

Investor Presentation

Fourth Quarter 2022

Safe Harbor and Other Information

This presentation contains “forward-looking” statements that are based on our management’s beliefs and assumptions and on information currently available to management. Forward-looking statements include information concerning our possible or assumed strategy, future operations, financing plans, operating model, financial position, future revenues, projected costs, competitive position, industry environment, potential growth opportunities, potential market opportunities, plans and objectives of management, the effects of competition on our business and customer trends.

Forward-looking statements include all statements that are not historical facts and can be identified by terms such as “anticipates,” “believes,” “could,” “seeks,” “estimates” (including, without limitation, financial estimates denoted with an “E,” such as FY23E), “targets,” “guidance,” “expects,” “intends,” “may,” “plans,” “potential,” “predicts,” “prospects,” “projects,” “should,” “will,” “would” or similar expressions and the negatives of those terms, although not all forward-looking statements contain these identifying words.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Additionally, these forward-looking statements, particularly our guidance, involve risk, uncertainties and assumptions based on information available to us as of 1/25/23, including those related to the 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 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, 2022 and in our other Securities and Exchange Commission (“SEC”) filings. We cannot guarantee that we will achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements.

Forward-looking statements represent our management’s beliefs and assumptions only as of the date of this presentation. We undertake no obligation, and do not intend, to update these forward-looking statements, to review or confirm analysts’ expectations, or to provide interim reports or updates on the progress of the current financial quarter.

This presentation includes certain non-GAAP financial measures and the corresponding growth rates as defined by SEC rules. For additional information, see the slide titled “Statement Regarding Use of Non-GAAP Financial Measures.”

Terms such as Remaining Performance Obligations (RPO), Current Remaining Performance Obligations (cRPO) and Renewal Rate shall have the meanings set forth in our filings with the SEC.

The information in this presentation on new products, features, or functionality is intended to outline our general product direction and should not be relied upon in making a purchasing decision. The information on new products, features, and functionality is for informational purposes only and shall not be incorporated into any contract. The information on new products, features, and functionality is not a commitment, promise, or legal obligation to deliver any material, code or functionality. The development, release, and timing of any features or functionality described for our products remains at our sole discretion.

Statement Regarding Use of Non-GAAP Financial Measures

We report non-GAAP financial measures in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP.

We adjust revenues and related growth rates, and current remaining performance obligations ("cRPO") and remaining performance obligations ("RPO") and related growth rates for constant currency to provide a framework for assessing how our business performed excluding the effect of foreign currency rate fluctuations. To present this information, current period revenues and related growth rates results for entities reporting in currencies other than U.S. Dollars are converted into U.S. Dollars at the average exchange rates in effect for the comparison period, rather than the actual exchange rates in effect for the current period. Guidance for related growth rates are derived by applying the average exchange rates in effect during the comparison period rather than the exchange rates for the guidance period. We believe the presentation of revenues and corresponding growth rates adjusted for constant currency facilitates the comparison of revenues year-over-year. Current period cRPO and RPO results and related growth rates for entities reporting in currencies other than USD are converted into USD 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, and the related income tax effect of these adjustments. 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, which is a non-GAAP financial measure, 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. We believe information regarding free cash flow and free cash flow margin provides useful information to investors because it is an indicator of the strength and performance of our business operations.

Our presentation of non-GAAP financial measures may not be comparable to similar measures used by other companies. We encourage investors to carefully consider our results under GAAP, as well as our supplemental non-GAAP information and the reconciliation between these presentations, to more fully understand our business. Please see the tables included at the end of this presentation for the reconciliation of GAAP and non-GAAP results.



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(1) Global enterprise customers count is as of the end of fiscal 2022.

Q4-22 Financial Highlights

Q4 2022 Results	Quarterly Results	Increase (Decrease) Y/Y	Currency Impact ⁽¹⁾	Non-GAAP Constant Currency Y/Y ⁽²⁾
Subscription Revenues	\$1,860M	22%	~550bps headwind	27.5%
Current RPO (cRPO)	\$6.94B	22%	~350bps headwind	25.5%
Remaining Performance Obligations (RPO)	\$14.0B	22%	~300bps headwind	25%
Non-GAAP Operating Margin ⁽³⁾	28%	~550bps	NA	NA
Non-GAAP Free Cash Flow Margin ⁽³⁾	53%	~650bps	NA	NA

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

(2) Non-GAAP growth rates for subscription revenues, cRPO and RPO are adjusted for constant currency. See slides 10-11 for additional discussion of non-GAAP subscription revenues and their corresponding growth rates. See slide 12 for additional discussion of non-GAAP cRPO and RPO and their corresponding growth rates. See appendix for reconciliation of non-GAAP financial measures to the most comparable GAAP measures.

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

Note: Numbers rounded for presentation purposes.

FY22 Financial Highlights

FY 2022 Results	Annual Results	Increase (Decrease) Y/Y	Currency Impact ⁽¹⁾	Non-GAAP Constant Currency Y/Y ⁽²⁾
Subscription Revenues	\$6,891M	24%	~450bps headwind	28.5%
Current RPO (cRPO)	\$6.94B	22%	~350bps headwind	25.5%
Remaining Performance Obligations (RPO)	\$14.0B	22%	~300bps headwind	25%
Non-GAAP Operating Margin ⁽³⁾	26%	~50bps	NA	NA
Non-GAAP Free Cash Flow Margin ⁽³⁾	30%	~(150bps)	NA	NA

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

(2) Non-GAAP growth rates for subscription revenues, cRPO and RPO are adjusted for constant currency. See slides 10-11 for additional discussion of non-GAAP subscription revenues and their corresponding growth rates. See slide 12 for additional discussion of non-GAAP cRPO and RPO and their corresponding growth rates. See appendix for reconciliation of non-GAAP financial measures to the most comparable GAAP measures.

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

Note: Numbers rounded for presentation purposes.

Guidance Summary

Q1 2023 Guidance	Quarterly Guidance	Increase (Decrease) Y/Y	Currency Impact Included in Guidance ⁽¹⁾	Non-GAAP Constant Currency Y/Y ⁽²⁾
Subscription Revenues	\$1,990M - \$2,000M	22% - 22.5%	~300bps headwind	25% - 25.5%
Non-GAAP Operating Margin ⁽³⁾	24%	~(150)bps	NA	NA
Current RPO (cRPO) Growth	21%	NA	~300bps headwind	24%

FY 2023 Guidance	Full-Year Guidance	Increase (Decrease) Y/Y	Currency Impact Included in Guidance ⁽¹⁾	Non-GAAP Constant Currency Y/Y ⁽²⁾
Subscription Revenues	\$8,440M - \$8,500M	22.5% - 23.5%	NM	22.5% - 23.5%
Non-GAAP Subscription Gross Margin ⁽³⁾	84%	~(200)bps	NA	NA
Non-GAAP Operating Margin ⁽³⁾	26%	~50bps	NA	NA
Non-GAAP Free Cash Flow Margin ⁽³⁾	30%	~Flat	NA	NA

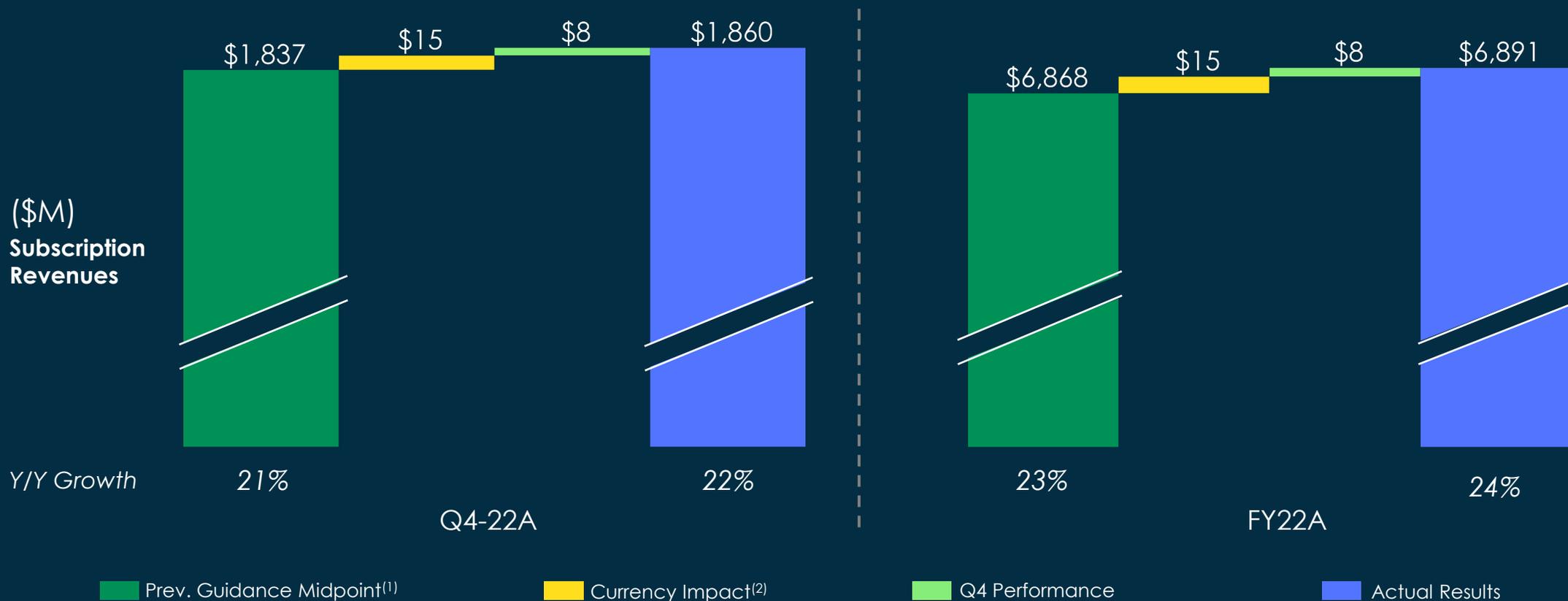
(1) Currency impact on subscription revenues growth rates are derived by applying the average exchange rates in effect during the comparison period rather than the exchange rates for the guidance period. Currency impact on cRPO growth rates are derived by applying the end of period exchange rates in effect during the comparison period rather than the exchange rates in effect during the guidance period. Currency impact on Non-GAAP Operating Margin and Non-GAAP Free Cash Flow Margin are derived by applying the average exchange rates in effect during the comparison period rather than the exchange rates for the guidance period.

(2) Growth rates are calculated on a Non-GAAP basis. See appendix for reconciliation of Non-GAAP financial measures to the most comparable GAAP measures.

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

Note: Numbers rounded for presentation purposes.

Comparison to Previously Issued Guidance

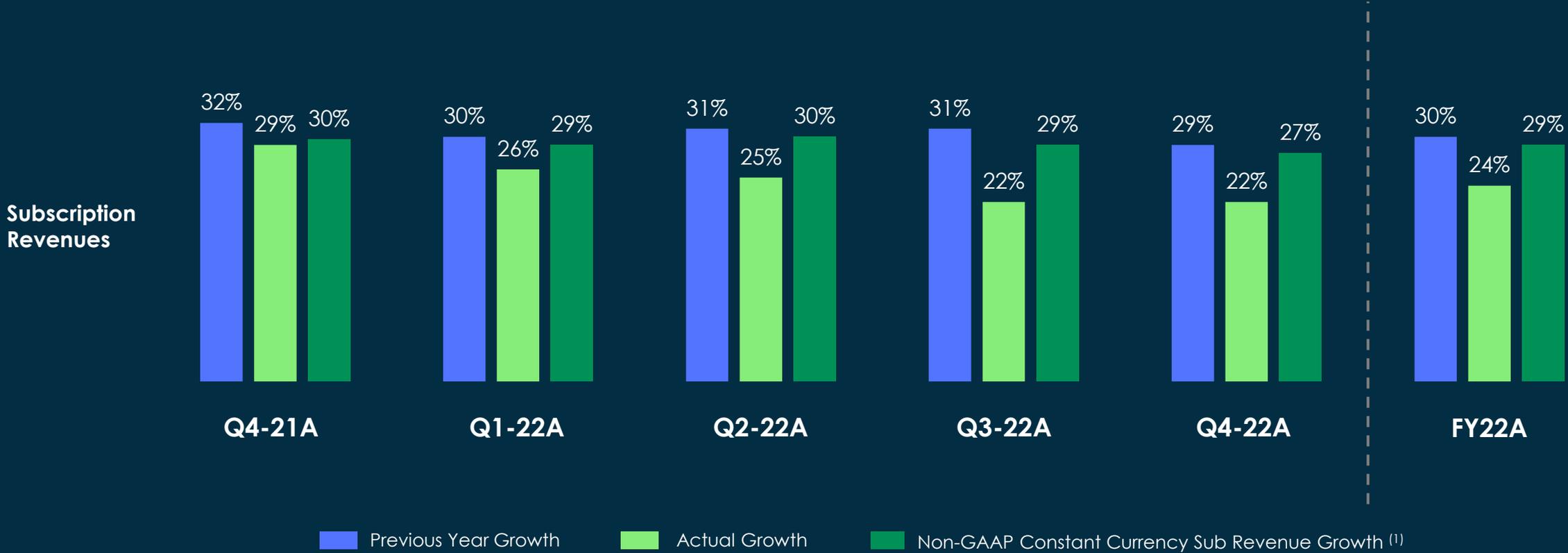


(1) Refers to previously issued financial guidance dated 10/26/22

(2) GAAP subscription revenues included in our previous guidance are based on the 30-day average foreign exchange rates for September 2022 for entities reporting in currencies other than U.S. Dollars. Currency impact in Q4 2022 and full year 2022 represents the impact of the difference between the actual average rates in the period used to calculate our Q4 2022 actual results and full-year 2022 actual results and the 30-day average foreign exchange rates for September 2022 assumed in our previously issued guidance dated 10/26/22..

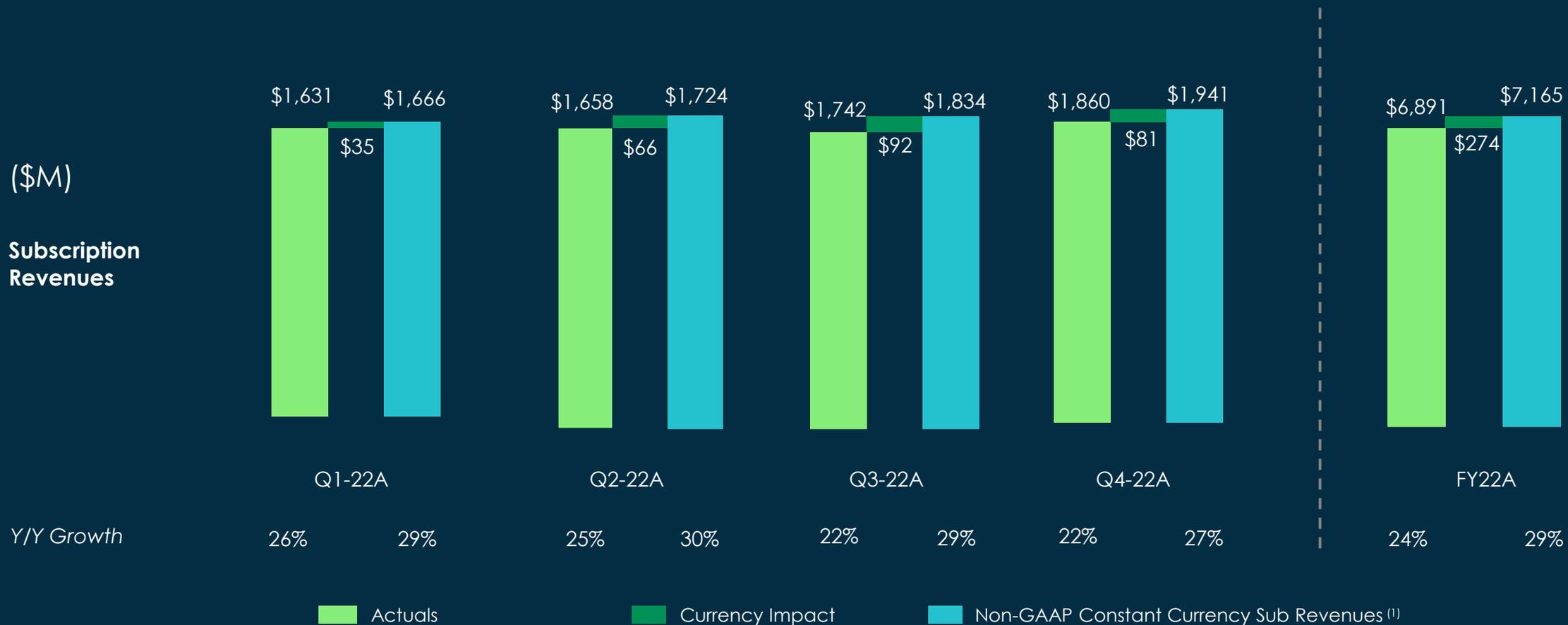
Note: Numbers rounded for presentation purposes and may not foot.

Year-Over-Year Subscription Revenues Growth



(1) Non-GAAP constant currency subscription revenues growth rates are derived by adjusting subscription revenues for constant currency by applying the average exchange rates in effect during the comparison period rather than the actual average exchange rate in effect during the current period. See appendix for reconciliation of non-GAAP financial measures. Note: Numbers are rounded to the nearest whole percentage.

Currency Impact to Year-Over-Year Sub. Revenues



(1) Non-GAAP constant currency subscription revenues and the corresponding growth figures are calculated on a non-GAAP basis and derived by applying the average exchange rates in effect during the comparison period rather than the actual average exchange rate in effect during the current period. See appendix for reconciliation of non-GAAP financial measures.
 Note: Numbers rounded for presentation purposes and may not foot.

Remaining Performance Obligations

(\$B)

■ Current RPO ■ Noncurrent RPO



Q4-22
Y/Y Growth

+22% / +25% cc⁽¹⁾
Total RPO

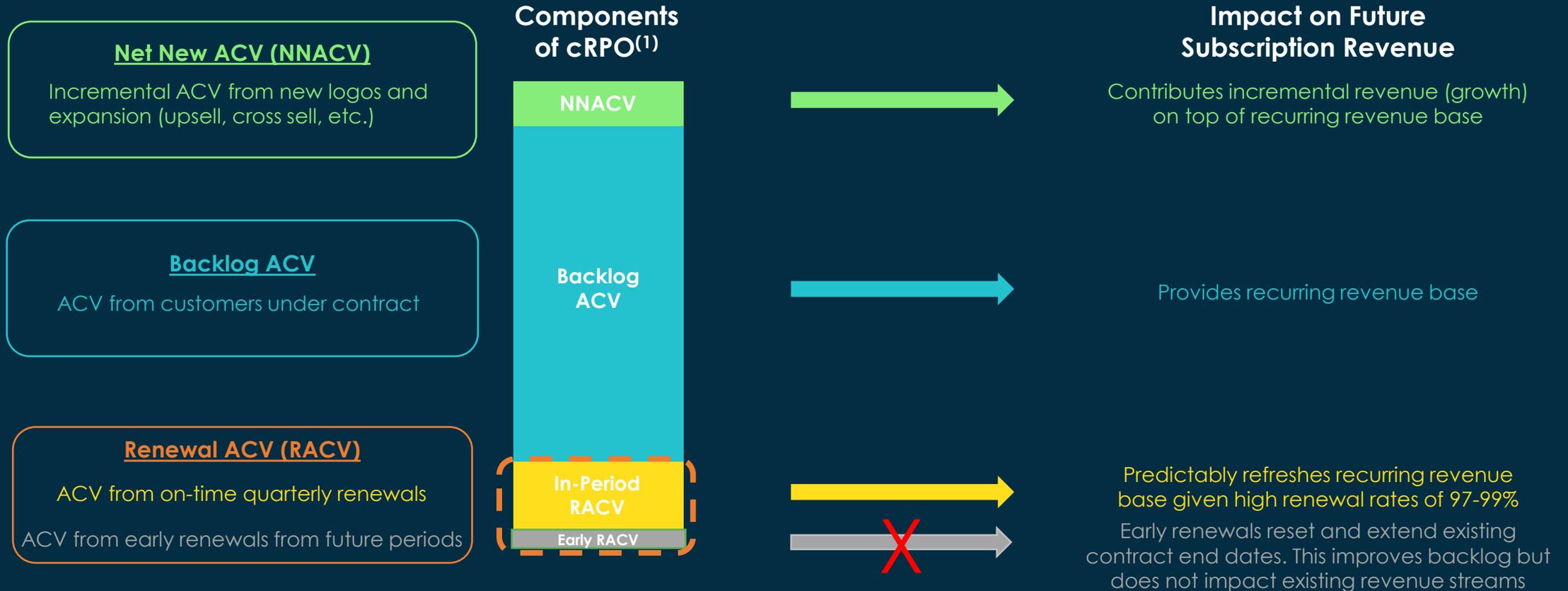
cRPO Y/Y Growth	29%	29%	21%	18%	22%
cRPO cc ⁽¹⁾ Y/Y Growth	32%	30.5%	27%	25%	25.5%

(1) The total RPO and current RPO growth rates adjusted for constant currency are calculated on a non-GAAP basis. Results for entities reporting in currencies other than U.S. Dollars are converted into U.S. Dollars at the exchange rates in effect at the end of the comparison period, rather than the actual exchange rates in effect at the end of the current period. See appendix for reconciliation to non-GAAP financial measures.

Note: Numbers rounded for presentation purposes.

Relationship between cRPO and Subscription Revenue

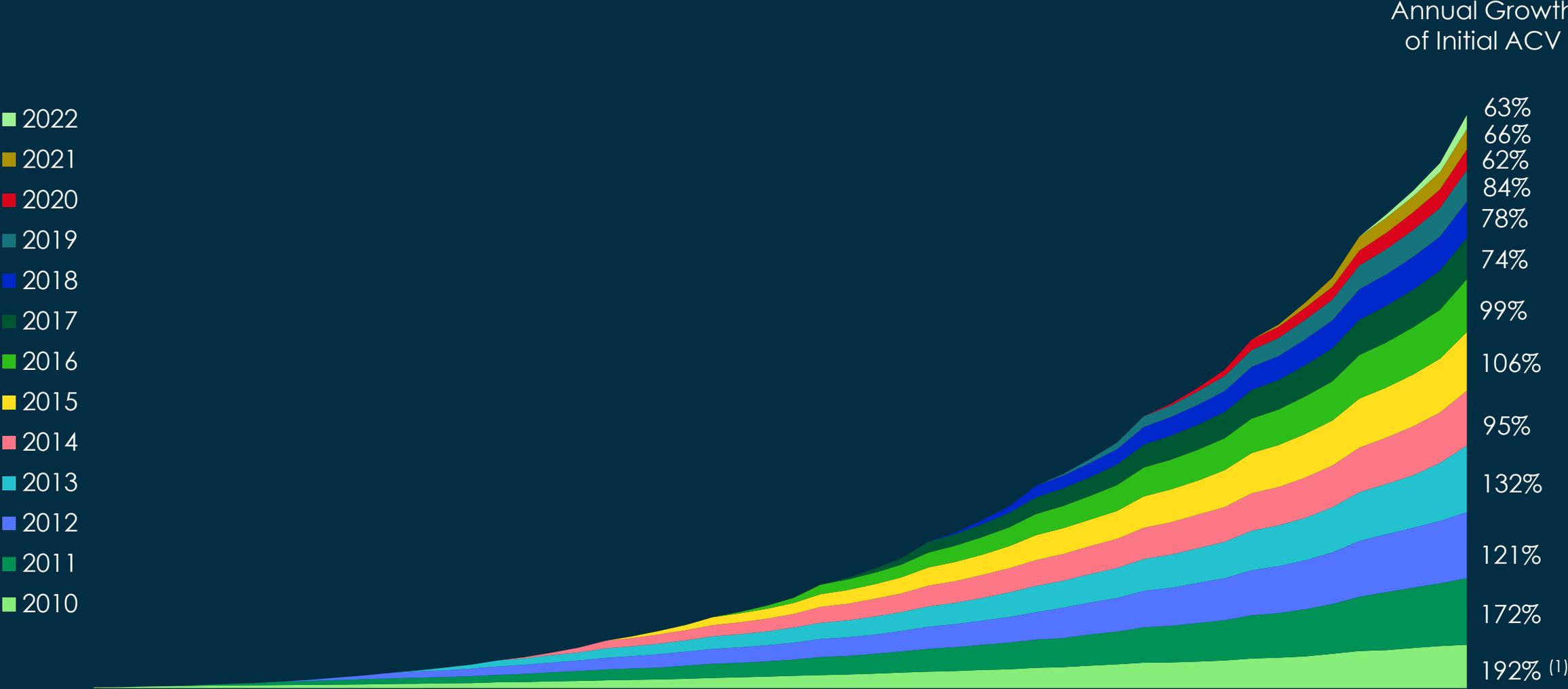
Q4: NNACV outperformed expectations; cRPO results achieved with lower early renewals mix



- Early renewal ACV as a % of cRPO historically has not changed much. When there is an out-of-trend decline in that early renewal component (like we saw in Q4 2022), it creates a headwind to cRPO growth. However, this is only timing related and has no material impact on the recurring revenue base for the following year given the high 97-99% renewal rate (historical average).

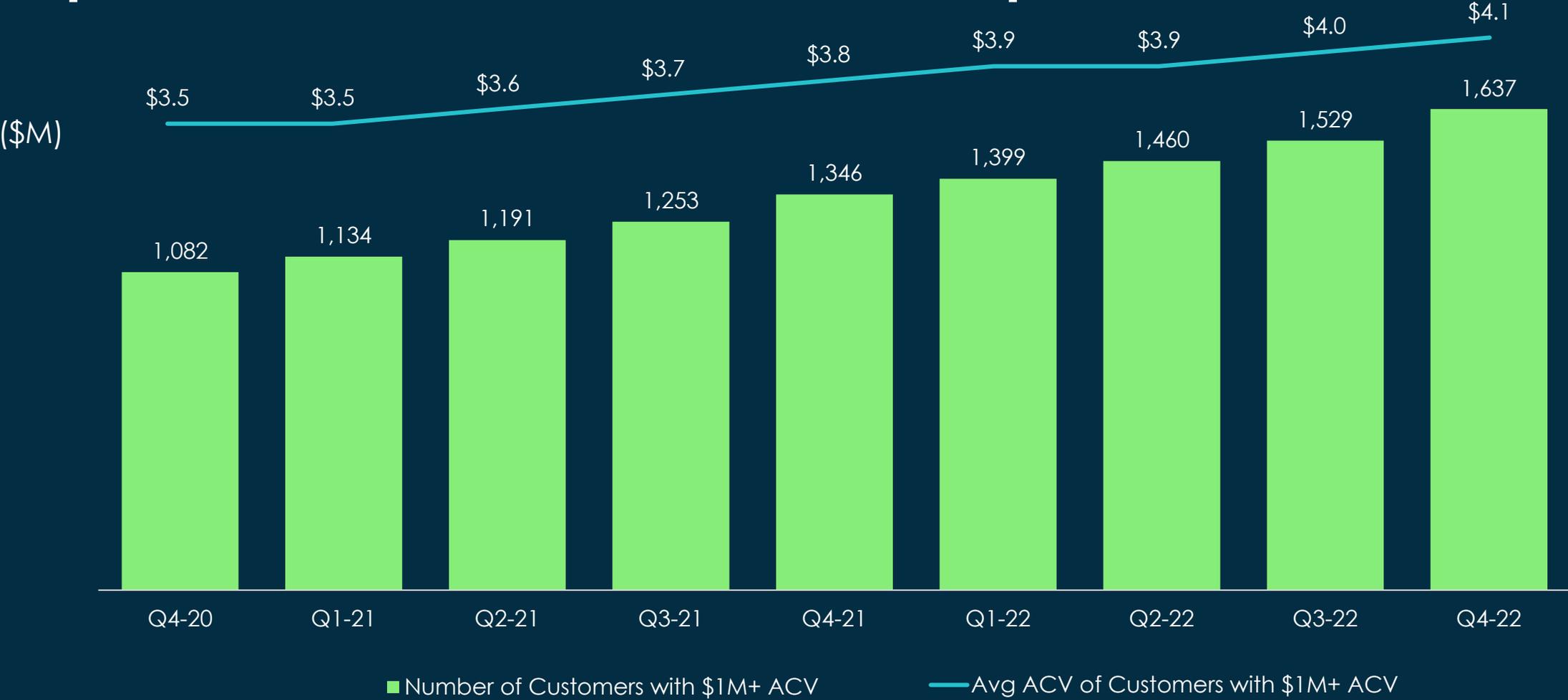
(1) Excludes late RACV which is not material to cRPO. Chart not to scale.

Customer Cohort Growth



(1) As an illustrative example, 2010 customer cohort started with a contract of initial ACV (annual contract value) of \$100 and grew to ACV of \$2,404 as of Q4-22, and represents annual growth of initial ACV of 192%.
 Note: Chart reflects growth in total annual contract value over time, inclusive of losses, for the group of customers that joined ServiceNow in each respective year. Annual Growth represents increases in total annual contract value after the initial contract of each customer.

Expansion of Customer Relationships



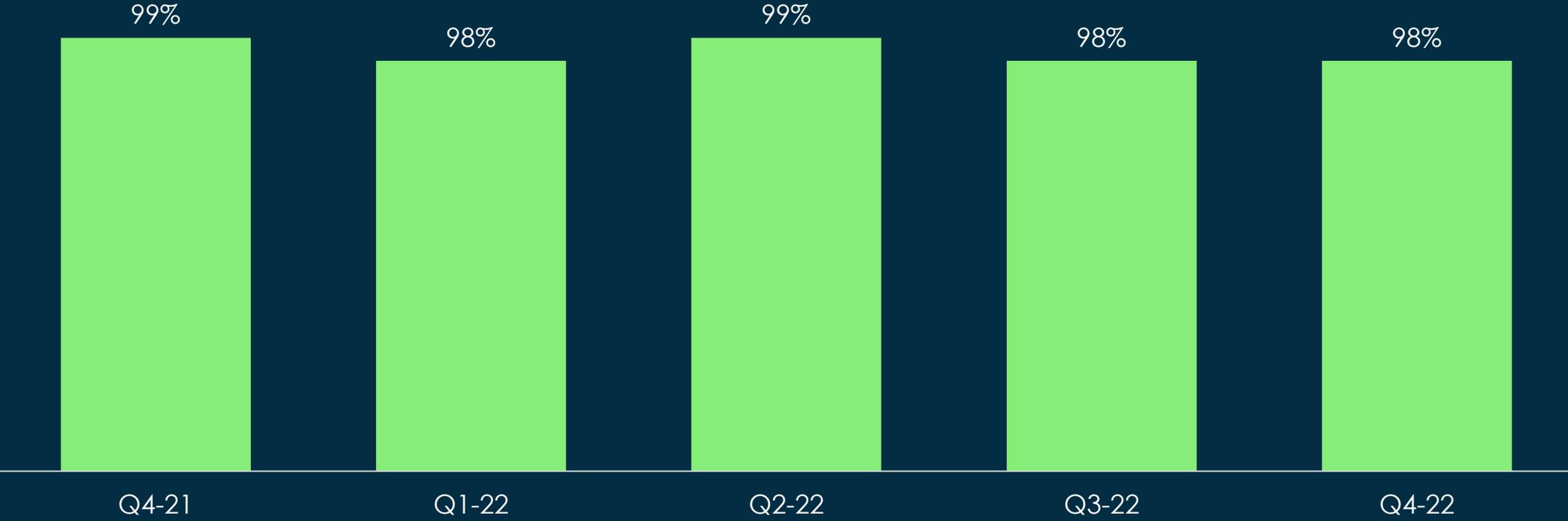
Note: Previously disclosed number of customers with ACV greater than \$1 million is restated to allow for comparability. ACV is calculated based on the foreign exchange rate in effect at the time the contract was entered into. Foreign exchange rate fluctuations could cause some variability in the number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

Net New ACV Contribution Across Workflows and Products⁽¹⁾



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

Renewal Rate



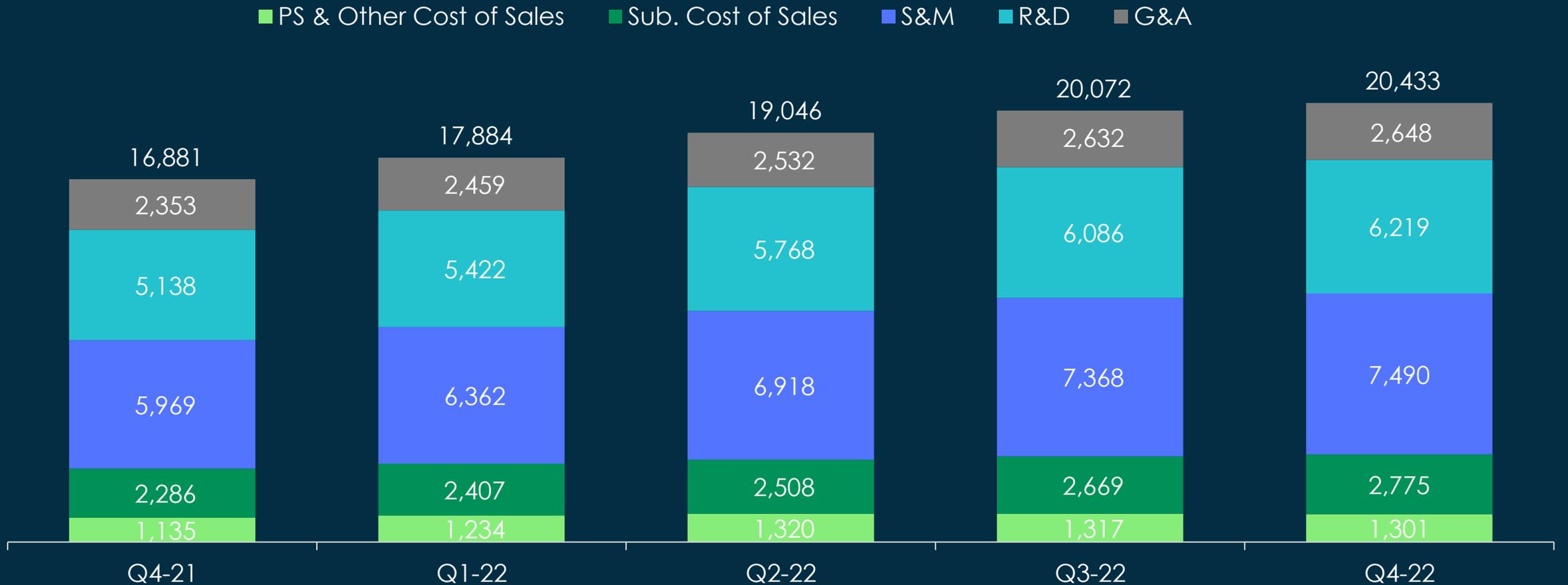
Note: We adjust our Renewal Rate for acquisitions, consolidations and other customer events that cause the merging of two or more accounts occurring at the time of renewal.

GAAP Revenues by Geography

■ North America ■ EMEA ■ APAC & Other

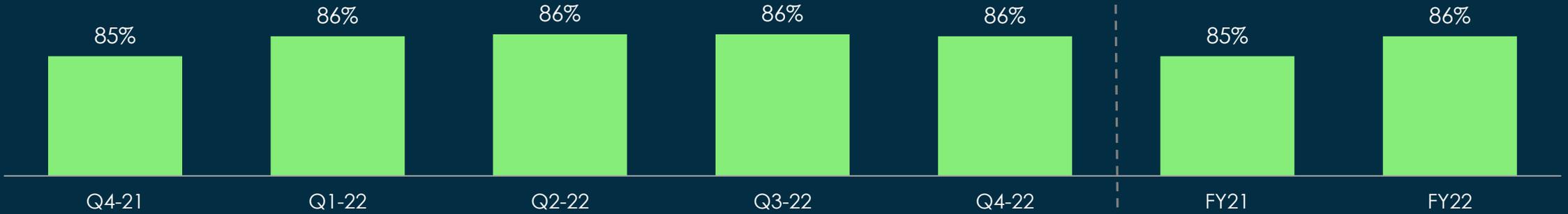


Headcount by Department

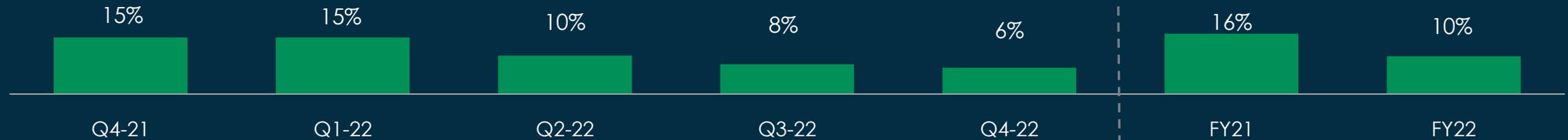


Non-GAAP Gross Margins

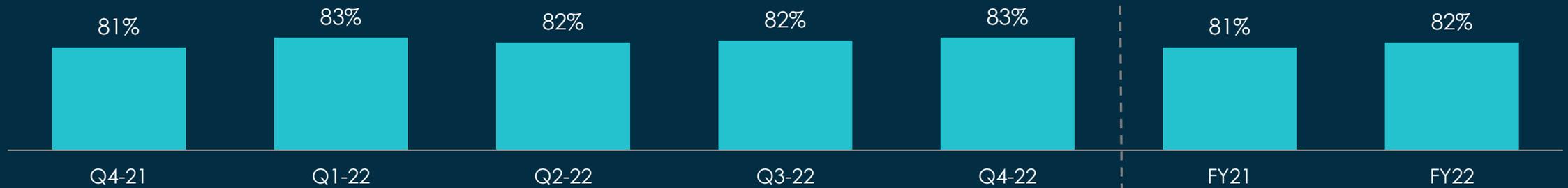
Non-GAAP Subscription Gross Margin



Non-GAAP PS & Other Gross Margin



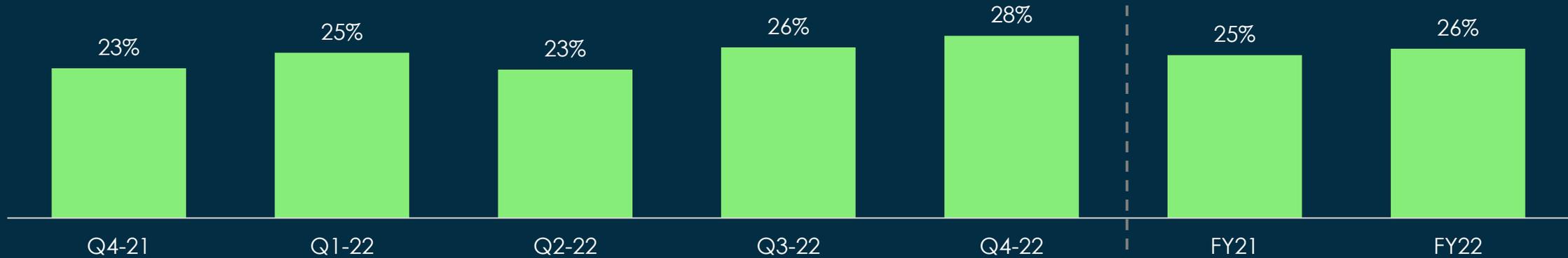
Non-GAAP Total Gross Margin



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

Non-GAAP Operating and Free Cash Flow Margins

Non-GAAP Operating Margin



Non-GAAP Free Cash Flow Margin



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

Non-GAAP Net Income and Diluted EPS

Non-GAAP Net Income (\$M)



Non-GAAP Diluted EPS



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

GAAP to Non-GAAP Reconciliation

GAAP to Non-GAAP Reconciliation – Revenues

in millions (except %'s)	Q1-21	Q2-21	Q3-21	Q4-21	2021	Q1-22	Q2-22	Q3-22	Q4-22	2022	Q1-23E Midpoint	2023E Midpoint
GAAP Subscription Revenues	\$ 1,293	\$ 1,330	\$ 1,427	\$ 1,523	\$ 5,573	\$ 1,631	\$ 1,658	\$ 1,742	\$ 1,860	\$ 6,891	\$ 1,995	\$ 8,470
YoY Subscription Revenues Growth Rates	N/A	22.5%	23%									
(+) Effects of Foreign Currency Rate Fluctuations	\$ (37)	\$ (45)	\$ (11)	\$ 15	\$ (77)	\$ 35	\$ 66	\$ 92	\$ 81	\$ 274	3%	0%
Non-GAAP Subscription Revenues ⁽¹⁾	\$ 1,256	\$ 1,285	\$ 1,416	\$ 1,538	\$ 5,496	\$ 1,666	\$ 1,724	\$ 1,834	\$ 1,941	\$ 7,165	N/A	N/A
YoY Non-GAAP Subscription Revenues Growth Rates⁽¹⁾	26%	27%	30%	30%	28%	29%	29.5%	28.5%	27.5%	28.5%	25.5%	23%
GAAP Professional Services and Other Revenues	\$ 67	\$ 79	\$ 85	\$ 91	\$ 323	\$ 91	\$ 94	\$ 89	\$ 80	\$ 354	N/A	N/A
(+) Effects of Foreign Currency Rate Fluctuations	\$ (2)	\$ (3)	\$ (1)	\$ -	\$ (6)	\$ 2	\$ 6	\$ 6	\$ 5	\$ 19	N/A	N/A
Non-GAAP Professional Services and Other Revenues ⁽¹⁾	\$ 65	\$ 76	\$ 84	\$ 91	\$ 317	\$ 93	\$ 100	\$ 95	\$ 85	\$ 373	N/A	N/A
YoY Non-GAAP Professional Services and Other Revenues Growth Rates	27%	36%	38%	38%	36%	39%	26%	12%	-6.5%	15.5%	N/A	N/A
GAAP Total Revenues	\$ 1,360	\$ 1,409	\$ 1,512	\$ 1,614	\$ 5,896	\$ 1,722	\$ 1,752	\$ 1,831	\$ 1,940	\$ 7,245	N/A	N/A
(+) Effects of Foreign Currency Rate Fluctuations	\$ (39)	\$ (47)	\$ (12)	\$ 15	\$ (83)	\$ 37	\$ 72	\$ 98	\$ 86	\$ 293	N/A	N/A
Non-GAAP Total Revenues ⁽¹⁾	\$ 1,321	\$ 1,362	\$ 1,500	\$ 1,629	\$ 5,813	\$ 1,759	\$ 1,824	\$ 1,929	\$ 2,026	\$ 7,538	N/A	N/A
YoY Non-GAAP Total Revenues Growth Rates	26%	27%	30%	30%	29%	29%	29.5%	27.5%	25.5%	28%	N/A	N/A

⁽¹⁾ 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 and may not foot.

GAAP to Non-GAAP Reconciliation – Remaining Performance Obligations

in billions (except %'s)	Q1-21	Q2-21	Q3-21	Q4-21	2021	Q1-22	Q2-22	Q3-22	Q4-22	2022	Q1-23E
GAAP Current Remaining Performance Obligations at Period End	\$ 4.42	\$ 4.75	\$ 4.96	\$ 5.68	\$ 5.68	\$ 5.69	\$ 5.75	\$ 5.87	\$ 6.94	\$ 6.94	N/A
YoY Current Remaining Performance Obligations Growth Rates ⁽²⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	21%
(+) Effects of Foreign Currency Rate Fluctuations	\$ (0.12)	\$ (0.12)	\$ -	\$ 0.14	\$ 0.14	\$ 0.08	\$ 0.27	\$ 0.35	\$ 0.18	\$ 0.18	3%
Non-GAAP Current Remaining Performance Obligations at Period End ⁽²⁾	\$ 4.31	\$ 4.63	\$ 4.97	\$ 5.82	\$ 5.82	\$ 5.77	\$ 6.02	\$ 6.22	\$ 7.12	\$ 7.12	N/A
YoY Non-GAAP Current Remaining Performance Obligations Growth Rates ⁽²⁾	29%	31%	32%	32%	32%	30.5%	27%	25%	25.5%	25.5%	24%
GAAP Remaining Performance Obligations at Period End	\$ 8.8	\$ 9.5	\$ 9.7	\$ 11.5	\$ 11.5	\$ 11.5	\$ 11.5	\$ 11.4	\$ 14.0	\$ 14.0	N/A
(+) Effects of Foreign Currency Rate Fluctuations	\$ (0.2)	\$ (0.2)	\$ -	\$ 0.3	\$ 0.3	\$ 0.2	\$ 0.6	\$ 0.7	\$ 0.4	\$ 0.4	N/A
Non-GAAP Remaining Performance Obligations at Period End ⁽²⁾	\$ 8.6	\$ 9.3	\$ 9.7	\$ 11.8	\$ 11.8	\$ 11.6	\$ 12.0	\$ 12.1	\$ 14.4	\$ 14.4	N/A
YoY Non-GAAP Remaining Performance Obligations Growth Rates ⁽²⁾	30%	32%	34%	32%	32%	31.5%	27%	24.5%	25%	25%	N/A

(2) Non-GAAP current remaining performance obligations, remaining performance obligations and the corresponding growth rates 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 and may not foot.

GAAP to Non-GAAP Reconciliation – Other

in millions (except %'s and per share data)	Q1-21	Margin	Q2-21	Margin	Q3-21	Margin	Q4-21	Margin	2021	Margin	Q1'22	Margin	Q2'22	Margin	Q3'22	Margin	Q4'22	Margin	2022	Margin	Q1'23E	Margin	2023E	Margin
GAAP Subscription Gross Profit	\$ 1,065	82%	\$ 1,082	81%	\$ 1,163	81%	\$ 1,241	82%	\$ 4,551	82%	\$ 1,356	83%	\$ 1,371	83%	\$ 1,441	83%	\$ 1,536	83%	\$ 5,704	83%	N/A	N/A	N/A	81%
(+) Subscription SBC	\$ 29	2%	\$ 33	3%	\$ 33	2%	\$ 33	2%	\$ 128	2%	\$ 36	2%	\$ 39	2%	\$ 41	2%	\$ 41	2%	\$ 157	2%	N/A	N/A	N/A	2%
(+) Subscription Amort of Purchased Intangibles	\$ 12	1%	\$ 14	1%	\$ 17	1%	\$ 21	1%	\$ 64	1%	\$ 18	1%	\$ 18	1%	\$ 18	1%	\$ 18	1%	\$ 72	1%	N/A	N/A	N/A	1%
(+) Business Combination and Other Related Costs	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ 2	0%	\$ -	0%	\$ 2	0%				
Non-GAAP Subscription Gross Profit	\$ 1,106	86%	\$ 1,129	85%	\$ 1,213	85%	\$ 1,295	85%	\$ 4,743	85%	\$ 1,410	86%	\$ 1,427	86%	\$ 1,502	86%	\$ 1,595	86%	\$ 5,935	86%	N/A	N/A	N/A	84%
GAAP Professional Services and Other Gross Profit (Loss)	\$ (4)	(6%)	\$ (2)	(3%)	\$ (1)	(1%)	\$ (2)	(2%)	\$ (8)	(2%)	\$ (3)	(3%)	\$ (8)	(9%)	\$ (10)	(11%)	\$ (11)	(14%)	\$ (32)	(9%)	N/A	N/A	N/A	N/A
(+) Professional Services and Other SBC	\$ 13	19%	\$ 15	19%	\$ 15	18%	\$ 16	17%	\$ 59	18%	\$ 16	18%	\$ 18	19%	\$ 17	19%	\$ 16	20%	\$ 67	19%	N/A	N/A	N/A	N/A
Non-GAAP Professional Services and Other Gross Profit (Loss)	\$ 9	14%	\$ 13	17%	\$ 14	17%	\$ 14	15%	\$ 51	16%	\$ 13	15%	\$ 10	10%	\$ 7	8%	\$ 5	6%	\$ 35	10%	N/A	N/A	N/A	N/A
GAAP Gross Profit	\$ 1,061	78%	\$ 1,080	77%	\$ 1,162	77%	\$ 1,239	77%	\$ 4,543	77%	\$ 1,353	77%	\$ 1,363	78%	\$ 1,431	78%	\$ 1,525	79%	\$ 5,672	78%	N/A	N/A	N/A	N/A
(+) SBC	\$ 42	3%	\$ 48	3%	\$ 48	3%	\$ 49	3%	\$ 187	3%	\$ 52	3%	\$ 56	3%	\$ 58	3%	\$ 57	3%	\$ 224	3%	N/A	N/A	N/A	N/A
(+) Amort of Purchased Intangibles	\$ 12	1%	\$ 14	1%	\$ 17	1%	\$ 21	1%	\$ 64	1%	\$ 18	1%	\$ 18	1%	\$ 18	1%	\$ 18	1%	\$ 72	1%	N/A	N/A	N/A	N/A
(+) Business Combination and Other Related Costs	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ 2	0%	\$ -	0%	\$ 2	0%	N/A	N/A	N/A	N/A
Non-GAAP Gross Profit	\$ 1,115	82%	\$ 1,142	81%	\$ 1,227	81%	\$ 1,309	81%	\$ 4,794	81%	\$ 1,423	83%	\$ 1,437	82%	\$ 1,509	82%	\$ 1,600	83%	\$ 5,970	82%	N/A	N/A	N/A	N/A
GAAP Sales and Marketing	\$ 524	39%	\$ 557	40%	\$ 579	38%	\$ 632	39%	\$ 2,292	39%	\$ 673	39%	\$ 722	41%	\$ 697	38%	\$ 722	37%	\$ 2,814	39%	N/A	N/A	N/A	N/A
(-) Sales and Marketing SBC	\$ 93	7%	\$ 99	7%	\$ 101	7%	\$ 96	6%	\$ 389	7%	\$ 105	6%	\$ 113	6%	\$ 119	6%	\$ 122	6%	\$ 459	6%	N/A	N/A	N/A	N/A
(-) Sales and Marketing Amort of Purchased Intangibles	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ 1	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	N/A	N/A	N/A	N/A
Non-GAAP Sales and Marketing	\$ 431	32%	\$ 458	33%	\$ 478	32%	\$ 536	33%	\$ 1,902	32%	\$ 568	33%	\$ 609	35%	\$ 578	32%	\$ 600	31%	\$ 2,355	33%	N/A	N/A	N/A	N/A
GAAP Research and Development	\$ 314	23%	\$ 333	24%	\$ 358	24%	\$ 392	24%	\$ 1,397	24%	\$ 414	24%	\$ 444	25%	\$ 456	25%	\$ 454	23%	\$ 1,768	24%	N/A	N/A	N/A	N/A
(-) Research and Development SBC	\$ 88	6%	\$ 98	7%	\$ 102	7%	\$ 107	7%	\$ 395	7%	\$ 115	7%	\$ 126	7%	\$ 127	7%	\$ 127	7%	\$ 495	7%	N/A	N/A	N/A	N/A
(-) Research and Development Amort of Purchased Intangibles	\$ 1	0%	\$ -	0%	\$ -	0%	\$ 1	0%	\$ 1	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	N/A	N/A	N/A	N/A
(-) Research and Development Business Combination and Other Related Costs	\$ -	0%	\$ 1	0%	\$ 4	0%	\$ 5	0%	\$ 10	0%	\$ 5	0%	\$ 5	0%	\$ 6	0%	\$ 5	0%	\$ 21	0%	N/A	N/A	N/A	N/A
Non-GAAP Research and Development	\$ 225	17%	\$ 234	17%	\$ 252	17%	\$ 279	17%	\$ 991	17%	\$ 294	17%	\$ 313	18%	\$ 323	18%	\$ 322	17%	\$ 1,252	17%	N/A	N/A	N/A	N/A
GAAP General and Administrative	\$ 126	9%	\$ 139	10%	\$ 151	10%	\$ 180	11%	\$ 597	10%	\$ 179	10%	\$ 175	10%	\$ 187	10%	\$ 194	10%	\$ 735	10%	N/A	N/A	N/A	N/A
(-) General and Administrative SBC	\$ 33	2%	\$ 37	3%	\$ 40	3%	\$ 50	3%	\$ 160	3%	\$ 53	3%	\$ 56	3%	\$ 57	3%	\$ 57	3%	\$ 223	3%	N/A	N/A	N/A	N/A
(-) General and Administrative Amort of Purchased Intangibles	\$ 4	0%	\$ 2	0%	\$ 2	0%	\$ 2	0%	\$ 10	0%	\$ 2	0%	\$ 2	0%	\$ 2	0%	\$ 2	0%	\$ 8	0%	N/A	N/A	N/A	N/A
(-) General and Administrative Business Combination and Other Related Costs	\$ 2	0%	\$ 3	0%	\$ 2	0%	\$ 1	0%	\$ 8	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ 1	0%	\$ 1	0%	N/A	N/A	N/A	N/A
Non-GAAP General and Administrative	\$ 87	7%	\$ 97	7%	\$ 107	7%	\$ 127	8%	\$ 419	7%	\$ 124	7%	\$ 117	7%	\$ 128	7%	\$ 134	7%	\$ 503	7%	N/A	N/A	N/A	N/A
GAAP Income (Loss) from Operations	\$ 97	7%	\$ 51	4%	\$ 74	5%	\$ 35	2%	\$ 257	4%	\$ 87	5%	\$ 22	1%	\$ 91	5%	\$ 155	8%	\$ 355	5%	N/A	4%	N/A	7%
(+) SBC	\$ 256	19%	\$ 282	20%	\$ 291	19%	\$ 302	19%	\$ 1,131	19%	\$ 325	19%	\$ 352	20%	\$ 361	20%	\$ 363	19%	\$ 1,401	19%	N/A	19%	N/A	18%
(+) Amort of Purchased Intangibles	\$ 17	1%	\$ 16	1%	\$ 19	1%	\$ 24	2%	\$ 76	2%	\$ 20	1%	\$ 20	1%	\$ 20	1%	\$ 20	1%	\$ 80	1%	N/A	1%	N/A	1%
(+) Business Combination and Other Related Costs	\$ 2	0%	\$ 4	0%	\$ 7	1%	\$ 6	0%	\$ 18	0%	\$ 5	0%	\$ 5	0%	\$ 8	0%	\$ 6	0%	\$ 24	0%	N/A	0%	N/A	0%
(+) Legal Settlements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	N/A	0%	N/A	0%
Non-GAAP Income from Operations	\$ 372	27%	\$ 353	25%	\$ 391	26%	\$ 367	23%	\$ 1,482	25%	\$ 437	25%	\$ 399	23%	\$ 480	26%	\$ 544	28%	\$ 1,860	26%	N/A	24%	N/A	26%
GAAP Net Income (Loss)	\$ 82	6%	\$ 59	4%	\$ 63	5%	\$ 26	2%	\$ 230	4%	\$ 75	4%	\$ 20	1%	\$ 80	4%	\$ 150	8%	\$ 325	4%	N/A	N/A	N/A	N/A
(+) SBC	\$ 256	19%	\$ 282	20%	\$ 291	19%	\$ 302	19%	\$ 1,131	19%	\$ 325	19%	\$ 352	20%	\$ 361	20%	\$ 363	19%	\$ 1,401	19%	N/A	N/A	N/A	N/A
(+) Amort of Purchased Intangibles	\$ 17	1%	\$ 16	1%	\$ 19	1%	\$ 24	2%	\$ 76	1%	\$ 20	1%	\$ 20	1%	\$ 20	1%	\$ 20	1%	\$ 80	1%	N/A	N/A	N/A	N/A
(+) Business Combination and Other Related Costs	\$ 2	0%	\$ 4	0%	\$ 7	1%	\$ 6	0%	\$ 18	0%	\$ 5	0%	\$ 5	0%	\$ 8	0%	\$ 6	0%	\$ 24	0%	N/A	N/A	N/A	N/A
(+) Amortization of Debt Discount and Issuance Costs	\$ 2	0%	\$ 2	0%	\$ 2	0%	\$ 2	0%	\$ 7	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	N/A	N/A	N/A	N/A
(+) Loss on Early Note Conversions	\$ 2	0%	\$ 1	0%	\$ -	0%	\$ -	0%	\$ 3	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	N/A	N/A	N/A	N/A
(-) Income Tax Expense Effects Related to the Above Adjustments	\$ 55	4%	\$ 77	5%	\$ 68	5%	\$ 64	4%	\$ 264	4%	\$ 73	4%	\$ 68	4%	\$ 71	4%	\$ 75	4%	\$ 287	4%	N/A	N/A	N/A	N/A
Non-GAAP Net Income	\$ 306	22%	\$ 287	21%	\$ 314	21%	\$ 296	19%	\$ 1,201	20%	\$ 352	20%	\$ 329	19%	\$ 398	22%	\$ 464	24%	\$ 1,543	21%	N/A	N/A	N/A	N/A

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

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

in millions (except %'s and per share data)	Q1-21	Margin	Q2-21	Margin	Q3-21	Margin	Q4-21	Margin	2021	Margin	Q1'22	Margin	Q2'22	Margin	Q3'22	Margin	Q4'22	Margin	2022	Margin	Q1'23E	Margin	2023E	Margin
GAAP Weighted-Average Shares Used to Compute Net Income (Loss) per Share - Diluted	202	N/A	202	N/A	203	N/A	204	N/A	203	N/A	203	N/A	203	N/A	203	N/A	203	N/A	204	N/A	204	N/A	206	N/A
(+) Effects of Dilutive Time-based Awards ⁽³⁾	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	N/A	N/A	-	N/A
(-) Effects of In-the-money Portion of Convertible Senior Notes ⁽³⁾	1	N/A	-	N/A	-	N/A	1	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	1	N/A	N/A	N/A	-	N/A
(+) Effects of Warrants related to the Issuance of Convertible Senior Notes ⁽³⁾	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	N/A	N/A	-	N/A
(+) Effects of Stock Awards with Performance Conditions Not Yet	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	N/A	N/A	-	N/A
Non-GAAP Weighted-Average Shares Used to Compute Net Income per Share - Diluted	201	N/A	202	N/A	203	N/A	203	N/A	203	N/A	203	N/A	203	N/A	203	N/A	203	N/A	203	N/A	N/A	N/A	N/A	N/A
GAAP Net Income (Loss) per Share - Diluted	\$ 0.41	N/A	\$ 0.29	N/A	\$ 0.31	N/A	\$ 0.13	N/A	\$ 1.13	N/A	\$ 0.37	N/A	\$ 0.10	N/A	\$ 0.39	N/A	\$ 0.74	N/A	\$ 1.60	N/A	N/A	N/A	N/A	N/A
Non-GAAP Net Income per Share - Diluted	\$ 1.52	N/A	\$ 1.42	N/A	\$ 1.55	N/A	\$ 1.46	N/A	\$ 5.92	N/A	\$ 1.73	N/A	\$ 1.62	N/A	\$ 1.96	N/A	\$ 2.28	N/A	\$ 7.59	N/A	N/A	N/A	N/A	N/A
GAAP Net Cash Provided by Operating Activities	\$ 727	53%	\$ 300	21%	\$ 320	21%	\$ 844	52%	\$ 2,191	37%	\$ 863	50%	\$ 433	25%	\$ 265	15%	\$ 1,162	60%	\$ 2,723	38%	N/A	N/A	N/A	37%
(-) Purchases of Property and Equipment	\$ (107)	(8%)	\$ (91)	(6%)	\$ (94)	(6%)	\$ (100)	(6%)	\$ (392)	(7%)	\$ (93)	(5%)	\$ (151)	(9%)	\$ (162)	(9%)	\$ (144)	7%	\$ (550)	(8%)	N/A	N/A	N/A	(7%)
(+) Cash Paid for Legal Settlements	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	N/A	N/A	N/A	0%
(+) Repayments of Convertible Senior Notes attributable to Debt Discount	\$ 7	1%	\$ 6	0%	\$ 2	0%	\$ -	0%	\$ 15	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	N/A	N/A	N/A	0%
(+) Business combination and other related costs	\$ -	0%	\$ 53	4%	\$ -	0%	\$ -	0%	\$ 53	1%	\$ -	0%	\$ 5	0%	\$ -	0%	\$ 2	0%	\$ 7	0%	N/A	N/A	N/A	0%
Non-GAAP Free Cash Flow	\$ 627	46%	\$ 268	19%	\$ 228	15%	\$ 744	46%	\$ 1,867	32%	\$ 770	45%	\$ 287	16%	\$ 103	6%	\$ 1,020	53%	\$ 2,180	30%	N/A	N/A	N/A	30%

⁽³⁾ Effects of dilutive time-based stock awards, in-the-money portion of convertible senior notes and warrants are included in the GAAP weighted-average diluted shares in periods where we have/forecast GAAP net income. We exclude the in-the-money portion of convertible senior notes for non-GAAP weighted-average diluted shares as they are covered by our note hedges. We include stock awards with performance conditions not yet satisfied for non-GAAP weighted-average diluted shares at forecasted attainment levels to the extent we believe it is probable that the performance condition will be met.

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