




Investor Presentation and Company Overview

First Quarter Fiscal 2022



Forward Looking Statements and Non-GAAP Disclaimer

This presentation and the accompanying oral presentation contain forward-looking statements that involve substantial risk and uncertainties, which include, but are not limited to, statements regarding our future results of operations and financial position, including our expectations regarding demand for our products and solutions and our future revenue; financial targets; business strategy; plans and objectives for expansion and future operations; our licensing and pricing models; our assessments of our competitive advantages and the strength of our solutions and products; the effectiveness of our go-to-market and growth strategies, including the positioning of our solutions and products, assessments of new and existing customers' reasons for selecting our solutions and products, and anticipated benefits from our strategic partnerships; new enhancements to our existing products and services or plans for future products; the expected performance or benefits of our offerings; our customer base; estimates of our potential addressable market and growth opportunities and our ability to address those opportunities; and our expectations regarding revenue mix, our ability to grow our business, the drivers of growth and the benefits of our investments. These forward-looking statements are subject to the safe harbor provisions under the Private Securities Litigation Reform Act of 1995. Our expectations and beliefs in light of currently available information regarding these matters may not materialize. Actual outcomes and results may differ materially from those contemplated by these forward-looking statements due to uncertainties, risks, and changes in circumstances, including but not limited to those related to: our future financial performance, including our expectations regarding our revenue, cost of revenue, gross profit or gross margin, operating expenses (which include changes in sales and marketing, research and development and general and administrative expenses), and our ability to achieve and maintain future profitability; our ability to continue to deliver and improve our offerings and develop new offerings, including security-related product and Elastic Cloud offerings; customer acceptance and purchase of our existing offerings and new offerings, including the expansion and adoption of our Elastic Cloud offerings; our inability to realize value from investments in the business, including R&D investments; our ability to maintain and expand our user and customer base; the impact of the COVID-19 pandemic on the macroeconomic environment, on our business, operations, hiring and financial results, and on businesses of our customers and partners, including their spending priorities, the effect of lockdowns, restrictions and new regulations; the impact of our licensing model on the use and adoption of our software; the impact of foreign currency exchange rate and interest rate fluctuations on our results; our international expansion strategy; our operating results and cash flows; our beliefs and objectives for future operations; the sufficiency of our capital resources; our ability to successfully execute our go-to-market strategy and expand in our existing markets and into new markets, and our ability to forecast customer retention and expansion; and general market, political, economic and business conditions.

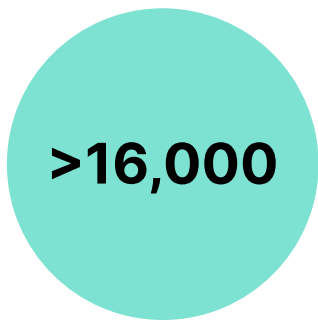
Additional risks and uncertainties that could cause actual outcomes and results to differ materially are included in our filings with the Securities and Exchange Commission (the "SEC"), including our Annual Report on Form 10-K for the fiscal year ended April 30, 2020 and any subsequent reports filed with the SEC. SEC filings are available on the Investor Relations section of Elastic's website at ir.elastic.co and the SEC's website at www.sec.gov. Elastic assumes no obligation to, and does not currently intend to, update any such forward-looking statements, except as required by law.

In addition to GAAP financial information, this presentation and the accompanying oral presentation include certain non-GAAP financial measures. See the Appendix for a reconciliation of all historical non-GAAP financial measures to their nearest GAAP equivalent.



Elastic at a Glance (NYSE: ESTC)

Founded 2012



Subscription
Customers

\$193M

Revenue

~\$14B

Market
Capitalization¹

35+

Countries with
Employees

2,200+

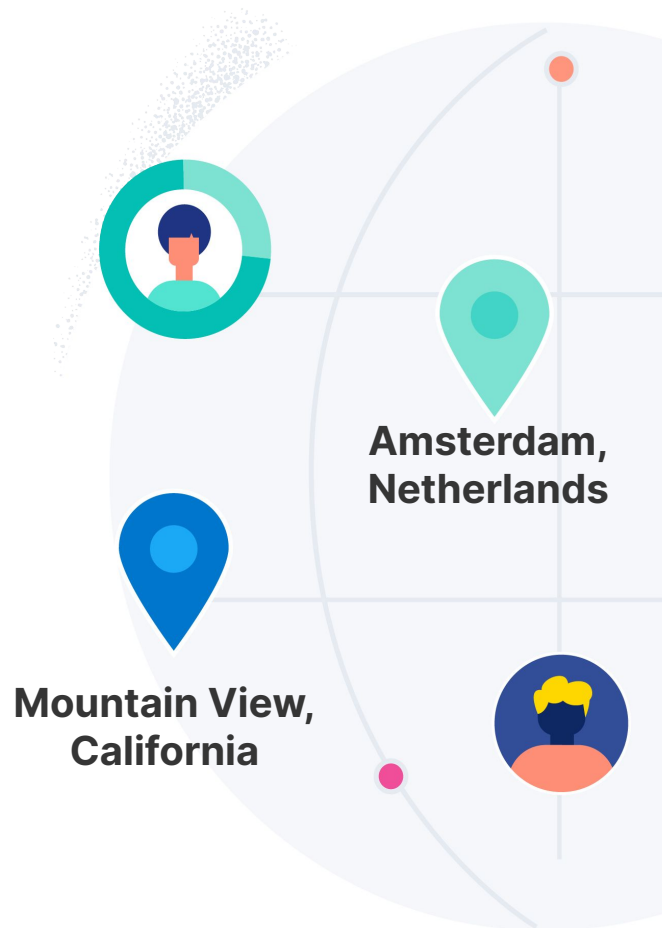
Employees

\$12.4M

Free Cash Flow

47%

Revenue from
outside the U.S.



As of Q1 FY22

¹As of August 25, 2021

Elastic Highlights: Search. Observe. Protect.



Large, Diverse User and Customer Base

Customer penetration: 48% Fortune 500, 34% Forbes 2000



Diverse Deployment Model - On-premise, hybrid, public cloud

66% of total revenue Self-Managed, 34% YoY growth
27% of total revenue Cloud; 80% YoY growth



Strong Customer Growth

>15,000 Subscription Customers; >730 customers with ACV >\$100K; >75 customers with ACV >\$1M



Strong Expansion Motion with Multiple Levers

Multiple expansion motions drive high Net Expansion Rate of ~130%



Secular Tailwinds Driving Significant Opportunity

\$78B TAM in 2021



High Recurring Revenue Model

Total Revenue: \$608.5M; 42% YoY growth
Subscription Revenue: 93% of total; 45% YoY growth



Sustainable Competitive Differentiation

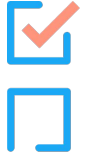
Monetization model is based on subscriptions that provide proprietary features and support



Experienced, Founder-led Team

Strong conviction to build a long-lasting company

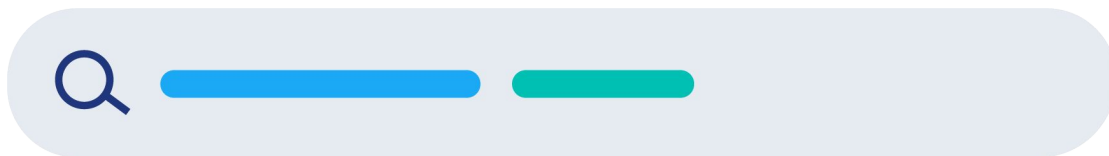




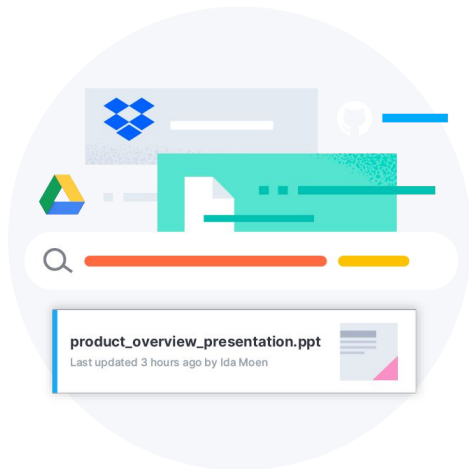
We are a search company.



We all know search as a search box that we see on our favorite app or website ...



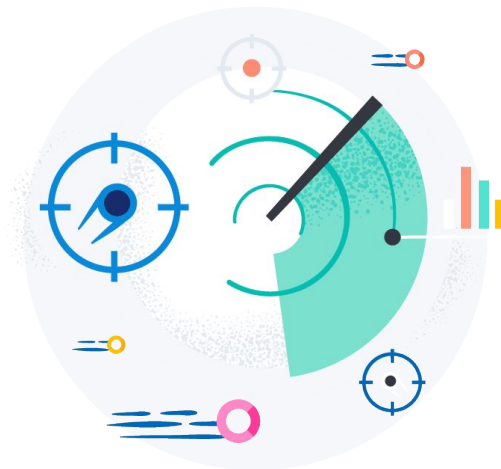
but search is so much more



Search finds insights across your enterprise apps and content repositories to improve employee productivity and satisfaction



Search discovers insights from within your enterprise systems, applications, and infrastructure to drive operational efficiencies

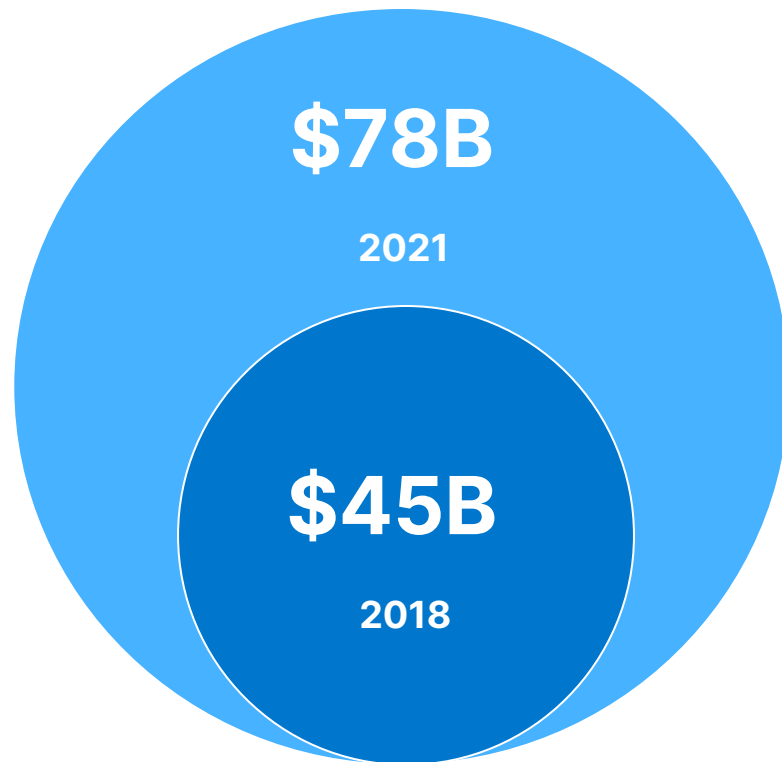


Search correlates insights within your security data, networks, and endpoints to protect your organization and thwart attacks

our TAM

Source: IDC

WW AI-enabled Search Software Forecast 2020-2024
WW Business Analytics Software Forecast 2020-2024
WW IT Operations Management Software Forecast 2020-2024
WW Device Vulnerability Management Forecast 2020-2024
WW Security-as-a-Service Forecast 2020-2024
WW Corporate Endpoint Security Software Forecast 2020-2024
WW SIEM Forecast 2020-2024
WW Business Analytics Software Forecast 2020-2024



Customers across various industries, segments, and geographies

Technology	Finance	Telco	Consumer	Healthcare	Public Sector	Automotive/ Transportation	Retail/ Ecommerce
							
							
							
							
							

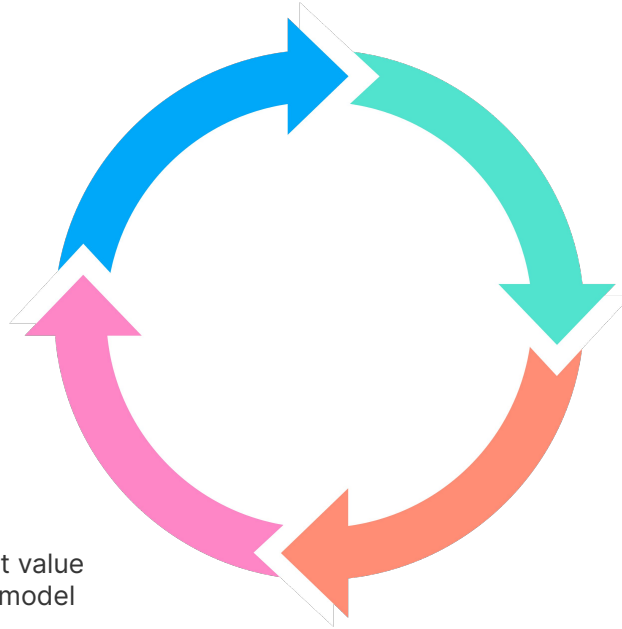
Powerful Business Model with Strong Network Effects

Multiple Expansion Levers

- More data sources & volume
- More projects for the same solution across an enterprise
- More solutions adopted

Compelling Commercial Model

- Proprietary features deliver significant value
- Low-friction, resource-based pricing model
- Strong new customer acquisition
- Free Basic features become paid in Cloud



Technology Differentiation

- Solving problems from a unified search lens
- Speed, scale, and relevance
- 3 solutions, a single stack

Massive Adoption

- Basic tier drives massive adoption of proprietary, free features

Large Market Opportunity with Many Growth Levers



Large Total Addressable Market



Demonstrated track record of strong expansion: more data, more projects, more solutions



Rapid pace of new customer additions driven by paid features and support



Solutions driving expansion with significant growth opportunity



Robust growth in Elastic Cloud

Powerful Engine for New Customer Growth



Massive frictionless adoption
through free and open tier
(proprietary features)



Nurture campaigns in
marketing



Self-service on-ramp for SaaS
Monthly payments
No commitment



Paid features and Support
drive customer growth
All features monetized in
SaaS (no free tier)



Expanding sales coverage
driving annual subscriptions -
Cloud and Self-managed



Single pricing model

Levers to Drive Expansion



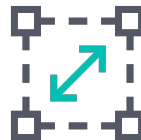
Projects Grow

- More data
- More sources of data
- Upsell to higher tiers



More Projects for Same Solution

- Expand across the enterprise
- Upsell to higher tiers



More Solutions

- Extend across Enterprise Search, Observability, Security
- Upsell to higher tiers

power of search

We aim to enable every organization in the world to utilize the power of search across their data to instantly find relevant insights and take action.



power of community

- Millions of developers; drives a developer mindshare movement
- Creates a strong top of the funnel foundation
- Facilitates bottom up adoption within enterprises
- Generates an entry point into new markets and geos
- >150K meetup members, 263 global groups



netpanda Panda face
@davidban77

So I did a proof of concept instrumenting my python application that collects network infrastructure data with the @elastic APM and its python agent, and it went really well!



Jakub Ziolkowski @JakubZiolkowski

I took my first steps with @elastic today and it's amazing what you can do with data there



gabriel boorse @gnboorse

Really loving #Elasticsearch right now. @elastic That's it. That's the tweet.



Liago Faria
@Oxf

Really awesome work in the UI for @elastic. These changes allow for easier reading of information as well as an overall better exp



Artem Russakovskii @ArtemR

@elastic is amazing - now raw search queries take 3-10ms.



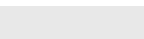
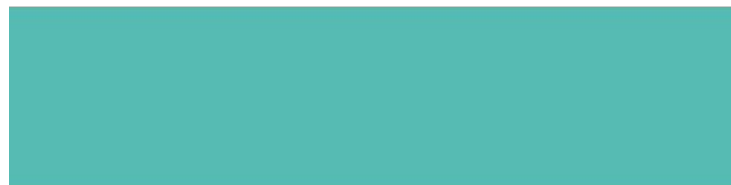
Grant Visser @ICantSeeSharp

Yo. @elastic Application Performance Metrics are literally magic.



power of a single stack

- Organizations get leverage across multiple use cases and teams
- A unified foundation for solutions
- Accelerates feature velocity



power of open



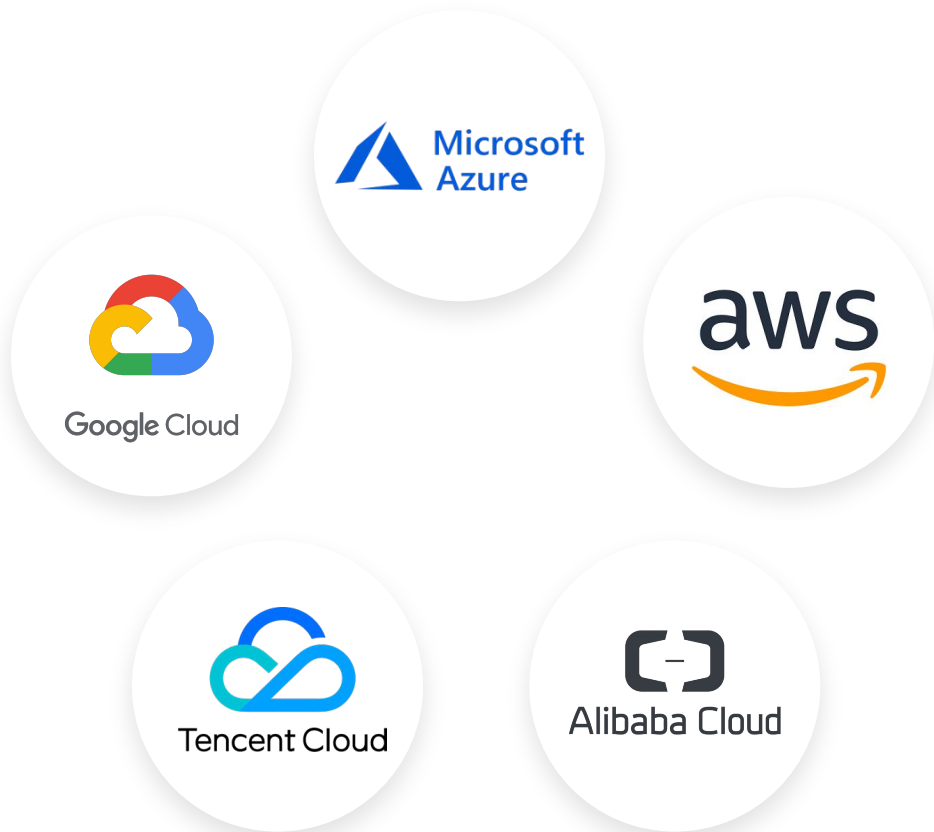
- Apache 2.0-licensed source code is now dual-licensed (Elastic License v2 or SSPL)
- Elastic License v2 is simplified and more permissive
- Our community and customers continue to have free and open access to use, modify, redistribute, and collaborate on the code
- Further protects our continued investments and extends our competitive differentiation
- Does not impact customers or the vast majority of users

power of cloud and hybrid

- Ease of use, turnkey SaaS, consumption-based
- Provides customers with data gravity and locality
- Support for customer data privacy regulations
- Multi-cloud support with native integration (billing/marketplace)
- 46 cloud regions; 4x from FY19
- Support for cloud and on-premises deployments with ECE an ECK



**Elastic Cloud is
available and
integrated with every
major cloud provider**



Growth Drivers for Elastic Cloud



Customer
Preference



Differentiated
Solutions



Rich Proprietary
Features



Partnerships



Expanding Investments,
Locations

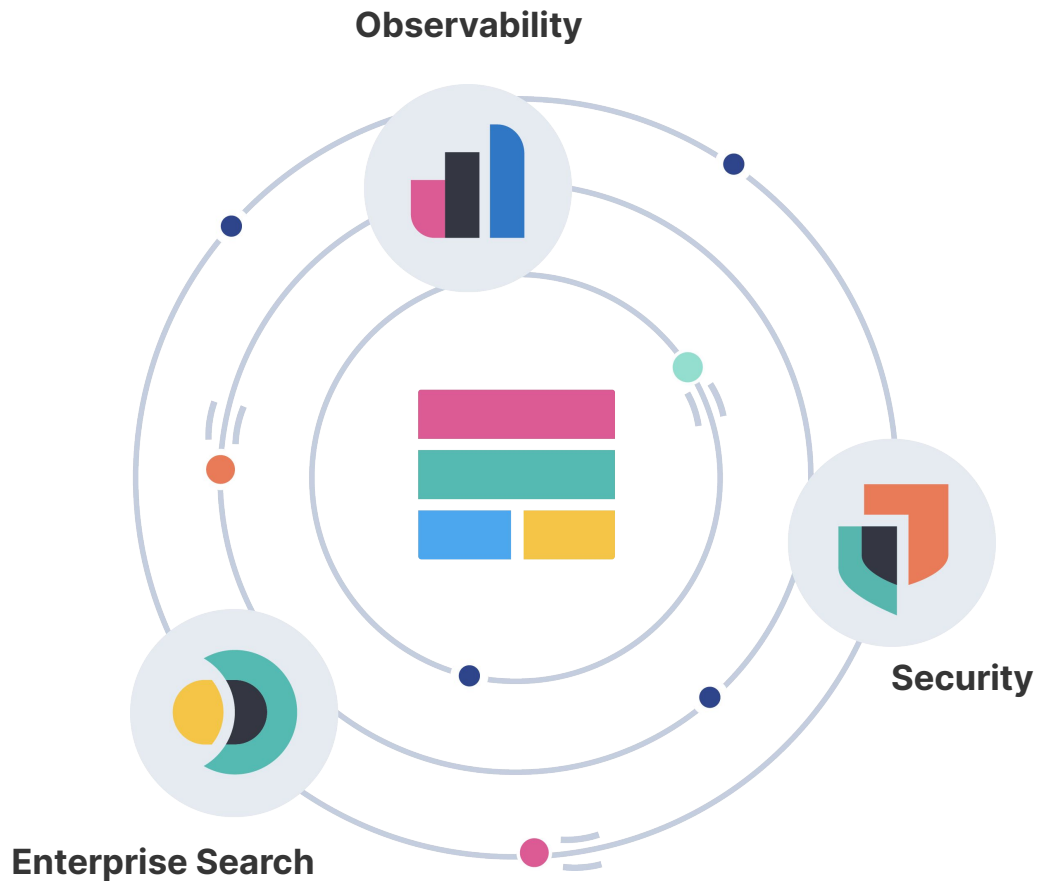
Investing in Global Cloud Regions Coverage



As of Q1 FY22

power of solutions

- Solves specific business problems with ease of use
- Built into the Elastic Stack
- Single, unified experience across all solutions

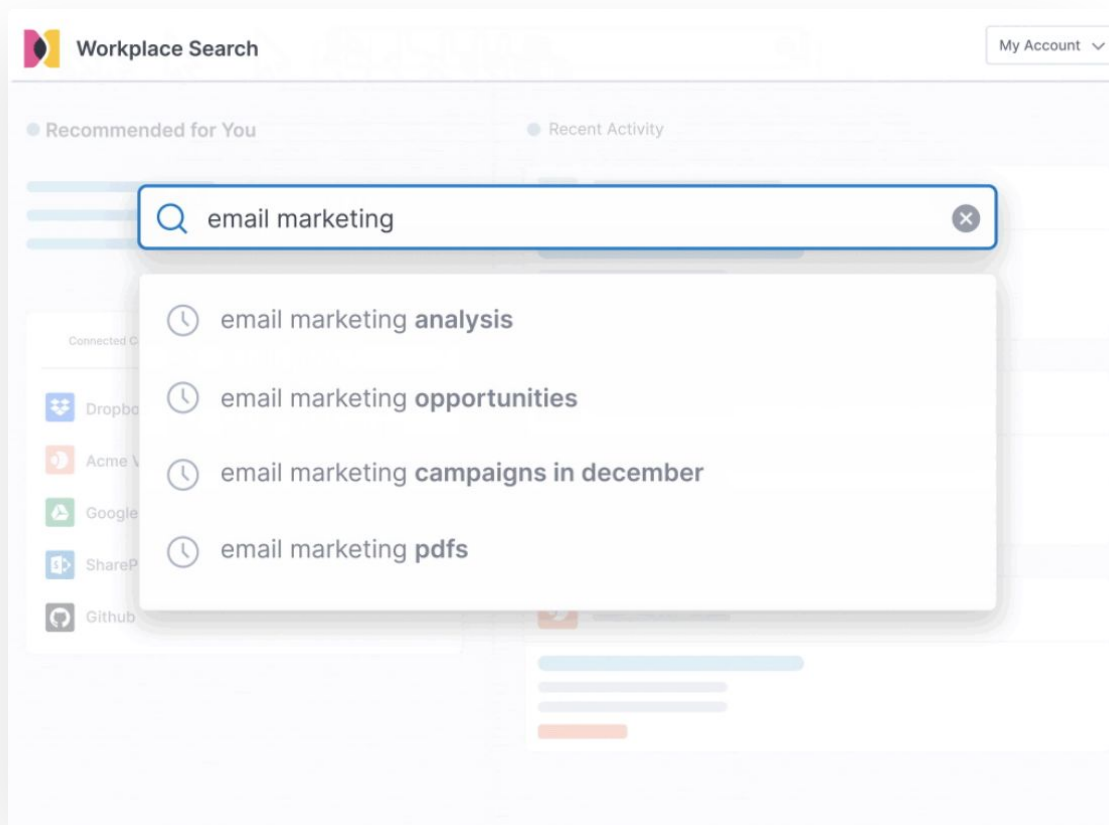




Enterprise Search

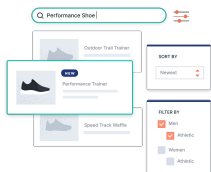
Search everything, anywhere.

Site Search
Workplace Search
Application Search
Ecommerce Search
Customer Support Search



Every business today is an online business.

Website



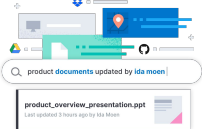
Search drives improved user experiences and increased conversions

Application



Search enables new monetization models and app stickiness

Workplace



Search increases employee productivity across internal docs and applications

Customers want ...

Powerful, fast, and relevant search experiences. Out-of-the-box. Open APIs. Capability to have pre-tuned search for any website, application, or workplace app. Complete visibility into the search analytics, results and user behavior.



Elasticsearch is not only a powerful search engine, but also a powerful analytics engine for making product recommendations and alerting on order thresholds, powering our e-commerce business.

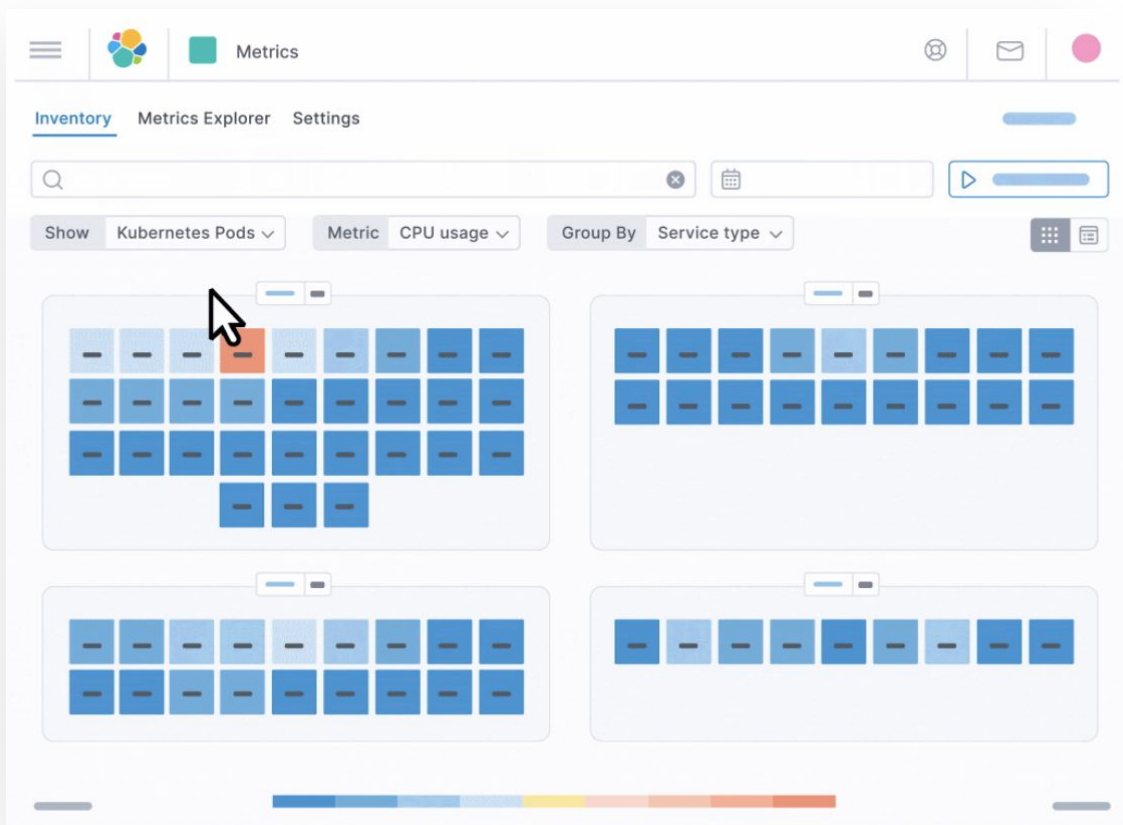
Leading E-commerce Company



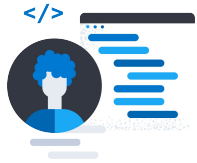
Observability

Unified observability for your entire digital ecosystem.

- Logs
- Metrics / Monitoring
- APM / Tracing
- Uptime / Synthetics



Managing systems is complex.



Search enables correlation of logs, metrics, and APM traces



Search improves IT operations efficiency and reduces MTTR



Search provides actionable insights to meet business objectives

Customers want ...

A single pane of glass across their observability data — logs, metrics, APM traces, and more. Easy ingestion. Accessible machine learning and anomaly detection. Automated alerts and workflow. Operational simplicity. Collaboration between Dev, Ops, and Security teams.



We're really happy with Elastic Observability and we've been able to dramatically reduce our operations cost by 50% and free up 95% of devops time.

Fortune 500 Auto Manufacturer



Security

Prevent, detect, and protect your organization from attacks.

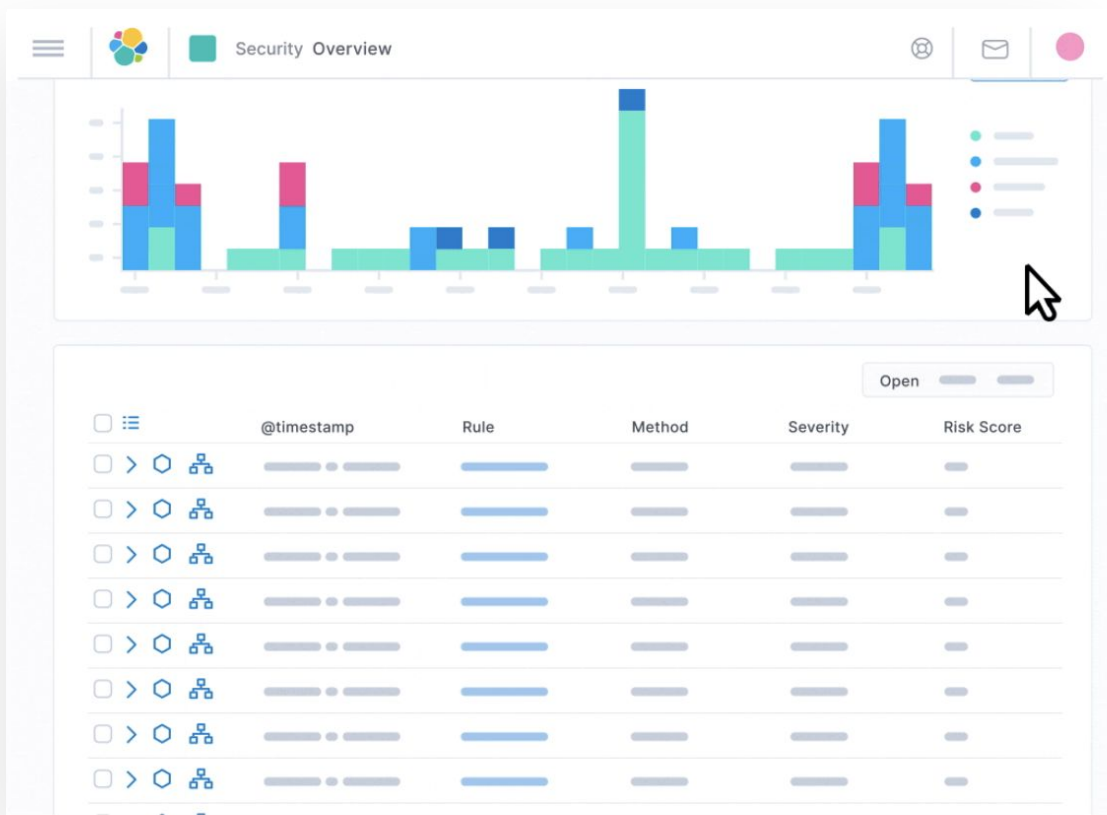
Security Information and Event Monitoring (SIEM)

Security Analytics

Endpoint Security (EPP/EDR)

Threat Hunting

SecOps/Cloud Monitoring



Stopping attack at scale is hard.



Search facilitates real-time detection and protection from endpoints to the data center



Search enables real-time, holistic visibility for all SecOps



Search reduces dwell times to minimize or avoid damage

Customers want ...

Threat protection at scale across their systems, networks, and endpoints. Out-of-the-box detection rules with machine learning, integration with MITRE ATT&CK, automated alerts and workflow to stop an attack in real-time, collaboration between ITOps, DevOps, and SecOps teams.



The dream was to automate a 24x7 protection system that works on its own. With our Elastic powered security platform, we save millions of dollars.

Fortune 100 Retailer

power of the customer



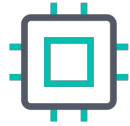
Customers Among the Top 10 Companies of Each Industry

48%

Fortune 500
Customers

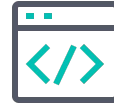
34%

Forbes 2000
Customers



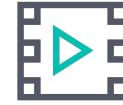
9/10

Computer
Services



9/10

Software
Companies



7/10

Broadcast &
Cable



8/10

Telecom
Services



8/10

Aerospace &
Defense



7/10

Auto
Manufacturers



7/10

Major
Banks



7/10

Pharmaceutical
Companies

power of single pricing

Resource-based Pricing | Pay for the data you use



Elastic Enterprise Search

Site Search

No query-based pricing

App Search

No docs-based pricing

Workplace Search

No user-based pricing



Elastic Observability

APM

No agent/user-based pricing

Logs

No ingest-based pricing

Metrics

No host-based pricing



Elastic Security

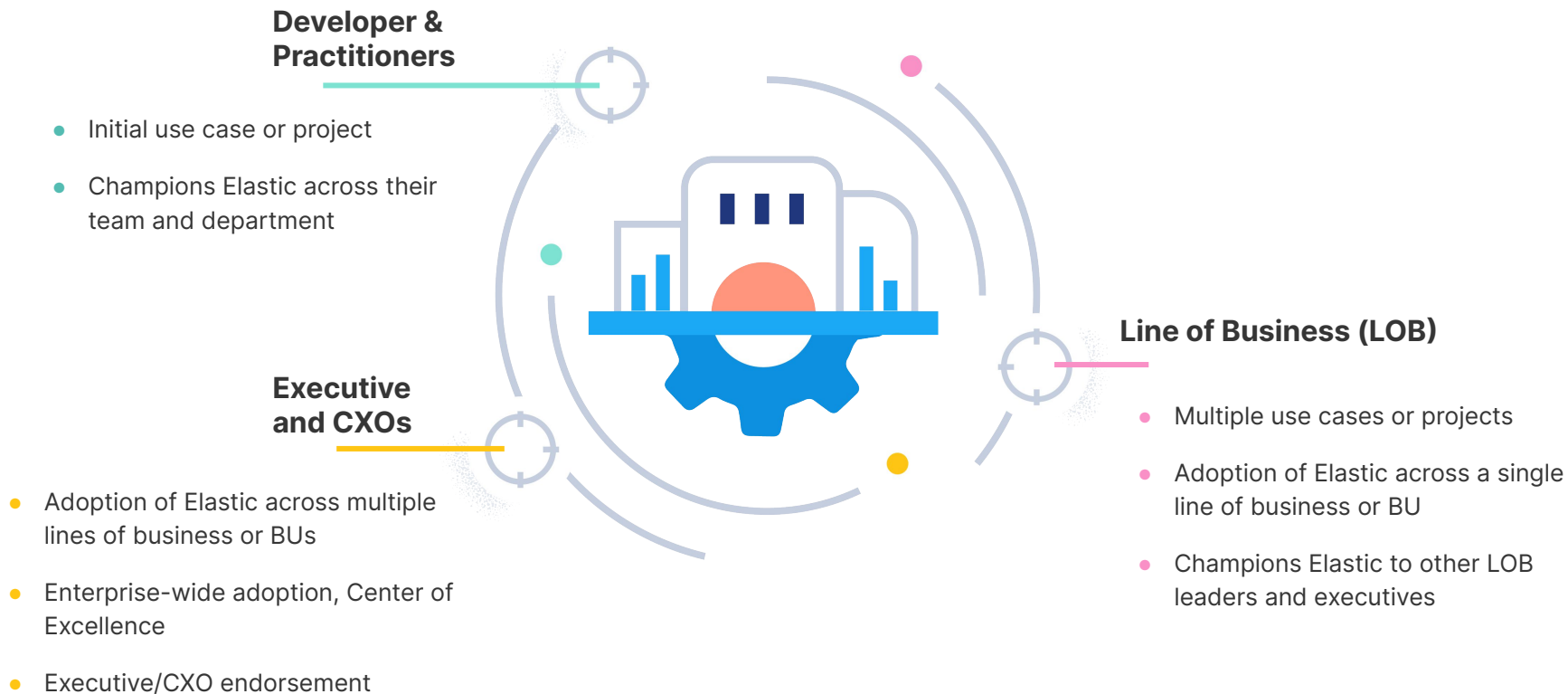
SIEM

No user/ingest-based pricing

Endpoint Security

No endpoint-based pricing

Developer to CXO Motion



Customer Journey

High Volume, Frictionless
User Engagement

ENGAGE & ADOPT

- Meetups
- Website
- ElasticON
- Documentation
- Forums
- Training
- Cloud Trials (SaaS)
- Download
- Basic Feature Usage
- Trial to Paid Features

Warm Touch, Value-Focused
Customer Engagement

ONBOARD & EXPAND

- Sales Development
- Field Sales
- Solution Architects
- Inside Sales
- Support
- Training
- Customer Success
- Renewals

Globally Distributed Sales Coverage

45%

of revenue
from outside
the U.S.

As of FY21



Enterprise

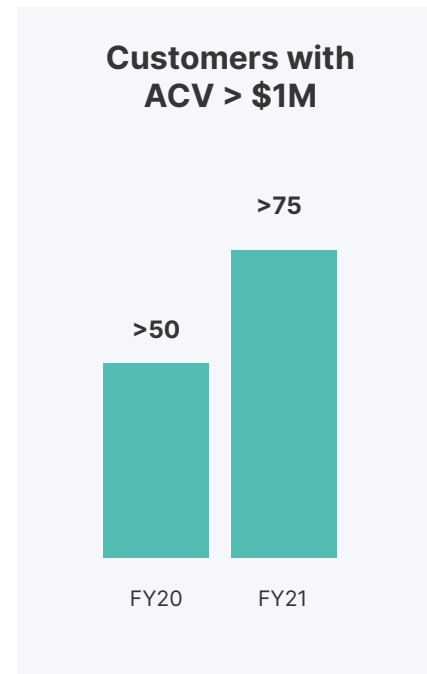
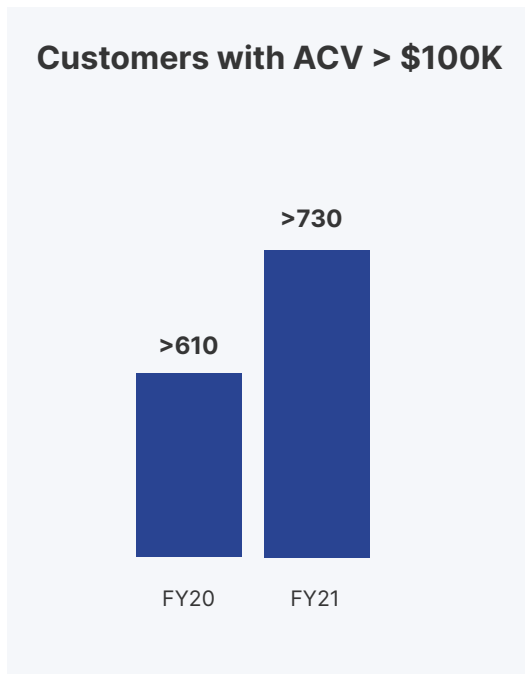


Commercial



Public Sector

Rapid customer growth and increasing strategic commitments



Solutions Driving Expansion with Significant Growth Opportunity

>\$100K ACV Customers

1 Solution

>50%

2 Solutions

>30%

3 Solutions

<20%

>\$1M ACV Customers

1 Solution

<25%

2 Solutions

>30%

3 Solutions

>45%

As of FY21

Solutions represent Enterprise Search, Observability and Security. For instance, if a customer uses logging and APM, that counts as one solution (Observability), not two.



Why We Win

Search = Value

.....

Search drives immediate value core to a customer's business and critical use cases in a way that is continuous.

Technology = Versatility

.....

A single technology that is versatile enables customers to have economies of scale across multiple projects, teams, and use cases.

Pricing = Transparency

.....

Resource-based pricing ensures there are no hidden costs and that customers can grow over time with transparency.

Our Leadership Team



Shay Banon
Founder & CEO



Janesh Moorjani
CFO



Paul Appleby
President, Worldwide
Field Operations



Ash Kulkarni
Chief Product Officer



Sally Jenkins
Chief Marketing
Officer



Kevin Kluge
Senior VP of
Engineering



W.H. Baird Garrett
Senior VP, Legal
General Counsel
and Secretary



Leah Sutton
Senior VP, Global
Human Resources

Commitment to Social Responsibility is a Key Component to Elastic's Culture

Employee and Community Engagement

- Diversity and inclusion are core to our source code
 - Employ anti-bias interviewer training and a structured hiring process with regards to D&I
 - Maintain global targets for percentage of women in management, engineering, and across the company
- Conduct regular employee engagement surveys and pay equity analyses to drive pay equity across gender globally
- Offer wide range of equitable benefits across areas such as health, family, community, and time away
- Drive employee learning and organizational development via LinkedIn Learning and other internal initiatives
- Employee resource groups to support employee engagement and foster an inclusive environment
- "Elastic Cares" program drives all year around community and giving campaigns

Environmental Health and Safety

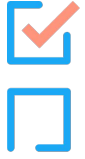
- Elastic's workforce is "Distributed by Design". Leveraging a globally distributed workforce enables:
 - Less transportation: minimizes traffic congestion and overall carbon footprint
 - Lower energy usage, emissions and waste: much smaller office portfolio than most comparable organizations minimizes waste and energy consumption
- Supply chain environmental and social responsibility management: Developing programs using several industry standards such as ISO (International Standards Organization), RBA (Responsible Business Alliance, formerly EICC - Electronic Industry Citizenship Coalition) and others.

Governance

- Board of Directors: independent majority board and an independent pay committee; 7 of 8 directors are independent, the board has a lead independent director and all members of our board committees are independent
- Diversity: 25% of our directors are female and the board is California AB 979 (underrepresented community) compliant
- Term limits: Initial term of three years and a maximum term of 12 years for non-executive directors
- Corporate policies and mandatory employee training: Strong policies such as "Corporate Governance Guidelines", "Code of Business Conduct and Ethics", "Anti-Corruption Policy and Whistleblowing Policy" and mandatory ethics and compliance trainings for all employees

Building a Culture of Success

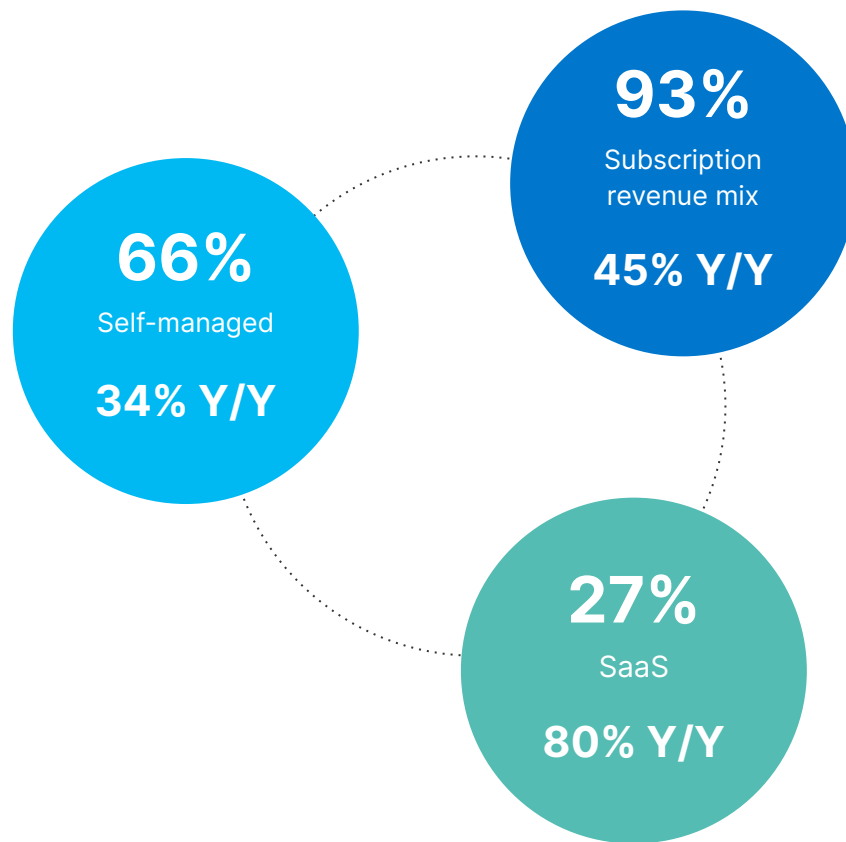




Financial Overview

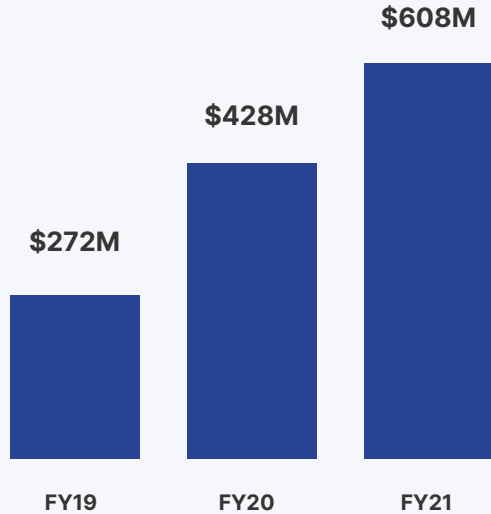


High Recurring Revenue Model with Robust SaaS Growth



Operating Leverage Inherent in Model Visible As We Scale

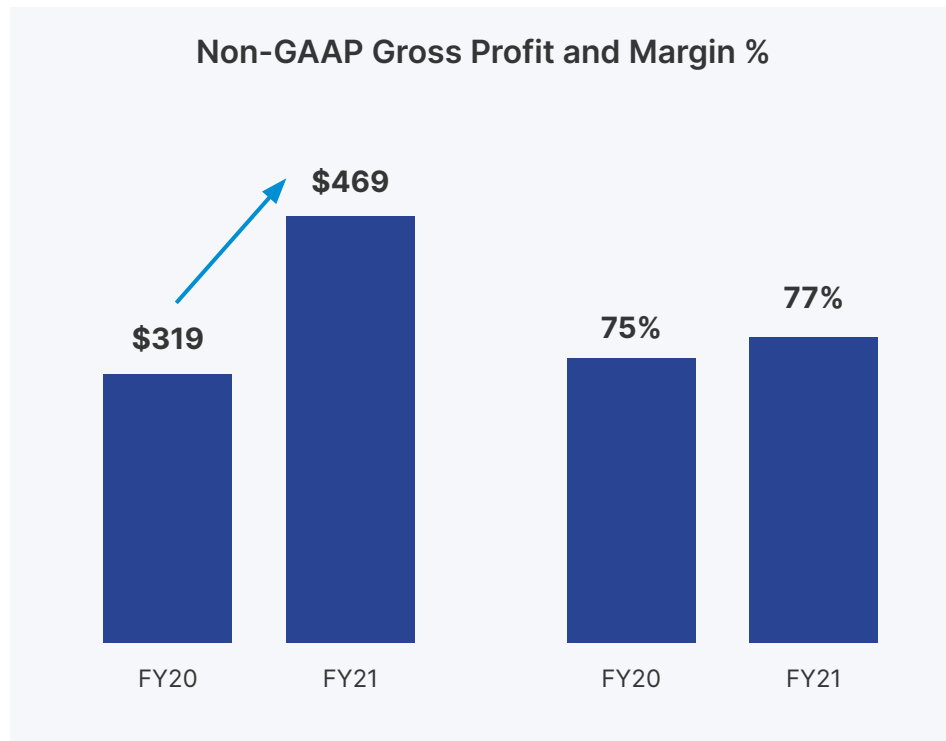
Total Revenue



Non-GAAP Operating Margin %



Continued Expansion in Gross Profit As We Scale



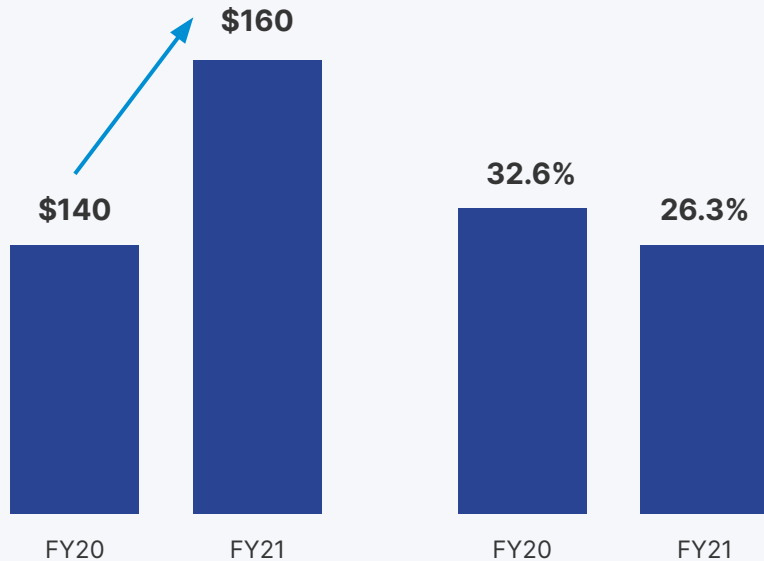
Elastic Cloud is dilutive to gross margin % but accretive to gross profit dollars.

Maintained Non-GAAP Gross Margin % through efficiencies despite increase in SaaS mix

Anticipate modest continued headwind to Non-GAAP Gross Margin as SaaS mix increases

Investing in Proprietary Innovation Increases Competitive Advantage

Non-GAAP R&D Expense and % of Revenue



High velocity of releases with mainly proprietary features drives competitive advantage

Rapid adoption delivers value early; paid features drive monetization

Endgame acquired in Q2 FY20

Operating leverage through:

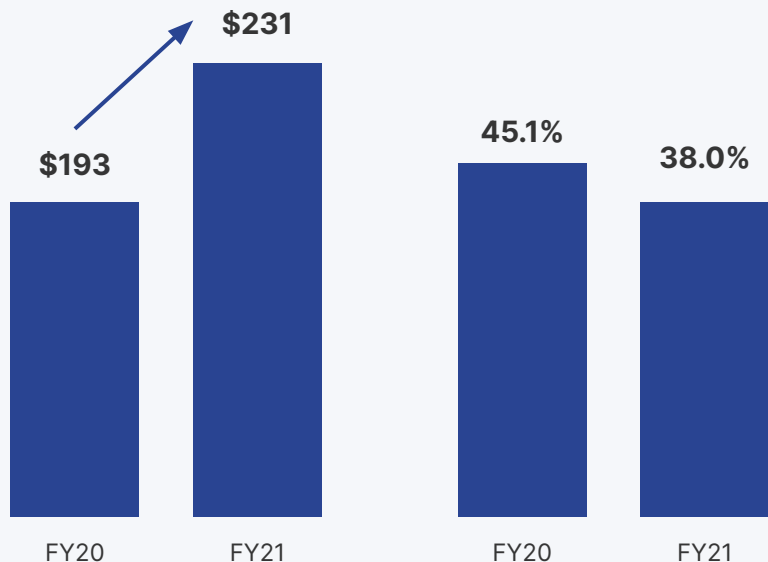
- Single code base across Stack and Solutions

- Power Plays in Stack leveraged across Solutions

- Top line growth > investment growth

Rapidly Scaling Efficient Go-to-Market Model

Non-GAAP S&M Expense and Margin %



Efficient distribution model drives efficiency in go-to-market motions with strong productivity

Investing globally in coverage and capacity across roles

Operating leverage through:

Productivity Gains

Growth in Cloud

Moving further up within the enterprise

Scaling velocity model

Partnerships

Financial Framework

Drive recurring revenue growth: Subscriptions mix at 90% or more

Grow Elastic Cloud faster than overall business: Gradual increase in SaaS mix

Balance profitability and growth: Disciplined reinvestment

Target <5% annual share dilution (excluding acquisitions)

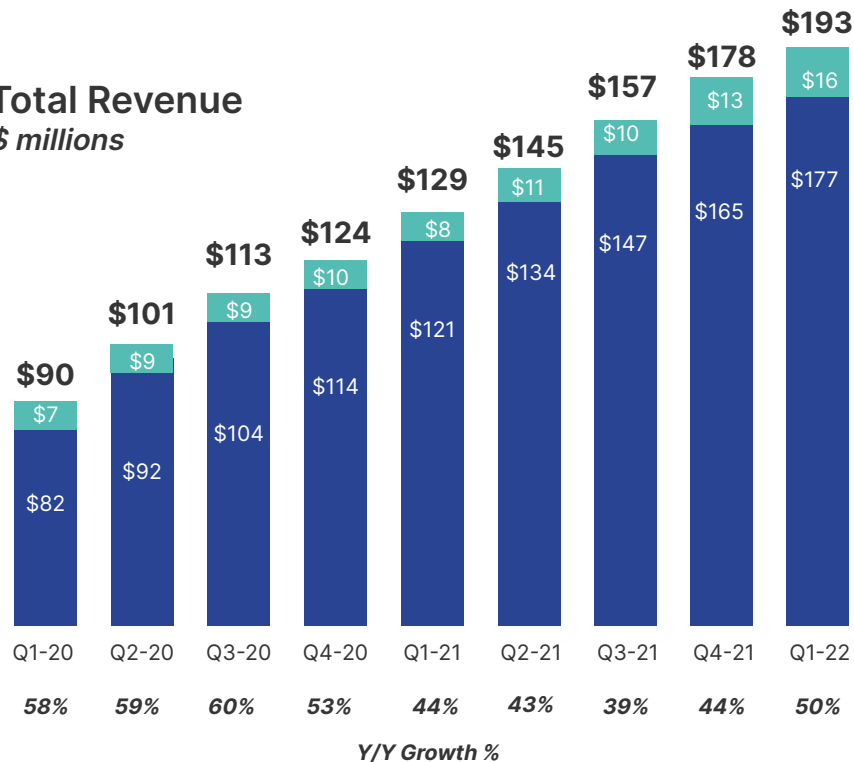
Turned free cash flow positive in FY21

Expect \$1 billion-plus of revenue in FY23

Strong Track Record of Driving Growth

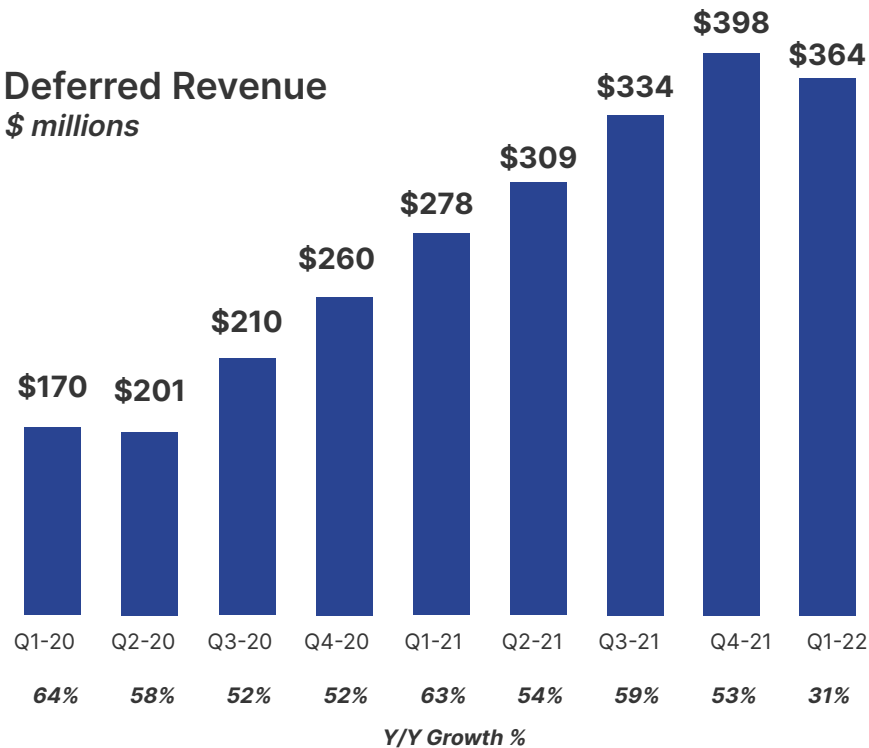
Total Revenue

\$ millions



Deferred Revenue

\$ millions



Subscription Services

Sums may not add to totals due to rounding.

Revenue Highlights

<i>\$ millions</i>	Q1 FY22	Q1 FY22 Y/Y	Y/Y CC
Total Revenue	\$193.1	50%	45%
Total Subscription Revenue	\$177.2	46%	41%
Elastic Cloud Revenue	\$61.5	89%	85%
Subscription % of Total Revenue	92%		
Professional Services Revenue	\$15.9	111%	102%

CC = Constant Currency

Strong Billings and Customer Metrics

<i>\$ millions</i>	Q1 FY22	Y/Y	Y/Y CC	TTM Y/Y
Calculated Billings ⁽¹⁾	\$165.0	27%	23%	37%

Q1 FY22 CUSTOMER METRICS

Total Subscription Customers	>16,000
Subscription Customers with ACV > \$100,000	>780
Net Expansion Rate	Slightly below 130%

⁽¹⁾ Calculated Billings represents total revenue plus the sequential increase in deferred revenue as presented on the statement of cash flows, less the increase in unbilled accounts receivable. See appendix for reconciliation to GAAP.

CC = Constant Currency

Non-GAAP Income Statement Highlights

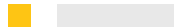
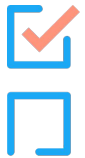
<i>\$ millions, except per share amounts</i>	Q1 FY22	% OF REVENUE
Total Revenue	\$193.1	100%
Gross Profit/Margin	\$149.8	78%
Research & Development Expense	\$45.7	24%
Sales & Marketing Expense	\$75.1	39%
General & Administrative Expense	\$21.8	11%
Operating Income/Margin	\$7.2	4%
Earnings Per Share	\$0.04	

See appendix for reconciliation to GAAP

Select Financial Measures

<i>\$ millions, except employees</i>	Q1 FY22
Free Cash Flow	\$12.4
Cash & Cash Equivalents	\$991.3
Total Deferred Revenue	\$364.4
Remaining Performance Obligations	\$776.0
Employees	2,285

See appendix for reconciliation to GAAP



Appendix



Releases: Continued rapid pace of innovation

Powerful foundational features in the Elastic Stack included: Limitless XDR (GA), Elastic Agent (GA), Enterprise Search in Kibana (Beta)

Elastic Enterprise Search	Elastic Observability	Elastic Security	Elastic Cloud
<ul style="list-style-type: none">• Announced centralized management of Elastic Enterprise Search in Kibana, delivering optimized search experiences insights• Introduced precision tuning in App Search for customized search results• Provided customers with synonym support in Workplace Search and data ingestion flexibility with out-of-the-box content sources	<ul style="list-style-type: none">• Announced the general availability of Elastic Agent data onboarding and telemetry collection with secure centralized agent management• Added native support for Microsoft Azure monitoring use cases• Enhanced APM correlations, accelerating application root cause analysis and reducing MTTR	<ul style="list-style-type: none">• Introduced the industry's first free and open Limitless Extended Detection and Response (XDR)• Extended visibility to bring native endpoint security to every host with a unified agent• Automated prevention to stop fast-evolving ransomware and malware with an extra layer of ransomware protection for Windows systems and data	<ul style="list-style-type: none">• Announced general availability of support for Microsoft Azure Private link providing secure connectivity between Elastic Cloud and Azure environments• Launched new Google cloud region: Asia Pacific Northeast 3 (Seoul) region

Remaining Performance Obligations (RPO)

Historical Trend

<i>\$ millions</i>	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22
Remaining Performance Obligations (RPO)	\$576.4	\$643.5	\$705.7	\$796.4	\$776.0

GAAP to Non-GAAP Reconciliations

Gross Profit and Gross Margin

\$ in millions	Q1 FY22
GAAP gross profit	\$143.4
(+) Stock based compensation	3.7
(+) Amortization of acquired intangibles	2.0
(+) Employer payroll taxes on employee stock transactions	0.6
Non-GAAP gross profit	\$149.8
GAAP subscription gross margin %	78.8%
(+) Stock based compensation	1.2%
(+) Amortization of acquired intangibles	1.1%
(+) Employer payroll taxes on employee stock transactions	0.1%
Non-GAAP subscription gross margin %	81.3%
GAAP professional services gross margin %	23.7%
(+) Stock based compensation	9.9%
(+) Employer payroll taxes on employee stock transactions	2.3%
Non-GAAP professional services gross margin %	35.9%
GAAP gross margin %	74.3%
(+) Stock based compensation	1.9%
(+) Amortization of acquired intangibles	1.0%
(+) Employer payroll taxes on employee stock transactions	0.3%
Non-GAAP gross margin %	77.6%

Sums may not add to totals due to rounding

GAAP to Non-GAAP Reconciliations

Operating Expenses

\$ in millions except percentages	Q1 FY21	Q1 FY22	Q1 FY22 % Revenue
GAAP sales & marketing expenses	\$56.2	\$88.0	46%
(-) Stock based compensation	(6.2)	(9.9)	(5.1%)
(-) Acquisition and related expenses	(1.4)	(1.4)	(0.7%)
(-) Employer payroll taxes on employee stock transactions	(1.2)	(1.7)	(0.9%)
Non-GAAP sales & marketing expenses	\$47.4	\$75.1	39%
Y/Y		58%	
GAAP research & development expenses	\$45.7	\$59.4	31%
(-) Stock based compensation	(7.1)	(12.1)	(6.3%)
(-) Employer payroll taxes on employee stock transactions	(1.0)	(1.6)	(0.8%)
Non-GAAP research & development expenses	\$37.6	\$45.7	24%
Y/Y		22%	
GAAP general & administrative expenses	\$21.7	\$27.1	14%
(-) Stock based compensation	(3.0)	(4.5)	(2.3%)
(-) Acquisition and related expenses	0.0	(0.2)	(0.1%)
(-) Employer payroll taxes on employee stock transactions	(0.7)	(0.5)	(0.3%)
Non-GAAP general & administrative expenses	\$18.0	\$21.8	11%
Y/Y		21%	

Sums may not add to totals due to rounding

GAAP to Non-GAAP Reconciliations

Operating Loss, Operating Margin and Net Loss per share

\$ in millions except percentages and per share amounts	Q1 FY21	Q1 FY22
GAAP operating loss	(\$29.5)	(\$31.0)
(+) Stock based compensation	18.6	30.2
(+) Amortization of acquired intangibles	3.6	3.4
(+) Acquisition and related expenses	0.0	0.2
(+) Employer payroll taxes on employee stock transactions	3.1	4.4
Non-GAAP operating (loss) income	(\$4.3)	\$7.2
GAAP operating margin %	(22.9%)	(16.1%)
(+) Stock based compensation	14.4%	15.6%
(+) Amortization of acquired intangibles	2.8%	1.8%
(+) Acquisition and related expenses	0.0%	0.1%
(+) Employer payroll taxes on employee stock transactions	2.4%	2.3%
Non-GAAP operating margin %	(3.3%)	3.7%
GAAP net loss per share	(\$0.23)	(\$0.38)
(+) Stock based compensation	0.22	0.33
(+) Amortization of acquired intangibles	0.04	0.04
(+) Acquisition and related expenses	0.00	0.00
(+) Employer payroll taxes on employee stock transactions	0.04	0.05
(-) Tax adjustment	(0.00)	(0.00)
Non-GAAP earnings per share - Basic	\$0.07	\$0.04
Non-GAAP earnings per share - Diluted	\$0.06	\$0.04

Sums may not add to totals due to rounding

GAAP to Non-GAAP Reconciliations

Calculated Billings

\$ in millions	Q1 FY21	Q1 FY22
Revenue	\$128.9	\$193.1
Add: Increase in total deferred revenue	1.7	(30.6)
Less: (Increase) decrease in unbilled accounts receivable	(0.6)	2.6
Calculated billings	\$130.0	\$165.0
Y/Y		27%

Free Cash Flow

\$ in millions	Q1 FY21	Q1 FY22
Net cash used in operating activities	\$22.0	\$14.1
Less: Purchase of property and equipment	(0.4)	(0.7)
Less: Capitalization of internal-use software	0.0	(1.0)
Free cash flow	\$21.6	\$12.4
Free cash flow margin*	17%	6%

*Free cash flow margin represents free cash flow divided by total revenue
Sums may not add to totals due to rounding

Definitions

Customers: We define a customer as an entity that generated revenue in the quarter ending on the measurement date from an annual or month-to-month subscription. All affiliated entities are typically counted as a single customer.

Customers >\$100K ACV and Customers >\$1M ACV: The annual contract value, or ACV, of a customer's commitments is calculated based on the terms of that customer's subscriptions, and represents the total committed annual subscription amount as of the measurement date. Month-to-month subscriptions are not included in the calculation of ACV.

Net Expansion Rate: To calculate an expansion rate as of the end of a given month, we start with the ACV from all customers as of twelve months prior to that month end, or Prior Period Value. We then calculate the ACV from these same customers as of the given month end, or Current Period Value, which includes any growth in the value of their subscriptions and is net of contraction or attrition over the prior twelve months. We then divide the Current Period Value by the Prior Period Value to arrive at an expansion rate. The Net Expansion Rate at the end of any period is the weighted average of the expansion rates as of the end of each of the trailing twelve months.