Agenda

Mark Mader, CEO
Powering the Future of Work

Gene Farrell, SVP Product
Product Updates

Mike Arntz, SVP Field Operations
Go to Market Strategy

Jennifer Ceran, CFO
Financial Update

Team
Q and A
Forward-Looking Statements

This presentation (including the accompanying oral presentation) contains forward-looking statements within the meaning of the federal securities laws, including statements regarding future financial performance, business strategy and objectives, potential market and growth opportunities, technological or market trends, and projected sales and customer retention rates.

We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations, and objectives and financial needs. These forward-looking statements are subject to a number of risks, uncertainties, assumptions, and other factors including, but not limited to, those described in our SEC filings. Moreover, we operate in a competitive and rapidly changing environment in which new risks emerge from time to time. It is not possible for us to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause our actual results or performance to differ materially from those contained in any forward-looking statements we may make. Although we believe that the expectations reflected in the forward looking statements are reasonable, these and other factors may cause our actual results, performance, or achievements to differ materially and adversely from those anticipated or implied in our forward-looking statements.

All forward-looking statements contained herein are based on information available to us as of the date hereof and we do not assume any obligation to update these statements as a result of new information or future events, except as required by law. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements.

Additional risks and uncertainties that could affect our financial results are included in filings we make with the SEC from time to time, including under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." These filings are available on our Investor Relations website at https://investors.smartsheet.com and on the SEC website at www.sec.gov.

In addition to U.S. GAAP financials, this presentation includes certain non-GAAP financial measures, including non-GAAP gross margin, calculated billings, free cash flow, non-GAAP operating expenses, and non-GAAP loss per share. These non-GAAP measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP. Our non-GAAP financial measures may differ from the non-GAAP financial measures used by other companies. A reconciliation of these measures to the most directly comparable U.S. GAAP measure is included in the Appendix to these slides.
Powering the Future of Work

Mark Mader
President & CEO
Smartsheet Overview

Extensible Work Execution Platform for Business Users
No-Coding Required
$25B+ Market Opportunity
Over 76,000 Domain-Based Customers
130%+ Net Retention Rate
We empower everyone to improve how they work
Business User Tools Were Not Built For Dynamic and Unstructured Work

“Work” is getting more complex...

...and knowledge workers are demanding a productivity tax cut

Information overload
Constant distraction
No relevancy filter
No way to measure progress

Volume
Velocity
Variety
Our Core Capabilities

Plan
- smart projects: Modern Project Management
- smart calendars: Calendar Management

Track
- smart dashboards: Real-Time Visibility Into Work Status
- smart forms: Forms to Gather Information & Survey

Automate
- smart automation: Automated Actions
- smart cards: Kanban Boards

Report
- smart portals: Team Sites and Landing Pages
- smart integrations: Secure Collaboration and Data Sharing

Scale
- smartsheet CONNECTORS
- smartsheet CONTROL CENTER

Accelerators
**Over 2,000 Customer-Driven Use Cases Across All Departments**

<table>
<thead>
<tr>
<th>Sales</th>
<th>IT</th>
<th>Operations</th>
<th>Marketing</th>
<th>Engineering</th>
<th>Legal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lead assignment</td>
<td>Software migration</td>
<td>Schedule deliveries</td>
<td>Manage brand launches</td>
<td>Feature development</td>
<td>Patent app processing</td>
</tr>
<tr>
<td>Sales enablement</td>
<td>Help desk</td>
<td>Track invoices</td>
<td>Investor relations</td>
<td>Bug tracking</td>
<td>Case management</td>
</tr>
<tr>
<td>Pipeline management</td>
<td>IT ticketing</td>
<td>Sales operations</td>
<td>Event planning</td>
<td>Case management</td>
<td>Client onboarding</td>
</tr>
<tr>
<td>Contract management</td>
<td>Managing development</td>
<td>Vendor requests</td>
<td>Website management</td>
<td></td>
<td>Due diligence review</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Transaction management</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Lead assignment</strong></td>
<td><strong>Software migration</strong></td>
<td><strong>Schedule deliveries</strong></td>
<td><strong>Manage brand launches</strong></td>
<td><strong>Feature development</strong></td>
<td><strong>Patent app processing</strong></td>
</tr>
<tr>
<td><strong>Sales enablement</strong></td>
<td><strong>Help desk</strong></td>
<td><strong>Track invoices</strong></td>
<td><strong>Investor relations</strong></td>
<td><strong>Bug tracking</strong></td>
<td><strong>Case management</strong></td>
</tr>
<tr>
<td><strong>Pipeline management</strong></td>
<td><strong>IT ticketing</strong></td>
<td><strong>Sales operations</strong></td>
<td><strong>Event planning</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Contract management</strong></td>
<td><strong>Managing development</strong></td>
<td></td>
<td><strong>Website management</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Product initiation</strong></td>
<td><strong>Travel scheduling</strong></td>
<td><strong>Employee onboarding</strong></td>
<td><strong>Audit preparation</strong></td>
<td><strong>Issue escalation</strong></td>
<td><strong>Claims adjusting</strong></td>
</tr>
<tr>
<td><strong>Commissions calculation</strong></td>
<td><strong>Meeting scheduling</strong></td>
<td><strong>Off-boarding processing</strong></td>
<td><strong>Purchase orders</strong></td>
<td><strong>Assign tickets</strong></td>
<td><strong>Clinical trial tracking</strong></td>
</tr>
<tr>
<td><strong>M&amp;A integration</strong></td>
<td><strong>Compliance</strong></td>
<td><strong>Talent acquisition</strong></td>
<td><strong>Expense approvals</strong></td>
<td><strong>Schedule employees</strong></td>
<td><strong>Contractor scheduling</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Benefit tracking</strong></td>
<td><strong>Budget approvals</strong></td>
<td><strong>Returns processing</strong></td>
<td><strong>Property management</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Project Management</strong></td>
<td><strong>Administrative</strong></td>
<td><strong>Human Resources</strong></td>
<td><strong>Finance</strong></td>
<td><strong>Customer Service</strong></td>
<td><strong>Industry Verticals</strong></td>
</tr>
<tr>
<td><strong>Product initiation</strong></td>
<td><strong>Travel scheduling</strong></td>
<td><strong>Employee onboarding</strong></td>
<td><strong>Audit preparation</strong></td>
<td><strong>Issue escalation</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Commissions calculation</strong></td>
<td><strong>Meeting scheduling</strong></td>
<td><strong>Off-boarding processing</strong></td>
<td><strong>Purchase orders</strong></td>
<td><strong>Assign tickets</strong></td>
<td><strong>Claims adjusting</strong></td>
</tr>
<tr>
<td><strong>M&amp;A integration</strong></td>
<td><strong>Compliance</strong></td>
<td><strong>Talent acquisition</strong></td>
<td><strong>Expense approvals</strong></td>
<td><strong>Schedule employees</strong></td>
<td><strong>Clinical trial tracking</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Benefit tracking</strong></td>
<td><strong>Budget approvals</strong></td>
<td><strong>Returns processing</strong></td>
<td><strong>Contractor scheduling</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>Property management</strong></td>
</tr>
</tbody>
</table>

- **Project Management**: Product initiation, Commissions calculation, M&A integration
- **Administrative**: Travel scheduling, Meeting scheduling, Compliance
- **Human Resources**: Employee onboarding, Off-boarding processing, Talent acquisition, Benefit tracking
- **Finance**: Audit preparation, Purchase orders, Expense approvals, Budget approvals
- **Customer Service**: Issue escalation, Assign tickets, Schedule employees, Returns processing
- **Industry Verticals**: Claims adjusting, Clinical trial tracking, Contractor scheduling, Property management

Over 2,000 Customer-Driven Use Cases Across All Departments
Work execution has no pre-cloud analog
Global Demand = Global Opportunity

Size of bubble corresponds to number of customers per country.
Countries shaded in light grey represent countries with no Smartsheet licensees.
Available Market: $25+ Billion and Nearly 1 Billion Users

2017A
$17.1Bn
Collaborative Applications\(^{(1)}\)

2017A
$4.3Bn
Project and Portfolio Management\(^{(1)}\)

2021E
$26.1Bn

2021E
$5.5Bn

865M knowledge workers\(^{(2)}\)

4.2M Smartsheet users\(^{(3)}\)

Notes
1. International Data Corporation, Semiannual Software Tracker, November 2017
3. Licensed users and collaborators as of July 31, 2018
Transforming dynamic work at the team level
Empowerment vs. Consumption
North Carolina DOT managed the emergency response to Hurricane Florence using Smartsheet
Smartsheet dashboard provided real-time view as crisis evolved
Customer demand signal fuels development
Going Beyond the Grid

Native dashboards and automation allow Smartsheet to connect to high impact workloads.
Continuing the climb
Product Highlights

Gene Farrell
SVP Product
Smartsheet Platform

Pro Svcs.
- Configuration
- On-Boarding
- Training
- Development

Configuration + Custom Development
- Professional services
- Control center
- Dynamic view
- Connectors

Accelerators
- Packaged Solutions

Partner Built Solutions

Solution Center

Smartsheet (Core App)

Connectors
- Salesforce
- Jira
- ServiceNow
- Data Connector
- MS Dynamics

Extensible Connector Framework

Adjacent Offerings
Converse.ai

Premium Support

Strategic Integrations with 3rd Party Apps

Cloud Productivity
- Office 365
- G Suite

Document Management
- OneDrive
- Google Drive
- Dropbox

Messaging
- Slack
- Workplace by Facebook
- Microsoft Teams
- Hangouts Chat

BI
- Power BI

Signature
- Tableau
- DocuSign
Keynote Reveals

Empowerment
Speed
Scale
New Capabilities to Further Empower

- Multi Assign
- @mentions
- Time-based triggers
- Unlock row automation
- Visual Workflow
- Chatbot interactions with Converse
- Mobile with native forms and barcode scanning, card view

Over last year — Slack, Google Hangouts, Chat, Facebook Workplace, Teams
Demonstration - Visual Workflow
Speed

Speed to value
Solution Center and Accelerators for:
- IT PMO
- Professional Services
- Mergers & Acquisitions
- Sales

Speed to execution
- Microsoft Dynamics Connector
- Data Uploader
- Extensible Connector Platform

Speed to decisions
- Dashboard Web Content Widget
- Tableau Connector
Demonstration - Accelerator
Scale

- Suite of New Enterprise Services
  - Event Monitoring
  - Departmental Billing
  - Directory Integration
- Control Center Global Updates
- Dynamic View
Go to Market

Mike Arntz
SVP Worldwide Field Operations
Investing for Growth: Expanding our Team

**WHAT**

**WHO**

<table>
<thead>
<tr>
<th>Q2 FY17</th>
<th>Q2 FY18</th>
<th>Q2 FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>~60</td>
<td>~140</td>
<td>~200</td>
</tr>
</tbody>
</table>

- **Inside Sales**
- **Field Sales**
Go to Market Strategy

WHAT

World Class Demand Gen

WHO

Hybrid Sales Motion

HOW
World Class Demand Generation

Generate demand for Smartsheet via multiple sources

<table>
<thead>
<tr>
<th>Website (Direct)</th>
<th>SEO</th>
<th>Paid</th>
<th>Viral</th>
<th>Partner</th>
<th>Digital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drive demand via AR/PR and other brand marketing</td>
<td>Publish content and gain high search ranking</td>
<td>Manage LTV/CAC of campaigns targeted at capabilities</td>
<td>Create/monetize collaborators and acquire new logos</td>
<td>Leverage marketplaces and integrations to drive demand</td>
<td>Product onboarding and engagement</td>
</tr>
</tbody>
</table>
Efficient Customer Acquisition Model

100,000+ Free Trial Users/month*

Integrated Content
Pay-per-click
Website
Collaborators

Lead Scoring + Machine Learning

Digital Sales
Inside Sales
Field Sales

*January 2018 to July 2018
## Investing for Growth

### WHO

<table>
<thead>
<tr>
<th>Direct Sales</th>
<th>Digital Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enablement</td>
<td>Solution Center</td>
</tr>
<tr>
<td>Field AEs</td>
<td>SKUs</td>
</tr>
<tr>
<td>Verticals</td>
<td>Currency Support</td>
</tr>
<tr>
<td>International</td>
<td>Onboarding</td>
</tr>
</tbody>
</table>

### WHAT

- Brand Marketing

### HOW
ARR
Shifting to Higher Value Plans
“Typically reporting is where someone takes raw data, manipulates it, presents it back to you, and says ‘See, things are not that bad.’ What we now have with Smartsheet is real-time reporting and visibility with accurate data - at all times.”

- VP, Global Head of Project Management
Individual Impact

“I got my life back. I spend time with my wife. I get to work on the things that give me purpose and not on admin work.”

- Project Manager
Empowering Market Leadership

Traditional Companies
Roche
Transform Faster

Newcomers
WeWork
Scale Faster

Market Leadership
New Markets

International Expansion
FedRAMP
Financial Update
<table>
<thead>
<tr>
<th>Highlights</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LARGE, FAST-GROWING MARKET</strong></td>
<td>TAM of $25B+</td>
</tr>
<tr>
<td><strong>STRONG REVENUE GROWTH</strong></td>
<td>FY19 YTD of 61%*</td>
</tr>
<tr>
<td><strong>EFFECTIVE LAND &amp; EXPAND SELLING MOTION</strong></td>
<td>131% Net Dollar Retention Rate*</td>
</tr>
<tr>
<td><strong>BEST-IN-CLASS SAAS NON-GAAP GROSS MARGIN</strong></td>
<td>FY19 YTD of 81%*</td>
</tr>
<tr>
<td><strong>INVESTING IN GROWTH</strong></td>
<td>Rule of &gt;40%</td>
</tr>
</tbody>
</table>

*As of July 31, 2018*
Bottoms Up TAM of $25B+

Work Execution for ~1B* Knowledge Workers

- Project & Portfolio Mgt
- Workflow & Automation
- Data Capture & Dashboards

1B KW x 20% paying x $125-$250 per year = $25-50B

*Forrester Research, Inc., Info Workers Will Erase The Boundary Between Enterprise And Consumer Technologies, August 30, 2012
Strong Revenue and Billings Trends

Quarterly Revenue (M)

Q1 FY17: $14
Q2 FY17: $16
Q3 FY17: $18
Q4 FY17: $20
Q1 FY18: $22
Q2 FY18: $27
Q3 FY18: $29
Q4 FY18: $33
Q1 FY19: $36
Q2 FY19: $42

Quarterly Billings (M)

Q1 FY17: $17
Q2 FY17: $19
Q3 FY17: $21
Q4 FY17: $23
Q1 FY18: $30
Q2 FY18: $34
Q3 FY18: $33
Q4 FY18: $39
Q1 FY19: $45
Q2 FY19: $52

65% CAGR
63% CAGR
Expansion: A Key Growth Driver

- **Domain Customers**
- **All Customers**

**Dollar Retention Rate** - ARR of all customers (those paying as of 12 months prior) as of the measuring period divided by the ARR of the same customer cohort 12 months prior. 

\[
\frac{(\text{Cohort ARR}_t)}{(\text{Cohort ARR}_{t-12})}
\]

- Q2 FY18: 126%
- Q3 FY18: 129%
- Q4 FY18: 130%
- Q1 FY19: 130%
- Q2 FY19: 131%
New: Favorable Customer Cohort Trends*

<table>
<thead>
<tr>
<th>Years Out</th>
<th>Total Initial ARR</th>
<th>FY19 Q1</th>
<th>FY18 Q1</th>
<th>FY17 Q1</th>
<th>FY16 Q1</th>
<th>FY15 Q1</th>
<th>FY14 Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>$0M</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>$1M</td>
<td>110%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>$2M</td>
<td>124%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>$3M</td>
<td>121%</td>
<td>128%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>$4M</td>
<td>153%</td>
<td>162%</td>
<td>212%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>$5M</td>
<td>207%</td>
<td>212%</td>
<td>327%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>$6M</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As of 7/31/18
* Domains Only
Growing Base of Larger Customers

> $50k Customers

184% CAGR

13 44 121 298

Q2 FY16 Q2 FY17 Q2 FY18 Q2 FY19 Q2 FY20 Q2 FY21 Q2 FY22

> $100k Customers

155% CAGR

6 12 38 99

Q2 FY16 Q2 FY17 Q2 FY18 Q2 FY19 Q2 FY20 Q2 FY21 Q2 FY22

Represents all customers, Domains and ISPs
Non-GAAP Gross Margins Above Long-Term Target of 78-80%

See Appendix for GAAP to Non-GAAP reconciliation
Areas of Investment

Non-GAAP Opex as a % of Revenue

See Appendix for GAAP to Non-GAAP reconciliation
Sales & Marketing Efficiency Trends

LTV / CAC

LTV / CAC = [(Y₁ subscription revenue – Y₀ subscription revenue) x subscription margin) / Y₀ S&M Expense / Churn rate]

Note: gross margins and expenses are based on Non-GAAP financials

- Lower churn
- Higher gross margins
- GTM optimization
Investing for Growth

Non GAAP Op Loss / Margin

<table>
<thead>
<tr>
<th>Year</th>
<th>Margin %</th>
<th>Free Cash Flow (M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY16</td>
<td>-31%</td>
<td>-$13M</td>
</tr>
<tr>
<td>FY17</td>
<td>-21%</td>
<td>-$14M</td>
</tr>
<tr>
<td>FY18</td>
<td>-27%</td>
<td>-$30M</td>
</tr>
<tr>
<td>FY19 Guidance</td>
<td>-34% to -32%</td>
<td>-$57M to -$53M</td>
</tr>
</tbody>
</table>

Free Cash Flow / Margin

<table>
<thead>
<tr>
<th>Year</th>
<th>Margin %</th>
<th>Free Cash Flow (M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY16</td>
<td>-14%</td>
<td>-$6M</td>
</tr>
<tr>
<td>FY17</td>
<td>-3%</td>
<td>-$2M</td>
</tr>
<tr>
<td>FY18</td>
<td>-23%</td>
<td>-$25M</td>
</tr>
<tr>
<td>FY19 Guidance</td>
<td>-14%</td>
<td>Up to -$24M</td>
</tr>
</tbody>
</table>
...with Financial Discipline

Revenue Growth 63%

LTM ending July FY19

Rule of >40%

FCF Margin -21%
Path to $1B+ in Revenue

Solutions & Capabilities

Regulated Industries

FY18
$111M

FY19 Guidance
$167-169M

Land & Expand

International Markets

$1B+
## Target Model at Scale

<table>
<thead>
<tr>
<th>Percent of Revenue</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19 YTD</th>
<th>Target Ranges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Gross Margin</td>
<td>79%</td>
<td>81%</td>
<td>81%</td>
<td>78-80%</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>29%</td>
<td>28%</td>
<td>32%</td>
<td>13-15%</td>
</tr>
<tr>
<td>Sales &amp; Marketing</td>
<td>59%</td>
<td>64%</td>
<td>57%</td>
<td>37-39%</td>
</tr>
<tr>
<td>Gen’l &amp; Administrative</td>
<td>12%</td>
<td>16%</td>
<td>17%</td>
<td>6-8%</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>(21%)</td>
<td>(27%)</td>
<td>(25%)</td>
<td>20%+</td>
</tr>
<tr>
<td>FCF Margin</td>
<td>(3%)</td>
<td>(23%)</td>
<td>(18%)</td>
<td>20%+</td>
</tr>
</tbody>
</table>

All results and targets presented are Non-GAAP
Our Platform Serves Business Users Across All Industries
Businesses Across All Industries

Chart represents Top 20 Industries based on Sep’18 ARR. ~20% of ARR has no industry available.
Financial Services
Meeting Management Example

Automate the process of setting up quarterly update calls with IR teams prior to the beginning of the quiet period
Key Takeaways

- Going after a large market opportunity
- Investing in new capabilities to bring more value to customers
- Focused on delivering growth with financial discipline
Q&A
Appendix
Reconciliation of Non-GAAP Financial Measures

<table>
<thead>
<tr>
<th>(In Thousands)</th>
<th>Year ended January 31</th>
<th>Six months ended July 31</th>
<th>Twelve months ended July 31</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reconciliation of Gross Profit and Gross Margin</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross profit</td>
<td>$32,154</td>
<td>$52,831</td>
<td>$89,571</td>
</tr>
<tr>
<td>Plus: Share-based compensation expense</td>
<td>227</td>
<td>61</td>
<td>164</td>
</tr>
<tr>
<td>Plus: Amortization of acquisition-related intangible assets</td>
<td></td>
<td></td>
<td>88</td>
</tr>
<tr>
<td>Non-GAAP gross profit</td>
<td>$32,381</td>
<td>$53,922</td>
<td>$89,759</td>
</tr>
<tr>
<td>Gross margin</td>
<td>79%</td>
<td>79%</td>
<td>81%</td>
</tr>
<tr>
<td>Non-GAAP adjustments</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Non-GAAP gross margin</td>
<td>79%</td>
<td>79%</td>
<td>81%</td>
</tr>
</tbody>
</table>

| **Reconciliation of Operating Expenses** | | | |
| GAAP research and development | $12,900 | $10,640 | $27,590 | $27,257 | $45,751 |
| Less: Share-based compensation expense | 235 | 455 | 9,029 | 2,043 | 3,000 |
| Less: One-time costs of acquisition | 10 | 0 | 0 | 10 | |
| Non-GAAP research and development | $12,665 | $10,188 | $18,562 | $25,213 | $45,051 |
| GAAP research and development as a percentage of revenue | 39% | 39% | 33% | 33% | 31% |
| Non-GAAP research and development as a percentage of revenue | 31% | 29% | 28% | 32% | 31% |
| GAAP sales and marketing | $28,440 | $40,071 | $72,925 | $46,639 | $87,446 |
| Less: Share-based compensation expense | 1,346 | 428 | 1,707 | 1,884 | 2,621 |
| Less: Amortization of acquisition-related intangible assets | 2 | 12 | 14 | |
| Less: One-time costs of acquisition | 6 | 0 | 5 | |
| Non-GAAP sales and marketing | $27,002 | $39,315 | $71,210 | $44,744 | $84,800 |
| GAAP sales and marketing as a percentage of revenue | 70% | 66% | 66% | 59% | 62% |
| Non-GAAP sales and marketing as a percentage of revenue | 69% | 59% | 64% | 57% | 60% |
| GAAP general and administrative | $5,163 | $8,275 | $28,084 | $15,322 | $29,631 |
| Less: Share-based compensation expense | 69 | 193 | 10,965 | 1,698 | 2,027 |
| Less: One-time costs of acquisition | 78 | 178 | 57 | |
| Non-GAAP general and administrative | $3,996 | $7,803 | $17,200 | $13,593 | $23,189 |
| GAAP general and administrative as a percentage of revenue | 13% | 13% | 25% | 10% | 18% |
| Non-GAAP general and administrative as a percentage of revenue | 13% | 13% | 16% | 17% | 16% |

| **Reconciliation of operating loss and operating margin** | | | |
| GAAP operating loss | $(14,940) | $(13,115) | $(48,078) | $(25,068) | $(45,062) |
| Plus: Share-based compensation expense | 1,079 | 1,154 | 18,665 | 5,940 | 7,869 |
| Plus: Amortization of acquisition-related intangible assets | 40 | 240 | 200 |
| Less: One-time costs of acquisition | 25 | 251 | 57 | |
| Non-GAAP operating loss | $(12,070) | $(14,012) | $(39,278) | $(19,756) | $(40,063) |
| GAAP operating margin | -35% | -23% | -44% | -33% | -32% |
| Non-GAAP adjustments | 0% | 2% | 17% | 0% | 6% |
| Non-GAAP operating margin | -31% | -21% | -27% | -32% | -26% |

| **Computation of free cash flow** | | | |
| Net cash provided by (used in) operating activities | $4,660 | $50 | $(12,591) | $(9,273) | $(10,254) |
| Less: purchases of property and equipment | (1,026) | (1,820) | (6,006) | (2,114) | (5,121) |
| Less: intangible software development costs | 0 | 0 | (3,350) | (649) | (2,723) |
| Less: principal paid on capital leases | 0 | (2,256) | (2,256) | (1,584) | (2,553) |
| Free cash flow | $5,650 | $2,320 | $(25,283) | $(15,923) | $(20,020) |
| Net cash provided by operating activities margin | -11% | 0% | -12% | -12% | -13% |
| Non-GAAP adjustments | -3% | -3% | -11% | -5% | -6% |
| Free cash flow margin | -14% | -3% | -23% | -19% | -21% |
## Reconciliation of Non-GAAP Financial Measures

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Computation of Calculated Billings</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total revenue</td>
<td>$13,656</td>
<td>$15,793</td>
<td>$17,840</td>
<td>$19,675</td>
<td>$22,236</td>
<td>$26,667</td>
<td>$29,387</td>
<td>$32,963</td>
<td>$36,319</td>
<td>$42,384</td>
</tr>
<tr>
<td>Add:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred revenue (end of period)</td>
<td>23,296</td>
<td>26,973</td>
<td>29,796</td>
<td>32,712</td>
<td>40,812</td>
<td>47,762</td>
<td>50,895</td>
<td>57,281</td>
<td>66,341</td>
<td>76,157</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred revenue (beginning of period)</td>
<td>19,572</td>
<td>23,296</td>
<td>26,973</td>
<td>29,796</td>
<td>32,712</td>
<td>40,812</td>
<td>47,762</td>
<td>50,895</td>
<td>57,281</td>
<td>66,341</td>
</tr>
<tr>
<td>Calculated Billings</td>
<td>$17,380</td>
<td>$19,470</td>
<td>$20,663</td>
<td>$22,591</td>
<td>$30,336</td>
<td>$33,517</td>
<td>$32,520</td>
<td>$39,349</td>
<td>$45,379</td>
<td>$52,200</td>
</tr>
</tbody>
</table>
Reconciliation of FY19 Non-GAAP Guidance

We have not reconciled net free cash flow guidance to net cash from operating activities for the full fiscal year 2019 because we do not provide guidance on the reconciling items between net cash from operating activities and net free cash flow, due to the uncertainty regarding, and the potential variability of, these items. The actual amount of such reconciling items will have a significant impact on our net free cash flow and, accordingly, a reconciliation of net cash from operating activities to net free cash flow for the full fiscal year 2019 is not available without unreasonable effort.

### (In Millions)

<table>
<thead>
<tr>
<th></th>
<th>Full Year Ending January 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low</td>
</tr>
<tr>
<td><strong>GAAP operating loss</strong></td>
<td>$</td>
</tr>
<tr>
<td><strong>Plus: Share-based compensation expense</strong></td>
<td>15.0</td>
</tr>
<tr>
<td><strong>Plus: Amortization of acquisition-related intangible assets</strong></td>
<td>0.5</td>
</tr>
<tr>
<td><strong>Plus: One-time costs of acquisition</strong></td>
<td>0.1</td>
</tr>
<tr>
<td><strong>Non-GAAP operating loss</strong></td>
<td>$</td>
</tr>
<tr>
<td><strong>GAAP operating margin</strong></td>
<td>-43%</td>
</tr>
<tr>
<td><strong>Non-GAAP adjustments</strong></td>
<td>9%</td>
</tr>
<tr>
<td><strong>Non-GAAP operating margin</strong></td>
<td>-34%</td>
</tr>
</tbody>
</table>