

Investor Presentation

Fourth Quarter 2023

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 FY23E), “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 1/24/24, 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 armed conflicts 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 in our other Securities and Exchange Commission (“SEC”) filings. 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.

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 ("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. To present this information, current period revenues and related growth rates 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. We believe the presentation of revenues and corresponding growth rates adjusted for constant currency 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 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.



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Technology Workflows

Accelerate digital transformation with resilient, cost-efficient, and secure technology.



Employee Workflows

Drive employee productivity, retention, and growth while lowering costs.



Customer and Industry Workflows

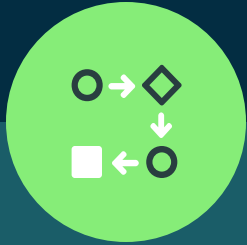
Deliver frictionless customer experiences that drive long-term loyalty and improve the bottom line.



Creator Workflows

Build connected cross-enterprise workflow apps fast using low-code and hyperautomation that safely deliver agile services at scale.

We make the world work better for everyone™



ServiceNow helps digitize and unify organizations so that they can find smarter, faster, better ways to make work flow.



Our 8,100+ global customers⁽¹⁾ include approximately 85% of the *Fortune* 500. They all rely on ServiceNow solutions using the Now Platform—the intelligent and intuitive cloud platform—for successful digital transformation.



Our aspiration is to be the defining enterprise software company of the 21st century.



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(1) Global customers count is as of the end of fiscal 2023.

Q4-23 Financial Highlights

Q4 2023 Results	Quarterly Results	Increase (Decrease) Y/Y	Currency Impact ⁽¹⁾	Non-GAAP Constant Currency Y/Y ⁽²⁾
Subscription Revenues	\$2,365M	27%	~150bps tailwind	25.5%
Current RPO (cRPO)	\$8.60B	24%	~100bps tailwind	23%
Remaining Performance Obligations (RPO)	\$18.0B	29%	~150bps tailwind	27.5%
Non-GAAP Operating Margin ⁽³⁾	29%	~150bps	NA	NA
Non-GAAP Free Cash Flow Margin ⁽³⁾	55%	~250bps	NA	NA

(1) Currency impact on subscription revenue 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. Currency impact on cRPO and RPO growth rates are derived by applying the exchange rates in effect at the end of the comparison period rather than the actual end of period exchange rates in effect during the current period.

(2) Non-GAAP growth rates for subscription revenues, cRPO and RPO are adjusted only for constant currency. See slides 10-11 for additional discussion of non-GAAP subscription revenues and their corresponding growth rates. See slide 12 for additional discussion of non-GAAP cRPO and RPO and their corresponding growth rates.

(3) This financial metric and its corresponding growth rate, if applicable, are calculated on a non-GAAP basis. See appendix for a reconciliation of non-GAAP financial measures to the most comparable GAAP measures.

Note: Numbers rounded for presentation purposes.

FY23 Financial Highlights

FY 2023 Results	Annual Results	Increase (Decrease) Y/Y	Currency Impact ⁽¹⁾	Non-GAAP Constant Currency Y/Y ⁽²⁾
Subscription Revenues	\$8,680M	26%	~50bps tailwind	25.5%
Current RPO (cRPO)	\$8.60B	24%	~100bps tailwind	23%
Remaining Performance Obligations (RPO)	\$18.0B	29%	~150bps tailwind	27.5%
Non-GAAP Operating Margin ⁽³⁾	28%	~200bps	NA	NA
Non-GAAP Free Cash Flow Margin ⁽³⁾	30%	~50bps	NA	NA

(1) Currency impact on subscription revenue 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. Currency impact on cRPO and RPO growth rates are derived by applying the exchange rates in effect at the end of the comparison period rather than the actual end of period exchange rates in effect during the current period.

(2) Non-GAAP growth rates for subscription revenues, cRPO and RPO are adjusted only for constant currency. See slides 10-11 for additional discussion of non-GAAP subscription revenues and their corresponding growth rates. See slide 12 for additional discussion of non-GAAP cRPO and RPO and their corresponding growth rates.

(3) This financial metric and its corresponding growth rate, if applicable, are calculated on a non-GAAP basis. See appendix for a reconciliation of non-GAAP financial measures to the most comparable GAAP measures.

Note: Numbers rounded for presentation purposes.

Guidance Summary

Q1 2024 Guidance	Quarterly Guidance	Increase (Decrease) Y/Y	Currency Impact Included in Guidance ⁽¹⁾	Non-GAAP Constant Currency Y/Y ⁽²⁾
Subscription Revenues	\$2,510M - \$2,515M	24% - 24.5%	~50bps tailwind	23.5% - 24%
Non-GAAP Operating Margin ⁽³⁾	29%	~250bps	NA	NA
Current RPO (cRPO) Growth	20%	NA	~flat	20% Incl. public sector impact ⁽⁴⁾

FY 2024 Guidance	Full-Year Guidance	Increase (Decrease) Y/Y	Currency Impact Included in Guidance ⁽¹⁾	Non-GAAP Constant Currency Y/Y ⁽²⁾
Subscription Revenues	\$10,555M - \$10,575M	21.5%-22%	~50bps tailwind	21.5%
Non-GAAP Subscription Gross Margin ⁽³⁾	84.5%	~flat	NA	NA
Non-GAAP Operating Margin ⁽³⁾	29%	~150bps	NA	NA
Non-GAAP Free Cash Flow Margin ⁽³⁾	31%	~50bps	NA	NA

(1) Currency impact on subscription revenues growth rates are derived by applying the average exchange rates in effect during the comparison period rather than the exchange rates for the guidance period. Currency impact on cRPO growth rates are 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.

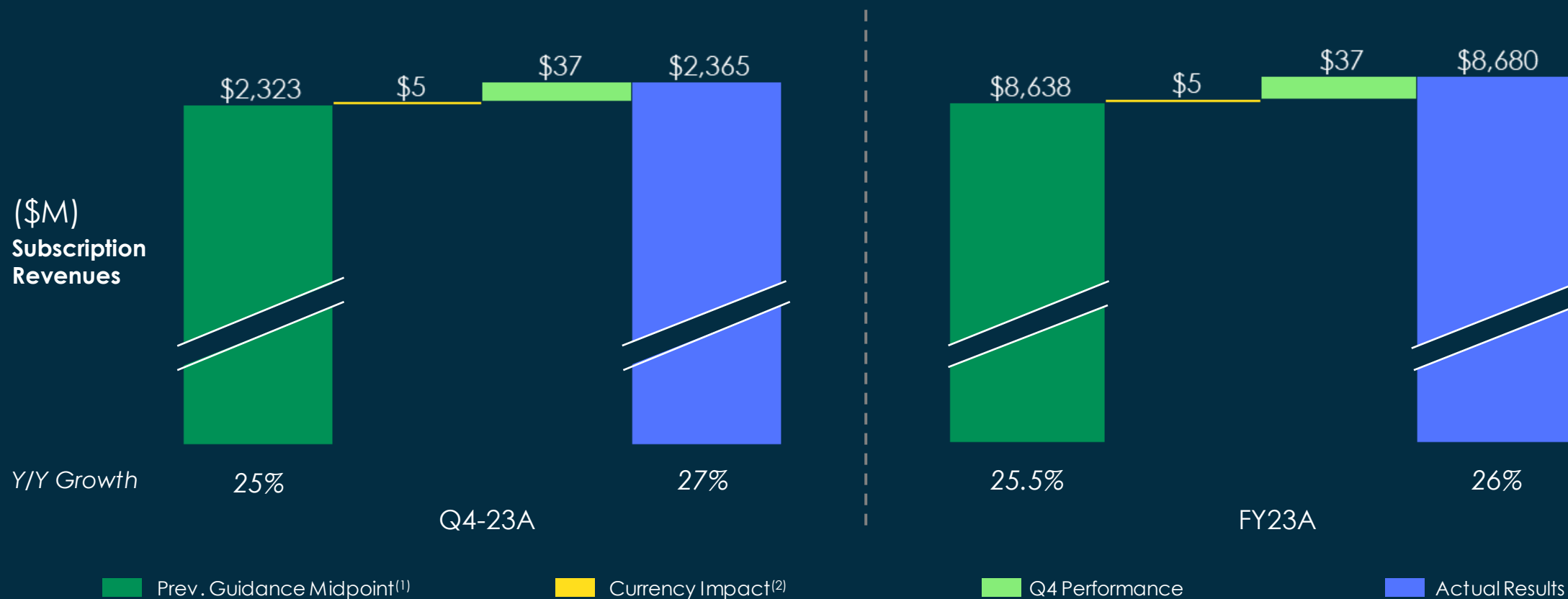
(2) Non-GAAP growth rates are adjusted only for constant currency.

(3) This financial metric and its corresponding growth rate, if applicable, are calculated on a non-GAAP basis. See appendix for a reconciliation of non-GAAP financial measures to the most comparable GAAP measures.

(4) Our Q1 2024 cRPO guidance reflects the continued strength of our public sector business, which drives a higher mix of 12-month contracts and self-hosted deals, both of which contribute to subscription revenue growth but whose economic benefits are not fully represented in cRPO growth. As previously mentioned, the Q3 2023 strength of our U.S. Federal business has resulted in a higher mix of contracts containing 12-month renewal terms. This will **create a negative 1.5-point impact and negative 2-point impact to Q1 and Q2 2024 cRPO growth respectively**, as that balance is amortized into revenue. We expect that these contracts will renew in Q3 2024 as ServiceNow's U.S. Federal renewal rates have been 99%.

Note: Numbers rounded for presentation purposes.

Comparison to Previously Issued Guidance

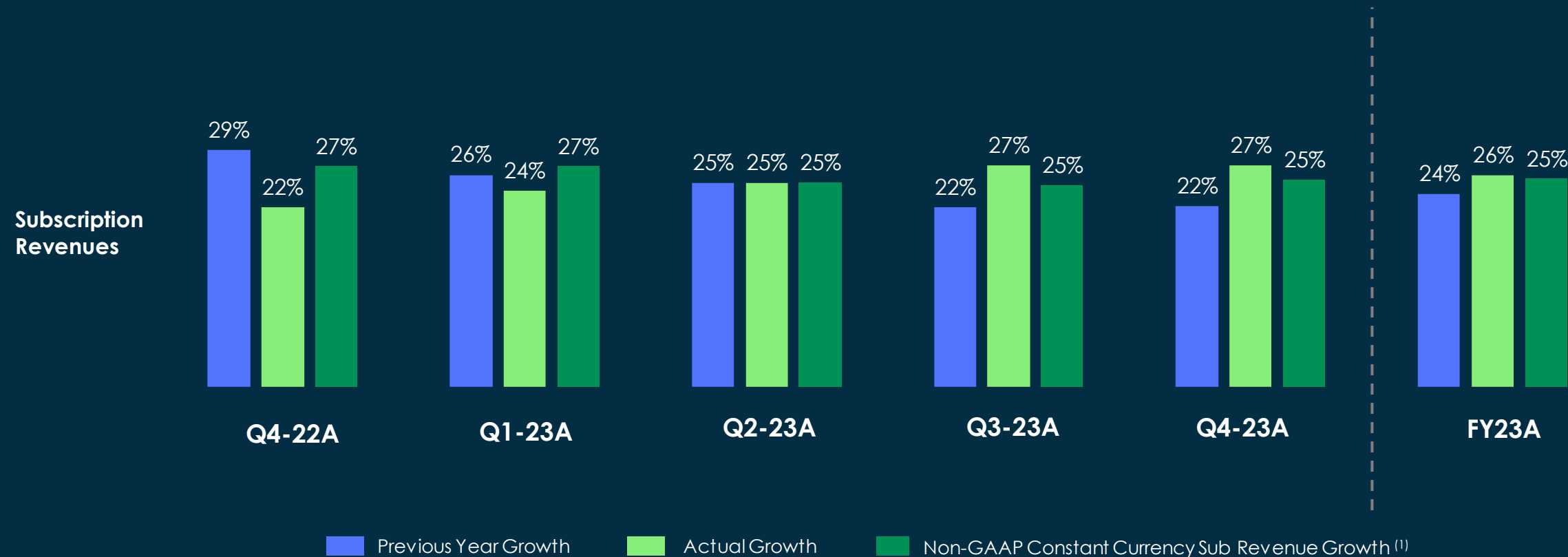


(1) Refers to previously issued financial guidance dated 10/25/23.

(2) GAAP subscription revenues included in our previous guidance is based on the 30-day average foreign exchange rates for September 2023 for entities reporting in currencies other than U.S. Dollars. Currency impact in Q4 2023 and full year 2023 represents the impact of the difference between the actual average rates in the period used to calculate our Q4 2023 actual results and full year 2023 actual results and the 30-day average foreign exchange rates for September 2023 assumed in our previously issued guidance dated 10/25/23.

Note: Numbers rounded for presentation purposes and may not foot.

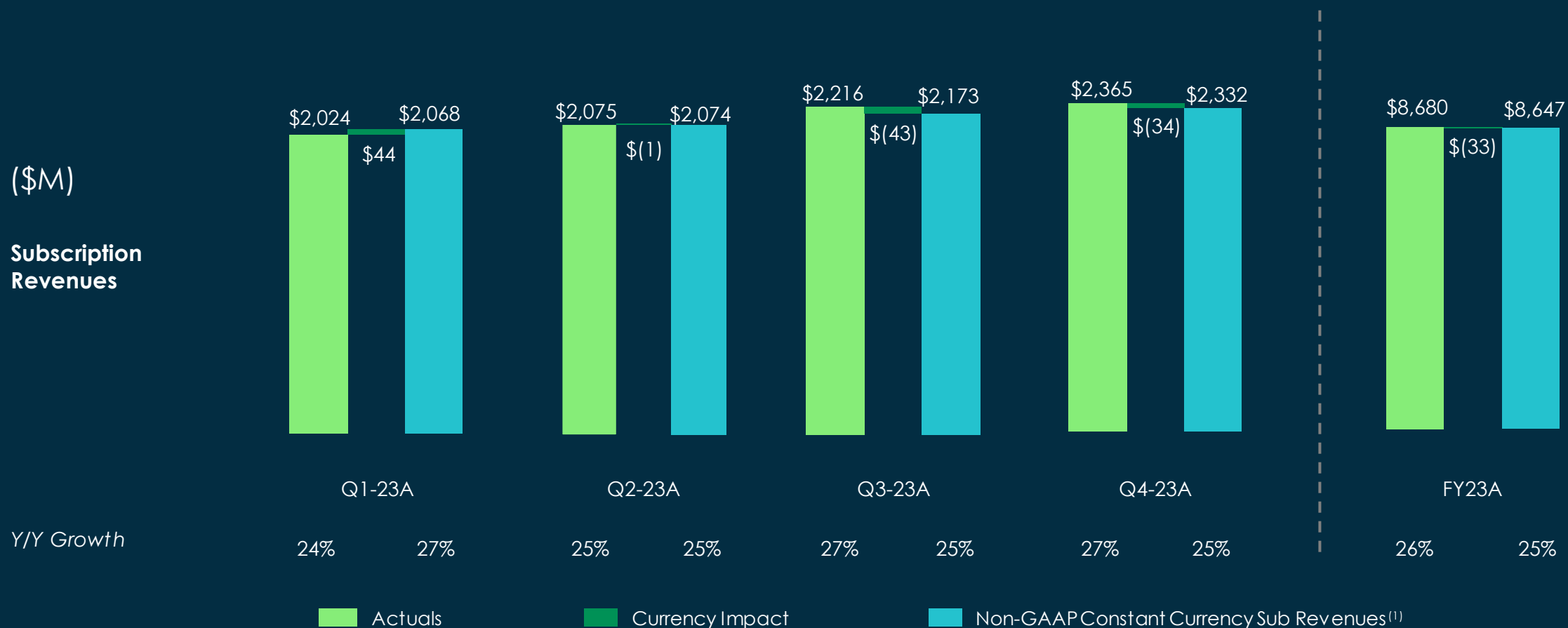
Year-Over-Year Subscription Revenues Growth



(1) Non-GAAP subscription revenues growth rates are adjusted only for constant currency and derived by adjusting subscription revenues for constant currency by applying the average exchange rates in effect during the comparison period rather than the actual average exchange rate in effect during the current period.

Note: Numbers are rounded to the nearest whole percentage.

Currency Impact to Year-Over-Year Sub. Revenues



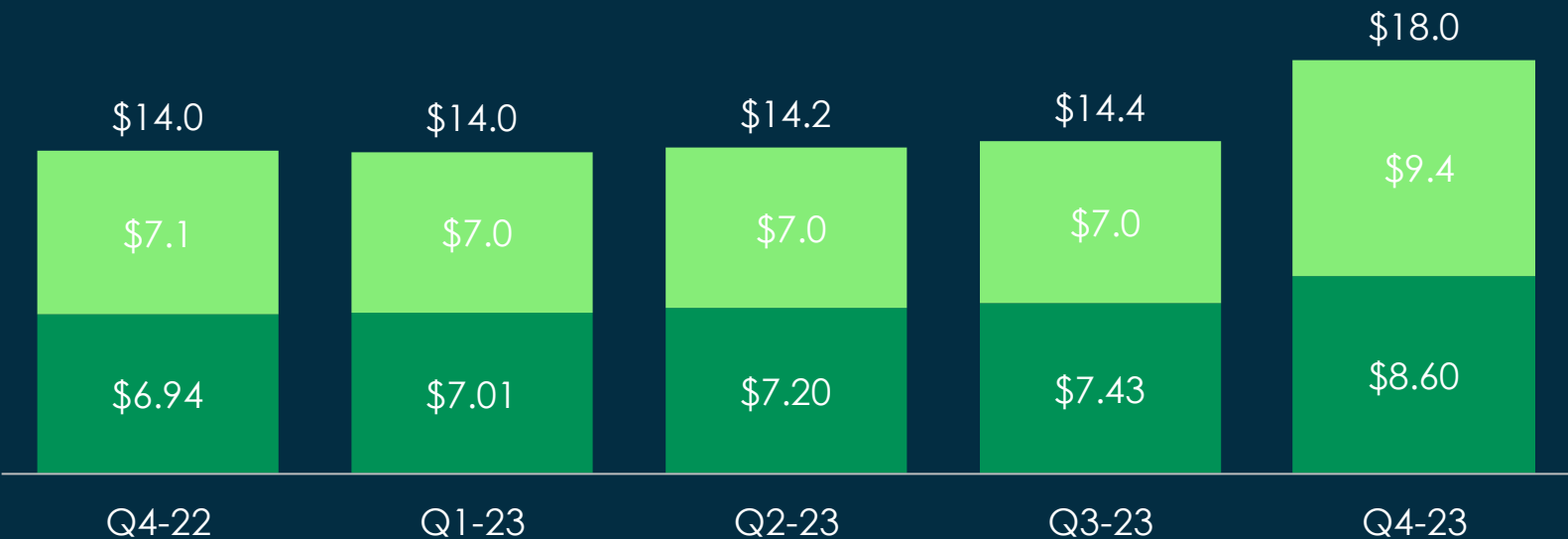
(1) Non-GAAP constant currency subscription revenues and the corresponding growth figures are adjusted only for constant currency and derived by applying the average exchange rates in effect during the comparison period rather than the actual average exchange rate in effect during the current period.

Note: Numbers rounded for presentation purposes and may not foot.

Remaining Performance Obligations

(\$B)

■ Current RPO ■ Noncurrent RPO



Q4-23
Y/Y Growth

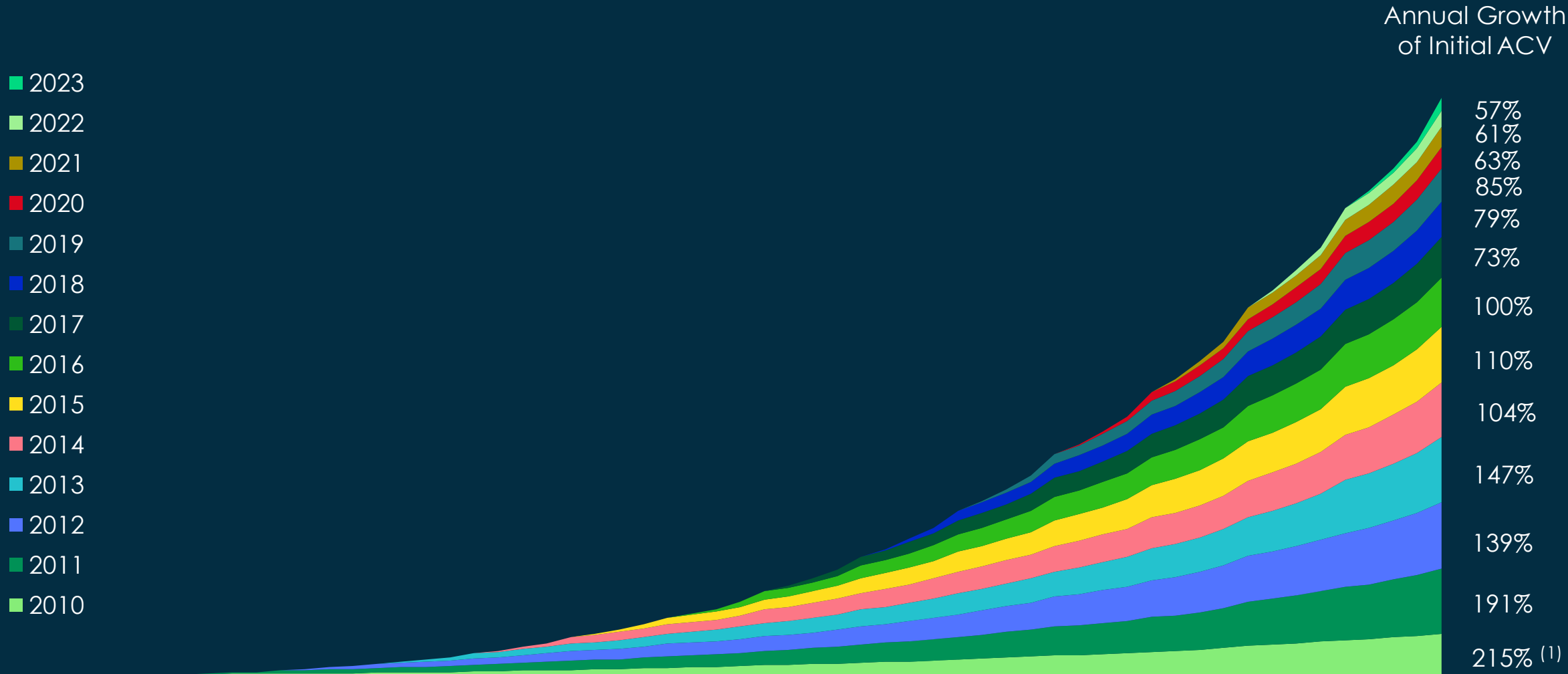
+29% / +27.5% cc⁽¹⁾
Total RPO

cRPO Y/Y Growth	22%	23%	25%	27%	24%
cRPO cc ⁽¹⁾ Y/Y Growth	25.5%	25%	24%	24%	23%

(1) The total RPO and current RPO growth rates are adjusted only for constant currency. Results 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 exchange rates in effect at the end of the current period.

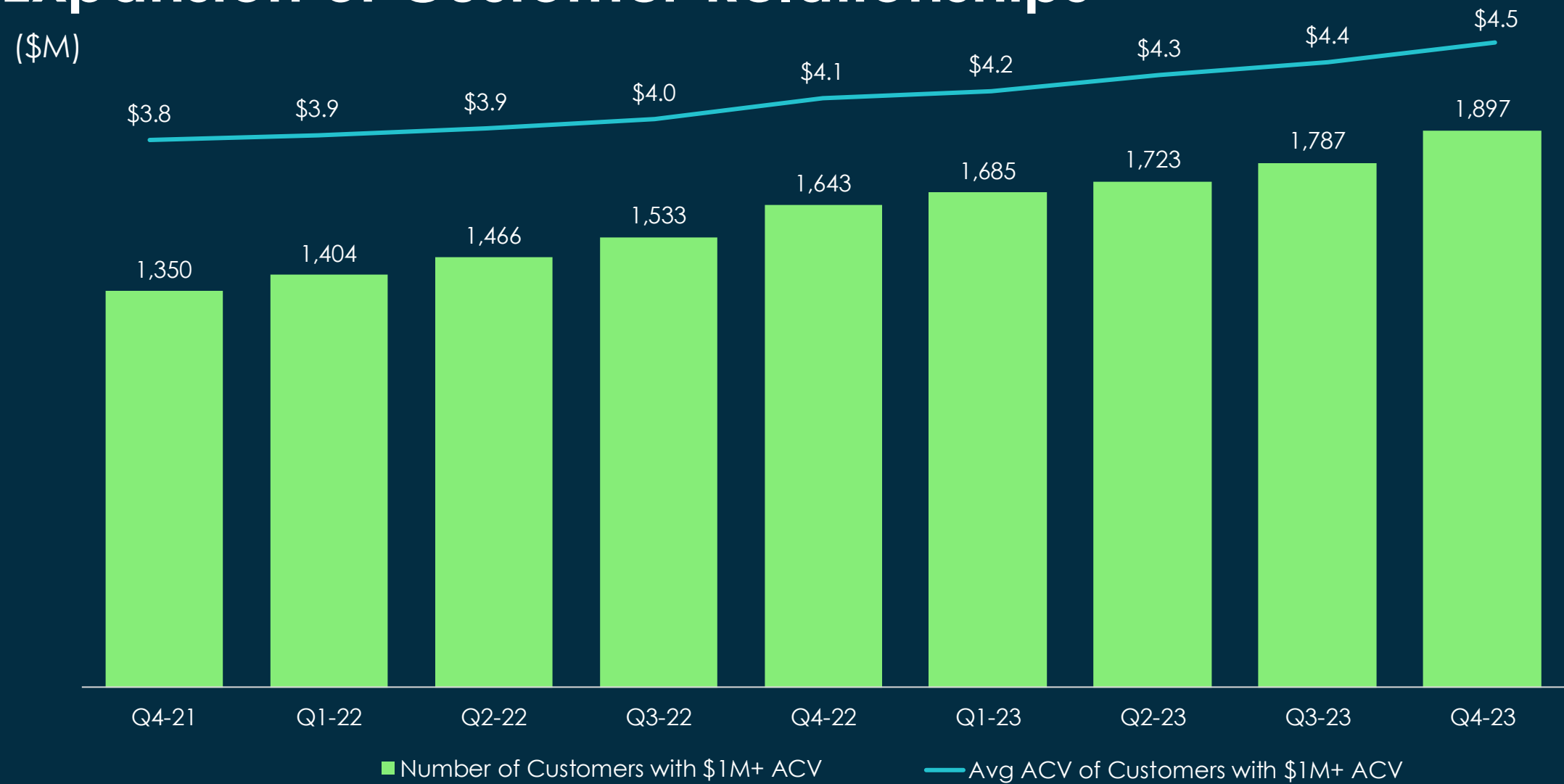
Note: Numbers rounded for presentation purposes.

Customer Cohort Growth



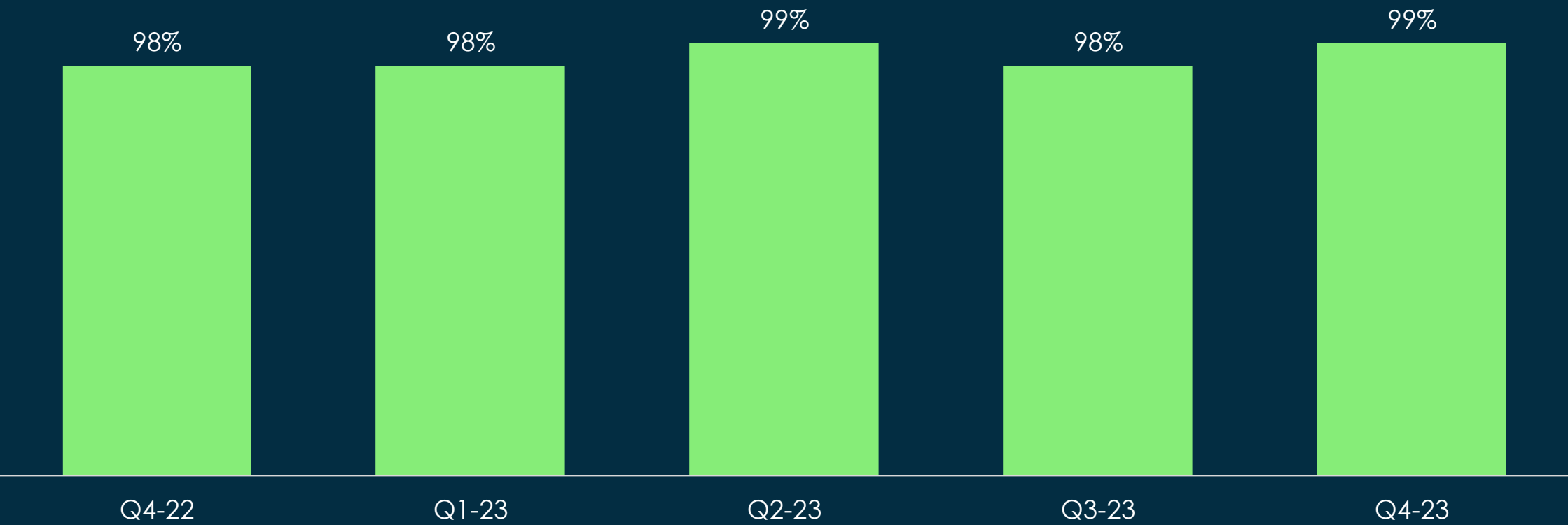
(1) As an illustrative example, 2010 customer cohort started with a contract of initial ACV (annual contract value) of \$100 and grew to ACV of \$2,895 as of Q4-23, and represents annual growth of initial ACV of 215%
Note: Chart reflects growth in total annual contract value over time, inclusive of losses, 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.

Expansion of Customer Relationships



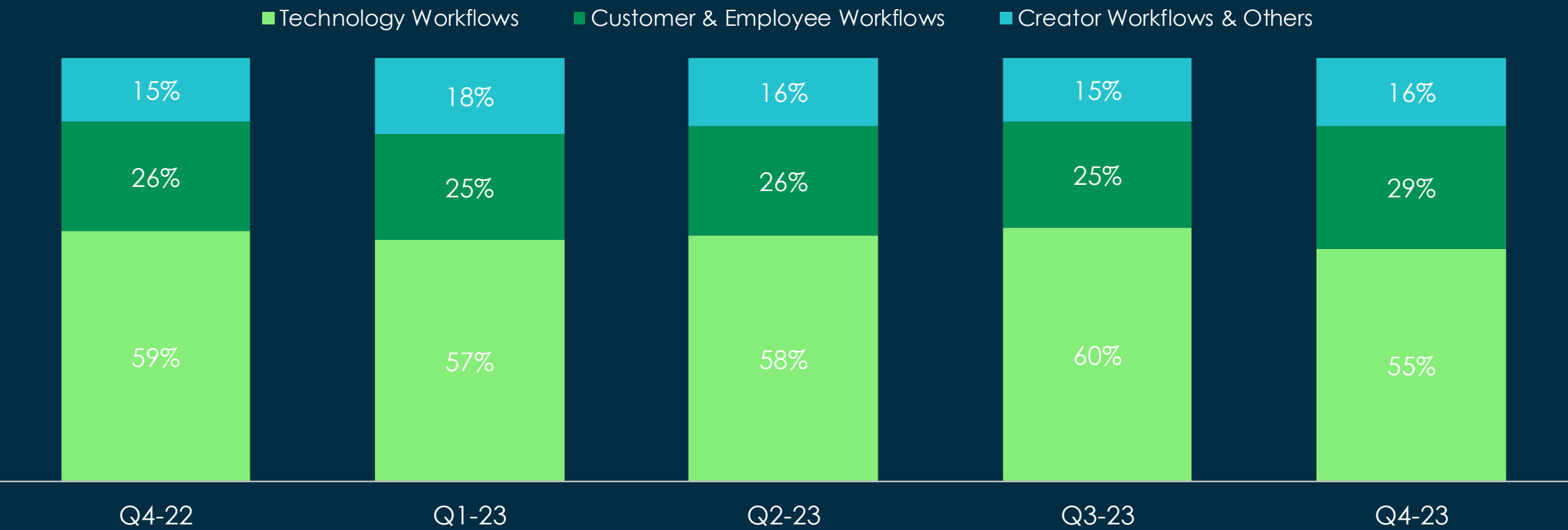
Note: Previously disclosed number of customers with ACV greater than \$1 million is restated to allow for comparability. ACV is calculated based on the foreign exchange rate in effect at the time the contract was entered into. Foreign exchange rate fluctuations could cause some variability in the number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

Renewal Rate



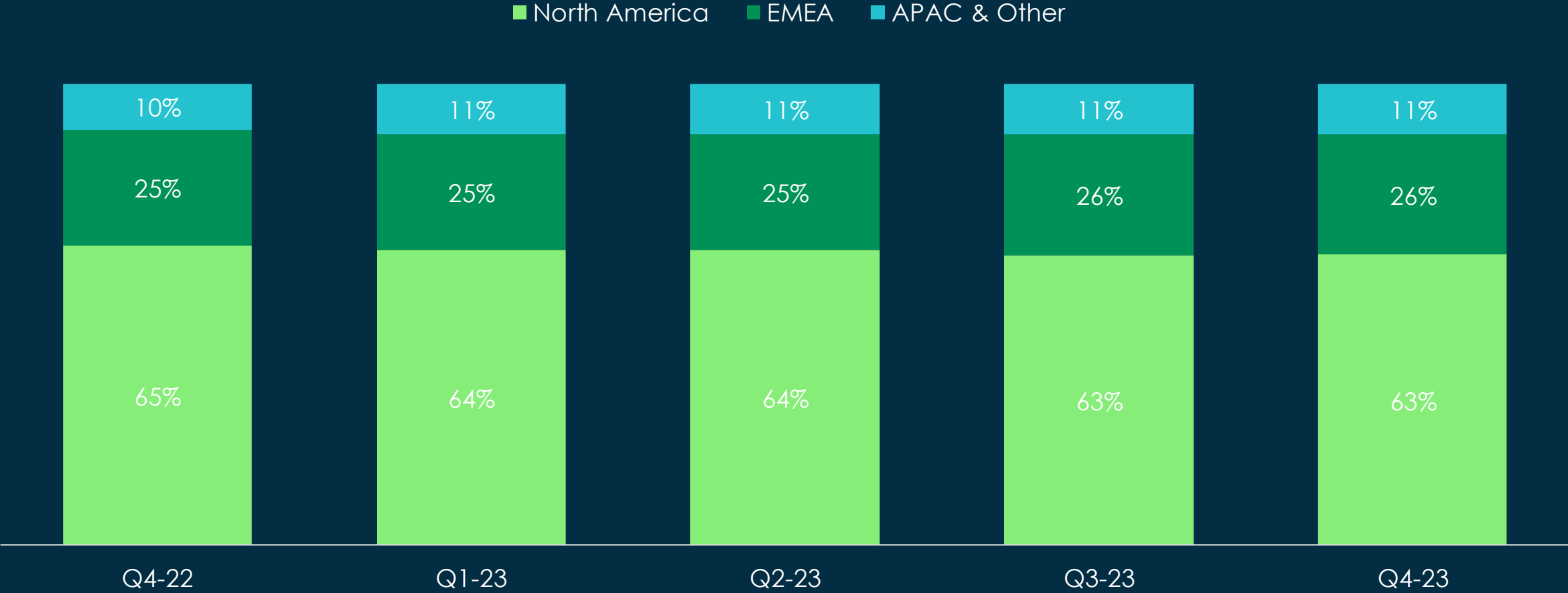
Note: We adjust our Renewal Rate for acquisitions, consolidations and other customer events that cause the merging of two or more accounts occurring at the time of renewal.

Net New ACV Contribution Across Workflows and Products⁽¹⁾

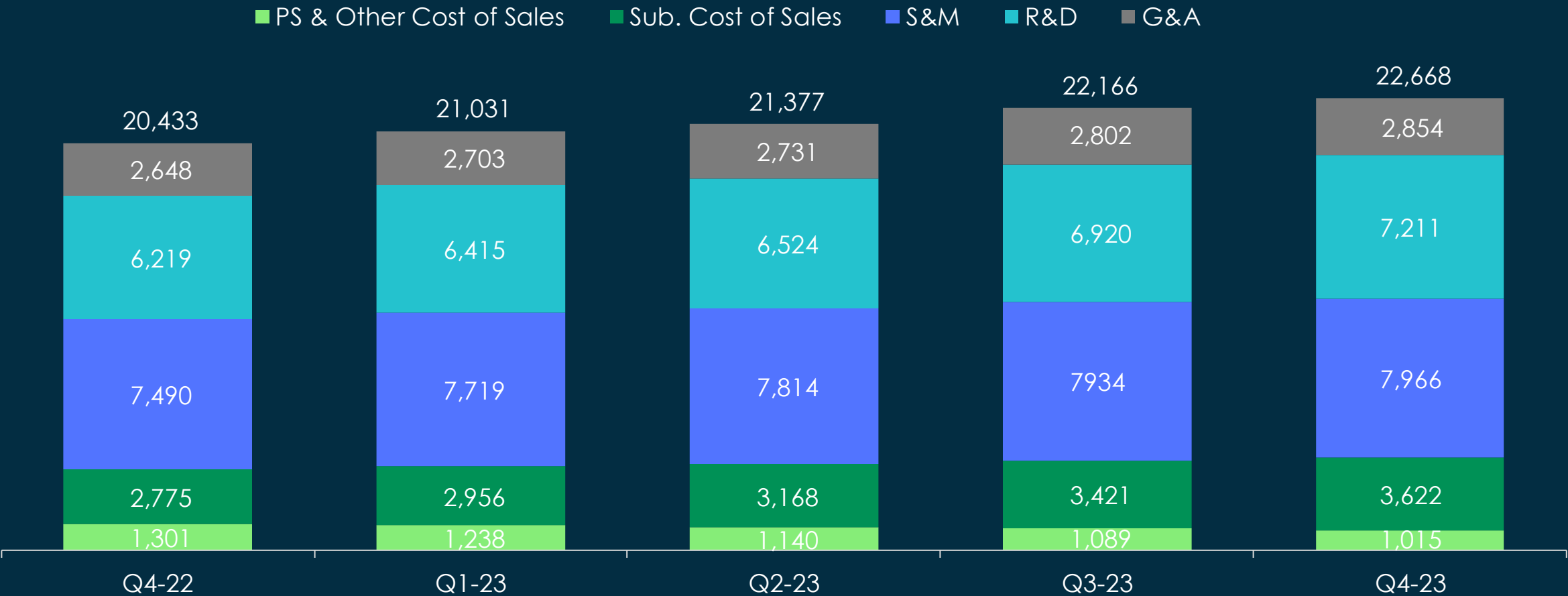


(1) Historical presentations disclosed net new ACV contribution across products and are not comparable to net new ACV contribution across workflows and products disclosed herein. NNACV generated from Industry products is spread across several workflows, the majority of which is reported under Customer and Industry Workflows.
Note: Technology Workflows include IT Service Management, IT Operations Management, Asset Management, Security Operations, Integrated Risk Management, Strategic Portfolio Management, Cloud Observability, and others. Customer and Industry & Employee Workflows include Customer Service Management, Field Service Management, HR Service Delivery, Workplace Service Delivery, Legal Service Delivery, and others. Creator Workflows & Others include App Engine, Automation Engine, Platform Privacy & Security, Source-to-Pay Operations, and others.

GAAP Revenues by Geography

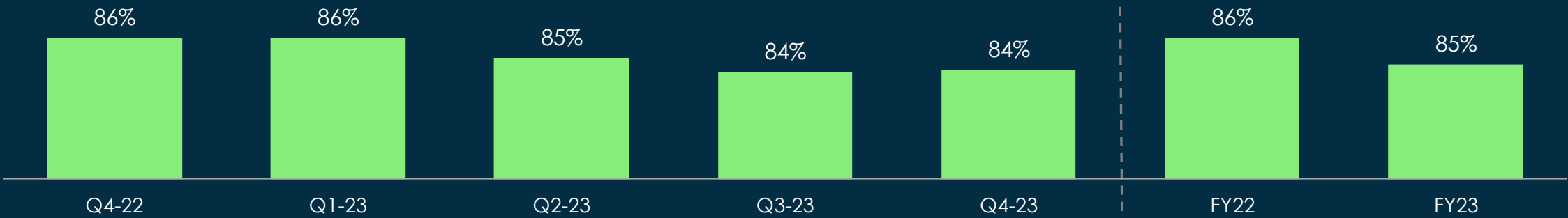


Headcount by Department

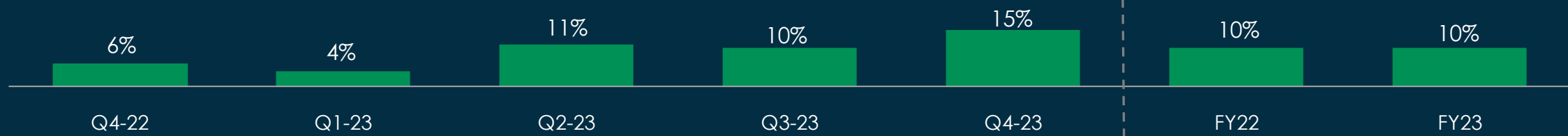


Non-GAAP Gross Margins

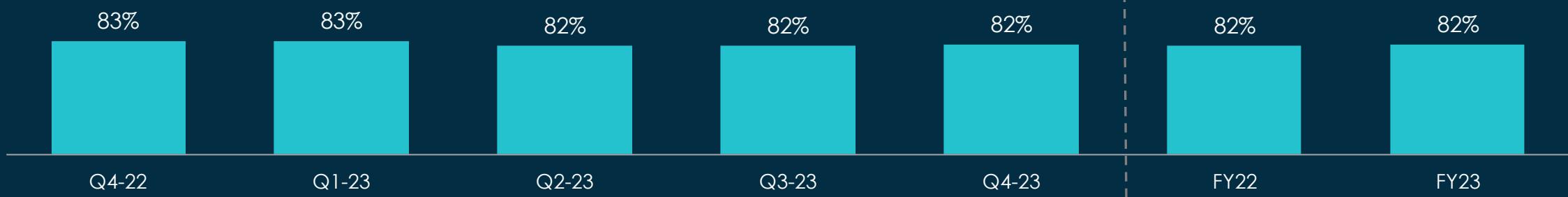
Non-GAAP Subscription Gross Margin



Non-GAAP PS & Other Gross Margin



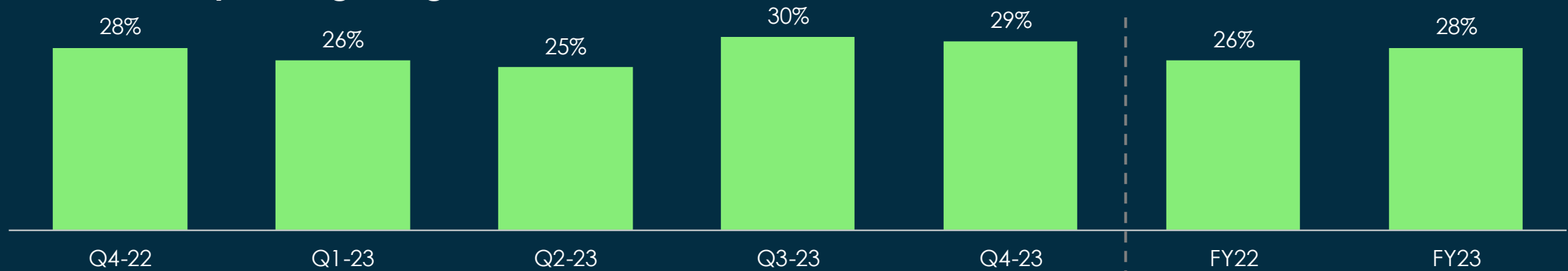
Non-GAAP Total Gross Margin



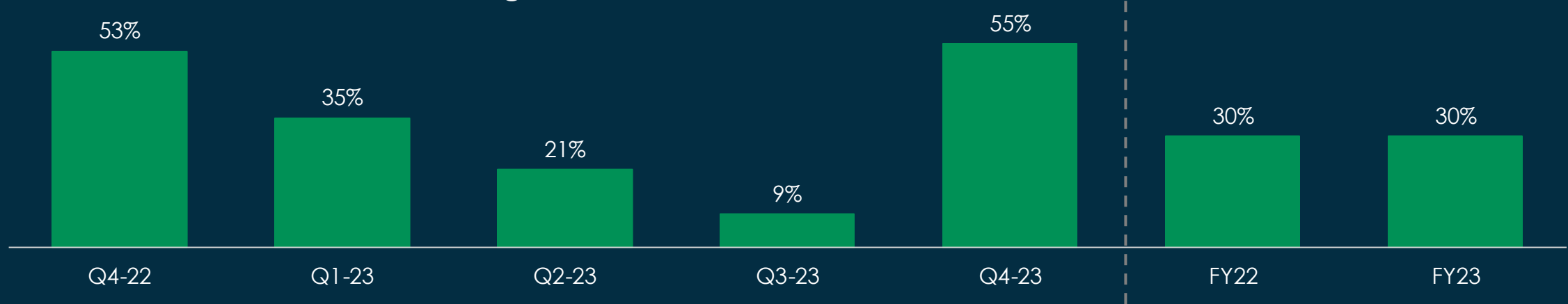
Note: All figures are calculated on a non-GAAP basis. See appendix for reconciliation of non-GAAP financial measures.

Non-GAAP Operating and Free Cash Flow Margins

Non-GAAP Operating Margin



Non-GAAP Free Cash Flow Margin



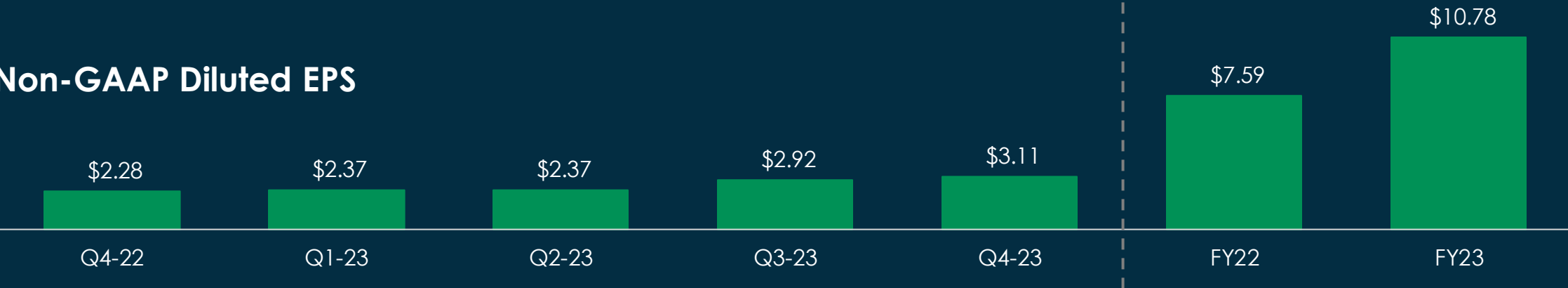
Note: All figures are calculated on a non-GAAP basis. See appendix for reconciliation of non-GAAP financial measures.

Non-GAAP Net Income and Diluted EPS

Non-GAAP Net Income (\$M)



Non-GAAP Diluted EPS



Note: All figures are calculated on a non-GAAP basis. See appendix for reconciliation of non-GAAP financial measures.

GAAP to Non-GAAP Reconciliation and Supplemental Information

GAAP to Non-GAAP Reconciliation – Other

in millions (except %'s and per share data)	Q1'22	Margin	Q2'22	Margin	Q3'22	Margin	Q4'22	Margin	2022	Margin	Q1'23	Margin	Q2'23	Margin	Q3'23	Margin	Q4'23	Margin	2023	Margin	Q1'24E	Margin	2024E	Margin
GAAP Subscription Gross Profit	\$1,356	83%	\$1,371	83%	\$1,441	83%	\$1,536	83%	\$5,704	83%	\$1,670	83%	\$1,686	81%	\$1,796	81%	\$1,922	81%	\$7,074	82%	N/A	N/A	N/A	81.5%
(+) Subscription SBC	\$36	2%	\$39	2%	\$41	2%	\$41	2%	\$157	2%	\$46	2%	\$50	2%	\$52	2%	\$54	2%	\$202	2%	N/A	N/A	N/A	2%
(+) Subscription Amort of Purchased Intangibles	\$18	1%	\$18	1%	\$18	1%	\$18	1%	\$72	1%	\$18	1%	\$19	1%	\$20	1%	\$20	1%	\$77	1%	N/A	N/A	N/A	1%
(+) Business Combination and Other Related Costs	\$-	0%	\$-	0%	\$2	0%	\$-	0%	\$2	0%	\$-	0%	\$-	0%	-	0%	-	0%	-	0%	N/A	N/A	N/A	0%
Non-GAAP Subscription Gross Profit	\$1,410	86%	\$1,427	86%	\$1,502	86%	\$1,595	86%	\$5,935	86%	\$1,734	86%	\$1,755	85%	\$1,868	84%	\$1,996	84%	\$7,353	85%	N/A	N/A	N/A	84.5%
GAAP Professional Services and Other Gross Profit (Loss)	\$(3)	(3%)	\$(8)	(9%)	\$(10)	(11%)	\$(11)	(14%)	\$(32)	(9%)	\$(12)	(17%)	\$(7)	(9%)	\$(4)	(6%)	\$(1)	(1%)	\$(24)	(8%)	N/A	N/A	N/A	N/A
(+) Professional Services and Other SBC	\$16	18%	\$18	19%	\$17	19%	\$16	20%	\$67	19%	\$14	20%	\$15	20%	\$11	15%	\$12	17%	\$52	18%	N/A	N/A	N/A	N/A
Non-GAAP Professional Services and Other Gross Profit	\$13	15%	\$10	10%	\$7	8%	\$5	6%	\$35	10%	\$2	4%	\$8	11%	\$7	10%	\$11	15%	\$28	10%	N/A	N/A	N/A	N/A
GAAP Gross Profit	\$1,353	79%	\$1,363	78%	\$1,431	78%	\$1,525	79%	\$5,672	78%	\$1,658	79%	\$1,679	78%	\$1,792	78%	\$1,921	79%	\$7,050	79%	N/A	N/A	N/A	N/A
(+) SBC	\$52	3%	\$56	3%	\$58	3%	\$57	3%	\$224	3%	\$60	3%	\$65	3%	\$63	3%	\$66	3%	\$254	3%	N/A	N/A	N/A	N/A
(+) Amort of Purchased Intangibles	\$18	1%	\$18	1%	\$18	1%	\$18	1%	\$72	1%	\$18	1%	\$19	1%	\$20	1%	\$20	1%	\$77	1%	N/A	N/A	N/A	N/A
(+) Business Combination and Other Related Costs	\$-	0%	\$-	0%	\$2	0%	\$-	0%	\$2	0%	\$-	0%	\$-	0%	\$-	0%	\$-	0%	\$-	0%	N/A	N/A	N/A	N/A
Non-GAAP Gross Profit	\$1,423	83%	\$1,437	82%	\$1,509	82%	\$1,600	83%	\$5,970	82%	\$1,736	83%	\$1,763	82%	\$1,875	82%	\$2,007	82%	\$7,381	82%	N/A	N/A	N/A	N/A
GAAP Income from Operations	\$87	5%	\$22	1%	\$91	5%	\$155	8%	\$355	5%	\$144	7%	\$117	5%	\$231	10%	\$270	11%	\$762	8%	N/A	11%	N/A	12%
(+) SBC	\$325	19%	\$352	20%	\$361	20%	\$363	19%	\$1,401	19%	\$381	18%	\$397	18%	\$413	18%	\$413	17%	\$1,604	18%	N/A	17%	N/A	16%
(+) Amort of Purchased Intangibles	\$20	1%	\$20	1%	\$20	1%	\$20	1%	\$80	1%	\$20	1%	\$22	1%	\$21	1%	\$22	1%	\$85	1%	N/A	1%	N/A	1%
(+) Business Combination and Other Related Costs	\$5	0%	\$5	0%	\$8	0%	\$6	0%	\$24	0%	\$7	0%	\$8	0%	\$11	0%	\$12	0%	\$38	0%	N/A	0%	N/A	0%
Non-GAAP Income from Operations	\$437	25%	\$399	23%	\$480	26%	\$544	28%	\$1,860	26%	\$552	26%	\$544	25%	\$676	30%	\$717	29%	\$2,489	28%	N/A	29%	N/A	29%
GAAP Net Income	\$75	4%	\$20	1%	\$80	4%	\$150	8%	\$325	4%	\$150	7%	\$1,044	49%	\$242	11%	\$295	12%	\$1,731	19%	N/A	N/A	N/A	N/A
(+) SBC	\$325	19%	\$352	20%	\$361	20%	\$363	19%	\$1,401	19%	\$381	18%	\$397	18%	\$413	18%	\$413	17%	\$1,604	18%	N/A	N/A	N/A	N/A
(+) Amort of Purchased Intangibles	\$20	1%	\$20	1%	\$20	1%	\$20	1%	\$80	1%	\$20	1%	\$22	1%	\$21	1%	\$22	1%	\$85	1%	N/A	N/A	N/A	N/A
(+) Business Combination and Other Related Costs	\$5	0%	\$5	0%	\$8	0%	\$6	0%	\$24	0%	\$7	0%	\$8	0%	\$11	0%	\$12	0%	\$38	0%	N/A	N/A	N/A	N/A
(-) Income Tax Expense Effects Related to the Above Adjustments ⁽¹⁾	\$73	4%	\$68	4%	\$71	4%	\$75	4%	\$287	4%	\$75	4%	\$75	3%	\$64	3%	\$34	1%	\$193	2%	N/A	N/A	N/A	N/A
(-) Income Tax benefit from the release of a valuation allowance on the deferred tax asset	\$-	0%	\$-	0%	\$-	0%	\$-	0%	\$-	0%	\$-	0%	\$910	42%	\$20	1%	\$65	3%	\$1,050	12%	N/A	N/A	N/A	N/A
Non-GAAP Net Income	\$352	20%	\$329	19%	\$398	22%	\$464	24%	\$1,543	21%	\$483	23%	\$486	23%	\$603	26%	\$643	26%	\$2,215	25%	N/A	N/A	N/A	N/A

(1) We use a non-GAAP effective tax rate for evaluating our operating results to provide consistency across reporting periods. Based on our current long-term projections, we are using a non-GAAP tax rate of 19%. This non-GAAP tax rate could change for various reasons including significant changes in our geographic earnings mix or fundamental tax law changes in major jurisdictions in which we operate.

GAAP to Non-GAAP Reconciliation – Other (cont.)

in millions (except %'s and per share data)	Q1'22	Margin	Q2'22	Margin	Q3'22	Margin	Q4'22	Margin	2022	Margin	Q1'23	Margin	Q2'23	Margin	Q3'23	Margin	Q4'23	Margin	2023	Margin	Q1'24E	Margin	2024E	Margin
GAAP Weighted-Average Shares Used to Compute Net Income (Loss) per Share - Diluted	203	N/A	203	N/A	203	N/A	203	N/A	204	N/A	204	N/A	205	N/A	206	N/A	207	N/A	206	N/A	208	N/A	208	N/A
(+) Effects of Dilutive Time-based Awards ⁽¹⁾	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	N/A	N/A	N/A	N/A
(-) Effects of In-the-money Portion of Convertible Senior Notes	-	N/A	-	N/A	-	N/A	-	N/A	1	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	N/A	N/A	N/A	N/A
(+) Effects of Warrants related to the Issuance of convertible Senior Notes	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	N/A	N/A	N/A	N/A
(+) Effects of Stock Awards with Performance Conditions Not Yet Satisfied ⁽¹⁾	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	N/A	N/A	N/A	N/A
Non-GAAP Weighted-Average Shares Used to Compute Net Income per Share - Diluted	203	N/A	203	N/A	203	N/A	203	N/A	203	N/A	204	N/A	205	N/A	206	N/A	207	N/A	206	N/A	N/A	N/A	208	N/A
GAAP Net Income (Loss) per Share - Diluted	\$ 0.37	N/A	\$ 0.10	N/A	\$ 0.39	N/A	\$ 0.74	N/A	\$ 1.60	N/A	\$ 0.73	N/A	\$ 5.08	N/A	\$ 1.17	N/A	\$ 1.43	N/A	\$ 8.42	N/A	N/A	N/A	N/A	N/A
Non-GAAP Net Income per Share - Diluted	\$ 1.73	N/A	\$ 1.62	N/A	\$ 1.96	N/A	\$ 2.28	N/A	\$ 7.59	N/A	\$ 2.37	N/A	\$ 2.37	N/A	\$ 2.92	N/A	\$ 3.11	N/A	\$ 10.78	N/A	N/A	N/A	N/A	N/A
GAAP Net Cash Provided by Operating Activities	\$ 863	50%	\$ 433	25%	\$ 265	15%	\$ 1,162	60%	\$ 2,723	38%	\$ 902	43%	\$ 580	27%	\$ 311	14%	\$ 1,605	66%	\$ 3,398	38%	N/A	N/A	N/A	39%
(-) Purchases of Property and Equipment	\$ (93)	(5%)	\$ (151)	(9%)	\$ (162)	(9%)	\$ (144)	7%	\$ (550)	(8%)	\$ (165)	(8%)	\$ (132)	(6%)	\$ (136)	(6%)	\$ (261)	(11%)	\$ (694)	(8%)	N/A	N/A	N/A	(8%)
(+) Cash Paid for Legal Settlements	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	N/A	N/A	N/A	0%
(+) Repayments of Convertible Senior Notes attributable to Debt Discount	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	N/A	N/A	N/A	0%
(+) Business combination and other related costs	\$ -	0%	\$ 5	0%	\$ -	0%	\$ 2	0%	\$ 7	0%	\$ -	0%	\$ 3	0%	\$ 21	1%	\$ -	0%	\$ 24	0%	N/A	N/A	N/A	0%
Non-GAAP Free Cash Flow	\$ 770	45%	\$ 287	16%	\$ 103	6%	\$ 1,020	53%	\$ 2,180	30%	\$ 737	35%	\$ 451	21%	\$ 196	9%	\$ 1,344	55%	\$ 2,728	30%	N/A	N/A	N/A	31%

⁽¹⁾ Effects of dilutive time-based stock awards, in-the-money portion of convertible senior notes and warrants are included in the GAAP weighted-average diluted shares in periods where we have/forecast GAAP net income. We exclude the in-the-money portion of convertible senior notes for non-GAAP weighted-average diluted shares as they are covered by our note hedges. We include stock awards with performance conditions not yet satisfied for non-GAAP weighted-average diluted shares at forecasted attainment levels to the extent we believe it is probable that the performance condition will be met.

Note: Numbers rounded for presentation purposes and may not foot.

Supplemental Information

in millions	Q1'23	Q2'23	Q3'23	Q4'23	2023
Stock-based compensation					
Cost of revenues					
Subscription	\$ 46	\$ 50	\$ 52	\$ 54	202
Professional services and other	\$ 14	\$ 15	\$ 11	\$ 12	52
Operating expenses:					
Sales and marketing	\$ 126	\$ 120	\$ 132	\$ 127	505
Research and development	\$ 135	\$ 145	\$ 150	\$ 149	579
General and administrative	\$ 60	\$ 67	\$ 68	\$ 71	266
Total stock-based compensation	\$ 381	\$ 397	\$ 413	\$ 413	1,604
Amortization of purchase intangibles					
Cost of revenues					
Subscription	\$ 18	\$ 19	\$ 20	\$ 20	77
Professional services and other	\$ -	\$ -	\$ -	\$ -	-
Operating expenses:					
Sales and marketing	\$ -	\$ -	\$ -	\$ -	-
Research and development	\$ -	\$ -	\$ -	\$ -	-
General and administrative	\$ 2	\$ 3	\$ 1	\$ 2	8
Total amortization of purchase intangibles	\$ 20	\$ 22	\$ 21	\$ 22	85
Business combinations and other related costs					
Cost of revenues					
Subscription	\$ -	\$ -	\$ -	\$ -	-
Professional services and other	\$ -	\$ -	\$ -	\$ -	-
Operating expenses:					
Sales and marketing	\$ -	\$ -	\$ -	\$ -	-
Research and development	\$ 5	\$ 5	\$ 9	\$ 11	30
General and administrative	\$ 2	\$ 3	\$ 2	\$ 1	8
Total Business combinations and other related costs	\$ 7	\$ 8	\$ 11	\$ 12	38

Note: Numbers rounded for presentation purposes and may not foot.