our platform is critical for C-Suite Priorities

Our workflow solutions run their business

“Lead us to the top of our industry.”

CEO

**“Keep our technology secure,
resilient, and performant.”**

Chief Technology Officer

**“Foster innovation so we can
digitize work more effectively.”**

CIO/Chief Digital Officer

**“Help our customers
succeed.”**

Chief Customer Officer

**“Empower our people
to do their best work.”**

Chief People Officer



Now Platform®

**The Low Code Platform
for Automation**

Customers will continue to choose the Now Platform over point solutions

- One Architecture
- ML/AI Built-in Platform
- Process Mining Native in Platform
- RPA Native in Platform
- Enterprise-wide Integrations
- Key Technology Partnerships
- Consumer Grade User Experience
- Maximum Security & Governance



What this means for our Customers

- Speed to Value
- Higher Organization Productivity
- Minimal System Complexity
- Minimal Integration Efforts
- Lower Total Cost of Ownership

ServiceNow is the platform for Key Customer Outcomes



Customer
Experience



Employee
Experience



Technology
Excellence



Operating
Excellence



Now Platform®

The Low Code Platform
for Automation

From JP Morgan Chase's Investor day 5/23/22

2 Strengthen our software development capabilities and infrastructure

Three examples that demonstrate the value we have realized

 Athena Price, Trade & Risk Platform	 CHASE Chase.com Migration	 servicenow ServiceNow Adoption
Foundation of our Markets business completing billions of risk calculations daily	Serving all digital customers with continuous feature enhancements, security and 24x7 availability	Firmwide platform delivering digital workflows and unlocking enterprise efficiencies
Refactored monolithic application to modern cloud-native platform to provide capacity on-demand	Refactored to multi-cloud architecture to enable performance, speed of feature delivery and automation	Rationalized 24 applications with industry leading SaaS platform to replace non-modern systems and increase productivity
 30% reduction in risk calculation times	 >99.99% availability with automatic failover	 Nearly \$50mm in savings since 2019
 ~80% reduction in calculation cost per hour	 >50% reduction in runtime costs	 Single largest collection of integrated reference data for the firm
 Autonomously expand compute footprint from 0 to 14k then back to 0 to adapt to market demand	 100% customers supported by 2022YE	 80% increase in employee experience when ordering workplace technology services

Rapidly Expanding Product Portfolio & Platform Innovation

Rapid new product Innovations

Safe Workplace Suite
Hardware Asset Mgmt
Telecom Industry Products
Financial Industry Products
Connected Operations
Legal Service Delivery
Workplace Service Delivery

2020

Vaccine Administration Mgmt
IT Service Mgmt Enterprise
Customer Service Mgmt Enterprise
IT Operations Mgmt AIOps Enterprise
App Engine Studio
Procurement Service Mgmt
Healthcare Industry Products
Manufacturing Industry Products

2021

Observability & Incident Response
Environmental, Social & Governance
Insurance Industry Products
Public Sector Digital Services
Order Management
Technology Providers Products
Impact

COMING SOON: H2 2022

Enterprise Asset Mgmt
Supplier Lifecycle Mgmt
Vault (Platform Security)

2022



Workflow
engine



Omni-channel
user experience



NEW
Robotic Process
Automation



Integrations



AI and
Machine learning



Industry
data models



NEW
Process
mining

We have massive potential to grow our customer base with the newly expanded portfolio



Note: Calculations performed by ServiceNow based on Gartner research, ServiceNow analysis, and additional research reports (detailed below). Source: markets defined from three Gartner reports: (i) Gartner "Forecast: Enterprise Infrastructure Software, Worldwide, 2020-2026, 1Q22 Update", (ii) Gartner "Forecast: Enterprise Application Software, Worldwide, 2020-2026, 1Q22 Update", and (iii) Gartner "Forecast: Information Security and Risk Management, Worldwide, 2020-2026 1Q22 Update".

Categories included: Experience Mgmt: ITSM, Performance Analysis: AIOps, ITIM and Other Monitoring Tools, Performance Analysis: APM, Other ITOM, Project and Portfolio Mgmt (PPM), Experience Mgmt: SAM, ITAM and ITFM, Other Information Security Software, Integrated Risk Management Solutions Software, Delivery Automation, Plan, Verify, Human Capital Management (HCM), Customer Service and Support, High Control aPaaS, High Productivity aPaaS, Other AD, Application Platform Software, Business Process Mgmt Suites, Robotic Process Automation, Create, Integration Platform as a Service (iPaaS), ABI Custom Applications, Procurement, and Enterprise Asset Management (EAM).

For segments not profiled by Gartner spend forecast reports, our estimates leverage ServiceNow analysis as well as "IDC: Worldwide Communications Service Provider Ops and Monetization Solution Forecast, 2020-2024," and "Gartner: Competitive Landscape, Operational Tech Security.

(1) Includes TAM from ERP related products.

Our Workflows

continue to evolve for enterprise-wide impact



Technology
Workflows



Employee
Workflows



Customer
Workflows



Creator
Workflows



Now Platform®

The Low Code Platform
for Automation

Our Workflows

have evolved for enterprise-wide personas



Technology Workflows

PERSONAS

Information Technology
Developers & Site Reliability Eng.
Security & Risk Practitioners



Employee Workflows

PERSONAS

Human Resources
Workplace / Facilities
Legal Teams



Customer Workflows

PERSONAS

Customer Service
Customer Operations
Lines of Business by Industry



Creator Workflows

PERSONAS

IT Developers
Citizen Developers
Process Owners



Now Platform®

The Low Code Platform
for Automation



Customer Workflows

TAM

\$51B
FY24 TAM

Trends

Customer experience central to digital business models

- New business models: Direct to consumer, Product as service
- Self-service & omni-channel
- Higher customer expectations

Strategy

Great Customer Experience = Engagement + Operations

- B2C grade engagement
- Best in class customer operations: contact center & field
- Industry specific solutions

Key Products

- **Customer Service Management**
- **Field Service Management**
- **Industry solutions: Telco, Media, Tech, Financial, Public Sector, Healthcare & Life Sciences**

**What this means
for our customers**

**Empower employees to deliver
frictionless customer experience**

**Solve customer issues
quickly and proactively**

**End to end visibility and control
over customer engagement**

**Greater customer
loyalty and growth**

Note: Calculations performed by ServiceNow based on Gartner research, ServiceNow analysis, and additional research reports (detailed below).
Source: markets defined from Gartner Report "Forecast: Enterprise Application Software, Worldwide, 2020-2026, 1Q22 Update".
Category included: Customer Service and Support.

For segments not profiled by Gartner spend forecast reports, our estimates leverage ServiceNow analysis as well as "IDC: Worldwide Communications Service Provider Ops and Monetization Solution Forecast, 2020-2024," and "Gartner: Competitive Landscape, Operational Tech Security."

7-ELEVEN

NTT DATA





Employee Workflows

TAM

\$14B

FY24 TAM ⁽¹⁾

Trends

Employee Experience is a critical C-Level priority

- Hybrid work is here to stay
- Criticality of employee engagement and communication
- War for talent

Strategy

Deliver delightful Employee Experiences

- Deliver unified engagement experiences across the enterprise
- Simplify & automate complex journeys for employees & managers
- Enabling workplaces to be ready for the hybrid workforce

Key Products

- HR Service Delivery
- Workplace Service Delivery
- Legal Service Delivery
- Employee Center

**What this means
for our customers**

**Boost employee productivity
and engagement**

**Transform employee
journeys**

**Enable the hybrid
workplace**

**Establish an employee
experience platform**

Note: Calculations performed by ServiceNow based on Gartner research and ServiceNow analysis. Source: markets defined from Gartner Report "Forecast: Enterprise Application Software, Worldwide, 2020-2026, 1Q22 Update". Categories included: Human Capital Management (HCM)

(1) Excludes TAM from Procurement Services Delivery, which is now a product in ERP workflows. Procurement Services Delivery TAM was previously included in Employee Workflows TAM at 2021 Financial Analyst Day.





Creator Workflows

TAM

\$54B
FY24 TAM

Trends

- Hyper-automation driving innovation and efficiency
- Democratization of application innovation to fill developer talent gap

Strategy

- Enable OOTB experiences with a unified platform (Low code, Integrations, RPA, Process Mining, AI/ML)
- Low code delivery at scale with E2E governance

Key Products

- App Engine
- Automation Engine
- Platform foundation

What this means for our customers

Build apps quickly by
ALL developers

Any app, built by anyone
governed from a single place

Accelerate new experiences
across mobile, web and chat

Increase productivity and
continuous improvement

Note: Calculations performed by ServiceNow based on Gartner research and ServiceNow analysis. Source: markets defined from Gartner Report: "Forecast: Enterprise Infrastructure Software, Worldwide, 2020-2026, 1Q22 Update".

Categories included: High Control aPaaS, High Productivity aPaaS, Other AD, Application Platform Software, Business Process Mgmt Suites, Robotic Process Automation, Create, Integration Platform as a Service (iPaaS), and ABI Custom Applications.

accenture

Qlik

RICOH

ONE CODE BASE
ONE ARCHITECTURE
ONE PLATFORM
ONE MORE THING...

Introducing **NEW** | ERP workflows



Procurement



Supply Chain



Accounts Payable

NEW | Impact

Industry-defining value acceleration
solution focused on Customer Outcomes



Personalizes
Value Experiences



Amplifies ServiceNow
Expertise



Accelerates
Time-to-Value



Built on the Now Platform®

GTM focus is on our unique opportunity

Workflows Expansion

Large growth Opportunity in existing Accounts

4 Workflows

~20 Products

3 Packages: Good | Better | Best

Target Industries



Financial Services



Telco / Media / Tech



Manufacturing



Public Sector



Healthcare & Life Sciences

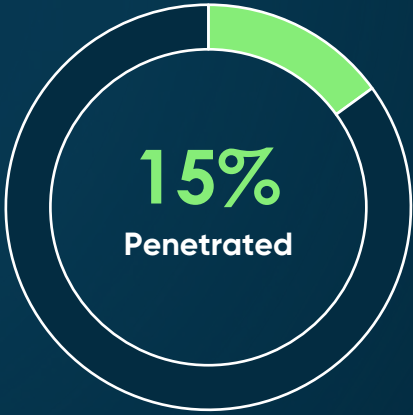


Now Platform®

Target Growth Geographies

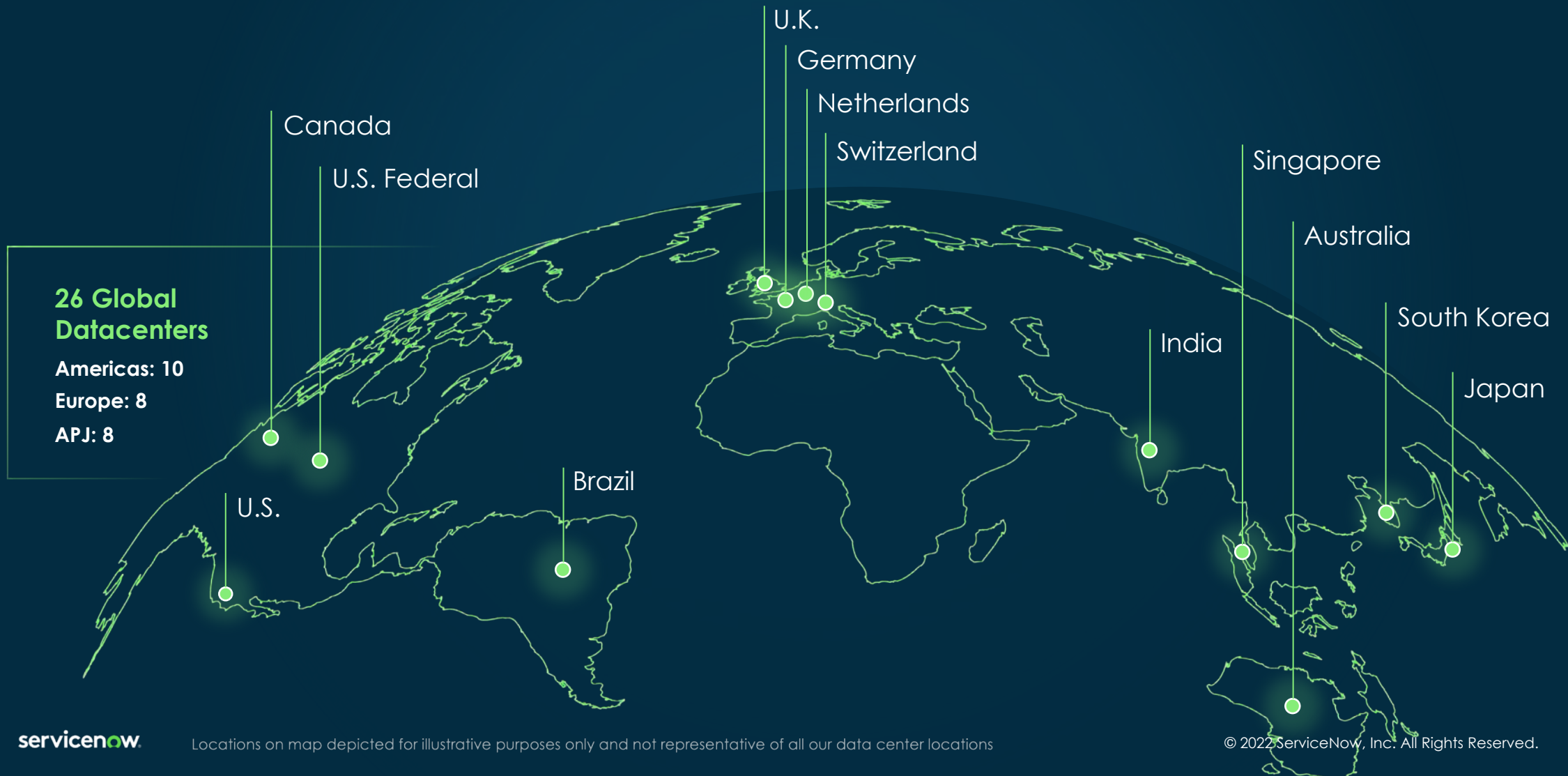


New Customer Acquisition



Our world-wide cloud footprint

Continued global expansion while meeting regional standards



Our ecosystem powers expansion

Integrations



Partnerships



Public Sector / Geo Standard and Controls

US Federal DOD: IL4 / IL5

Australia IRAP

ServiceNow Protected
Platform for EU



ServiceNow Store

~1,000

Partner
Developed
Apps

~90%

of customers use
the ServiceNow
Store

Keys to our success

Unrivaled power of the platform

A new era
for technology workflows



Pablo Stern

SVP, Technology Workflows

Experience design
for business impact



Amy Lokey

SVP, Product Experience

An aerial photograph of the New York City skyline, viewed through a circular porthole. The image shows a dense cluster of skyscrapers, including the Freedom Tower, surrounded by water and other city buildings. The text "THE WORLD WORKS WITH SERVICENOW" is overlaid on the left side of the image.

THE WORLD WORKS WITH SERVICENOW

A New Era for Technology Workflows

Pablo Stern

SVP & GM, Technology Workflow Products

We are expanding from our core in IT

COOs emerging as a key
digital transformation leaders

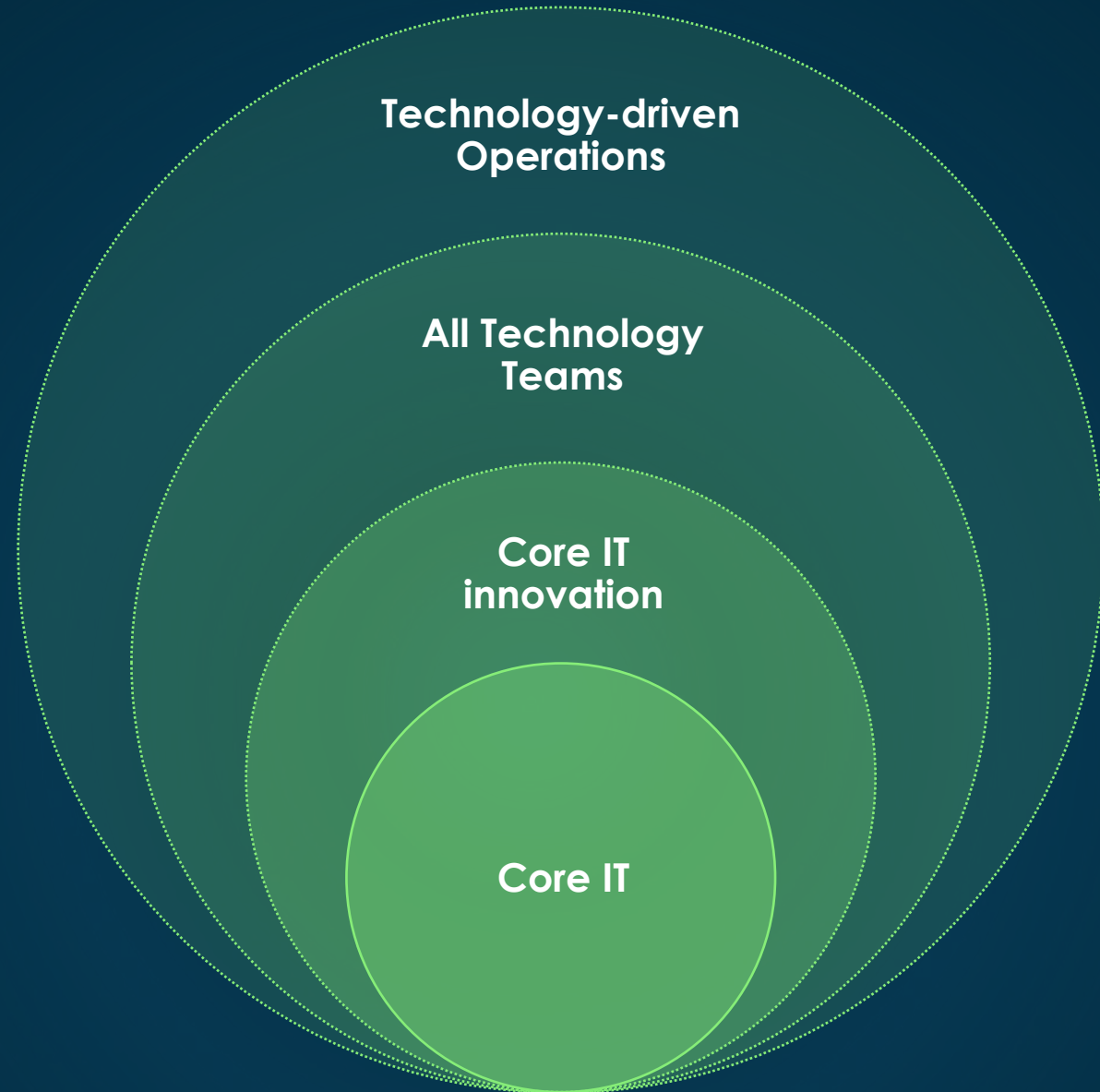
~\$50B Growth in annual COO
spend on software by FY25

Shift to cloud accelerating,
DevOps becoming mainstream

~\$190B Annual cloud spend
increase in 2 years

IT investing more to
deliver innovation and experience

~9% Y/Y growth in IT spending*
from 2022 to 2025



Source: State of the Market: Inflation impact on IT Spending and the Cloud https://goto.webcasts.com/viewer/event.jsp?ei=1545768&tp_key=817204ae68
*IT spending excluding devices

We are expanding from our core in IT

Technology-driven Operations

Fosters operational excellence for the entire business

- Supports the COO transformation agenda

All technology teams

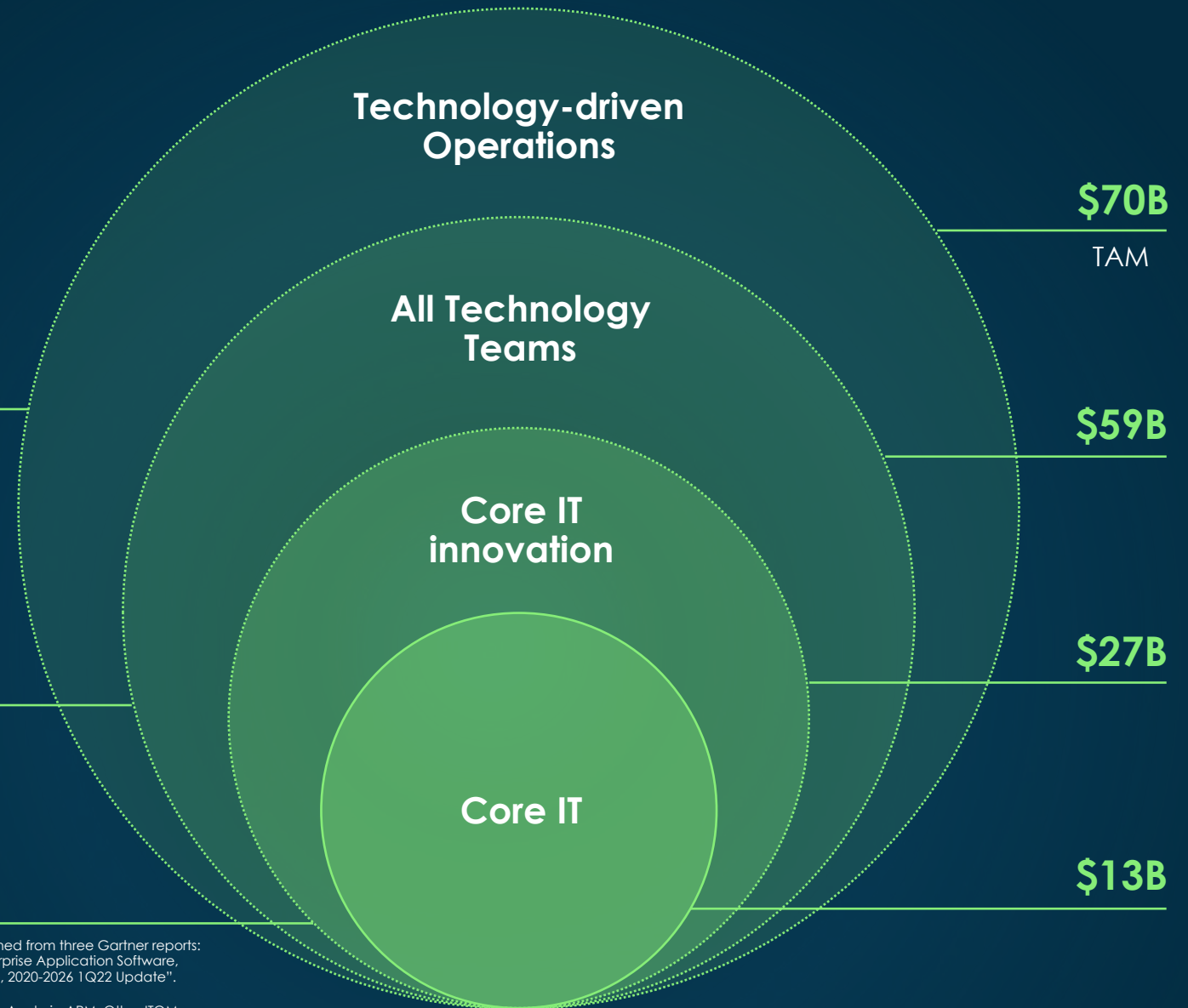
Unifies centralized IT and decentralized software delivery

- Accelerate migration to cloud
- Accelerate DevOps and Agile Transformation

Core IT innovation

Broadens our outcomes and build new growth engines

- Supports the strategic CIO



Note: Calculations performed by ServiceNow based on Gartner research and ServiceNow analysis. Source: markets defined from three Gartner reports: (i) Gartner "Forecast: Enterprise Infrastructure Software, Worldwide, 2020-2026, 1Q22 Update", (ii) Gartner "Forecast: Enterprise Application Software, Worldwide, 2020-2026, 1Q22 Update", and (iii) Gartner "Forecast: Information Security and Risk Management, Worldwide, 2020-2026 1Q22 Update".

Categories included: Experience Mgmt: ITSM, Performance Analysis: AIOps, ITIM and Other Monitoring Tools, Performance Analysis: APM, Other ITOM, Project and Portfolio Mgmt (PPM), Experience Mgmt: SAM, ITAM and ITFM, Other Information Security Software, Integrated Risk Management Solutions Software, Delivery Automation, Plan, Verify, and Enterprise Asset Management (EAM).



Core IT innovation

Significant runway ahead for us in IT as we continue to out-innovate competition

Service Operations

- ITOM + ITSM better together
- Modernize, automate & optimize on a single platform

6x

Average customer growth over 3 years

- ITSM Standard (2005) Pro (2018) Ent (2021)
- ITOM Standard (2007) Pro (2016) Ent AIOps (2021)

~70%

ITSM customers on Standard

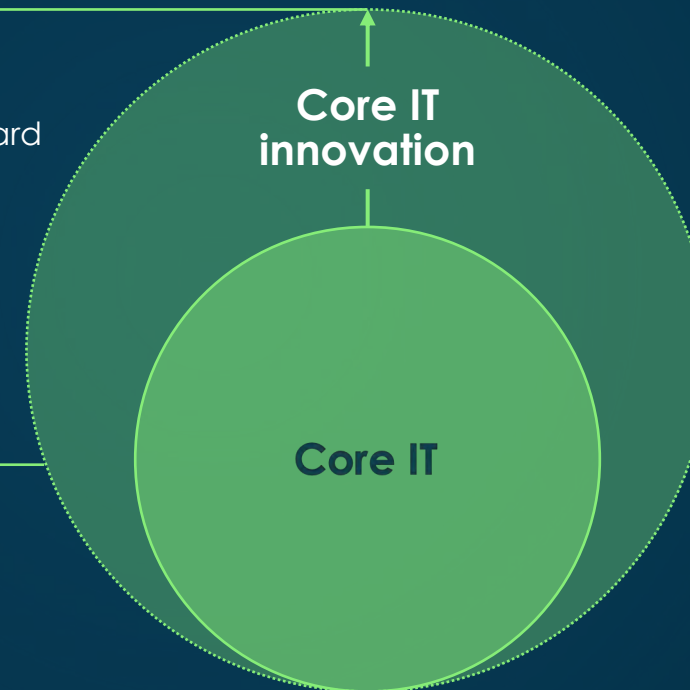
Best-in-class IT solutions

- Planning, Risk, Security & Asset Management
- Detect, protect & manage on a single platform

4 ~\$200M

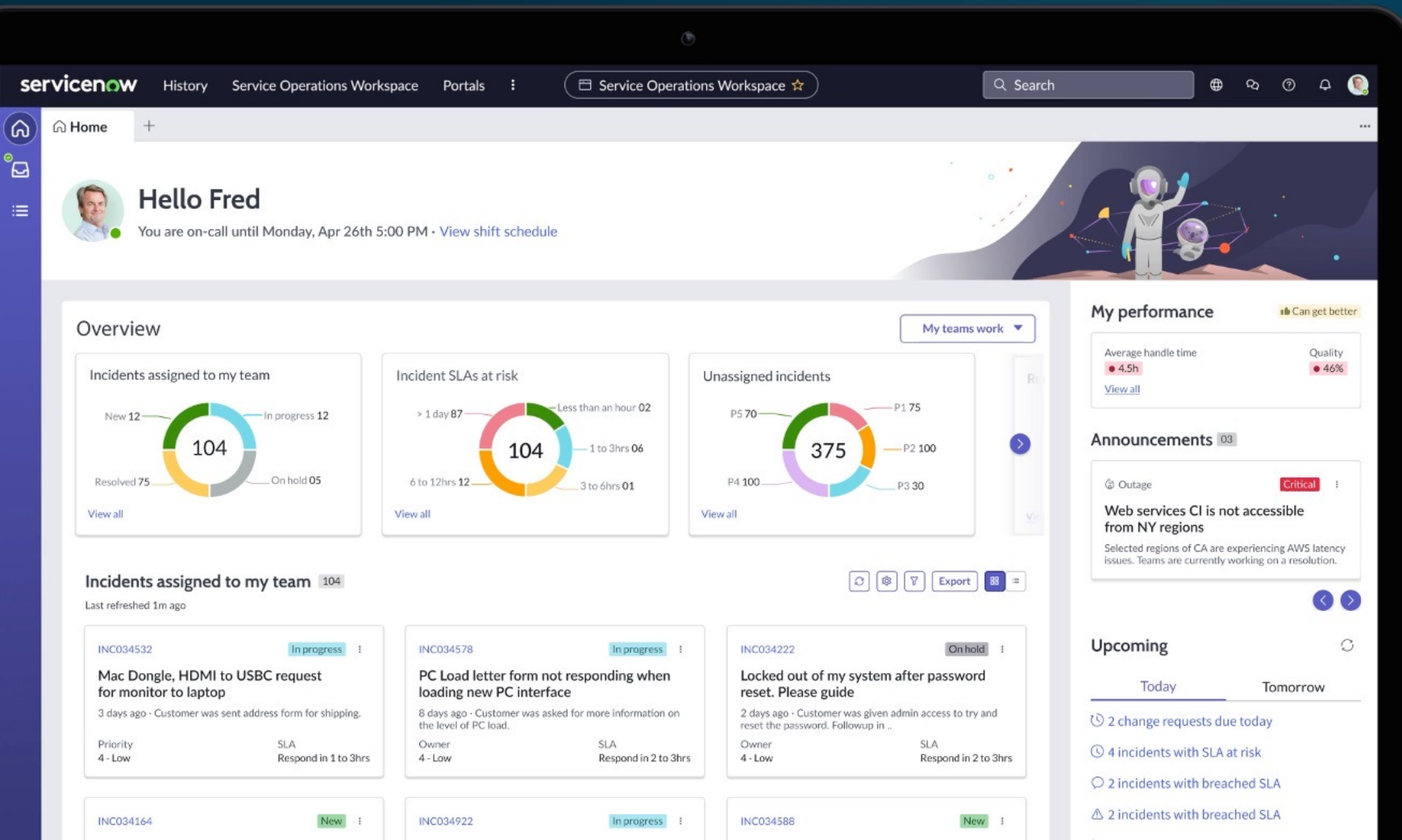
ACV products

- IT Planning (2013)
- Software Asset (2017)
- Hardware Asset (2020)
- IT Risk (2014)
- Vendor Risk (2017)
- Biz Continuity (2020)
- SecOps (2016)
- SaaS Mgmt (2019)
- Privacy (2021)



Service Operations

Innovations in the San Diego Release



Unify end-to-end delivery

Improve service reliability

Deliver superior experiences

All technology teams

Plan, build, operate and service applications that drive the digital business

Cloud acceleration

- Accelerate cloud adoption and migrations
- Cloud Visibility (2019)
- Cloud Health (2020)
- Cloud Insights (2019)
- Cloud Governance (2022)

1,200+

Cloud Visibility customers

DevOps

- Seamless coordination between IT and software delivery
- DevOps Change (2020)
- DevOps Config (2022)
- Scaled Agile (2020)
- Product Roadmapping (2021)

\$1B

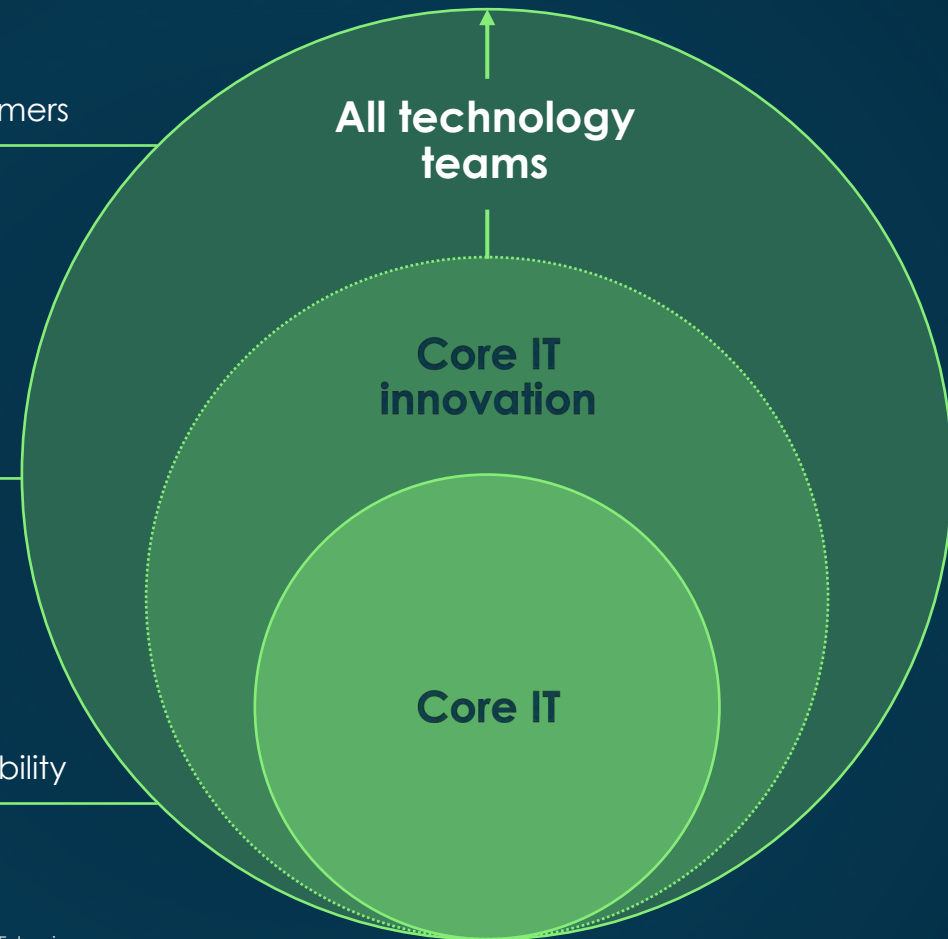
DevOps opportunity in install-base

Observability + Site Reliability Eng.

- Leverage Lightstep for deep view into business apps
- Traces (2016)
- Lightstep Incident Response (2022)
- Metrics (2021)

\$14B

FY24 TAM in observability



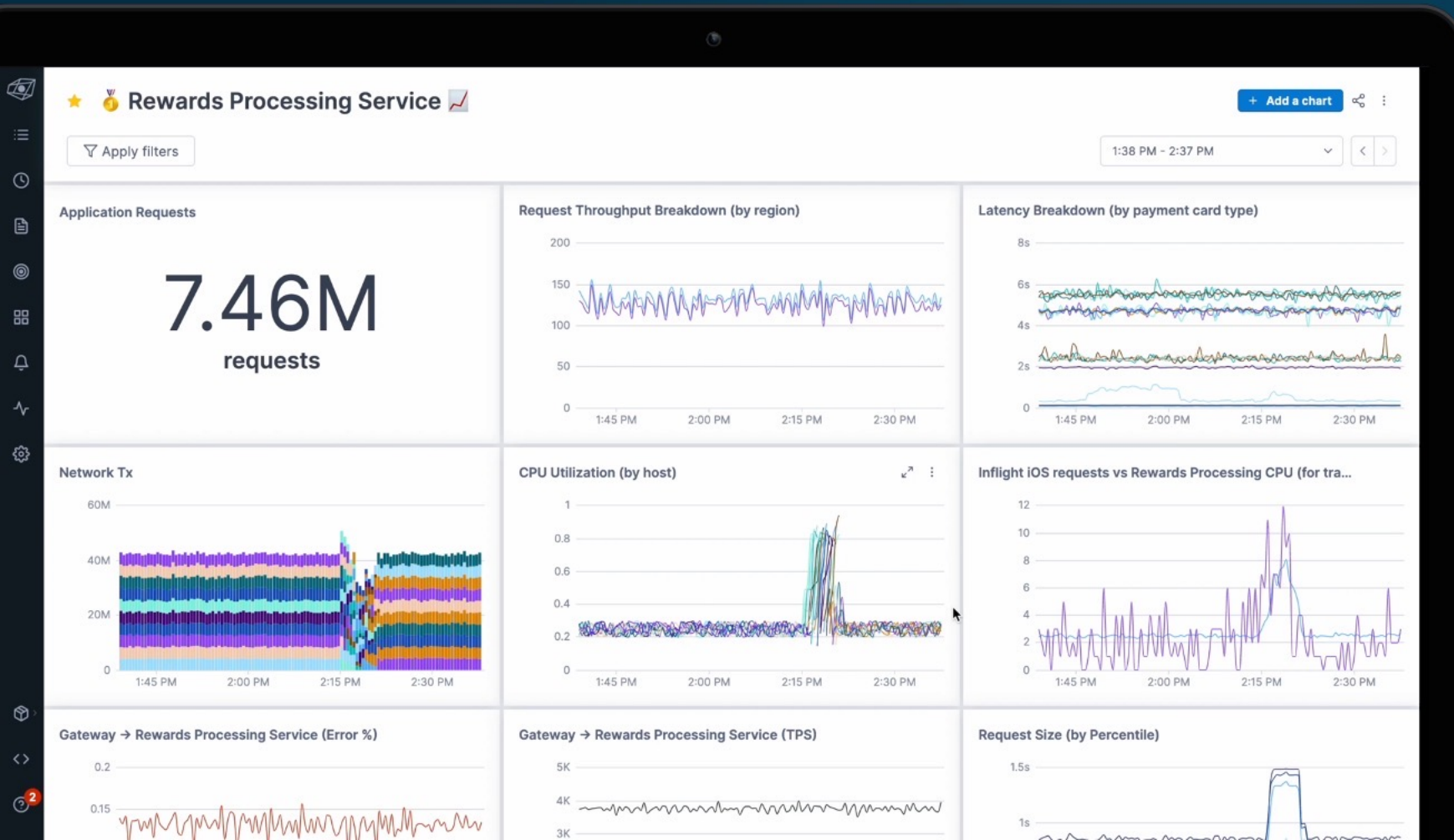
NEW GROWTH VECTOR

Note: Calculations performed by ServiceNow based on Gartner research and ServiceNow analysis. Source: markets defined from Gartner report "Forecast: Enterprise Infrastructure Software, Worldwide, 2020-2026, 1Q22 Update"
Categories included: Performance Analysis: AIOps, ITIM and Other Monitoring Tools, and Performance Analysis: APM.

Lightstep

Innovating daily for the cloud-native market

NEW GROWTH VECTOR



Deep visibility,
rich context

Streamlined
root cause analysis

Planet-scale data
platform for cloud-
native workloads

Technology-driven operations

Extend and leverage Tech workflows to enable cross-enterprise operational excellence and increase C-Suite relevance

IT Risk → Enterprise Risk & ESG

Integrated Risk and ESG compliance across enterprise with improved visibility and governance

- Enterprise Risk (2019)
- ESG (2022)

IT Planning → Enterprise Planning

Align enterprise-wide execution work to strategy

- Strategic Portfolio Mgmt (2022)
- Goals/OKRs (2022)

IT Asset → Enterprise Asset

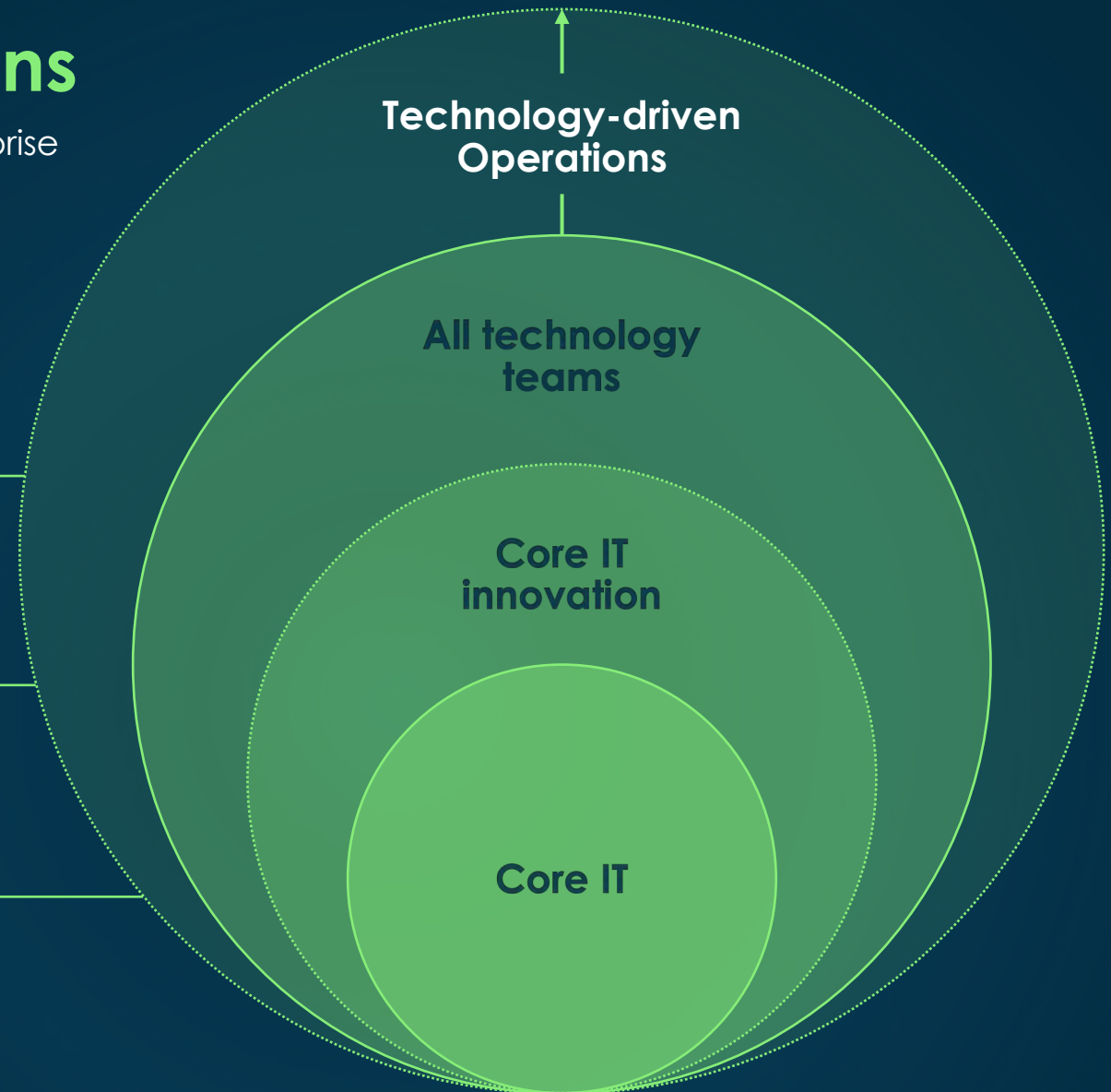
Optimize utilization enterprise assets

- Enterprise Asset Mgmt (2022)

IT Security → IT + OT Security

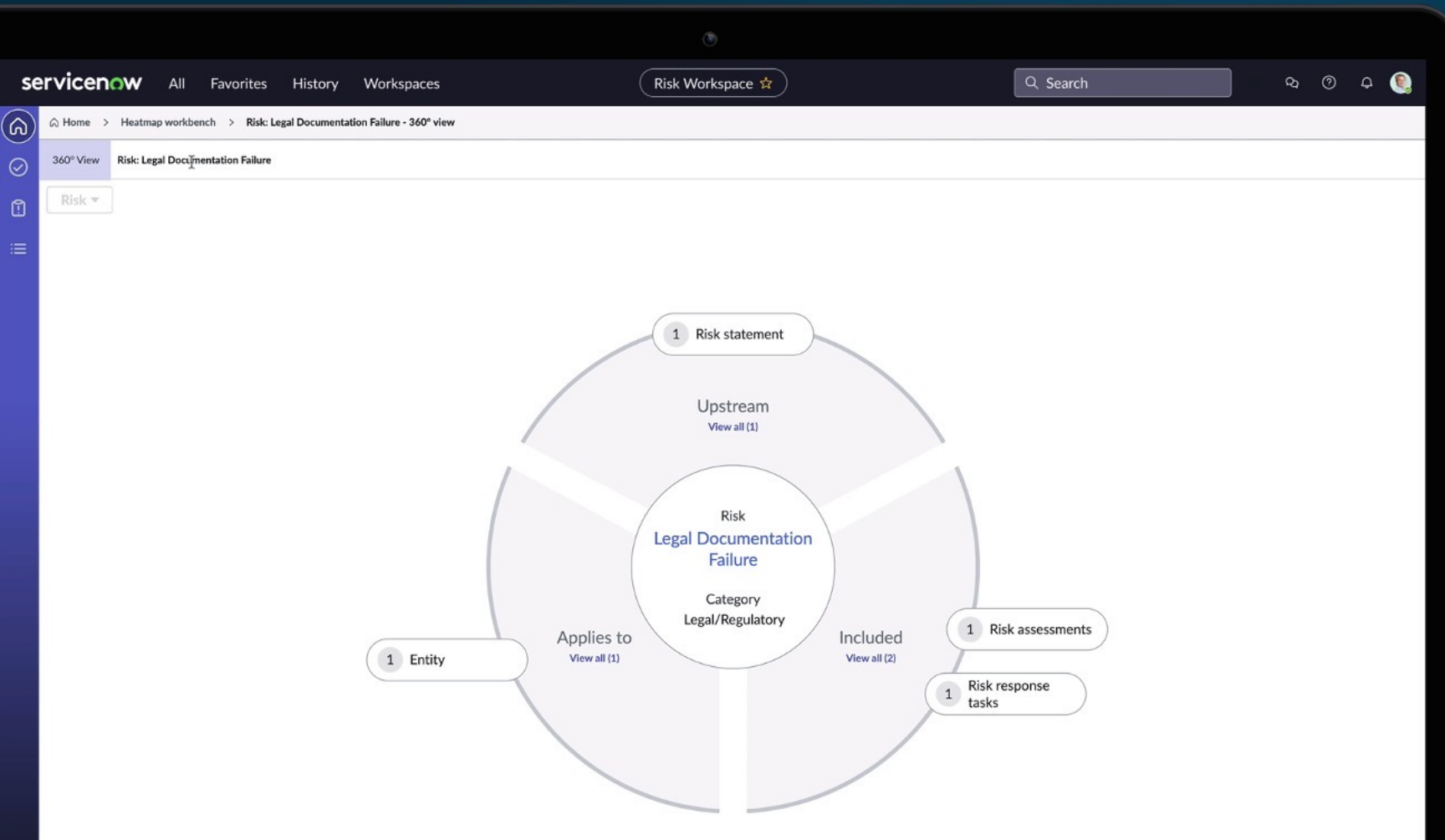
Securing operational and infrastructure assets

- OT Security (2021)



Enterprise-wide risk management

Cross-functional excellence in the San Diego Release



Continuously monitor and intelligently respond to evolving risks

Manage enterprise risk and future regulatory requirements

Engage the first line with a modern experience

Customers are realizing value from our innovation and demanding more

RAYMOND JAMES

Real time enterprise-wide planning

~25% Improved enterprise planning productivity

~10% Asset spend reduction

zalando

Unified observability with Lightstep

>17% Higher DevOps Productivity and release throughput

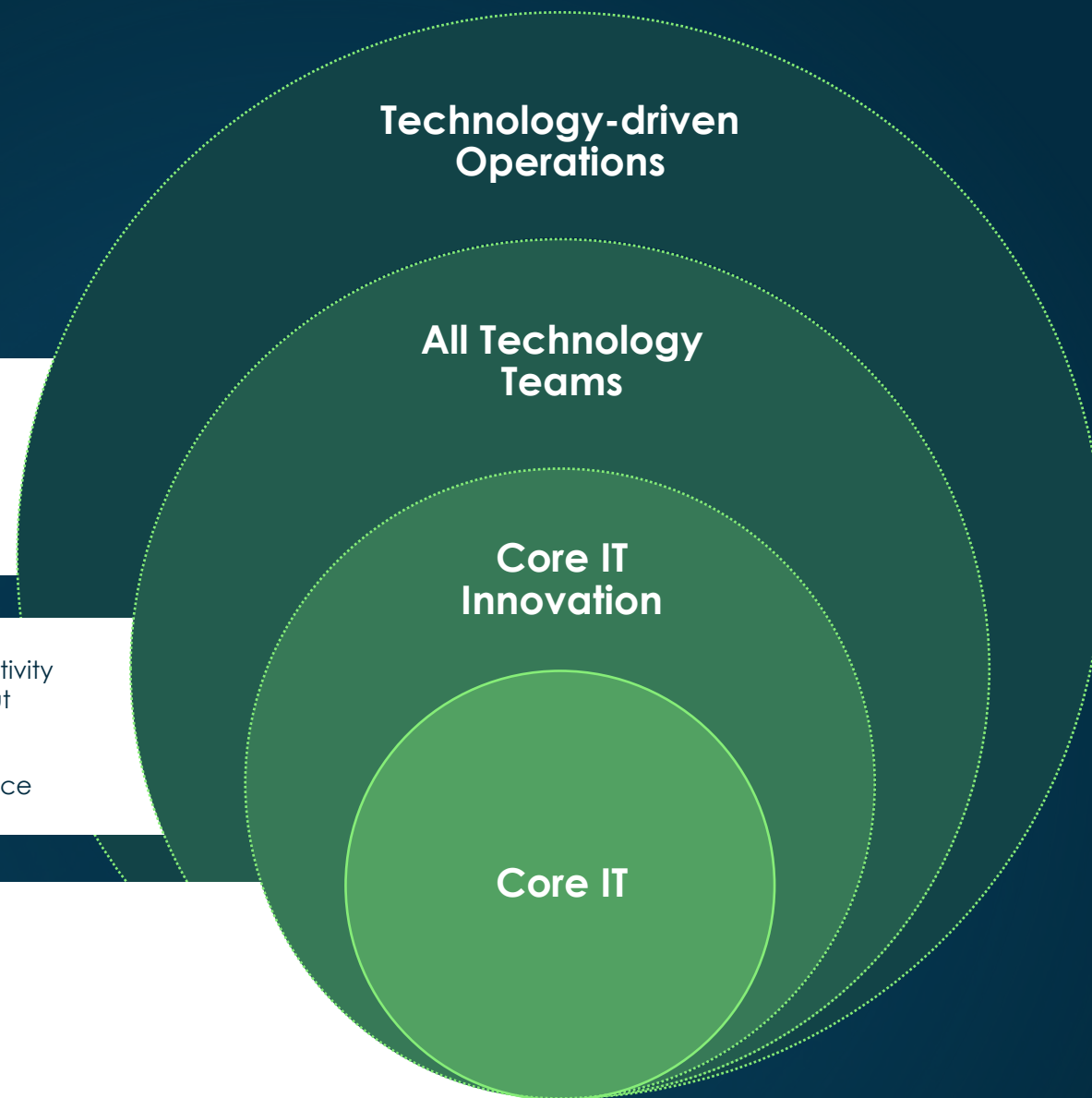
75% Improvement in Application performance

Microsoft

IT self-service to 180K employees

25% Reduction in Outages and Downtime

~45% Improvement in IT Productivity





THE WORLD WORKS WITH SERVICENOW

Experience Design for Business Impact

Amy Lokey

SVP, Product Experience

Great product experience drives business value

Improved workflow productivity
and efficiency drive revenue,
retention, renewal

Cohesive, consumer-grade
design drives affinity,
interest, new customers



Now Platform®

NEXT EXPERIENCE

ML, AI, customization and low
code tools drive innovation,
automation, expansion



Next Experience

Welcome, Fred

Now it's easier to do your best work yet.

[Check it out](#)

Review your work

Assignments 10

Last refreshed 2m ago

Number	Created ▾	Priority	State	Description
INC0001037	Wed, Jan 12 2022 - 10:52 AM	3 - Moderate	New	Cannot sign into the company portal application...
INC0001038	Fri, Mar 18, 2022 - 11:34 AM	1 - Critical	New	Unable to downgrade Clipboard Manager tool
INC0001039	Thu, Mar 10, 2022 - 03:34 PM	1 - Critical	Resolved	Can't connect to server
INC0001040	Mon, Jan 31, 2022 - 10:52 AM	3 - Moderate	In Progress	Requesting tools for new hire
INC0001041	Tues, Mar 1, 2022 - 03:34 PM	2 - High	New	Laptop gets really hot when in use
INC0001042	Fri, Jan 28, 2022 - 10:52 AM	5 - Planning	In Progress	Slow switching
INC0001043	Wed, Feb 23, 2022 - 03:34 PM	2 - High	New	Manager can't access SAP Controlling applicatio...
INC0001044	Fri, Mar 18, 2022 - 11:34 AM	3 - Moderate	In Progress	Emails aren't sending
INC0001045	Tue, Feb 8, 2022 - 10:52 AM	1 - Critical	In Progress	Unable to post content on a Wiki page
INC0001046	Wed, Feb 9, 2022 - 12:22 PM	3 - Moderate	New	Oracle database running slowly and dropping c...

[View All](#)

Critical tasks

12

New tasks

6

Open tasks by priority



What our customers are saying

**“Well, we might be quiet
because we are all IN AWE”**

Public Sector
customer

**“More user friendly compared
to other ticketing tools”**

Technology
customer

**“Shut up and take
my money”**

Telecommunications
customer

**“It's modern, sleek,
tidy yet simple”**

Healthcare
customer

**Next
Experience**

A person wearing a yellow jacket is sitting and working. They are holding a brown mug in their left hand and using a laptop with a tablet attached to the right side. The tablet displays a colorful chart. The person is wearing a gold watch on their left wrist. The background is dark.

Lifting every product



Technology Workflows

Automated operations



Employee Workflows



Customer Workflows



Creator Workflows

servicenow.

HR IT Workplace Purchase and expense Legal

Time to set your 2023 annual goals
Make plans to meet with your manager and set priorities for the

How can we help?

Search

Recommended for you

Request



Apple iPhone 13
Pro 128GB
Meet the new iPhone 13
\$999.00

Now Support



Hello! 🙌 I'm Now Virtual Agent. How can I help you? Please enter your request or create a link with your ServiceNow account.

Please type your request



My tasks 2 My requests More

Time to set your 2022 annual goals!

Benefits enrollment ends Nov. 8

COVID-19 employee resources

What to know before traveling

New learning hub is here

ive items

5

Tasks

uests

2 Purchases

ervations

3 Surveys

is

5 Appointments

asks

View all >



Technology
Workflows



Employee
Workflows

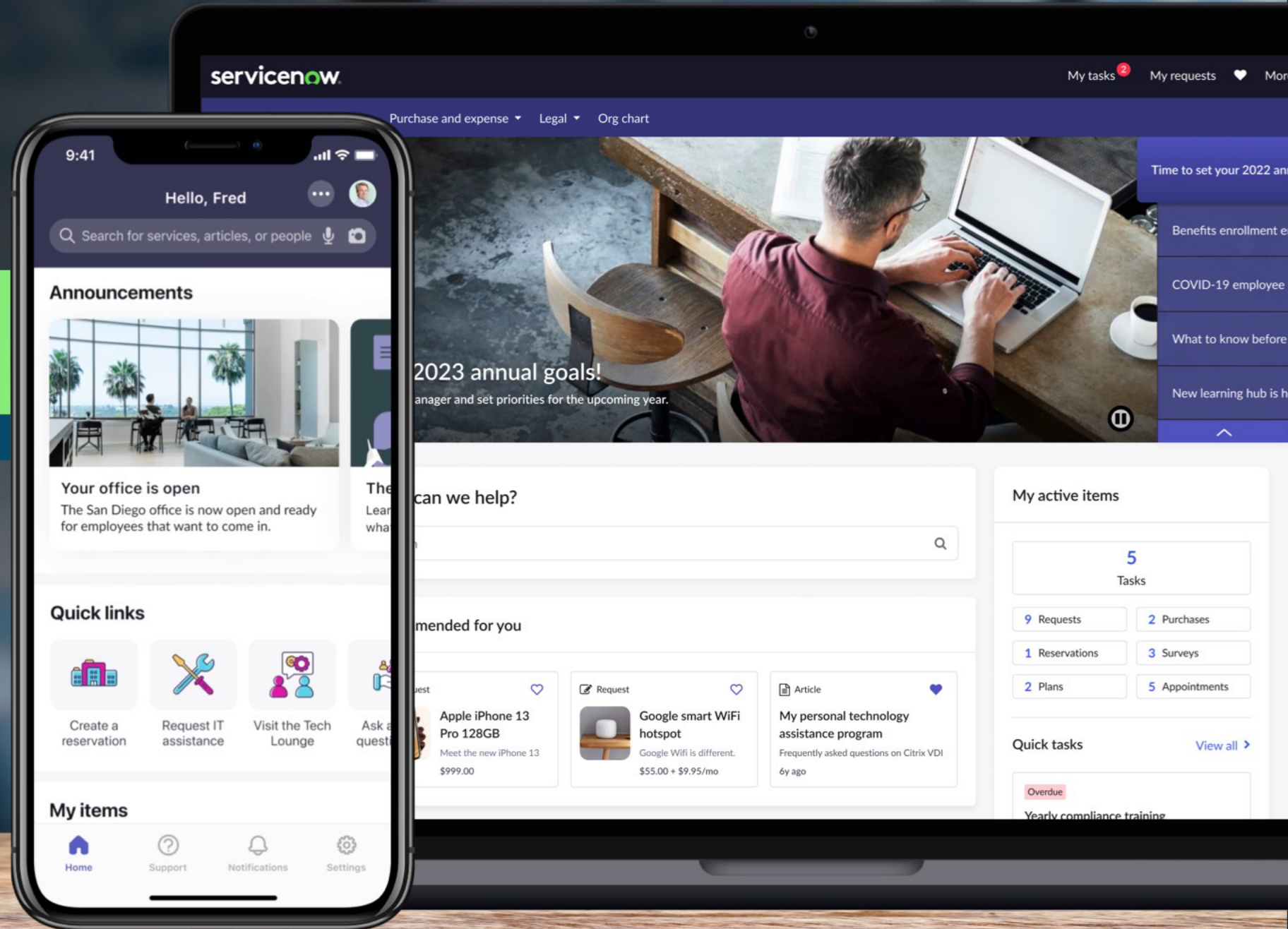
Employee experience



Customer
Workflows



Creator
Workflows





Technology
Workflows



Employee
Workflows



Customer
Workflows

Customer service for banking



Creator
Workflows

servicenow All Favorites History Workspaces CS0001006 Search

Lists CS0001006 Details

Fraud dispute- Tampered cards

Priority 1-High State New

Details Work orders SLAs Tasks Interactions Emails Task skills

Case

Number	Fraud amount *
CS00001006	
Contact type	Date and time *
Email	
Partner contact *	Business category
	Business to business
Email	Lined of business *
lvneet.singh2@comp...	HD2HD
Primary phone	Fraud category *
(866)330-5590	Tampered card switc...
Partner account	Store address
Shoppers	
CIH *	Reference number
	10763603
COR *	☒ Show KCS results
	KB solution
Store name *	KB0017191

Compose

Comments Work notes (Private)

Type your comments here

Everyone can see this comment

Post

Attachments

Search

Card.png 49.8 KB

Photo of rec 49.8 KB

Activity

Edna Krabappel made changes to the case
Field changes • Tue, Jan 12, 2022 - 10:52 AM

Assigned to Edna Krabappel was system admin
Incident state In progress was new
Priority High - 1 was empty
Category Software was empty

Peter Parker added a work note
Work note • Thurs, Jan 7, 2022 1:59 PM

Thanks @Patty Bouvier for the image, can you please add the image to the record [CS1229034](#) as well.



Technology
Workflows



Employee
Workflows



Customer
Workflows

Process optimization



Creator
Workflows

servicenow.

All Favorites History Workspaces

Process Optimization Workspace

Search



Process Models

IT Operations...

IT Operations Process Optimization

Table	Records	Routes	Avg Duration	Std Deviation	Med Duration	Total records in model
Incident	22.5k	3.2k	7d	9d	3d	22.9k

IT Operations Process Optimization

Summary and Insights

Analyst Workbench

Automation Opportunities

Filters

Variation Analysis

No filters applied

Save

Clear all

Apply

Saved filter sets

Breakdown filters

Channel

Sort by

Most Records

Name	Records	Avg D...	Routes
☐ Self-service	9k(40%)	1w	1.7k
☐ Alert	6.1k(27%)	2mo	421
☐ Email	3k(13%)	1w	708
☐ Portal	1.8k(8%)	1w	549
☐ Phone	1.7k(7%)	1w	529
☐ Walk-in	333(1%)	1w	110
☐ Slack	265(1%)	1w	96
☐ Tech Lounge	218(1%)	2w	97
☐ Mobile App	84(<1%)	1w	47
☐ Chat	43(<1%)	6d	27

Advanced filters

Transitions

Conditions

Primary Metric

Unique Occurrences

+

Secondary Metric

None

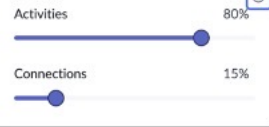
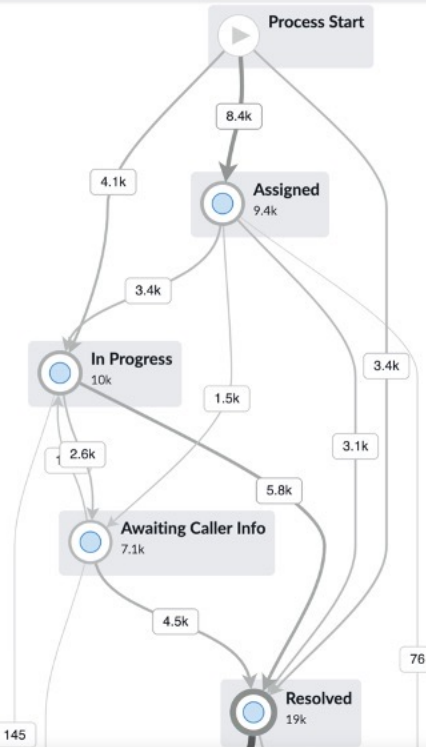
Compare

Refine

Model Statistics

Bottleneck Analysis

Activity Legend





Technology
Workflows



Employee
Workflows



Customer
Workflows



Creator
Workflows

Low code app creation

now | App Engine Studio



HOME



MY APPS



TEMPLATES



RESOURCES

Hi, Fred

How do you want to get started?

Create app

Quick start



Add a table



Add an experience



Add an automated flow



Browse templates



Watch tutorials

My recent apps

See all my apps



Plant Maintenance

Last opened 2022-04-04 16:32:43



Expense Reporting

Submit and track expenses for approval and reimbursement.



Emergency Response

Manage communications and track resources.

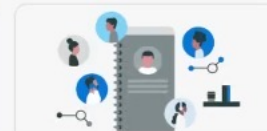


Work from Home App

Keep up to date on all things related to working from home.

Start with a template

See all templates



Next Experience

Dark Mode



Beautiful enterprise software equals impact





THE WORLD WORKS WITH SERVICENOW

The Customer Experience

Paul Smith

Chief Commercial Officer

Customer Panel

Host:

Paul Smith

Chief Commercial Officer



Aaron Purcell

Managing Director, Head
of Enterprise Architecture



Stephen Whelan

Executive Director, People Services



Automation transforms KPMG's core legal intake process into a smooth, streamlined, and transparent digital system



Aaron Purcell

Managing Director, Head of Enterprise Architecture



Delivering world class audit, tax, and advisory services

~30 billion

In global revenues

200,000+ people

In global team

Leading

Professional services firms

HR Delivery Services used to connect 400 departments and 38 divisions on a single employee experience center



Stephen Whelan
Executive Director, People Services



One of the most innovative universities in the United States

24,000 employees

Orange County's second-largest employer

37,000

Students

Top Ranked

Medical center

Customer Panel

Host:

Paul Smith

Chief Commercial Officer



Aaron Purcell

Managing Director, Head
of Enterprise Architecture



Stephen Whelan

Executive Director, People Services



Financial Overview and ESG Strategy

Gina Mastantuono

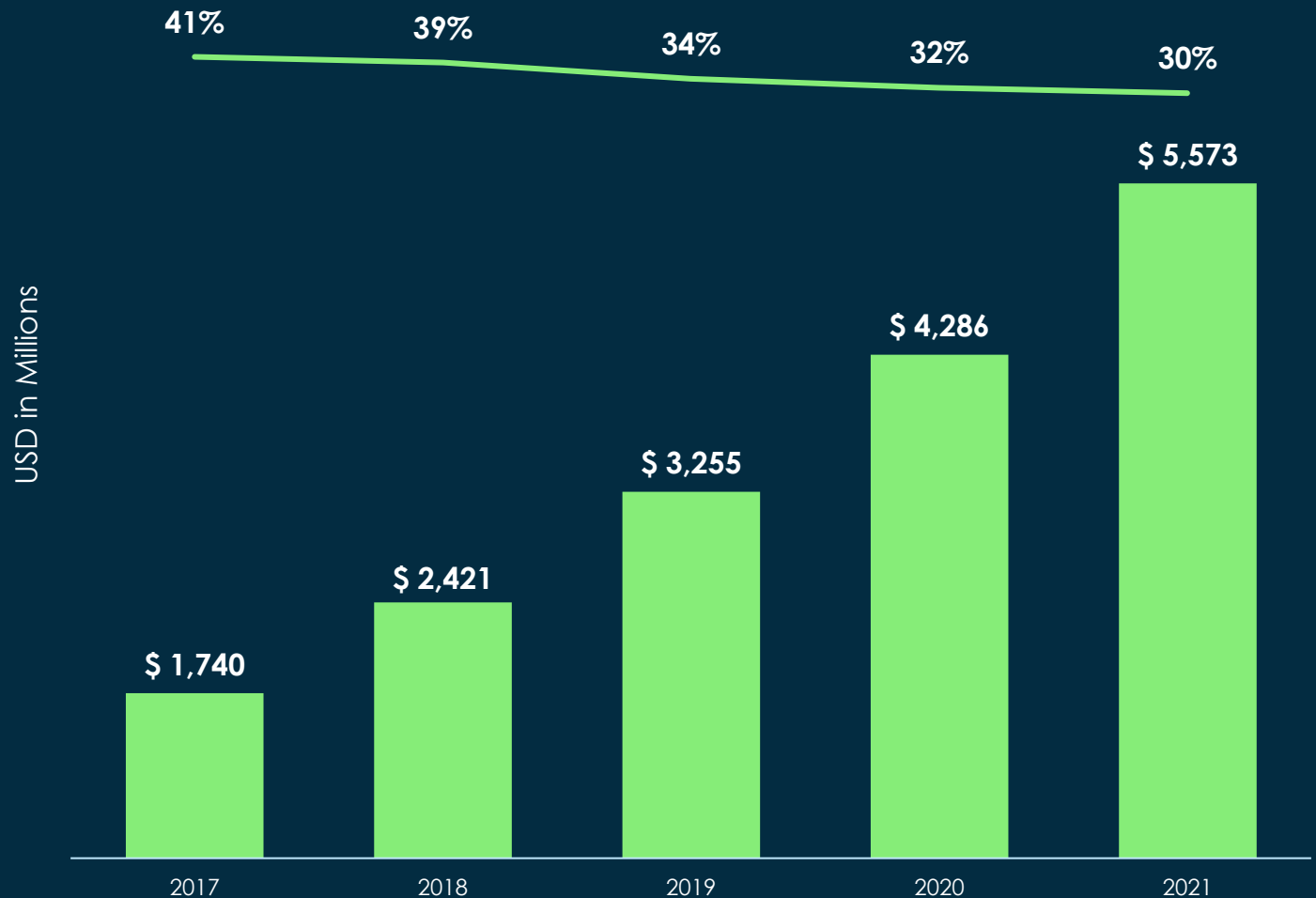
Chief Financial Officer

**Sustaining strong
organic growth at
unprecedented scale**

34%

2017 – 2021 CAGR
Subscription Revenue

Subscription Revenues and Y/Y Growth



Note: Numbers rounded for presentation purposes

Robust RPO growth supports continued topline strength

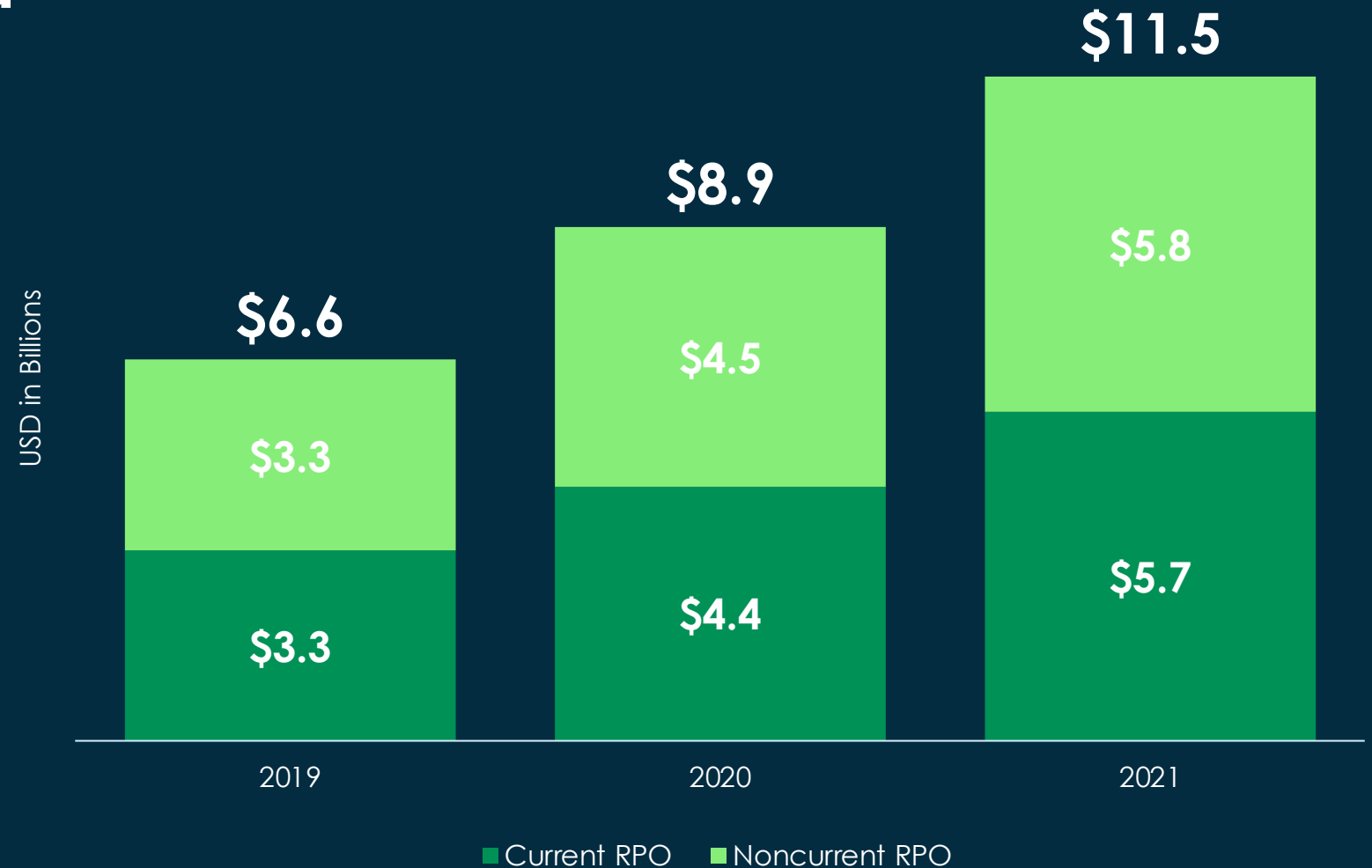
2019 – 2021 CAGR

32%

Total RPO

31%

Current RPO



Note: Numbers rounded for presentation purposes

We have plenty of opportunity
to win new logos, and even more
products to land them with

~50K 

Companies with
1,000+ employees
and \$100M+ revenue
worldwide⁽¹⁾

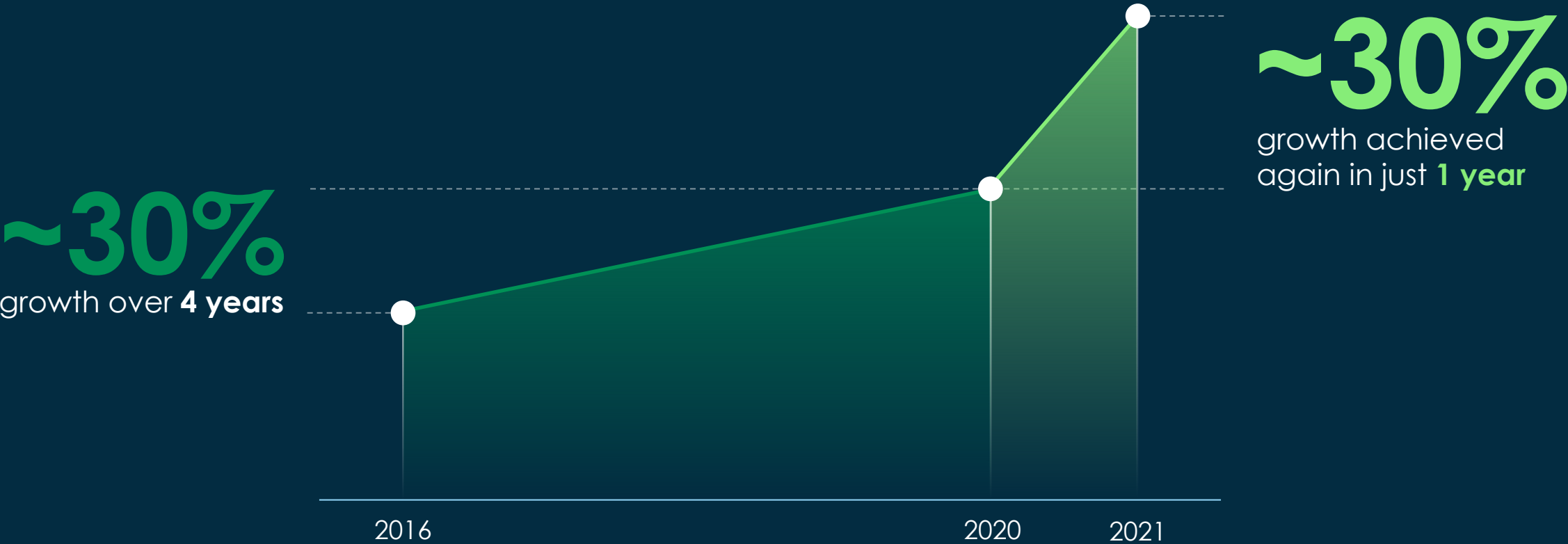


**New logos
are landed with
non-Technology
Workflows in 2021**

(1) ~50K companies with 1,000+ employees and \$100M+ revenue worldwide statistic is sourced from Capital IQ. Number excludes China.

We are landing more products within those new logos

Average number of products purchased in first year



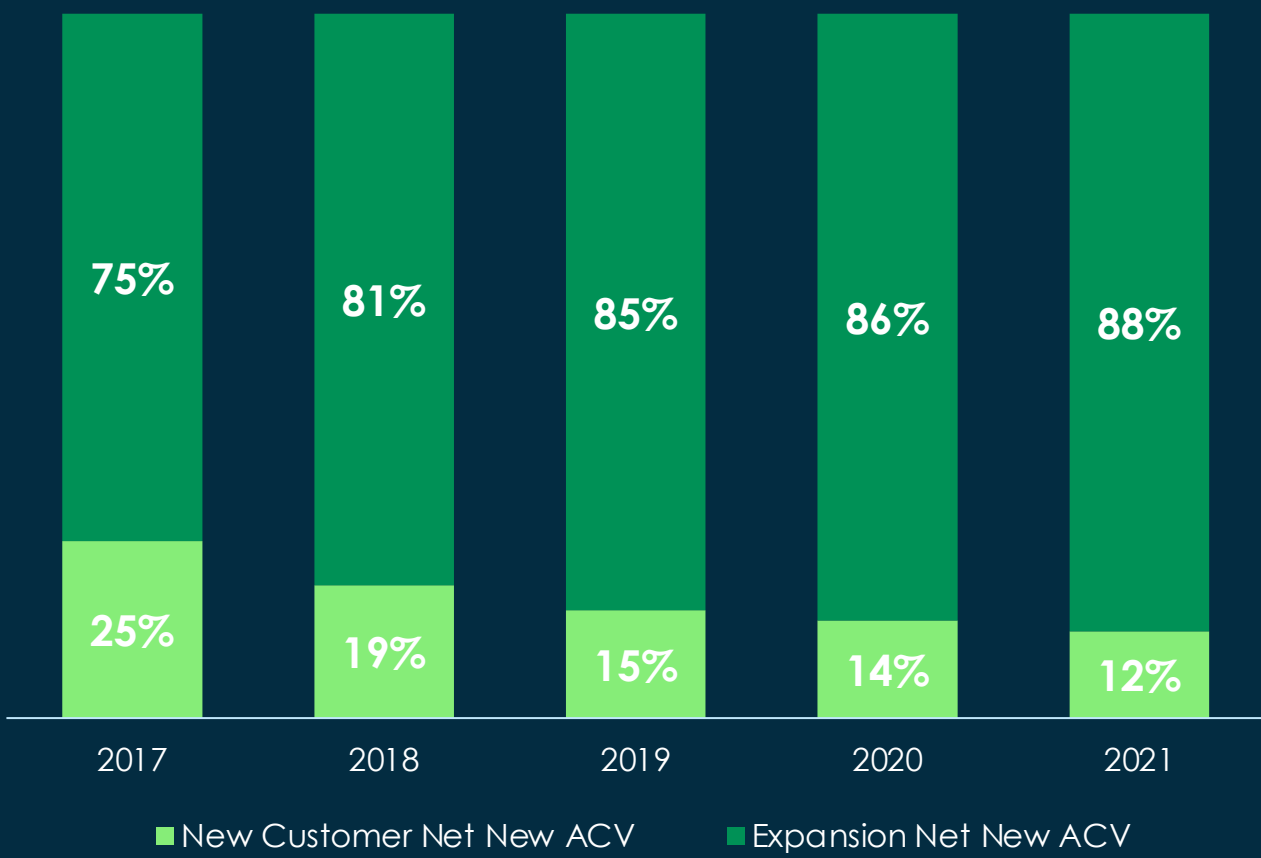
Once landed, customers continually expand with us

125%+

net expansion rate in 2021

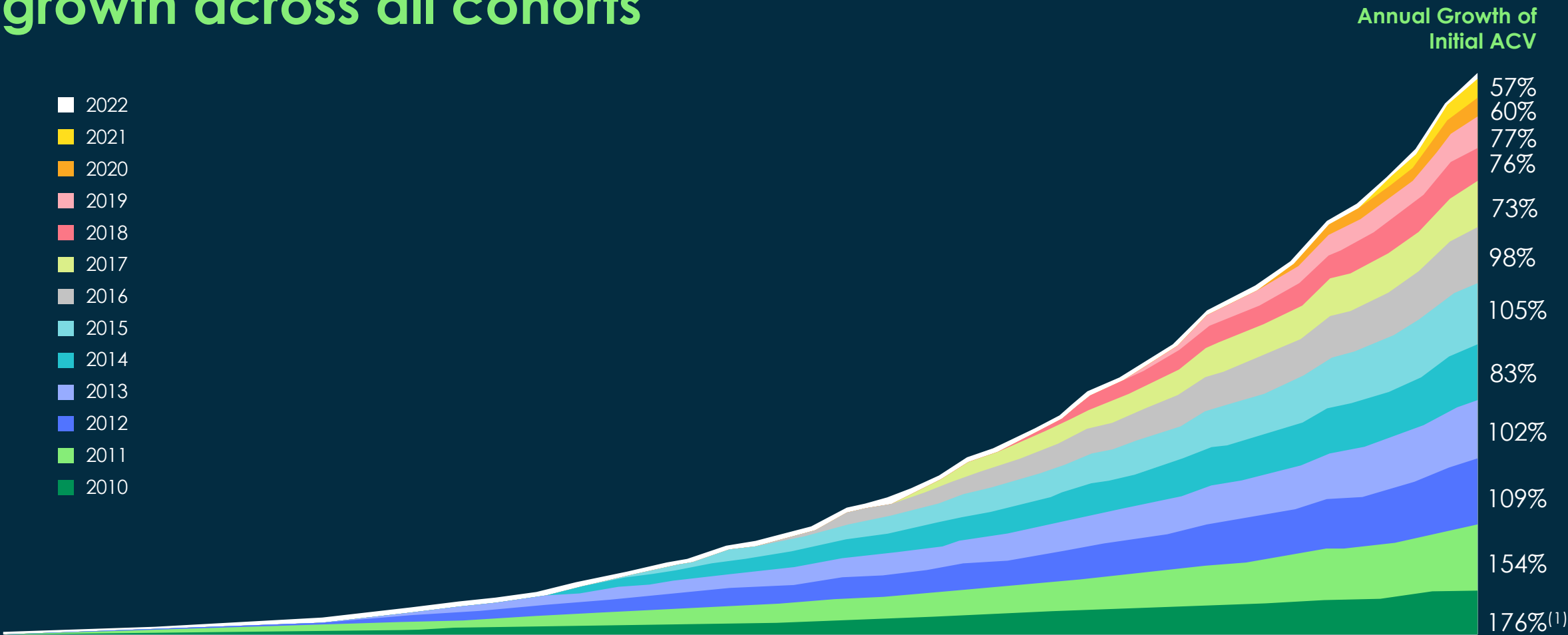
2/3+

of our existing customer base spent incremental dollars with NOW in 2021



Note: Revised mapping of customers in the current year may result in revised new customer and expansion net new ACV mix for previous years, due to adjustments for acquisitions, spin-offs, improved subsidiary mapping, updates to customer DUNS numbers, etc. Previously disclosed new customer and expansion net new ACV mix may be restated to reflect such adjustments to allow for comparability.

We continue to see healthy growth across all cohorts

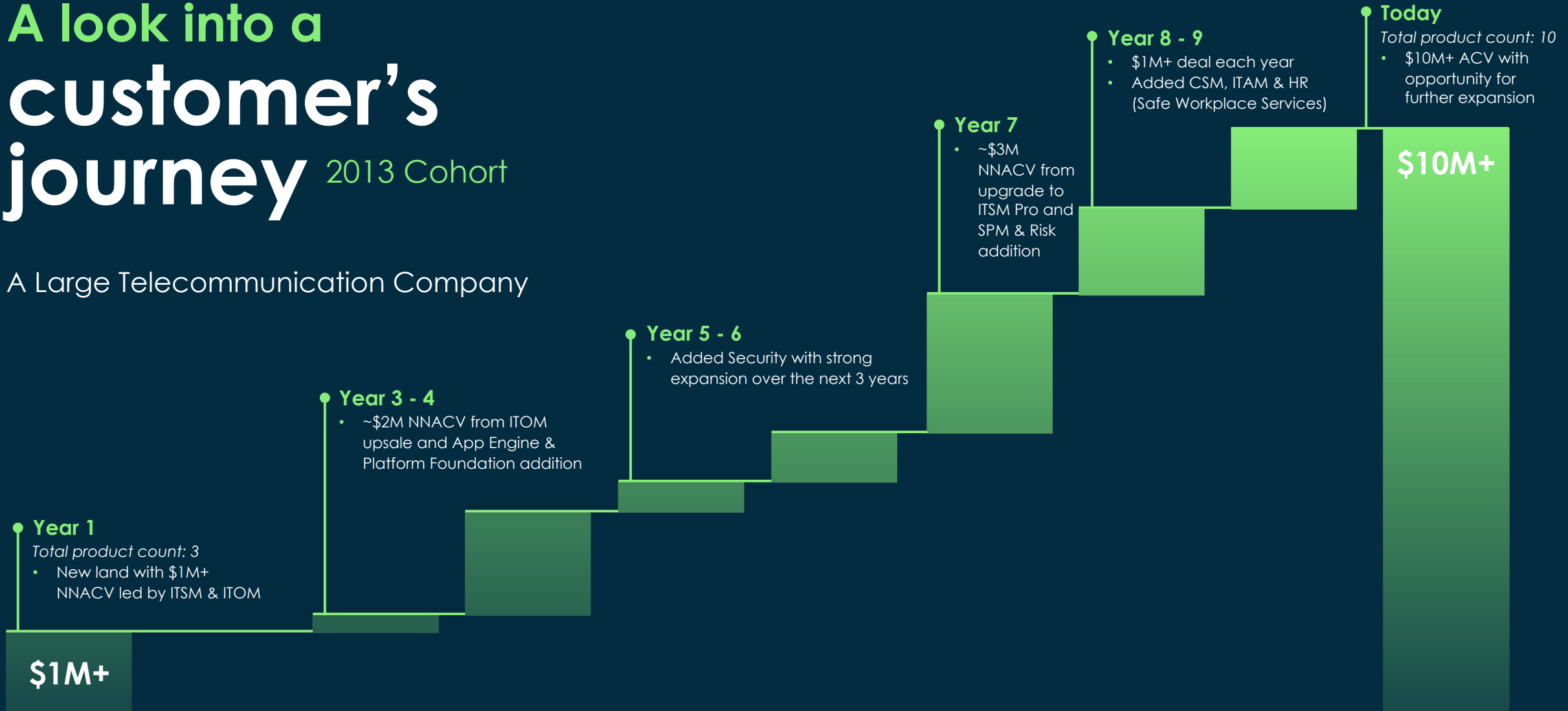


(1) As an illustrative example, 2010 customer cohort started with a contract of initial ACV (annual contract value) of \$100K and grew to ACV of \$2.212M as of Q1-22, representing annual growth of initial ACV of 176%.
Note: Chart reflects growth in total annual contract value over time, inclusive of losses, for the group of customers that joined ServiceNow in each respective year. Annual Growth represents increases in total annual contract value after the initial contract of each customer.

A look into a customer's journey

2013 Cohort

A Large Telecommunication Company



A look into a customer's journey

2019 Cohort

A Government Agency

Year 1

- Total product count: 6
- New land with ~\$4M NNACV across technology & customer workflows, including ITSM Pro & CSM Pro

~\$4M

Year 2

- ~\$3M NNACV from CSM upsale and Integration Hub addition
- \$6M+ ACV customer at the end of Y2

Year 3

- ~\$3M NNACV deal with ITSM, SPM, App Engine, CSM, HR Pro & Platform Foundation

Today

- Total product count: 9
- ~\$10M ACV customer in 3 years with opportunity for further expansion

~\$10M

Selling a comprehensive platform solution is driving bigger deals and growing our \$1M+ customer base



\$1M+ Deals⁽¹⁾

~40%

Y/Y Growth in 2021



\$1M+ Customers⁽²⁾

~3x

Increase in number of customers
between 2017-2021



(1) \$1M+ deals refer to transactions with over \$1M net new annual contract value that were closed in 2021.
(2) \$1M+ customers refer to total customers with annual contract value over \$1M as of respective year end.

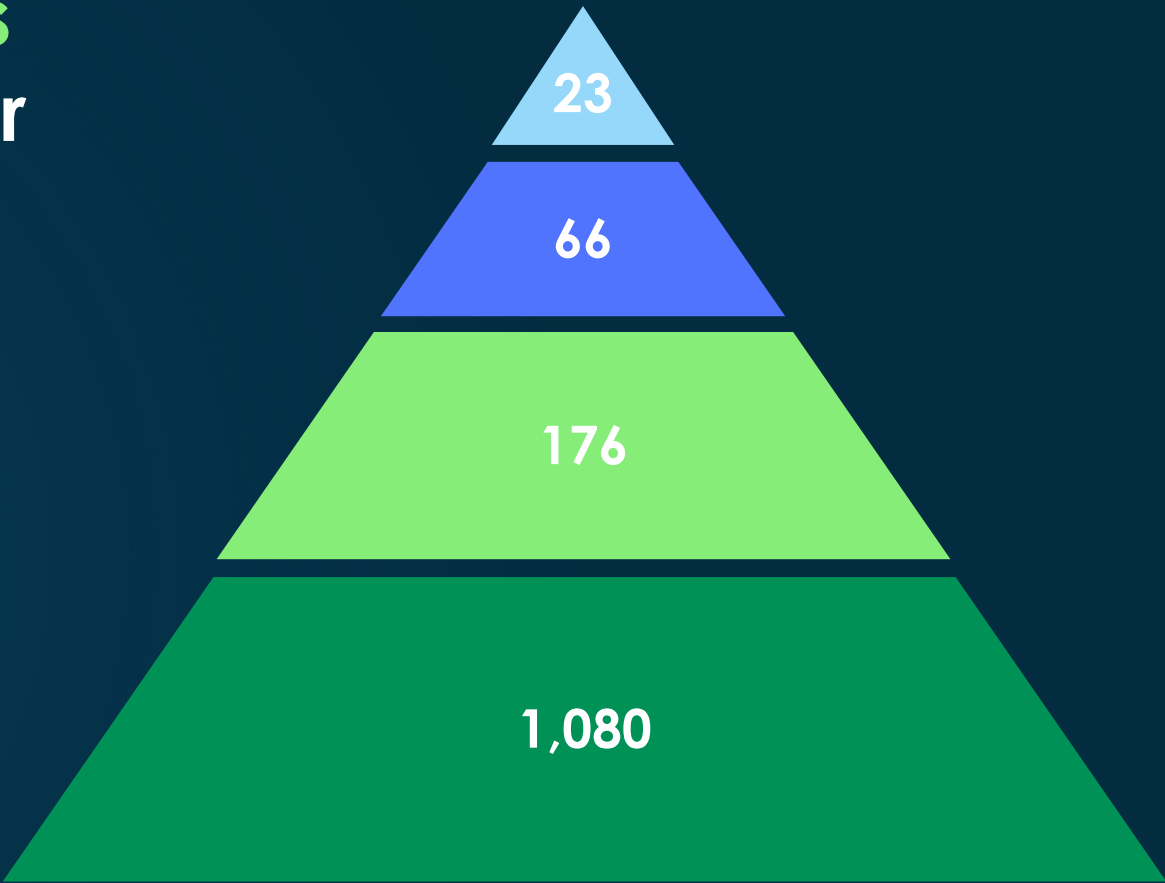
And our largest customers
are expanding even faster

1,345

Customers with \$1M+ ACV

~95%

2017 – 2021 CAGR for \$10M+
ACV Customer Count



of Customers in 2021 ■ \$20M+ ACV ■ \$10M-\$20M ACV ■ \$5M-\$10M ACV ■ \$1M-\$5M ACV

Note: Previously disclosed number of customers with ACV greater than \$1 million is restated to allow for comparability. ACV is calculated based on the foreign exchange rate in effect at the time the contract was entered into. Foreign exchange rate fluctuations could cause some variability in the number of customers with ACV greater than \$1 million.

Continued strength in core Technology Workflows with further runway

50%+

2017 – 2021 CAGR
ACV of each emerging
technology product⁽¹⁾

<20%

Average customer
penetration for emerging
technology products⁽¹⁾

(1) Emerging technology products includes ITAM, Risk, Security & SPM (Strategic Portfolio Management, formally known as ITBM).



With a massive opportunity to cross-sell our newer workflows



~10%

of our customers are using all 4 Workflows⁽¹⁾



**Technology
Workflows**



**Employee
Workflows**



**Customer
Workflows**



**Creator
Workflows**

Deepen the customer relationship with AI powered experiences in our premium SKUs

~25%

Realized ITSM price uplift Pro SKU vs. Standard SKU

~60%

2021 ITSM new customer ACV is from Pro SKU



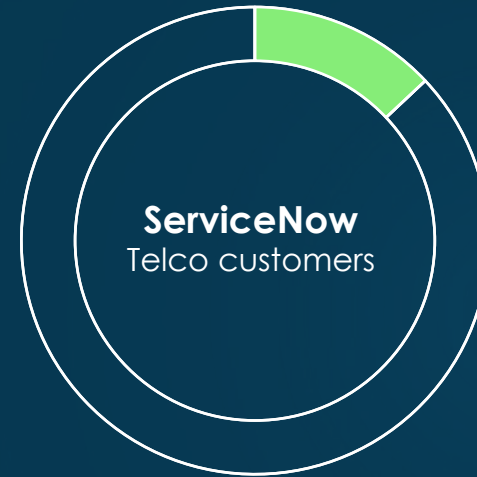
Industry solutions are also already exhibiting strong potential

Telecommunication SKUs



45%

Penetrated



13%

Penetrated

~2.5x

Average deal size for
Telco industry solutions
vs. traditional CSM deals

**Time between sales
shortens** as a customer
expands with us...

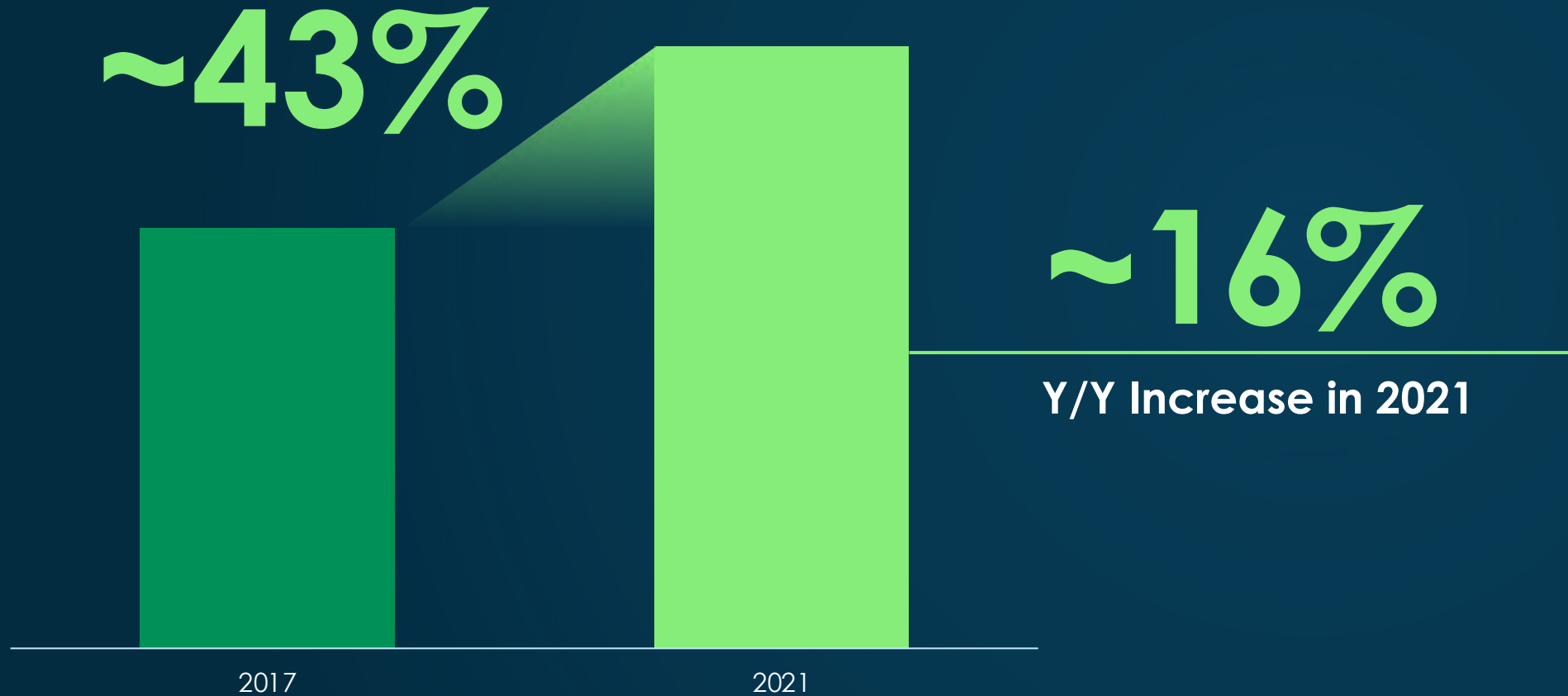
Time Between
Sales



**Average deal size
also increased**
with subsequent
sales for customers
from 2016-2021

...Driving continued improvement in Sales Rep Productivity...

Total Sales Rep Productivity⁽¹⁾

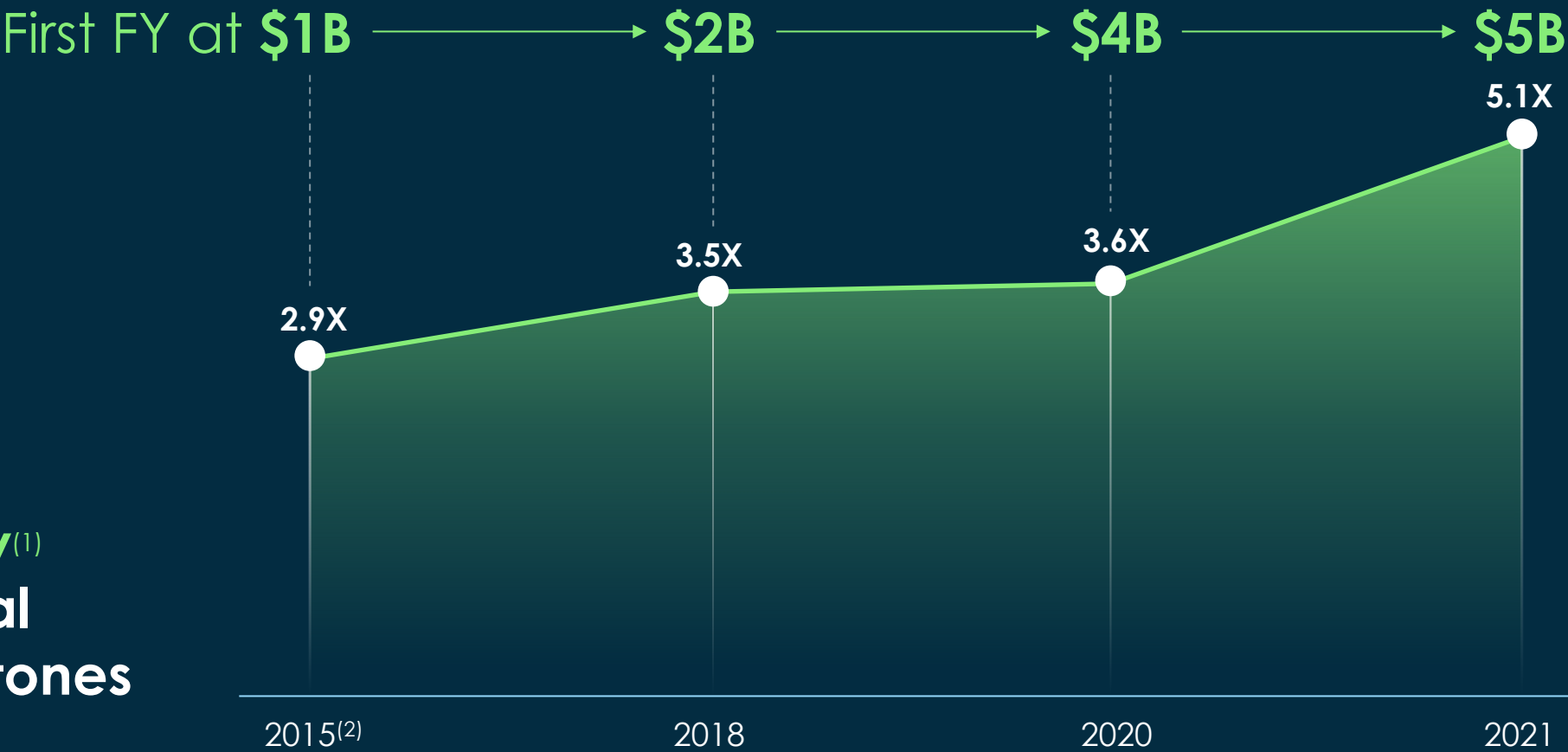


(1) Total sales rep productivity defined as commissionable NNACV divided by total sales representatives included in ending period headcount.
Note: Numbers rounded for presentation purposes

Which has led to increasing Sales Efficiency⁽¹⁾



Sales Efficiency⁽¹⁾ at Different Total Revenue Milestones



⁽¹⁾ Sales Efficiency is calculated on a non-GAAP basis and represents the change in total revenue in the respective year, divided by prior year change in Non-GAAP Sales & Marketing expense. See the tables included at the end of this presentation for a reconciliation of non-GAAP financial measures to the most comparable GAAP measures.

⁽²⁾ Prior to 2016, numbers reported under ASC605

Our Now Buying Program makes it easy for our largest customers to grow with us



Early Success

- 100+ Now Buying Program (NBP) deals in 2021
- Delivered twice the ACV growth vs. overall \$1M+ deals
- Closed with comparable price performance



Customer Feedback

- NPS scores for NBP customers are 14pts higher than overall company



Sales Sentiment

- Especially valuable for growing enterprise customers
- Simplification is critical for long-term success

Deloitte.

COX
AUTOMOTIVE™

DNB

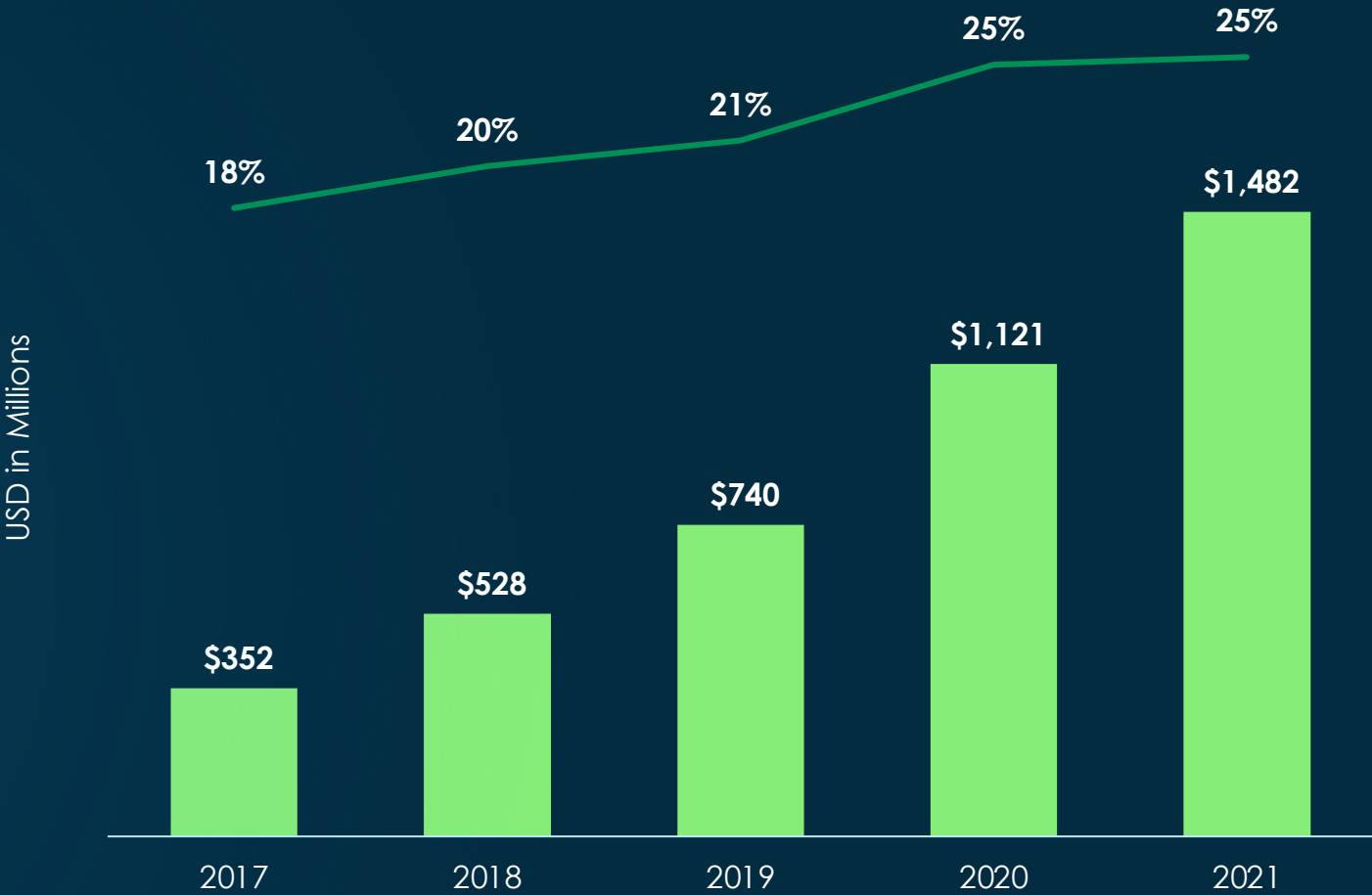
TATA
COMMUNICATIONS

The efficiency of our platform and land-and-expand growth engine drive strong profitability

43%

2017 – 2021 CAGR
Non-GAAP Operating Profit

Non-GAAP Operating Profit and Margin %⁽¹⁾



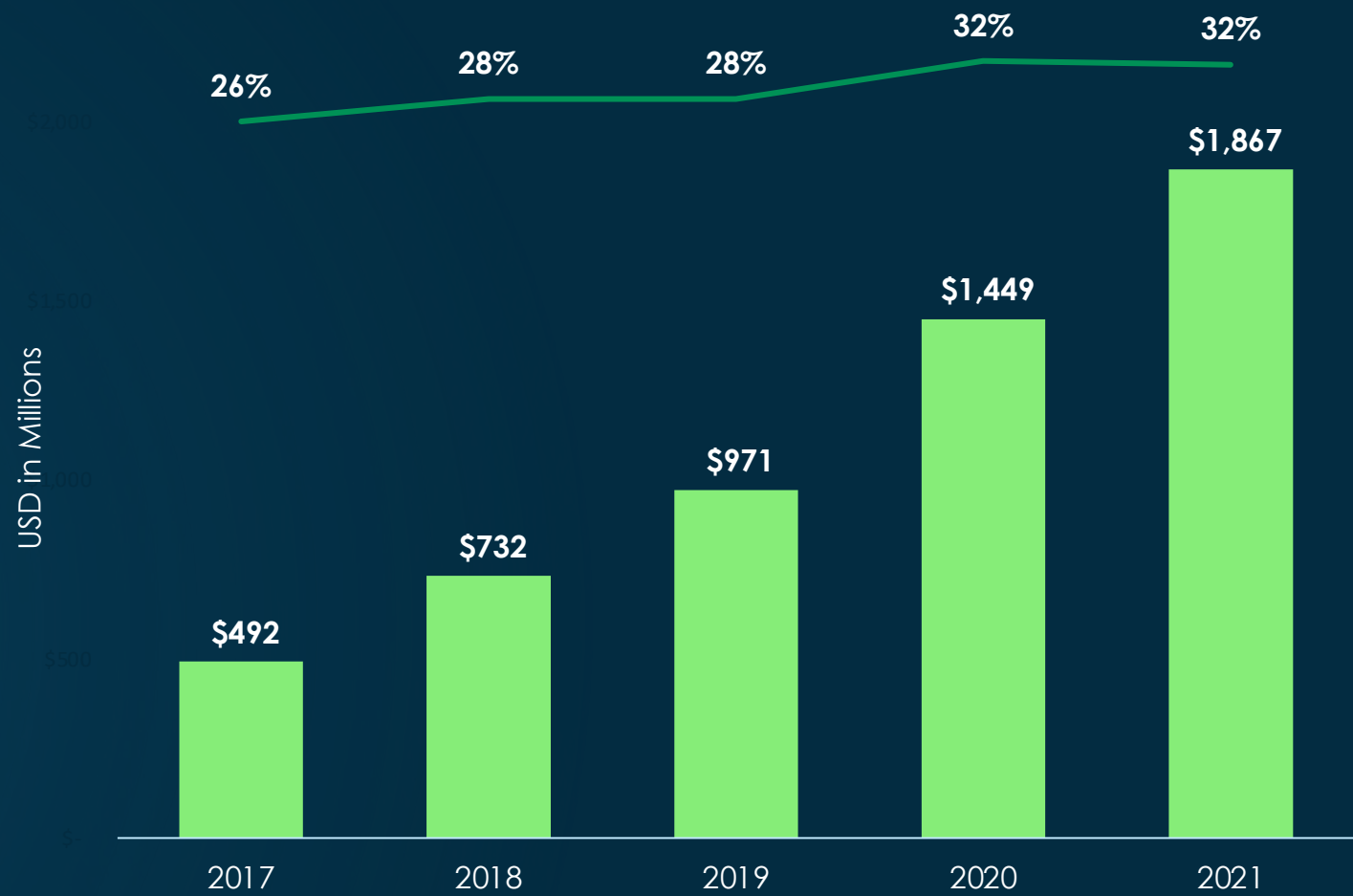
(1) Non-GAAP presentation of operating profit and operating margin exclude certain non-cash or non-recurring items, including stock-based compensation expense, amortization of purchased intangibles, legal settlements, business combination and other related costs. Non-GAAP operating margin is calculated as non-GAAP income from operations as a percentage of total revenues. See the tables included at the end of this presentation for a reconciliation of non-GAAP financial measures to the most comparable GAAP measures. Note: Numbers rounded for presentation purposes.

And robust free cash flow leverage

40%

2017 – 2021 CAGR
Non-GAAP Free Cash Flow

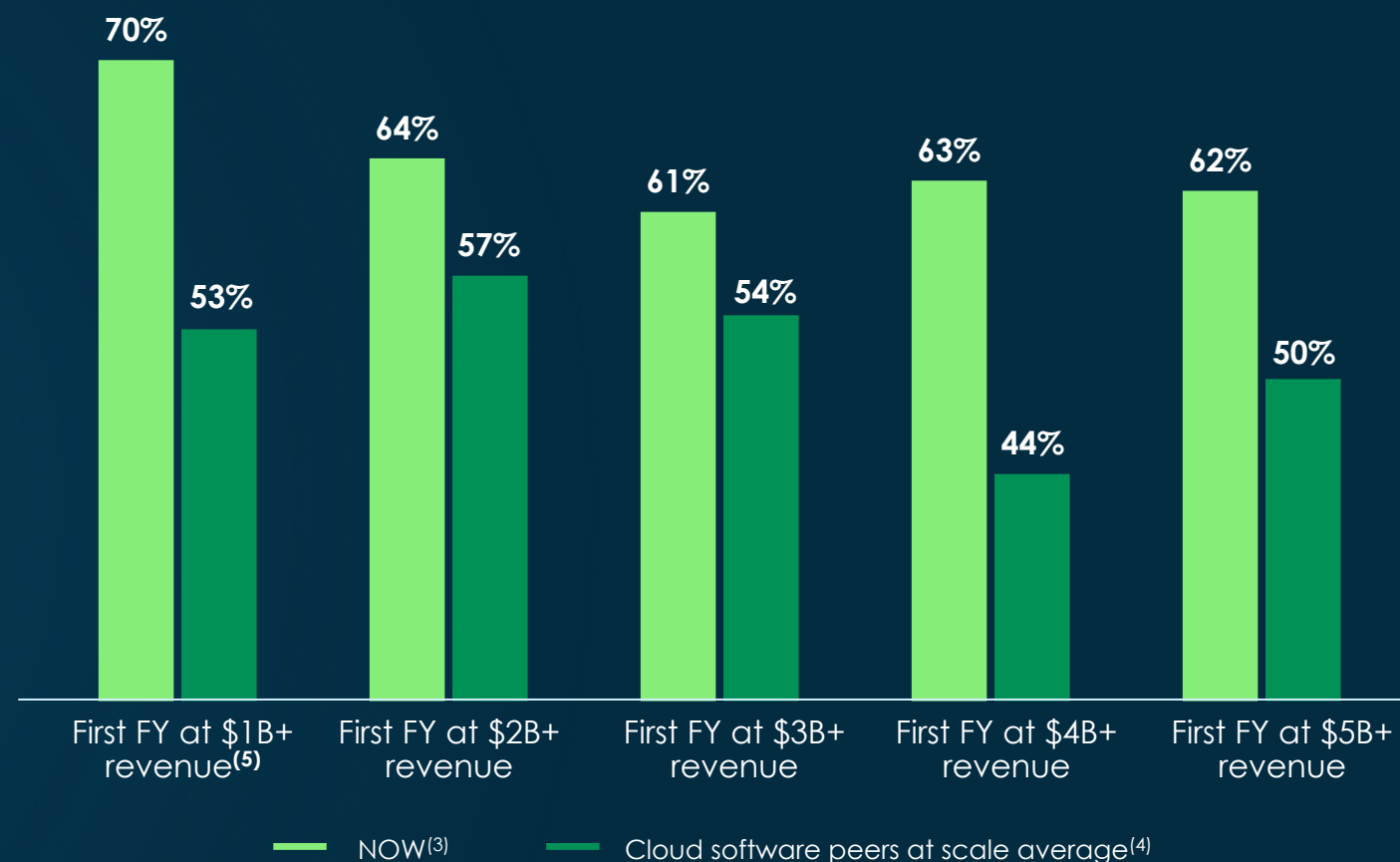
Non-GAAP Free Cash Flow and Margin %⁽¹⁾



(1) Non-GAAP Free cash flow is defined as net cash provided by operating activities plus cash paid for legal settlements and repayments of convertible senior notes attributable to debt discount, reduced by purchases of property and equipment. Free cash flow margin is calculated as free cash flow as a percentage of total revenues. See the tables included at the end of this presentation for a reconciliation of non-GAAP financial measures to the most comparable GAAP measures.
Note: Numbers rounded for presentation purposes

ServiceNow generates an unmatched combination of growth and profitability at our current scale without any large M&A⁽¹⁾

Free Cash Flow Margin Plus Total Revenue Growth Rate⁽²⁾ at Full Year Revenue Milestones



(1) Large M&A is defined as acquisitions of more than \$1 billion in deal size.

(2) Non-GAAP presentation of free cash flow margin is calculated as non-GAAP free cash flow as a percentage of total revenues. Non-GAAP presentation of Rule of 60 is non-GAAP free cash flow margin plus total revenue growth rate. See the tables included at the end of this presentation for a reconciliation of non-GAAP financial measures to the most comparable GAAP measures.

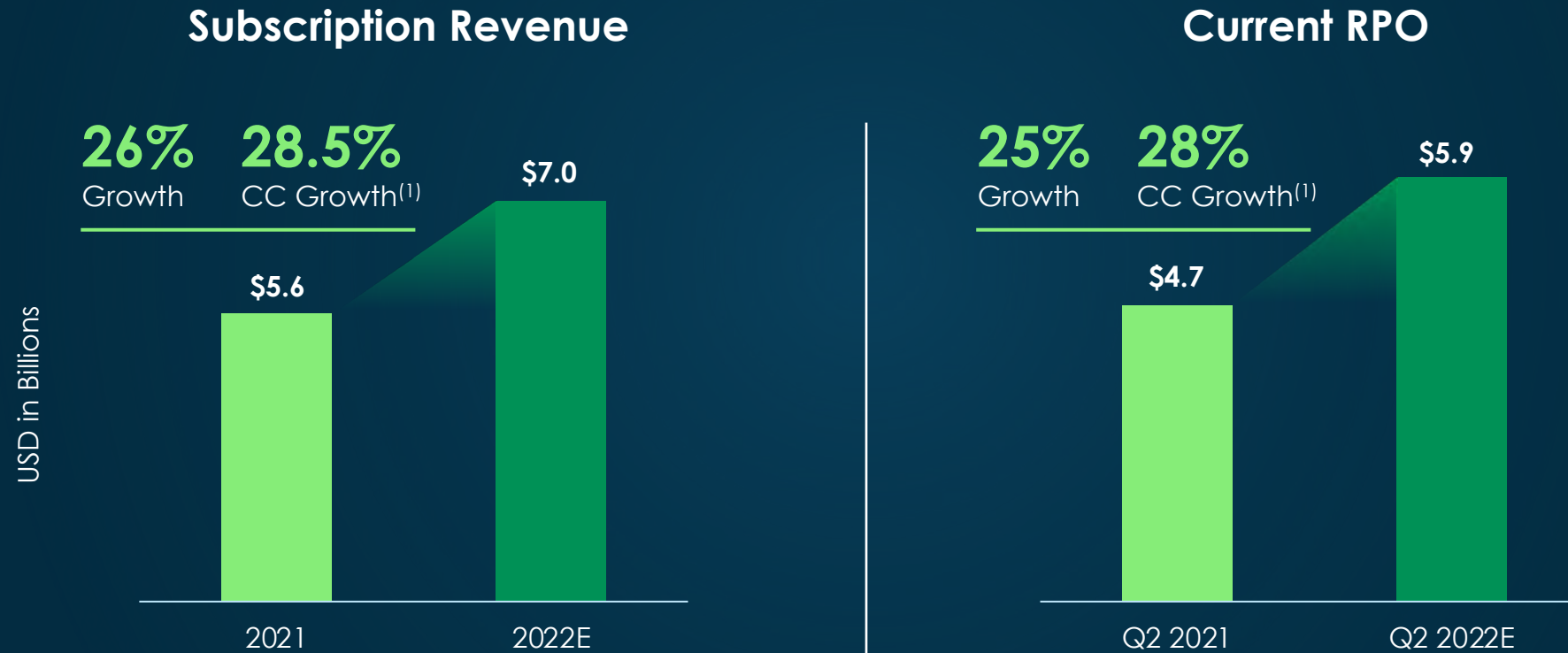
(3) NOW: First FY at \$1B+ revenue in 2015, First FY at \$2B+ revenue in 2018, First FY at \$3B+ revenue in 2019, First FY at \$4B+ revenue in 2020, First FY at \$5B+ revenue in 2021.

(4) Cloud software peers at scale include ADBE, CRM, WDAY.

(5) Prior to 2016, numbers reported under ASC605.

Note: Numbers rounded for presentation purposes.

And that momentum continues in 2022: Strong Topline Growth...



(1) Non-GAAP growth rates for subscription revenues and cRPO are adjusted for constant currency. Currency impact on subscription revenue growth rates are derived by applying the average exchange rates in effect during the comparison period rather than the exchange rates for the current period. Currency impact on current RPO growth rates are derived by applying the end of period exchange rates in effect during the comparison period rather than the actual end of period exchange rates in effect during the current period. See the tables included at the end of this presentation for a reconciliation of non-GAAP financial measures to the most comparable GAAP measures.

...paired with **Strong Free Cash Flow**

\$2.2B

2022E Free Cash Flow

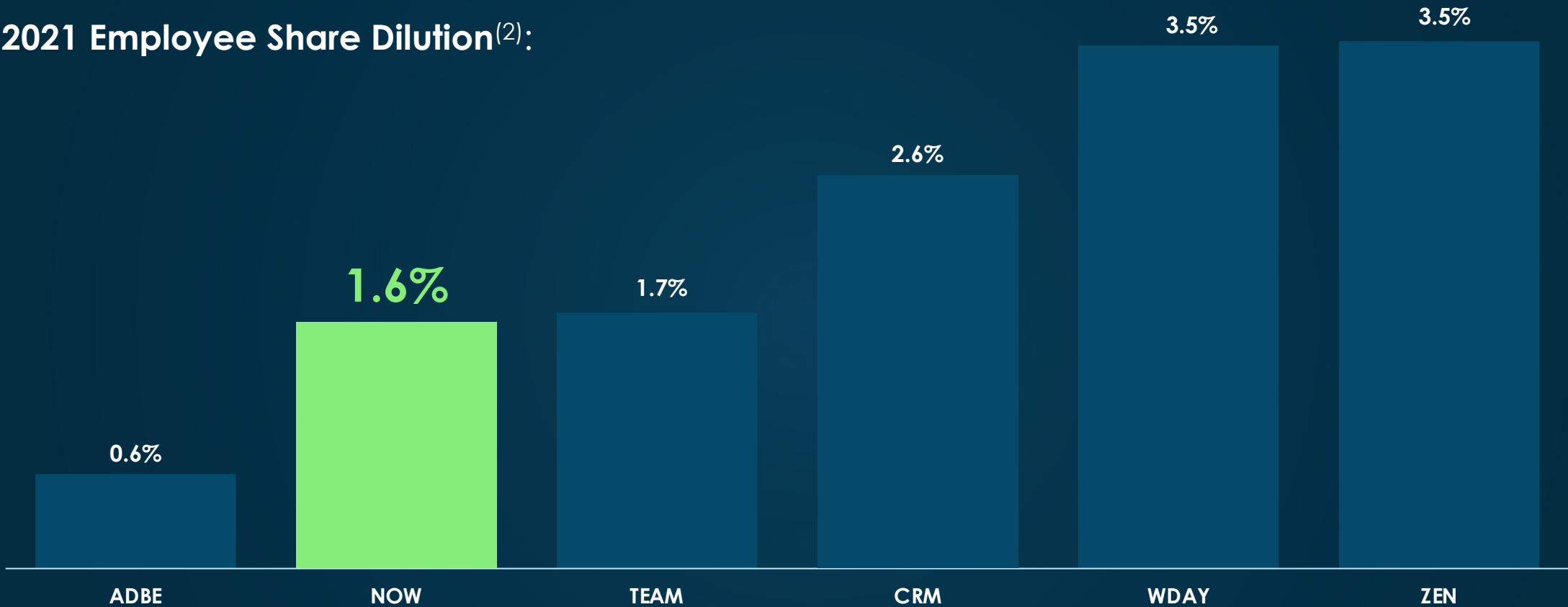
31%

2022E Free Cash Flow **Margin**

Note: Free cash flow growth based off the 2022 guidance of 31% free cash flow margin provided on 4/27/22, with the assumption that professional services grows inline with the mid-point of our subscription revenue guidance. These financial metrics are calculated on a non-GAAP basis. See the tables included at the end of this presentation for a reconciliation of non-GAAP financial measures to the most comparable GAAP measures.

Annual share dilution below average vs our peers⁽¹⁾

2021 Employee Share Dilution⁽²⁾:



SBC as a % of revenue expected to decline over time

⁽¹⁾ Software peers include ADBE, CRM, TEAM, WDAY, ZEN. Fiscal year period corresponds to most recent 10-K and 20-F filings as of May 2022.
⁽²⁾ 2021 share dilution represents common stock issued under employee stock plans as a percentage of common stock outstanding. Long-term annual dilution target is <2%.

Strategic Investments to Drive Growth and Scale

No other software company has achieved NOW's size, growth, and profitability profile organically

1

Product

- Innovate NOW Platform
- Secure our relevance with modern tech buyers
- Scale customer operations: omnichannel at scale, field service capabilities, industry solutions
- Seed new growth: ESG, ERP Workflows, Observability, Enterprise Asset Management

2

Go-to-Market

- Scale industries GTM
- Scale international and regulated markets
- Impact (next gen customer success)
- Strategic partnerships

3

Talent

- Competitive compensation and benefits
- DEI and Early in Career
- Talent, Learning and Development

Disciplined investment philosophy with a focus on innovation as well as productivity and efficiency to drive scale, enabling reinvestment in strategic priorities

ESG Strategy

ESG strategy

We make the world work better for everyone

ESG strategy		We make the world work better for everyone		
ESG priority issues	Key initiatives	Sustaining our planet Championing the transition to a net-zero world  Climate and energy  Responsible procurement  Waste	Creating equitable opportunity Making work more equitable, accessible, and rewarding for all people  Our people  Diversity, equity, and inclusion  Community engagement	Acting with integrity Building trust through ethical, transparent, and secure business practices  Security and data privacy  Governance and ethics  Business continuity
		- Accelerate decarbonization - Advance responsible procurement (E, S & G)	- Empower the workforce of the future - Cultivate diversity, equity, and inclusion - Strengthen employee engagement and community investment	- Lead with ethics, transparency, and disclosure - Assure security and data privacy - Foster responsible and ethical use of data, and respect human rights

Now Platform and Solutions

The world works with ServiceNow

Our ESG journey

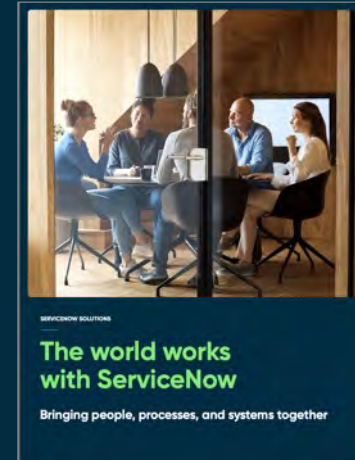
Creating an impact beyond our four walls to enable everyone to contribute to a more sustainable, equitable, and ethical world

2021 Highlights

- Launched and adopted ESG Command Center solution suite including the ESG Management Solution
- Achieved carbon neutrality⁽¹⁾ and 100% renewable electricity
- Science-based targets set and approved by SBTi
- Progress in diverse representation and maintained pay equity
- Fully distributed \$100M Racial Equity Fund
- Executive compensation tied to ESG targets

2022 and Beyond

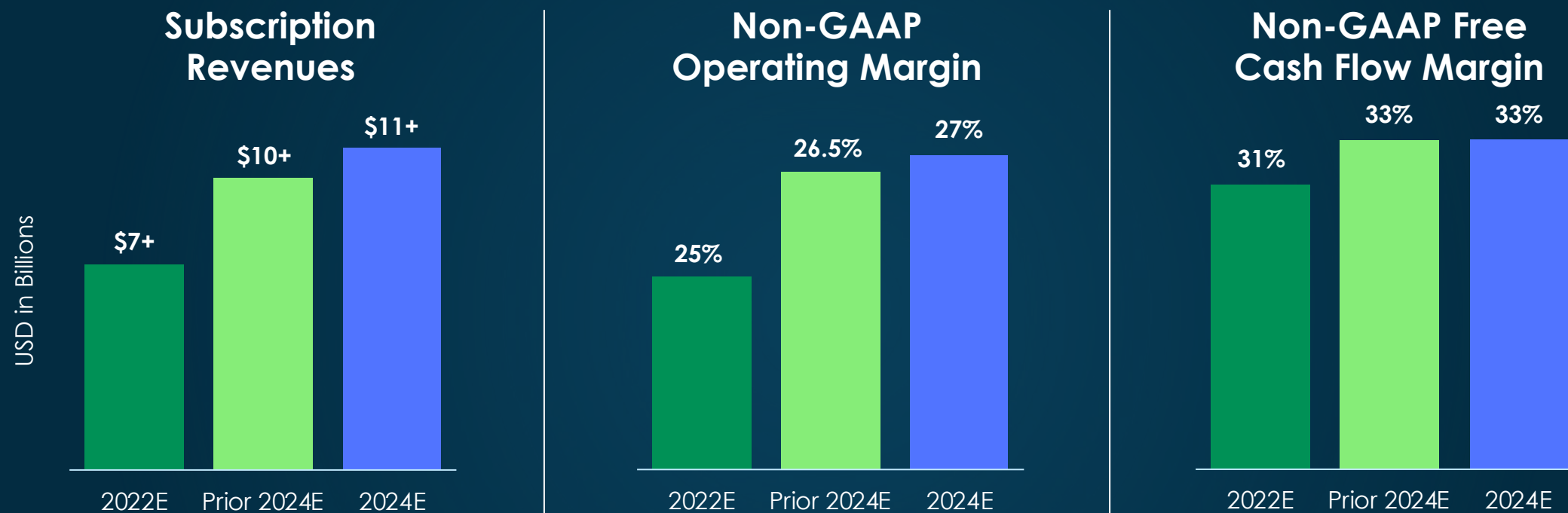
- Deliver additional solutions on ServiceNow Platform that empower our customers to achieve their ESG goals
- Provide our customers with carbon neutral cloud
- Develop roadmap to achieve Science-Based Targets by 2026
- Achieve 15% URG representation by 2025
- Continue to mature ESG disclosures / governance
- Uphold commitment to protect security and data privacy



(1) Met carbon neutrality for office and datacenter operations, business travel and work from home.

Long-Term Targets

2024 Target operating model



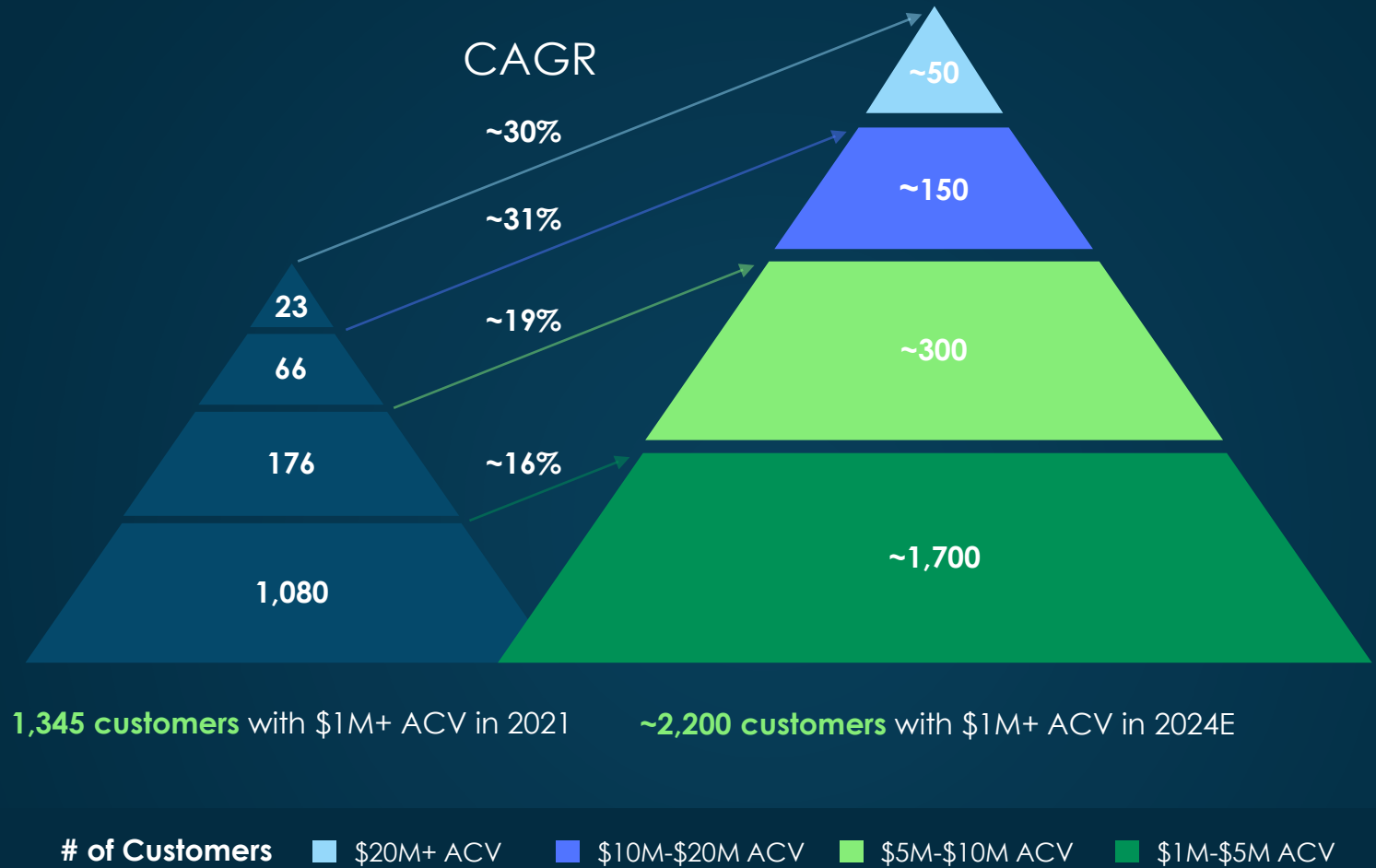
<2% Annual Dilution

19-20% Non-GAAP Tax Rate

Note: 2022 estimates based on the guidance as of 4/27/22. Operating Margin expansion based on the 25% non-GAAP FY22 operating margin guidance provided on 4/27/22. Free cash flow growth based off the FY22 guidance of 31% free cash flow margin provided on 4/27/22, with the assumption that professional services grows in line with the mid-point of our subscription revenue guidance. Our non-GAAP presentation of tax rate excludes the tax effects of stock-based compensation expense, amortization of purchased intangibles, legal settlements, business combination and other related costs. See the tables included at the end of this presentation for a reconciliation of non-GAAP financial measures to the most comparable GAAP measures. Annual dilution target for fully diluted shares outstanding excludes the issuance of additional shares of our common stock in the second half of 2022 upon the exercise of the remaining portion of the 2022 Warrants associated with our 2022 Notes. See our Annual Report on Form 10-K filed on February 3, 2022 for additional information. Targets exclude material M&A.

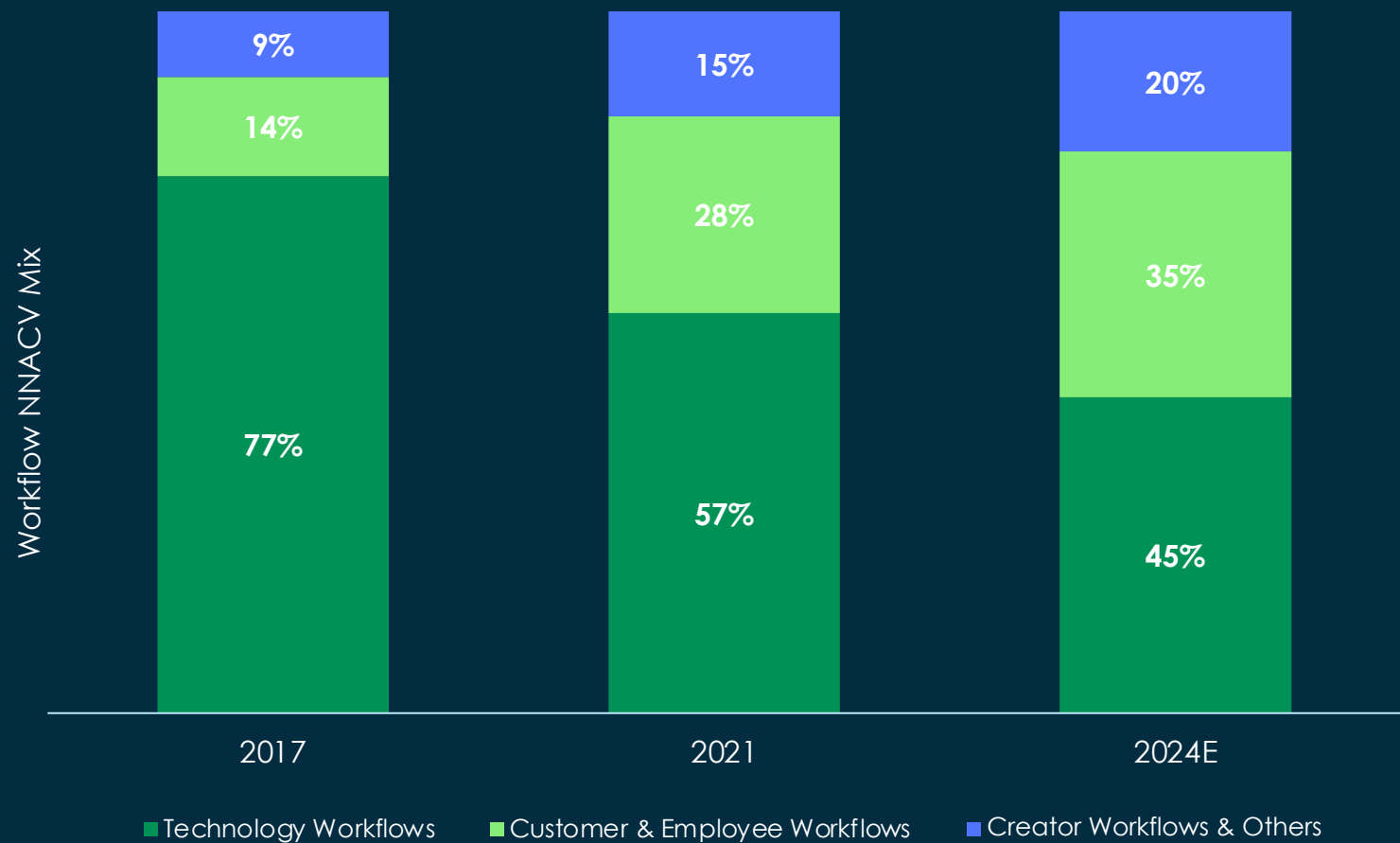


**Our largest
customers
will continue
expanding
even faster**



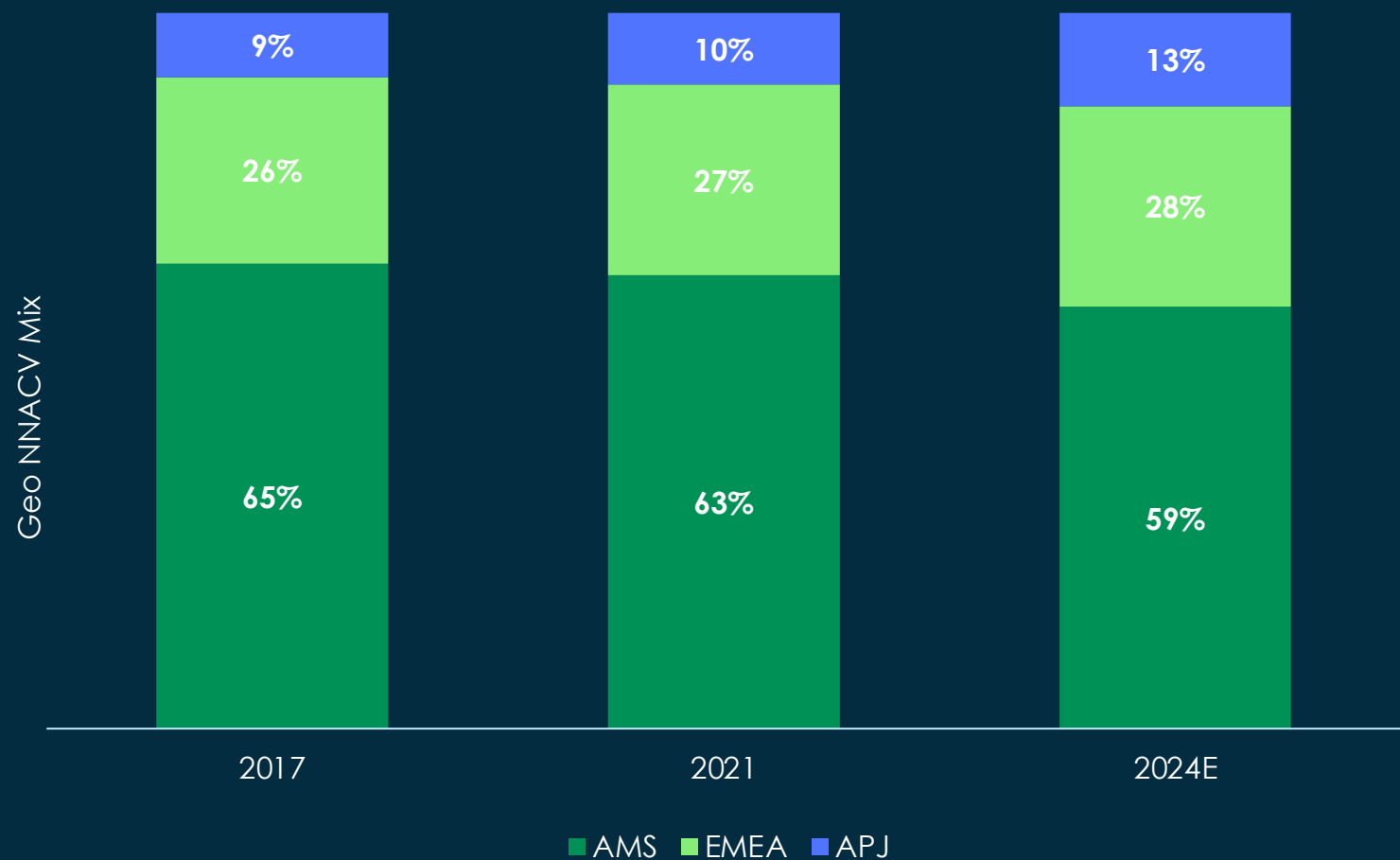
Note: Previously disclosed number of customers with ACV greater than \$1 million is restated to allow for comparability. ACV is calculated based on the foreign exchange rate in effect at the time the contract was entered into. Foreign exchange rate fluctuations could cause some variability in the number of customers with ACV greater than \$1 million.

Non-Technology workflows are expected to generate the majority of NNACV at \$11B in subscription revenue



(1) Historical presentations disclosed net new ACV contribution across products and are not comparable to net new ACV contribution across workflows and products disclosed herein.
(2) IT Workflows include IT Service Mgmt, IT Operations Mgmt, IT Business Mgmt, IT Asset Mgmt, DevOps, Security Operations, Governance, Risk and Compliance, Telecom Network Performance Mgmt; Customer and Employee Workflows include Customer Service Mgmt, Field Service Mgmt, Connected Operations, Financial Services Operations, Telecom Service Mgmt, HR Service Delivery, Workplace Service Delivery, Legal Service Delivery, Procurement Service Mgmt, Safe Workplace Suite; Creator Workflows & Others include App Engine, IntegrationHub, and Others.

And 40% of NNACV is expected to come from EMEA and APJ at \$11B in subscription revenue





by 2026

\$16B+

of Subscription Revenue

GAAP to Non-GAAP Reconciliation

GAAP to Non-GAAP Reconciliation – Subscription Revenues

In millions (except %'s)	Q1-20	Q2-20	Q3-20	Q4-20	2020	Q1-21	Q2-21	Q3-21	Q4-21	2021	Q1-22	Q2-22E Midpoint	2022E Midpoint
GAAP Subscription Revenues	\$995	\$1,015	\$1,091	\$1,184	\$4,286	\$1,293	\$1,330	\$1,427	\$1,523	\$5,573	\$1,631	\$1,673	\$7,033
(+) Effects of Foreign Currency Rate Fluctuations	\$12	\$12	\$(14)	\$(23)	\$(14)	\$(37)	\$(45)	\$(11)	\$15	\$(77)	\$35	\$45	\$130
Non-GAAP Subscription Revenues⁽¹⁾	\$1,006	\$1,027	\$1,077	\$1,161	\$4,272	\$1,256	\$1,285	\$1,416	\$1,538	\$5,496	\$1,666	\$1,718	\$7,163
YoY Non-GAAP Subscription Revenues Growth Rates⁽¹⁾	36%	32%	29%	29%	31%	26%	27%	30%	30%	28%	29%	29%	28.5%

⁽¹⁾ Non-GAAP revenues and the corresponding growth rates are derived by applying the average exchange rates in effect during the comparison period rather than the actual average exchange rates in effect during the current period or the exchange rates for the guidance period.

GAAP to Non-GAAP Reconciliation – cRPO and RPO

In billions (except %'s)	2019	2020	2021	Q1-22	Q2-22E
GAAP Current Remaining Performance Obligations at Period End	\$3.3	\$4.4	\$5.7	\$5.7	N/A
Y/Y Current Remaining Performance Obligations Growth Rates ⁽²⁾	N/A	N/A	N/A	N/A	25%
(+) Effects of Foreign Currency Rate Fluctuations	\$0.0	\$(0.1)	\$0.1	\$0.1	3%
Non-GAAP Current Remaining Performance Obligations at Period End ⁽²⁾	\$3.3	\$4.3	\$5.8	\$5.8	N/A
Y/Y Non-GAAP Current Remaining Performance Obligations Growth Rates ⁽²⁾	34%	30%	32%	30.5%	28%
GAAP Remaining Performance Obligations at Period End	\$6.6	\$8.9	\$11.5	\$11.5	N/A
(+) Effects of Foreign Currency Rate Fluctuations	\$0.0	\$(0.2)	\$0.3	\$0.2	N/A
Non-GAAP Remaining Performance Obligations at Period End ⁽²⁾	\$6.7	\$8.7	\$11.8	\$11.6	N/A
Y/Y Non-GAAP Remaining Performance Obligations Growth Rates ⁽²⁾	35%	31%	32%	31.5%	N/A

⁽²⁾ Non-GAAP current remaining performance obligations, remaining performance obligations and the corresponding growth rates and derived by applying the exchange rates in effect at the end of the comparison period rather than the actual exchange rates in effect at the end of the current period

GAAP to Non-GAAP Reconciliation – Sales and Marketing Expense

In millions (except %'s and per share data)	2013*	2014*	2015*	2016	2017	2018	2019	2020	2021
GAAP Sales and Marketing	\$195	\$341	\$498	\$660	\$895	\$1,203	\$1,534	\$1,855	\$2,292
(-) Sales and Marketing SBC	\$22	\$54	\$102	\$132	\$171	\$228	\$268	\$320	\$389
(-) Sales and Marketing Amort of Purchased Intangibles	\$0	\$1	\$1	\$0	\$0	-	\$0	\$1	\$1
(-) Sales and Marketing Business combination and Other Related Costs	\$0	\$0	\$0	-	\$0	-	-	\$0	\$0
Non-GAAP Sales and Marketing	\$173	\$287	\$396	\$528	\$724	\$975	\$1,266	\$1,534	\$1,902

*Prior to 2016, numbers reported under ASC 605
Note: Numbers rounded for presentation purposes

GAAP to Non-GAAP Reconciliation – Operating Income and Operating Margin

In millions (except %'s and per share data)	2017	Margin	2018	Margin	2019	Margin	2020	Margin	2021	Margin
GAAP Income (Loss) from Operations	\$(64)	(3%)	\$(42)	(2%)	\$42	1%	\$199	5%	\$257	5%
(-) SBC	\$394	21%	\$544	21%	\$662	19%	\$870	19%	\$1,131	19%
(+) Amount of Purchased Intangibles	\$20	0%	\$25	1%	\$35	1%	\$45	1%	\$76	1%
(+) Business Combination and Other Related Costs	\$2	0%	\$1	0%	1	0%	\$6	0%	\$18	0%
(+) Legal Settlements	-	0%	-	0%	-	0%	-	0%	-	0%
Non-GAAP Income from Operations	\$352	18%	\$ 528	20%	\$ 740	21%	\$ 1,121	25%	\$1,482	25%

Note: Numbers rounded for presentation purposes

GAAP to Non-GAAP Reconciliation – Free Cash Flow and Free Cash Flow Margin

In millions (except %'s and per share data)	2015*	Margin*	2016	Margin	2017	Margin	2018	Margin	2019	Margin	2020	Margin	2021	Margin	Q1-22	Margin	2022E	Margin
GAAP Net Cash Provided by Operating Activities	\$318	32%	\$159	12%	\$643	33%	\$811	31%	\$1,236	36%	\$1,787	39%	\$2,191	37%	\$863	50%	N/A	N/A
(-) Purchases of Property and Equipment	\$88	9%	\$106	7%	\$151	8%	\$224	9%	\$265	8%	\$419	9%	\$(392)	(7%)	\$(93)	(5%)	N/A	N/A
(+) Cash Paid for Legal Settlements	-	0%	\$268	19%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	N/A	N/A
(+) Repayments of Convertible Senior Notes attributable to Debt Discount	-	0%	-	0%	-	0%	145	6%	-	0%	\$82	2%	15	0%	-	0%	N/A	N/A
(+) Business combination and other related costs	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	53	1%	-	0%	N/A	N/A
Non-GAAP Free Cash Flow	\$	23%	321	23%	\$492	26%	\$732	28%	971	28%	\$1,449	32%	\$1,867	32%	\$770	45%	N/A	31%

*Prior to 2016, numbers reported under ASC 605
Note: Numbers rounded for presentation purposes

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Thank you

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