



FAD 24

FINANCIAL
ANALYST
DAY

servicenow®

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 2024E), "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 guidance, involve risks, uncertainties and assumptions based on information available to us as of 5/6/24, including those related to our 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, fluctuations in the value of foreign currencies relative to the U.S. Dollar; fluctuations in interest rates; the impact of the Russian invasion of Ukraine and bank failures 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 "Risk Factors" section in our Annual Report on Form 10-K filed for the year ended December 31, 2023 and 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 ("revenues"), and current remaining performance obligations ("cRPO") and remaining performance obligations ("RPO") and related growth rates for constant currency to provide a framework for assessing how our business performed excluding the effect of foreign currency rate fluctuations, and for revenues only and any gains or losses from foreign currency hedge contracts that are reported in the current and comparative period. To exclude the effective of foreign currency rate fluctuations, current period revenues results for entities reporting in currencies other than U.S. Dollars are converted into U.S. Dollars at the average exchange rates in effect for the comparison period, rather than the actual exchange rates in effect for the current period. Guidance for related growth rates is derived by applying the average exchange rates in effect during the comparison period, rather than the exchange rates for the guidance period, adjusted for any foreign currency hedging effects. We believe the presentation of revenues and corresponding growth rates adjusted for constant currency by excluding effects of foreign currency rate fluctuations and any gains or losses from foreign currency hedge contracts facilitates the comparison of revenues year-over-year. Current period cRPO and RPO results and related growth rates for entities reporting in currencies other than U.S. Dollars are converted into U.S. Dollars at the exchange rates in effect at the end of the comparison period rather than the actual end of the period exchange rates in effect during the current period. Guidance for cRPO growth rates is derived by applying the end of period exchange rates in effect during the comparison period rather than the exchange rates in effect during the guidance period. We believe the presentation of cRPO and RPO and related growth rates adjusted for constant currency facilitates the comparison of cRPO and RPO year-over-year, respectively.

Our non-GAAP presentation of gross profit, income from operations, and net income measures exclude certain non-cash or non-recurring items, including stock-based compensation expense, amortization of debt discount and issuance costs related to our convertible senior notes, loss on early note conversions, amortization of purchased intangibles, legal settlements, business combination and other related costs, income tax effects and adjustments, and the income tax benefit from the release of a valuation allowance on deferred tax assets. The non-GAAP weighted-average shares used to compute our non-GAAP net income per share - diluted excludes the dilutive effect of the in-the-money portion of convertible senior notes as they are covered by our note hedges, and includes the dilutive effect of time-based stock awards, the dilutive effect of warrants and the potentially dilutive effect of our stock awards with performance conditions not yet satisfied at forecasted attainment levels to the extent we believe it is probable that the performance condition will be met. 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 is defined as net cash provided by operating activities plus cash paid for legal settlements, repayments of convertible senior notes attributable to debt discount and business combination and other related costs including compensation expense, reduced by purchases of property and equipment. Free cash flow margin is calculated as free cash flow as a percentage of total revenues. We believe information regarding free cash flow and 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.

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 results.

References to (CC) throughout this deck indicates the respective metric is in constant currency.

Agenda

Opening

Darren Yip | GVP of Investor Relations and Market Insights

Vision and Opportunity

Bill McDermott | Chairman and Chief Executive Officer
Nick Tzitzon | Chief Strategy and Corporate Affairs Officer

Platform Innovation

CJ Desai | President and Chief Operating Officer

Technology Workflows

Pablo Stern | SVP and GM, Technology Workflows

Customer and Industry Workflows

John Ball | SVP and GM, Customer and Industry Workflows
Terence Chesire | VP, Customer and Industry Workflows

Platform Gen AI and User Experience

Amy Lokey | Chief Experience Officer
Joe Davis | SVP, Platform and AI Engineering

Break (10 min)

Go-to-Market Strategy

Paul Smith | Chief Commercial Officer

Financial Overview

Gina Mastantuono | Chief Financial Officer

Q&A



Vision and opportunity

Bill McDermott

Chairman & CEO

Nick Tzitzon

Chief Strategy and Corporate Affairs Officer

Best in class performance at scale

DESCO21C: INNOVATION VELOCITY + EXCEPTIONAL GROWTH + OPERATIONAL EXCELLENCE

Financials and shareholder return

26%¹

Growth at scale
(2023)

56%¹

Sustained Rule of 50+
(2023)

166%²

Total shareholder
return in 5 years⁽²⁾
(1.9x S&P 500 return)

Innovation velocity

2X

Horizontal products
relative to 2018

6

Vertical Products
introduced in 3yrs

20

Markets with NOW
named as a leader⁽³⁾

Customer momentum

BEST IN CLASS LOYALTY

98.5%

Renewal rate

UNPRECEDENTED
CUSTOMER EXPANSION

~2x

\$1M+ customers
(vs 2020)

3x+

\$10M+ customers
(vs 2020)

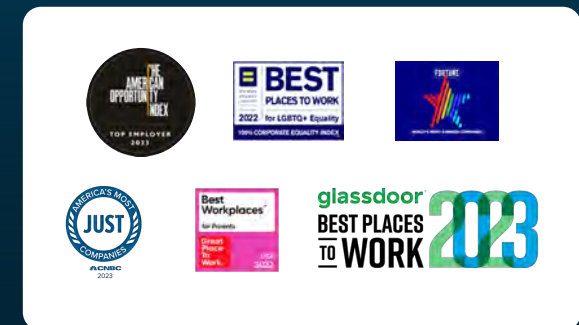
World class culture and brand

~23K

Employees

No Layoffs

Brand
Put AI to Work



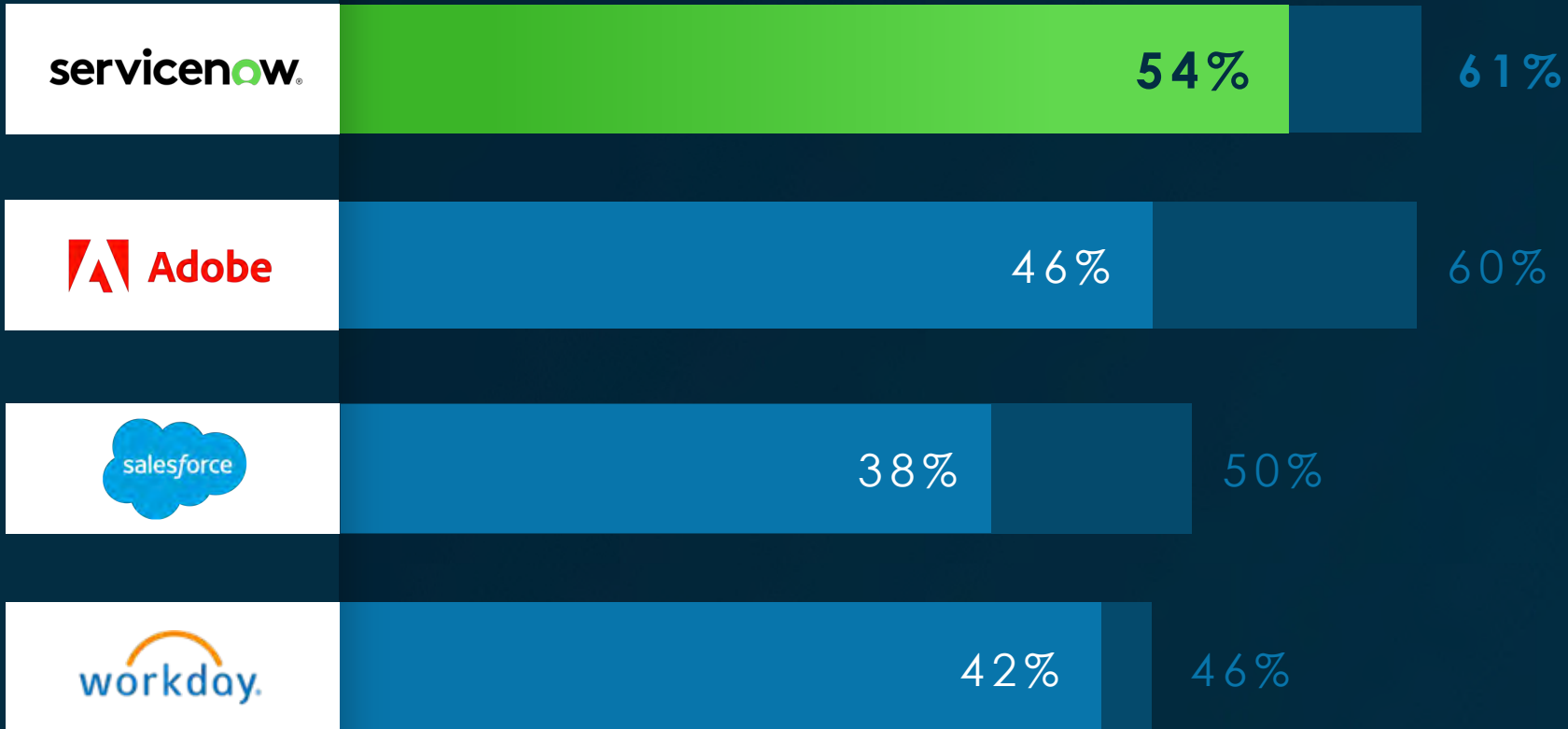
ServiceNow class of 'one'

Delivering consistent growth at scale + margin expansion

RULE OF 50



2019 2023



Note: Rule of 50 calculation includes last twelve months (LTM) Revenue Growth and LTM Free Cash Flow (FCF). Calculation compares fiscal years ending closest to 12/31/19 and 12/31/23

A generational transformation of the enterprise

PERSONAS REDEFINED

INDUSTRIES REIMAGINED

TECH STACK RESHUFFLED

TALENT RESKILLED

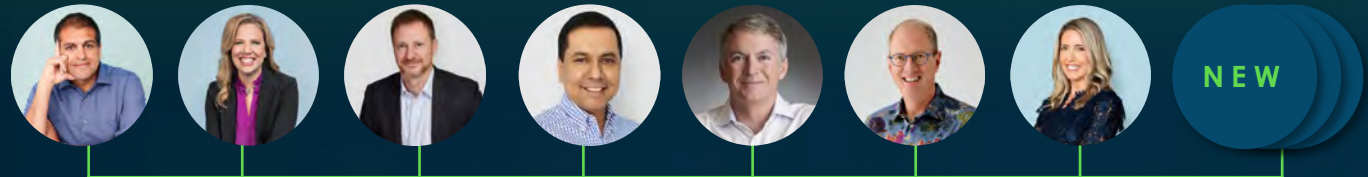
TRUST REGAINED

Business transformation powered by AI

Our massive
strategic
opportunity

\$275B

2026 TAM
(FORECASTED)



 Now Platform®

GenAI



Executing on this opportunity

ECOSYSTEM



accenture

Deloitte.

Microsoft

KPMG

EY

cognizant

GO TO MARKET

GLOBAL FOOTPRINT

INDUSTRY FOCUS

CUSTOMER EXPANSION

INNOVATION



Technology Workflows



Employee Workflows



Customer and Industry Workflows



Creator and FSC Workflows

DEVELOPER

EMPLOYEE

GenAI

CUSTOMER

AGENT



The AI platform
for business transformation

#DESCO21C

**Innovation
velocity**

**Operational
excellence**

**Exceptional
growth at scale**



Platform Innovation

CJ Desai

President & COO



servicenow®

IS A

PLATFORM

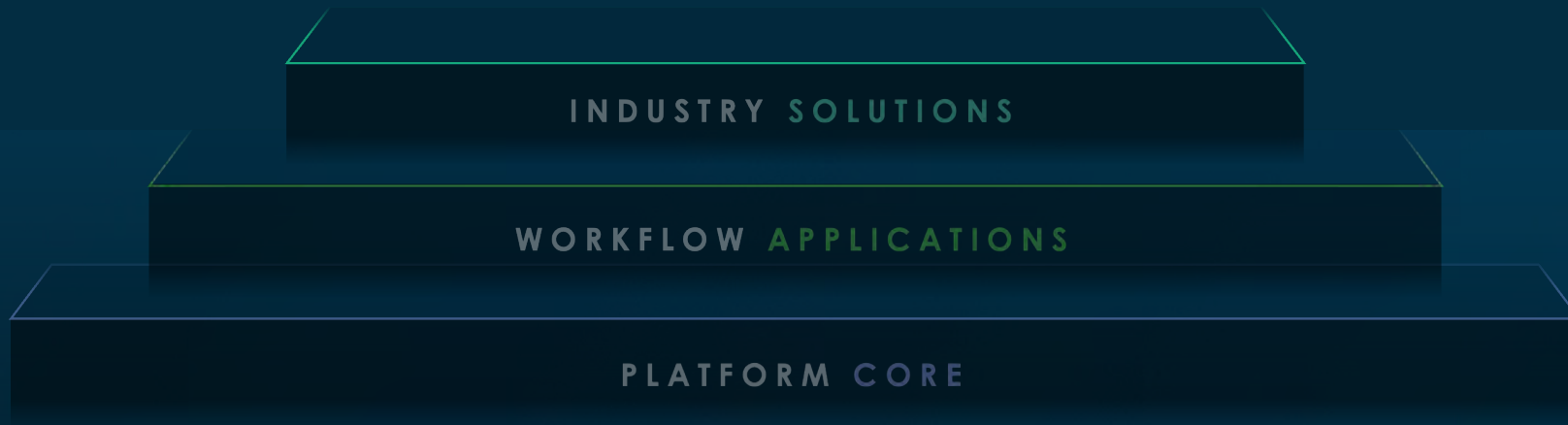
COMPANY

INDUSTRY SOLUTIONS

WORKFLOW APPLICATIONS

PLATFORM CORE

SERVICENOW CLOUD



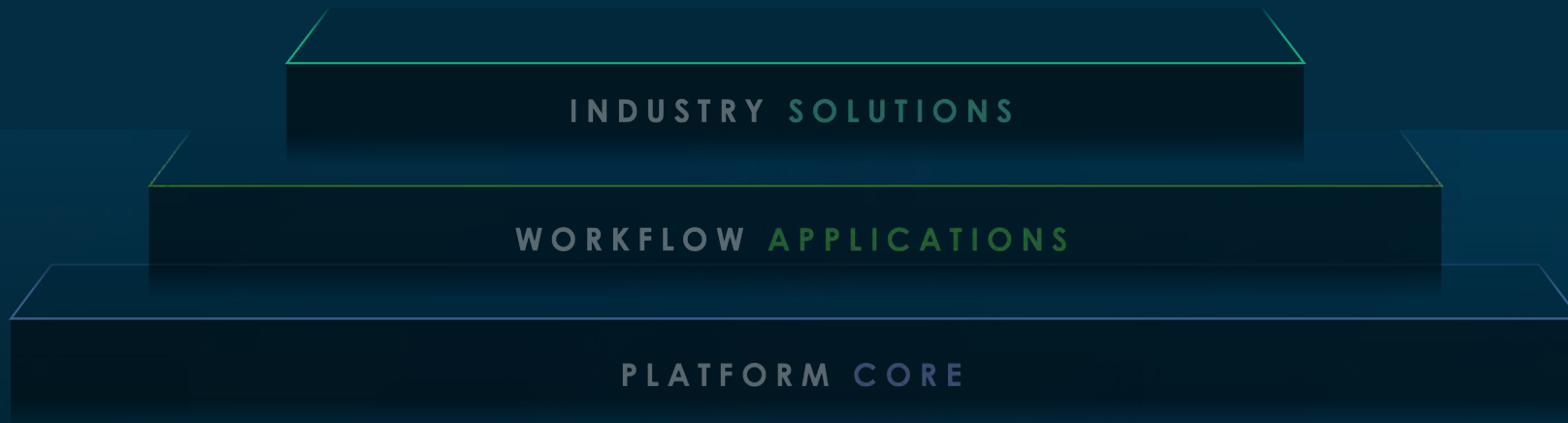
SERVICENOW CLOUD

Compute (CPU / GPU)

Networking

Storage

Automated Cloud Services Operations



SERVICENOW CLOUD

CLOUD CHOICE

Compute (CPU / GPU)

Networking

Storage

Automated Cloud Services Operations

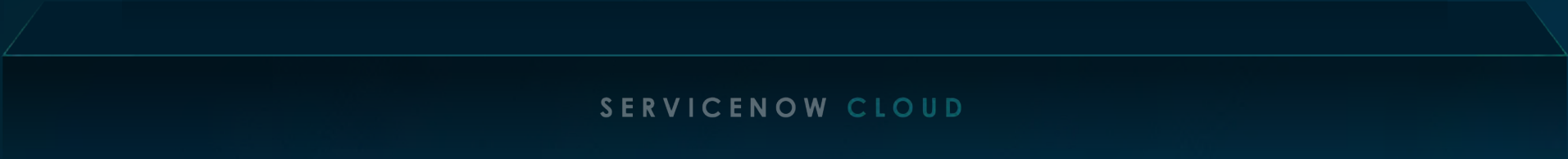
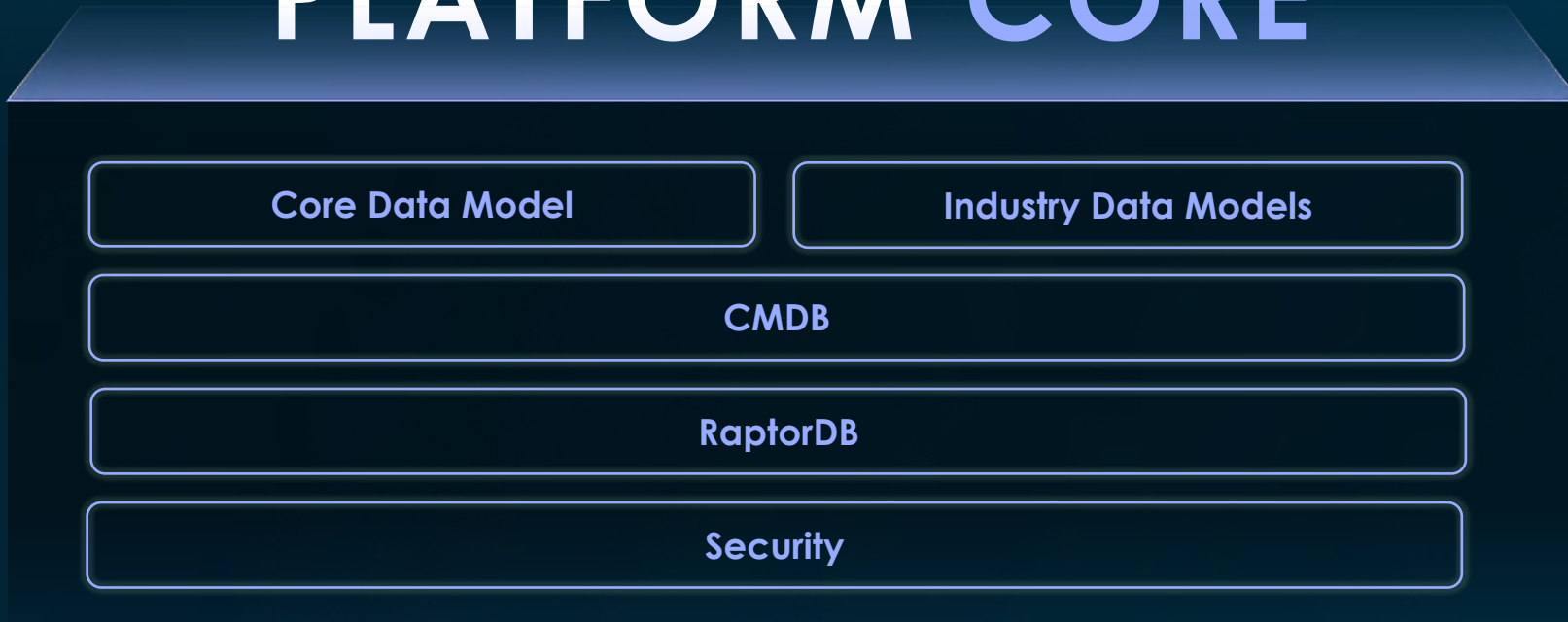
 Microsoft Azure

 aws

 IBM



PLATFORM CORE



INDUSTRY SOLUTIONS

WORKFLOW APPLICATIONS

PLATFORM CORE

Workflows <input checked="" type="checkbox"/>	Service Portal <input checked="" type="checkbox"/>	ML + Gen AI LLMs <input checked="" type="checkbox"/>
User Experience <input checked="" type="checkbox"/>	Integrations <input checked="" type="checkbox"/>	Virtual Agent <input checked="" type="checkbox"/>
Process Mining <input checked="" type="checkbox"/>	RPA <input checked="" type="checkbox"/>	Low Code Tools <input checked="" type="checkbox"/>
AI Search <input checked="" type="checkbox"/>	Encryption <input checked="" type="checkbox"/>	Analytics <input checked="" type="checkbox"/>

SERVICENOW CLOUD

INDUSTRY SOLUTIONS

WORKFLOW APPLICATIONS



Technology
Workflows



Employee
Workflows



Customer
and Industry
Workflows



Creator
and FSC
Workflows

PLATFORM CORE

SERVICENOW CLOUD

INDUSTRY SOLUTIONS

Telecom, Media & Technology

Healthcare & Life Sciences

Financial Services

Manufacturing

Public Sector

Retail

WORKFLOW APPLICATIONS

PLATFORM CORE

SERVICENOW CLOUD

Growth vectors

Platform
innovation

AI
innovation

EXPANDING TAM

Product & Industry
innovation

2004

2005

2006

2007

2008

2009

2010

2011



Technology Workflows

IT Service Management

SERVICENOW TAM



2013

2014

2015

2016

2017

2018

2019

2020

2021

2022

2023

2024

INTRODUCED **PRO**



Technology Workflows



Employee Workflows



Customer Workflows



Creator Workflows

IT Service Management

HR Service Delivery

Customer Service Management

App Engine

IT Operations Management

Field Service Management

Integration Hub

Strategic Portfolio Management

Integrated Risk Management

Security Operations

IT Asset Management

SERVICENOW TAM

2018

2019

2020

2021

2022

2023

2024

2025

2027

2028

2029

INTRODUCED **PRO PLUS**



Technology Workflows



Employee Workflows



Customer and Industry Workflows



Creator and FSC Workflows

IT Service Management

HR Service Delivery

Customer Service Management

App Engine

IT Operations Management

Legal Service Delivery

Field Service Management

Automation Engine

Strategic Portfolio Management

Workplace Service Delivery

Industry Solutions

Vault

Integrated Risk Management

Accounts Payable

Security Operations

Procurement

IT Asset Management

Supplier Operations

Cloud Observability

Operational Technology

SERVICENOW TAM

2019

2020

2021

2022

2023

2024

2025

2027

2028

2029

2030



Technology Workflows

IT Service Management

IT Operations Management

Strategic Portfolio Management

Integrated Risk Management

Security Operations

IT Asset Management

Cloud Observability

Operational Technology

Digital End-User Experience



Employee Workflows

HR Service Delivery

Legal Service Delivery

Workplace Service Delivery

Contract Lifecycle Management



Customer and Industry Workflows

Customer Service Management

Field Service Management

Industry Solutions

Sales and Order Management



Creator and FSC Workflows

App Engine

Automation Engine

Vault

Accounts Payable

Procurement

Supplier Operations

SERVICENOW TAM



OUR

EXPANDING

ENTERPRISE REACH

Lines of business unlocked across the C-suite

TELECOM

CORE

Chief Information Officer

Chief Network Officer

Head of Business Group

Head of Consumer Group

Chief Human Resources Officer

PUBLIC SECTOR

CORE

Chief Information Officer

Chief Distribution Center Officer

Chief Logistics Officer

Chief Financial Officer

Chief Retail and Delivery Officer

FINANCIAL SERVICES

CORE

Chief Information Officer

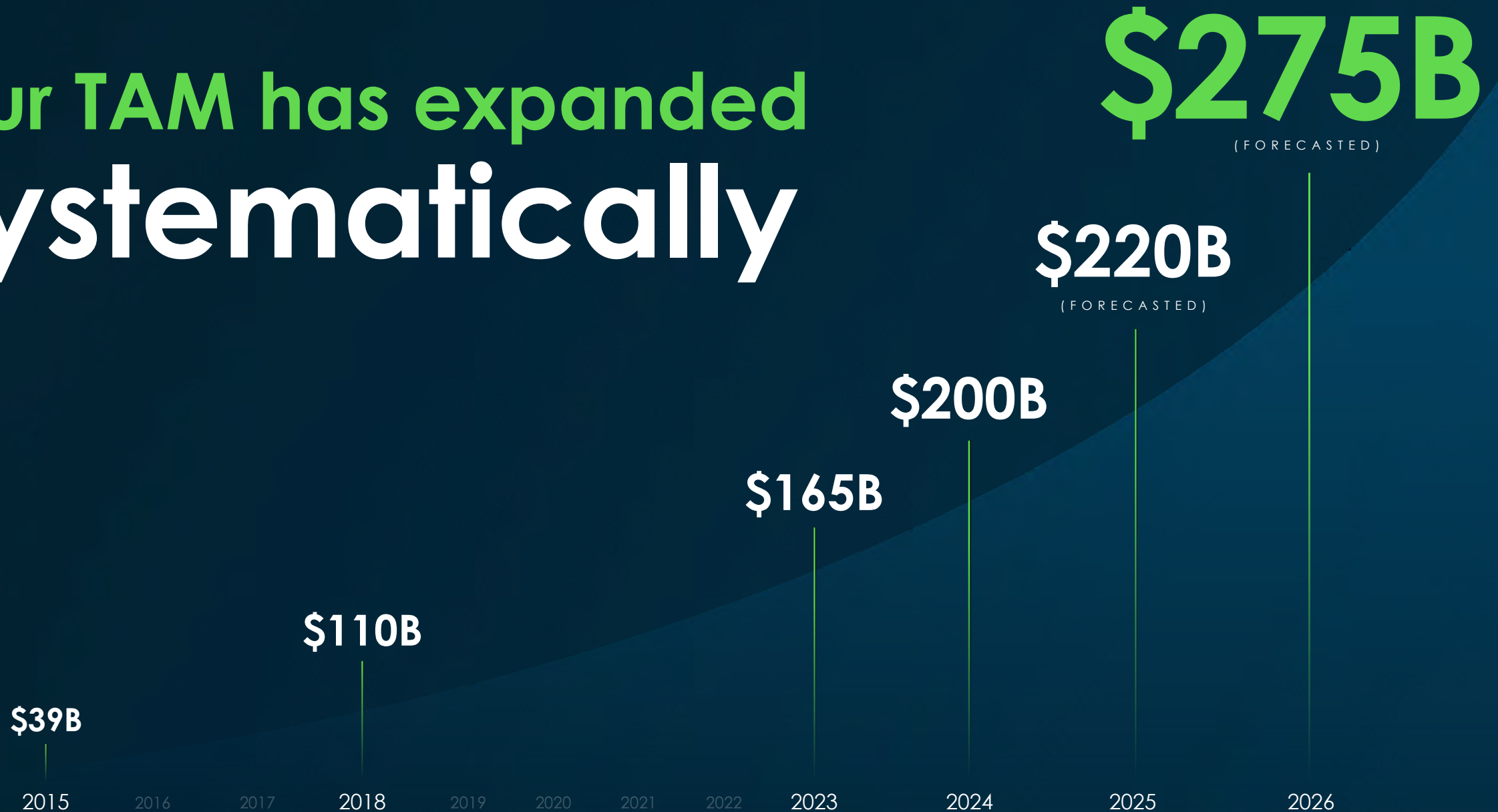
Chief Information & Security Officer

Chief Risk Officer

Chief Operating Officer

Chief Claims Officer

Our TAM has expanded systematically



Our TAM has expanded systematically

\$275B

(FORECASTED)



SERVICENOW PORTFOLIO

Industry Products

Telecom, Media & Technology

Manufacturing

Healthcare & Life Sciences

Financial Services

Public Sector

Retail



IT Service Management

IT Operations Management

Strategic Portfolio Management

Integrated Risk Management

Security Operations

IT Asset Management

Cloud Observability

Digital End-User Experience

Operational Technology

HR Service Delivery

Legal Service Delivery

Workplace Service Delivery

Contract Lifecycle Management

Customer Service Management

Field Service Management

Sales and Order Management

App Engine

Automation Engine

Vault

Accounts Payable

Procurement

Supplier Operations



Pablo Stern



GM & SVP

Technology Workflows



Operational Technology

Where digital
technology
meets physical
processes in

Manufacturing

Automotive

Energy & Utilities

Logistics

Retail

IT and OT are converging

INFORMATION TECHNOLOGY

Established system of record

Comprehensive product set

**Production
Process**

OPERATIONAL TECHNOLOGY

Digitally behind IT by 10+ years

Security & resiliency are critical

We are accelerating OT digital transformation

PERSONAS

CIO

CISO

NEW

Factory Owner

WHY NOW

Risk of ransomware increased, impacting production lines and asset lifecycles

IT and OT stakeholders seek a common system of record

USE CASES

Available now

OT Operations Management

OT Service Management

OT Security Operations

H2 2024

OT Asset Management

OT is a strategic growth opportunity

With \$5B+ TAM in 2026



ACV

3X

2023

2022

John Ball



GM & SVP

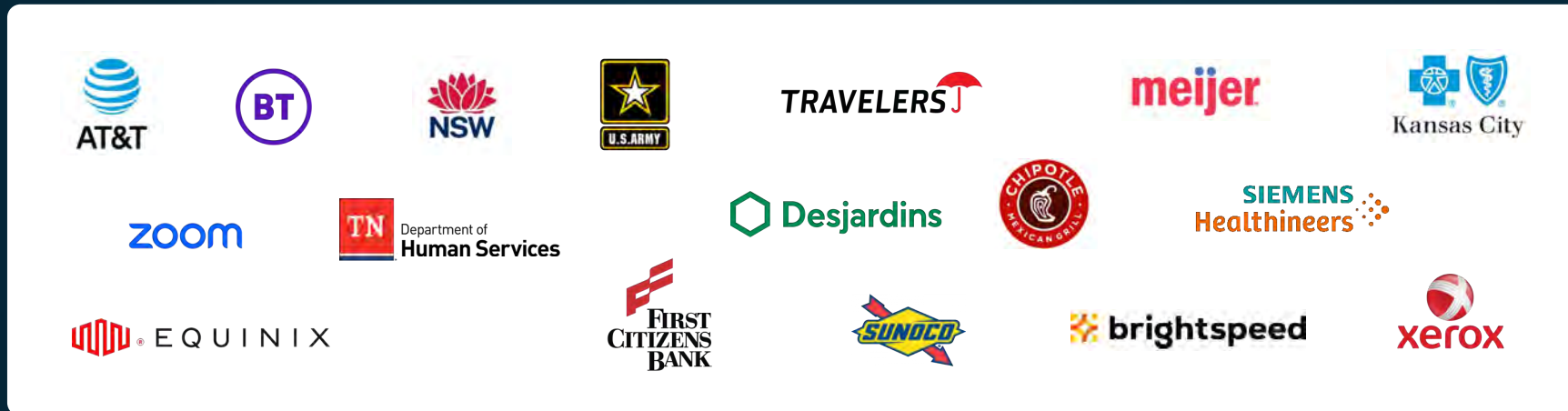
Customer and Industry Workflows



Customer and Industry Workflows

\$1B+

2023



~\$20M

2016

Digitization efforts
started here

WHAT ACTUALLY HAPPENS:
Disparate systems,
human middleware



SOLVING WITH

End to end customer service



Customer

WORKFLOW

Automation | Integration | Experiences



Excellent
customer
service

Systematic expansion of use cases



INTRODUCING

Sales and Order Management

Opportunity
Management

Sales Catalog
& Guided Selling

Configure
Price Quote (CPQ)

Pricing
Engine

Order
Capture

INTRODUCING

Unified experience from Genesys and ServiceNow

Turnkey, AI-powered solution

servicenow

Unified agent
workspace

Workflow-driven
system of action

Customer service
management

Seamless
Customer Choice

VIRTUAL
AGENTS

DIGITAL
CHANNELS

ARTIFICIAL
INTELLIGENCE

GENESYS

Workforce engagement
management

Personalized CX
orchestration and routing

Customer journey
optimization

Unified & open data platforms

Why service to sales matters

FIELD TECHNICIAN INTERNET PROVIDER



SERVICE

Visits onsite to check and repair connection



SALES

Sells home security equipment and sets up delivery date

CUSTOMER SUPPORT AGENT INSURANCE COMPANY



SERVICE

Helps newlyweds with adding driver to the policy



SALES

Sells additional valuable insurance coverage

Active Chat

Yes

Great! Would you like to chat with a small business sales representative to discuss the solution in more detail and provide a customized quote?

Yes

Please stand by while I connect you to a live agent.

Chat summarized by Now Assist Private

The customer, Julie Lewis, is experiencing slow internet speeds and connectivity issues with their current service. They require a plan with 500 Mbps internet speed and managed Wifi and POS. The agent provides a customized quote and connects Julie with a small business sales representative to discuss the solution in more detail.

John Jason has joined.

Thank you for contacting support. I am looking into your question now and will be with you shortly.

Public Chat Private Chat

Message visible to everyone

OPTY0001129

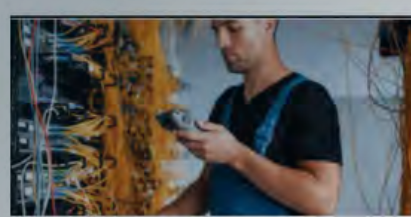
Account: Kathy's Coffee Shop
 Contact: Julie Lewis
 Sales Cycle Type: UPSSELL
 Stage: Qualify

Save Create Quote

- Connectivity Services Products for
- Product selection guide
 - Show all
 - Voice and Internet Plans
 - Connectivity Services Solution
- Premium S...
STANDARD...
Special Prom...
SMBs with M...

L I V E D E M O

Sales and Order Management



Standard Small Business Connectivity -...
STANDARDSM1

Special Promotion until 07/28. High speed internet for SMBs with Managed WIFI, POS, and Router with...

Add



Solana Managed Wifi Product
MANAGEDWIF1

Managed Wifi Product

Add



Managed Point of Sale Product
MANAGEDPOI1

Managed Point of Sale Product

Add

GENERATIVE AI

Continues to be a catalyst for the Now Platform[®]

ServiceNow's AI strategy

Intelligent workflows

IN THE FLOW OF WORK

ServiceNow's AI strategy

Powered by an industry leading AI team

RESEARCH | SCIENCE | ENGINEERING | PRODUCT | EXPERIENCE

1

ServiceNow GenAI models

We build use case specific ServiceNow Gen AI models derived from open source models

2

Intelligent workflows

NOW LLMs combined with our Knowledge Graph and application workflows with delightful experiences

3

Pro Plus products

Additional value delivered for customers with Intelligent Workflows

servicenow

GenAI models

BEST OF GENERAL PURPOSE + DOMAIN SPECIFIC

SERVICENOW DEVELOPED MODELS



watsonx

WHY IT MATTERS?

High performance

Fast innovation

Accurate models

Data privacy

Low cost

SERVICENOW AI ARCHITECTURE IS OPEN

This means flexibility for our customers

ServiceNow GenAI models

Bring your own GenAI models



servicenow
**GenAI
models**

BEST OF GENERAL PURPOSE + DOMAIN SPECIFIC
SERVICENOW DEVELOPED MODELS

 NVIDIA  Hugging Face  watsonx

WHY IT MATTERS?

High performance Fast innovation Accurate models Data privacy Low cost

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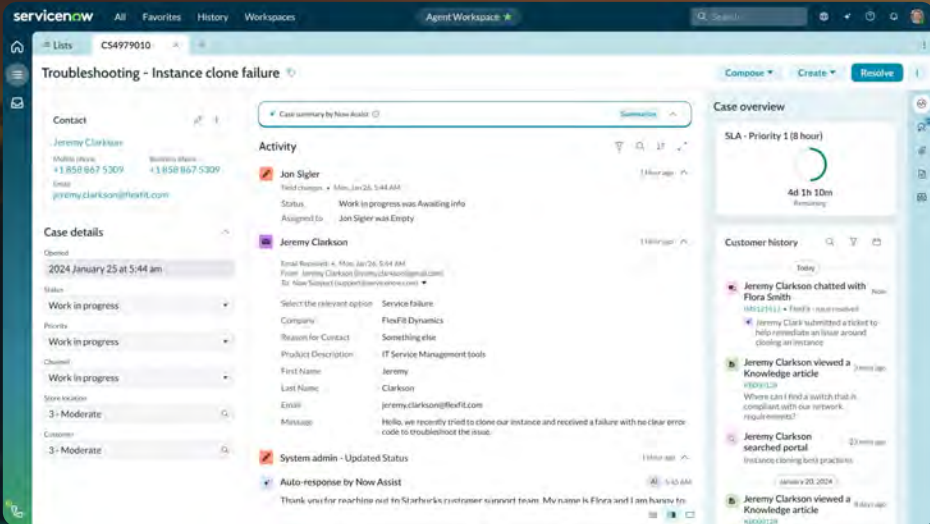
Intelligent workflows



Pro Plus roadmap

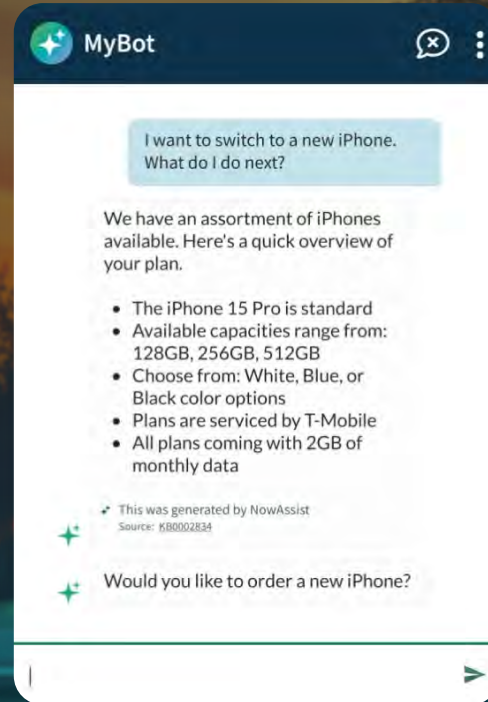


The Pro Plus advantage for:



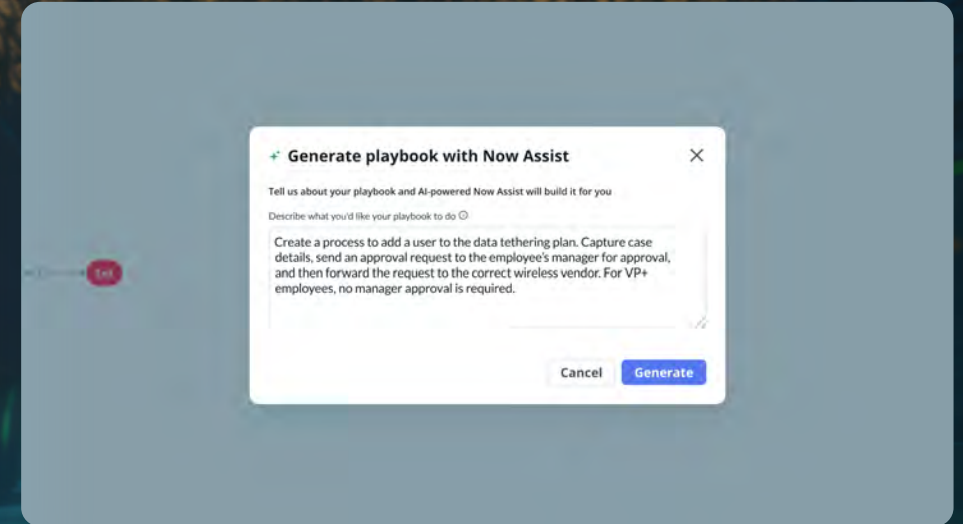
Service Agents

Improved
Agent Productivity



Employee

Higher
Service Request
Deflection



ServiceNow Developers

Increased
Workflow Automation
Velocity

Customer proof points

7 months since Pro Plus was introduced

MULTINATIONAL
BUSINESS SERVICES
COMPANY

IT Service Management Pro Plus

30%

Mean time to resolution improvement

Productivity
for agents

LARGE MANUFACTURING
ORGANIZATION

ITSM and HR Pro Plus

>80%

Self-service deflection improvement

Intelligent self service
for employees & end customers

GLOBAL PROFESSIONAL
SERVICES COMPANY

Creator Pro Plus

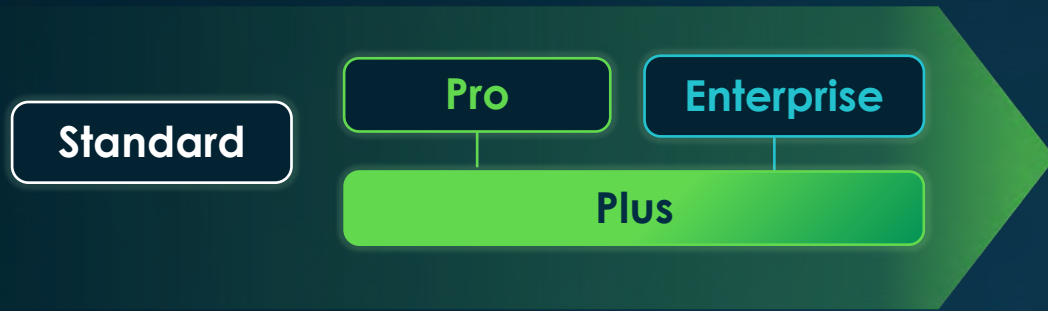
25%

Developer velocity

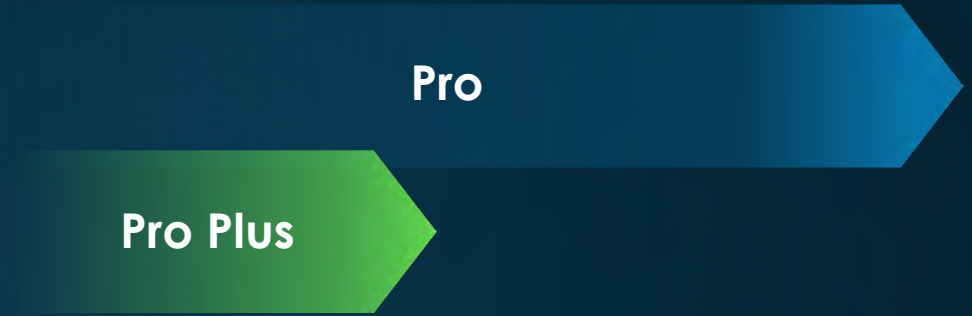
Higher pace
of Workflow automation

Pro Plus adoption dynamics

CURRENT PACKAGING



TIME TO VALUE



SEAT COUNT FOR PRO
LAST 4 QUARTERS

PRICE REALIZATION BASED ON VALUE DELIVERED



Generation

Innovation roadmap

Code Generation

SEP 2023

Flow Generation

NOV 2023

Playbook Generation

App Generation

Catalog Generation

MAY 2024

Analytics Generation

AUG 2024

Spoke Generation

NOV 2024

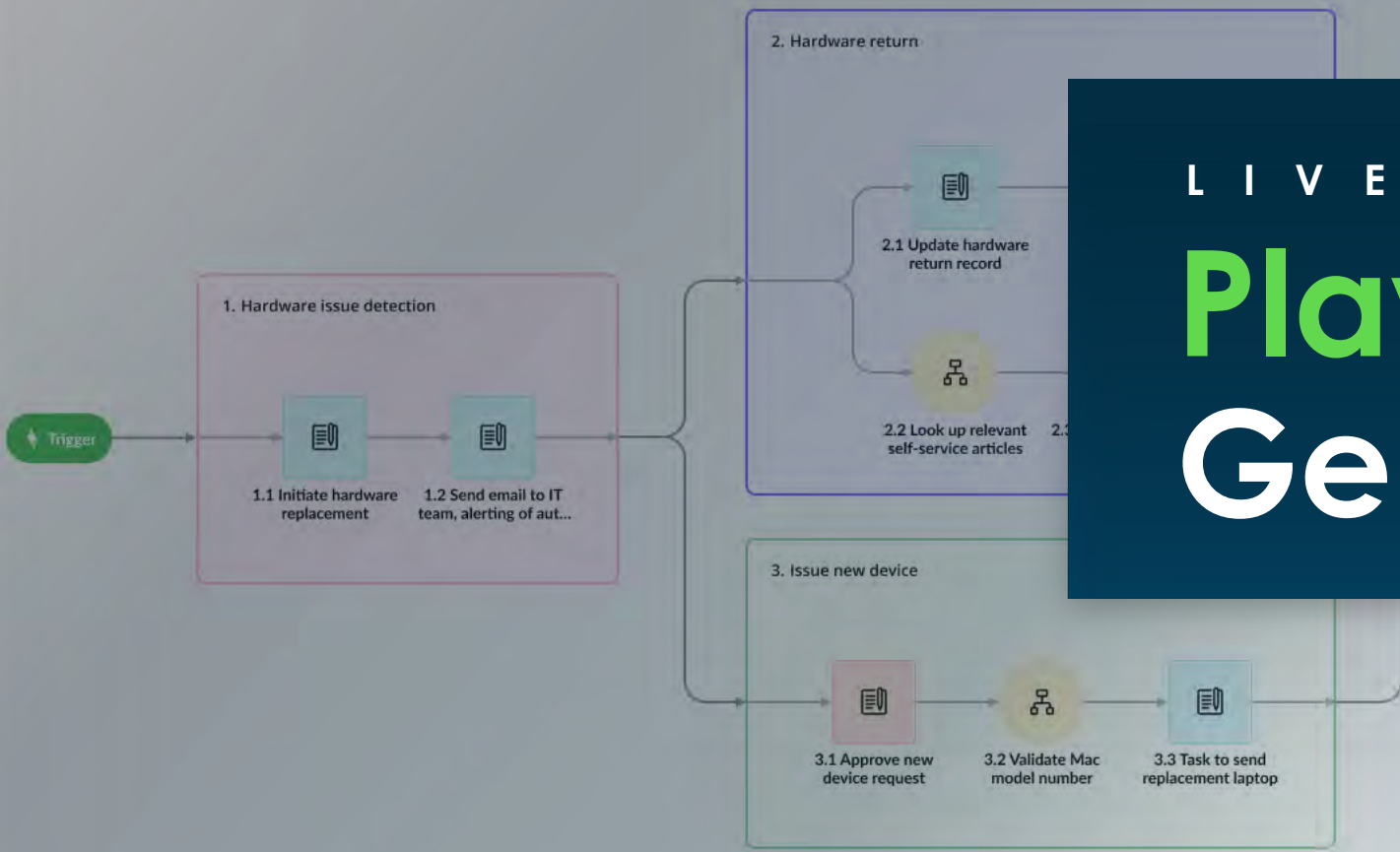


Amy Lokey

Chief Experience Officer
SERVICENOW

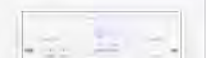
Joe Davis

SVP, Platform and AI Engineering
SERVICENOW



LIVE DEMO

Playbook Generation



Microsoft Teams interface showing a chat window with a 'Now Assist' card. The card displays a map of a location, the name 'Veronica Mars', her title 'IT Helpdesk', and the date and time 'Tuesday, May 14th, 2024 at 10 AM'. The chat history includes messages from Ray Tanaka, Kayo Miwa, August Bergman, Emiliano Ceballos, Marie Beaudouin, Oscar Krogh, Marketing team sync, Kian Lambert, and Team Design Template.

LIVE DEMO

Now Assist for Teams

4/16, 5:03 PM
747 Knoll Drive, Redwood City, CA 94027

Ask a work question or use / to reference people, files and more

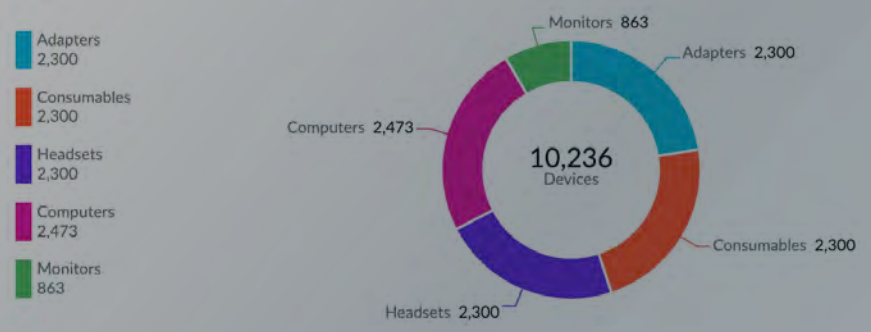
84/2000

Cost Savings

Certified

Refresh [dropdown] Insights Edit [dropdown]

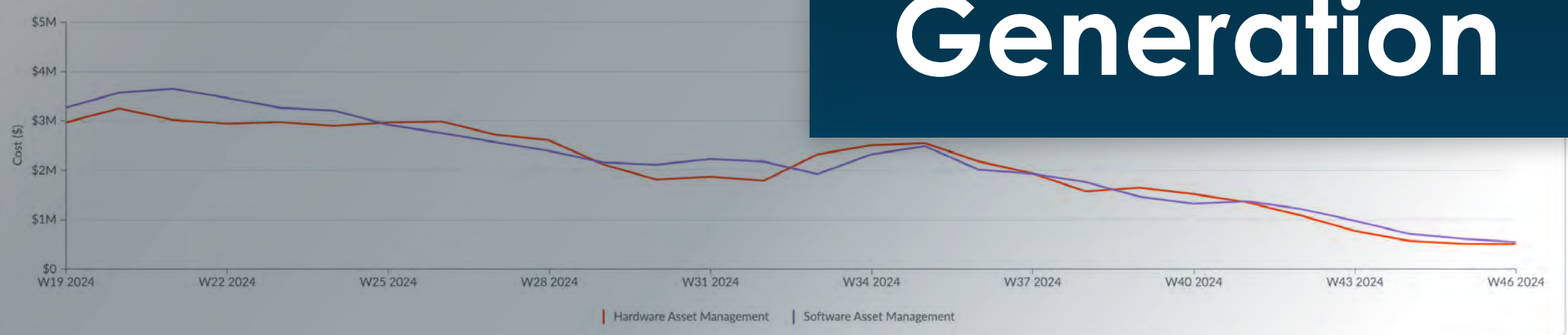
Projected device demand for the next 3 months



Total number of employees with excess devices



Software and hardware costs



L I V E D E M O

Analytics Generation

Now Assist

Since May 6th excess devices have trended down 50% last 6 months

[View all insights](#)

Is there something else I can help you with?

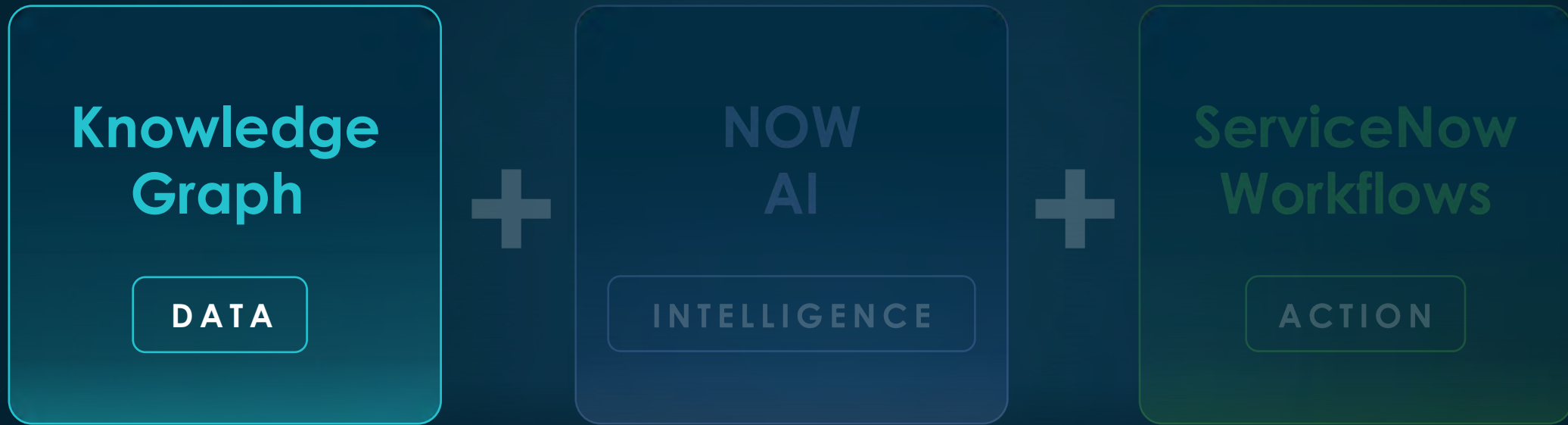
Total Savings

[Add to the dashboard](#)

Anything else I can help you with?

Ask Now Assist to... [dropdown]

Intelligent workflows



Knowledge Graph



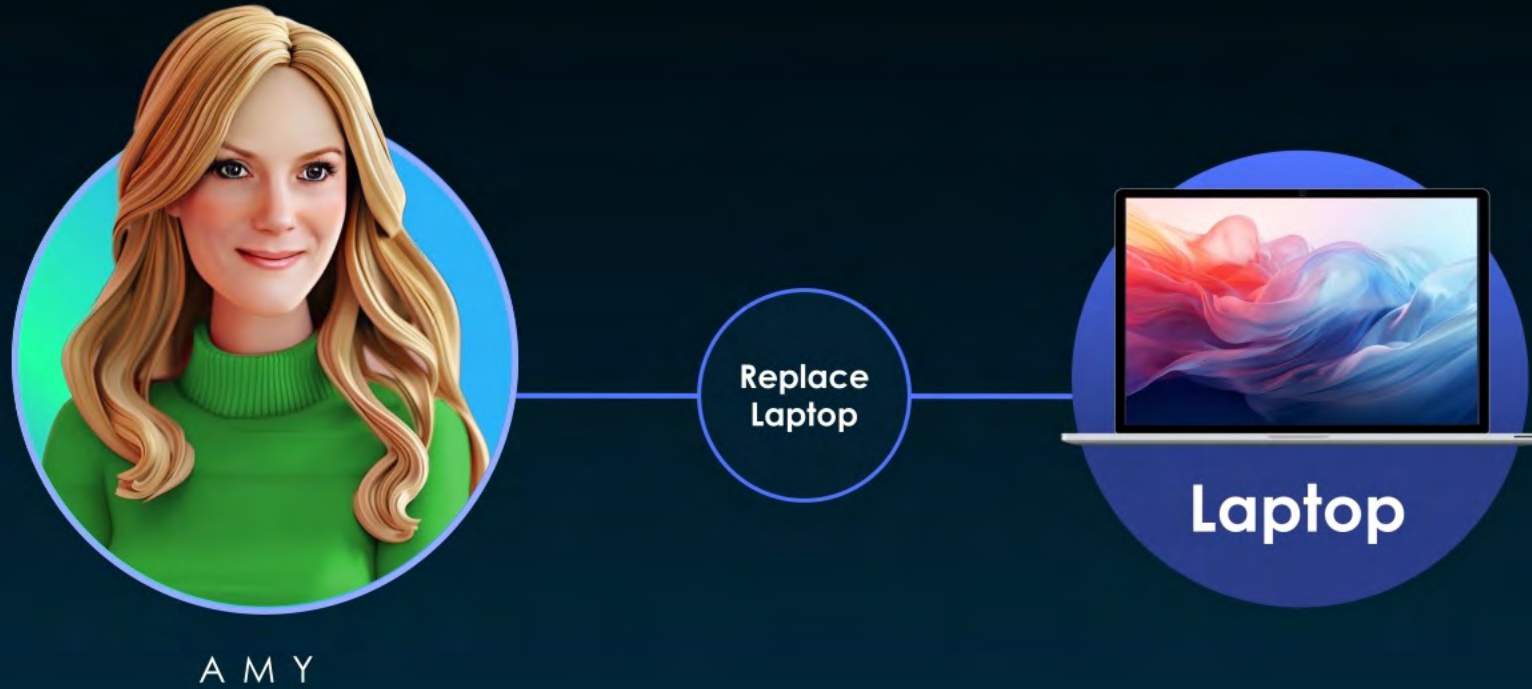
People



A M Y

Services

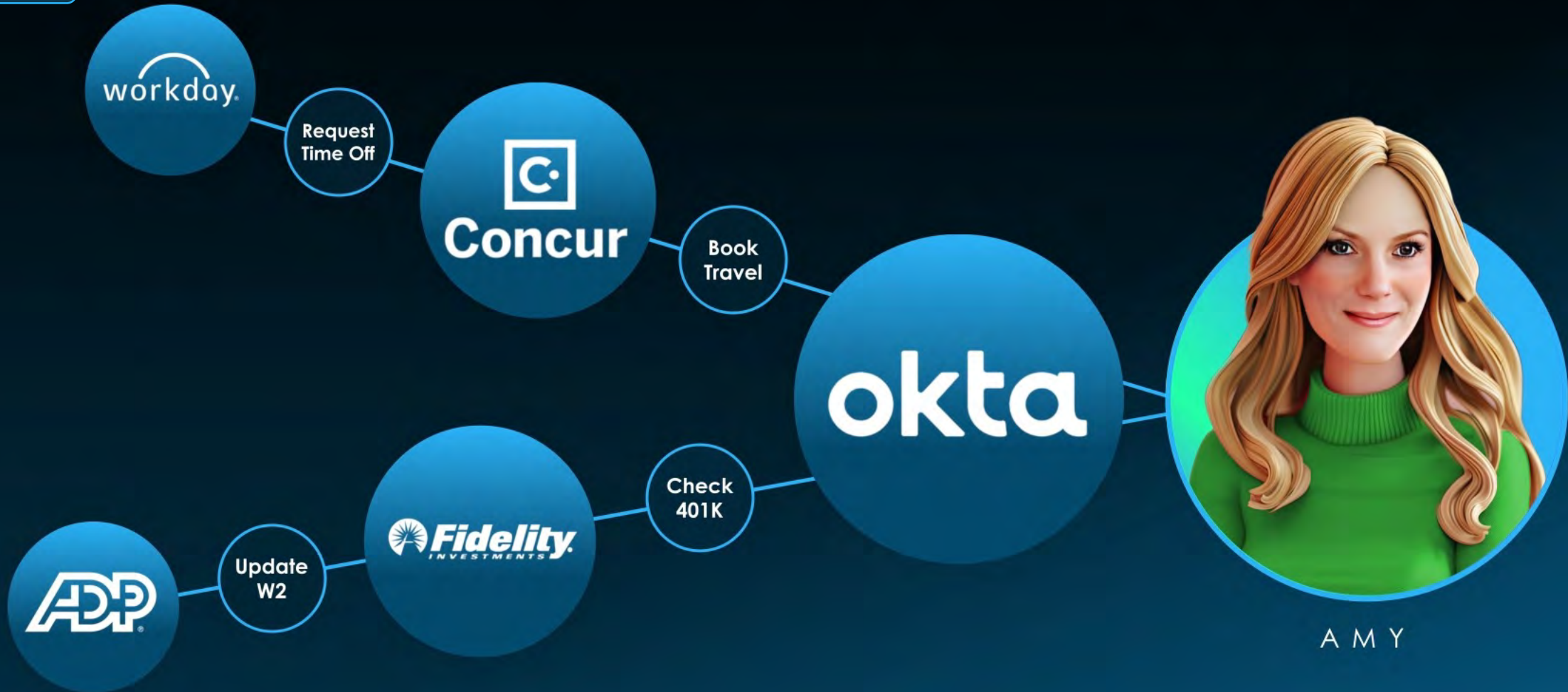
Integrations

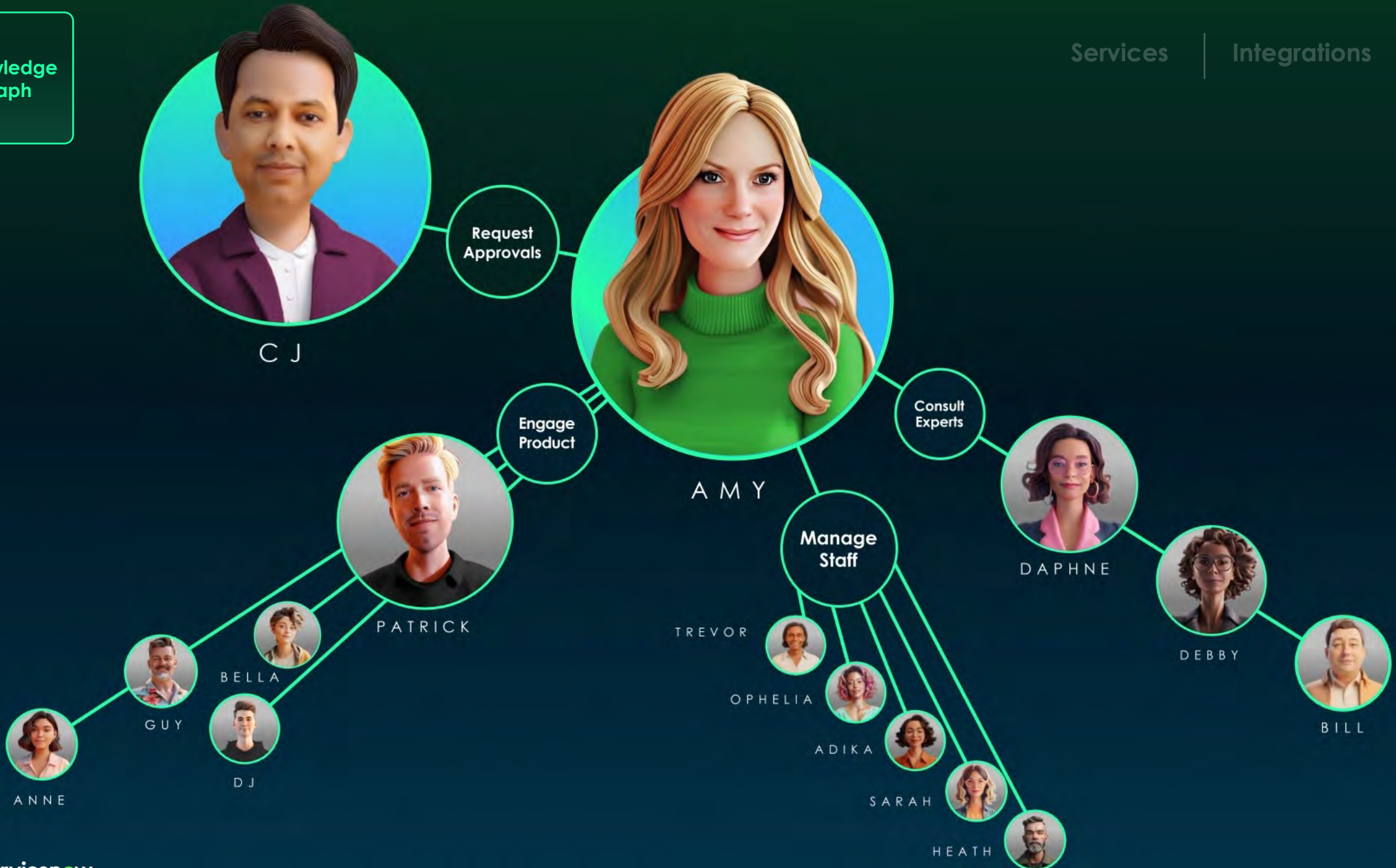


SOFTWARE

HARDWARE







Knowledge Graph





Intelligent workflows

Intelligent workflows



+



MEERA



9:41

99

servicenow



Hi, Meera



Welcome to the Digital Technology team.

Ask me anything...



photo or take one now to use.

Use that one

Add a photo



Meera Patel
ITSM Manager

Ask me anything...



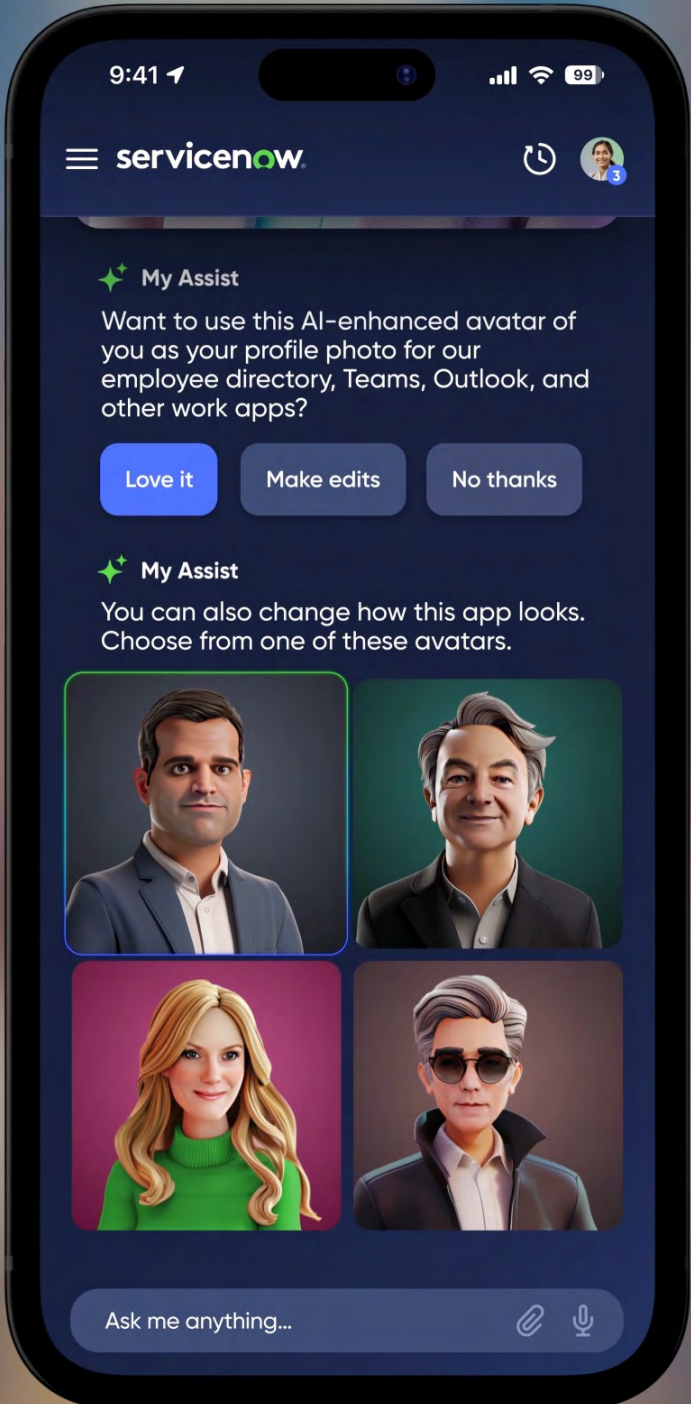
Looks great

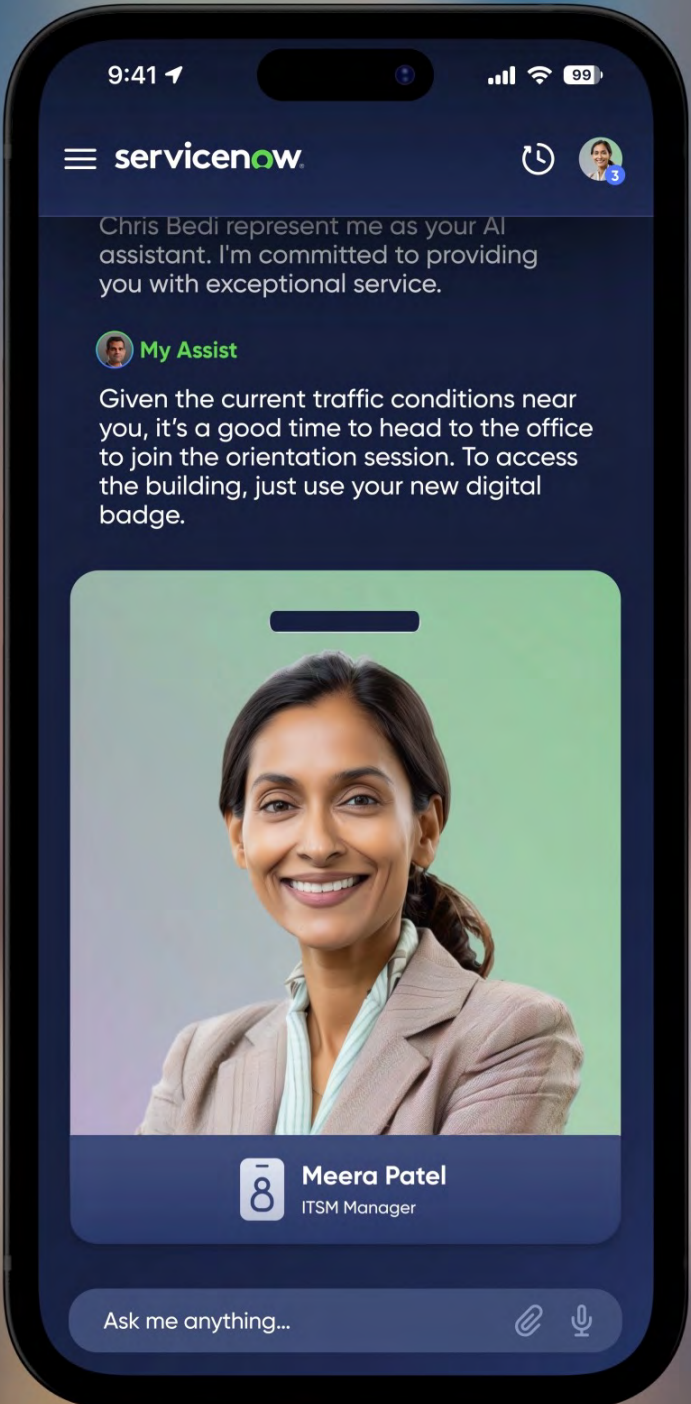
Add a photo



Ask me anything...







9:41

99

servicenow



Chris Bedi represent me as your AI assistant. I'm committed to providing you with exceptional service.

My Assist

Given the current traffic conditions near you, it's a good time to head to the office to join the orientation session. To access the building, just use your new digital badge.



Meera Patel
ITSM Manager

Ask me anything...



AAPI Heritage month

RICH PAST RADIANT FUTURE

Jen, Diana, and Lizzy on your team are in this belonging group.

56 8 200



ServiceNow turns 20

Celebrate our company's rich history with a trivia competition.

[Watch the broadcast](#)



Mo celebrates 8

Congratulate her eight years of greatness on Monday.

[Send her a note](#)



Ask me anything...





My Assist

Welcome to the office. Let's start by getting you familiar with your new laptop and systems. I've granted you access to these cloud-based apps. You'll find them in your ServiceNow Managed Bookmarks in Chrome.



Microsoft End-point Management



LDAP Master Console



RSA Security Console



Mac Keychain Access Console



Ask me anything...





My Assist

Your team uses ScreenMeet, would you like me to install that now?

Install ScreenMeet



My Assist

We can get a few items on your onboarding checklist done before your orientation starts in one hour.



Get to know
My team



Setup
Team meetings



Draft
Intro messages



Ask me anything...





My Assist

ServiceNow offers unlimited flexible time off (FTO) days without the need to log time off in Workday for U.S. employees. Our programs support taking time off for personal needs such as medical appointments, family care, vacations, or self-care. We do expect you to consider your professional obligations and responsibilities to ServiceNow and consult with your manager before requesting FTO.



Flexible Paid Time Off



24 US Holiday Calendar



Travel Sharepoint



Flexible Time Off



Request time off

Not now



Ask me anything...





My Assist

IT managers like you typically have half-hour meetings every other week with their directs.



Meera Patel ✎

Can you set these up starting next week?



My Assist

Yes. Calendar invites have been sent with the meeting topic "Bi-weekly 1:1", starting next week.



1:1 – Rohan Krishnan

May 14, 2024 • 10:30 AM



1:1 – Francisco Guerra

May 15, 2024 • 9:30 AM



1:1 – Audrie Belafonte

May 15, 2024 • 11:00 AM



1:1 – Guy Fischer

May 16, 2024 • 10:30 AM



Ask me anything...





Age month

and Lizzy on your team are in group.

8 200

ServiceNow turns 20

Celebrate our company's rich history with a trivia competition.

[Watch the broadcast](#)

Clara celebrates 8

Gratulate her eight years of service on Monday.

[Send her a note](#)

Due in 2 days

as requested approval to Clara on 5/21/2024 for mg.

[Approve](#) [Reject](#)



Ask me anything...



1:1 – Audrie Belafonte
May 15, 2024 • 11:00 AM

1:1 – Guy Fischer
May 16, 2024 • 10:30 AM

Meera Patel

How can I track the MTTR for my team?

My Assist

I can create a data visualization showing the mean time to resolution for your team of IT service agents. The average MTTR for your team is 57 minutes.

[Create MTTR viz](#)

My Assist

Here is the data viz widget. You can pin it if you'd like.



App updates

ScreenMeet is installing

Your calendar

1:1 – Rohan Krishnan
May 14, 2024 • 10:30 AM

Your work





My Assist

Here's a rundown of where they typically share work and collaborate:



IT Central



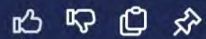
IT_Central@ServiceNow.com



IT Insights Hub



Active support agents



My Assist

I'll ask your team to grant you access to their relevant documents and have them add you to the appropriate Teams groups and email distribution lists, OK?

[Request Access](#)



Ask me anything...



Your calendar



Your work

Mean time

57 m



Dec



age month

and Lizzy on your team are in group.

3 200

ServiceNow turns 20

celebrate our company's rich history with a trivia competition.

[Watch the broadcast](#)

celebrates 8

celebrate her eight years of business on Monday.

[Send her a note](#)

Request Access



My Assist

You have 15 minutes before orientation. Want to edit this welcome message draft to send to your team?

Hi Team,

Excited to be part of ServiceNow with you all! My goal is to support your growth while ensuring smooth collaboration as we work toward achieving our objectives. I'll provide guidance, clear any obstacles, and foster a creative learning environment.

I look forward to meeting you individually and learning more about your skills, experiences, and goals. Your input on improving our processes and customer solutions is extremely valuable to me.

Thanks for the warm welcome and let's connect soon!

Best,
Meera



Ask me anything...



ScreenMeet is installed

Pinned items



IT Central



Welcome to IT



IT Insights Hub

Your calendar



1:1 – Rohan Kris

May 14, 2024 • 10:30

Your work

Mean time to resolution

57 mins ↓ 7m



Dec Jan Feb Mar

and goals. Your input on improving our processes and customer solutions is extremely valuable to me.

Thanks for the warm welcome and let's connect soon!

Best,
Meera



☰ Length ▼

🔊 Tone ▼

✂️ Rephrase ▼

🔄 Regenerate

📎 Add photo

Send



Ask me anything...



Microsoft Office sidebar with icons for Teams, Outlook, and SharePoint, and various productivity widgets.

Teams icon

Outlook icon

SharePoint icon

Your calendar

Your work

Mean time

57 m

Dec



My Assist

It's almost time to head to orientation. Directions below.

Building B | Floor 1 | Neighborhoods

B165, B164, B163, B116, Coit Tower, B118, B1.001, B1.0026, B1.0025, Reception, LOBBY

Exit directions

- B1.0026 - Level 1
- B4.0001 - Level 1

Walking route

1 min 0.2 miles

month

on your team are in

> 200

ow turns 20

ur company's rich
a trivia competition.

the broadcast

brates 8

te her eight years of
n Monday.

er a note

Due in 2 days

Requested approval to
on 5/21/2024 for

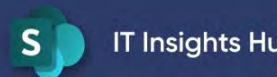
Reject



Ask me anything...



Pinned items



Your calendar



Your work

Mean time to resolution

57 mins



Dec Jan Feb



Meera Patel

What should I know about my manager?



My Assist

Chris Bedi joined ServiceNow in September 2015 and is based in Santa Clara. As Chief Digital Information Officer (CDIO), he has a global team of 1,889 reports. To learn how he likes to collaborate, check out his "Working with Me" doc on his org's SharePoint. Chris' recent blog post explores Digital Transformation with AI, which reflects the mantra he calls out on his profile: "How do we make this a mobile, AI-first experience?"



Chris Bedi on LinkedIn



Chris Bedi via Google



Chris Bedi Inside ServiceNow



Ask me anything...



Microsoft Teams sidebar with various icons and widgets:

- Microsoft Teams icon
- Microsoft OneDrive icon
- Microsoft SharePoint icon
- Widget: "Your calendar" with a calendar icon
- Widget: "Your work" with a line graph showing "Mean time" and "57 m".

month

our team are in

0

turns 20

company's rich
via competition.

broadcast

es 8

er eight years of
nday.

i note

Due in 2 days

ed approval to
/21/2024 for

Reject



My Assist

Here are some shots of Chris from recent live events and socials.



Ask me anything...



Pinned items



IT Centro



Welcome



IT Insight

Your calendar



1:1 - Ro

May 14, 2

Your work

Mean time to reso

57 mins



Dec

Jan

F

Insights and news



AAPI Heritage month

Jen, Diana, and Lizzy on your team are in this belonging group.

56 8 200



ServiceNow turns 20

Celebrate our company's rich history with a trivia competition.

Watch the broadcast



Mo celebrates 8

Congratulate her eight years of greatness on Monday.

Send her a note

Tasks



Concur

Due in 2 days

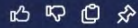
Robert Drake has requested approval to travel to Santa Clara on 5/21/2024 for Xanadu planning.

Approve

Reject



Chris Bedi Inside ServiceNow



My Assist

Here are some shots of Chris from recent live events and socials.



Ask me anything...



App updates



ScreenMeet is installing

Pinned items



IT Central



Welcome to IT



IT Insights Hub

Your calendar



1:1 – Rohan Krishnan

May 14, 2024 • 10:30 AM

Your work

Mean time to resolution

57 mins

7 mins since Dec 2023



DELIVERING

UNMATCHED INNOVATION

Generative AI

Workflow expansion

Industry solutions

servicenow

Break

10 MIN



Go-to-market strategy

Paul Smith

Chief Commercial Officer

We are outexecuting at scale

STRONG CUSTOMER MOMENTUM

2.2x

\$20M+ Customers
(2023 vs. 2021)

2.0x

\$10M+ Customers
(2023 vs. 2021)

UNPARALLELED CUSTOMER SUCCESS

98.5%

**Renewal
rate (2023)**

~70%

**of Customers grew
ACV (2023)**

IMPROVED SALES EFFICIENCY

~10%

**Sales Productivity¹
Improvement (2023)**

~150bps

**S&M Op Margin Lift
(2023)**

We have a large, growing TAM

Accelerated by GenAI

\$275B
(FORECASTED)

\$220B
(FORECASTED)

\$200B

2024

2025

2026

TAM PENETRATION

<5% Across all Geographies¹

<7% Across Top 6 Industries

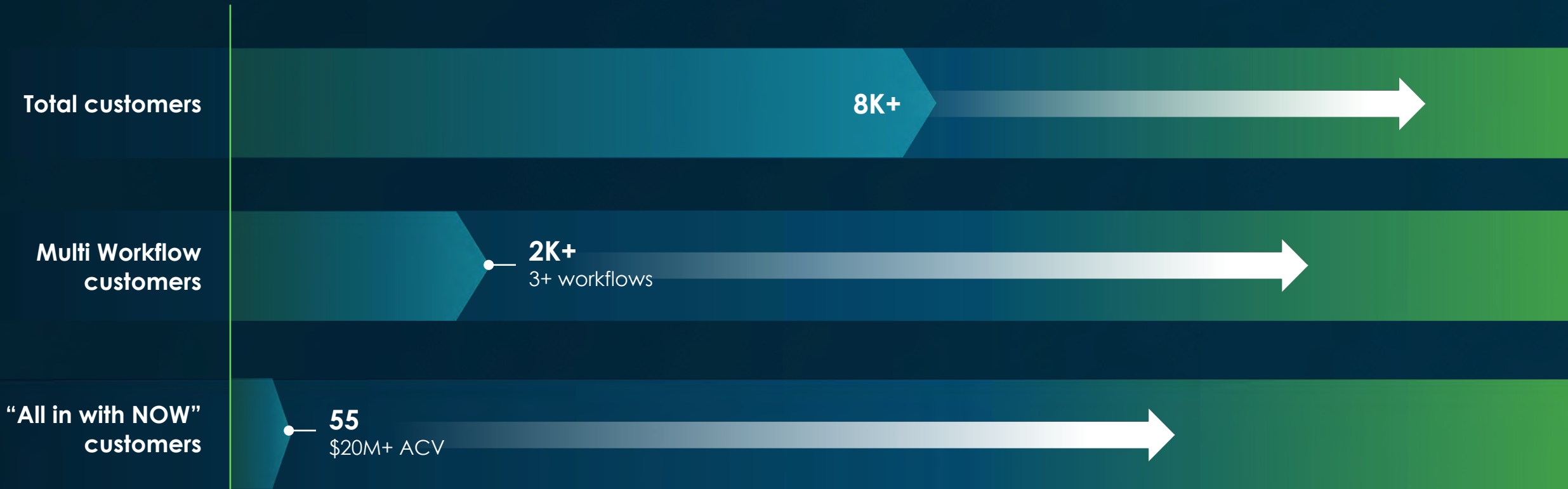
Massive opportunity for customer expansion

8K+

Customers

50K+

Total Customer Opportunity



Our GTM

Acceleration levers

1

International
Expansion

2

New
Logos

3

Scale and
Efficiency

4

Partner
Ecosystem

5

Focus
Industries

International business has a strong foundation



Australian Government

amadeus

FUJITSU

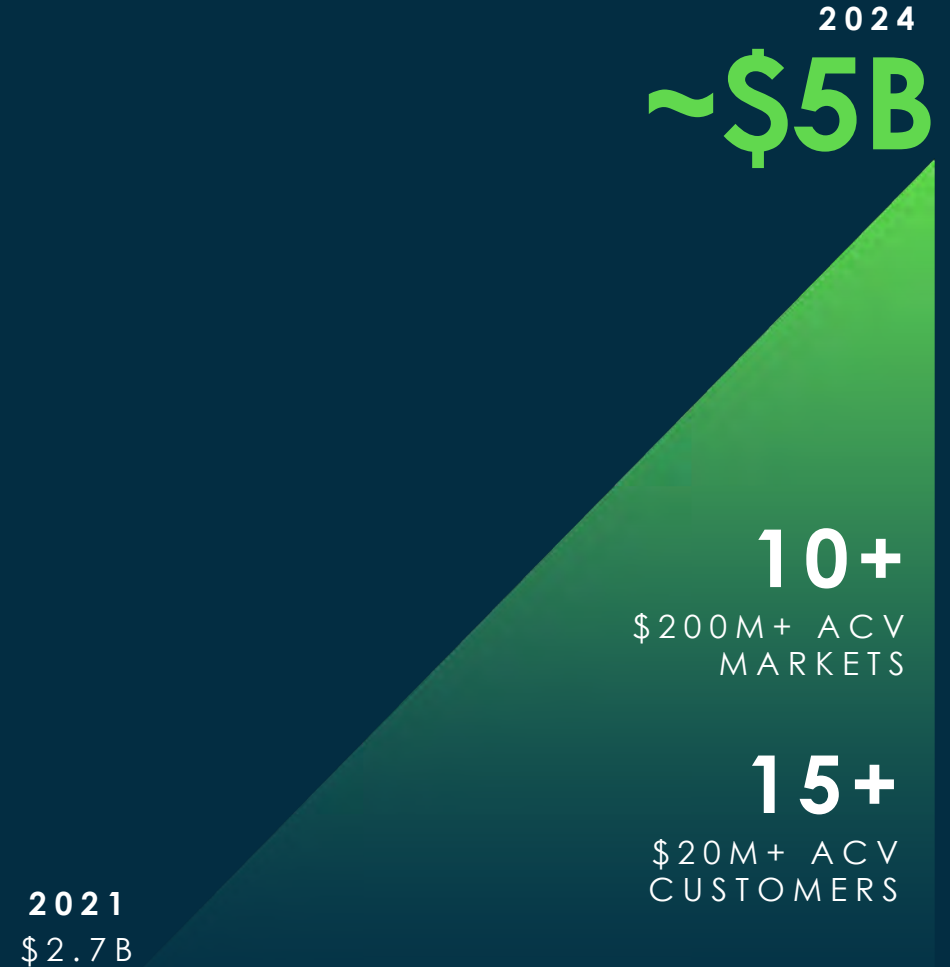
SCHWARZ

SIEMENS



NEOM

ACV GROWTH



Accelerating International business

SCALE

FUTURE \$1B+ MARKETS



UK



Germany



Japan



Canada



Australia



France

BUILD

HIGH-GROWTH MARKETS



India



Mexico



KSA



Brazil



ASEAN

**We will build
on our new
logo success**

50K+

Total customer opportunity
~16% Penetration

**THREE MOTIONS
TO TARGET NEW LOGOS**



New Logo Territories

100 dedicated territories created



Scale Inside Sales

~25% of New logos driven by Inside Sales



Partner Resell

Coverage in underserved segments, markets

We are scaling our GTM, efficiently

Scale

Coverage & Reach

12%

3-year Rep CAGR

Segmentation

Fit for purpose resourcing

Marquee, Enterprise
& Commercial
coverage model

Efficiency

Low cost models

3X

Inside sales rep growth

Building a GTM force multiplier through our Partner ecosystem

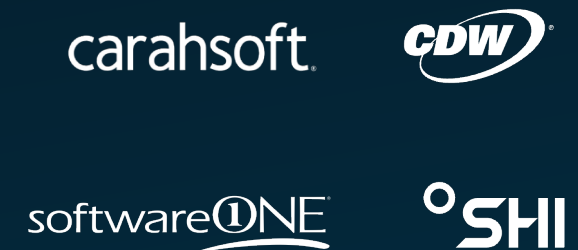
Strategic SI partners



Hyperscalers & tech partners



Reseller partners



Unlock industry and LoB opportunity

in Top 6 industries

<7%

TAM PENETRATION



A graphic featuring a city street at dusk with classical buildings. A vibrant green light trail flows across the foreground. The text 'Public Sector opportunity' is overlaid on the left side.

Public Sector opportunity

Steve Walters

SVP, Public Sector

The U.S. Federal Government works with ServiceNow

SERVICENOW WORKS WITH

All 15

Cabinet
Agencies

400+

Offices



Bureaus &
subagencies

All branches

of the military

SERVICENOW WORKS TO SUPPORT

- Real-world Mission Priorities
- Human Resources
- Security
- Information Technology
- Asset Management
- Citizen Engagement
- Federally Regulated Clouds

SERVICENOW WORKS FOR



Military Service Members



Veterans



Taxpayers



Government Employees



Families



Constituents

ServiceNow investments in the Federal market



400+ FEDERAL CUSTOMERS ACROSS EVERY CABINET LEVEL AGENCY

Verticalization is the strength of our GTM



Finance
Civilian



DoD



Health
Civilian



Intel

FEDERAL FORUM 2024

3,000+ REGISTERED

37 PARTNERS

\$400M+ IN PIPELINE



Leveraging ESAs drive adoption as the engagement layer

MISSION
RESILIENCY

FUTURE OF
WORK

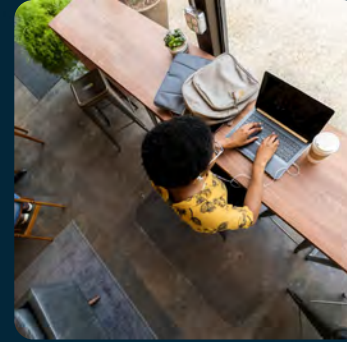
DIGITAL
ACCELERATION

Interoperability of People | Net-New Automation | Modernize Legacy Systems





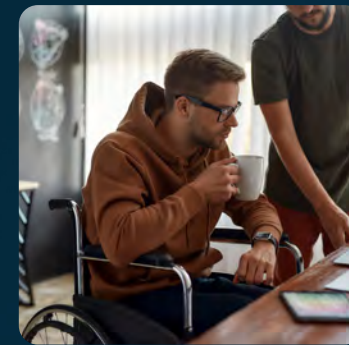
4
Workflows



6M
Employees

\$5B+

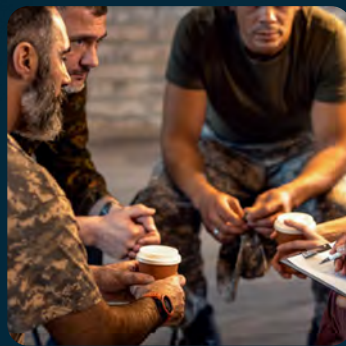
Opportunity



\$4 coffee
Per week



52
Weeks



U S P U B L I C S E C T O R



**State
& Local**



**U.S.
Federal**



**Higher
Education**

ServiceNow is powering digital transformation in the Public Sector

\$1.5B+

ACV from Public Sector

30%+

Growth Y/Y in 2023

OUR #DESCO21C JOURNEY IS POWERED BY

BEST IN CLASS GTM EXECUTION

Generative AI

Customer Expansion

Operational Excellence

servicenow

A nighttime photograph of the United States Capitol building in Washington, D.C., illuminated against a dark sky. The building's dome is a prominent feature. In the foreground, there are silhouettes of trees and a grassy area. Overlaid on the image are several vibrant, wavy light trails in shades of green and cyan, creating a sense of motion and energy.

Financial Overview

Gina Mastantuono

Chief Financial Officer



**GenAI and New
Product Innovation:
Seeding future growth**

**Disciplined
Capital Allocation:
Driving shareholder value**

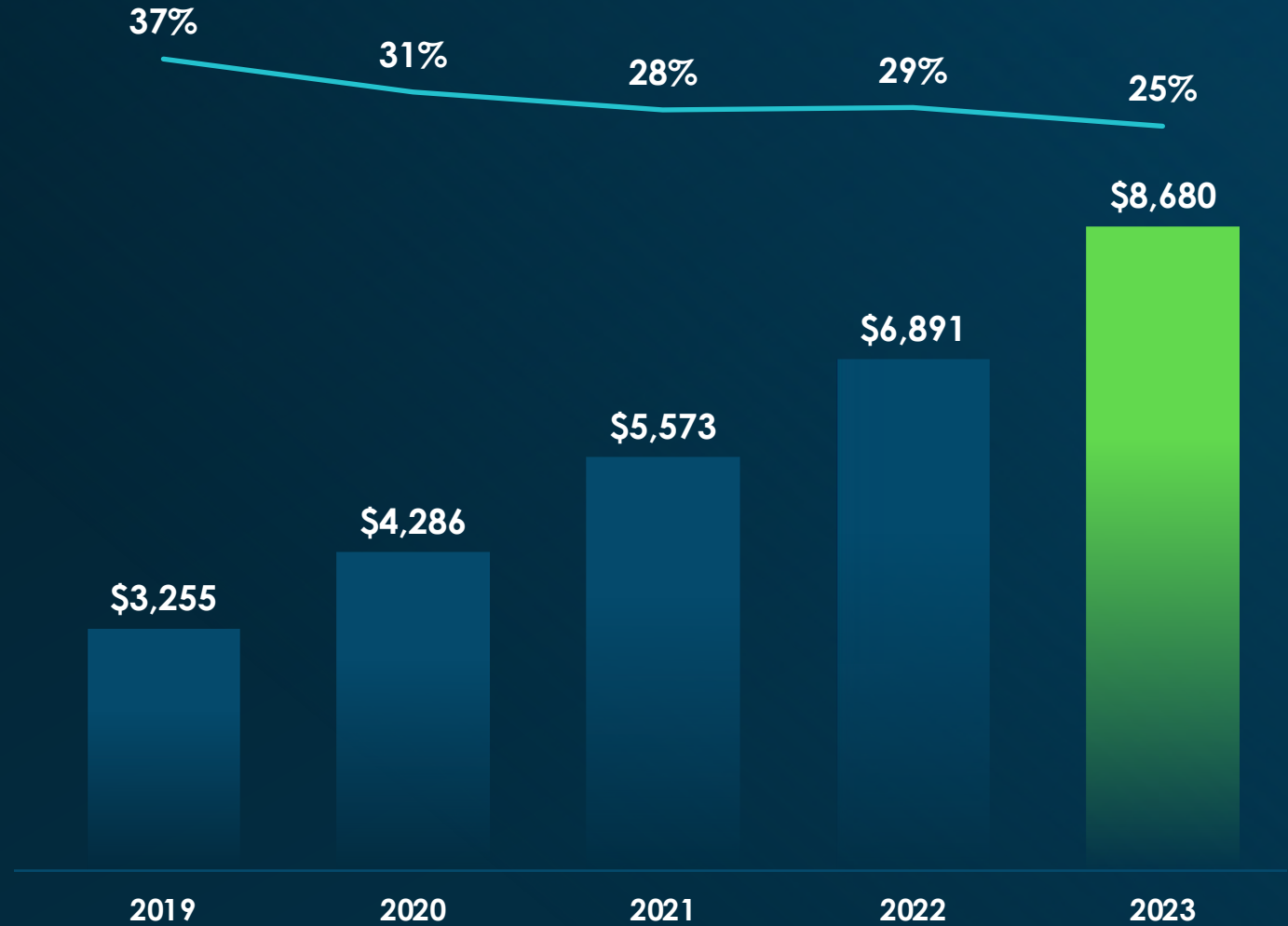
**Power of the Platform:
Key competitive advantage**

Continuous innovation drives durable organic growth

28%

2019 – 2023 Subscription Revenue CAGR (CC)¹

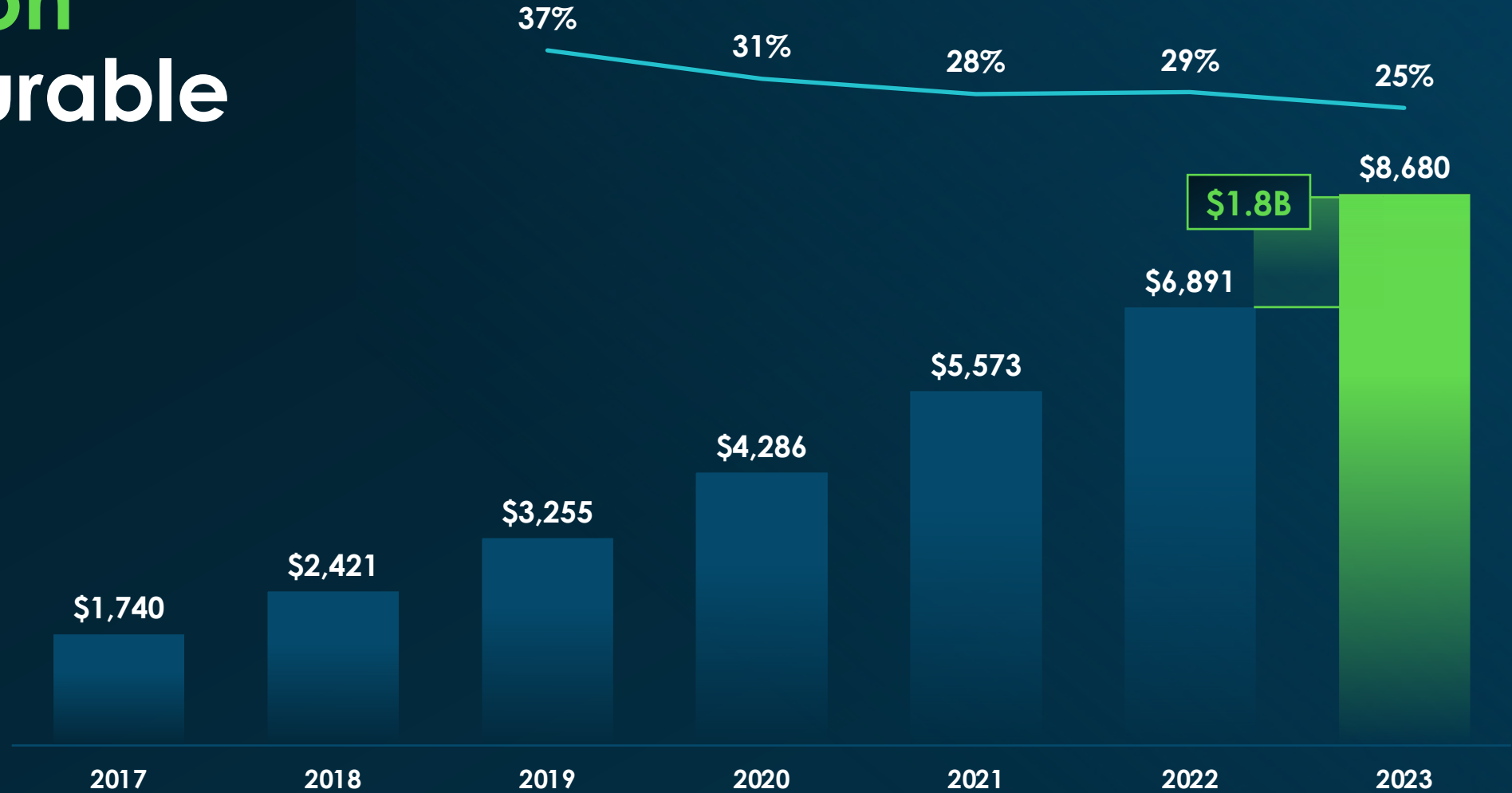
SUBSCRIPTION REVENUES AND Y/Y GROWTH (CC)¹
USD IN MILLIONS



(1) Y/Y Growth (CC) represents year on year constant currency subscription revenues growth. 2019-2023 constant currency subscription revenues CAGR is derived by applying the average foreign exchange rates in effect during the first year of the measurement 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.

Continuous innovation drives durable organic growth

SUBSCRIPTION REVENUES AND Y/Y GROWTH (CC)¹
USD IN MILLIONS



(1) Y/Y Growth (CC) represents year on year constant currency subscription revenues growth. 2019-2023 constant currency subscription revenues CAGR is derived by applying the average foreign exchange rates in effect during the first year of the measurement 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.

RPO acceleration increases visibility to future revenue growth

2019 – 2023 CAGR (CC)¹

29% **27%**

Total RPO

Current RPO

(1) 2019-2023 constant currency RPO and cRPO CAGR is derived by applying the foreign exchange spot rates in effect as of the end of first year of the measurement 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.
Note: Numbers rounded for presentation purposes

REMAINING PERFORMANCE OBLIGATIONS USD IN BILLIONS

LEGEND

- Current RPO
- Noncurrent RPO

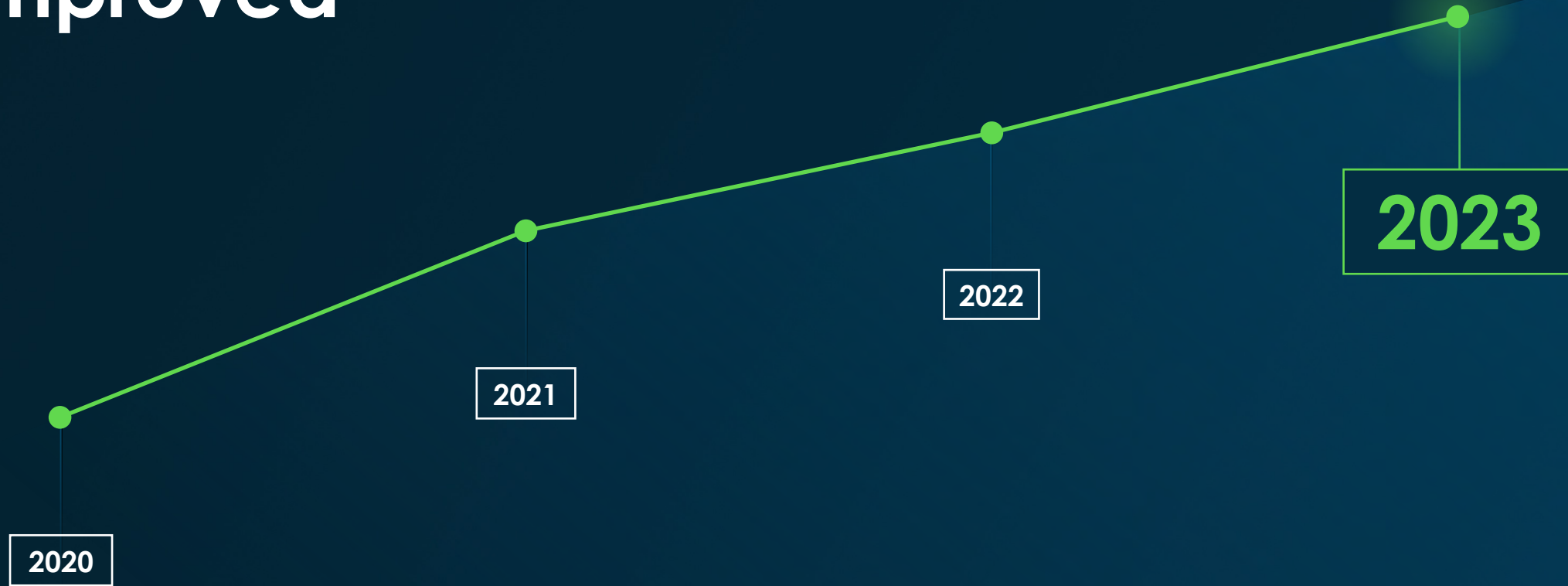


MISSION CRITICAL:

Our best-in-class renewal rates have steadily improved

98.5%

Renewal Rate



**Strong customer
adds fuel our
growth engine**

8K+

~400

NET CUSTOMER ADDS
IN 2023

CUSTOMERS AT THE
END OF 2023

**Larger
customer lands**

**With more
products and
higher ACV**

+25%

+25%

Enterprise New Logos with 5K+ Employees

Y/Y GROWTH IN 2023

Average New Logo ACV in 1st year

Y/Y GROWTH IN 2023

Our laser focus on landing
the right customer
continues to bear fruit

~2X

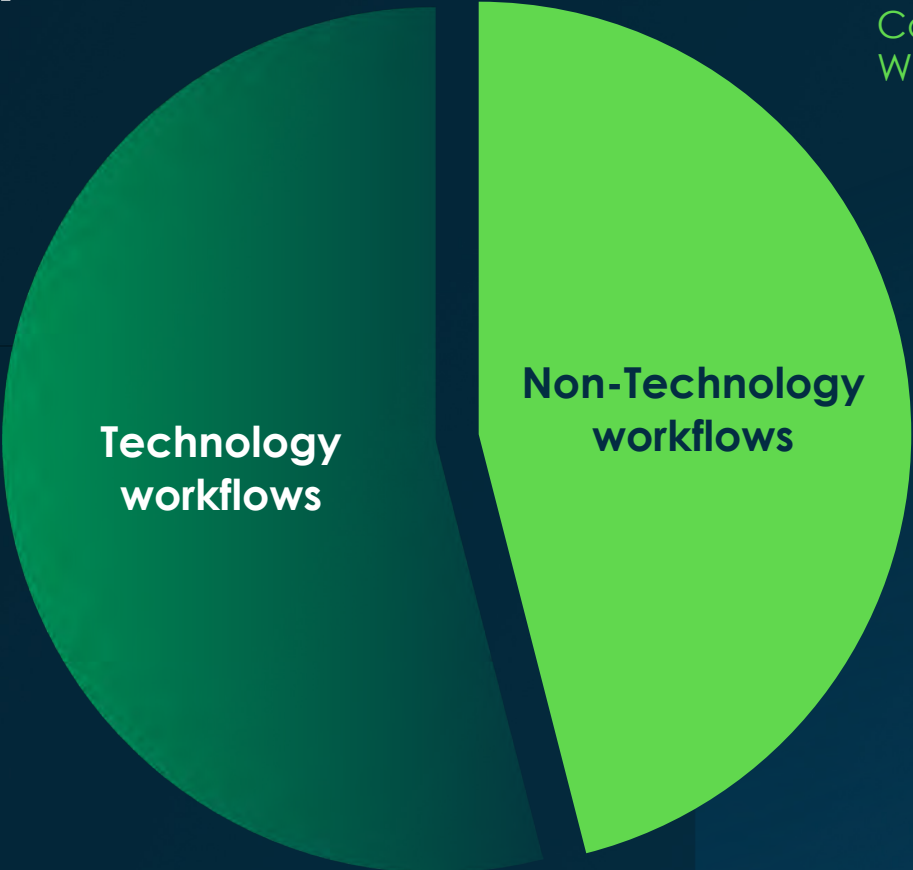
Mix of new logos
cohort with \$500K+
ACV
2019-2023



Strength of emerging products further diversifies new deal ACV mix

45%+

Contribution from non-Technology Workflows in 2023

2023 NEW LOGO ACV



-  Customer & Industry Workflows
-  Employee Workflows
-  Creator Workflows

CSM matches ITSM as our top product in new logos

NEW LOGO ACV
PRODUCT MIX



Top product
IN NEW LOGOS

2016

2017

2018

2019

2020

2021

2022

2023

IT Service Management

CSM & ITSM

**Our
customers
continue
to grow
with us**

~70%

Mix of existing customers spending incremental dollars with ServiceNow

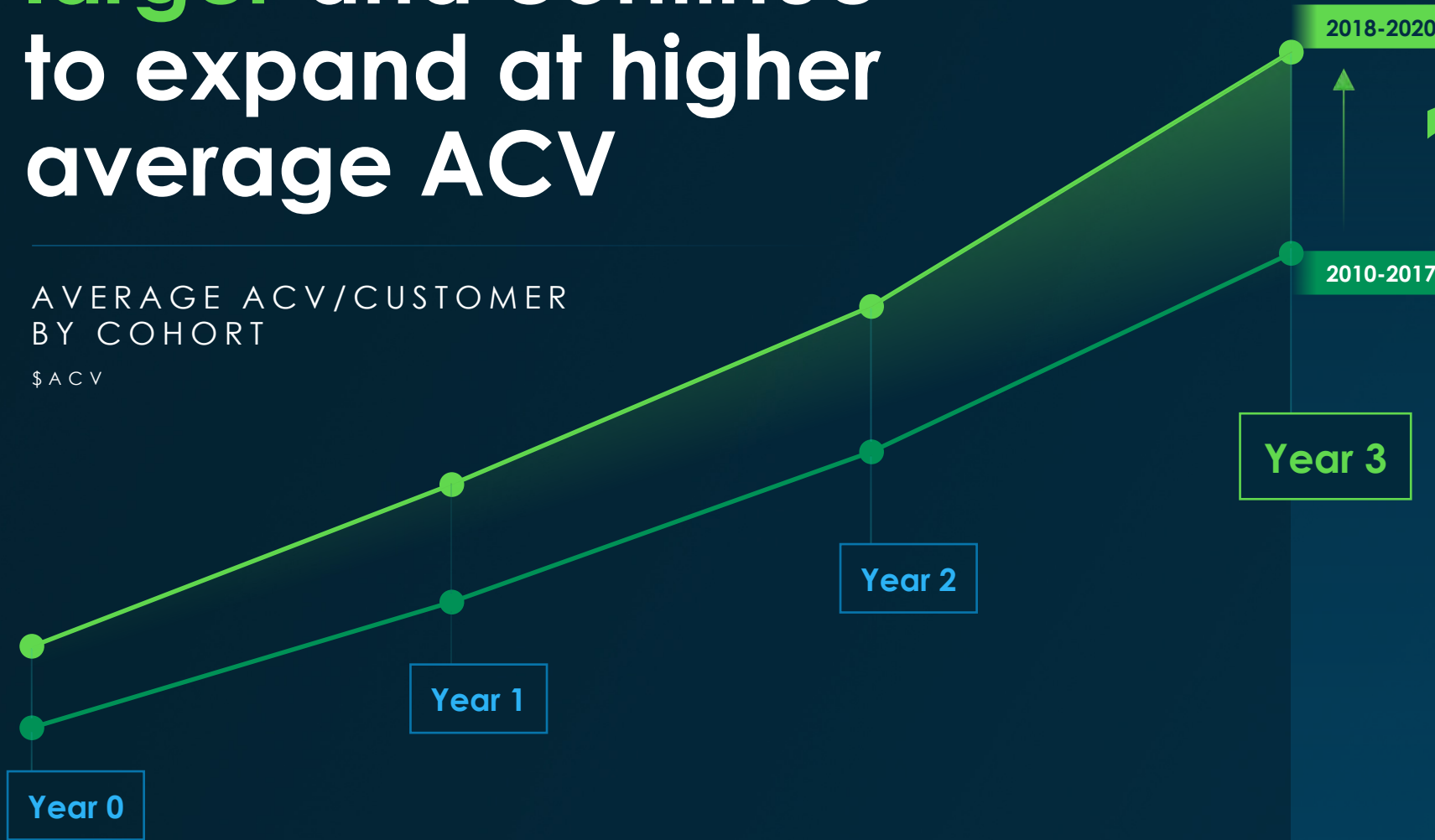
85%+

Mix of NNACV from existing customers

Newer cohorts are landing larger and continue to expand at higher average ACV

AVERAGE ACV/CUSTOMER BY COHORT

\$ ACV



~30%

Higher Average ACV

Time to hit \$1M
in ACV has
improved
significantly with
newer cohorts

YEARS

2010

8 Years

2011

2012

2013

2014

2015

2016

2017

2018

2019

2020

2 Years

Our rapid innovation continues to fuel growth across cohorts



Annual Growth of Initial ACV

(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 \$3.236M as of Q1 2024, and represents annual growth of initial ACV of 224%. 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.

Power of the Platform: Better together

98%

NNACV from multi-product deals in 2023

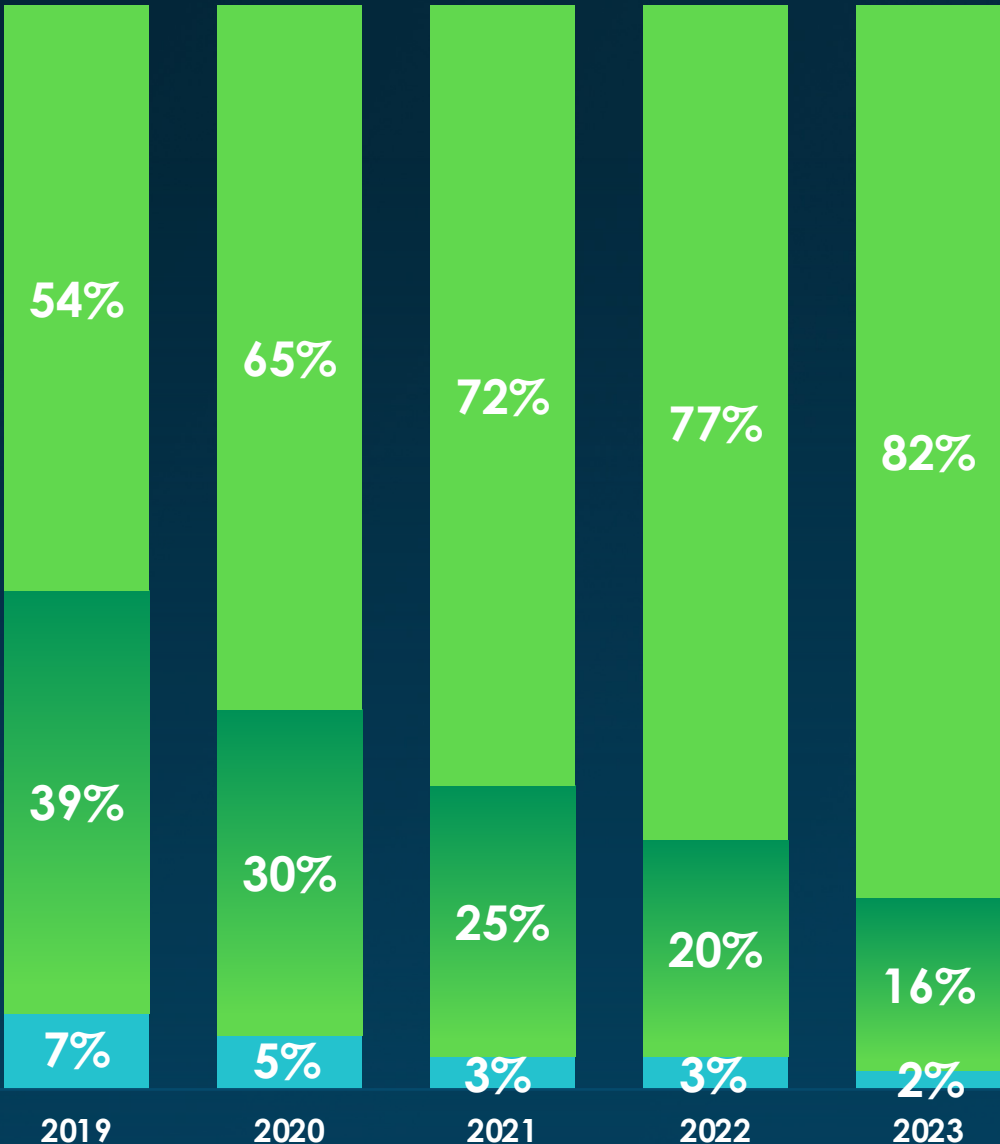
82%

NNACV from 5+ product deals in 2023

LEGEND

- 5+ product deals
- 2-4 product deals
- Single product deals

NNACV MIX BY PRODUCT COUNTS



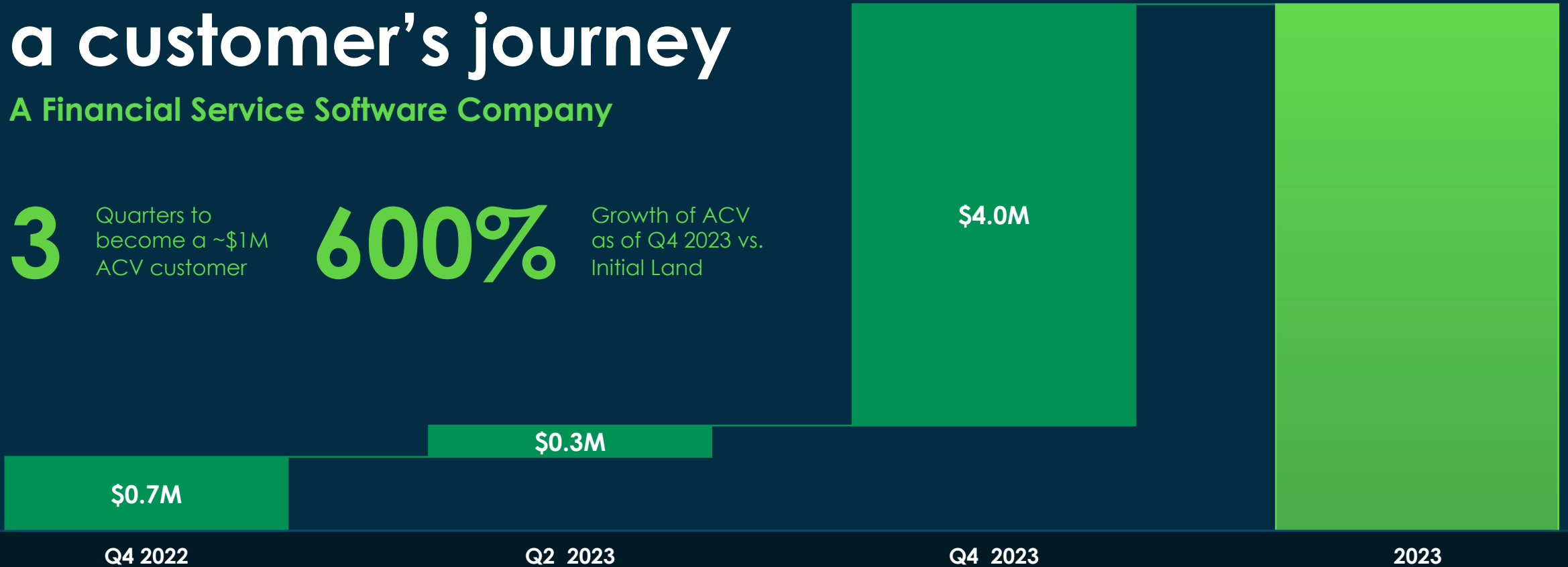
A look into a customer's journey

A Financial Service Software Company

3 Quarters to become a ~\$1M ACV customer

600%

Growth of ACV as of Q4 2023 vs. Initial Land



New Land across 3 Workflows & 10 Products

License Expansion Deal

License Expansion deal & added Source to Pay Operations

11 Products across Technology, Customer, & Creator Workflows

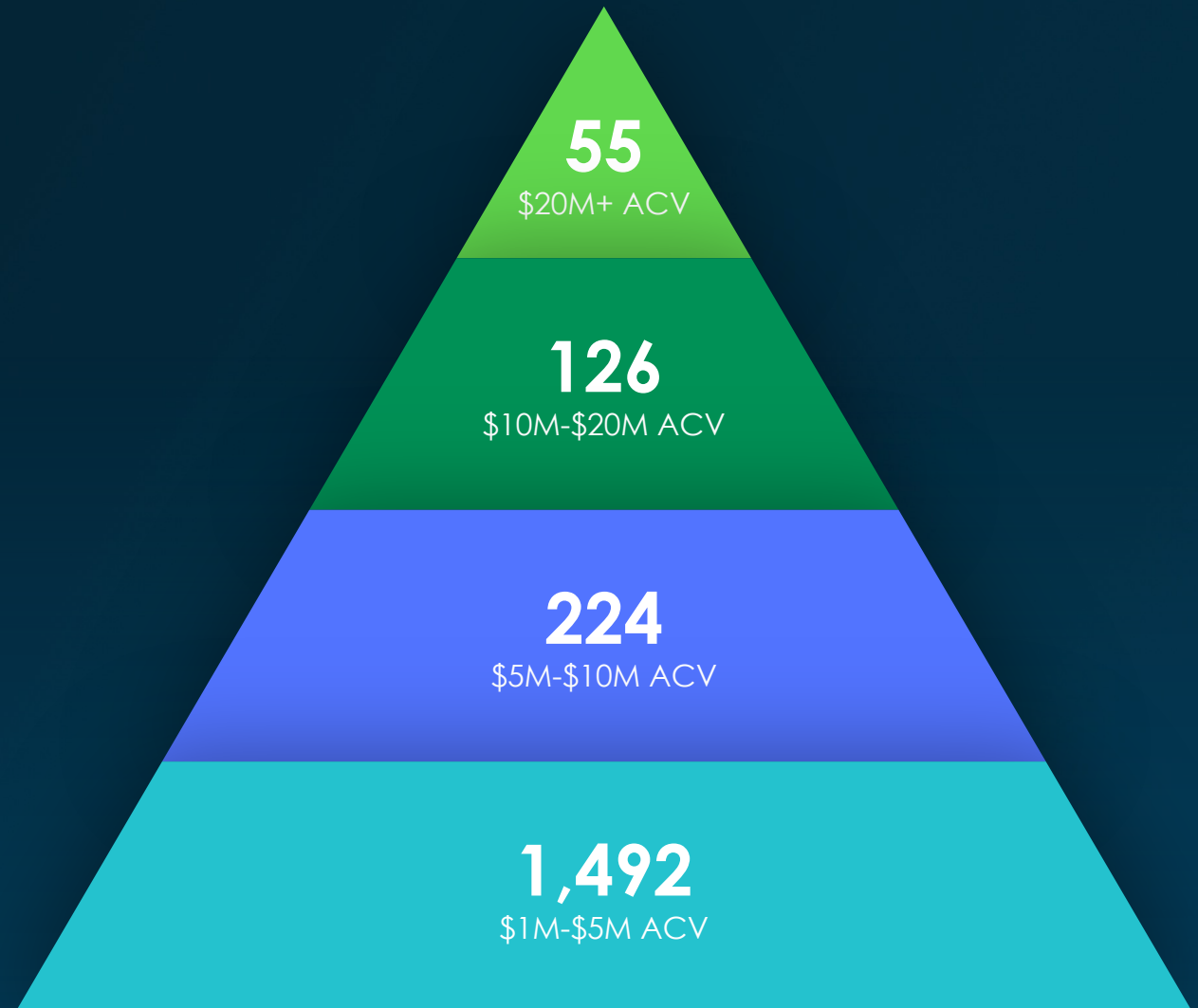
Expansion is driving robust growth in large customer spend

~45%

2019 – 2023 Average ACV Growth for \$5M+ Customers

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.

NUMBER OF CUSTOMERS IN 2023



Marquee customers are increasing their business with us

MARQUEE CUSTOMER ACV



NUMBER OF MARQUEE CUSTOMERS CROSSING EACH THRESHOLD IN 2023

Plenty of opportunities remain within our largest customers

ACTUAL \$75M+ MARQUEE CUSTOMER EXAMPLE

~2X

Opportunity for license expansion and SKU upgrade

\$100M ACV

Products 1-10

Emerging tech products driving growth

IT Asset
Management

Security
Operations

Integrated Risk
Management

~50%

2019 – 2023 CAGR

Operational
Technology

\$5B+

Total Addressable Market

AI-powered experiences provide massive opportunities to upsell

~25%

Realized price uplift to ITSM Pro vs. ITSM Standard SKU

~65%

ITSM new customer ACV from Premium SKUs in 2023

~45%

ITSM Pro
SKU penetration¹

Strong start for Pro Plus

NNACV THROUGH FIRST 2 FULL
QUARTERS OF LAUNCH

Pro

Pro Plus

>30%

Realized price uplift to Pro Plus
vs. Pro SKUs



\$1B+

**Gen AI opportunity
from existing Pro
customers**



\$2.5B

**Gen AI opportunity
from existing service
desk customers**

Pro Plus

AVAILABILITY



We have plenty of extensibility beyond IT

20%

2022

AVERAGE PENETRATION



Employee Workflows



Customer & Industry Workflows



Creator Workflows

25%

2023

NON-IT PRODUCT OPPORTUNITY

Emerging workflows delivering rapid growth at scale



Creator Workflows

\$1,100M+

ACV



Customer & Industry Workflows

\$1,050M+

ACV



Employee Workflows

\$850M+

ACV

Finance, Supply Chain, and Clean Core ERP Products gaining significant momentum



San Diego
Feb 2022

Sourcing and Procurement Operations



Tokyo
Aug 2022

Supplier Lifecycle Operations



Vancouver
Aug 2023

Accounts Payable Operations

Clean Core ERP with App Engine¹

Source-to-Pay Operations²

150%

Y/Y Growth of ACV

~3X

In-production customers Y/Y Growth



Margins and outlook

Enhancing productivity and cost savings from deploying GenAI internally

✦ Now Assist



20+

Internal use cases



\$10M

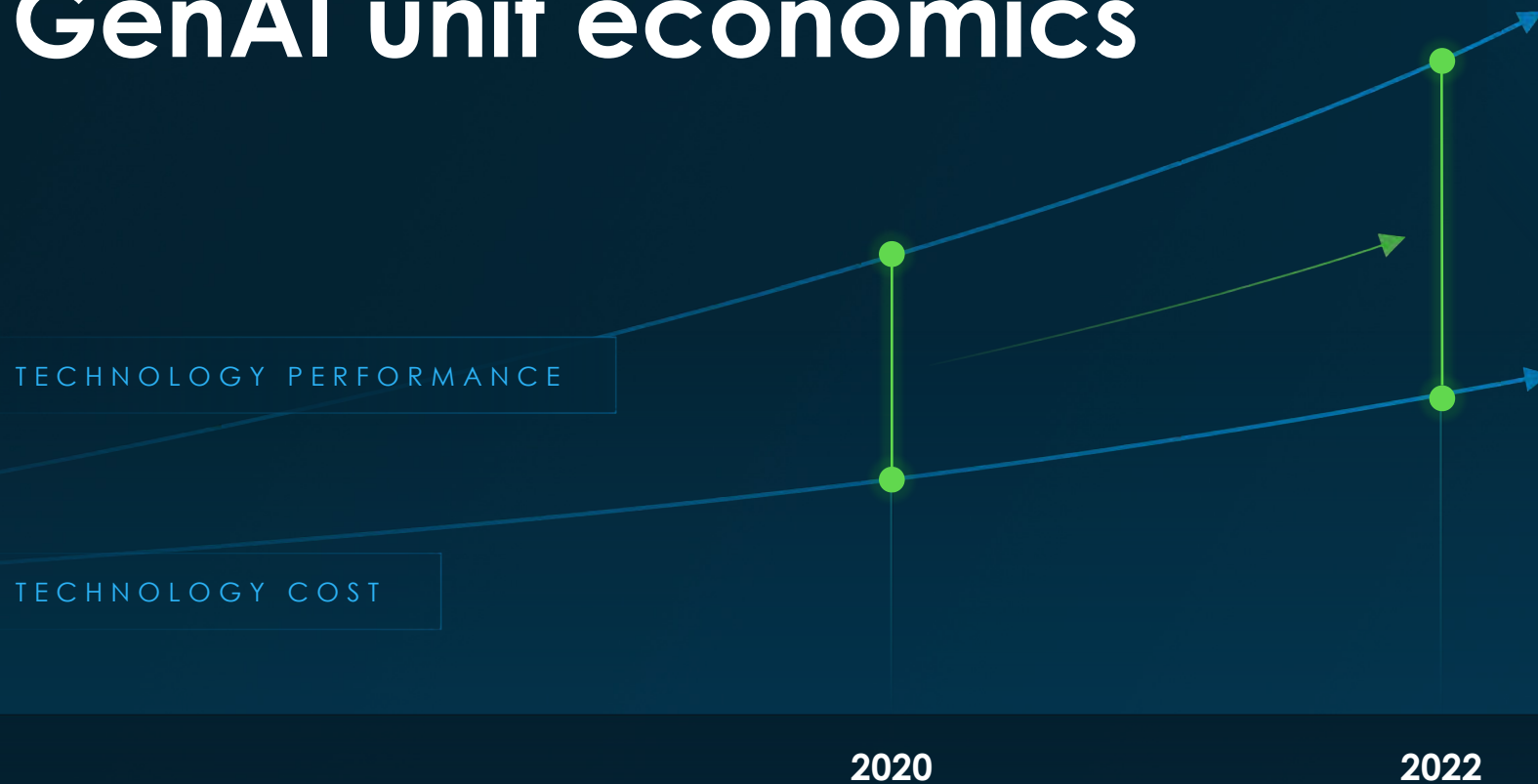
Productivity gains and efficiency savings¹



>7X

ROI from ServiceNow GenAI internal use cases¹

Performance-to-cost improvements leading to better GenAI unit economics



20%+

Improvement from last two mainstream GPU SKU upgrades

We continue to see sales efficiency above at-scale cloud peers



2023 SALES EFFICIENCY

2.9X Peer Avg

3.8X

3.4X

3.0X

2.3X

NOW

ADBE

WDAY

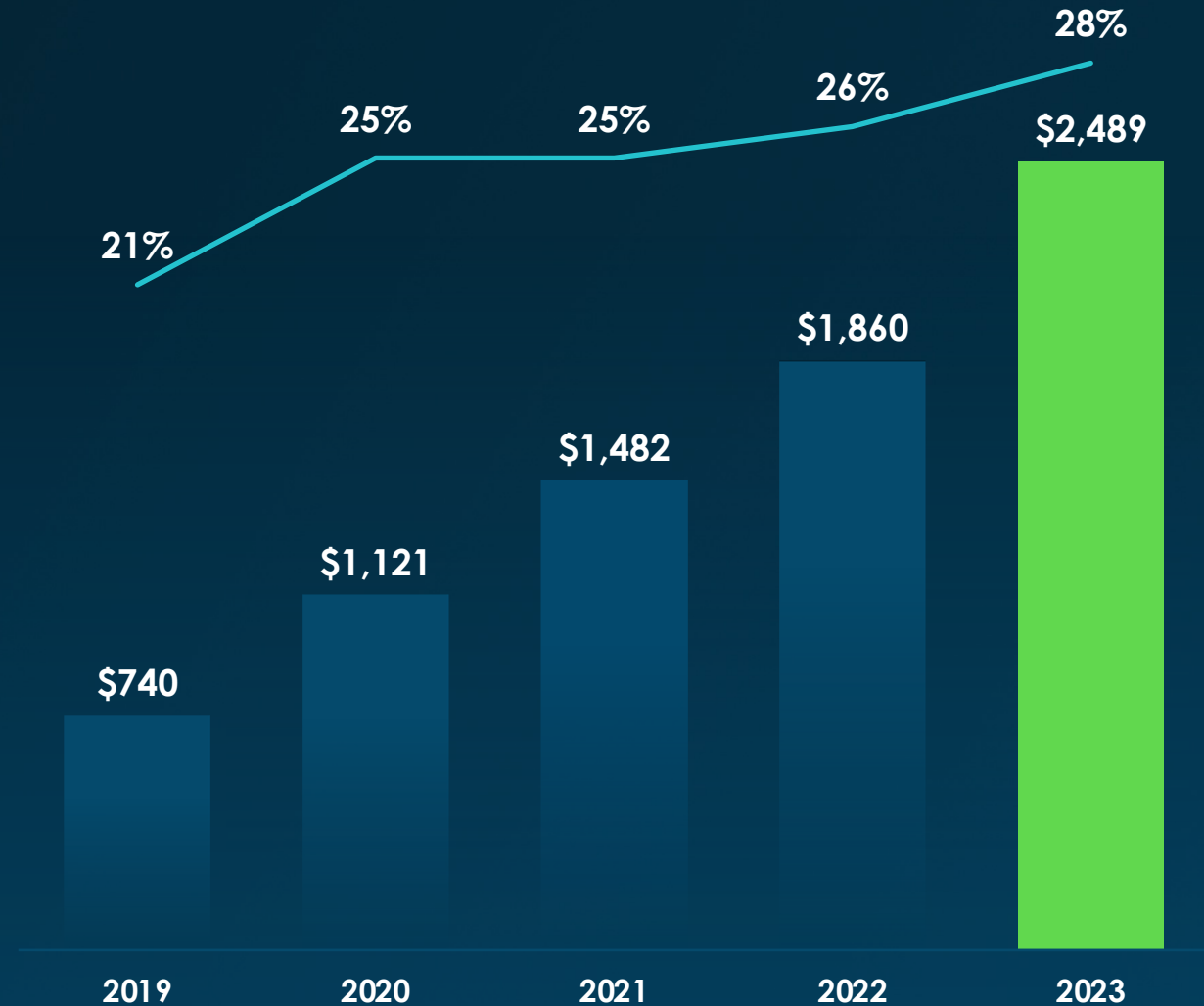
CRM

Operational discipline yields consistent margin expansion

35%

2019 – 2023 CAGR
Non-GAAP Operating Profit

NON-GAAP OPERATING PROFIT AND MARGIN %¹
USD IN MILLIONS



(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.

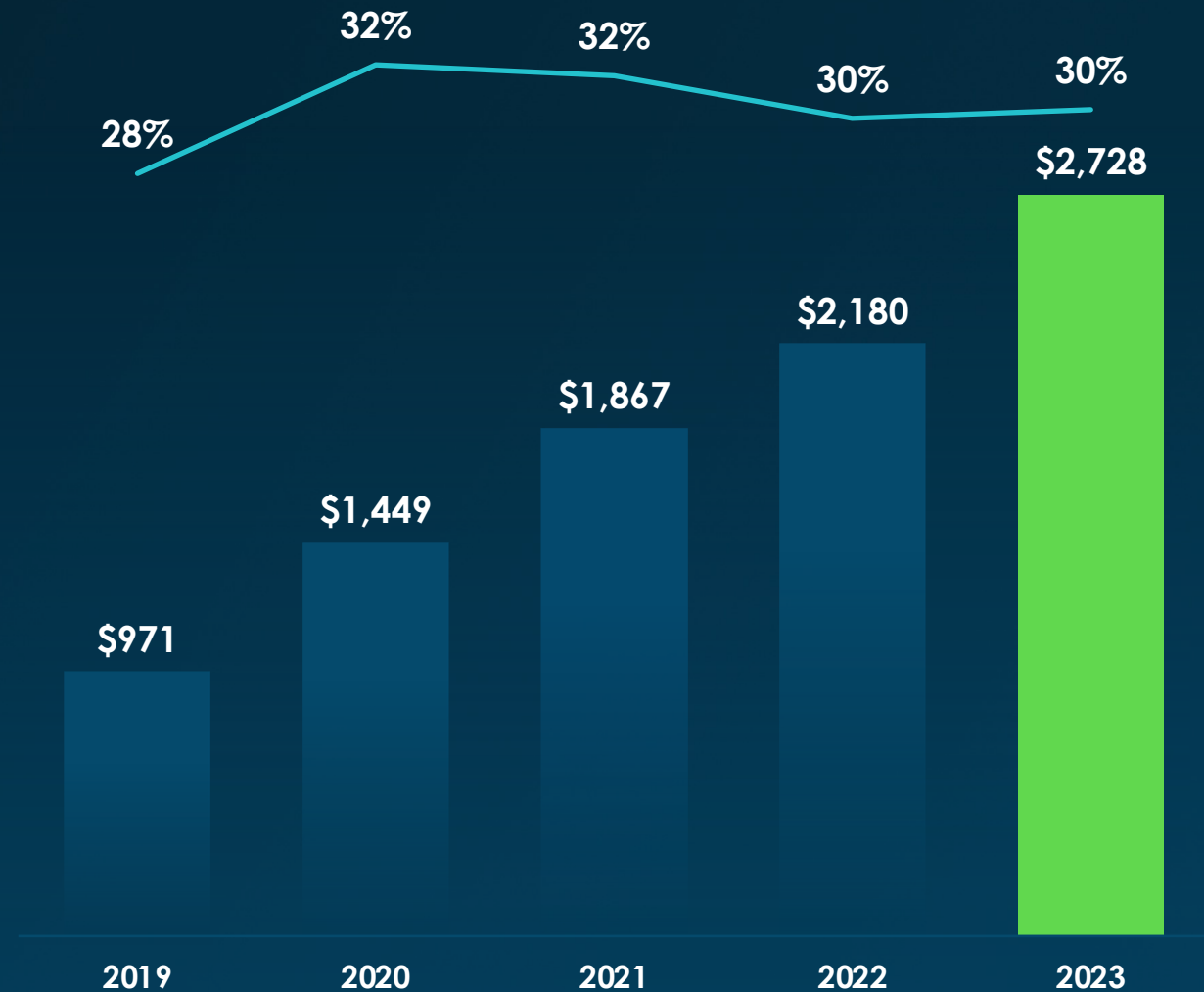
As well as robust free cash flow

29%

2019 – 2023 CAGR
Non-GAAP Free Cash Flow

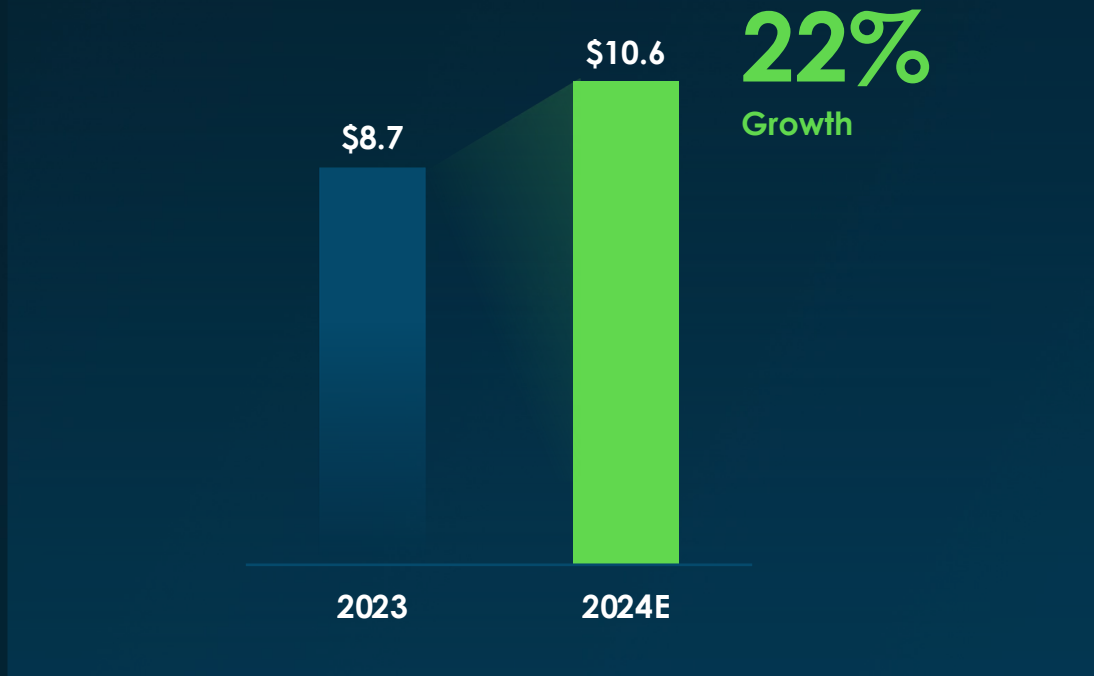
(1) Non-GAAP Free cash flow is defined as net cash provided by (used in) operating activities plus cash paid for legal settlements, repayments of convertible senior notes attributable to debt discount and business combination and other related costs including compensation expense, reduced by purchases 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

NON-GAAP FREE CASH FLOW AND MARGIN %¹
USD IN MILLIONS

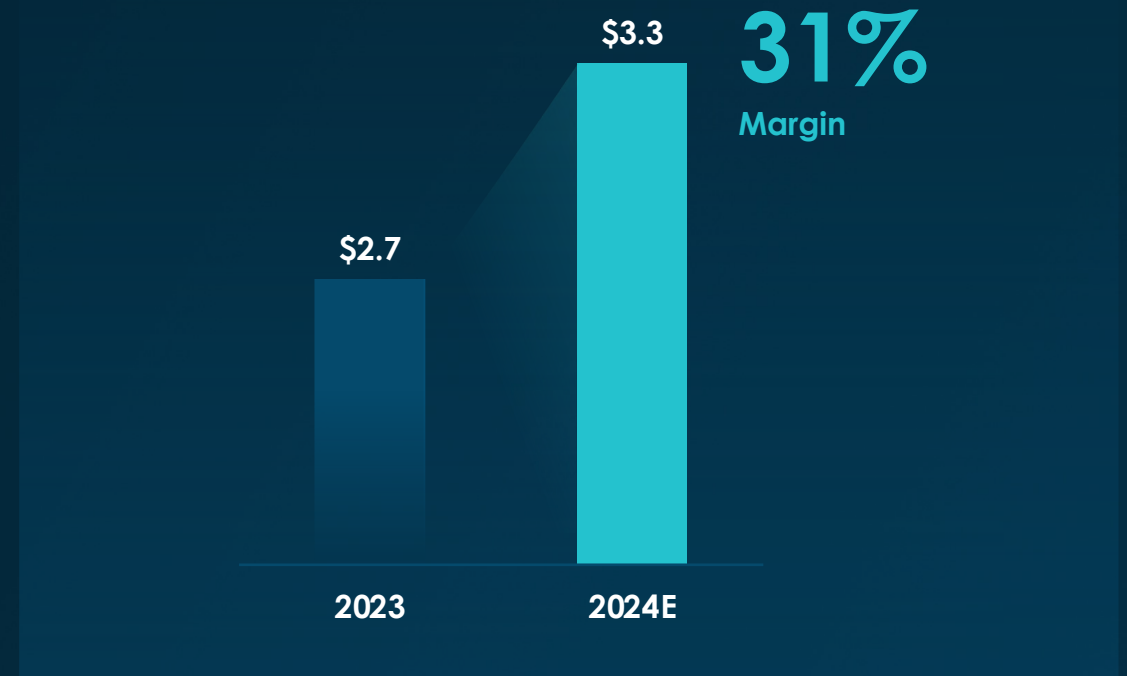


2024 Guidance

SUBSCRIPTION REVENUES USD IN BILLIONS



FREE CASH FLOW¹ USD IN BILLIONS



(1) Free cash flow and free cash flow margin are based off the 2024 guidance of 31% free cash flow margin provided on 1/24/24, with the assumption that professional services and other revenues grows in-line with the mid-point of our subscription revenue guidance. Non-GAAP Free cash flow is defined as net cash provided by operating activities plus cash paid for legal settlements, repayments of convertible senior notes attributable to debt discount and business combination and other related costs including compensation expense, 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: Subscription revenue growth rate is using the high-end of guidance. Numbers rounded for presentation purposes.

Durable Rule of 50+ at massive scale

Rule of 50+

54%

56%

53%

SUB REVENUE GROWTH RATE PLUS
FREE CASH FLOW MARGIN¹

2022

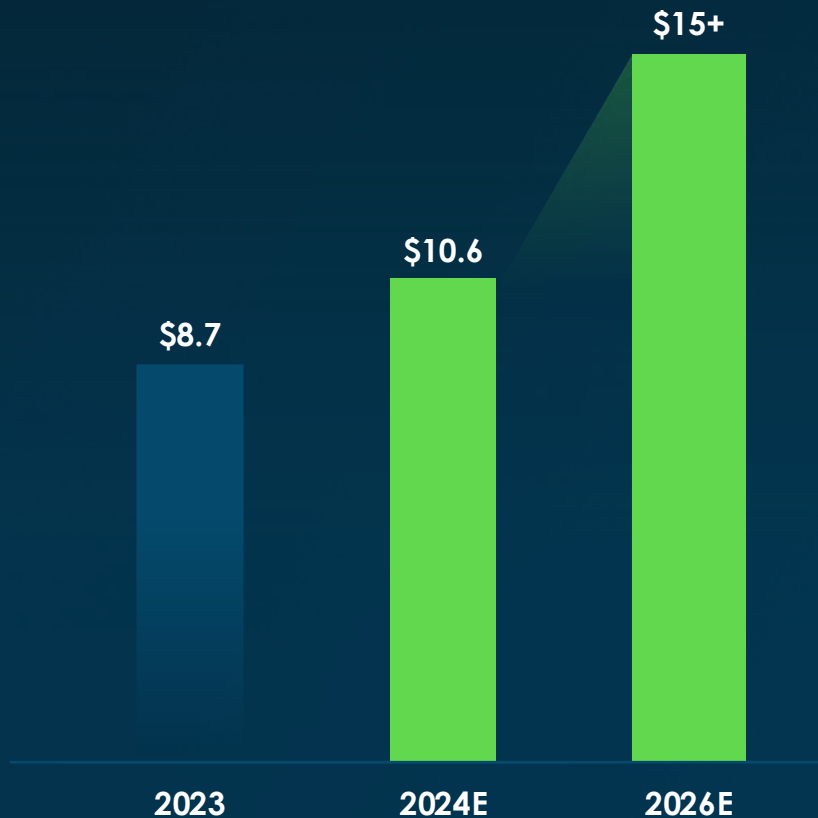
2023

2024E

(1) Non-GAAP Free cash flow is defined as net cash provided by operating activities plus cash paid for legal settlements, repayments of convertible senior notes attributable to debt discount and business combination and other related costs including compensation expense, reduced by purchases of property and equipment. Free cash flow margin is calculated as free cash flow as a percentage of total revenues. 2024E using ServiceNow guidance.
Note: Numbers rounded for presentation purposes

SUBSCRIPTION REVENUES

USD IN BILLIONS



Subscription revenue targets

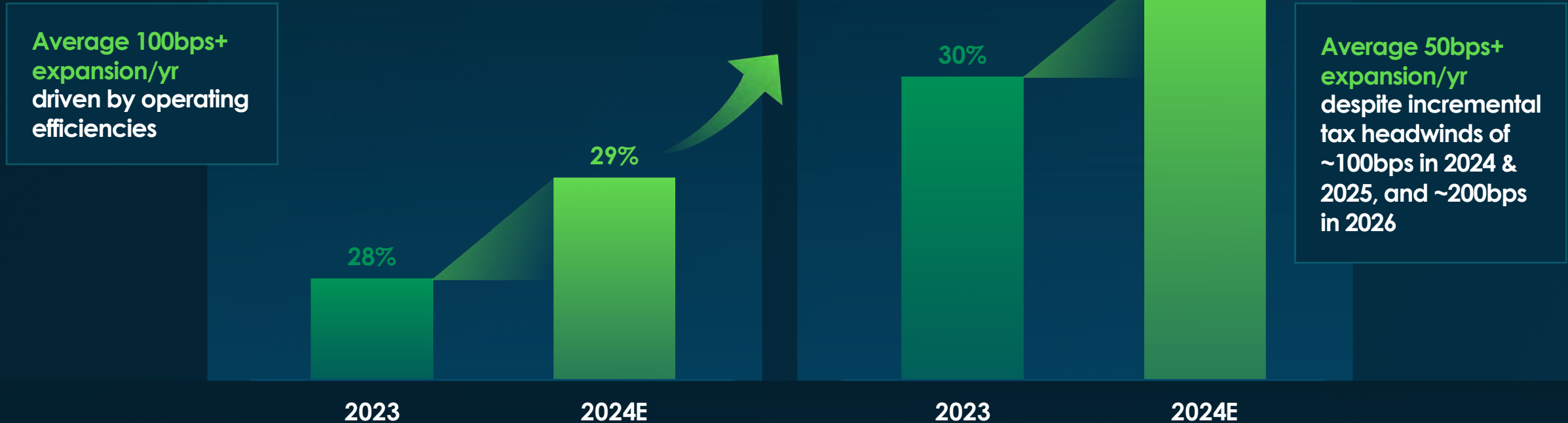
20%+

Constant Currency CAGR Through 2026

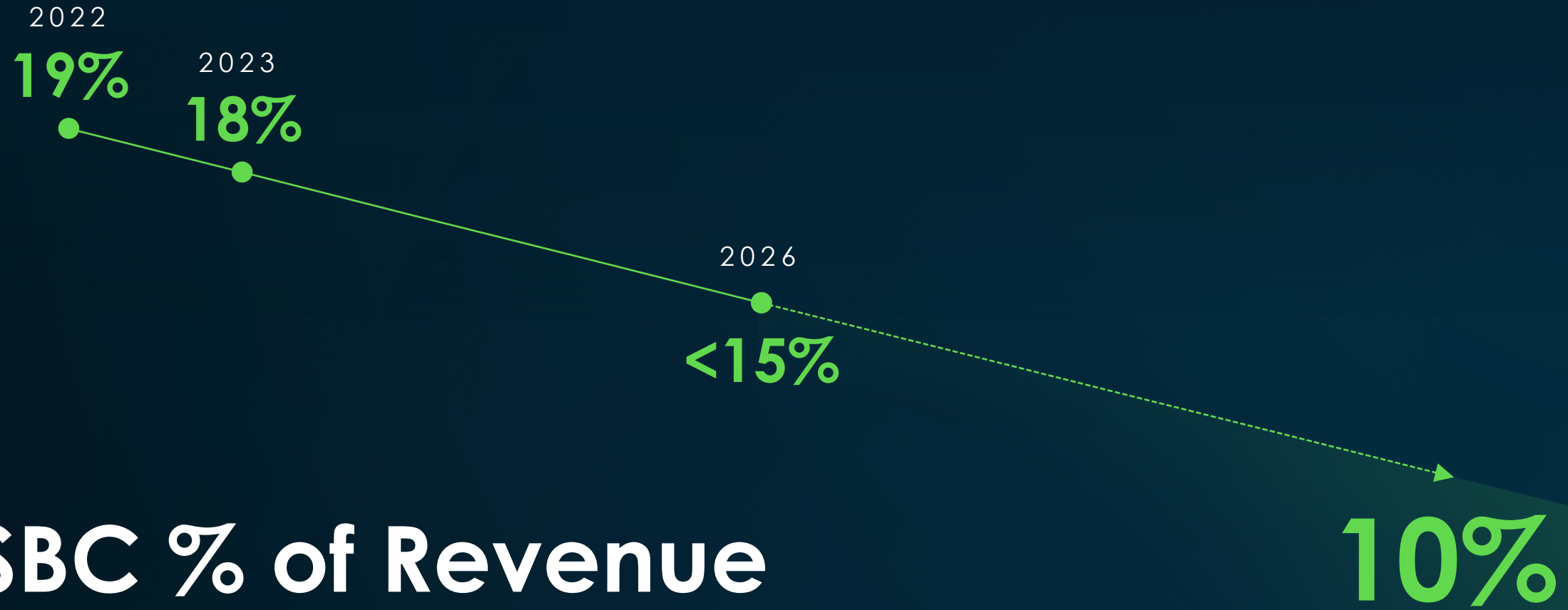
Profitability trajectory to 2026

NON-GAAP OPERATING MARGIN

NON-GAAP FREE CASH FLOW MARGIN



Note: Operating Margin expansion based on the 29% non-GAAP 2024 operating margin guidance provided on 4/24/24. Free cash flow growth based off the 2024 guidance of 31% free cash flow margin provided on 4/24/24, with the assumption that professional services grows in line with the mid-point of our subscription revenue guidance. See the tables included at the end of this presentation for a reconciliation of non-GAAP financial measures to the most comparable GAAP measures. Targets exclude material M&A. Numbers rounded for presentation purposes.



SBC % of Revenue
on track to <15% by 2026

2019

1.5%



2023

1.1%



Annual Dilution

<1.0%

Focusing on
shareholder value

A nighttime photograph of the United States Capitol building in Washington, D.C., illuminated against a dark sky. The building's dome is a prominent feature. In the foreground, there are silhouettes of trees and a grassy area. A series of vibrant green and yellow light trails, resembling motion-blurred light or data streams, sweep across the lower half of the image. The overall mood is modern and technological.

#DESCO21C

GAAP to Non-GAAP Reconciliation

GAAP to Non-GAAP Reconciliation Subscription Revenues

In millions (except %'s)	2017	2018	2019	2020	2021	2022	2023
GAAP Subscription Revenues	\$1,740	\$2,421	\$3,255	\$4,286	\$5,573	\$6,891	\$8,680
(+) Effects of Foreign Currency Rate Fluctuations	\$(6)	\$(27)	\$58	\$(14)	\$(77)	\$274	\$(33)
Non-GAAP Subscription Revenues⁽¹⁾	\$1,734	\$2,394	\$3,313	\$4,272	\$5,496	\$7,165	\$8,647
YoY Non-GAAP Subscription Revenue Growth Rates⁽¹⁾	42%	38%	37%	31%	28%	28.5%	25.5%

(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.

Note: Numbers rounded for presentation purposes

GAAP to Non-GAAP Reconciliation

cRPO and RPO

In billions (except %'s)	2019	2020	2021	2022	2023
GAAP Current Remaining Performance Obligations at Period End	\$3.3	\$4.4	\$5.7	\$6.9	\$8.6
Y/Y Current Remaining Performance Obligations Growth Rates ⁽¹⁾	N/A	N/A	N/A	N/A	N/A
(+) Effects of Foreign Currency Rate Fluctuations	\$0.0	\$(0.1)	\$0.1	\$0.2	\$(0.1)
Non-GAAP Current Remaining Performance Obligations at Period End⁽¹⁾	\$3.3	\$4.3	\$5.8	\$7.1	\$8.5
Y/Y Non-GAAP Current Remaining Performance Obligations Growth Rates ⁽¹⁾	34%	30%	32%	25.5%	23%
GAAP Remaining Performance Obligations at Period End	\$6.6	\$8.9	\$11.5	\$14.0	\$18.0
(+) Effects of Foreign Currency Rate Fluctuations	\$0.0	\$(0.2)	\$0.3	\$0.4	\$(0.1)
Non-GAAP Remaining Performance Obligations at Period End⁽¹⁾	\$6.7	\$8.7	\$11.8	\$14.4	\$17.9
Y/Y Non-GAAP Remaining Performance Obligations Growth Rates ⁽¹⁾	35%	31%	32%	25%	27.5%

⁽¹⁾Non-GAAP current remaining performance obligations, remaining performance obligations and the corresponding growth rates and are 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. Note: Numbers rounded for presentation purposes.

GAAP to Non-GAAP Reconciliation

Operating Income and Operating Margin

In millions (except %'s)	2019	Margin	2020	Margin	2021	Margin	2022	Margin	2023	Margin	2024E Margin
GAAP Income (Loss) from Operations	\$42	1%	\$199	5%	\$257	4%	\$355	5%	\$762	8%	12%
(-) SBC	\$662	19%	\$870	19%	\$1,131	19%	\$1,401	19%	\$1,604	18%	16%
(+) Amount of Purchased Intangibles	\$35	1%	\$45	1%	\$76	2%	\$80	1%	\$85	1%	1%
(+) Business Combination and Other Related Costs	\$1	0%	\$6	0%	\$18	0%	\$24	0%	\$38	0%	0%
(+) Legal Settlements	-	0%	-	0%	-	0%	-	0%	-	0%	0%
Non-GAAP Income from Operations	\$740	21%	\$1,121	25%	\$1,482	25%	\$1,860	26%	\$2,489	28%	29%

GAAP to Non-GAAP Reconciliation

Free Cash Flow and Free Cash Flow Margin

In millions (except %'s and per share data)	2019	Margin	2020	Margin	2021	Margin	2022	Margin	2023	Margin	2024E	Margin
GAAP Net Cash Provided by Operating Activities	\$1,236	36%	\$1,787	39%	\$2,191	37%	\$2,723	38%	\$3,398	38%	N/A	39%
(-) Purchases of Property and Equipment	\$(265)	(8%)	\$(419)	(9%)	\$(392)	(7%)	\$(550)	(8%)	\$(694)	(8%)	N/A	(8%)
(+) Cash Paid for Legal Settlements	-	0%	-	0%	-	0%	-	0%	-	0%	N/A	0%
(+) Repayments of Convertible Senior Notes attributable to Debt Discount	-	0%	\$82	2%	15	0%	-	0%	-	0%	N/A	0%
(+) Business combination and other related costs	-	0%	-	0%	53	1%	\$7	0%	\$24	0%	N/A	0%
Non-GAAP Free Cash Flow	971	28%	\$1,449	32%	\$1,867	32%	\$2,180	30%	\$2,728	30%	N/A	31%

GAAP to Non-GAAP Reconciliation

Sales & Marketing Expense

In millions	2021	2022	2023
Sales and marketing expense	\$2,292	\$2,814	\$3,301
(-) Stock based compensation, sales and marketing	\$389	\$459	\$505
(-) Sales and marketing amortization of purchased intangibles	\$1	-	-
Non-GAAP Sales and marketing expense	\$1,902	\$2,355	\$2,796



Thank you FAD 24
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DAY

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