
CrowdStrike

Investor Briefing

September 2022

Agenda



Innovating for Security and Beyond

George Kurtz & Mike Sentonas



Industry Analyst Perspective with Frank Dickson, IDC

Mike Sentonas



Customer & Partner Panels

Jim Seidel



Q&A

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, strategic plans or objectives, our growth prospects, projections, 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.

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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 Expenses 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, 2022, and 2023 are referred to herein as fiscal 2022 and 2023, respectively.

Innovating for the Future of Security and **Beyond**

The background features a complex, abstract design. It consists of numerous thin, white, curved lines that create a sense of depth and movement, resembling a tunnel or a futuristic landscape. Interspersed among these lines are clusters of small, white, binary-like characters (0s and 1s), giving the impression of digital data or code. The overall aesthetic is high-tech and futuristic.

Leadership

Validated

Gartner®

FORRESTER®

IDC

FROST & SULLIVAN

SC AWARDS
Honoring the Best in U.S. Cybersecurity

AV
comparatives

SE Labs

MITRE

Gartner: Magic Quadrant for Endpoint Protection Platforms, G00450741, May 2021

Forrester: The Forrester Wave™: Endpoint Detection And Response Providers, Q2 2022, April 6, 2022

IDC: Corporate Endpoint Security Market Shares, 2021: Year-Over-Year Growth Hit an All-Time High, Doc #US48580022, May 2022

Frost & Sullivan: CrowdStrike 2022 Technology Innovation Leader: Global Endpoint Security Industry, 2022

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**CrowdStrike Ranks #1 in IDC
Worldwide Corporate and
Modern Endpoint Security**

Gartner®

Leader in Gartner Magic Quadrant for Endpoint Protection Platforms

Gartner: Magic Quadrant for Endpoint Protection Platforms, G00450741, May 2021

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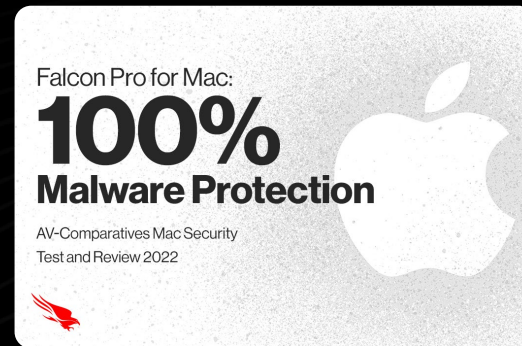
FORRESTER[®]

“CrowdStrike dominates in EDR while building its future in XDR and Zero Trust.”

Tested and Validated



“CrowdStrike
leads the industry with regards to the application of artificial intelligence/machine learning to endpoint security, as well as providing unparalleled prevention of malware and malware-free attacks on and off the network.”



CrowdStrike Falcon Pro
for Mac Achieves 100% Mac Malware Protection, Wins Fifth AV-Comparatives Approved Mac Security Product Award



CrowdStrike
CrowdStrike achieved 100% prevention with comprehensive visibility and actionable alerts



CrowdStrike
named the Best Security Company for a record 4th time!

CrowdStrike: Soaring Above the Rest...

Scale

\$2.14B

Ending ARR

Growth

64%

LTM subscription
revenue growth

Profitability

\$301M

LTM non-GAAP
operating income

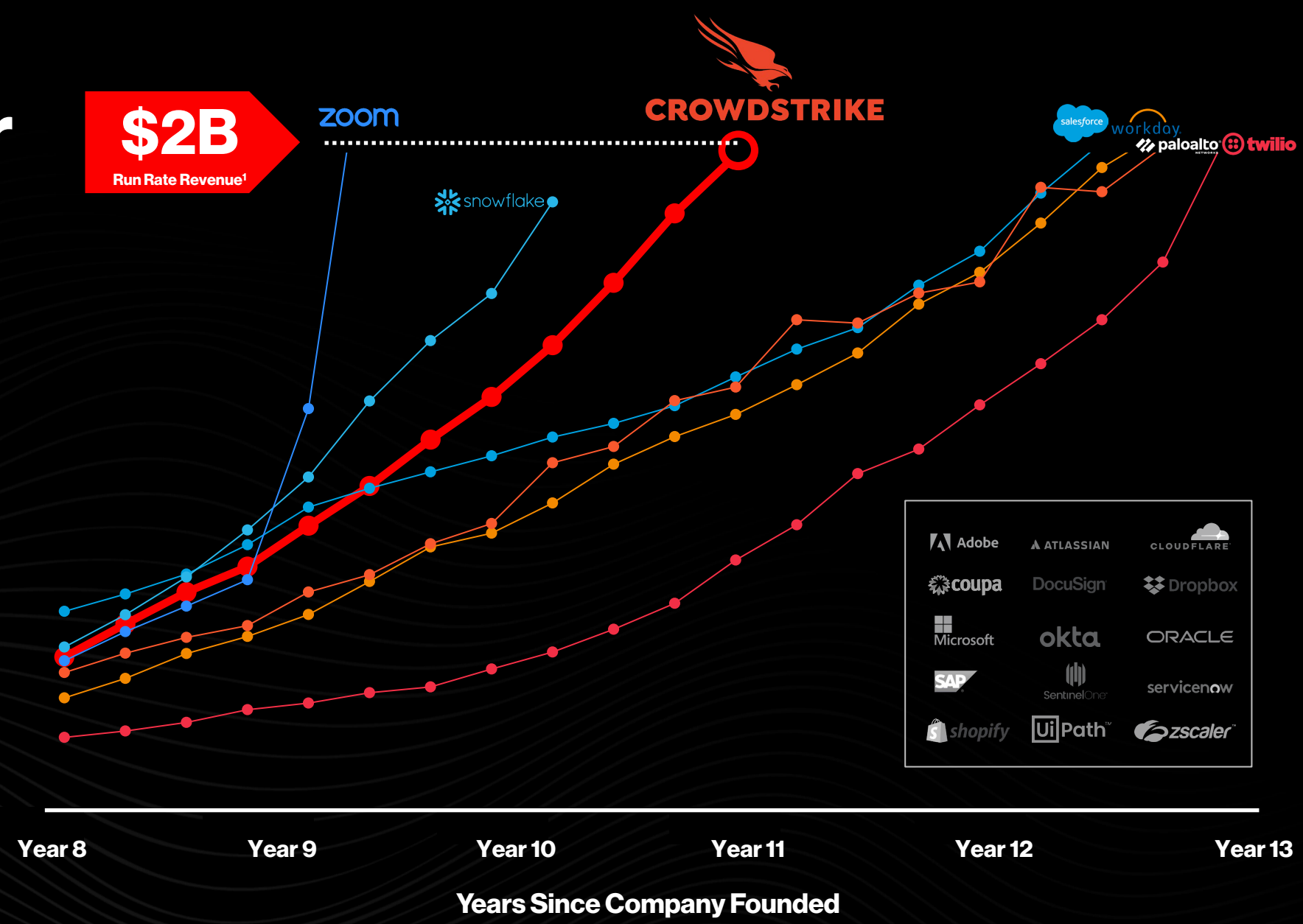
Cash Flow

30%

LTM free cash
flow margin

...In Rare Air

\$2B
Run Rate Revenue¹



Adobe	Atlassian	Cloudflare
Coupa	DocuSign	Dropbox
Microsoft	Okta	Oracle
SAP	SentinelOne	ServiceNow
Shopify	UiPath	Zscaler

1) Run rate revenue is calculated based on the most recently reported quarter revenue x 4
ADBE, TEAM, NET, COUP, DOCU, DBX, MSFT, OKTA, ORCL, SAP, S, NOW, SHOP, PATH, and ZS Run-rate Revenue were slower than the top 7

Growing Partner Ecosystem



MANDIANT



mimecast



proofpoint.

okta



intel

AIRLOCK
DIGITAL



CyberRes

BEYOND
IDENTITY



eXpel



VECTRA



axis



DRAGOS



eSENTIRE

Vanta



servicenow

KnowBe4



VULCAN.



Winning Partnership Formula



Technology

Flexibility

Ecosystem

Partnership Announcements



CrowdStrike
Powered Service
Provider Program

CrowdStrike +
Coalition

CrowdStrike
XDR Alliance

The Attack Surface Has Expanded

82%

Believe they experienced a breach due to digital transformation¹

71%

Falcon OverWatch detections that did not leverage malware²

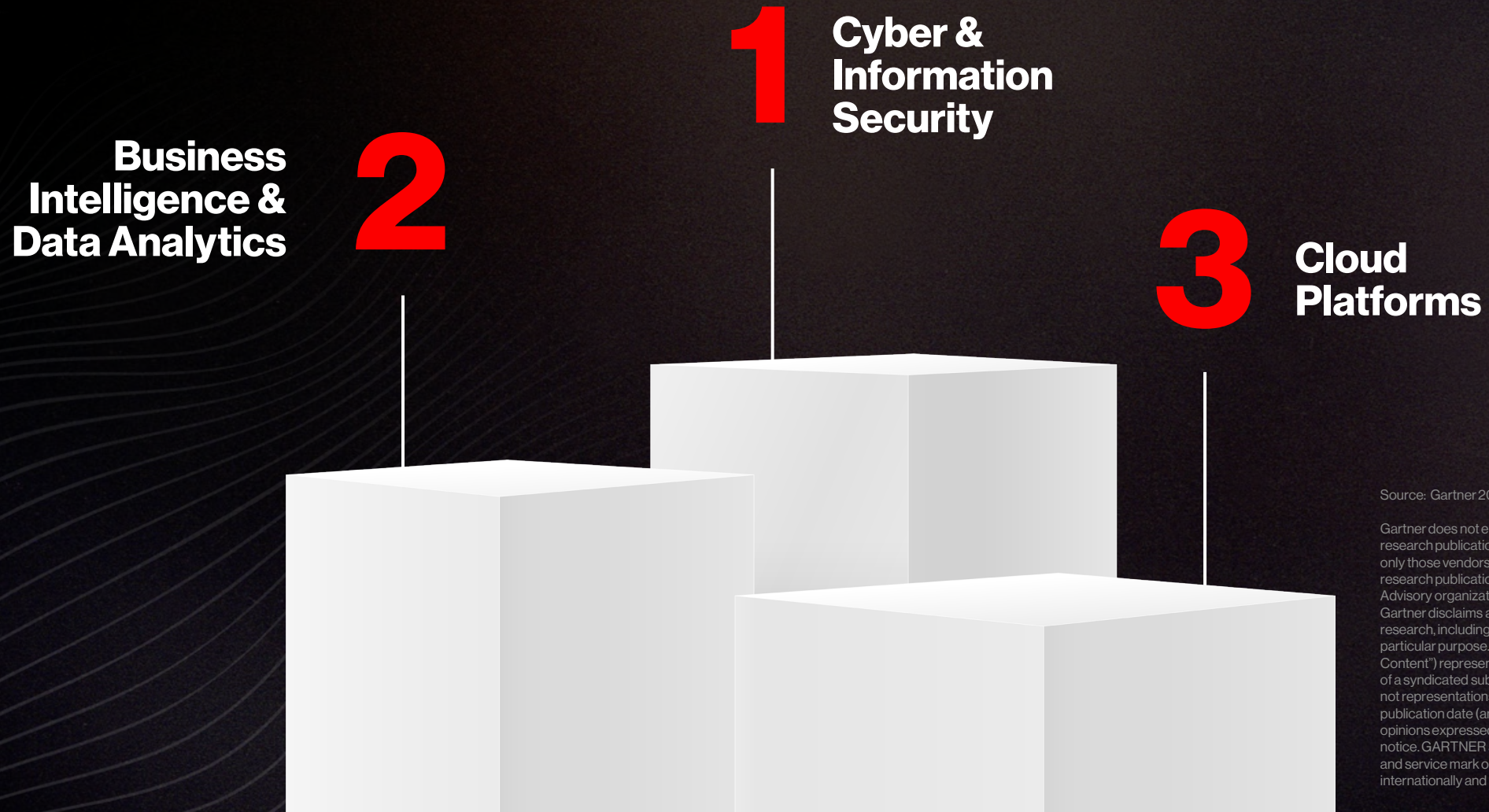
170%

Y/Y increase in critical vulnerabilities³

Sources:

1. "Rushed Digital Transformation Is Creating Security Risks | HPE
2. Note: Detections indexed by CrowdStrike Threat Graph from July 1, 2021 to June 30, 2022. Source: 2022 Falcon OverWatch Threat Hunting Report
3. National Institute of Standards and Technology National Vulnerabilities Database

Top 3 CIO Investment Priorities in 2022



Source: Gartner 2022 CIO and Technology Executive Survey

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**Information
technology**

vs

Security

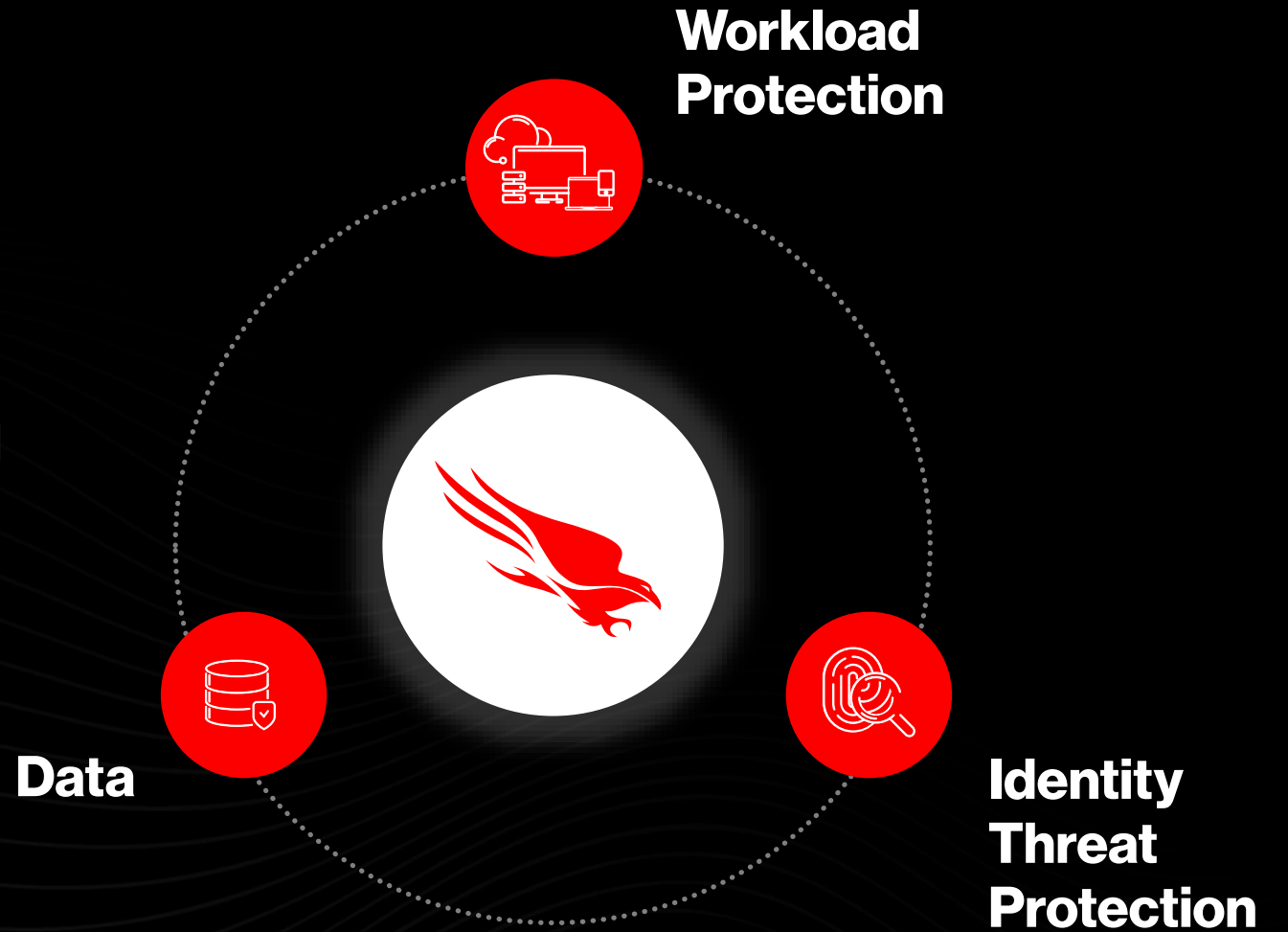
**Information
technology**

AND

Security

Modern Security:

Combining protection of the workload with identity and data



Smart Agent



**Falcon Data
Fabric**

Cloud-Scale AI

Single

Lightweight Agent



Over 1000

Event Types Captured

Immediate Time to Value No reboot

CrowdStrike Deployments



Financial Institution

600,000 Agents

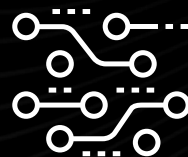
50 Days



Hospitality Chain

40,000 Agents

5 Days



Technology Company

55,000 Agents

5 Days

Better Outcomes for Our Customers

>4,700

**Business Value
Assessments Performed**

170%

Average ROI Realized

Better Outcomes for Our Customers

77%  **Investigation Speed**

84%  **Identity Hygiene Speed**

70%  **Effort to Deploy & Maintain**

72%  **Avoided Cost of Incidents Due to Optimized Prevention**

Agent Consolidation

9 agents

Displaced



96x

Improved
Response Time



\$5M

In Savings



120% ROI

Technology Innovation



Mike
Sentonas

Technology Announcements

CNAPP

ITOps

Threat Intel

XDR

Observability

CIEM and Asset Graph Integration

**Comprehensive
Visibility**



**Continuous Risk
Assessment**

Powered by



the Asset Graph

Technology Announcements

CNAPP

ITOps

Threat Intel

XDR

Observability

Fal.Con Discover 2.0 & Discover for IoT

Know What's
On Your Network

Continuous Risk
Assessment

Comprehensive
Visibility



Minimize Risk:
IoT Asset Inventory

Visualize
Asset Details

Relationship
Maps

Powered by



the Asset Graph

Technology Announcements

CNAPP

ITOps

Threat Intel

XDR

Observability



Proprietary Internet Scanning Engine

**An Emerging Leader in External
Attack Surface Management**

Technology Announcements

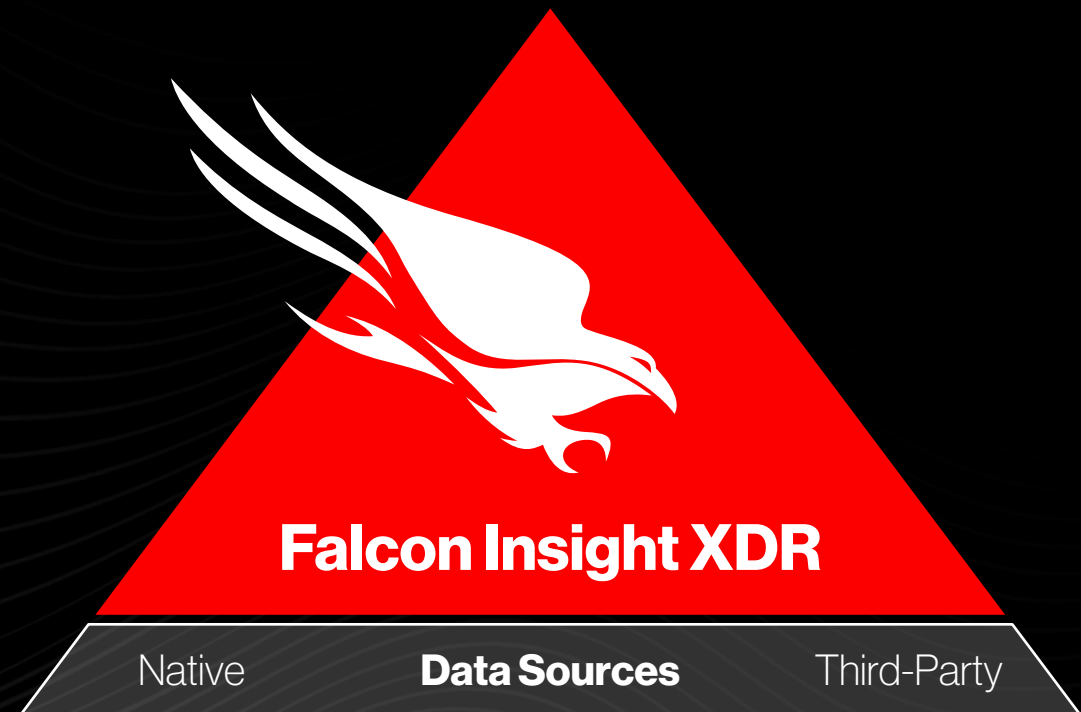
CNAPP

ITOps

Threat Intel

XDR

Observability



Technology Announcements

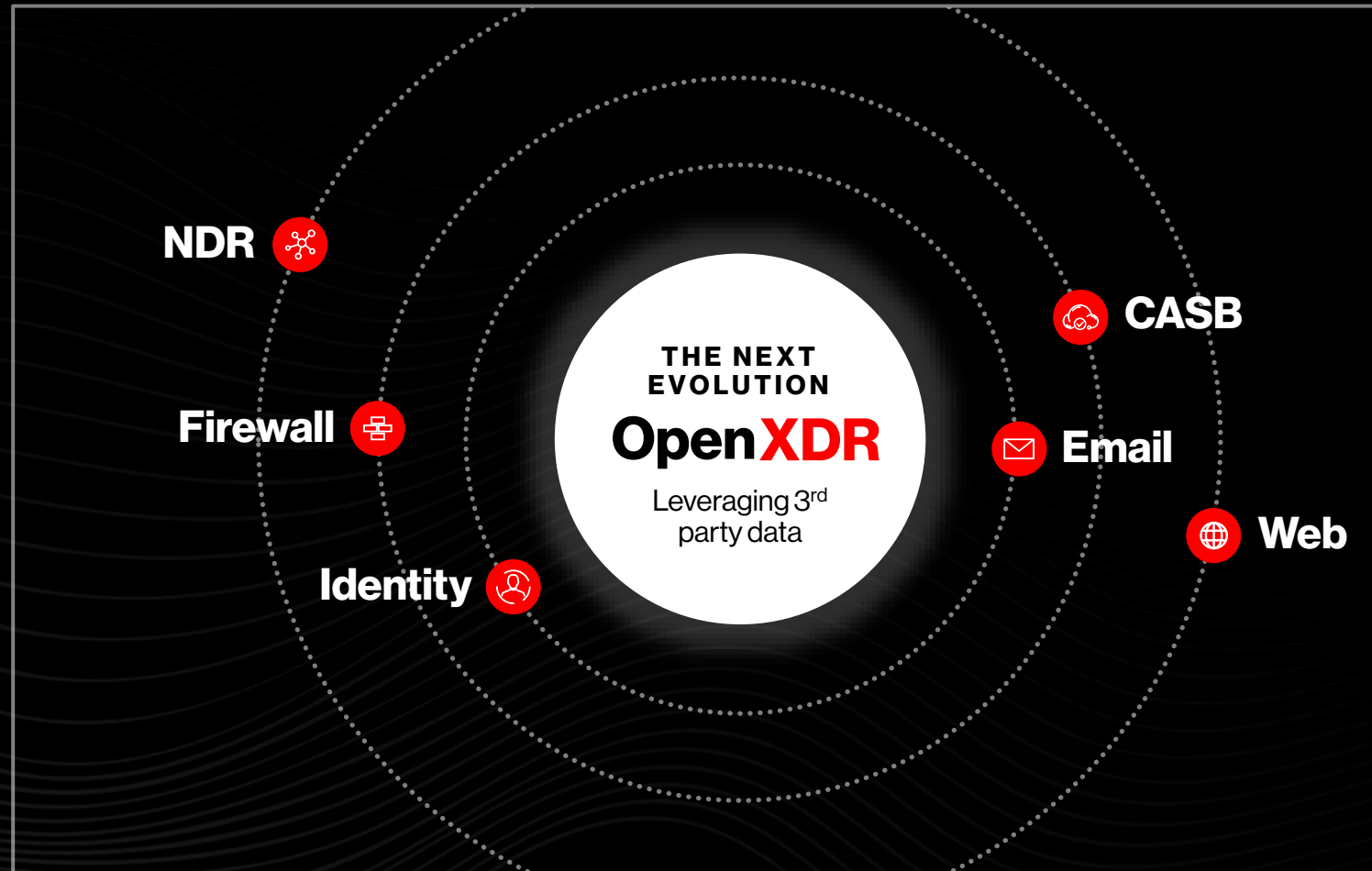
CNAPP

ITOps

Threat Intel

XDR

Observability



Technology Announcements

CNAPP

ITOps

Threat Intel

XDR

Observability



Merging of **Security** and **Non-Security** Data

Actionable insights

**Real-time
observability**



**Complements Threat
and Asset Graph**

**Search data with
sub-second latency**

The Pillars of Observability



Event Monitoring

Event collection
Event correlation

Is it up?



Metrics

Metrics collection
Performance Monitoring

Is it working?



Availability Monitoring

Transaction
Monitoring RCA
Tracing

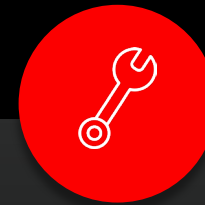
What's the cause?



Business Insights

Customer Journey/
Business Processes
Relate Business KPIs to
Performance

Is the business
growing?



Metrics Monitoring

AIOps
Triage

Automate,
optimize
and Improve

The Pillars of Observability



Event Monitoring

Event collection
Event correlation

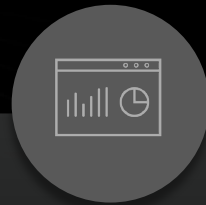
Is it up?



Metrics

Metrics collection
Performance Monitoring

Is it working?



Availability Monitoring

Transaction
Monitoring RCA
Tracing

What's the cause?



Business Insights

Customer Journey/
Business Processes
Relate Business KPIs to
Performance

Is the business
growing?



Service Monitoring

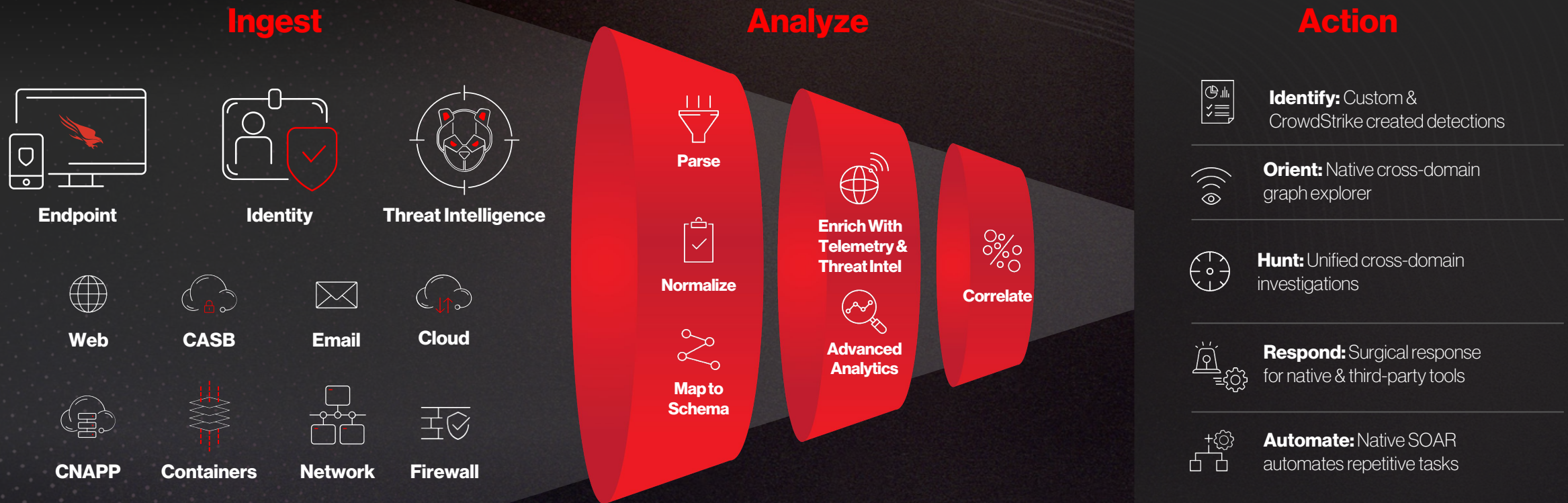
AIOps
Triage

Automate,
optimize
and Improve

Driving the Convergence of

Security and Observability

The Future of Security and Observability



One Platform: Complete **Protection** and **Observability**



SERVICES

CrowdStrike Security Cloud

Fusion - Orchestration & Automation

XDR - **Data Normalization**

Threat Graph

Intel Graph

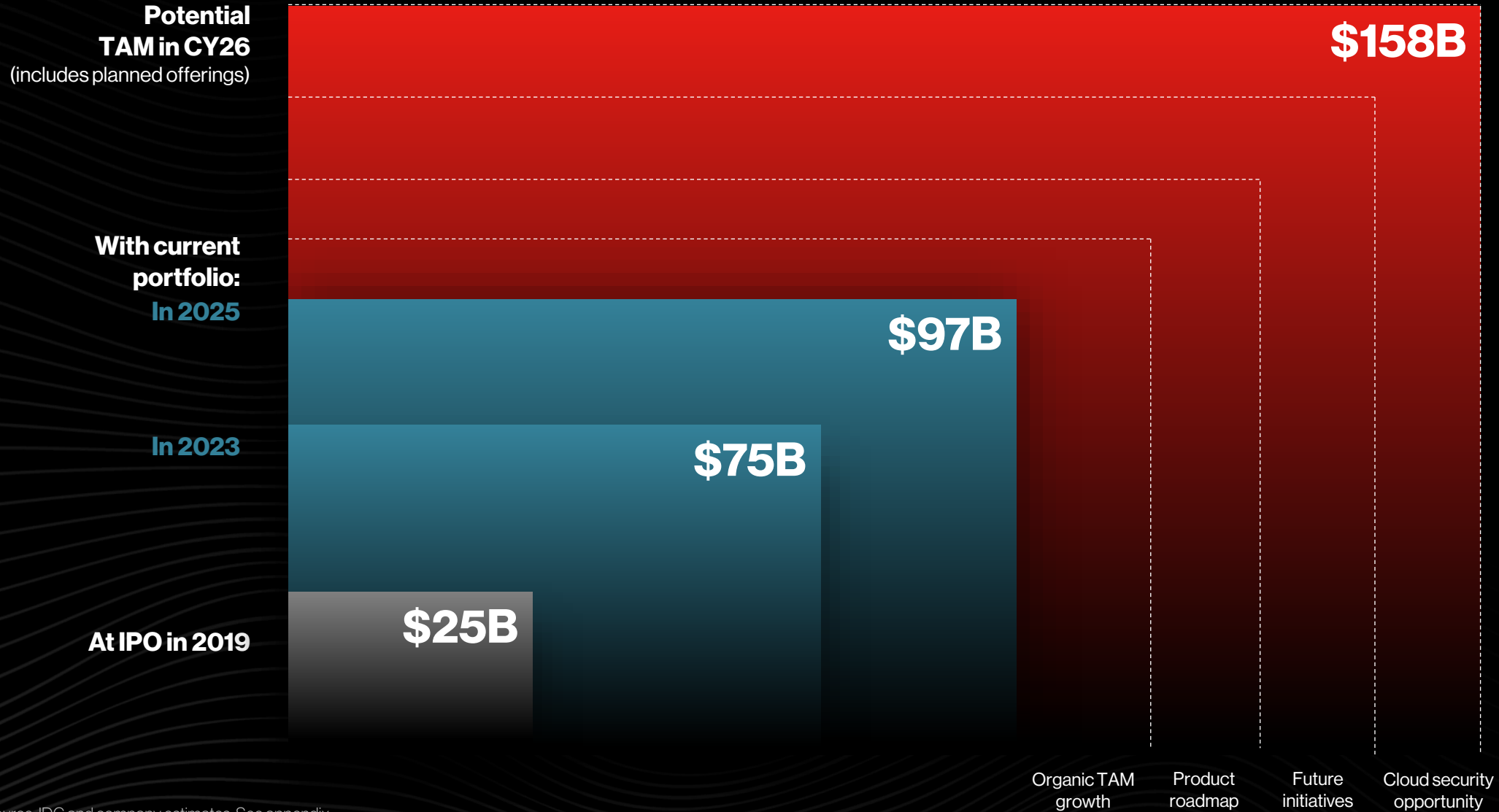
Asset Graph

APIs

CrowdStrike Store

CrowdStrike **Data Fabric**

Long-Term TAM Evolution



The logo features the text 'fal.con' in a bold, lowercase, sans-serif font. To the left of the 'f' is a red graphic element consisting of two curved, overlapping lines that sweep upwards and to the right. Below the main text, the words 'las vegas | 2022' are written in a smaller, lowercase, sans-serif font.

fal.con
las vegas | 2022



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.

Last Twelve Months (LTM)

LTM is calculated as the trailing four quarters.

Run Rate Revenue

Run rate revenue is calculated as most recently reported quarter x 4

Explanation of Non-GAAP Financial Measures

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 and legal reserve and settlement charges or benefits.

Free Cash Flow

Free cash flow is a non-GAAP financial measure that we define as net cash provided by operating activities less purchases of property and equipment and capitalized internal-use software. We monitor free cash flow as one measure of our overall business performance, which enables us to analyze our future performance without the effects of non-cash items and allow us to better understand the cash needs of our business. While we believe that free cash flow is useful in evaluating our 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 our liquidity is further limited as it does not represent the total increase or decrease in our 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.



Appendix (cont'd)

Reports

Reports used for data shown in the chart titled “Long-Term TAM evolution”:

At IPO in 2019:

- International Data Corporation, *Market Analysis Perspective: Worldwide Managed Security Services Providers, 2018*, September 2018.
- International Data Corporation, *Market Forecast – Worldwide IT Asset Management Software Forecast, 2018-2022: Asset Management Accelerates as Digital Transformation Changes What Assets Must Be Managed*, September 2018.
- International Data Corporation, *Market Forecast – Worldwide Corporate Endpoint Security Forecast, 2018-2022*, July 2018.
- International Data Corporation, *Market Forecast – Worldwide Security and Vulnerability Forecast, 2018-2022: SVM Vendors Fight Off New Market Entrants*, July 2018.
- International Data Corporation, *Market Forecast – Worldwide Threat Intelligence Security Services Forecast, 2017-2021*, November 2017.
- International Data Corporation, *Market Forecast – Worldwide IT Security Products Forecast, 2017-2021: Comprehensive Security Products Forecast Review*, February 2018.
- International Data Corporation, *Market Forecast – Worldwide Mobile Enterprise Security Software Forecast, 2017-2021*, December 2017.

With Current Portfolio in CY23 and CY25:

- International Data Corporation’s Worldwide Security Spending Guide. (July 2022)
- International Data Corporation, *Market Forecast – Worldwide IoT Security Forecast, 2021–2025: Critical Applications Accelerate Demand for Contextualized Security*. (March 2022)
- International Data Corporation, *Market Forecast – Worldwide Cloud-Native Extended Detection and Response Forecast, 2022–2026: Is This the New Standard of Excellence?* (March 2022)
- International Data Corporation, *Market Forecast – Worldwide IT Operations Analytics Software Forecast, 2022–2026*. (March 2022)
- International Data Corporation, *Market Forecast – Worldwide Cybersecurity Analytics, Intelligence, Response, and Orchestration Forecast, 2021–2025: Legacy SIEM and Vulnerability Management Tech — How They Will Survive and Hopefully Continue to Thrive*. (June 2021)
- International Data Corporation, *Market Forecast – Worldwide Device Vulnerability Management Market Forecast, 2022–2026: What Is Your Risk?* (Jan 2022)
- International Data Corporation, *Market Forecast – Worldwide Client Endpoint Management Software Forecast, 2021-2025* (June 2021)
- International Data Corporation, *Market Forecast - Worldwide Data Loss Technologies Forecast, 2021–2025: Digital Transformation Tools Applied to the Data Protection Task*. (October 2021)
- International Data Corporation, *Market Forecast - Worldwide Endpoint Encryption and Key Management Infrastructure Software Forecast, 2019–2023*. (May 2019)
- International Data Corporation, *Market Forecast - Worldwide and U.S. Comprehensive Security Services Forecast, 2022–2026: Steady Growth Continues Amid Global Headwinds* (July 2022)

Potential TAM in CY25:

- Company estimate

GAAP to Non-GAAP Reconciliation

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

	Q3FY22	Q4FY22	Q1FY23	Q2FY23	LTM
GAAP loss from operations	\$ (40,264)	\$ (23,534)	\$ (23,883)	\$ (48,307)	\$ (135,988)
Stock based compensation expense	86,666	92,637	102,494	131,550	413,347
Amortization of acquired intangible assets	3,337	3,830	4,088	4,104	15,359
Acquisition-related expenses	971	457	301	—	1,729
Legal reserve and settlement charges or benefits	—	7,000	—	—	7,000
Non-GAAP income from operations	\$ 50,710	\$ 80,390	\$ 83,000	\$ 87,347	\$ 301,447



Free Cash Flow Reconciliation

CROWDSTRIKE HOLDINGS, INC.
Free Cash Flow Reconciliation
(in thousands)
(unaudited)

	Q3FY22	Q4FY22	Q1FY23	Q2FY23	LTM
Total revenue	\$ 380,051	\$ 431,010	\$ 487,834	\$ 535,153	\$ 1,834,048
GAAP net cash provided by operating activities	\$ 159,058	\$ 159,718	\$ 214,957	\$ 209,906	\$ 743,639
Purchases of property and equipment	(29,627)	(26,723)	(52,211)	(66,128)	(174,689)
Capitalized internal-use software and website development	(5,928)	(5,665)	(5,214)	(8,021)	(24,828)
Free cash flow	<u>\$ 123,503</u>	<u>\$ 127,330</u>	<u>\$ 157,532</u>	<u>\$ 135,757</u>	<u>\$ 544,122</u>
Free cash flow margin	32%	30%	32%	25%	30%

