

Q1 F2019 Financial Review

Safe Harbor

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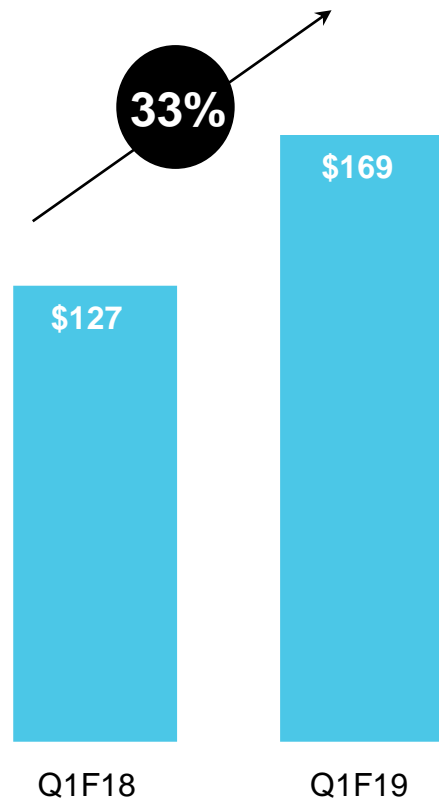
This presentation also contains estimates and other statistical data made by independent parties and by us relating to market size and growth and other data about our industry. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. In addition, projections, assumptions, and estimates of our future performance and the future performance of the markets in which we operate are necessarily subject to a high degree of uncertainty and risk. Our long-term target results are the view of management. We can provide no assurances that any of the revenue growth, gross margin, operating margin or cash flow targets will be achieved in a period of time that is material, if at all.

Use of Non-GAAP Measures

In addition to the financials presented in accordance with U.S. generally accepted accounting principles (“GAAP”), this presentation includes certain non-GAAP financial measures. We use the following non-GAAP financial information to evaluate our ongoing operations and for internal planning and forecasting purposes: non-GAAP gross profit, non-GAAP gross margin, free cash flow, free cash flow margin, and dollar-based net retention rate. We believe that non-GAAP financial information, when taken collectively, may be helpful to investors because it provides consistency and comparability with past financial performance. However, non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. In particular, free cash flow is not a substitute for cash used in operating activities. Additionally, the utility of free cash flow as a measure of our financial performance and liquidity is further limited as it does not represent the total increase or decrease in our cash balance for a given period. In addition, other companies, including companies in our industry, may calculate similarly-titled non-GAAP measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison. We urge you to review the reconciliation of our non-GAAP financial measures to the most directly comparable GAAP financial measures set forth in the Appendix, and not to rely on any single financial measure to evaluate our business. This presentation also contains certain estimated preliminary financial results and other key business metrics for the quarter ended July 31, 2018 and the year ended January 31, 2019. This data is based on information available to us at this time. As such, our actual results may vary from the estimated preliminary results presented in this presentation. These estimates should not be viewed as a substitute for our full interim or annual financial statements prepared in accordance with GAAP. Accordingly, you should not place undue reliance on this preliminary data. In addition, this data has been prepared by, and is the responsibility of, management. Our independent registered public accounting firm, PricewaterhouseCoopers LLP, has not audited, reviewed, compiled, or performed any procedures with respect to the preliminary financial results. Accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto.

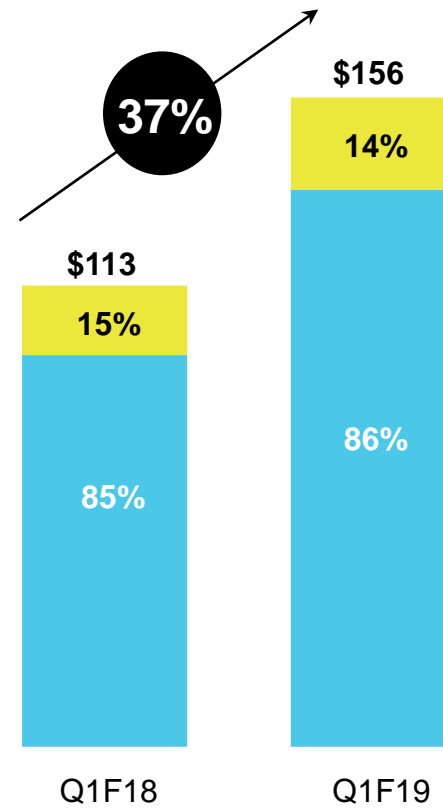
Strong growth across the board⁽¹⁾

Billings⁽²⁾

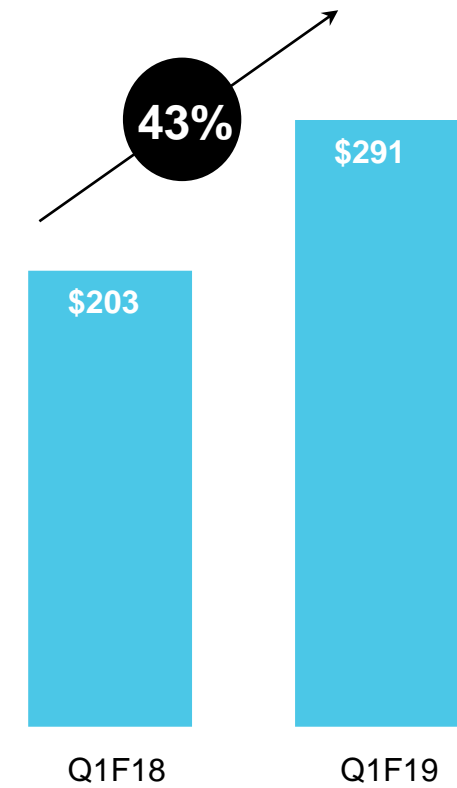


Revenue

■ Enterprise & commercial ■ Web & mobile



Contract liabilities⁽³⁾



(1) For the fiscal first quarters ended April 30, 2018 and 2017. \$ in millions.

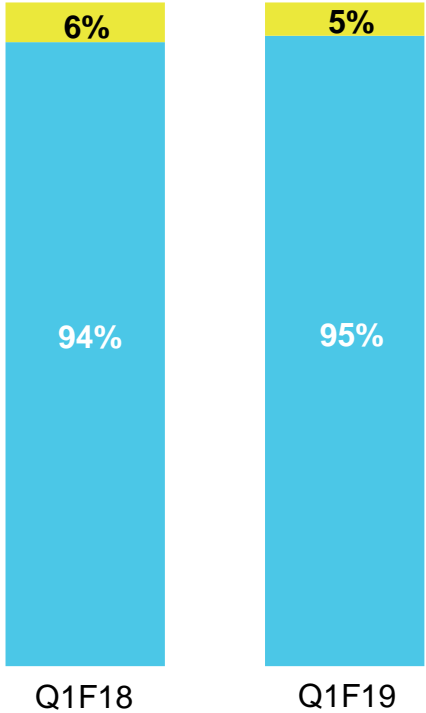
(2) Total revenues plus the change in contract liabilities and refund liability less contract assets and unbilled accounts receivable in a given period.

(3) Deferred revenue and includes payments received in advance of performance under the contract.

Strong revenue visibility

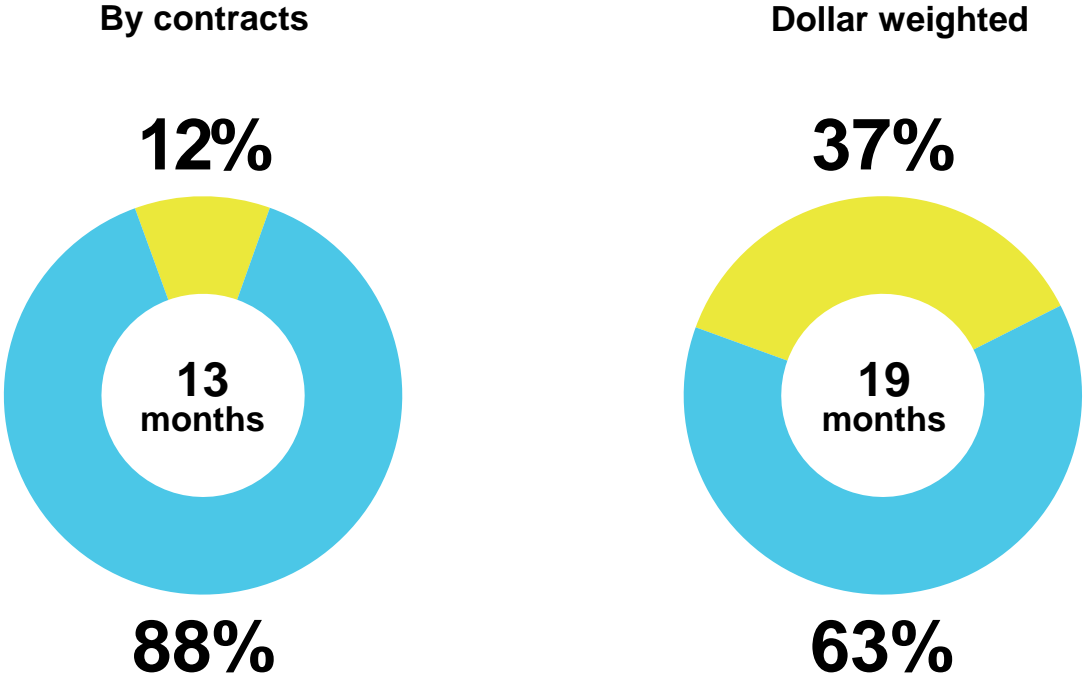
Revenue contribution⁽¹⁾

■ Subscription ■ Professional services & other



Average contract length⁽²⁾

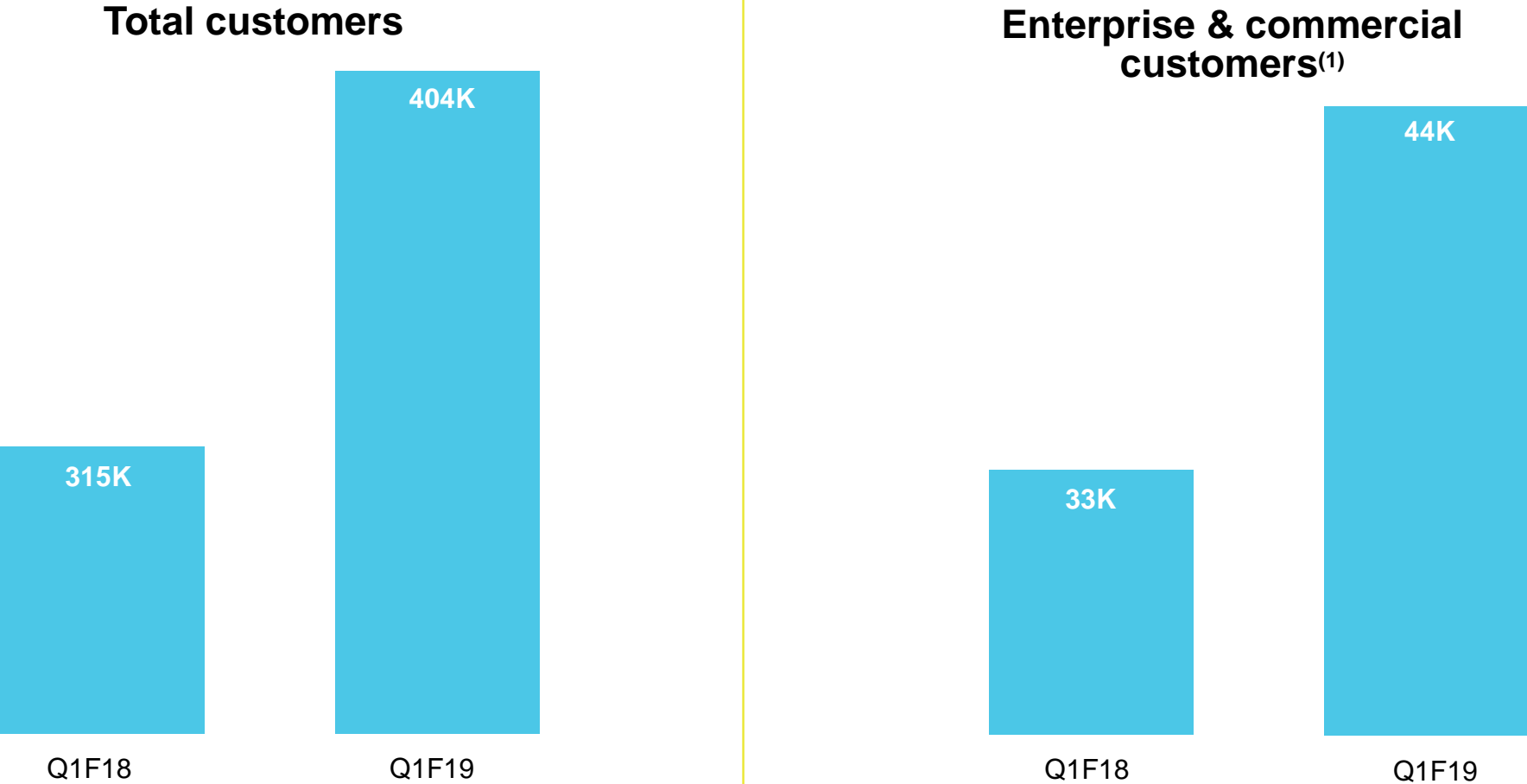
■ ≤12 months ■ >12 months



(1) For the fiscal first quarters ended April 30, 2017 and 2018.

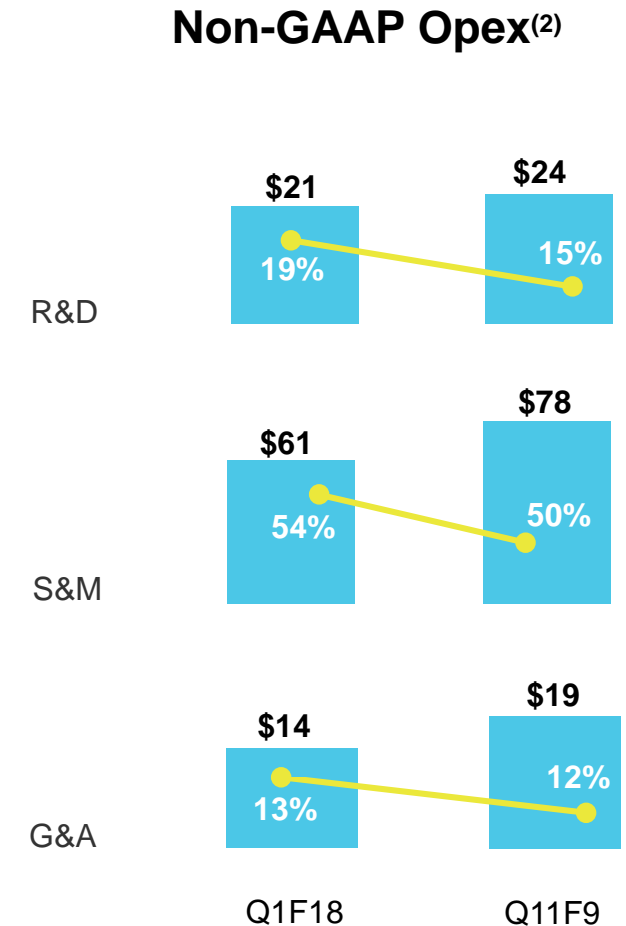
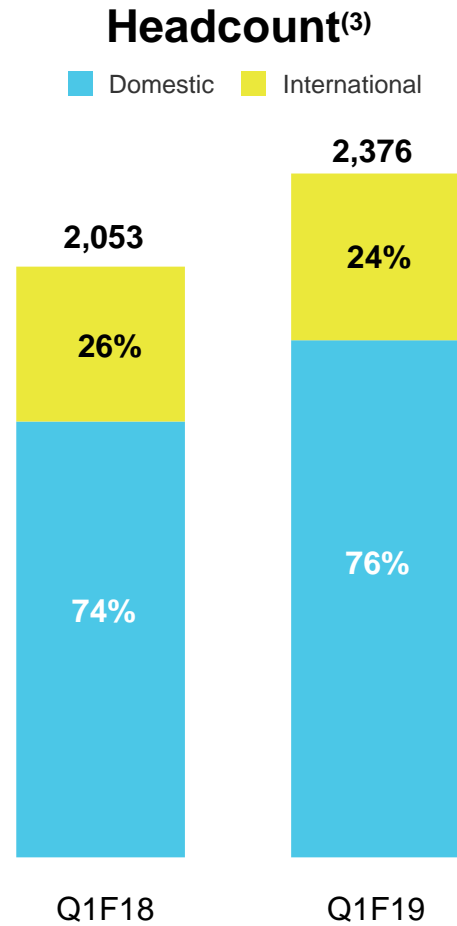
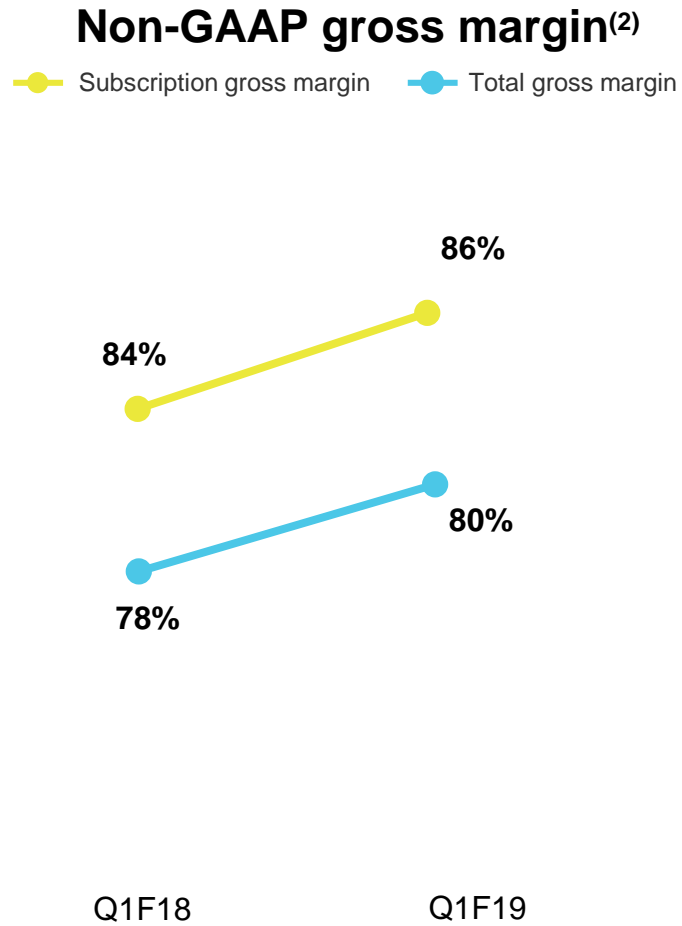
(2) Rolling 4-quarter basis FQ218 through FQ119.

Large and growing customer base



(1) Comprised of customers who were not acquired through our self-service channel. We define enterprise customers as companies generally included in the Global 2000. We generally define commercial customers to include both mid-market companies, which includes companies outside the Global 2000 that have greater than 250 employees, and SMBs, which are companies with between 10 and 249 employees, in each case excluding any enterprise customers.

Achieving increased leverage⁽¹⁾



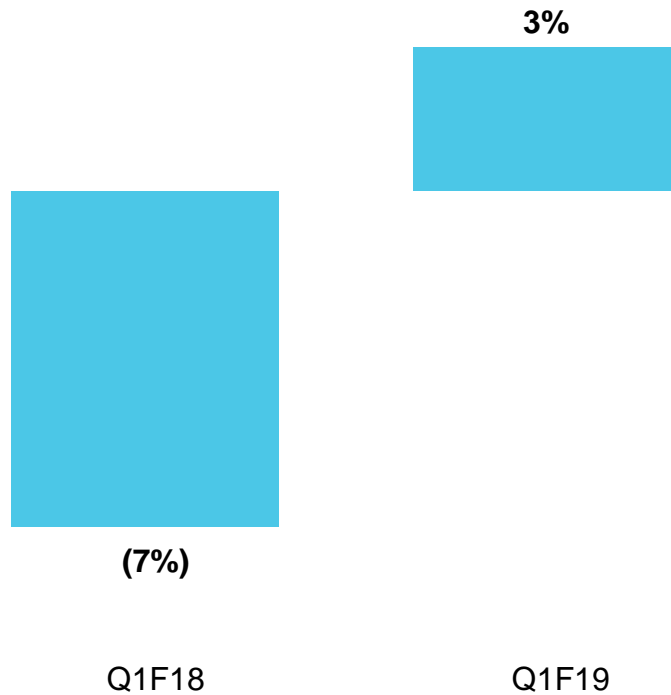
(1) For the fiscal first quarters ended April 30, 2017 and 2018.

(2) Please see Appendix slides for non-GAAP reconciliation. \$ in millions. % of revenue.

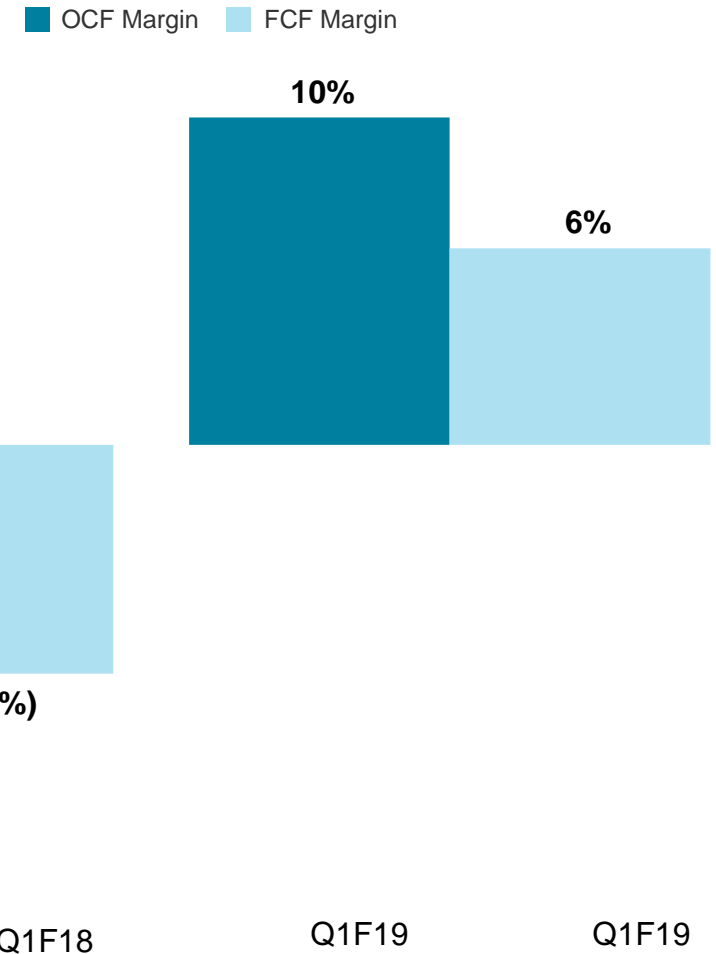
(3) As of April 30, 2018.

Improving profitability and cash flows⁽¹⁾

Non-GAAP operating margin



Cash flow



(1) Please see Appendix slides for non-GAAP reconciliation.

Q2 F2019 Guidance

	Q2 Fiscal 2019		
Total Revenue	\$157M	-	\$160M
Billings	\$160M	-	\$170M
Non-GAAP gross margin	78%	-	81%
Non-GAAP Sales and marketing	49%	-	51%
Non-GAAP Research and development	16%	-	18%
Non-GAAP General and administrative	10%	-	12%
Other expense		>\$500K	
Provision for income taxes		~\$750K	
Non-GAAP diluted weighted-average shares o/s	190M	-	195M

FY 2019 Guidance

	Q2 Fiscal 2019		
Total Revenue	\$652M	-	\$658M
Billings	\$680M	-	\$700M
Non-GAAP gross margin	78%	-	81%
Non-GAAP Sales and marketing	49%	-	51%
Non-GAAP Research and development	16%	-	18%
Non-GAAP General and administrative	10%	-	12%
Other expense		>\$2M	
Provision for income taxes		~\$3M	
Non-GAAP diluted weighted-average shares o/s	160M	-	165M

Appendix

GAAP to non-GAAP and free cash flow reconciliation

Gross Profit (in \$K)

	Quarter Ended April 30,	
	2017	2018
GAAP Gross Profit	86,374	97,514
Add: Stock-based Compensation in Cost of Revenue	473	26,000
Add: Amortization of Intangibles in Cost of Revenue	1,697	1,668
> Non-GAAP Gross Profit	88,544	125,182
Gross Margin (GAAP)	76%	63%
Gross Margin (non-GAAP)	78%	80%

Subscription Gross Profit (in \$K)

	Quarter Ended April 30,	
	2017	2018
GAAP Subscription Revenue	106,847	148,198
Less: GAAP Subscription Cost of Revenue	(19,293)	(32,438)
GAAP Subscription Gross Profit	87,554	115,760
Add: SBC in Subscription Cost of Revenue	238	9,955
Add: Amortization in Subscription Cost of Revenue	1,697	1,668
Non-GAAP Subscription Gross Profit	89,489	127,383
Non-GAAP Subscription Gross Margin	84%	86%

GAAP to non-GAAP and free cash flow reconciliation

Adjusted Operating Gain / (Loss) (in \$K)

	Quarter Ended April 30,	
	2017	2018
GAAP Operating Loss	(19,264)	(267,558)
Add: Stock-based Compensation in Cost of Revenue	473	26,000
Add: Amortization of Intangibles in Cost of Revenue	1,697	1,668
Add: Stock-based Compensation in Operating Expenses	7,933	243,794
Add: Amortization of Intangibles in Operating Expenses	840	765
> Non-GAAP Operating Loss	(8,321)	4,669
Operating Margin (GAAP)	(17%)	(172%)
Operating Margin (non-GAAP)	(7%)	3%

Free Cash Flow (in \$K)

	Quarter Ended April 30,	
	2017	2018
Cash Flow from Operations	(697)	14,992
Less: Purchases of Property, Plant, and Equipment	(6,770)	(6,184)
> Free Cash Flow	(7,467)	8,808
Free Cash Flow Margin	(7%)	6%

GAAP to non-GAAP reconciliation

Sales & Marketing (in \$K)

	Quarter Ended April 30,	
	2017	2018
GAAP Sales & Marketing	64,691	191,085
Less: Stock-based Compensation in Sales & Marketing	(2,705)	(112,481)
Less: Amortization of Intangibles in Sales & Marketing	(840)	(765)
> Non-GAAP Sales & Marketing	61,146	77,839
Sales & Marketing as % of Revenue (GAAP)	57%	123%
Sales & Marketing as % of Revenue (non-GAAP)	54%	50%

Research & Development (in \$K)

	Quarter Ended April 30,	
	2017	2018
GAAP Research & Development	22,708	70,870
Less: Stock-based Compensation in Research & Development	(1,391)	(47,268)
Less: Amortization of Intangibles in Research & Development	0	0
> Non-GAAP Research & Development	21,317	23,602
Research & Development as % of Revenue (GAAP)	20%	45%
Research & Development as % of Revenue (non-GAAP)	19%	15%

General & Administrative (in \$K)

	Quarter Ended April 30,	
	2017	2018
GAAP General & Administrative	18,239	103,117
Less: Stock-based Compensation in General & Administrative	(3,837)	(84,045)
Less: Amortization of Intangibles in General & Administrative	0	0
> Non-GAAP General & Administrative	14,402	19,072
General & Administrative as % of Revenue (GAAP)	16%	67%
General & Administrative as % of Revenue (non-GAAP)	13%	12%