

ServiceNow, Inc.
Condensed Consolidated Statements of Operations
(in thousands, except per share data)
(unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Revenues:				
Subscription	\$ 1,015,528	\$ 780,989	\$ 2,010,230	\$ 1,520,975
Professional services and other	55,314	52,915	106,952	101,855
Total revenues	<u>1,070,842</u>	<u>833,904</u>	<u>2,117,182</u>	<u>1,622,830</u>
Cost of revenues ⁽¹⁾ :				
Subscription	171,934	135,479	331,655	262,068
Professional services and other	61,005	62,668	124,650	122,331
Total cost of revenues	<u>232,939</u>	<u>198,147</u>	<u>456,305</u>	<u>384,399</u>
Gross profit	<u>837,903</u>	<u>635,757</u>	<u>1,660,877</u>	<u>1,238,431</u>
Operating expenses ⁽¹⁾ :				
Sales and marketing	426,519	393,895	867,753	755,304
Research and development	245,081	183,420	471,738	355,942
General and administrative	104,037	85,442	209,785	169,898
Total operating expenses	<u>775,637</u>	<u>662,757</u>	<u>1,549,276</u>	<u>1,281,144</u>
Income (loss) from operations	62,266	(27,000)	111,601	(42,713)
Interest expense	(8,488)	(8,269)	(17,058)	(16,437)
Interest income and other income, net	8,252	18,954	15,849	31,379
Income (loss) before income taxes	62,030	(16,315)	110,392	(27,771)
Provision for (benefit from) income taxes	21,264	(5,236)	21,395	(15,147)
Net income (loss)	<u>\$ 40,766</u>	<u>\$ (11,079)</u>	<u>\$ 88,997</u>	<u>\$ (12,624)</u>
Net income (loss) per share - basic	<u>\$ 0.21</u>	<u>\$ (0.06)</u>	<u>\$ 0.47</u>	<u>\$ (0.07)</u>
Net income (loss) per share - diluted	<u>\$ 0.20</u>	<u>\$ (0.06)</u>	<u>\$ 0.44</u>	<u>\$ (0.07)</u>
Weighted-average shares used to compute net income (loss) per share - basic	<u>191,319</u>	<u>186,678</u>	<u>190,731</u>	<u>184,419</u>
Weighted-average shares used to compute net income (loss) per share - diluted	<u>201,453</u>	<u>186,678</u>	<u>200,843</u>	<u>184,419</u>

(1) Includes stock-based compensation as follows:

	Three Months Ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Cost of revenues:				
Subscription	\$ 24,960	\$ 19,117	\$ 46,484	\$ 35,139
Professional services and other	12,791	10,951	24,803	20,882
Operating expenses:				
Sales and marketing	78,967	69,229	149,127	131,359
Research and development	70,163	50,041	129,066	93,623
General and administrative	29,959	22,422	55,645	48,207

ServiceNow, Inc.
Condensed Consolidated Balance Sheets
(in thousands)
(unaudited)

	June 30, 2020	December 31, 2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 837,309	\$ 775,778
Short-term investments	1,505,362	915,317
Accounts receivable, net	631,992	835,279
Current portion of deferred commissions	191,877	175,039
Prepaid expenses and other current assets	170,582	125,488
Total current assets	3,337,122	2,826,901
Deferred commissions, less current portion	355,684	333,448
Long-term investments	776,807	1,013,332
Property and equipment, net	547,253	468,085
Operating lease right-of-use assets	463,220	402,428
Intangible assets, net	163,857	143,850
Goodwill	211,416	156,756
Deferred tax assets	594,155	599,633
Other assets	71,795	77,997
Total assets	\$ 6,521,309	\$ 6,022,430
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 85,757	\$ 52,960
Accrued expenses and other current liabilities	446,653	461,403
Current portion of deferred revenue	2,250,719	2,185,754
Current portion of operating lease liabilities	65,742	52,668
Total current liabilities	2,848,871	2,752,785
Deferred revenue, less current portion	31,399	40,038
Operating lease liabilities, less current portion	436,499	383,221
Convertible senior notes, net	696,123	694,981
Other long-term liabilities	29,611	23,464
Stockholders' equity	2,478,806	2,127,941
Total liabilities and stockholders' equity	\$ 6,521,309	\$ 6,022,430

ServiceNow, Inc.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Cash flows from operating activities:				
Net income (loss)	\$ 40,766	\$ (11,079)	\$ 88,997	\$ (12,624)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation and amortization	82,390	60,328	158,628	115,777
Amortization of deferred commissions	51,734	39,974	101,215	79,531
Amortization of debt discount and issuance costs	8,488	8,269	17,058	16,437
Stock-based compensation	216,840	171,760	405,125	329,210
Deferred income taxes	(1,650)	(1,593)	(3,177)	(3,073)
Repayments of convertible senior notes attributable to debt discount	(1,693)	—	(1,975)	—
Unrealized gains on non-marketable equity securities	(2,007)	(2,932)	(1,944)	(2,932)
Other	(906)	(1,115)	1,302	(391)
Changes in operating assets and liabilities, net of effect of business combinations:				
Accounts receivable	(8,774)	(79,751)	200,015	71,354
Deferred commissions	(73,184)	(50,595)	(143,981)	(97,194)
Prepaid expenses and other assets	(12,038)	5,176	(32,429)	(28,483)
Accounts payable	16,645	18,531	37,324	25,093
Deferred revenue	9,401	38,820	69,248	100,190
Accrued expenses and other liabilities	42,042	47,942	(35,784)	11,688
Net cash provided by operating activities	<u>368,054</u>	<u>243,735</u>	<u>859,622</u>	<u>604,583</u>
Cash flows from investing activities:				
Purchases of property and equipment	(110,464)	(49,896)	(193,671)	(97,020)
Business combinations, net of cash acquired	—	—	(82,948)	—
Purchases of intangibles	(6,500)	(36,160)	(6,500)	(36,160)
Purchases of investments	(579,919)	(361,859)	(1,107,738)	(800,641)
Sales and maturities of investments	452,824	245,433	765,384	508,318
Realized gains (losses) on derivatives not designated as hedging instruments, net	984	(35)	(2,636)	22,113
Net cash used in investing activities	<u>(243,075)</u>	<u>(202,517)</u>	<u>(628,109)</u>	<u>(403,390)</u>
Cash flows from financing activities:				
Repayments of convertible senior notes attributable to principal	(13,502)	—	(15,738)	—
Proceeds from employee stock plans	24,148	10,207	91,056	63,300
Taxes paid related to net share settlement of equity awards	(112,857)	(108,126)	(238,557)	(247,619)
Net cash used in financing activities	<u>(102,211)</u>	<u>(97,919)</u>	<u>(163,239)</u>	<u>(184,319)</u>
Foreign currency effect on cash, cash equivalents and restricted cash	5,787	207	(4,862)	1,286
Net increase (decrease) in cash, cash equivalents and restricted cash	28,555	(56,494)	63,412	18,160
Cash, cash equivalents and restricted cash at beginning of period	812,848	643,192	777,991	568,538
Cash, cash equivalents and restricted cash at end of period	<u>\$ 841,403</u>	<u>\$ 586,698</u>	<u>\$ 841,403</u>	<u>\$ 586,698</u>

ServiceNow, Inc.
GAAP to Non-GAAP Reconciliation
(in thousands, except per share data)
(unaudited)

	<u>Three Months Ended</u>		Growth Rates	<u>Six Months Ended</u>		Growth Rates
	<u>June 30, 2020</u>	<u>June 30, 2019</u>		<u>June 30, 2020</u>	<u>June 30, 2019</u>	
Subscription revenues:						
GAAP subscription revenues	\$ 1,015,528	\$ 780,989	30%	\$ 2,010,230	\$ 1,520,975	32%
Effects of foreign currency rate fluctuations	<u>11,531</u>			<u>23,106</u>		
Non-GAAP adjusted subscription revenues ⁽¹⁾	<u>\$ 1,027,059</u>		32%	<u>\$ 2,033,336</u>		34%
Subscription billings:						
GAAP subscription revenues	\$ 1,015,528	\$ 780,989	30%	\$ 2,010,230	\$ 1,520,975	32%
Change in subscription deferred revenue, unbilled receivables and customer deposits	<u>2,704</u>	<u>35,915</u>		<u>63,061</u>	<u>105,526</u>	
Non-GAAP subscription billings	1,018,232	816,904	25%	2,073,291	1,626,501	27%
Effects of foreign currency rate fluctuations	<u>12,121</u>			<u>23,904</u>		
Effects of fluctuations in billings duration	<u>2,774</u>			<u>899</u>		
Non-GAAP adjusted subscription billings ⁽²⁾	<u>\$ 1,033,127</u>		26%	<u>\$ 2,098,094</u>		29%
Professional services and other revenues:						
GAAP professional services and other revenues	\$ 55,314	\$ 52,915	5%	\$ 106,952	\$ 101,855	5%
Effects of foreign currency rate fluctuations	<u>720</u>			<u>1,639</u>		
Non-GAAP adjusted professional service and other revenues ⁽¹⁾	<u>\$ 56,034</u>		6%	<u>\$ 108,591</u>		7%
Professional services and other billings:						
GAAP professional services and other revenues	\$ 55,314	\$ 52,915	5%	\$ 106,952	\$ 101,855	5%
Change in professional services and other deferred revenue	<u>5,670</u>	<u>1,196</u>		<u>2,163</u>	<u>190</u>	
Non-GAAP professional services and other billings	60,984	54,111	13%	109,115	102,045	7%
Effects of foreign currency rate fluctuations	<u>720</u>			<u>1,639</u>		
Non-GAAP adjusted professional services and other billings ⁽²⁾	<u>\$ 61,704</u>		14%	<u>\$ 110,754</u>		9%
Total revenues:						
GAAP total revenues	\$ 1,070,842	\$ 833,904	28%	\$ 2,117,182	\$ 1,622,830	30%
Effects of foreign currency rate fluctuations	<u>12,251</u>			<u>24,745</u>		
Non-GAAP adjusted total revenues ⁽¹⁾	<u>\$ 1,083,093</u>		30%	<u>\$ 2,141,927</u>		32%
Total billings:						
GAAP total revenues	\$ 1,070,842	\$ 833,904	28%	\$ 2,117,182	\$ 1,622,830	30%
Change in total deferred revenue, unbilled receivables and customer deposits	<u>8,374</u>	<u>37,111</u>		<u>65,224</u>	<u>105,716</u>	
Non-GAAP total billings	1,079,216	871,015	24%	2,182,406	1,728,546	26%
Effects of foreign currency rate fluctuations	<u>12,841</u>			<u>25,543</u>		
Effects of fluctuations in billings duration	<u>2,774</u>			<u>899</u>		
Non-GAAP adjusted total billings ⁽²⁾	<u>\$ 1,094,831</u>		26%	<u>\$ 2,208,848</u>		28%

	Three Months Ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Cost of revenues:				
GAAP subscription cost of revenues	\$ 171,934	\$ 135,479	\$ 331,655	\$ 262,068
Stock-based compensation	(24,960)	(19,117)	(46,484)	(35,139)
Amortization of purchased intangibles	(11,998)	(5,614)	(18,854)	(10,314)
Non-GAAP subscription cost of revenues	<u>\$ 134,976</u>	<u>\$ 110,748</u>	<u>\$ 266,317</u>	<u>\$ 216,615</u>
GAAP professional services and other cost of revenues	\$ 61,005	\$ 62,668	\$ 124,650	\$ 122,331
Stock-based compensation	(12,791)	(10,951)	(24,803)	(20,882)
Non-GAAP professional services and other cost of revenues	<u>\$ 48,214</u>	<u>\$ 51,717</u>	<u>\$ 99,847</u>	<u>\$ 101,449</u>
Gross profit (loss):				
GAAP subscription gross profit	\$ 843,594	\$ 645,510	\$ 1,678,575	\$ 1,258,907
Stock-based compensation	24,960	19,117	46,484	35,139
Amortization of purchased intangibles	11,998	5,614	18,854	10,314
Non-GAAP subscription gross profit	<u>\$ 880,552</u>	<u>\$ 670,241</u>	<u>\$ 1,743,913</u>	<u>\$ 1,304,360</u>
GAAP professional services and other gross loss	\$ (5,691)	\$ (9,753)	\$ (17,698)	\$ (20,476)
Stock-based compensation	12,791	10,951	24,803	20,882
Non-GAAP professional services and other gross profit	<u>\$ 7,100</u>	<u>\$ 1,198</u>	<u>\$ 7,105</u>	<u>\$ 406</u>
GAAP gross profit	\$ 837,903	\$ 635,757	\$ 1,660,877	\$ 1,238,431
Stock-based compensation	37,751	30,068	71,287	56,021
Amortization of purchased intangibles	11,998	5,614	18,854	10,314
Non-GAAP gross profit	<u>\$ 887,652</u>	<u>\$ 671,439</u>	<u>\$ 1,751,018</u>	<u>\$ 1,304,766</u>
Gross margin:				
GAAP subscription gross margin	83%	83%	84%	83%
Stock-based compensation as % of subscription revenues	2%	2%	2%	2%
Amortization of purchased intangibles as % of subscription revenues	2%	1%	1%	1%
Non-GAAP subscription gross margin	<u>87%</u>	<u>86%</u>	<u>87%</u>	<u>86%</u>
GAAP professional services and other gross margin	(10%)	(18%)	(17%)	(20%)
Stock-based compensation as % of professional services and other revenues	23%	20%	24%	20%
Non-GAAP professional services and other gross margin	<u>13%</u>	<u>2%</u>	<u>7%</u>	<u>0%</u>
GAAP gross margin	78%	76%	78%	76%
Stock-based compensation as % of total revenues	4%	4%	4%	3%
Amortization of purchased intangibles as % of total revenues	1%	1%	1%	1%
Non-GAAP gross margin	<u>83%</u>	<u>81%</u>	<u>83%</u>	<u>80%</u>

	Three Months Ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Operating expenses:				
GAAP sales and marketing expenses	\$ 426,519	\$ 393,895	\$ 867,753	\$ 755,304
Stock-based compensation	(78,967)	(69,229)	(149,127)	(131,359)
Amortization of purchased intangibles	(311)	—	(622)	—
Non-GAAP sales and marketing expenses	\$ 347,241	\$ 324,666	\$ 718,004	\$ 623,945
GAAP research and development expenses	\$ 245,081	\$ 183,420	\$ 471,738	\$ 355,942
Stock-based compensation	(70,163)	(50,041)	(129,066)	(93,623)
Amortization of purchased intangibles	(455)	(455)	(910)	(910)
Non-GAAP research and development expenses	\$ 174,463	\$ 132,924	\$ 341,762	\$ 261,409
GAAP general and administrative expenses	\$ 104,037	\$ 85,442	\$ 209,785	\$ 169,898
Stock-based compensation	(29,959)	(22,422)	(55,645)	(48,207)
Amortization of purchased intangibles	(1,939)	(1,950)	(4,632)	(3,837)
Business combination and other related costs	(1,186)	(173)	(4,061)	(146)
Non-GAAP general and administrative expenses	\$ 70,953	\$ 60,897	\$ 145,447	\$ 117,708
GAAP total operating expenses	\$ 775,637	\$ 662,757	\$ 1,549,276	\$ 1,281,144
Stock-based compensation	(179,089)	(141,692)	(333,838)	(273,189)
Amortization of purchased intangibles	(2,705)	(2,405)	(6,164)	(4,747)
Business combination and other related costs	(1,186)	(173)	(4,061)	(146)
Non-GAAP total operating expenses	\$ 592,657	\$ 518,487	\$ 1,205,213	\$ 1,003,062
Income (loss) from operations:				
GAAP income (loss) from operations	\$ 62,266	\$ (27,000)	\$ 111,601	\$ (42,713)
Stock-based compensation	216,840	171,760	405,125	329,210
Amortization of purchased intangibles	14,703	8,019	25,018	15,061
Business combination and other related costs	1,186	173	4,061	146
Non-GAAP income from operations	\$ 294,995	\$ 152,952	\$ 545,805	\$ 301,704
Operating margin:				
GAAP operating margin	6%	(3%)	5%	(3%)
Stock-based compensation as % of total revenues	20%	21%	19%	20%
Amortization of purchased intangibles as % of total revenues	2%	0%	2%	2%
Business combination and other related costs as % of total revenues	0%	0%	0%	0%
Non-GAAP operating margin	28%	18%	26%	19%

	Three Months Ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Net income (loss):				
GAAP net income (loss)	\$ 40,766	\$ (11,079)	\$ 88,997	\$ (12,624)
Stock-based compensation	216,840	171,760	405,125	329,210
Amortization of purchased intangibles	14,703	8,019	25,018	15,061
Business combination and other related costs	1,186	173	4,061	146
Amortization of debt discount and issuance costs for the convertible senior notes	8,488	8,269	17,058	16,437
Loss on early note conversions	817	—	907	—
Income tax expense effects related to the above adjustments	(39,549)	(39,617)	(91,117)	(81,763)
Non-GAAP net income	<u>\$ 243,251</u>	<u>\$ 137,525</u>	<u>\$ 450,049</u>	<u>\$ 266,467</u>
Net income (loss) per share - basic and diluted:				
GAAP net income (loss) per share - basic	<u>\$ 0.21</u>	<u>\$ (0.06)</u>	<u>\$ 0.47</u>	<u>\$ (0.07)</u>
GAAP net income (loss) per share - diluted	<u>\$ 0.20</u>	<u>\$ (0.06)</u>	<u>\$ 0.44</u>	<u>\$ (0.07)</u>
Non-GAAP net income per share - basic	<u>\$ 1.27</u>	<u>\$ 0.74</u>	<u>\$ 2.36</u>	<u>\$ 1.44</u>
Non-GAAP net income per share - diluted	<u>\$ 1.23</u>	<u>\$ 0.71</u>	<u>\$ 2.28</u>	<u>\$ 1.38</u>
GAAP weighted-average shares used to compute net income (loss) per share - basic				
	<u>191,319</u>	<u>186,678</u>	<u>190,731</u>	<u>184,419</u>
GAAP weighted-average shares used to compute net income (loss) per share - diluted				
	201,453	186,678	200,843	184,419
Effects of dilutive time-based stock awards ⁽³⁾	—	6,100	—	6,199
Effects of in-the-money portion of convertible senior notes ⁽³⁾	(3,510)	—	(3,414)	—
Effects of warrants ⁽³⁾	—	1,584	—	2,617
Effects of stock awards with performance conditions not yet satisfied ⁽³⁾	19	100	1	43
Non-GAAP weighted-average shares used to compute net income per share - diluted	<u>197,962</u>	<u>194,462</u>	<u>197,430</u>	<u>193,278</u>
Free cash flow:				
GAAP net cash provided by operating activities	\$ 368,054	\$ 243,735	\$ 859,622	\$ 604,583
Purchases of property and equipment	(110,464)	(49,896)	(193,671)	(97,020)
Repayments of convertible senior notes attributable to debt discount	1,693	—	1,975	—
Non-GAAP free cash flow	<u>\$ 259,283</u>	<u>\$ 193,839</u>	<u>\$ 667,926</u>	<u>\$ 507,563</u>
Free cash flow margin:				
GAAP net cash provided by operating activities as % of total revenues	34%	29%	41%	37%
Purchases of property and equipment as % of total revenues	(10%)	(6%)	(9%)	(6%)
Repayments of convertible senior notes attributable to debt discount as % of total revenues	0%	—%	0%	—%
Non-GAAP free cash flow margin	<u>24%</u>	<u>23%</u>	<u>32%</u>	<u>31%</u>

- (1) Adjusted revenues and the corresponding growth rates are derived by applying the average exchange rates in effect during the comparison period rather than the actual average exchange rates in effect during the current period.
- (2) Adjusted billings and the corresponding growth rates are derived by applying the average exchange rates in effect during the comparison period rather than the actual average exchange rates in effect during the current period, and by replacing the portion of multi-year billings in excess of twelve months during the current period with the portion of multi-year billings in excess of twelve months during the comparison period.
- (3) Effects of dilutive time-based stock awards, in-the-money portion of convertible senior notes and warrants are included in the GAAP weighted-average diluted shares in periods where we have GAAP net income. We exclude the in-the-money portion of convertible senior notes for non-GAAP weighted-average diluted

shares as they are covered by our note hedges. We include stock awards with performance conditions not yet satisfied for non-GAAP weighted average diluted shares at forecasted attainment levels to the extent we believe it is probable that the performance condition will be met.

ServiceNow, Inc.
Reconciliation of Non-GAAP Financial Guidance

The financial guidance provided below is an estimate based on information available as of June 30, 2020. The company's future performance and financial results are subject to risks and uncertainties, and actual results could differ materially from the guidance set forth below. Some of the factors that could affect the company's financial results are stated above in this press release. Further information on these and other factors that could affect our financial results are included in our Form 10-K for the year ended December 31, 2019 and in other filings we make with the Securities and Exchange Commission from time to time, including our Form 10-Q that will be filed for the three months ended June 30, 2020. The company assumes no obligation to update any forward-looking statements or information, which speak as of their respective dates.

	Three Months Ended		Growth Rates
	September 30, 2020	September 30, 2019⁽³⁾	
GAAP subscription revenues	\$1,055 - \$1,060 million	\$835 million	26% - 27%
Effects of foreign currency rate fluctuations	NM ⁽⁵⁾		
Non-GAAP adjusted subscription revenues ⁽¹⁾	<u>\$1,055 - \$1,060 million</u>		26% - 27%
GAAP subscription revenues	\$1,055 - \$1,060 million	\$835 million	26% - 27%
Change in subscription deferred revenue, unbilled receivables and customer deposits	(60) - (45) million	\$29 million	
Non-GAAP subscription billings	\$995 - \$1,015 million	\$864 million	15% - 17%
Effects of foreign currency rate fluctuations	NM ⁽⁵⁾		
Effects of fluctuations in billings duration	8 million		
Non-GAAP adjusted subscription billings ⁽²⁾	<u>\$1,003 - \$1,023 million</u>		16% - 18%
GAAP operating margin	1%		
Stock-based compensation expense as % of total revenues	20%		
Amortization of purchased intangibles as % of total revenues	1%		
Business combination and other related costs as % of total revenues	0%		
Non-GAAP operating margin	<u>22%</u>		
GAAP weighted-average shares used to compute net income per share - diluted	203 million		
Effects of in-the-money portion of convertible senior notes ⁽⁴⁾	(4) million		
Non-GAAP weighted-average shares used to compute net income per share - diluted	<u>199 million</u>		

	Twelve Months Ended		Growth Rates
	December 31, 2020	December 31, 2019 ⁽³⁾	
GAAP subscription revenues	\$4,185 - \$4,200 million	\$3,255 million	29%
Effects of foreign currency rate fluctuations	25 million		
Non-GAAP adjusted subscription revenues ⁽¹⁾	<u>\$4,210 - \$4,225 million</u>		29% - 30%
GAAP subscription revenues	\$4,185 - \$4,200 million	\$3,255 million	29%
Change in subscription deferred revenue, unbilled receivables and customer deposits	475 - 500 million	533 million	
Non-GAAP subscription billings	\$4,660 - \$4,700 million	\$3,788 million	23% - 24%
Effects of foreign currency rate fluctuations	28 million		
Effects of fluctuations in billings duration	14 million		
Non-GAAP adjusted subscription billings ⁽²⁾	<u>\$4,702 - \$4,742 million</u>		24% - 25%
GAAP subscription gross margin	83%		
Stock-based compensation expense as % of subscription revenues	2%		
Amortization of purchased intangibles as % of subscription revenues	1%		
Non-GAAP subscription margin	<u>86%</u>		
GAAP operating margin	4%		
Stock-based compensation expense as % of total revenues	19%		
Amortization of purchased intangibles as % of total revenues	1%		
Business combination and other related costs as % of total revenues	0%		
Non-GAAP operating margin	<u>24%</u>		
GAAP net cash provided by operating activities as % of total revenues	37.5%		
Purchases of property and equipment as % of total revenues	(8%)		
Repayments of convertible senior notes attributable to debt discount as % of total revenues	0%		
Non-GAAP free cash flow margin	<u>29.5%</u>		
GAAP weighted-average shares used to compute net income per share - diluted	201 million		
Effects of in-the-money portion of convertible senior notes ⁽⁴⁾	(3) million		
Non-GAAP weighted-average shares used to compute net income per share - diluted	<u>198 million</u>		

- (1) Adjusted revenues and the corresponding growth rates are derived by applying the average exchange rates in effect during the comparison period rather than the exchange rates for the guidance period.
- (2) Adjusted billings and the corresponding growth rates are derived by applying the average exchange rates in effect during the comparison period rather than the exchange rates for the guidance period, and by replacing the portion of multi-year billings in excess of twelve months for the guidance period with the actual portion of multi-year billings in excess of twelve months during the comparison period.
- (3) Effects of foreign currency rate fluctuations and fluctuations in billing durations are not applicable for the comparison period.
- (4) We exclude the in-the-money portion of convertible senior notes for non-GAAP weighted-average diluted shares as they are covered by our note hedges.
- (5) NM - Not meaningful.