Analyst Day 2019

October 1, 2019
<table>
<thead>
<tr>
<th>Agenda</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mark Mader, President &amp; Chief Executive Officer</td>
<td>20 min</td>
</tr>
<tr>
<td>Customer Panel</td>
<td>20 min</td>
</tr>
<tr>
<td>Gene Farrell, Chief Product Officer</td>
<td>20 Min</td>
</tr>
<tr>
<td>Mike Arntz, Chief Revenue Officer</td>
<td>15 Min</td>
</tr>
<tr>
<td>Jennifer Ceran, Chief Financial Officer</td>
<td>15 Min</td>
</tr>
<tr>
<td>Q&amp;A</td>
<td>30 Min</td>
</tr>
</tbody>
</table>
Disclosures

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.
Mark Mader
President & CEO
Empowering human achievement
Empowering users across the enterprise

How we are unique

- Flexible views
- Control Center
- Dynamic View
- Accelerators
- Gov/Security
- Automation
- Services
For the executive decision-maker, Smartsheet could be the path to operational effectiveness.

For IT, Smartsheet is a secure platform that unifies and automates business processes.

For the user, Smartsheet is the power to build the solution they need in real time.
Extensibility fosters org-wide adoption

Represents internal collaboration on Smartsheet by actual Smartsheet customer
Workflow execution hub

Smartsheet serves as an execution hub across multiple applications

- Microsoft PowerApps and Flow
- Cisco Webex Teams Apps
- Microsoft PowerApps
- DataHero
- Microsoft PowerApps and Flow (first release)
- Cisco Webex Teams
- webMethods.io Integration
- Microsoft PowerApps and Flow (global)
- Domo, Inc. Prod
- Power BI
- Tableau Connector
- Microsoft Outlook
- webMethods.io Integration Stag
- Workato
- Parabola
- Google Forms Sync
- Microsoft Teams
- Box Attachment
- Built.io Flow
- Office Timeline
- Pivot
- Google Docs Merge
- Zapier
- Tableau Connector
- Domo, Inc. Prod
- Power BI
- Tableau Connector

Represents the distinct apps connected to Smartsheet by actual Smartsheet customer.
Customer journey

Orange dots represent licensed users. Green dots represent collaborators.
Enterprise life cycle

Capabilities and services enable Smartsheet to scale within enterprises
Our investment strategy

- Accelerate product innovation
- Drive awareness and adoption with brand advertising
- Extend enterprise capabilities across product and GTM
- New markets

Scaling our systems to support growth
Evolution of CWM

Manage
Users capture, organize, update, and act on their work

Automate
Users apply declarative rules and logic to their process

Autonomy
App and platform intelligence enables software to inform or recommend optimal workflows

Past Present Future
Gene Farrell
Chief Product Officer
Development oriented to user groups

- Business
- IT
- Workforce

How we are unique:
- Flexible views
- Control Center
- Dynamic View
- Accelerators
- Gov/Security
- Automation
- Services
Driving workflows with increasing complexity
Workforce features

- **New Conversations Experience**
  Keep conversations in the context of work

- **Multi-select Dropdown**
  Additional column types provide more flexibility for managing work

- **Dashboard Enhancements**
  Additional capabilities make it even easier to surface relevant information and create consistency across dashboards

- **Dashboard Widgets**
  Increase visibility with a real-time view into the status of top KPIs, critical trends, and summary reports

- **Automated Workflows**
  Automate move, copy, and update work items based on a date or a change in a sheet

- **Forms with Conditional Logic**
  Quickly and easily collect and act on error-free, consistent data using forms

- **Additional Column Types & Capabilities**
  Additional column capabilities support more precise and robust workflows
Business Leadership features

- **Content Collaboration**
  Empower teams to collaborate on and manage creative work

- **10,000ft + Smartsheet**
  Robust platform that balances bottom-up task execution with top-down staffing

- **Accelerators for Marketing**
  Integrate marketing industry best practices with operational framework for managing high volume and complex services requests
Content Collaboration

Demo
IT features

- Reporting for Departmental Chargebacks
  Streamline license allocation and billing for Smartsheet users by department, cost center, etc.

- Directory Integration

- Event Monitoring

- Bridge by Smartsheet (Private Beta)
  Securely extend workflows and processes across other business applications and systems of record

- GDPR Accelerator
  Proven Industry best practices paired with the flexibility of the Smartsheet platform

- Licensed Admin Portal

- Gov Cloud
What’s next?

- Conversations in context
- Automation
- Enterprise management at scale
- More robust packaging of solutions
- Enabling an ecosystem
Mike Arntz
Chief Revenue Officer
Why companies choose Smartsheet?

Because aligned organizations succeed

“The introduction and use of collaborative work management practices will be an important contributor to increasing business agility.”
—Gartner¹

Work Management listed among “the top five workforce productivity technologies that will see the highest business investment over the next 12 months.”
—451 Research²

Work Coordination Platforms “have the potential to dramatically improve the way both individuals and teams get work done” and “help employees go from overwhelmed to optimized.”
—Constellation Research³

¹. Gartner, Hype Cycle for Digital Workplace, 2019 (July)
². 451 Research, Tepid Content Management Spending Means Vendors Must Invest in New Tech Strategies, February 2019
³. Constellation Research, Work Coordination Platforms Bring Structure to Projects and Processes, January 2019
Why companies choose Smartsheet?
Because aligned organizations succeed

Industry Support
8 out of 10 of AdAge's 2019 A-List agencies
8 out of 10 of the largest US based commercial construction companies of 2018

Vertical Strength
The world's 10 largest pharmaceutical companies of 2019
9 out of 10 of the largest US based health systems of 2019
The world's top 10 food and beverage companies of 2018

Leadership

Sources: AdAge, 2019; Construction Dive, 2018. Copyright © Industry Dive (or its licensors); Ellis, Monique. Proclinical Blog. March 20, 2019.; Centers for Medicare and Medicaid Services, 2019; Internal Research.
Why companies choose Smartsheet?

Because aligned organizations succeed

A leader in The Forrester Wave™ for CWM: “Smartsheet leads the pack with a balance of features and future strategy.”
— Forrester¹

Winner of inaugural 451 Firestarter award, recognized as a “pioneer in work management software”
—451 Research²

Customer’s Choice distinction for PPM, Fall 2018 & 2019
—Gartner³

Smartsheet is the top rated CWM company on Newsweek's 2019 Best Business Tools Online Collaboration Tools list.

“Smartsheet bears watching as a strong leader in the collaborative work execution category.”
—Ovum Research⁴

---

1. The Forrester Wave™: Collaborative Work Management Tools for the Enterprise, Q4 2018
2. 451 Research, Firestarter Innovation Award, Q4 2018
3. Gartner Peer Insights
4. Ovum Research, On the Radar: Smartsheet Enables Workplace Collaboration at Scale, May 2018
Investing for growth

Expanding our team

<table>
<thead>
<tr>
<th>Year</th>
<th>Inside Sales</th>
<th>Field</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY17</td>
<td>~80</td>
<td></td>
</tr>
<tr>
<td>FY18</td>
<td>~170</td>
<td></td>
</tr>
<tr>
<td>FY19</td>
<td>~220</td>
<td></td>
</tr>
<tr>
<td>FY20E</td>
<td>300+</td>
<td></td>
</tr>
</tbody>
</table>
Continued investment in our digital motion

~20% of bookings come from digital motion

Allocated additional engineering resources dedicated to directly impacting conversion and bookings of digital motion

Team dedicated to running scaled digital programs outside of the app to influence unassisted conversion and bookings

Getting higher yield on improvements to the app

Demand Gen optimization driving more leads in segments we are targeting

Digital motion improvements impacting both new and expansion bookings
Investing in Enterprise motion

- Expanding the consulting team
- Growing the team of Strategic AEs
- Co-developing accelerators with partners
- Brand marketing
Our market is untapped

Total Addressable Market

$25B*

Addressable Market in Base

$3B

Current Base Usage

$.2B

10x Opportunity In Our Base

100x Opportunity In Market

Organization-wide Initiatives

Digital Transformation | Growth Strategies | Customer Experience

Work Execution Platform

Project Management | Task Tracking | Team Coordination
UK update
Sydney, Australia
Growing presence in AsiaPac region
FedRAMP update

- Achieved FedRAMP certification in mid-August
- View Federal Government as significant greenfield opportunity
- Sales team in place in Washington DC
- Longer sales cycles
Jennifer Ceran
Chief Financial Officer
Financial highlights since last Analyst Day

Revenue growth
H1 FY20 growth rate of 54% and FY20 guidance implies growth of 50% at mid-point

Land & expand motion
Dollar-Based Net Retention Rate improved 3 pts to 134% in Q2 FY20 from Q2 FY19

Adoption of Smartsheet within large enterprises
Number of customers with ACV $100K or more grew 128% to 226 in Q2 FY20

Non-GAAP gross margins
Non-GAAP gross margin of 82% for H1 FY20

Investing for growth
Monitor “Rule of 40” which was 52% in FY19
Growth rates represent dollar-based net retention rates of each individual cohort. Dollar-based net retention rate is calculated by dividing the aggregate ACV as of the end of the quarter (net of expansions, reductions and cancellations) by the same customer cohort's net aggregate ACV as of the end of the comparable year-ago quarter. This calculation excludes customers acquired within the previous 12 months. Includes domain customers and ISP customers, but excludes customers and ARR obtained via the 10,000ft acquisition.

Customer cohort trends*

* As of 7/31/19, Domains Only, excludes 10,000ft
Investments and growth drivers

- Land & expand
- International markets
- Regulated industries
- Solutions & capabilities
Land and expand

Added ~5,500 net new logos over last 4 quarters

Dollar-Based Net Retention Rate grew 3pts to 134% with our larger customers exhibiting higher expansion rates

Dollar-Based Net Retention Rate as of Q2 FY20

- All Customers: 134%
- Domain Customers: 136%
- ≥$5K ACV Customers: 146%
- Fortune 100 Customers: 159%

Dollar-based net retention rate is calculated by dividing the aggregate ACV as of the end of the quarter (net of expansions, reductions and cancellations) by the same customer cohort's net aggregate ACV as of the end of the comparable year-ago quarter. This calculation excludes customers acquired within the previous 12 months. Includes domain customers and ISP customers, but excludes customers and ARR obtained via the 10,000ft acquisition.
International markets

UK office established in Q3 FY19

Australia office opening later this year

Non-US “Dollar-Based Net Retention Rate” has been improving

Smartsheet’s presence in 190 countries provides opportunities for continued international growth

<table>
<thead>
<tr>
<th>Dollar-Based Net Retention Rate</th>
<th>Q2 FY19</th>
<th>Q2 FY20</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>137%</td>
<td>141%</td>
<td>+4pts</td>
</tr>
<tr>
<td>Non-US</td>
<td>113%</td>
<td>120%</td>
<td>+7pts</td>
</tr>
<tr>
<td>Total</td>
<td>131%</td>
<td>134%</td>
<td>+3pts</td>
</tr>
</tbody>
</table>

Dollar-based net retention rate is calculated by dividing the aggregate ACV as of the end of the quarter (net of expansions, reductions and cancellations) by the same customer cohort’s net aggregate ACV as of the end of the comparable year-ago quarter. This calculation excludes customers acquired within the previous 12 months. Includes domain customers and ISP customers, but excludes customers and ARR obtained via the 10,000ft acquisition.
Regulated industries

Announced support of customers subject to the U.S. Health Insurance Portability and Accountability Act (HIPAA), including Health Information Technology for Economic and Clinical Health (HITECH) Act, in September 2017.

Over 200 HIPAA Business Associate Agreements (BAA) signed with organizations who need them to facilitate their compliance with HIPAA.

Received FedRAMP certification in August 2019.

Sales team in DC has begun actively engaging with Federal Government stakeholders.

Greenfield Opportunity, but with longer sales cycles.
Solutions and capabilities

Capabilities have grown to 10% of Subscription Revenue in Q2 FY20 from 6% in Q1 FY19

- Made two acquisitions in 2019
- Slope supports Content Collaboration Use Cases
- 10,000ft is a solution for Resource Planning and Time-Tracking

- Expanding monetizable offerings
- Dynamic View & Data Uploader
- New Accelerators
- Bundles within Higher Priced Plans
Path to $1B: Time range remains unchanged

- FY19: Revenue: $178M
- FY20: Revenue Guidance: $266.5M
- FY21
- FY22
- FY23: ~56% CAGR
- FY24: Revenue: $1 Billion
- FY25: ~31% CAGR

Analyst Day 2018
4–6 years

Analyst Day 2019
3–5 years
# Factors driving timeline

<table>
<thead>
<tr>
<th>Potential Tailwinds</th>
<th>Potential Headwinds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abundance of growth opportunities</td>
<td>Macro-economic environment</td>
</tr>
<tr>
<td>Greater awareness of category and Smartsheet</td>
<td>Expanding set of SaaS applications could confuse customers</td>
</tr>
<tr>
<td>Knowledge workers under pressure to continuously achieve more</td>
<td>Adoption driven by fuller understanding of our product</td>
</tr>
<tr>
<td>Extensive platform with enterprise grade security</td>
<td>Need to continue to scale infrastructure and operations</td>
</tr>
</tbody>
</table>

45
## Target model at scale

<table>
<thead>
<tr>
<th>Percent of Revenue</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>H1 FY20</th>
<th>Target Ranges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Gross Margin</td>
<td>79%</td>
<td>81%</td>
<td>82%</td>
<td>82%</td>
<td>78–80%</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>29%</td>
<td>28%</td>
<td>30%</td>
<td>30%</td>
<td>13–15%</td>
</tr>
<tr>
<td>Sales &amp; Marketing</td>
<td>59%</td>
<td>64%</td>
<td>57%</td>
<td>57%</td>
<td>37–39%</td>
</tr>
<tr>
<td>General &amp; Administrative</td>
<td>12%</td>
<td>16%</td>
<td>17%</td>
<td>16%</td>
<td>6–8%</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>(21%)</td>
<td>(27%)</td>
<td>(22%)</td>
<td>(21%)</td>
<td>20%+</td>
</tr>
<tr>
<td>FCF Margin</td>
<td>(3%)</td>
<td>(23%)</td>
<td>(8%)</td>
<td>(17%)</td>
<td>20%+</td>
</tr>
</tbody>
</table>

All results and targets presented are Non-GAAP
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>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2018</td>
</tr>
<tr>
<td><strong>Reconciliation of Gross Profit and Gross Margin</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GAAP Gross Profit</td>
<td>$52,831</td>
<td>$89,571</td>
</tr>
<tr>
<td>Plus: Share-based compensation expense</td>
<td>$81</td>
<td>$164</td>
</tr>
<tr>
<td>Plus: Amortization of acquisition-related intangible assets</td>
<td>$38</td>
<td>$456</td>
</tr>
<tr>
<td>Plus: One-time acquisition costs</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-GAAP gross profit</td>
<td>$52,992</td>
<td>$89,732</td>
</tr>
<tr>
<td>GAAP gross margin</td>
<td>79%</td>
<td>81%</td>
</tr>
<tr>
<td>Non-GAAP adjustments</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Non-GAAP gross margin</td>
<td>79%</td>
<td>81%</td>
</tr>
<tr>
<td><strong>Reconciliation of Operating Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GAAP research and development</td>
<td>$19,640</td>
<td>$37,590</td>
</tr>
<tr>
<td>Less: Share-based compensation expense</td>
<td>$452</td>
<td>$6,029</td>
</tr>
<tr>
<td>Less: One-time costs of acquisition</td>
<td>-</td>
<td>$10</td>
</tr>
<tr>
<td>Non-GAAP research and development</td>
<td>$19,188</td>
<td>$31,500</td>
</tr>
<tr>
<td>GAAP research and development as a percentage of revenue</td>
<td>29%</td>
<td>34%</td>
</tr>
<tr>
<td>Non-GAAP research and development as a percentage of revenue</td>
<td>29%</td>
<td>28%</td>
</tr>
<tr>
<td>GAAP sales and marketing</td>
<td>$40,071</td>
<td>$72,925</td>
</tr>
<tr>
<td>Less: Share-based compensation expense</td>
<td>$428</td>
<td>$1,707</td>
</tr>
<tr>
<td>Less: Amortization of acquisition-related intangible assets</td>
<td>-</td>
<td>$2</td>
</tr>
<tr>
<td>Less: One-time costs of acquisition</td>
<td>-</td>
<td>$6</td>
</tr>
<tr>
<td>Non-GAAP sales and marketing</td>
<td>$39,643</td>
<td>$71,210</td>
</tr>
<tr>
<td>GAAP sales and marketing as a percentage of revenue</td>
<td>60%</td>
<td>66%</td>
</tr>
<tr>
<td>Non-GAAP sales and marketing as a percentage of revenue</td>
<td>59%</td>
<td>64%</td>
</tr>
<tr>
<td>GAAP general and administrative</td>
<td>$8,275</td>
<td>$28,034</td>
</tr>
<tr>
<td>Less: Share-based compensation expense</td>
<td>$193</td>
<td>$10,565</td>
</tr>
<tr>
<td>Less: One-time costs of acquisition</td>
<td>$179</td>
<td>$17</td>
</tr>
<tr>
<td>Non-GAAP general and administrative</td>
<td>$8,096</td>
<td>$17,290</td>
</tr>
<tr>
<td>GAAP general and administrative as a percentage of revenue</td>
<td>12%</td>
<td>25%</td>
</tr>
<tr>
<td>Non-GAAP general and administrative as a percentage of revenue</td>
<td>12%</td>
<td>16%</td>
</tr>
<tr>
<td><strong>Reconciliation of operating loss and operating margin</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GAAP operating loss</td>
<td>$(15,155)</td>
<td>$(48,978)</td>
</tr>
<tr>
<td>Plus: Share-based compensation expense</td>
<td>$1,134</td>
<td>$18,465</td>
</tr>
<tr>
<td>Plus: Amortization of acquisition-related intangible assets</td>
<td>-</td>
<td>$40</td>
</tr>
<tr>
<td>Plus: One-time costs of acquisition</td>
<td>-</td>
<td>$195</td>
</tr>
<tr>
<td>Non-GAAP operating loss</td>
<td>$(14,021)</td>
<td>$(30,278)</td>
</tr>
<tr>
<td>GAAP operating margin</td>
<td>-23%</td>
<td>-44%</td>
</tr>
<tr>
<td>Non-GAAP adjustments</td>
<td>2%</td>
<td>17%</td>
</tr>
<tr>
<td>Non-GAAP operating margin</td>
<td>-21%</td>
<td>-27%</td>
</tr>
</tbody>
</table>

### Computation of free cash flow

| Net cash provided by (used in) operating activities | $(58)  | $(13,581) | $(2,859) | $(11,877) |
| Less: purchases of property and equipment | $(1,820) | $(6,006)  | $(5,767) | $(3,085)  |
| Less: internal use software development costs | -       | $(3,305)  | $(3,027) | $(3,927)  |
| Less: principal paid on capital leases | $(303)  | $(2,326)  | $(3,253) | $(2,042)  |
| Free cash flow | $(2,065) | $(25,263) | $(14,892) | $(20,401) |

| Net cash provided by operating activities margin | 0%      | -12%       | -2%       | -10%   |
| Non-GAAP adjustments | -3%      | -11%       | -6%       | -7%    |
| Free cash flow margin | -2%      | -7%        | -12%      | -12%   |