



Q3 2026

Investor Presentation

February 9, 2026





Legal Disclaimer

This presentation consists of these slides and the associated remarks and comments, which are related and intended to be presented and understood together. Please refer to the appendix of these slides for definitions of certain terms.

Cautionary Language Concerning Forward-Looking Statements

This presentation includes certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the company's new share repurchase program, its ability to invest for durable long-term growth while also returning capital to shareholders, the expected and current benefits that we believe organizations receive from using the Dynatrace platform and offerings of our partners and other companies with which we collaborate and integrate, and our financial and business outlook, including our financial guidance for the full year and fourth quarter of fiscal 2026. These forward-looking statements include, but are not limited to, plans, objectives, expectations and intentions and other statements contained in this presentation that are not historical facts and statements identified by words such as "will," "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates" or words of similar meaning. These forward-looking statements reflect our current views about our plans, intentions, expectations, strategies and prospects, which are based on the information currently available to us and on assumptions we have made. Although we believe that our plans, intentions, expectations, strategies and prospects as reflected in or suggested by those forward-looking statements are reasonable, we can give no assurance that the plans, intentions, expectations or strategies will be attained or achieved. Furthermore, actual results may differ materially from those described in the forward-looking statements and will be affected by a variety of risks and factors that are beyond our control including, without limitation, our ability to maintain our revenue growth rates in future periods; market adoption of our product offerings; continued demand for, and spending on, our solutions; our ability to innovate and develop solutions that meet customer needs as cloud and AI workloads grow rapidly; the ability of our platform and solutions to effectively interoperate with customers' IT infrastructures; our ability to acquire new customers and retain and expand our relationships with existing customers; our ability to expand our sales and marketing capabilities; our ability to compete; our ability to maintain successful relationships with partners; security breaches, other security incidents and any real or perceived errors, failures, defects or vulnerabilities in our solutions; our ability to protect our intellectual property; our ability to hire and retain necessary qualified employees to grow our business and expand our operations; our ability to successfully complete acquisitions and to integrate newly acquired businesses and offerings; the effect on our business of the macroeconomic environment, associated global economic conditions and geopolitical disruption; and other risks set forth under the caption "Risk Factors" in our Annual Report on Form 10-K, subsequent Quarterly Reports on Form 10-Q, and our other SEC filings. We assume no obligation to update any forward-looking statements contained in this document as a result of new information, future events or otherwise.

Non-GAAP Financial Measures

In addition to disclosing financial measures prepared in accordance with GAAP, this presentation contains certain non-GAAP financial measures as defined by Regulation G, including non-GAAP income from operations, non-GAAP operating margin, non-GAAP net income, non-GAAP net income per diluted share, free cash flow (FCF), FCF margin, pre-tax FCF, and pre-tax FCF margin. We also use or discuss non-GAAP financial measures in earnings releases, conference calls, other slide presentations and webcasts. We use these non-GAAP financial measures for financial and operational decision-making purposes, and as a means to evaluate period-to-period comparisons and liquidity. We believe that these non-GAAP financial measures provide useful information about our operating results, enhance the overall understanding of past financial performance and allow for greater transparency with respect to metrics used by our management in its financial and operational decision-making. The presentation of the non-GAAP financial measures is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. Our non-GAAP financial measures may not provide information that is directly comparable to similarly titled metrics provided by other companies. Non-GAAP financial measures are defined in our press release dated February 9, 2026 and in this presentation and the tables included in that press release and this presentation include reconciliations of historical non-GAAP financial measures to their most directly comparable GAAP measures. Please also see the Data Trends Table on the Investor Relations page of our website.

Dynatrace presents constant currency (CC) amounts for Annual Recurring Revenue (ARR), Total Revenue and Subscription Revenue to provide a framework for assessing how our underlying businesses performed excluding the effect of foreign currency rate fluctuations.

In this presentation, YoY (year over year) compares our financial performance to the applicable period in the previous fiscal year.

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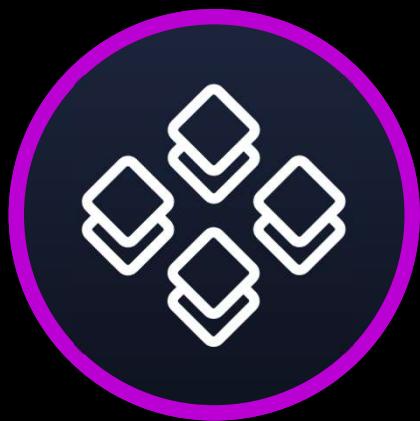


WHAT WE DO

Transform complexity into powerful business assets

Dynatrace is the leading AI-powered
observability platform

Enterprises are facing unprecedented challenges



Explosion of
complexity



Tool
fragmentation

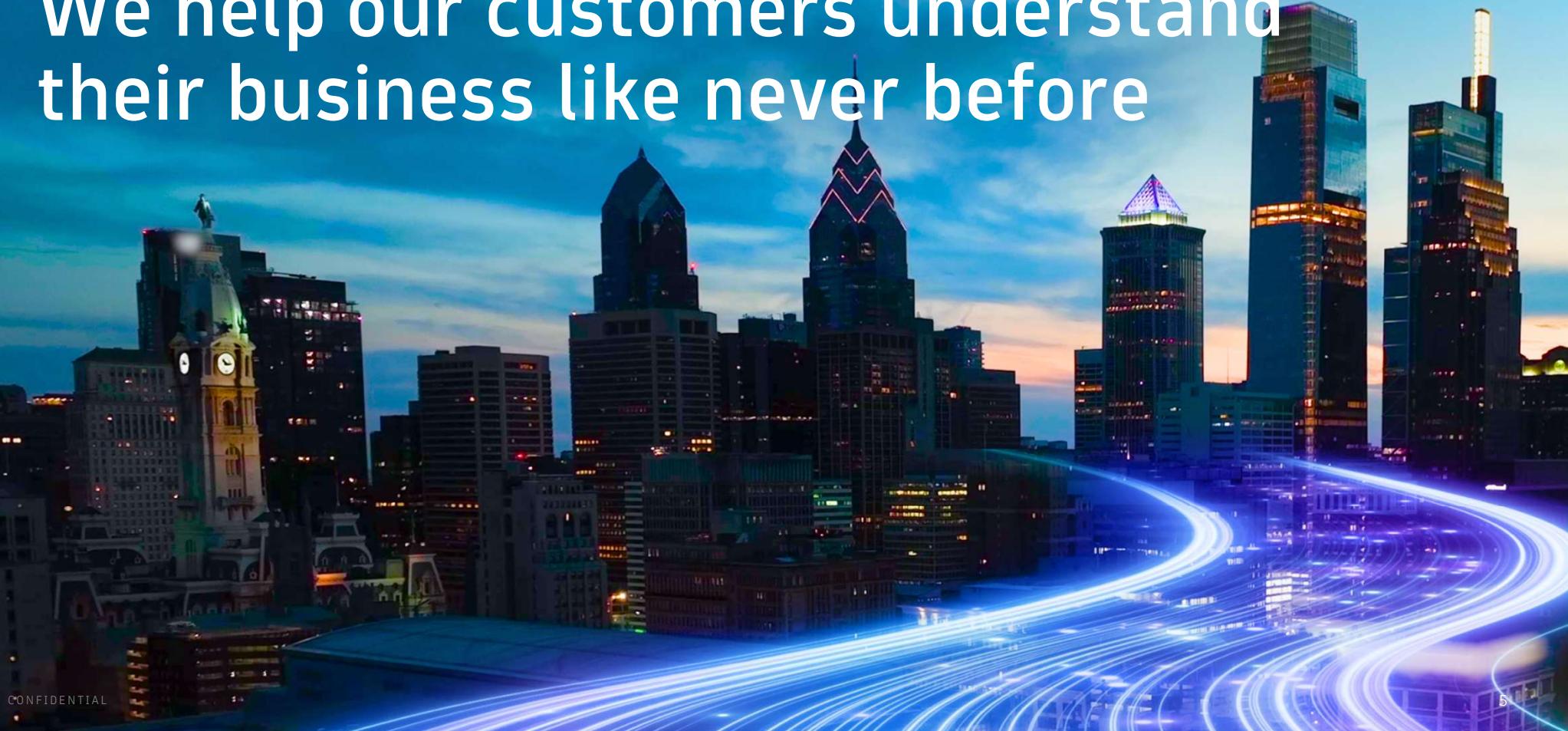


Struggle to trust AI
and see value



THE DYNATRACE DIFFERENCE

We help our customers understand
their business like never before



CONFIDENTIAL



So they can drive their business forward



Analyze

Analyze every transaction



Automate

Automate at the speed of AI



Innovate faster

Innovate without limits



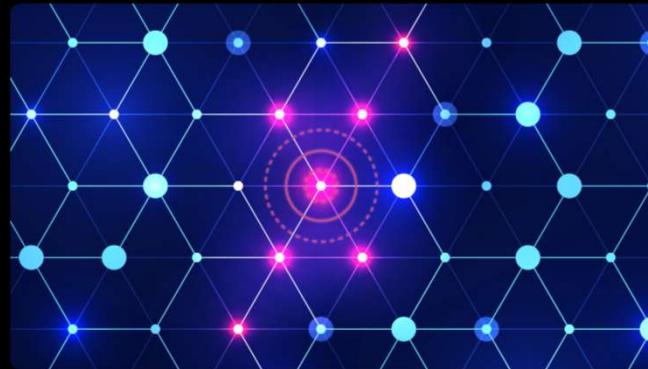


The AI-powered observability platform





The power of Dynatrace



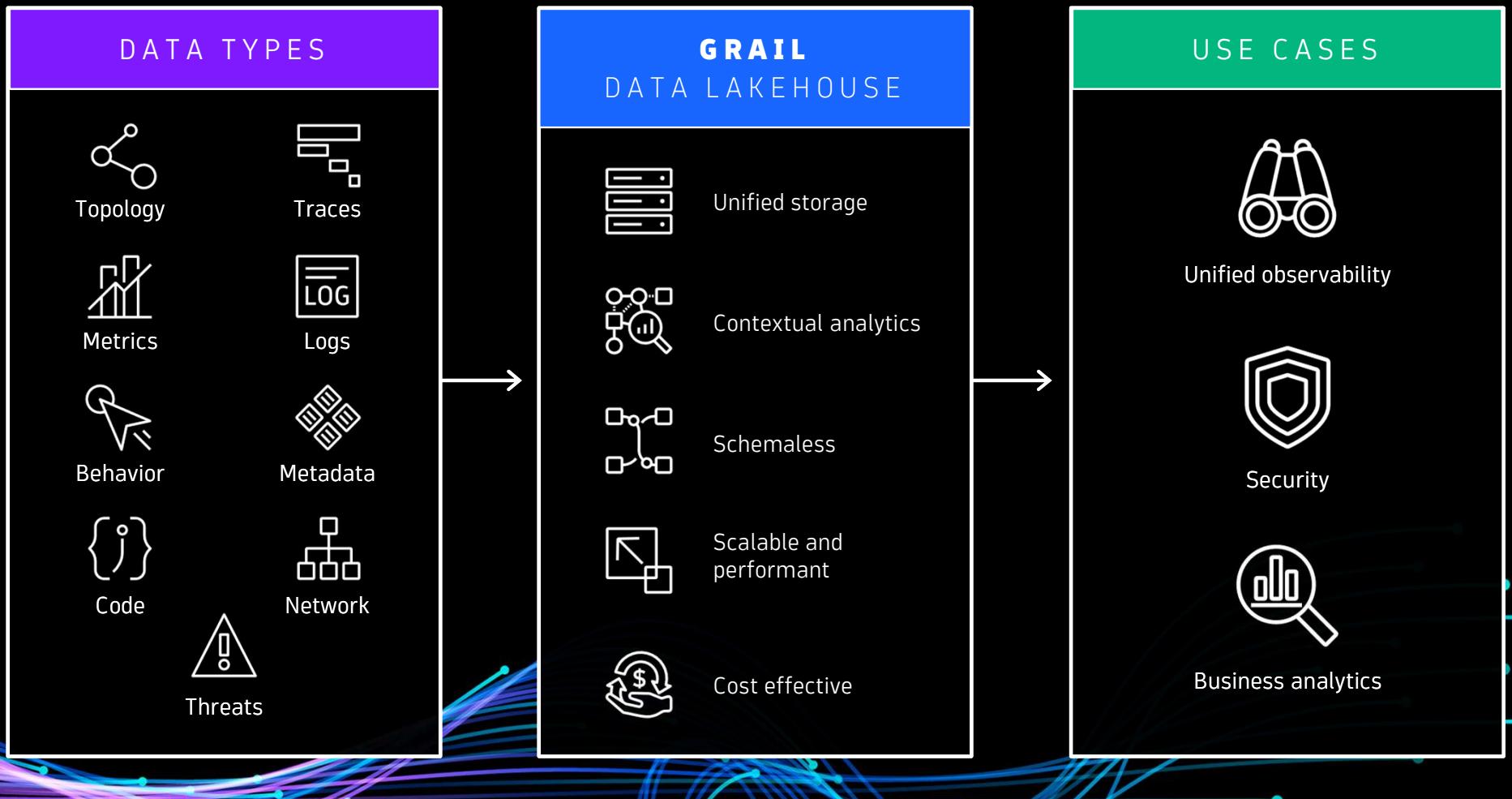
Understand all your
data in context

Get precise answers from causal,
predictive, and generative AI

Empower every team in the
enterprise to automate

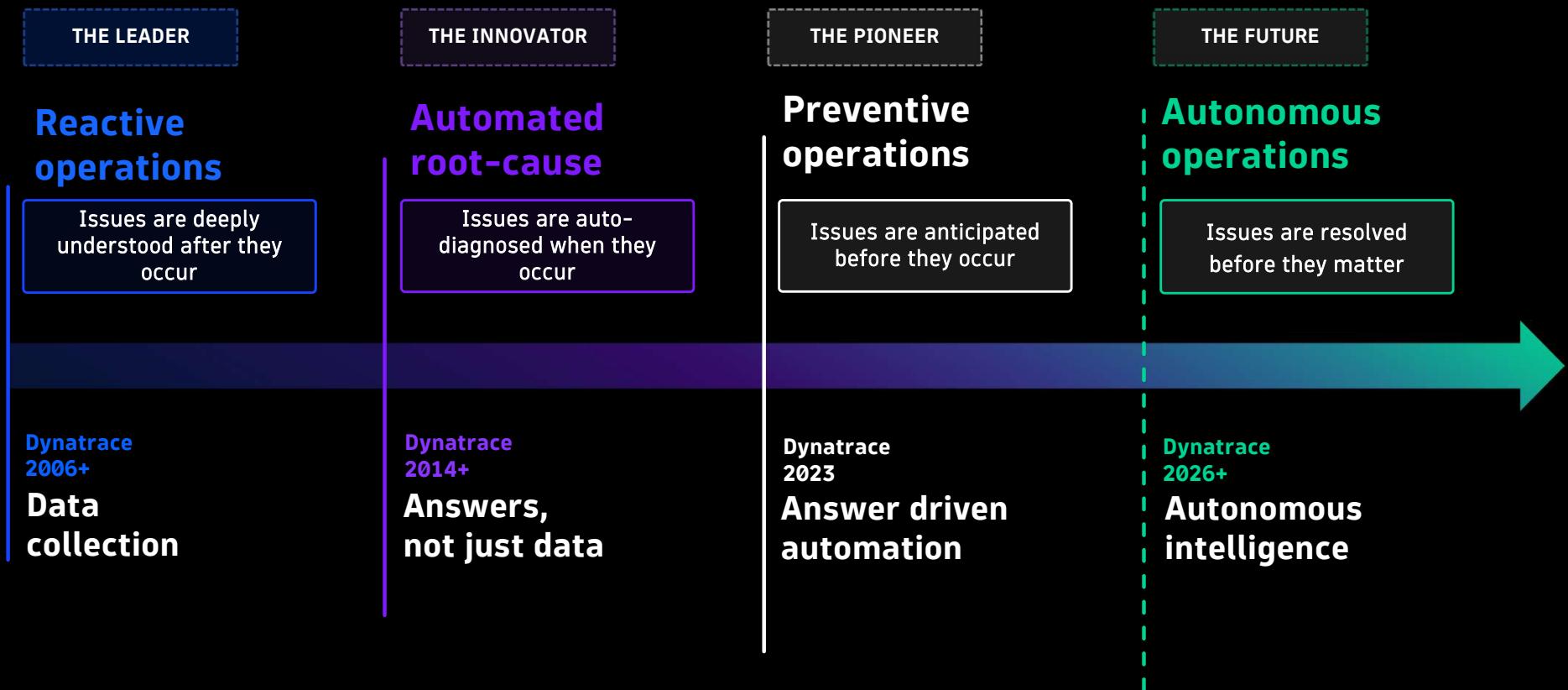


Grail: Our game-changing platform architecture





Platform evolution to support autonomous operations



20+ years of groundbreaking innovation & milestones



Founded in Linz, Austria	AppMon pioneers APM market	A Leader in 1 st Gartner® Magic Quadrant™ for Application Performance Monitoring	Pioneers industry's first causal and predictive AI engine, Davis AI®	Sales reach \$400M	Dynatrace IPO	Grail™ data lakehouse introduced	Sales reach \$1B	Davis CoPilot™ launched, adding generative AI capabilities	Kubernetes Security Posture Management solution launched	A Leader in inaugural Gartner® Magic Quadrant™ for Digital Experience Monitoring	AI Observability for Large Language Models and Generative AI launched	Observability for Developers introduced	A Leader in Gartner® Magic Quadrant™ for Observability Platforms for 15 consecutive years	Dynatrace ranked #1 across four of six use cases in the 2025 Gartner Critical Capabilities for Observability Platforms Report	Introduces the industry's first agentic operations system, Dynatrace Intelligence
2005	2010	2014	2019	2022	2023	2024	2025	2026							

Gartner, Magic Quadrant for Application Performance Monitoring, Will Cappelli, 18 February 2010. Dynatrace was recognized as Compuware from 2010-2014.

Gartner, Magic Quadrant for Observability Platforms, Gregg Siegfried, Matt Crossley, Padraig Byrne, Andre Bridges, Martin Caren, 7 July 2025.

Gartner, Critical Capabilities for Observability Platforms, Gregg Siegfried, Matt Crossley, Padraig Byrne, Andre Bridges and Martin Caren, 8 July 2025.

Gartner, Magic Quadrant for Digital Experience Monitoring, Padraig Byrne, Matt Crossley, DB Cummings, Martin Caren, Pankaj Prasad, 21 October 2024

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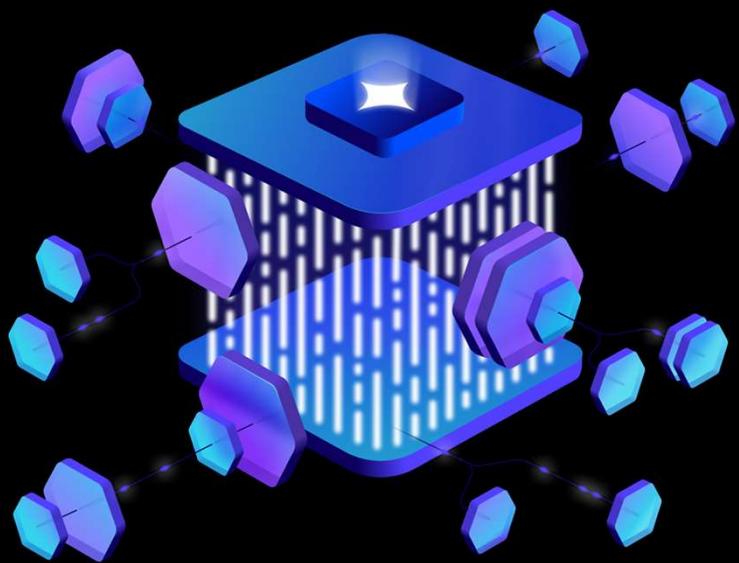
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Dynatrace Intelligence

Action based on answers, not guesses.

Fuses deterministic AI insights with agentic action to deliver reliable outcomes with autonomous prevention, remediation, and optimization at scale



A leader in the cloud observability market since 2005

Gartner

Positioned highest in Execution in the 2025 Gartner® Magic Quadrant™ for Observability Platforms. This is the 15th consecutive year that Gartner has named Dynatrace a Leader in this report.¹

FORRESTER

Dynatrace named a Leader in The Forrester Wave™: AIOps Platforms, Q2 2025

***ISG**

Named a Leader in the Cloud-Native Observability Quadrant in the 2024 ISG Provider Lens, Multi Public Cloud Solutions Report, for competitive strength and portfolio attractiveness.

GIGAOM

Dynatrace named a Leader and Outperformer in 2025 GigaOm Radar for Kubernetes Observability

1. Gartner, Magic Quadrant for Observability Platforms, Gregg Siegfried, Matt Crossley, Padraig Byrne, Andre Bridges, Martin Caren, 7 July 2025. Dynatrace was recognized as Compuware from 2010-2014. The Gartner content described herein (the "Gartner Content") represents research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, Inc. ("Gartner"), and is not a representation of fact. Gartner Content speaks as of its original publication date (and not as of the date of this earnings press release), and the opinions expressed in the Gartner Content are subject to change without notice. Gartner does not endorse any vendor, product or service depicted in its research publications and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner's research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose. GARTNER is a registered trademark and service mark of Gartner, Inc. and/or its affiliates in the U.S. and internationally, and MAGIC QUADRANT is a registered trademark of Gartner, Inc. and/or its affiliates and are used herein with permission. All rights reserved. Forrester does not endorse any company, product, brand, or service included in its research publications and does not advise any person to select the products or services of any company or brand based on the ratings included in such publications. Information is based on the best available resources. Opinions reflect judgment at the time and are subject to change. For more information, read about Forrester's objectivity here: <https://www.forrester.com/about-us/objectivity/>

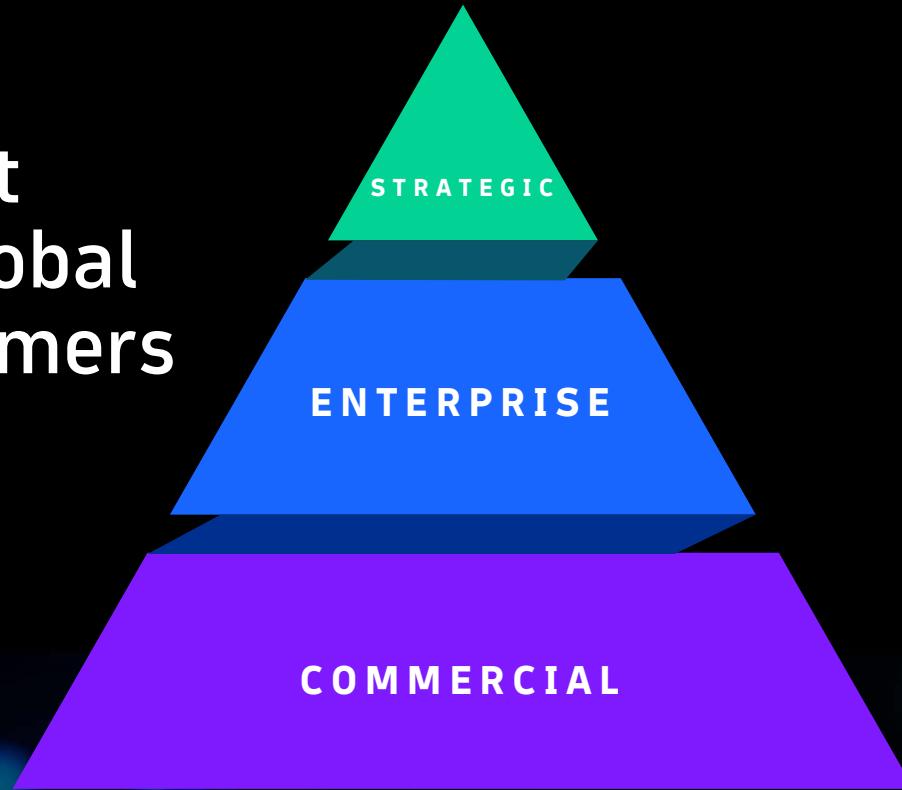


The observability and security market segment is large and growing



*\$65B estimated TAM includes \$51B bottoms-up TAM based on the total number of global enterprises with greater than \$1 billion in annual revenue, as identified by S&P Capital IQ in April 2025. For each respective band of customers, we multiply the average annualized Dynatrace bookings per customer of the top 5% of Dynatrace customers in the band (which we believe to be representative of broader implementation of our solutions), for the 12 months ended March 31, 2025, by the number of customers in the size band. The additional \$14B represents the market opportunity related to our security solutions and is based on the combination of software market forecast information from Gartner. (Gartner, Market Share: Security Software, Worldwide, 2023, Shailendra Upadhyay, et al., 7 June 2024. Calculations performed by Dynatrace, using Application Security Testing, Cloud Security Posture Management, Cloud Workload Protection Platforms, and Security Information and Event Management market subsegments.)

Expansive
go-to-market
to capture global
15,000 customers



Comprehensive partner channels

Global System Integrators (GSIs), Hyperscaler and Technology
Alliance Partners, Regional resellers and solution partners

Global go-to-market reach

30+ countries across NORAM, EMEA, APAC, and LATAM





Dynatrace Platform Subscription (DPS)

Flexible and scalable pricing model suited for the enterprise



FULL PLATFORM
ACCESS



SIMPLE
CONTRACT



NO HIDDEN
FEES



FRICTIONLESS
UPSELL



Building blocks in place for continued success



Differentiated unified observability platform



Continued innovation extending platform and expanding TAM



Large and expanding TAM



Proven and scalable go-to-market model



Flexible, customer-friendly pricing model driving consumption



Powerful combination of growth and profitability at scale

The background of the slide features a dynamic, abstract visualization of data flow. It consists of a dark, textured surface that slopes upwards from the bottom left. Overlaid on this surface are numerous small, glowing blue and purple dots, which represent individual data points. These points are interconnected by a network of thin, translucent lines, creating a sense of a complex, flowing dataset. The overall effect is one of motion and connectivity, suggesting a digital or financial landscape.

Q3 FY 2026 Financial Results



Dynatrace financials at a glance

\$1.97B

Annual
Recurring
Revenue¹

96%

Q3-26 Subscription
Revenue
Mix

Mid-90s %

Gross
Retention
Rate¹

29%

TTM Q3-26
Non-GAAP
Operating Margin^{1,3}

16%

ARR
Growth
YoY²

16%

Q3-26 Subscription
Revenue
Growth YoY²

111%

Net
Retention
Rate¹

30%

TTM Q3-26
Pre-tax
FCF Margin^{1,3}

Financial results as of December 31, 2025.

1. See the Appendix for definitions.

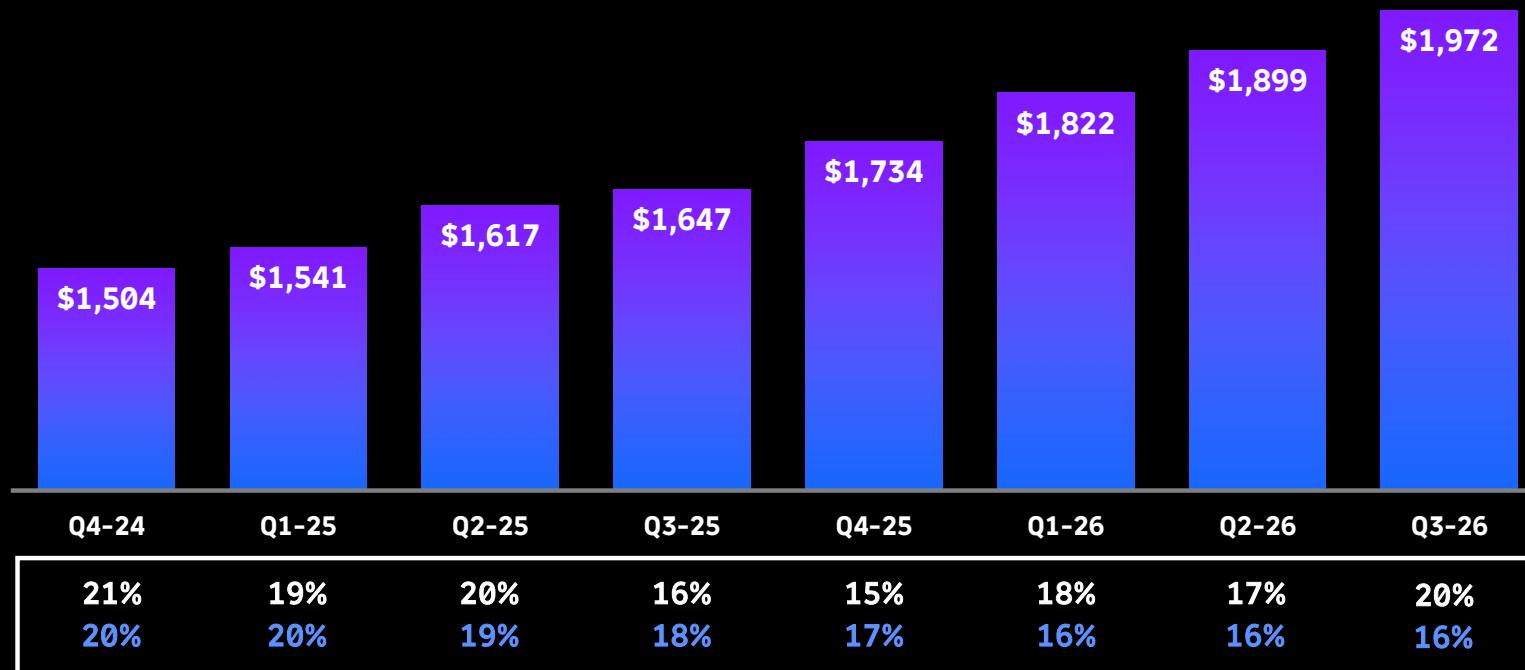
2. Denotes growth when adjusted for constant currency exchange rates. See the Appendix for definition.

3. Operating margin and pre-tax FCF margin are non-GAAP financial measures. See the Appendix for reconciliations of GAAP to non-GAAP financial measures.



Total ARR growth

QUARTERLY TOTAL ARR (\$M)¹



As Reported YoY Growth %
Constant Currency YoY Growth %²

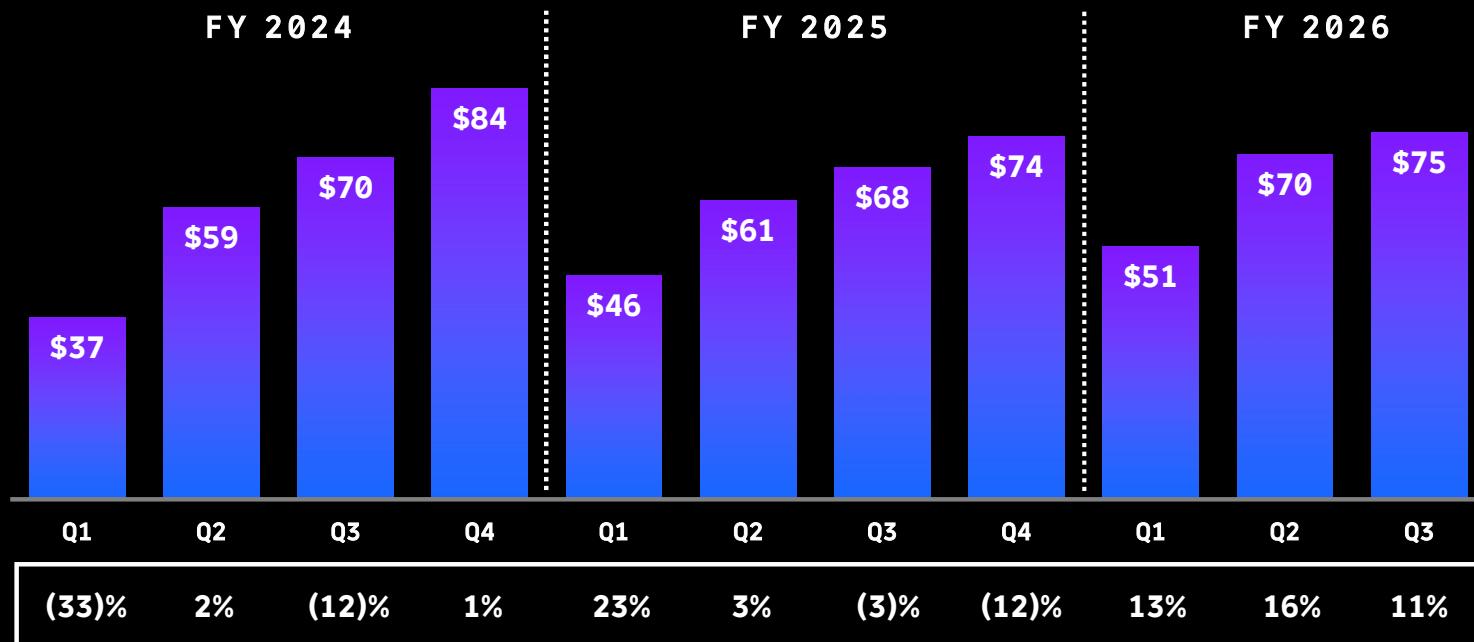
1. Quarterly Total ARR amounts shown in bar graphs are 'As Reported' metrics.

2. Constant currency growth rates reflect YoY growth when using exchange rates from the same period in the prior year. See the Appendix for definitions.



Net New ARR growth

QUARTERLY NET NEW ARR @ CC (\$M)¹

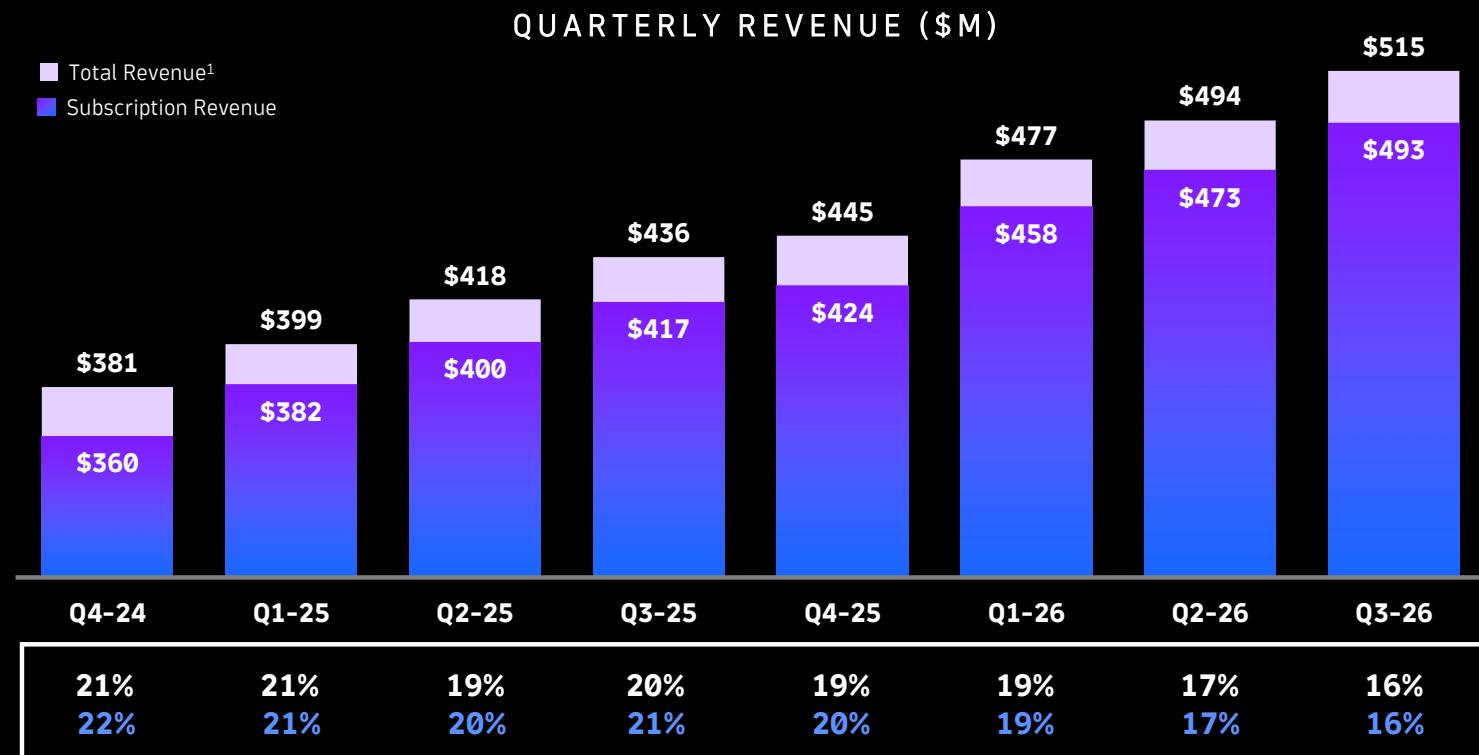


Constant Currency YoY Growth %²

1. Net New ARR amounts shown in bar graphs represent Total Net New ARR at Constant Currency. See the Appendix for definition.
2. Defined as quarterly increase in Net New ARR in Constant Currency compared to the year-ago quarter Net New ARR in Constant Currency.



Subscription & total revenue growth



Total Revenue Constant Currency YoY Growth²

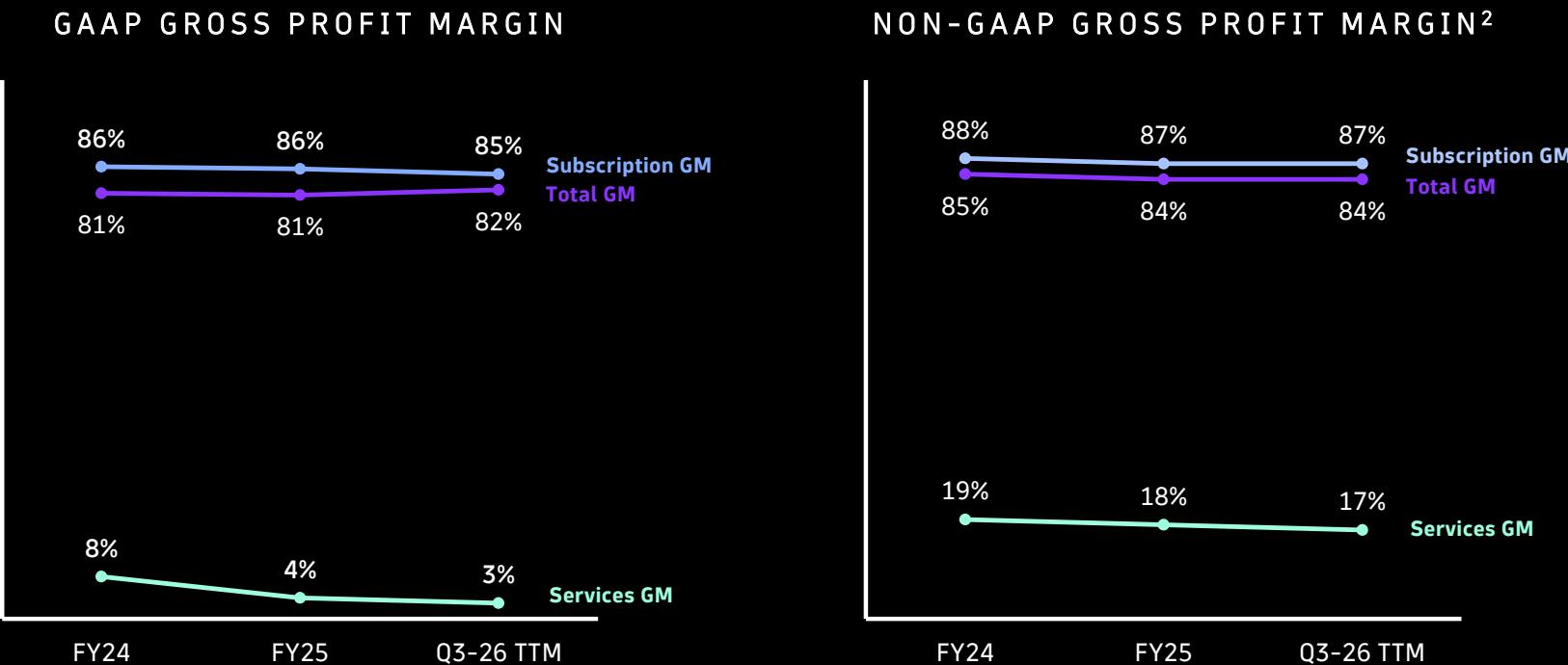
Subscription Revenue Constant Currency YoY Growth²

1. Total revenue includes subscription and services revenue.

2. Constant currency growth rates reflect YoY growth when using exchange rates from the same period in the prior year. See Appendix for definition.



Efficient model with best-in-class gross margins¹



1. Our reference to “best-in-class” is in relation to other public companies that focus on observability.

2. These are non-GAAP financial measures. See the Appendix for reconciliations of GAAP to non-GAAP financial measures.



Highly efficient operating model

GAAP OPEX \$'S & AS % OF REVENUE (\$M)



NON-GAAP OPEX \$'S & AS % OF REVENUE (\$M)¹



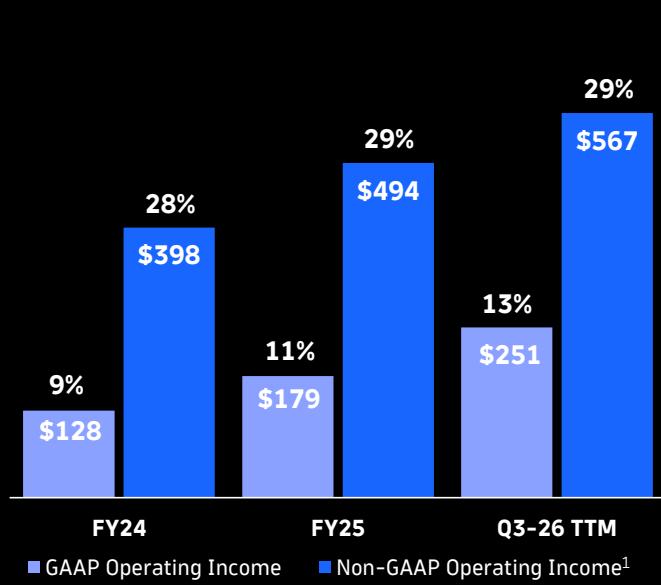
1. These are non-GAAP financial measures. See the Appendix for reconciliations of GAAP to non-GAAP financial measures.

2. Other OpEx includes amortization of intangibles.

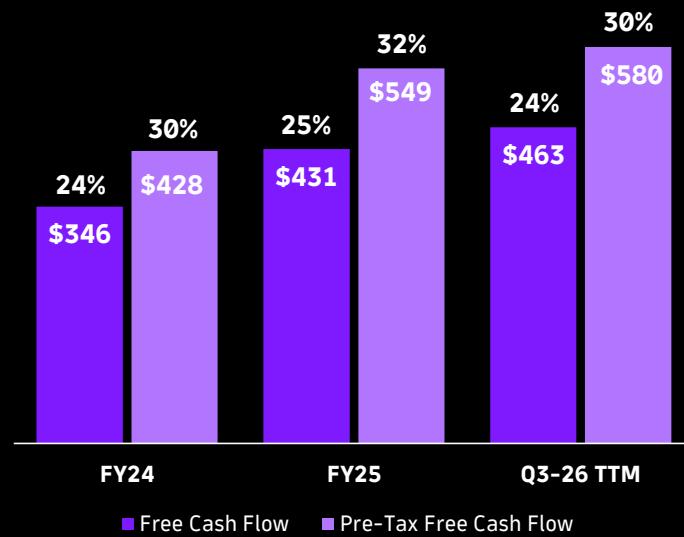


Proven profitable business model

INCOME FROM OPERATIONS² (\$M)



FREE CASH FLOW (FCF)^{1,2} (\$M)



1. These are non-GAAP financial measures. See the Appendix for reconciliations of GAAP to non-GAAP financial measures.

2. As reported dollars and percent of revenue. See Appendix for definitions.



FY26 guidance summary

Based on information available as of February 9, 2026, Dynatrace is issuing guidance for the fourth quarter and updating its previous guidance for full year fiscal 2026 in the tables below. This guidance is based on the average foreign exchange rates for the month of January 2026. We now expect foreign exchange to be a tailwind of approximately \$49 million on ARR and approximately \$37 million on revenue for fiscal 2026 compared to ARR and revenue at constant currency. This represents an incremental tailwind of approximately \$11 million to ARR and \$3 million to revenue compared to our prior guidance. This guidance also excludes the impact of any share repurchases after December 31, 2025.

(in millions, except per share data)	Current FY 2026 Guidance	Prior FY 2026 Guidance	Guidance Change at Midpoint
ARR	\$2,053 - \$2,061	\$2,010 - \$2,025	\$40
As reported	18.5% - 19%	16% - 17%	225 bps
Constant currency	15.5% - 16%	14% - 15%	125 bps
Total revenue	\$2,005 - \$2,010	\$1,985 - \$1,995	\$18
As reported	18% - 18.5%	17% - 17.5%	100 bps
Constant currency	16%	15% - 15.5%	75 bps
Subscription revenue	\$1,917 - \$1,922	\$1,898 - \$1,908	\$17
As reported	18% - 18.5%	17% - 17.5%	100 bps
Constant currency	16%	15% - 15.5%	75 bps
Non-GAAP income from operations	\$582 - \$587	\$571 - \$581	\$9
Non-GAAP Operating Margin	29%	29%	-
Non-GAAP net income	\$508 - \$513	\$497 - \$506	\$9
Non-GAAP net income per diluted share	\$1.67 - \$1.69	\$1.62 - \$1.64	\$0.05
Diluted weighted average shares outstanding	304	307 - 308	(4)
Free cash flow	\$520 - \$525	\$505 - \$515	\$13
Free cash flow margin	26%	26%	-

(in millions, except per share data)	Q4 Fiscal 2026 Guidance
Total revenue	\$518 - \$523
As reported	16% - 17%
Constant currency	13% - 14%
Subscription revenue	\$493 - \$498
As reported	16% - 17%
Constant currency	13% - 14%
Non-GAAP income from operations	\$133 - \$138
Non-GAAP Operating Margin	26%
Non-GAAP net income	\$115 - \$120
Non-GAAP net income per diluted share	\$0.38 - \$0.39
Diluted weighted average shares outstanding	303 - 304

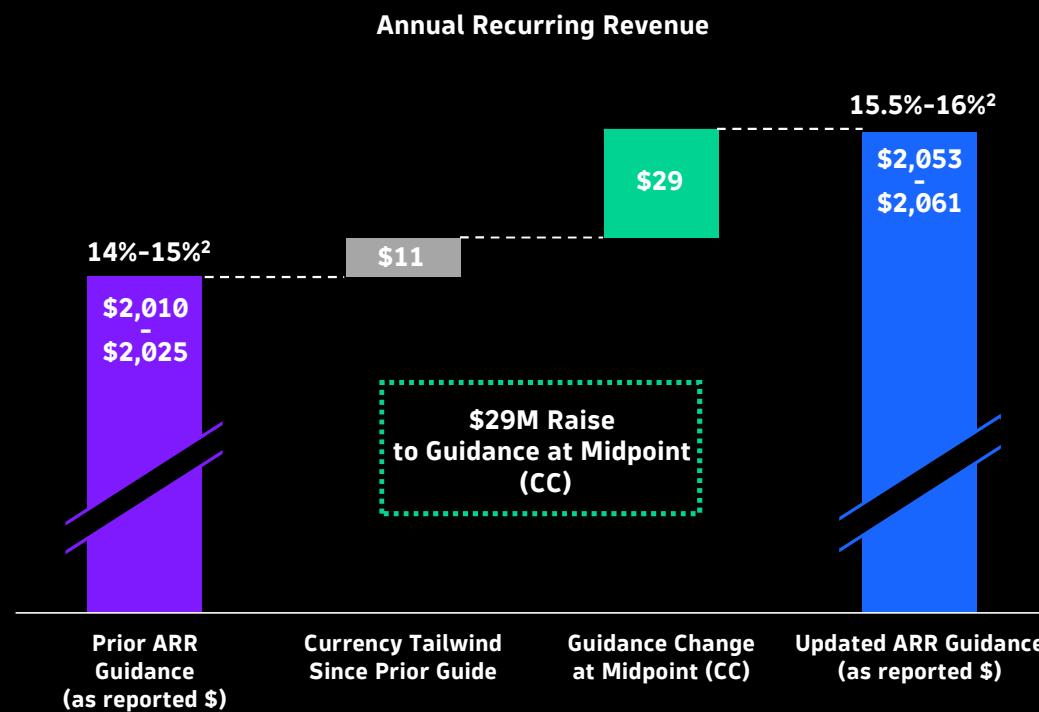
All growth rates are compared to the full year and fourth quarter of fiscal 2025.

Reconciliations of non-GAAP income from operations, non-GAAP net income, non-GAAP net income per diluted share and free cash flow guidance to the most directly comparable GAAP measures are not available without unreasonable efforts on a forward-looking basis due to the high variability, complexity and low visibility with respect to the charges excluded from these non-GAAP measures; in particular, the measures and effects of share-based compensation expense, employer taxes and tax deductions specific to equity compensation awards that are directly impacted by future hiring, turnover and retention needs, as well as unpredictable fluctuations in our stock price. We expect the variability of the above charges to have a significant, and potentially unpredictable, impact on our future GAAP financial results.

*Prior guidance issued on November 5, 2025

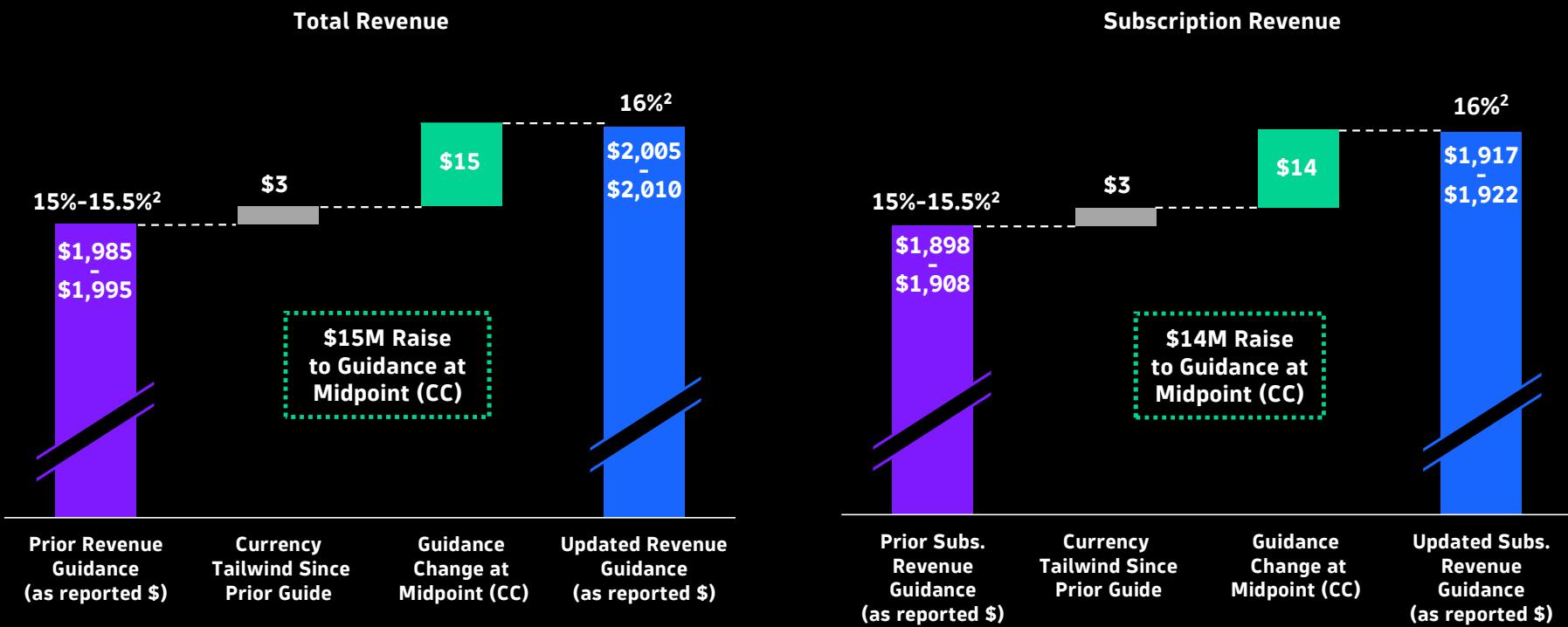


Updated FY26 ARR Guidance vs. Prior¹



1) Values have been rounded and may not add up precisely to the totals.
2) Represents year-over-year growth rates in constant currency. See the Appendix for definition.

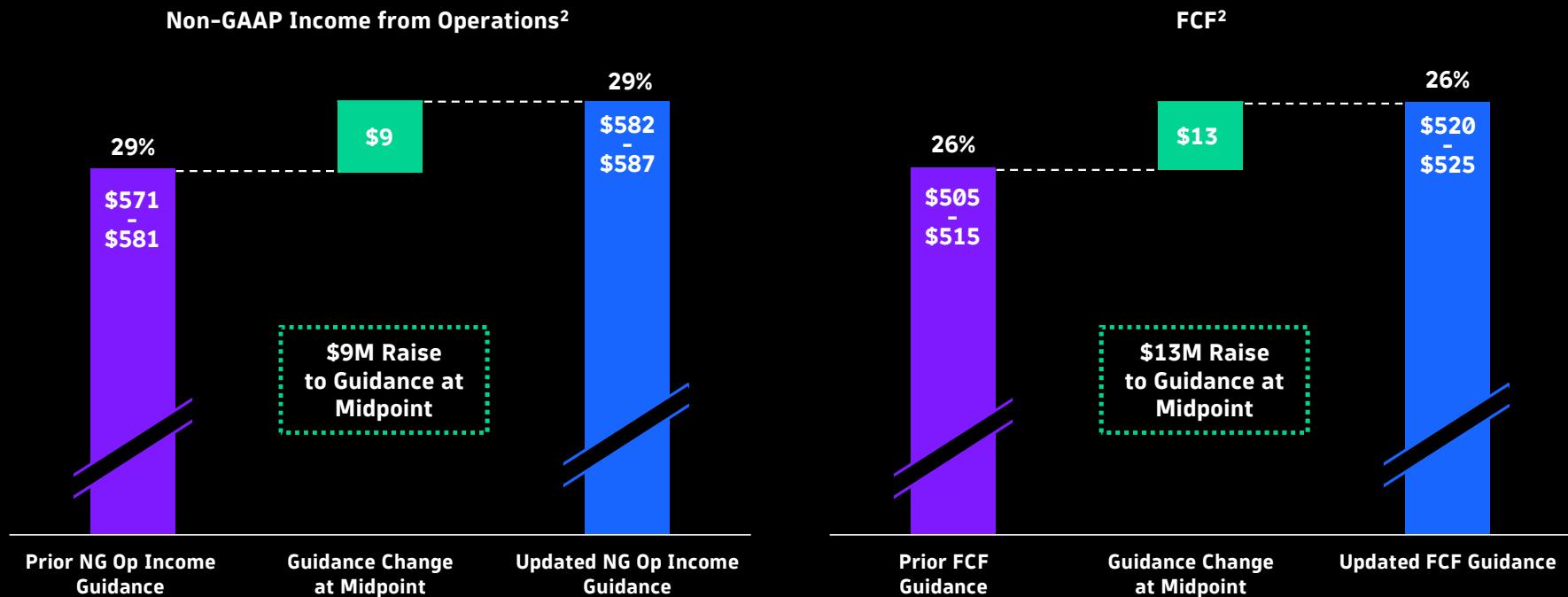
Updated FY26 Revenue & Subscription Revenue Guidance vs. Prior¹



1) Values have been rounded and may not add up precisely to the totals.

2) Represents year-over-year growth rates in constant currency. See the Appendix for definition.

Updated FY26 Non-GAAP Income from Operations & FCF Guidance vs. Prior¹



1) Values have been rounded and may not add up precisely to the totals.

2) As reported dollars and percent of revenue.

Definitions & Non-GAAP Reconciliations



Appendix - Definitions

- 1) Annual Recurring Revenue (ARR) is defined as the daily revenue of all subscription agreements that are actively generating revenue as of the last day of the reporting period multiplied by 365. We exclude from our calculation of Total ARR any revenues derived from month-to-month agreements and/or product usage overage billings.
- 2) Constant Currency (CC) amounts for ARR, Total Revenue and Subscription Revenue are presented to provide a framework for assessing how our underlying businesses performed excluding the effect of foreign exchange rate fluctuations. To present this information, current and comparative prior period results for entities reporting in currencies other than United States dollars are converted into United States dollars using the average exchange rates from the comparative period rather than the actual exchange rates in effect during the respective periods. All growth comparisons relate to the corresponding period in the last fiscal year.
- 3) Dollar-Based Gross Retention Rate is defined as the ARR from all customers as of one year prior, less contraction and customer churn, divided by the total ARR from one year prior. This metric reflects the percentage of ARR from all customers as of the year prior that has been retained.
- 4) Dollar-Based Net Retention Rate is defined as the ARR at the end of a reporting period for the cohort of Dynatrace accounts as of one year prior to the date of calculation, divided by the ARR one year prior to the date of calculation for that same cohort. Our dollar-based net retention rate reflects customer renewals, expansion, contraction and churn. Dollar-based net retention rate is presented on a constant currency basis.
- 5) Dynatrace Customers are defined as accounts, as identified by a unique account identifier, that generate at least \$10,000 of Dynatrace ARR as of the reporting date. In infrequent cases, a single large organization may comprise multiple customer accounts when there are distinct divisions, departments or subsidiaries that operate and make purchasing decisions independently from the parent organization. In cases where multiple customer accounts exist under a single organization, each customer account is counted separately based on a mutually exclusive accounting of ARR.
- 6) Free Cash Flow (FCF) is defined as net cash provided by (used in) operating activities less capital expenditures (reflected as "purchase of property and equipment" and "capitalized software additions" in our financial statements). The related margin is free cash flow expressed as a percentage of total revenue.
- 7) Pre-Tax Free Cash Flow (FCF) is defined as Free Cash Flow adjusted for cash paid for or received from taxes. The related margin is pre-tax free cash flow expressed as a percentage of total revenue.



ARR expansion trends¹

(\$ in millions)	FY24				FY25				FY26		
	Q1-24	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25	Q3-25	Q4-25	Q1-26	Q2-26	Q3-26
Year-over-Year											
ARR (As Reported)	\$1,294	\$1,344	\$1,425	\$1,504	\$1,541	\$1,617	\$1,647	\$1,734	\$1,822	\$1,899	\$1,972
<i>Year-over-Year increase</i>	25%	26%	23%	21%	19%	20%	16%	15%	18%	17%	20%
TTM FX headwind/(tailwind) ²	(3)	(27)	(17)	(10)	12	(14)	37	19	(28)	(19)	(57)
ARR - Constant Currency	1,291	1,316	1,408	1,494	1,553	1,603	1,684	1,753	1,795	1,880	1,915
<i>Year-over-Year ARR Increase - Constant Currency³</i>	25%	24%	21%	20%	20%	19%	18%	17%	16%	16%	16%
	Q1-24	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25	Q3-25	Q4-25	Q1-26	Q2-26	Q3-26
Quarter-over-Quarter											
ARR (As Reported)	\$1,294	\$1,344	\$1,425	\$1,504	\$1,541	\$1,617	\$1,647	\$1,734	\$1,822	\$1,899	\$1,972
Net New ARR (As Reported) ⁴	47	50	82	79	37	76	31	87	88	77	73
Quarterly FX headwind/(tailwind) ⁵	(10)	10	(12)	5	9	(15)	37	(13)	(37)	(7)	2
Net New ARR - Constant Currency⁶	37	59	70	84	46	61	68	74	51	70	75
<i>Year-over-Year Net New ARR Growth - Constant Currency⁷</i>	-33%	2%	-12%	1%	23%	3%	-3%	-12%	13%	16%	11%

- 1. Values have been rounded and may not add up precisely to the totals.
- 2. Year-over-year FX headwind/(tailwind) using exchange rates from the same quarter in the prior fiscal year.
- 3. Represents the year-over-year growth rate excluding the FX headwind/(tailwind).
- 4. Defined as the quarterly increase/(decrease) in the current quarter As Reported ARR compared to the previous quarters As Reported ARR.
- 5. Quarterly FX impact using exchange rates from the prior quarter.
- 6. Defined as Net New ARR (as reported) adjusted for quarterly FX impact.
- 7. Defined as quarterly increase in Net New ARR in Constant Currency compared to the year-ago quarter Net New ARR in Constant Currency.



Non-GAAP subscription and services gross margin reconciliation¹

FY25							Q3-26 TTM						
(\$ in millions)	GAAP	Share-Based Comp.	Employer Payroll Tax on Employee Stock trans.	Amort. of Intangibles	Restructuring & Other	Non-GAAP	GAAP	Share-Based Comp.	Employer Payroll Tax on Employee Stock trans.	Amort. of Intangibles	Restructuring & Other	Non-GAAP	
Subscription Cost of Revenue	233	(27)	(2)	-	-	205	271	(29)	(2)	-	-	240	
Subscription Gross Profit	\$1,389	\$27	\$2	-	-	\$1,418	\$1,577	\$29	\$2	-	-	\$1,608	
<i>Subscription Gross Margin</i>	<i>86%</i>					<i>87%</i>	<i>85%</i>					<i>87%</i>	
Services Cost of Revenue	74	(10)	(1)	-	-	63	82	(11)	(1)	-	-	70	
Services Gross Profit	\$3	\$10	\$1	-	-	\$13	\$2	\$11	\$1	-	-	\$15	
<i>Services Gross Margin</i>	<i>4%</i>					<i>18%</i>	<i>3%</i>					<i>17%</i>	

1. Values have been rounded and may not add up precisely to the totals.



Non-GAAP subscription and services gross margin reconciliation¹

FY24						
(\$ in millions)	GAAP	Share-Based Comp.	Employer Payroll Tax on Employee Stock trans.	Amort of Intangibles	Restructuring & Other	Non-GAAP
Subscription Cost of Revenue	185	(19)	(1)	-	-	164
Subscription Gross Profit	\$1,175	\$19	\$1	-	-	\$1,195
<i>Subscription Gross Margin</i>	<i>86%</i>					<i>88%</i>
Services Cost of Revenue	65	(7)	(1)	-	-	58
Services Gross Profit	\$6	\$7	\$1	-	-	\$14
<i>Services Gross Margin</i>	<i>8%</i>					<i>19%</i>

1. Values have been rounded and may not add up precisely to the totals.



Non-GAAP income from operations reconciliation¹

FY25							Q3-26 TTM					
(\$ in millions)	GAAP	Stock-Based Comp.	Employer Payroll Tax on Employee Stock trans.	Amort. of Intangibles	Restructuring & Other	Non-GAAP	GAAP	Stock-Based Comp.	Employer Payroll Tax on Employee Stock trans.	Amort. of Intangibles	Restructuring & Other	Non-GAAP
Cost of Revenues	320	(37)	(2)	(13)	-	268	356	(40)	(3)	(3)	-	310
Gross Profit	\$1,378	\$37	\$2	\$13	-	\$1,431	\$1,576	\$40	\$3	\$3	-	\$1,622
<i>Gross Margin</i>	<i>81%</i>					<i>84%</i>		<i>82%</i>				<i>84%</i>
Research and Development	385	(101)	(7)	-	-	277	447	(112)	(7)	-	-	328
Sales and Marketing	606	(77)	(4)	-	-	524	669	(84)	(5)	-	-	580
General and Administrative	195	(57)	(2)	-	-	137	209	(60)	(2)	-	-	147
Amortization of other intangibles	14	-	-	(14)	-	-	-	-	-	-	-	-
Income from Operations¹	\$179	\$272	\$15	\$27	-	\$494	\$251	\$297	\$16	\$3	-	\$567
<i>Operating Margin</i>	<i>11%</i>					<i>29%</i>		<i>13%</i>				<i>29%</i>

1. Values have been rounded and may not add up precisely to the totals.



Non-GAAP income from operations reconciliation¹

FY24						
(\$ in millions)	GAAP	Stock-Based Comp.	Employer Payroll Tax on Employee Stock trans.	Amort of Intangibles	Restructuring & Other	Non-GAAP
Cost of Revenues	266	(27)	(2)	(16)	-	222
Gross Profit	\$1,164	\$27	\$2	\$16	-	\$1,209
<i>Gross Margin</i>	<i>81%</i>					<i>85%</i>
Research and Development	305	(70)	(5)	-	-	230
Sales and Marketing	534	(66)	(5)	-	-	463
General and Administrative	174	(47)	(2)	-	(8)	118
Amortization of other intangibles	22	-	-	(22)	-	-
Income from Operations¹	\$128	\$209	\$14	\$39	\$8	\$398
<i>Operating Margin</i>	<i>9%</i>					<i>28%</i>

1. Values have been rounded and may not add up precisely to the totals.



FCF reconciliation¹

(\$ in millions)	FY24	FY25	Q3-26 TTM
Free Cash Flow			
Net Cash Provided by Operating Activities	\$ 378	\$459	\$498
PP&E	(26)	(26)	(33)
Capitalized software additions	(6)	(3)	(3)
Total FCF	\$ 346	\$431	\$463
<i>FCF % of Revenue</i>	<i>24%</i>	<i>25%</i>	<i>24%</i>
Total FCF	\$ 346	\$431	\$463
Cash paid for tax	81	118	117
Total Pre-tax FCF	\$428	\$549	\$580
<i>Pre-tax FCF % of Revenue</i>	<i>30%</i>	<i>32%</i>	<i>30%</i>

1. Values have been rounded and may not add up precisely to the totals.