

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended April 30, 2024

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission File Number: 001-36121



Veeva Systems Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

20-8235463

(IRS Employer
Identification No.)

4280 Hacienda Drive

Pleasanton , California , 94588

(Address of principal executive offices, including zip code)

(Registrant's telephone number, including area code)(925) 452-6500

(Former name, former address and former fiscal year, if changed since last report)N/A

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A Common Stock, par value \$0.00001 per share	VEEV	The New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of May 31, 2024, there were 161,651,713 shares of the Registrant's Class A common stock outstanding. We refer to our Class A common stock as our "common stock."

VEEVA SYSTEMS INC.
FORM 10-Q

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report on Form 10-Q contains forward-looking statements that are based on our beliefs and assumptions and on information currently available to us. Forward-looking statements include information concerning our possible or assumed future results of operations and expenses, business strategies and plans, trends, market sizing, competitive position, industry environment, potential growth opportunities, and product capabilities among other things. Forward-looking statements include all statements that are not historical facts and, in some cases, can be identified by terms such as “aim,” “anticipates,” “believes,” “could,” “estimates,” “expects,” “goal,” “intends,” “may,” “plans,” “potential,” “predicts,” “projects,” “seeks,” “should,” “strive,” “will,” “would,” or similar expressions and the negatives of those terms.

Forward-looking statements are based on our current views and expectations and involve known and unknown risks, uncertainties and other factors—including those described in “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and elsewhere in this report—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. Given these uncertainties, you should not place undue reliance on these forward-looking statements.

Any forward-looking statements in this report are made only as of the date of this report. Except as required by law, we disclaim any obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

As used in this report, the terms “Veeva,” “Registrant,” “the Company,” “we,” “us,” and “our” mean Veeva Systems Inc. and its subsidiaries unless the context indicates otherwise.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

VEEVA SYSTEMS INC. CONDENSED CONSOLIDATED BALANCE SHEETS (In thousands, except number of shares and par value) (Unaudited)

	April 30, 2024	January 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,197,196	\$ 703,487
Short-term investments	3,567,841	3,324,269
Accounts receivable, net of allowance for doubtful accounts of \$ 216 and \$ 520 , respectively	362,320	852,172
Unbilled accounts receivable	38,771	36,365
Prepaid expenses and other current assets	78,820	86,918
Total current assets	5,244,948	5,003,211
Property and equipment, net	58,042	58,532
Deferred costs, net	23,967	23,916
Lease right-of-use assets	44,583	45,602
Goodwill	439,877	439,877
Intangible assets, net	58,231	63,017
Deferred income taxes	266,060	233,463
Other long-term assets	51,850	43,302
Total assets	\$ 6,187,558	\$ 5,910,920
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 31,930	\$ 31,513
Accrued compensation and benefits	38,755	43,433
Accrued expenses and other current liabilities	41,187	32,980
Income tax payable	71,567	11,862
Deferred revenue	1,029,455	1,049,761
Lease liabilities	10,392	9,334
Total current liabilities	1,223,286	1,178,883
Deferred income taxes	705	2,052
Lease liabilities, noncurrent	45,351	46,441
Other long-term liabilities	28,835	38,720
Total liabilities	1,298,177	1,266,096
Commitments and contingencies (note 13)		
Stockholders' equity:		
Common stock	2	2
Additional paid-in capital	2,017,904	1,915,002
Accumulated other comprehensive loss	(30,646)	(10,637)
Retained earnings	2,902,121	2,740,457
Total stockholders' equity	4,889,381	4,644,824
Total liabilities and stockholders' equity	\$ 6,187,558	\$ 5,910,920

See Notes to Condensed Consolidated Financial Statements.

VEEVA SYSTEMS INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands, except per share data)
(Unaudited)

	Three months ended April 30,	
	2024	2023
Revenues:		
Subscription services	\$ 533,955	\$ 414,546
Professional services and other	116,390	111,779
Total revenues	650,345	526,325
Cost of revenues⁽¹⁾:		
Cost of subscription services	78,148	67,575
Cost of professional services and other	95,736	99,088
Total cost of revenues	173,884	166,663
Gross profit	476,461	359,662
Operating expenses⁽¹⁾:		
Research and development	162,711	146,960
Sales and marketing	97,301	88,503
General and administrative	61,277	62,669
Total operating expenses	321,289	298,132
Operating income	155,172	61,530
Other income, net	51,729	30,248
Income before income taxes	206,901	91,778
Income tax provision (benefit)	45,237	(39,743)
Net income	\$ 161,664	\$ 131,521
Net income per share:		
Basic	\$ 1.00	\$ 0.82
Diluted	\$ 0.98	\$ 0.81
Weighted-average shares used to compute net income per share:		
Basic	161,421	159,852
Diluted	164,394	162,521
Other comprehensive income:		
Net change in unrealized (loss) gain on available-for-sale investments	\$ (18,861)	\$ 5,428
Net change in cumulative foreign currency translation loss	(1,148)	(58)
Comprehensive income	\$ 141,655	\$ 136,891
(1) Includes stock-based compensation as follows:		
Cost of revenues:		
Cost of subscription services	\$ 1,554	\$ 1,505
Cost of professional services and other	12,535	12,722
Research and development	41,743	38,906
Sales and marketing	23,043	20,135
General and administrative	17,036	17,451
Total stock-based compensation	\$ 95,911	\$ 90,719

See Notes to Condensed Consolidated Financial Statements.

VEEVA SYSTEMS INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands, except share data)
(Unaudited)

	Three months ended April 30, 2024					
	Common stock		Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Total stockholders' equity
	Shares	Amount				
Balances at beginning of period	161,260,172	\$ 2	\$ 1,915,002	\$ 2,740,457	\$ (10,637)	\$ 4,644,824
Issuance of common stock upon exercise of stock options	178,777	—	28,434	—	—	28,434
Issuance of common stock upon vesting of restricted stock units	295,043	—	—	—	—	—
Shares withheld related to net share settlement	(109,381)	—	(24,958)	—	—	(24,958)
Stock-based compensation expense	—	—	99,426	—	—	99,426
Change in other comprehensive loss	—	—	—	—	(20,009)	(20,009)
Net income	—	—	—	161,664	—	161,664
Balances at end of period	161,624,611	\$ 2	\$ 2,017,904	\$ 2,902,121	\$ (30,646)	\$ 4,889,381

	Three months ended April 30, 2023					
	Class A & B common stock ⁽¹⁾		Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Total stockholders' equity
	Shares	Amount				
Balances at beginning of period	158,244,607	\$ 2	\$ 1,532,627	\$ 2,214,752	\$ (31,129)	\$ 3,716,252
Issuance of common stock upon exercise of stock options	1,788,009	—	15,233	—	—	15,233
Issuance of common stock upon vesting of restricted stock units	260,782	—	—	—	—	—
Shares withheld related to net share settlement	(93,166)	—	(16,987)	—	—	(16,987)
Stock-based compensation expense	—	—	91,674	—	—	91,674
Change in other comprehensive loss	—	—	—	—	5,370	5,370
Net income	—	—	—	131,521	—	131,521
Balances at end of period	160,200,232	\$ 2	\$ 1,622,547	\$ 2,346,273	\$ (25,759)	\$ 3,943,063

(1) Class B common stock was converted to Class A common stock on October 15, 2023. We refer to our Class A common stock as common stock. See [note 12](#) Net Income per Share.

See Notes to Condensed Consolidated Financial Statements.

VEEVA SYSTEMS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Three months ended April 30,	
	2024	2023
Cash flows from operating activities		
Net income	\$ 161,664	\$ 131,521
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	8,499	7,549
Reduction of operating lease right-of-use assets	2,783	3,060
Accretion of discount on short-term investments	(6,187)	(3,407)
Stock-based compensation	95,911	90,719
Amortization of deferred costs	3,803	5,052
Deferred income taxes	(26,539)	(21,514)
Loss on foreign currency from mark-to-market derivative	1,082	180
Bad debt (recovery) expense	(152)	155
Changes in operating assets and liabilities:		
Accounts receivable	490,004	289,960
Unbilled accounts receivable	(2,406)	44,104
Deferred costs	(3,854)	3,607
Prepaid expenses and other current and long-term assets	8,160	(36,298)
Accounts payable	280	1,955
Accrued expenses and other current liabilities	2,597	(3,344)
Income taxes payable	59,705	(329)
Deferred revenue	(31,292)	(1,221)
Operating lease liabilities	(1,643)	(2,693)
Other long-term liabilities	1,101	(3,120)
Net cash provided by operating activities	763,516	505,936
Cash flows from investing activities		
Purchases of short-term investments	(777,831)	(612,492)
Maturities and sales of short-term investments	513,929	318,056
Long-term assets	(8,476)	(2,958)
Net cash used in investing activities	(272,378)	(297,394)
Cash flows from financing activities		
Proceeds from exercise of common stock options	28,434	15,233
Taxes paid related to net share settlement of equity awards	(24,606)	(16,625)
Net cash provided by (used in) financing activities	3,828	(1,392)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(1,257)	19
Net change in cash, cash equivalents, and restricted cash	493,709	207,169
Cash, cash equivalents, and restricted cash at beginning of period	706,670	889,650
Cash, cash equivalents, and restricted cash at end of period	\$ 1,200,379	\$ 1,096,819
Cash, cash equivalents, and restricted cash at end of period:		
Cash and cash equivalents	\$ 1,197,196	\$ 1,093,634
Restricted cash included in other long-term assets	3,183	3,185
Total cash, cash equivalents, and restricted cash at end of period	\$ 1,200,379	\$ 1,096,819
Supplemental disclosures of other cash flow information:		
Cash paid for income taxes, net of refunds	\$ 4,229	\$ 1,034
Excess tax benefits from employee stock plans	\$ 3,121	\$ 62,089

See Notes to Condensed Consolidated Financial Statements.

VEEVA SYSTEMS INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1. Summary of Business and Significant Accounting Policies

Description of Business

Veeva is the leading provider of industry cloud solutions for the global life sciences industry. Our offerings span cloud software, data, analytics, professional services, and business consulting and are designed to meet the unique needs of our customers and their most strategic business functions—from research and development (R&D) through commercialization. Our solutions help life sciences companies develop and bring products to market faster and more efficiently, market and sell more effectively, and maintain compliance with government regulations. Our Commercial Solutions help life sciences companies achieve better, more intelligent engagement with healthcare professionals and healthcare organizations across multiple communication channels, and plan and execute more effective media and marketing campaigns. Our R&D Solutions for the clinical, quality, regulatory, and safety functions help life sciences companies streamline their end-to-end product development processes to increase operational efficiency and maintain regulatory compliance throughout the product life cycle. We also bring the benefits of our content and data management solutions to a set of customers outside of life sciences in the consumer product and chemical industries. Our fiscal year end is January 31.

Principles of Consolidation and Basis of Presentation

These unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States (GAAP) and applicable rules and regulations of the Securities and Exchange Commission (SEC) regarding interim financial reporting and include the accounts of our wholly-owned subsidiaries after elimination of intercompany balances and transactions. Certain information and note disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. Therefore, these condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes included in our Annual Report on Form 10-K for the fiscal year ended January 31, 2024, filed on March 25, 2024. There have been no changes to our significant accounting policies described in the annual report that have had a material impact on our condensed consolidated financial statements and related notes.

The unaudited condensed consolidated balance sheet as of January 31, 2024 included herein was derived from the audited financial statements as of that date. These unaudited condensed consolidated financial statements reflect all normal recurring adjustments necessary to present fairly our financial position, results of operations, comprehensive income, and cash flows for the interim periods but are not necessarily indicative of the results of operations to be anticipated for the full fiscal year ending January 31, 2025 or any other period.

New Accounting Pronouncements Issued and Not Yet Adopted

Improvements to Reportable Segment Disclosures

In November 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. This new standard is effective for our fiscal year beginning on February 1, 2024 and interim periods beginning on February 1, 2025 on a retrospective basis. We are currently evaluating this ASU to determine its impact on our disclosures.

Improvements to Income Tax Disclosures

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires disaggregation of rate reconciliation categories and income taxes paid by jurisdiction, among other amendments. This new standard is effective for our fiscal year beginning on February 1, 2025 on a prospective basis and retrospective application is permitted. We are currently evaluating this ASU to determine its impact on our disclosures.

Note 2. Short-Term Investments

As of April 30, 2024, short-term investments consisted of the following (in thousands):

	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Available-for-sale securities:				
Certificates of deposits	\$ 98,650	\$ 23	\$ (55)	\$ 98,618
Asset-backed securities	659,618	571	(3,834)	656,355
Commercial paper	284,131	6	(119)	284,018
Corporate notes and bonds	1,719,063	673	(12,669)	1,707,067
Foreign government bonds	54,834	—	(456)	54,378
Municipal securities	76,780	41	(473)	76,348
U.S. agency obligations	55,920	—	(211)	55,709
U.S. treasury securities	642,726	—	(7,378)	635,348
Total available-for-sale securities	<u>\$ 3,591,722</u>	<u>\$ 1,314</u>	<u>\$ (25,195)</u>	<u>\$ 3,567,841</u>

As of January 31, 2024, short-term investments consisted of the following (in thousands):

	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Available-for-sale securities:				
Certificates of deposits	\$ 94,210	\$ 87	\$ (14)	\$ 94,283
Asset-backed securities	605,852	2,916	(1,787)	606,981
Commercial paper	144,218	47	(20)	144,245
Corporate notes and bonds	1,581,382	8,835	(5,188)	1,585,029
Foreign government bonds	50,180	206	(180)	50,206
Municipal securities	79,404	301	(231)	79,474
U.S. agency obligations	49,372	232	(12)	49,592
U.S. treasury securities	717,015	1,268	(3,824)	714,459
Total available-for-sale securities	<u>\$ 3,321,633</u>	<u>\$ 13,892</u>	<u>\$ (11,256)</u>	<u>\$ 3,324,269</u>

The following table summarizes the estimated fair value of our short-term investments, designated as available-for-sale and classified by the contractual maturity date of the securities as of the dates shown (in thousands):

	April 30, 2024	January 31, 2024
Due in one year or less	\$ 1,164,946	\$ 919,871
Due in greater than one year	2,402,895	2,404,398
Total	<u>\$ 3,567,841</u>	<u>\$ 3,324,269</u>

We have not recorded an allowance for credit losses, as we believe any such losses would be immaterial based on the high credit quality of our investments. It is more likely than not we will hold the securities until maturity or a recovery of the cost basis.

The following table shows the fair values of available-for-sale securities which were in an unrealized loss position, aggregated by investment category, as of April 30, 2024 (in thousands):

	12 months or less		Greater than 12 months	
	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses
Certificates of deposits	\$ 66,055	\$ (55)	\$ —	\$ —
Asset-backed securities	415,388	(2,530)	91,285	(1,304)
Commercial paper	257,932	(119)	—	—
Corporate notes and bonds	1,191,177	(9,496)	235,212	(3,173)
Foreign government bonds	41,939	(336)	12,439	(120)
Municipal securities	44,941	(392)	16,998	(81)
U.S. agency obligations	55,709	(211)	—	—
U.S. treasury securities	498,599	(5,163)	136,749	(2,215)

The following table shows the fair values of available-for-sale securities which were in an unrealized loss position, aggregated by investment category, as of January 31, 2024 (in thousands):

	12 months or less		Greater than 12 months	
	Fair value	Gross unrealized losses	Fair Value	Gross unrealized losses
Certificates of deposits	\$ 22,465	\$ (14)	\$ —	\$ —
Asset-backed securities	120,543	(343)	105,419	(1,444)
Commercial paper	70,037	(20)	—	—
Corporate notes and bonds	394,823	(1,560)	280,092	(3,628)
Foreign government bonds	8,915	(19)	9,784	(161)
Municipal securities	31,418	(122)	13,686	(109)
U.S. agency obligations	1,795	(3)	4,991	(9)
U.S. treasury securities	280,946	(1,227)	204,274	(2,597)

Note 3. Deferred Costs

Deferred costs, which consist of deferred sales commissions, was \$ 24 million as of both April 30, 2024 and January 31, 2024. Amortization expense for the deferred costs included in sales and marketing expenses in the condensed consolidated statements of comprehensive income was \$ 4 million for the three months ended April 30, 2024 and \$ 5 million for the three months ended April 30, 2023. There have been no impairment losses recorded in relation to the costs capitalized for any period presented.

Note 4. Property and Equipment, Net

Property and equipment, net consists of the following as of the dates shown (in thousands):

	April 30, 2024	January 31, 2024
Land	\$ 3,040	\$ 3,040
Building	20,984	20,984
Land improvements and building improvements	22,392	22,392
Equipment and computers	2,602	2,551
Furniture and fixtures	15,638	15,498
Leasehold improvements	30,915	30,793
Construction in progress	202	31
	95,773	95,289
Less accumulated depreciation	(37,731)	(36,757)
Total property and equipment, net	\$ 58,042	\$ 58,532

Total depreciation expense was immaterial for the three months ended April 30, 2024 and 2023. Land is not depreciated.

Note 5. Goodwill and Intangible Assets

Goodwill was \$ 440 million as of both April 30, 2024 and January 31, 2024.

The following schedule presents the details of intangible assets as of April 30, 2024 (dollar amounts in thousands):

	April 30, 2024			
	Gross carrying amount	Accumulated amortization	Net	Remaining useful life (in years)
Existing technology	\$ 28,580	\$ (21,686)	\$ 6,894	1.7
Customer relationships	113,157	(64,575)	48,582	5.1
Trade name and trademarks	13,900	(12,574)	1,326	0.5
Other intangibles	21,405	(19,976)	1,429	2.1
Total intangible assets	<u>\$ 177,042</u>	<u>\$ (118,811)</u>	<u>\$ 58,231</u>	

The following schedule presents the details of intangible assets as of January 31, 2024 (dollar amounts in thousands):

	January 31, 2024			
	Gross carrying amount	Accumulated amortization	Net	Remaining useful life (in years)
Existing technology	\$ 28,580	\$ (20,646)	\$ 7,934	2.0
Customer relationships	113,157	(61,755)	51,402	5.3
Trade name and trademarks	13,900	(11,925)	1,975	0.8
Other intangibles	21,405	(19,699)	1,706	2.2
Total intangible assets	<u>\$ 177,042</u>	<u>\$ (114,025)</u>	<u>\$ 63,017</u>	

Amortization expense associated with intangible assets was \$ 5 million for the three months ended April 30, 2024 and 2023.

As of April 30, 2024, the estimated amortization expense for intangible assets was as follows (in thousands):

Fiscal Year	Estimated amortization expense
Remaining for 2025	\$ 13,771
2026	14,147
2027	8,922
2028	7,778
2029	7,782
Thereafter	5,831
Total	<u>\$ 58,231</u>

Note 6. Accrued Expenses

Accrued expenses consisted of the following as of the dates shown (in thousands):

	April 30, 2024	January 31, 2024
Accrued commissions	\$ 3,168	\$ 9,848
Accrued bonus	3,545	3,481
Accrued vacation ⁽¹⁾	8,296	7,375
Payroll tax payable	13,771	13,829
Accrued other compensation and benefits	9,975	8,900
Total accrued compensation and benefits	<u>\$ 38,755</u>	<u>\$ 43,433</u>
Accrued fees payable to Salesforce, Inc.	6,536	\$ 6,562
Taxes payable	5,881	7,632
Other accrued expenses ⁽²⁾	28,770	18,786
Total accrued expenses and other current liabilities	<u>\$ 41,187</u>	<u>\$ 32,980</u>

⁽¹⁾ Represents accrued vacation primarily for international employees. Vacation does not accrue for most U.S. employees.

⁽²⁾ Prior period balances were adjusted to conform with current period presentation.

Note 7. Fair Value Measurements

The carrying amounts of accounts receivable and other current assets, accounts payable, and accrued liabilities approximate their fair value due to their short-term nature.

Financial assets and liabilities recorded at fair value in the condensed consolidated financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels, which are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities, are as follows:

Level 1—Observable inputs, such as quoted prices in active markets for identical assets or liabilities.

Level 2—Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Financial assets and liabilities measured at fair value are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement requires management to make judgments and considers factors specific to the asset or liability.

The following table presents the fair value hierarchy for financial assets and liabilities measured at fair value on a recurring basis as of April 30, 2024 (in thousands):

	Level 1	Level 2	Total
Assets			
Cash equivalents:			
Money market funds	\$ 292,069	\$ —	\$ 292,069
U.S. Treasury securities	—	67,891	67,891
Commercial paper	—	35,543	35,543
Short-term investments:			
Certificates of deposit	—	98,618	98,618
Asset-backed securities	—	656,355	656,355
Commercial paper	—	284,018	284,018
Corporate notes and bonds	—	1,707,067	1,707,067
Foreign government bonds	—	54,378	54,378
Municipal securities	—	76,348	76,348
U.S. agency obligations	—	55,709	55,709
U.S. Treasury securities	—	635,348	635,348
Foreign currency derivative contracts	—	108	108
Total financial assets	\$ 292,069	\$ 3,671,383	\$ 3,963,452
Liabilities			
Foreign currency derivative contracts	\$ —	\$ (806)	\$ (806)
Total financial liabilities	\$ —	\$ (806)	\$ (806)

The following table presents the fair value hierarchy for financial assets and liabilities measured at fair value on a recurring basis as of January 31, 2024 (in thousands):

	Level 1	Level 2	Total
Assets			
Cash equivalents:			
Money market funds	\$ 73,197	\$ —	\$ 73,197
U.S. Treasury securities	—	9,969	9,969
Short-term investments:			
Certificates of deposit	—	94,283	94,283
Asset-backed securities	—	606,981	606,981
Commercial paper	—	144,245	144,245
Corporate notes and bonds	—	1,585,029	1,585,029
Foreign government bonds	—	50,206	50,206
Municipal securities	—	79,474	79,474
U.S. agency obligations	—	49,592	49,592
U.S. Treasury securities	—	714,459	714,459
Foreign currency derivative contracts	—	616	616
Total financial assets	\$ 73,197	\$ 3,334,854	\$ 3,408,051
Liabilities			
Foreign currency derivative contracts	—	\$ (232)	\$ (232)
Total financial liabilities	\$ —	\$ (232)	\$ (232)

We determine the fair value of our security holdings based on pricing from our service providers and market prices from industry-standard independent data providers. The valuation techniques used to measure the fair value of financial instruments having Level 2 inputs were derived from non-binding consensus prices that are corroborated by observable market data or quoted market prices for similar instruments. Such market prices may be quoted prices in active markets for identical assets (Level 1 inputs) or pricing determined using inputs other than quoted prices that are observable either directly or indirectly (Level 2 inputs).

Balance Sheet Hedges

We enter into foreign currency forward contracts in order to hedge our foreign currency exposure. These forward contracts are not designated as hedging instruments under applicable accounting guidance, and therefore, we account for them at fair value with changes in the fair value recorded as a component of other income, net in our condensed consolidated statements of comprehensive income. Cash flows from such forward contracts are classified as operating activities. The realized foreign currency gains were not material for both the three months ended April 30, 2024 and 2023.

The fair value of our outstanding derivative instruments is summarized below (in thousands):

	April 30, 2024	January 31, 2024
Notional amount of foreign currency derivative contracts	\$ 133,096	\$ 201,407
Fair value of foreign currency derivative contracts	133,909	201,024

Note 8. Income Taxes

For the three months ended April 30, 2024 and 2023, our effective tax rates were 21.9 % and (43.3)%, respectively. During the three months ended April 30, 2024, as compared to the prior year period, our effective tax rate increased primarily due to reduced excess tax benefits related to equity compensation. We recognized excess tax benefits of \$ 4 million and \$ 64 million in our provision for income taxes for the three months ended April 30, 2024 and 2023, respectively. The decrease in excess tax benefits during the three months ended April 30, 2024 was primarily due to stock option exercises by our Chief Executive Officer in the prior year and none in the current year.

Note 9. Deferred Revenue, Performance Obligations, and Unbilled Accounts Receivable

Of the beginning deferred revenue balance for the respective periods, we recognized \$ 440 million of subscription services revenue for the three months ended April 30, 2024 and \$ 354 million for the three months ended April 30, 2023. Professional services revenue recognized in the same periods from deferred revenue balances at the beginning of the respective periods was immaterial.

Transaction Price Allocated to the Remaining Performance Obligations

As of April 30, 2024, the amount of the transaction price allocated to remaining performance obligations for non-cancellable subscription services contracts greater than one year was not significant with the substantial majority of such allocated transaction price included in deferred revenue and expected to be recognized over the next 12 months.

Unbilled Accounts Receivable

As of April 30, 2024, unbilled accounts receivable consisted of (i) a receivable of \$ 35 million primarily for revenue recognized for professional services performed but not yet billed and (ii) a contract asset of \$ 4 million primarily related to professional services performed but for which we are not contractually able to invoice until a future period.

As of January 31, 2024, unbilled accounts receivable consisted of (i) a receivable of \$ 32 million primarily for revenue recognized for professional services performed but not yet billed and (ii) a contract asset of \$ 4 million primarily related to professional services performed but for which we are not contractually able to invoice until a future period.

Note 10. Leases

We have operating leases for our corporate offices. Our leases have various expiration dates through 2034, some of which include options to extend the leases for up to seven years . Additionally, we are the sublessor for certain office space. Our sublease income for each of the three months ended April 30, 2024 and 2023 was immaterial.

For the three months ended April 30, 2024 and 2023, our operating lease expense was \$ 4 million.

Supplemental cash flow information related to leases was as follows (in thousands):

	Three months ended April 30,	
	2024	2023
Cash paid for operating lease liabilities	\$ 2,253	\$ 3,295
Operating lease right-of-use assets obtained in exchange for new operating lease liabilities	605	—

Supplemental balance sheet information related to operating leases was as follows:

	April 30, 2024	January 31, 2024
Weighted Average Remaining Lease Term	6.5 years	6.6 years
Weighted Average Discount Rate	4.4 %	4.4 %

As of April 30, 2024, remaining maturities of operating lease liabilities are as follows (in thousands):

Fiscal Year	
Remaining for 2025	\$ 9,552
2026	11,037
2027	10,027
2028	9,181
2029	6,626
Thereafter	18,274
Total operating lease payments	64,697
Less imputed interest	(8,954)
Total operating lease liabilities	\$ 55,743

Note 11. Stockholders' Equity

Common Stock

As of April 30, 2024, we had 161,624,611 shares of common stock outstanding.

Stock Option Activity

A summary of stock option activity for the three months ended April 30, 2024 is as follows:

	Number of shares	Weighted average exercise price	Weighted average remaining contractual term (in years)	Aggregate intrinsic value (in millions)
Options outstanding at January 31, 2024	11,147,810	\$ 157.20	6.7	\$ 626
Options granted	1,914,837	214.82		
Options exercised	(178,777)	159.05		
Options forfeited/cancelled	(132,323)	208.61		
Options outstanding at April 30, 2024	12,751,547	\$ 165.33	6.9	\$ 551
Options vested and exercisable at April 30, 2024	6,180,088	\$ 136.47	5.4	\$ 441
Options vested and exercisable at April 30, 2024 and expected to vest thereafter	12,751,547	\$ 165.33	6.9	\$ 551

The options granted during the three months ended April 30, 2024 were predominantly made in connection with our annual performance review cycle. The weighted average grant-date fair value of options granted was \$ 101.26 per option for the three months ended April 30, 2024.

As of April 30, 2024, there was \$ 485 million in unrecognized compensation cost related to unvested stock options granted under the 2012 Equity Incentive Plan and 2013 Equity Incentive Plan. This cost is expected to be recognized over a weighted average period of 2.6 years.

As of April 30, 2024, we had authorized and unissued shares of common stock sufficient to satisfy exercises of stock options.

The total intrinsic value of options exercised was approximately \$ 12 million for the three months ended April 30, 2024.

Stock Option Valuation Assumptions

The following table presents the weighted-average assumptions used to estimate the grant date fair value of options granted during the periods presented:

	Three months ended April 30,					
	2024			2023		
Volatility	40 %	-	41 %	39 %	-	40 %
Expected term (in years)	6.25	-	7.00	6.25	-	7.00
Risk-free interest rate	4.12 %	-	4.65 %	3.34 %	-	3.99 %
Dividend yield	— %			— %		

Restricted Stock Units

A summary of restricted stock unit (RSU) activity for the three months ended April 30, 2024 is as follows:

	Unreleased restricted stock units	Weighted average grant date fair value
Balance at January 31, 2024	1,011,731	\$ 192.77
RSUs granted	882,706	214.83
RSUs vested	(295,043)	179.19
RSUs forfeited/cancelled	(15,610)	202.48
Balance at April 30, 2024	1,583,784	207.50

As of April 30, 2024, there was a total of \$ 252 million in unrecognized compensation cost related to unvested RSUs. This cost is expected to be recognized over a weighted-average period of approximately 1.4 years. The total grant date fair value of RSUs vested was \$ 67 million for the three months ended April 30, 2024.

Note 12. Net Income per Share

Basic net income per share is computed by dividing net income by the weighted-average number of shares of common stock outstanding during the period.

Diluted net income per share is computed by dividing net income by the weighted-average shares outstanding, including potentially dilutive shares of common equivalents outstanding during the period. The dilutive effect of potential shares of common stock are determined using the treasury stock method.

On October 15, 2023, all of our outstanding shares of Class B common stock automatically converted into the same number of shares of Class A common stock pursuant to the terms of our then effective Amended and Restated Certificate of Incorporation. Because shares of Class B common stock were outstanding for the three months ended April 30, 2023, we have disclosed earnings per share for Class A and Class B common stock for the three months ended April 30, 2023. For the three months ended April 30, 2023, the computation of fully diluted net income per share of Class A common stock assumes the conversion from Class B common stock, while the fully diluted net income per share of Class B common stock does not assume the conversion of those shares.

The numerators and denominators of the basic and diluted net income per share computations for our common stock are calculated as follows (in thousands, except per share data):

	Three months ended April 30,		
	2024	2023	
	Common	Class A	Class B
Basic			
Numerator			
Net income, basic	\$ 161,664	\$ 119,574	\$ 11,947
Denominator			
Weighted average shares used in computing net income per share, basic	161,421	145,332	14,520
Net income per share, basic	\$ 1.00	\$ 0.82	\$ 0.82
Diluted			
Numerator			
Net income, basic	\$ 161,664	\$ 119,574	\$ 11,947
Reallocation as a result of conversion of Class B to Class A common stock:			
Net income, basic	—	11,947	—
Reallocation of net income to Class B common stock	—	—	1,964
Net income, diluted	\$ 161,664	\$ 131,521	\$ 13,911
Denominator			
Number of shares used for basic net income per share computation	161,421	145,332	14,520
Conversion of Class B to Class A common stock	—	14,520	—
Effect of potentially dilutive common shares	2,973	2,669	2,669
Weighted average shares used in computing net income per share, diluted	164,394	162,521	17,189
Net income per share, diluted	\$ 0.98	\$ 0.81	\$ 0.81

Potential common share equivalents excluded where the inclusion would be anti-dilutive are as follows:

	Three months ended April 30,	
	2024	2023
Options and awards	2,972,590	5,749,358

Note 13. Commitments and Contingencies

Litigation

IQVIA Litigation Matters

Veeva OpenData/Network Action.

On January 10, 2017, IQVIA Inc. (formerly Quintiles IMS Incorporated) and IMS Software Services, Ltd. (collectively, "IQVIA") filed a complaint against us in the U.S. District Court for the District of New Jersey (IQVIA Inc. v. Veeva Systems Inc. (No. 2:17-cv-00177)). In the complaint, IQVIA alleges that we used unauthorized access to proprietary IQVIA data to improve our software and data products and that our software is designed to steal IQVIA trade secrets. IQVIA further alleges that we have intentionally gained unauthorized access to IQVIA proprietary information to gain an unfair advantage in marketing our products and that we have made false statements concerning IQVIA's conduct and our data security capabilities. IQVIA asserts claims under both federal and state misappropriation of trade secret laws, federal false advertising law, and common law claims for unjust enrichment, tortious interference, and unfair trade practices. The complaint seeks declaratory and injunctive relief and unspecified monetary damages.

On March 13, 2017, we filed our answer denying IQVIA's claims and filed counterclaims. Our counterclaims allege that IQVIA, as the dominant provider of data for life sciences companies, has abused monopoly power to exclude Veeva OpenData and Veeva Network from their respective markets. The counterclaims allege that IQVIA has engaged in various tactics to prevent customers from using our applications and has deliberately raised costs and increased the difficulty of attempting to switch from IQVIA data to our data products. As amended, our counterclaims assert federal and state antitrust claims, as well as claims under California's Unfair Practices Act and common law claims for intentional interference with contractual relations, intentional interference with prospective economic advantage, and negligent misrepresentation. The counterclaims seek injunctive relief, monetary damages exceeding \$ 200 million, and attorneys' fees. On October 3, 2018, the court denied IQVIA's motion to dismiss our antitrust claims.

On February 18, 2020, IQVIA filed a motion for sanctions against Veeva, seeking default judgment and dismissal and, in the alternative, an adverse inference at trial related to discovery disputes. On May 7, 2021, the special master appointed to oversee litigation discovery ruled against IQVIA's request for default judgment and dismissal and ruled in IQVIA's favor with respect to certain other matters, including recommending to the trial judge that a permissive adverse inference instruction be issued to the jury with respect to certain documents that were not preserved by Veeva. Should the trial judge accept the recommendation, the jury would be permitted, but not required, to infer that certain evidence not preserved by Veeva would have been unfavorable to Veeva, if the jury first concludes that Veeva controlled the evidence, that the evidence was relevant, and that Veeva should have preserved the evidence. The jury is also likely to be instructed that it may also consider whether the non-preserved evidence was duplicative of other evidence produced by Veeva and whether Veeva's conduct was reasonable in light of all circumstances. Veeva was also ordered to pay IQVIA's fees and expenses incurred in connection with portions of its sanctions motion. On June 4, 2021, we appealed the special master's ruling and IQVIA's fee award to the federal district court judge.

Veeva Nitro Action.

On July 17, 2019, IQVIA filed a lawsuit in the U.S. District Court for the District of New Jersey (IQVIA Inc. v. Veeva Systems Inc. (No. 2:19-cv-15517)) (IQVIA Declaratory Action) seeking a declaratory judgment that IQVIA is not liable to Veeva for disallowing use of IQVIA's data products in Veeva Nitro or any later-introduced Veeva software products. The IQVIA Declaratory Action does not seek any monetary relief.

On July 18, 2019, we filed a lawsuit against IQVIA in the U.S. District Court for the Northern District of California (Veeva Systems Inc. v. IQVIA Inc. (No. 3:19-cv-04137)) (Veeva Nitro Action), alleging that IQVIA engaged in anticompetitive conduct as to Veeva Nitro. Our complaint asserts federal and state antitrust claims, as well as claims under California's Unfair Competition Law and common law claims for intentional interference with contractual relations and intentional interference with prospective economic advantage. The complaint seeks injunctive relief and monetary damages. IQVIA filed its answer and affirmative defenses on September 5, 2019.

On September 26, 2019, the Northern District of California transferred the Veeva Nitro Action to the District of New Jersey (Veeva Systems Inc. v. IQVIA Inc. (No. 2:19-cv-18558)). On March 24, 2020, we amended our complaint in the Veeva Nitro Action to include allegations of IQVIA's anticompetitive conduct as to additional Veeva software applications, such as Veeva Andi, Veeva Align, and Veeva Vault MedComms; additional examples of IQVIA's monopolistic behavior against Veeva Nitro; IQVIA's unlawful access of Veeva's proprietary software products; and a request for declaratory relief. IQVIA answered the amended complaint on May 22, 2020. On August 21, 2020, the District of New Jersey consolidated the Veeva Nitro Action and IQVIA Declaratory Action.

Fact discovery in both the Veeva OpenData/Network Action and the Veeva Nitro Action is largely complete and expert discovery in both cases was completed in October 2023.

The federal district court presiding over all of the IQVIA Litigation Matters has bifurcated the claims for trial such that IQVIA's trade secret claims will go to trial first. That trial is expected to begin on February 10, 2025. No trial date has been set for Veeva's antitrust claims asserted in the Veeva OpenData/Network Action or the Veeva Nitro Action.

While it is not possible at this time to predict with any degree of certainty the ultimate outcome of these lawsuits, and we are unable to make a meaningful estimate of the amount or range of gain or loss, if any, that could result from them, we believe that we have substantial defenses against IQVIA's claims, which we intend to vigorously contest, and that our counterclaims warrant injunctive relief and monetary damages for Veeva.

Fee Arrangements Related to the IQVIA Litigation Matters. We have entered into partial contingency fee arrangements with certain law firms representing us in the IQVIA litigations. Pursuant to those arrangements, such law firms are entitled to an agreed portion of any damages we recover from IQVIA or may be entitled to payment of success fees from us based on the achievement of certain outcomes. We are unable to make an estimate of any liability we may have in connection with this arrangement and accordingly have not accrued any related liability at this time.

Mednet Litigation Matter

On July 14, 2020, Mednet Solutions, Inc. filed a complaint in Minnesota state court (*Mednet Solutions, Inc. v. Veeva Systems Inc.* (No. 27-CV-20-9374)) against us and a Veeva employee who previously worked for Mednet. The complaint alleged that the employee improperly accessed Mednet's computer systems after joining Veeva, in violation of his employment agreement to misappropriate Mednet's confidential and trade secret information for our benefit. On December 9, 2020, the case was removed to the U.S. District Court for the District of Minnesota (No. 20-cv-2502). On May 30, 2024, we entered into a settlement agreement with Mednet, which will result in dismissal of the case with prejudice.

Other Litigation Matters

From time to time, we may be involved in other legal proceedings and subject to claims incident to the ordinary course of business. Although the results of such legal proceedings and claims cannot be predicted with certainty, we believe we are not currently a party to any other legal proceedings, the outcome of which, if determined adversely to us, would individually or taken together have a material adverse effect on our business, operating results, cash flows, or financial position. Regardless of the outcome, such proceedings can have an adverse impact on us because of defense and settlement costs, diversion of resources, and other factors, and there can be no assurances that favorable outcomes will be obtained.

Note 14. Revenues by Product

We group our revenues into two product areas: Commercial Solutions and R&D Solutions. Commercial Solutions revenues consist of revenues from our Veeva Commercial Cloud, Veeva Data Cloud, and Veeva Claims solutions. R&D Solutions consist of revenues from our Veeva Development Cloud, Veeva RegulatoryOne, and Veeva QualityOne solutions.

Total revenues consist of the following (in thousands):

	Three months ended April 30,	
	2024	2023
Subscription services		
Commercial Solutions	\$ 261,316	\$ 239,324
R&D Solutions	272,639	175,222
Total subscription services	\$ 533,955	\$ 414,546
Professional services		
Commercial Solutions	\$ 48,772	\$ 44,864
R&D Solutions	67,618	66,915
Total professional services	\$ 116,390	\$ 111,779
Total revenues	\$ 650,345	\$ 526,325

Note 15. Information about Geographic Areas

We track and allocate revenues by principal geographic area rather than by individual country, which makes it impractical to disclose revenues for the United States or other specific foreign countries. We measure subscription services revenue primarily by the estimated location of the end users in each geographic area for our Commercial Solutions and primarily by the estimated location of usage in each geographic area for our R&D Solutions. We measure professional services revenue primarily by the location of the resources performing the professional services.

Total revenues by geographic area were as follows for the periods shown below (in thousands):

	Three months ended April 30,	
	2024	2023
Revenues by geography		
North America	\$ 381,599	\$ 313,975
Europe	189,915	142,423
Asia Pacific	62,440	55,577
Middle East, Africa, and Latin America	16,391	14,350
Total revenues	\$ 650,345	\$ 526,325

Long-lived assets by geographic area are as follows as of the periods shown below (in thousands):

	April 30,	January 31,
	2024	2024
Long-lived assets by geography		
North America	\$ 48,928	\$ 49,725
Europe	6,607	6,885
Asia Pacific	1,075	751
Middle East, Africa, and Latin America	1,432	1,171
Total long-lived assets	\$ 58,042	\$ 58,532

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our condensed consolidated financial statements and notes thereto appearing elsewhere in this report. In addition to historical condensed consolidated financial information, the following discussion and analysis contains forward-looking statements that involve risks, uncertainties, and assumptions. Our actual results could differ materially from those anticipated by these forward-looking statements as a result of many factors. We discuss factors that we believe could cause or contribute to these differences below and elsewhere in this report, including those set forth under "Risk Factors" and "Special Note Regarding Forward-Looking Statements."

Overview

Veeva is the leading provider of industry cloud solutions for the global life sciences industry. Our offerings span cloud software, data, and business consulting and are designed to meet the unique needs of our customers and their most strategic business functions—from research and development (R&D) through commercialization. Our solutions help life sciences companies develop and bring products to market faster and more efficiently, market and sell more effectively, and maintain compliance with government regulations. For a more detailed description of our business and products as of January 31, 2024, please see our Annual Report on Form 10-K for the fiscal year ended January 31, 2024 filed on March 25, 2024.

Our industry cloud solutions are grouped into three major product categories—Veeva Development Cloud, Veeva Commercial Cloud, and Veeva Data Cloud. For financial reporting purposes, revenues associated with our Veeva Commercial Cloud, Veeva Data Cloud, and Veeva Claims solutions are classified as "Commercial Solutions" revenues, and revenues associated with our Veeva Development Cloud, Veeva RegulatoryOne, and Veeva QualityOne solutions are classified as "R&D Solutions" revenues.

In our fiscal year ended January 31, 2024, we derived approximately 52% and 48% of our subscription services revenues and 50% and 50% of our total revenues from our Commercial Solutions and R&D Solutions, respectively. For the three months ended April 30, 2024, we derived approximately 49% and 51% of our subscription services revenues and 48% and 52% of our total revenues from our Commercial Solutions and R&D Solutions, respectively. Revenues associated with our R&D Solutions are expected to increase as a percentage of both subscription services revenues and total revenues in the future. We also offer certain of our R&D Solutions to industries outside the life sciences industry primarily in North America and Europe.

For our fiscal years ended January 31, 2024, 2023, and 2022, our total revenues were \$2,364 million, \$2,155 million, and \$1,851 million, respectively, representing year-over-year growth in total revenues of 10% in our fiscal year ended January 31, 2024 and 16% in our fiscal year ended January 31, 2023. For our fiscal years ended January 31, 2024, 2023, and 2022, our subscription services revenues were \$1,902 million, \$1,733 million, and \$1,484 million, respectively, representing year-over-year growth in subscription services revenues of 10% in our fiscal year ended January 31, 2024, and 17% in our fiscal year ended January 31, 2023. We generated net income of \$526 million, \$488 million, and \$427 million for our fiscal years ended January 31, 2024, 2023, and 2022, respectively.

As of January 31, 2024, 2023, and 2022, we served 1,432, 1,388, and 1,205 customers, respectively. As of January 31, 2024, 2023, and 2022, we had 693, 684, and 653 Commercial Solutions customers, respectively, and 1,078, 1,025, and 860 R&D Solutions customers, respectively. These customer count totals are net of customer attrition during each period. The combined customer counts for Commercial Solutions and R&D Solutions exceed the total customer count in each year because some customers subscribe to products in both areas. Many of our applications for R&D are used by smaller, earlier stage, pre-commercial companies, some of which may not reach the commercialization stage.

Components of Results of Operations**Revenues**

We derive our revenues primarily from subscription services fees and professional services fees. Subscription services revenues consist of fees from customers accessing our cloud-based software solutions and fees for our data solutions. Professional services and other revenues consist primarily of fees from implementation services,

configuration, data services, training, and managed services related to our solutions and services related to our Veeva Business Consulting offering. For the three months ended April 30, 2024, subscription services revenues constituted 82% of total revenues and professional services and other revenues constituted 18% of total revenues.

We generally enter into master subscription agreements with our customers and count each distinct master subscription agreement that has not been terminated or expired and that has orders for which we have recognized revenue in the quarter as a distinct customer for purposes of determining our total number of current customers as of the end of that quarter. We generally enter into a single master subscription agreement with each customer, although in some instances, affiliated legal entities within the same corporate family may enter into separate master subscription agreements. Conversely, affiliated legal entities that maintain distinct master subscription agreements may choose to consolidate their orders under a single master subscription agreement, and, in that circumstance, our customer count would decrease. Divisions, subsidiaries, and operating units of our customers often place distinct orders for our subscription services under the same master subscription agreement, and we do not count such distinct orders as new customers for purposes of determining our total customer count. For purposes of determining customers of Veeva Crossix that do not contract under a master subscription agreement, we count each entity that has a statement of work or services agreement and a recurring known payment obligation as a distinct customer if such entity is not otherwise a customer of ours. For Veeva Crossix, we do not count as distinct customers agencies contracting with us on behalf of brands within life sciences companies.

New subscription orders for our Veeva CRM application generally have a one-year term. If a customer adds end users or additional Commercial Solutions to an existing order for our Veeva CRM application, such additional orders will generally be coterminous with the anniversary date of the Veeva CRM order, and as a result, orders for additional end users or additional Commercial Solutions will commonly have an initial term of less than one year.

Subscription services revenues are recognized ratably over the respective non-cancellable subscription term because of the continuous transfer of control to the customer. Our master subscription agreements that govern multi-year orders generally include a termination for convenience right for our customers. The amount of revenue recognized from such orders will generally be consistent with the amount invoiced for the relevant term of the order. When such multi-year orders are non-cancellable (other than for cause), we recognize the total contracted revenue ratably over the multi-year term of the order. For such non-cancellable orders, when the amounts we are entitled to invoice in any period pursuant to multi-year orders with escalating fees are less than the revenue recognized, we accrue an unbilled accounts receivable balance (a contract asset).

Our subscription orders are generally billed at the beginning of the subscription period in annual or quarterly increments, which means the annualized value of such orders may not be completely reflected in deferred revenue at any single point in time. Also, particularly with respect to expansion orders for our Commercial Solutions, because the term of orders for additional end users or applications is commonly less than one year to align to the renewal date of existing Commercial Solutions orders, the annualized value of such orders may not be completely reflected in deferred revenue at any single point in time. We have also agreed from time to time, and may agree in the future, to allow customers to change the renewal dates of their orders to, for example, align more closely with a customer's annual budget process or to align with the renewal dates of other orders placed by other entities within the same corporate control group, or to change payment terms from annual to quarterly, or vice versa. Such changes may result in an order of less than one year as necessary to align all orders to the desired renewal date and, thus, may result in a lesser increase to deferred revenue compared to if the adjustment had not occurred. Additionally, changes in renewal dates may change the fiscal quarter in which deferred revenue associated with a particular order is booked. Accordingly, we do not believe that changes on a quarterly basis in deferred revenue, calculated billings, or normalized billings are accurate indicators of future revenues for any given period of time. We define the term calculated billings for any period to mean revenue for the period plus the change in deferred revenue from the immediately preceding period minus the change in unbilled accounts receivable from the immediately preceding period. We define the term normalized billings for any period to mean calculated billings adjusted for the impact of term changes in renewal business, such as in the timing (for example, changing the renewal date of multiple products to be coterminous) or billing frequency (for example, changing from annual to quarterly billings).

Our agreements typically provide that orders will automatically renew unless notice of non-renewal is provided in advance. Subscription services revenues are affected primarily by the number of customers, the scope of the subscription purchased by each customer (for example, the number of end users or other subscription usage metric) and the number of solutions subscribed to by each customer.

We utilize our own personnel to perform our professional services and business consulting engagements with customers. In certain cases, we may utilize third-party subcontractors to perform professional services engagements. The majority of our professional services arrangements are billed on a time and materials basis and revenues are recognized over time based on time incurred and contractually agreed upon rates. Certain professional services and business consulting arrangements are billed on a fixed fee basis and revenues are typically recognized over time as the services are delivered based on time incurred. Data services and training revenues are generally recognized as the services are performed. Professional services revenues are affected primarily by our customers' demands for implementation services, configuration, data services, training, speakers bureau logistics, and managed services in connection with our solutions. Our business consulting revenues are affected primarily by our customers' demands for services related to a particular customer success initiative, strategic analysis, or business process change, and not by cloud software implementation.

Allocated Overhead

We accumulate certain costs such as building depreciation, office rent, utilities, and other facilities costs and allocate them across the various departments based on headcount. We refer to these costs as "allocated overhead."

Cost of Revenues

Cost of subscription services revenues for all of our solutions consists of expenses related to our computing infrastructure provided by third parties, including Salesforce, Inc. and Amazon Web Services, personnel related costs associated with hosting our subscription services and providing support, including our data stewards, data acquisition costs, and costs of delivering our data solutions, expenses associated with computer equipment and software, and allocated overhead.

Cost of professional services and other consists primarily of employee-related expenses associated with providing professional and business consulting services. The cost of providing professional services is significantly higher as a percentage of the related revenues than for our subscription services due to the direct labor costs and costs of third-party subcontractors.

Operating Expenses

Research and Development. Research and development expenses consist primarily of employee-related expenses, third-party consulting fees, hosted infrastructure costs, and allocated overhead. We continue to focus our research and development efforts on our platforms, including adding new features and applications and increasing the functionality and enhancing the ease of use of our cloud-based applications.

Sales and Marketing. Sales and marketing expenses consist primarily of employee-related expenses, sales commissions, marketing program costs, amortization expense associated with purchased intangibles related to our customer contracts, customer relationships and brand development, travel-related expenses and allocated overhead. Marketing program costs include advertising, customer events, corporate communications, brand awareness, and product marketing activities. Sales commissions are costs of obtaining new customer contracts and are capitalized and then amortized over a period of benefit that we have determined to be three years.

General and Administrative. General and administrative expenses consist of employee-related expenses for our executive, finance and accounting, legal, employee success, management information systems personnel, and other administrative employees. In addition, general and administrative expenses include fees related to third-party legal counsel, fees related to third-party accounting, tax and audit services, other corporate expenses, and allocated overhead.

Other Income, Net

Other income, net, consists primarily of interest income, amortization of premiums paid or accretion of discounts on investments, and transaction gains or losses on foreign currency, net of hedging costs.

Provision for Income Taxes

Provision for income taxes consists of federal, state, and local income taxes in the United States and income taxes in certain foreign jurisdictions. See [note 8](#) of the notes to our condensed consolidated financial statements.

Results of Operations

The following tables set forth selected condensed consolidated statements of operations data and such data as a percentage of total revenues for each of the periods indicated:

	Three months ended April 30,	
	2024	2023
	(in thousands)	
Consolidated Statements of Comprehensive Income Data:		
Revenues:		
Subscription services	\$ 533,955	\$ 414,546
Professional services and other	116,390	111,779
Total revenues	650,345	526,325
Cost of revenues ⁽¹⁾ :		
Cost of subscription services	78,148	67,575
Cost of professional services and other	95,736	99,088
Total cost of revenues	173,884	166,663
Gross profit	476,461	359,662
Operating expenses ⁽¹⁾ :		
Research and development	162,711	146,960
Sales and marketing	97,301	88,503
General and administrative	61,277	62,669
Total operating expenses	321,289	298,132
Operating income	155,172	61,530
Other income, net	51,729	30,248
Income before income taxes	206,901	91,778
Income tax provision (benefit)	45,237	(39,743)
Net income	\$ 161,664	\$ 131,521
(1) Includes stock-based compensation as follows:		
Cost of revenues:		
Cost of subscription services	\$ 1,554	\$ 1,505
Cost of professional services and other	12,535	12,722
Research and development	41,743	38,906
Sales and marketing	23,043	20,135
General and administrative	17,036	17,451
Total stock-based compensation	\$ 95,911	\$ 90,719

Revenues

	Three months ended April 30,		% Change
	2024	2023	
	(dollars in thousands)		
Revenues:			
Subscription services	\$ 533,955	\$ 414,546	29%
Professional services and other	116,390	111,779	4%
Total revenues	\$ 650,345	\$ 526,325	24%
Percentage of revenues:			
Subscription services	82 %	79 %	
Professional services and other	18	21	
Total revenues	100 %	100 %	

Total revenues for the three months ended April 30, 2024 increased \$124 million, of which \$119 million was from growth in subscription services revenues. The increase in subscription services revenues consisted of \$97 million of subscription services revenue attributable to R&D Solutions and \$22 million of subscription services revenue attributable to Commercial Solutions. The addition of termination for convenience rights starting on February 1, 2023, reduced subscription services revenue attributable to R&D Solutions for the three months ended April 30, 2023. The geographic mix of subscription services revenues was 59% from North America, 28% from Europe, and 13% from other locations, primarily Asia Pacific, for the three months ended April 30, 2024, as compared to 59% from North America, 26% from Europe, and 15% from other locations, primarily Asia Pacific, for the three months ended April 30, 2023.

Professional services and other revenues for the three months ended April 30, 2024 increased \$5 million. The increase was primarily driven by increased demand for our business consulting services. The geographic mix of professional services and other revenues was 59% from North America, 35% from Europe, and 6% from other locations, primarily Asia Pacific, for the three months ended April 30, 2024, as compared to 62% from North America, 31% from Europe, and 7% from other locations, primarily Asia Pacific, for the three months ended April 30, 2023.

Cost of Revenue and Gross Margin

	Three months ended April 30,		% Change
	2024	2023	
	(dollars in thousands)		
Cost of revenues:			
Cost of subscription services	\$ 78,148	\$ 67,575	16%
Cost of professional services and other	95,736	99,088	(3)%
Total cost of revenues	<u>\$ 173,884</u>	<u>\$ 166,663</u>	4%
Gross margin percentage:			
Subscription services	85 %	84 %	
Professional services and other	18 %	11 %	
Total gross margin percentage	73 %	68 %	
Gross profit	\$ 476,461	\$ 359,662	32%

Cost of revenues for the three months ended April 30, 2024 increased \$7 million, of which \$11 million was related to an increase in cost of subscription services, offset by an immaterial decrease in professional services and other due to a reduction in the use of third-party services to support our professional services revenue. The increase in cost of subscription services was primarily due to an increase of \$6 million related to computing infrastructure costs, which was driven by an increase in both the number of end users and the volume of activity by end users of our subscription services.

We expect cost of subscription services to increase in absolute dollars in the near term due to increased usage of our subscription services and increased data costs related to our data solutions.

Operating Expenses and Operating Margin

Operating expenses include research and development, sales and marketing, and general and administrative expenses. We expect operating expenses to increase in the fiscal year ending January 31, 2025, primarily due to employee compensation-related costs.

Research and Development

	Three months ended April 30,		% Change
	2024	2023	
	(dollars in thousands)		
Research and development	\$ 162,711	\$ 146,960	11%
Percentage of total revenues	25 %	28 %	

Research and development expenses for the three months ended April 30, 2024 increased \$16 million, primarily due to an increase in employee compensation-related costs. The increase in employee compensation-related costs was primarily driven by an increase in headcount during the period. The expansion of our headcount in research and development was to support development work for the products that we offer or may offer in the future.

We expect research and development expenses to increase in the fiscal year ending January 31, 2025, primarily due to employee compensation-related costs as we continue to invest in our product offerings.

Sales and Marketing

	Three months ended April 30,		% Change
	2024	2023	
	(dollars in thousands)		
Sales and marketing	\$ 97,301	\$ 88,503	10%
Percentage of total revenues	15 %	17 %	

Sales and marketing expenses for the three months ended April 30, 2024 increased \$9 million, primarily due to an increase of \$7 million in employee compensation-related costs. The increase in employee compensation-related costs was primarily driven by the increase in headcount during the period to support our sales and marketing efforts associated with our product offerings.

We expect sales and marketing expenses to increase in the fiscal year ending January 31, 2025, primarily due to employee compensation-related costs and the increase in marketing program costs related to events.

General and Administrative

	Three months ended April 30,		% Change
	2024	2023	
	(dollars in thousands)		
General and administrative	\$ 61,277	\$ 62,669	(2)%
Percentage of total revenues	9 %	12 %	

General and administrative expenses for the three months ended April 30, 2024 remained relatively consistent due to lower payroll taxes offset by a litigation settlement accrual.

We expect general and administrative expenses to be relatively consistent in the fiscal year ending January 31, 2025 when compared to the fiscal year ended January 31, 2024.

Other Income, Net

	Three months ended April 30,		
	2024	2023	% Change
	(dollars in thousands)		
Other income, net	\$ 51,729	\$ 30,248	71%

Other income, net, for the three months ended April 30, 2024 increased \$21 million, due to an increase in interest income from higher investment asset balances as well as increases in interest rates within our short-term investment portfolio.

Foreign Currency

We continue to experience fluctuations primarily resulting from the periodic re-measurement of the foreign currencies exposures on the balance sheet. The results of operations and cash flows are also subject to fluctuations in foreign currency exchange rates, particularly in the Euro, Japanese Yen, Canadian Dollar, Great British Pound Sterling, and Chinese Yuan.

Provision for Income Taxes

	Three months ended April 30,		
	2024	2023	% Change
	(dollars in thousands)		
Income before income taxes	\$ 206,901	\$ 91,778	125%
Income tax provision (benefit)	\$ 45,237	\$ (39,743)	(214)%
Effective tax rate	21.9 %	(43.3)%	

The provision for income taxes differs from the tax computed at the U.S. federal statutory income tax rate primarily due to state taxes, tax credits, equity compensation, and foreign income subject to taxation in the United States. Future tax rates could be affected by changes in tax laws and regulations or by rulings in tax related litigation, as may be applicable.

For the three months ended April 30, 2024 and 2023, our effective tax rates were 21.9% and (43.3)%, respectively. During the three months ended April 30, 2024, as compared to the same period in the prior fiscal year, our effective tax rate increased primarily due to the reduced benefit from excess tax benefits related to equity compensation.

Non-GAAP Financial Measures

In our public disclosures, we have provided non-GAAP measures, which we define as financial information that has not been prepared in accordance with generally accepted accounting principles in the United States, or GAAP. In addition to our GAAP measures, we use these non-GAAP financial measures internally for budgeting and resource allocation purposes and in analyzing our financial results.

For the reasons set forth below, we believe that excluding the following items provides information that is helpful in understanding our operating results, evaluating our future prospects, comparing our financial results across accounting periods, and comparing our financial results to our peers, many of which provide similar non-GAAP financial measures.

- **Excess tax benefits.** Excess tax benefits from employee stock plans are dependent on previously agreed-upon equity grants to our employees, vesting of those grants, stock price, and exercise behavior of our employees, which can fluctuate from quarter to quarter. Because these fluctuations are not directly related to our business operations, we exclude excess tax benefits for our internal management reporting processes. Our management also finds it useful to exclude excess tax benefits when assessing the level of cash provided by operating activities. Given the nature of the excess tax benefits, we believe excluding it allows investors to make meaningful comparisons between our operating cash flows from quarter to quarter and those of other companies.

- Stock-based compensation expenses. We exclude stock-based compensation expenses primarily because they are non-cash expenses that we exclude from our internal management reporting processes. We also find it useful to exclude these expenses when we assess the appropriate level of various operating expenses and resource allocations when budgeting, planning, and forecasting future periods. Moreover, because of varying available valuation methodologies, subjective assumptions and the variety of award types that companies can use, we believe excluding stock-based compensation expenses allows investors to make meaningful comparisons between our recurring core business operating results and those of other companies.
- Amortization of purchased intangibles. We incur amortization expense for purchased intangible assets in connection with acquisitions of certain businesses and technologies. Amortization of intangible assets is a non-cash expense and is inconsistent in amount and frequency because it is significantly affected by the timing, size of acquisitions, and the inherent subjective nature of purchase price allocations. Because these costs have already been incurred and cannot be recovered, and are non-cash expenses, we exclude these expenses for internal management reporting processes. We also find it useful to exclude these charges when assessing the appropriate level of various operating expenses and resource allocations when budgeting, planning, and forecasting future periods. Investors should note that the use of intangible assets contributed to our revenues earned during the periods presented and will contribute to our future period revenues as well.
- Litigation settlement. We exclude costs related to the settlement of certain litigation matters because they are non-recurring and outside the ordinary course of business. Because these costs are unrelated to our day-to-day business operations, we believe excluding them enables more consistent evaluation of our operating results.
- Income tax effects on the difference between GAAP and non-GAAP costs and expenses. The income tax effects that are excluded relate to the imputed tax impact on the difference between GAAP and non-GAAP costs and expenses due to stock-based compensation and purchased intangibles for GAAP and non-GAAP measures.

Limitations on the Use of Non-GAAP Financial Measures

There are limitations to using non-GAAP financial measures because non-GAAP financial measures are not prepared in accordance with GAAP and may be different from non-GAAP financial measures provided by other companies.

The non-GAAP financial measures are limited in value because they exclude certain items that may have a material impact upon our reported financial results. In addition, they are subject to inherent limitations as they reflect the exercise of judgments by management about which items are adjusted to calculate our non-GAAP financial measures. We compensate for these limitations by analyzing current and future results on a GAAP basis as well as a non-GAAP basis and also by providing GAAP measures in our public disclosures.

Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. We encourage investors and others to review our financial information in its entirety, not to rely on any single financial measure to evaluate our business, and to view our non-GAAP financial measures in conjunction with the most directly comparable GAAP financial measures.

The following table reconciles the specific items excluded from GAAP metrics in the calculation of non-GAAP metrics for the periods shown below:

	Three months ended April 30,	
	2024	2023
	(in thousands)	
Net cash provided by operating activities on a GAAP basis	\$ 763,516	\$ 505,936
Excess tax benefits from employee stock plans	(3,121)	(62,089)
Net cash provided by operating activities on a non-GAAP basis	\$ 760,395	\$ 443,847
Net cash used in investing activities on a GAAP basis	\$ (272,378)	\$ (297,394)
Net cash provided by (used in) financing activities on a GAAP basis	\$ 3,828	\$ (1,392)
Operating income on a GAAP basis	\$ 155,172	\$ 61,530
Stock-based compensation expense	95,911	90,719
Amortization of purchased intangibles	4,785	4,746
Litigation settlement	5,000	—
Operating income on a non-GAAP basis	\$ 260,868	\$ 156,995
Net income on a GAAP basis	\$ 161,664	\$ 131,521
Stock-based compensation expense	95,911	90,719
Amortization of purchased intangibles	4,785	4,746
Litigation settlement	5,000	—
Income tax effect on non-GAAP adjustments ⁽¹⁾	(20,408)	(79,064)
Net income on a non-GAAP basis	\$ 246,952	\$ 147,922
Diluted net income per share on a GAAP basis	\$ 0.98	\$ 0.81
Stock-based compensation expense	0.58	0.56
Amortization of purchased intangibles	0.03	0.03
Litigation settlement	0.03	—
Income tax effect on non-GAAP adjustments ⁽¹⁾	(0.12)	(0.49)
Diluted net income per share on a non-GAAP basis	\$ 1.50	\$ 0.91

(1) For the three months ended April 30, 2024 and 2023, we used an estimated annual effective non-GAAP tax rate of 21%.

Liquidity and Capital Resources

	Three months ended April 30,	
	2024	2023
	(in thousands)	
Net cash provided by operating activities	\$ 763,516	\$ 505,936
Net cash used in investing activities	(272,378)	(297,394)
Net cash provided by (used in) financing activities	3,828	(1,392)
Effect of exchange rate changes on cash and cash equivalents	(1,257)	19
Net change in cash and cash equivalents	\$ 493,709	\$ 207,169

Our principal sources of liquidity continue to be comprised of our existing cash, cash equivalents, and short-term investments, as well as cash flows generated from our operations. As of April 30, 2024, our cash, cash equivalents, and short-term investments totaled \$4.8 billion, of which \$85 million represented cash and cash equivalents held outside of the United States.

Our primary use of cash is payment of our operating costs, which consist primarily of employee-related expenses, such as compensation and benefits, investments in our information technology infrastructure, and general operating expenses for marketing, facilities, and overhead costs. Long-term cash requirements for items other than normal operating expenses could include the following: the acquisition of businesses, software products, or technologies complementary to our business, and capital expenditures.

Our non-U.S. cash and cash equivalents are not considered indefinitely reinvested outside the United States, except in certain designated jurisdictions. As of April 30, 2024, we have not recorded any taxes, such as withholding

taxes, associated with the foreign earnings that are indefinitely reinvested outside of the United States. Under currently enacted tax laws, if we were to choose to repatriate the funds we have designated as indefinitely reinvested outside the United States, such amounts may be subject to certain jurisdictional taxes (e.g., withholding taxes).

We have financed our operations primarily through cash generated from operations. We believe our existing cash, cash equivalents, and short-term investments generated from operations will be sufficient to meet our working capital and capital expenditure needs over at least the next 12 months. Our cash deposits are primarily held at financial institutions classified as global systemically important banks, and we maintain sufficient cash at more than one financial institution to meet our operational needs. Our future capital requirements will depend on many factors including our growth rate, subscription renewal activity, the timing and extent of spending to support product development efforts, the expansion of sales and marketing activities, the ongoing investments in technology infrastructure, the introduction of new and enhanced solutions, and the continuing market acceptance of our solutions. We may in the future enter into arrangements to acquire or invest in complementary businesses, services and technologies, and intellectual property rights. We may be required to seek additional equity or debt financing for those arrangements or for other reasons. In the event that additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us or at all. If we are unable to raise additional capital when desired, our business, operating results, and financial condition would be adversely affected.

Operating Activities

Our largest source of operating cash inflows is cash collections from our customers for subscription services. We also generate significant cash flows from our professional services arrangements. The first quarter of our fiscal year is seasonally the strongest quarter for cash inflows due to the timing of our annual subscription billings and related collections. Our primary uses of cash from operating activities are for employee-related expenditures, expenses related to our computing infrastructure (including Amazon Web Services and Salesforce, Inc.), building infrastructure costs (including leases for office space), fees for third-party legal counsel and accounting services, and data acquisition costs. Note that our net income reflects the impact of excess tax benefits related to equity compensation.

Net cash provided by operating activities was \$764 million for the three months ended April 30, 2024 compared to \$506 million provided by operating activities for the three months ended April 30, 2023. The \$258 million increase was primarily due to increased sales and the related cash collections, partially offset by larger operating expenses due to increases in headcount.

The cash flows from operating activities for the three months ended April 30, 2024 represent a significant portion of the cash flows from operating activities that we expect during our fiscal year ending January 31, 2025. As a result, we expect cash flows from operating activities to be substantially less in future quarterly periods of this fiscal year. In the fiscal year ending January 31, 2025, cash payments for income taxes in relation to the Tax Cuts and Jobs Act of 2017, which eliminated the option to deduct research and development expenditures and required taxpayers to capitalize and amortize them over five or fifteen years, are expected to reduce our cash flows from operating activities. The requirement may also impact our cash flows from operating activities in future periods, the amounts and specific periods of which we are unable to estimate at this time.

Investing Activities

Investing activities primarily relate to cash used for the purchase of marketable securities, net of maturities. We also use cash to invest in capital assets to support our growth.

Net cash used in investing activities was \$272 million for the three months ended April 30, 2024 compared to \$297 million used in investing activities for the three months ended April 30, 2023. The \$25 million decrease in cash used in investing activities was mainly due to the increase in proceeds from maturities and sales of short-term investments partially offset by the increase in purchases of short-term investments for the three months ended April 30, 2024.

Financing Activities

The cash flows from financing activities relate primarily to stock option exercises offset by taxes paid on behalf of employees related to the net share settlement of RSUs.

Net cash provided by financing activities was \$4 million for the three months ended April 30, 2024 compared to \$1 million used in financing activities for the three months ended April 30, 2023. The \$5 million increase was primarily related to an increase of \$13 million in proceeds from employee stock option exercises, partially offset by an increase of \$8 million of cash used to pay employee taxes related to the net share settlement of RSUs.

Critical Accounting Policies and Estimates

Our condensed consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States (GAAP). In the preparation of these condensed consolidated financial statements, we are required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, costs, and expenses and related disclosures. On an ongoing basis, we evaluate our estimates and assumptions. Our actual results may differ from these estimates under different assumptions or conditions.

There have been no material changes to our critical accounting policies and estimates during the three months ended April 30, 2024 as compared to the those disclosed in our Annual Report on Form 10-K for the fiscal year ended January 31, 2024.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Foreign currency exchange risk

Our results of operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates, particularly changes in the Euro, Japanese Yen, Canadian Dollar, British Pound Sterling, and Chinese Yuan, and may be adversely affected in the future due to changes in foreign currency exchange rates. For the three months ended April 30, 2024, about 83% of our revenues and about 80% of our expenses were denominated in USD.

We have also experienced and will continue to experience foreign currency fluctuations due to the periodic re-measurement of monetary account balances that are denominated in currencies other than the functional currency of the entities in which they are recorded and such fluctuations can impact our net income. We engage in the hedging of our foreign currency transactions as described in [note 7](#) of the notes to our condensed consolidated financial statements and may, in the future, hedge selected significant transactions or net monetary exposure positions denominated in currencies other than the U.S. dollar. Realized and unrealized foreign currency losses were immaterial for both the three months ended April 30, 2024, and 2023.

Interest rate sensitivity

We had cash, cash equivalents and short-term investments totaling \$4.8 billion as of April 30, 2024. This amount was held primarily in demand deposit accounts, money market funds, U.S. treasury securities and agency obligations, corporate notes and bonds, asset-backed securities, commercial paper, and foreign government bonds. The cash and cash equivalents are held for working capital purposes and other operational activities. We do not enter into investments for trading or speculative purposes.

Our cash equivalents and our portfolio of marketable securities are subject to market risk due to changes in interest rates, which could affect our results of operations. Fixed rate securities may have their market value adversely affected due to a rise in interest rates, while floating rate securities may produce less income than expected if interest rates fall. Due in part to these factors, our future investment income may fluctuate due to changes in interest rates or we may suffer losses in principal if we are forced to sell securities that decline in market value due to changes in interest rates. However, because we classify our marketable securities as “available for sale,” no gains or losses are recognized due to changes in interest rates unless such securities are sold prior to maturity or declines in fair value are determined to be other-than-temporary. Our fixed-income portfolio is subject to interest rate risk.

An immediate increase of 100-basis points in interest rates would have resulted in a \$45 million market value reduction in our investment portfolio as of April 30, 2024. An immediate decrease of 100-basis points in interest rates would have increased the market value by \$45 million as of April 30, 2024. This estimate is based on a sensitivity model that measures market value changes when changes in interest rates occur. Fluctuations in the value of our investment securities caused by a change in interest rates (gains or losses on the carrying value) are recorded in other comprehensive income, and are realized only if we sell the underlying securities.

ITEM 4. CONTROLS AND PROCEDURES.***Evaluation of Disclosure Controls and Procedures***

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of April 30, 2024. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (Exchange Act), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported, within the time periods specified in the Securities and Exchange Commission’s (SEC) rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure.

Based on our management’s evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of April 30, 2024, our disclosure controls and procedures were designed at a reasonable assurance level and were effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the fiscal quarter ended April 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, do not expect that our disclosure controls or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been or would be detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

From time to time, we may be involved in legal proceedings and subject to claims incident to the ordinary course of business. For information regarding certain current legal proceedings, see [note 13](#) of the notes to our condensed consolidated financial statements, which is incorporated herein by reference. In addition to the legal proceedings referenced in [note 13](#), we are involved in the following additional legal proceedings which may be material to our business.

California Non-Compete Matter

On July 17, 2017, we filed a complaint in the Superior Court of the State of California in the County of Alameda against Medidata, IQVIA, and Sparta Systems, Inc. (Veeva Systems Inc. v. Medidata Solutions, Inc., Quintiles IMS Incorporated, IMS Software Services, LTD., and Sparta Systems, Inc., Case No. RG17868081). Our lawsuit seeks declaratory and injunctive relief concerning the use of non-compete, confidentiality, and non-disparagement agreements by these companies. Since the original complaint was filed, there has been extensive requests to the court for rulings on contested questions.

On February 13, 2023, Veeva and Sparta entered into a confidential settlement agreement dismissing their claims against each other. On January 16, 2024, Veeva and Medidata also entered into a confidential settlement agreement dismissing their claims against each other. On June 9, 2023, IQVIA, the only defendant now in the case, filed a counter-complaint seeking a declaration that its non-compete agreements comply with California law. On March 25, 2024, the trial court judge set a trial date of June 13, 2025 on the consolidated claims.

Although the results of legal proceedings and claims cannot be predicted with certainty, we believe we are not currently a party to any other legal proceedings, the outcome of which, if determined adversely to us, would individually or taken together have a material adverse effect on our business, operating results, cash flows, or financial position. Regardless of the outcome, such proceedings can have an adverse impact on us because of defense and settlement costs, diversion of resources and other factors, and there can be no assurances that favorable outcomes will be obtained.

ITEM 1A. RISK FACTORS.

Investing in our common stock involves a high degree of risk. You should consider carefully the risks and uncertainties described below and in "Management's Discussion and Analysis of Financial Condition and Results of Operations," together with all of the other information in this report, including our condensed consolidated financial statements and related notes, before investing in our common stock. The risks and uncertainties described below are not the only ones we face. If any of the following risks actually occurs, our business, financial condition, results of operations, and prospects could be materially and adversely affected. In that event, the price of our common stock could decline and you could lose part or all of your investment.

Summary of Risk Factors

The below is a summary of principal risks to our business and risks associated with ownership of our stock. It is only a summary. You should read the more detailed discussion of risks set forth below and elsewhere in this report for a more complete discussion of the risks listed below and other risks.

- If our security measures are breached or unauthorized access to customer data is otherwise obtained, our solutions may be perceived as not being secure, customers may reduce or stop the use of our solutions, and we may incur significant liabilities.
- The markets in which we participate are highly competitive, and if we do not compete effectively, our business and operating results could be adversely affected.
- If our newer solutions are not successfully adopted by new and existing customers, the growth rate of our revenues and operating results will be adversely affected.
- Our revenues are relatively concentrated within a small number of key customers, and the loss of one or more of such key customers could cause our revenues to decline.
- Defects or disruptions in our solutions could result in diminished demand for our solutions, a reduction in our revenues, and subject us to substantial liability.
- Our plans to migrate our customers to our Vault CRM applications built on our own Veeva Vault platform could cause business disruptions for customers, lead to the loss of our customers to competitors, and adversely affect our operating results.
- Nearly all of our revenues are generated by sales to customers in the life sciences industry, and factors that adversely affect this industry could also adversely affect us.
- Over the longer term our revenue growth rates are likely to fluctuate from year to year and may decline, and, as our costs increase, we may not be able to sustain the same level of profitability we have achieved in the past.
- Unique and uncertain macroeconomic and geopolitical factors, including as a result of worldwide inflationary pressures and changes in interest rates, currency exchange fluctuations, the Russian invasion of Ukraine, and the Israel-Hamas conflict, and concerns about a possible domestic or global recession, may cause instability and volatility in the global financial markets and disruptions within the life sciences industry that may negatively impact our business, our financial results, and our stock price.
- Difficulty attracting and retaining highly skilled employees could adversely affect our business and efforts to attract and retain such employees may increase our expenses.
- If the third-party providers of healthcare professional and healthcare organization data and prescription drug sales data, such as IQVIA for instance, do not allow our customers to upload and use such data in our solutions, the demand for our solutions may decrease, and our business may be negatively impacted.
- We rely on third-party providers for computing infrastructure, secure network connectivity, and other technology-related services needed to deliver our cloud solutions, and any slowdown, failure, or disruption in the services provided by them could adversely affect our business and subject us to liability.
- Changing laws and regulations, including increasingly complex data privacy and information security regulations, in the U.S. and internationally, life sciences industry regulations, and trade policies, may impose additional costs for compliance, reduce demand for our solutions, and subject us to significant liabilities.

- We are currently being sued by third parties for alleged misappropriation of trade secrets. We may suffer damages, which could be significant, or other harm from these lawsuits and we may be sued for infringement or misappropriation of third-party intellectual property in the future.
- We may acquire other companies or technologies, which could divert our management's attention, result in additional dilution to our stockholders, and otherwise disrupt our operations and adversely affect our operating results.

Risks Related to Our Business

If our security measures are breached or compromised or unauthorized access to customer data is otherwise obtained, our solutions may be perceived as not being secure, customers may reduce or stop their use of our solutions, and we may incur significant liabilities.

Our solutions involve the storage, transmission, and other processing of our customers' proprietary information (including personal or identifying information regarding their employees and the medical professionals whom their sales personnel contact, and sensitive proprietary data related to the clinical trial, regulatory submission and sales and marketing processes for medical treatments), personal information of medical professionals, personal information (which may include personal health information) of patients and clinical trial participants, and other sensitive information. For example, Veeva Crossix and Veeva Compass process third-party health and non-health data for U.S. patients. Additionally, we maintain and process other confidential, proprietary, and sensitive business information, including personal information relating to our employees and contractors and confidential information relating to our solutions and business.

Unauthorized access or other security breaches or incidents, as a result of third-party action (e.g., cyber-attacks, or the introduction into our networks or systems of ransomware or other malware), employee or contractor error or malfeasance, product defect, or otherwise, have resulted in and could in the future result in the loss of information or intellectual property, inappropriate access to or use, disclosure, unavailability, modification, destruction, or other processing of information, service interruption, degradation, disruption, and outages, service level credits, claims, demands, litigation, regulatory investigations and other proceedings, indemnity obligations, damage to our reputation, and other liability. It is possible that our risk of cyber-attack and other sources of security breaches and incidents may be elevated as a result of Russia's invasion of Ukraine, the Israel-Hamas conflict, or other geopolitical tensions or conflicts, due to an increase in cyber-attack attempts on us, our customers, our partners, or our technology infrastructure providers.

While we maintain and continue to improve our security measures, we may be unable to adequately anticipate security threats or to implement adequate preventative measures, in part, because the techniques used to obtain unauthorized access or sabotage systems change frequently and are becoming increasingly sophisticated and complex, and generally are not identified until they are launched against a target. Moreover, our efforts to detect, prevent, and remediate known or unknown security vulnerabilities, including those arising from third-party hardware or software in our supply chain, may be insufficient to prevent security breaches or incidents resulting from such vulnerabilities, and may result in additional direct or indirect costs and liabilities and time of management and technical personnel. We may be required to expend significant capital and financial resources to protect against the foregoing threats and to alleviate problems caused by actual or perceived security breaches or incidents. Additionally, we and our service providers may face difficulties or delays in identifying, remediating, and otherwise responding to any cybersecurity attack or other security breach or incident.

Any or all of these circumstances or issues, or the perception that any of them have occurred or are present (including any actual or perceived cyberattacks or other security breaches or incidents), could adversely affect our ability to attract new customers, cause existing customers to elect to not renew their subscriptions, result in reputational damage and harm to our market position, or subject us to third-party claims, demands, and lawsuits, regulatory investigations, proceedings, fines, and penalties, mandatory notifications and disclosures, or other action or liability, which could adversely affect our operating results and financial condition. Our insurance may not be adequate to cover losses associated with such events, and such insurance may not cover all of the types of costs, expenses, and losses we could incur to respond to and remediate a security breach or incident.

The markets in which we participate are highly competitive, and if we do not compete effectively, our business and operating results could be adversely affected.

The markets for our solutions are highly competitive. In new sales cycles within our largest product categories, we generally compete with other cloud-based solutions from providers that make applications geared toward the life

sciences industry. The principal such competitor for our Veeva Commercial Cloud applications is IQVIA Holdings Inc., which currently offers a CRM application built on the Salesforce platform, various data products, and other applications that compete with our products. In April 2024, Salesforce, Inc. and IQVIA announced an expanded CRM partnership under which IQVIA will license their CRM software to Salesforce and both parties will jointly market a new life sciences industry-specific CRM solution, which will compete with our offerings. Our Veeva Data Cloud products, as well as Veeva Crossix, compete with IQVIA, Ipsos Group S.A., Definitive Health Corp., and smaller data and data analytics providers. IQVIA, Dassault Systèmes, OpenText Corporation, Oracle Corporation, Honeywell International Inc., and other smaller application providers offer applications that compete with certain of our Veeva Development Cloud applications. Our Veeva Commercial Cloud and Veeva Development Cloud applications also compete to replace client server-based legacy solutions offered by companies such as Oracle, Microsoft Corporation, and other smaller application providers. Our customers may also choose to use cloud-based applications or platforms that are not life sciences specific—such as Salesforce, Inc., Box.com, Amazon Web Services, or Microsoft—for certain of the functions our applications provide. Our business consulting and professional services offerings compete with a range of professional services firms, which include, at times, some of our partners. With the introduction of new technologies, we expect competition to intensify in the future, and we may face competition from new market entrants as well.

In December 2022, we announced plans to migrate customers of our Veeva CRM application built on the Salesforce platform to CRM solutions that are built on our own Veeva Vault platform, as discussed in more detail below, which could lead to customers choosing competitors that continue to use the Salesforce platform, or other CRM application providers, over us.

Some of our actual and potential competitors have advantages over us, such as longer operating histories, significantly greater financial, technical, marketing or other resources, stronger brand and business recognition, larger intellectual property portfolios, and agreements with a broader set of system integrators and other partners. We also continue to be subject to litigation from our competitors. For example, as disclosed elsewhere in this report, we are in active litigation with IQVIA. In addition, our competitors may offer price concessions, delayed payment terms, or other more favorable terms and conditions in light of the recent macroeconomic environment.

If our competitors' products, services, or technologies become more accepted than our solutions, if they are successful in bringing their products or services to market earlier than we are, if their products or services are more technologically capable than ours (including as a result of new or better use of evolving artificial intelligence (AI) technologies), or if customers replace our solutions with custom-built software, then our revenues could be adversely affected. Pricing pressures and increased competition could result in reduced sales, reduced margins, losses, or a failure to maintain or improve our competitive market position, any of which could adversely affect our business. For all of these reasons, we may not be able to compete favorably against our current and future competitors.

If our newer solutions are not successfully adopted by new and existing customers, the growth rate of our revenues and operating results will be adversely affected.

Our continued growth and profitability will depend on our ability to successfully develop and sell new solutions. It is uncertain whether these newer solutions will continue to grow as a percentage of revenues at a pace significant enough to support our expected overall growth. For example, we have limited experience selling certain of our data and analytics offerings and certain of our solutions that enable remote patient interactions for clinical trials. Also, as discussed in more detail below, we intend to migrate our Veeva CRM customers to Vault CRM. We cannot be certain that we will be successful with respect to newer solutions and markets. It may take us significant time, and we may incur significant expense, to effectively market and sell these solutions, develop other new solutions, or make enhancements to our existing solutions. If our newer solutions do not continue to gain traction in the market, or other solutions that we may develop and introduce in the future do not achieve market acceptance in a timely manner, the growth rate of our revenues and operating results will be adversely affected.

Our revenues are relatively concentrated within a small number of key customers, and the loss of one or more of such key customers, or their failure to renew or expand user subscriptions, could slow the growth rate of our revenues or cause our revenues to decline.

In our fiscal years ended January 31, 2024, 2023, and 2022, our top 10 customers accounted for 28%, 29%, and 31% of our total revenues, respectively. We rely on our reputation and recommendations from key customers in order to promote our solutions to potential customers, which we call "reference selling." The loss of any of our key customers, or a failure of one or more of them to renew or expand user subscriptions for some or all our products,

could have a significant impact on the growth rate of our revenues, our reputation, and our ability to obtain new customers. In the event of an acquisition of one of our customers or a business combination between two of our customers, we have in the past and may in the future suffer reductions in user subscriptions or non-renewal of certain or all of their subscription orders. We are also likely to face increasing purchasing scrutiny at the renewal of large customer subscription orders, which may result in reductions in user subscriptions or increased pricing pressure. The business impact of any of these negative events could be particularly pronounced with respect to our largest customers.

Defects or disruptions in our solutions could result in diminished demand for our solutions, a reduction in our revenues, and subject us to substantial liability.

We have from time to time found defects in our solutions, and new defects may be detected in the future. In addition, we have experienced, and may in the future experience, service disruptions, degradations, outages, and other performance problems. These types of problems may be caused by a variety of factors, including human or software errors, viruses, cyber-attacks, fraud, spikes in customer usage, problems associated with our third-party computing infrastructure and network providers, infrastructure changes, and denial of service issues. Service disruptions may result from errors we make in delivering, configuring, or hosting our solutions, or designing, installing, expanding, or maintaining our computing infrastructure. In some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time. It is also possible that such problems could result in losses of customer data.

Since our customers use our solutions for important aspects of their businesses, any errors, defects, disruptions, service degradations, or other performance problems with our solutions, could hurt our reputation and may damage our customers' businesses. Such issues may result in increased operational costs, delays in delivering new products, our customers delaying or withholding payment to us, cancelling their agreements with us, electing not to renew, or making service credit claims, warranty claims, or other claims against us, and loss of future sales. The occurrence of any of these events could result in diminishing demand for our solutions, a reduction of our revenues, an increase in our bad debt expense or in collection cycles for accounts receivable, or could require us to incur the expense of litigation or substantial liability.

Our plans to migrate our CRM customers to our Vault CRM applications built on our own Veeva Vault platform could cause business disruptions for customers, lead to the loss of our customers to competitors, and adversely affect our operating results.

We currently depend on the Salesforce platform to deliver our Veeva CRM application, but in December 2022 we announced plans to migrate our CRM customers to our Vault CRM solutions, which are built on our Veeva Vault platform. We also announced that we do not intend to renew our agreement with Salesforce, Inc. for use of the Salesforce platform. Veeva CRM will be supported until September 1, 2030. The migration of our Veeva CRM customers will require time and expense, which may be significant. These migration processes are complex and we cannot be certain that we will be successful or that the Veeva Vault platform will be ready for migration on our intended timeline or the timeline necessary to support our customers. Further, some existing customers may decide not to migrate to Vault CRM and may decide to use a different CRM solution. Additionally, Vault CRM may encounter difficulties supporting the increased volume of users migrating from Veeva CRM, leading to outages or other performance problems. Any disruptions in our services or other migration-related problems, whether or not such incidents are our fault, that could subject us to liability or harm our reputation. If we are unsuccessful migrating our Veeva CRM customers to Vault CRM, encounter disruptions or other problems in the migration process, or our customers do not migrate to the Vault CRM in a timely manner, or at all, our business, operating results, and brand could be materially and adversely affected.

Our sales cycles can be long and unpredictable, and our sales efforts require considerable investment of resources. If our sales cycle lengthens or we invest substantial resources pursuing unsuccessful sales opportunities, our operating results and growth would be harmed.

Our sales process entails planning discussions with prospective customers, analyzing their existing solutions, and identifying how these potential customers could use and benefit from our solutions. The sales cycle for a new customer, from the time of prospect qualification to the completion of the first sale, may span 12 months or longer. Sales cycles for our newer applications or in newer markets or industries are also lengthy and difficult to predict. We spend substantial time, effort, and expense in our sales efforts without any assurance that our efforts will result in the sale of our solutions. In addition, our sales cycle can vary substantially from customer to customer because of various factors, including the discretionary nature of potential customers' purchasing and budget decisions, the

macroeconomic and regulatory environments, the availability of funding in the life sciences industry, the announcement or planned introduction of new solutions by us or our competitors, and the purchasing approval processes of potential customers. For example, we have recently experienced increased scrutiny for certain potential projects, particularly for our professional services offerings, which may continue for the foreseeable future. If our sales cycle lengthens or we invest substantial resources pursuing unsuccessful sales opportunities, our operating results and growth would be harmed.

Sales to customers outside the United States or with international operations expose us to risks inherent in international sales.

In our fiscal year ended January 31, 2024, customers outside North America accounted for approximately 41% of our total revenues. A key element of our growth strategy is to further expand our international operations and worldwide customer base. Operating in international markets requires significant resources and management attention and subjects us to regulatory, economic, and political risks that are different from those in the United States. We have limited operating experience in some international markets, and we cannot assure you that our expansion efforts into additional international markets will be successful. Our experience in the United States and other international markets in which we already have a presence may not be relevant to our ability to expand in other markets. Our international expansion efforts may not be successful in creating further demand for our solutions outside of the United States or in effectively selling our solutions in the international markets we enter.

The risks we face in doing business internationally that could adversely affect our business include:

- the need and expense to localize and adapt our solutions for specific countries, including translation into foreign languages, and ensuring that our solutions enable our customers to comply with local laws and regulations;
- data privacy and data sovereignty laws which require that customer data be stored and processed in a designated territory;
- difficulties in staffing and managing foreign operations;
- different pricing environments, longer sales cycles and longer accounts receivable payment cycles, and collections issues;
- new and different sources of competition;
- weaker protection for intellectual property and other legal rights than in the United States and practical difficulties in enforcing intellectual property and other rights outside of the United States;
- laws and business practices favoring local competitors;
- compliance challenges related to the complexity of multiple, conflicting and changing governmental laws and regulations, including those related to employment, tax, privacy and data protection, anti-bribery, and environmental, social and governance matters;
- increased financial accounting and reporting burdens and complexities;
- difficulties in repatriating funds without adverse tax consequences or restrictions on the transfer of funds more generally, including as a result of sanctions arising from the Russian invasion of Ukraine, which may limit our ability to receive payment from Russian banks;
- adverse tax consequences, including the potential for required withholding taxes;
- fluctuations in the exchange rates of foreign currency in which our foreign revenues or expenses may be denominated;
- changes in diplomatic relations and trade policy, including the status of relations between the United States and other countries, including China and Russia, and the implementation of or changes to trade sanctions, tariffs, and embargoes, including if the United States and other countries were to impose more significant general sanctions against Russia in response to the continuing conflict in Ukraine, which could ban the use of our products by companies or users in Russia;
- public health crises, such as epidemics and pandemics; and

- unstable regional and economic political conditions or armed conflicts in the markets in which we operate, including as a result of the Russian invasion of Ukraine and the Israel-Hamas conflict.

We have an office, vendors, and customers in Israel and many of our customers in other regions also have operations in Israel. Armed conflicts, terrorist activities or political instability involving Israel or other countries in the region may cause business disruptions and adversely impact our results of operations.

We do not currently have locations or employees in Russia and our revenues from sales to Russian entities is limited. However, certain customers have reduced their number of users of our products in Ukraine. Additionally, the European Union recently adopted new sanctions against Russia prohibiting the sale and supply of enterprise software to entities and individuals in Russia. If customers further curtail or discontinue their operations in Ukraine or Russia, or if we are not able to supply or service users in Russia due to existing or new sanctions, we may lose sales and our results of operations could be negatively impacted.

Some of our business partners also have international operations and are subject to the risks described above. Even if we are able to successfully manage the risks of international operations, our business may be adversely affected if our business partners are not able to successfully manage these risks, which could adversely affect our business.

Difficulty attracting and retaining highly skilled employees could adversely affect our business and efforts to attract and retain such employees may increase our expenses.

To execute our growth plan, we must attract and retain highly skilled employees. Competition for such employees and potential employees is intense. We have experienced, and expect to continue to experience, difficulty in hiring and retaining employees with the appropriate level of qualifications, and we also have experienced, and expect to continue to experience, intense recruitment of our employees by competitors and other technology companies.

Further, it takes time for newly hired employees to become productive. With respect to sales professionals, for instance, even if we are successful in attracting highly qualified personnel, it may take six to nine months or longer before they are fully trained and productive.

Many of the companies with which we compete for experienced employees have greater resources than we have and may offer compensation packages and benefits that are perceived to be better than ours. For example, we offer equity awards to a substantial majority of our job candidates and existing employees as part of their overall compensation package. If the perceived value of our equity awards declines, including as a result of prolonged declines in the market price of our common stock or changes in perception about our future prospects, it may adversely affect our ability to recruit and retain highly skilled employees. Additionally, changes in our compensation structure may be negatively received by employees and result in attrition or cause difficulty in the recruiting process. If we fail to attract new employees or fail to retain and motivate our current employees, our business and future growth prospects could be adversely affected.

Additionally, we have adopted a "Work Anywhere" policy, which generally gives employees the flexibility to work in an office or at home on any given day, with certain job-specific restrictions. While we believe this program is beneficial to our business, over the long term we may find it challenging or more costly to maintain employee productivity and collaboration as we continue to grow our business. If we fail to maintain employee productivity and collaboration, our ability to attract and retain highly qualified employees and to achieve our business objectives could be negatively affected.

Catastrophic events could disrupt our business and adversely affect our operating results.

Our corporate headquarters are located in Pleasanton, California and our primary third-party hosted computing infrastructure is located in the United States, the European Union, Japan, and South Korea. The west coast of the United States, Japan, and South Korea each contain active earthquake zones. Additionally, we rely on our network and third-party infrastructure and enterprise applications, internal technology systems, and our website, for our development, marketing, operational support, hosted services, and sales activities. In the event of a major earthquake, hurricane, or other natural disaster, or catastrophic event such as an actual or threatened public health emergency (e.g., a global pandemic), fire, extreme weather event, power loss, telecommunications failure, cyber-attack, armed conflicts (including the Russian invasion of Ukraine and the Israel-Hamas conflict), or terrorist attack, we may be unable to continue our operations at full capacity or at all and may experience system interruptions, reputational harm, delays in our solution development, lengthy interruptions in our services, breaches of data

security, loss of key employees, and loss of critical data, all of which could have an adverse effect on our future operating results.

We may acquire other companies or technologies, which could divert our management's attention, result in additional dilution to our stockholders, and otherwise disrupt our operations and adversely affect our operating results.

We have in the past acquired and may in the future seek to acquire or invest in businesses, solutions, or technologies that we believe could complement or expand our solutions, enhance our technical capabilities or otherwise offer growth opportunities. The pursuit of potential acquisitions may divert the attention of management and cause us to incur various expenses in identifying, investigating, and pursuing suitable acquisitions, whether or not they are completed.

We have limited experience in acquiring other businesses. We may not be able to successfully integrate the acquired personnel, operations, and technologies or effectively manage the combined business following the acquisition. We also may not achieve the anticipated benefits from the acquired business due to a number of factors, including:

- inability to integrate or benefit from acquired technologies or services in a profitable manner;
- costs, liabilities, or accounting charges associated with the acquisition;
- difficulty integrating the privacy, data security, and accounting systems, operations, and personnel of the acquired business;
- difficulties and additional expenses associated with supporting legacy products and hosting infrastructure of the acquired business;
- difficulty converting the customers of the acquired business onto our solutions and contract terms, including due to disparities in the revenue, licensing, support, or professional services model of the acquired company;
- diversion of management's attention from other business concerns;
- problems arising from differences in applicable accounting standards or practices of the acquired business (for instance, non-U.S. businesses may not be accustomed to preparing their financial statements in accordance with U.S. GAAP) or difficulty identifying and correcting deficiencies in the internal controls over financial reporting of the acquired business;
- adverse effects to business relationships with our existing business partners and customers as a result of the acquisition;
- difficulty in retaining key personnel of the acquired business;
- use of substantial portions of our available cash to consummate the acquisition;
- use of resources that are needed in other parts of our business;
- significant changes beyond our control to the worldwide economic environment that could negatively impact our underlying assumptions and expectations for performance of the acquired business; and
- the possibility of investigation by, or the failure to obtain required approvals from, governmental authorities on a timely basis, if at all, under various regulatory schemes, including competition laws, which could, among other things, delay or prevent us from completing a transaction, subject the transaction to divestiture after the fact, or otherwise restrict our ability to realize the expected financial or strategic goals of the acquisition.

Acquisitions could also use substantial portions of our available cash and result in dilutive issuances of equity securities or the incurrence of debt, which could adversely affect our operating results. In addition, if an acquired business fails to meet our expectations, our operating results, business, and financial position may suffer.

Moreover, a significant portion of the purchase price of companies we acquire may be allocated to acquired intangible assets and goodwill, which we must assess for impairment at least annually. In the future, if our acquisitions do not yield expected returns, we may be required to take charges to our operating results based on this impairment assessment process, which could adversely affect our results of operations. Acquisitions may also result in purchase accounting adjustments, write-offs or restructuring charges, which may negatively affect our results.

Our core CRM application has achieved substantial market penetration of pharmaceutical and biotechnology companies. If our efforts to sustain or further increase the use and adoption of our core CRM application do not succeed, the growth of our Commercial Solutions revenues may be negatively impacted.

In our fiscal year ended January 31, 2024, we derived approximately 52% of our subscription services revenues and approximately 50% of our total revenues from our Commercial Solutions. In our fiscal quarter ended January 31, 2024, we derived approximately 50% of our subscription services revenues and approximately 49% of our total revenues from our Commercial Solutions. A significant percentage of our Commercial Solutions subscription services revenues are derived from subscriptions for our core CRM application, and we have realized substantial sales penetration among pharmaceutical and biotechnology companies for our core CRM application. If we are not able to sell additional user subscriptions for our core CRM application, if we fail to renew existing subscriptions for our core CRM application, or if subscription levels for our core CRM application are reduced at renewal (as a result of reductions in sales representatives that use our solutions, change in demand for our solutions, or for other reasons), the growth of our Commercial Solutions revenues may be negatively impacted. For example, in recent years, certain life sciences companies have reduced the number of sales representatives they employ due to an increased preference for digitally-enabled sales channels, which negatively impacted sales of Veeva CRM and certain of our other Commercial Solutions.

Changes in our senior management team or other key personnel could have a negative effect on our ability to execute our business strategy.

Our success depends in a large part upon the continued service of our senior management team and other key personnel. For example, our founder and Chief Executive Officer, Peter P. Gassner, is critical to our vision, strategic direction, culture, products, and technology. Leadership transitions can be inherently difficult to manage, and an unsuccessful transition may cause disruption to our business. If our succession planning for key personnel is inadequate, the loss of one or more of our key employees could harm our business. In addition, changes in our senior management team may create uncertainty among our customers, investors, employees, or job candidates concerning Veeva's future direction and performance. Any disruption in our operations or uncertainty around our ability to execute could have an adverse effect on our business, financial condition, or results of operations.

Our business could be adversely affected if our customers are not satisfied with the professional or technical support services provided by us or our partners.

Our business depends on our ability to satisfy our customers, both with respect to our solutions and the professional services that are performed in connection with the implementation of our solutions, including training our customers' employees on our solutions. Professional services may be performed by us, by a third party, or by a combination of the two. If a customer is not satisfied with the quality of work performed by us or a third party or with the solutions delivered, we could incur additional costs to address the situation, we may be required to issue credits or refunds for pre-paid amounts related to unused services, the profitability of that work might be impaired, and the customer's dissatisfaction with our services could damage our ability to expand the number of solutions subscribed to by that customer. Moreover, negative publicity related to our customer relationships, regardless of its accuracy, may further damage our business by affecting our ability to compete for new business with current and prospective customers.

Once our solutions are deployed, our customers depend on our support organization to resolve technical issues relating to our solutions. We may be unable to sufficiently accommodate short-term increases in customer demand for technical support services to our customers' satisfaction. Increased customer demand for our technical support services, without corresponding revenues, could increase costs and adversely affect our operating results. In addition, our sales process is highly dependent on the reputation of our solutions and business and on positive recommendations from our existing customers. Any failure to maintain high-quality technical support, or a market perception that we do not maintain high-quality support, could adversely affect our reputation, our ability to sell our solutions to existing and prospective customers, and our business and operating results.

Our estimate of the market size for our solutions we have provided publicly may prove to be inaccurate, and even if the market size is accurate, we cannot assure you that our business will serve a significant portion of the market.

Our estimate of the market size for our solutions that we have provided publicly, sometimes referred to as total addressable market (TAM), is subject to significant uncertainty and is based on assumptions and estimates, including our internal analysis and industry experience, which may not prove to be accurate. These estimates are, in part, based upon the size of the general application areas we target. Our ability to serve a significant portion of this

estimated market is subject to many factors, including our success in implementing our business strategy, which is subject to many risks and uncertainties. For example, in order to address the entire TAM we have identified, we must continue to enhance and add functionality to our existing solutions and introduce new solutions. Accordingly, even if our estimate of the market size is accurate, we cannot assure you that our business will serve a significant portion of this estimated market for our solutions.

Risks Related to the Principal Industry We Serve

Nearly all of our revenues are generated by sales to customers in the life sciences industry, and factors that adversely affect this industry, including mergers within the life sciences industry or regulatory changes, could also adversely affect us.

Nearly all of our sales are to customers in the life sciences industry. Demand for our solutions could be affected by factors that affect the life sciences industry, including:

- *The changing regulatory environment of the life sciences industry*—Changes in regulations could negatively impact the business environment for our life sciences customers. Healthcare laws and regulations are rapidly evolving and may change significantly in the future. In particular, legislation or regulatory changes regarding the pricing of drugs and other healthcare treatments sold by life sciences companies, including the extent to which the U.S. government or other governments may establish or negotiate prescription drug prices, has continued to be a topic of discussion by political leaders and regulators in the United States and elsewhere. Significant changes in drug pricing policy or regulation could result in life sciences companies reducing the number of sales representatives that use our products or otherwise reduce demand for our products. For example, the Inflation Reduction Act contains a number of significant drug pricing reforms, including provisions designed to limit the prices paid by Medicare for various prescription drugs. A number of life sciences companies have initiated litigation against the federal government challenging the constitutionality of the Inflation Reduction Act's mandatory pricing scheme. It is unclear at this time what impact this legislation will have on our business or our customers' businesses. We will continue to evaluate its impact.
- *Consolidation of companies within the life sciences industry*—Consolidation within the life sciences industry has accelerated in recent years, and this trend could continue. We have in the past, and may in the future, suffer reductions in user subscriptions or non-renewal of customer subscription orders due to industry consolidation. We may not be able to expand sales of our solutions and services to new customers enough to counteract any negative impact of company consolidation on our business. In addition, new companies that result from such consolidation may decide that our solutions are no longer needed because of their own internal processes or alternative solutions. As these companies consolidate, competition to provide solutions and services will become more intense and establishing relationships with large industry participants will become more important. These industry participants may also try to use their market power to negotiate price reductions for our solutions. If consolidation of our larger customers occurs, the combined company may represent a larger percentage of business for us and, as a result, we are likely to rely more significantly on revenue from the combined company to continue to achieve growth. In addition, if large life sciences companies merge, it would have the potential to reduce per-unit pricing for our solutions for the merged companies or to reduce demand for one or more of our solutions as a result of potential personnel reductions over time.
- *Changes in the funding environment and bankruptcies in the life sciences industry*—Our business depends on the overall economic health of our existing and prospective customers. The purchase of our solutions may involve a significant commitment of capital and other resources. Since 2022, there has been a reduction in funding for early-stage life sciences companies, which has resulted in reduced sales and adversely affected our financial results and may continue for the foreseeable future. Moreover, life sciences companies, and in particular early-stage companies with pre-commercial treatments in clinical trials, may ultimately be unsuccessful and may subsequently declare bankruptcy. If our customers declare bankruptcy or otherwise dissolve, they may terminate their agreements with us or we may not be able to recoup the full payment of fees owed to us. Certain of our customers or potential customers may also be negatively impacted by high interest rates and may find access to debt and other financing more difficult as a result.
- *Changes in market conditions and practices within the life sciences industry*—The expiration of key patents, the implications of precision medicine treatments, changes in the practices of prescribing physicians and patients, changes with respect to payer relationships, the policies and preferences of

healthcare professionals and healthcare organizations with respect to the sales and marketing efforts of life sciences companies, and changes in the regulation of the sales and marketing efforts and pricing practices of life sciences companies. Changes in public perception regarding the practices of the life sciences industry may result in political pressure to increase the regulation of life sciences companies in one or more of the areas described above, which may negatively impact demand for our solutions. Other factors could lead to a significant reduction in sales representatives that use our solutions or otherwise change the demand for our solutions. For example, in recent years, certain life sciences companies have reduced the number of sales representatives they employ due to an increased preference for digitally-enabled sales channels, which negatively impacted sales of our solutions, including Veeva CRM and certain of our other Commercial Solutions.

- *Changes in geopolitical conditions that impact the life sciences industry, changes in the ability to sell healthcare treatments in certain locations, and the global availability of healthcare treatments provided by the life sciences companies to which we sell*—If economic or geopolitical conditions deteriorates, or the ability to market life sciences products or conduct clinical trials in key markets is disrupted, including as a result of the Russian invasion of Ukraine, the Israel-Hamas conflict or resulting sanctions, or if the demand for life sciences products globally deteriorates for other reasons, our customers may delay or reduce their IT spending, particularly within the regions impacted by negative economic or geopolitical conditions. For example, a number of significant life sciences companies have scaled back sales, operations, and investments in Russia, including curtailing sales and marketing and clinical trial activity in Russia.

Any of the above could result in reductions in sales of our solutions, longer sales cycles, reductions in subscription duration and value, slower adoption of new product offerings, and increased price competition. Accordingly, our operating results and our ability to efficiently provide our solutions to life sciences companies and to grow or maintain our customer base could be adversely affected as a result of these factors and others that affect the life sciences industry generally.

Our solutions address heavily regulated functions within the life sciences industry, and failure to comply with applicable laws and regulations could lessen the demand for our solutions or subject us to significant claims and losses.

Our customers use our solutions for business activities that are subject to a complex regime of global laws and regulations, including requirements for maintenance of electronic records and electronic signatures, requirements regarding drug sample tracking and distribution, requirements regarding system validations, requirements regarding processing of health data, and other laws and regulations. Our customers expect to be able to use our solutions in a manner that is compliant with the regulations to which they are subject. Our efforts to provide solutions that comply with such laws and regulations are time-consuming and costly and include validation procedures that may delay the release of new versions of our solutions. As these laws and regulations change over time, we may find it difficult to adjust our solutions to comply with such changes.

In addition, many countries and self-regulatory bodies impose requirements regarding payments and transfers of value from life sciences companies to healthcare professionals. For example, our current and prospective customers may be required to comply with the U.S. federal legislation commonly referred to as the Physician Payments Sunshine Act, enacted as part of the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, and its implementing regulations (Sunshine Act). The Sunshine Act requires certain manufacturers of drugs, devices, biologics, and medical supplies, with specific exceptions, to report annually to the government information related to certain payments and other transfers of value to physicians. Our solutions and services targeted at life sciences companies, including, for example, Veeva Digital Events, are used by our customers to assist with their reporting obligations under the Sunshine Act. If our solutions and services fail to assist our customers to meet such reporting obligations in a timely and accurate manner, demand for our solutions could decrease, which could adversely affect our business.

As we increase the number of products we offer, increase the number of countries in which we operate, and incorporate new technologies and capabilities into our products (including the use of AI and machine learning technologies), the complexity of adjusting our solutions to comply with legal and regulatory changes will increase. If we are unable to effectively manage this increased complexity or if we are not able to provide solutions that can be used in compliance with applicable laws and regulations, customers may be unwilling to use our solutions, and any such non-compliance could result in the termination of our customer agreements or claims arising from such agreements with our customers. Furthermore, we have in the past and may in the future be subject to inspections or

audits by government agencies or other regulatory bodies to verify our customers' compliance with applicable laws, regulations, or GxP principles.

Additionally, any failure of our customers to comply with laws and regulations applicable to the functions for which they use our solutions could result in investigations by regulatory authorities, fines, penalties, or claims for substantial damages against our customers that may, in turn, harm our business or reputation. If such failure were allegedly caused by our solutions or services, our customers may make a claim for damages against us, regardless of our responsibility for the failure. We may be subject to investigations and lawsuits that, even if unsuccessful, could divert our resources and our management's attention and adversely affect our business and customer relationships, and our insurance coverage may not be sufficient to cover such claims against us.

Increasingly complex regulations relating to privacy, data protection, and cybersecurity are burdensome, may reduce demand for our solutions, and non-compliance may impose significant liabilities.

Our customers use our solutions to collect, use, store, disclose, and otherwise process personal data regarding their employees, healthcare professionals, and patients. Patient data may include sensitive health data. In many countries, governmental bodies have adopted or may adopt laws and regulations regarding the security, collection, use, storage, disclosure, and other processing of personal data, making compliance an increasingly complex task.

Under the European General Data Protection Regulation (EU GDPR) and the United Kingdom's General Data Protection Regulation (UK GDPR), we act as a data controller for our data products and a data processor with respect to our software products. Each of the GDPR and UK GDPR impose significant data protection obligations and provide for substantial penalties and other remedies for noncompliance. We maintain active self-certifications under the EU-U.S. Data Privacy Framework, the UK Extension to the EU-U.S. DPF, and the Swiss-U.S. Data Privacy Framework as set forth by the U.S. Department of Commerce. We also rely on EU, UK and Swiss Standard Contractual Clauses, as well as our technical, contractual, and security measures, to help ensure that our European customers have the appropriate legal mechanisms in place for their personal data to be accessed from within the United States. We are required to take steps to legitimize any personal data transfers impacted by these developments, and to engage in contract negotiations with third parties that aid in processing personal data on our behalf. We may be subject to increased costs of compliance and limitations on our service providers and us. In addition, these laws are complex, with the application and interpretation of them, at times, unclear and inconsistent, and there may be significant penalties imposed for non-compliance. For example, in May 2023, the Irish Data Protection Commission imposed a significant fine on a large internet technology corporation for its failure to sufficiently address risks to EU data subjects when transferring data to the U.S.

Other countries have imposed or may in the future impose data localization obligations, cross-border data transfer restrictions, and other country specific privacy and security requirements which could be problematic to cloud software providers. For example, in 2021, China adopted the Personal Information Protection Law, which, together with the Cybersecurity Law and the Data Security Law, require companies that process personal data of China residents above certain thresholds to seek approval from the Cyberspace Administration of China (CAC) to transfer such data outside of China. In 2023, certain of our Veeva CRM customers in China were required to request such approval from the CAC and had their requests denied. Customers required to request approval may need to implement a CRM solution that does not require data to be transferred outside of China and customers not subject to the requirement may nonetheless choose to do so. While we offer a CRM solution, called China SFA, that does not require data to be transferred outside of China, certain of these customers may choose to implement a competitor's CRM solution and our CRM business in China may be negatively impacted. Currently, approximately 2% of our total revenue is attributable to China.

In the United States, the U.S. Department of Health and Human Services promulgated privacy and security rules under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) that cover protected health information (PHI) by limiting use and disclosure and giving individuals the right to access, amend, and seek accounting of disclosures of their PHI. Certain of our customers may be either business associates or covered entities under HIPAA, which means we must maintain a HIPAA compliance program. There is also the potential for the U.S. federal government to pass additional data privacy laws.

U.S. federal and state data privacy laws are rapidly evolving. These laws impose new and modify existing obligations on businesses that collect personal information and create new privacy rights for individuals. For example, under the California Consumer Privacy Act (CCPA), as amended, we are generally considered a "service provider" for our software solutions and a "business" for our data and analytics products. Some of these laws and regulations also target certain types of marketing and advertising based on the use of personal information. The State of Washington, for example, passed the My Health My Data Act, which became effective on March 21, 2024,

establishing significant new restrictions on how businesses can collect, use, and disclose consumer health data. Veeva Crossix's data platform combines large-scale data sets, inclusive of de-identified health and consumer data, to provide insights, analytics, and audience segmentation for our life sciences customers in the U.S. The law may curtail our ability to use data of Washington consumers, which may limit the accuracy of and reduce demand for our Crossix products, which, in turn, could adversely impact the business. These various laws, regulations, and legislative developments have potentially far-reaching consequences and may require us to modify our solutions and data management practices and incur substantial expense in order to comply.

In addition to government regulations, privacy advocates and other key industry players have, and may continue to, establish various new standards and certifications, such as the prohibition of third-party cookies and other identifiers in certain digital environments, that may place additional burdens or resource constraints on us, limit our ability to collect, use, and otherwise process certain data, and limit our ability to generate certain analytics. Our customers may expect us to meet voluntary certifications or adhere to other standards established by third parties. Understanding and implementing industry and customer specific requirements and certifications on top of our internationally recognized security certifications could require additional investment and management attention and may subject us to significant liabilities if we are unable to comply. Moreover, the continuing evolution of these standards might cause confusion for our customers and may have an impact on the solutions we offer. If we are unable to maintain these certifications or meet these standards, it could reduce demand for our solutions and adversely affect our business and operating results.

Customers expect that our solutions can be used in compliance with applicable data protection, data privacy and cybersecurity laws and regulations. Compliance with these global laws and regulations, including any new or evolving regulations relating to the use of data in AI and machine learning technologies, such as the EU AI Act, has and will continue to require valuable management and employee time and resources and modification of our products or operations, and may also limit use and adoption of our products. Data protection authorities from around the world will from time to time review our products and services and their compliance with applicable laws and regulations. Any actual or perceived failure to comply with such laws and regulations or other actual or asserted obligations relating to privacy, data protection, or cybersecurity could lead to inspections, audits, regulatory investigations and other proceedings, significant fines, penalties, and other relief imposed by government agencies and regulatory bodies, and claims, demands, and litigation by our customers or third parties, which may reduce demand for our solutions and result in reputational harm, substantial damages and other liabilities.

Risks Related to Our Reliance on Third Parties

If the third-party providers of healthcare professional and healthcare organization data and prescription drug sales data do not allow our customers to upload and use such data in our solutions, the demand for our solutions may decrease, and our business may be negatively impacted.

Many of our customers license healthcare professional and healthcare organization data and data regarding the sales of prescription drugs from third parties such as IQVIA. In order for our customers to upload such data to the Veeva CRM, Veeva Network, Veeva Nitro, and other Veeva applications, such third-party data providers typically must consent to such uploads and often require that we enter into agreements regarding our obligations with respect to such data, which include confidentiality obligations and intellectual property rights with respect to such third-party data. We have experienced delays and difficulties in our negotiations with such third-party data providers in the past, and we expect to continue experiencing difficulties in the future. For instance, IQVIA currently will not consent that customers using its healthcare professional or healthcare organization data may upload such data to Veeva Network and this has negatively affected sales and customer adoption of Veeva Network. To date, IQVIA has also restricted customers from uploading any of its data to Veeva Nitro, and has denied use of its data with certain other Veeva applications and for certain other use cases. In addition, IQVIA has stated publicly that it will deny all customer requests for use of new IQVIA data types in Veeva applications, including, as examples, real world data, real world evidence, and genomics. Similarly, sales and customer adoption of Veeva OpenData has been negatively impacted by certain restrictions on the use of IQVIA data during customer transitions from IQVIA data to Veeva OpenData. If third-party data providers, particularly IQVIA, do not consent to the uploading and use of their data in our solutions, delay consent, or fail to offer reasonable conditions for the upload and use of their data in our solutions, our sales efforts, solution implementations, and productive use of our solutions by customers, which have been harmed by such actions in the past, may continue to be harmed. Restrictions on the ability of our customers to use third-party data in our solutions may also decrease demand for our solutions or may cause customers to consider purchasing solutions that are not subject to the same restrictions. If these third-party data limitations persist, our business may be negatively impacted.

We rely on third-party providers—including Salesforce, Inc. and Amazon Web Services—for computing infrastructure, secure network connectivity, and other technology-related services needed to deliver our cloud solutions. Any disruption in the services provided by such third-party providers could adversely affect our business and subject us to liability.

Our solutions are hosted from and use computing infrastructure provided by third parties. We utilize Amazon Web Services with respect to applications built on the Veeva Vault platform. Our Veeva CRM application is built on a platform provided by Salesforce, Inc. that utilizes hosting and computing infrastructure provided by Salesforce, Inc. However, as discussed in more detail above, we intend to migrate our Veeva CRM customers to Vault CRM, which is built on our Veeva Vault platform. We also utilize other computing infrastructure service providers to a lesser extent.

We do not own or control the operation of the third-party facilities or equipment used to provide the services described above. Our computing infrastructure service providers have no obligation to renew their agreements with us on commercially reasonable terms or at all. If we are unable to renew these agreements on commercially reasonable terms or if our computing infrastructure is unable to keep up with our needs for capacity, we may be required to transition to a new provider and we may incur significant costs and possible service interruption in connection with doing so. In addition, such service providers could decide to close their facilities or change or suspend their service offerings without adequate notice to us. Moreover, any financial difficulties, such as bankruptcy, faced by such service providers may have negative effects on our business, the nature and extent of which are difficult to predict. Since we cannot easily switch computing infrastructure service providers, any disruption with respect to our current providers would impact our operations and our business could be adversely impacted.

Problems faced by our computing infrastructure service providers could adversely affect the experience of our customers. For example, Salesforce, Inc. and Amazon Web Services have experienced significant service outages in the past and may do so again in the future. Additionally, our failure to manage or react to an increase in customer demand could have an adverse effect on our business. A rapid expansion of our business or an increase in customer demand could affect our service levels or cause our systems to fail. Our agreements with third-party computing infrastructure service providers may not entitle us to corresponding service level credits to those we offer to our customers. Any changes in third-party service levels at our computing infrastructure service providers or any related disruptions, slowdowns, failures, or other performance problems with our solutions could result in lengthy interruptions in our services, damage our customers' stored files, or result in potential losses of customer data, any of which could adversely affect our reputation. Interruptions in our services might reduce our revenues, cause us to issue refunds to customers for prepaid and unused subscriptions, subject us to service level credit claims and potential liability, or adversely affect our renewal rates.

We are currently dependent upon Salesforce, Inc.'s platform for our Veeva CRM application, and we are bound by the restrictions of our agreement with Salesforce, Inc., which limits the markets to which we may sell Veeva CRM.

We are currently dependent upon the Salesforce platform to deliver Veeva CRM.

However, on December 1, 2022, we announced our intent to migrate our Veeva CRM customers to Vault CRM, which is built on our Veeva Vault platform, and we do not intend to renew our agreement with Salesforce, Inc. when the current term expires on September 1, 2025. Pursuant to the terms of our agreement, during the wind-down period from September 1, 2025 to September 1, 2030, we may not sell applications that utilize the Salesforce platform to new customers and our sales of applications that utilize the Salesforce platform to a customer existing at September 1, 2025 may not exceed 150% of the seats in use by each such customer as of September 1, 2025. After September 1, 2030, we will not be able to sell applications that utilize the Salesforce platform to any customers.

Salesforce, Inc. also has the right to terminate the agreement early in certain circumstances, including in the event of a material breach of the agreement by us, or if Salesforce, Inc. is subjected to third-party intellectual property infringement claims based on our solutions (except to the extent based on the Salesforce platform) or our trademarks and we do not remedy such infringement in accordance with the agreement. Also, if we are acquired by specified companies, Salesforce, Inc. may terminate the agreement upon notice of not less than 12 months.

On May 1, 2023, as allowed by the terms of our agreement, Salesforce Inc. terminated certain competition restrictions imposed by the agreement. Per the terms of the agreement, termination of those non-competition obligations by Salesforce, Inc. released us from our minimum order commitments in the future. Under the terms of our current agreement, Salesforce, Inc. is no longer prohibited from promoting third parties' products that are

competitive to Veeva CRM, treating another third party as a "preferred" vendor of a CRM solution in the pharma and biotech market, or developing or promoting a product that competes with Veeva CRM. For example, Salesforce, Inc. and IQVIA announced an expanded CRM partnership under which IQVIA will license their CRM software to Salesforce and both parties will jointly market a new life sciences industry-specific CRM solution, which will compete with our offerings.

In addition, current or potential customers of ours may choose a competitor, such as Salesforce or IQVIA, or build their own custom solutions on the Salesforce platform rather than buy from us. Any of these events may have a material adverse impact on our business, operating results, and financial condition.

We employ third-party licensed software and software components for use in or with our solutions, and the inability to maintain these licenses or the presence of errors or security vulnerabilities in the software we license could limit the functionality of our products and result in increased costs or reduced service levels, which would adversely affect our business.

In addition to our employment of the Salesforce platform through our agreement with Salesforce, Inc., our solutions incorporate or use certain third-party software and software components obtained under licenses from other companies. We also use third-party software and tools in the development process for our solutions to manage and monitor our computing infrastructure, and to provide professional services and support our customers. For example, our Veeva CRM Engage Meeting application uses a purpose-built partner tool from Zoom Video Communications, Inc., which is critical to the application's functionality. We anticipate that we will continue to rely on such third-party software and development tools in the future. Although we believe that there are commercially reasonable alternatives to the third-party software we currently license, this may not always be the case, or it may be difficult or costly to replace. In addition, although we maintain a supplier security evaluation process, if the third-party software we use has errors, security vulnerabilities, or otherwise malfunctions, the functionality of our solutions may be negatively impacted, our customers may experience reduced service levels, and our business may suffer.

Our solutions utilize open-source software, and any failure to comply with the terms of one or more of these open-source licenses could adversely affect our business.

Our solutions include software covered by open-source licenses. The terms of various open-source licenses have not been interpreted by U.S. courts, and there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to market our solutions. It is possible under the terms of certain open-source licenses, if we combine our proprietary software with open-source software in a certain manner, that we could be required to release the source code of our proprietary software and make our proprietary software available under open-source licenses. In the event that portions of our proprietary software are determined to be subject to an open-source license, we could be required to publicly release the affected portions of our source code, re-engineer all or a portion of our solutions, or otherwise be limited in the licensing of our solutions, each of which could reduce or eliminate the value of our solutions. In addition to risks related to license requirements, use of open-source software can lead to greater risks than use of third-party commercial software, as open-source licensors generally do not provide warranties or controls on the origin of the software. Many of the risks associated with the use of open-source software cannot be eliminated and could adversely affect our business.

Risks Related to Our Financial Performance, How We Contract with Customers, and the Financial Position of Our Business

Our historic growth rates of total revenues and subscription services revenues should not be viewed as indicative of our future performance.

While we have experienced significant revenue growth in prior periods, it is not indicative of our future revenue growth. Our total revenues and subscription services revenue growth rates have declined in the past and may decline in the future. In our fiscal years ended January 31, 2024, 2023, and 2022, our total revenues grew by 10%, 16%, and 26% respectively, as compared to total revenues from the prior fiscal years. In our fiscal years ended January 31, 2024, 2023, and 2022, our subscription services revenues grew by 10%, 17%, and 26% respectively, as compared to subscription services revenues from the prior fiscal years. In the fiscal year ended January 31, 2024, our revenue growth rate was negatively impacted by macroeconomic conditions, including lower funding levels within segments of our customer base and increased scrutiny for certain potential projects, a contracting change in the master subscription agreements that govern our multi-year orders, which affected the timing of revenue recognition for such orders, and foreign currency exchange fluctuations. While we expect our revenue growth rates to accelerate in our fiscal year ending January 31, 2025, as compared to the prior fiscal year, the year-

over-year acceleration is in part due to the reduction in our revenues in the fiscal year ended January 31, 2024 from the contracting change discussed above. Over the longer term, our revenue growth rates are likely to fluctuate from year to year and may decline. If we are unable to maintain consistent revenue growth, it may adversely impact our profitability and the value of our common stock.

Our results may fluctuate from period to period, which could prevent us from meeting our own guidance or security analyst or investor expectations.

Our results of operations, including our revenues, gross margin, operating margin, profitability, cash flows, normalized billings, and deferred revenue, as well as other metrics we may report, may vary from period to period for a variety of reasons, including those listed elsewhere in this “Risk Factors” section, and period-to-period comparisons of our operating results may not be meaningful. Accordingly, our quarterly results should not be relied upon as an indication of future performance. Additionally, from time to time, we issue guidance and provide commentary regarding our expectations for certain future financial results and other metrics on both a near-term and long-term basis. Our guidance is based upon a number of assumptions and estimates that are subject to significant business, economic, and competitive uncertainties that are beyond our control and are based upon assumptions about future business and accounting decisions that may change or be wrong. Our guidance may prove to be incorrect, and actual results may differ from our guidance. Fluctuations in our results, changes in our guidance, or failure to achieve our guidance or security analyst or investor expectations, even if not materially, could cause the price of our common stock to decline substantially, and our investors could incur substantial losses.

Our subscription agreements with our customers are typically for a term of one year. If our existing customers do not renew their subscriptions, do not buy additional solutions and user subscriptions from us, renew at lower aggregate fee levels, or early terminate their existing agreements, our business and operating results will suffer.

We derive a significant portion of our revenues from the renewal of existing subscription orders. The majority of our customers’ orders for subscription services have one-year terms. Our customers have no obligation to renew their subscriptions after their orders expire. Thus, securing the renewal of our subscription orders and selling additional solutions and user subscriptions is critical to our future operating results. Factors that may affect the renewal rate for our solutions and our ability to sell additional solutions and user subscriptions include:

- the price, performance, and functionality of our solutions;
- the effectiveness of our professional services;
- the strength of our business relationships with our customers;
- the availability, price, performance, and functionality of competing solutions and services;
- our ability to develop complementary solutions, applications, and services;
- the stability, performance, and security of our hosting infrastructure and hosting services; and
- the business environment of our customers and, in particular, reductions in spending or headcount, and acquisitions of or business combinations between our customers or other business developments that may result in reductions in user subscriptions.

For example, certain of our contracting terms include an annual inflation adjustment that raises the price to each customer upon renewal by the lower of 4% or the Consumer Price Index (All Urban Consumer, U.S. City Average, All Items Index) published by the U.S. Bureau of Labor and Statistics for the month of August of the prior calendar year. If this increase results in reduced renewal rates, our business and results of operations will be adversely affected. Further, our customers may negotiate terms less advantageous to us upon renewal, which could reduce our revenues from these customers. As a customer’s total spend on Veeva solutions increases, we expect purchasing scrutiny at renewal to increase as well, which may result in reductions in user subscriptions or increased pricing pressure. Other factors that are not within our control may contribute to a reduction in our subscription services revenues. For instance, our customers may reduce their number of sales representatives, which would result in a corresponding reduction in the number of user subscriptions needed for some of our solutions and thus a lower aggregate renewal fee, or our customers may discontinue clinical trials for which our solutions are being used. In addition, our master subscription agreements that govern multi-year orders generally include a right to terminate the master subscription agreement for convenience and certain customers may exercise that right prior to the contracted end date.

If our customers fail to renew their subscription orders, renew their subscription orders with less favorable terms or at lower fee levels, fail to purchase new solutions, applications, or professional services from us, or terminate their existing agreements early, our revenues may decline or our future revenues may be constrained.

As our costs increase, we may not be able to sustain the level of profitability we have achieved in the past.

We expect our future expenses to increase as we continue to invest in and grow our business. We expect to incur significant future expenditures related to:

- developing new solutions and enhancing our existing solutions, including additional data acquisition costs associated with our Veeva Compass offering and investment in our product development teams;
- improving the technology infrastructure, scalability, availability, security, and support for our solutions;
- sales and marketing, including expansion of our direct sales organization and global marketing programs;
- expansion of our professional services organization;
- pending, threatened, or future legal proceedings, certain of which are described in [Part II, Item 1, "Legal Proceedings"](#) and [note 13](#) of the notes to our condensed consolidated financial statements, and which we expect to continue to result in significant expense for the foreseeable future;
- international expansion;
- acquisitions and investments; and
- general operations, IT systems, facilities, and administration, including legal and accounting expenses.

If our efforts to increase revenues and manage our expenses are not successful, or if we incur costs, damages, fines, settlements, or judgments as a result of other risks and uncertainties described in this report, we may not be able to sustain or increase our historical levels of profitability.

Our revenues and gross margin from professional services fees are volatile and may not increase from quarter to quarter or at all.

We derive a significant portion of our revenue from professional services fees. Our professional services revenues fluctuate from quarter to quarter as a result of the requirements, complexity, and timing of our customers' implementation projects. Generally, a customer's ongoing need for professional services decreases as the implementation and full deployment of our solutions is completed. Our customers may also choose to use third parties rather than us for certain professional services related to our solutions. As a result of these and other factors, our professional services revenues may not increase on a quarterly basis in the future or at all. Additionally, the gross margin generated from professional services fees fluctuates based on a number of factors which may vary from period to period, including the average billable hours worked by our billable professional services personnel, our average hourly rates for professional services, and the margin on professional services subcontracted to our third-party systems integrator partners. As a result of these and other factors, the gross margin from our professional services may not increase on a quarterly basis in the future or at all.

Because we recognize subscription services revenues ratably over the term of an order for our subscription services, it may be difficult to evaluate our future financial performance.

We generally recognize subscription services revenues ratably over the term of an order under our subscription agreements. As a result, a substantial majority of our quarterly subscription services revenues are generated from subscription agreements entered into during prior periods. Consequently, a decline in new subscriptions in any quarter may not affect our results of operations in that quarter but could reduce our revenues in future quarters. Additionally, the timing of renewals or non-renewals of a subscription agreement during any quarter may only affect our financial performance in future quarters. For example, the non-renewal of a subscription agreement late in a quarter will have minimal impact on revenues for that quarter but will reduce our revenues in future quarters.

Accordingly, the effect of significant declines in sales and customer acceptance of our solutions may not be reflected in our short-term results of operations, which would make these reported results less indicative of our future financial results. By contrast, a non-renewal occurring early in a quarter may have a significant negative impact on revenues for that quarter and we may not be able to offset a decline in revenues due to the non-renewal with revenues from new subscription agreements entered into in the same quarter.

Our master subscription agreements that govern multi-year orders generally include a termination for convenience right for our customers. The amount of revenue recognized from such orders will generally be consistent with the amount invoiced for the relevant term of the order.

When such multi-year orders are non-cancellable (other than for cause), we recognize the total contracted revenue ratably over the multi-year term of the order. As a result, in the initial year of such orders, we recognize more revenue than the fees we invoice for the same period, and in the last year of such orders, we recognize less revenue than the fees we invoice for the same period. Therefore, our reported revenue in any quarter or year may not correspond to the amounts we billed for the same period. In this scenario, we may also be exposed to impaired contract assets if, for example, a customer terminates an otherwise non-cancellable multi-year order with ramping fees for cause.

Deferred revenue and change in deferred revenue may not be accurate indicators of our future financial results.

Our subscription orders are generally billed at the beginning of the subscription period in annual or quarterly increments, which means the annualized value of such orders may not be completely reflected in deferred revenue at any single point in time. Many of our customers, including many of our large customers, are billed on a quarterly basis and therefore a substantial portion of the value of contracts billed on a quarterly basis will not be reflected in our deferred revenue at the end of any given quarter. Also, particularly with respect to expansion orders for our Commercial Solutions, because the term of orders for additional end users or applications is commonly less than one year to align to the renewal date of existing Commercial Solutions orders, the annualized value of such orders may not be completely reflected in deferred revenue at any single point in time. We have also agreed from time to time, and may agree in the future, to allow customers to change the renewal dates of their orders to, for example, align more closely with a customer's annual budget process or to align with the renewal dates of other orders placed by other entities within the same corporate control group, or to change payment terms from annual to quarterly, or vice versa. Such changes may result in an order of less than one year as necessary to align all orders to the desired renewal date and, thus, may result in a lesser increase to deferred revenue compared to if the adjustment had not occurred. Additionally, changes in renewal dates may change the fiscal quarter in which deferred revenue associated with a particular order is booked. Accordingly, we do not believe that changes on a quarterly basis in deferred revenue, calculated billings, or normalized billings are accurate indicators of the underlying momentum of our business or future revenues for any given period of time. We believe that our subscription revenue guidance and normalized billings guidance for the full fiscal year are the best indicators of the momentum of our business or future revenues. Please note that we define the term calculated billings for any period to mean revenue for the period plus the change in deferred revenue from the immediately preceding period minus the change in unbilled accounts receivable (contract asset) from the immediately preceding period. We define the term normalized billings for any period to mean calculated billings adjusted for the impact of term changes in renewal business, such as in the timing (for example, changing the renewal date of multiple products to be coterminous) or billing frequency (for example, changing from annual to quarterly billings). However, many companies that provide cloud-based software report changes in deferred revenue or billings as key operating or financial metrics, and it is possible that analysts or investors may view these metrics as important. Thus, any changes in our deferred revenue balances or deferred revenue trends could adversely affect the market price of our common stock.

Currency exchange fluctuations may negatively impact our financial results.

Some of our international agreements provide for payment denominated in local currencies, and the majority of our local costs are denominated in local currencies. As we continue to expand our operations in countries outside the United States, an increasing proportion of our revenues and expenditures in the future may be denominated in foreign currencies. Fluctuations in the value of the U.S. dollar versus foreign currencies may impact our operating results when translated into U.S. dollars. Thus, our results of operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates, particularly changes in the Euro, Japanese Yen, Canadian Dollar, British Pound Sterling, Chinese Yuan, and Hungarian Forint, and may be adversely affected in the future due to changes in foreign currency exchange rates. Changes in exchange rates may negatively affect our revenues, expenses, and other operating results as expressed in U.S. dollars in the future. For example, changes in exchange rates negatively affected our revenues as expressed in U.S. dollars for the fiscal years ended January 31, 2024 and 2023 and may also negatively affect our revenues as expressed in U.S. dollars for the fiscal year ending January 31, 2025. Further, we have experienced and will continue to experience fluctuations in our net income as a result of transaction gains or losses related to certain current asset and current liability balances that are denominated in currencies other than the functional currency of the entities in which they are recorded.

We engage in the hedging of our foreign currency transactions and may, in the future, hedge selected significant transactions or net monetary exposure positions denominated in currencies other than the U.S. dollar. The use of such hedging activities may not offset any or more than a portion of the adverse financial effects of unfavorable movements in foreign exchange rates over the limited time the hedges are in place. Moreover, the use of hedging instruments may introduce additional risks if we are unable to structure effective hedges with such instruments.

Taxing authorities may successfully assert that we should have collected or in the future should collect sales and use, value added or similar transactional taxes, and we could be subject to liability with respect to past or future sales, which could adversely affect our results of operations.

We do not collect sales and use, value added or similar transactional taxes in all jurisdictions in which we have sales but no physical presence, based on our determination that such taxes are not applicable or that we are not required to collect such taxes with respect to the jurisdiction. Sales and use, value added and similar tax laws and rates vary greatly by jurisdiction. Certain jurisdictions in which we do not collect and remit such taxes may assert that such taxes are applicable, which could result in tax assessments, penalties and interest, and we may be required to collect such taxes in the future. Such tax assessments, penalties and interest or future requirements, including based on changes in tax laws, may adversely affect our results of operations. We believe that our condensed consolidated financial statements reflect adequate reserves to cover such a contingency, but there can be no assurances in that regard.

Unanticipated changes in our effective tax rate and additional tax liabilities, including as a result of our international operations or implementation of new tax rules, could harm our future results.

We are subject to income taxes in the United States and various foreign jurisdictions. Our domestic and international tax liabilities are subject to the allocation of expenses in differing jurisdictions and complex transfer pricing regulations administered by taxing authorities in these jurisdictions. Tax rates may change as a result of factors outside of our control or relevant taxing authorities may disagree with our determinations as to the income and expenses attributable to specific jurisdictions. In addition, changes in tax and trade laws, treaties or regulations, or their interpretation or enforcement, have become more unpredictable and may become more stringent, which could have a material adverse effect on our tax position. Additionally, volatility in our stock price would affect the excess tax benefits from our equity compensation, which may adversely impact our effective tax rate. Forecasting our estimated annual effective tax rate is complex and subject to uncertainty, and there may be material differences between our forecasted and actual tax rates. Moreover, increases in our effective tax rate would reduce our profitability.

Our tax provision could also be impacted by changes in accounting principles and changes in U.S. federal and state or international tax laws applicable to multinational corporations. For example, the Tax Cuts and Jobs Act of 2017 eliminated the option to deduct research and development expenditures currently and required taxpayers to capitalize and amortize them over five or fifteen years, which has negatively impacted our cash from operations. We made significant judgments and assumptions in the interpretation of this new law and in our calculations reflected in our financial results. In addition, the current U.S. administration has released various tax legislation proposals. If enacted, these changes could increase our effective tax rate and have an adverse effect on our results of operations.

Any changes in taxing jurisdictions' administrative interpretations, decisions, policies, and positions could also impact our tax liabilities. The overall tax environment has made it increasingly challenging for multinational corporations to operate with certainty about taxation in many jurisdictions. For example, the Organisation for Economic Co-operation and Development (OECD) is making progress with ongoing reforms of the international tax system, including changes to the practice of shifting profits among affiliated entities located in different tax jurisdictions. In October 2021, the OECD announced that more than 135 jurisdictions agreed on a two-pillar solution to address the tax challenges arising from the digitalization of the economy, including a global minimum effective corporate tax rate of 15% for certain large multinational companies, referred to as Pillar Two. A number of countries, including the United Kingdom, have implemented the legislation effective January 1, 2024, and we expect others to follow. We continue to monitor and assess the developments and implications surrounding changes in the global tax environment, including Pillar Two. The increasingly complex global tax environment could have a material adverse effect on our effective tax rate, results of operations, cash flows, and financial condition.

Finally, we have been, and may be in the future, subject to income tax audits throughout the world. We believe our income, employment, and transactional tax liabilities are reasonably estimated and accounted for in accordance

with applicable laws and principles, but an adverse resolution of one or more uncertain tax positions in any period could have a material impact on the results of operations for that period.

If we are unable to implement and maintain effective internal controls over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports.

As a public company, we are required to maintain internal controls over financial reporting and to report any material weaknesses in such internal controls. Section 404 of the Sarbanes-Oxley Act of 2002 (Sarbanes-Oxley Act) requires that we evaluate and determine the effectiveness of our internal controls over financial reporting and provide a management report on internal controls over financial reporting. The Sarbanes-Oxley Act also requires that our management report on internal controls over financial reporting be attested to by our independent registered public accounting firm.

We must continue to monitor and assess our internal control over financial reporting. If in the future we have any material weaknesses, we may not detect errors on a timely basis and our financial statements may be materially misstated. Additionally, if in the future we are unable to comply with the requirements of the Sarbanes-Oxley Act in a timely manner, are unable to assert that our internal controls over financial reporting are effective, identify material weaknesses in our internal controls over financial reporting, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal controls over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be adversely affected, and we could become subject to investigations by the NYSE, the SEC, or other regulatory authorities, which could require additional financial and management resources.

We have broad discretion in the use of our cash balances and may not use them effectively.

We have broad discretion in the use of our cash balances and may not use them effectively. The failure by our management to apply these funds effectively could adversely affect our business and financial condition. Pending their use, we may invest our cash balances in a manner that does not produce income or that loses value. We are also subject to general economic conditions, including volatility in the financial markets, that can negatively affect our investment income or negatively impact the banking partners on which we rely for operating cash management. Our investments may not yield a favorable return to our investors and may negatively impact the price of our common stock. A loss on our investments may also negatively impact our liquidity, which in turn may hurt our ability to invest in our business.

Risks Related to Our Intellectual Property

We have been and may in the future be sued by third parties for alleged infringement of their proprietary rights or misappropriation of intellectual property, and we may suffer damages or other harm from such proceedings.

There is considerable patent and other intellectual property development activity in our industry. Our competitors, as well as a number of other entities and individuals including so-called non-practicing entities, or NPEs, may own or claim to own intellectual property relating to our solutions. From time to time, third parties may claim that we are infringing upon their intellectual property rights or that we have misappropriated their intellectual property. For example, since January 2017, we have been defending against assertions of trade secret misappropriation made by our competitor, IQVIA, as described in [note 13](#) of the notes to our condensed consolidated financial statements and other competitors have asserted similar claims in the past. As competition in our market grows and as we develop new technology products, the possibility of patent infringement and other intellectual property claims against us increases. In the future, we expect others to claim that our solutions and underlying technology infringe or violate their intellectual property rights. We may be unaware of the intellectual property rights that others may claim cover some or all of our technology or services. Such claims and litigation have caused and in the future could cause us to incur significant expenses and, if successfully asserted against us, could require that we pay substantial damages or ongoing royalty payments, prevent us from offering our services, or require that we comply with other unfavorable terms. We may also be obligated to indemnify our customers or business partners or pay substantial settlement costs, including royalty payments, in connection with any such claim or litigation and to obtain licenses, modify applications, or refund fees, which could be costly. Any litigation regarding our intellectual property could be costly.

and time-consuming and divert the attention of our management and key personnel from our business operations even if we were to ultimately prevail in such litigation.

Any failure to protect our intellectual property rights could impair our ability to protect our proprietary technology and our brand.

Our success and ability to compete depend in part upon our intellectual property. As of April 30, 2024, we have filed numerous domestic and foreign patent applications and have been issued 74 U.S. patents and 13 international patents. We also rely on copyright, trade secret and trademark laws, trade secret protection and confidentiality or license agreements with our employees, customers, partners, consultants and others to protect our intellectual property rights. However, the steps we take to protect our intellectual property rights may be inadequate and we may not be able to prevent the unauthorized disclosure or use of our technical knowledge, trade secrets or other confidential information. Further, if there is a breach or violation of the terms of our confidentiality agreements, we may not have adequate remedies.

In addition, in order to protect our intellectual property rights, we may also be required to spend significant resources to maintain, monitor and protect these rights. Litigation brought to protect and enforce our intellectual property rights could be costly, time-consuming and distracting to management and could result in the impairment or loss of portions of our intellectual property (for example, if an entity against which we have asserted an intellectual property claim is successful in attacking the validity of our intellectual property). Negative publicity related to a decision by us to initiate such enforcement actions against a customer or former customer, regardless of its accuracy, may adversely impact our other customer relationships or prospective customer relationships, harm our brand and business and could cause the market price of our common stock to decline. Our failure to secure, protect and enforce our intellectual property rights could adversely affect our brand and our business.

Risks Related to Our Status as a Public Benefit Corporation, Our ESG Disclosures, and Ownership of Our Common Stock

Our status as a Delaware public benefit corporation may not result in the benefits that we anticipate, requires our directors to balance the interest of stockholders with other interests, and may subject us to legal uncertainty and other risks.

On February 1, 2021, after approval by our stockholders, we became a Delaware public benefit corporation (PBC). There are a very limited number of publicly traded PBCs, we are the first publicly traded company to convert to a PBC, and we are the largest publicly traded company, as measured by revenue or market capitalization, to operate as a PBC. As a PBC, we have unique legal obligations. We are required to adopt and include in our certificate of incorporation a public benefit purpose that is intended to have positive effects on a category of persons, entities or communities other than stockholder financial interest. Our public benefit purpose is to provide products and services that are intended to help make the industries we serve more productive, and to create high-quality employment opportunities in the communities in which we operate. Further, as a PBC, our Board is required to balance our stockholders' pecuniary (financial) interests, the best interests of those materially affected by our conduct, and pursuit of our public benefit purpose. We have identified those materially affected by our conduct (which we refer to as stakeholders) as including our customers, our employees, our partners, and the communities in which we operate.

We believe that operating as a PBC is beneficial to our business and consistent with the long-term interests of stockholders, but the benefits we anticipate from operating as a PBC may not materialize within the timeframe we expect or at all, or there may be negative effects. Further, we may be unable or slow to achieve the public benefits we have identified or we may make balancing determinations that are ultimately harmful to our business or to stockholders, which could adversely affect our reputation, business, financial condition, and results of operations and cause our stock price to decline.

In the event of a conflict between the interests of our stockholders, our stakeholders, and our public benefit purpose, our directors must only make an informed and disinterested decision, and not such that no person of ordinary, sound judgment would approve. Our directors have significant latitude under this standard and there is no guarantee that a conflict would be resolved in favor of our stockholders. This balancing obligation may allow our directors to make decisions that they could not have made pursuant to the fiduciary duties applicable prior to our PBC conversion, and such decisions may not maximize short-term stockholder value. For instance, in a sale of control transaction, our board of directors would be required to consider and balance the factors listed above and might choose to accept an offer that does not maximize short-term stockholder value due to its consideration of other factors.

Further, there is limited legal precedent or guidance regarding how to administer our obligation to balance the interests of stockholders, stakeholders, and the pursuit of our public benefit purpose. While we expect that, in large part, traditional Delaware corporation law principles and the application of those principles in case law—including those related to self-dealing, conflicts of interest, and the application of the business judgment rule—will continue to apply with respect to Delaware PBCs, there is currently limited case law involving PBCs, which may create legal uncertainty or additional litigation risk until additional case law develops. Stockholders of a Delaware PBC (if they, individually or collectively, own at least the lesser of two percent of the company's outstanding shares or shares with a market value of at least \$2 million) may file suit to enforce the balancing obligation. Any such lawsuit might be a distraction to our management and board of directors, and could be costly, which may have an adverse impact on our financial condition and results of operations.

As a PBC, we are required to disclose to stockholders a report at least biennially that includes our assessment of our success in achieving our specific public benefit purpose, and we have committed to providing this report annually and making it publicly available. If we are not timely or are unable to provide this report, or if the report is not viewed favorably, our reputation and status as a public benefit corporation may be harmed.

While we do not view the additional reporting obligations of a PBC to be onerous, Delaware's PBC statute may be amended in the future to require more explicit or burdensome periodic reporting requirements and that could increase our expenses. In addition, if the public perceives that we are not successful in our public benefit purpose, or that our pursuit of our public benefit purpose is having a negative effect on the financial interests of our stockholders, that perception could negatively affect our reputation, which could adversely affect our business and results of operations.

Evolving expectations and disclosure requirements related to environmental, social and governance matters expose us to risks that could adversely affect our reputation and performance.

The positions we take on environmental, social, and corporate governance (ESG) matters may impact our brand and reputation, our ability to attract or retain customers, or our relationships with our employees, stockholders, and other stakeholders. These positions or a failure or perceived failure to meet certain stated ESG commitments could adversely affect our reputation, financial performance, and growth, and expose us to increased scrutiny from the investment community as well as enforcement authorities.

Standards for tracking and reporting ESG matters continue to evolve. Our processes and controls may not comply with evolving standards for identifying, measuring, and reporting ESG metrics, including ESG-related disclosures that are required or may be required of public companies by the SEC and other regulators. Additionally, increasing regulatory requirements and regulatory scrutiny related to ESG matters may result in higher compliance costs for us. Our failure or perceived failure to satisfy various reporting standards on a timely basis, or at all, could have similar negative impacts or expose us to government enforcement actions and private litigation.

Our common stock price has been and will likely continue to be volatile.

The trading price of our common stock has been, and will likely continue to be, volatile for the foreseeable future. In addition, the trading prices of the securities of technology companies have been highly volatile. Accordingly, the market price of our common stock is likely to be subject to wide fluctuations in response to numerous factors, many of which are beyond our control. Uncertain macroeconomic and geopolitical factors in recent periods, including as a result of global inflationary pressures and changes in interest rates, currency exchange fluctuations, the Russian invasion of Ukraine, the Israel-Hamas conflict, and concerns about a possible domestic or global recession have led to volatility in the stock market. As a result, our stock price has changed significantly in recent periods, and we expect the trading price of our common stock will likely continue to be volatile for the foreseeable future. In addition to those risks described in this "Risk Factors" section, other factors could impact the value of our common stock, including:

- fluctuations in the valuation of companies perceived by investors to be comparable to us, such as high-growth or cloud companies, or in valuation metrics, such as our price to revenues ratio;
- overall performance of the stock market;
- changes in our financial, operating or other metrics, regardless of whether we consider those metrics as reflective of the current state or long-term prospects of our business, and how those results compare to

securities analyst expectations, including whether those results fail to meet, exceed, or significantly exceed securities analyst expectations;

- changes in the forward-looking estimates of our financial, operating, or other metrics, how those estimates compare to securities analyst expectations, or changes in recommendations by securities analysts that follow our common stock;
- announcements of customer additions and customer cancellations or delays in customer purchases;
- the net increase in the number of customers, either independently or as compared to published expectations of industry, financial or other analysts that cover us;
- announcements by us or by our competitors of technological innovations, new solutions, enhancements to services, strategic alliances or significant agreements;
- announcements by us or by our competitors of mergers or other strategic acquisitions or rumors of such transactions;
- the economy as a whole and market conditions within our industry and the industries of our customers;
- macroeconomic and geopolitical factors and instability and volatility in the global financial markets;
- future monetary policy changes in the United States and globally;
- the operating performance and market value of other comparable companies;
- securities or industry analysts downgrading our common stock or publishing inaccurate or unfavorable research about our business;
- trading activity by directors, executive officers (in particular our Chief Executive Officer who holds a significant portion of our outstanding common stock and a significant number of vested options), and other significant stockholders, or the perception in the market that the holders of a large number of shares intend to sell their shares; and
- any other factors discussed herein.

In addition, if the market for technology stocks or the stock market in general experiences uneven investor confidence, the market price of our common stock could decline for reasons unrelated to our business, operating results or financial condition. The market price of our common stock might also decline in reaction to events that affect other companies within, or outside, our industry even if these events do not directly affect us. Some companies that have experienced volatility in the trading price of their stock have been the subject of securities class action litigation. If we are the subject of such litigation, it could result in substantial costs and a diversion of our management's attention and resources.

We do not intend to pay dividends on our capital stock for the foreseeable future, so any returns will be limited to changes in the value of our common stock.

We have never declared or paid any cash dividends on our capital stock. We currently anticipate that we will retain future earnings for the development, operation, and expansion of our business and do not anticipate declaring or paying any cash dividends for the foreseeable future. In addition, our ability to pay cash dividends on our capital stock may be prohibited or limited by the terms of any future debt financing arrangement. Any return to stockholders will therefore be limited to the increase, if any, of the price of our common stock.

Provisions in our certificate of incorporation and bylaws and Delaware law might discourage, delay or prevent a change in control of our company or changes in our management and, therefore, depress the market price of our common stock.

Our certificate of incorporation and bylaws contain provisions that could depress the market price of our common stock by acting to discourage, delay, or prevent a change in control of our company or changes in our management that the stockholders of our company may deem advantageous. These provisions among other things:

- permit our board of directors to establish the number of directors;
- provide that directors may only be removed with the approval of 66-2/3% of our stockholders;
- require super-majority voting to amend some provisions in our restated certificate of incorporation and amended and restated bylaws;

- authorize the issuance of "blank check" preferred stock that our board of directors could use to implement a stockholder rights plan;
- require our board of directors to consider and balance our stockholders' pecuniary (financial) interests, the best interests of those materially affected by our conduct, and the pursuit of our public benefit purpose, which may, in turn, allow our board of directors to make a decision about a change of control transaction that does not maximize short-term stockholder value;
- prohibit stockholder action by written consent, which requires all stockholder actions to be taken at a meeting of our stockholders;
- provide that the board of directors is expressly authorized to make, alter, or repeal our amended and restated bylaws; and
- establish advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at annual stockholder meetings.

In addition, Section 203 of the Delaware General Corporation Law may discourage, delay, or prevent a change in control of our company. Section 203 imposes certain restrictions on merger, business combinations, and other transactions between us and holders of 15% or more of our common stock.

Our bylaws provide for exclusive forums for certain disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees.

Our bylaws provide that the Court of Chancery of the State of Delaware is the exclusive forum for any derivative action or proceeding brought on our behalf, any action asserting a breach of fiduciary duty, any action asserting a claim against us arising pursuant to the Delaware General Corporation Law or any action asserting a claim against us that is governed by the internal affairs doctrine. Our bylaws also provide that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States shall be the sole and exclusive forum for any action asserting a claim arising pursuant to the Securities Act, such a provision known as a "Federal Forum Provision." Any person or entity purchasing or otherwise acquiring any interest in our shares of capital stock shall be deemed to have notice of and consented to these provisions.

These choice of forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees and may discourage these types of lawsuits. Alternatively, if a court were to find the choice of forum provision contained in our bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results, and financial condition.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

a) Sales of Unregistered Securities

None.

b) Use of Proceeds from Public Offerings of Common Stock

None.

c) Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

Rule 10b5-1 Trading Plans

The following table sets forth the material terms of all “Rule 10b5-1 trading arrangements” (as such term is defined under Item 408(a) of Regulation S-K) adopted or terminated by our Section 16 officers and directors during the fiscal quarter ended April 30, 2024:

Name and Title	Action (Adoption / Termination)	Adoption / Termination Date	Aggregate Number of Shares of Common Stock to be Sold (1)	Expiration Date (2)
Alan Mateo <i>Former Executive Vice President, Global Sales</i> ⁽³⁾	Adoption	3/20/2024	50,242	4/30/2025

(1) This number represents the maximum number of shares of common stock that may be sold pursuant to the trading plan. The number of shares actually sold will depend on the satisfaction of certain conditions as set forth in the plan.

(2) In each case, the trading plan may expire on an earlier date if and when all transactions thereunder are completed.

(3) As previously disclosed on our Current Report on Form 8-K filed on April 1, 2024, Mr. Mateo retired from his position as Executive Vice President, Global Sales and transitioned to a part-time advisor role, effective April 30, 2024.

None of our Section 16 officers or directors adopted or terminated a “non-Rule 10b5-1 trading arrangement” (as such term is defined under Item 408(c) of Regulation S-K) during the fiscal quarter ended April 30, 2024.

ITEM 6. EXHIBITS.
Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Hereewith
		Form	File No.	Exhibit	Filing Date	
3.1	Amended and Restated Certificate of Incorporation of Veeva Systems Inc.	8-K	001-36121	3.2	10/16/2023	
3.2	Certificate of Retirement of Class B Common Stock of Veeva Systems Inc.	8-K	001-36121	3.1	10/16/2023	
3.3	Amended and Restated Bylaws of Veeva Systems Inc.	8-K	001-36121	3.1	6/23/2023	
10.1*	Advisor Agreement, dated April 22, 2024, between Alan Mateo and Veeva Systems Inc.					X
10.2*	Separation Agreement, dated April 4, 2024, between Brent Bowman and Veeva Systems Inc.					X
10.3*	Offer Letter, dated February 29, 2024, between Stacey Epstein and Veeva Systems Inc.					X
31.1	Certification of Principal Executive Officer Required Under Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended.					X
31.2	Certification of Principal Financial Officer Required Under Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended.					X
32.1†	Certification of Chief Executive Officer Required Under Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, and 18 U.S.C. §1350.					X
32.2†	Certification of Chief Financial Officer Required Under Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, and 18 U.S.C. §1350.					X
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.					
101.SCH	Inline XBRL Taxonomy Schema Linkbase Document.					

101.CAL	Inline XBRL Taxonomy Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Labels Linkbase Document.
101.PRE	Inline XBRL Taxonomy Presentation Linkbase Document.
104	Cover Page Interactive Data File - the cover page interactive data is embedded within the Inline XBRL document or included within the Exhibit 101 attachments.

* Indicates a management contract or compensatory plan.

† The certifications attached as Exhibit 32.1 and 32.2 that accompany this Quarterly Report on Form 10-Q are not deemed filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of Veeva Systems Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Veeva Systems Inc.

Dated: June 3, 2024

By: /s/ TIM CABRAL
Tim Cabral
Interim Chief Financial Officer
(Principal Financial Officer)

Dated: June 3, 2024

By: /s/ KRISTINE DIAMOND
Kristine Diamond
Chief Accounting Officer
(Principal Accounting Officer)

Veeva Systems Inc.

April 22, 2024

Alan Mateo

Dear Alan,

This letter is to document the revised employment arrangement agreed between you and Veeva Systems Inc. (the "Company") following your transition from Executive Vice President, Global Sales of the Company. The terms of your new role are as follows:

1. **Position.** Your title will be Advisor and you will report to Doug Ostler. This is a part-time position. You will begin this role effective April 30, 2024. While you render services to the Company, you will not engage in any other employment, consulting, or other business activity (whether full-time or part-time) that would create a conflict of interest with the Company. By signing this letter agreement, you confirm to the Company that you have no contractual commitments or other legal obligations that would prohibit you from performing your duties for the Company.
 2. **Compensation.** The Company will pay you a salary at the rate of \$45,000 per year, payable in accordance with the Company's standard payroll schedule. Your current equity compensation will vest at 10% of the vesting rate in effect prior to April 30, 2024. You agree that each grant agreement you entered into with the Company is hereby amended to reflect the vesting scheduled listed on Exhibit A and will be represented in the Company's equity system with a new grant number as also listed on Exhibit A. Any stock option awards that have already fully vested are not included in Exhibit A. No new equity awards will be made. Your compensation, as described above, will be subject to adjustment pursuant to the Company's policies, which may change from time to time.
 3. **Employee Benefits.** In your role as Advisor, you will be eligible to participate in a limited number of Company-sponsored benefits as separately communicated to you.
 4. **Employment Relationship.** Employment with the Company is for no specific period of time. Your employment with the Company will be "at will," meaning that either you or the Company may terminate your employment at any time and for any reason, with or without cause. Any contrary representations that may have been made to you are superseded by this letter agreement. This is the full and complete agreement between you and the Company on this term. Although your job duties, title, compensation, and benefits, as well as the Company's personnel policies and procedures, may change from time to time, the "at will" nature of your employment may only be changed in an express written agreement signed by you and a duly authorized officer of the Company (other than you).
 5. **Taxes.** All forms of compensation referred to in this letter agreement are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law. You agree that the Company does not have a duty to design its compensation policies in a manner that minimizes your tax liabilities, and you will not make any claim against the Company or its Board of Directors related to tax liabilities arising from your compensation.
 6. **Interpretation, Amendment and Enforcement.** This letter agreement, your existing equity grant agreements as amended by Exhibit A, and your existing Proprietary Information and Inventions Agreement constitute the complete agreement between you and the Company, contain all of the terms of your employment with the Company and supersede any prior agreements, representations or understandings (whether written, oral, or implied) between you and the Company. This letter agreement may not be amended or modified, except by an express written agreement signed by both you and a duly authorized officer of the Company. The terms of this letter agreement and the resolution of any disputes as to the meaning, effect, performance, or validity of this letter agreement or arising out of, related to, or in any way connected with, this letter agreement, your employment with the Company or any other relationship between you and the Company (the "Disputes") will be
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governed by California law, excluding laws relating to conflicts or choice of law. You and the Company submit to the exclusive personal jurisdiction of the federal and state courts located in Alameda County, California in connection with any Dispute or any claim related to any Dispute.

* * * * *

Very truly yours,

Josh Faddis
Veeva Systems Inc.

By: /s/ Josh Faddis
Title: Sr. Vice President, General Counsel

I have read and I accept this revision to my employment arrangement and amendments to my equity grant agreements:

By: /s/ Alan Mateo

Dated: April 22, 2024

Exhibit A

Original Grant Number	New Grant Number	Share Type	Vest Date*	Shares Vesting
015053	A015053	ISO	04/01/2025	64
			04/01/2026	64
			04/01/2027	64
			04/01/2028	64
			04/01/2029	64
			04/01/2030	42
N015053	AN015053	NQ	04/01/2022	3,270
			04/01/2023	3,270
			04/01/2024	3,270
			04/01/2025	507
			04/01/2026	327
			04/01/2027	327
			04/01/2028	327
			04/01/2029	327
			04/01/2030	327
			04/01/2031	327
017199	A017199	ISO	04/01/2026	49
			04/01/2027	49
			04/01/2028	49
			04/01/2029	49
			04/01/2030	49
			04/01/2031	49
			04/01/2032	49
N017199	AN017199	NQ	04/01/2023	5,294
			04/01/2024	5,294
			04/01/2025	922
			04/01/2026	482
			04/01/2027	530
			04/01/2028	530
			04/01/2029	530
			04/01/2030	530
			04/01/2031	530
			04/01/2032	530

26702	A26702	ISO	04/01/2026	1
			04/01/2027	56
			04/01/2028	56
			04/01/2029	56
			04/01/2030	56
			04/01/2031	56
			04/01/2032	56
			04/01/2033	56
N026703	AN026703	NQ	04/01/2024	5,831
			04/01/2025	1,016
			04/01/2026	583
			04/01/2027	528
			04/01/2028	583
			04/01/2029	583
			04/01/2030	583
			04/01/2031	583
			04/01/2032	583
			04/01/2033	583

*Shares vesting on the Vest Date are subject to the service provider's continuous service to the Company.

**If your part-time employment status does not change, equity grants will be forfeited as follows:

- (i) Grant # N015053, 439 options on April 14, 2031
- (ii) Grant # 017199, 138 options on April 5, 2032
- (iii) Grant # N017199, 5,524 options on April 5, 2032
- (iv) Grant # 26702, 163 options on April 5, 2033
- (v) Grant # N026703, 11,313 options on April 5, 2033

This Exhibit A anticipates you working part-time indefinitely. However, upon your official return to full-time status or a change in your part-time status (i.e., working greater than 10%) your vesting schedule will be adjusted accordingly for the remaining unvested equity grants.

SEPARATION AGREEMENT

RECITALS

This Separation Agreement (“Agreement”) is made by and between Brent Bowman (“Employee”) and Veeva Systems Inc. (the “Company”) (Employee and the Company are collectively referred to as the “Parties”):

COVENANTS

Deadline to Accept Terms of This Agreement. Employee understands that Employee will not receive the benefits set forth in this Agreement unless Employee delivers a fully executed copy of this Agreement to Josh Faddis on or before 21 days from Separation Date.

Separation Date. The effective date of Employee’s Separation of employment from the Company is May 1, 2024 (“Separation Date”).

Termination Date. The effective date of Employee’s termination of employment from the Company is July 1, 2024 (“Termination Date”).

Transition Period. Employee understands and acknowledges that their last day working is the Separation Date and that between the Separation Date and the Termination Date the Employee shall perform no work or take any action on behalf of the Company unless specifically requested by the Company.

Consideration for Release of Claims. In consideration for the execution by Employee of this document that includes a general release, the Company agrees to the following:

Continuation of Pay During Transition. To continue to pay Employee during the Transition Period as though they were continuing to provide services. Employee’s pay and benefit level and vesting of equity, if any, shall remain unchanged during this Transition Period.

Other Payments and Benefits. Company further agrees to make the following payments and provide the following benefits to Employee:

Salary and Bonus. Company shall pay all accrued base salary and a cash bonus of \$225,000 through the Termination Date.

Benefits. Coverage will continue until July 30, 2024. Employee shall then have the right to convert Employee’s health insurance benefits to individual coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (“COBRA”) following the last date of Employee’s employment with Veeva. Employee agrees to complete and return Employee’s COBRA application to Veeva’s human resource department during the time period provided by law.

Equity Grants. Any and all stock vesting ends immediately upon Employee's Termination Date. 9/16th of the special equity grant from April 6, 2022, consisting of 5,625 RSUs and 11,250 options, will vest on the Termination Date, assuming Employee's continued service through the Termination Date. For the avoidance of doubt, all stock, in whatever form, that is scheduled to vest on or before the Termination Date, will vest pursuant to the 2013 Equity Incentive Plan and grant agreement(s). Stock options will be exercisable pursuant to the 2013 Equity Incentive Plan and option grant agreement.

Tax Indemnification. Employee acknowledges and agrees that the Company has made no representations or warranties regarding the tax consequences of any amounts paid by the Company to Employee pursuant to this Agreement. Employee agrees to pay all federal or state taxes owed by Employee, if any, which are required by law to be paid with respect to the payments herein. Employee further agrees to indemnify and hold the Company harmless from any taxes owed by Employee, including interest or penalties owed by Employee, on account of this Agreement. Employee further agrees to reimburse Company for any attorney's fees and costs incurred by Company as a result of having to obtain indemnification under this Agreement.

Payment of Salary and Benefits. Employee acknowledges and represents that the Company has paid all salary, wages, bonuses, commissions, accrued vacations, expenses and any and all other benefits due to Employee once the above noted payments and benefits are received.

Equipment. Employee agrees to return computers in Employee's possession with their associated equipment, docking station, carry bags and any and all peripherals, to the designated Company representative as soon as is feasible.

Mutual Release of Claims. The Parties agree that the foregoing consideration represents settlement in full of all outstanding obligations owed to Employee by the Company. The Parties mutually agree and each hereby fully and forever releases the other from, and agree not to sue concerning, any claim, duty, obligation or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, arising from any omissions, acts or facts that have occurred up until and including the Effective Date of this Agreement. Employee enters into foregoing release on behalf of himself and his respective heirs, family members, executors, and assigns and with respect to Company and its officers, directors, employees, investors, shareholders, administrators, affiliates, divisions, subsidiaries, predecessor and successor corporations, and assigns. Company enters into foregoing release on behalf of its officers, directors, employees, administrators, affiliates, divisions, subsidiaries, predecessor and successor corporations, and assigns and with respect to Employee and his respective heirs, family members, executors, and assigns.

The foregoing release includes, without limitation:

- any and all claims relating to or arising from Employee's employment relationship with the Company and the termination of that relationship;

- any and all claims relating to, or arising from, Employee's right to purchase, or actual purchase of shares of stock of the Company, including, without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state corporate law, and securities fraud under any state or federal law;
- any and all claims under the law of any jurisdiction including, but not limited to, wrongful discharge of employment; constructive discharge from employment; termination in violation of public policy; discrimination; breach of contract, both express and implied; breach of a covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent or intentional infliction of emotional distress; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; and conversion;
- any and all claims for violation of any federal, state or municipal statute, including, but not limited to, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Americans with Disabilities Act of 1990, the Fair Labor Standards Act, the Employee Retirement Income Security Act of 1974 (except for vested benefits), The Worker Adjustment and Retraining Notification Act, Family Medical Leave Act;
- any and all claims for violation of the federal, or any state, constitution;
- any and all claims arising out of any other laws and regulations relating to employment or employment discrimination;
- any claim for any loss, cost, damage, or expense arising out of any dispute over the non-withholding or other tax treatment of any of the proceeds received by Employee as a result of this Agreement; and
- any and all claims for attorneys' fees and costs.

The Company and Employee agree that the release set forth in this section shall be and remain in effect in all respects as a complete general release as to the matters released. This release does not extend to any obligations incurred under this Agreement.

The Parties acknowledge and agree that any breach of any provision of this Agreement shall constitute a material breach of this Agreement and shall entitle the non-breaching Party to recover reasonable damages as may be proved by that Party in a Court of competent jurisdiction.

This release does not extend to any obligations incurred under this Agreement, nor does it extend to any claims that cannot be released as a matter of law, including claims under Labor Code § 2802.

1542 Waiver. The Employee releases all claims against the Company, including those of which they are unaware. The Employee expressly waives their rights under California Civil Code § 1542, which states: "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

Acknowledgement of Waiver of Claims Under ADEA. Employee acknowledges that Employee is waiving and releasing any rights Employee may have under the Age Discrimination

in Employment Act of 1967 (“ADEA”) and that this waiver and release is knowing and voluntary. Employee and the Company agree that this waiver and release does not apply to any rights or claims that may arise under ADEA after the Effective Date of this Agreement. Employee acknowledges that the consideration given for this waiver and release Agreement is in addition to anything of value to which Employee was already entitled. Employee further acknowledges that Employee has been advised by this writing that:

- Employee should consult with an attorney prior to executing this Agreement;
- For purposes of the waiver of any age claims, the Employee has up to twenty-one (21) calendar days within which to consider this Agreement but acknowledges that in consideration of the above obligations of the Employer as set out above and in consideration of a termination date that allows them to vest in certain equity they would not otherwise vest in Employee waives this 21 day period;
- For purposes of the age claim only, the Employee has seven (7) calendar days following Employee’s execution of this Agreement to revoke the Agreement;
- This Agreement shall not be effective until the revocation period has expired;
- Nothing in this Agreement prevents or precludes Employee from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties or costs for doing so, unless specifically authorized by federal law; and
- In order to revoke this Agreement, Employee must deliver to the Veeva General Counsel’s attention at the following address a written revocation before 12:00 p.m. (midnight) p.s.t. on the seventh calendar day following the date Employee signs this Agreement: Attention: General Counsel, Veeva Systems Inc., 4280 Hacienda Drive, Pleasanton, CA 94588.

Other Agreement(s). This Agreement does not supersede or replace the obligations set forth in any other agreements you have entered into with Company, including Employee’s continuing obligation of confidentiality.

Effective Date. This Agreement is effective after it has been signed by both parties (the “Effective Date”).

Voluntary Execution of Agreement. This Agreement is executed voluntarily and without any duress or undue influence on the part or behalf of the Parties hereto, with the full intent of releasing all claims. The Parties acknowledge that:

- They have read this Agreement;
 - They have been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of their own choice;
 - They understand the terms and consequences of this Agreement and of the releases it contains; and
 - They are fully aware of the legal and binding effect of this Agreement.
-

IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below.

Dated: April 4, 2024

By: /s/ Brent Bowman

Brent Bowman, AN INDIVIDUAL

Dated: April 4, 2024

By: /s/ Josh Faddis

**Josh Faddis, General Counsel,
Veeva Systems Inc.**

VEEVA SYSTEMS INC.

February 29, 2024

Stacey Epstein
1212 Monticello Rd
Lafayette, CA 94549

Dear Stacey,

Veeva Systems Inc. (the "Company") is pleased to offer you employment on the following terms:

1. **Position.** Your initial title will be Chief Marketing Officer and you will initially report to the Chief Executive Officer. This is a full-time position. While you render services to the Company, you will not engage in any other employment, consulting or other business activity (whether full-time or part-time) that would create a conflict of interest with the Company. By signing this letter agreement, you confirm to the Company that you have no contractual commitments or other legal obligations that would prohibit you from performing your duties for the Company.
2. **Compensation.** The Company will pay you a starting salary at the rate of \$425,000 per year, payable in accordance with the Company's standard payroll schedule. You may be eligible to receive cash bonus and/or sales commissions in accordance with the Company's bonus and commission policies in effect from time to time. You may also be eligible to participate in the Company's equity compensation program. If eligible, your equity compensation includes two type of equity (i) restricted stock units with a value intended to approximate 175% of your base salary (your "Stock Bonus") and (ii) stock options, both of which are described in further detail at Exhibit B. Your compensation, as described above, will be subject to adjustment pursuant to the Company's policies, which may change from time to time.
3. **Employee Benefits.** As a regular employee of the Company, you will be eligible to participate in a number of Company-sponsored benefits. In addition, you will be entitled to paid vacation in accordance with the Company's vacation policy, as in effect from time to time.
4. **Proprietary Information and Inventions Agreement.** Like all Company employees, you will be required, as a condition of your employment with the Company, to sign the Company's standard Proprietary Information and Inventions Agreement, a copy of which is attached hereto as Exhibit A.
5. **Employment Relationship.** Employment with the Company is for no specific period of time. Your employment with the Company will be "at will," meaning that either you or the Company may terminate your employment at any time and for any reason, with or without cause. Any contrary representations that may have been made to you are superseded by this letter agreement. This is the full and complete agreement between you and the Company on this term. Although your job duties, title, compensation and benefits, as well as the Company's personnel policies and procedures, may change from time to time, the "at will" nature of your employment may only be changed in an express written agreement signed by you and a duly authorized officer of the Company (other than you).

Stacey Epstein
February 29, 2024

6. Taxes. All forms of compensation referred to in this letter agreement are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law. You agree that the Company does not have a duty to design its compensation policies in a manner that minimizes your tax liabilities, and you will not make any claim against the Company or its Board of Directors related to tax liabilities arising from your compensation.

7. Interpretation, Amendment and Enforcement. This letter agreement and Exhibit A constitute the complete agreement between you and the Company, contain all of the terms of your employment with the Company and supersede any prior agreements, representations or understandings (whether written, oral or implied) between you and the Company. This letter agreement may not be amended or modified, except by an express written agreement signed by both you and a duly authorized officer of the Company. The terms of this letter agreement and the resolution of any disputes as to the meaning, effect, performance or validity of this letter agreement or arising out of, related to, or in any way connected with, this letter agreement, your employment with the Company or any other relationship between you and the Company (the "Disputes") will be governed by California law, excluding laws relating to conflicts or choice of law. You and the Company submit to the exclusive personal jurisdiction of the federal and state courts located in Alameda County, California in connection with any Dispute or any claim related to any Dispute.

* * * * *

Stacey Epstein
February 29, 2024

We hope that you will accept our offer to join the Company. You may indicate your agreement with these terms and accept this offer by signing and dating both the enclosed duplicate original of this letter agreement and the enclosed Proprietary Information and Inventions Agreement and returning them to me (either PDF/e-mail or fax – 925-397-6537). This offer, if not accepted, will expire at the close of business on March 8, 2024. Your employment with the Company is contingent upon completion of a successful background check and providing legal proof of your identity and authorization to work in the United States. Your employment is also contingent upon your starting work with the Company on or before April 1, 2024.

If you have any questions about this offer, please contact the hiring manager.

Very truly yours,

VEEVA SYSTEMS INC.



By: Vivian Welsh

Title: Chief People Officer

I have read and accept this employment offer:



Stacey Epstein (Feb 29, 2024 18:37 PST)

Signature of Stacey Epstein

Dated: Feb 29, 2024

Attachment

Exhibit A: Proprietary Information and Inventions Agreement

Stacey Epstein
February 29, 2024

Exhibit A

PROPRIETARY INFORMATION AND INVENTIONS AGREEMENT

The following confirms and memorializes an agreement that Veeva Systems Inc., a Delaware corporation (the "Company") and I, Stacey Epstein, have had since the commencement of my employment (which term, for purposes of this agreement, shall be deemed to include any relationship of service to the Company that I may have had prior to actually becoming an employee) with the Company in any capacity and that is and has been a material part of the consideration for my employment by Company:

1. I have not entered into, and I agree I will not enter into, any agreement either written or oral in conflict with this Agreement or my employment with Company. I will not violate any agreement with or rights of any third party or, except as expressly authorized by Company in writing hereafter, use or disclose my own or any third party's confidential information or intellectual property when acting within the scope of my employment or otherwise on behalf of Company. Further, I have not retained anything containing any confidential information of a prior employer or other third party, whether or not created by me.
2. Company shall own all right, title and interest (including patent rights, copyrights, trade secret rights, mask work rights, sui generis database rights and all other intellectual property rights of any sort throughout the world) relating to any and all inventions (whether or not patentable), works of authorship (including software code), mask works, designs, know-how, ideas and information (including trade secrets) made or conceived or reduced to practice, in whole or in part, by me during the term of my employment with Company to and only to the fullest extent allowed by California Labor Code Section 2870 (which is attached as Appendix A) (collectively "Inventions") and I will promptly disclose all Inventions to Company. Without disclosing any third party confidential information, I will also disclose anything I believe is excluded by Section 2870 so that the Company can make an independent assessment. I hereby make all assignments necessary to accomplish the foregoing. I shall further assist Company, at Company's expense, to further evidence, record and perfect such assignments, and to perfect, obtain, maintain, enforce, and defend any rights specified to be so owned or assigned. I hereby irrevocably designate and appoint Company as my agent and attorney-in-fact, coupled with an interest and with full power of substitution, to act for and in my behalf to execute and file any document and to do all other lawfully permitted acts to further the purposes of the foregoing with the same legal force and effect as if executed by me. If I wish to clarify that something created by me prior to my employment that relates to Company's actual or proposed business is not within the scope of the foregoing assignment, I have listed it on Appendix B in a manner that does not violate any third party rights or disclose any confidential information. Without limiting Section 1 or Company's other rights and remedies, if, when acting within the scope of my employment or otherwise on behalf of Company, I use or disclose my own or any third party's confidential information or intellectual property (or if any Invention cannot be fully made, used, reproduced, distributed and otherwise exploited without using or violating the foregoing), Company will have and I hereby grant Company a perpetual, irrevocable, worldwide royalty-free, non-exclusive, sublicensable right and license to exploit and exercise all such confidential information and intellectual property rights.
3. To the extent allowed by law, paragraph 2 includes all rights of paternity, integrity, disclosure and withdrawal and any other rights that may be known as or referred to as "moral rights," "artist's rights," "droit moral," or the like (collectively "Moral Rights"). To the extent I retain any such Moral Rights under applicable law, I hereby ratify and consent to any action that may be taken with respect to such Moral Rights by or authorized by Company and agree not to assert any Moral Rights with respect thereto. I will confirm any such ratifications, consents and agreements from time to time as requested by Company.

Stacey Epstein
February 29, 2024

4. I agree that all Inventions and all other business, technical and financial information I develop, learn or obtain during the term of my employment that relate to Company or the business or demonstrably anticipated business of Company or that are received by or for Company in confidence, constitute "Proprietary Information." Examples of Proprietary Information include, without limitation, trade secrets, business plans, product plans and roadmaps, information hosted and processed by Veeva on behalf of its customers, financial information, information related to customer sales and contracts, and material non-public information within the meaning of the securities laws. Proprietary Information does not include information the use or disclosure of which is protected by the National Labor Relations Act, the California Labor Code (including Labor Code §§ 232, 232.5, 1102.5, and 1197.5), or laws against restraints of trade (including Business & Professions Code §§ 16600 and 17200 et seq). If I am unsure of whether certain information is Proprietary Information or not, I will consult with the Company, except as set forth in Section 5.
5. I will hold in confidence and not disclose or, except within the scope of my employment, use any Proprietary Information. However, I shall not be obligated under this paragraph with respect to information I can document is or becomes readily publicly available without restriction through no fault of mine. Notwithstanding the above, I understand that I am allowed to engage in "Protected Activity" under this agreement without first notifying Veeva. Protected Activity means filing a charge or complaint with the government or disclosing relevant information to the government (so long as that information is not protected as an attorney-client communication of Veeva). I further understand that, notwithstanding my obligations under this Agreement:
 - a. I will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (A) is made in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and
 - b. If I file a lawsuit for retaliation for reporting a suspected violation of law, I may disclose the trade secret relevant to that lawsuit to my attorney and use the trade secret in the court proceeding if: (A) all documents containing the trade secret are filed under seal; and (B) neither I nor my attorney disclose the trade secret except pursuant to court order.
6. Upon termination of my employment, I will promptly return to Company all items containing or embodying Proprietary Information (including all copies). I also recognize and agree that I have no expectation of privacy with respect to Company's telecommunications, networking or information processing systems (including, without limitation, stored computer files, email messages and voice messages) and that my activity and any files or messages on or using any of those systems may be monitored at any time without notice.
7. Until one year after the term of my employment, I will not encourage or solicit any employee or consultant of Company to leave Company for any reason (except for the bona fide firing of Company personnel within the scope of my employment).
8. I agree that during the term of my employment with Company (whether or not during business hours), I will not engage in any activity that is in any way competitive with the business or demonstrably anticipated business of Company, and I will not assist any other person or organization in competing or in preparing to compete with any business or demonstrably anticipated business of Company.
9. I agree that this Agreement is not an employment contract for any particular term and that I have the right to resign and Company has the right to terminate my employment at will, at any time, for any or no reason, with or without cause. In addition, this Agreement does not purport to set forth

Stacey Epstein
February 29, 2024


all of the terms and conditions of my employment, and, as an employee of Company, I have obligations to Company which are not set forth in this Agreement. However, the terms of this Agreement govern over any inconsistent terms and can only be changed by a subsequent written agreement signed by the President of Company.

10. I agree that my obligations under paragraphs 2, 3, 4 and 5 of this Agreement shall continue in effect after termination of my employment, regardless of the reason or reasons for termination, and whether such termination is voluntary or involuntary on my part, and that Company is entitled to communicate my obligations under this Agreement to any future employer or potential employer of mine. My obligations under paragraphs 2, 3 and 4 also shall be binding upon my heirs, executors, assigns, and administrators and shall inure to the benefit of Company, its subsidiaries, successors and assigns.
11. Any dispute in the meaning, effect or validity of this Agreement shall be resolved in accordance with the laws of the State of California without regard to the conflict of laws provisions thereof. I further agree that if one or more provisions of this Agreement are held to be illegal or unenforceable under applicable California law, such illegal or unenforceable portion(s) shall be limited or excluded from this Agreement to the minimum extent required so that this Agreement shall otherwise remain in full force and effect and enforceable in accordance with its terms. This Agreement is fully assignable and transferable by Company, but any purported assignment or transfer by me is void. I also understand that any breach of this Agreement will cause irreparable harm to Company for which damages would not be an adequate remedy, and, therefore, Company will be entitled to injunctive relief with respect thereto in addition to any other remedies and without any requirement to post bond.

Stacey Epstein
February 29, 2024

I HAVE READ THIS AGREEMENT CAREFULLY AND I UNDERSTAND AND ACCEPT THE OBLIGATIONS WHICH IT IMPOSES UPON ME WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO ME TO INDUCE ME TO SIGN THIS AGREEMENT. I SIGN THIS AGREEMENT VOLUNTARILY AND FREELY, IN DUPLICATE, WITH THE UNDERSTANDING THAT THE COMPANY WILL RETAIN ONE COUNTERPART AND THE OTHER COUNTERPART WILL BE RETAINED BY ME.

Employee


Stacey Epstein (Feb 29, 2024 18:37 PST)
Signature

Name: Stacey Epstein

Date: Feb 29, 2024



Signature of Vivian Welsh
CPO Veeva Systems Inc.

Stacey Epstein
February 29, 2024

APPENDIX A

California Labor Code Section 2870. Application of provision providing that employee shall assign or offer to assign rights in invention to employer.

1. Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:
 - a) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or
 - b) Result from any work performed by the employee for his employer.
2. To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.

Stacey Epstein
February 29, 2024

APPENDIX B

PRIOR MATTER

None: ☐

Candidate Initials: SEE

Stacey Epstein
February 29, 2024



Exhibit B

EQUITY GRANT RECOMMENDATION

Upon acceptance of employment with Veeva Systems Inc. ("Veeva") or a subsidiary of Veeva Systems Inc., management will recommend to the board of directors (the "Board") of Veeva Systems Inc., a Delaware public benefit corporation with headquarters in Pleasanton, California, that you be granted restricted stock units and stock options (as further described below) for the Class A Common Stock of Veeva Systems Inc. Formal grant agreements will be sent to you after Board approval, assuming the Board, in its sole discretion, approves the grants.

Grantee Name: Stacey Epstein

1. **Restricted Stock Units ("RSUs"):** Your initial grant of RSUs will be based on your Stock Bonus of 175% of your base salary. The number of shares in your RSU grant will be calculated by dividing your Stock Bonus by the appropriate Veeva stock price at the time of your start date to arrive at an annual RSU share amount ("Annual RSU Share Amount"). The number of shares in your initial RSU grant will be the Annual RSU Share Amount prorated monthly to coincide with a final vest date of April 1, 2025 (the "Initial RSU Share Grant Amount"). RSU grants are generally approved the third week of the month after your start date. Your RSUs will begin vesting on the first day of the month after your start date. RSUs vest quarterly on January 1, April 1, July 1, and October 1. Subject to changes in equity practices by Veeva, you will be eligible for an additional RSU grant each year based on the same calculation methodology.
2. **Stock Options:** The number of shares in your initial stock option grant will be 3 times the Initial RSU Share Grant Amount, which reflects an **"option factor" of 3**. Stock options vest at a rate of 25% per year over 4 years. The strike price of your stock options will be the closing Veeva stock price on the date of grant. Stock options grants are generally approved the third week of the month after your start date. Subject to changes in equity practices by Veeva, you will be eligible for an additional stock option grant each year based on the same calculation methodology.
3. **Long-term Restricted Stock Units (RSUs):** You will additionally receive an RSU grant with a value of \$600,000. One hundred percent (100%) of these RSUs will cliff vest on the four (4) year anniversary of the Vesting Commencement Date, assuming your continued employment with Veeva.
4. **Long-term Stock Options:** The number of shares in your long-term stock option grant will be 3 times the Long-term RSU Share Grant Amount, which reflects an **"option factor" of 3**. One hundred percent (100%) of these Options will cliff vest on the four (4) year anniversary of the Vesting Commencement Date, assuming your continued employment with Veeva. The strike price of your stock options will be the closing Veeva stock price on the date of grant. Stock options grants are generally approved the third week of the month after your start date.

Vesting for all equity grants ends when your employment with Veeva or a subsidiary of Veeva ends. Neither these grants nor the vesting schedule described above constitutes a guarantee of continued employment. The grants referenced above are subject to the sole discretion and approval of the Board,

Stacey Epstein
February 29, 2024

and the final terms of the grants will be as reflected in the final agreements documenting such grants. The equity awards described above are an additional benefit that may be given to you by Veeva Systems Inc. and not by any subsidiary which may employ you.



Vivian Welsh
Chief People Officer
Veeva Systems

Stacey Epstein
February 29, 2024

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Peter P. Gassner, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Veeva Systems Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ PETER P. GASSNER

Peter P. Gassner
Chief Executive Officer and Director
(Principal Executive Officer)

Date: June 3, 2024

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Tim Cabral, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Veeva Systems Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ TIM CABRAL

Tim Cabral
Interim Chief Financial Officer
(Principal Financial Officer)

Date: June 3, 2024

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Based on my knowledge, I, Peter P. Gassner, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Veeva Systems Inc. on Form 10-Q for the quarterly period ended April 30, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Form 10-Q fairly presents in all material respects the financial condition and results of operations of Veeva Systems Inc.

/s/ PETER P. GASSNER

Peter P. Gassner
Chief Executive Officer and Director
(Principal Executive Officer)

Date: June 3, 2024

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Based on my knowledge, I, Tim Cabral, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Veeva Systems Inc. on Form 10-Q for the quarterly period ended April 30, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Form 10-Q fairly presents in all material respects the financial condition and results of operations of Veeva Systems Inc.

/s/ TIM CABRAL

Tim Cabral
Interim Chief Financial Officer
(Principal Financial Officer)

Date: June 3, 2024