Investor Presentation and Company Overview

Fourth Quarter Fiscal 2022

Forward Looking Statements and Non-GAAP Disclaimer

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Elastic Overview

Our Leadership Team

Ash Kulkarni
Chief Executive Officer

Janesh Moorjani
Chief Financial Officer &
Chief Operating Officer

Shay Banon
Founder &
Chief Technology Officer

Carolyn Herzog
Chief Legal Officer

Rick Laner
Chief Customer Officer

Sally Jenkins
Chief Marketing Officer

Leah Sutton
Senior VP
Global Human Resources

Michael Cremen
Chief Sales Officer

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Elastic at a Glance (NYSE: ESTC)

Founded 2012

>18,600

Subscription
Customers

$862M

Revenue

~$6B

Market
Capitalization[1]

35+

Countries with
Employees

2,900+

Employees

$10.7M

Adjusted Free
Cash Flow

44%

Revenue from
outside the U.S.

**Amsterdam,
Netherlands**

**Mountain View,
California**
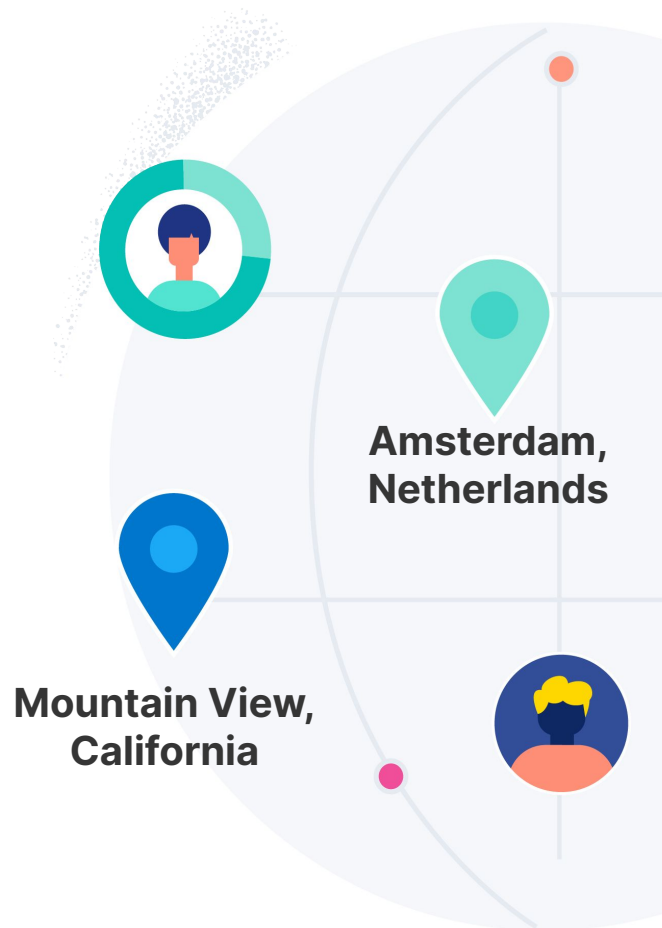
As of FY22
[1]As of June 1, 2022

Elastic Highlights: Search. Observe. Protect.

Large, Diverse User and Customer Base

Secular Tailwinds Driving Significant Opportunity
$78B TAM in 2021

Diverse Deployment Model - On-premise, hybrid, public cloud
35% of total revenue Cloud; 80% YoY growth
58% of total revenue Self-Managed; 25% YoY growth

High Recurring Revenue Model
Total Revenue: $862M; 42% YoY growth
Subscription Revenue: 93% of total; 41% YoY growth

Strong Customer Growth
>18,600 Subscription Customers; >960 customers with ACV >$100K; >115 customers with ACV >$1M

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

Strong Expansion Motion with Multiple Levers
Multiple expansion motions drive high Net Expansion Rate of ~130%

Experienced Team
Strong conviction to build a long-lasting company

As of FY22

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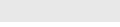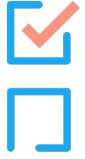
We are a search company.

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

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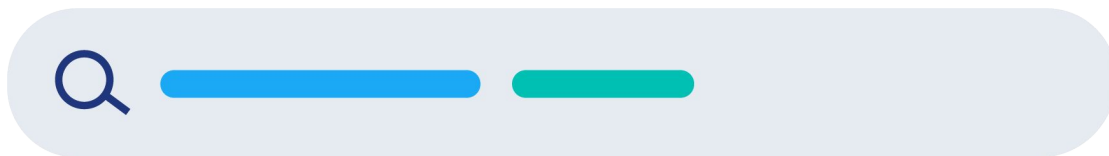
...but search is so much more
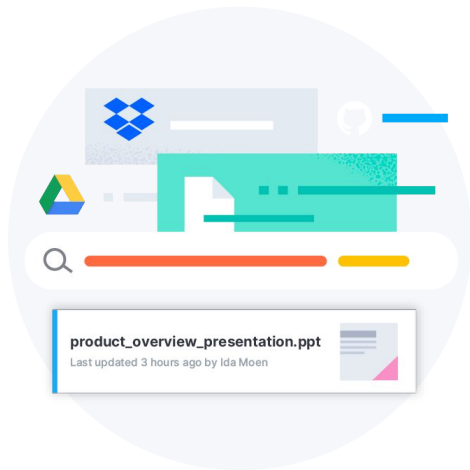
Search finds insights across your enterprise apps and content repositories to improve employee productivity and satisfaction

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

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our TAM

$78B

2021

$45B

2018

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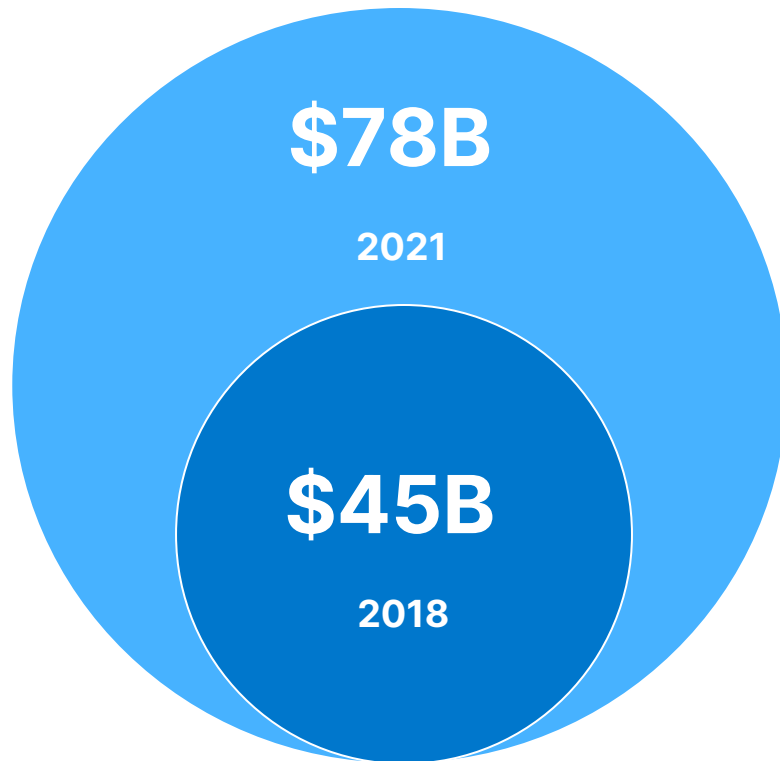
Customers across various industries, segments, and geographies

Technology	Finance	Telco	Consumer	Healthcare	Public Sector	Automotive/ Transportation	Retail/ Ecommerce
Adobe	BARCLAYS	orange	Uber	OPTUM	NCIS	AIRBUS	Walmart
CISCO	ZURICH	COX	General Mills Making Food People Love	MERCK	United States Census Bureau	Audi	Etsy
shopify	USAA	T Mobile	NETFLIX	UCLA Health	GSA	VOLVO	instacart
Microsoft	Citi	verizon	ACTIVISION BLIZZARD	MAYO CLINIC	JPL Jet Propulsion Laboratory	VW	Kroger
workday	ING	AT&T	lyft	Pfizer	U.S. AIR FORCE	CSX	Walgreens

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Elastic Solutions

power of solutions

- Solves specific business problems with ease of use

- Built into the Elastic Stack

- Single, unified experience across all solutions

Observability

Security

Enterprise Search

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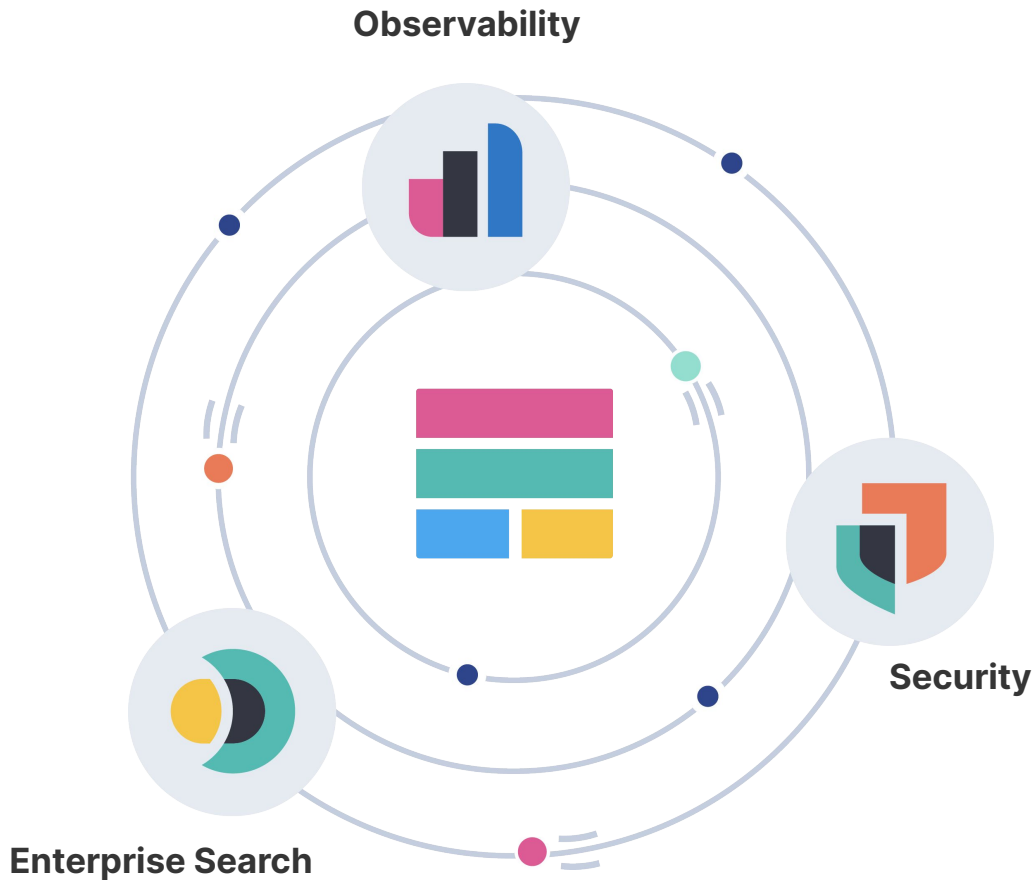
Enterprise Search

Search everything, anywhere.

Site Search
Workplace Search
Application Search
Ecommerce Search
Customer Support Search

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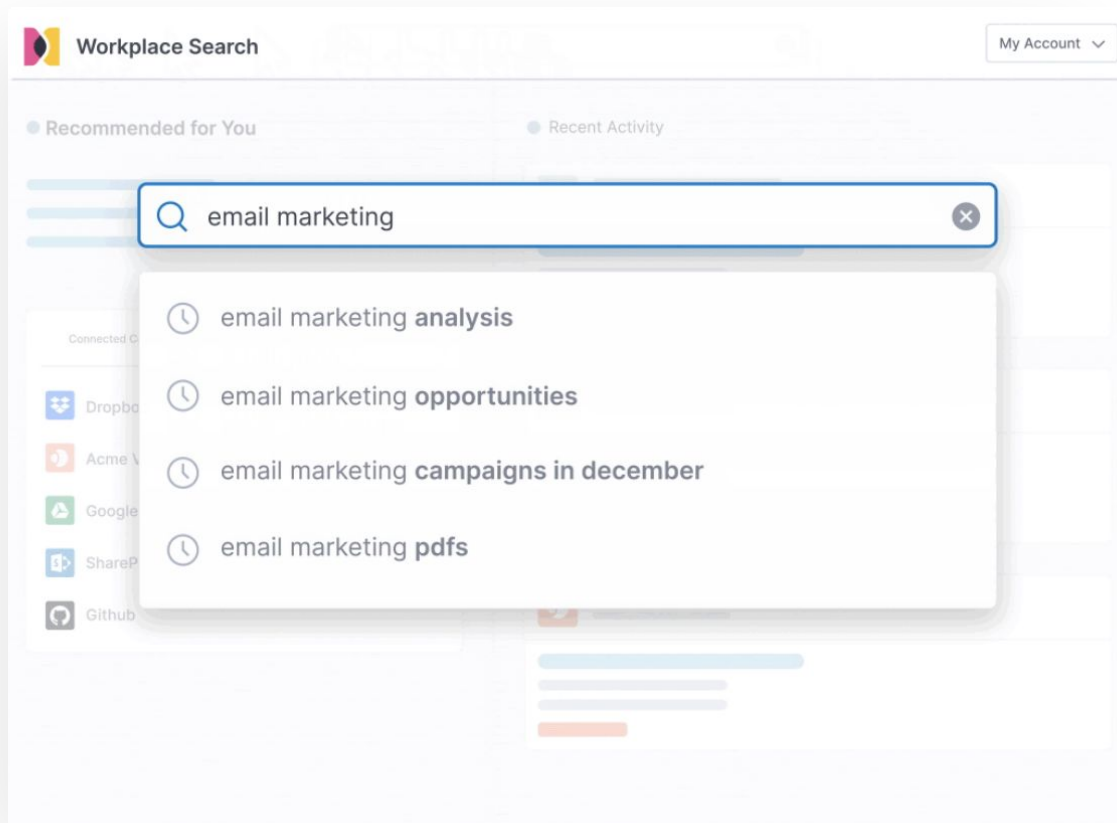
Every business today is an online business.

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
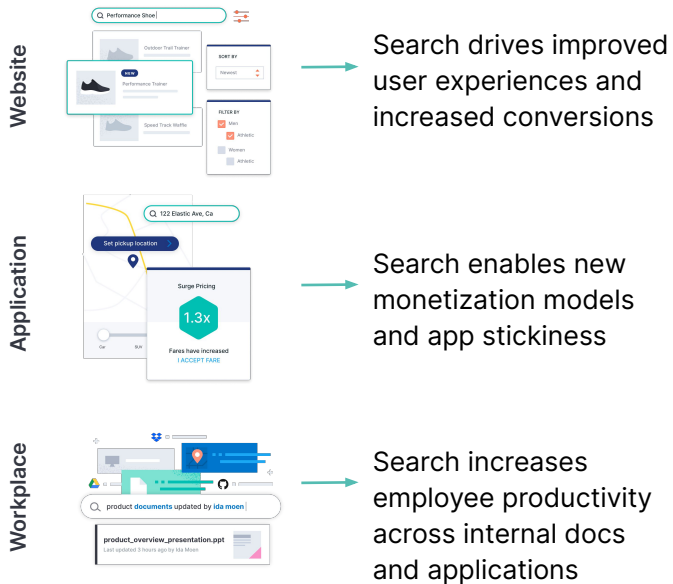
Customers want ...

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

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Observability

Unified observability for your entire digital ecosystem.

Logs
Metrics / Monitoring
APM / Tracing
Uptime / Synthetics

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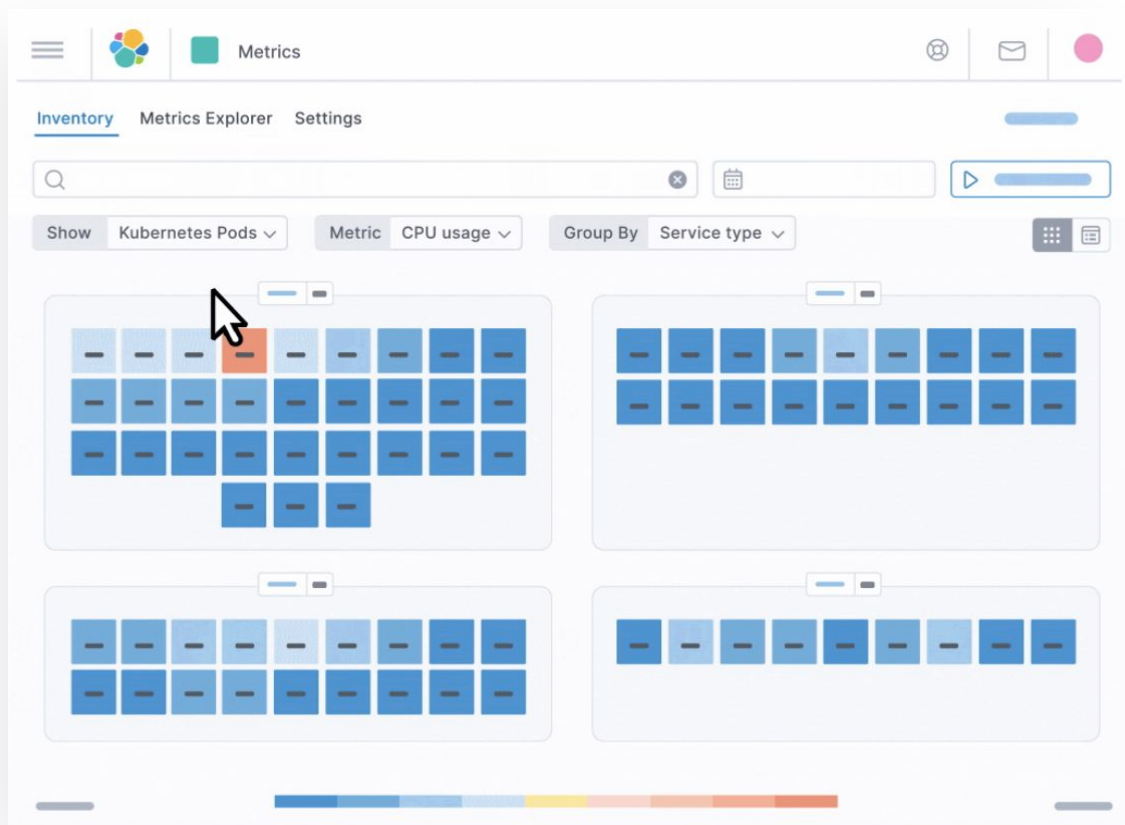
Managing systems is complex.
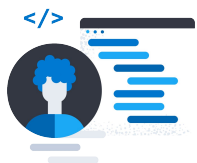
Search enables correlation of logs, metrics, and APM traces

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

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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

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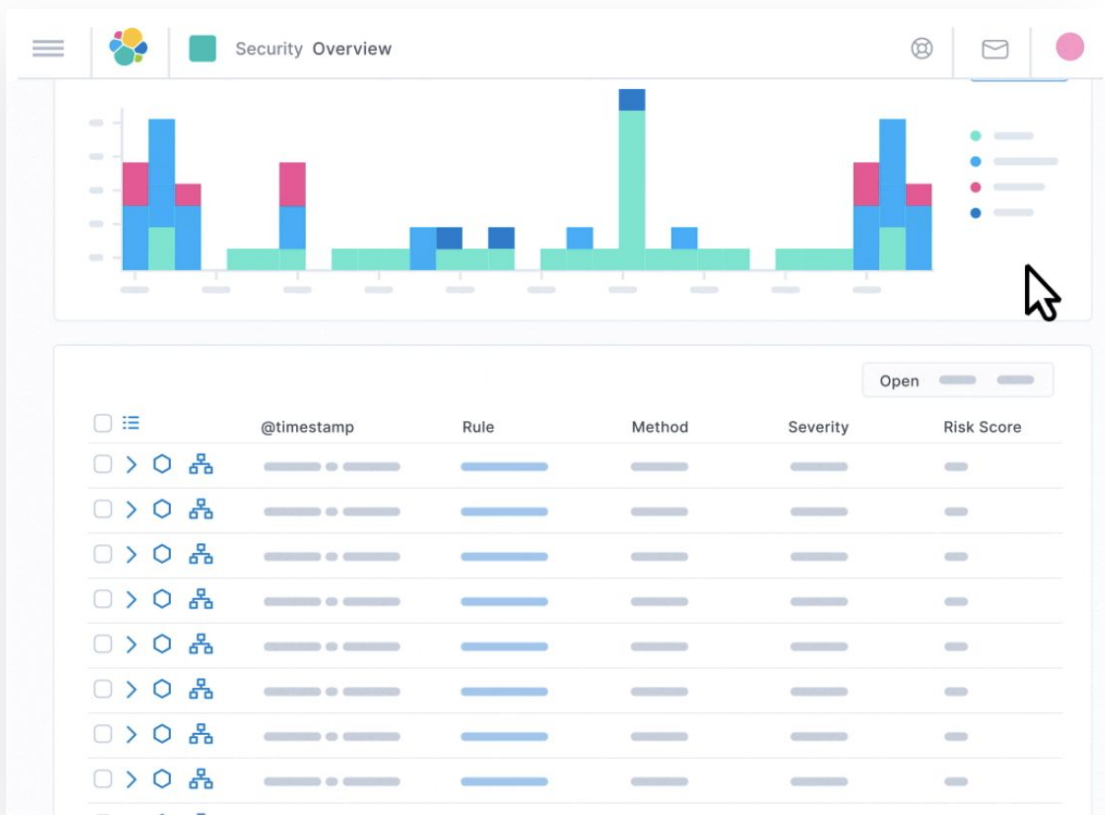
Stopping attack at scale is hard.

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 24×7 protection system that works on its own. With our Elastic powered security platform, we save millions of dollars.

Fortune 100 Retailer

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Technology Differentiation

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.

Q SEARCH IS TIMELESS

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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
@0xtf
Really awesome work in the UI for @elasti 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.

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power of a single stack

- Organizations get leverage across multiple use cases and teams

- A unified foundation for solutions

- Accelerates feature velocity

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power of open

7.10 and Earlier

BINARY DISTRIBUTION
Elastic License

SOURCE CODE

Gold+
(opt in)

Source Code:
Elastic License

Free / Basic

Source Code:
Elastic License

Free

Source Code:
Apache 2.0

7.11

BINARY DISTRIBUTION
Elastic License

SOURCE CODE
Elastic License

Gold+
(opt in)

Free / Basic

Free

Source code also
available under SSPL

7.12 and Later

BINARY DISTRIBUTION
Elastic License

SOURCE CODE
Elastic License

Gold+
(opt in)

Free

Source code also
available under SSPL

- 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)

- 52 cloud regions; 4x from FY19

- Support for cloud and on-premises deployments with ECE an ECK

aws

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Business Model

Large Market Opportunity with Many Growth Levers

Large Total Addressable Market

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

Robust growth in Elastic Cloud

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

Solutions driving expansion with significant growth opportunity

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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

Technology Differentiation

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

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

Massive Adoption

- Basic tier drives massive adoption of proprietary, free features

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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

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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
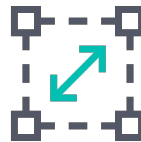
More Solutions

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

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Growth Drivers for Elastic Cloud

Customer Preference

Differentiated Solutions

Rich Proprietary Features

Partnerships

Expanding Investments, Locations

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Investing in Global Cloud Regions Coverage

Now available in **52** regions across AWS, GCP, and Azure

Driving Growth Through Major Cloud Marketplaces

power of
the customer

power of single pricing

Resource-based Pricing | Pay for the data you use

Elastic Enterprise Search	Elastic Observability	Elastic Security
Site Search No query-based pricing	**APM** No agent/user-based pricing	**SIEM** No user/ingest-based pricing
App Search No docs-based pricing	**Logs** No ingest-based pricing	**Endpoint Security** No endpoint-based pricing
Workplace Search No user-based pricing	**Metrics** No host-based pricing	

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Developer to CXO Motion

Developer & Practitioners

- Initial use case or project
- Champions Elastic across their team and department

Line of Business (LOB)

- Multiple use cases or projects
- Adoption of Elastic across a single line of business or BU
- Champions Elastic to other LOB leaders and executives

Executive and CXOs

- Adoption of Elastic across multiple lines of business or BUs
- Enterprise-wide adoption, Center of Excellence
- Executive/CXO endorsement

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Customer Journey

High Volume, Frictionless
User Engagement

Warm Touch, Value-Focused
Customer Engagement

ENGAGE & ADOPT

ONBOARD & EXPAND

- Meetups
- Website
- ElasticON
- Documentation
- Forums

- Training
- Cloud Trials (SaaS)
- Download
- Basic Feature Usage
- Trial to Paid Features

- Sales Development
- Field Sales
- Solution Architects
- Inside Sales

- Support
- Training
- Customer Success
- Renewals

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Globally Distributed Sales Coverage

44%

of revenue
from outside
the U.S.

As of FY22

Enterprise   Commercial   Public Sector

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Rapid customer growth and increasing strategic commitments

Total Customers

>18,600

>15,000

FY21   FY22

Customers with ACV > $100K

>960

>730

FY21   FY22

Customers with ACV > $1M

>115

>75

FY21   FY22

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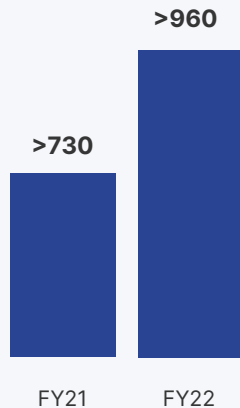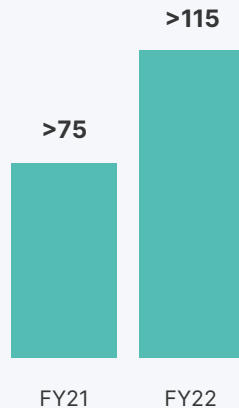
Solutions Driving Expansion with Significant Growth Opportunity

>$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.

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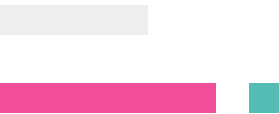
Why We Win

Search = Value

....

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

Technology = Versatility

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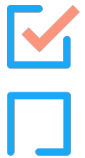
A single technology that is versatile enables customers to have economies of scale across multiple projects, teams, and use cases.

Pricing = Transparency

....

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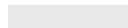
elastic

Financial Overview
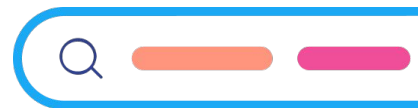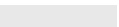
High Recurring Revenue Model with Robust Elastic Cloud Growth

58%
Self-managed

25% Y/Y

93%
Subscription revenue mix

41% Y/Y

35%
Elastic Cloud

80% Y/Y
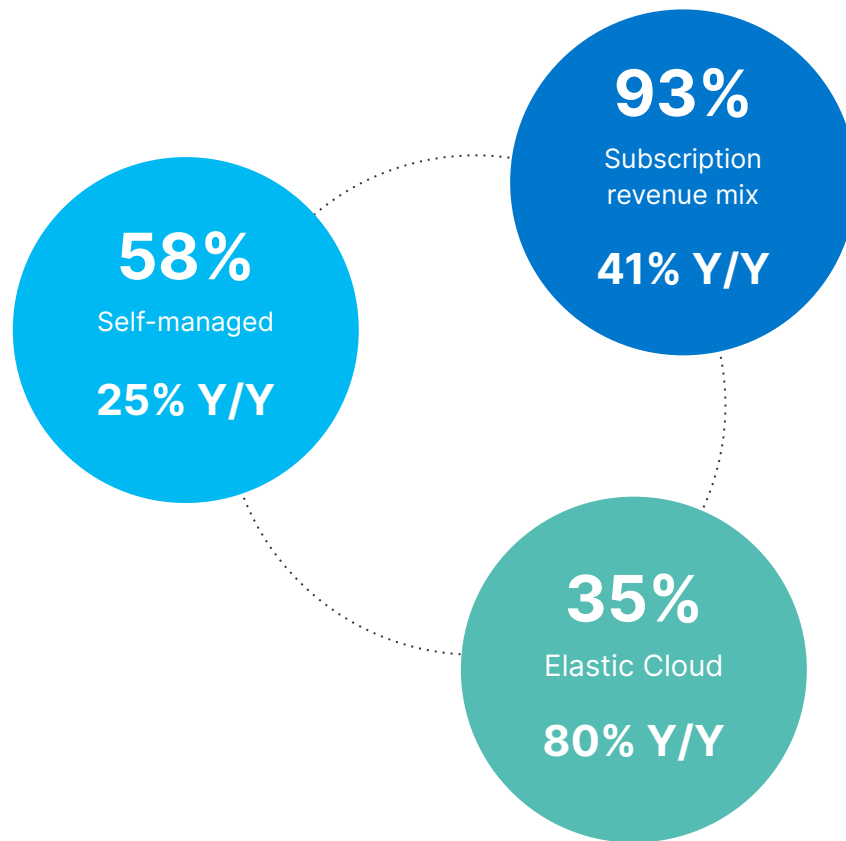
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Operating Leverage Inherent in Model Visible As We Scale

Total Revenue

$862M

$608M

$428M

$272M

FY19   FY20   FY21   FY22

Non-GAAP Operating Margin %

FY19	FY20	FY21	FY22
-21%	-18%	-1%	0%
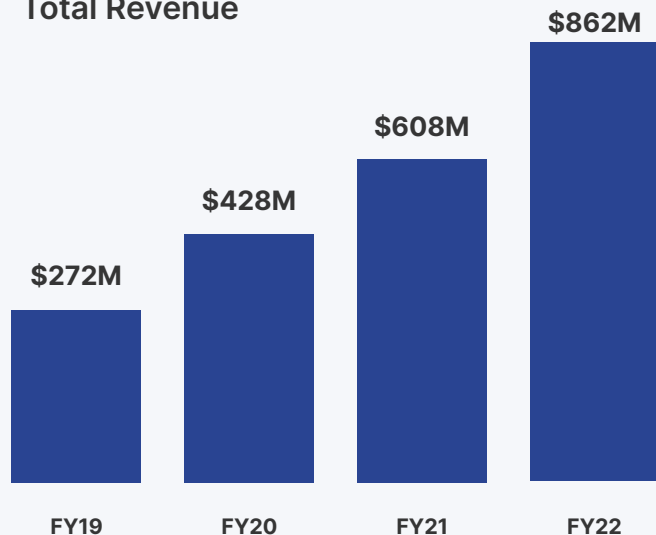
elastic

Continued Expansion in Gross Profit As We Scale

Non-GAAP Gross Profit and Margin %

$469 $657   FY21   FY22   77%   76%   FY21   FY22
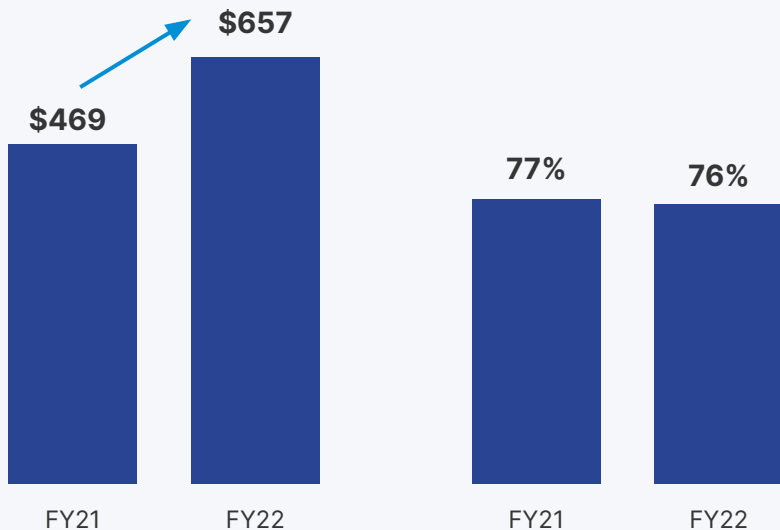
Elastic Cloud is dilutive to gross margin % but accretive to gross profit dollars.

Anticipate modest continued headwind to Non-GAAP Gross Margin as Elastic Cloud mix increases.

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Investing in Proprietary Innovation Increases Competitive Advantage

Non-GAAP R&D Expense and % of Revenue

$160 (FY21)
$204 (FY22)
26% (FY21)
24% (FY22)
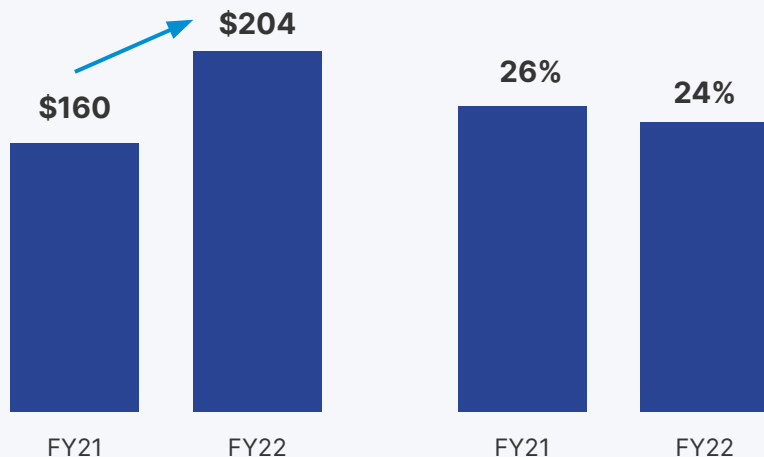
High velocity of releases with mainly proprietary features drives competitive advantage

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

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Rapidly Scaling Efficient Go-to-Market Model

Non-GAAP S&M Expense and Margin %

FY21: $231
FY22: $351
FY21: 38%
FY22: 41%
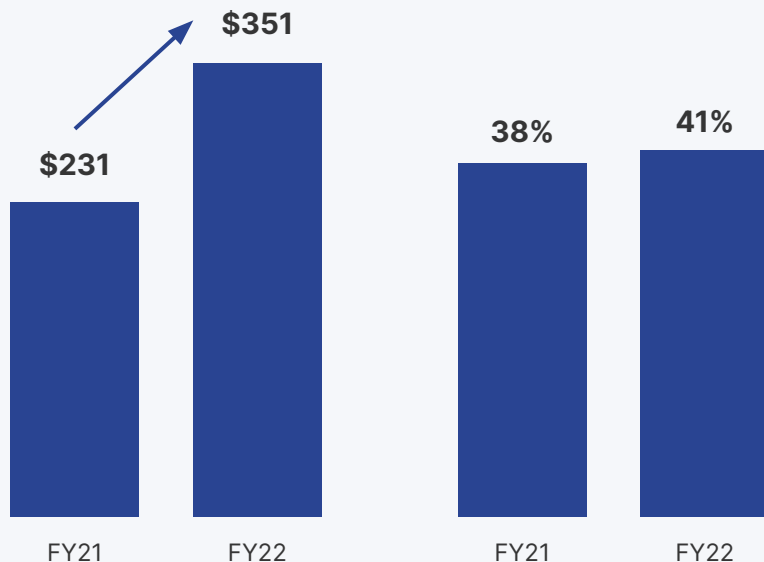
Efficient distribution model drives efficiency in go-to-market motions with strong productivity

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

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Strong Track Record of Driving Growth

Total Revenue
$ millions

	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21	Q1-22	Q2-22	Q3-22	Q4-22
Total	$124	$129	$145	$157	$178	$193	$206	$224	$239
Services	$10	$8	$11	$10	$13	$16	$16	$14	$18
Subscription	$114	$121	$134	$147	$165	$177	$190	$210	$222
Y/Y Growth %	53%	44%	43%	39%	44%	50%	42%	43%	35%

■ Services ■ Subscription
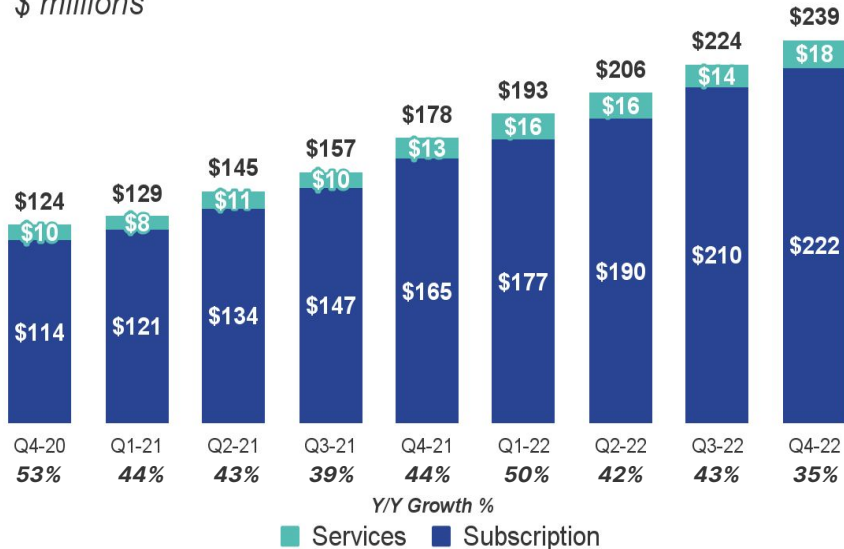
Deferred Revenue
$ millions

	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21	Q1-22	Q2-22	Q3-22	Q4-22
	$260	$278	$309	$334	$398	$364	$390	$396	$465
Y/Y Growth %	52%	63%	54%	59%	53%	31%	26%	18%	17%
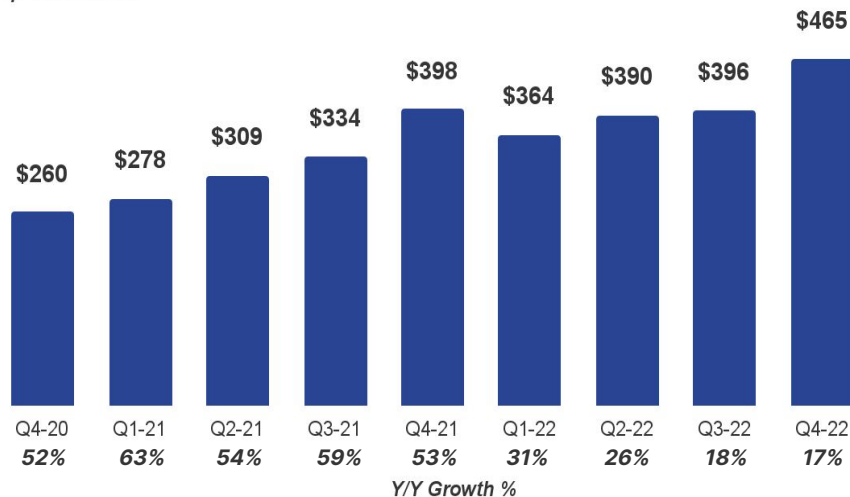
Sums may not add to totals due to rounding.

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Revenue Highlights

$ millions	Q4 FY22	Y/Y	Y/Y CC	FY22	Y/Y	Y/Y CC
Total Revenue	$239.4	35%	37%	$862.4	42%	41%
Total Subscription Revenue	$221.7	35%	37%	$798.8	41%	40%
Elastic Cloud Revenue	$87.7	71%	72%	$298.6	80%	79%
Subscription % of Total Revenue	93%			93%		
Professional Services Revenue	$17.6	35%	37%	$63.6	55%	54%

CC = Constant Currency

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Strong Customer Metrics

Q4 FY22 CUSTOMER METRICS	
Total Subscription Customers	> 18,600
Subscription Customers with ACV > $100,000	> 960
Subscription Customers with ACV >$1M	>115
Net Expansion Rate	Flat from Q3FY22 and just under 130%
Net Expansion Rate for Elastic Cloud	> 140%

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$10K ACV Customer Trend
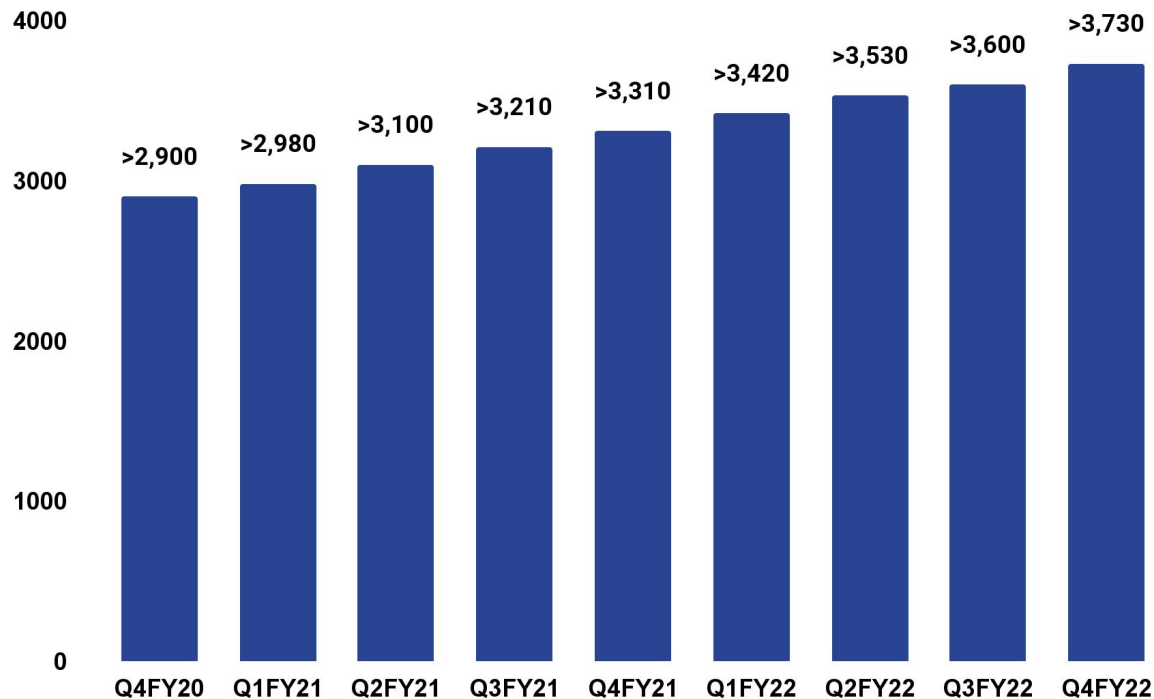
Change from Prior Quarter								
	80	120	110	100	110	110	70	130

Chart data:
- Q4FY20: >2,900
- Q1FY21: >2,980
- Q2FY21: >3,100
- Q3FY21: >3,210
- Q4FY21: >3,310
- Q1FY22: >3,420
- Q2FY22: >3,530
- Q3FY22: >3,600
- Q4FY22: >3,730

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Non-GAAP Income Statement Highlights

$ millions, except per share amounts	Q4 FY22	% OF REVENUE	FY22	% OF REVENUE
Total Revenue	$239.4	100%	$862.4	100%
Gross Profit/Margin	$179.2	75%	$656.9	76%
Research & Development Expense	$57.9	24%	$204.4	24%
Sales & Marketing Expense	$102.0	43%	$351.3	41%
General & Administrative Expense	$27.2	11%	$100.3	12%
Operating Income/Margin	-$7.9	-3%	$0.9	0%
Earnings per share	-$0.16		-$0.33	

See appendix for reconciliation to GAAP

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Select Financial Measures

$ millions, except employees	Q4 FY22
Adjusted Free Cash Flow	-$5.3
Cash & Cash Equivalents	$860.9
Total Deferred Revenue	$465.3
Remaining Performance Obligations	$932.3
Employees	2,978

See appendix for reconciliation to GAAP

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Long-Term Framework

- $2 billion in total revenue in FY25

- Elastic Cloud to exceed 50% of total revenue by Q4 of FY24

- Several percentage points of non-GAAP operating margin expansion in each of FY24 and FY25

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FY23 Framework

- Focused on durable, long-term growth
  - Meet previously stated goal of FY23 Revenue of $1B +
- Cloud as a strong revenue growth driver
- Disciplined investments across functions to drive long-term growth
- Full year non-GAAP operating margin break-even, despite gross margin headwind from Cloud, and return of travel
  - Anticipate Q1 will be low point
- Full year adjusted free cash flow: slightly positive

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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: 7 of 9 directors are independent, the board has a independent chairman and vice chairman, all members of our board committees are independent
- Diversity: 33% 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 that are reviewed regularly and mandatory employee training: Strong policies such as "Corporate Governance Guidelines", "Code of Business Conduct and Ethics", "International Trade Policy" and "Whistleblowing Policy" and mandatory ethics and compliance trainings for all employees
- Board and committees may hire outside advisors indepently of management

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Building a Culture of Success

Appendix

GAAP to Non-GAAP Reconciliations

Gross Profit and Gross Margin

$ in millions except percentages	Q4 FY22	FY22
GAAP gross profit	$172.0	$630.2
(+) Stock based compensation	4.0	14.8
(+) Amortization of acquired intangibles	2.9	10.5
(+) Employer payroll taxes on employee stock transactions	0.3	1.4
Non-GAAP gross profit	$179.2	$656.9
GAAP subscription gross margin %	77.1 %	77.7 %
(+) Stock based compensation	0.9 %	1.0 %
(+) Amortization of acquired intangibles	1.3 %	1.3 %
(+) Employer payroll taxes on employee stock transactions	0.1 %	0.1 %
Non-GAAP subscription gross margin %	79.4 %	80.1 %
GAAP professional services gross margin %	6.5 %	15.1 %
(+) Stock based compensation	10.6 %	10.2 %
(+) Employer payroll taxes on employee stock transactions	0.7 %	1.1 %
Non-GAAP professional services gross margin %	17.8 %	26.4 %
GAAP gross margin %	71.9 %	73.1 %
(+) Stock based compensation	1.7 %	1.7 %
(+) Amortization of acquired intangibles	1.2 %	1.2 %
(+) Employer payroll taxes on employee stock transactions	0.1 %	0.2 %
Non-GAAP gross margin %	74.9 %	76.2 %

Sums may not add to totals due to rounding

GAAP to Non-GAAP Reconciliations

Operating Expenses

$ in millions except percentages	Q4 FY21	Q4 FY22	Q4 FY22 % Revenue		FY21	FY22	FY22 % Revenue
GAAP sales & marketing expenses	$82.2	$118.6	49.6 %		$273.9	$406.7	47.2 %
(-) Stock based compensation	(9.1)	(15.0)	(6.3)%		(31.6)	(45.8)	(5.3)%
(-) Amortization of acquired intangibles	(1.4)	(1.2)	(0.5)%		(5.7)	(5.3)	(0.6)%
(-) Acquisition-related expenses	0.0	0.0	- %		0.0	0.0	0.0 %
(-) Employer payroll taxes on employee stock transactions	(1.9)	(0.4)	(0.2)%		(5.4)	(4.3)	(0.5)%
Non-GAAP sales & marketing expenses	$69.8	$102.0	42.6 %		$231.2	$351.3	40.7 %
Y/Y		46.2 %				52.0 %	
GAAP research & development expenses	$55.4	$78.9	32.9 %		$199.2	$273.8	31.7 %
(-) Stock based compensation	(11.0)	(18.1)	(7.6)%		(35.3)	(59.9)	(6.9)%
(-) Acquisition-related expenses	0.0	(2.4)	(1.0)%		0.0	(6.1)	(0.7)%
(-) Employer payroll taxes on employee stock transactions	(1.0)	(0.4)	(0.2)%		(3.7)	(3.3)	(0.4)%
Non-GAAP research & development expenses	$43.5	$57.9	24.2 %		$160.3	$204.4	23.7 %
Y/Y		33.1 %				27.6 %	
GAAP general & administrative expenses	$31.3	$34.1	14.3 %		$103.8	$123.4	14.3 %
(-) Stock based compensation	(4.8)	(6.5)	(2.7)%		(14.9)	(20.7)	(2.4)%
(-) Acquisition-related expenses	0.0	(0.2)	(0.1)%		0.0	(1.5)	(0.2)%
(-) Employer payroll taxes on employee stock transactions	(0.6)	(0.2)	(0.1)%		(4.0)	(1.0)	(0.1)%
Non-GAAP general & administrative expenses	$25.9	$27.2	11.4 %		$85.0	$100.3	11.6 %
Y/Y		5.2 %				18.1 %	

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	Q4 FY21	Q4 FY22	FY22
GAAP operating loss	$(37.1)	$(59.6)	$(173.7)
(+) Stock based compensation	28.4	43.6	141.2
(+) Amortization of acquired intangibles	3.5	4.1	15.8
(+) Acquisition-related expenses	0.0	2.6	7.6
(+) Employer payroll taxes on employee stock transactions	3.9	1.3	10.0
Non-GAAP operating (loss) income	$(1.2)	$(7.9)	$0.9
GAAP operating margin %	(20.9)%	(24.9)%	(20.1)%
(+) Stock based compensation	16.0 %	18.2 %	16.4 %
(+) Amortization of acquired intangibles	2.0 %	1.7 %	1.8 %
(+) Acquisition-related expenses	- %	1.1 %	0.9 %
(+) Employer payroll taxes on employee stock transactions	2.2 %	0.6 %	1.2 %
Non-GAAP operating margin %	(0.7)%	(3.3)%	0.1 %
GAAP net loss per share	$(0.48)	$(0.70)	$(2.20)
(+) Stock based compensation	0.32	0.47	1.53
(+) Amortization of acquired intangibles	0.04	0.04	0.17
(+) Acquisition-related expenses	0.00	0.03	0.08
(+) Employer payroll taxes on employee stock transactions	0.04	0.01	0.11
(-) Tax adjustment	(0.00)	(0.01)	(0.02)
Non-GAAP loss per share	$(0.08)	$(0.16)	$(0.33)

Sums may not add to totals due to rounding

GAAP to Non-GAAP Reconciliations

Adjusted Free Cash Flow

$ in millions	Q4 FY21	Q4 FY22		FY21	FY22
Net cash provided by (used in) operating activities	$(1.6)	$(3.1)		$22.5	$5.7
Less: Purchase of property and equipment	(1.2)	(1.5)		(4.0)	(2.5)
Less: Capitalization of internal-use software	(0.3)	(0.7)		(0.3)	(5.0)
Add: Interest paid on long-term debt	0.0	0.0		0.0	12.5
Adjusted free cash flow	$(3.1)	$(5.3)		$18.2	$10.7
Adjusted free cash flow margin*	(2)%	(2)%		3 %	1 %

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

Remaining Performance Obligations (RPO) Historical Trend

$ millions	Q4 FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22
Remaining Performance Obligations (RPO)	$796.4	$776.0	$831.6	$860.6	$932.3

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 annualized spend from all such customers as of twelve months prior to that month end, or Prior Period Value. A customer's annualized spend is measured as their ACV, or in the case of customers charged on usage-based arrangements, by annualizing the usage for that month. We then calculate the annualized spend from these same customers as of the given month end, or Current Period Value, which includes any growth in the value of their subscriptions or usage 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. The Net Expansion Rate includes the dollar-weighted value of our subscriptions or usage that expand,renew, contract, or attrit.

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