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 these 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
(2023)

Innovation velocity

2X
Horizontal products relative to 2018

6
Vertical Products introduced in 3yrs

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

Note: Unless specifically stated, all figures are as of end of 2023.

¹ 2023 Rule of 50 = 24% Subscription Revenue Growth + 30% Free Cash Flow Margin
² As of April 29, 2024, includes interest, capital gains, dividends, and distributions realized over 5 years.
³ Independent Analyst Evaluations, Jan 2019 - May 2024.
ServiceNow class of ‘one’
Delivering consistent growth at scale + margin expansion

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
Executing on this opportunity

**ECOSYSTEM**

**GLOBAL FOOTPRINT**

**INDUSTRY FOCUS**

**CUSTOMER EXPANSION**

**INNOVATION**

- Technology Workflows
- Employee Workflows
- Customer and Industry Workflows
- Creator and FSC Workflows

**DEVELOPER**

**EMPLOYEE**

**GenAI**

**CUSTOMER**

**AGENT**

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The AI platform for business transformation

Innovation velocity
Operational excellence
Exceptional growth at scale

#DESCO21C
SERVICENOW CLOUD

Compute (CPU / GPU)  Networking  Storage

Automated Cloud Services Operations
PLATFORM CORE

Core Data Model
Industry Data Models

CMDB
RaptorDB
Security
<table>
<thead>
<tr>
<th>Feature</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workflows</td>
<td>ON</td>
</tr>
<tr>
<td>Service Portal</td>
<td>ON</td>
</tr>
<tr>
<td>ML + Gen AI LLMs</td>
<td>ON</td>
</tr>
<tr>
<td>User Experience</td>
<td>ON</td>
</tr>
<tr>
<td>Integrations</td>
<td>ON</td>
</tr>
<tr>
<td>Virtual Agent</td>
<td>ON</td>
</tr>
<tr>
<td>Process Mining</td>
<td>ON</td>
</tr>
<tr>
<td>RPA</td>
<td>ON</td>
</tr>
<tr>
<td>Low Code Tools</td>
<td>ON</td>
</tr>
<tr>
<td>AI Search</td>
<td>ON</td>
</tr>
<tr>
<td>Encryption</td>
<td>ON</td>
</tr>
<tr>
<td>Analytics</td>
<td>ON</td>
</tr>
</tbody>
</table>
WORKFLOW APPLICATIONS

- Technology Workflows
- Employee Workflows
- Customer and Industry Workflows
- Creator and FSC Workflows
Growth vectors

EXPANDING TAM

Platform innovation

AI innovation

Product & Industry innovation
Technology Workflows

IT Service Management

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2023

INTRODUCED PRO PLUS

Technology Workflows
- IT Service Management
- IT Operations Management
- Strategic Portfolio Management
- Integrated Risk Management
- Security Operations
- IT Asset Management
- Cloud Observability
- Operational Technology

Employee Workflows
- HR Service Delivery
- Legal Service Delivery
- Workplace Service Delivery

Customer and Industry Workflows
- Customer Service Management
- Field Service Management
- Industry Solutions

Creator and FSC Workflows
- App Engine
- Automation Engine
- Vault
- Accounts Payable
- Procurement
- Supplier Operations
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**
- Chief Information Officer
- Chief Network Officer
- Head of Business Group
- Head of Consumer Group
- Chief Human Resources Officer

**PUBLIC SECTOR**
- Chief Information Officer
- Chief Distribution Center Officer
- Chief Logistics Officer
- Chief Financial Officer
- Chief Retail and Delivery Officer

**FINANCIAL SERVICES**
- Chief Information Officer
- Chief Information & Security Officer
- Chief Risk Officer
- Chief Operating Officer
- Chief Claims Officer
Our TAM has expanded systematically

-$110B$ (2018)
-$165B$ (2023)
-$200B$ (2024)
-$220B$ (2025)
-$275B$ (2026)

Calculations performed by ServiceNow based on Gartner research, ServiceNow analysis, and additional research reports. Sources available upon request.
Our TAM has expanded systematically

$275B (FORECASTED)

Technology Workflows: $108B
Employee Workflows: $15B
Customer and Industry Workflows: $68B
Creator and FSC Workflows: $84B

Calculations performed by ServiceNow based on Gartner research, ServiceNow analysis, and additional research reports. Sources available upon request.
## ServiceNow Portfolio

<table>
<thead>
<tr>
<th>Industry Products</th>
<th>Technology Workflows</th>
<th>Employee Workflows</th>
<th>Customer and Industry Workflows</th>
<th>Creator Workflows</th>
<th>Finance and Supply Chain Workflows</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telecom, Media &amp; Technology</td>
<td>IT Service Management</td>
<td>HR Service Delivery</td>
<td>Customer Service Management</td>
<td>App Engine</td>
<td>Accounts Payable</td>
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<tr>
<td></td>
<td>IT Operations Management</td>
<td>Legal Service Delivery</td>
<td>Field Service Management</td>
<td>Automation Engine</td>
<td>Procurement</td>
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<tr>
<td></td>
<td>Strategic Portfolio Management</td>
<td>Workplace Service Delivery</td>
<td>Sales and Order Management</td>
<td>Vault</td>
<td>Supplier Operations</td>
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<td>Integrated Risk Management</td>
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<td>Security Operations</td>
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<td></td>
<td>IT Asset Management</td>
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<td>Cloud Observability</td>
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<td>Digital End-User Experience</td>
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<td></td>
<td>Operational Technology</td>
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<tr>
<td>Manufacturing</td>
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<td>Healthcare &amp; Life Sciences</td>
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<td>Financial Services</td>
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<td>Public Sector</td>
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<tr>
<td>Retail</td>
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</tbody>
</table>
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

**OPERATIONAL TECHNOLOGY**
- Digitally behind IT by 10+ years
- Security & resiliency are critical

Production Process
We are accelerating OT digital transformation

**PERSONAS**

- CIO
- CISO
- 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
Customer and Industry Workflows

$1B+

2023

~$20M

2016

Note: ACV
Digitization efforts started here

WHAT ACTUALLY HAPPENS:
Disparate systems, human middleware

Excellent customer service
SOLVING WITH

End to end customer service

WORKFLOW

Automation | Integration | Experiences

Customer

Excellent customer service

Operations | Legal | Inventory

Invoicing | Marketing | Contracts
Systematic expansion of use cases

CUSTOMER AND INDUSTRY WORKFLOWS FOUNDATION

Middle Office Service

Front Office Service

Industry Solutions

Now Platform®
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

Seamless Customer Choice

VIRTUAL AGENTS

DIGITAL CHANNELS

ARTIFICIAL INTELLIGENCE

Unified agent workspace

Workflow-driven system of action

Customer service management

Unified & open data platforms

Workforce engagement management

Personalized CX orchestration and routing

Customer journey optimization

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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 valuables insurance coverage
Sales and Order Management

LIVE DEMO

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.

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

Continues to be a catalyst for the Now Platform®
Intelligent workflows

IN THE FLOW OF WORK
ServiceNow’s AI strategy

Powered by an industry leading AI team

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
GenAI models

Best of General Purpose + Domain Specific

ServiceNow Developed Models

Why It Matters?

High performance  Fast innovation  Accurate models  Data privacy  Low cost
This means flexibility for our customers

ServiceNow GenAI models

Bring your own GenAI models

- OpenAI
- Google
- Microsoft
- watsonx
- ALEPH ALPHA
Intelligent workflows

Knowledge Graph + NOW AI + ServiceNow Workflows

Knowledge Graph
DATA

NOW AI
INTELLIGENCE

ServiceNow Workflows
ACTIONS

Now Platform®
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

Intelligent self service
for employees & end customers

Mean time to resolution improvement

Productivity for agents

Higher pace of Workflow automation

Developer velocity

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Pro Plus adoption dynamics

CURRENT PACKAGING

- Standard
  - Pro
  - Enterprise
  - Plus

TIME TO VALUE

- Pro
  - Pro Plus

PRICE REALIZATION BASED ON VALUE DELIVERED

- Pro
  - Pro Plus

SEAT COUNT FOR PRO

LAST 4 QUARTERS
LIVE DEMO

Playbook Generation
Now Assist for Teams
Cost Savings - Certified

Projected device demand for the next 3 months

- Adapters: 2,300
- Consumables: 2,300
- Headsets: 2,300
- Computers: 2,473
- Monitors: 863

Total number of employees with excess devices

- 900

↓ 900 (-50.0%) since May 6

Software and hardware costs

- Hardware Asset Management
- Software Asset Management

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

LIVE DEMO

Analytics Generation
Intelligent workflows

Knowledge Graph

NOW AI

ServiceNow Workflows

DATA

INTELLIGENCE

ACTION

Now Platform
Knowledge Graph
Knowledge Graph
Intelligent workflows
Intelligent workflows

My Assist + MEERA
Hi, Meera 🙋
Welcome to the Digital Technology team.

Ask me anything...
Want to use this AI-enhanced avatar of you as your profile photo for our employee directory, Teams, Outlook, and other work apps?

Love it  Make edits  No thanks

You can also change how this app looks. Choose from one of these avatars.
Chris Bodi represents 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.

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

Install ScreenMeet

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

Mean time to resolution
57 mins

Mean time to resolution
57 mins
↓ 7 mins since Dec 2023

Dec Jan Feb Mar Apr May
Here’s a rundown of where they typically share work and collaborate:

- **IT Central**
  - IT_Central@ServiceNow.com

- **IT Insights Hub**
  - Active support agents

---

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...
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
Dear [Name],

Thank you for the warm welcome and for the opportunity to discuss our company values 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
It's almost time to head to orientation. Directions below.

**Exit directions**

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

Walking route:

- 1 min 0.2 miles
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...
Here are some shots of Chris from recent live events and socials.
Chris Bedi Inside ServiceNow

My Assist

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

Tasks

Concur

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

Approve  Reject

Ask me anything...
DELIVERING

UNMATCHED INNOVATION

Generative AI  Workflow expansion  Industry solutions
Break
10 MIN
Go-to-market strategy

Paul Smith
Chief Commercial Officer
We are outexecuting at scale

### Strong Customer Momentum

<table>
<thead>
<tr>
<th>Metric</th>
<th>2023 vs. 2021</th>
<th>2023 vs. 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>$20M+ Customers</td>
<td>2.2x</td>
<td>2.0x</td>
</tr>
<tr>
<td>$10M+ Customers</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Unparalleled Customer Success

<table>
<thead>
<tr>
<th>Metric</th>
<th>2023</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>98.5% Renewal rate</td>
<td>~70%</td>
<td></td>
</tr>
<tr>
<td>~70% of customers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>grew ACV (2023)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Improved Sales Efficiency

<table>
<thead>
<tr>
<th>Metric</th>
<th>2023</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>~10% Sales Productivity Improvement (2023)</td>
<td>~150bps S&amp;M Op Margin Lift (2023)</td>
<td></td>
</tr>
</tbody>
</table>
We have a large, growing TAM

Accelerated by GenAI

TAM PENETRATION

<5% Across all Geographies¹

<7% Across Top 6 Industries

Note: Calculations performed by ServiceNow based on Gartner research, ServiceNow analysis, and additional research reports. Sources for TAM available upon request.
Massive opportunity for customer expansion

- 8K+ Customers
- 50K+ Total Customer Opportunity

- Total customers: 8K+
- Multi Workflow customers: 2K+ (3+ workflows)
- “All in with NOW” customers: 55 ($20M+ ACV)

Source: Total Customer Opportunity based on CapIQ screen as of April 2024 includes companies with $100M+ revenue and 1K+ employees, excluding China.
Note: Calculated based on Global Parent count. Customers with Creator Workflows is only counted if Creator Workflows is ACV $100K+. Calculated based on Q1 2024 data.
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
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

Source: Total Customer Opportunity based on CapIQ screen as of April 2024 includes companies with $1B+ revenue and 1K+ employees, excluding China
We are scaling our GTM, efficiently

Scale
Coverage & Reach

Segmentation
Fit for purpose resourcing

Efficiency
Low cost models

12%
3-year Rep CAGR

Marquee, Enterprise & Commercial coverage model

3X
Inside sales rep growth

Note: Rep CAGR as of 2023. Inside sales based on 3 years (2021 to 2024 plan)
Building a GTM force multiplier through our Partner ecosystem

Strategic SI partners
- accenture
- Deloitte
- EY
- KPMG
- Infosys
- Cognizant
- tcs

Hyperscalers & tech partners
- NVIDIA
- AWS
- VISA
- Google
- Microsoft

Reseller partners
- carahsoft
- CDW
- softwareONE
- oShi
Unlock industry and LoB opportunity in Top 6 industries

<7%
TAM PENETRATION

Retail & Hospitality
Financial Services
Healthcare & Life Sciences
Manufacturing
Telco/Media/Tech
Public Sector
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
- All branches of the military
- Bureaus & subagencies

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

- Interim FISMA Moderate (June 2012)
- FedRAMP Moderate (February 2016)
- FedRAMP High (September 2019)
- MedCol (2020)
- DOD IL5 (March 2023)
- FISMA Moderate (April 2013)
- DOD IL4 (December 2019)
- Public Sector Digital Services (May 2022)
- GenAI GA (2024)
Verticalization is the strength of our GTM

Finance
Civilian

DoD

Health
Civilian

Intel

3,000+ REGISTERED

37 PARTNERS

$400M+ IN PIPELINE
Leveraging ESAs drive adoption as the engagement layer

MISSION RESILIENCE

FUTURE OF WORK

DIGITAL ACCELERATION

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

Now Platform®
$5B+
Opportunity

6M Employees

4 Workflows

52 Weeks

$4 coffee
Per week
ServiceNow is powering digital transformation in the Public Sector

$1.5B+
ACV from Public Sector

30%+
Growth Y/Y in 2023
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

(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 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

37%  31%  28%  29%  25%

$1.8B  $5,573  $6,891  $8,680

(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 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

2019 2020 2021 2022 2023

$3.3 $4.4 $5.7 $6.9 $8.6

$6.6 $8.9 $11.5 $14.0 $18.0

LEGEND
- Current RPO
- Noncurrent RPO

- 29% Y/Y acceleration
- Contract duration improves

(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.
MISSION CRITICAL:

Our best-in-class renewal rates have steadily improved

98.5% Renewal Rate

2020
2021
2022
2023
Strong customer adds fuel our growth engine

~400 NET CUSTOMER ADDS IN 2023

8K+ CUSTOMERS AT THE END OF 2023
Larger customer lands with more products and higher ACV:

- **Enterprise New Logos with 5K+ Employees**
  - Y/Y Growth in 2023: +25%

- **Average New Logo ACV in 1st year**
  - Y/Y Growth in 2023: +25%
Our laser focus on landing the right customer continues to bear fruit.

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

- Customer & Industry Workflows
- Employee Workflows
- Creator Workflows

Technology workflows
Non-Technology workflows

2023 NEW LOGO ACV

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CSM matches ITSM as our top product in new logos.
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

2010-2017

2018-2020

Year 0

Year 1

Year 2

Year 3

Higher Average ACV

~30%
Time to hit $1M in ACV has significantly improved with newer cohorts.
Our rapid innovation continues to fuel growth across cohorts

(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

Note: Numbers rounded for presentation purposes.
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

$0.7M

Q4 2022

New Land across 3 Workflows & 10 Products

$0.3M

Q2 2023

License Expansion Deal

$4.0M

Q4 2023

License Expansion deal & added Source to Pay Operations

$5.0M

2023

11 Products across Technology, Customer, & Creator Workflows

Note: Numbers rounded for presentation purposes.
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.
Marquee customers are increasing their business with us

Note: Marquee customers are ServiceNow customers with high total addressable market and where ServiceNow can help drive exponential value
Plenty of opportunities remain within our largest customers

Actual $75M+ Marquee Customer Example

$100M ACV

Products 1-10

Opportunity for license expansion and SKU upgrade

Note: ACV values as of the end of 2023
Emerging tech products driving growth

- IT Asset Management
- Security Operations
- Integrated Risk Management

~50%

2019 – 2023 CAGR

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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 penetration

(1) Penetration defined as the percentage of customer accounts on the ITSM Pro and Enterprise SKUs
Strong start for Pro Plus

NNACV THROUGH FIRST 2 FULL QUARTERS OF LAUNCH

>30%

Realized price uplift to Pro Plus vs. Pro SKUs

Note: Pro Plus and Pro NNACV through first 2 full quarters of launch includes ITSM and CSM. Realized price uplift to Pro Plus vs. Pro SKUs includes service desk customers (ITSM, CSM, & HRSD).
~45% ITSM, CSM, & HRSD Pro SKU penetration¹

$1B+

Gen AI opportunity from existing Pro customers

¹ Penetration defined as the percentage of customer accounts on Pro or Enterprise SKUs for ITSM, CSM, & HRSD
100%
ITSM, CSM, & HRSD
Upgrade to Pro Plus

$2.5B
Gen AI opportunity
from existing service
desk customers
We have plenty of extensibility beyond IT

20% 2022

25% 2023

Average Penetration

Employee Workflows

Customer & Industry Workflows

Creator Workflows

Non-IT Product Opportunity
Emerging workflows delivering rapid growth at scale

- **Creator Workflows**
  - ACV: $1,100M+

- **Customer & Industry Workflows**
  - ACV: $1,050M+

- **Employee Workflows**
  - ACV: $850M+

Note: ACV values as of the end of 2023
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 Engine

Source-to-Pay Operations

150% Y/Y Growth of ACV

~3X In-production customers Y/Y Growth

[1] Clean Core ERP with App Engine will be renamed in May 9th Store release
[2] Source-to-Pay Operations include Sourcing and Procurement Operations, Supplier Lifecycle Operations, and Accounts Payable Operations
Margins and outlook
Enhancing productivity and cost savings from deploying GenAI internally

- **20+** Internal use cases
- **$10M** Productivity gains and efficiency savings
- **>7X** ROI from ServiceNow GenAI internal use cases

[1] Productivity gains and efficiency savings are annualized based on projections.
Performance-to-cost improvements leading to better GenAI unit economics

Improvement from last two mainstream GPU SKU upgrades

20%+
We continue to see sales efficiency above at-scale cloud peers

2023 SALES EFFICIENCY

NOW: 3.8X
ADBE: 3.4X
WDAY: 3.0X
CRM: 2.3X

2.9X Peer Avg

Note: Sales Efficiency is calculated on a non-GAAP basis and represents the change in total revenues in the respective year, divided by prior year change in Non-GAAP Sales & Marketing expense. See the tables included at the end of this presentation for a reconciliation of non-GAAP financial measures to the most comparable GAAP measures. 2023 peer data based on the latest fiscal year ending closest to 12/31/23.
Operational discipline yields consistent margin expansion

35%

2019 – 2023 CAGR
Non-GAAP Operating Profit

(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

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.
2024 Guidance

**Subscription Revenues**
USD IN BILLIONS

- 2023: $8.7
- 2024E: $10.6

**Growth**
22%

**Free Cash Flow**
USD IN BILLIONS

- 2023: $2.7
- 2024E: $3.3

**Margin**
31%

(1) Free cash flow and free cash flow margin are based on 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

<table>
<thead>
<tr>
<th>Year</th>
<th>Rule of 50+</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>54%</td>
</tr>
<tr>
<td>2023</td>
<td>56%</td>
</tr>
<tr>
<td>2024E</td>
<td>53%</td>
</tr>
</tbody>
</table>

Note: Numbers rounded for presentation purposes

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.
Subscription revenue targets

Constant Currency CAGR Through 2026

Note: Targets exclude material M&A. Numbers rounded for presentation purposes.
Profitability trajectory to 2026

**Non-GAAP Operating Margin**
- 2023: 28%
- 2024E: 29%

**Average 100bps+ expansion/yr driven by operating efficiencies**

**Non-GAAP Free Cash Flow Margin**
- 2023: 30%
- 2024E: 31%

**Average 50bps+ expansion/yr despite incremental tax headwinds of ~100bps in 2024 & 2025, and ~200bps in 2026**

Note: Operating Margin expansion based on the 29% non-GAAP 2024 operating margin guidance provided on 4/24/24. Free cash flow growth based on the 2024 guidance of 31% free cash flow margin provided on 4/24/24, with the assumption that professional services grow 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

Note: Numbers rounded for presentation purposes
Focusing on shareholder value

Annual Dilution

<1.0%

2019 1.5%

2023 1.1%

Note: Annual dilution target for fully diluted shares outstanding. Numbers rounded for presentation purposes.
GAAP to Non-GAAP Reconciliation
# GAAP to Non-GAAP Reconciliation

## Subscription Revenues

<table>
<thead>
<tr>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>GAAP Subscription Revenues</strong></td>
<td>$1,740</td>
<td>$2,421</td>
<td>$3,255</td>
<td>$4,286</td>
<td>$5,573</td>
<td>$6,891</td>
<td>$8,680</td>
</tr>
<tr>
<td>(+) Effects of Foreign Currency Rate Fluctuations</td>
<td>$(6)</td>
<td>$(27)</td>
<td>$58</td>
<td>$(14)</td>
<td>$(77)</td>
<td>$274</td>
<td>$(33)</td>
</tr>
<tr>
<td><strong>Non-GAAP Subscription Revenues</strong>&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>$1,734</td>
<td>$2,394</td>
<td>$3,313</td>
<td>$4,272</td>
<td>$5,496</td>
<td>$7,165</td>
<td>$8,647</td>
</tr>
<tr>
<td>YoY Non-GAAP Subscription Revenue Growth Rates&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>42%</td>
<td>38%</td>
<td>37%</td>
<td>31%</td>
<td>28%</td>
<td>28.5%</td>
<td>25.5%</td>
</tr>
</tbody>
</table>

<sup>(1)</sup>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

<table>
<thead>
<tr>
<th>GAAP Current Remaining Performance Obligations at Period End</th>
<th>$3.3</th>
<th>$4.4</th>
<th>$5.7</th>
<th>$6.9</th>
<th>$8.6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y/Y Current Remaining Performance Obligations Growth Rates(^{(1)})</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>(+) Effects of Foreign Currency Rate Fluctuations</td>
<td>$0.0</td>
<td>$(0.1)</td>
<td>$0.1</td>
<td>$0.2</td>
<td>$(0.1)</td>
</tr>
<tr>
<td>Non-GAAP Current Remaining Performance Obligations at Period End(^{(1)})</td>
<td>$3.3</td>
<td>$4.3</td>
<td>$5.8</td>
<td>$7.1</td>
<td>$8.5</td>
</tr>
<tr>
<td>Y/Y Non-GAAP Current Remaining Performance Obligations Growth Rates(^{(1)})</td>
<td>34%</td>
<td>30%</td>
<td>32%</td>
<td>25.5%</td>
<td>23%</td>
</tr>
<tr>
<td>GAAP Remaining Performance Obligations at Period End</td>
<td>$6.6</td>
<td>$8.9</td>
<td>$11.5</td>
<td>$14.0</td>
<td>$18.0</td>
</tr>
<tr>
<td>(+) Effects of Foreign Currency Rate Fluctuations</td>
<td>$0.0</td>
<td>$(0.2)</td>
<td>$0.3</td>
<td>$0.4</td>
<td>$(0.1)</td>
</tr>
<tr>
<td>Non-GAAP Remaining Performance Obligations at Period End(^{(1)})</td>
<td>$6.7</td>
<td>$8.7</td>
<td>$11.8</td>
<td>$14.4</td>
<td>$17.9</td>
</tr>
<tr>
<td>Y/Y Non-GAAP Remaining Performance Obligations Growth Rates(^{(1)})</td>
<td>35%</td>
<td>31%</td>
<td>32%</td>
<td>25%</td>
<td>27.5%</td>
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</tbody>
</table>

\(^{(1)}\) 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

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

Note: Numbers rounded for presentation purposes
## GAAP to Non-GAAP Reconciliation

### Free Cash Flow and Free Cash Flow Margin

<table>
<thead>
<tr>
<th>In millions (except %'s and per share data)</th>
<th>2019 Margin</th>
<th>2020 Margin</th>
<th>2021 Margin</th>
<th>2022 Margin</th>
<th>2023 Margin</th>
<th>2024E Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GAAP Net Cash Provided by Operating Activities</strong></td>
<td>$1,236</td>
<td>36%</td>
<td>$1,787</td>
<td>39%</td>
<td>$2,191</td>
<td>37%</td>
</tr>
<tr>
<td><strong>(-) Purchases of Property and Equipment</strong></td>
<td>$(265)</td>
<td>(8%)</td>
<td>$(419)</td>
<td>(9%)</td>
<td>$(392)</td>
<td>(7%)</td>
</tr>
<tr>
<td><strong>(+) Cash Paid for Legal Settlements</strong></td>
<td>-</td>
<td>0%</td>
<td>-</td>
<td>0%</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td><strong>(+) Repayments of Convertible Senior Notes attributable to Debt Discount</strong></td>
<td>-</td>
<td>0%</td>
<td>$82</td>
<td>2%</td>
<td>15</td>
<td>0%</td>
</tr>
<tr>
<td><strong>(+) Business combination and other related costs</strong></td>
<td>-</td>
<td>0%</td>
<td>-</td>
<td>0%</td>
<td>53</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Non-GAAP Free Cash Flow</strong></td>
<td>971</td>
<td>28%</td>
<td>$1,449</td>
<td>32%</td>
<td>$1,867</td>
<td>32%</td>
</tr>
</tbody>
</table>

Note: Numbers rounded for presentation purposes.
## GAAP to Non-GAAP Reconciliation
### Sales & Marketing Expense

<table>
<thead>
<tr>
<th>In millions</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales and marketing expense</td>
<td>$2,292</td>
<td>$2,814</td>
<td>$3,301</td>
</tr>
<tr>
<td>(-) Stock based compensation, sales and marketing</td>
<td>$389</td>
<td>$459</td>
<td>$505</td>
</tr>
<tr>
<td>(-) Sales and marketing amortization of purchased intangibles</td>
<td>$1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-GAAP Sales and marketing expense</td>
<td>$1,902</td>
<td>$2,355</td>
<td>$2,796</td>
</tr>
</tbody>
</table>

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Thank you