

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

**FORM 10-K**

(Mark One)

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

For the fiscal year ended January 31, 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)

(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 a check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☒ No ☐

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes ☐ No ☒

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of voting stock held by non-affiliates of the Registrant on the last business day of the Registrant's most recently completed second fiscal quarter, which was July 31, 2023, based on the closing price of \$204.22 for shares of the Registrant's Class A common stock as reported by the New York Stock Exchange on July 31, 2023, the last trading day of the second fiscal quarter, was approximately \$ 29.7 billion. Shares of Class A common stock held by each executive officer, director, and their affiliated holders have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of February 29, 2024, there were 161,316,597 shares of the Registrant's Class A common stock outstanding. We refer to our Class A common stock as our "common stock."

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the Registrant's Proxy Statement for the 2024 Annual Meeting of Stockholders are incorporated herein by reference in Part III of this Form 10-K to the extent stated herein. The proxy statement will be filed by the Registrant with the Securities and Exchange Commission within 120 days after the end of the Registrant's fiscal year ended January 31, 2024.

## TABLE OF CONTENTS

Pursuant to Part IV, Item 16, a summary of Form 10-K content follows, including hyperlinked cross-references (in the EDGAR filing). This allows users to easily locate the corresponding items in this annual report on Form 10-K where the disclosure is fully presented. The summary does not include certain Part III information that will be incorporated by reference from the Proxy Statement for the 2024 Annual Meeting of Stockholders, which will be filed within 120 days after our fiscal year ended January 31, 2024.

<a href="#">Special Note Regarding Forward Looking Statements</a>		1
	<a href="#">PART I</a>	
<a href="#">Item 1.</a>	<a href="#">Business</a>	2
<a href="#">Item 1A.</a>	<a href="#">Risk Factors</a>	8
<a href="#">Item 1B.</a>	<a href="#">Unresolved Staff Comments</a>	32
<a href="#">Item 1C.</a>	<a href="#">Cybersecurity</a>	32
<a href="#">Item 2.</a>	<a href="#">Properties</a>	34
<a href="#">Item 3.</a>	<a href="#">Legal Proceedings</a>	34
<a href="#">Item 4.</a>	<a href="#">Mine Safety Disclosures</a>	34
	<a href="#">PART II</a>	
<a href="#">Item 5.</a>	<a href="#">Market for Registrant's Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities</a>	34
<a href="#">Item 6.</a>	<a href="#">[Reserved]</a>	36
<a href="#">Item 7.</a>	<a href="#">Management's Discussion and Analysis of Financial Condition and Results of Operations</a>	36
	<a href="#">Overview</a>	37
	<a href="#">Components of Results of Operations</a>	37
	<a href="#">Results of Operations</a>	40
	<a href="#">Operating Expenses and Operating Margin</a>	42
	<a href="#">Non-GAAP Financial Measures</a>	43
	<a href="#">Liquidity and Capital Resources</a>	46
	<a href="#">Critical Accounting Policies and Estimates</a>	47
<a href="#">Item 7A.</a>	<a href="#">Quantitative and Qualitative Disclosures About Market Risk</a>	48
<a href="#">Item 8.</a>	<a href="#">Consolidated Financial Statements and Supplementary Data</a>	50
	<a href="#">Report of Independent Registered Public Accounting Firm</a>	51
	<a href="#">Consolidated Balance Sheets</a>	53
	<a href="#">Consolidated Statements of Comprehensive Income</a>	54
	<a href="#">Consolidated Statements of Stockholders' Equity</a>	55
	<a href="#">Consolidated Statements of Cash Flows</a>	56
	<a href="#">Notes to Consolidated Financial Statements</a>	57
	<a href="#">Note 1. Summary of Business and Significant Accounting Policies</a>	57
	<a href="#">Note 2. Short-Term Investments</a>	63
	<a href="#">Note 3. Deferred Costs</a>	64
	<a href="#">Note 4. Property and Equipment, Net</a>	65
	<a href="#">Note 5. Goodwill and Intangible Assets</a>	65
	<a href="#">Note 6. Accrued Expenses</a>	66
	<a href="#">Note 7. Fair Value Measurements</a>	66
	<a href="#">Note 8. Income Taxes</a>	68
	<a href="#">Note 9. Deferred Revenue, Performance Obligations, and Unbilled Accounts Receivable</a>	70
	<a href="#">Note 10. Leases</a>	71
	<a href="#">Note 11. Stockholders' Equity</a>	71
	<a href="#">Note 12. Other Income</a>	74
	<a href="#">Note 13. Net Income per Share</a>	74
	<a href="#">Note 14. Commitments and Contingencies</a>	75
	<a href="#">Note 15. Revenues by Product</a>	78
	<a href="#">Note 16. Information about Geographic Areas</a>	78

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[Table of Contents](#)

	<a href="#">Note 17. 401(k) Plan</a>	78
<a href="#">Item 9.</a>	<a href="#">Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</a>	79
<a href="#">Item 9A.</a>	<a href="#">Controls and Procedures</a>	79
<a href="#">Item 9B.</a>	<a href="#">Other Information</a>	80
<a href="#">Item 9C.</a>	<a href="#">Disclosure Regarding Foreign Jurisdictions that Prevent Inspections</a>	80
	<a href="#">PART III</a>	
<a href="#">Item 10.</a>	<a href="#">Directors, Executive Officers and Corporate Governance</a>	80
<a href="#">Item 11.</a>	<a href="#">Executive Compensation</a>	80
<a href="#">Item 12.</a>	<a href="#">Security Ownership of Certain Beneficial Owners and Management, and Related Stockholder Matters</a>	80
<a href="#">Item 13.</a>	<a href="#">Certain Relationships and Related Transactions, and Director Independence</a>	80
<a href="#">Item 14.</a>	<a href="#">Principal Accounting Fees and Services</a>	80
	<a href="#">PART IV</a>	
<a href="#">Item 15.</a>	<a href="#">Exhibits, Financial Statement Schedules</a>	81
<a href="#">Item 16.</a>	<a href="#">Form 10-K Summary</a>	81
<a href="#">Exhibit Index</a>		81
<a href="#">Signatures</a>		84

#### **SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This report on Form 10-K 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.

### ITEM 1. BUSINESS.

#### 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.

Customer success is one of our core values, and our focus on it has allowed us to deepen and expand our strategic relationships with customers over time. Because of our industry focus, we have a unique, in-depth perspective into the needs and best practices of life sciences companies and clinical research sites. This allows us to develop targeted solutions, quickly adapt to regulatory changes, and incorporate highly relevant enhancements into our existing solutions at a rapid pace.

Our goal is to become the most strategic technology partner to the life sciences industry and achieve long-term leadership with our solutions that support the R&D and commercial functions of life sciences companies. 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, regulatory, quality, 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. Our solutions for clinical research sites enable regulatory documents and trial information to be managed in a modern cloud solution that is intended to accelerate the clinical research process for the life sciences industry overall.

We also bring the benefits of our content and data management solutions to customers in the consumer products industries. Our applications currently offered to companies in these industries are designed to help customers efficiently manage critical processes and content in a compliant way, and to enable secure collaboration across internal and external stakeholders, including outsourcing partners and vendors.

On February 1, 2021, after approval by our stockholders, we became a Delaware public benefit corporation (PBC). A PBC is a for-profit company operating under subchapter XV of the General Corporation Law of the State of Delaware (i) that has adopted a public benefit purpose intended to provide benefits beyond just stockholder financial returns, and (ii) whose directors have a fiduciary duty to balance the financial interests of stockholders, the best interests of other stakeholders materially affected by the company's conduct (which we believe includes customers, employees, partners, and the communities in which we operate), and the pursuit of the company's public benefit purpose. Our public benefit purpose, as reflected in our certificate of incorporation, 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." We believe that operating as a PBC reflects our core values—**do the right thing, customer success, employee success, and speed**—and helps us maintain alignment with the principal industry we serve, life sciences, and its broad goal to improve health and extend lives.

#### Our Industry Cloud Solutions for Life Sciences

Our industry cloud solutions for the life sciences industry are grouped into three major product categories—Veeva Development Cloud, Veeva Commercial Cloud, and Veeva Data Cloud—and are designed to address pharmaceutical, biotechnology, and medical devices and diagnostics (MedTech) companies' most pressing strategic needs in their commercial and R&D operations. 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.

**Veeva Development Cloud** includes application suites for the clinical, regulatory, quality, and safety functions of life sciences companies, all built on our proprietary **Veeva Vault** platform. Veeva Vault's unique ability to handle content and data allows us to build content and data-centric applications to help customers streamline end-to-end business processes and eliminate manual processes and siloed systems. Veeva Vault can be deployed one application at a time or as an integrated solution with multiple applications that enable customers to unify and manage important documents and related data in a single global system.

- **Veeva Vault Clinical** advances clinical trial execution by providing a complete and connected technology ecosystem. Our clinical platform is designed to enable seamless execution and flow of data between clinical trial stakeholders—including patients, research sites, contract research organizations (CROs), and trial sponsors—for faster, more efficient trials that achieve higher data accuracy and increased patient diversity. The platform is comprised of our clinical suite and applications for clinical research sites and patient engagement.
  - **Veeva Clinical Data Management Suite (CDMS)** helps sponsors and CROs design and run trials with tools to speed the build process and eliminate manual steps. This includes solutions for electronic data capture; aggregating, cleaning, and transforming clinical data; and randomization and trial supply management. **Veeva Clinical Operations Suite** offers applications such as **Veeva Vault eTMF**, an electronic trial master file application, **Veeva Vault CTMS** for clinical trial management, and solutions for automating the flow of clinical trial information between sponsors, CROs, and clinical research sites and for better collaboration and faster clinical trials.
  - Our suite of applications for clinical research sites and patient engagement makes clinical trial participation easier for patients and streamlines study execution for research sites and trial sponsors. These offerings include applications that allow sites to maintain and access study documents electronically, to securely exchange information with sponsors and CROs, and to enable electronic processing of consents and assessments of clinical trial participants.
- **Veeva Vault Quality** is the life science industry's only unified suite of applications for managing quality content, processes, and training on a single cloud platform. Applications include solutions for aggregating and managing quality content, harmonizing quality processes, and simplifying employee qualification. The unification of quality processes and systems increases operational efficiency, enables continuous improvement, and drives compliance.
- **Veeva Vault Safety** is a suite of applications that unifies systems and processes to enable proactive patient safety. These offerings include applications that manage drug safety content as well as the intake, processing, and submission of adverse event data.
- **Veeva Vault RIM** is a suite of applications that provides fully integrated regulatory information management capabilities on a single cloud platform. These offerings include applications that enable life sciences companies to manage, track, and report product and registration information and to facilitate content planning, authoring, publishing, and archiving of regulatory submissions to healthcare authorities.

**Veeva Commercial Cloud** is a product category comprised of software and analytics solutions built specifically for life sciences companies to more efficiently and effectively commercialize their products. Veeva Commercial Cloud includes solutions for the sales, marketing, and medical affairs functions of a life sciences company:

- **Veeva CRM** suite enables customer-facing employees at pharmaceutical and biotechnology companies—including sales representatives and medical science liaisons—to manage, track, and optimize engagement with healthcare professionals with a single, integrated solution. In addition, we offer multichannel CRM applications that can enhance and extend our core CRM and Medical CRM products, providing customers with an end-to-end solution across all key channels, including face-to-face, email, and virtual engagement, live and virtual enterprise events, and field collaboration. All support the life sciences industry's unique commercial business processes and regulatory compliance requirements with highly specialized functionality. **Veeva CRM** and some of its applications are built on a platform provided by Salesforce, Inc. and will be supported until September 1, 2030. **Veeva Vault CRM** is our next generation CRM solution that is built on our proprietary Veeva Vault platform and will include the full functionality of Veeva CRM. Vault CRM is currently used by early adopters and planned for general availability in April 2024.
- **Veeva Vault Medical** provides a single, validated source of medical content across multiple channels and geographies with capabilities for medical affairs teams to centralize medical inquiries and content.
- **Veeva Vault PromoMats** is an end-to-end content and digital asset management (DAM) solution through which life sciences companies can collaborate, review, distribute, and update commercial content and manage assets.
- **Veeva Crossix** provides pharmaceutical brands a best-in-class analytics platform to maximize media investments and drive greater marketing effectiveness.

**Veeva Data Cloud** is a modern data platform comprised of connected reference data, deep data, and transaction data. The platform is designed to bring greater efficiency and precision across clinical and commercial operations of a life sciences company:

- **Veeva OpenData** is customer reference data. This includes demographic information, license information and status, specialty information, affiliations, and other key data about healthcare providers (HCP) and organizations that is crucial to customer engagement and compliance.
- **Veeva Link** applications are built on a modern data platform that combines intelligent software automation with human curation to provide deep data across a growing number of areas, including key people, publications, conferences, and digital engagement.
- **Veeva Compass** is a suite of de-identified U.S. longitudinal patient, projected prescriber, and national data designed for a wide range of commercial use cases, including business planning, patient finding, patient journey analytics, segmentation and targeting, forecasting, and incentive compensation.

#### **Our Cloud Solutions for the Consumer Products Industries**

Our initial applications for customers outside of life sciences address specific content and data management processes within the consumer products industries. **Veeva QualityOne** is a robust quality management, document management, and training solution. **Veeva RegulatoryOne** helps companies manage regulatory submission content. **Veeva Claims** addresses the end-to-end product and marketing claims management process.

#### **Professional Services and Support**

We offer professional services to help customers maximize the value of our solutions. Our service teams possess industry expertise, project management capabilities, and deep technical acumen that we believe our customers highly value. Our professional services teams work with our systems integrator partners to deliver projects. We offer the following professional services:

- implementation and deployment planning and project management;
- requirements analysis, solution design and configuration;
- systems environment management and deployment services;
- services focused on advancing or transforming business and operating processes related to Veeva solutions;
- technical consulting services related to data migration and systems integrations;
- training on our solutions; and
- ongoing managed services, such as outsourced systems administration.

We organize our professional services teams by specific expertise so that they can provide advice and support for best industry practices in the research and development and commercial departments of our customers.

Our global systems integrator partners also deliver implementation and selected support services to customers who wish to utilize them. Our systems integrator partners include Accenture, Cognizant, Tata Consultancy Services (TCS), and other life sciences specialty firms.

#### **Veeva Business Consulting**

We offer Veeva Business Consulting services through dedicated teams that are distinct from our professional services and support organization. Veeva Business Consulting provides strategic consulting services and solutions that are often enabled by our unique industry-wide perspective and proprietary data. Commercial Business Consulting typically focuses on a particular customer success initiative, commercial strategy, or business process change like digital engagement, commercial content management, field optimization, and commercial insights and analytics. R&D Business Consulting enables continuous and sustainable innovation across the drug development

value chain, including process efficiency, time-to-market acceleration, and optimized operating model and governance.

#### **Our Customers**

As of January 31, 2024, we served 1,432 customers. For an explanation of how we define current customers, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Components of Results of Operations." We deliver solutions to companies throughout the life sciences industry, including pharmaceutical, biotechnology, and medical device companies, contract sales organizations, and contract research organizations. Our life sciences customers range from the largest global pharmaceutical and biotechnology companies such as Bayer AG, Boehringer Ingelheim GmbH, Eli Lilly and Company, Gilead Sciences, Inc., Merck Sharp & Dohme Corp., and Novartis Pharma AG, to emerging growth pharmaceutical and biotechnology companies, including Alkermes Inc., Alnylam Pharmaceuticals, Inc., bluebird bio, Inc., and Idorsia Pharmaceuticals Ltd. We also deliver solutions to companies in the consumer products industries.

#### **Our Human Capital Resources**

As of January 31, 2024, we had 7,172 employees worldwide, up by 428 from the previous year. Our employees in the United States are not represented by a labor union; however, in certain foreign locations, local workers' councils represent our employees. We have not experienced any work stoppages, and we consider our relations with our employees to be very good.

Our workforce is diverse in many respects. As of January 31, 2024, 44% of our global employee population self-identified as female and approximately 42% of our U.S. workforce self-identified as members of underrepresented racial or ethnic groups. We define underrepresented racial or ethnic groups as those comprising individuals who identify as American Indian, Alaska Native, Asian, Black, African American, Hispanic, Latino, Hawaiian, Pacific Islander, or two or more races.

We use a combination of base salary and equity to compensate our employees. We also offer a range of benefits to our employees, including comprehensive healthcare and other wellness programs. We believe our compensation and benefits programs are competitive. We do not require any of our employees anywhere in the world to enter into non-compete agreements.

While we experience intense competition for talent, we believe we have been effective at attracting and retaining talented employees.

#### **Research and Development**

Our R&D organization is responsible for the design, development, and testing of our solutions and applications. Based on customer feedback and needs, we focus our efforts on developing new solutions, functionality, applications, and core technologies and further enhancing the usability, functionality, reliability, performance, and flexibility of existing solutions and applications.

#### **Sales and Marketing**

We sell our solutions through our direct sales organization. In large life sciences companies, the R&D and commercial business functions commonly have separate technology and business decision makers. Accordingly, we market and sell our solutions to align with the distinct characteristics of those decision makers. We have distinct R&D and commercial sales teams, which we further segment to focus on selling to large global life sciences companies and smaller life sciences companies. We also have product specific and industry specific sales teams for certain of our products.

#### **Technology Infrastructure and Operations**

Our products are hosted in data centers located in the United States, the United Kingdom, the European Union, Japan, South Korea, Australia, and Brazil. Our products used only within China are hosted in data centers located in China. We utilize third parties to provide our computing infrastructure and manage the infrastructure on which our solutions operate. For example, for Veeva CRM and certain of our multichannel CRM applications, we currently utilize the hosting infrastructure provided by Salesforce, Inc. For our Veeva Vault applications, including Vault CRM, and certain other Veeva Commercial Cloud applications, we utilize Amazon Web Services.



Our infrastructure providers employ advanced measures to ensure physical integrity and security, including redundant power and cooling systems, fire and flood prevention mechanisms, continual security coverage, biometric readers at entry points and anonymous exteriors. We also implement various disaster recovery measures such that data loss would be minimized in the event of a single data center disaster. We architect our solutions using redundant configurations to minimize service interruptions. We continually monitor our solutions for any sign of failure or pending failure, and we take preemptive action to attempt to minimize or prevent downtime.

Our technology is generally based on multitenant architectures that apply common, consistent management practices for all customers using our solutions. We enable multiple customers to share the same version of our solutions while securely partitioning their respective data. Veeva CRM and portions of our multichannel CRM applications currently utilize the Salesforce platform of Salesforce, Inc. Our Veeva Vault applications, including Vault CRM, and portions of our other Commercial Cloud applications are built upon our own proprietary platforms. Certain of our other applications rely on technology platforms provided by third parties. For example, our commercial data warehouse application utilizes Amazon Redshift and our digital engagement application utilizes Zoom.

**Quality and Compliance Program**

Veeva maintains a quality management system certified to ISO9001 to ensure process controls conform to established industry standards for our cloud software offerings that are subject to good practice regulations for the life sciences industry. Robust audit trail tracking, compliant electronic signature capture, data encryption, and secure access controls are required for these software offerings, and they must be thoroughly tested for compliance with applicable life sciences industry regulations, which include:

Regulation	Regulation Description
21 CFR 820.75	U.S. FDA device regulation on system validation
21 CFR 211.68	U.S. FDA pharma GMP regulation on system validation
21 CFR 11	U.S. FDA requirement for maintenance of electronic records
EU Annex 11	EU Good Manufacturing Processes (GMP) requirement for maintenance of electronic records
21 CFR 203	Drug sample tracking as required by the Prescription Drug Marketing Act
PFSB Notification, No. 0401022 (Japan)	Use of Electromagnetic Records and Electronic Signatures for Approval of, or License for, Drugs
OECD No. 17	Application of Good Laboratory Practice (GLP) Principles to Computerised Systems
ICH E6(R2)	Good Clinical Practice (GCP) Validation Principles

**Privacy Program**

Veeva maintains a data privacy program aligned to applicable laws such as the European Union's General Data Protection Regulation (EU GDPR), the United Kingdom's General Data Protection Regulation (UK GDPR), the California Consumer Privacy Act (CCPA), and the U.S. Health Insurance Portability and Accountability Act (HIPAA). We have a Chief Privacy Officer who collaborates with our Chief Information Security Officer and business and product leaders throughout our organization. Our program focuses on the implementation of policies, procedures, and agreements to comply with applicable data privacy laws and regulations as well as data privacy requirements of customers and partners; the creation and maintenance of privacy documentation to demonstrate compliance with applicable data privacy laws and regulations, including legal transfer mechanisms; the process by which we obtain personal information through lawful and transparent means; the process by which we process personal information; the process by which we notify customers and data subjects in a timely manner in the event of a data breach, as required by contract or law; and the training of employees and contractors engaged in the processing of personal information. For more information about our privacy practices, please visit [veeva.com/privacy](https://veeva.com/privacy).

**Competition**

The markets for our solutions are global, rapidly evolving, highly competitive, and subject to changing regulations, advancing technology, and shifting customer needs. In new sales cycles, 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 offers a CRM application built on the Salesforce platform, various data products, and other applications that compete with our products.

Salesforce, Inc. has also announced their intention to offer a life sciences industry-specific CRM solution, which will likely 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.

No single vendor offers products that compete with all of our Veeva Development Cloud applications, but 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 Commercial Cloud and Development Cloud application suites 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, Inc., Amazon Web Services, or Microsoft—for certain of the functions our applications provide.

We sell certain of our Development Cloud applications to companies outside the life sciences industry. In this segment of our business, we compete with solutions such as those offered by OpenText, Microsoft, Honeywell, EtQ Management Consultants, LLC, Oracle, and Box, and custom-built software developed by third-party vendors or in-house by our potential customers.

Our business consulting and professional services offerings compete with a range of professional services firms.

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 expect competition to intensify in the future, and we may face competition from new market entrants as well.

We believe the principal competitive factors in our market include the following:

- level of customer satisfaction;
- regulatory compliance verification and functionality;
- domain expertise with respect to life sciences;
- ease of deployment and use of solutions and applications;
- breadth and depth of solution and application functionality;
- brand awareness and reputation;
- modern and adaptive technology platform;
- capability for customization, configurability, integration, security, scalability and reliability of applications;
- total cost of ownership;
- ability to innovate and respond to customer needs rapidly;
- size of customer base and level of user adoption;
- ability to secure the rights to load and process third party proprietary data licensed by customers; and
- ability to integrate with legacy enterprise infrastructures and third-party applications.

We believe that we generally compete favorably on the basis of these factors.

**Intellectual Property**

We rely on a combination of patents, trade secrets, copyrights and trademarks, as well as contractual protections, to establish and protect our intellectual property rights. We have developed a process for seeking patent protection for our technology innovations. The table below provides a summary of our issued patents and pending patent applications as of January 31, 2024:

Issued U.S. patents (expiring between May 2027 and January 2039)	74
Issued international patents (expiring between April 2025 and June 2037)	13
U.S. and international pending patent applications	90

Our patents and patent applications cover technology within our Veeva Development Cloud, Veeva Commercial Cloud, and Veeva Data Cloud product families. We plan to continue expanding our patent portfolio. We require our employees, consultants, and other third parties to enter into confidentiality and proprietary rights agreements, and we control access to software, documentation, and other proprietary information. Although we rely on our intellectual property rights, as well as contractual protections to establish and protect our proprietary rights, we believe that factors such as the technological and creative skills of our personnel, creation of new features and functionality and frequent enhancements to our applications are essential to establishing and maintaining our technology leadership position as a provider of technology solutions to the life sciences industry.

Despite our efforts to protect our proprietary technology and our intellectual property rights, unauthorized parties may attempt to copy or obtain and use our technology to develop applications with the same functionality as our application. Policing unauthorized use of our technology and intellectual property rights is difficult, and protection of our rights through civil enforcement mechanisms may be expensive and time consuming, and may result in the impairment or loss of portions of our intellectual property.

Companies in our industry, as well as non-practicing entities, often own a number of patents, copyrights, trademarks, and trade secrets, and frequently enter into litigation based on allegations of infringement, misappropriation, or other violations of intellectual property or other rights. We are currently engaged in legal proceedings with competitors in which the competitors are asserting trade secret misappropriation and other claims, and we may face new allegations in the future that we have infringed the patents, trademarks, copyrights, trade secrets, and other intellectual property rights of other competitors or non-practicing entities. We expect that we and others in our industry will continue to be subject to third-party infringement claims by competitors as the functionality of applications in different industry segments overlaps, and by non-practicing entities. Any of these third parties might make a claim of infringement against us at any time. For example, see the description of our current litigations in [note 14](#) of the notes to our consolidated financial statements.

**Corporate Information**

Our website address is <http://www.veeva.com>. Information contained on our website is not incorporated by reference into this Form 10-K, and you should not consider information contained on our website to be part of this Form 10-K or in deciding whether to purchase shares of our common stock. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to reports filed or furnished pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended, are available free of charge on the Investors portion of our website at <http://ir.veeva.com> as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC.

**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 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.
- 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, volatility in the financial sector, concerns about a possible domestic or global recession, currency exchange fluctuations, the Russian invasion of Ukraine, and the Israel-Hamas conflict 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 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 offers a CRM application built on the Salesforce platform, various data products, and other applications that compete with our products. Salesforce, Inc. has also announced their intention to offer a life science 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 multichannel CRM applications 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. If that occurs, our customers may delay or withhold payment to us, cancel their agreements with us, elect not to renew, or make service credit claims, warranty claims, or other claims against us, and we could lose 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 multichannel CRM applications, 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. Vault CRM is currently used by early adopters and we intend to make Vault CRM generally available to all customers in April 2024. 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 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 Veeva 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 Veeva 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 recent volatility in the financial sector 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 the EU Standard Contractual Clauses and UK 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 may impose significant penalties 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. Certain of our Veeva CRM customers in China were required to request such approval from the CAC and had their requests denied. As a result, we expect that over the next twelve months, such customers may be required to implement a CRM solution that does not require data to be transferred outside of China. While we offer a CRM solution, called China SFA, that does not require data to be transferred outside of China, certain of our Veeva CRM customers in China may choose to implement a competitor's CRM solution and our CRM business in China may be negatively impacted. Currently, approximately 3% 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, recently 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 proposed 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 (and certain of our multichannel CRM applications) are 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 or 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 multichannel CRM applications, and we are bound by the restrictions of our agreement with Salesforce, Inc., which limits the markets to which we may sell our Veeva CRM solution.***

Our Veeva CRM application, and certain portions of the multichannel CRM applications that complement our Veeva CRM application, utilize the Salesforce platform of Salesforce, Inc., and we are currently dependent upon the Salesforce platform to deliver our CRM application.

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.

In addition, current or potential customers of ours may choose a competitor, such as IQVIA, that uses the Salesforce platform 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.

Also, in 2019, Salesforce, Inc. announced a strategic partnership with Alibaba, a Chinese company, through which Alibaba will become the exclusive provider of Salesforce in mainland China, Hong Kong, Macau, and Taiwan. The timeframe and exact parameters of changes to Salesforce, Inc. offerings in the listed regions has not been announced. Our existing agreement with Salesforce, Inc. allows us to sell our CRM solutions to drug makers in the pharmaceutical and biotechnology industries in mainland China, Hong Kong, Macau, and Taiwan, and our right to do so is not impacted by the Alibaba partnership. However, our ability to offer our CRM solutions from data centers located in the listed regions may be limited if Salesforce, Inc. does not operate data centers in the listed regions in the future and we do not contract for such data center services from Alibaba. If our inability to offer our CRM solutions from data centers located in the listed regions negatively impacts the performance of our solutions in those regions or causes legal compliance concerns, or if customers in the listed regions prefer their CRM solutions to be hosted from local data centers, our business may be negatively affected.

***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 14](#) of the notes to our 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.

With respect to certain of our software products, we regularly enter into orders with multi-year terms, some of which may have fee structures that ramp over the term of the order. The difference between the fees invoiced in the first year of a multi-year ramping order and the last year of such an order can sometimes be significant.

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. 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.

Historically, our multi-year orders have generally been non-cancellable. Therefore, our reported revenue in any quarter or year may not have corresponded to the amounts we were entitled to bill in the same period.

Now, our master subscription agreements that govern multi-year orders generally include a termination for convenience right for our customers. In the fiscal year ended January 31, 2024, the addition of termination for convenience rights in such master subscription agreements changed the timing of revenue recognition for such orders governed by these master subscription agreements and reduced our unbilled revenue balance from such orders, as well as reduced our revenue for the fiscal year. Starting in our fiscal year ending January 31, 2025, the amount of revenue recognized from such orders will generally be consistent with the amount invoiced for the relevant term of the order.

***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, unbilled accounts receivable, 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 negatively affect our revenues for the fiscal year ending January 31, 2025 as expressed in U.S. dollars as well. 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 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. Upon enactment, this agreement will also introduce rules that will result in the reallocation of certain taxing rights from multinational companies from their home countries to the markets where they have business activities and earn profits—regardless of physical presence. 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 14](#) of the notes to our 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 January 31, 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 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, concerns about a possible domestic or global recession, currency exchange fluctuations, the Russian invasion of Ukraine, and the Israel-Hamas conflict have led to volatility in the stock market. As a result, our stock price has declined 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 1B. UNRESOLVED STAFF COMMENTS.**

None.

**ITEM 1C. CYBERSECURITY.**

We recognize the critical importance of developing, implementing, and maintaining robust cybersecurity measures to safeguard our information systems and protect the confidentiality, integrity, and availability of our data.

**Governance**

Our Board of Directors formed a Cybersecurity Committee to exercise oversight over our cybersecurity and privacy programs and controls for our products and our internal-use information technology. The Cybersecurity Committee is chaired by a director with cybersecurity expertise and board and executive experience at large technology companies. The Cybersecurity Committee receives reports from management on a regular basis on a range of topics, including the current cybersecurity landscape and emerging threats, the status of ongoing cybersecurity initiatives, incident reports from cybersecurity events, and compliance with regulatory requirements and industry standards.

Our day-to-day cybersecurity and technology risk management efforts, including oversight of our information security management system, are led by our EVP of Internal Operations, a member of our executive leadership team with over three decades of experience in the field, whose cybersecurity experience includes serving as our Chief Information Officer and in executive roles at other companies leading security, operations, audit, and compliance teams. Our Chief Information Security Officer (CISO), who has over two decades of experience in cybersecurity, reports to the EVP of Internal Operations and oversees our security team. Our CISO's cybersecurity experience includes serving as an enterprise architect and network security architect at a Fortune 25 public retail company.

Cybersecurity risk management is integrated into our broader risk management framework. We have a security points of contact program, which embeds security experts into product development teams. In addition, a security council, chaired by our CISO, meets monthly to discuss the security program, security incidents, and ongoing program objectives. The council is comprised of senior leaders in product development, operations, security, quality, and services, and helps ensure that security remains a top priority across the enterprise.

**Risks Management and Strategy**

***Information Security Management System***

We maintain a comprehensive Information Security Management System (ISMS) that is designed to ensure the confidentiality, integrity, and availability of customer data, corporate data (such as intellectual property or source code), employee data, and our systems. Our ISMS is founded on the following industry-leading and regulatory standards:

- ISO 9001:2015 – Quality Management Systems
- ISO/IEC 27001:2013 – Information Security Management
- SOC2 Type II – System and Organization Controls
- SEI Capability Maturity Model Integration (v1.3)
- IT Infrastructure Library (ITIL) version 3

- ICH Q9 – Quality Risk Management

We have achieved ISO 27001 certification for our ISMS, which is managed by our CISO. As a data processor, we are the custodian of customer information that can be both confidential and sensitive. We are also certified to ISO 27018 for privacy controls.

Critical elements of our ISMS include:

- **Operational measures to monitor and respond to data breaches and cyber attacks** . We have application, database, network, and resource monitoring in place that are designated to identify vulnerabilities and protect our applications. Our personnel are trained to promptly report any security incident and any such incident is addressed by our Security Incident Management Policy, which includes a formal incident response process. We also provide a trust site that displays upcoming maintenance downtimes, data center incidents, and relevant security communications.
- **Vulnerability and penetration testing. Our solutions undergo internal vulnerability testing prior to release** . We have built our own internal penetration testing systems and we conduct vulnerability assessments on our software using automated and manual methods, at least annually. In addition, we commission annual vulnerability and penetration testing of our systems by industry-recognized, third-party security specialists.
- **Training**. We require role-based security and security awareness training. All employees receive annual training on our Code of Conduct and our Acceptable Use Policy, which establishes our commitment to protecting the confidential and proprietary information of our customers and partners. In addition, all new hires and contractors must undergo information security awareness training. Subsequent security awareness training is required annually for all active employees and contractors. Employees in certain roles (e.g., customer support representatives, developers, and hiring managers) receive more extensive data security training annually.
- **Disaster recovery and business continuity**. Our solutions are designed to help avoid single points of failure to reduce the chance of business disruption from security breaches, incidents, and other disruptions of systems. We maintain formally documented recovery processes that may be activated in the event of a significant business disruption of our corporate IT infrastructure or the production infrastructure that processes our customer data. We conduct testing, at least annually, to verify the validity of the recovery processes and provide reports on the test results for production infrastructure that processes our customer data to customers via access to a customer portal.

#### **Process for Identifying Material Cybersecurity Incidents**

Potentially material cybersecurity incidents are escalated according to our Security Incident Management Policy to a management response team comprising our EVP of Internal Operations, Chief Financial Officer, Chief Accounting Officer, General Counsel, Chief Privacy Officer, and Associate General Counsel (Corporate). Our Security Incident Management Policy is designed to inform the management response team about, and monitor, the prevention, detection, mitigation, and remediation of cybersecurity incidents. The management response team is responsible for timely determining materiality and overseeing the appropriate reporting of certain cybersecurity incidents.

Cybersecurity risks, including as a result of any previous cybersecurity incidents, have not materially affected and are not reasonably likely to materially affect our business strategy, results of operations, or financial condition. For additional information regarding risks from cybersecurity threats that we face, and regarding our likelihood of being materially affected by risks from cybersecurity threats, please see item 1A, "Risk Factors."

#### **Supplier Management Program**

Through our Supplier Management Program, we maintain procedures that specify requirements for the assessment of suppliers and contractors who provide services that may impact our product and process quality. These procedures allow us to identify risks from potential cybersecurity incidents associated with our use of products and services from these suppliers and ensure that there is an appropriate level of oversight of our vendors' quality systems. We perform initial audits and then periodic, risk-based audits on our suppliers to ensure their products and services conform to our established quality standards.

## ITEM 2. PROPERTIES.

We own our Pleasanton, California corporate headquarters, which currently accommodates our principal executive and significant portions of our product development, engineering, marketing, finance, and legal organizations. We expect that our corporate headquarters will support the overall growth of our business for the near term.

We also lease offices in various locations, including North America, Europe, Asia Pacific, and Latin America. We expect to expand our facilities capacity in certain field locations during our fiscal year ending January 31, 2025 and may further expand our facilities capacity after January 31, 2025 as our employee base grows. We believe that we will be able to obtain additional space on commercially reasonable terms. See [note 10](#) of the notes to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K for more information about our lease commitments.

## ITEM 3. 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 14](#) of the notes to our consolidated financial statements, which is incorporated herein by reference. In addition to the legal proceedings referenced in [note 14](#), 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.

Among other things, Medidata and Sparta appealed the superior court's decisions finding that the case may proceed as to some causes of action, and Veeva cross-appealed the superior court's ruling that certain causes of action were barred under California law. On March 10, 2022, the California Court of Appeal affirmed the decision of the superior court, ruling that certain of Veeva's claims may proceed and certain of its claims may not. This decision is now final. On October 31, 2019, as to Veeva's claims against IQVIA, the trial court's earlier dismissal was reversed by the court of appeal and the case was reassigned to a new trial court judge. On June 9, 2023, IQVIA filed a counter-complaint seeking a declaration that its non-compete agreements comply with California law. Discovery is proceeding and no trial date has been set.

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. The only defendant now in the case is IQVIA.

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 4. MINE SAFETY DISCLOSURES.

Not applicable.

## PART II.

## ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES.

### Market Price of Common Stock

Our common stock is listed on the New York Stock Exchange under the symbol "VEEV."

**Stockholders**

As of January 31, 2024, we had 21 holders of record of our common stock. The actual number of holders of common stock is greater than this number of record holders and includes stockholders who are beneficial owners but whose shares are held in street name by brokers and other nominees. This number of holders of record also does not include stockholders whose shares may be held in trust by other entities.

**Purchases of Equity Securities by the Issuer and Affiliated Purchasers**

None.

**Recent Sales of Unregistered Securities**

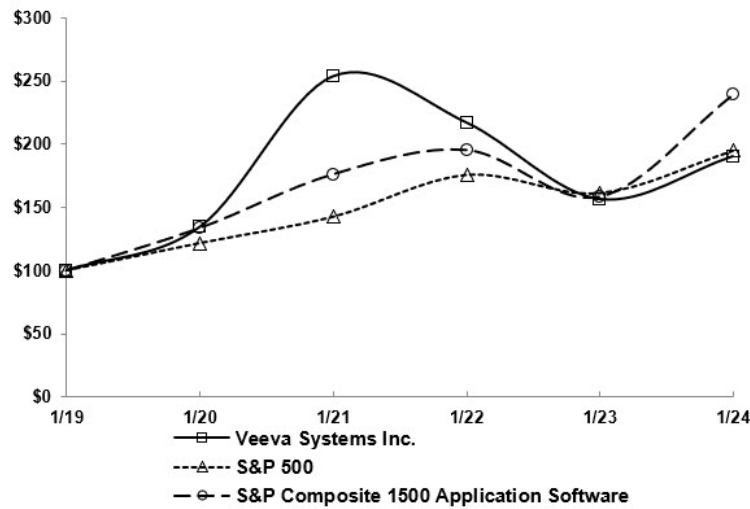
None.

**Stock Performance Graph**

This performance graph shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (Exchange Act), or incorporated by reference into any of our other filings under the Exchange Act or the Securities Act except to the extent we specifically incorporate it by reference into such filing.

This chart compares the cumulative total return on our common stock with that of the S&P 500 Index and the S&P 1500 Application Software Index. The chart assumes \$100 was invested at the close of market on January 31, 2019 in the common stock of Veeva Systems Inc., the S&P 500 Index, and the S&P 1500 Application Software Index and assumes the reinvestment of any dividends. The stock price performance on the following graph is not necessarily indicative of future stock price performance.

**COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN\***  
 Among Veeva Systems Inc., the S&P 500 Index  
 and the S&P Composite 1500 Application Software Index



\*\$100 invested on 1/31/19 in stock or index, including reinvestment of dividends.  
 Fiscal year ending January 31.

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	January 31,					
	2019	2020	2021	2022	2023	2024
Veeva Systems Inc.	100.00	134.43	253.48	216.89	156.38	190.18
S&P 500	100.00	121.68	142.67	175.90	161.45	195.06
S&P 1500 Application Software Index	100.00	133.60	176.27	195.48	158.36	238.99

ITEM 6. [RESERVED].

ITEM 7. 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 consolidated financial statements and notes thereto appearing elsewhere in this report. In addition to historical 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, 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 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 solutions are grouped into three major product categories —Veeva Development Cloud, Veeva Commercial Cloud, and Veeva Data Cloud. Veeva Data Cloud is comprised of our data offerings, including Veeva Compass, Veeva Link, and Veeva OpenData. 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 fiscal year ended January 31, 2023, we derived approximately 55% and 45% of our subscription services revenues and 52% and 48% of our total revenues from our Commercial Solutions and R&D Solutions, respectively. Revenues associated with our R&D Solutions are expected to continue 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, 1025, 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. Commercial Solutions consist of our cloud software, data, and analytics products built specifically to more efficiently and effectively commercialize our customers' products. R&D Solutions consist of our clinical, quality, regulatory, and safety products. 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. Thus, the potential number of R&D Solutions customers is higher than the potential number of Commercial Solutions customers.

## 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 fiscal year ended January 31, 2024, subscription services revenues constituted 80% of total revenues and professional services and other revenues constituted 20% 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.

Particularly with respect to our R&D Solutions, we have entered into a number of orders with multi-year terms. The fees associated with such orders are typically not based on the number of end-users and typically escalate over the term of such orders at a pre-agreed rate to account for, among other factors, implementation and adoption timing and planned increased usage by the customer. 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) related to such orders. In the same scenario, the net deferred revenue we would record in connection with such orders will be less because we will be recognizing more revenue than we bill earlier in the term of such multi-year orders. Since February 1, 2023, our master subscription agreements that govern multi-year orders generally include a termination for convenience right for our customers. In the fiscal year ended January 31, 2024, the addition of termination for convenience rights in such master subscription agreements changed the timing of revenue recognition for orders governed by these master subscription agreements and reduced our unbilled revenue balance from such orders, as well as reduced our revenue for the fiscal year. Starting in our fiscal year ending January 31, 2025, the amount of revenue recognized from such orders will generally be consistent with the amount invoiced for the relevant term of the order.

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, unbilled accounts receivable, 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).

Subscription services revenues are recognized ratably over the respective non-cancellable subscription term because of the continuous transfer of control to the customer. Historically, our master subscription agreements have generally been non-cancellable during the term, although customers typically have had the right to terminate their agreements for cause in the event of material breach. However, since February 1, 2023, our master subscription agreements that govern multi-year orders generally include a termination for convenience right for our customers. 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 one to 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 consolidated financial statements.

### Recent Accounting Pronouncements

See [note 1](#), in our Notes to Consolidated Financial Statements included in "Part II, Item 8. Consolidated Financial Statements and Supplementary Data" of this Annual Report on Form 10-K for a discussion of recent accounting pronouncements.

### Results of Operations

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

	Fiscal year ended January 31,	
	2024	2023
	(in thousands)	
Consolidated Statements of Comprehensive Income Data:		
Revenues:		
Subscription services	\$ 1,901,593	\$ 1,733,002
Professional services and other	462,080	422,058
Total revenues	2,363,673	2,155,060
Cost of revenues <sup>(1)</sup> :		
Cost of subscription services	290,577	257,635
Cost of professional services and other	386,714	351,770
Total cost of revenues	677,291	609,405
Gross profit	1,686,382	1,545,655
Operating expenses <sup>(1)</sup> :		
Research and development	629,031	520,278
Sales and marketing	381,472	348,691
General and administrative	246,545	217,595
Total operating expenses	1,257,048	1,086,564
Operating income	429,334	459,091
Other income, net	158,689	50,005
Income before income taxes	588,023	509,096
Provision for income taxes	62,318	21,390
Net income	\$ 525,705	\$ 487,706

<sup>(1)</sup> Includes stock-based compensation as follows:

Cost of revenues:		
Cost of subscription services	\$ 6,483	\$ 6,257
Cost of professional services and other	53,237	50,341
Research and development	172,876	141,571
Sales and marketing	90,865	87,509
General and administrative	70,272	66,229
Total stock-based compensation	\$ 393,733	\$ 351,907

### Fiscal Year Ended January 31, 2024 and 2023

The following is a discussion of our results of operations for the year ended January 31, 2024 compared to the year ended January 31, 2023. For a discussion of our results of operations for the year ended January 31, 2023 compared to the year ended January 31, 2022, please refer to Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended January 31, 2023, which is hereby incorporated by reference.

## Revenues

	Fiscal year ended January 31,		% Change
	2024	2023	
	(dollars in thousands)		
Revenues:			
Subscription services	\$ 1,901,593	\$ 1,733,002	10%
Professional services and other	462,080	422,058	9%
Total revenues	<u>\$ 2,363,673</u>	<u>\$ 2,155,060</u>	10%
Percentage of revenues:			
Subscription services	80 %	80 %	
Professional services and other	20	20	
Total revenues	<u>100 %</u>	<u>100 %</u>	

Total revenues for the fiscal year ended January 31, 2024 increased \$209 million, of which \$169 million was from growth in subscription services revenues. The increase in subscription services revenues consisted of \$119 million of subscription services revenue attributable to R&D Solutions and \$50 million of subscription services revenue attributable to Commercial Solutions. The geographic mix of subscription services revenues was 58% from North America, 27% from Europe, and 15% from other locations, primarily Asia Pacific, for the fiscal year ended January 31, 2024, as compared to 57% from North America, 28% from Europe, and 15% from other locations, primarily Asia Pacific, for the fiscal year ended January 31, 2023.

Professional services and other revenues for the fiscal year ended January 31, 2024 increased \$40 million. The increase in professional services and other revenues was primarily due to new customers requesting implementation and deployment related professional services and existing customers requesting professional services related to expanding deployments or the deployment of newly purchased solutions, particularly within R&D solutions and increased demand for our business consulting services. The geographic mix of professional services and other revenues was 61% from North America, 32% from Europe, and 7% from other locations, primarily Asia Pacific, for the fiscal year ended January 31, 2024, as compared to 64% from North America, 29% from Europe, and 7% from other locations, primarily Asia Pacific, for the fiscal year ended January 31, 2023.

Since February 1, 2023, our master subscription agreements that govern multi-year orders generally included a termination for convenience right for our customers. In the fiscal year ended January 31, 2024, the addition of termination for convenience rights in such master subscription agreements changed the timing of revenue recognition for such orders governed by these master subscription agreements and reduced our revenue for the fiscal year. In addition, certain of our customer contracts include an annual inflation adjustment, which 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.

## Cost of Revenue and Gross Margin

	Fiscal year ended January 31,		% Change
	2024	2023	
	(dollars in thousands)		
Cost of revenues:			
Cost of subscription services	\$ 290,577	\$ 257,635	13%
Cost of professional services and other	386,714	351,770	10%
Total cost of revenues	\$ 677,291	\$ 609,405	11%
Gross margin percentage:			
Subscription services	85 %	85 %	
Professional services and other	16 %	17 %	
Total gross margin percentage	71 %	72 %	
Gross profit	\$ 1,686,382	\$ 1,545,655	9%

Cost of revenues for the fiscal year ended January 31, 2024 increased \$68 million, of which \$33 million was related to an increase in cost of subscription services. The increase in cost of subscription services was primarily due to an

increase of \$12 million related to computing infrastructure costs, the majority of which was provided by Amazon Web Services and an increase of \$7 million in costs of delivering our data solutions. 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.

Cost of professional services and other for the fiscal year ended January 31, 2024 increased \$35 million, primarily due to employee compensation-related costs. The increase in employee compensation-related costs is primarily driven by merit increases and continued investment in professional services resources.

**Operating Expenses**

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**

	Fiscal year ended January 31,		
	2024	2023	% Change
	(dollars in thousands)		
Research and development	\$ 629,031	\$ 520,278	21%
Percentage of total revenues	27 %	24 %	

Research and development expenses for the fiscal year ended January 31, 2024 increased \$109 million, primarily due to an increase of \$102 million in employee compensation-related costs. The increase in employee compensation-related costs was primarily driven by the 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**

	Fiscal year ended January 31,		
	2024	2023	% Change
	(dollars in thousands)		
Sales and marketing	\$ 381,472	\$ 348,691	9%
Percentage of total revenues	16 %	16 %	

Sales and marketing expenses for the fiscal year ended January 31, 2024 increased \$33 million, primarily due to an increase of \$22 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**

	Fiscal year ended January 31,			% Change	
	2024	2023			
	(dollars in thousands)				
General and administrative	\$	246,545	\$	217,595	13%
Percentage of total revenues		10 %		10 %	

General and administrative expenses for the fiscal year ended January 31, 2024 increased \$29 million, primarily due to an increase of \$15 million in employee compensation-related costs. The increase in employee compensation-related costs was primarily driven by the increase in headcount during the period.

We expect general and administrative expenses to continue to increase in the fiscal year ending January 31, 2025, primarily due to employee compensation-related costs.

#### Other Income, Net

	Fiscal year ended January 31,		% Change
	2024	2023	
	(dollars in thousands)		
Other income, net	\$ 158,689	\$ 50,005	217%

Other income, net, for the fiscal year ended January 31, 2024 increased \$109 million, primarily due to an increase in interest income of \$87 million and a decrease in accretion of discounts on investments of \$22 million.

#### Foreign Currency

We continue to experience foreign currency fluctuations primarily due to the impact resulting from the periodic re-measurement of our foreign currency balances that are denominated in currencies other than the functional currency of the entities in which they are recorded. Our results of operations are subject to fluctuations due to changes in foreign currency exchange rates, particularly changes in the Euro, Japanese Yen, Canadian Dollar, Great British Pound Sterling, Chinese Yuan, and Hungarian Forint. We may continue to experience favorable or adverse foreign currency impacts due to volatility in these currencies.

#### Provision for Income Taxes

	Fiscal year ended January 31,		% Change
	2024	2023	
	(dollars in thousands)		
Income before income taxes	\$ 588,023	\$ 509,096	16%
Provision for income taxes	\$ 62,318	\$ 21,390	191%
Effective tax rate	10.6 %	4.2 %	

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 fiscal years ended January 31, 2024 and 2023, our effective tax rates were 10.6% and 4.2%, respectively. During the fiscal year ended January 31, 2024 as compared to the prior year period, our effective tax rate increased primarily due to a decrease in excess tax benefits, partially offset by the release of tax reserves for uncertain tax positions.

We recognized excess tax benefits of \$74 million and \$94 million in our provision for income taxes for the fiscal years ended January 31, 2024 and 2023, respectively. The decrease in excess tax benefits during the fiscal year ended January 31, 2024 was primarily due to our Chief Executive Officer exercising the remaining portion of stock options in connection with a previously announced plan, which was a smaller amount compared to the prior period.

#### 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.
- 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:

	Fiscal year ended January 31,	
	2024	2023
	(in thousands)	
Net cash provided by operating activities on a GAAP basis	\$ 911,339	\$ 780,470
Excess tax benefits from employee stock plans	\$ (71,049)	\$ (82,009)
Net cash provided by operating activities on a non-GAAP basis	\$ 840,290	\$ 698,461
Net cash used in investing activities on a GAAP basis	\$ (1,076,351)	\$ (1,007,683)
Net cash used in financing activities on a GAAP basis	\$ (16,188)	\$ (19,376)
Operating income on a GAAP basis	\$ 429,334	\$ 459,091
Stock-based compensation expense	393,733	351,907
Amortization of purchased intangibles	19,459	19,464
Operating income on a non-GAAP basis	\$ 842,526	\$ 830,462
Net income on a GAAP basis	\$ 525,705	\$ 487,706
Stock-based compensation expense	393,733	351,907
Amortization of purchased intangibles	19,459	19,464
Income tax effect on non-GAAP adjustments <sup>(1)</sup>	(147,937)	(163,508)
Net income on a non-GAAP basis	\$ 790,960	\$ 695,569
Diluted net income per share on a GAAP basis	\$ 3.22	\$ 3.00
Stock-based compensation expense	2.41	2.17
Amortization of purchased intangibles	0.12	0.12
Income tax effect on non-GAAP adjustments <sup>(1)</sup>	(0.91)	(1.01)
Diluted net income per share on a non-GAAP basis	\$ 4.84	\$ 4.28

<sup>(1)</sup> For the fiscal years ended January 31, 2024 and 2023, we used an estimated annual effective non-GAAP tax rate of 21%



## Liquidity and Capital Resources

	Fiscal year ended January 31,		
	2024	2023	2022
	(in thousands)		
Net cash provided by operating activities	\$ 911,339	\$ 780,470	\$ 764,463
Net cash used in investing activities	(1,076,351)	(1,007,683)	(346,152)
Net cash used in financing activities	(16,188)	(19,376)	(4,140)
Effect of exchange rate changes on cash and cash equivalents	(1,780)	(4,986)	(4,657)
Net change in cash and cash equivalents	\$ (182,980)	\$ (251,575)	\$ 409,514

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 January 31, 2024, our cash, cash equivalents, and short-term investments totaled \$4.0 billion, of which \$137 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 January 31, 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.

The following is a discussion of our cash flows for the year ended January 31, 2024 compared to the year ended January 31, 2023. For a discussion of our cash flows for the year ended January 31, 2023 compared to the year ended January 31, 2022, please refer to Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended January 31, 2023, which is hereby incorporated by reference.

### Cash Flows from 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 \$911 million for the fiscal year ended January 31, 2024 compared to \$780 million provided by operating activities for the fiscal year ended January 31, 2023. The \$131 million increase in operating cash flow was primarily due to increased sales and the related cash collections and a decrease in cash paid for income taxes, net of refunds, which was partially offset by larger operating expenses, primarily due to increases in headcount. 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.

#### ***Cash Flows from Investing Activities***

The cash flows from 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 \$1,076 million for the fiscal year ended January 31, 2024 compared to \$1,008 million used in investing activities for the fiscal year ended January 31, 2023. The \$69 million increase in cash used in investing activities was primarily due to the net increase in purchases of investments for the fiscal year ended January 31, 2024.

#### ***Cash Flows from 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. In June 2021, we began funding withholding taxes due on employee RSU awards by net share settlement, rather than our previous approach of requiring employees to either sell shares of our common stock or pay the withholding taxes in cash to cover taxes due upon vesting of such awards.

Net cash used in financing activities was \$16 million for the fiscal year ended January 31, 2024 compared to \$19 million used in financing activities for the fiscal year ended January 31, 2023. The \$3 million decrease was primarily related to a decrease of \$19 million in proceeds from employee stock option exercises due to decreased stock option activity during the period partially offset by an increase of \$16 million used to pay employee taxes related to the net share settlement of RSUs.

#### **Critical Accounting Policies and Estimates**

Our consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States (GAAP). In the preparation of these 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.

We believe that of our significant accounting policies, which are described in [note 1](#) of the notes to the consolidated financial statements, the following accounting policies involve a greater degree of judgment and complexity. Accordingly, these are the policies we believe are the most critical to aid in fully understanding and evaluating our consolidated financial condition and results of operations.

### **Revenue Recognition**

We derive our revenues primarily from subscription services and professional services. Some of our contracts with customers contain multiple performance obligations. The transaction price is allocated to the distinct performance obligations on a relative standalone selling price basis. Significant judgment is sometimes required in developing an estimate of the standalone selling price for each distinct performance obligation based on our overall pricing objectives, market conditions, and other factors, including other groupings such as customer type and geography. The standalone selling prices of our distinct performance obligations are reviewed on a periodic basis or when there are significant changes in facts and circumstances. Our pricing objectives, market conditions or other factors may change in the future resulting in changes to standalone selling prices that could impact the timing or amount of revenue recognition.

### **Business Combinations and Valuation of Acquired Intangible Assets**

We allocate the purchase price of acquired companies to tangible and intangible assets acquired and liabilities assumed based upon their estimated fair values at the acquisition date. The purchase price allocation process requires management to make significant estimates and assumptions with respect to the valuation of intangible assets. Examples of critical estimates in valuing certain of the intangible assets we have acquired or may acquire in the future include but are not limited to future expected cash flows, future revenue growth, margins, customer retention rates, technology life, royalty rates, expected use of acquired assets, and discount rates. These factors are also considered in determining the useful life of the acquired intangible assets. These estimates are based in part on historical experience, market conditions and information obtained from management of the acquired companies and are inherently uncertain. Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recorded.

## **ITEM 7A. 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, Chinese Yuan, and Hungarian Forint, and may be adversely affected in the future due to changes in foreign currency exchange rates. For example, changes in exchange rates negatively affected our revenues as expressed in U.S. dollars for the fiscal year ended January 31, 2024. Additionally, changes in exchange rates had a largely offsetting impact on operating income for the fiscal year ended January 31, 2024. For the fiscal year ended January 31, 2024, about 83% of our revenues and about 80% of our expenses were denominated in USD, respectively.

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 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 foreign currency gains, primarily resulting from the re-measurement of monetary account balances offset by the foreign currency hedges, were \$3 million and unrealized foreign currency losses were \$4 million for the fiscal year ended January 31, 2024. For the fiscal year ended January 31, 2023, we had realized foreign currency gains of \$4 million and unrealized foreign currency losses of \$4 million.

### **Interest rate sensitivity**

We had cash, cash equivalents and short-term investments totaling \$4.0 billion as of January 31, 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 \$43 million market value reduction in our investment portfolio as of January 31, 2024. An immediate decrease of 100-basis points in interest rates would have increased the market value by \$43 million as of January 31, 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 8. CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

VEEVA SYSTEMS INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

<a href="#">Report of Independent Registered Public Accounting Firm (KPMG LLP, San Francisco, CA, Auditor Firm ID: 185 )</a>	51
<a href="#">Consolidated Balance Sheets</a>	53
<a href="#">Consolidated Statements of Comprehensive Income</a>	54
<a href="#">Consolidated Statements of Stockholders' Equity</a>	55
<a href="#">Consolidated Statements of Cash Flows</a>	56
<a href="#">Notes to Consolidated Financial Statements</a>	57

## Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors

Veeva Systems Inc.:

### *Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting*

We have audited the accompanying consolidated balance sheets of Veeva Systems Inc. and subsidiaries (the Company) as of January 31, 2024 and 2023, the related consolidated statements of comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended January 31, 2024, and the related notes (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of January 31, 2024, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of January 31, 2024 and 2023, and the results of its operations and its cash flows for each of the years in the three-year period ended January 31, 2024, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of January 31, 2024 based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

### *Basis for Opinions*

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audit of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

*Definition and Limitations of Internal Control Over Financial Reporting*

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

*Critical Audit Matter*

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

*Evaluation of the sufficiency of audit evidence over revenue*

As discussed in Note 1 to the consolidated financial statements, the Company recorded \$2.363 million of total revenues for the year ended January 31, 2024, of which \$1.901 million was subscription services related, and \$462 million was professional services related. Each of these categories of revenue has multiple service offerings, and the Company's process for revenue recognition differs between them.

We identified the evaluation of the sufficiency of the audit evidence over revenue as a critical audit matter. Evaluating the nature and extent of audit evidence obtained over revenue for each service offering required subjective auditor judgement because of the multiple service offerings and the number of information technology (IT) applications involved in the revenue recognition processes.

The following are the primary procedures we performed to address the critical audit matter. We applied auditor judgement to determine the nature and extent of procedures to be performed over revenue, including the determination of the revenue for service offerings. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's revenue recognition process. We assessed the recorded revenue by selecting transactions and comparing the amounts recognized for consistency with underlying documentation, including contracts with customers. We involved IT professionals with specialized skills and knowledge, who assisted in the testing certain IT applications that are used by the Company in its revenue recognition process. In addition, we evaluated the sufficiency of audit evidence obtained over revenue by assessing the results of procedures performed, including the nature and extent of such evidence.

/s/ KPMG LLP

We have served as the Company's auditor since 2010.

San Francisco, California

March 25, 2024

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

	January 31, 2024	January 31, 2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 703,487	\$ 886,465
Short-term investments	3,324,269	2,216,163
Accounts receivable, net of allowance for doubtful accounts of \$ 520 and \$ 469 , respectively	852,172	703,055
Unbilled accounts receivable	36,365	82,174
Prepaid expenses and other current assets	86,918	81,456
Total current assets	5,003,211	3,969,313
Property and equipment, net	58,532	49,817
Deferred costs, net	23,916	31,825
Lease right-of-use assets	45,602	55,336
Goodwill	439,877	439,877
Intangible assets, net	63,017	82,476
Deferred income taxes	233,463	136,697
Other long-term assets	43,302	38,955
<b>Total assets</b>	<b>\$ 5,910,920</b>	<b>\$ 4,804,296</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 31,513	\$ 41,678
Accrued compensation and benefits	43,433	44,282
Accrued expenses and other current liabilities	32,980	35,306
Income tax payable	11,862	4,946
Deferred revenue	1,049,761	869,285
Lease liabilities	9,334	11,306
Total current liabilities	1,178,883	1,006,803
Deferred income taxes	2,052	1,492
Lease liabilities, noncurrent	46,441	49,670
Other long-term liabilities	38,720	30,079
Total liabilities	1,266,096	1,088,044
Commitments and contingencies ( <a href="#">note 14</a> )		
Stockholders' equity:		
Class A common stock, \$ 0.00001 par value; 800,000,000 shares authorized at January 31, 2024 and January 31, 2023. 161,260,172 and 143,693,009 issued and outstanding at January 31, 2024 and January 31, 2023, respectively <sup>(1)</sup>	2	2
Class B common stock, \$ 0.00001 par value; 0 and 190,000,000 shares authorized at January 31, 2024 and January 31, 2023, respectively. 0 and 14,551,598 issued and outstanding at January 31, 2024 and January 31, 2023, respectively <sup>(1)</sup>	—	—
Additional paid-in capital	1,915,002	1,532,627
Accumulated other comprehensive loss	( 10,637 )	( 31,129 )
Retained earnings	2,740,457	2,214,752
Total stockholders' equity	4,644,824	3,716,252
<b>Total liabilities and stockholders' equity</b>	<b>\$ 5,910,920</b>	<b>\$ 4,804,296</b>

<sup>(1)</sup>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 11](#) Stockholders' Equity.

See Notes to Consolidated Financial Statements.



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

	Fiscal year ended January 31,		
	2024	2023	2022
<b>Revenues:</b>			
Subscription services	\$ 1,901,593	\$ 1,733,002	\$ 1,483,976
Professional services and other	462,080	422,058	366,801
Total revenues	2,363,673	2,155,060	1,850,777
<b>Cost of revenues<sup>(1)</sup>:</b>			
Cost of subscription services	290,577	257,635	224,911
Cost of professional services and other	386,714	351,770	278,767
Total cost of revenues	677,291	609,405	503,678
Gross profit	1,686,382	1,545,655	1,347,099
<b>Operating expenses<sup>(1)</sup>:</b>			
Research and development	629,031	520,278	382,035
Sales and marketing	381,472	348,691	288,061
General and administrative	246,545	217,595	171,507
Total operating expenses	1,257,048	1,086,564	841,603
Operating income	429,334	459,091	505,496
Other income, net	158,689	50,005	6,815
Income before income taxes	588,023	509,096	512,311
Provision for income taxes	62,318	21,390	84,921
<b>Net income</b>	<b>\$ 525,705</b>	<b>\$ 487,706</b>	<b>\$ 427,390</b>
<b>Net income per share:</b>			
<b>Basic</b>	<b>\$ 3.27</b>	<b>\$ 3.14</b>	<b>\$ 2.79</b>
<b>Diluted</b>	<b>\$ 3.22</b>	<b>\$ 3.00</b>	<b>\$ 2.63</b>
<b>Weighted-average shares used to compute net income per share:</b>			
<b>Basic</b>	<b>160,532</b>	<b>155,385</b>	<b>153,251</b>
<b>Diluted</b>	<b>163,486</b>	<b>162,437</b>	<b>162,277</b>
<b>Other comprehensive income:</b>			
Net change in unrealized gain (loss) on available-for-sale investments, net of tax	\$ 22,038	\$ ( 14,854 )	\$ ( 9,872 )
Net change in cumulative foreign currency translation loss	( 1,546 )	( 4,317 )	( 3,078 )
<b>Comprehensive income</b>	<b>\$ 546,197</b>	<b>\$ 468,535</b>	<b>\$ 414,440</b>
<sup>(1)</sup> Includes stock-based compensation as follows:			
<b>Cost of revenues:</b>			
Cost of subscription services	\$ 6,483	\$ 6,257	\$ 4,795
Cost of professional services and other	53,237	50,341	36,293
Research and development	172,876	141,571	83,837
Sales and marketing	90,865	87,509	56,830
General and administrative	70,272	66,229	52,881
Total stock-based compensation	\$ 393,733	\$ 351,907	\$ 234,636

See Notes to Consolidated Financial Statements.

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

	Class A & B common stock <sup>(1)</sup>		Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Total stockholders' equity
	Shares	Amount				
<b>Balance at January 31, 2021</b>	152,056,808	\$ 2	\$ 965,670	\$ 1,299,656	\$ 992	\$ 2,266,320
Issuance of common stock upon exercise of stock options	1,476,898	—	51,538	—	—	51,538
Issuance of common stock upon vesting of restricted stock units	854,536	—	—	—	—	—
Shares withheld related to net share settlement	(191,645)	—	(56,398)	—	—	(56,398)
Stock-based compensation expense	—	—	235,737	—	—	235,737
Other comprehensive loss	—	—	—	—	(12,950)	(12,950)
Net income	—	—	—	427,390	—	427,390
<b>Balance at January 31, 2022</b>	154,196,597	\$ 2	\$ 1,196,547	\$ 1,727,046	\$ (11,958)	\$ 2,911,637
Issuance of common stock upon exercise of stock options	3,421,303	—	43,654	—	—	43,654
Issuance of common stock upon vesting of restricted stock units	968,004	—	—	—	—	—
Shares withheld related to net share settlement	(341,297)	—	(63,654)	—	—	(63,654)
Stock-based compensation expense	—	—	356,080	—	—	356,080
Other comprehensive loss	—	—	—	—	(19,171)	(19,171)
Net income	—	—	—	487,706	—	487,706
<b>Balance at January 31, 2023</b>	158,244,607	\$ 2	\$ 1,532,627	\$ 2,214,752	\$ (31,129)	\$ 3,716,252
Issuance of common stock upon exercise of stock options	2,277,533	—	62,687	—	—	62,687
Issuance of common stock upon vesting of restricted stock units	1,150,059	—	—	—	—	—
Shares withheld related to net share settlement	(412,027)	—	(79,825)	—	—	(79,825)
Stock-based compensation expense	—	—	399,513	—	—	399,513
Other comprehensive income	—	—	—	—	20,492	20,492
Net income	—	—	—	525,705	—	525,705
<b>Balance at January 31, 2024</b>	161,260,172	\$ 2	\$ 1,915,002	\$ 2,740,457	\$ (10,637)	\$ 4,644,824

<sup>(1)</sup>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 11](#) Stockholders' Equity.

See Notes to Consolidated Financial Statements.

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

	Fiscal year ended January 31,		
	2024	2023	2022
<b>Cash flows from operating activities</b>			
Net income	\$ 525,705	\$ 487,706	\$ 427,390
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	32,628	29,122	27,448
Reduction of operating lease right-of-use assets	11,691	12,198	11,445
(Accretion) amortization of discount on short-term investments	( 26,515 )	( 3,624 )	6,264
Stock-based compensation	393,733	351,907	234,636
Amortization of deferred costs	18,177	22,096	26,050
Deferred income taxes	( 105,374 )	( 127,502 )	11,079
(Gain) loss on foreign currency from mark-to-market derivatives	( 222 )	971	( 782 )
Bad debt expense	693	256	272
Changes in operating assets and liabilities:			
Accounts receivable	( 149,810 )	( 72,177 )	( 67,020 )
Unbilled accounts receivable	45,809	( 18,908 )	( 16,060 )
Deferred costs	( 10,268 )	( 20,815 )	( 17,084 )
Prepaid expenses and other current and long-term assets	414	( 47,399 )	( 2,910 )
Accounts payable	( 10,230 )	21,429	( 2,997 )
Accrued expenses and other current liabilities	( 4,249 )	9,276	9,439
Income taxes payable	6,916	( 2,815 )	5,275
Deferred revenue	188,164	140,472	116,144
Operating lease liabilities	( 6,879 )	( 10,644 )	( 11,607 )
Other long-term liabilities	956	8,921	7,481
<b>Net cash provided by operating activities</b>	<b>911,339</b>	<b>780,470</b>	<b>764,463</b>
<b>Cash flows from investing activities</b>			
Purchases of short-term investments	( 2,697,968 )	( 1,996,878 )	( 1,117,076 )
Maturities and sales of short-term investments	1,647,813	1,002,707	792,918
Acquisitions, net of cash and restricted cash acquired	—	—	( 7,780 )
Long-term assets	( 26,196 )	( 13,512 )	( 14,214 )
<b>Net cash used in investing activities</b>	<b>( 1,076,351 )</b>	<b>( 1,007,683 )</b>	<b>( 346,152 )</b>
<b>Cash flows from financing activities</b>			
Changes in lease liabilities - finance leases	—	—	( 384 )
Proceeds from exercise of common stock options	62,687	43,654	51,538
Taxes paid related to net share settlement of equity awards	( 78,875 )	( 63,030 )	( 55,294 )
<b>Net cash used in financing activities</b>	<b>( 16,188 )</b>	<b>( 19,376 )</b>	<b>( 4,140 )</b>
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	( 1,780 )	( 4,986 )	( 4,657 )
<b>Net change in cash, cash equivalents, and restricted cash</b>	<b>( 182,980 )</b>	<b>( 251,575 )</b>	<b>409,514</b>
Cash, cash equivalents, and restricted cash at beginning of period	889,650	1,141,225	731,711
<b>Cash, cash equivalents, and restricted cash at end of period</b>	<b>\$ 706,670</b>	<b>\$ 889,650</b>	<b>\$ 1,141,225</b>
<b>Cash, cash equivalents, and restricted cash at end of period:</b>			
Cash and cash equivalents	\$ 703,487	\$ 886,465	\$ 1,138,040
Restricted cash included in other long-term assets	3,183	3,185	3,185
<b>Total cash, cash equivalents, and restricted cash at end of period</b>	<b>\$ 706,670</b>	<b>\$ 889,650</b>	<b>\$ 1,141,225</b>
<b>Supplemental disclosures of other cash flow information:</b>			
Cash paid for income taxes, net of refunds	\$ 134,473	\$ 167,952	\$ 58,627
Excess tax benefits from employee stock plans	\$ 71,049	\$ 82,009	\$ 56,172
Non-cash investing activities:			
Changes in accounts payable and accrued expenses related to property and equipment purchases	\$ 46	\$ ( 454 )	\$ ( 2,489 )

See Notes to Consolidated Financial Statements.

**VEEVA SYSTEMS INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**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 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 annual financial reporting and include the accounts of our wholly-owned subsidiaries after elimination of intercompany accounts and transactions.

***Use of Estimates***

The preparation of consolidated financial statements in conformity with GAAP requires us to make estimates, judgments and assumptions that affect the consolidated financial statements and the notes thereto. These estimates are based on information available as of the date of the consolidated financial statements. On a regular basis, management evaluates these estimates and assumptions. Items subject to such estimates and assumptions include, but are not limited to:

- the standalone selling price for each distinct performance obligation included in customer contracts with multiple performance obligations;
- the determination of the period of benefit for amortization of deferred costs;
- the realizability of deferred income tax assets;
- the fair value of our stock-based awards.

As future events cannot be determined with precision, actual results could differ significantly from those estimates.

***Segment Information***

Operating segments are defined as components of an enterprise about which separate financial information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and assessing performance. We define the term “chief operating decision maker” to be our Chief Executive Officer. Our Chief Executive Officer reviews the financial information presented on a consolidated basis for purposes of allocating resources and evaluating our financial performance. Accordingly, we have determined that we operate in a single operating and reportable segment. Since we operate in one operating segment, all required financial segment information can be found in the consolidated financial statements.

### **Revenue Recognition**

We derive our revenues primarily from subscription services and professional services. 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, business consulting, training, and managed services related to our solutions. Revenues are recognized when control of these services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those services.

We determine revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when, or as, we satisfy a performance obligation.

#### *Subscription Services Revenues*

Subscription services revenues are recognized ratably over the respective non-cancellable subscription term because of the continuous transfer of control to the customer. Our subscription arrangements are considered service contracts, and the customer does not have the right to take possession of the software.

#### *Professional Services and Other Revenues*

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 revenues are billed on a fixed fee basis and revenues are typically recognized over time as the services are delivered based on time incurred. Business consulting services, data services, and training revenues are generally recognized as the services are performed.

#### *Contracts with Multiple Performance Obligations*

Some of our contracts with customers contain multiple performance obligations. For these contracts, we account for individual performance obligations separately when they are distinct. The transaction price is allocated to the separate performance obligations on a relative standalone selling price basis. We determine the standalone selling prices based on our overall pricing objectives, taking into consideration market conditions and other factors, including other groupings such as customer type and geography.

### **Deferred Costs**

Deferred costs represents sales commissions associated with obtaining a contract with a customer. These costs are deferred and then amortized over a period of benefit that we have determined to be three years . We determined the period of benefit by taking into consideration the expected renewal period of our customer contracts, our technology and other factors. Amortization expense is included in sales and marketing expenses in the accompanying consolidated statements of comprehensive income.

### **Certain Risks and Concentrations of Credit Risk**

Our revenues are derived from subscription services, professional services and other services delivered primarily to the life sciences industry. We operate in markets that are highly competitive and rapidly changing. Significant technological changes, shifting customer needs, the emergence of competitive products or services with new capabilities, and other factors could negatively impact our future operating results.

Our financial instruments that potentially subject us to concentration of credit risk consist primarily of cash and cash equivalents, short-term investments, and trade accounts receivable. Our cash equivalents and short-term investments are held by established financial institutions. We have established guidelines relative to credit ratings, diversification, and maturities that seek to maintain safety and liquidity. Deposits in these financial institutions may significantly exceed federally insured limits.

We do not require collateral from our customers and generally require payment within 30 days to 60 days of billing.

The following customers individually exceeded 10% of total accounts receivable as of the dates shown:

	January 31,	
	2024	2023
Customer 1	10.1 %	11.4 %
Customer 2	N/A	10.7 %

No single customer represented over 10% of our total revenues for any of the years presented.

**Cash Equivalents**

We consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

**Short-term Investments**

Our short-term investments are classified as available-for-sale and recorded at estimated fair value. Unrealized gains and losses for available-for-sale securities are included in accumulated other comprehensive income, a component of stockholders' equity. We evaluate our investments to assess whether those with unrealized loss positions are other than temporarily impaired. We consider impairments to be other than temporary if they are related to deterioration in credit risk or if it is likely we will sell the securities before the recovery of their cost basis. Realized gains and losses and declines in value judged to be other than temporary are determined based on the specific identification method and are reported in other income, net, in the consolidated statements of comprehensive income. Interest, amortization of premiums, and accretion of discount on all short-term investments are also included as a component of other income, net, in the consolidated statements of comprehensive income.

We may sell our short-term investments at any time, without significant penalty, for use in current operations or for other purposes, even if they have not yet reached maturity. As a result, we classify our investments, including securities with maturities beyond 12 months, as current assets in the accompanying consolidated balance sheets.

**Accounts Receivable and Allowance for Doubtful Accounts**

Accounts receivable are recorded at the invoiced amount, net of allowance for doubtful accounts.

**Property and Equipment**

Property and equipment is stated at cost less accumulated depreciation. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets and commences once the asset is placed in service or ready for its intended use. Land is not depreciated. The estimated useful lives by asset classification are as follows:

Building	30 years
Building improvements	Remaining useful life of the building
Equipment and computers	3 years
Furniture and fixtures	5 years
Land improvements	10 years
Leasehold improvements	Shorter of remaining life of the lease term or estimated useful life

**Leases**

We have operating leases for corporate offices. Additionally, we are the sublessor for certain office space.

We recognize lease right-of-use assets and liabilities at the commencement date based on the present value of lease payments over the lease term. We use an estimate of our discount rate based on the information available at the lease commencement date in determining the present value of lease payments, unless the implicit rate is readily determinable. The lease right-of-use assets also include any lease payments made and exclude lease incentives such as tenant improvement allowances. Options to extend or terminate the lease are included in the lease term when it is reasonably certain that we will exercise the extension or termination option.

Our operating leases typically include non-lease components such as common-area maintenance costs. We have elected to exclude non-lease components from lease payments for the purpose of calculating lease right-of-use assets and liabilities and these variable lease payments are expensed as incurred.

Leases with a term of one year or less are not recognized on our consolidated balance sheet; we recognize lease expense for these leases on a straight-line basis over the lease term.

#### ***Internal-Use Software***

We capitalize certain costs incurred for the development of computer software for internal use. We capitalize these costs during the development of the software project, when it is determined that it is probable that the project will be completed and the software will be used as intended. Costs related to preliminary project activities, post-implementation activities, training, and maintenance are expensed as incurred. Internal-use software is amortized on a straight-line basis over its estimated useful life of three years, and the amortization expense is recorded as a component of cost of subscription services. Management evaluates the useful lives of these assets on an annual basis and tests for impairment whenever events or changes in circumstances occur that could impact the recoverability of these assets.

#### ***Goodwill and Intangible Assets***

Goodwill is evaluated for impairment at least annually or more frequently if circumstances indicate that goodwill may be impaired. A qualitative assessment is performed to determine whether it is more likely than not that the fair value of its reporting unit is less than its carrying amount. If the reporting unit does not pass the qualitative assessment, the carrying amount of the reporting unit, including goodwill, is compared to fair value and goodwill is considered impaired if the carrying value of the reporting unit exceeds its fair value. Any excess of the carrying value of the goodwill above its fair value is recognized as an impairment loss.

We have one reporting unit and evaluate goodwill for impairment at the entity level. We completed our annual impairment test in our fourth quarter of the fiscal year ended January 31, 2024. There were no goodwill impairment charges during any of the periods presented.

Intangible assets associated with purchased intangibles, consisting of existing technology, customer relationships, trade names and trademarks, and data supplier and partner relationships are stated at cost less accumulated amortization and are amortized on a straight-line basis over their estimated remaining economic lives. Amortization expense related to existing technology and data supplier and partner relationships are included in cost of subscription services. Amortization expense related to customer relationships and trade names and trademarks are included in sales and marketing expense.

#### ***Long-Lived Assets***

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group be tested for possible impairment, we first compare undiscounted cash flows expected to be generated by that asset or asset group to its carrying value. If the carrying value of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. There were no impairment charges recognized during any of the periods presented.

### ***Business Combinations***

The purchase price in a business combination is assigned to the estimated acquisition date fair values of the tangible and intangible assets acquired and the liabilities assumed with the residual recorded as goodwill. Critical estimates in valuing certain of the intangible assets include, but are not limited to, the net present value of future expected cash flows, future revenue growth, margins, customer retention rates, technology life, royalty rates, expected use of acquired assets, and discount rates.

### ***Stock-based Compensation***

We recognize compensation expense for all stock-based awards, including stock options and restricted stock units (RSUs), based on the estimate of fair value of the award at the grant date. The fair value of each option award is estimated on the grant date using either a Black-Scholes option-pricing model or a Monte Carlo simulation, to the extent market conditions exist, and a single option award approach. These models require that at the date of grant we determine the fair value of the underlying common stock, the expected term of the award, the expected volatility of the price of our common stock, risk-free interest rates, and expected dividend yield of our common stock. The fair value of each RSU award is measured based on the closing stock price of our common stock on the date of grant. We account for forfeitures as they occur. The compensation expense is recognized using a straight-line basis over the requisite service periods of the awards.

### ***Cost of Revenues***

Cost of subscription services revenues 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, allocated overhead, amortization expense associated with capitalized internal-use software, and amortization expense associated with purchased intangibles related to our subscription services. Cost of subscription services revenues for Veeva CRM and certain of our multichannel customer relationship management applications include fees paid to Salesforce, Inc. for our use of the Salesforce platform and the associated hosting infrastructure and data center operations that are provided by Salesforce, Inc.

Cost of professional services and other revenues consists primarily of employee-related expenses associated with providing these services, including salaries, benefits and stock-based compensation expense, the cost of third-party subcontractors, travel costs, and allocated overhead.

### ***Advertising Expenses***

Advertising expenditures are expensed as incurred and were immaterial for each of the years presented.

### ***Income Taxes***

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

We regularly assess the realizability of our deferred tax assets and establish a valuation allowance if it is more likely than not that some or all of our deferred tax assets will not be realized. We evaluate and weigh all available positive and negative evidence such as historic results, future reversals of existing deferred tax liabilities, projected future taxable income, as well as prudent and feasible tax-planning strategies. Generally, more weight is given to objectively verifiable evidence such as the cumulative income in recent years.



We establish liabilities or reduce assets for uncertain tax positions based on a two-step process. The first step is to evaluate the tax position for recognition by determining whether the weight of available evidence indicates that it is more likely than not that the position will be sustained upon an audit, including resolution of related appeals or litigation processes, if any. The second step requires us to measure the tax benefit as the largest amount that is more likely than not to be realized upon ultimate settlement. We recognize interest accrued and penalties related to unrecognized tax benefits as a component of provision for income taxes.

#### ***Foreign Currency Exchange***

Assets and liabilities of foreign subsidiaries that do not have U.S. dollars as their functional currency are translated into U.S. dollars at the exchange rate on the balance sheet date. Revenues and expenses are translated at the average exchange rate during the period. Equity transactions are translated using historical exchange rates. The resulting translation adjustments are recorded as part of a separate component of the consolidated statements of comprehensive income. Foreign currency transaction gains and losses are included in the consolidated statements of comprehensive income for the period.

#### ***Indemnification***

Our contracts generally include provisions for indemnifying customers against liabilities if our solutions infringe a third party's intellectual property rights, and we may also incur liabilities if we breach the security and/or confidentiality obligations in our contracts. To date, we have not incurred any material costs, and we have not accrued any liabilities in the accompanying consolidated financial statements as a result of these obligations.

#### ***Loss Contingencies***

Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties, and other sources are recorded when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

#### ***Recently Adopted Accounting Pronouncements***

##### ***Business Combinations***

In October 2021, the FASB issued ASU 2021-08, Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers, which requires contract assets and contract liabilities acquired in a business combination to be recognized and measured in accordance with Topic 606, Revenue from Contracts with Customers, as if the acquirer had originated the contracts. Under the previous standard, such assets and liabilities were recognized by the acquirer at fair value on the acquisition date. We adopted the new standard effective February 1, 2023 and there was no impact to our consolidated financial statements for the fiscal year ended January 31, 2024.

##### ***Reference Rate Reform***

In March 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting, which provides accounting relief from the future impact of the cessation of the London Interbank Offered Rate (LIBOR) by, among other things, providing optional expedients to treat contract modifications resulting from such reference rate reform as a continuation of the existing contract and for hedging relationships to not be de-designated as a result of such changes provided certain criteria are met. The guidance, along with the amendments within ASU 2022-06, Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848, that extended the period of time preparers can utilize the reference rate reform relief guidance in Topic 848, became effective on March 12, 2020, and the amendments apply prospectively through December 31, 2024. As of January 31, 2024, all of our contracts that previously referenced LIBOR have transitioned to an alternative rate, which did not have a material impact to our consolidated financial statements for the fiscal year ended January 31, 2024.

## New Accounting Pronouncements Issued and Not yet Adopted

### Improvements to Reportable Segment Disclosures

In November 2023, the FASB issued 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 Financial Accounting Standards Board (FASB) issued Accounting Standards Update (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 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>

As of January 31, 2023, 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	\$ 37,998	\$ 31	\$ ( 66 )	\$ 37,963
Asset-backed securities	448,081	585	( 5,708 )	442,958
Commercial paper	155,097	8	( 580 )	154,525
Corporate notes and bonds	1,224,195	1,649	( 17,880 )	1,207,964
Foreign government bonds	24,654	13	( 516 )	24,151
U.S. agency obligations	32,995	4	( 594 )	32,405
U.S. treasury securities	321,946	265	( 6,014 )	316,197
Total available-for-sale securities	<u>\$ 2,244,966</u>	<u>\$ 2,555</u>	<u>\$ ( 31,358 )</u>	<u>\$ 2,216,163</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):

	January 31,	
	2024	2023
Due in one year or less	\$ 919,871	\$ 849,673
Due in greater than one year	2,404,398	1,366,490
Total	<u>\$ 3,324,269</u>	<u>\$ 2,216,163</u>

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 )

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, 2023 (in thousands):

	12 months or less		Greater than 12 months	
	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses
Certificates of deposits	\$ 15,934	\$ ( 66 )	\$ —	\$ —
Asset-backed securities	293,854	( 3,219 )	78,279	( 2,489 )
Commercial paper	144,741	( 580 )	—	—
Corporate notes and bonds	604,264	( 6,801 )	370,969	( 11,079 )
Foreign government bonds	11,284	( 126 )	11,827	( 390 )
U.S. agency obligations	4,941	( 61 )	24,461	( 533 )
U.S. treasury securities	210,246	( 3,661 )	63,422	( 2,353 )

We have not recorded an allowance for credit losses as of January 31, 2024 and 2023, as we believe any such losses would be immaterial based on the high credit quality of our investments, and it is more likely than not that we will hold these securities until maturity or a recovery of the cost basis.

### Note 3. Deferred Costs

Deferred costs, which consist of deferred sales commissions, were \$ 24 million and \$ 32 million as of January 31, 2024 and January 31, 2023, respectively. Amortization expense for the deferred costs included in sales and marketing expenses in the consolidated statements of comprehensive income, was \$ 18 million, \$ 22 million, and \$ 26 million for the fiscal years ended January 31, 2024, 2023, and 2022, respectively. 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):

	January 31,	
	2024	2023
Land	\$ 3,040	\$ 3,040
Building	20,984	20,984
Land improvements and building improvements	22,392	22,392
Equipment and computers	2,551	2,233
Furniture and fixtures	15,498	13,995
Leasehold improvements	30,793	18,986
Construction in progress	31	302
	95,289	81,932
Less accumulated depreciation	( 36,757 )	( 32,115 )
Total property and equipment, net	\$ 58,532	\$ 49,817

Total depreciation expense was \$ 6 million, \$ 6 million, and \$ 7 million for the fiscal years ended January 31, 2024, 2023, and 2022, respectively. Land is not depreciated.

#### Note 5. Goodwill and Intangible Assets

Goodwill was \$ 440 million as of both January 31, 2024 and January 31, 2023.

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	\$ 177,042	\$ ( 114,025 )	\$ 63,017	

The following schedule presents the details of intangible assets as of January 31, 2023 (dollar amounts in thousands):

	January 31, 2023			
	Gross carrying amount	Accumulated amortization	Net	Remaining useful life (in years)
Existing technology	\$ 28,580	\$ ( 16,418 )	\$ 12,162	2.9
Customer relationships	113,157	( 50,293 )	62,864	6.1
Trade name and trademarks	13,900	( 9,285 )	4,615	1.8
Other intangibles	21,405	( 18,570 )	2,835	3.0
Total intangible assets	\$ 177,042	\$ ( 94,566 )	\$ 82,476	

Amortization expense associated with intangible assets was \$ 19 million for all the fiscal years ended January 31, 2024, 2023, and 2022.

As of January 31, 2024, the estimated amortization expense for intangible assets, for the next five years and thereafter is as follows (in thousands):

Fiscal 2025	\$	18,557
Fiscal 2026		14,147
Fiscal 2027		8,922
Fiscal 2028		7,778
Fiscal 2029		7,782
Thereafter		5,831
Total	\$	63,017

#### Note 6. Accrued Expenses

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

	January 31,	
	2024	2023
Accrued commissions	\$ 9,848	\$ 11,240
Accrued bonus	3,481	3,484
Accrued vacation <sup>(1)</sup>	7,375	6,653
Payroll tax payable	13,829	16,229
Accrued other compensation and benefits	8,900	6,676
Total accrued compensation and benefits	\$ 43,433	\$ 44,282
Accrued fees payable to Salesforce, Inc.	\$ 6,562	\$ 6,653
Taxes payable	7,632	9,197
Accrued third-party professional services subcontractors' fees	1,298	2,597
Other accrued expenses	17,488	16,859
Total accrued expenses and other current liabilities	\$ 32,980	\$ 35,306

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

#### 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 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 January 31, 2024 (in thousands):

	Level 1	Level 2	Total
<b>Assets</b>			
Cash equivalents:			
Money market funds	\$ 73,197	\$ —	\$ 73,197
U.S. Treasury securities	—	9,969	9,969
Short-term investments:			
Certificates of deposits	—	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
<b>Liabilities</b>			
Foreign currency derivative contracts	\$ —	\$ ( 232 )	\$ ( 232 )
Total financial liabilities	\$ —	\$ ( 232 )	\$ ( 232 )

The following table presents the fair value hierarchy for financial assets measured at fair value on a recurring basis as of January 31, 2023 (in thousands):

	Level 1	Level 2	Total
<b>Assets</b>			
Cash equivalents:			
Money market funds	\$ 180,895	\$ —	\$ 180,895
U.S. Treasury securities	—	22,929	22,929
Corporate notes and bonds	—	6,691	6,691
Short-term investments:			
Certificates of deposits	—	37,963	37,963
Asset-backed securities	—	442,958	442,958
Commercial paper	—	154,525	154,525
Corporate notes and bonds	—	1,207,964	1,207,964
Foreign government bonds	—	24,151	24,151
U.S. agency obligations	—	32,405	32,405
U.S. Treasury securities	—	316,197	316,197
Foreign currency derivative contracts	—	251	251
Total financial assets	\$ 180,895	\$ 2,246,034	\$ 2,426,929

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 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 the fiscal years ended January 31, 2024, 2023, and 2022.

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

	January 31,	
	2024	2023
Notional amount of foreign currency derivative contracts	\$ 201,407	\$ 137,998
Fair value of foreign currency derivative contracts	\$ 201,024	\$ 137,860

### Note 8. Income Taxes

The components of income before income taxes by U.S. and foreign jurisdictions were as follows for the periods shown (in thousands):

	Fiscal year ended January 31,		
	2024	2023	2022
United States	\$ 546,837	\$ 482,885	\$ 487,962
Foreign	41,186	26,211	24,349
Total	\$ 588,023	\$ 509,096	\$ 512,311

The majority of our revenues from international sales are invoiced from and collected by our U.S. entity and recognized as a component of income before taxes in the United States as opposed to a foreign jurisdiction.

Provision for income taxes consisted of the following for the periods shown (in thousands):

	Fiscal year ended January 31,		
	2024	2023	2022
Current provision:			
Federal	\$ 126,174	\$ 110,610	\$ 53,426
State	29,361	29,775	12,580
Foreign	12,157	8,507	7,837
Total current provision	167,692	148,892	73,843
Deferred (benefit) provision:			
Federal	( 87,651 )	( 98,923 )	1,870
State	( 15,739 )	( 20,755 )	945
Foreign	( 1,984 )	( 7,824 )	8,264
Total deferred (benefit) provision	( 105,374 )	( 127,502 )	11,079
Provision for income taxes	\$ 62,318	\$ 21,390	\$ 84,921

Provision for income taxes differed from the amount computed by applying the federal statutory income tax rate of 21 % for each of the fiscal years ended January 31, 2024, 2023, and 2022 to income before income taxes as a result of the following for the periods shown (in thousands):

	Fiscal year ended January 31,		
	2024	2023	2022
Expected provision at statutory tax rate	\$ 123,485	\$ 106,910	\$ 107,585
State taxes, net of federal benefit	12,056	7,318	11,035
Tax credits	( 36,333 )	( 33,463 )	( 25,968 )
Stock-based compensation	( 32,054 )	( 52,304 )	( 29,715 )
Valuation allowance	13,572	5,654	19,402
Foreign derived intangible income deduction (FDII)	( 15,489 )	( 15,811 )	( 3,406 )
Release of income tax reserves <sup>(1)</sup>	( 9,201 )	( 293 )	( 440 )
Other <sup>(1)</sup>	6,282	3,379	6,428
Provision for income taxes	\$ 62,318	\$ 21,390	\$ 84,921

<sup>(1)</sup>Prior period balances were adjusted to conform with current period presentation.

The tax effects of temporary differences that give rise to significant portions of our deferred tax assets and liabilities related to the following (in thousands):

	January 31,	
	2024	2023
Deferred tax assets:		
Accruals and reserves	\$ 9,488	\$ 13,137
Capitalized expenditures	228,845	123,746
Stock-based compensation	49,710	32,536
Net operating loss carryforward	6,469	12,245
Tax credit carryforward	65,307	43,732
Lease liabilities	13,967	15,724
Other	2,403	7,890
Gross deferred tax assets	376,189	249,010
Valuation allowance	( 79,056 )	( 51,685 )
Total deferred tax assets	297,133	197,325
Deferred tax liabilities:		
Intangible assets	( 27,019 )	( 28,799 )
Lease right-of-use assets	( 11,410 )	( 14,192 )
Deferred costs	( 6,242 )	( 12,949 )
Other	( 21,051 )	( 6,180 )
Total deferred tax liabilities	( 65,722 )	( 62,120 )
Net deferred tax assets	\$ 231,411	\$ 135,205

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The valuation allowance at the end of January 31, 2024 was primarily related to certain foreign and U.S. state deferred tax assets.

As of January 31, 2024, the net operating loss carryforwards for state and foreign income tax purposes were approximately \$ 25 million and \$ 18 million, respectively, and will begin to expire in 2031 and 2026, respectively. As of January 31, 2024, we had \$ 3 million of federal and state capital loss carryforwards available to offset future capital gains. The federal and state capital losses begin to expire in 2029.

As of January 31, 2024, we had \$ 78 million of California research and development tax credits available to offset future taxes which do not expire.

We evaluate tax positions for recognition using a more likely than not recognition threshold, and those tax positions eligible for recognition are measured as the largest amount of tax benefit that is greater than 50% likely of being realized upon the effective settlement with a taxing authority that has full knowledge of all relevant information. We classify unrecognized tax benefits that are not expected to result in payment or receipt of cash within one year as "other non-current liabilities" in the consolidated balance sheets. As of January 31, 2024, the total amount of gross



unrecognized tax benefits was \$ 40 million, of which \$ 26 million, if recognized, would favorably impact our effective tax rate. The aggregate changes in our total gross amount of unrecognized tax benefits are summarized as follows for the periods shown (in thousands):

	Fiscal year ended January 31,		
	2024	2023	2022
Beginning balance	\$ 30,713	\$ 25,241	\$ 18,628
Increases related to tax positions taken during the prior period	7,385	971	3,218
Increases related to tax positions taken during the current period	10,131	4,934	4,122
Decreases related to tax positions taken during the prior period	( 17 )	( 137 )	—
Audit settlements	—	—	( 195 )
Lapse of statute of limitations	( 8,475 )	( 296 )	( 532 )
Ending balance	<u>\$ 39,737</u>	<u>\$ 30,713</u>	<u>\$ 25,241</u>

Our policy is to classify interest and penalties associated with unrecognized tax benefits as a component of the provision for income taxes. Accrued interest and penalties included in our liability related to unrecognized tax benefits were \$ 2 million, \$ 3 million, and \$ 2 million as of January 31, 2024, 2023, and 2022, respectively.

We file tax returns in the United States for federal, California, and other states. Fiscal years ended January 31, 2021 and forward remain open to examination for federal income tax, and fiscal years ended January 31, 2018 and forward remain open to examination for California and other states. We file tax returns in multiple foreign jurisdictions. The fiscal years ended January 31, 2019 and forward remain open to examination in these foreign jurisdictions.

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

Of the beginning deferred revenue balance for the respective periods, we recognized \$ 833 million, \$ 708 million, and \$ 605 million of subscription services revenue during the fiscal years ended January 31, 2024, 2023, and 2022, respectively. Professional services revenue recognized in the same periods from the deferred revenue balances at the beginning of the respective periods was immaterial.

##### *Transaction Price Allocated to the Remaining Performance Obligations*

Transaction price allocated to the remaining performance obligations represents contracted revenue that has not yet been recognized, which includes deferred revenue and non-cancellable amounts that will be invoiced and recognized in future periods. Since February 1, 2023, our master subscription agreements that govern multi-year orders generally include a termination for convenience (TFC) right for our customers resulting in the non-cancellable contractual term of most of our subscription services contracts to be one year or less. Based on this change, as of January 31, 2024, we have elected to apply the exemption to not disclose the transaction price allocated to remaining performance obligations for all subscription services contracts with a contract term of one year or less, consistent with our election to not disclose the transaction price allocated to remaining performance obligations related to professional services contracts. As of January 31, 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 January 31, 2024 unbilled accounts receivable consists of (i) a receivable of \$ 32 million primarily for the 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, 2023, unbilled accounts receivable consists of (i) a receivable of \$ 32 million primarily for the revenue recognized for professional services performed but not yet billed and (ii) a contract asset of \$ 50 million primarily for revenue recognized from non-cancellable, multi-year orders in which fees increase annually 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 the fiscal years ended January 31, 2024, 2023, and 2022 was immaterial.

For the fiscal years ended January 31, 2024, 2023, and 2022, our operating lease expense was \$ 16 million, \$ 16 million, and \$ 14 million, respectively.

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

	Fiscal year ended January 31,	
	2024	2023
Cash paid for operating lease liabilities	\$ 10,291	\$ 12,908
Operating lease right-of-use assets obtained in exchange for new operating lease liabilities	\$ 3,700	\$ 14,488

Supplemental balance sheet information related to operating leases was as follows (in thousands, except lease term and discount rate):

	January 31,	
	2024	2023
Weighted Average Remaining Lease Term	6.6 years	6.7 years
Weighted Average Discount Rate	4.4 %	4.2 %

As of January 31, 2024, remaining maturities of operating lease liabilities are as follows (in thousands):

Fiscal 2025	\$ 10,213
Fiscal 2026	10,710
Fiscal 2027	9,798
Fiscal 2028	9,116
Fiscal 2029	6,553
Thereafter	19,348
Total operating lease payments	65,738
Less imputed interest	9,963
Total operating lease liabilities	\$ 55,775

## Note 11. Stockholders' Equity

### Automatic Conversion

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. No additional shares of Class B common stock have been or will be issued following the conversion.

On October 16, 2023, we filed a certificate with the Secretary of State of the State of Delaware effecting the retirement and cancellation of our Class B common stock. This certificate of retirement had the additional effect of eliminating the authorized Class B shares, thereby reducing our total number of authorized shares of capital stock from 1,000,000,000 to 810,000,000 . Of these shares, 800,000,000 are authorized Class A common stock and 10,000,000 are authorized preferred stock. On October 16, 2023, we also filed an Amended and Restated Certificate of Incorporation to reflect the conversion and remove references to Class B common stock. Accordingly, we refer to our Class A common stock as common stock. Holders of common stock are entitled to one vote per share on all matters submitted to a vote of stockholders.

### Common Stock

As of January 31, 2024, we had 161,260,172 shares of common stock outstanding.

As of January 31, 2023, we had 143,693,009 shares of Class A common stock and 14,551,598 shares of Class B common stock outstanding.

### **Employee Equity Plans**

Beginning in the fiscal quarter ended April 30, 2019, we implemented an equity compensation program applicable to the vast majority of our employees but not applicable to our Chief Executive Officer (CEO). Prior to the adoption of the new equity compensation program, at the time of hire, our employees received a grant of RSUs that vested quarterly over 4 years and received additional equity from time to time thereafter. Under the new equity compensation program, the vast majority of our employees are granted both RSUs, which typically vest over a one-year period, and stock options, which typically vest over a four-year period.

#### *2012 Equity Incentive Plan*

Our board of directors adopted our 2012 Equity Incentive Plan (2012 EIP) in November 2012, and our stockholders approved it in December 2012. An amendment and restatement of the 2012 EIP was approved by our board of directors in March 2013, and our stockholders approved it in March 2013. The 2012 EIP became effective on adoption and replaced our 2007 Plan. No further awards have been made under our 2012 EIP since the adoption of the 2013 Equity Incentive Plan.

#### *2013 Equity Incentive Plan*

Our board of directors adopted our 2013 Equity Incentive Plan in August 2013, and our stockholders approved it in September 2013. The 2013 Equity Incentive Plan became effective immediately on adoption although no awards were made under it until the date of our IPO on October 15, 2013, at which time our 2013 Equity Incentive Plan replaced our 2012 EIP. Our board of directors approved the amended and restated 2013 Equity Incentive Plan (as amended and restated, 2013 EIP) in March 2022, and our stockholders approved it in June 2022, at which time the amended and restated 2013 EIP took effect.

As of January 31, 2024, the number of shares of our common stock available for issuance under the 2013 EIP was 45,510,340. The number of shares available for issuance under the 2013 EIP automatically increases on the first business day of each of our fiscal years, commencing in 2014, by a number equal to the least of (a) 13.75 million shares, (b) 5 % of the shares of our common stock outstanding on the last business day of the prior fiscal year, or (c) the number of shares determined by our board of directors. During our fiscal year ended January 31, 2024, our board of directors determined to add 7,912,230 shares of common stock to the 2013 EIP.

#### *2013 Employee Stock Purchase Plan*

Our Employee Stock Purchase Plan (ESPP) was adopted by our board of directors in August 2013 and our stockholders approved it in September 2013. The ESPP became effective as of our IPO registration statement on Form S-1, on October 15, 2013. Our ESPP is intended to qualify under Section 423 of the Internal Revenue Code of 1986, as amended (Code). The ESPP was approved with a reserve of 4 million shares of common stock for future issuance under various terms provided for in the ESPP. As of January 31, 2024, the number of shares available for issuance under our ESPP was 4,897,856. The number of shares available for issuance under the ESPP automatically increases on the first business day of each of our fiscal years, commencing in 2014, by a number equal to the least of (a) 2.2 million shares, (b) 1 % of the shares of our common stock outstanding on the last business day of the prior fiscal year or (c) the number of shares determined by our board of directors. During our fiscal year ended January 31, 2024, our board of directors determined no additional shares were to be made available for issuance under the ESPP.

During active offering periods, our ESPP permits eligible employees to acquire shares of our common stock at 85 % of the lower of the fair market value of our common stock on the first day of the applicable offering period or the fair market value of our common stock on the purchase date. Participants may purchase shares of common stock through payroll deductions of up to 15 % of their eligible compensation, subject to any plan limitations. The initial offering period for our ESPP commenced on the date of our initial public offering and ended on June 15, 2014. We have not had any open offering periods subsequent to the initial offering period.

### Stock Option Activity

The 2012 EIP provided, and the 2013 EIP provides, for the issuance of incentive and nonstatutory options to employees, consultants and non-employee directors. Options issued under the 2012 EIP and 2013 EIP generally are exercisable for periods not to exceed 10 years and generally vest over four years , with certain options vesting over five to seven years . A summary of stock option activity for the fiscal year ended January 31, 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, 2023	11,503,409	\$ 128.62	5.9	\$ 705
Options granted	2,511,610	180.59		
Options exercised	( 2,277,533 )	27.52		
Options forfeited/cancelled	( 589,676 )	200.03		
Options outstanding at January 31, 2024	<u>11,147,810</u>	\$ 157.20	6.7	\$ 626
Options vested and exercisable at January 31, 2024	4,962,412	\$ 123.63	5.1	\$ 449
Options vested and exercisable at January 31, 2024 and expected to vest thereafter	11,147,810	\$ 157.20	6.7	\$ 626

The options granted during the fiscal year ended January 31, 2024 were predominantly made in connection with our annual performance review cycle. The weighted average grant-date fair value of options granted was \$ 81.17 , \$ 88.25 , and \$ 108.42 for the fiscal years ended January 31, 2024, 2023, and 2022, respectively.

As of January 31, 2024, there was \$ 343 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 2.2 years.

As of January 31, 2024, we had authorized and unissued shares of common stock sufficient to satisfy exercises of stock options.

Our closing stock price as reported on the New York Stock Exchange as of January 31, 2024, the last trading day of fiscal year 2024 was \$ 207.41 . The total intrinsic value of options exercised was approximately \$ 353 million for the fiscal year ended January 31, 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:

	Fiscal year ended January 31,								
	2024			2023			2022		
Volatility	39 %	-	41 %	37 %	-	40 %	37 %	-	39 %
Expected term (in years)	6.25	-	7.00	6.00	-	7.00	6.25	-	
Risk-free interest rate	3.34 %	-	4.73 %	1.90 %	-	4.20 %	0.70 %	-	1.60 %
Dividend yield	— %			— %			— %		

### Restricted Stock Units

The 2013 EIP provides for the issuance of RSUs to employees. RSUs issued under the 2013 EIP generally vest over a period of one to four years, with certain RSUs vesting over five years. A summary of RSU activity for the fiscal year ended January 31, 2024 is as follows:

	Unreleased restricted stock units	Weighted average grant date fair value
Balance at January 31, 2023	1,103,679	\$ 194.36
RSUs granted	1,181,528	180.78
RSUs vested	( 1,150,059 )	182.95
RSUs forfeited / cancelled	( 123,417 )	183.81
Balance at January 31, 2024	1,011,731	192.77

As of January 31, 2024, there was a total of \$ 122 million in unrecognized compensation cost related to unvested RSUs. This cost is expected to be recognized over a weighted-average period of approximately 1.6 years. The total intrinsic value of RSUs vested was \$ 223 million for the fiscal year ended January 31, 2024.

### Note 12. Other Income

Other income, net, consisted of the following (in thousands):

	Fiscal year ended January 31,		
	2024	2023	2022
Foreign currency gain (loss)	\$ 124	\$ 591	\$ ( 714 )
Accretion (amortization) on investments	24,817	2,982	( 7,201 )
Interest income, net	133,748	45,860	14,730
Miscellaneous income	—	572	—
Other income, net	\$ 158,689	\$ 50,005	\$ 6,815

### Note 13. 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. See [note 11](#), Stockholders' Equity for additional details related to the conversion of Class B common stock. Because shares of Class B common stock were outstanding for a portion of the fiscal year ended January 31, 2024, we have disclosed earnings per share for Class A and Class B common stock for the fiscal year January 31, 2024. For the fiscal year ended January 31, 2024, 2023, and 2022 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):

	Fiscal year ended January 31,					
	2024		2023		2022	
	Class A	Class B <sup>(1)</sup>	Class A	Class B	Class A	Class B
<b>Basic</b>						
Numerator						
Net income, basic	\$ 491,747	\$ 33,958	\$ 441,425	\$ 46,281	\$ 386,180	\$ 41,210
Denominator						
Weighted average shares used in computing net income per share, basic	150,162	10,370	140,640	14,745	138,474	14,777
Net income per share, basic	<u>\$ 3.27</u>	<u>\$ 3.27</u>	<u>\$ 3.14</u>	<u>\$ 3.14</u>	<u>\$ 2.79</u>	<u>\$ 2.79</u>
<b>Diluted</b>						
Numerator						
Net income, basic	\$ 491,747	\$ 33,958	\$ 441,425	\$ 46,281	\$ 386,180	\$ 41,210
Reallocation as a result of conversion of Class B to Class A common stock:						
Net income, basic	33,958	—	46,281	—	41,210	—
Reallocation of net income to Class B common stock	—	8,887	—	19,163	—	21,480
Net income, diluted	<u>\$ 525,705</u>	<u>\$ 42,845</u>	<u>\$ 487,706</u>	<u>\$ 65,444</u>	<u>\$ 427,390</u>	<u>\$ 62,690</u>
Denominator						
Number of shares used for basic net income per share computation	150,162	10,370	140,640	14,745	138,474	14,777
Conversion of Class B to Class A common stock	10,370	—	14,745	—	14,777	—
Effect of potentially dilutive common shares	<u>2,954</u>	<u>2,954</u>	<u>7,052</u>	<u>7,052</u>	<u>9,026</u>	<u>9,026</u>
Weighted average shares used in computing net income per share, diluted	<u>163,486</u>	<u>13,324</u>	<u>162,437</u>	<u>21,797</u>	<u>162,277</u>	<u>23,803</u>
Net income per share, diluted	<u>\$ 3.22</u>	<u>\$ 3.22</u>	<u>\$ 3.00</u>	<u>\$ 3.00</u>	<u>\$ 2.63</u>	<u>\$ 2.63</u>

<sup>(1)</sup>Net income per share attributable to Class B common stock was determined for the relevant periods through October 15, 2023. See [note 11](#) Stockholders' Equity.

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

	Fiscal year ended January 31,		
	2024	2023	2022
Options and awards	6,083,281	3,945,110	958,476

## Note 14. Commitments and Contingencies

### Litigation

#### IQVIA Litigation Matters

Veeva OpenData and Veeva 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.

Fact discovery is largely complete and expert discovery was completed in October 2023. While it is not possible at this time to predict with any degree of certainty the ultimate outcome of this lawsuit, and we are unable to make a meaningful estimate of the amount or range of gain or loss, if any, that could result from it, 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.

*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 is largely complete and expert discovery was completed in October 2023.

While it is not possible at this time to predict with any degree of certainty the ultimate outcome of this action, we believe that our claims warrant injunctive and declaratory 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.

The federal district court judge presiding over all of the IQVIA Litigation Matters described above has set a trial date of February 10, 2025. However, the parties have been asked to brief whether certain claims should be bifurcated for the purposes of trial and whether all cases should be consolidated. The parties have completed briefing, but the court has not yet ruled.

#### ***Medidata Litigation Matter***

On January 26, 2017, Medidata Solutions, Inc. filed a complaint in the U.S. District Court for the Southern District of New York ( *Medidata Solutions, Inc. v. Veeva Systems Inc. et al.* (No. 1:17-cv-00589)) against us and five individual Veeva employees who previously worked for Medidata (Individual Employees). The complaint alleged that we induced and conspired with the Individual Employees to breach their employment agreements, including non-compete and confidentiality provisions, and to misappropriate Medidata's confidential and trade secret information. On July 15, 2022, after four days of jury trial, the court granted Veeva's motion for judgment as a matter of law, thereby resolving the case in favor of Veeva. Medidata filed an appeal in the Second Circuit Court of Appeals on January 3, 2023. On January 10, 2024, Veeva and Medidata filed a joint stipulation to dismiss Medidata's appeal, which was granted by the court on January 18, 2024.

#### ***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. The complaint sought declaratory and injunctive relief, unspecified monetary damages, and attorneys' fees.

On December 9, 2020, the case was removed to the U.S. District Court for the District of Minnesota (No. 20-cv-2502). The complaint has been amended twice to include additional factual allegations, a claim against the employee under the federal Computer Fraud and Abuse Act, and direct claims against us for misappropriation. The matter is currently in the discovery phase of litigation. A trial date has not been set, but could be as early as late 2024.

While it is not possible at this time to predict with any degree of certainty the ultimate outcome of this litigation, and we are unable to make a meaningful estimate of the amount or range of loss, if any, that could result from any unfavorable outcome, we believe that we have substantial defenses against Mednet's claims and will continue to vigorously defend ourselves against them.

#### ***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 15. 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):

	Fiscal year ended January 31,		
	2024	2023	2022
Subscription services			
Commercial Solutions	\$ 995,803	\$ 946,252	\$ 876,458
R&D Solutions	905,790	786,750	607,518
Total subscription services	1,901,593	1,733,002	1,483,976
Professional services			
Commercial Solutions	185,981	177,188	165,086
R&D Solutions	276,099	244,870	201,715
Total professional services	462,080	422,058	366,801
Total revenues	\$ 2,363,673	\$ 2,155,060	\$ 1,850,777

### Note 16. 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):

	Fiscal year ended January 31,		
	2024	2023	2022
Revenues by geography			
North America	\$ 1,387,425	\$ 1,253,760	\$ 1,063,770
Europe	662,560	598,828	509,127
Asia Pacific	250,600	244,655	225,968
Middle East, Africa, and Latin America	63,088	57,817	51,912
Total revenues	\$ 2,363,673	\$ 2,155,060	\$ 1,850,777

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

	January 31,	
	2024	2023
Long-lived assets by geography		
North America	\$ 49,725	\$ 42,003
Europe	6,885	5,336
Asia Pacific	751	963
Middle East, Africa, and Latin America	1,171	1,515
Total long-lived assets	\$ 58,532	\$ 49,817

### Note 17. 401(k) Plan

We have a qualified defined contribution plan under Section 401(k) of the Internal Revenue Code covering eligible employees as well as a Registered Retirement Savings Plan (RRSP) for eligible employees in Canada. Under the

401(k) plan, we match up to \$ 2,000 per employee per year. Under the RRSP plan, we also match up to \$ 2,000 per employee per year. For the fiscal years ended January 31, 2024, 2023, and 2022, total expense related to these plans was \$ 9 million, \$ 8 million, and \$ 7 million, respectively.

**ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.**

Not applicable.

**ITEM 9A. CONTROLS AND PROCEDURES.**

**(a) 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 January 31, 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 the evaluation of our disclosure controls and procedures as of January 31, 2024, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

**(b) Management's Annual Report on Internal Control Over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Our management conducted an assessment of the effectiveness of our internal control over financial reporting as of January 31, 2024 based on the criteria set forth in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the assessment, our management has concluded that our internal control over financial reporting was effective as of January 31, 2024 to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with U.S. GAAP. Our independent registered public accounting firm, KPMG LLP, has issued an audit report with respect to our internal control over financial reporting, which appears in Part II, Item 8 of this Form 10-K.

**(c) 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 January 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**(d) 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.

**ITEM 9B. 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, modified, or terminated by our Section 16 officers and directors during the fiscal quarter ended January 31, 2024:

Name and Title	Action (Adoption / Termination)	Adoption / Termination Date	Aggregate Number of Shares of Common Stock to be Sold (1)	Expiration Date (2)
Josh Faddis <i>Corporate Secretary, SVP &amp; General Counsel</i>	Adoption	12/21/2023	7,645	4/15/2025

(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) The trading plan may expire on an earlier date if and when all transactions thereunder are completed.

None of our Section 16 officers or directors adopted , modified, 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 January 31, 2024.

**ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.**

Not Applicable.

**PART III.**

**ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.**

The information required by this item will be contained in our definitive proxy statement to be filed with the Securities and Exchange Commission in connection with our 2024 Annual Meeting of Stockholders (Proxy Statement), which we expect to file not later than 120 days after the end of our fiscal year ended January 31, 2024, and is incorporated in this report by reference.

**ITEM 11. EXECUTIVE COMPENSATION.**

The information required by this item will be set forth in the Proxy Statement, which we expect to file not later than 120 days after the end of our fiscal year ended January 31, 2024 and is incorporated in this report by reference.

**ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.**

The information required by this item will be set forth in the Proxy Statement, which we expect to file not later than 120 days after the end of our fiscal year ended January 31, 2024 and is incorporated in this report by reference.

**ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.**

The information required by this item will be set forth in the Proxy Statement, which we expect to file not later than 120 days after the end of our fiscal year ended January 31, 2024 and is incorporated in this report by reference.

**ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.**

The information required by this item will be set forth in the Proxy Statement, which we expect to file not later than 120 days after the end of our fiscal year ended January 31, 2024 and is incorporated in this report by reference.

#### PART IV.

##### ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.

(a) *Documents Filed.* The following documents are filed as part of, or incorporated by reference into, this Form 10-K:

1. *Financial Statements.* See [Index to Consolidated Financial Statements](#), under [Item 7](#) of this Form 10-K.
2. *Financial Statement Schedules.* All schedules have been omitted because the information required to be presented in them is not applicable or is shown in the consolidated financial statements or related notes.
3. *Exhibits.* We have filed, or incorporated into this Form 10-K by reference, the exhibits listed on the accompanying [Exhibit Index](#) immediately preceding the signature page of this Form 10-K.

(b) *Exhibits.* See Item 15(a)(3) above.

(c) *Financial Statement Schedules.* See Item 15(a)(2) above.

##### ITEM 16. FORM 10-K SUMMARY.

A Form 10-K summary is provided at the beginning of this document, with hyperlinked cross-references. This allows users to easily locate the corresponding items in this Form 10-K, where the disclosure is fully presented. The summary does not include certain Part III information that is incorporated by reference to the Proxy Statement.

#### EXHIBIT INDEX

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	<a href="#">Amended and Restated Certificate of Incorporation of Veeva Systems Inc.</a>	8-K	001-36121	3.2	10/16/2023	
3.2	<a href="#">Certificate of Retirement of Class B Common Stock of Veeva Systems Inc.</a>	8-K	001-36121	3.1	10/16/2023	
3.3	<a href="#">Amended and Restated Bylaws of Veeva Systems Inc.</a>	8-K	001-36121	3.1	6/23/2023	
4.1	<a href="#">Form of Registrant's Class A common stock certificate.</a>	S-1/A	333-191085	4.1	10/3/2013	
4.2	<a href="#">Description of Capital Stock.</a>					X
10.1	<a href="#">Data Processing Addendum, dated April 4, 2014, to Value-Added Reseller Agreement, between Registrant and salesforce.com, inc., as amended.</a>	10-Q	001-36121	10.1	6/6/2014	
10.2	<a href="#">Purchase and Sale Agreement, dated June 11, 2014, between Registrant and The Duffield Family Foundation, as amended July 16, 2014.</a>	10-Q	001-36121	10.1	9/11/2014	
10.3	<a href="#">Description of Non-Employee Director Compensation.</a>					X
10.4*	<a href="#">Form of Indemnification Agreement between the Registrant and each of its directors and officers.</a>	8-K	001-36121	10.1	2/1/2021	
10.5*	<a href="#">2007 Stock Plan and forms of agreements thereunder.</a>	S-1	333-191085	10.2	9/11/2013	
10.6*	<a href="#">2012 Equity Incentive Plan and forms of agreements thereunder.</a>	S-1	333-191085	10.3	9/11/2013	
10.7*	<a href="#">2013 Equity Incentive Plan and forms of agreements thereunder.</a>	10-K	001-36121	10.7	3/30/2021	

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
10.8*	<a href="#">Veeva Systems Inc. 2013 Equity Incentive Plan, as amended and restated.</a>	8-K	001-36121	10.1	6/13/2022	
10.9*	<a href="#">2013 Employee Stock Purchase Plan.</a>	S-1/A	333-191085	10.5	10/3/2013	
10.10**	<a href="#">Amended and Restated Value-Added Reseller Agreement, dated September 2, 2010, between Registrant and salesforce.com, inc., as amended December 3, 2010, December 13, 2010, April 15, 2011, August 23, 2011, September 29, 2011, April 3, 2012, May 24, 2012, March 3, 2014, and August 11, 2016.</a>	S-1/A	333-191085	10.7	9/20/2013	
10.11**	<a href="#">Eighth Amendment, dated March 3, 2014, to Amended and Restated Value-Added Reseller Agreement, dated September 2, 2010, between Registrant and salesforce.com, inc., as amended.</a>	8-K	001-36121	10.1	3/4/2014	
10.12*	<a href="#">Offer letter, dated June 20, 2013, between Peter P. Gassner and the Registrant.</a>	S-1	333-191085	10.8	9/11/2013	
10.13*	<a href="#">Offer letter, dated August 14, 2012, between Jonathan W. Faddis and the Registrant.</a>	10-Q	001-36121	10.1	6/4/2015	
10.14*	<a href="#">Amended offer letter, dated April 26, 2022, between Jonathan W. Faddis and the Registrant.</a>	10-K	001-36121	10.14	3/30/2023	
10.15	<a href="#">Data Processing Addendum, dated January 23, 2016, to Value-Added Reseller Agreement, between Registrant and salesforce.com, inc., as amended.</a>	10-K	001-36121	10.17	3/31/2016	
10.16	<a href="#">Offer letter, dated February 20, 2015, between Alan V. Mateo and the Registrant.</a>	10-Q	001-36121	10.1	6/8/2016	
10.17	<a href="#">Offer letter, dated January 23, 2013, between E. Nitsa Zuppas and the Registrant.</a>	10-Q	001-36121	10.2	6/8/2016	
10.18	<a href="#">Ninth Amendment, dated August 11, 2016, to Amended and Restated Value-Added Reseller Agreement dated September 2010, between Registrant and salesforce.com, inc., as amended.</a>	10-Q	001-36121	10.1	9/8/2016	
10.19	<a href="#">2013 Equity Incentive Plan Forms of Notice of Stock Option Grants to Peter P. Gassner.</a>	10-K	001-36121	10.22	3/30/2018	
10.20	<a href="#">Offer Letter, dated March 17, 2019, between Tom Schwenger and the Registrant.</a>	10-Q	001-36121	10.1	6/4/2020	
10.21	<a href="#">Offer Letter, dated April 19, 2020, between Brent Bowman and the Registrant.</a>	8-K	001-36121	10.1	8/31/2020	
10.22	<a href="#">Offer Letter dated April 12, 2023, between Kristine Diamond and the Registrant.</a>	8-K	001-36121	10.1	8/21/2023	
21.1	<a href="#">List of Subsidiaries of Registrant.</a>					X
23.1	<a href="#">Consent of KPMG LLP, Independent Registered Public Accounting Firm.</a>					X
24.1	<a href="#">Power of Attorney (see page 85 of this Annual Report on Form 10-K).</a>					X
31.1	<a href="#">Certification of Principal Executive Officer Required Under Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended.</a>					X
31.2	<a href="#">Certification of Principal Financial Officer Required Under Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended.</a>					X

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
32.1†	<a href="#">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.</a>					X
32.2†	<a href="#">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.</a>					X
97.1	<a href="#">Compensation Recovery ("Clawback") Policy</a>					X
101.INS	XBRL Instance Document.					X
101.SCH	XBRL Taxonomy Schema Linkbase Document.					X
101.CAL	XBRL Taxonomy Calculation Linkbase Document.					X
101.DEF	XBRL Taxonomy Definition Linkbase Document.					X
101.LAB	XBRL Taxonomy Labels Linkbase Document.					X
101.PRE	XBRL Taxonomy Presentation Linkbase Document.					X
104	104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).					X

\* Indicates a management contract or compensatory plan.

\*\* Portions of this exhibit (indicated by asterisks) have been omitted pursuant to an order granting confidential treatment. Omitted portions have been submitted separately to the Securities and Exchange Commission (SEC).

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

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Pleasanton, State of California, on this 25th day of March, 2024.

Veeva Systems Inc.

By: /s/ BRENT BOWMAN  
Brent Bowman  
Chief Financial Officer  
(Principal Financial Officer)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Peter P. Gassner and Brent Bowman, and each of them, as his or her true and lawful attorney-in-fact and agent with full power of substitution, for him or her in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto and other documents in connection therewith, with the SEC, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully for all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his substitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Annual Report on Form 10-K has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ Peter P. Gassner</u> <b>Peter P. Gassner</b>	Chief Executive Officer and Director <i>(Principal Executive Officer)</i>	March 25, 2024
<u>/s/ Brent Bowman</u> <b>Brent Bowman</b>	Chief Financial Officer <i>(Principal Financial Officer)</i>	March 25, 2024
<u>/s/ Kristine Diamond</u> <b>Kristine Diamond</b>	Chief Accounting Officer <i>(Principal Accounting Officer)</i>	March 25, 2024
<u>/s/ Tim Cabral</u> <b>Tim Cabral</b>	Director	March 25, 2024
<u>/s/ Mark Carges</u> <b>Mark Carges</b>	Director	March 25, 2024
<u>/s/ Mary Lynne Hedley</u> <b>Mary Lynne Hedley</b>	Director	March 25, 2024
<u>/s/ Priscilla Hung</u> <b>Priscilla Hung</b>	Director	March 25, 2024
<u>/s/ Nimrata Khatra Hunt</u> <b>Nimrata Khatra Hunt</b>	Director	March 25, 2024
<u>/s/ Marshall Mohr</u> <b>Marshall Mohr</b>	Director	March 25, 2024
<u>/s/ Gordon Ritter</u> <b>Gordon Ritter</b>	Chair of the Board of Directors	March 25, 2024
<u>/s/ Paul Sekhri</u> <b>Paul Sekhri</b>	Director	March 25, 2024
<u>/s/ Matthew J. Wallach</u> <b>Matthew J. Wallach</b>	Director	March 25, 2024



**DESCRIPTION OF CAPITAL STOCK**

The following is a summary of information concerning the capital stock of Veeva Systems Inc. (“us,” “our,” “we,” or the “Company”) and certain provisions of our restated certificate of incorporation (“Certificate”) and amended and restated bylaws (“Bylaws”). This summary does not purport to be complete and is qualified in its entirety by the provisions of our Certificate and “Bylaws, each previously filed with the Securities and Exchange Commission and incorporated by reference as an exhibit to the Annual Report on Form 10-K of which this Exhibit 4.2 is a part, as well as the applicable provisions of the Delaware General Corporate Law (the “DGCL”). We encourage you to read our Certificate, Bylaws, and the applicable portions of the DGCL carefully.

**General**

Our Certificate provides for one class of common stock: Class A common stock, which we refer to as “common stock.” In addition, our Certificate authorizes shares of undesignated preferred stock, the rights, preferences, and privileges of which may be designated from time to time by our board of directors.

Our authorized capital stock consists of 810,000,000 shares, all with a par value of \$0.00001 per share, of which:

- 800,000,000 shares are authorized Class A common stock; and
- 10,000,000 shares are authorized preferred stock.

**Public Benefit Corporation**

On February 1, 2021, after approval by our stockholders, we became a Delaware public benefit corporation (“PBC”). As a PBC, we have unique legal obligations. We are required to adopt and include in our Certificate 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 of directors 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.

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.

We believe that operating as a PBC is beneficial to our business and consistent with the long-term interests of stockholders. However, 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. For more information regarding our status as a PBC and the related risks, see “Risk Factors—Risks Related to Our Status as a Public Benefit Corporation, Our ESG Disclosures, and Ownership of Our Common Stock” in the Form 10-K of which this exhibit is a part, which is hereby incorporated by reference.

**Common Stock*****Voting Rights***

The holders of our common stock are entitled to one vote per share.

Stockholders do not have the ability to cumulate votes for the election of directors. Our Certificate and Bylaws provide for a declassified board of directors, with annual election of directors, serving a one-year term.

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***Dividend Rights***

Subject to preferences that may apply to shares of preferred stock outstanding at the time, the holders of outstanding shares of our common stock are entitled to receive dividends out of funds legally available if our board of directors, in its discretion, determines to issue dividends, and only then at the times and in the amounts that our board of directors may determine.

***No Preemptive or Similar Rights***

Our common stock is not entitled to preemptive rights and is not subject to conversion, redemption, or sinking fund provisions.

***Right to Receive Liquidation Distributions***

Upon our dissolution, liquidation, or winding-up, the assets legally available for distribution to our stockholders are distributable ratably among the holders of our common stock, subject to prior satisfaction of all outstanding debt and liabilities and the preferential rights and payment of liquidation preferences, if any, on any outstanding shares of preferred stock.

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## Preferred Stock

No shares of preferred stock are outstanding, but we are authorized, subject to limitations prescribed by Delaware law, to issue preferred stock in one or more series, to establish from time to time the number of shares to be included in each series and to fix the designation, powers, preferences, and rights of the shares of each series and any of its qualifications, limitations, or restrictions. Our board of directors also can increase or decrease the number of shares of any series, but not below the number of shares of that series then outstanding, without any further vote or action by our stockholders. Our board of directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of the common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring, or preventing a change in control of our company and may adversely affect the market price of our common stock and the voting and other rights of the holders of common stock. We have no current plan to issue any shares of preferred stock.

## Anti-Takeover Effects of Delaware Law and Our Certificate of Incorporation and Bylaws

### ***Delaware Law***

We are governed by the provisions of Section 203 of the DGCL regulating corporate takeovers. This section prevents some Delaware corporations from engaging, under some circumstances, in a business combination, which includes a merger or sale of at least 10% of the corporation's assets with any interested stockholder, meaning a stockholder who, together with affiliates and associates, owns or, within three years prior to the determination of interested stockholder status, did own 15% or more of the corporation's outstanding voting stock, unless:

- the transaction is approved by the board of directors prior to the time that the interested stockholder became an interested stockholder; or
- subsequent to such time that the stockholder became an interested stockholder the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders by at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

A Delaware corporation may "opt out" of these provisions with an express provision in its original certificate of incorporation or an express provision in its certificate of incorporation or bylaws resulting from a stockholders' amendment approved by at least a majority of the outstanding voting shares. We have not opted out of these provisions. As a result, mergers or other takeover or change in control attempts of us may be discouraged or prevented.

Additionally, as a PBC, our board of directors has a duty to balance (i) the pecuniary (financial) interest of our stockholders, (ii) the best interests of stakeholders materially affected by our conduct and (iii) the specific public benefits identified in our Certificate. Balancing these interests may make us a less attractive target for potential buyers.

### ***Certificate and Bylaws Provisions***

Our Certificate and our Bylaws include a number of provisions that may have the effect of deterring hostile takeovers or delaying or preventing changes in control of our management team, including the following:

- *Supermajority Approvals.* Our Certificate requires the approval of two-thirds of the combined vote of our then-outstanding shares of common stock in order to amend certain specified provisions. In addition, our Bylaws require the approval of two-thirds of the combined vote of our then-outstanding shares of common stock in order to adopt stockholder proposed amendments. These provisions have the effect of making it more difficult to amend our Certificate or Bylaws to remove or modify any existing provisions.
  - *Board of Directors Vacancies.* Our Certificate and Bylaws authorize our board of directors to fill vacant directorships. In addition, the number of directors constituting our board of directors is set
-

only by resolution adopted by a majority vote of our entire board of directors. These provisions prevent a stockholder from increasing the size of our board of directors and gaining control of our board of directors by filling the resulting vacancies with its own nominees.

- *Removal of Directors*. Our Certificate provides that directors may be removed from the board of directors with or without cause and only by the approval of two-thirds of the combined vote of our then-outstanding shares of our common stock entitled to vote thereon.
- *Stockholder Action; Special Meeting of Stockholders*. Our Certificate provides that stockholders are not able to take action by written consent and are only able to take action at annual or special meetings of our stockholders. Stockholders are not permitted to cumulate their votes for the election of directors. Our Certificate and Bylaws further provide that special meetings of our stockholders may be called by a majority vote of our entire board of directors, the chairman of our board of directors, our chief executive officer, or the chairman of our board or our chief executive officer at the written request of one or more stockholders who have delivered such request in accordance with various provisions in the Bylaws. Stockholders requesting that a special meeting be called must own 25% or more of the voting power of our capital stock and comply with other requirements set forth in our Bylaws, including a one-year holding period and certain notice procedures.
- *Advance Notice Requirements for Stockholder Proposals and Director Nominations*. Our Bylaws provide advance notice procedures for stockholders seeking to bring business before our annual meeting of stockholders, or to nominate candidates for election as directors at any meeting of stockholders. Our Bylaws also specify certain requirements regarding the form and content of a stockholder's notice. These provisions may preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at our meetings of stockholders.
- *Issuance of Undesignated Preferred Stock*. Our board of directors has the authority, without further action by the holders of common stock, to issue up to 10,000,000 shares of undesignated preferred stock with rights and preferences, including voting rights, designated from time to time by the board of directors. The existence of authorized but unissued shares of preferred stock enables our board of directors to render more difficult or to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest, or otherwise.

#### **Choice of Forum**

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 DGCL, our Certificate or our Bylaws, or any action asserting a claim against us that is governed by the internal affairs doctrine. Our Bylaws further 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.

#### **Proxy Access**

Our Bylaws include a "proxy access" bylaw whereby a stockholder (or a group of up to 20 stockholders) that has held at least 3% of the voting power of our capital stock for three years or more may nominate candidates for up to the greater of (i) or (ii) 20% of the available director seats and have those nominees included in our proxy materials, provided that the stockholder and nominees satisfy the requirements specified in the Bylaws.

#### **Transfer Agent and Registrar**

The transfer agent and registrar for our common stock is Equiniti Trust Company, LLC. The transfer agent's address is 6201 15th Avenue, Brooklyn, New York 11219, and the telephone number is (800) 937-5449.

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**Listing**

Our common stock is listed on the New York Stock Exchange under the symbol "VEEV."

**Veeva Systems Inc.**  
**Non-Employee Director Compensation Plan**  
(Effective as of June 21, 2023)

Each non-employee member of the Board receives an annual cash retainer of \$50,000, paid in arrears in quarterly installments.

Non-employee members of the Board also receive grants of RSUs under our 2013 Equity Incentive Plan, as amended and restated, on the date of our annual meeting of shareholders. Such annual grants are valued on the date of grant and vest quarterly over one year. On the date of the annual meeting, each non-employee director who is serving on the Board as of such date will be issued RSUs valued at \$225,000 of our common stock. In addition, the non-executive chair or lead independent director will receive an additional issuance of RSUs valued at \$40,000 of our common stock.

Non-employee members of the Audit Committee, Compensation Committee, Nominating and Governance Committee, and Cybersecurity Committee are granted additional RSUs as follows.

- Audit Committee
  - Members: RSUs valued at \$20,000
  - Chair: RSUs valued at \$40,000
- Compensation Committee
  - Members: RSUs valued at \$10,000
  - Chair: RSUs valued at \$20,000
- Cybersecurity Committee
  - Members: RSUs valued at \$10,000
  - Chair: RSUs valued at \$20,000
- Nominating and Governance Committee
  - Members: RSUs valued at \$5,000
  - Chair: RSUs valued at \$12,500

New directors and new committee members will receive cash and equity compensation on a pro-rated basis to coincide with our annual director compensation period, which begins in the month of our annual meeting of stockholders.

We also have a policy of paying for regulatory filing fees related to ownership of Veeva stock and reimbursing directors for their reasonable out-of-pocket expenses incurred in attending Board and committee meetings.

**SUBSIDIARIES OF  
VEEVA SYSTEMS INC. \***

\* As of January 31, 2024, Veeva Systems Inc. has no significant subsidiaries as defined in Rule 1-02(w) of Regulation S-X.

**Consent of Independent Registered Public Accounting Firm**

The Board of Directors  
Veeva Systems Inc.:

We consent to the use of our report dated March 25, 2024, with respect to the consolidated financial statements of Veeva Systems Inc., and the effectiveness of internal control over financial reporting, incorporated herein by reference.

/s/ KPMG LLP

San Francisco, California  
March 25, 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 Annual Report on Form 10-K 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)

March 25, 2024

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

I, Brent Bowman, certify that:

1. I have reviewed this Annual Report on Form 10-K 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/ BRENT BOWMAN

Brent Bowman  
Chief Financial Officer  
(Principal Financial Officer)

March 25, 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 Annual Report of Veeva Systems Inc. on Form 10-K for the fiscal year ended January 31, 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-K fairly presents in all material respects the financial condition and results of operations of Veeva Systems Inc.

/s/ PETER P. GASSNER

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

March 25, 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, Brent Bowman, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report of Veeva Systems Inc. on Form 10-K for the fiscal year ended January 31, 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-K fairly presents in all material respects the financial condition and results of operations of Veeva Systems Inc.

/s/ BRENT BOWMAN

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Brent Bowman  
Chief Financial Officer  
(Principal Financial Officer)

March 25, 2024



## COMPENSATION RECOVERY ("CLAWBACK") POLICY

(Effective as of September 20, 2023)

**Veeva Systems Inc.** (including its affiliates, the "**Company**") is committed to strong corporate governance. As part of this commitment, the Company's Board of Directors (the "**Board**") has adopted this Compensation Recovery ("**Clawback**") Policy ("**Policy**"). This Policy is intended to further the Company's compensation philosophy and to comply with applicable law by providing for the recovery of certain executive compensation in the event of an Accounting Restatement. The capitalized terms in this Policy are defined below.

This Policy is intended to comply with Section 10D of the Securities Exchange Act of 1934 (the "**Exchange Act**"), with Rule 10D-1 under the Exchange Act, and with the listing standards of the New York Stock Exchange ("**NYSE**"). This Policy will be interpreted in a manner that is consistent with the requirements of Section 10D of the Exchange Act, Rule 10D-1 under the Exchange Act, and with the listing standards of the NYSE, including any interpretive guidance provided by the NYSE.

The application of the Policy to Executive Officers is not discretionary and applies without regard to whether an Executive Officer was at fault, except to the limited extent provided below.

### Persons Covered by the Policy

This Policy is binding and enforceable against all Executive Officers. Each Executive Officer shall be required to sign and return to the Company an acknowledgement pursuant to which such Executive Officer will agree to be bound by the terms and comply with this Policy, provided that failure to obtain such acknowledgement shall have no impact on the applicability or enforceability of this Policy.

### Administration of the Policy

The Compensation Committee (the "**Compensation Committee**") of the Board has full delegated authority to administer this Policy. The Compensation Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. In addition, if determined in the discretion of the Board, this Policy may be administered by the independent members of the Board or another independent committee thereof, in which case all references herein to the Compensation Committee shall be deemed references to the independent members of the Board or the other independent committee of the Board, as applicable. All determinations of the Compensation Committee and any other administrator of the Policy will be final and binding on all interested persons and will be given the maximum deference permitted by law.

### Compensation Covered by the Policy

This Policy applies to all Incentive-Based Compensation that is Received by an Executive Officer at any time during the applicable performance period for that Incentive-Based Compensation, provided that such Incentive-Based Compensation is Received (A) after October 2, 2023, (B) after such individual begins

service as an Executive Officer, and (C) during the Covered Period (“**Clawback Eligible Incentive-Based Compensation**”).

#### **Events Requiring Application of the Policy**

If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (an “**Accounting Restatement**”); AND

any Executive Officer has Received Clawback Eligible Incentive-Based Compensation that exceeds the amount of Incentive-Based Compensation that otherwise would have been Received had such Incentive-Based Compensation been determined based on the restated amounts, computed without regard to any taxes paid (such compensation, the “**Erroneously Awarded Compensation**”);

then, the Company will recover reasonably promptly the amount of such Erroneously Awarded Compensation in compliance with this Policy unless an exception applies under this Policy.

#### **Determining Erroneously Awarded Compensation for Certain Incentive-Based Compensation**

To determine the amount of Erroneously Awarded Compensation for Incentive-Based Compensation based on stock price or total shareholder return, where it is not subject to mathematical recalculation directly from the information in an Accounting Restatement:

- The amount must be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was Received; and
- The Company must maintain documentation of the determination of that reasonable estimate and provide such documentation to the NYSE.

#### **Repayment of Erroneously Awarded Compensation**

Executive Officers are required to repay Erroneously Awarded Compensation to the Company. Subject to applicable law, the Company may recover such Erroneously Awarded Compensation by requiring the Executive Officer to repay such amount to the Company by direct payment to the Company or such other means or combination of means as the Compensation Committee determines to be appropriate (which determinations need not be identical as to each Executive Officer), which may include, without limitation: (a) requiring reimbursement of cash Incentive-Based Compensation previously paid; (b) seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity-based awards; (c) offsetting the amount to be recovered from any unpaid or future compensation to be paid by the Company to the Executive Officer; (d) canceling outstanding vested or unvested equity awards; and/or (e) taking any other remedial and recovery action permitted by law, as determined by the Compensation Committee. The repayment of Erroneously Awarded Compensation shall be made by such Executive Officer notwithstanding any Executive Officer’s belief (whether legitimate or non-legitimate) that the Erroneously Awarded Compensation had been previously earned under applicable law and therefore not subject to clawback.



This Policy does not preclude the Company from taking any other action to enforce an Executive Officer's obligations to the Company or to discipline an Executive Officer, including (without limitation) termination of employment, institution of civil proceedings, reporting of misconduct to appropriate governmental authorities, reduction of future compensation opportunities or change in role. The decision to take any actions described in the preceding sentence will not be subject to the approval of the Compensation Committee and can be made by the Board, any committee of the Board, or any duly authorized officer of the Company.

### Exceptions to the Policy

The Company must recover the Erroneously Awarded Compensation in accordance with this Policy except to the limited extent that the conditions of Exchange Act Rule 10D-1(b)(1)(iv) and the NYSE listing standards are met, and the Compensation Committee has made a determination that recovery of the Erroneously Awarded Compensation would be impracticable.

### Defined Terms in this Policy

The capitalized terms in this Policy have the following meaning, unless clearly required otherwise by the context.

**"Accounting Restatement Determination Date"** means the earliest to occur of:

- A. The date the Board, a committee of the Board, or one or more of the officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement; and
- B. The date a court, regulator, or other legally authorized body directs the Company to prepare an Accounting Restatement.

**"Covered Period"** means the three completed fiscal years immediately preceding the Accounting Restatement Determination Date, as well as any transition period (that results from a change in the Company's fiscal year) within or immediately following those three completed fiscal years in accordance with Exchange Act Rule 10D-1. The Company's obligation to recover Erroneously Awarded Compensation (as defined below) is not dependent on if or when the restated financial statements are filed.

**"Executive Officer"** means each individual who is or was designated as an "officer" by the Board in accordance with Exchange Act Rule 16a-1(f). Identification of an executive officer for purposes of this Policy would include at a minimum executive officers identified pursuant to Item 401(b) of Regulation S-K. For the avoidance of doubt, even if an individual who was formerly designated as an officer of the Company is no longer designated as such, that individual will continue to be an Executive Officer under this Policy.

**"Financial Reporting Measure"** has the meaning set forth in Rule 10D-1(d) under the Exchange Act and Section 303A.14 of the NYSE Listed Company Manual.

**"Incentive-Based Compensation"** has the meaning set forth in Rule 10D-1(d) under the Exchange Act and Section 303A.14 of the NYSE Listed Company Manual. For the avoidance of doubt, no compensation that is potentially subject to recovery under this Policy will be earned until the Company's right to recover

under the Policy has lapsed. The adopting release of Rule 10D-1 under the Exchange Act contains a non-exhaustive list of items of compensation that are not considered Incentive-Based Compensation.

**“Received”** has the meaning set forth in Rule 10D-1(d) under the Exchange Act and Section 303A.14 of the NYSE Listed Company Manual.

#### **Other Important Information in the Policy**

This Policy is in addition to the requirements of Section 304 of the Sarbanes-Oxley Act of 2002 that are applicable to the Company’s Chief Executive Officer and Chief Financial Officer, as well as any other applicable laws, regulatory requirements, or rules. This Policy will only apply while the Company has a class of securities listed on a national securities exchange.

Notwithstanding the terms of any of the Company’s organizational documents (including, but not limited to, the Company’s Amended and Restated Bylaws), any corporate policy or any contract (including, but not limited to, any indemnification agreement), the Company will not indemnify any Executive Officer or former Executive Officer against any loss of Erroneously Awarded Compensation. The Company will not pay for or reimburse insurance premiums for an insurance policy that covers potential recovery obligations. In the event the Company is required to recover Erroneously Awarded Compensation from a former Executive Officer pursuant to this Policy, the Company will be entitled to seek such recovery in order to comply with applicable law, regardless of the terms of any release of claims or separation agreement the former Executive Officer may have signed.

The Compensation Committee or Board may review and modify this Policy from time to time.

If any provision of this Policy or the application of any such provision to any Executive Officer shall be adjudicated to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Policy, and the invalid, illegal or unenforceable provisions shall be deemed amended to the minimum extent necessary to render any such provision or application enforceable.



#### ACKNOWLEDGEMENT

- I acknowledge that I have received and read the Compensation Recovery (“**Clawback**”) Policy (the “**Policy**”) of Veeva Systems Inc. (including its affiliates, the “**Company**”).
- I understand and acknowledge that the Policy applies to me, and all of my beneficiaries, heirs, executors, administrators, or other legal representatives and that the Company’s right to recovery in order to comply with applicable law will apply, regardless of the terms of any release of claims or separation agreement I have signed or will sign in the future.
- I agree to be bound by and comply with the Policy and understand that determinations of the Compensation Committee (as such term is used in the Policy) will be final and binding and will be given the maximum deference permitted by law.
- I understand and agree that my current indemnification rights, whether in an individual agreement or the Company’s organizational documents, exclude the right to be indemnified for amounts required to be recovered under the Policy.
- I understand the Company will not indemnify me or pay for an insurance policy that would cover my loss under the Policy, notwithstanding the terms of any of the Company’s organizational documents, any corporate policy or any contract.
- I understand that my failure to comply in all respects with the Policy is a basis for termination of my employment with the Company as well as any other appropriate discipline.
- I understand that neither the Policy, nor the application of the Policy to me, gives rise to a resignation for good reason (or similar concept) by me under any applicable employment agreement or arrangement.
- I acknowledge that if I have questions concerning the meaning or application of the Policy, it is my responsibility to seek guidance from the General Counsel of the Company.
- I acknowledge that neither this Acknowledgement nor the Policy is meant to constitute an employment contract.

Please review, sign, and return this form to the Corporate Legal Group.

\_\_\_\_\_  
(print name)

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(date)

