



# Investor Presentation

February 7, 2024



# Disclaimer

This presentation includes express and implied forward-looking statements. All statements contained in this presentation other than statements of historical facts, including expectations of Confluent, Inc. (“we,” “us,” “our,” or “Confluent”) regarding our revenue, revenue mix, revenue growth, expenses and other results of operations; operating margins and margin improvements, targeted or anticipated margin levels; future financial performance, business strategy and plans; potential market and growth opportunities; competitive position; technological or market trends; addressable market opportunity; and our objectives for future operations, are forward-looking statements. The words “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “expect,” “seek,” “plan,” “project,” “target,” “looking ahead,” “look to,” “move into,” and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of known and unknown risks, uncertainties and other factors, including but not limited to: (i) our limited operating history, including in uncertain macroeconomic environments, (ii) our ability to sustain and manage our rapid growth, (iii) our ability to increase consumption of our offering, including by existing customers and through the acquisition of new customers, including by addressing customer consumption preferences, and successfully add new features and functionality to our offering, (iv) our ability to successfully execute our go-to-market strategy and initiatives, including as we reorient our go-to-market strategy and model around customer consumption, (v) our ability to attract new customers and retain and sell additional features and services to our existing customers, (vi) uncertain macroeconomic conditions, including higher inflation, higher interest rates, bank failures, supply chain challenges, geopolitical events, recessionary risks, and exchange rate fluctuations, which have resulted and may continue to result in customer pullback in information technology spending, lengthening of sales cycles, reduced contract sizes, reduced consumption of Confluent Cloud or customer preference for open source alternatives, as well as the potential need for cost efficiency measures, (vii) our ability to achieve profitability and improve margins annually, by our expected timelines or at all, (viii) the estimated addressable market opportunity for our offering, including our Flink offering and stream processing, and our ability to capture our share of that market opportunity, (ix) our ability to compete effectively in an increasingly competitive market, (x) our ability to attract and retain highly qualified personnel, including as we reorient our go-to-market strategy and model around customer consumption, (xi) our ability to successfully transition executive leadership, (xii) breaches in our security measures, intentional or accidental cybersecurity incidents or unauthorized access to our platform, our data, or our customers’ or other users’ personal data, (xiii) our reliance on third-party cloud-based infrastructure to host Confluent Cloud, (xiv) public sector budgetary cycles and funding reductions or delays, such as an extended federal government shutdown, (xv) our ability to accurately forecast our future performance, business and growth, and (xvi) general market, political, economic, and business conditions, including continuing impacts from the COVID-19 pandemic. These risks are not exhaustive. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. You should not rely upon the forward-looking statements as predictions of future events. The future events and trends discussed in this presentation may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that future results, levels of activity, performance, achievements or events and circumstances reflected in the forward-looking statements will occur. 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This presentation also contains statistical data, estimates and forecasts made by independent parties and by us relating to market size and growth, as well as other data about our industry and business. These data involve a number of assumptions and limitations, and we have not independently verified the accuracy or completeness of these data. Neither we nor any other person makes any representation as to the accuracy or completeness of such data or undertakes any obligation to update such data after the date of this presentation. In addition, projections, assumptions and estimates of our future performance and the future performance of the markets in which we operate are necessarily subject to a high degree of uncertainty and risk. The Gartner content described herein (the “Gartner Content”) represents research opinions or viewpoints published, as part of a syndicated subscription service, by Gartner, Inc. (“Gartner”), and are not representations of fact. The Gartner Content speaks as of its original publication date (and not as of the date of this presentation), and the opinions expressed in the Gartner Content are subject to change without notice.

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# Confluent Momentum-at-a-Glance

Founded in 2014 by the Original Creators of **Apache Kafka**

~\$60B Total Addressable Market<sup>1</sup>

## FY'23

	Total Revenue	<b>\$777M / +33% YoY</b>
	Confluent Cloud Revenue	<b>\$349M / +65% YoY</b>
	Non-GAAP Operating Margin (OM)	<b>(7.4%) / +23pts YoY</b>
	Dollar-Based Net Retention Rate	<b>Slightly Above 125%</b>
	Customers with ≥ \$100K in ARR	<b>1,229 / +21% YoY</b>

**Q4'23 OM:**  
**5.3%**  
First positive quarter

<sup>1</sup>TAM calculations performed by Confluent; source: Gartner, Forecast: Enterprise Infrastructure Software, Worldwide, 2020-2026, 2Q22 Update, June 2022; source: Gartner, Forecast: Enterprise Application Software, Worldwide, August 2022.

Note: Financials and metrics other than TAM data are as of or for stated period ended December 31, 2023.

Refer to the slides in the section titled "GAAP to Non-GAAP Reconciliations" at the end of this presentation for a reconciliation of our non-GAAP financial metrics to the most directly comparable GAAP financial metrics.

See Appendix for definitions for "Dollar-Based Net Retention Rate" and "Customers with \$100,000 or greater in ARR."



Confluent is on a mission to  
set data in motion



# Today, Software Is the Business

## OLD WAY

Slow

Batch processing

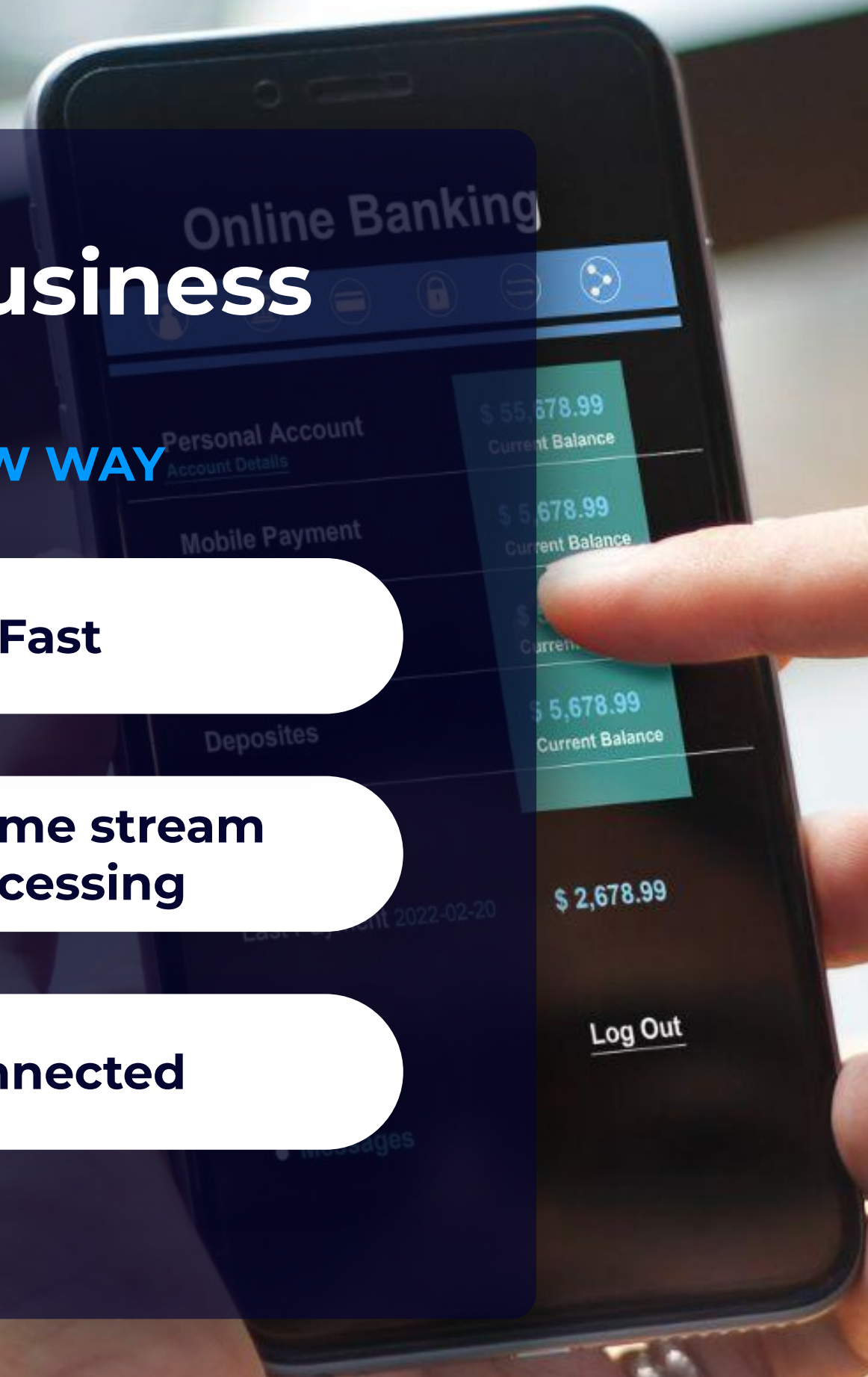
Siloed

## NEW WAY

Fast

Real-time stream processing

Connected





**New use cases need new capabilities**

**This requires total connectivity and instant reaction, all the time, in real-time**

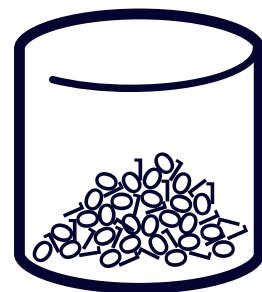


# The Problems with Data at Rest and Legacy Movement Tools

## Data at Rest

### Databases

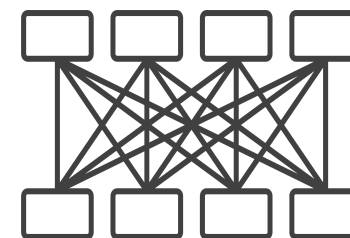
- Slow, daily batch processing
- Simple, static real-time queries



## Legacy Data Movement Tools

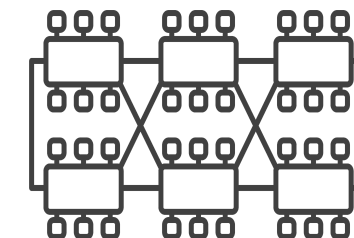
### ETL/Data Integration

- Batch
- Expensive
- Time Consuming

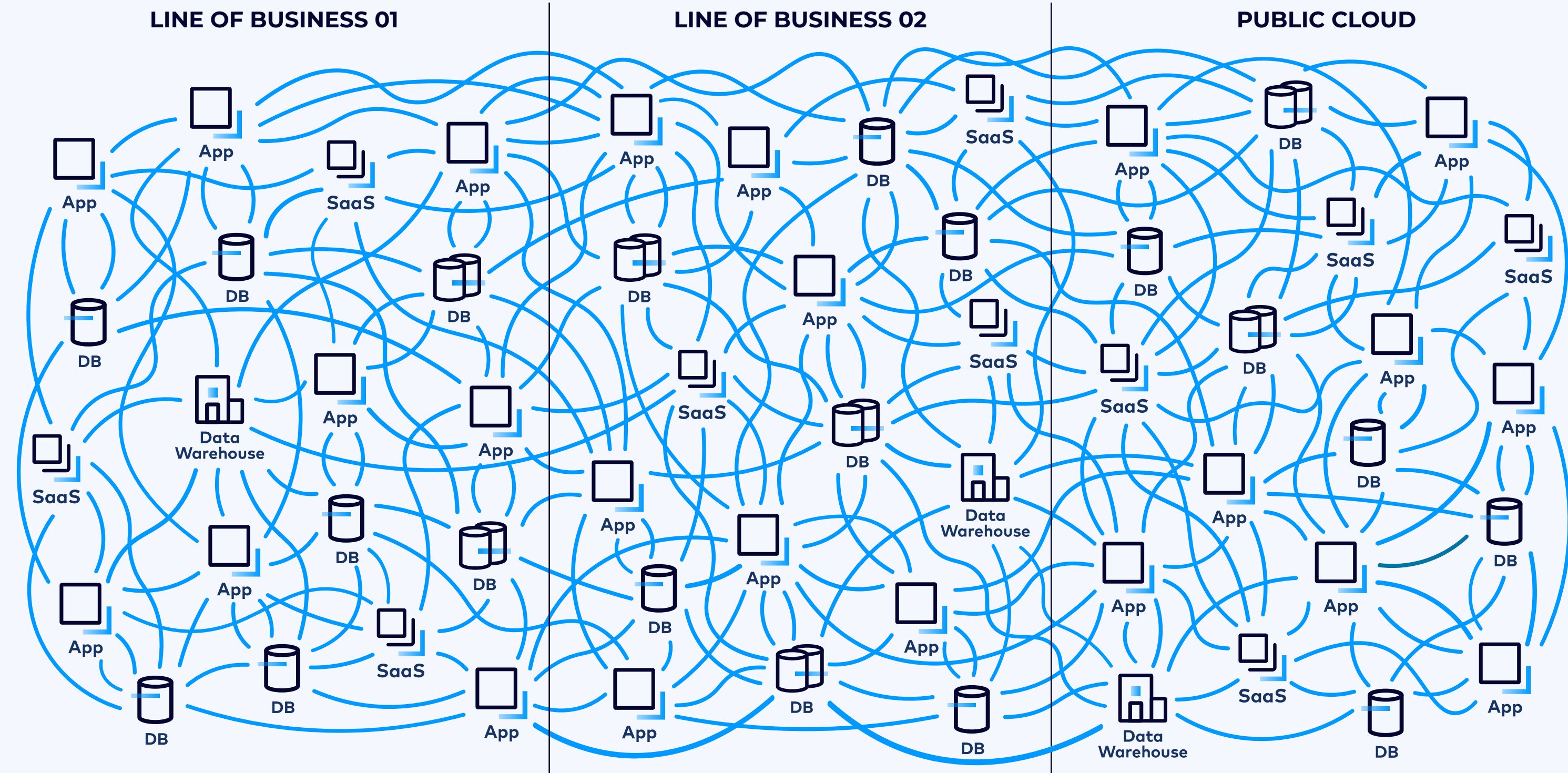


### Messaging

- Difficult to Scale
- No Persistence
- Data Loss
- No Replay

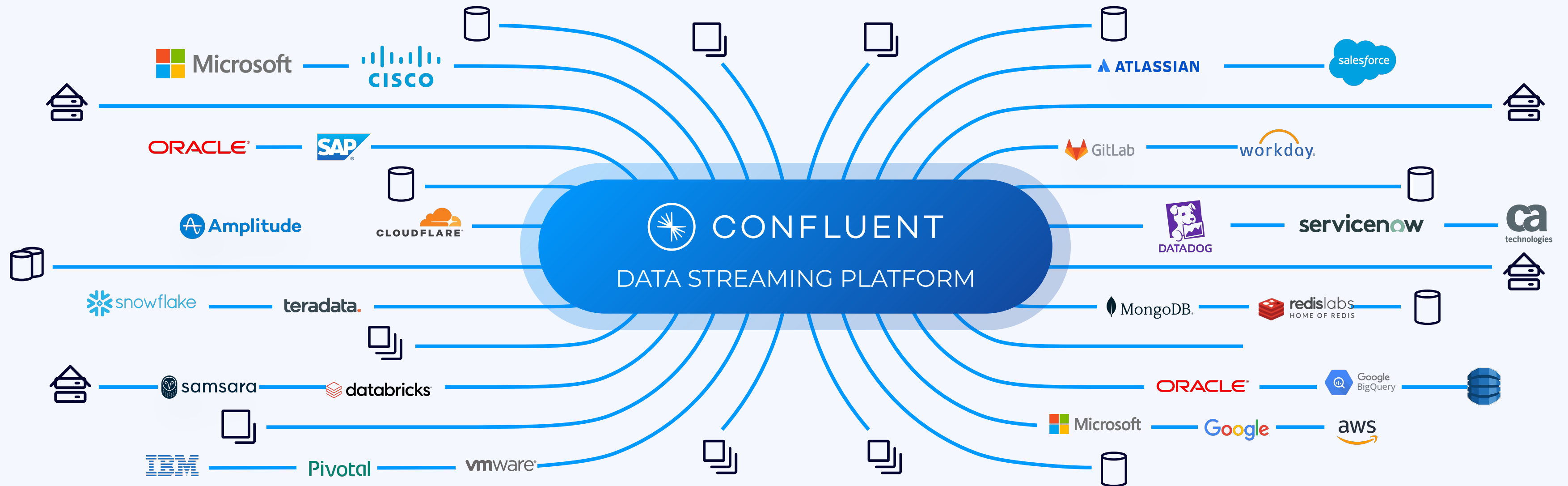


# Databases Bring Point-in-Time Queries to Stored Data; This Leads to a **Giant Mess** in Data Architecture





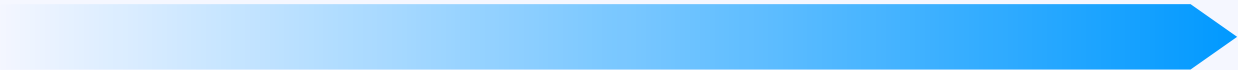
# From Giant Mess to Central Nervous System



# A New Paradigm for Data in Motion: Data Streaming



From Data Mess



To Data Products



To Instant Value Everywhere



# Proven Success Across Industries



### Financial Services

Citi, ING, SGX, KeyBank, Nationwide Building Society, Affin Hwang Capital Asset Management, Euronext, Morgan Stanley, Goldman Sachs, RBC, Btpn bank, PNC, guaranteedRate.

### Technology

Square, ebay, 10x, Q2, PLAID, new relic, Ssas, ARMIS, Care.com, SAP, Storyblocks, Wix, instacart, Viewpoint, homepoint, snagajob, SecurityScorecard, Robinhood, BIGCOMMERCE.

### Communications & Media

Telefonica, sky, ticketmaster, NETFLIX, 8x8, brightspeed, TiVo, Ziff Davis, ETC, MPL MOBILE PREMIER LEAGUE, GLOBE GROUP, dish wireless.

### Manufacturing

SUNPOWER, BOSCH, ENGEL, Amway, Whirlpool, PENSKE, RODAN+FIELDS.

### Consumer & Retail

Walmart, nuuly, TOOLSTATION, go.com, Boden, MIGROS, Sainsbury's, apna, Shipt, ifood, BESTSECRET, s.Oliver, meesho, DICK'S SPORTING GOODS, PIC NiC, Domino's.

### Automotive & Transportation

Advance Auto Parts, POLARIS, DKV, Lufthansa, arcese, BMW GROUP, DriveTime, DB, Fraport, DriveCentric, GTÜ.

### Healthcare

alight, BHG, RECURSION, ROOSEVELT REHABILITATION & HEALTHCARE CENTER, surescripts.

### Insurance

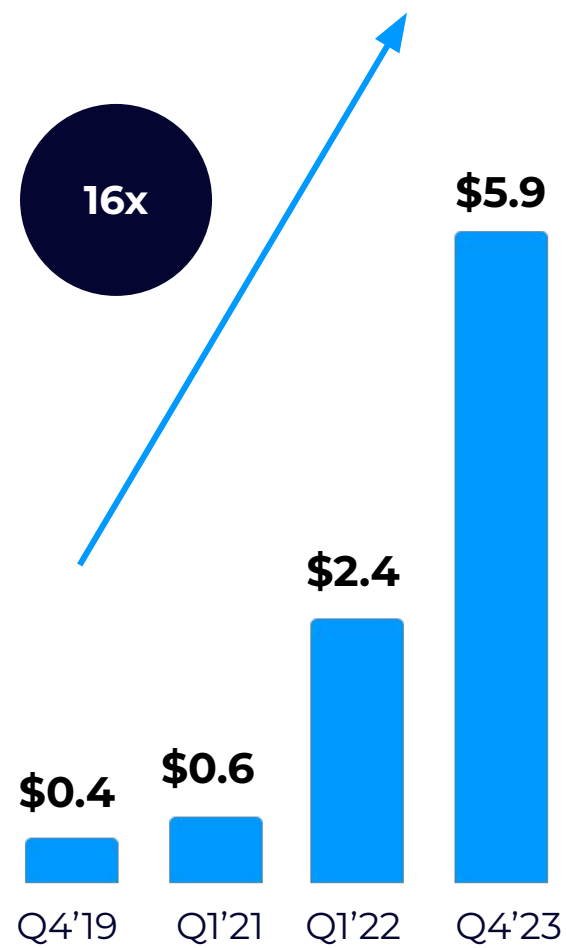
GENERALI, Ladder, beazley, Humana, Vitality, CENTENE Corporation.

# Customer Expansion Journey Case Studies

ARR \$ in millions

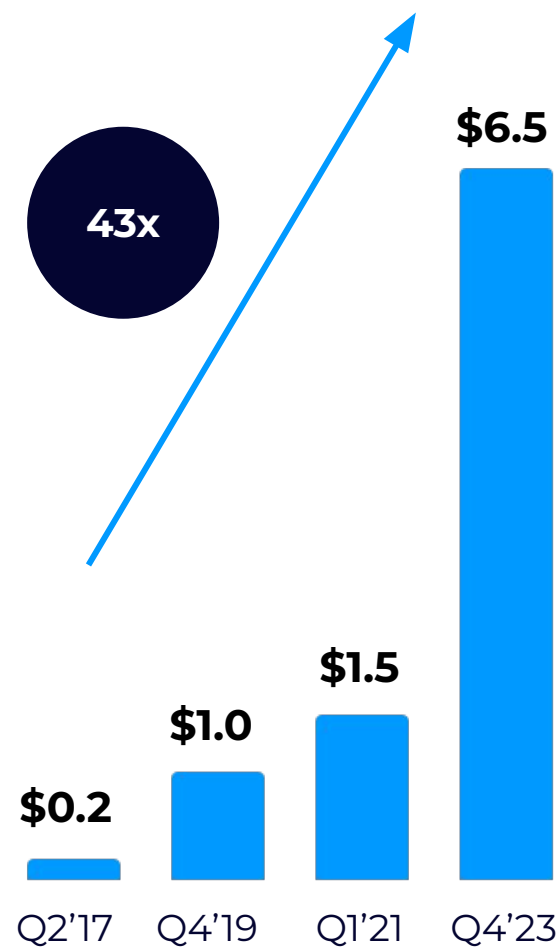


## Global Telco Leader



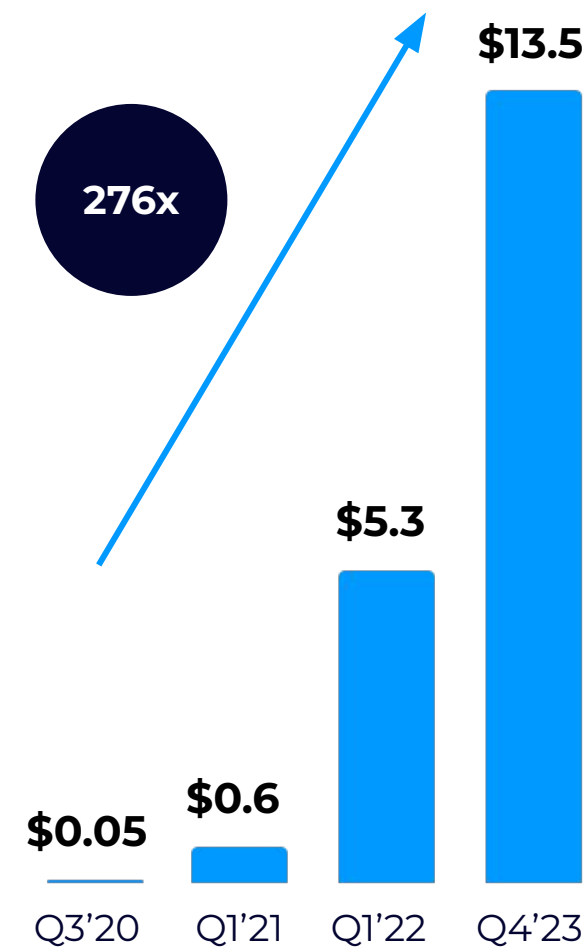
Built out an event portal to support 5G network monetization, billing, sales, security events, and more.

## Payment Card Provider



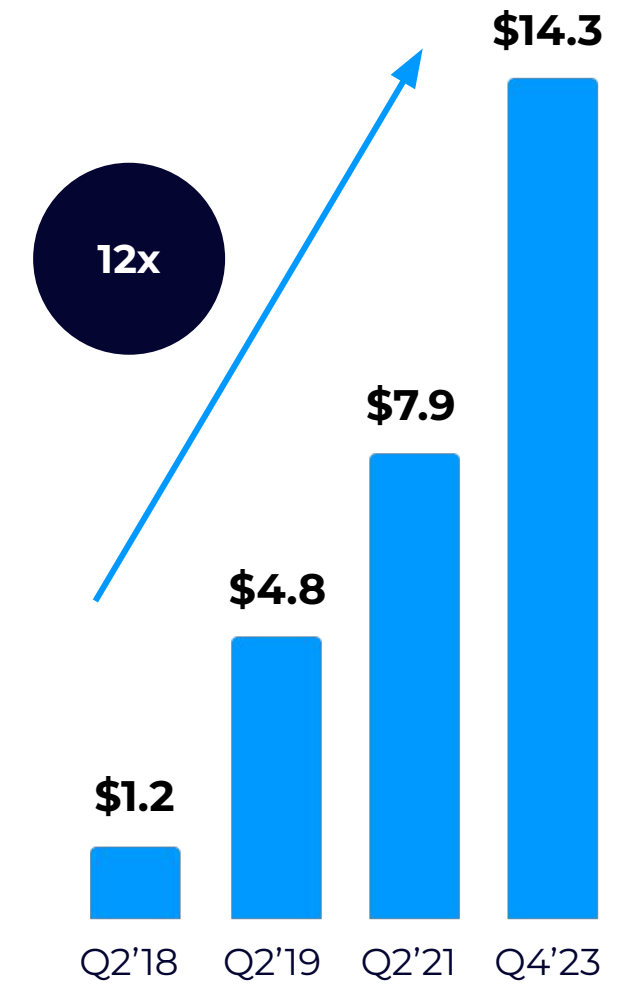
Secured the ability to continue doing business throughout the globe unlocked by Confluent with use cases including GDPR and mandate processing

## Global Online Job Site



Created a unified, real-time data layer across the organization, enabling employer campaigns, sponsored jobs, and targeted searches.

## Fortune 50 Bank



Improved banking relationship management, accelerated client onboarding, and enabled customized marketing programs for customers

Note: The expansion multiple is calculated based on the land ARR and the Q4'23 ending ARR, using actual unrounded numbers. The customer examples shown on this slide are illustrative only and may not be representative of growth of other customers within the same vertical(s).

# Use Cases Across All Industries



	<b>Retail</b>	Inventory Management	Personalized Promotions	Product Development & Introduction	Sentiment Analysis	Streaming Enterprise Messaging	Systems of Scale for High Traffic Periods
	<b>Healthcare</b>	Connected Health Records	Data Confidentiality & Accessibility	Dynamic Staff Allocation Optimization	Integrated Treatment	Proactive Patient Care	Real-Time Monitoring
	<b>Finance &amp; Banking</b>	Early-On Fraud Detection	Capital Management	Market Risk Recognition & Investigation	Preventive Regulatory Scanning	Real-Time What-If Analysis	Trade Flow Monitoring
	<b>Transportation</b>	Advanced Navigation	Environmental Factor Processing	Fleet Management	Predictive Maintenance	Threat Detection & Real-Time Response	Traffic Distribution Optimization
	<b>Teleco</b>	5G Networks	Data Security	Product Development & Introduction	Sentiment Analysis	IOT Integration	Systems of Scale for High Traffic Periods
	<b>Common in all Industries</b>	Data Pipelines	Hybrid Cloud Integration	Microservices	Security and Fraud	Customer 360	Streaming ETL

# Why Confluent Wins

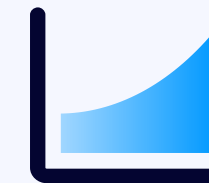


## Product Differentiation

**Cloud-native:** Re-imagined Kafka for the Cloud

**Complete:** Enable developers to reliably & securely build next-gen apps faster

**Everywhere:** Be everywhere customers want to be



## Customer Growth Go-To-Market Model

**Product Led:** Getting customers' hands on product early to qualify and deliver faster time-to value

**Consumption Oriented:** Customer health and actual usage are primary indicators for customer success

**Purpose Built for Data in Motion Journey:** Targeted features and expertise from early stage to Central Nervous System



# The Confluent Data Streaming Platform

## Stream + Connect + Process + Govern

- Data Pipelines
- Real-time Analytics
- Data Analytics
- Cyber-Security
- IoT & Telematics
- ML & AI
- Geofencing
- Streaming ETL
- Dynamic Pricing
- Shipment Tracking / Alerting
- Customer 360
- and more...

### DATA STREAMING APPLICATIONS



CONNECT



PROCESS



GOVERN

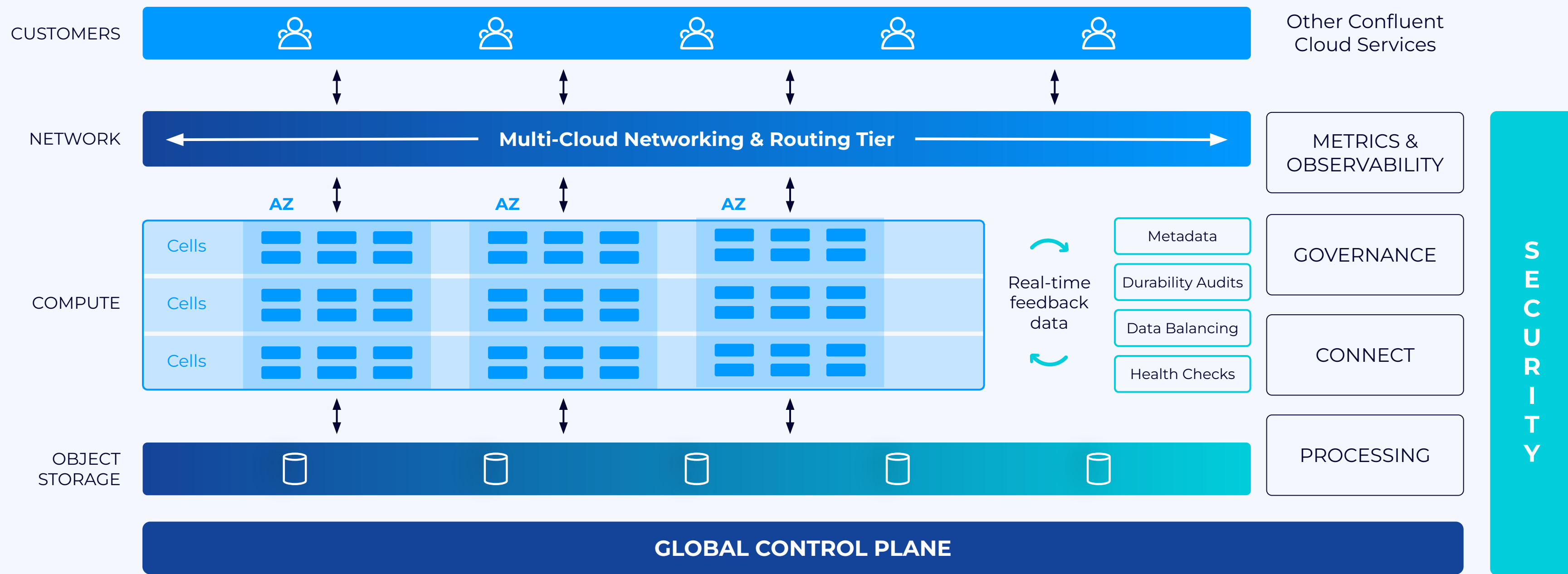


STREAM

**KORA: THE APACHE KAFKA ENGINE, BUILT FOR THE CLOUD**



# Confluent's Cloud Advantage: Kora Architecture



## 30X ELASTICITY

Scale to handle GBps+ workloads and peak customer demands 30x faster without operational burden

## 10X RESILIENCY

Ensure high availability and offload Kafka ops with 99.99% uptime SLA, multi-AZ clusters, and no-touch Kafka patches

## ∞X STORAGE

Never worry about Kafka storage again with Intelligent Tiered Storage and Infinite Retention





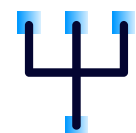
# Stronger Capabilities, With Up to 60% Lower TCO

## HEADCOUNT SAVINGS WITH CONFLUENT



Development & Operations Personnel

## INFRASTRUCTURE SAVINGS WITH CONFLUENT



Multi-tenancy



Elastic



Data Balancing



Networking & Replication

## DEVELOPMENT & OPERATIONS SAVINGS WITH CONFLUENT



Higher Utilization of Infrastructure



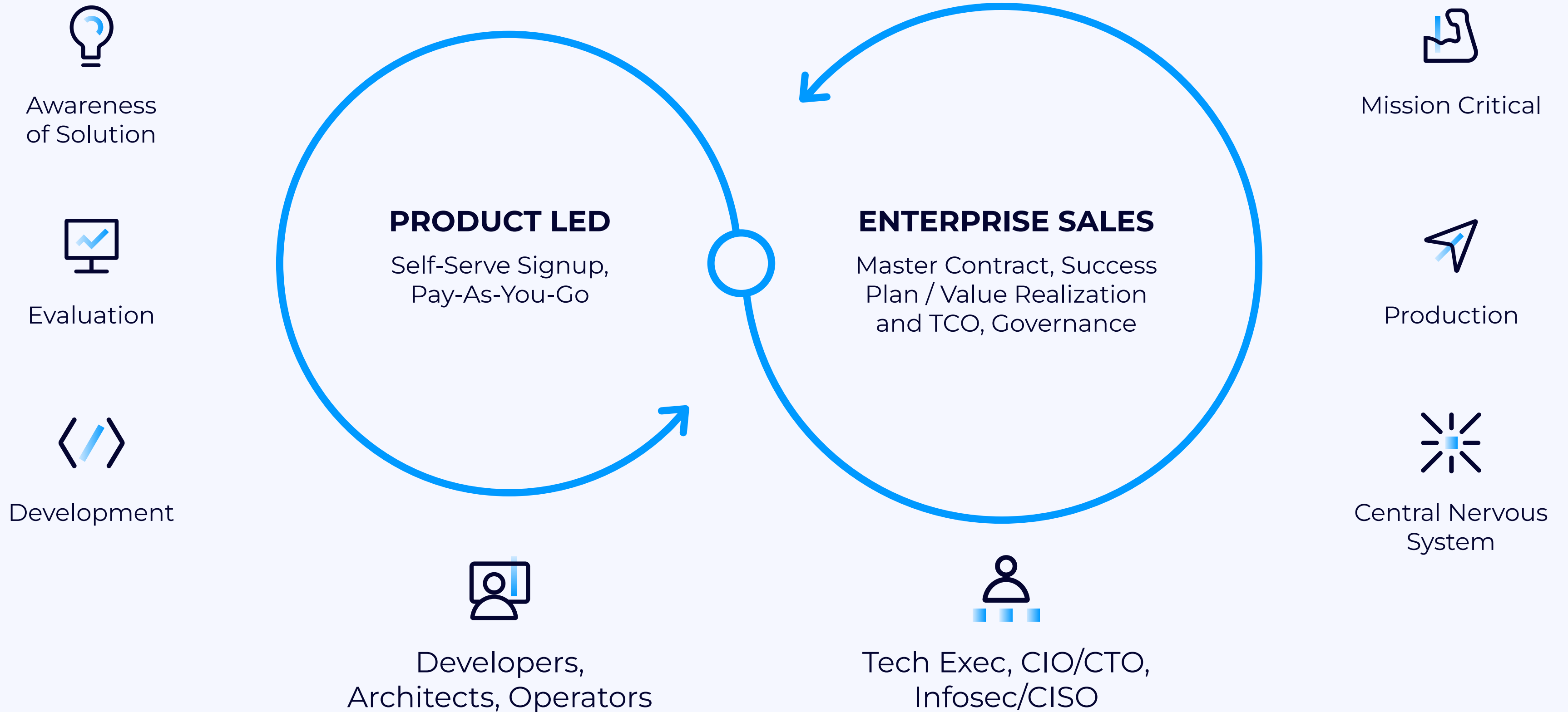
Software-driven Operations



Real-time Monitoring & Validation



# Product Led Complements Enterprise Sales GTM Motion

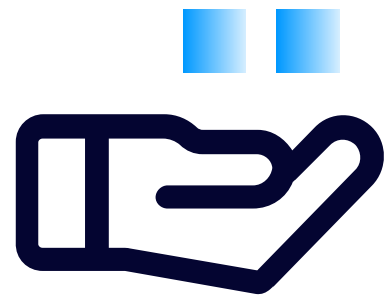




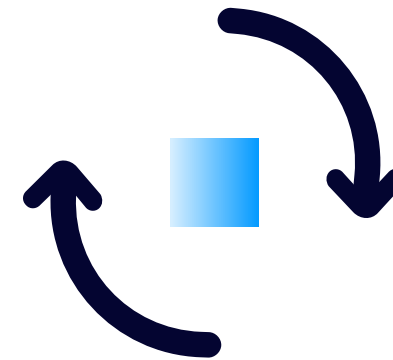
# Our Powerful and Differentiated Cloud Consumption Model



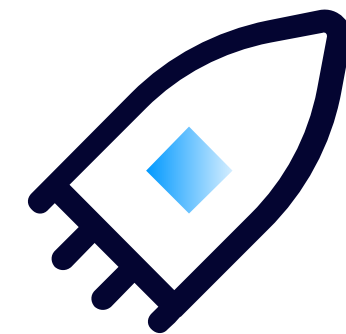
**Serve mission-critical**  
workloads in  
**data infrastructure**



**Power revenue** (*frontend*)  
and **operational** (*backend*)  
use cases



**Expand seamlessly in**  
**the cloud** with **strong**  
**network effects**



**Moving up the stack with**  
**Flink** and capitalizing  
on **Cloud and Gen AI**  
**opportunities**

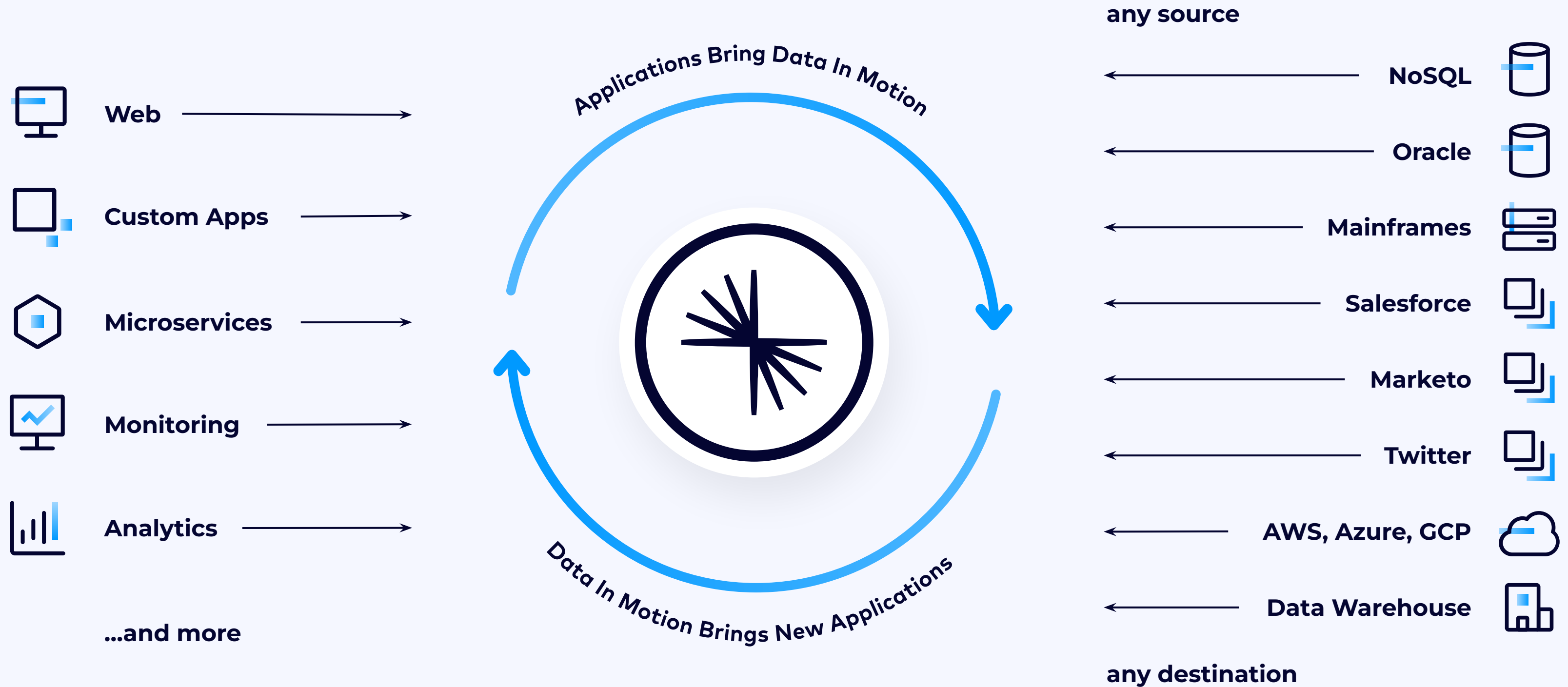


# Data in Motion Journey





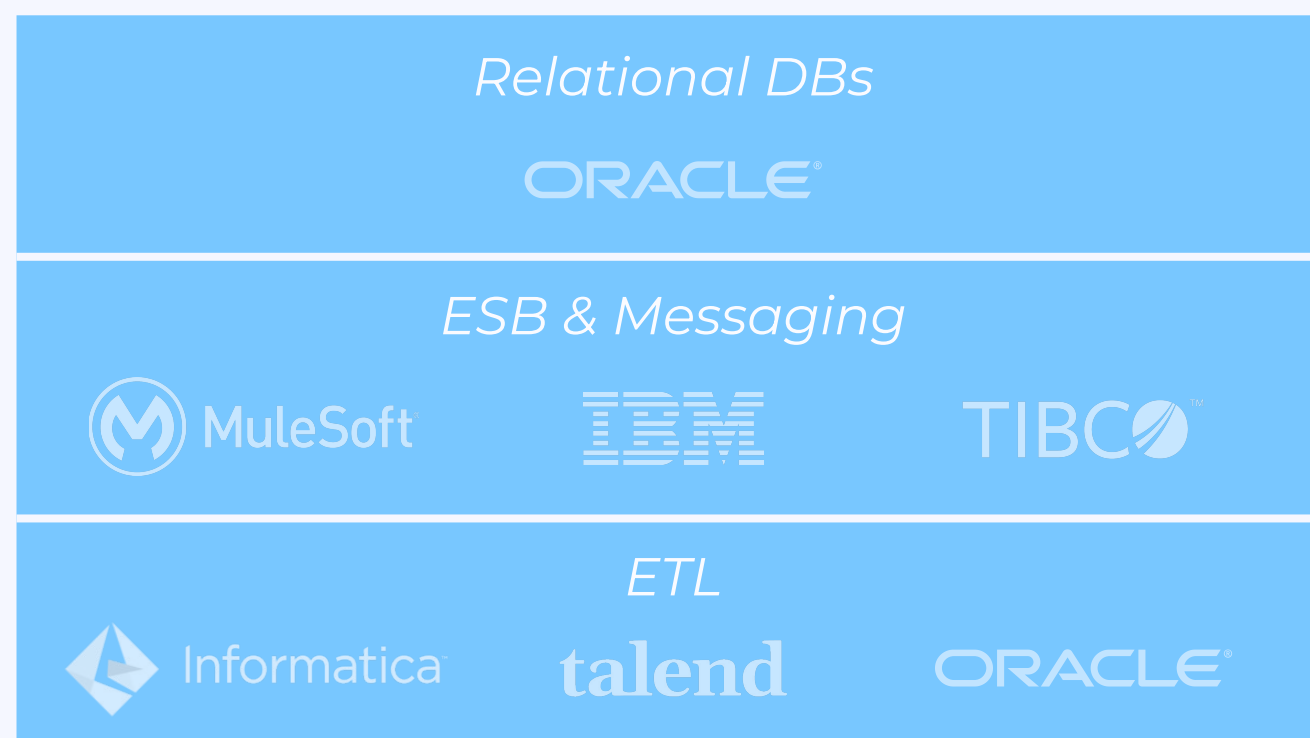
# Network Effects Drive Further Expansion





# Competitive Landscape

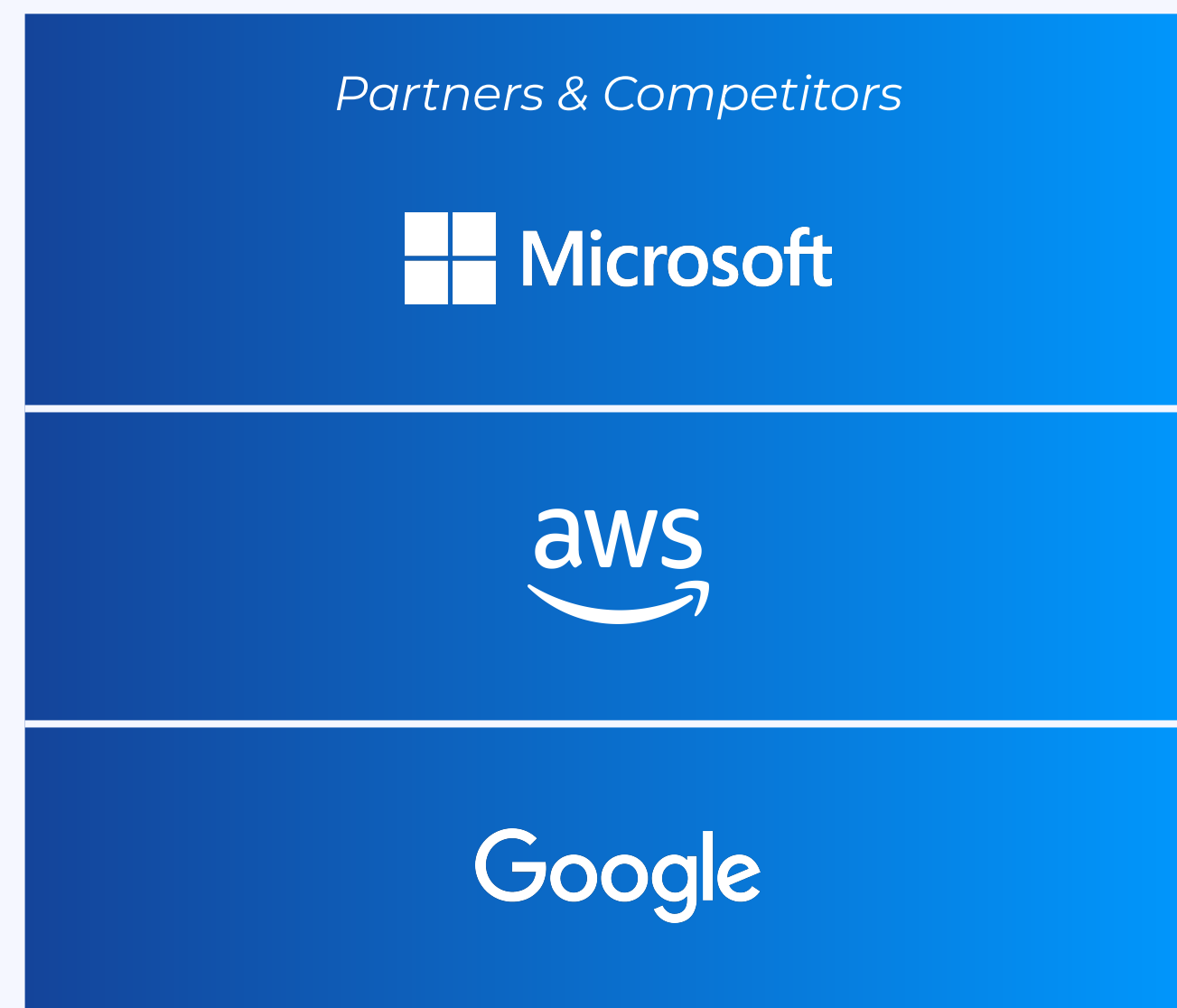
## Legacy Data Infrastructure



## On-Premises Streaming



## Cloud Providers

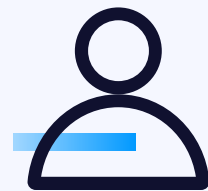


# Cloud Competitive Landscape

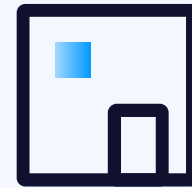


		Cloud-Native	Complete	Everywhere
<b>Confluent</b>		●	●	●
<b>Microsoft</b>	Event Hubs	●	◐	○
<b>Google</b>	Dataflow	●	○	○
	Pub/Sub	●	○	○
<b>Amazon</b>	Kinesis	●	◑	○
	MSK	◑	◑	○

# Multiple Levers of Growth in a Large and Growing TAM



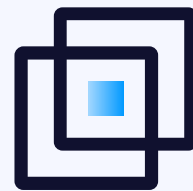
Easy and Frictionless **Land**  
with **Cloud Pay-As-You-Go**



Expand in  
**Underpenetrated Segments**  
(e.g. Commercial, Tech)



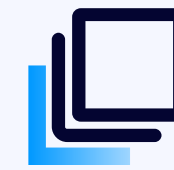
Enterprise-Wide Expansion  
via **Solutions Selling**



Grow and Harness  
our **Partner Ecosystem**



Continued  
**International Expansion**



Productize Use Cases  
**Up-The-Stack**





# One Team, One Mission: Set Data in Motion



**Jay Kreps**  
Co-Founder & CEO



**Jun Rao**  
Co-Founder



**Erica Schultz**  
President, Field Operations



**Stephanie Buscemi**  
Chief Marketing Officer



**Rohan Sivaram**  
Chief Financial Officer



**Melanie Vinson**  
Chief Legal Officer



**Christina Liu**  
Chief Accounting Officer



**Gunjan Aggarwal**  
Chief People Officer



**Chad Verbowski**  
Chief Technology Officer



**Rey Perez**  
Chief Customer Officer



**Shaun Clowes**  
Chief Product Officer



**Hemanth Vedagarbha**  
Global Head of Sales

## Board of Directors

**Jay Kreps**  
Co-Founder & CEO of Confluent

**Neha Narkhede**  
Co-Founder of Confluent

**Matt Miller**  
Sequoia Capital

**Mike Volpi**  
Index Ventures

**Eric Vishria**  
Benchmark Capital

**Jonathan Chadwick**  
Former EVP, CFO/COO  
at VMware

**Greg Schott**  
Former CEO and Chairman  
at Mulesoft

**Lara Caimi**  
President, Worldwide Field  
Operations at Samsara

**Alyssa Henry**  
Former CEO at Square

**2,744** employees as of Q4 2023

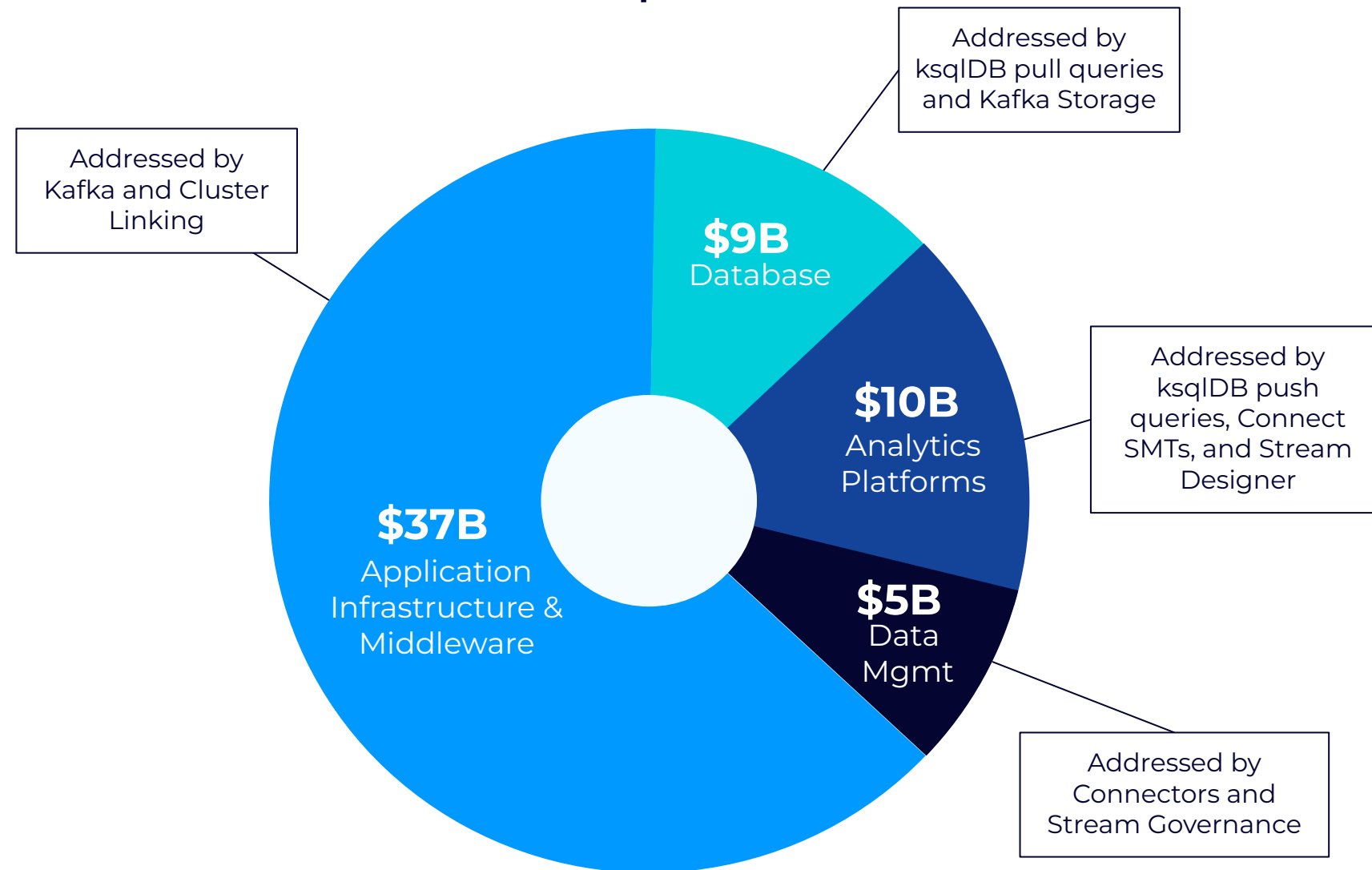


# Financial Highlights

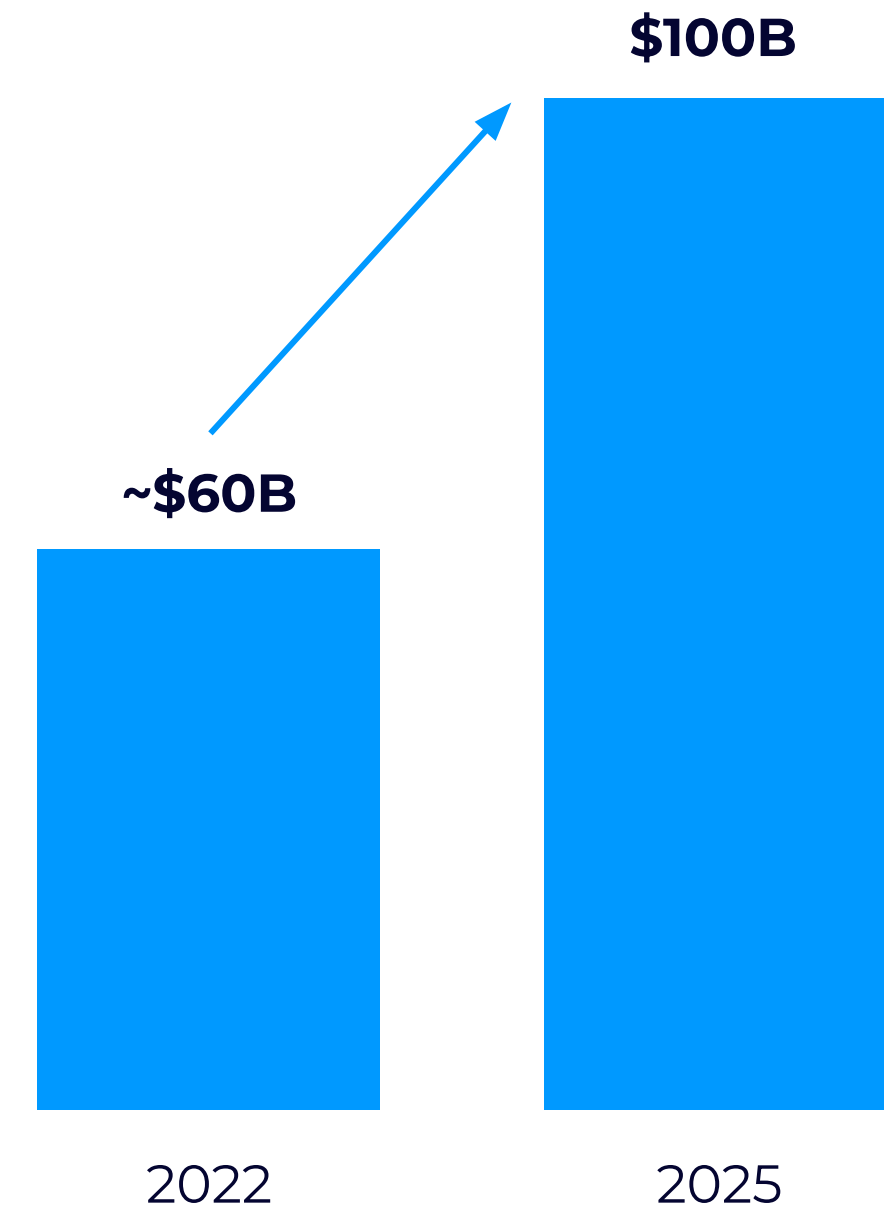


# A New Data Category, A Large Market Opportunity

2022 Total Addressable Market (TAM)  
~\$60B<sup>(2)</sup>



2022-2025 TAM Growth<sup>(3)</sup>  
**19% CAGR**



- (1) ■ Represents 73% of the \$50B application infrastructure & middleware market
- Represents 10% of the \$92B database management market
- Represents 30% of the \$32B analytics platform market
- Represents 50% of the \$10B data management market

(1) Market size based on Gartner estimates from

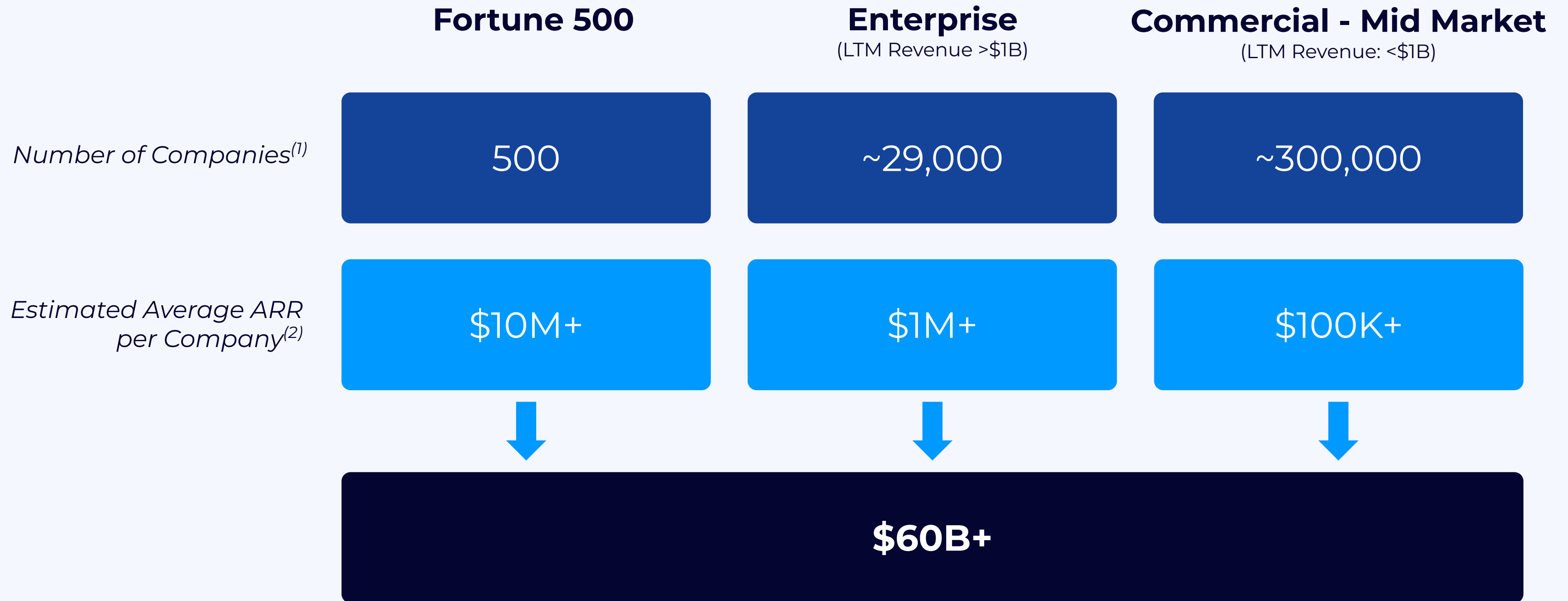
- Forecast: Enterprise Infrastructure Software, Worldwide, 2020-2026, 2Q22 Update. Published 30 June 2022. Arunasree Cheparthi et al.
- Forecast Analysis: Enterprise Application Software, Worldwide. Published 3 August 2022. Amarendra et al.

(2) Confluent product share based on internal analysis of use cases in each Gartner market category addressable with generally available Confluent products

(3) Confluent TAM based on estimated share of each Gartner market from 2022 to 2025, which is tied to our current product offering and planned product roadmap



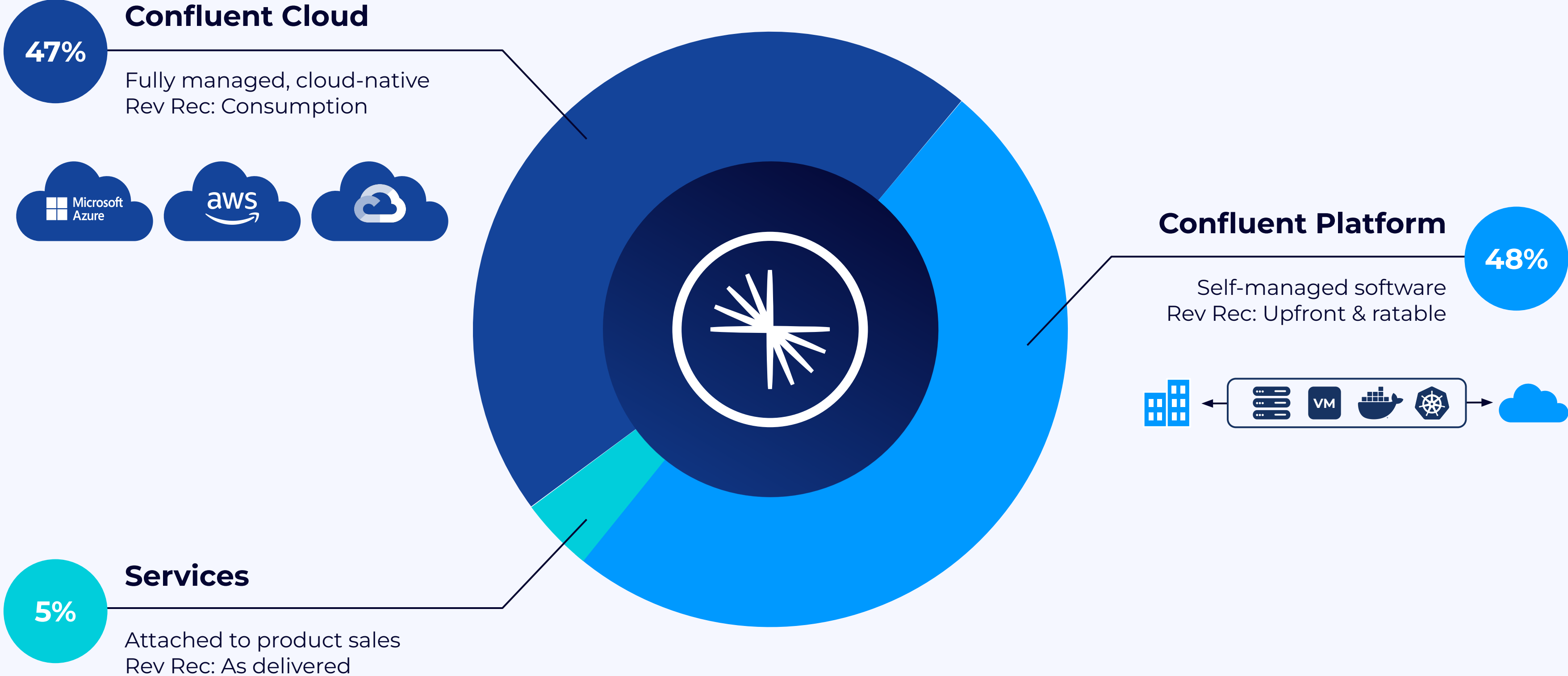
# Bottoms-up View of Our 2022 Addressable Market



(1) Source: Capital IQ.

(2) Estimates based on evaluation of spending patterns across Confluent's customer base.

# The Power of Our Hybrid Model



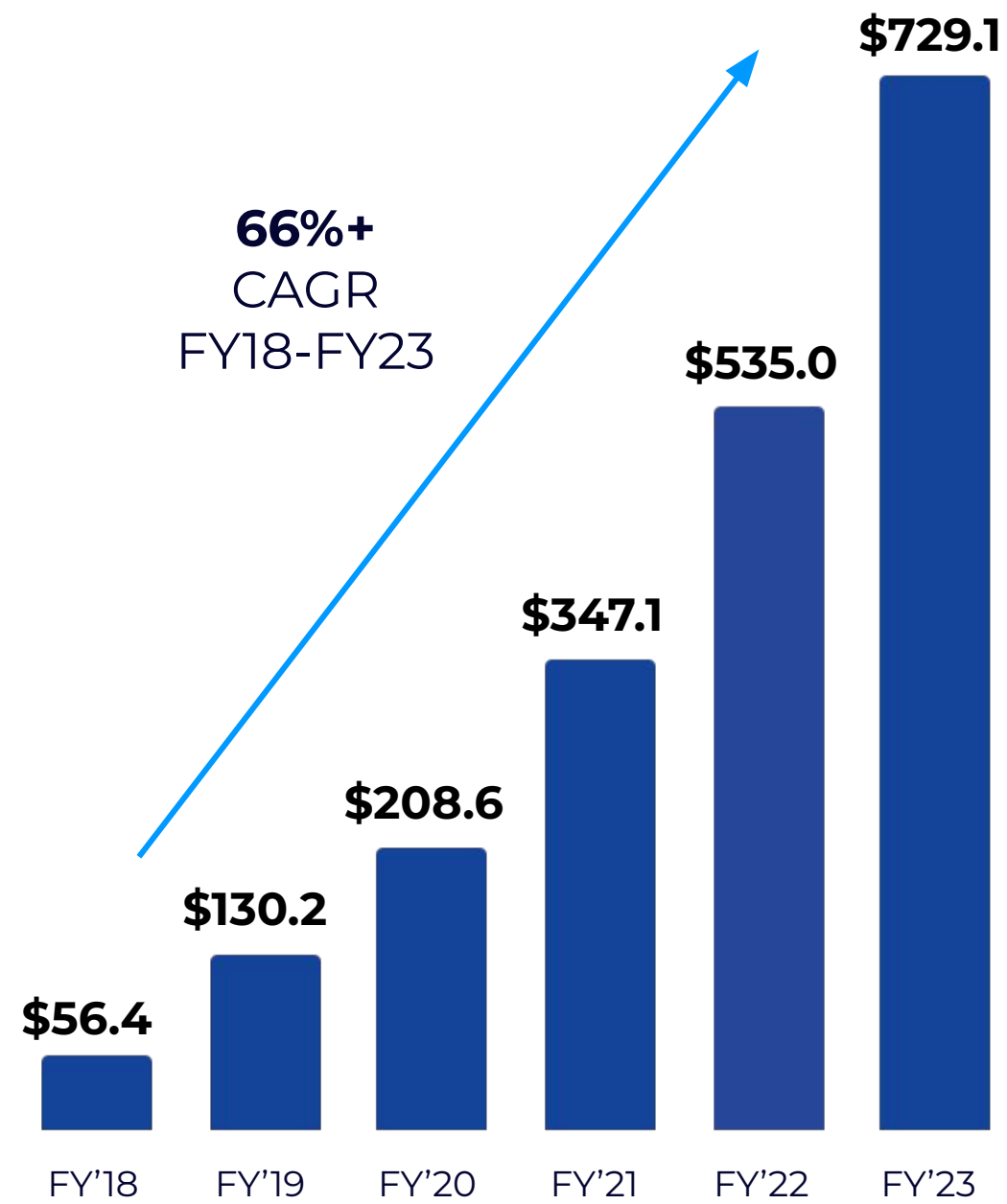
Note: 47% Confluent Cloud revenue mix, 48% Confluent Platform revenue mix, and 5% Services revenue mix are as of the quarterly period ended December 31, 2023.



# Subscription Revenue

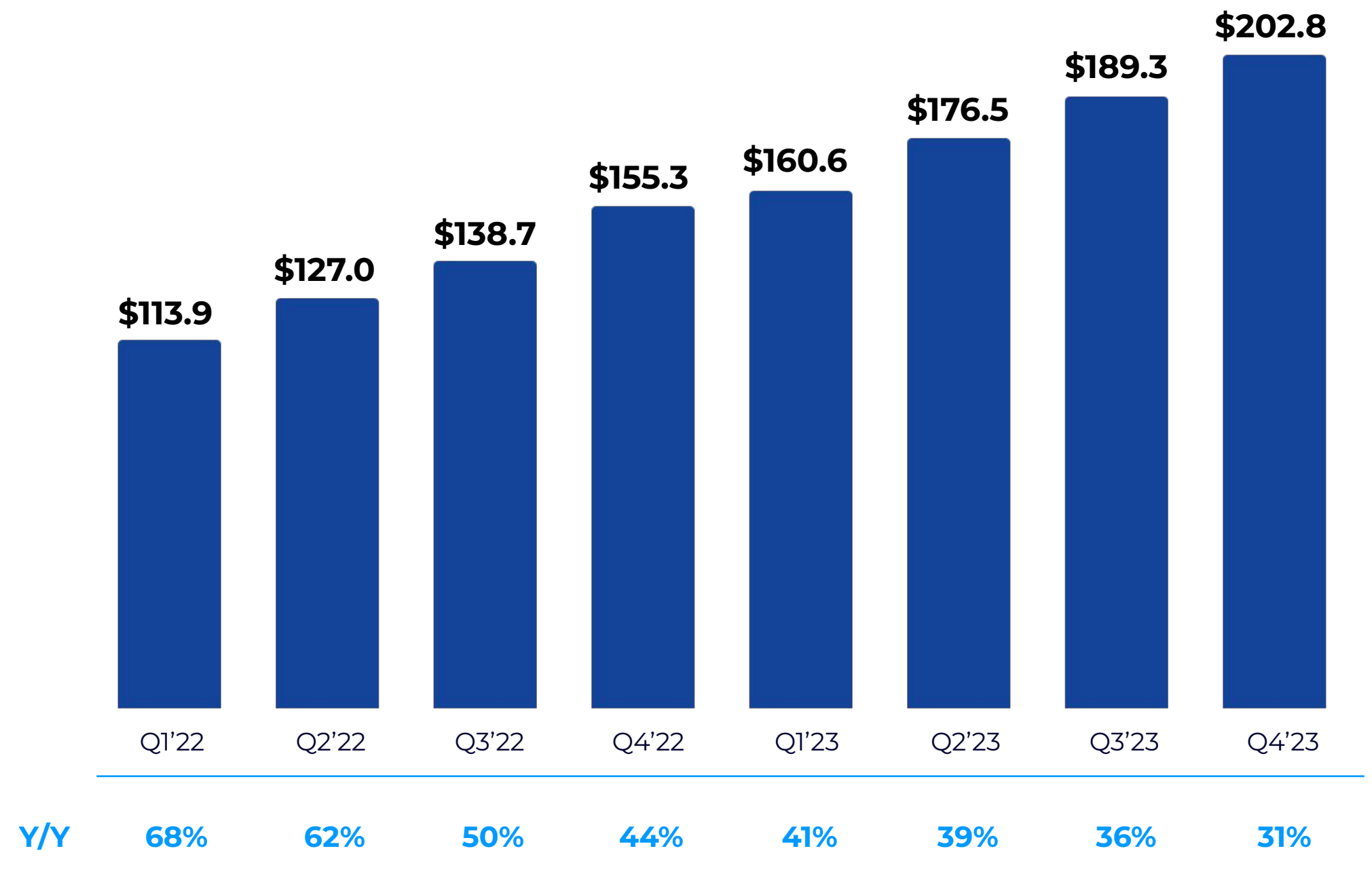
### Annual Subscription Revenue

\$ in millions



### Quarterly Subscription Revenue

\$ in millions

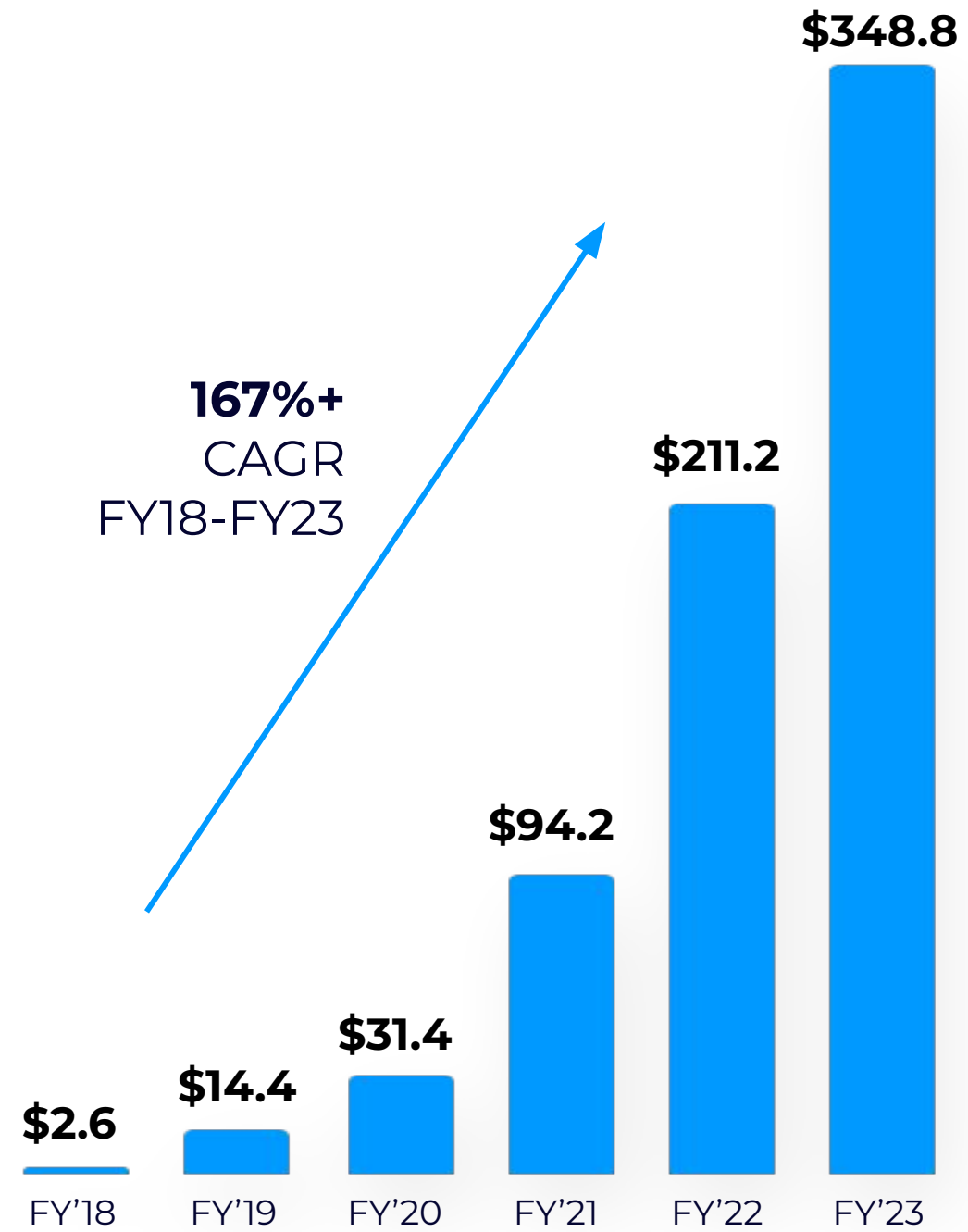


# Confluent Cloud Revenue



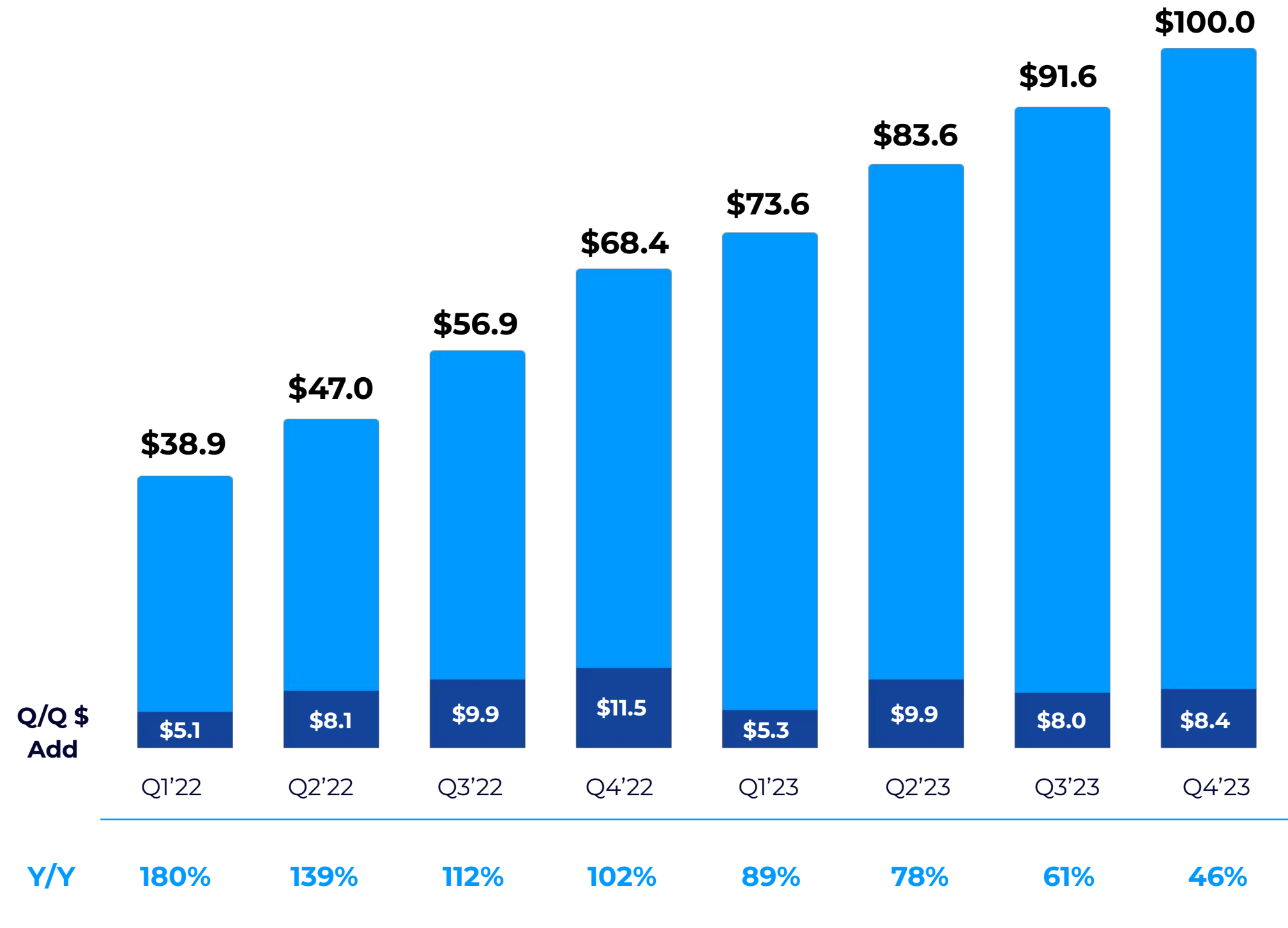
## Annual Cloud Revenue

\$ in millions



## Quarterly Cloud Revenue

\$ in millions

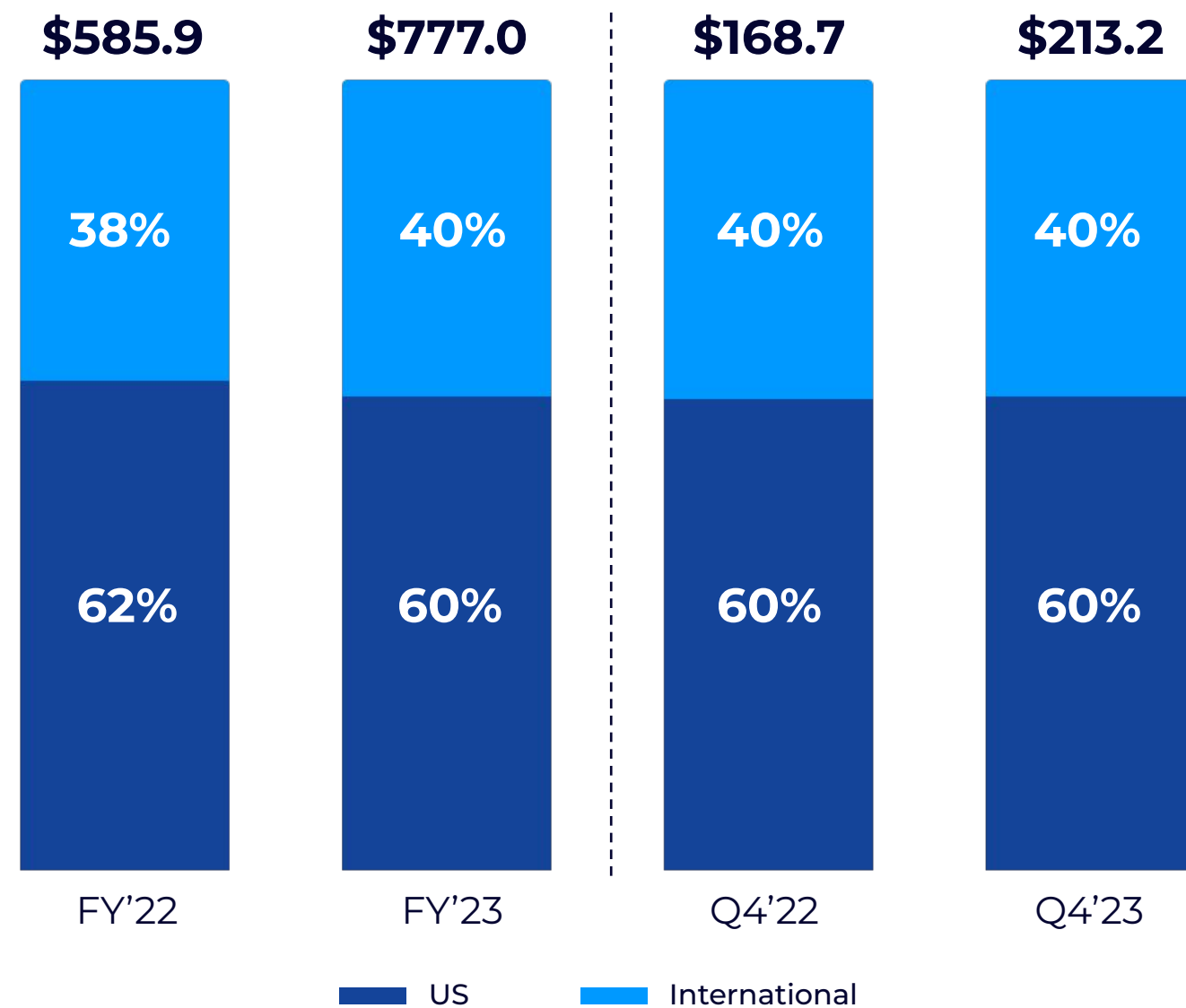




# Revenue Mix by Geography and Product

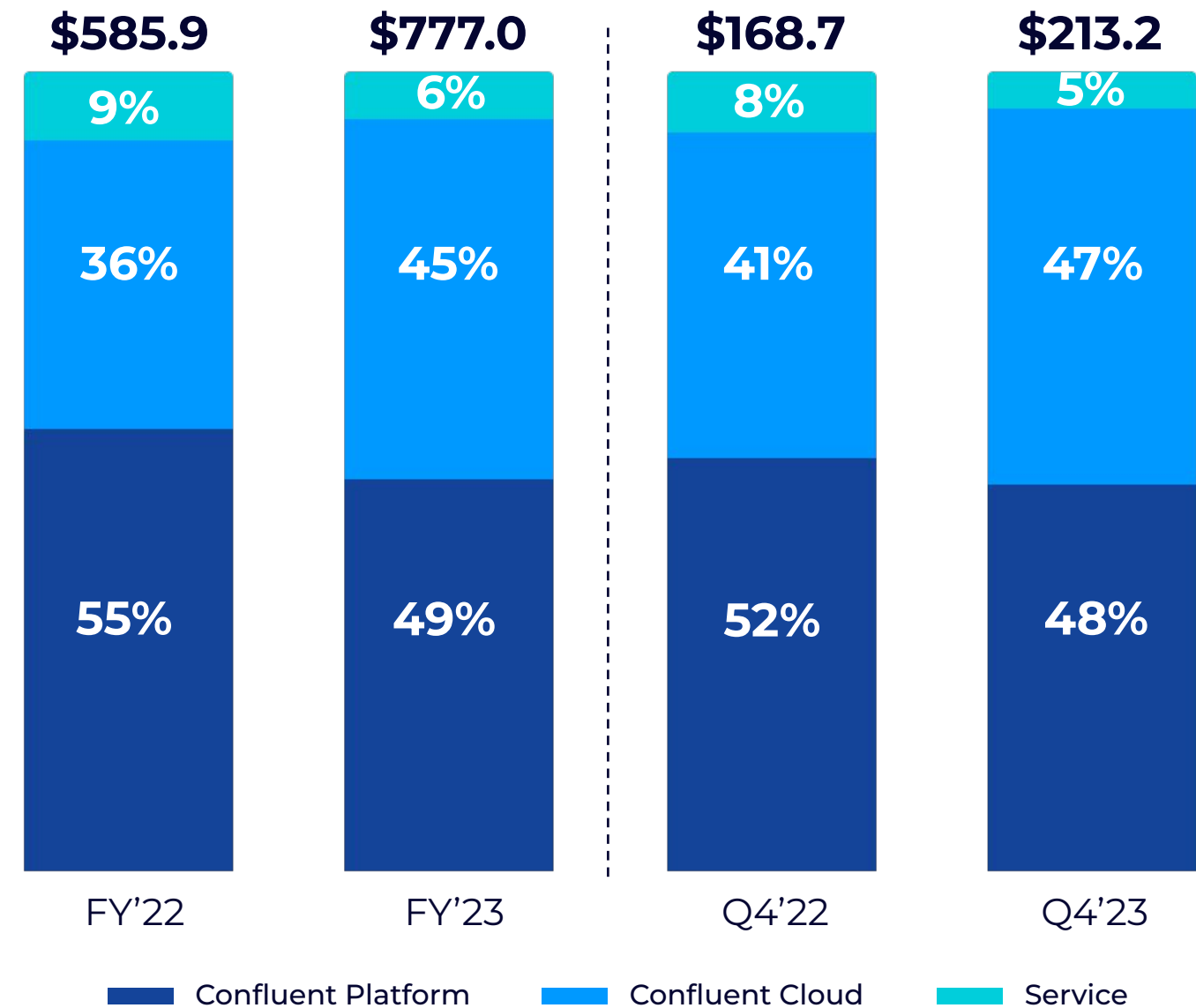
### Revenue Mix by Geography

\$ in millions



### Revenue Mix by Product

\$ in millions



Note: Q4'22 revenue mix by product does not sum to 100% due to rounding.

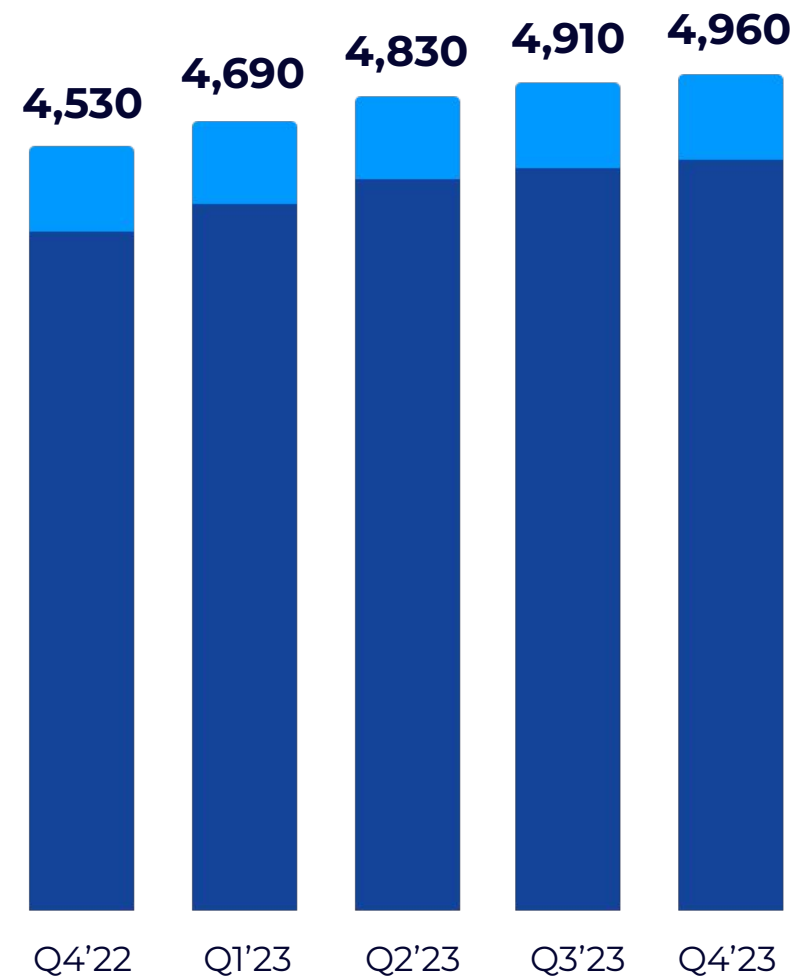




# Customers

## Total Customers

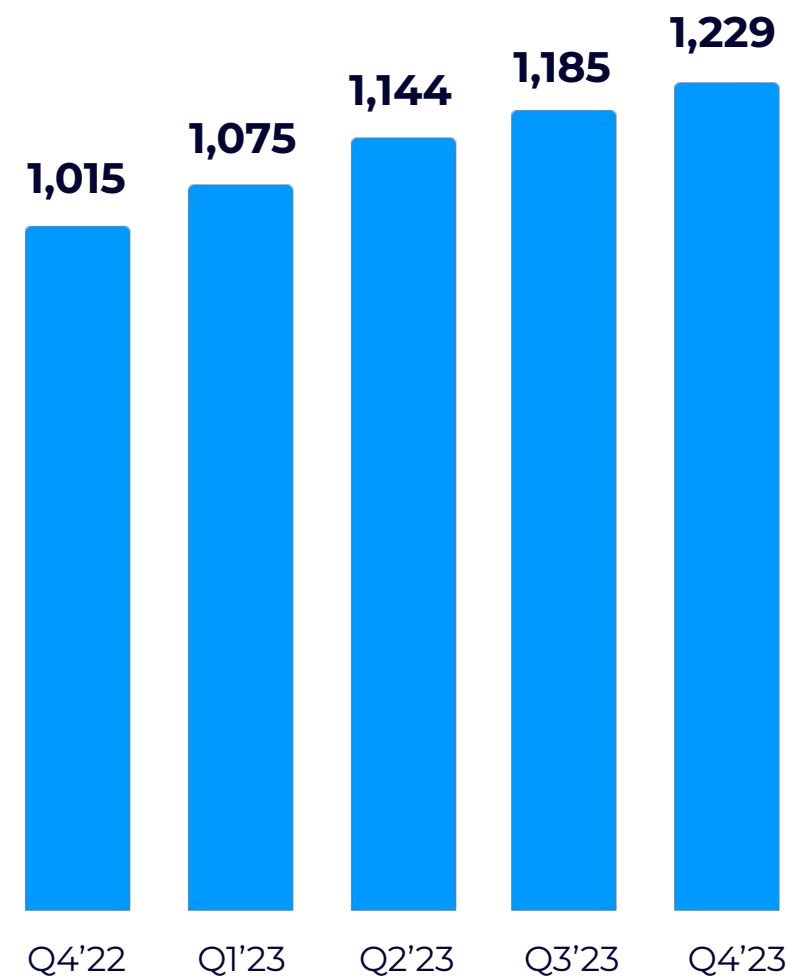
9% y/y growth



Confluent Cloud Confluent Platform

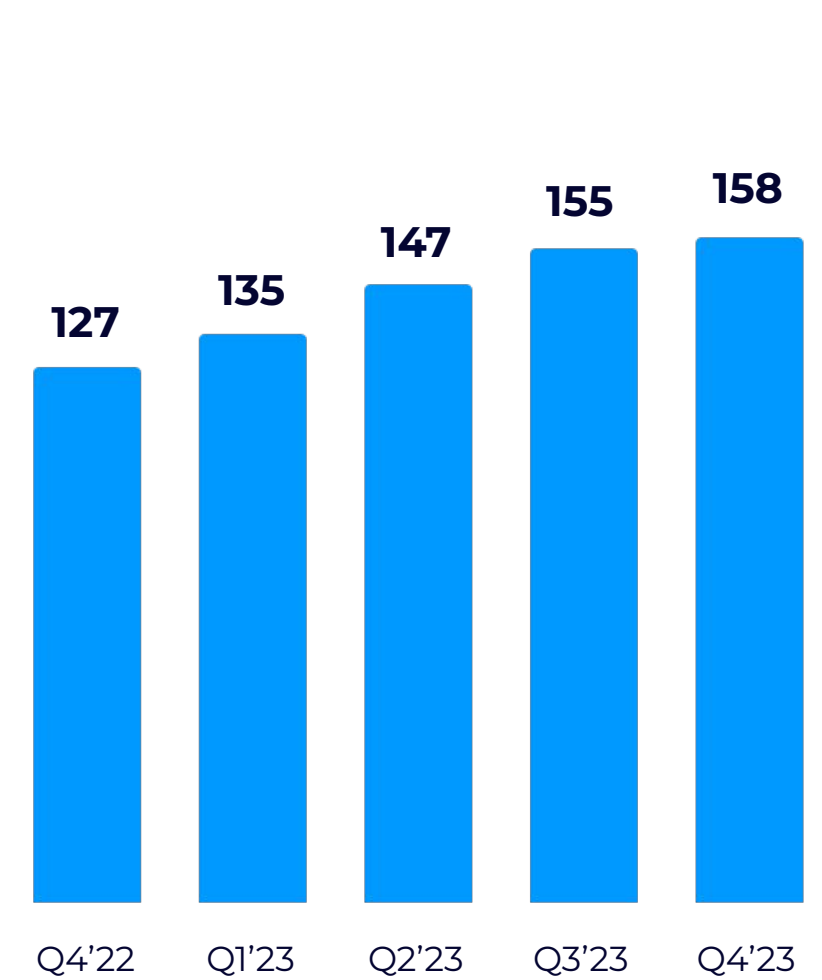
## Customers with $\geq$ \$100K in ARR

21% y/y growth



## Customers with $\geq$ \$1M in ARR

24% y/y growth

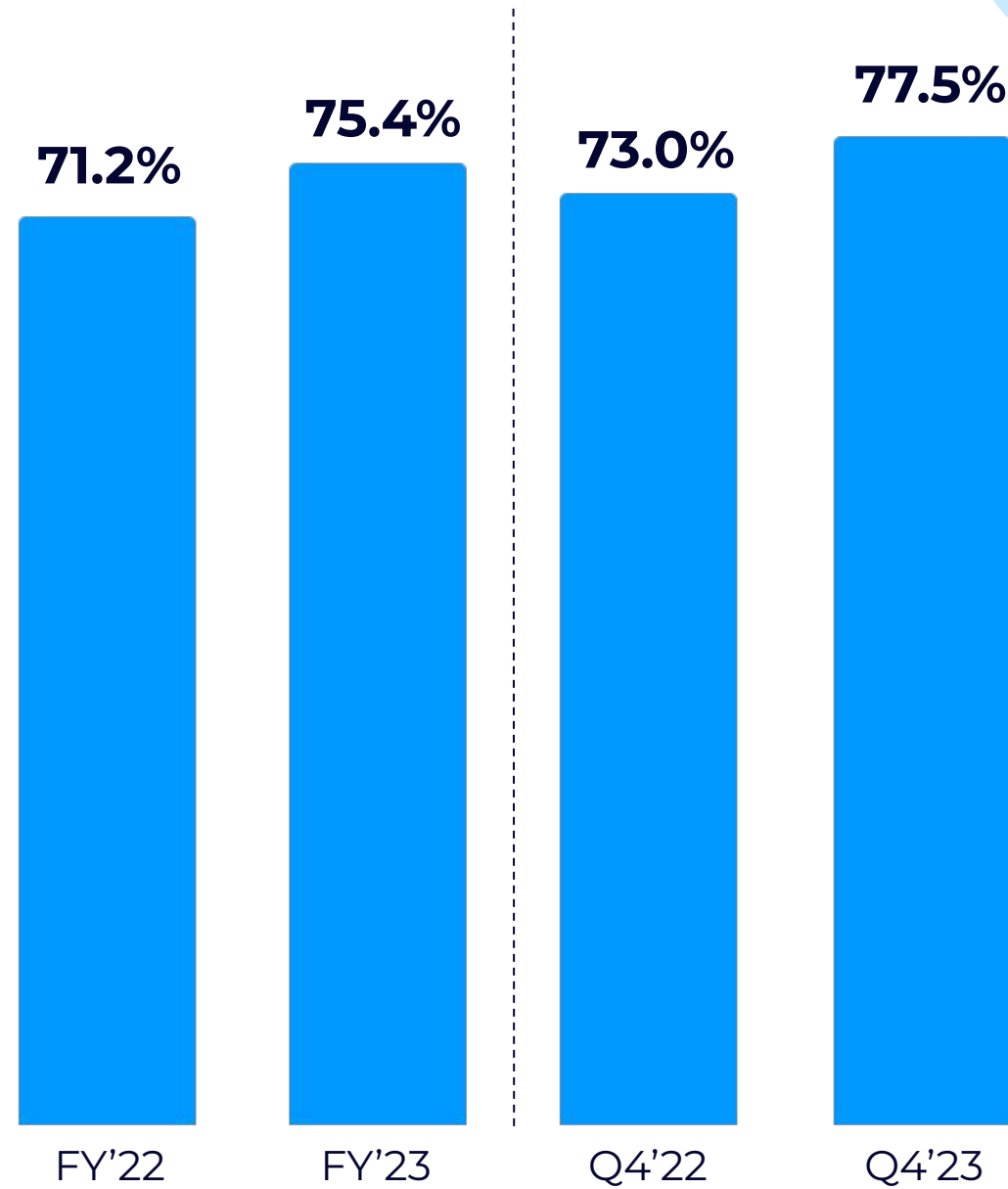


Ended FY'23 with 19 Customers with \$5M+ in ARR, +10 Customers YoY



# Non-GAAP Gross Margins

## Total Gross Margin



+450 bps  
y/y

## Margin Drivers:



Healthy margins for  
Confluent Platform  
Revenue

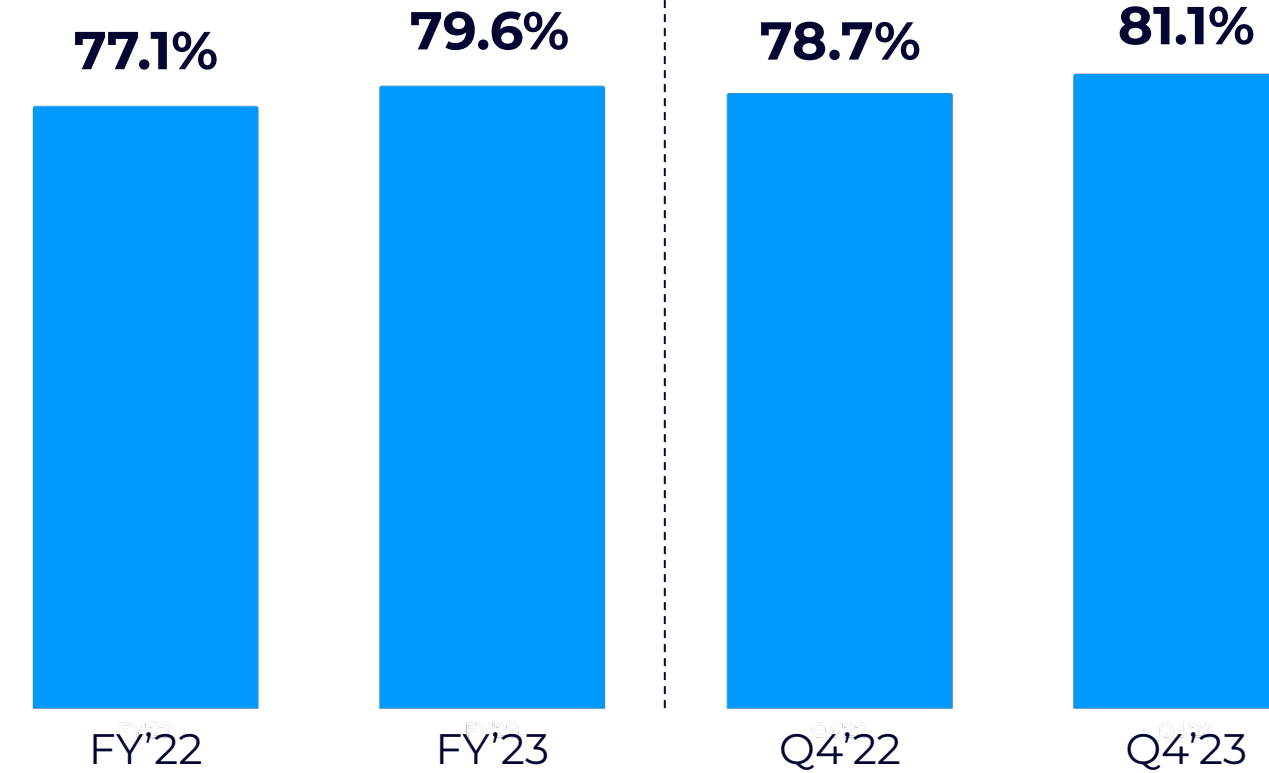


Growing  
Confluent Cloud  
revenue mix



Improving Cloud hosting  
costs due to scale and  
optimization

## Subscription Gross Margin

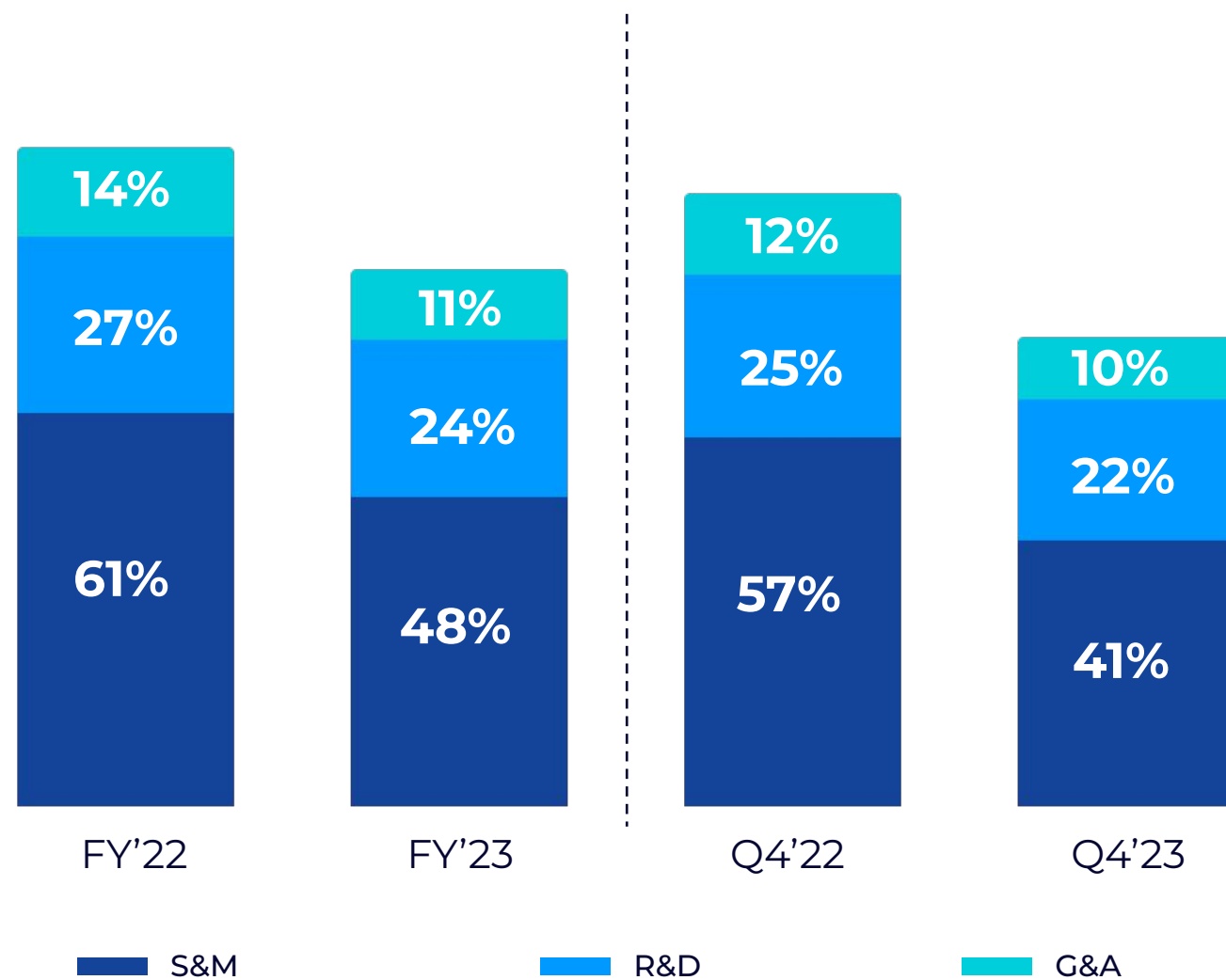


+240 bps  
y/y

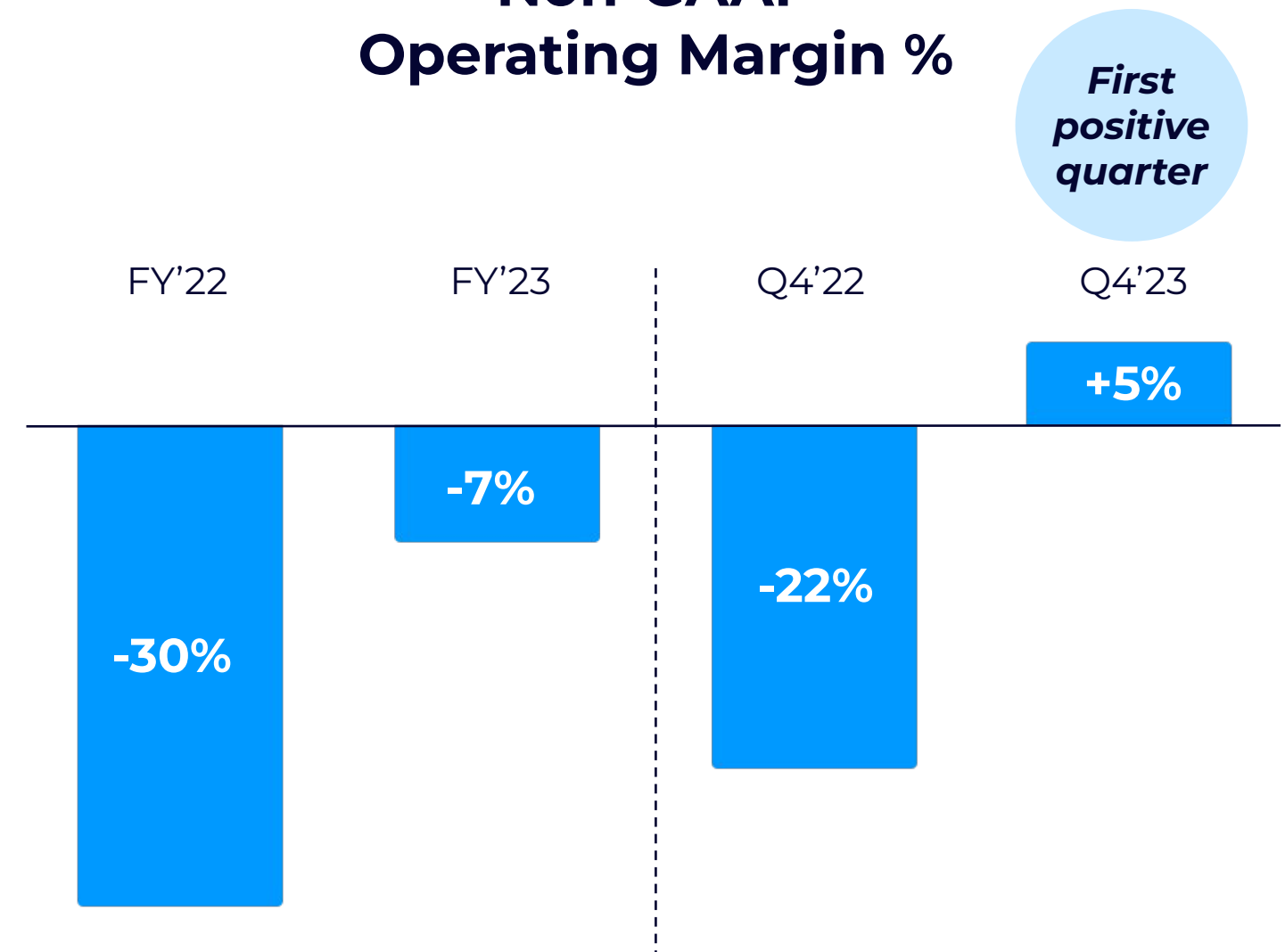


# Driving Efficient Growth

## Non-GAAP Operating Expenses as % of Revenue



## Non-GAAP Operating Margin %

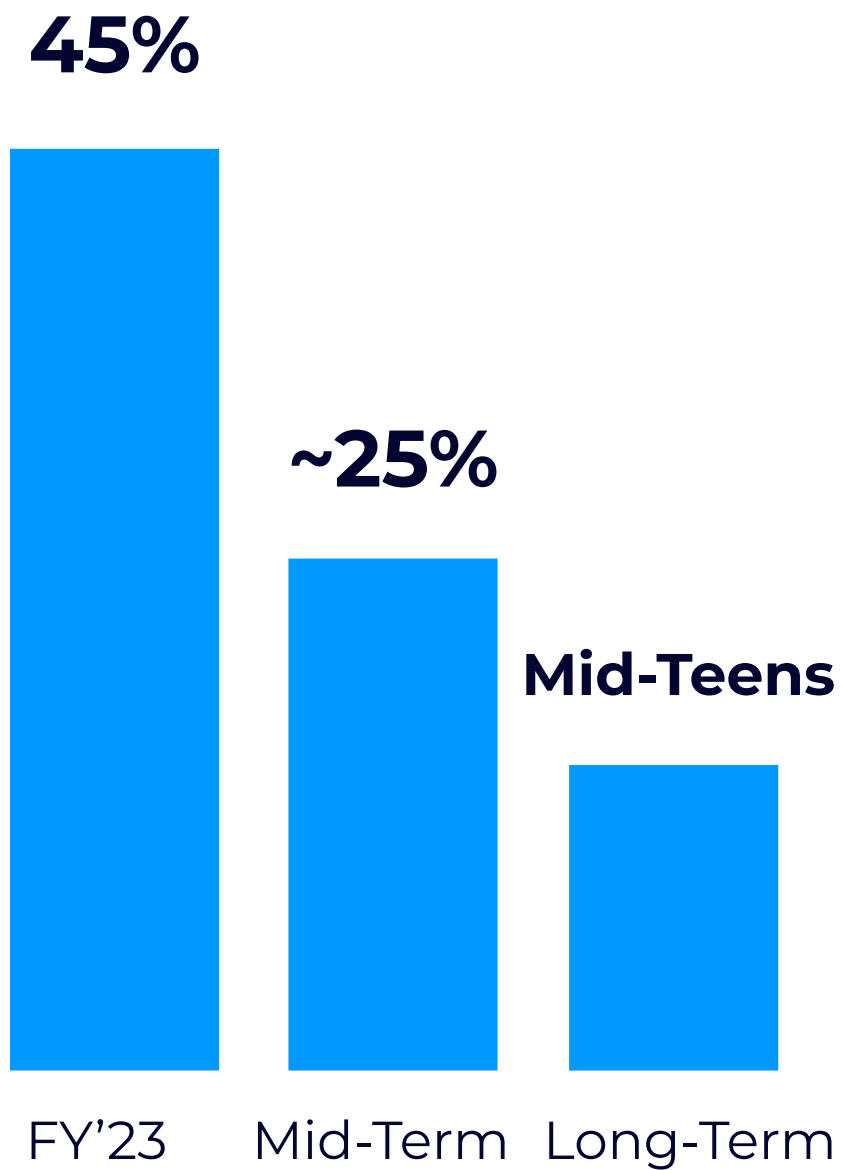


Note: Refer to the slides in the section titled "GAAP to Non-GAAP Reconciliations" at the end of this presentation for a reconciliation of our non-GAAP financial metrics to the most directly comparable GAAP financial metrics.

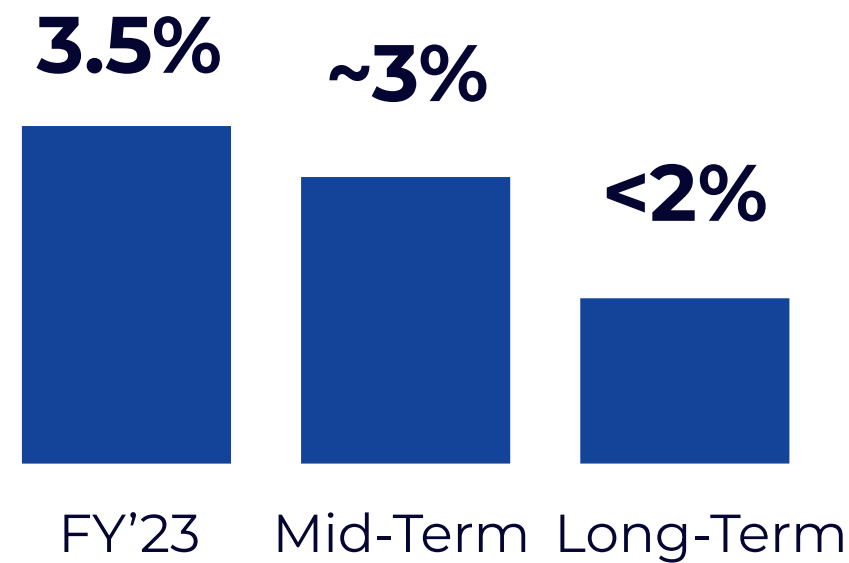


# Focus on Managing Net Dilution

SBC % of Revenue



Net Dilution



## Net dilution Calc

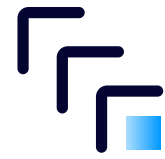
- (Shares granted - shares forfeited) / WASO

## Drivers

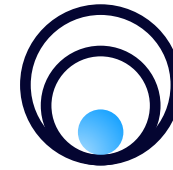
- SBC is a lagging indicator
- Final tranches of pre-IPO options recognized in SBC through 1H FY25
- FY'24 net dilution target of ~3%
- Focus managing net dilution LT below 2% and SBC % of revenue mid-teens



# Key Takeaways



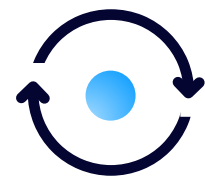
Category Creating  
Company Founded by  
the Creators of Kafka



~\$60 Billion  
Total Addressable  
Market<sup>1</sup>



Strong Growth  
and Long-Term  
Margin Profile



Expansion  
Driven by  
Network Effects



Positioned to Capitalize  
on the Large and  
Growing Shift to Cloud



Seasoned Management  
Team with Track Record  
of Execution

<sup>1</sup> TAM calculations performed by Confluent; source: Gartner, Forecast: Enterprise Infrastructure Software, Worldwide, 2020-2026, 2Q22 Update, June 2022; source: Gartner, Forecast: Enterprise Application Software, Worldwide, August 2022.



# Appendix



# Definitions

## **Annual Recurring Revenue (ARR):**

We define ARR as (1) with respect to Confluent Platform customers, the amount of revenue to which our customers are contractually committed over the following 12 months assuming no increases or reductions in their subscriptions, and (2) with respect to Confluent Cloud customers, the amount of revenue that we expect to recognize from such customers over the following 12 months, calculated by annualizing actual consumption of Confluent Cloud in the last three months of the applicable period, assuming no increases or reductions in usage rate. Services arrangements are excluded from the calculation of ARR. Prior to the first quarter of 2023, ARR with respect to Confluent Cloud customers excluded pay-as-you-go arrangements and was based on contractual commitments over the following 12 months, regardless of actual consumption. We adjusted our methodology for calculating ARR commencing with the first quarter of 2023 to incorporate actual consumption of Confluent Cloud and applied this change retroactively.

## **Dollar-Based Net Retention Rate:**

We calculate our dollar-based net retention rate (NRR) as of a period end by starting with the ARR from the cohort of all customers as of 12 months prior to such period end ("Prior Period Value"). We then calculate the ARR from these same customers as of the current period end ("Current Period Value"), and divide the Current Period Value by the Prior Period Value to arrive at our dollar-based NRR. The dollar-based NRR includes the effect, on a dollar-weighted value basis, of our Confluent Platform subscriptions that expand, renew, contract, or attrit. The dollar-based NRR also includes the effect of annualizing actual consumption of Confluent Cloud in the last three months of the applicable period, but excludes ARR from new customers in the current period. Our dollar-based NRR is subject to adjustments for acquisitions, consolidations, spin-offs, and other market activity.

## **Total Customers:**

Represent the total number of customers at the end of each period. For purposes of determining our customer count, we treat all affiliated entities with the same parent organization as a single customer and include pay-as-you-go customers. Our customer count is subject to adjustments for acquisitions, consolidations, spin-offs, and other market activity.

## **Customers with \$100,000 or greater in ARR:**

Represent the number of customers that contributed \$100,000 or more in ARR as of period end.

## **Customers with \$1,000,000 or greater in ARR:**

Represent the number of customers that contributed \$1,000,000 or more in ARR as of period end.

## **Customers with \$5,000,000 or greater in ARR:**

Represent the number of customers that contributed \$5,000,000 or more in ARR as of period end.



# GAAP to Non-GAAP Reconciliations





# GAAP to Non-GAAP Reconciliations

(in thousands, except percentages)

	FY'22	FY'23	Q4'22	Q4'23
Total revenue	\$585,944	\$776,952	\$168,666	\$213,184
Total gross profit on a GAAP basis	\$383,529	\$547,282	\$114,717	\$156,127
Add: Stock-based compensation expense	32,389	36,716	7,871	8,782
Add: Employer taxes on employee stock transactions	1,173	1,259	469	150
Add: Amortization of acquired intangibles	-	564	-	195
<b>Non-GAAP total gross profit</b>	<b>\$417,091</b>	<b>\$585,821</b>	<b>\$123,057</b>	<b>\$165,254</b>
<i>Non-GAAP total gross margin</i>	<i>71.2%</i>	<i>75.4%</i>	<i>73.0%</i>	<i>77.5%</i>

	FY'22	FY'23	Q4'22	Q4'23
Subscription revenue	\$535,009	\$729,112	\$155,341	\$202,787
Subscription gross profit on a GAAP basis	\$388,685	\$553,108	\$116,645	\$157,980
Add: Stock-based compensation expense	23,136	25,620	5,492	6,207
Add: Employer taxes on employee stock transactions	569	867	84	102
Add: Amortization of acquired intangibles	-	564	-	195
<b>Non-GAAP subscription gross profit</b>	<b>\$412,390</b>	<b>\$580,159</b>	<b>\$122,221</b>	<b>\$164,484</b>
<i>Non-GAAP subscription gross margin</i>	<i>77.1%</i>	<i>79.6%</i>	<i>78.7%</i>	<i>81.1%</i>

	FY'22	FY'23	Q4'22	Q4'23
Total revenue	\$585,944	\$776,952	\$168,666	\$213,184
Research and development (R&D) expense on a GAAP basis	\$264,041	\$348,752	\$71,809	\$86,948
Less: Stock-based compensation expense	101,499	139,809	28,385	36,596
Less: Employer taxes on employee stock transactions	2,632	4,037	755	376
Less: Acquisition-related expenses	-	19,203	-	3,841
<b>Non-GAAP R&amp;D expense</b>	<b>\$159,910</b>	<b>\$185,703</b>	<b>\$42,669</b>	<b>\$46,135</b>
<i>Non-GAAP R&amp;D expense as a % of total revenue</i>	<i>27.3%</i>	<i>23.9%</i>	<i>25.3%</i>	<i>21.6%</i>



# GAAP to Non-GAAP Reconciliations

(in thousands, except percentages)

	FY'22	FY'23	Q4'22	Q4'23
Total revenue	\$585,944	\$776,952	\$168,666	\$213,184
Sales and marketing (S&M) expense on a GAAP basis	\$456,452	\$504,929	\$122,684	\$119,911
Less: Stock-based compensation expense	99,366	124,568	26,846	30,895
Less: Employer taxes on employee stock transactions	2,485	3,880	177	511
Less: Acquisition-related expenses	-	4,304	-	1,076
<b>Non-GAAP S&amp;M expense</b>	<b>\$354,601</b>	<b>\$372,177</b>	<b>\$95,661</b>	<b>\$87,429</b>
<i>Non-GAAP S&amp;M expense as a % of total revenue</i>	<i>60.5%</i>	<i>47.9%</i>	<i>56.7%</i>	<i>41.0%</i>
	<b>FY'22</b>	<b>FY'23</b>	<b>Q4'22</b>	<b>Q4'23</b>
Total revenue	\$585,944	\$776,952	\$168,666	\$213,184
General and administrative (G&A) expense on a GAAP basis	\$125,710	\$137,520	\$35,209	\$33,948
Less: Stock-based compensation expense	44,402	48,740	12,926	12,598
Less: Employer taxes on employee stock transactions	720	1,855	131	259
Less: Acquisition-related expenses	1,104	1,640	1,104	650
<b>Non-GAAP G&amp;A expense</b>	<b>\$79,484</b>	<b>\$85,285</b>	<b>\$21,048</b>	<b>\$20,441</b>
<i>Non-GAAP G&amp;A expense as a % of total revenue</i>	<i>13.6%</i>	<i>11.0%</i>	<i>12.5%</i>	<i>9.6%</i>
	<b>FY'22</b>	<b>FY'23</b>	<b>Q4'22</b>	<b>Q4'23</b>
Total revenue	\$585,944	\$776,952	\$168,666	\$213,184
Operating loss on a GAAP basis	(\$462,674)	(\$478,773)	(\$114,985)	(\$84,680)
Add: Stock-based compensation expense	277,656	349,833	76,028	88,871
Add: Employer taxes on employee stock transactions	7,010	11,031	1,532	1,296
Add: Amortization of acquired intangibles	-	564	-	195
Add: Acquisition-related expenses	1,104	25,147	1,104	5,567
Add: Restructuring and other related charges	-	34,854	-	-
<b>Non-GAAP operating (loss) income</b>	<b>(\$176,904)</b>	<b>(\$57,344)</b>	<b>(\$36,321)</b>	<b>\$11,249</b>
<i>Non-GAAP operating margin</i>	<i>(30.2%)</i>	<i>(7.4%)</i>	<i>(21.5%)</i>	<i>5.3%</i>

