CrowdStrike

Investor Briefing

September 2023

Safe Harbor

This presentation includes express and implied "forward-looking statements", including forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements that are not historical facts, and in some cases, can be identified by terms such as "anticipate," "believe," "estimate," "expect," "intend," "may," "might," "plan," "project," "will," "would," "should," "could," "can," "predict," "potential," "continue," or the negative of these terms, and similar expressions that concern our expectations, strategy, plans or intentions. Forward-looking statements contained in this presentation include, but are not limited to, statements concerning our estimates of market size and opportunity, our strategic plans or objectives, our growth prospects, projections, competitive environment, our product roadmap and future initiatives, and the performance and benefits of our products. By their nature, these statements are subject to numerous risks and uncertainties, including factors beyond our control, that could cause actual results, performance or achievement to differ materially and adversely from those anticipated or implied in the statements. Such risks and uncertainties are described in the "Risk Factors" section of our most recent Form 10-K or 10-Q, as applicable, filed with the Securities and Exchange Commission. Although our management believes that the expectations reflected in our statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances described in the forward-looking statements will be achieved or occur. Recipients are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date such statements are made and should not be construed as statements of fact. Except to the extent required by federal securities laws, we undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of unanticipated events.

Information in this presentation on new products, features, and functionality, including our expectations with respect to the development, release and timing thereof, is for informational purposes only and should not be relied upon.

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Financial Information

Use of Non-GAAP Financial Measures

In addition to our results determined in accordance with U.S. generally accepted accounting principles ("GAAP"), we believe non-GAAP measures used in this presentation, such as non-GAAP Gross Margins, Non-GAAP Operating Income and Free Cash Flow, are useful in evaluating our operating performance. We use such non-GAAP financial information to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that non-GAAP financial information, when taken collectively, may be helpful to investors because it provides consistency and comparability with past financial performance. However, non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool, and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP.

Other companies, including companies in our industry, may calculate similarly titled non-GAAP measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison. In addition, the utility of free cash flow as a measure of our financial performance and liquidity is limited as it does not represent the total increase or decrease in our cash balance for a given period.

Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures and not rely on any single financial measure to evaluate our business.

Please see the appendix included at the end of this presentation for a discussion of non-GAAP financial measures and a reconciliation of historical non-GAAP measures to historical GAAP measures.

Our Fiscal Year

Our fiscal year end is January 31, and our fiscal quarters end on April 30, July 31, October 31, and January 31. Our fiscal years ended January 31, 2018, 2019, 2020, 2021, 2022, 2023 and 2024 are referred to herein as fiscal 2018, 2019, 2020, 2021, 2022, 2023 and 2024, respectively.

Agenda

The AI-Native Security Platform

George Kurtz

Delivering Cybersecurity's Future Today

Mike Sentonas

Customer Fireside

Mike Sentonas

Firesides with CrowdStrike Executives

Mike Sentonas

Jennifer Johnson, Raj Rajamani, Daniel Bernard

Partner Firesides

Daniel Bernard

Financial Opportunity

Burt Podbere

Q&A

George **Kurtz**

CEO & Co-Founder

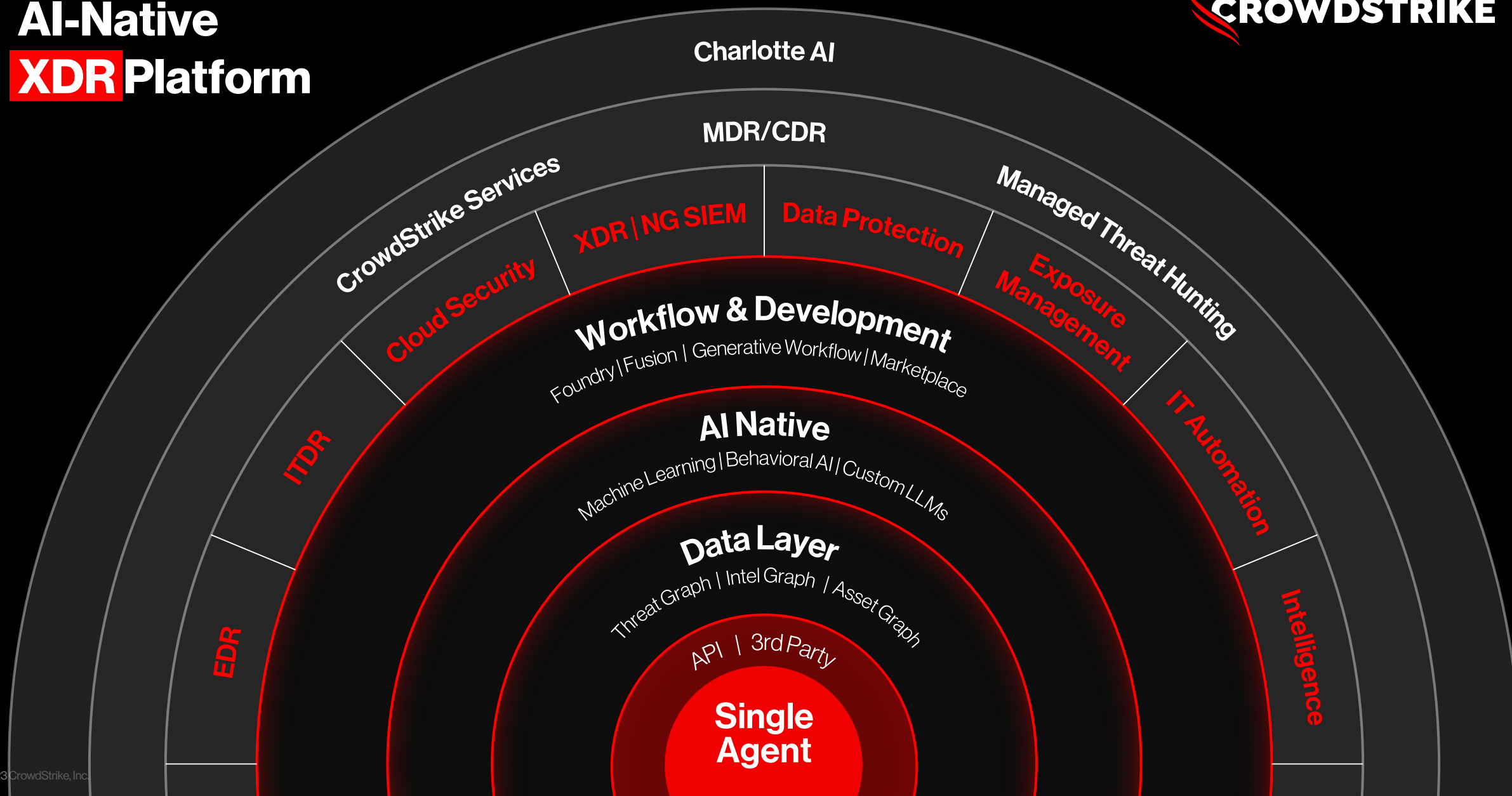**The** AI-Native Security Platform

Cybersecurity Today: What Customers Want

1 Stop the Breach

2 Consolidate to a Single Platform

3 Reduce TCO and Complexity

What is a **Platform?**

What is a Platform?

Flexible
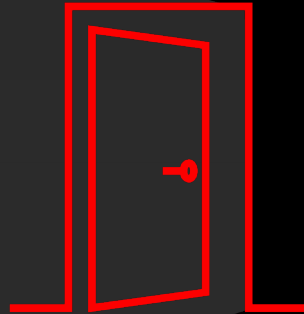
Open vs. **Closed**
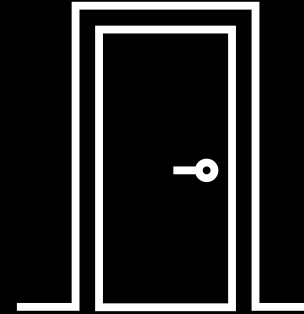
What is a Platform?

Native

Single vs. **Many**

1 Agent Console Platform

Disjointed
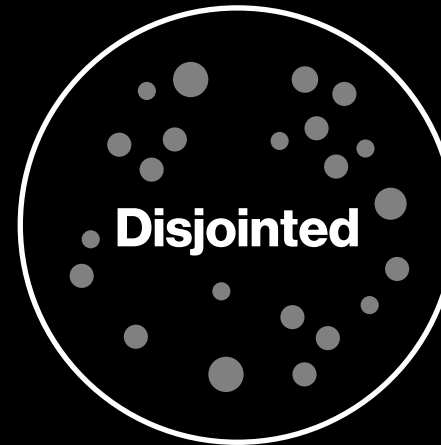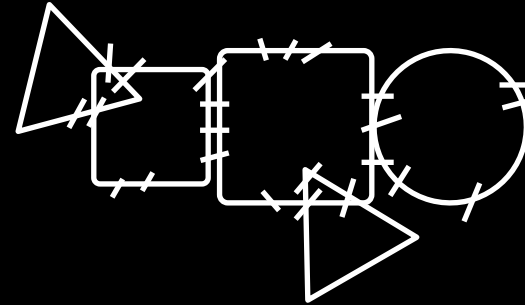
What is a Platform?

Infinite Customization

Create Your Own...

Apps   Workflows   Experiences

What is a Platform?

Outcomes

A Purpose-Built Security Platform From Day 1

Trillions of Datapoints / Day

Unified Products and Services Deliver the Best Cybersecurity

The Falcon Platform is Cybersecurity's Source of **Truth**

The **Next Chapter**
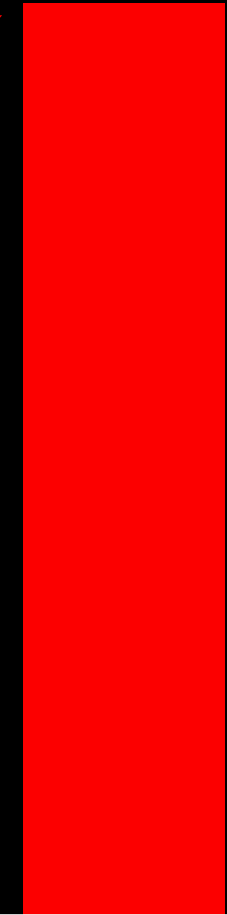
Solutions

The Legacy SIEM Problem

Today's Products Are Dependent On:

Non-Native Data

Expensive Ingest

Slow, Index-based Searches

Constant Configuration

Heavy Staffing

Cost | **Complexity** | **Complacency**
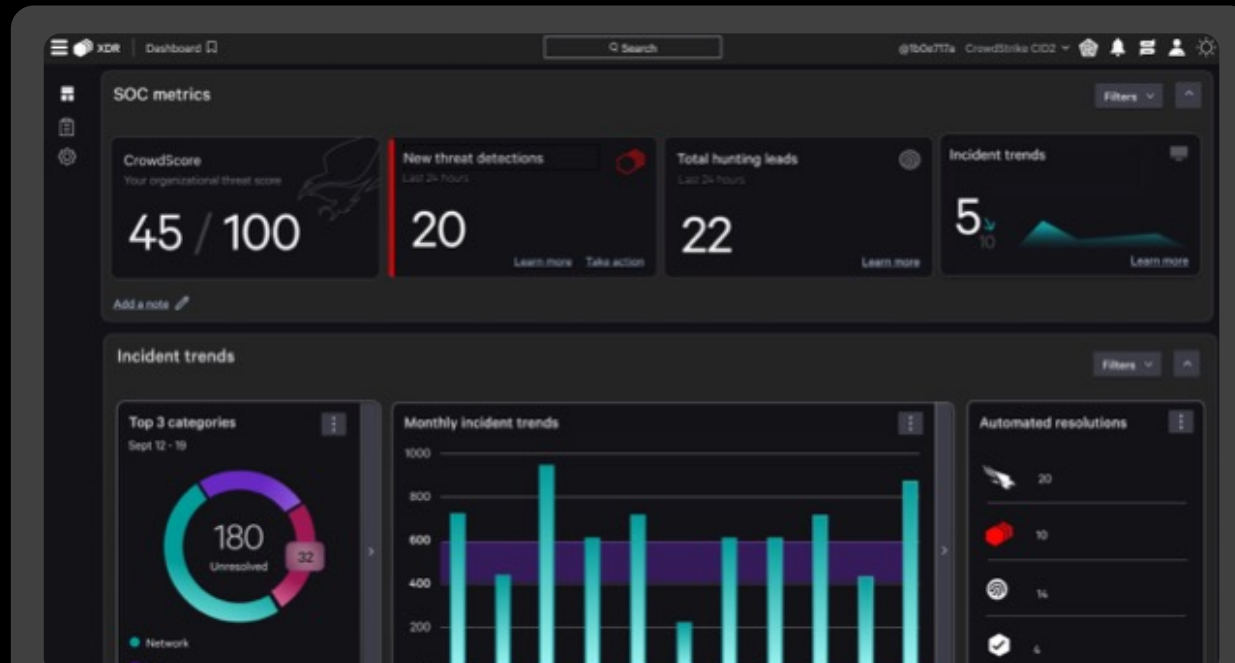
The Next-Gen SIEM Opportunity: AI-Native

Where Falcon Data Goes Today

- Other
- Sumo Logic
- QRadar
- Splunk
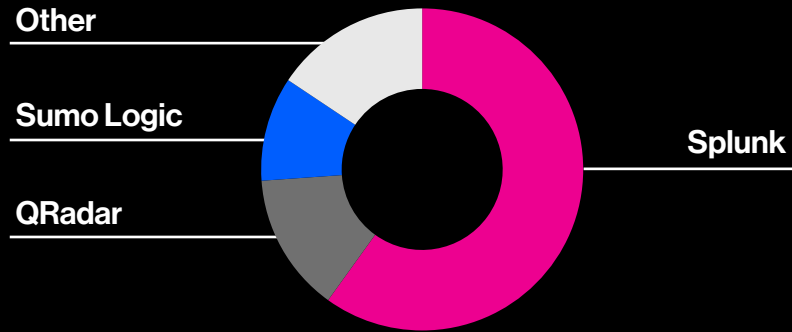
CY28 Market Opportunity

$16B

Why CrowdStrike?

	Falcon	Others
1 Speed	Real-time	Slow, Index-based
2 Cost	Predictable, Scalable	Punitive
3 Data Gravity	Data Creator	Data Importer

Platform Traction

LogScale ARR

~$100M

$5.5M

Launch - 1Q22   2Q24
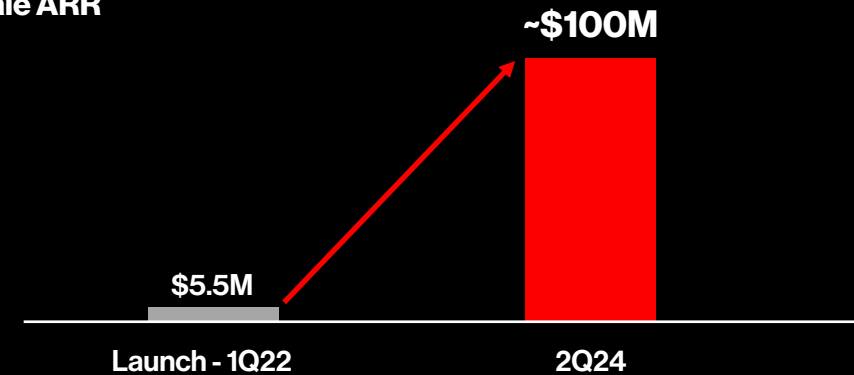
SIEM Solved: Breaking Down Data Silos

Native Data
Creator

✅ **Context by Design**
✅ **No Data Export Tax**

3rd Party Data
Aggregator

✅ **Simple Data Ingest**
✅ **Unified Data View**

Cost
Optimizer

✅ **Fast Index-free Search**
✅ **Scalable**

Identity Security: From Launch to Leader

Platform Traction
Identity ARR

>$200M

$6.8M

Launch - 3Q21   2Q24
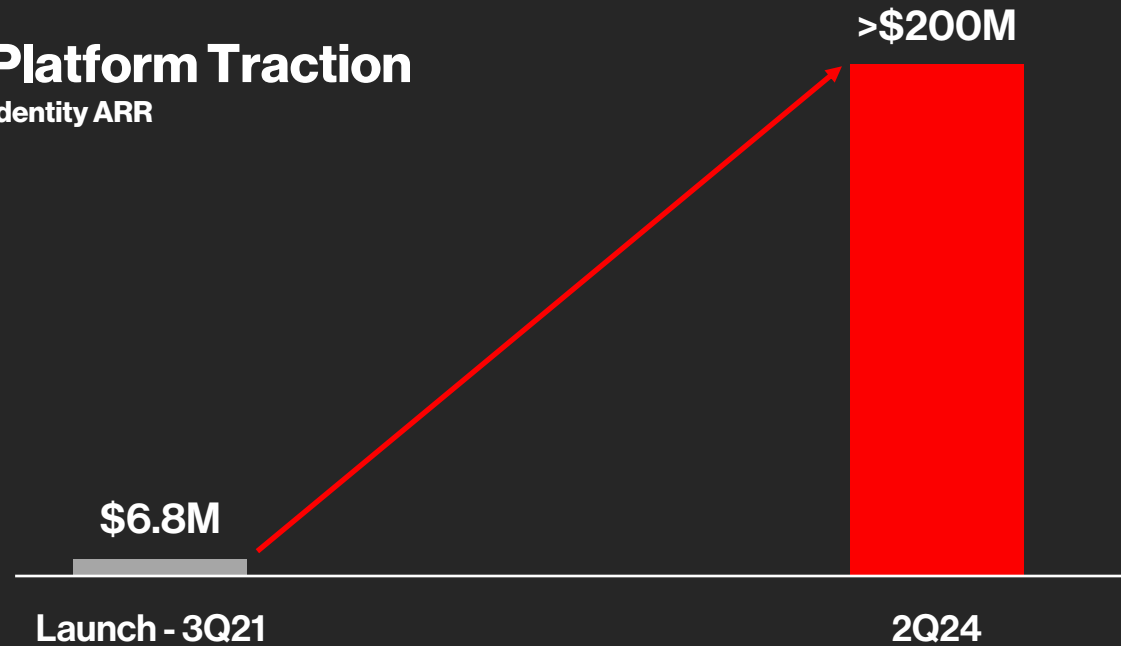
Identities are Created and Managed.
We Secure Them.

- ✔ Category Creator
- ✔ Platform Native
- ✔ GTM Execution
- ✔ >2,000 Customers

Cloud Security Today

Complex
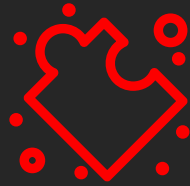
Fragmented

Immature

Too Many Acronyms That Don't Stop The Breach

Cybersecurity's Most Comprehensive Cloud Suite

Modern CNAPP

CSPM & CIEM

CWP
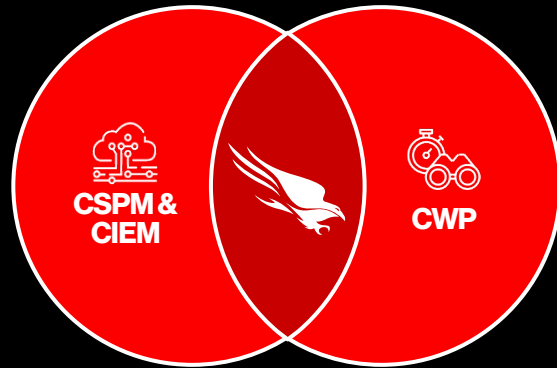
CY28 Market Opportunity

$31B

Partner & Customer Traction

56%
Cloud ARR
Sourced by Partners

28
of the
Fortune 100 are
Cloud Customers

Platform Traction
Cloud ARR
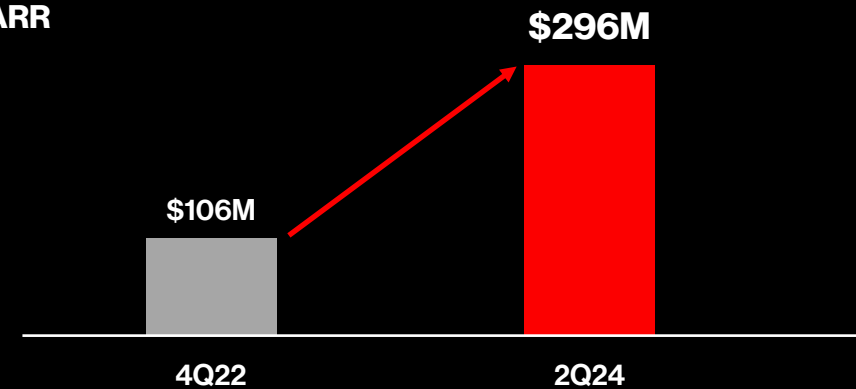
$296M

$106M

4Q22

2Q24

Integrated ASPM: Revolutionizing Cloud Security

Fully Integrated Code to Runtime Protection

✔ A Complete Picture of Risk

✔ Protect What's Running in the Cloud

✔ Simple, Frictionless Deployment

CSPM & CIEM

ASPM
BIONIC

CWP
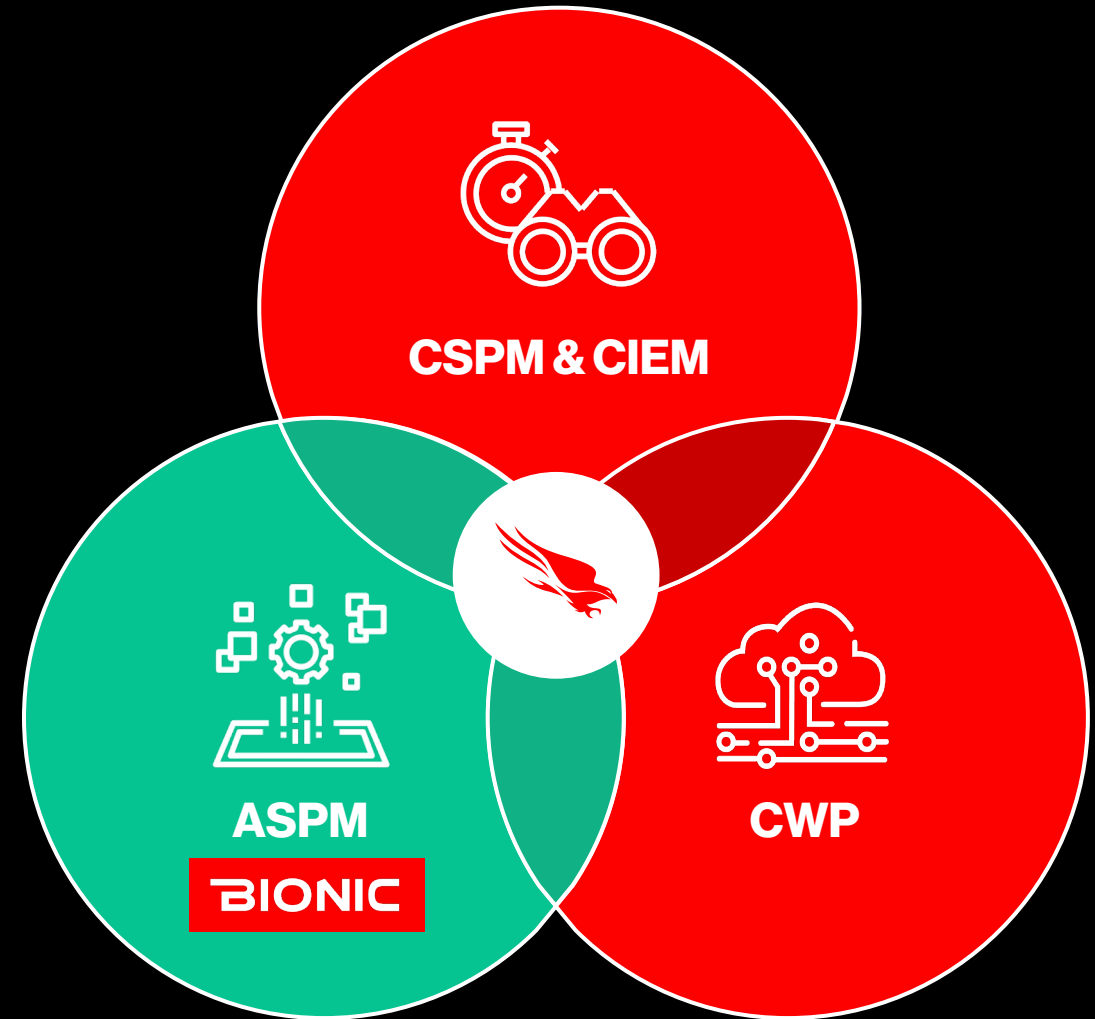
Securing the Cloud is Like Securing a Room

Cloud Security Posture Management (CSPM)

Is the Room Structurally Sound?

- Misconfigurations / vulnerabilities
- Compliance centric
- Point-in-time scan

**CSPM doesn't stop the breach
CSPM monitors the room's structural integrity**
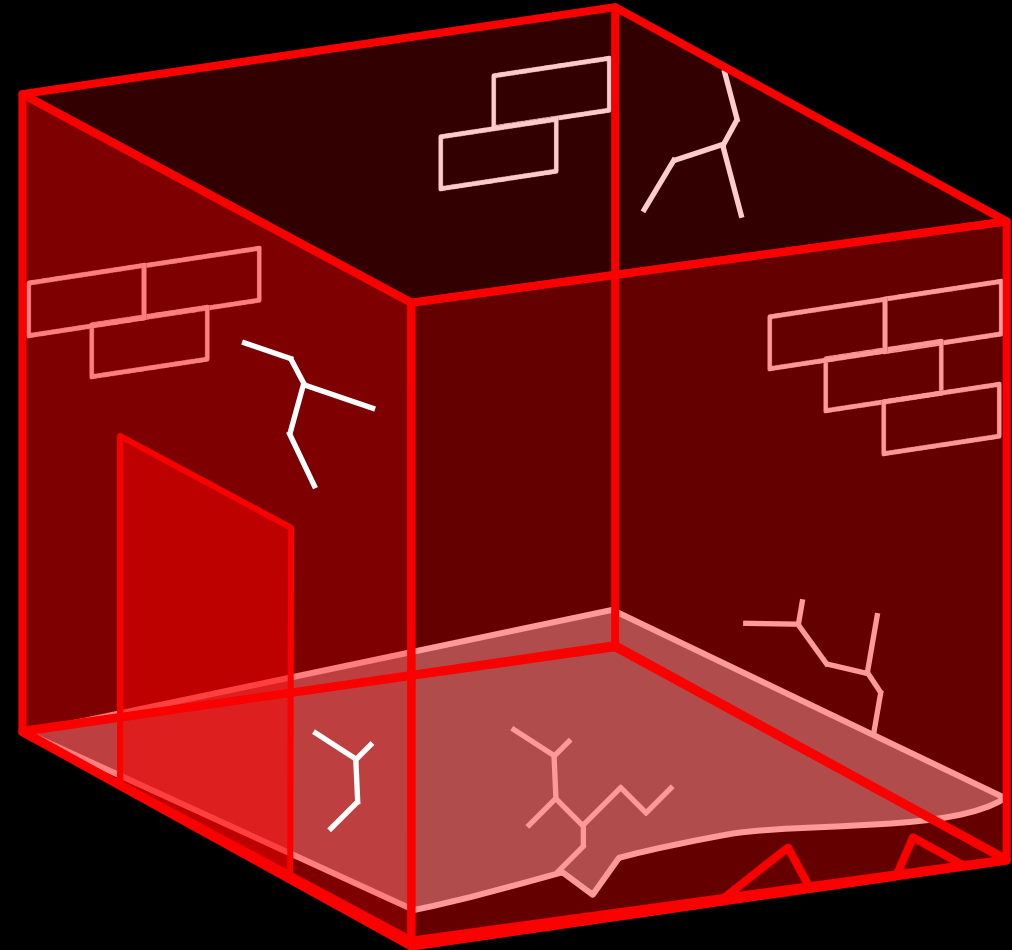
Agentless

Securing the Cloud is Like Securing a Room

Cloud Identity Entitlement Management (CIEM)

Who is Entering the Room?

- Access management
- Good actor? Bad actor?

**CIEM doesn't stop the breach
CIEM identifies who's entering**
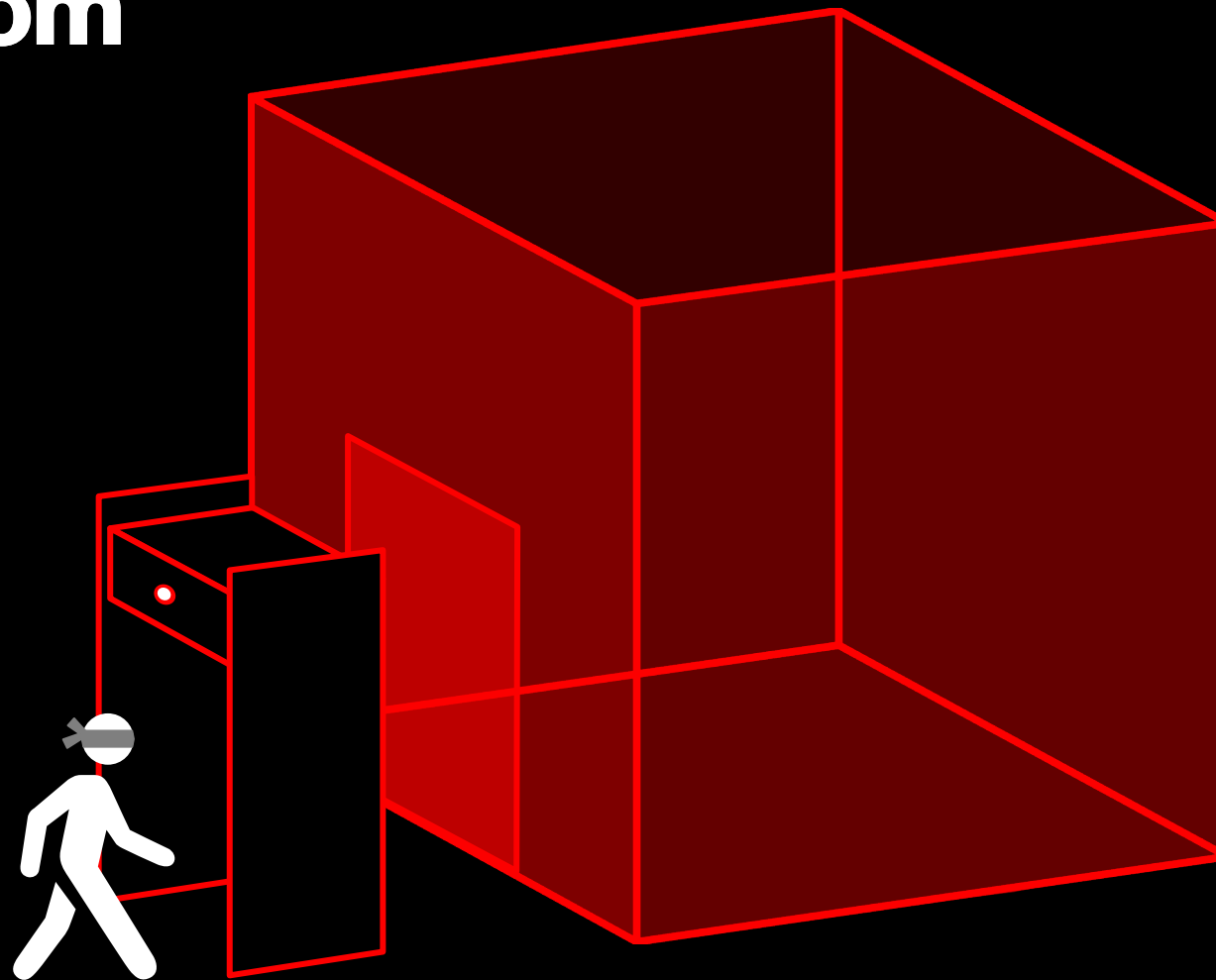
Agentless

Securing the Cloud is Like Securing a Room

Cloud Workload Protection (CWP)

Are Bad Behaviors Happening in the Room?

- Prevent and stop attacks
- Motion detector alarm
- Requires the most precision

CWP keeps people in the room safe
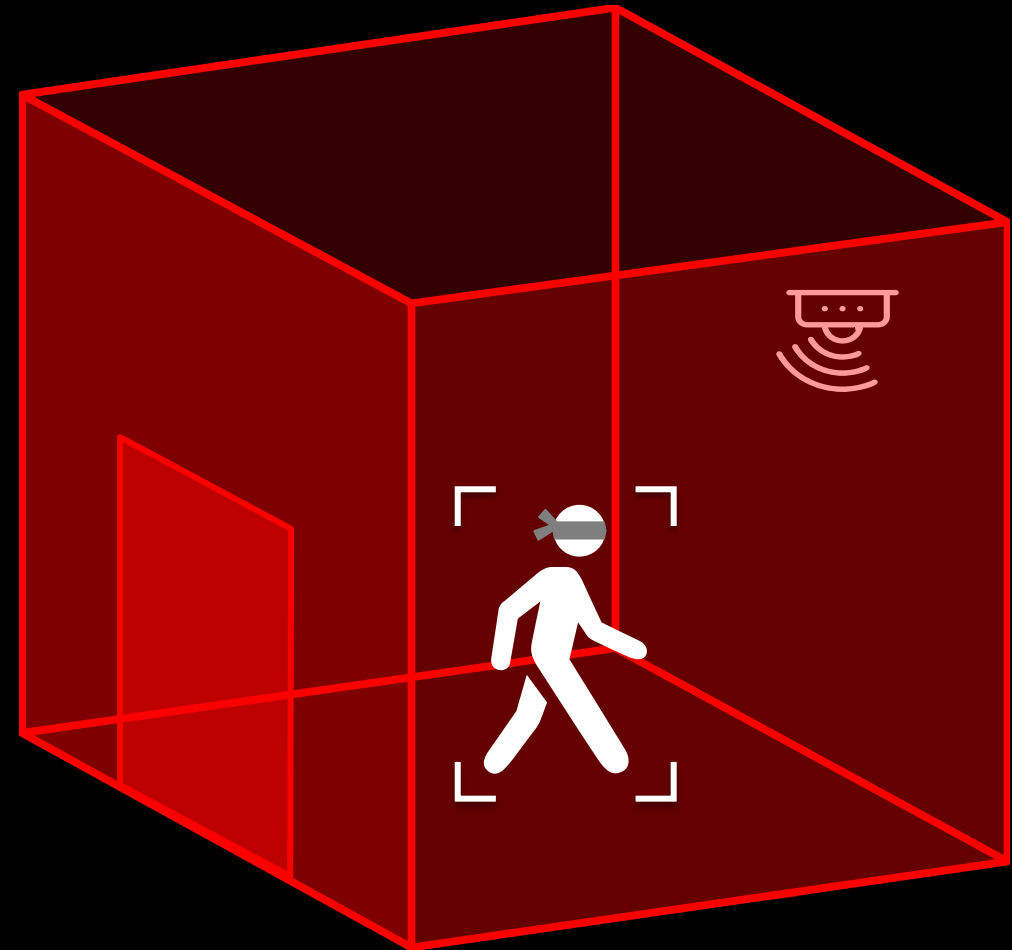
Agent-Based

Securing the Cloud is Like Securing a Room

Application Security Posture Management (ASPM)

What Items Are in the Room and Are They Secure?

- Complete real-time inventory
- Identifies contextual software vulnerabilities
- Non-invasive

ASPM identifies and protects objects in the room

Agentless
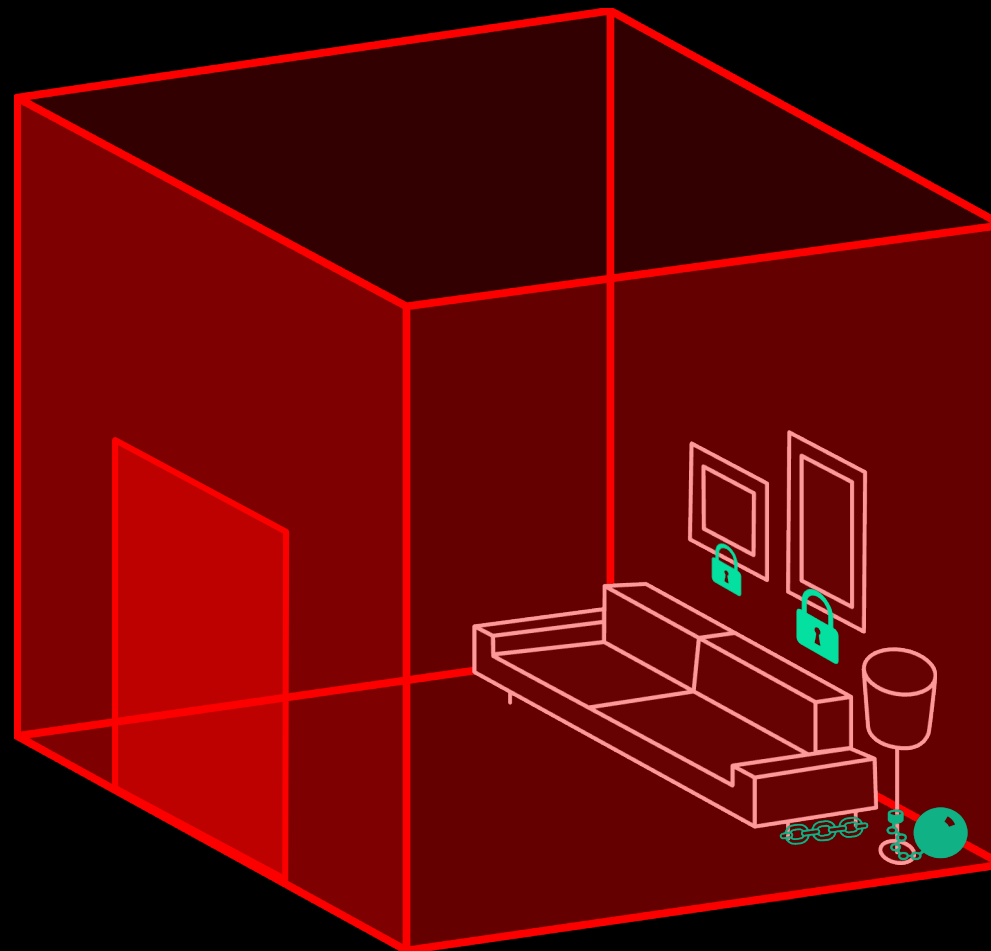
Securing the Cloud is Like Securing a Room

**Bringing it All Together:
Fully Integrated Code to Runtime Protection**

**Falcon Cloud Security
Stops Breaches**
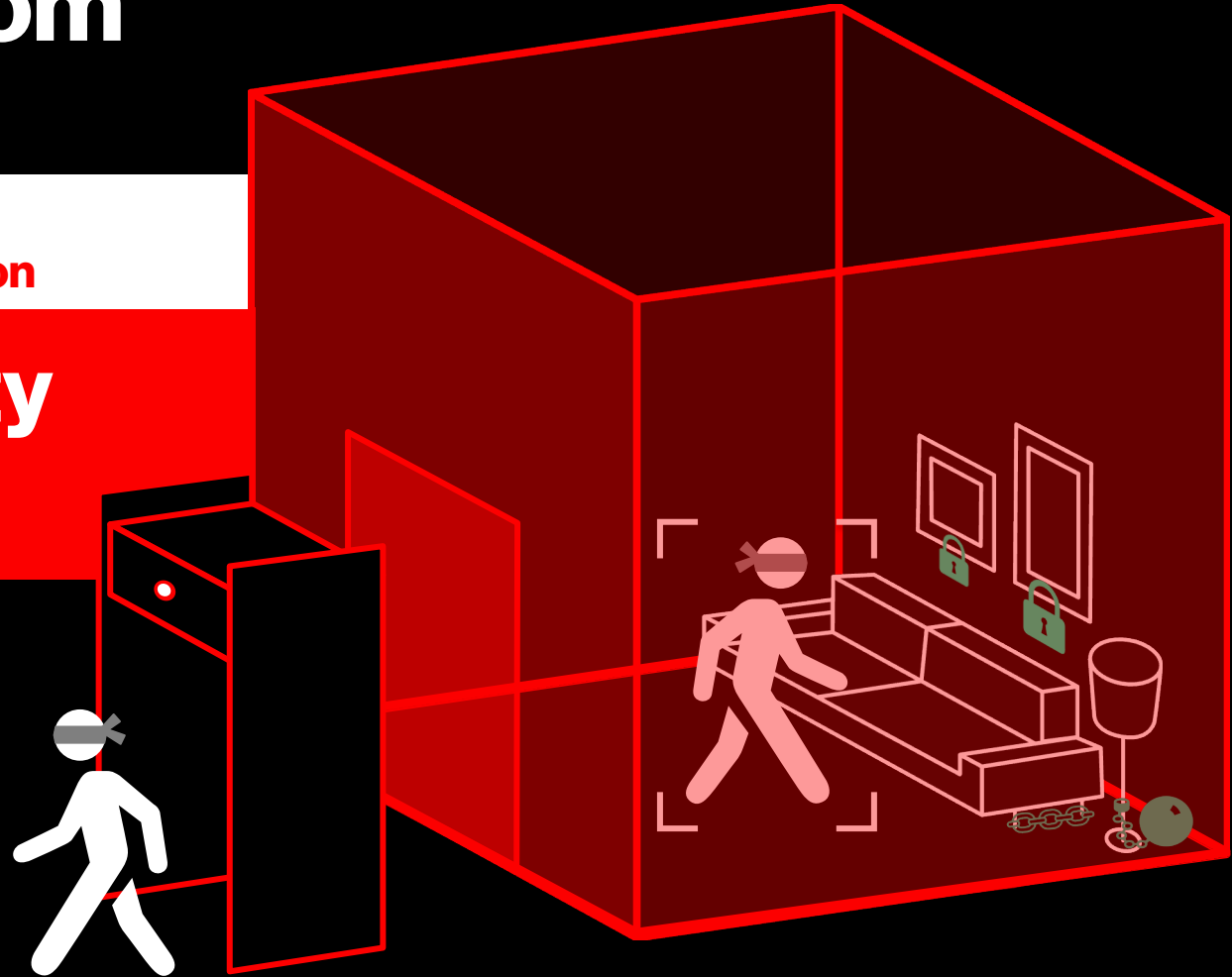
IT: Still An Overlooked Problem

94%

of IT decision-makers know they have shadow IT

95%

of IT leaders lack enterprise visibility

13+

Average number of agents on an endpoint

🚫 **Too Many Products**   🚫 **Too Many Dollars**   🚫 **Too Many Uncertainties**

Why Are These Products Still Separate?

Expanding Beyond Cybersecurity

Falcon for IT

Unified Asset Visibility and Management

Managed & Unmanaged Asset Discovery (1)

Application Inventory (2)

See Everything. Do Anything.

Device Hygiene (3)

Patch Management & Device Query (4)
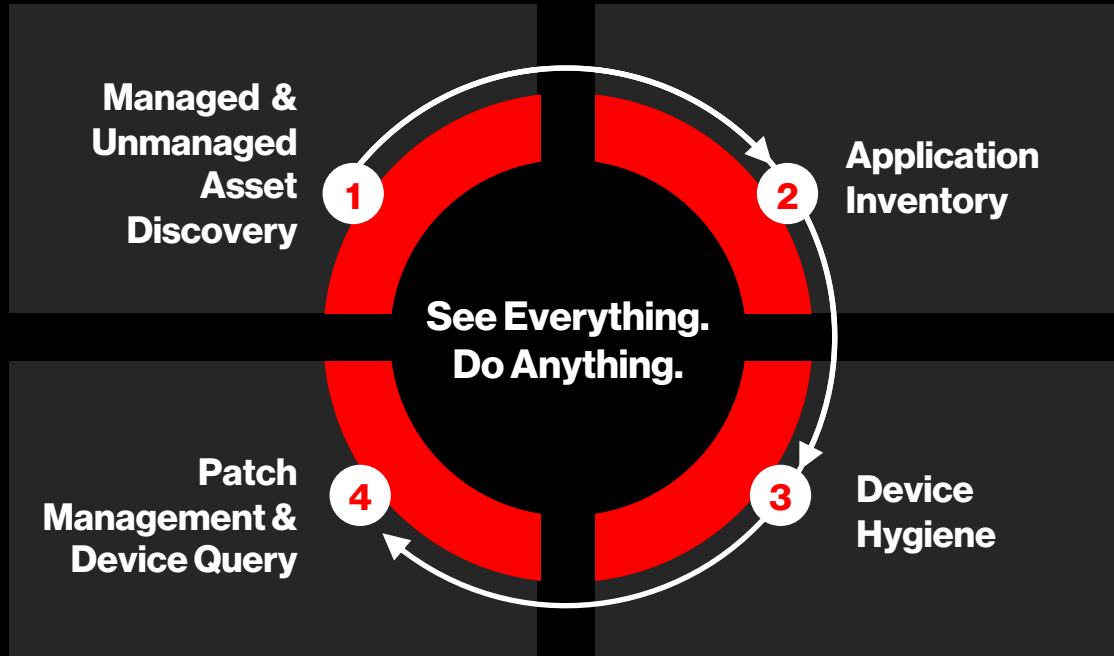
CY28 Market Opportunity

$8B

Consolidation

- ✔ **Legacy Endpoint Management Products**
- ✔ **Patching and Deployment Products**
- ✔ **Software and Hardware Asset Management Tools**

Foundry: Cybersecurity's First No-Code Development Platform

Before
Request a New Falcon Capability

Wait
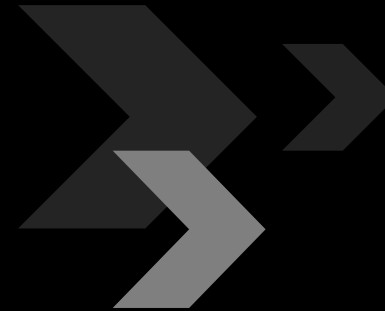
After
Productize Any Native Falcon Capability

Create

MITRE Investigation
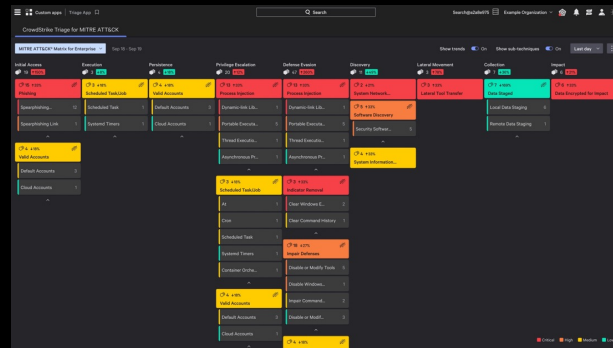
Insider Threat Monitoring

Emergency Response
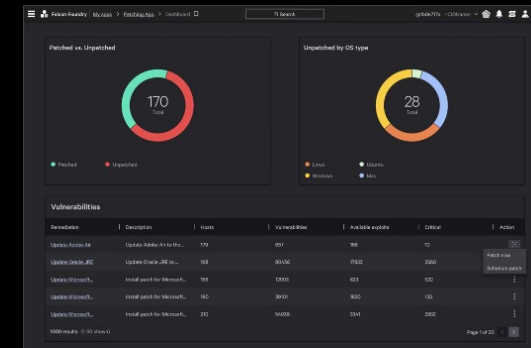
Apps Created in Minutes

And It All Comes Together With Charlotte AI

Turn Security Analysts Into Security Creators
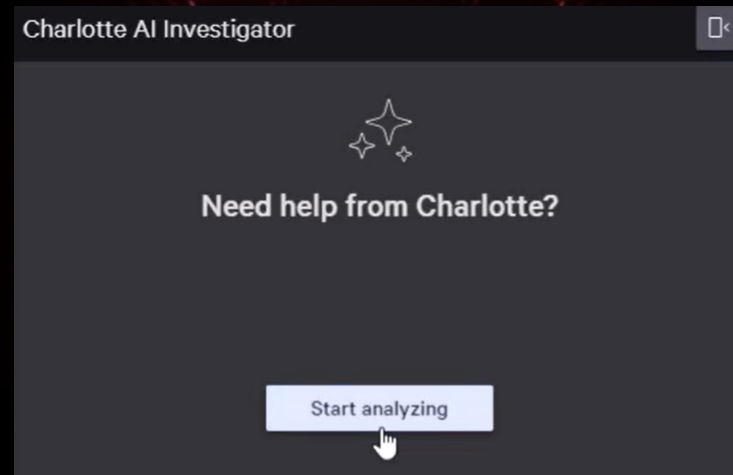
And It All Comes Together With Charlotte AI

Do More, Faster

Ask Anything...

- ✅ Natural Language Queries
- ✅ Threat Reports
- ✅ Environmental Awareness
- ✅ Remediation Actions

CY28 Market Opportunity

$7B

Save Time

Turn 8 Hours of Work Into Minutes

Pricing Model

$20*
Endpoint / Year
Includes Query Allocation

*List Price

+

Additional Query Packs

Growing Market Opportunity

Partners Drive Platform Adoption
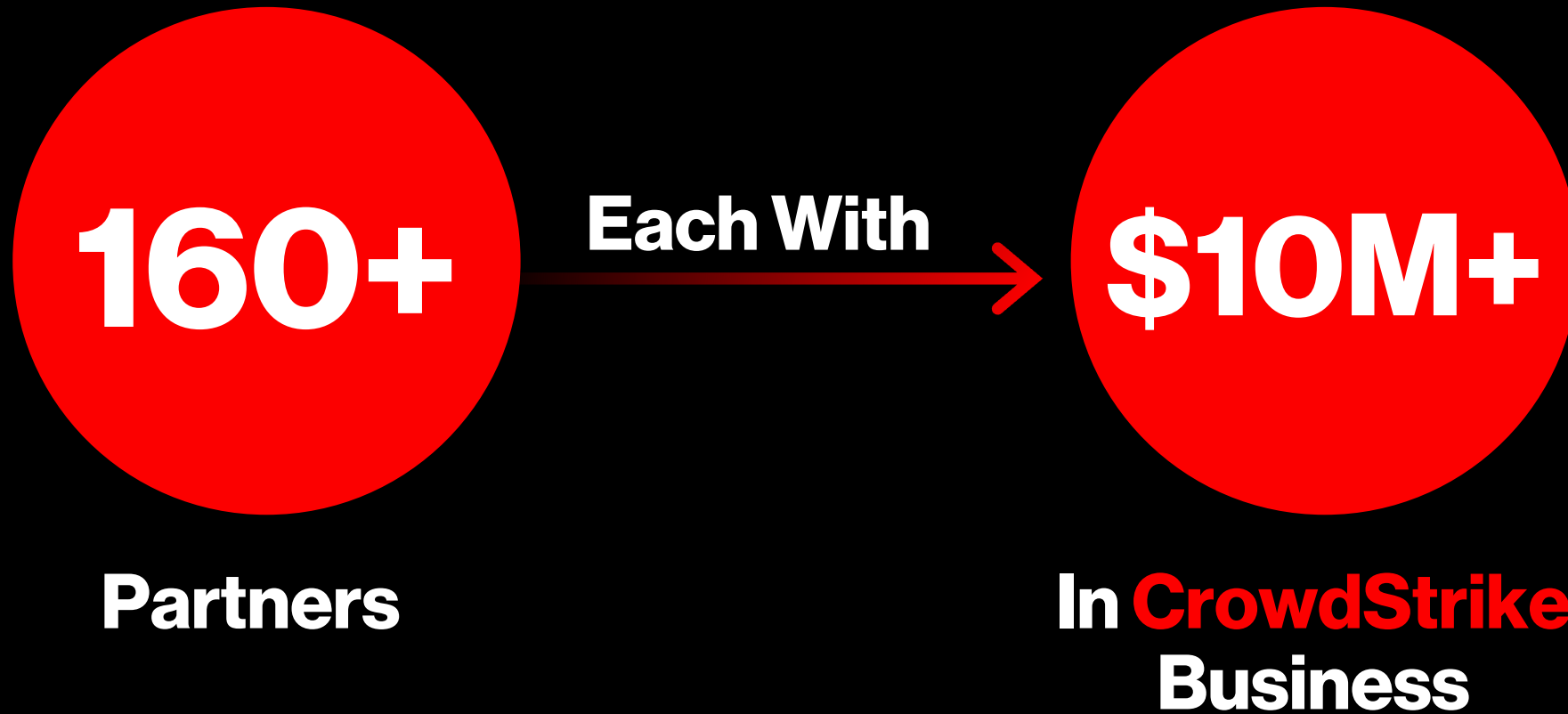
160+ Partners

Each With →

$10M+ In **CrowdStrike** Business

$100B

CY24 TAM

The AI-Native Security Platform

Endpoint Security **$19B**

Security & IT Ops **$18B**

Managed Services **$17B**

Observability **$12B**

Cloud Security **$12B**

Identity Protection **$9B**

Threat Intelligence **$6B**

Data Protection **$4B**

Cybersecurity Generative AI **$3B**

Endpoint
Security

$19B

$100B

CY24 TAM

**The AI-Native
Security Platform**

$225B

CY28 TAM

**The AI-Native
Security Platform**

Mike Sentonas

President

Delivering Cybersecurity's Future Today

Platform Adoption Starts Here...

New Solutions are Driving Rapid Growth
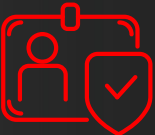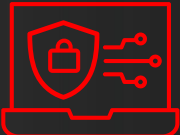
- Cloud
- Identity
- LogScale
  Next-Gen SIEM

>$500M
2Q24 Ending ARR

>115%
YoY Growth

...And is a Long-Term Growth Opportunity

	Illustrative **5-7 Year Build**	Illustrative **CY28 TAM**
Cloud	**$2.5 - 3.0B**	**$31B**
Identity	**$1.0 - 1.5B**	**$17B**
LogScale Next-Gen SIEM	**$1.0 - 1.5B**	**$16B**

Modern Endpoint Still Under Penetrated

48%

of the Market Still Using Legacy AV

Significant New Logo Runway in Global Enterprise and SMB

<30%   **Estimated Logo Penetration**
Global 2000

<1%   **Estimated Logo Penetration**
Public Sector

<1%   **Estimated Logo Penetration**
5 - 250 Employees

>50M   **Global businesses with between 5 and 250 employees**

~5%   **Estimated Logo Penetration**
251 – 7,499 Employees

>50M **Global Businesses Between 5 - 250 Employees**

Falcon Go
Entry-Level

- ✓ NGAV
- ✓ Device Control

Falcon Pro
Standard

- ✓ NGAV
- ✓ Device Control
- ✓ Easy EDR
- ✓ Threat Intel

Easy to Deploy

Easy to Manage

Stops the Breach

Still the Early Innings

Customers

Significant Headroom to Acquire New Logos
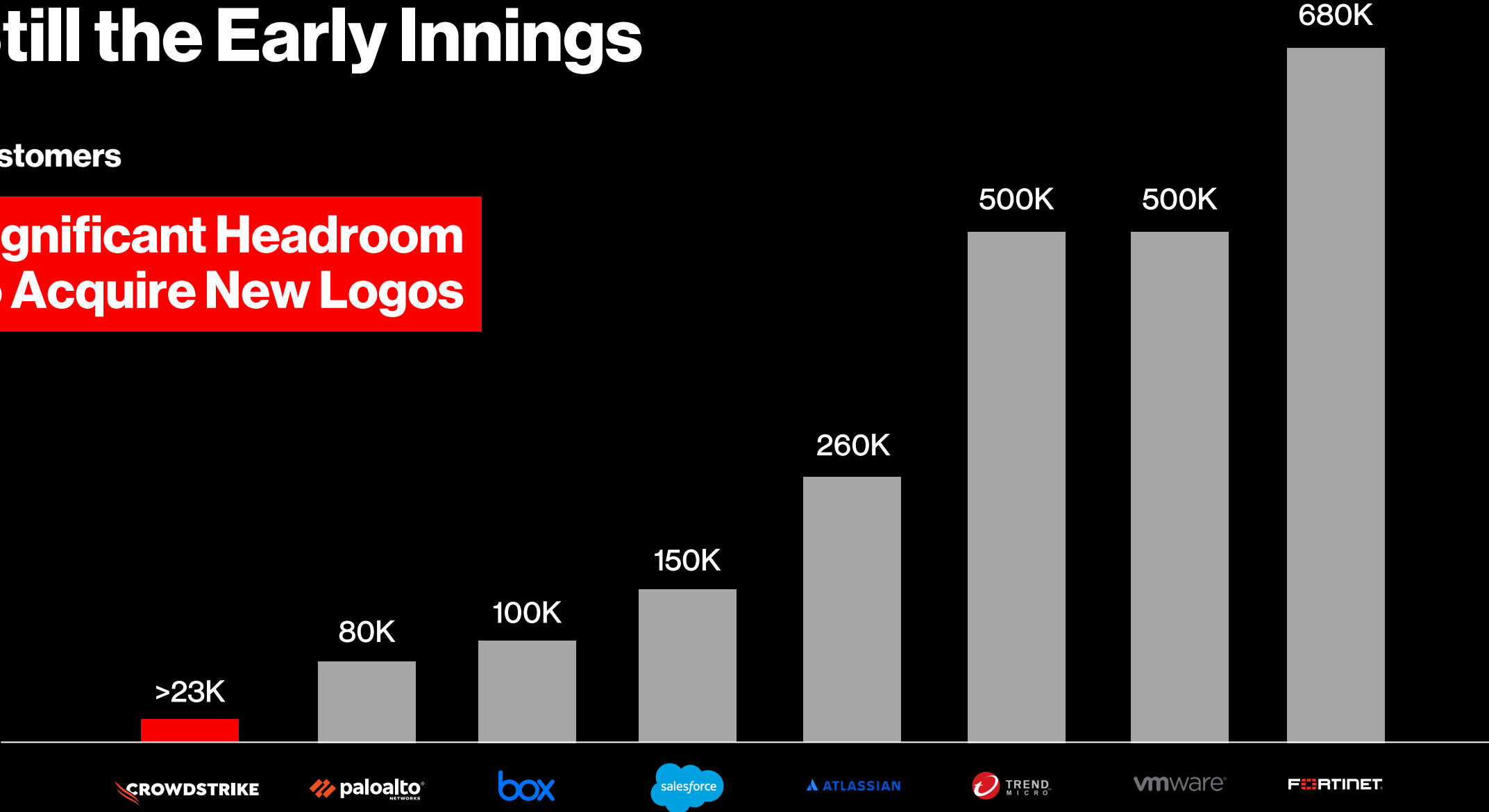
Bar chart showing customer counts by company:

- CROWDSTRIKE: >23K
- paloalto NETWORKS: 80K
- box: 100K
- salesforce: 150K
- ATLASSIAN: 260K
- TREND MICRO: 500K
- vmware: 500K
- FORTINET: 680K

Our Architecture Creates Opportunity

- ✔ **Lightweight**
- ✔ **Cloud-First**
- ✔ **AI-Native**

- 🚫 **Hardware**
- 🚫 **Data Silos**
- 🚫 **Friction**

Charlotte AI

MDR/CDR

CrowdStrike Services

Managed Threat Hunting

Cloud Security | XDR | NG SIEM | Data Protection | Exposure Management

ITDR

IT Automation

Workflow & Development
Foundry | Fusion | Generative Workflow | Marketplace

AI Native
Machine Learning | Behavioral AI | Custom LLMs

EDR

Intelligence

Data Layer
Threat Graph | Intel Graph | Asset Graph

API | 3rd Party

Single Agent

Unification Isn't Just in Our Technology Platform

It's in Everything We Do

Product	**+**	**Engineering**	**>**	**Faster innovation** without scale, quality, and vision compromise
Product	**+**	**Marketing**	**>**	**Module adoption,** connected messaging, market education
Sales	**+**	**Engineering**	**>**	**Immediate** triage and response
Sales	**+**	**Product**	**>**	**Market-driven** innovation

Innovation in Action

Today's Fal.Con Announcements

Cloud	**Cybersecurity's Most Comprehensive Cloud Suite**
Data Security	**Next-Gen DLP**
Falcon for IT	**Moving Beyond Security**
Charlotte AI	**Generative AI to Do More Faster**
Foundry	**Think It. Do It. 100% Falcon**
Raptor	**The Next-Gen SIEM Opportunity**
Exposure Management	**Secure Your Entire Attack Surface**

Making **Consolidating with CRWD** Simple.

Falcon Flex

❯ **Single Subscription Licensing Model**

❯ **Removes Procurement Friction**

❯ **Flexible Module Adoption**

Best-In-Class Security Outcomes Through Platform Adoption

Takeaways

1 **Early Innings of Our Platform Journey**

34%
of customers have adopted cloud security

9%
of customers have adopted identity security

3%
of customers have adopted LogScale

2 **Solving Cybersecurity's Hardest Problems**

✓ Cloud Security Innovation

✓ DLP

✓ Next-Gen SIEM

3 **Platform Consolidator of Choice**
Best of breed integrated first and third-party products

Burt Podbere

Chief Financial Officer

Financial Opportunity
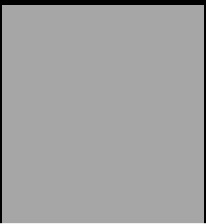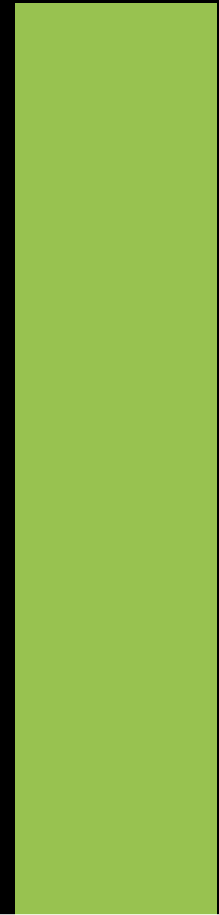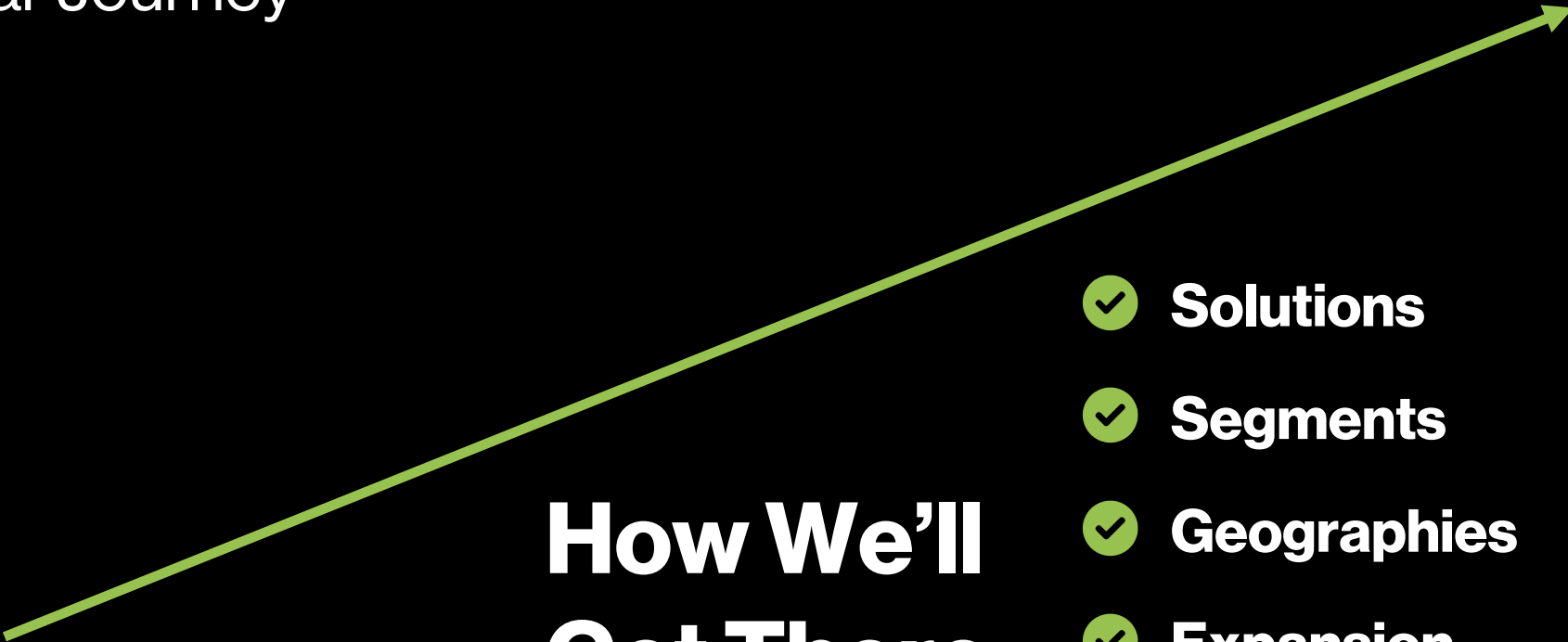
Solution Opportunity

	Illustrative **5-7 Year Build**	Illustrative **CY28 TAM**
Cloud	**$2.5 - 3.0B**	**$31B**
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>50M Global businesses with
between 5 and 250 employees

~5% Estimated Logo Penetration
251 – 7,499 Employees

Geographic Opportunity

Last Twelve Months Revenue by Region

U.S.
69%

Rest of World
31%

CY28 International
Market Opportunity
>$100B
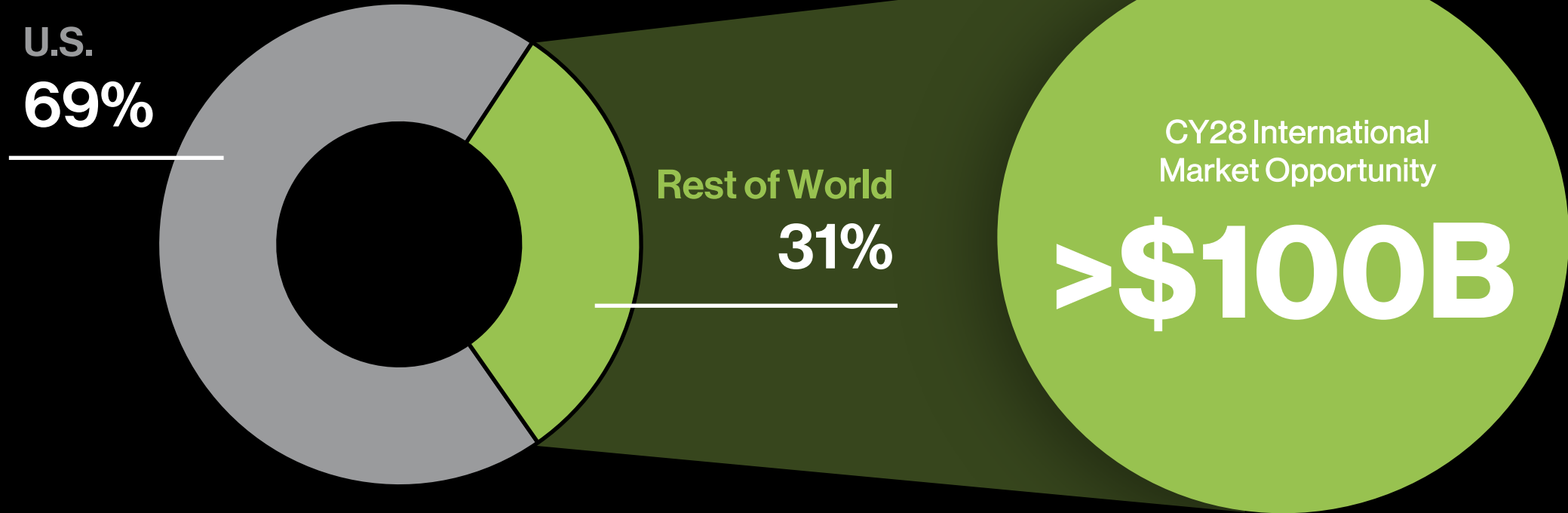
Expansion Opportunity - Previous

Existing modules within existing customer base

$2.6B	$9.6B
4Q23 Ending ARR	Whitespace

$12.2B

Total Installed Base Opportunity at 4Q23

Expansion Opportunity - Current

Existing modules within existing customer base

$2.9B	$16.7B
2Q24 Ending ARR	Whitespace

$19.6B

Total Install Base Opportunity Today

Customer Journey

Case Study: Financial Services Firm
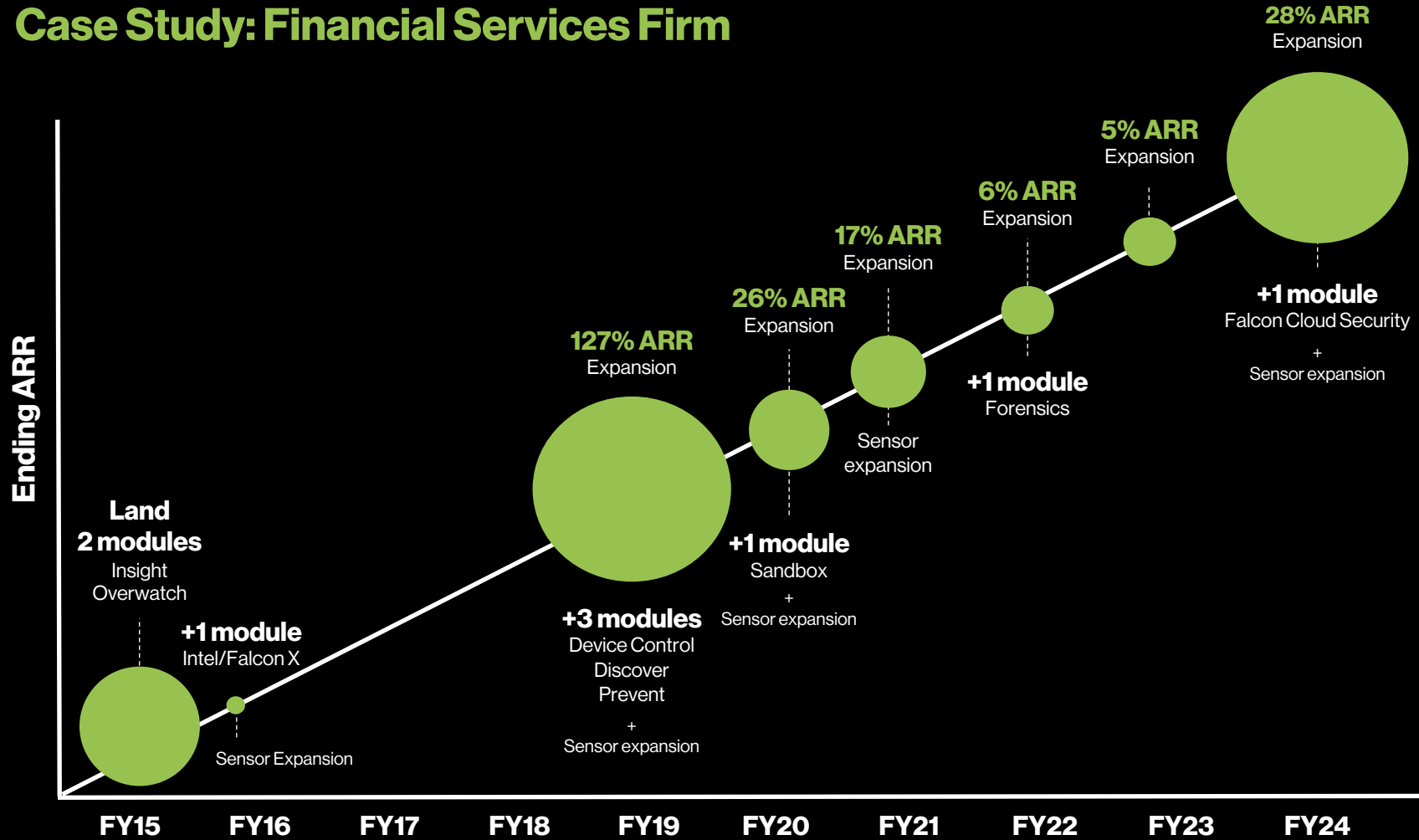
TODAY

$5M Ending ARR

9 Modules

~400% Total ARR Expansion

Represents amount of net new ARR dollars

28% ARR
Expansion

5% ARR
Expansion

6% ARR
Expansion

17% ARR
Expansion

26% ARR
Expansion

127% ARR
Expansion

Ending ARR

+1 module
Falcon Cloud Security
+
Sensor expansion

+1 module
Forensics

Sensor expansion

+1 module
Sandbox
+
Sensor expansion

**Land
2 modules**
Insight
Overwatch

+1 module
Intel/Falcon X

Sensor Expansion

+3 modules
Device Control
Discover
Prevent
+
Sensor expansion

FY15   FY16   FY17   FY18   FY19   FY20   FY21   FY22   FY23   FY24

Strong module adoption

% of subscription customers with multiple cloud modules

— 5+
— 6+
— 7+

>80% year-over-year increase in deals involving 8+ modules
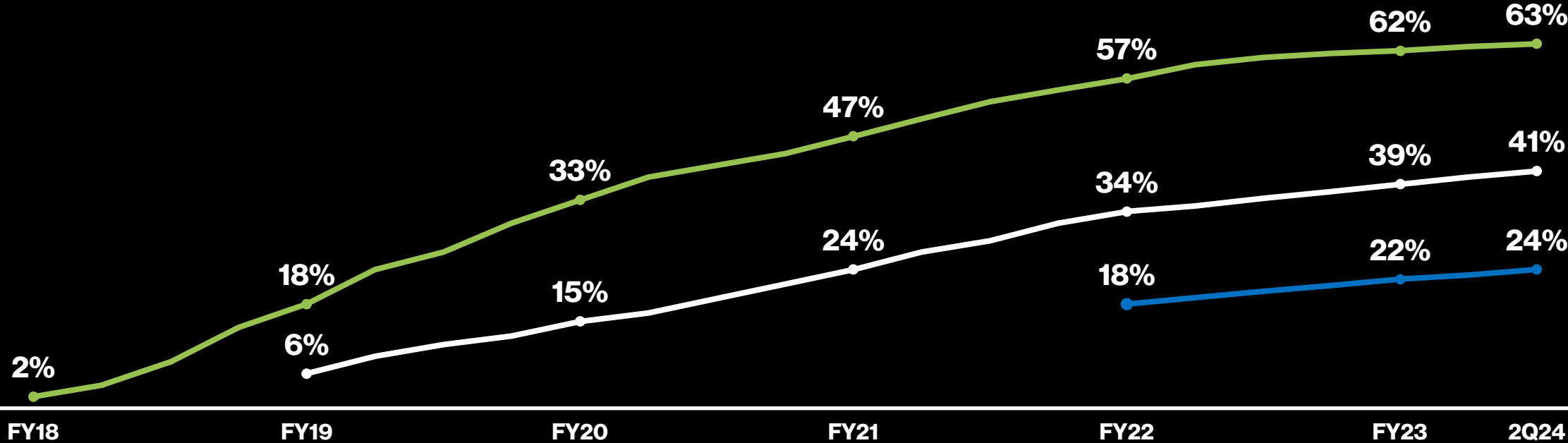
5+ (green line): 2% (FY18), 18% (FY19), 33% (FY20), 47% (FY21), 57% (FY22), 62% (FY23), 63% (2Q24)

6+ (white line): 6% (FY19), 15% (FY20), 24% (FY21), 34% (FY22), 39% (FY23), 41% (2Q24)

7+ (blue line): 18% (FY22), 22% (FY23), 24% (2Q24)

| FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | 2Q24 |

Partners Drive Platform Adoption

160+ Partners — Each With → **$10M+** In **CrowdStrike** Business
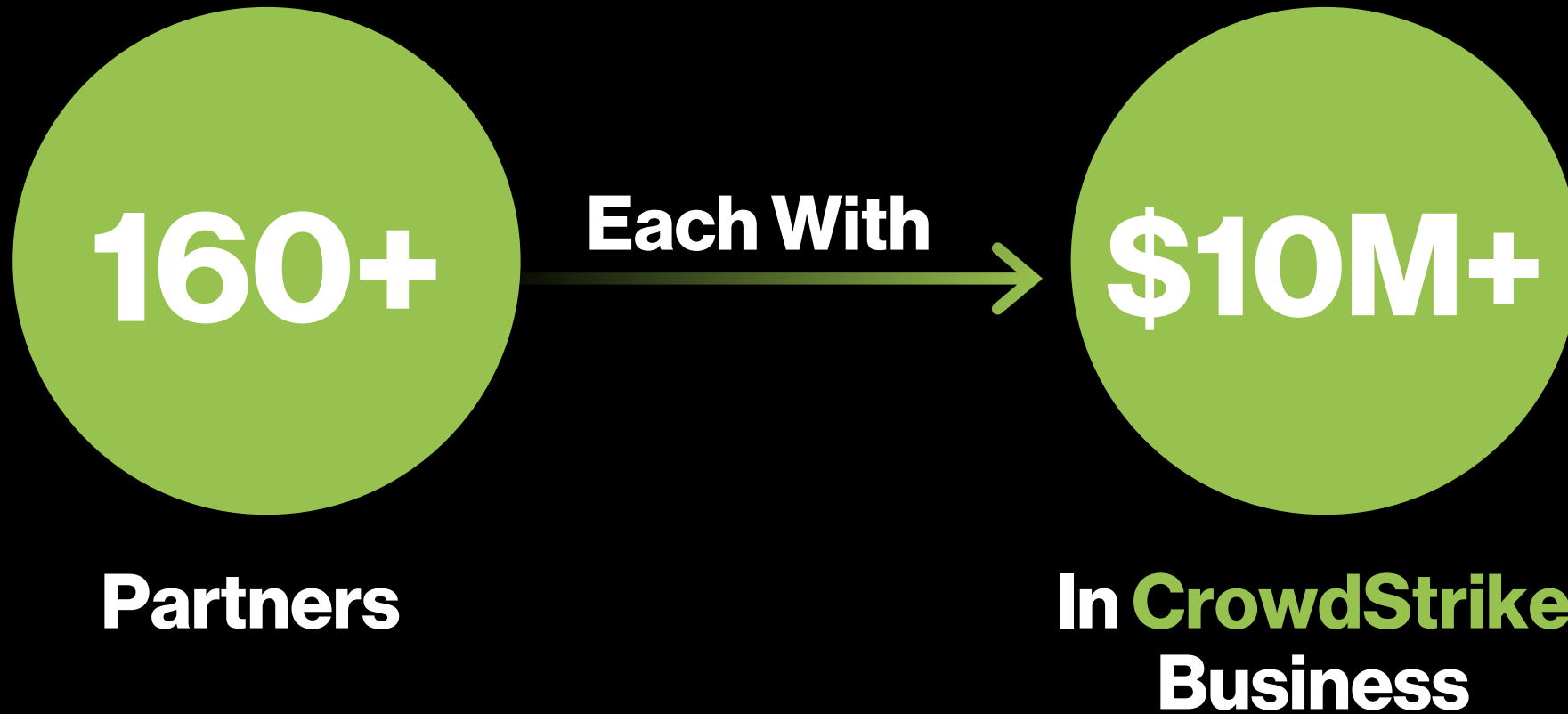
MarginDynamics

Drivers of Gross Margin Expansion

1 **Strategic Upfront Investment**

2 **Economies of Scale**

3 **Continued Optimization**

Efficient Use of Compute and Storage
Leverage Lower Cost Geographies

Stable Pricing Environment

— Blended New Logo ASP

— Blended Total ASP
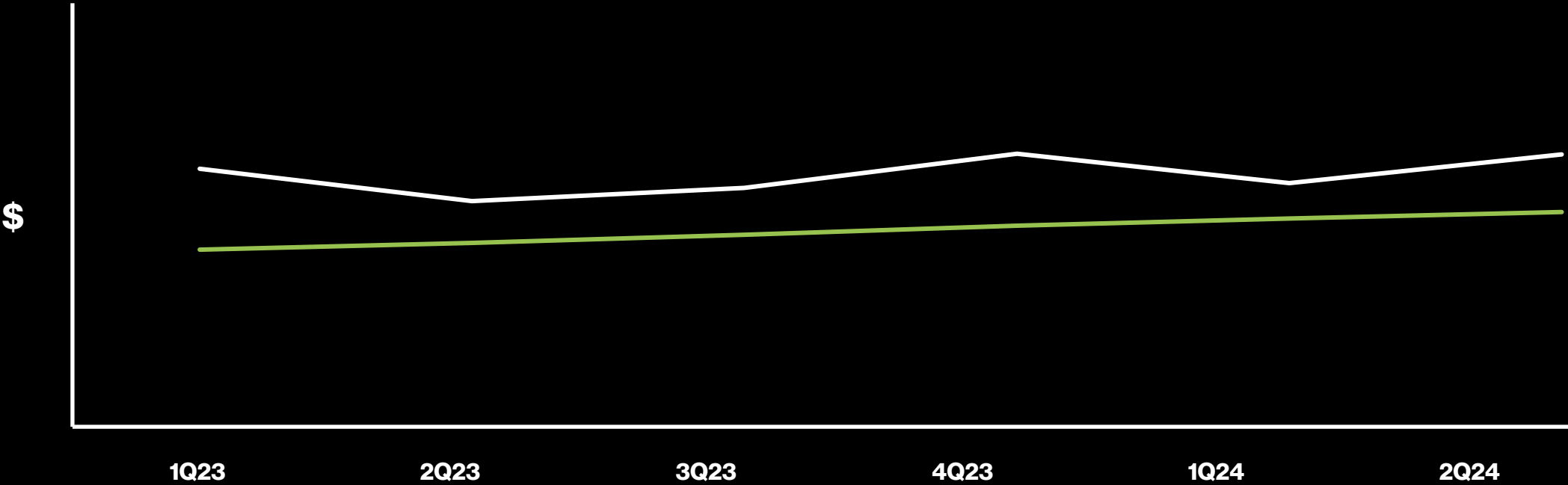
COGS Breakdown

Non-GAAP COGS Expenses by Type as of Q2 FY24

Hosting Related Costs

>50%

Includes:
- **Payroll & Benefits**
- **Software**
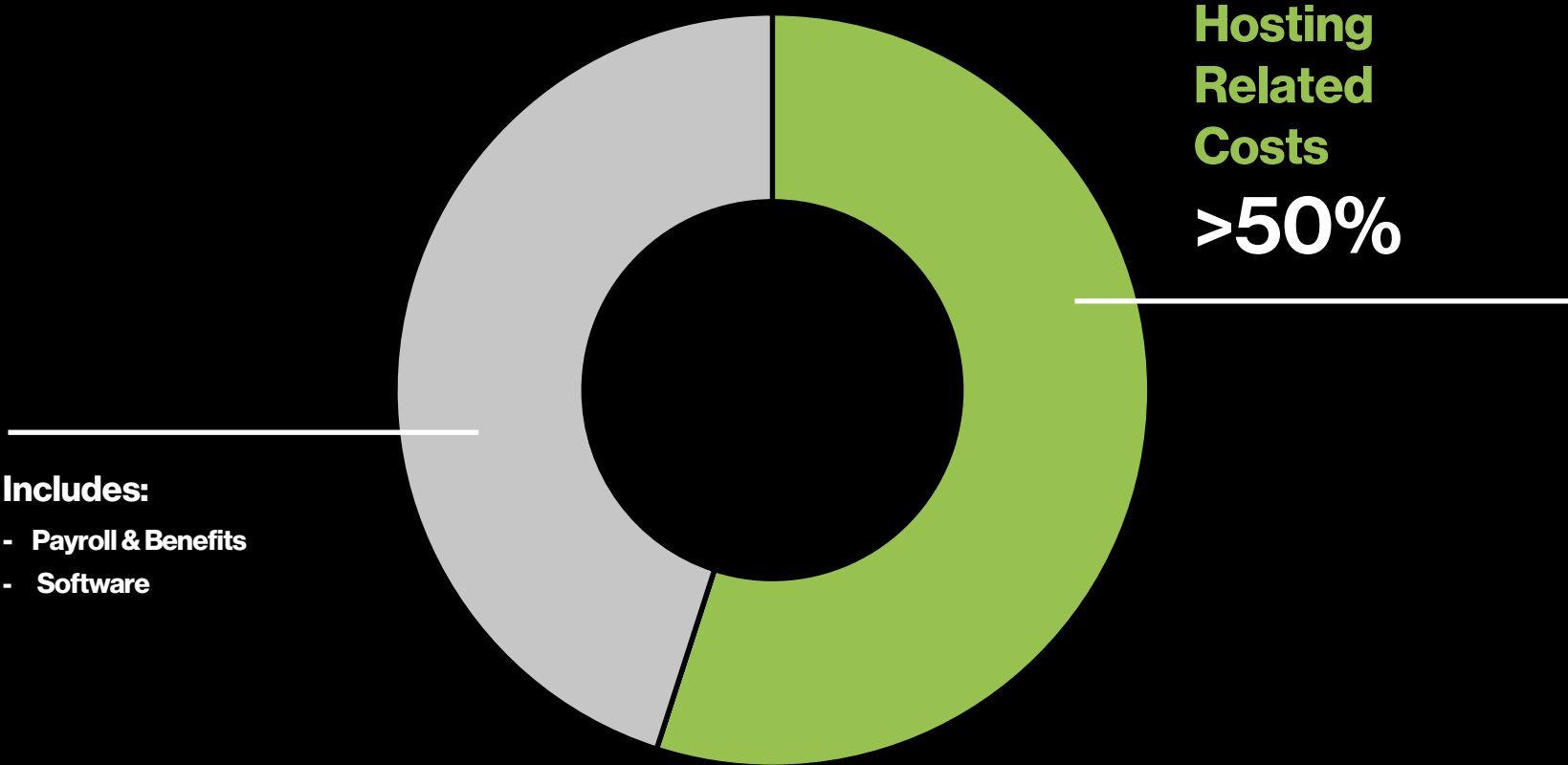
Driving Hosting Costs Lower

Subscription Hosting COGS by Sensor Hour
FY24 Year-to-Date

% Change in Cost

Feb 2023 | Mar 2023 | Apr 2023 | May 2023 | Jun 2023 | Jul 2023
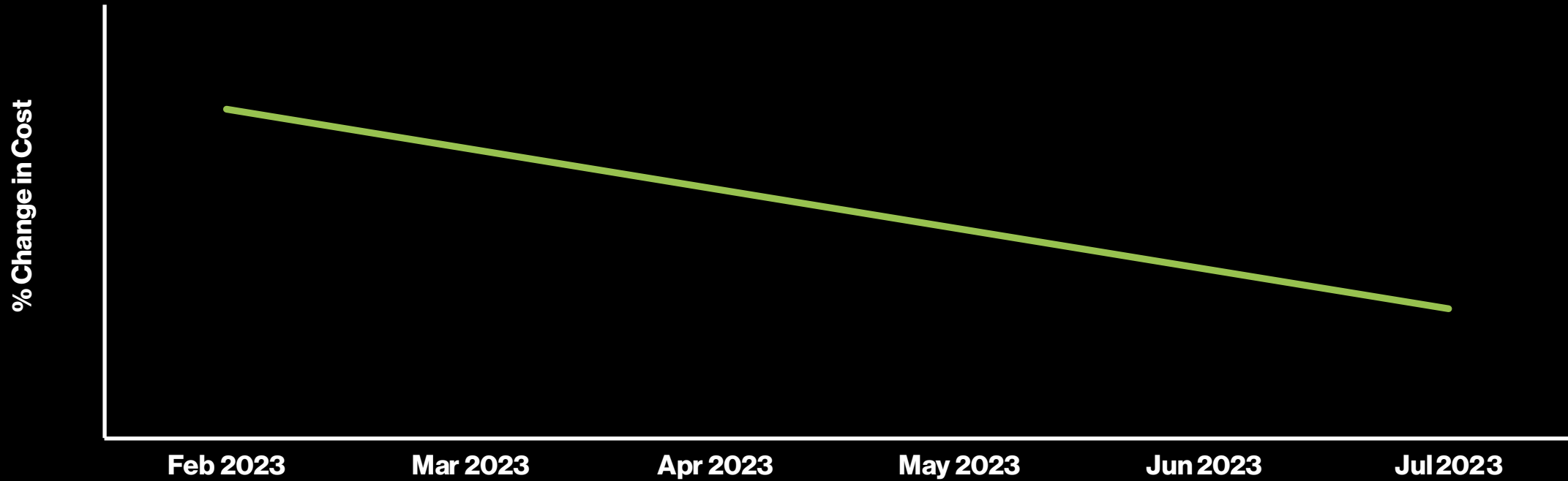
Public Cloud Optimization
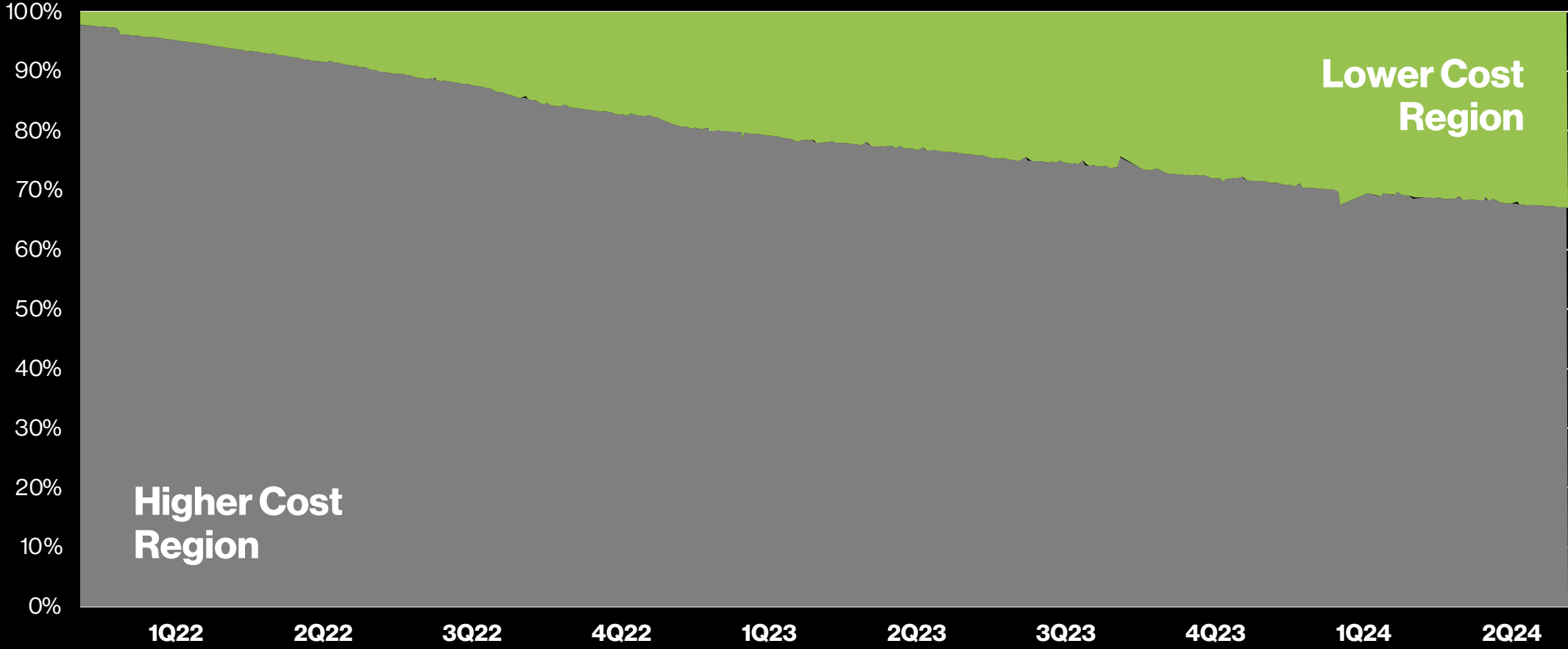
Strong Gross Margins

Non-GAAP Gross Margins

— Total Gross Margin
— Subscription Gross Margin

Subscription Gross Margin: 57% (FY18), 69% (FY19), 75% (FY20), 79% (FY21), 79% (FY22), 78% (FY23), 80% (H1 FY24)

Total Gross Margin: 55% (FY18), 66% (FY19), 72% (FY20), 76% (FY21), 77% (FY22), 76% (FY23), 78% (H1 FY24)

FY18 FY19 FY20 FY21 FY22 FY23 H1 FY24

Profitable Growth at Scale
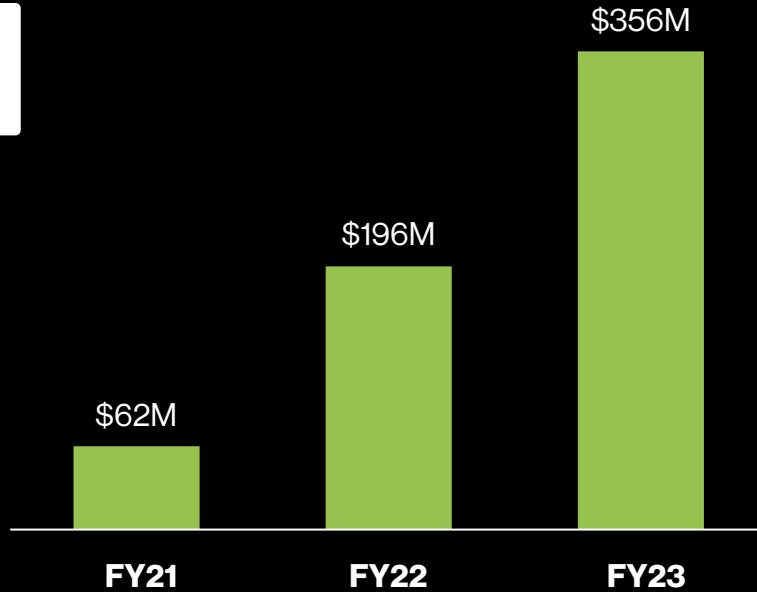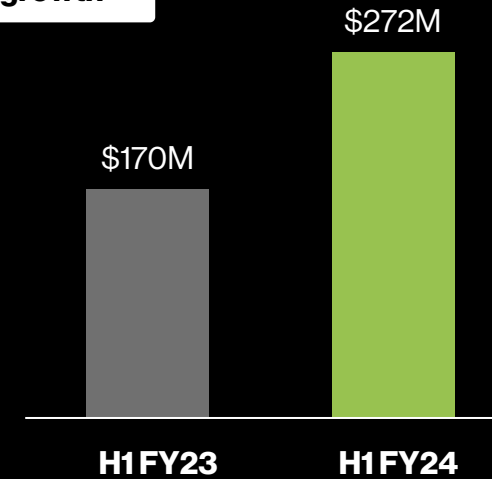
...While Investing in Innovation

Annual R&D Expense

61%
YoY growth

$174M	$269M	$434M
FY21	FY22	FY23

FY24 YTD R&D Expense

42%
YoY growth

$187M	$267M
H1 FY23	H1 FY24

% of revenue	20%	19%	19%		18%	19%

Note: See appendix for a reconciliation of each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP.
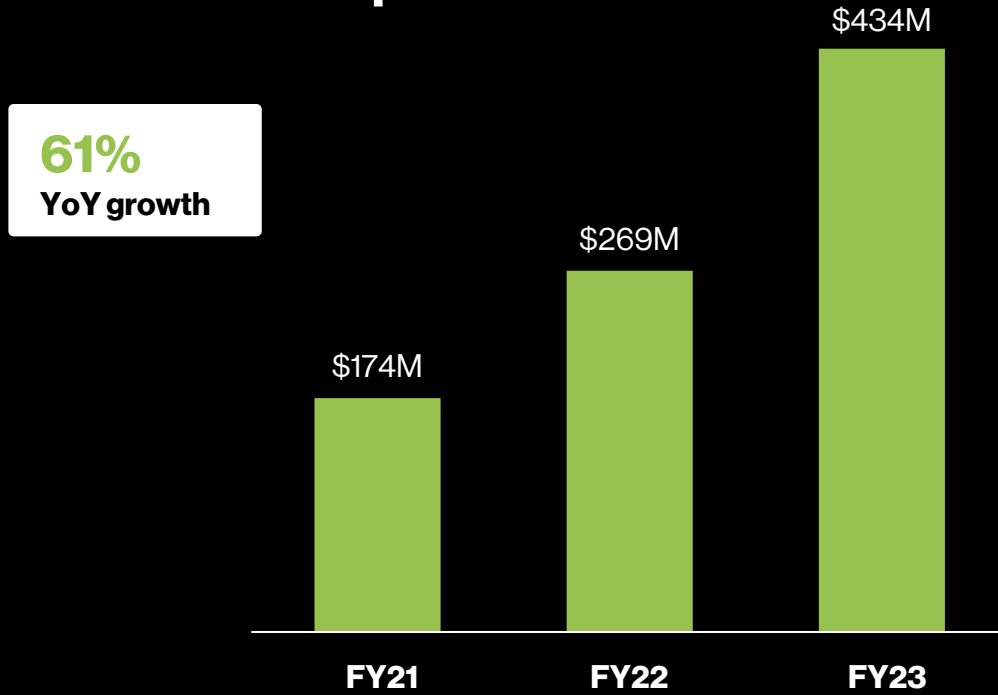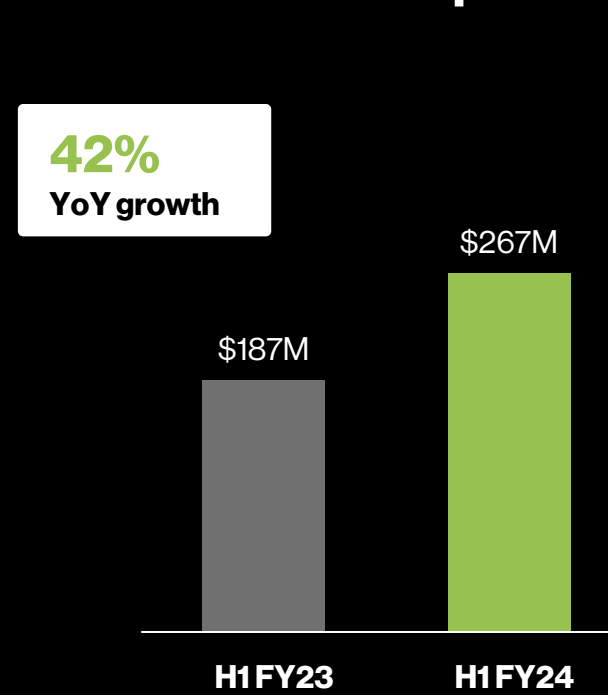
Strong Bottom Line Performance

Net Income Trend

- 🟩 Non-GAAP
- 🟦 GAAP

	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24
Non-GAAP	$75M	$86M	$96M	$112M	$136M	$180M
GAAP	-$32M	-$49M	-$55M	-$47M	$0M	$8M

Committing to Sustained GAAP Profit Before Tax

As of FY24

Strong Cash Generation

Annual Free Cash Flow

53%
YoY growth

$677M

$442M

$293M

FY21   FY22   FY23

FY24 YTD Free Cash Flow

42%
YoY growth

$293M $416M

H1 FY23   H1 FY24

% margin   33%   30%   30%   29%   29%

Target Model
Evolution

Target Model Evolution

Non-GAAP Measure	Target at IPO (% of Revenue)	FY22 Target
Subscription GM %	75-80%+	77-82%+
S&M	30-35%	30-35%
R&D	15-20%	15-20%
G&A	7-9%	7-9%
Operating Margin %	20%+	20-22%+
Free Cash Flow %		30%+

In 2Q24 We Achieved the Target Model

Non-GAAP Measure	Target (% of Revenue)	Target Achievement Year
✓ Subscription GM %	77-82%+	FY21
✓ S&M	30-35%	FY23
✓ R&D	15-20%	FY21
✓ G&A	7-9%	FY21
✓ Operating Margin %	20-22%+	FY24
✓ Free Cash Flow %	30-32%+	FY21

New Target Model

Non-GAAP Measure	Target (% of Revenue)	Change from Prior Target (At Midpoint)
Subscription GM %	82 – 85%	+400 Basis Points
✓ S&M	28 – 33%	-200 Basis Points
✓ R&D	15-20%	No Change
✓ G&A	5 – 7%	-200 Basis Points
Operating Margin %	28 – 32%	+900 Basis Points
Free Cash Flow %	34 – 38%	+500 Basis Points

New Target Model

Non-GAAP Measure	Target (% of Revenue)	Change from Prior Target (At Midpoint)
Subscription GM %	82 – 85%	**+400** Basis Points
✓ S&M		**-200** Basis Points
✓ R&D		**No Change**
✓ G&A		**-200** Basis Points
Operating Margin %	28 – 32%	**+900** Basis Points
Free Cash Flow %	34 – 38%	**+500** Basis Points

Expect to Achieve Target Model Within 3 – 5 Years

Note: Targets are on a full year basis. Target ranges assume consistent macroeconomic conditions and do not include the impact of potential future M&A activity.

Q&A

Appendix

Appendix

Calculation of metrics

Annual Recurring Revenue (ARR).
ARR is calculated as the annualized value of our customer subscription contracts as of the measurement date, assuming any contract that expires during the next 12 months is renewed on its existing terms. To the extent that we are negotiating a renewal with a customer after the expiration of the subscription, we continue to include that revenue in ARR if we are actively in discussion with such an organization for a new subscription or renewal, or until such organization notifies us that it is not renewing its subscription.

Dollar-Based Net Retention Rate.
Our dollar-based net retention rate compares our ARR from a set of subscription customers against the same metric for those subscription customers from the prior year. Our dollar-based net retention rate reflects customer renewals, expansion, contraction and churn, and excludes revenue from our incident response and proactive services. We calculate our dollar-based net retention rate as of period end by starting with the ARR from all subscription customers as of 12 months prior to such period end, or Prior Period ARR. We then calculate the ARR from these same subscription customers as of the current period end, or Current Period ARR. Current Period ARR includes any expansion and is net of contraction or churn over the trailing 12 months but excludes revenue from new subscription customers in the current period. We then divide the total Current Period ARR by the total Prior Period ARR to arrive at our dollar-based retention rate.

Dollar-Based Gross Retention Rate.
We calculate our dollar-based gross retention rate as of the period end by starting with the ARR from all subscription customers as of 12 months prior to such period, or Prior Period ARR. We then deduct from the Prior Period ARR any ARR from subscription customers who are no longer customers as of the current period end, or Current Period Remaining ARR. We then divide the total Current Period Remaining ARR by the total Prior Period ARR to arrive at our dollar-based gross retention rate, which is the percentage of ARR from all subscription customers as of the year prior that is not lost to customer churn.

Gross Churn.
Our dollar-based gross churn rate is equal to 1 - Dollar-Based Gross Retention Rate.

Magic Number.
Magic number is calculated by performing the following calculation for the most recent four quarters and taking the average: annualizing the difference between a quarter's Subscription Revenue and the prior quarter's Subscription Revenue, and then dividing the resulting number by the previous quarter's Non-GAAP Sales & Marketing Expense. Magic Number = Average of previous four quarters: ((Quarter GAAP Subscription Revenue – Prior Quarter GAAP Subscription Revenue) x 4) / Prior Quarter Non-GAAP Sales & Marketing Expense.

Non-GAAP Operating Income Rule of 40.
Non-GAAP operating income rule of 40 is calculated by taking the Current Quarter Total Revenue YoY Growth Rate + Current Quarter Non-GAAP Operating Margin

Free Cash Flow Rule of 40.
Free cash flow rule of 40 is calculated by taking the Current Quarter Total Revenue YoY Growth Rate + Current Quarter Free Cash Flow Margin

Module Adoption Rates.
Beginning in the fourth quarter of fiscal 2023, module adoption rates are calculated by taking the total number of customers with five or more, six or more, and seven or more modules, respectively, divided by the total number of subscription customers (excluding Falcon Go customers). Falcon Go customers are defined as customers who have subscribed with the Falcon Go bundle, a package designed for organizations with 100 endpoints or less.

>80% year-over-year increase in deals involving 8+ modules metric as of 2Q24

CROWDSTRIKE

Appendix (cont'd)

Reports used for data shown in the chart titled "CY24 TAM | The AI-Native Security Platform":

CY24 TAM:

- IDC Worldwide and U.S. Comprehensive Security Services Forecast, 2023–2027. (June 2023)
- IDC Worldwide IT Operations Management Software Forecast, 2022–2026. (August 2022)
- IDC Worldwide Client Endpoint Management Software Forecast, 2023–2027. (May 2023)
- Worldwide Corporate Endpoint Security Forecast, 2023–2027: Resilient and Robust Demand Contributes to the Market Doubling in Size Over the Next Five Years. (May 2023)
- Worldwide Trusted Access and Network Security Forecast, 2022–2026: Evolving Perimeter Complexities Accelerate the Shift to Service-Oriented Architecture. (December 2022)
- Worldwide Device Vulnerability Management Forecast, 2023–2027: Evolving Beyond Scanning. (February 2023)
- Worldwide Tier 2 SOC Analytics and Cloud-Native XDR Forecast, 2022–2026: Will XDR Become the Shining Light in a Dimming Global Outlook? (November 2022)
- Worldwide Threat Intelligence Forecast, 2023–2027: Is There Room for Individual Vendors to Make Money While Serving the Greater Good? (June 2023)
- Worldwide Attack Surface Management and Breach and Attack Simulation Forecast, 2022-2026: Reducing the angles of attackWorldwide Attack Surface Management and Breach and Attack Simulation Software Forecast, 2022–2026: Reducing the Angles of Attack. (August 2022)
- Worldwide Cloud Workload Security Forecast, 2023–2027: Complexity and Resiliency Fuel Growth. (June 2023)
- Worldwide IoT Security Forecast, 2021–2025: Critical Applications Accelerate Demand for Contextualized Security. (December 2021)
- Worldwide Application Performance Management Software Forecast, 2022–2026: Observability Drives Growth. (November 2022)
- Worldwide IT Automation and Configuration Management Software Forecast, 2022-2026. (February 2022)
- Worldwide IT Operations Analytics Software Forecast, 2022–2026. (March 2022)
- Company estimates

CY28 TAM:

- Company estimates

Geographic Opportunity:

- Company estimates

CROWDSTRIKE

Appendix (cont'd)

Explanation of Non-GAAP Financial Measures

Non-GAAP Subscription Gross Profit and Non-GAAP Subscription Gross Margin
We define non-GAAP subscription gross profit and non-GAAP subscription gross margin as GAAP subscription gross profit and GAAP subscription gross margin, respectively, excluding stock-based compensation expense and amortization of acquired intangible assets.

Non-GAAP Income (Loss) from Operations
We define non-GAAP income (loss) from operations as GAAP loss from operations excluding stock-based compensation expense, amortization of acquired intangible assets (including purchased patents), acquisition-related expenses (credits), net, mark-to-market adjustments on deferred compensation liabilities, and legal reserve and settlement charges or benefits.

Non-GAAP Net Income Attributable to CrowdStrike
We define non-GAAP net income attributable to CrowdStrike as GAAP net income (loss) attributable to CrowdStrike excluding stock-based compensation expense, amortization of acquired intangible assets (including purchased patents), acquisition-related expenses (credits),net, amortization of debt issuance costs and discount, mark-to-market adjustments on deferred compensation liabilities, legal reserve and settlement charges or benefits, losses (gains) and other income from strategic investments, and losses (gains) on deferred compensation assets.

CROWDSTRIKE

Appendix (cont'd)

Non-GAAP Net Income per Share Attributable to CrowdStrike Common Stockholders and Diluted

We define non-GAAP net income per share attributable to CrowdStrike common stockholders, as non-GAAP net income attributable to CrowdStrike divided by the weighted-average shares outstanding, which includes the dilutive effect of potentially dilutive common stock equivalents outstanding during the period.

Free Cash Flow

Free cash flow is a non-GAAP financial measure that CrowdStrike defines as net cash provided by operating activities less purchases of property and equipment, capitalized internal-use software and website development costs, and purchases of deferred compensation investments. CrowdStrike monitors free cash flow as one measure of its overall business performance, which enables CrowdStrike to analyze its future performance without the effects of non-cash items and allow CrowdStrike to better understand the cash needs of its business. While CrowdStrike believes that free cash flow is useful in evaluating its business, free cash flow is a non-GAAP financial measure that has limitations as an analytical tool, and free cash flow should not be considered as an alternative to, or substitute for, net cash provided by operating activities in accordance with GAAP. The utility of free cash flow as a measure of CrowdStrike's liquidity is further limited as it does not represent the total increase or decrease in CrowdStrike's cash balance for any given period. In addition, other companies, including companies in our industry, may calculate free cash flow differently or not at all, which reduces the usefulness of free cash flow as a tool for comparison.

CROWDSTRIKE

GAAP INCOME STATEMENT

CROWDSTRIKE HOLDINGS, INC.
Condensed Consolidated Statements of Operations
(in thousands)
(unaudited)

	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24
Revenue						
Subscription	$ 459,822	$ 506,199	$ 547,376	$ 598,263	$ 651,175	$ 689,972
Professional services	28,012	28,954	33,506	39,104	41,405	41,654
Total revenue	487,834	535,153	580,882	637,367	692,580	731,626
Cost of revenue						
Subscription	107,942	120,087	134,229	149,426	142,100	153,306
Professional services	18,890	20,480	23,999	26,178	27,130	29,611
Total cost of revenue	126,832	140,567	158,228	175,604	169,230	182,917
Gross profit						
Subscription	351,880	386,112	413,147	448,837	509,075	536,666
Professional services	9,122	8,474	9,507	12,926	14,275	12,043
Total gross profit	361,002	394,586	422,654	461,763	523,350	548,709
Operating expenses						
Sales and marketing	193,532	224,766	239,672	246,439	281,107	282,916
Research and development	123,399	137,864	155,256	191,845	179,065	179,362
General and administrative	67,954	80,263	84,148	84,979	82,634	101,804
Total operating expenses	384,885	442,893	479,076	523,263	542,806	564,082
Loss from operations	(23,883)	(48,307)	(56,422)	(61,500)	(19,456)	(15,373)
Interest expense	(6,298)	(6,335)	(6,334)	(6,352)	(6,387)	(6,444)
Interest income	1,507	7,727	16,245	27,016	30,521	36,638
Other income (expense), net	1,705	3,380	750	(2,782)	230	(1,734)
Income (loss) before provision for income taxes	(26,969)	(43,535)	(45,761)	(43,618)	4,908	13,087
Provision for income taxes	3,440	4,778	8,870	5,314	4,409	4,611
Net income (loss)	(30,409)	(48,313)	(54,631)	(48,932)	499	8,476
Net income (loss) attributable to non-controlling interest	1,114	972	325	(1,451)	8	4
Net income (loss) attributable to CrowdStrike	$ (31,523)	$ (49,285)	$ (54,956)	$ (47,481)	$ 491	$ 8,472
Net income (loss) per share attributable to CrowdStrike common stockholders:						
Basic	$ (0.14)	$ (0.21)	$ (0.24)	$ (0.20)	$ 0.00	$ 0.04
Diluted	$ (0.14)	$ (0.21)	$ (0.24)	$ (0.20)	$ 0.00	$ 0.03
Weighted-average shares used in computing net income (loss) per share attributable to CrowdStrike common stockholders:						
Basic	231,179	232,554	233,785	235,027	236,414	237,911
Diluted	231,179	232,554	233,785	235,027	240,598	242,144

GAAP to Non-GAAP Reconciliation

CROWDSTRIKE HOLDINGS, INC.
Statements of Operations: GAAP to Non-GAAP Reconciliations
(in thousands)
(unaudited)

	Q1 FY23	Q2 FY23	Q3 FY23	Q4FY23	Q1 FY24	Q2 FY24
GAAP subscription gross profit	$ 351,880	$ 386,112	$ 413,147	$ 448,837	$ 509,075	$ 536,666
Stock based compensation expense	6,578	7,271	8,108	10,134	8,966	10,132
Amortization of acquired intangible assets	3,425	3,427	3,484	3,571	3,580	3,581
Non-GAAP subscription gross profit	$ 361,883	$ 396,810	$ 424,739	$ 462,542	$ 521,621	$ 550,379
GAAP subscription gross margin	77%	76%	75%	75%	78%	78%
Non-GAAP subscription gross margin	79%	78%	78%	77%	80%	80%
GAAP professional services gross profit	$ 9,122	$ 8,474	$ 9,507	$ 12,926	$ 14,275	$ 12,043
Stock based compensation expense	3,001	3,502	4,093	5,096	4,630	5,745
Non-GAAP professional services gross profit	$ 12,123	$ 11,976	$ 13,600	$ 18,022	$ 18,905	$ 17,788
Total GAAP gross margin	74%	74%	73%	72%	76%	75%
Total Non-GAAP gross margin	77%	76%	75%	75%	78%	78%
GAAP Sales and marketing operating expenses	$ 193,532	$ 224,766	$ 239,672	$ 246,439	$ 281,107	$ 282,916
Stock based compensation expense	(26,710)	(40,567)	(41,895)	(42,747)	(35,739)	(51,442)
Amortization of acquired intangible assets	(649)	(648)	(641)	(619)	(531)	(446)
Mark-to-market adjustments on deferred compensation liabilities	—	—	—	—	(3)	(32)
Non-GAAP sales and marketing operating expenses	$ 166,173	$ 183,551	$ 197,136	$ 203,073	$ 244,834	$ 230,996
GAAP research and development operating expenses	$ 123,399	$ 137,864	$ 155,256	$ 191,845	$ 179,065	$ 179,362
Stock based compensation expense	(34,036)	(40,043)	(46,268)	(54,364)	(44,381)	(46,985)
Acquisition-related expenses	—	—	—	—	(371)	—
Mark-to-market adjustments on deferred compensation liabilities	—	—	—	—	(1)	(13)
Non-GAAP research and development operating expenses	$ 89,363	$ 97,821	$ 108,988	$ 137,481	$ 134,312	$ 132,364
GAAP general and administrative operating expenses	$ 67,954	$ 80,263	$ 84,148	$ 84,979	$ 82,634	$ 101,804
Stock based compensation expense	(32,169)	(40,167)	(39,749)	(40,006)	(37,140)	(50,473)
Acquisition-related credits (expenses)	(301)	—	(1,886)	(477)	70	3
Amortization of acquired intangible assets	(14)	(29)	(22)	(36)	(63)	(75)
Mark-to-market adjustments on deferred compensation liabilities	—	—	—	(1)	—	(7)
Legal reserve and settlement charges or benefits	—	—	—	—	—	(2,097)
Non-GAAP general and administrative operating expenses	$ 35,470	$ 40,067	$ 42,491	$ 44,459	$ 45,501	$ 49,155
GAAP loss from operations	$ (23,883)	$ (48,307)	$ (56,422)	$ (61,500)	$ (19,456)	$ (15,373)
Stock based compensation expense	102,494	131,550	140,113	152,347	130,856	164,777
Amortization of acquired intangible assets	4,088	4,104	4,147	4,226	4,174	4,102
Acquisition-related credits (expenses), net	301	—	1,886	477	301	(3)
Mark-to-market adjustments on deferred compensation liabilities	—	—	—	1	4	52
Legal reserve and settlement charges or benefits	—	—	—	—	—	2,097
Non-GAAP income from operations	$ 83,000	$ 87,347	$ 89,724	$ 95,551	$ 115,879	$ 155,652

CROWDSTRIKE HOLDINGS, INC.
Statements of Operations: GAAP to Non-GAAP Reconciliations (continued)
(in thousands, except per share data)
(unaudited)

	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24
GAAP net income (loss) attributable to CrowdStrike	$ (31,523)	$ (49,285)	$ (54,956)	$ (47,481)	$ 491	$ 8,472
Stock based compensation expense	102,494	131,550	140,113	152,347	130,856	164,777
Amortization of acquired intangible assets	4,088	4,104	4,147	4,226	4,174	4,102
Acquisition-related expenses (credits), net	301	—	1,886	477	301	(3)
Amortization of debt issuance costs and discount	546	547	546	548	546	547
Mark-to-market adjustments on deferred compensation liabilities	—	—	—	1	4	52
Legal reserve and settlement charges	—	—	—	—	—	2,097
Provision for income taxes[1]	—	—	4,658	—	—	—
Losses (gains) and other income from on strategic investments attributable to CrowdStrike	(1,114)	(972)	(325)	1,451	(8)	(4)
Gains on deferred compensation assets	—	—	—	(1)	(4)	(52)
Non-GAAP net income attributable to CrowdStrike	$ 74,792	$ 85,944	$ 96,069	$ 111,568	$ 136,360	$ 179,988

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1. We use our GAAP provision for income taxes for the purpose of determining our non-GAAP income tax expense. The tax costs for intellectual property integration relating to acquisitions are included in the GAAP provision for income taxes. The income tax benefits related to stock-based compensation, amortization of acquired intangible assets, including purchased patents, acquisition related expenses (credits), net,, amortization of debt issuance costs and discount, mark-to-market adjustments on deferred compensation liabilities, gains on deferred compensation assets, losses (gains) and other income from strategic investments attributable to CrowdStrike and legal reserve and settlement charges included in the GAAP provision for income taxes were not material for all periods presented.

GAAP to Non-GAAP Reconciliations (Cont'd)

CROWDSTRIKE HOLDINGS, INC.
Statements of Operations: GAAP to Non-GAAP Reconciliations (continued)
(in thousands)
(unaudited)

	FY18	FY19	FY20	FY21	FY22	FY23	H1 FY23	H1 FY24
Revenue								
Subscription	$ 92,568	$ 219,401	$ 436,323	$ 804,670	$ 1,359,537	$ 2,111,660	$ 966,021	$ 1,341,147
Professional services	26,184	30,423	45,090	69,768	92,057	129,576	56,966	83,059
Total revenue	$ 118,752	$ 249,824	$ 481,413	$ 874,438	$ 1,451,594	$ 2,241,236	$ 1,022,987	$ 1,424,206
GAAP subscription gross profit	$ 52,711	$ 150,193	$ 323,849	$ 619,458	$ 1,037,633	$ 1,599,976	$ 737,992	$ 1,045,741
Stock based compensation expense	89	689	5,226	11,705	22,044	32,091	13,849	19,098
Amortization of acquired intangible assets	287	327	323	1,057	10,758	13,907	6,852	7,161
Non-GAAP subscription gross profit	$ 53,087	$ 151,209	$ 329,398	$ 632,220	$ 1,070,435	$ 1,645,974	$ 758,693	$ 1,072,000
GAAP subscription gross margin	57%	68%	74%	77%	76%	76%	76%	78%
Non-GAAP subscription gross margin	57%	69%	75%	79%	79%	78%	79%	80%
GAAP professional services gross profit	$ 11,555	$ 12,393	$ 15,937	$ 25,435	$ 30,740	$ 40,029	$ 17,596	$ 26,318
Stock based compensation expense	252	205	2,486	6,005	10,050	15,692	6,503	10,375
Non-GAAP professional services gross profit	$ 11,807	$ 12,598	$ 18,423	$ 31,440	$ 40,790	$ 55,721	$ 24,099	$ 36,693
Total GAAP gross margin	54%	65%	71%	74%	74%	73%	74%	75%
Total Non-GAAP gross margin	55%	66%	72%	76%	77%	76%	77%	78%
GAAP Sales and marketing operating expenses	$ 104,277	$ 172,682	$ 266,595	$ 401,316	$ 616,546	$ 904,409	$ 418,298	$ 564,023
Stock based compensation expense	(1,386)	(5,175)	(23,919)	(50,557)	(89,634)	(151,919)	(67,277)	(87,181)
Amortization of acquired intangible assets	(21)	(143)	(123)	(362)	(2,117)	(2,557)	(1,297)	(977)
Mark-to-market adjustments on deferred compensation liabilities	—	—	—	—	—	—	—	(35)
Non-GAAP sales and marketing operating expenses	$ 102,870	$ 167,364	$ 242,553	$ 350,397	$ 524,795	$ 749,933	$ 349,724	$ 475,830
GAAP research and development operating expenses	$ 58,887	$ 84,551	$ 130,188	$ 214,670	$ 371,283	$ 608,364	$ 261,263	$ 358,427
Stock based compensation expense	(3,429)	(7,815)	(15,403)	(40,274)	(102,027)	(174,711)	(74,079)	(91,366)
Amortization of acquired intangible assets	(320)	(113)	(41)	(29)	—	—	—	—
Acquisition-related expenses	—	—	—	—	—	—	—	(371)
Mark-to-market adjustments on deferred compensation liabilities	—	—	—	—	—	—	—	(14)
Non-GAAP research and development operating expenses	$ 55,138	$ 76,623	$ 114,744	$ 174,367	$ 269,256	$ 433,653	$ 187,184	$ 266,676
GAAP general and administrative operating expenses	$ 32,542	$ 42,217	$ 89,068	$ 121,436	$ 223,092	$ 317,344	$ 148,217	$ 184,438
Stock based compensation expense	(7,187)	(6,621)	(32,906)	(41,134)	(86,197)	(152,091)	(72,336)	(87,613)
Acquisition-related credits (expenses)	(167)	—	—	(3,758)	(6,369)	(2,664)	(301)	73
Amortization of acquired intangible assets	—	—	—	—	(27)	(101)	(43)	(138)
Mark-to-market adjustments on deferred compensation liabilities	—	—	—	—	—	(1)	—	(7)
Legal reserve and settlement charges					(9,500)	—		(2,097)
Non-GAAP general and administrative operating expenses	$ 25,188	$ 35,596	$ 56,162	$ 76,544	$ 120,999	$ 162,487	$ 75,537	$ 94,656
GAAP loss from operations	$ (131,440)	$ (136,864)	$ (146,065)	$ (92,529)	$ (142,548)	$ (190,112)	$ (72,190)	$ (34,829)
Stock based compensation expense	12,343	20,505	79,940	149,675	309,952	526,504	234,044	295,633
Amortization of acquired intangible assets	628	583	487	1,448	12,902	16,565	8,192	8,276
Acquisition-related expenses	167	—	—	3,758	6,369	2,664	301	298
Mark-to-market adjustments on deferred compensation liabilities	—	—	—	—	—	1	—	56
Legal reserve and settlement charges	—	—	—	—	9,500	—	—	2,097
Non-GAAP income (loss) from operations	$ (118,302)	$ (115,776)	$ (65,638)	$ 62,352	$ 196,175	$ 355,622	$ 170,347	$ 271,531