

DocuSign®

Q3 Fiscal Year 2022 Financial Review

Safe Harbor

This presentation contains forward-looking statements that are based on our management's beliefs and assumptions and on information currently available to management. Forward-looking statements include all statements that are not historical facts and can be identified by terms such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential," or "continue" or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. Forward-looking statements in this presentation include any statements about expected financial metrics, such as revenue, billings, non-GAAP gross margin, non-GAAP diluted weighted-average shares outstanding, and non-financial metrics, such as customer growth, as well as statements related to our expectations regarding the benefits of the DocuSign Agreement Cloud, enhancements and additions to it, including as a result of acquisitions. They also include statements about our future operating results and financial position, our business strategy and plans, market growth and trends, and our objectives for future operations. These statements are subject to substantial risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements.

These risks and uncertainties include, among other things, risks related to our expectations regarding the impact of the evolving COVID-19 pandemic on our business, our results of operations and our financial condition, as well as our future profitability and growth once the pandemic and its related effects begin to abate or have abated; our expectations regarding the impact of the evolving COVID-19 pandemic on the businesses of our customers, partners and suppliers, and the economy, as well as the macro-and micro-effects of the pandemic, including the pace of the digital transformation of business and differing levels of demand for our products as our customers' priorities, resources, financial conditions and economic outlook change; our ability to estimate the size of our total addressable market; our ability to effectively sustain and manage our growth and future expenses, achieve and maintain future profitability, attract new customers and maintain and expand our existing customer base; our ability to scale and update our platform to respond to customers' needs and rapid technological change; the effects of increased competition in our market and our ability to compete effectively; our ability to expand use cases within existing customers and vertical solutions; our ability to expand our operations and increase adoption of our platform internationally; our ability to strengthen and foster our relationships with developers; our ability to expand our direct sales force, customer success team and strategic partnerships around the world; our ability to identify targets for and execute potential acquisitions; our ability to successfully integrate the operations of businesses we may acquire, and to realize the anticipated benefits of such acquisitions; our ability to maintain, protect and enhance our brand; the sufficiency of our cash, cash equivalents and capital resources to satisfy our liquidity needs; limitations on us due to obligations we have under our credit facility or other indebtedness; our failure or the failure of our software to comply with applicable industry standards, laws and regulations; our ability to maintain, protect and enhance our intellectual property; our ability to successfully defend litigation against us; our ability to attract large organizations as users; our ability to maintain our corporate culture; our ability to offer high-quality customer support; our ability to hire, retain and motivate qualified personnel; our ability to estimate the size and potential growth of our target market; and our ability to maintain proper and effective internal controls. Additional risks and uncertainties that could affect our financial results are included in the sections titled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our annual report on Form 10-K for the fiscal year ended January 31, 2021 filed on March 31, 2021, our quarterly report on Form 10-Q for the quarter ended July 31, 2021 filed on September 3, 2021 with the Securities and Exchange Commission (the "SEC"), and other filings that we make from time to time with the SEC. In addition, any forward-looking statements contained in this presentation are based on assumptions that we believe to be reasonable as of this date. Except as required by law, we assume no obligation to update these forward-looking statements, or to update the reasons if actual results differ materially from those anticipated in the forward-looking statements.

Non-GAAP Financial Measures and Other Key Metrics

To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, we use certain non-GAAP financial measures, as described below, to understand and evaluate our core operating performance. These non-GAAP financial measures, which may be different than similarly-titled measures used by other companies, are presented to enhance investors' overall understanding of our financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

We believe that these non-GAAP financial measures provide useful information about our financial performance, enhance the overall understanding of our past performance and future prospects, and allow for greater transparency with respect to important metrics used by our management for financial and operational decision-making. We are presenting these non-GAAP measures to assist investors in seeing our financial performance using a management view, and because we believe that these measures provide an additional tool for investors to use in comparing our core financial performance over multiple periods with other companies in our industry.

Non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP income from operations, non-GAAP operating margin, non-GAAP net income and non-GAAP net income per share: We define these non-GAAP financial measures as the respective GAAP measures, excluding expenses related to stock-based compensation, employer payroll tax on employee stock transactions, amortization of acquisition-related intangibles, amortization of debt discount and issuance costs, acquisition-related expenses, fair value adjustments to strategic investments, impairment of lease-related assets, and, as applicable, other special items. The amount of employer payroll tax-related items on employee stock transactions is dependent on our stock price and other factors that are beyond our control and do not correlate to the operation of the business. When evaluating the performance of our business and making operating plans, we do not consider these items (for example, when considering the impact of equity award grants, we place a greater emphasis on overall stockholder dilution rather than the accounting charges associated with such grants). We believe it is useful to exclude these expenses in order to better understand the long-term performance of our core business and to facilitate comparison of our results to those of peer companies and over multiple periods.

Free cash flow: We define free cash flow as net cash provided by (used in) operating activities less purchases of property and equipment. We believe free cash flow is an important liquidity measure of the cash (if any) that is available, after purchases of property and equipment, for operational expenses, investment in our business, and to make acquisitions. Free cash flow is useful to investors as a liquidity measure because it measures our ability to generate or use cash in excess of our capital investments in property and equipment. Once our business needs and obligations are met, cash can be used to maintain a strong balance sheet and invest in future growth.

Billings: We define billings as total revenues plus the change in our contract liabilities and refund liability less contract assets and unbilled accounts receivable in a given period. Billings reflects sales to new customers plus subscription renewals and additional sales to existing customers. Only amounts invoiced to a customer in a given period are included in billings. We believe billings is a key metric to measure our periodic performance. Given that most of our customers pay in annual installments one year in advance, but we typically recognize a majority of the related revenue ratably over time, we use billings to measure and monitor our ability to provide our business with the working capital generated by upfront payments from our customers.

For a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measure, please see "Reconciliation of GAAP to Non-GAAP Financial Measures" below.

How customers buy from us

Prepaid Model

Product Functionality

Pricing by Functionality

Multiple levels of product functionality

eSignature

Single-user

Multi-user

Business Pro

Enterprise Pro

Platform

Capacity-Based Model

Volume Capacity

Pre-Set # of Envelopes Provisioned

Envelopes



Dollar Weighted Average Contract Length¹

35%

>12 months



18
months

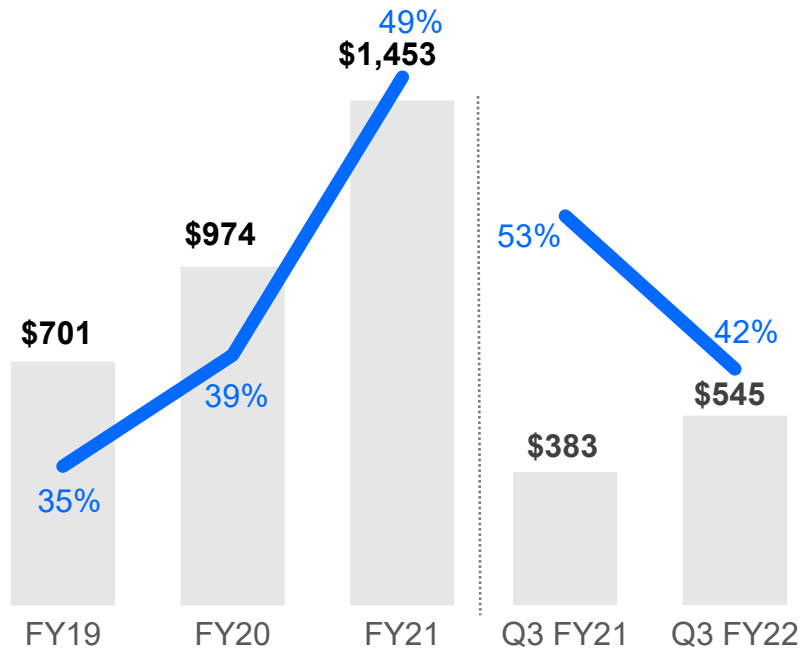
65%

≤12 months

(1) Rolling 4-quarter average through fiscal quarter ended October 31, 2021.

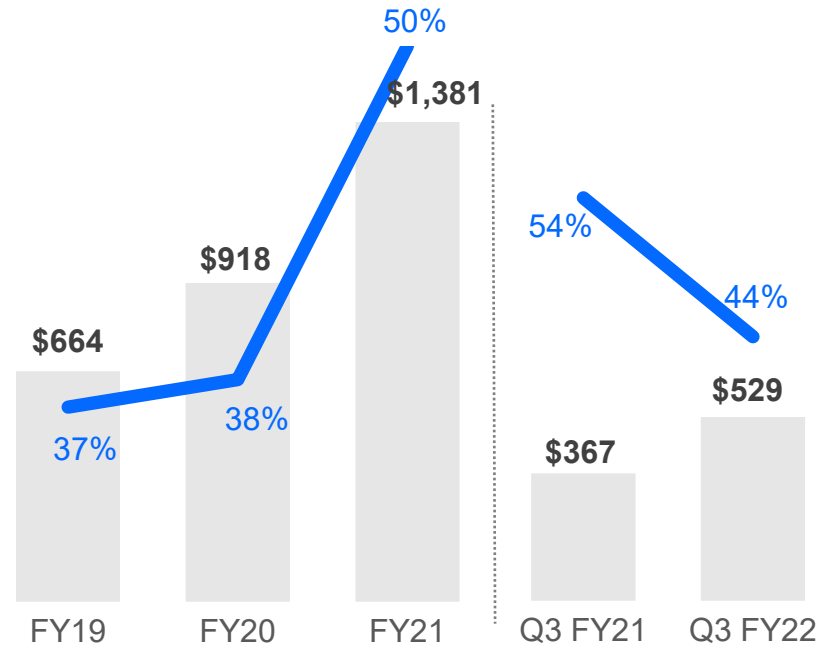
Strong and consistent revenue growth at scale

Total Revenue¹



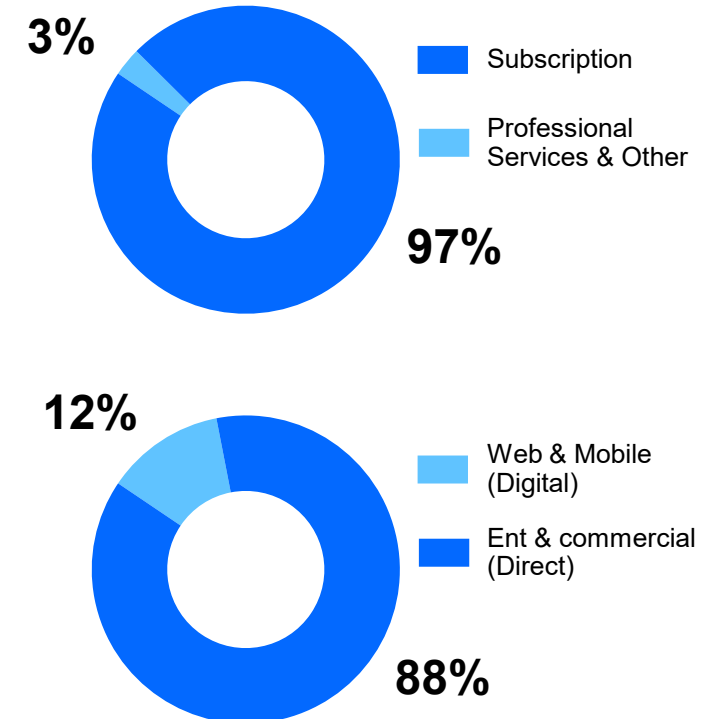
— Y/Y Growth

Subscription Revenue¹



— Y/Y Growth

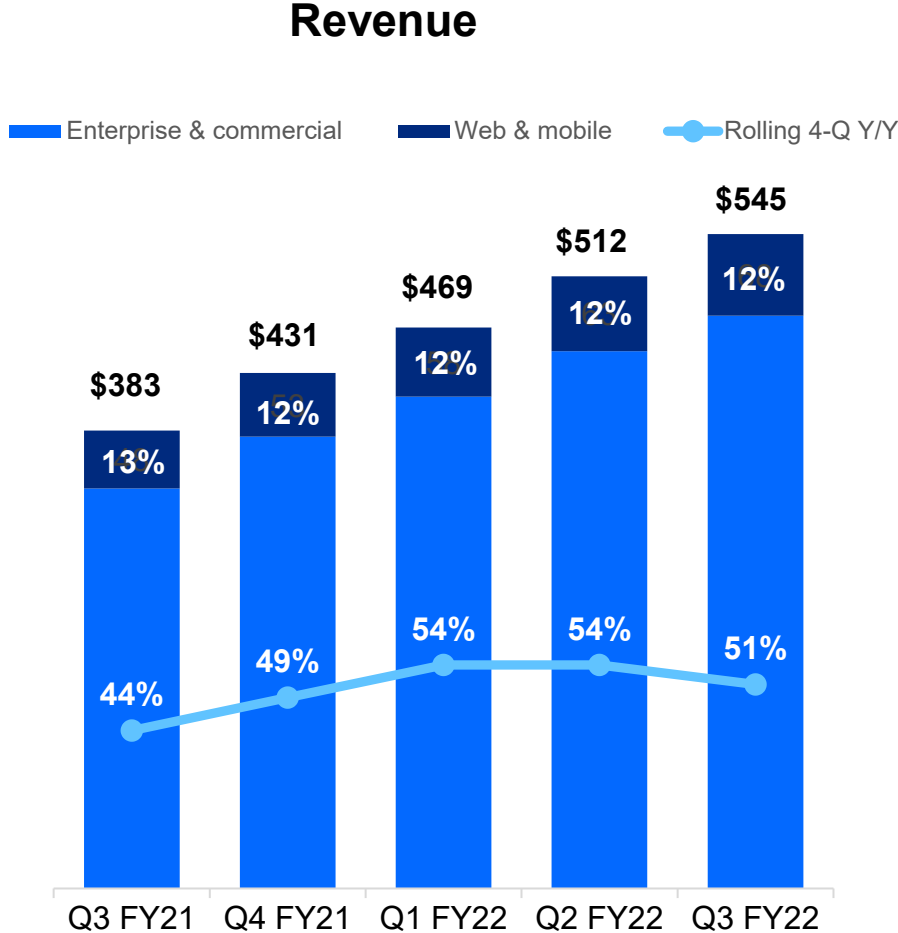
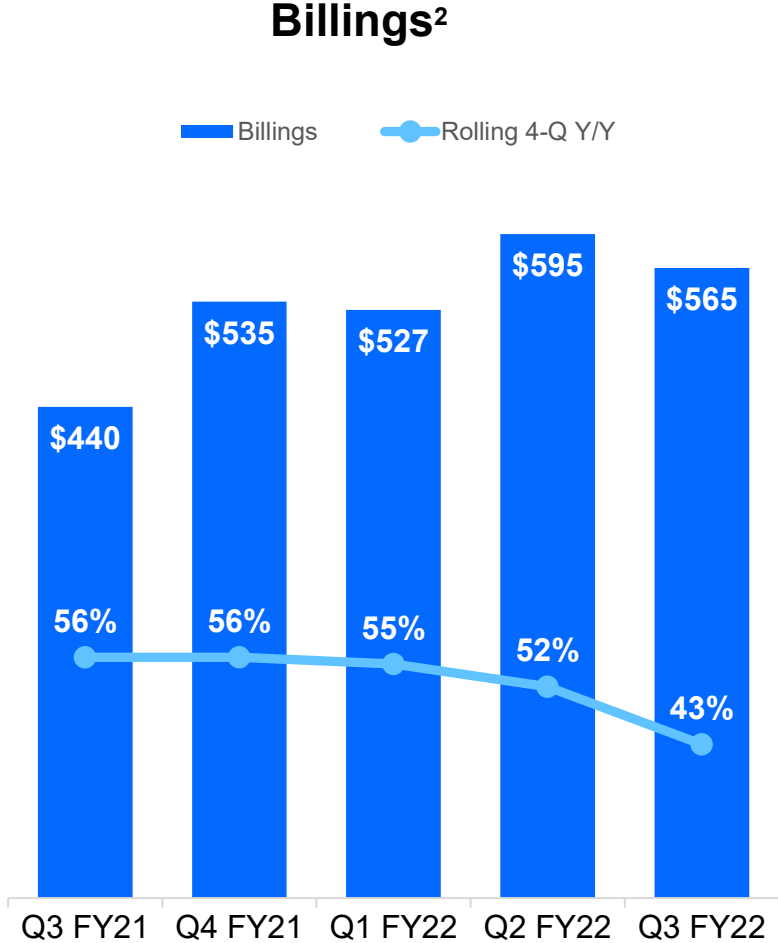
Revenue Contribution²



(1) Fiscal years ended January 31 and fiscal quarters ended October 31. \$ in millions.

(2) Fiscal quarter ended October 31, 2021.

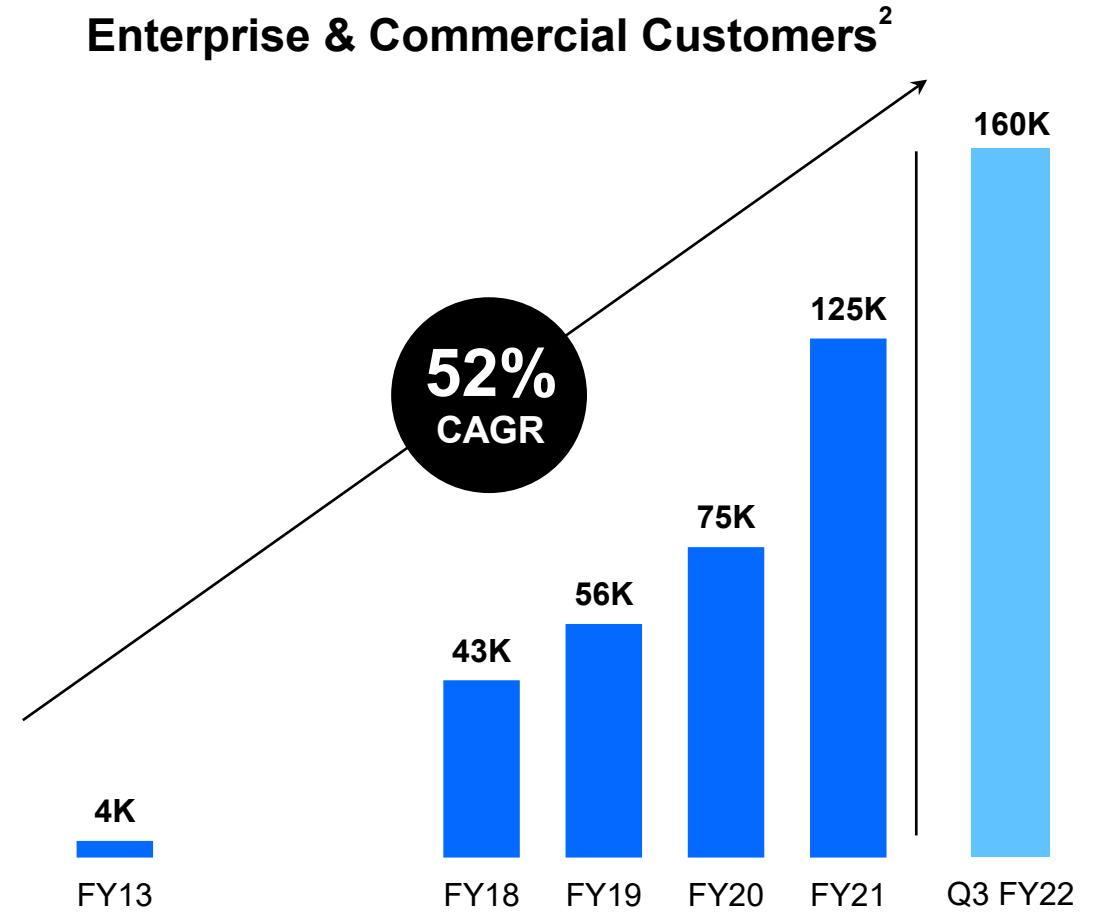
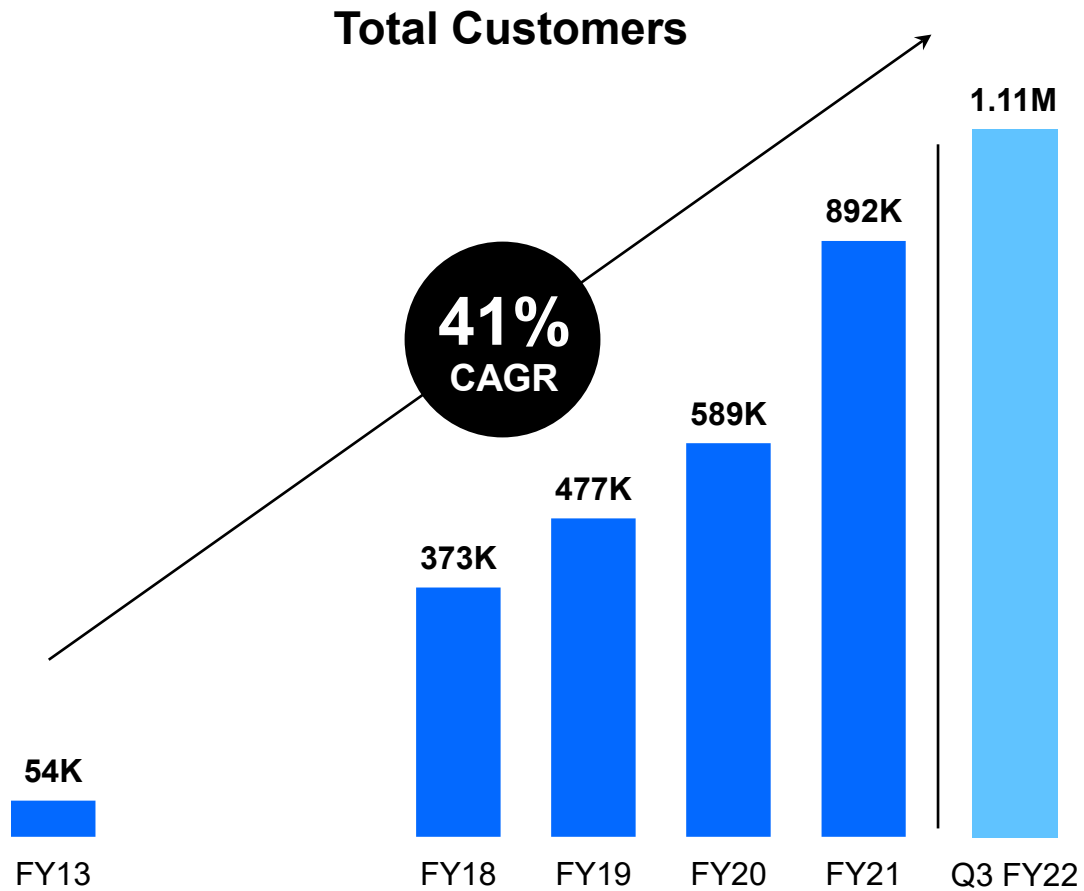
Strong growth in billings and revenue¹



(1) For the fiscal quarter ended October 31, 2021, and the four fiscal quarters prior. \$ in millions.

(2) Billings = total revenues plus the change in contract liabilities and refund liability less contract assets and unbilled accounts receivable in a given period. Please see Appendix for non-GAAP reconciliation.

Large and growing customer base¹



(1) For the fiscal years ended January 31 and the fiscal quarter ended October 31, 2021.

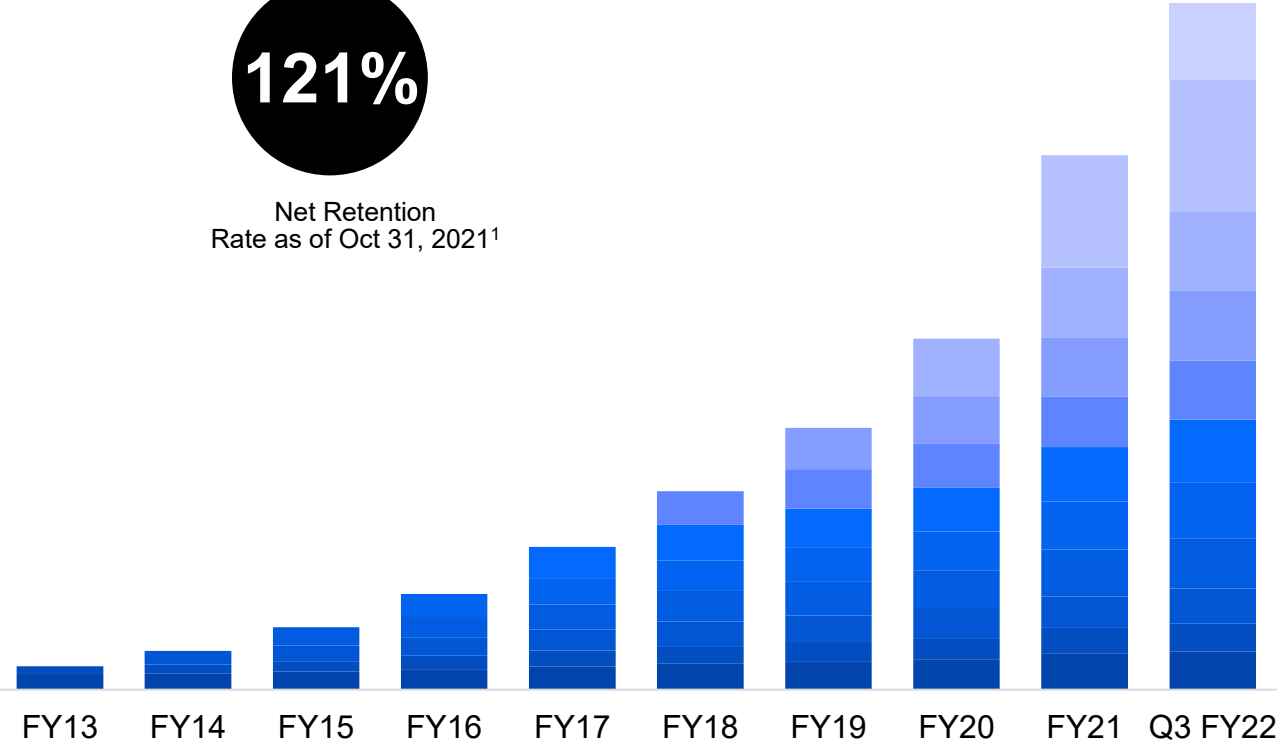
(2) Comprised of customers who were not acquired through our self-service channel.

Cohort and large customer expansion

Cohort analysis

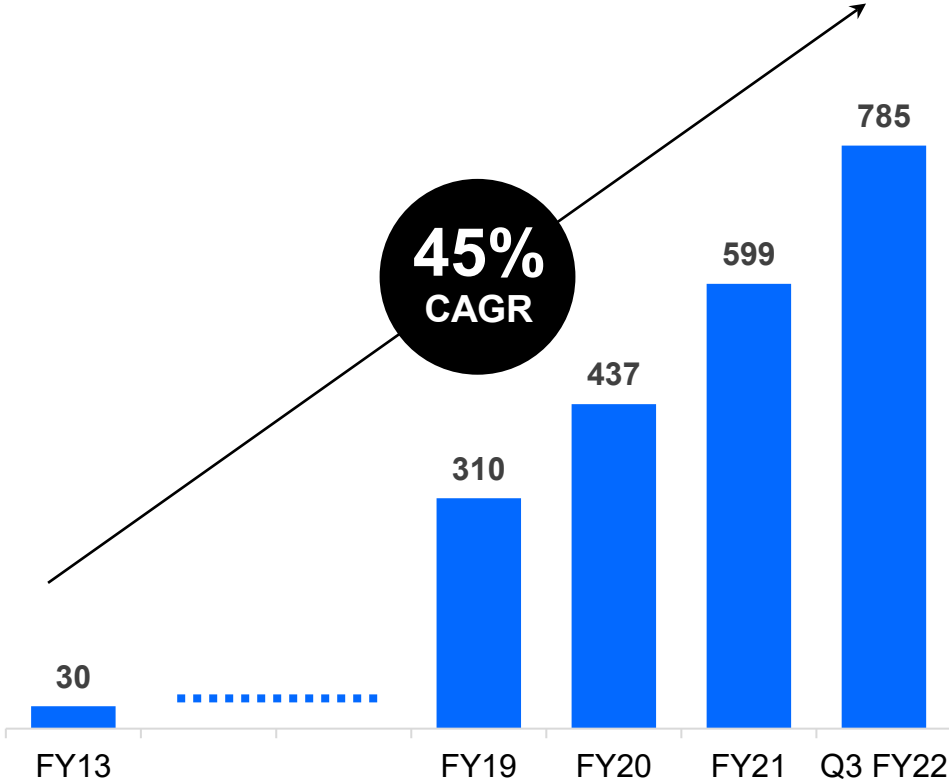
121%

Net Retention Rate as of Oct 31, 2021¹



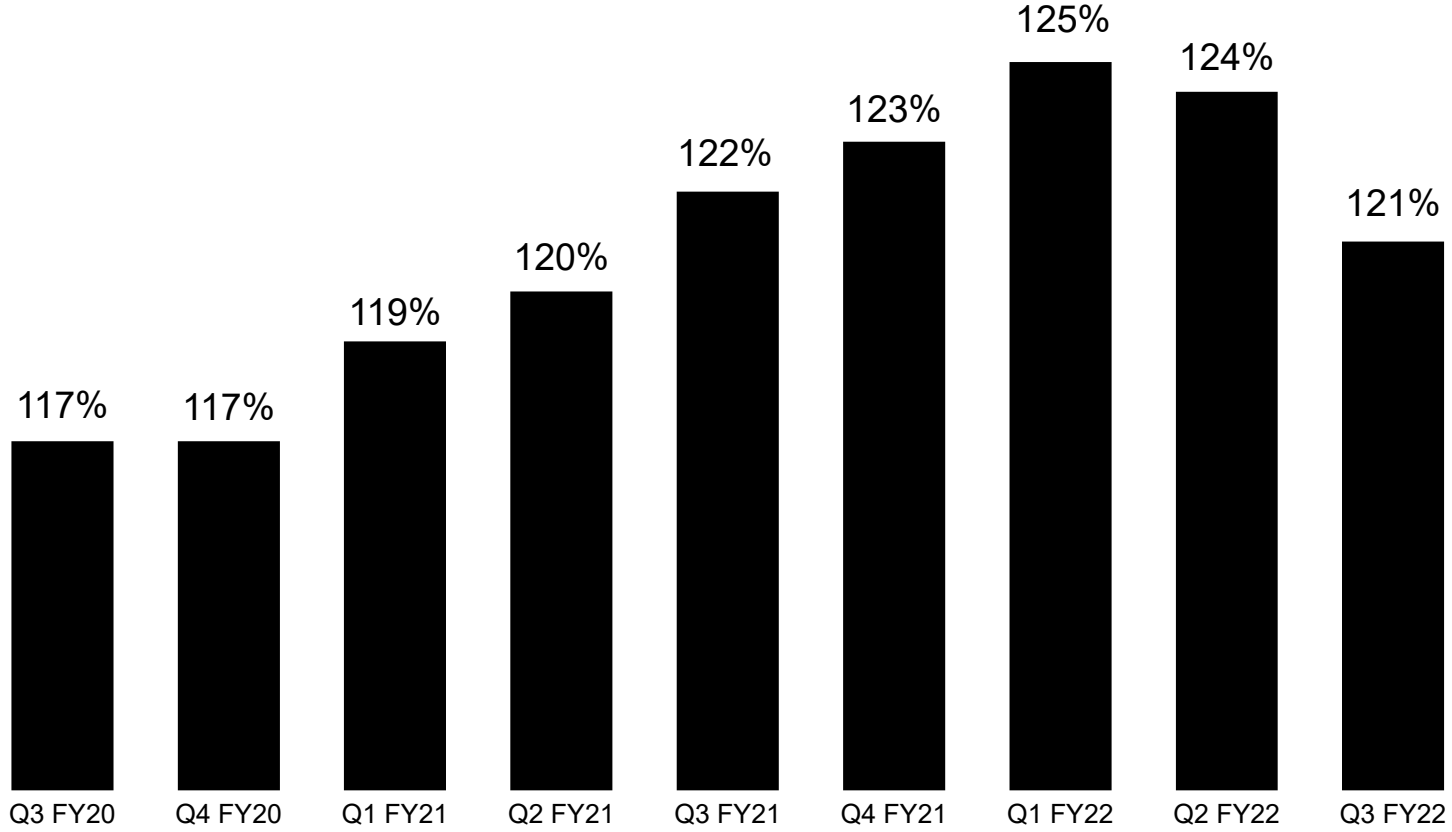
Customers with >\$300K in ACV²

45% CAGR



(1) Compares the ACV for subscription contracts from a set of enterprise and commercial customers at two period end dates. To calculate our dollar-based net retention rate at the end of a base year (e.g., January 31, 2021), we first identify the set of customers that were customers at the end of the prior year (e.g., January 31, 2020) and then divide the ACV attributed to that set of customers at the end of the base year by the ACV attributed to that same set at the end of the prior year. The quotient obtained from this calculation is the dollar-based net retention rate.
 (2) Average Contract Value.

Strength in customer demand driving growth at scale



121% Net Dollar Retention¹

(1) Compares the ACV for subscription contracts from a set of enterprise and commercial customers at two period end dates. To calculate our dollar-based net retention rate at the end of a base year (e.g., January 31, 2021), we first identify the set of customers that were customers at the end of the prior year (e.g., January 31, 2020) and then divide the ACV attributed to that set of customers at the end of the base year by the ACV attributed to that same set at the end of the prior year. The quotient obtained from this calculation is the dollar-based net retention rate.

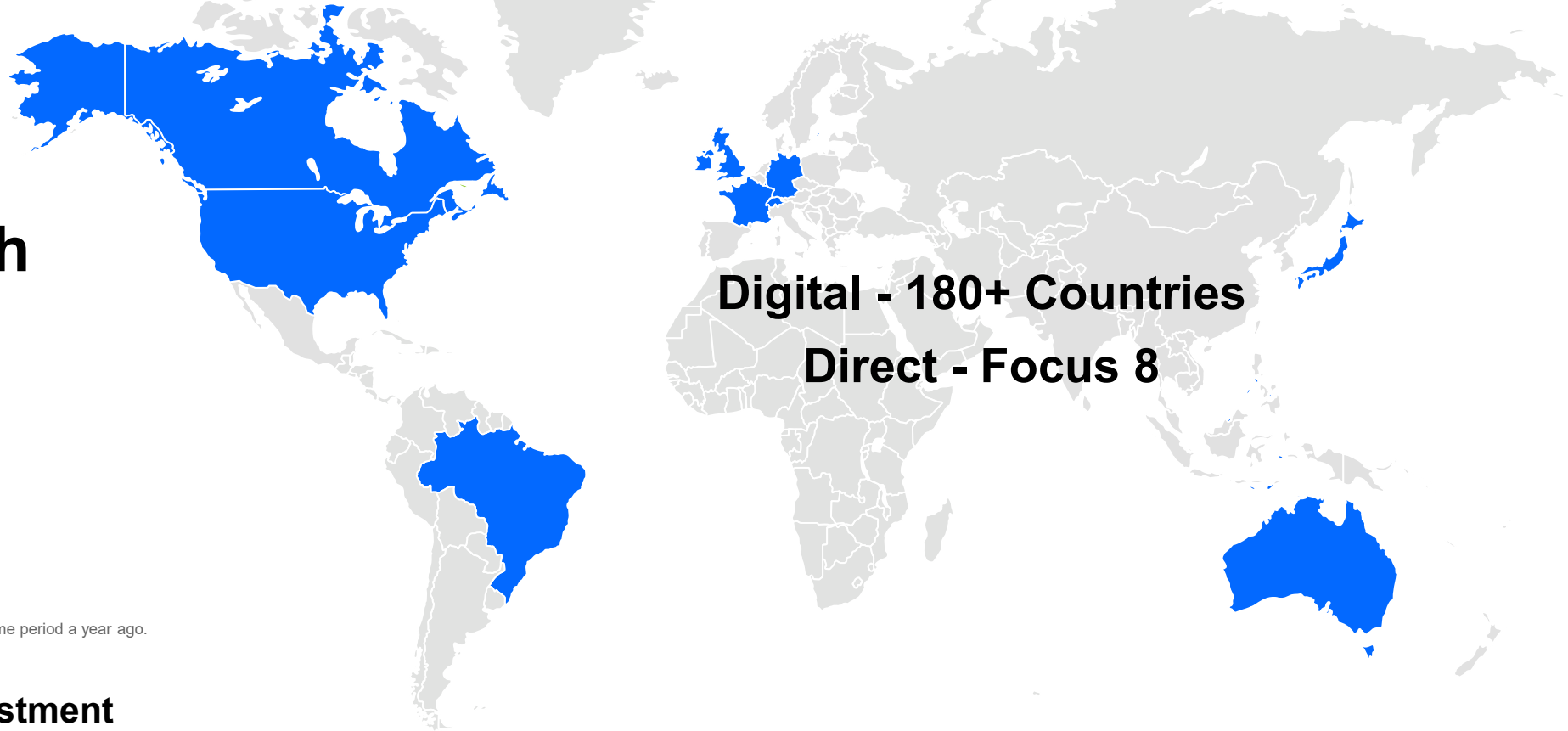
Investing in International Growth

**68% y/y Int'l
Revenue Growth**
(Q3 FY22)¹

**23% of Total
Revenue**
(Q3 FY22)¹

(1) For the fiscal quarter ended October 31, 2021 compared to same period a year ago.

Market Prioritization & Investment



Tier 1: Market Leader

Primary market focus for Direct GTM investment
Fully localized digital experience
Targeted investment in Resell partners

Tier 2: Seed and Grow

High potential investment countries
Seed with targeted direct investments, localized sales & support through partner and digital

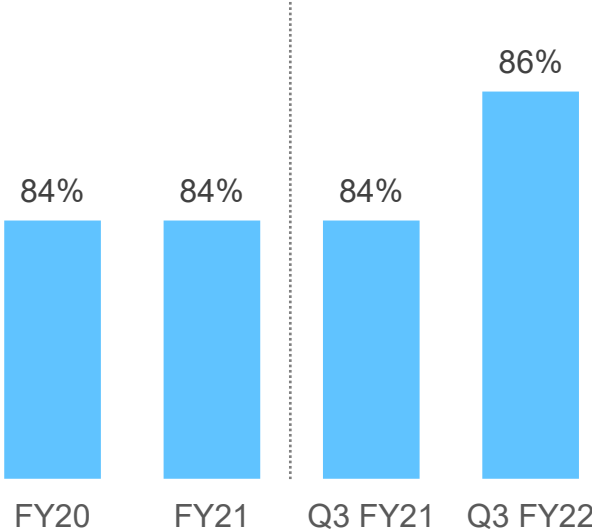
Tier 3: Digital & Emerging

Digital First strategy
Indirect selling via key resellers

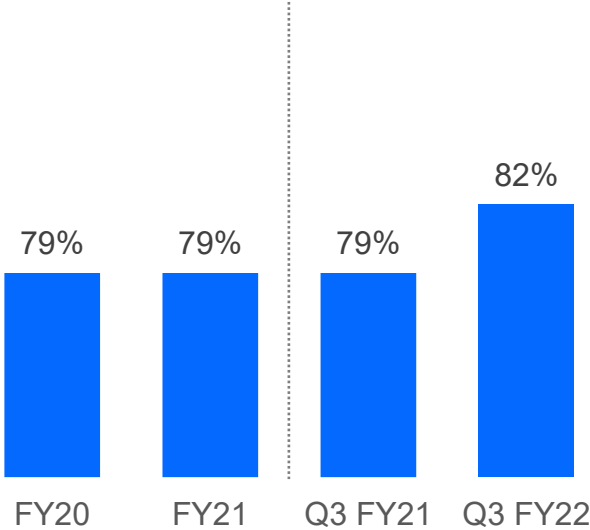
Achieving increased leverage

Non-GAAP gross margin¹

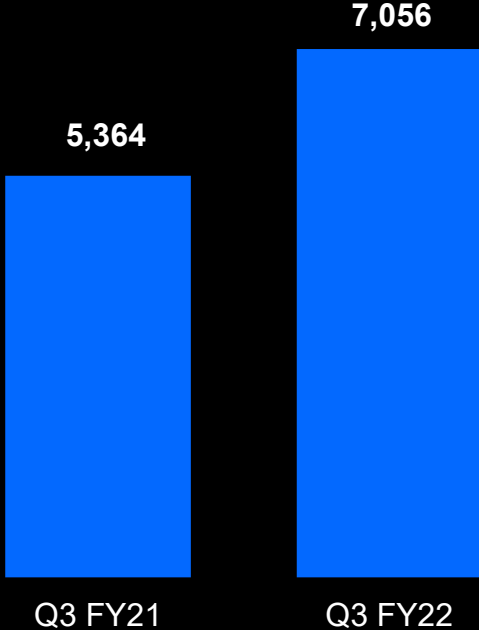
Subscription Gross Margin



Total Gross Margin



Headcount²

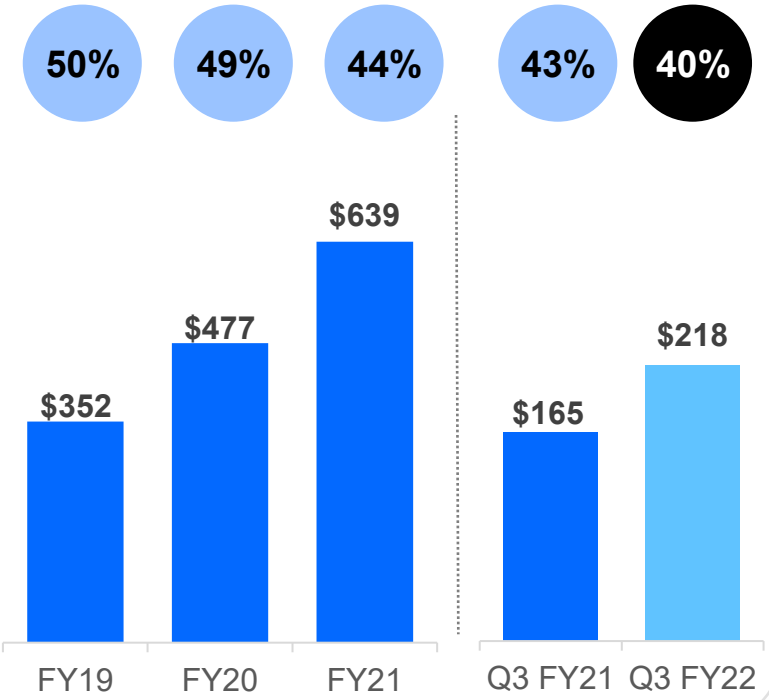


(1) For the fiscal years ended January 31, 2020, 2021 and the fiscal quarters ended October 31, 2020, 2021. Margins are as % of revenue. Please see Appendix for GAAP to non-GAAP reconciliation.

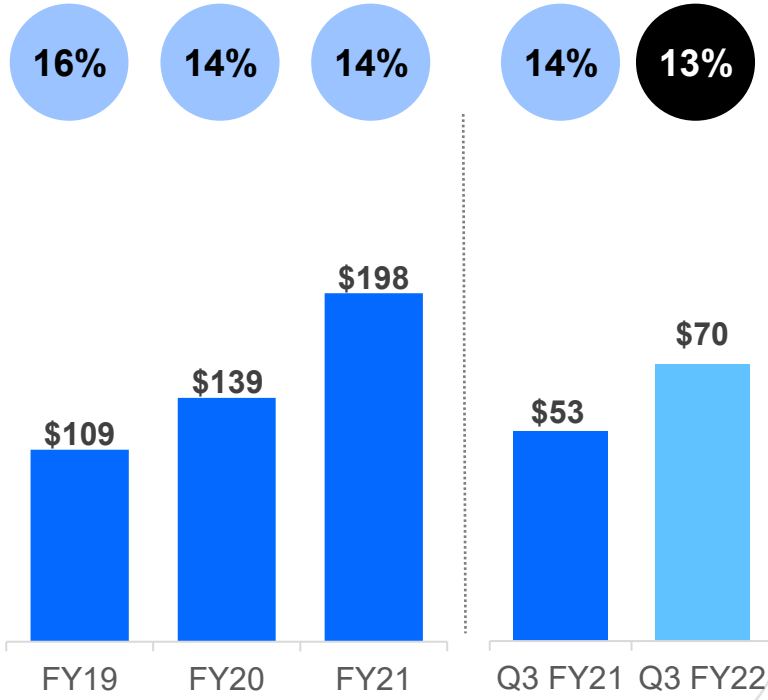
(2) As of October 31, 2020 and 2021.

Achieving increased leverage

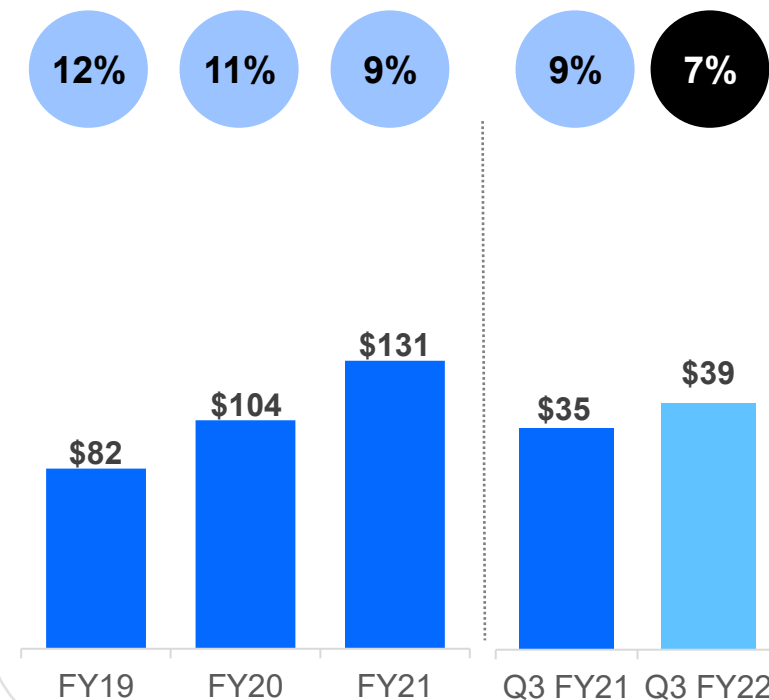
Non-GAAP S&M¹



Non-GAAP R&D¹



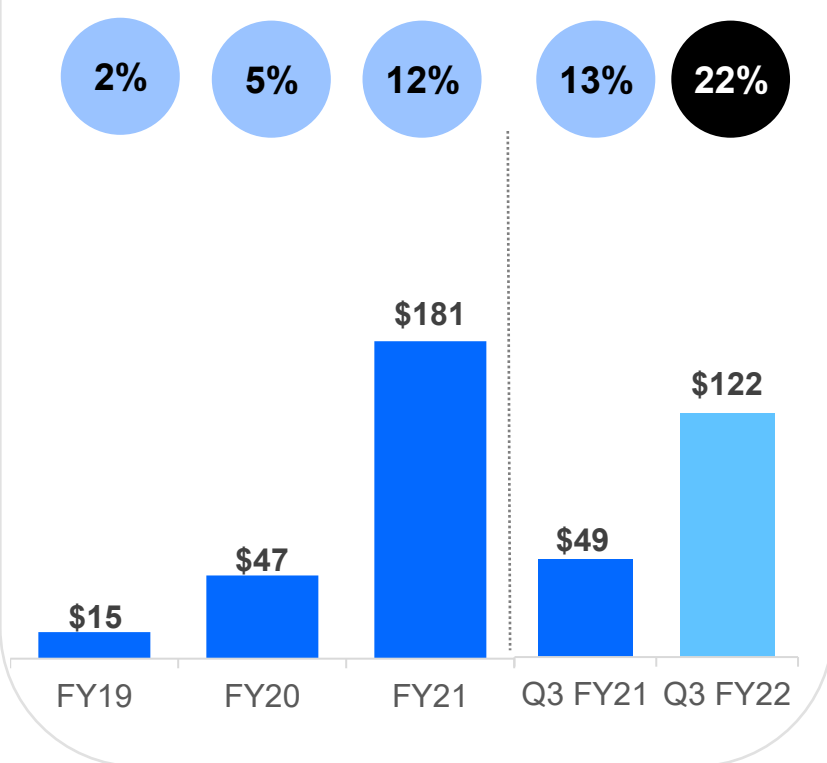
Non-GAAP G&A¹



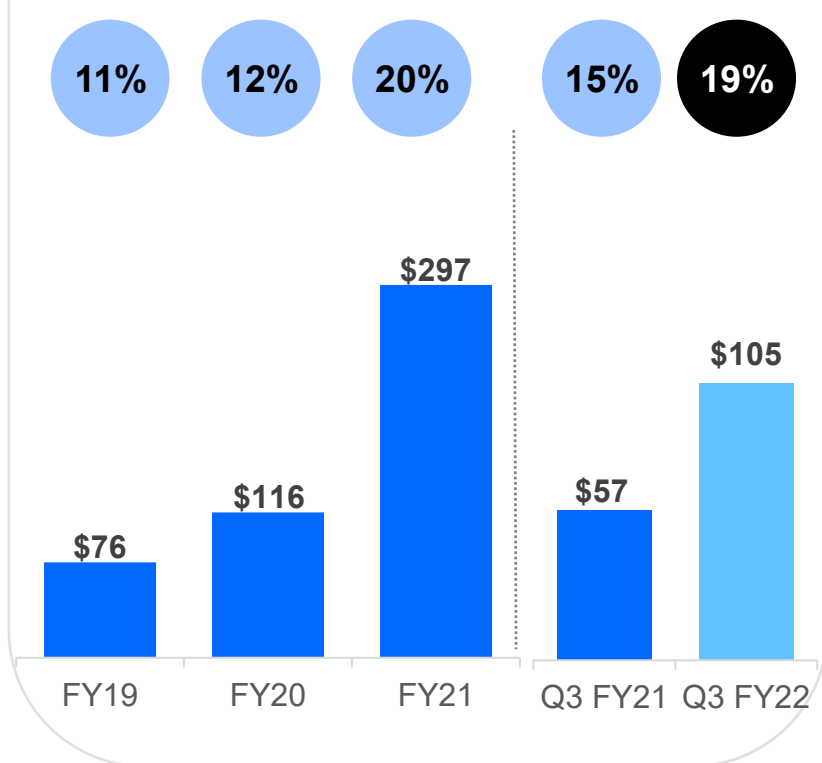
(1) For the fiscal years ended January 31, 2019, 2020, 2021 and the fiscal quarters ended October 31, 2020, 2021. \$ in millions. Margins are as % of revenue. Please see Appendix slides for non-GAAP reconciliation.

Improving profitability and cash flow

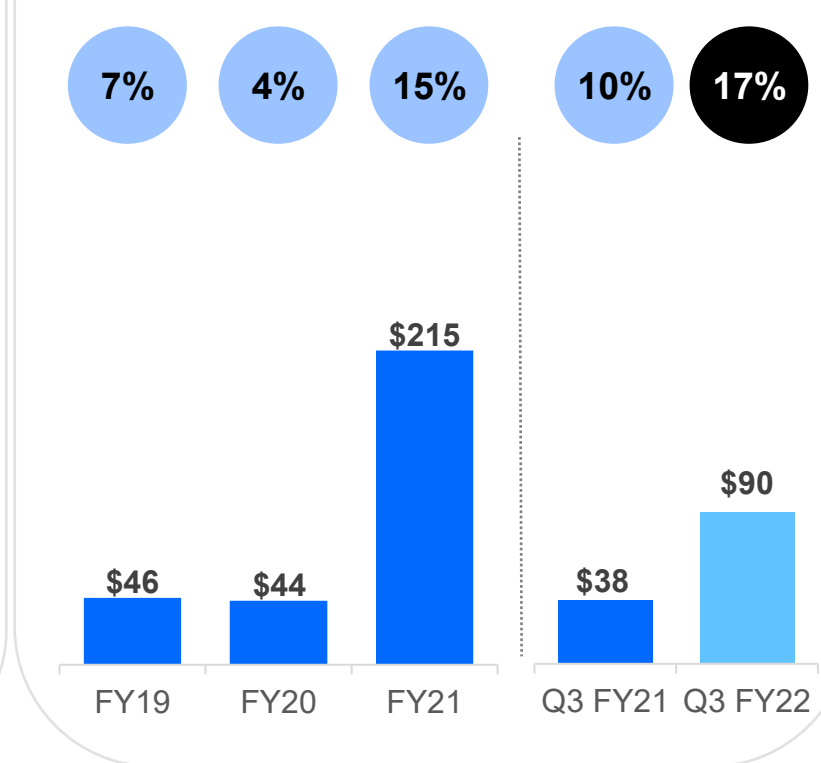
Non-GAAP Operating Income¹



Operating Cash Flow



Free Cash Flow²



(1) For the fiscal years ended January 31, 2019, 2020, 2021 and the fiscal quarters ended October 31, 2020, 2021. \$ in millions. Margins are as % of revenue.

(2) FCF calculated as Operating Cash Flow – CapEx. Please see Appendix for calculation.

Please see Appendix slides for non-GAAP reconciliation.

Q4 FY2022 Guidance

	Q4 Fiscal 2022		
Total revenue	\$557M	-	\$563M
Subscription revenue	\$544M	-	\$550M
Billings	\$647M	-	\$659M
Non-GAAP Gross margin	81%	-	82%
Non-GAAP Operating margin	17%	-	19%
Non-GAAP diluted weighted-average shares o/s	205M	-	210M

FY2022 Guidance

	Fiscal 2022		
Total revenue	\$2,083M	-	\$2,089M
Subscription revenue	\$2,017M	-	\$2,023M
Billings	\$2,335M	-	\$2,347M
Non-GAAP Gross margin	81%	-	82%
Non-GAAP Operating margin	19%	-	21%
Provision for income taxes	\$3M	-	\$4M
Non-GAAP diluted weighted-average shares o/s	205M	-	210M

Appendix

GAAP to non-GAAP gross profit reconciliation

Gross Profit (in \$K)	Quarter Ended October 31,		Nine Months Ended October 31,	
	2021	2020	2021	2020
GAAP Gross Profit	429,488	285,092	1,191,388	759,671
Add: Stock-based Compensation in Cost of Revenue	15,365	11,782	40,902	30,010
Add: Amortization of Acquisition-related Intangibles in Cost of Revenue	2,766	3,376	9,266	7,856
Add: Employer Payroll Tax on Employee Stock Transactions in Cost of Revenue	1,800	1,676	6,695	4,450
> Non-GAAP Gross Profit	449,419	301,926	1,248,251	801,987
GAAP Gross Margin	79%	74%	78%	74%
Non-GAAP Gross Margin	82%	79%	82%	78%

Subscription Gross Profit (in \$K)	Quarter Ended October 31,		Nine Months Ended October 31,	
	2021	2020	2021	2020
GAAP Subscription Revenue	528,573	366,617	1,473,266	971,182
Less: GAAP Subscription Cost of Revenue	84,579	69,905	247,105	186,645
> GAAP Subscription Gross Profit	443,994	296,712	1,226,161	784,537
Add: Stock-based Compensation in Subscription Cost of Revenue	8,095	5,777	21,652	14,655
Add: Amortization of Acquisition-related Intangibles in Subscription Cost of Revenue	2,766	3,376	9,266	7,856
Add: Employer Payroll Tax on Employee Stock Transactions in Subscription Cost of Revenue	873	722	3,286	2,183
> Non-GAAP Subscription Gross Profit	455,728	306,587	1,260,365	809,231
GAAP Subscription Gross Margin	84%	81%	83%	81%
Non-GAAP Subscription Gross Margin	86%	84%	86%	83%

GAAP to non-GAAP operating gain / (loss) and free cash flow reconciliation

Adjusted Operating Gain / (Loss) (in \$K)	Quarter Ended October 31,		Nine Months Ended October 31,	
	2021	2020	2021	2020
GAAP Operating Loss	(3,358)	(48,470)	(36,706)	(148,958)
Add: Stock-based Compensation in Cost of Revenue	15,365	11,782	40,902	30,010
Add: Amortization of Intangibles in Cost of Revenue	2,766	3,376	9,266	7,856
Add: Employer Payroll Tax on Employee Stock Transactions in Cost of Revenue	1,800	1,676	6,695	4,450
Add: Stock-based Compensation in Operating Expenses	94,075	69,138	249,634	173,228
Add: Amortization of Intangibles in Operating Expenses	3,205	3,981	9,896	11,176
Add: Employer Payroll Tax on Employee Stock Transactions in Operating Expenses	8,304	7,283	31,277	20,316
Add: Acquisition-related Operating Expenses	-	336	387	7,962
Add: Impairment of Lease-related Assets	-	-	3,892	-
> Non-GAAP Operating Income	122,157	49,102	315,243	106,040
Operating Margin (GAAP)	(1%)	(13%)	(2%)	(15%)
Operating Margin (non-GAAP)	22%	13%	21%	10%

Free Cash Flow (in \$K)	Quarter Ended October 31,		Nine Months Ended October 31,	
	2021	2020	2021	2020
Net Cash Provided by Operating Activities	105,411	57,443	418,675	234,721
Less: Purchases of Property, Plant, and Equipment	(15,392)	(19,393)	(43,926)	(64,144)
> Free Cash Flow	90,019	38,050	374,749	170,577
Free Cash Flow Margin	17%	10%	25%	17%
Net Cash Provided by (Used in) Investing Activities	(52,808)	9,691	(157,685)	100,064
Net Cash Provided by (Used in) Financing Activities	(65,387)	(95,203)	(320,691)	(202,435)

GAAP to non-GAAP operating expenses reconciliation

Sales & Marketing (in \$K)	Quarter Ended October 31,		Nine Months Ended October 31,	
	2021	2020	2021	2020
GAAP Sales & Marketing	275,619	209,944	777,110	576,729
Less: Stock-based Compensation in Sales & Marketing	(49,663)	(36,881)	(134,720)	(93,851)
Less: Amortization of Acquisition-related Intangibles in Sales & Marketing	(3,205)	(3,981)	(9,896)	(11,176)
Less: Acquisition-related Expenses in Sales & Marketing	-	-	-	(186)
Less: Employer Payroll Tax on Employee Stock Transactions in Sales & Marketing	(5,184)	(4,125)	(17,668)	(10,992)
> Non-GAAP Sales & Marketing	217,567	164,957	614,826	460,524
Sales & Marketing as % of Revenue (GAAP)	51%	55%	51%	56%
Sales & Marketing as % of Revenue (non-GAAP)	40%	43%	40%	45%

Research & Development (in \$K)	Quarter Ended October 31,		Nine Months Ended October 31,	
	2021	2020	2021	2020
GAAP Research & Development	102,603	73,362	282,670	191,387
Less: Stock-based Compensation in Research & Development	(30,074)	(18,896)	(76,811)	(45,562)
Less: Employer Payroll Tax on Employee Stock Transactions in Research & Development	(2,316)	(1,752)	(9,244)	(5,317)
> Non-GAAP Research & Development	70,213	52,714	196,615	140,508
Research & Development as % of Revenue (GAAP)	19%	19%	19%	19%
Research & Development as % of Revenue (non-GAAP)	13%	14%	13%	14%

General & Administrative (in \$K)	Quarter Ended October 31,		Nine Months Ended October 31,	
	2021	2020	2021	2020
GAAP General & Administrative	54,624	50,256	168,314	140,513
Less: Stock-based Compensation in General & Administrative	(14,338)	(13,361)	(38,103)	(33,815)
Less: Acquisition-related Expenses in General & Administrative	-	(336)	(387)	(7,776)
Less: Employer Payroll Tax on Employee Stock Transactions in General & Administrative	(804)	(1,406)	(4,365)	(4,007)
Less: Impairment of Lease-related Assets	-	-	(3,892)	-
> Non-GAAP General & Administrative	39,482	35,153	121,567	94,915
General & Administrative as % of Revenue (GAAP)	9%	13%	10%	14%
General & Administrative as % of Revenue (non-GAAP)	7%	9%	8%	9%

Computation of billings

Computation of Billings (in \$K)	Quarter Ended October 31,		Nine Months Ended October 31,	
	2021	2020	2021	2020
Revenue	545,463	382,923	1,526,385	1,022,149
Add: Contract Liabilities and Refund Liability, End of Period	961,243	702,691	961,243	702,691
Less: Contract Liabilities and Refund Liability, Beginning of Period	(939,826)	(638,790)	(800,940)	(522,201)
Add: Contract Assets and Unbilled Accounts Receivable, Beginning of Period	18,067	20,395	21,020	15,082
Less: Contract Assets and Unbilled Accounts Receivable, End of Period	(19,708)	(26,808)	(19,708)	(26,808)
Add: Contract Assets and Unbilled Accounts Receivable by Acquisitions	-	-	-	6,589
Less: Contract Liabilities and Refund Liability Contributed by Acquisitions	-	-	-	(9,344)
Billings	565,239	440,411	1,688,000	1,188,158