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CrowdStrike Investor Briefing

September 2024

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,” “can,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “potential,” “predict,” “project,” “should,” “will,” “would,” 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 (including our long-term model), the July 19th Incident, our product roadmap and future initiatives, new products, features and functionality (including our expectations with respect to the development, release and timing thereof) 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, most recent Form 10-Q, and subsequent filings 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.

Certain information contained in this presentation and statements made orally during this presentation relate to or are based on studies, publications, surveys and other data obtained from third-party sources and CrowdStrike’s own internal estimates and research. While CrowdStrike believes these third-party studies, publications, surveys and other data to be reliable as of the date of this presentation, it has not independently verified, and makes no representations as to the adequacy, fairness, accuracy or completeness of, any information obtained from third-party sources. In addition, no independent source has evaluated the reasonableness or accuracy of CrowdStrike’s internal estimates or research and no reliance should be made on any information or statements made in this presentation relating to or based on such internal estimates and research.

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 and facilitates period-to-period comparisons of operations, as these measures eliminate the effects of certain variables unrelated to our overall operating performance. 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, 2024, 2025 and 2026 are referred to herein as fiscal 2024, 2025 and 2026 respectively.

Agenda



**Committed to Vision,
Innovation and Execution**
George Kurtz
CEO & Founder



**Platform Innovation
on the Path to \$10B**
Mike Sentonas
President



Customer Firesides
Mike Sentonas
President



Financial Commentary
Burt Podbere
Chief Financial Officer



Partner Panel
Daniel Bernard
Chief Business Officer



Q&A



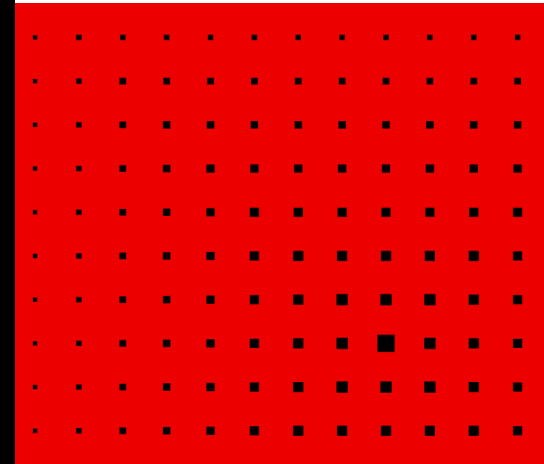
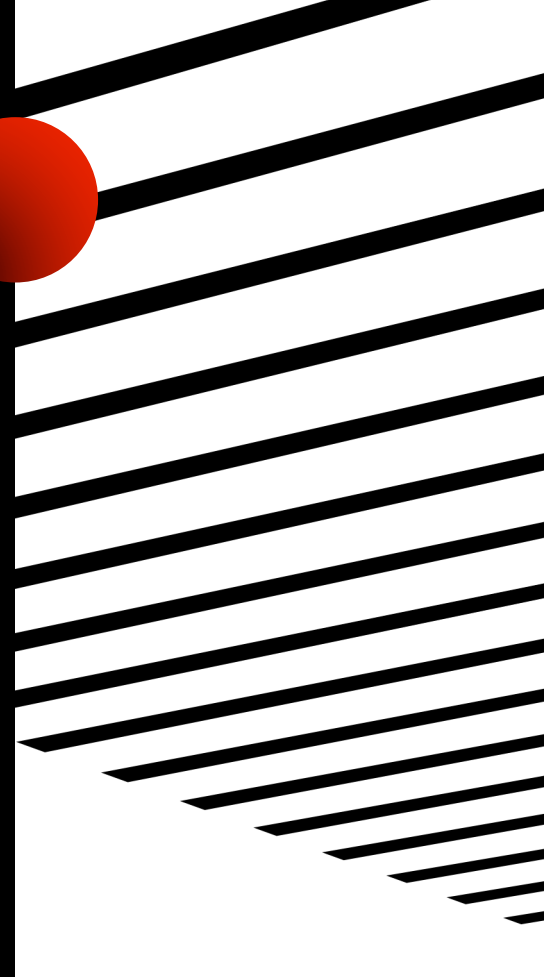
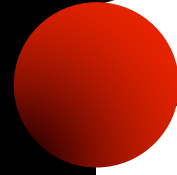
Lunch



George Kurtz

CEO & Founder

**Committed to
Vision, Innovation
and Execution**





Building Cybersecurity's

Most Resilient AI Platform



July 19th Incident Takeaways

Additional Safeguards
to Enhance Resilience

1

Customer Control

Enhanced configuration visibility and control

2

Rollouts

Enhanced content testing and guardrails

3

External

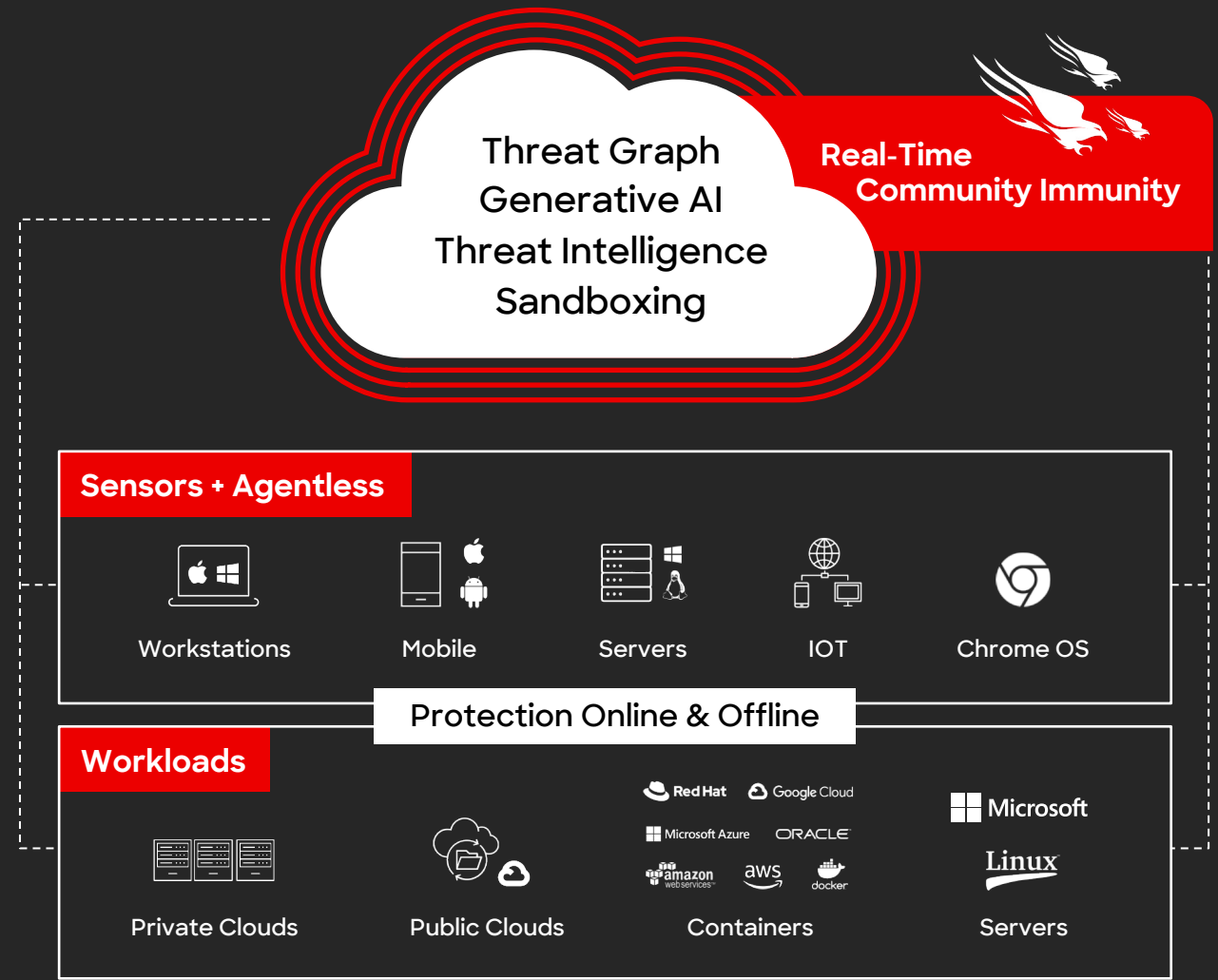
Third-party input, review and validation

All RCA Mitigations Completed, Independently Validated

Our Architecture Revolutionized Cybersecurity

- ✓ Brought cyber to the cloud
- ✓ Brought AI to cyber
- ✓ Created cyber's platform
- ✗ No multi-console
- ✗ No multi-agent
- ✗ No store and forward

Falcon Platform Architecture



The Falcon Platform Delivers **Unmatched..**

Protection

Industry-leading
AI-powered efficacy

Manageability

Single console - single
agent, frictionless
deployment

Scale

#1 endpoint security
ISV market share¹
>29k customers

Innovation

Collect data once,
use many times;
Rapid productization of
new technology

Adoption

7+ average modules
per customer²

**Superior Architecture Creates
Business and Technology Advantages**

>70%
of Fortune 100

18/20
Top U.S. Banks

44/50
U.S. States

1. Source: IDC Worldwide Modern Endpoint Security Market Shares, 2023: Evolving to Address New Work Modalities (June 2024)

2. Average module count for customers with \$100k+ ending ARR



The **Largest**
Independent
Software Vendor
Securing Windows



Working hand-in-hand
with Microsoft on the
future of the open
ecosystem, kernel
and OS resilience



Innovation

We Continue Doubling Down on Innovation

Key Fal.Con Announcements

New Falcon Console

Driving even more platform adoption

Next-Gen SIEM

AI parsers accelerate data ingest from any source; no code required

Cloud Security

Industry's first fully-integrated CNAPP

Identity Protection

Expand coverage protecting the Microsoft ecosystem

Network-Vulnerability Assessment

Displace legacy vulnerability management products

Broad-Based OS Support

Unlocking TAM; even more consolidation

CNAPP includes CWP, CIEM, ASPM, DSPM, AI-SPM, CSPM and CDR

Platform Adoption

Continuing to Double Down on Platform Adoption

Customers Tell Us...

**We Trust
CrowdStrike**

**We Want More
of the Platform**

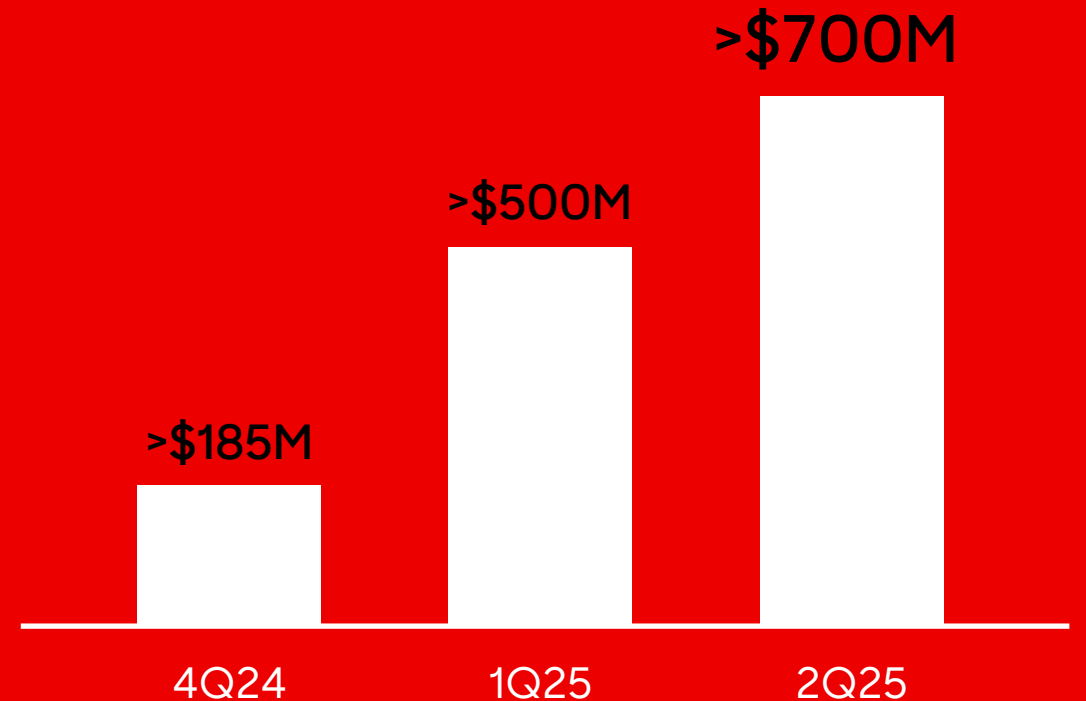
**Make it Easier
to Buy More**

Falcon Flex Subscription Overview

Transformational Licensing
Model **Introduced Last Year**

- ✓ Flexible subscription duration (1-5 years)
- ✓ Size based on platform demand
- ✓ Swappable modules

Total Account Value of
Falcon Flex Customers



Falcon Flex Overview

What Falcon Flex
is **NOT**

NOT

An ELA

NOT

Consumption-based

NOT

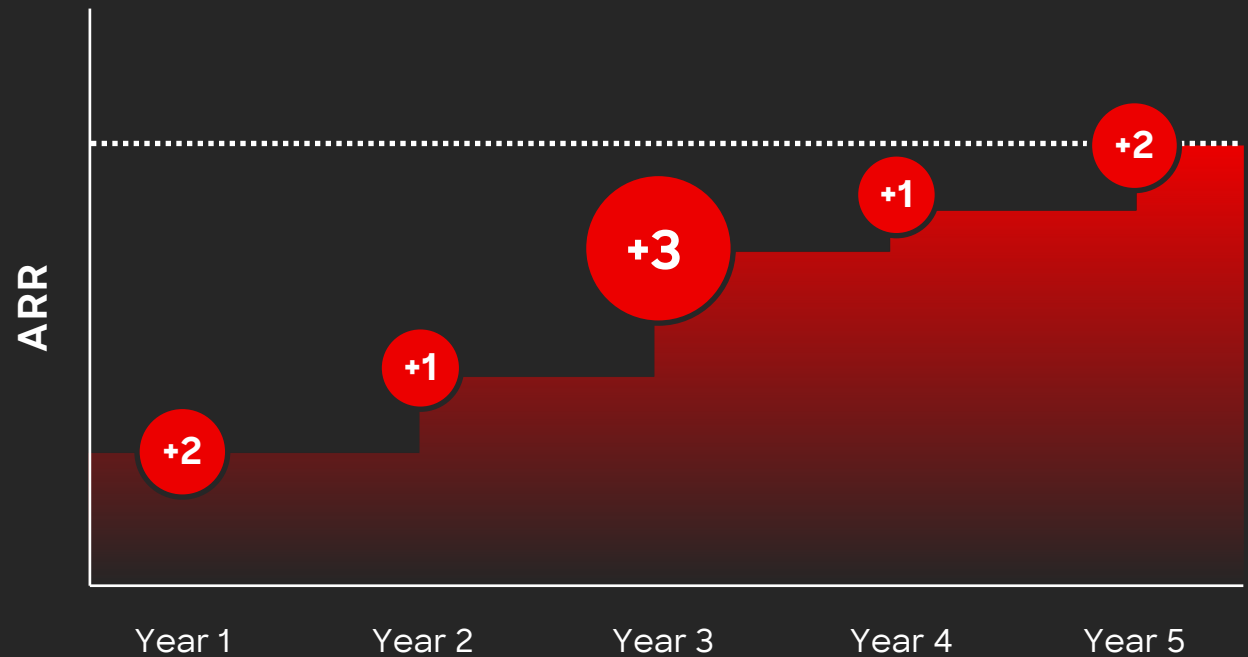
Enterprise-only

Typical Expansion

Pre-Falcon Flex

- Transactional
- Discreet
- Multiple sales cycles

Module-by-Module Adoption



Procurement Engagement with Every Purchase

Falcon Flex Overview

After

- What customers want
- When they want it
- Immediate time-to-value
- Minimum total spend commitment

Falcon Flex Platform Transformation

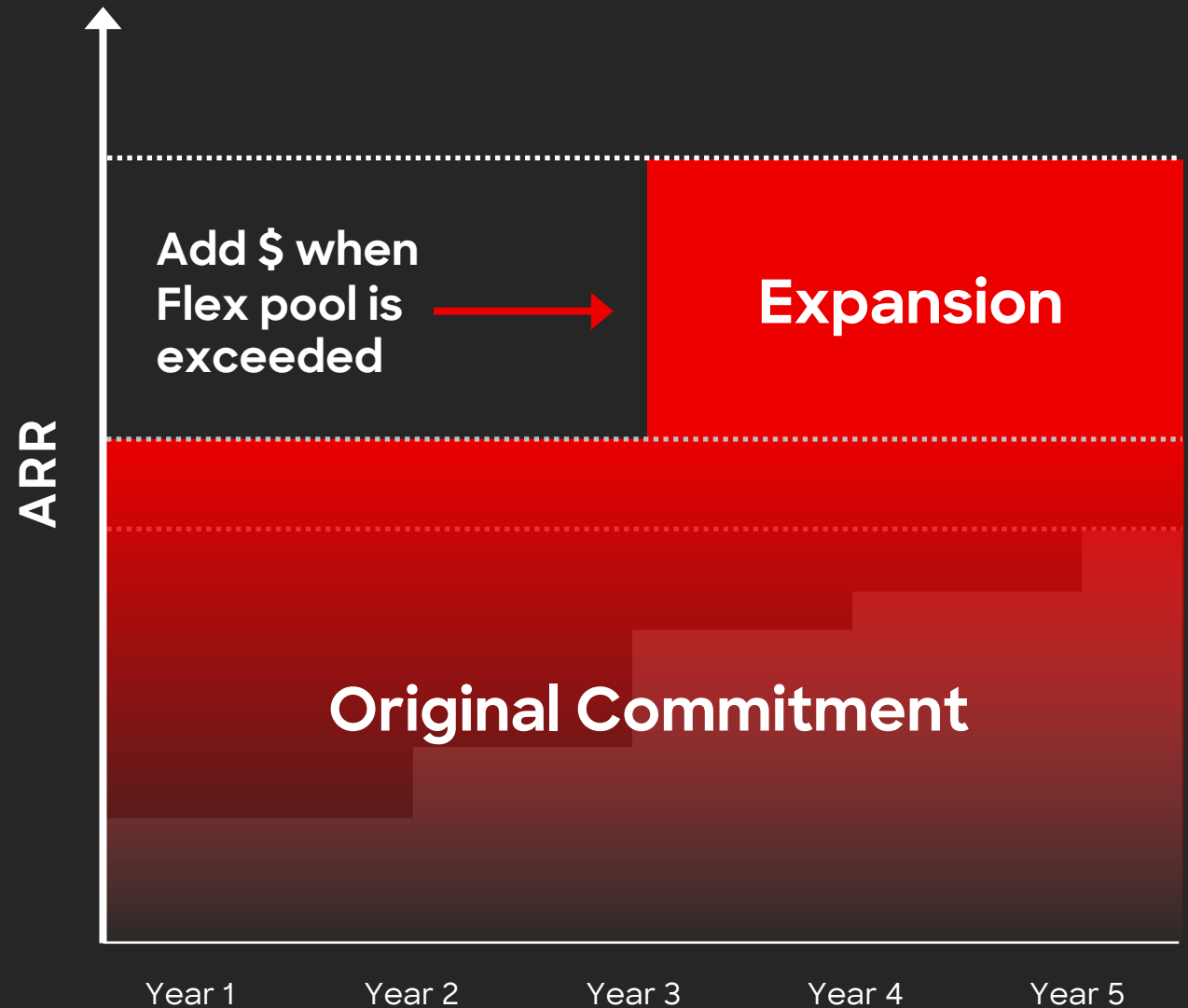


No Procurement Engagement Through Committed Spend

Falcon Flex Overview

After

- What customers want
- When they want it
- Immediate time-to-value
- Minimum total spend commitment



Case Study

Falcon Flex

CUSTOMER

Large Enterprise Software Company

Before

TOTAL CONTRACT VALUE

\$15M

/ 3 Years



After

ADOPTED / EXPANDED

Falcon Cloud
Security

LogScale
NG-SIEM

Falcon
for IT

>350%
ARR Uplift

TOTAL CONTRACT VALUE

\$110M+

/ 5 Years

9 Modules



Case Study

Falcon Flex

CUSTOMER

Fortune 500 Company

Before

TOTAL CONTRACT VALUE

\$2.3M

/ 3 Years



After

ADOPTED / EXPANDED

LogScale
NG-SIEM

Data
Protection

Falcon
for IT

Charlotte
AI

>200%
ARR Uplift

TOTAL CONTRACT VALUE

\$20M+ / 5 Years

10+ Modules



Case Study

Falcon Flex

CUSTOMER

Tech Hardware Manufacturer

Before

Not a
CrowdStrike
Customer



After

NEW LOGO

Falcon Flex

TOTAL CONTRACT VALUE

\$6M / 3 Years

10+ Modules





Customer Commitment Package

**Putting the
Customer First**

One-Time Incentives

Flex Funds for Modules
Professional Services
Flexible Payment Terms
Subscription Extension
Other



Customer Commitment Package



**Immediate
Customer
Benefit**



**Supercharge
Platform
Adoption**

Leading with Falcon Flex

CrowdStrike Financial Services Drives Platform Consolidation

Customer Benefits

- ✓ Protection not limited by cash constraints
- ✓ Ease of doing business with single vendor
- ✓ Flexible payment solutions

Optimizes Technology Spend

CrowdStrike Benefits

- ✓ Larger, multi-year deals
- ✓ Channel and GTM friendly
- ✓ Accelerates deals

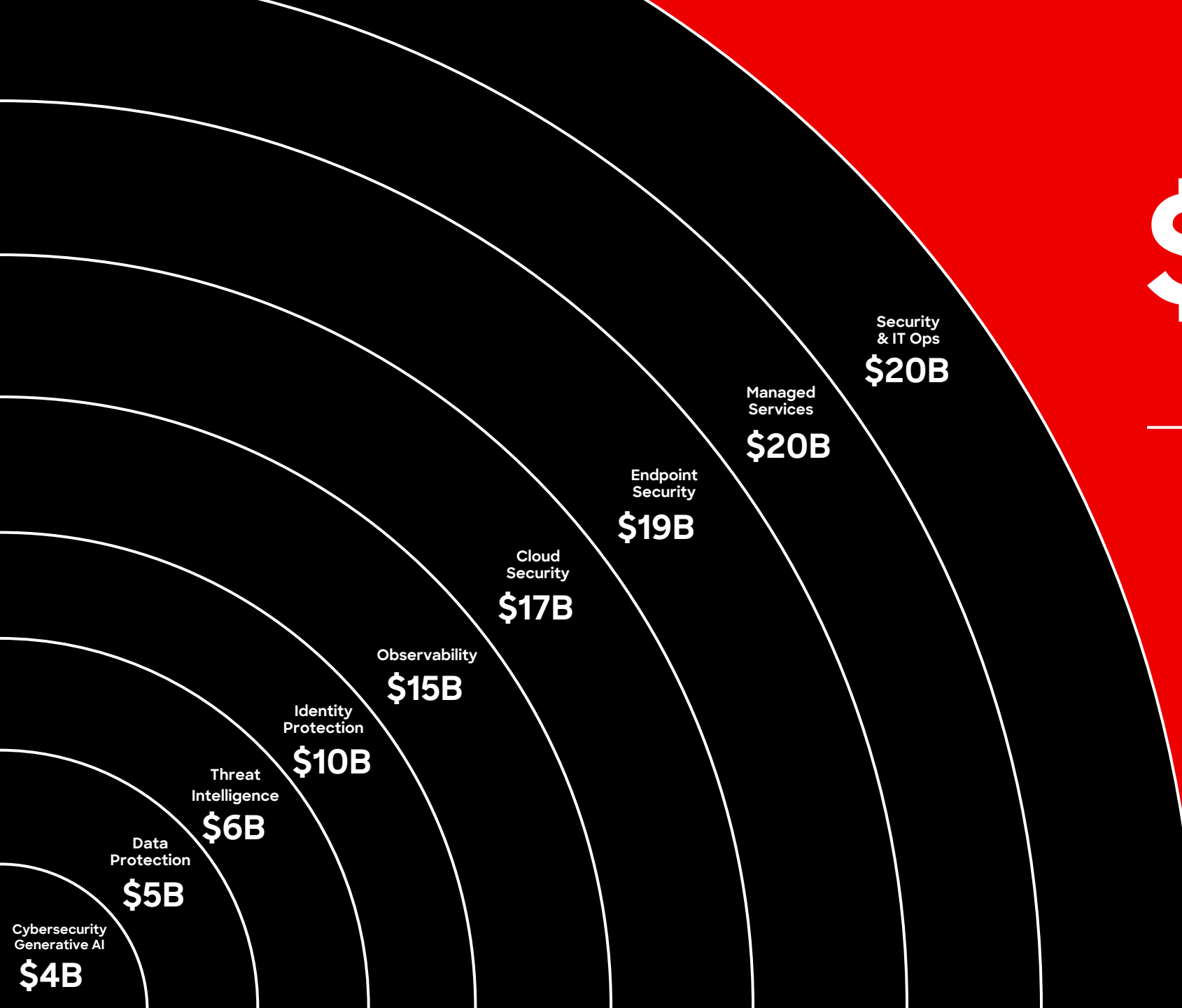
Unlocks Immediate Customer Spend

Market Opportunity

\$116B

CY25 TAM

The AI-Native Security Platform



Source: IDC and company estimates.
See appendix.

fal.con24

\$116B

CY25 TAM

**The AI-Native
Security Platform**

\$250B

CY29 TAM

**The AI-Native
Security Platform**

Security
& IT Ops
\$20B

ed
ces
OB

Source: company estimate

fal.com24

Our Path to \$10B

Key Takeaways

Focused on
the **Path to \$10B ARR**

1

Positioned to Emerge Even Stronger Post-July 19

\$3.9B

Ending
ARR

\$4.0B+

Cash &
Equivalents

**9 Figure
Flex**

Closed
Post-July 19

We're Even Closer to Our Customers

We are Cybersecurity's Innovator of Choice and Single Platform of Record

Positioned to Emerge Even Stronger Post-July 19

2 We're Even Closer to Our Customers

98% Gross Retention

Pipeline Generation

Returning to Pre-Incident Levels

We are Cybersecurity's Innovator of Choice and Single Platform of Record

Key Takeaways

Focused on
the **Path to \$10B ARR**

Positioned to Emerge Even Stronger Post-July 19

We're Even Closer to Our Customers

3

We are Cybersecurity's Innovator of Choice and Single Platform of Record

7+

Average
Modules Per
Customer¹

\$1B+ ARR

Cloud Security,
Identity Protection,
NG-SIEM

>\$700M

Total Account
Value of Falcon
Flex Customers

Key Takeaways

Focused on
the **Path to \$10B ARR**

1. Average module count for customers with \$100k+ ending ARR

All figures as of Q2 FY25

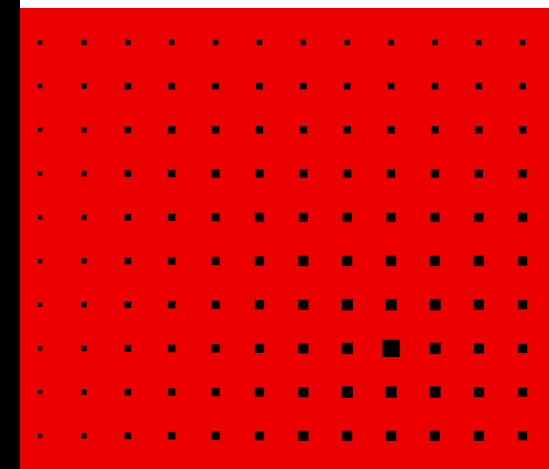
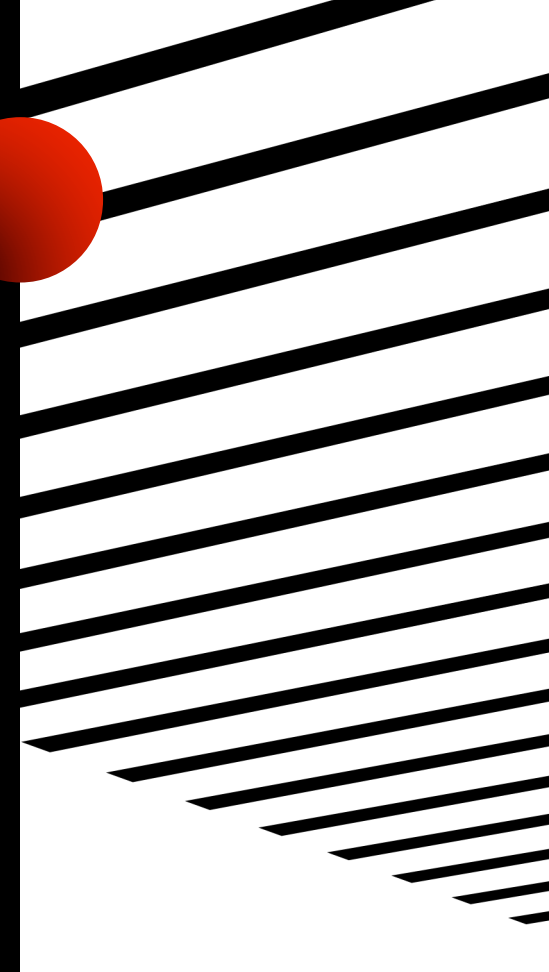
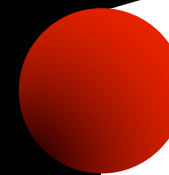
Customer Fireside Chats



Daniel Bernard

Chief Business Officer

Partner Panel

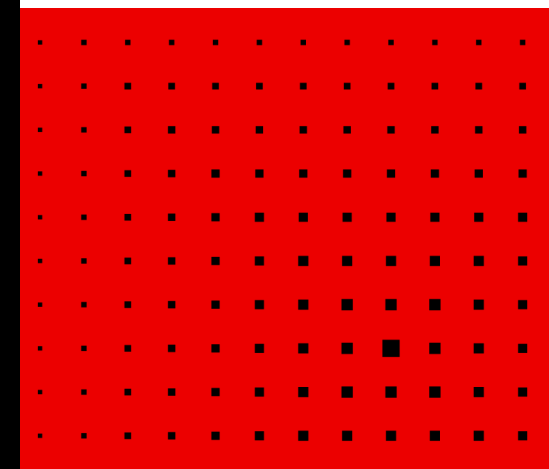
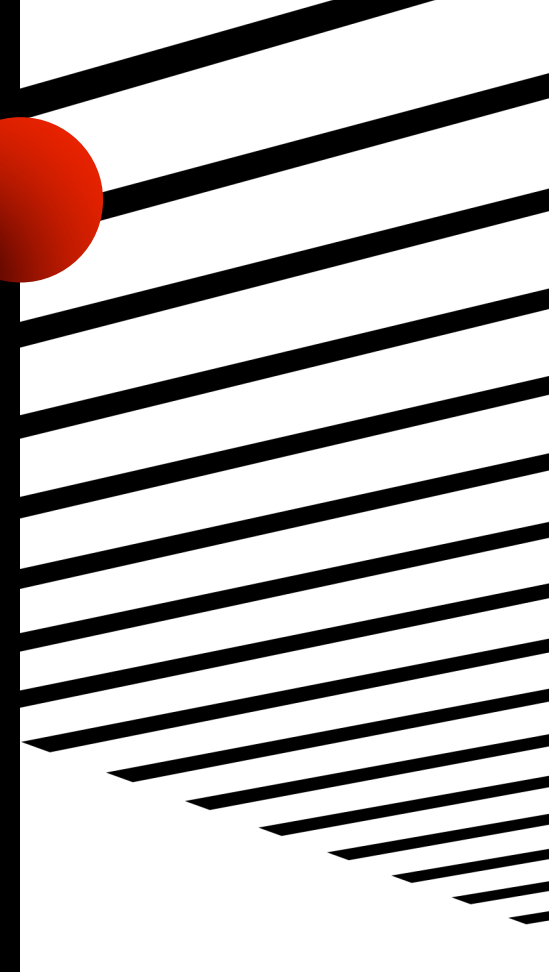
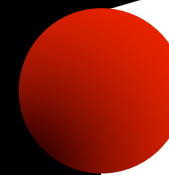




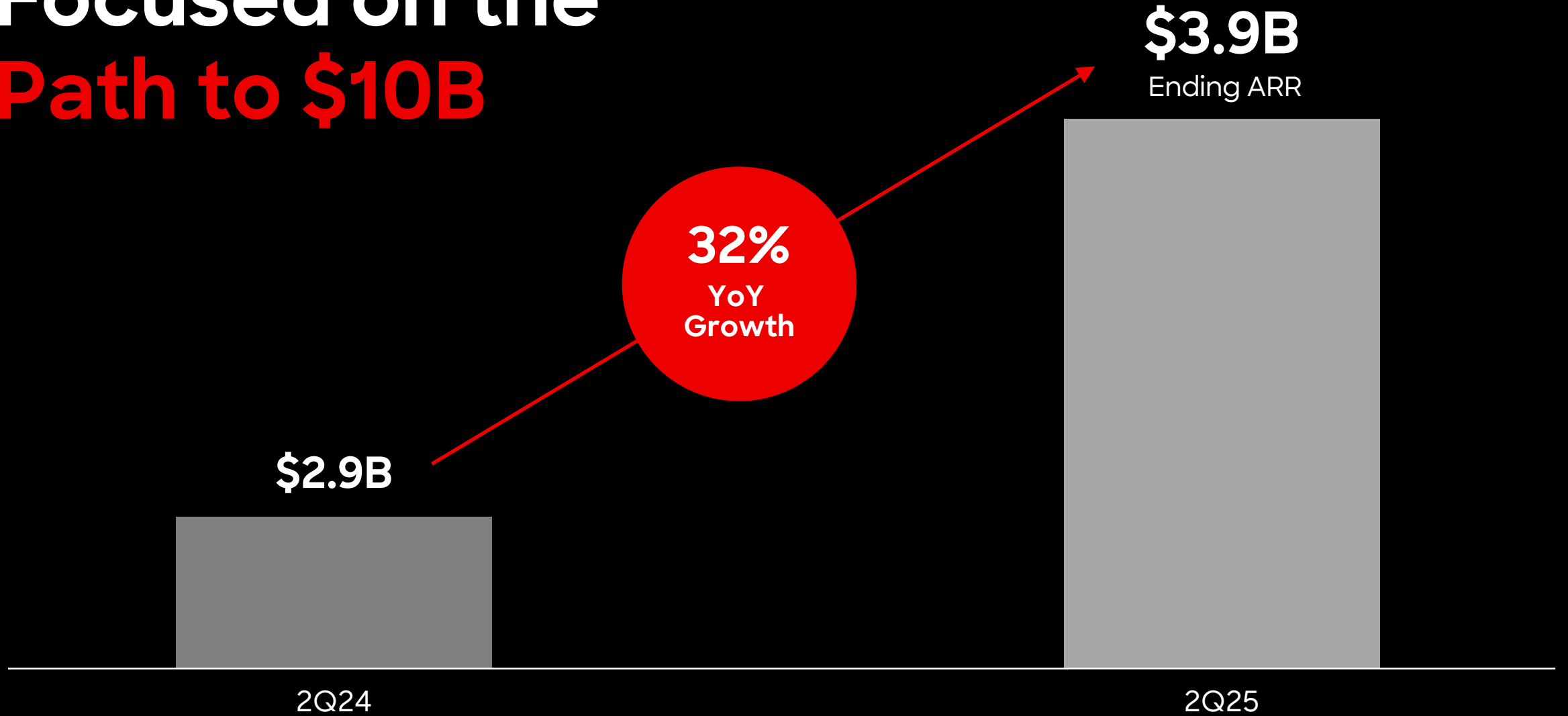
Mike Sentonas

President

Platform
Innovation on
the **Path to \$10B**



Focused on the Path to \$10B



\$3.9B
Ending ARR

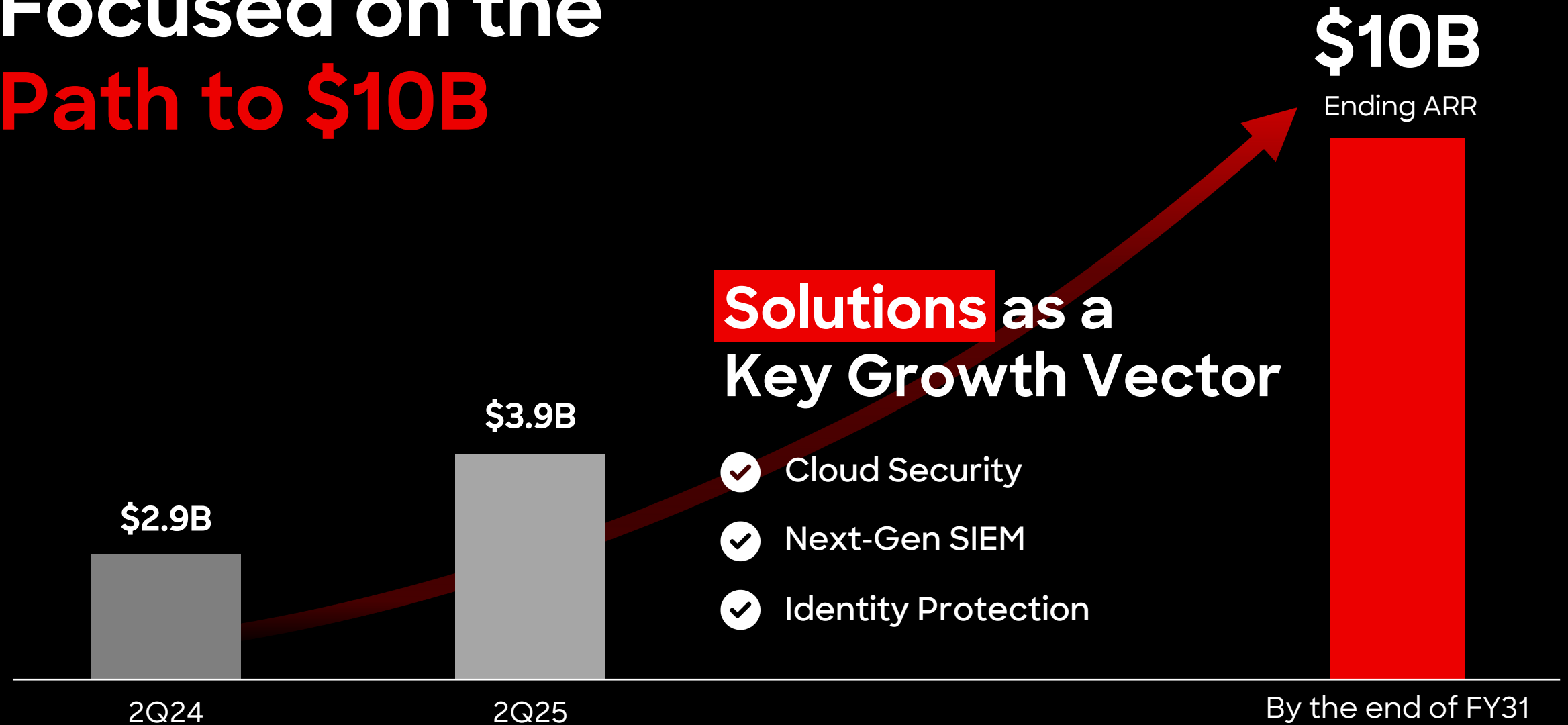
32%
YoY
Growth

\$2.9B

2Q24

2Q25

Focused on the Path to \$10B



Identity Protection

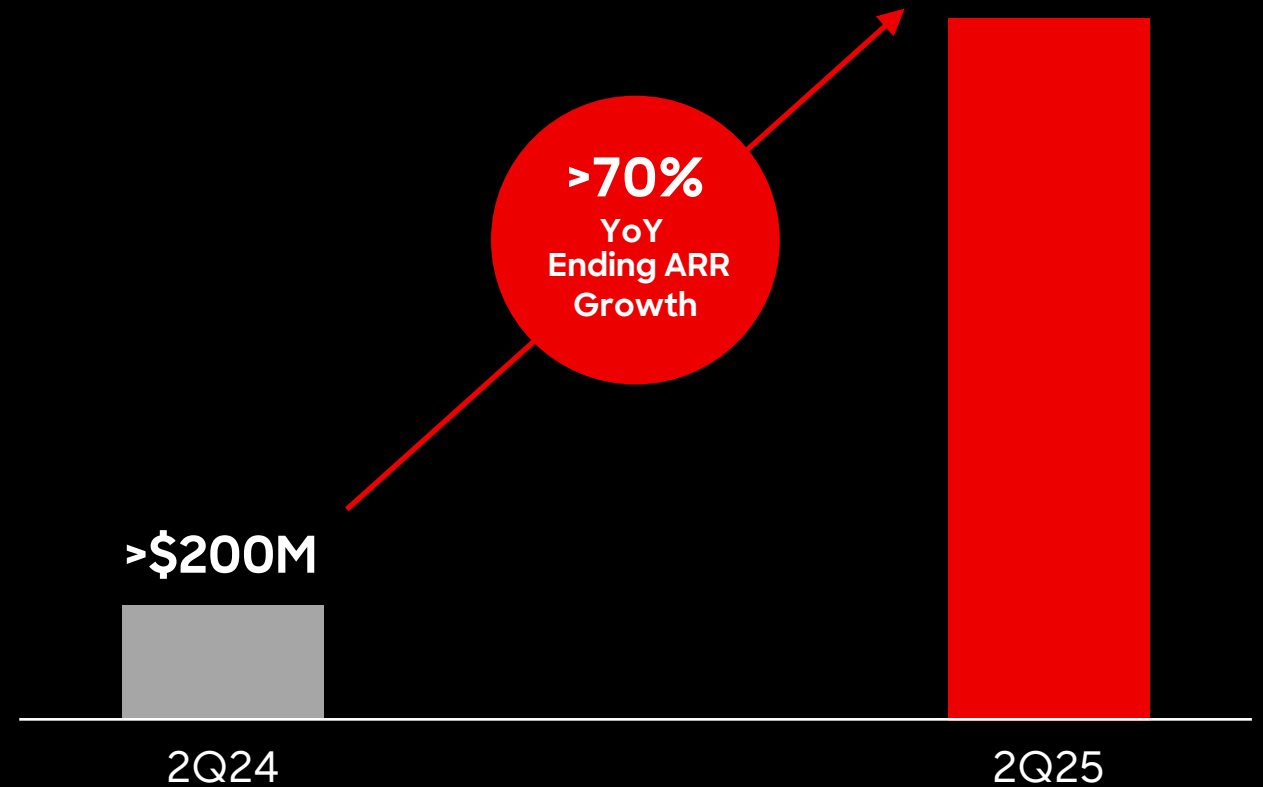
Winning a Category We Created

- ✓ We stop identity-based attacks
- ✓ Native agent, end-to-end workflows
- ✓ Threats are growing and accelerating

#1 Identity Protection Provider

>4,000 Customers

>\$350M



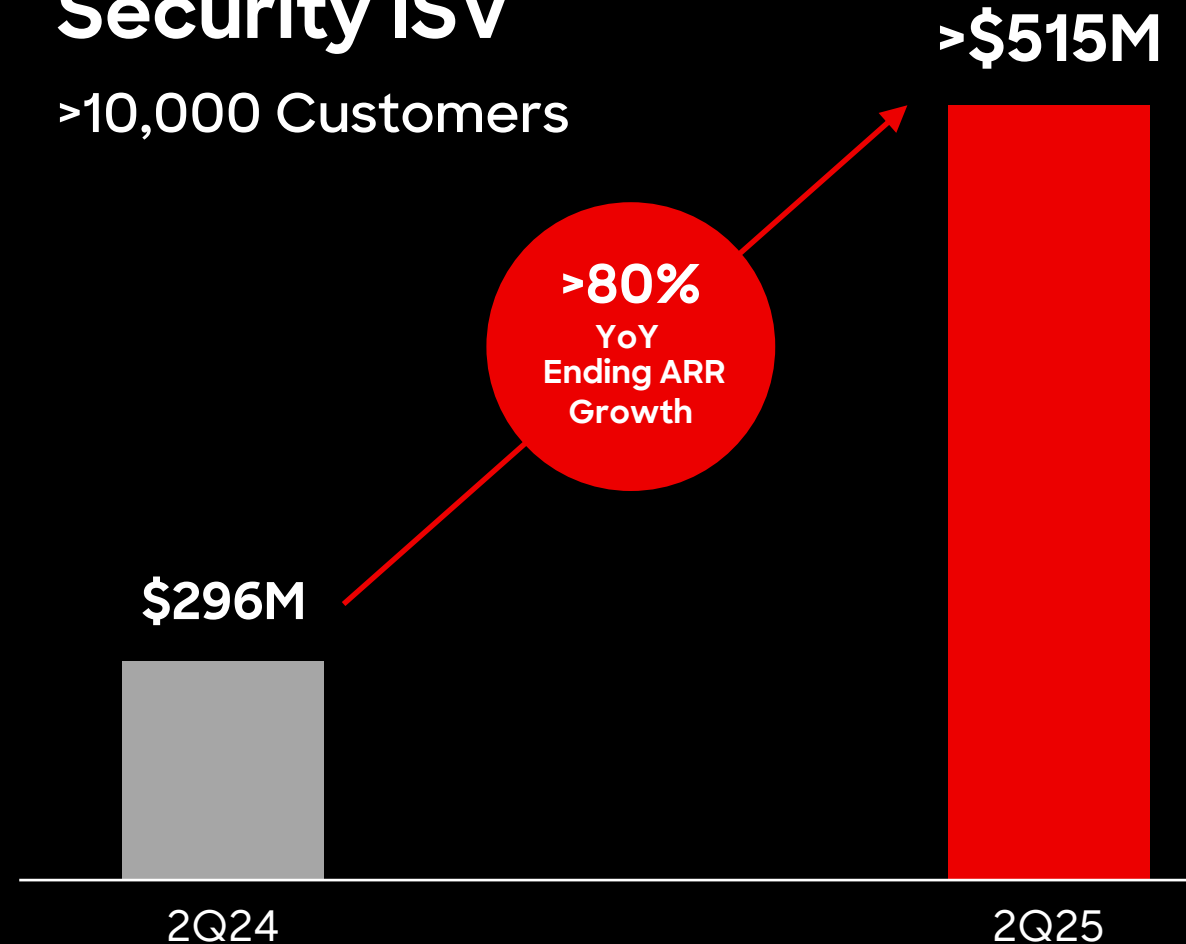
Cloud Security

Bringing Cloud Security to the Crowd

- ✓ Breadth & innovation
- ✓ Strength of runtime
- ✓ Execution & awareness

#1 Cloud Security ISV

>10,000 Customers



Cloud Security: A Market Still in its Early Innings

Wave 1: Visibility

Fragmented Features

- ✓ Out-of-band API-based products
- ✓ Point-in-time scans
- ✓ Features masquerading as products

EVIDENT

ORCA
security

Lightspin

RedLock

WIZ

DivvyCloud

Visibility and Posture Management

Wave 2: Protection

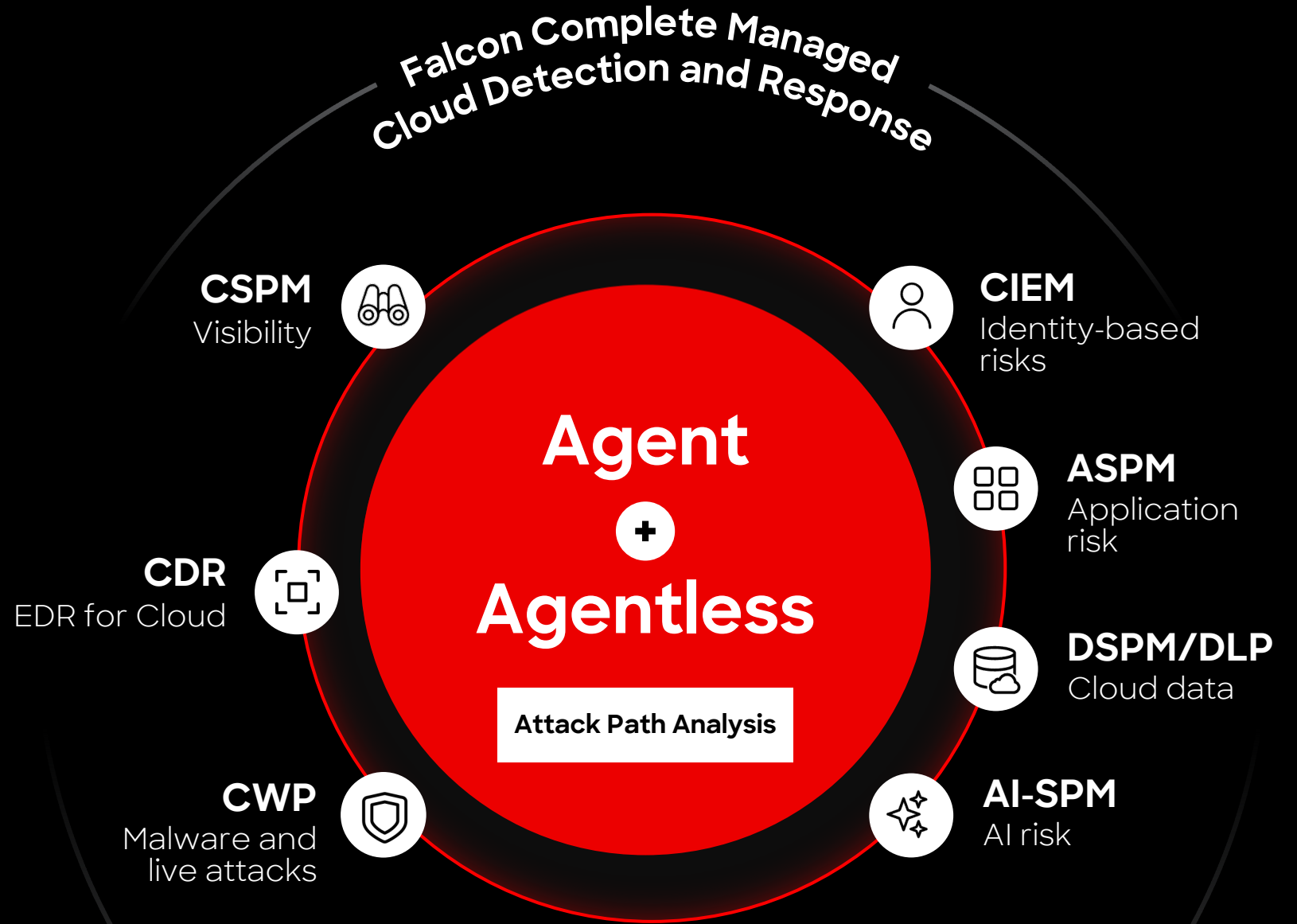
Gametime for Runtime; End-to-End

- ✓ Agent and agentless flexibility
- ✓ Protecting apps, data and infra in real time
- ✓ Platform; not just a product

CROWDSTRIKE

Prevent, Detect and Respond to Threats

Falcon Cloud Security: Comprehensive, Automated, Native CNAPP



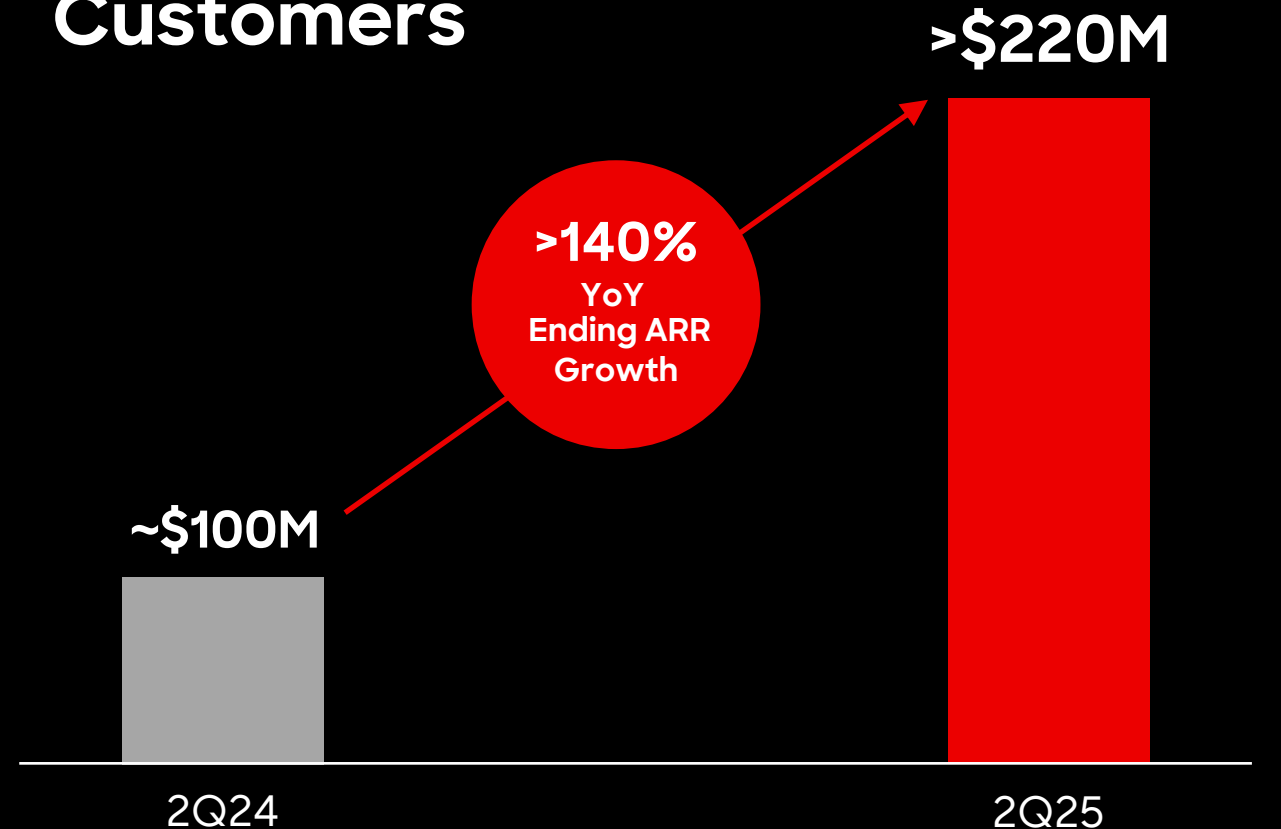
Next-Gen SIEM

Next-Gen SIEM: A Breakout Year

- ✓ Product innovation
- ✓ Faster and more economical
- ✓ Market opportunity and execution

>2,000

Next-Gen SIEM Customers



SIEM: A Market in the Throes of Disruption

Legacy

- Lack of innovation from incumbents
- Inflated costs
- M&A disruption

SIEM: A Market in the Throes of Disruption

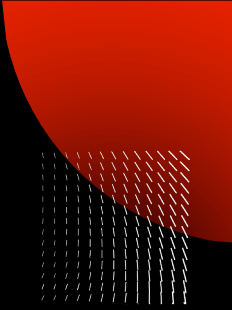
Legacy

- Lack of innovation from incumbents
- Inflated costs
- M&A disruption

The Falcon Next-Gen SIEM Difference

- ✔ Platform data producer and data importer
- ✔ A threat-first approach to SIEM
- ✔ Faster search speeds, faster actioning
- ✔ Cost curve flattener
- ✔ Platform consolidation catalyst

NG-SIEM Differentiators



The screenshot shows the Next-Gen SIEM dashboard with the following components:

- Navigation:** Home, Next-Gen SIEM, Dashboard, Search.
- Filtering:** Saved filters, Search Rules / description, Actors, Severity, Source product, Vendor, Add/remove filters, Clear all.
- Total rule coverage:** 96% (Mitre coverage based on total rules).
- Coverage over last 30 days:** Line graph showing coverage percentage over time.
- Filter List:** Vampire Spider, Vanguard Panda, Vapor Panda, Velvet Chollima, Vengeful Kitten, Venom Spider, Venomous Bear.
- Vampire Spider Details:**
 - Learn more at Counter Adversary Operations
 - First seen date: Jan 2020, Status: Active, Actor type: eCrime
 - Last seen date: Jan 2020, Motivation: Criminal, Origins: Unknown
 - Description: VAMPIRE SPIDER primarily develops and sells the Strigoi Master console used to build the Java Remote Access Tool (RAT) publicly reported as STRRAT. VAMPIRE SPIDER licenses Strigoi Master at \$80 USD for one month or...
- Top rules by detection and incident (Last 30 days):**

Rule	Detections
SvchostUnusualArgs	1,302
Rundll32LaunchUnusualFile	942
Rundll32LaunchUnusualFile	859
DNS_IOC Detection	701
Malicious File detected via...	403
- MITRE ATT&CK Rules Coverage:** A grid showing coverage for various MITRE ATT&CK categories. Legend: None (grey), Low level (orange), Mid level (yellow), Max coverage (green).

Native First-Party Data Producer

Easy, Third-Party Data Importer

Incident Workbench

Fusion Low-Code SOAR

Foundry App Factory

We Continue Doubling Down on Innovation

Key Fal.Con Announcements

New Falcon Console

Driving even more platform adoption

Next-Gen SIEM

AI parsers accelerate data ingest from any source; no code required

Cloud Security

Industry's first fully-integrated CNAPP

Identity Protection

Expand coverage protecting the Microsoft ecosystem

Network-Vulnerability Assessment

Displace legacy vulnerability management products

Broad-Based OS Support

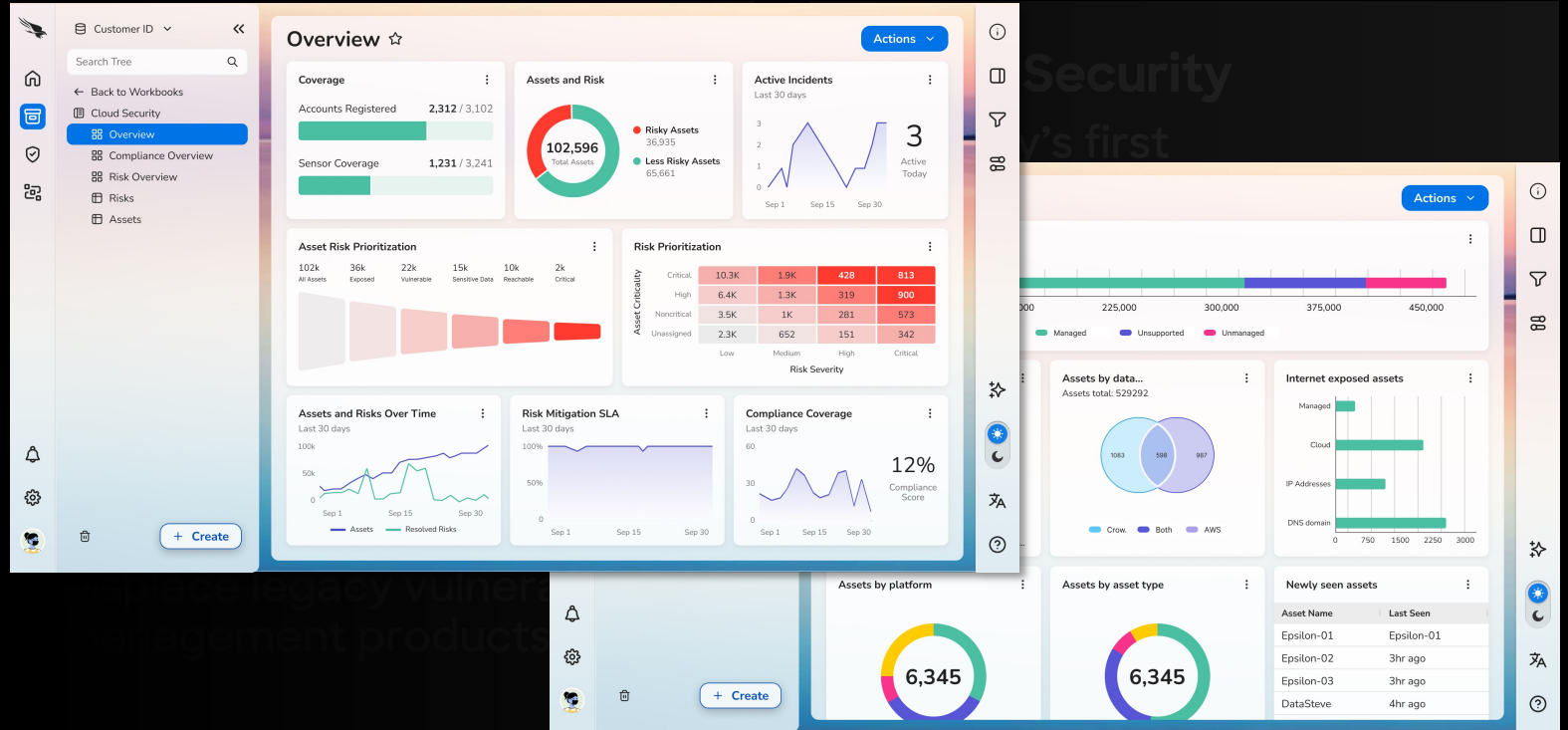
Unlocking TAM; even more consolidation

CNAPP includes CWP, CIEM, ASPM, DSPM, AI-SPM, CSPM and CDR

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Translate API docs into data flows using AI

Next-Gen SIEM

AI parsers
accelerate data
ingest from any
source;
no code required

The screenshot displays the 'AI Generated Parsers' interface. At the top, there are navigation tabs: 'Chat', 'Parsed Event', 'Download', and 'Parsers Generated'. Below the tabs is a vertical workflow with four steps: 'Generate' (with a gear icon), 'Validate' (with a clipboard icon), 'Refine' (with a document icon), and 'Deploy' (with a document icon). The 'Generate' step is currently active. To the right of the workflow, the text 'Your parser is below' is displayed above a code editor. The code editor contains the following parser script:

```
1 // Welcome to the Parser Editor
2 //
3 // Writing a parser is very similar to writing a query in Falcon LogScale.
4 // When writing a parser your goal is to transform the input into an event.
5 // This is done by assigning the @timestamp field and extracting additional fields t
6 // the event.
7 //
8 // Read more: https://library.humio.com/stable/docs/parsers/creating-a-parser/
9 //
10 // Check out Falcon LogScale's built-in parsers to see more examples of parser scrip
11 //
12 // Below is an example parser for the pre-defined test-cases on the right:
13
14 // ExtractExamples a temp field called 'ts' using a regular expression
15 /^(?<ts>\S+)/ |
16
17 // Convert the timestamp to unix time (as required by Falcon LogScale's @timestamp f
18 @timestamp := parseTimestamp("yyyy-MM-dd'T'HH:mm:ss.SSS'XXX", field=ts) |
19
20
21 // We no longer need the ts field. (Don't include it in the event's fields)
22 drop([ts]) |
23
24 // ExtractExamples any key value pairs (e.g. fruit-banana) and create new fields.
25 kvParse()
26
```

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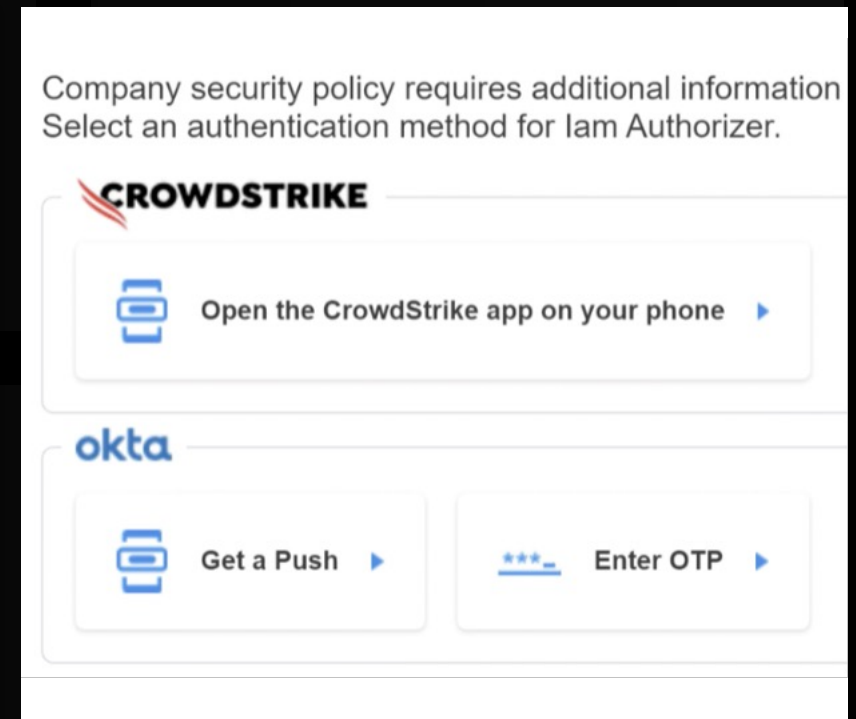
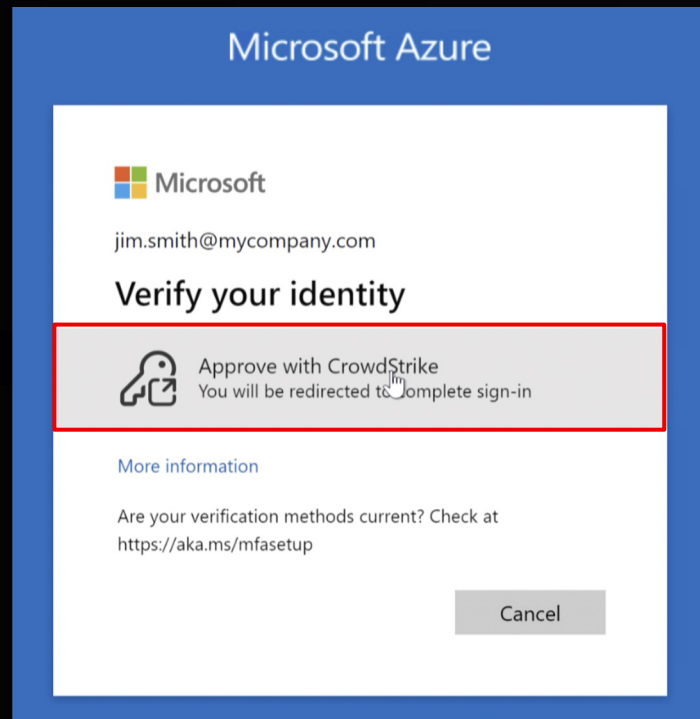
We Continue Doubling Down on Innovation

Key Fal.Con Announcements

In-line identity security across Microsoft EntraID

Identity Protection

Expand coverage
protecting the
Microsoft
ecosystem



We Continue Doubling Down on Innovation

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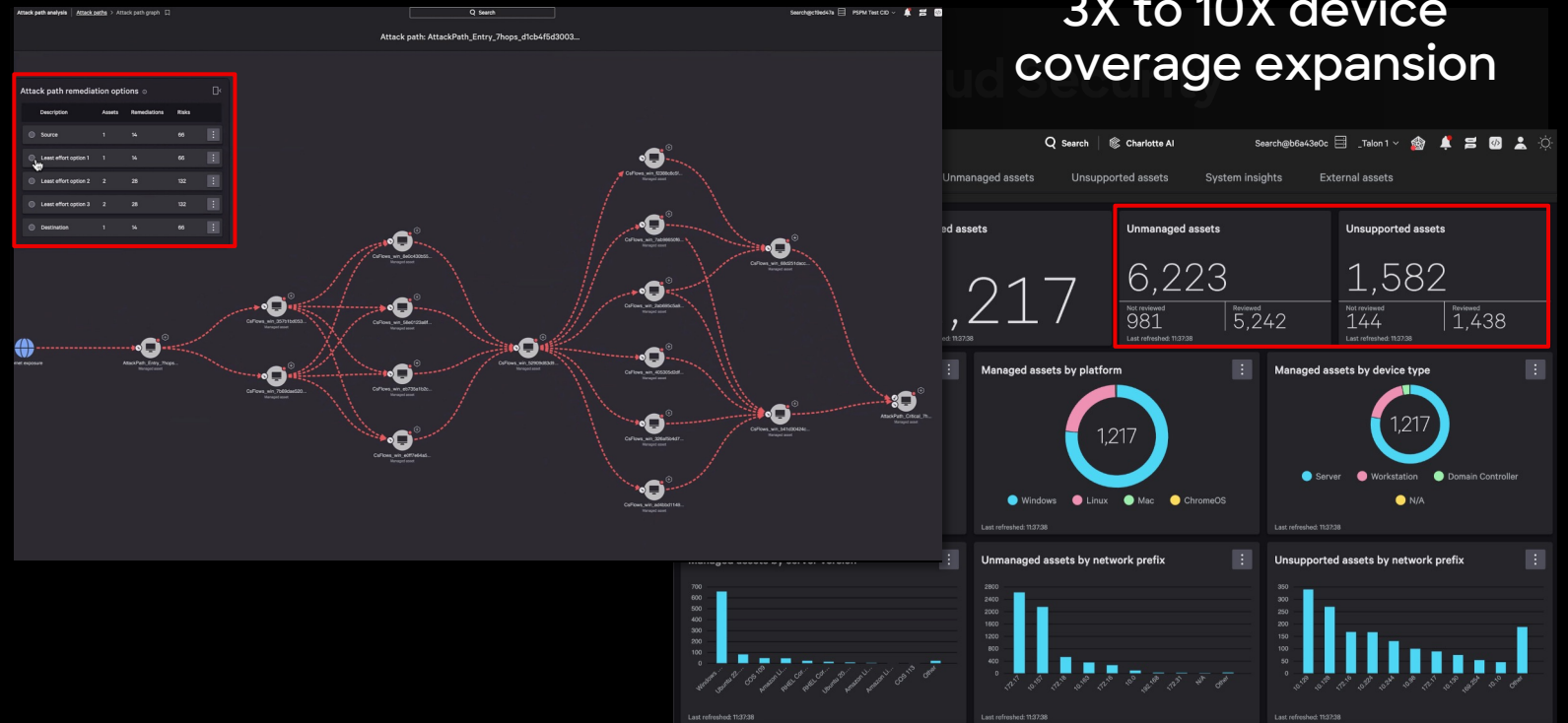
We Continue Doubling Down on Innovation

Key Fal.Con Announcements

Network- Vulnerability Assessment

Displace legacy
vulnerability
management
products

Agentless: yields
3X to 10X device
coverage expansion



We Continue Doubling Down on Innovation

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We Continue Doubling Down on Innovation

Key Fal.Con Announcements

Broad-Based OS Support

Unlocking TAM;
even more
consolidation

Windows XP

Windows Embedded POS Ready

Windows Server 2003

Windows 7*

Windows Vista

Windows 8

Windows Server 2008

IoT

*Already supported

Falcon Flex

Opportunity Zones on the Path to \$10B

>120%

Average
Falcon Flex
TCV Uplift

>65%

Average
Falcon Flex
ARR Uplift

Falcon Cloud Security

**Opportunity
Zones on the
Path to \$10B**

\$2.5-3.0B
Cloud Security ARR
by FY31

Next-Gen SIEM

**Opportunity
Zones on the
Path to \$10B**



Identity Protection

**Opportunity
Zones on the
Path to \$10B**

\$1.0-1.5B

**Identity Protection
ARR by FY31**

Emerging Opportunities

Opportunity Zones on the Path to \$10B

Falcon for IT

\$8B

CY29 TAM

Data
Protection

\$9B

CY29 TAM

Charlotte AI

\$6B

CY29 TAM

Significant New Logo Runway in Global Enterprise and SMB

<35%

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

~6%

Estimated Logo
Penetration

251 - 7,499 Employees

Fal.Con 2024 Innovations

Re-imagine the Analyst
Experience and Propel
the AI-Native SOC

Accelerate Analyst Workflows

Falcon Next-Gen SIEM

- Announced Detection Posture Management
- Announced Reimagined Workflow Automation
- Announced Industry-First AI-Generated Parsers

Falcon Endpoint Security

- Announced CrowdStrike Signal
- Announced Falcon for Legacy Systems

Charlotte AI

- Announced Detection Triage

Falcon Exposure Management

- Announced Attack Path Analysis (APA)
- Announced Network Vulnerability Assessment

Falcon for IT

- Announced Enhanced Query
- Announced Custom Actions & Automation

Simplify Procurement Complexity

CrowdStrike Financial Services (CFS)

- Announced CrowdStrike Financial Services

Unify Disparate Data Silos

New Front-End Console

- Announced New User Interface

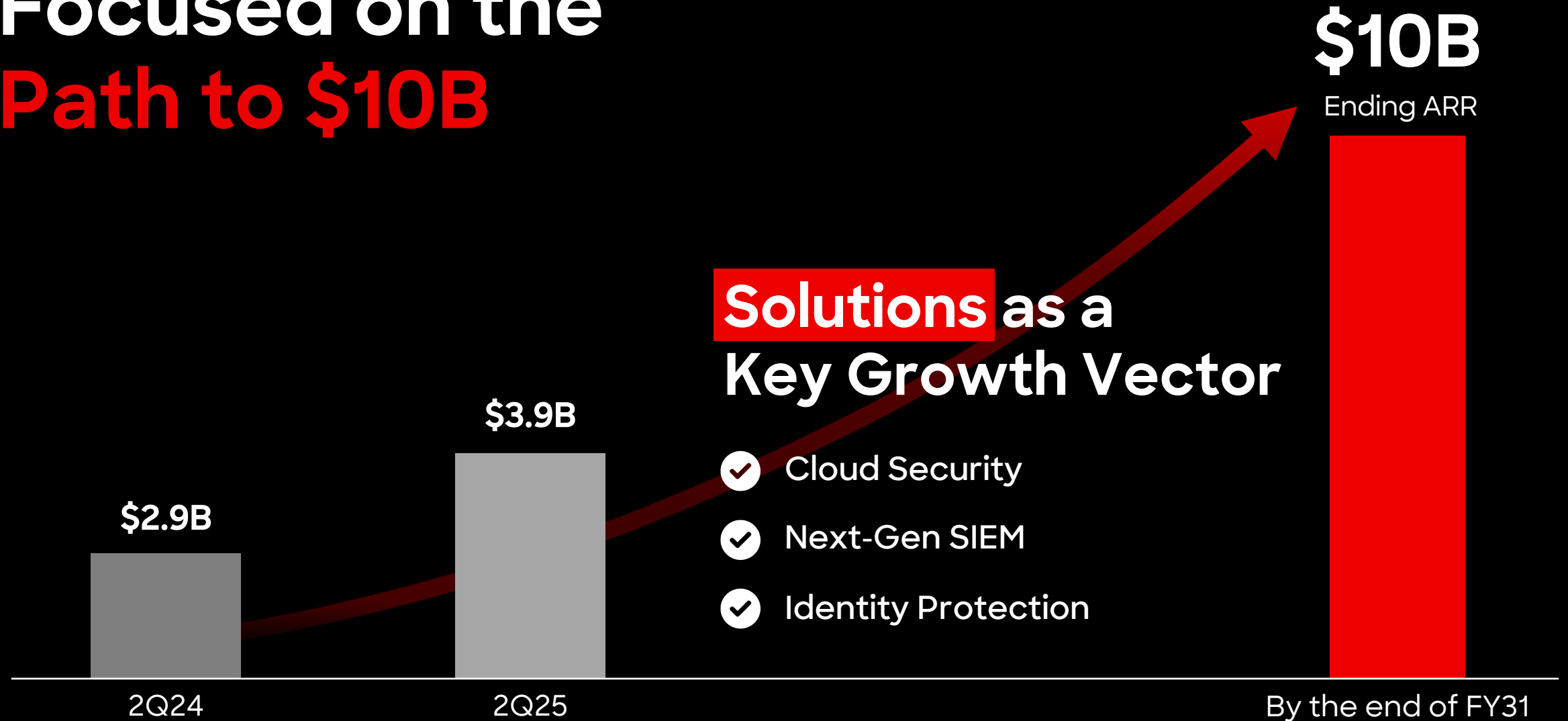
Falcon Cloud Security

- Announced Industry's Only Unified ASPM and DSPM
- Announced AI-Security Posture Mgmt. (AI-SPM)

Falcon Identity Protection

- Announced Real-Time Protection for Entra ID

Focused on the Path to \$10B

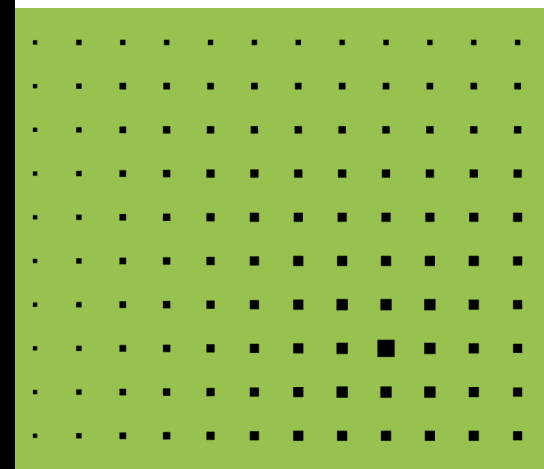
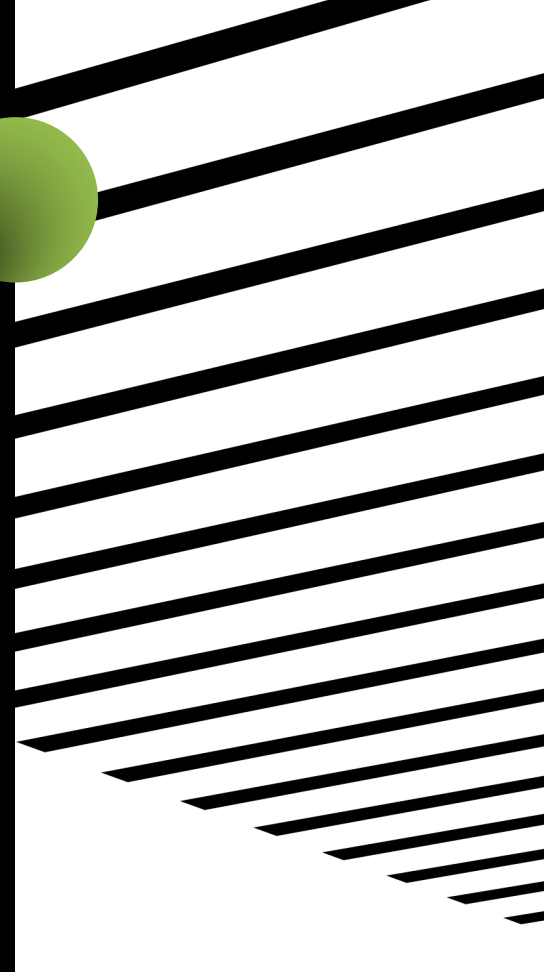




Burt Podbere

Chief Financial Officer

Financial Commentary



Q2 FY25 Highlights

\$3.9B

Ending ARR
+32% YoY

\$218M

Net New ARR
+11% YoY

81%

Non-GAAP Subscription
Gross Margin

\$272M

Free Cash Flow
+44% YoY

48%

\$100K+ ARR Customers
with 8+ Modules

66%

YoY Growth in Deals
with 8+ Modules



Customer Commitment Package

**Putting the
Customer First**

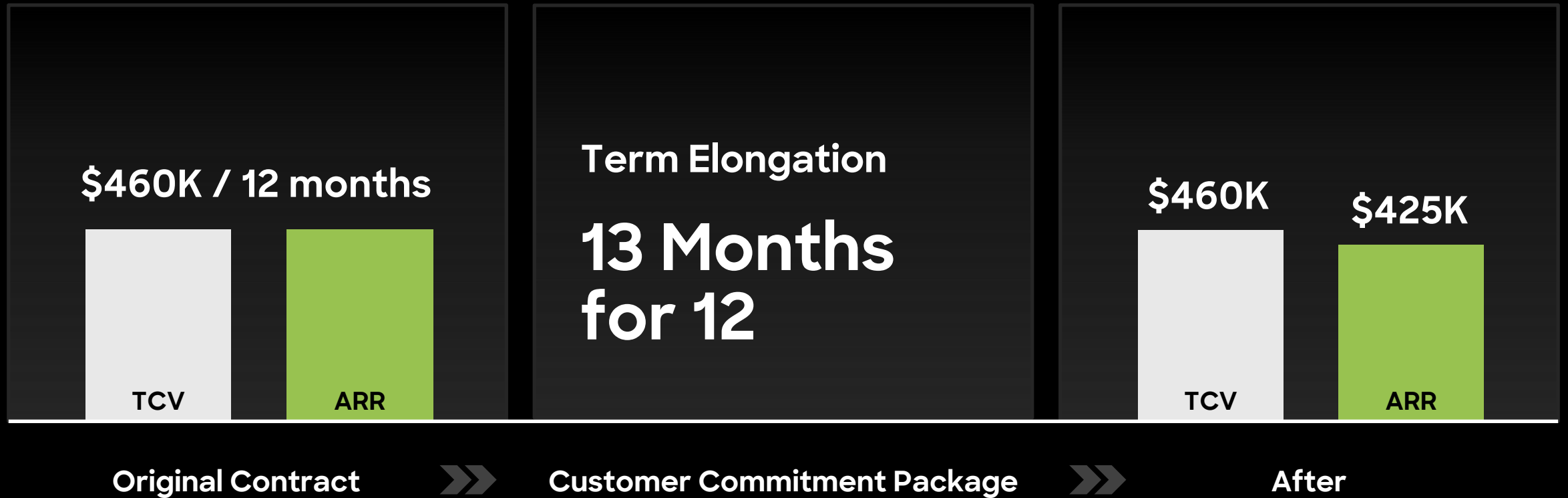
One-Time Incentives

Flex Funds for Modules
Professional Services
Flexible Payment Terms
Subscription Extension
Other

Case Study

Customer Commitment Package

Healthcare Company

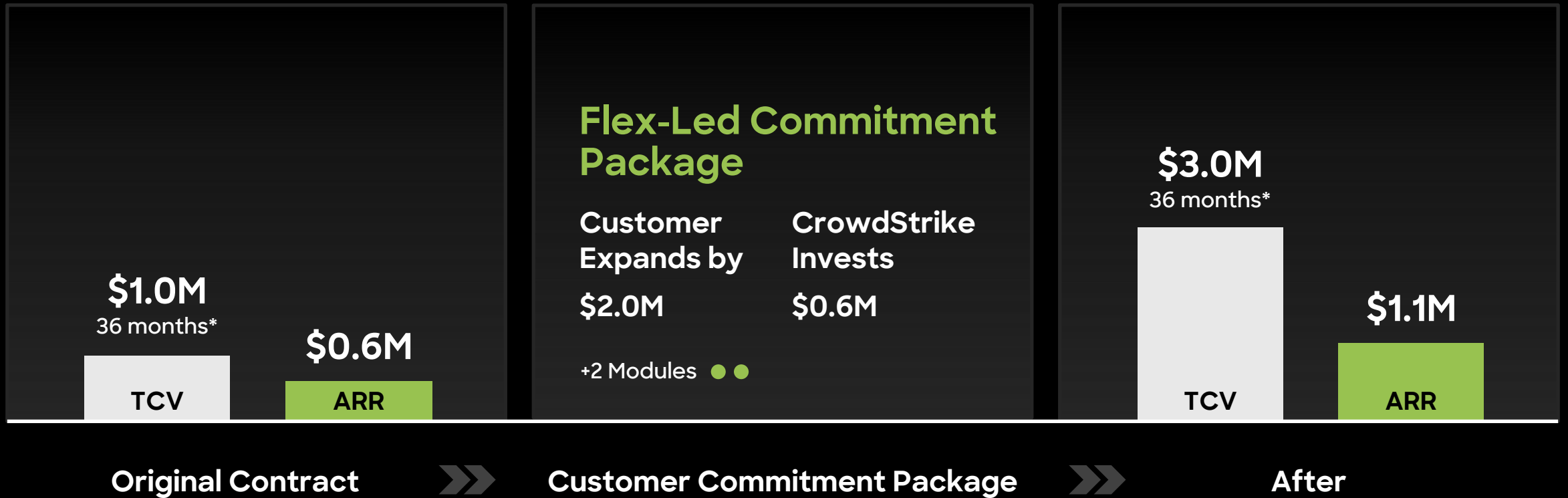


Figures are rounded for presentation purposes

Case Study

Customer Commitment Package

Semiconductor Company

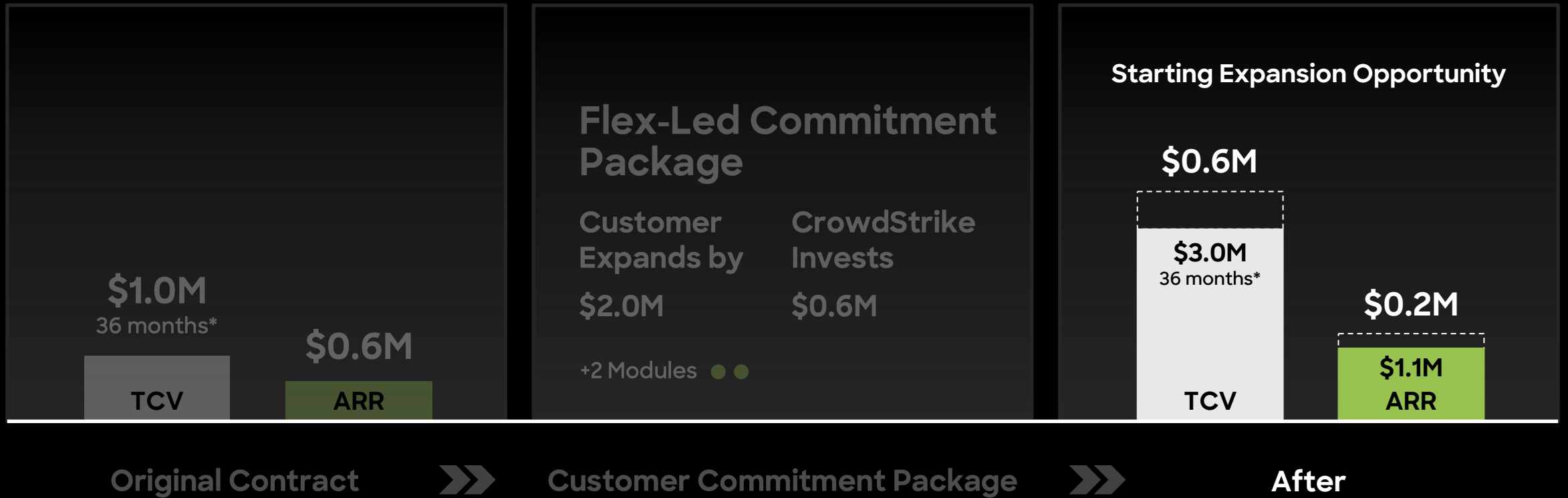


*Includes various term commitments
Figures are rounded for presentation purposes

Case Study

Customer Commitment Package

Semiconductor Company

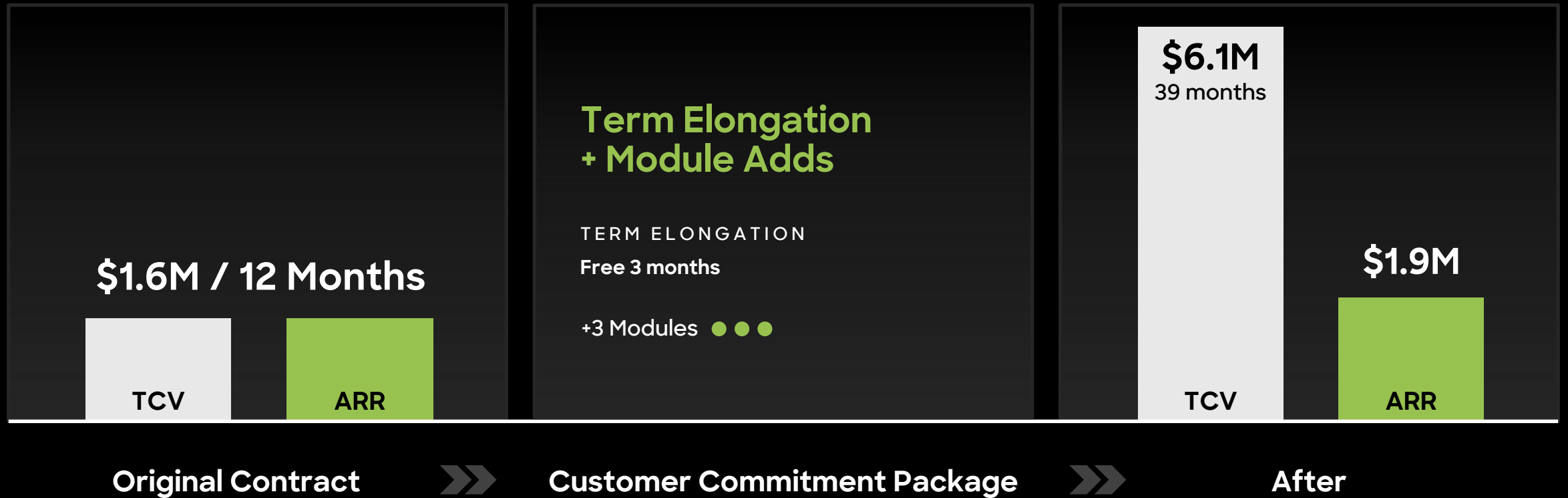


*Includes various term commitments
Figures are rounded for presentation purposes

Case Study

Customer Commitment Package

Healthcare Company



Figures are rounded for presentation purposes

Decoupling the Modeling of ARR and Revenue in the Short-Term

\$60M

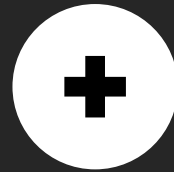
Estimated 2H FY25 subscription revenue
and net new ARR impact from customer
commitment packages

2H FY25 Estimated ARR Headwinds

\$60M

**Estimated Net
New ARR Impact**

- Term elongation
- Discounting



Additional Impacts

- Delayed pipeline generation
- Muted upsell rates
- Extended sales cycles
- Additional layers of approval

2H FY25 Estimated Total Revenue Headwinds



Customer Commitment Package Primary Impacts

Incentive	ARR	Total Revenue	Total Gross Margin	Cash Impact
Module Adds			✓	
Professional Services			✓	
Flexible Payment Terms				✓
Term Elongation & Discounting	✓	✓	✓	✓

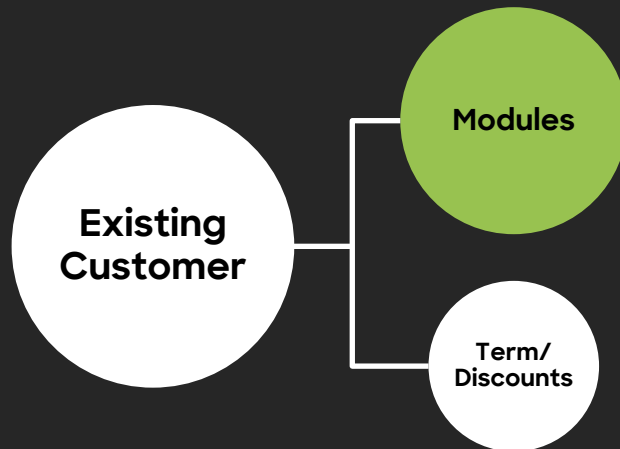
✓ Represents impact

Seeding Now for Future Growth

Short-Term

Starting in 2H FY26

Near-Term Headwinds,
Limited Visibility



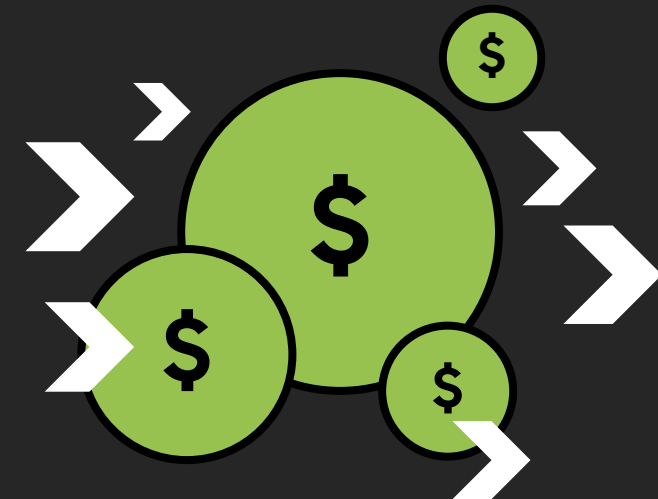
Historical Average
Module Renewal Rate¹

>95%

=

Future Expansion
Opportunities

ARR
Re-Acceleration

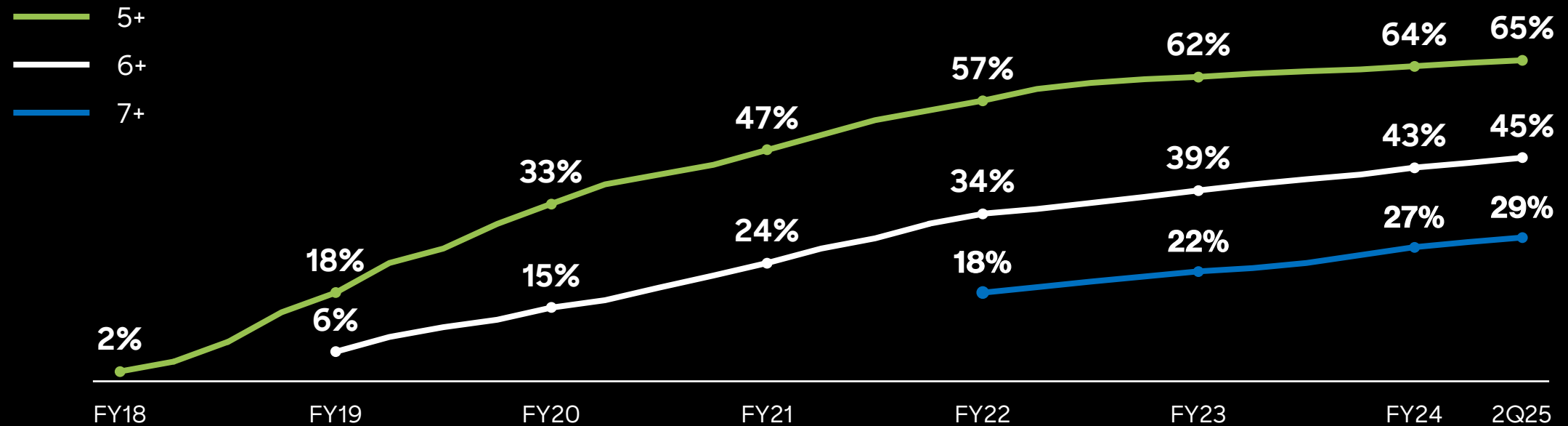


1. Based on 5 quarter trailing average

Strong Module Adoption

% of subscription customers with multiple cloud modules

66% year-over-year increase in deals involving 8+ modules



Falcon Flex

- ✓ Recurring subscription model
- ✓ ARR and revenue recognition same as non-Flex contracts
- ✓ Cash payment terms same as non-Flex contracts

Key Benefits of Falcon Flex

Procurement
Ease

What and When
Customers Want

No Annual
Minimums

CrowdStrike Financial Services

- ✓ Leverage our balance sheet to help customers
- ✓ US enterprise customers (to start)
- ✓ Operationally ready and live, experienced team
- ✓ Expect minimal cash impact in 2H FY25
- ✓ Maintaining FY29 free cash margin target

Accelerates larger, multi-year deals

Focused on the Path to \$10B

How We'll Get There

- ✓ Solutions
- ✓ Segments
- ✓ Geographies
- ✓ Expansion
- ✓ Partners



Target Model by Full Year FY29

Non-GAAP Measure	
Subscription GM %	
✓	S&M
✓	R&D
✓	G&A
Operating Margin %	
Free Cash Flow %	

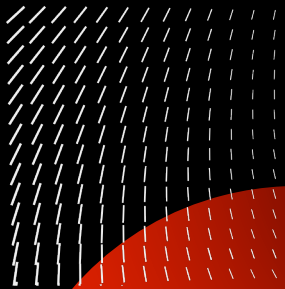
Target (% of Revenue)
82 – 85%
28 – 33%
15-20%
5 – 7%
28 – 32%
34 – 38%

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.

Non-GAAP financial measures exclude stock-based compensation expense, amortization expense of acquired intangible assets (including purchased patents), amortization of debt issuance costs and discount, mark-to-market adjustments on deferred compensation liabilities, legal reserve and settlement charges or benefits, July 19th Incident related costs, acquisition-related provision (benefit) for income taxes, losses (gains) and other income from strategic investments, acquisition-related expenses (credits), net, and losses (gains) from deferred compensation assets. The Company has not reconciled any of the non-GAAP measures referenced above to the most comparable GAAP measure in its long-term target non-GAAP operating model because certain items are out of the Company's control and/or cannot be reasonably predicted. Accordingly, a reconciliation is not available without unreasonable effort.

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 $1 - \text{Dollar-Based Gross Retention Rate}$.

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.

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.

Cloud Security.

We use the term "Cloud Security" on slides 32, 41, 43, 63 and 69 to refer to a category previously referred to as "Public Cloud Deployed".

Average Uplift of Falcon Flex

Average uplift of Falcon Flex is calculated by taking the percentage change in the total ARR and total contract value of all existing customers before and after purchasing through Falcon Flex.

Appendix (cont'd)

Reports used for data shown in the chart titled "CY25 TAM | The AI-Native Security Platform":

CY25 TAM:

- IDC Semiannual Security Products Tracker 2023H2 Historical Release. (May 2024)
- IDC Worldwide Device Vulnerability Management Forecast, 2024–2028: Fusing Multiple Exposure Sources. (June 2024)
- IDC Worldwide Application Vulnerability Management Forecast, 2023–2027: Navigating the Future in Application Security. (November 2023)
- IDC Worldwide SOAR and Firewall Automation Forecast, 2024–2028: Will GenAI Leave SOAR Vendors Sore?. (March 2024)
- IDC 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)
- IDC Worldwide IT Operations Management Software Forecast, 2023–2027. (September 2023)
- Gartner Emerging Tech: Adoption Growth Insights in Digital Risk Protection Services (November 2022)
- IDC Worldwide Attack Surface Management and Breach and Attack Simulation Software Forecast, 2024–2028 Proactively Discovering Potential Attacks - 2024 Feb forecast. (February 2024)
- IDC Worldwide Application Vulnerability Management Forecast, 2023–2027: Navigating the Future in Application Security. (November 2023)
- IDC Worldwide Attack Surface Management and Breach and Attack Simulation Software Forecast, 2024–2028: Proactively Discovering Potential Attacks. (February 2024)
- IDC Worldwide Network Detection and Response Forecast, 2024–2028: The Network Is Talking, Are You Listening?. (March 2024)
- IDC Worldwide Client Endpoint Management Software Forecast, 2024–2028. (June 2024)
- IDC MarketScape Evaluates Worldwide SD-WAN Infrastructure Vendors and Market Trends. (October 2023)
- IDC Worldwide and U.S. Comprehensive Security Services Forecast, 2024–2028. (April 2024)
- Company estimates

CY29 TAM:

- Company estimates. Includes organic category growth, product roadmap, future initiatives and estimated cloud security opportunity.

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 from Operations

We define non-GAAP income from operations as GAAP income (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, legal reserve and settlement charges or benefits, and July 19th Incident related costs.

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, July 19th Incident related costs, acquisition-related provision (benefit) for income taxes, losses (gains) and other income from strategic investments, and losses (gains) on deferred compensation assets.

Non-GAAP Net Income per Share Attributable to CrowdStrike Common Stockholders, 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 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, capitalized internal-use software and website development costs, purchases of deferred compensation investments, and proceeds from sale of deferred compensation investments. We monitor free cash flow as one measure of our overall business performance, which enable 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.

GAAP to Non-GAAP Reconciliation

	Q2 FY24	Q2 FY25
GAAP subscription revenue	\$ 689,972	\$ 918,257
GAAP professional services revenue	41,654	45,615
GAAP total revenue	<u>\$ 731,626</u>	<u>\$ 963,872</u>
GAAP subscription gross profit	\$ 536,666	\$ 718,347
Stock based compensation expense	10,132	16,732
Amortization of acquired intangible assets	3,581	5,389
Non-GAAP subscription gross profit	<u>\$ 550,379</u>	<u>\$ 740,468</u>
GAAP subscription gross margin	78%	78%
Non-GAAP subscription gross margin	80%	81%

Free Cash Flow Reconciliation

	Q2 FY24	Q2 FY25
Free cash flow reconciliation		
GAAP net cash provided by operating activities	\$ 244,781	\$ 326,641
Purchases of property and equipment	(40,417)	(39,254)
Capitalized internal-use software and website development costs	(15,073)	(14,516)
Purchases of deferred compensation investments	(586)	(600)
Proceeds from sale of deferred compensation investments	—	(41)
Free cash flow	<u>\$ 188,705</u>	<u>\$ 272,230</u>
Free cash flow margin	26%	28%