



CROWDSTRIKE

April 2023 Investor Briefing

George Kurtz, Co-Founder and CEO
Mike Sentonas, President
Burt Podbere, Chief Financial Officer

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 anticipated trends, growth rates, challenges in the macroeconomic environment, our estimates of market size and opportunity, strategic plans or objectives, our growth prospects, projections (including our long-term model), 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 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.

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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 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, 2018, 2019, 2020, 2021, 2022, 2023 and 2024 are referred to herein as fiscal 2018, 2019, 2020, 2021, 2022, 2023 and 2024 respectively.





The Modern XDR Platform

George Kurtz

Co-Founder and CEO

Cybersecurity history



1987 - Present

Legacy AV

- ✗ Reactive
- ✗ Poor protection
- ✗ Heavy agent



Trellix

CrowdStrike's AI Revolution

Endpoint Detection & Response

- ✓ Proactive
- ✓ ThreatGraph database
- ✓ Deep data collection
- ✓ Smart filtering

Next-Gen AV

- ✓ Preventative
- ✓ AI-powered prevention
- ✓ Lightweight agent
- ✓ SaaS delivery

Modern XDR Platform

- ✓ Expansive & automated
- ✓ LogScale data platform
- ✓ AI-powered SOC
- ✓ Lightweight agent & agentless

Stop the breach



CrowdStrike: **Redefined modern security**



Legacy AV
is a commodity

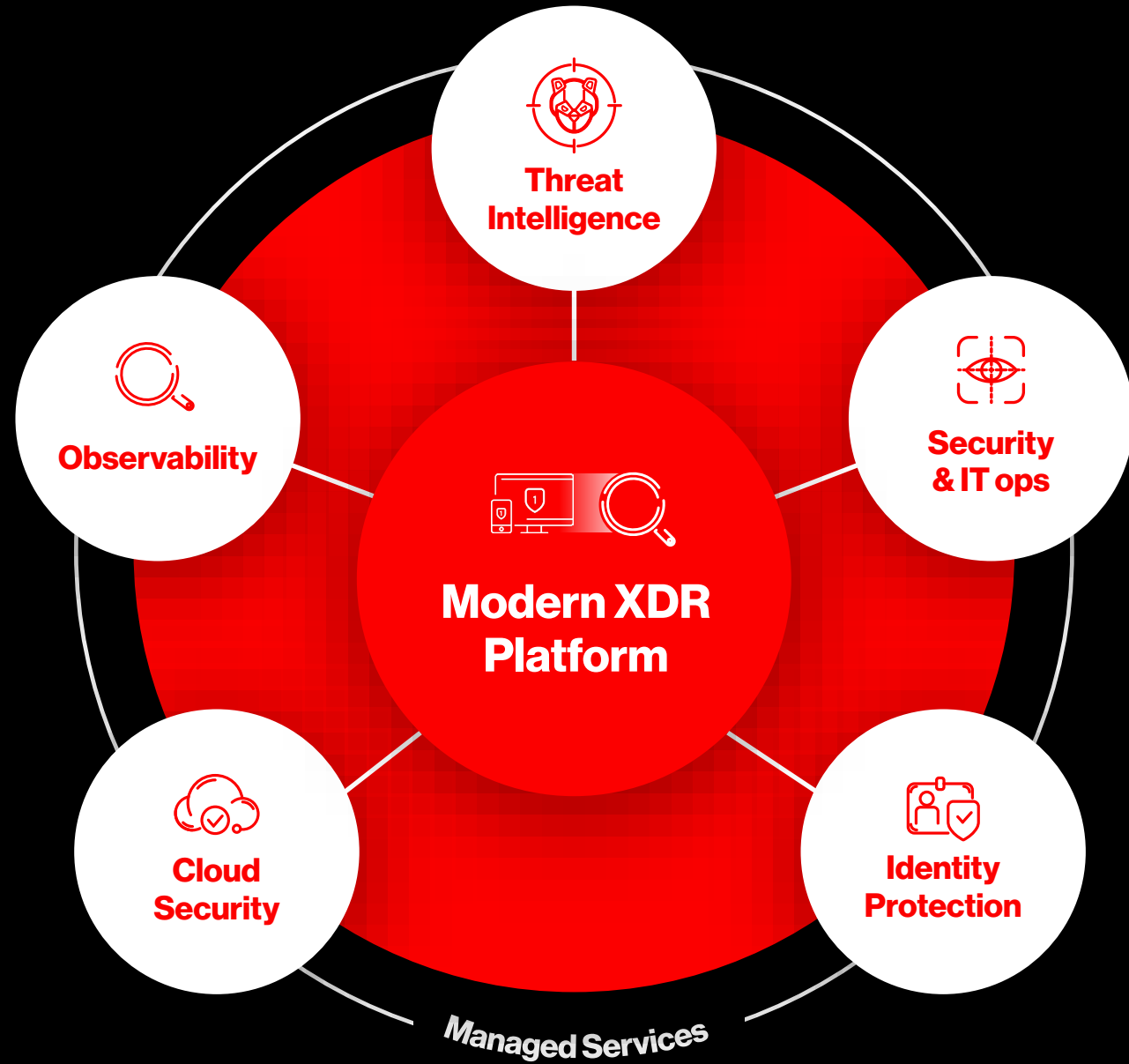
Signature-Based Protection **is a commodity**



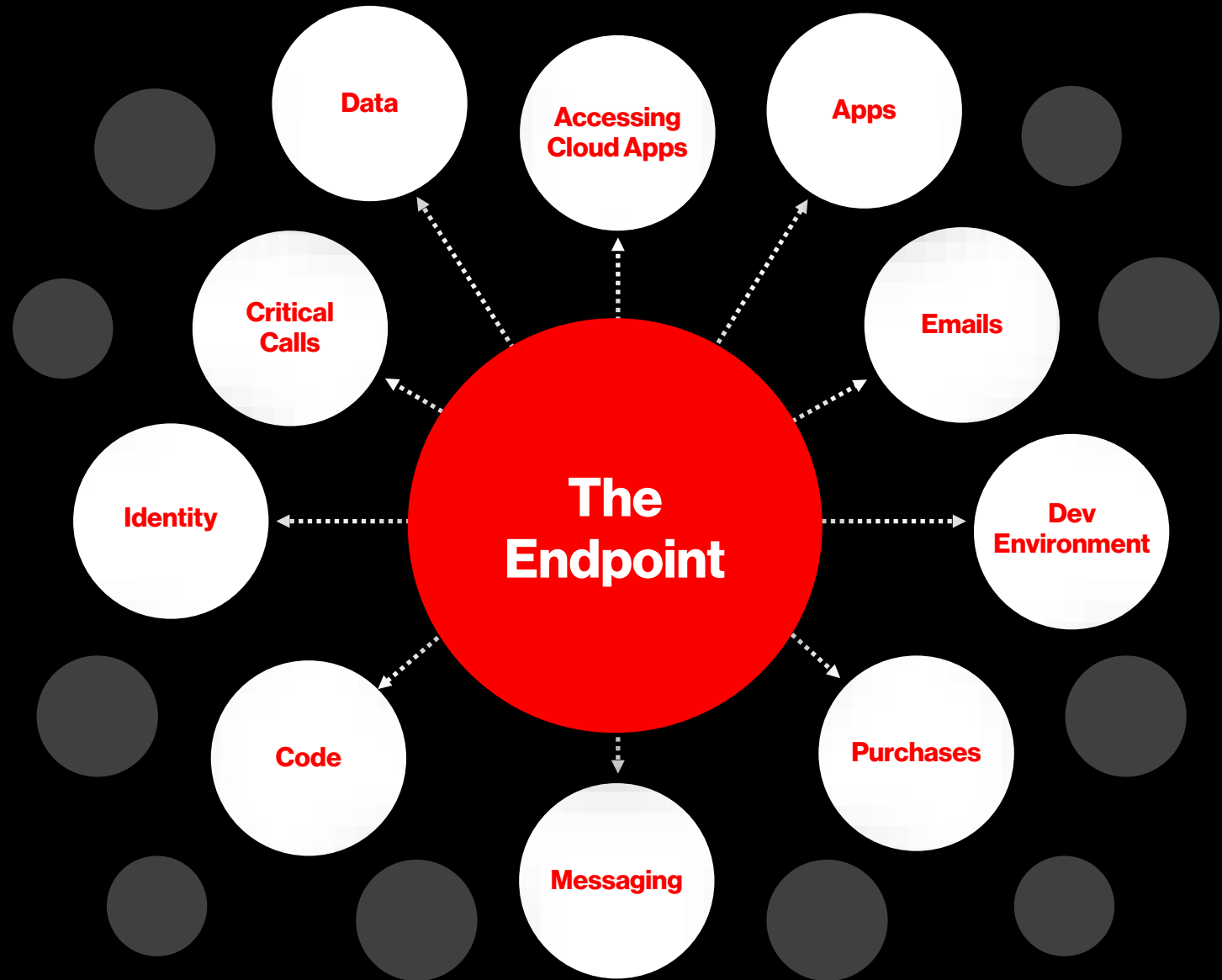
Stopping the Breach
will never be a commodity



Falcon Platform



The Endpoint: Where productivity happens



Approximately 80% of the most valuable security data collected comes from the endpoint.

The Endpoint

The Adversary Attack Vector:



90% of successful cyberattacks and **70%** of successful data breaches originate at **the endpoint.**



The Endpoint

The Adversary Attack Vector: For Identity

80%

of attacks use
compromised
identities

71%

of attacks
are now
malware-free



**The
Endpoint**

**The Adversary Attack Vector:
For Vulnerabilities**



900+ Microsoft vulnerabilities in 2022



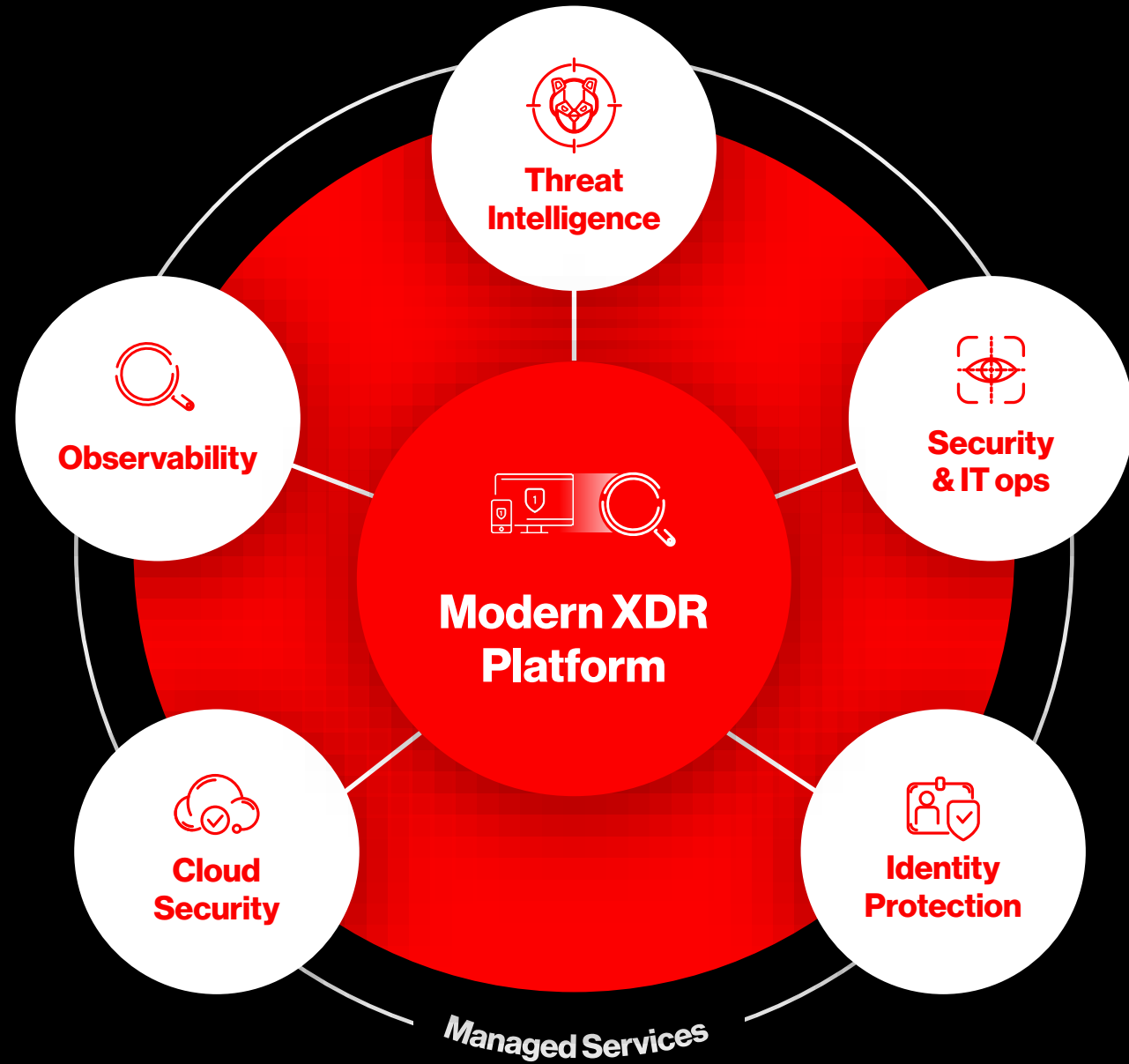
**The
Endpoint**



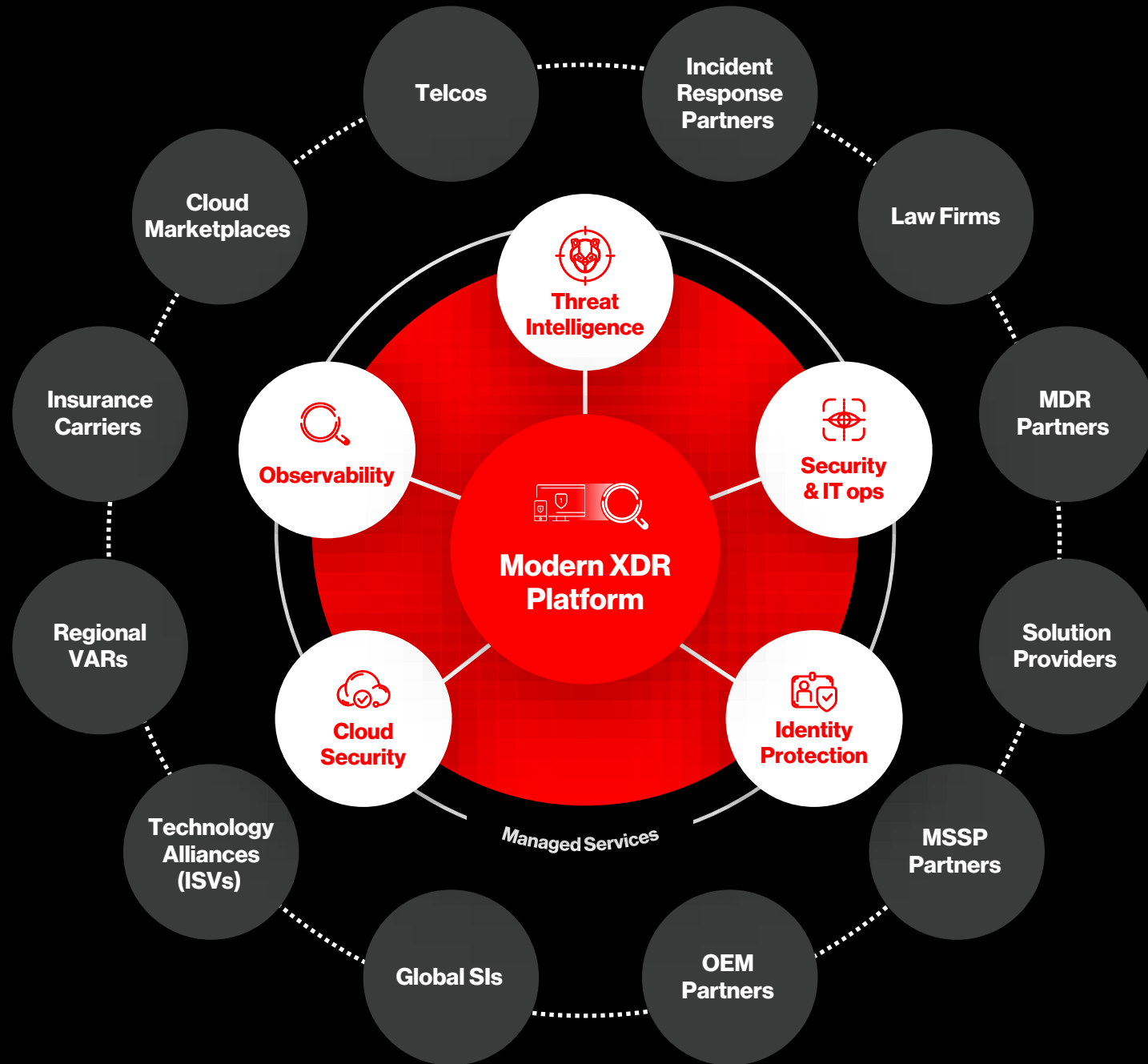
**The most valuable
real estate in all of security**



Falcon Platform



Falcon Platform + partner ecosystem





CrowdStrike Ranked #1 with 17.7% market share in the July 2021 – June 2022 IDC Worldwide Modern Endpoint Security Market Shares Report



Largest year-over-year increases in revenue and market share



A Leader in the Gartner Magic Quadrant for Endpoint Protection Platforms (EPP)



Placing farthest to the right for Completeness of Vision

Sources and Disclaimers:

International Data Corporation, Worldwide Modern Endpoint Security Market Shares, July 2021–June 2022: Currency Exchange Rates Slightly Trimmed Accelerating Growth, Doc #US49982022, January 2023.

Gartner, Magic Quadrant for Endpoint Protection Platforms, Peter Firstbrook, Chris Silva, 31 December 2022.

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 **CROWDSTRIKE**

VS.



Microsoft

8 out of 10 times when an enterprise customer tests, they **choose CrowdStrike** over Microsoft.



Microsoft Problems:

Coverage
Complexity
Catastrophe





CROWDSTRIKE

Advanced

AI

vs.



AV signature based



CROWDSTRIKE

1 Console

1 Agent

Lower TCO

vs.

 Microsoft

Up to 9 Consoles

Multiple agents

Higher TCO





**Microsoft Windows represents
95% of the compromised endpoints
CrowdStrike remediates.**



When CrowdStrike's IR team investigates a Microsoft customer that has been breached, 75%+ of the time Defender has been bypassed.

Signature AV = Breached



Significant legacy share remains within the top 10:

 **CROWDSTRIKE**

#1

Position

17.7%

Market Share

Other “Next-Gen” vendors in the top 10

7.4%

Market Share

4.6%

vmware[®]

2.8%

 SentinelOne[®]

Legacy signature-based vendors in the top 10

46.7%

Market Share

16.4%

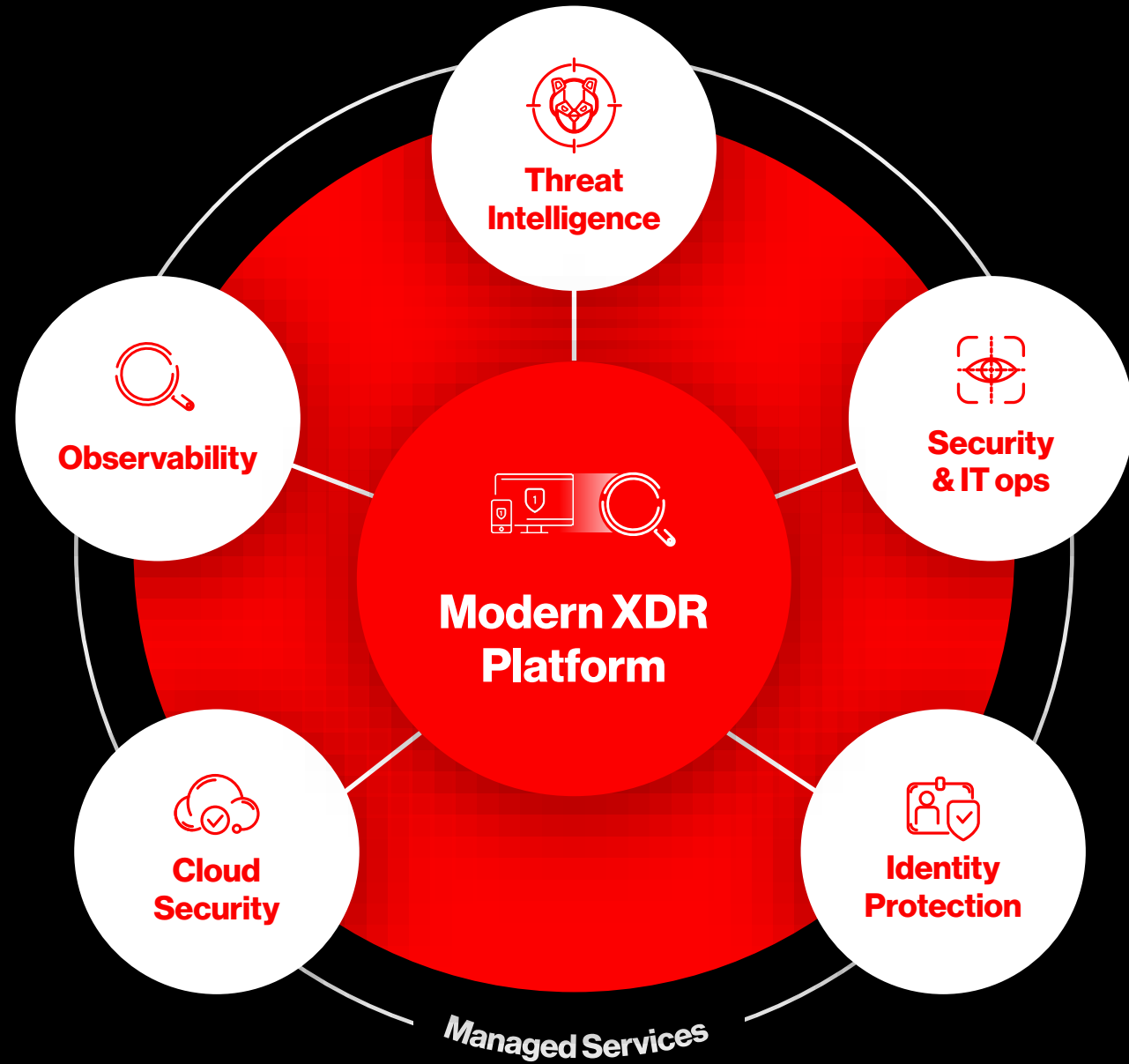
 Microsoft

\$20B

IDC Modern Endpoint Market
2026



Falcon Platform



Falcon Platform

Current Portfolio:

\$98B

CY25 TAM



\$158B

Potential TAM in CY26

Threat Intelligence

Observability

Security & Incident Response

Managed XDR Platform

Cloud Security

Identity Protection

Managed Services

Organic TAM growth

Future initiatives

Product roadmap

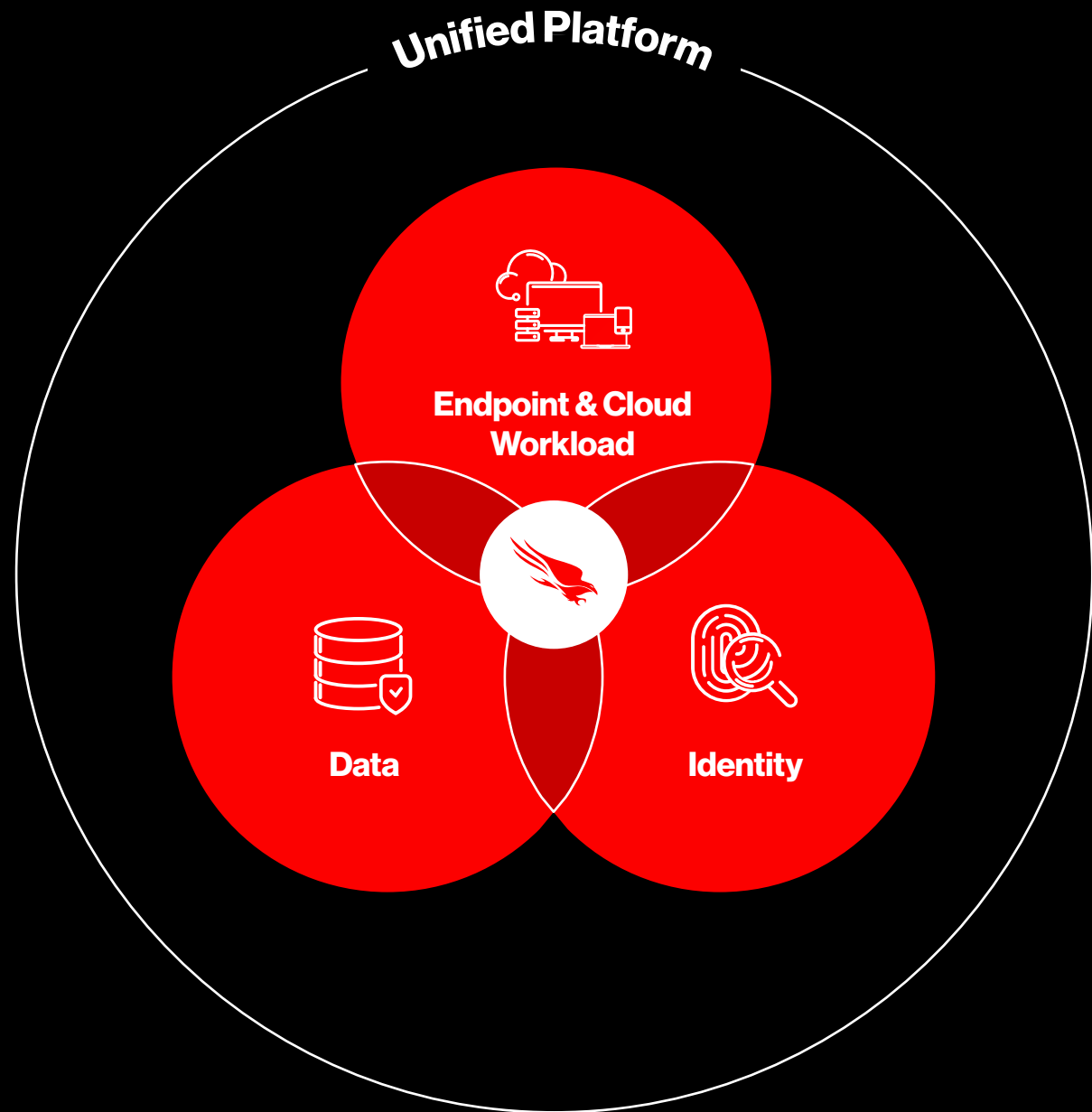
Cloud security opportunity



Technology Leadership

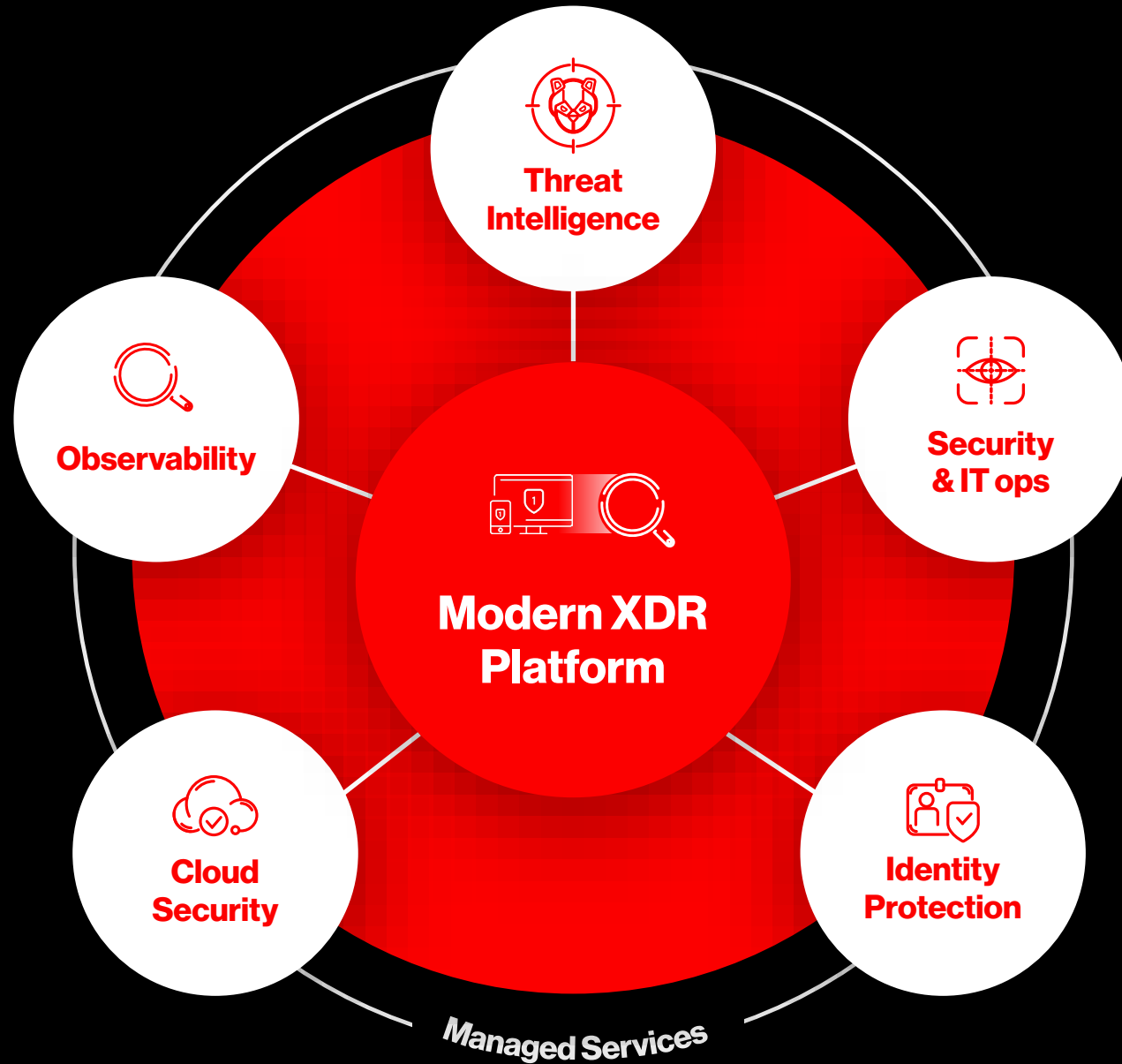
Michael Sentonas
President

We pioneered a new approach for modern security: Unified protection across endpoint, workload, identity, and data



Falcon Platform

One agent to deliver all capabilities



Why customers choose **CrowdStrike**



Superior security outcomes

MITRE

Highest detection coverage

SE Labs

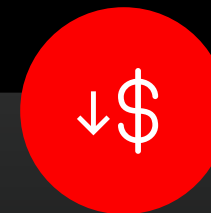
100% ransomware prevention



Easy to deploy and manage

One agent for all environments & OSs

No reboots, no downtime, and no manual tuning

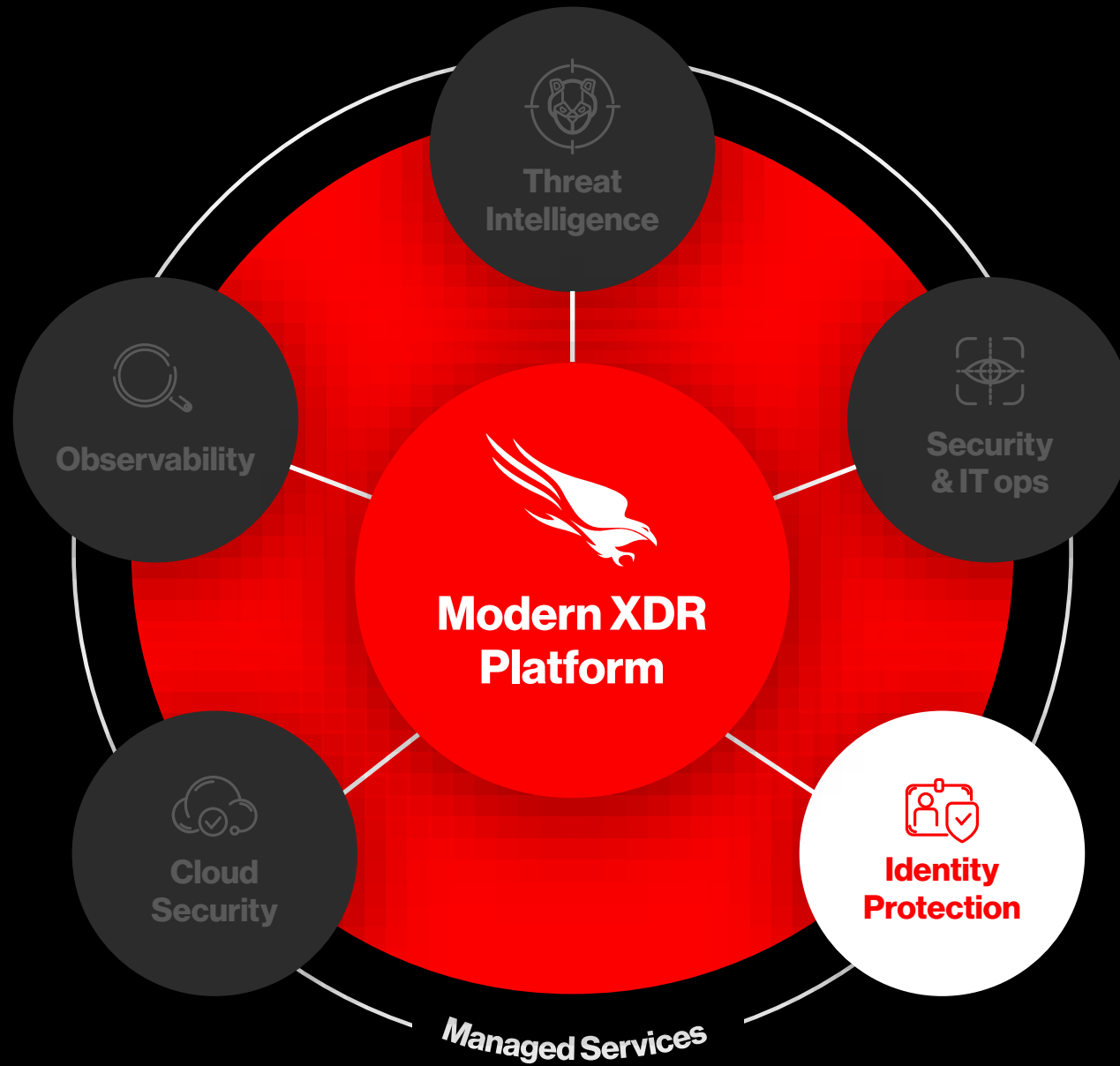


Economic cost

Consolidate tools

Unify standalone agents to cut complexity & simplify operations







Falcon Identity Protection



Where Falcon Identity Protection fits

Create



Create identities

Manage



Control access based on identity

Secure

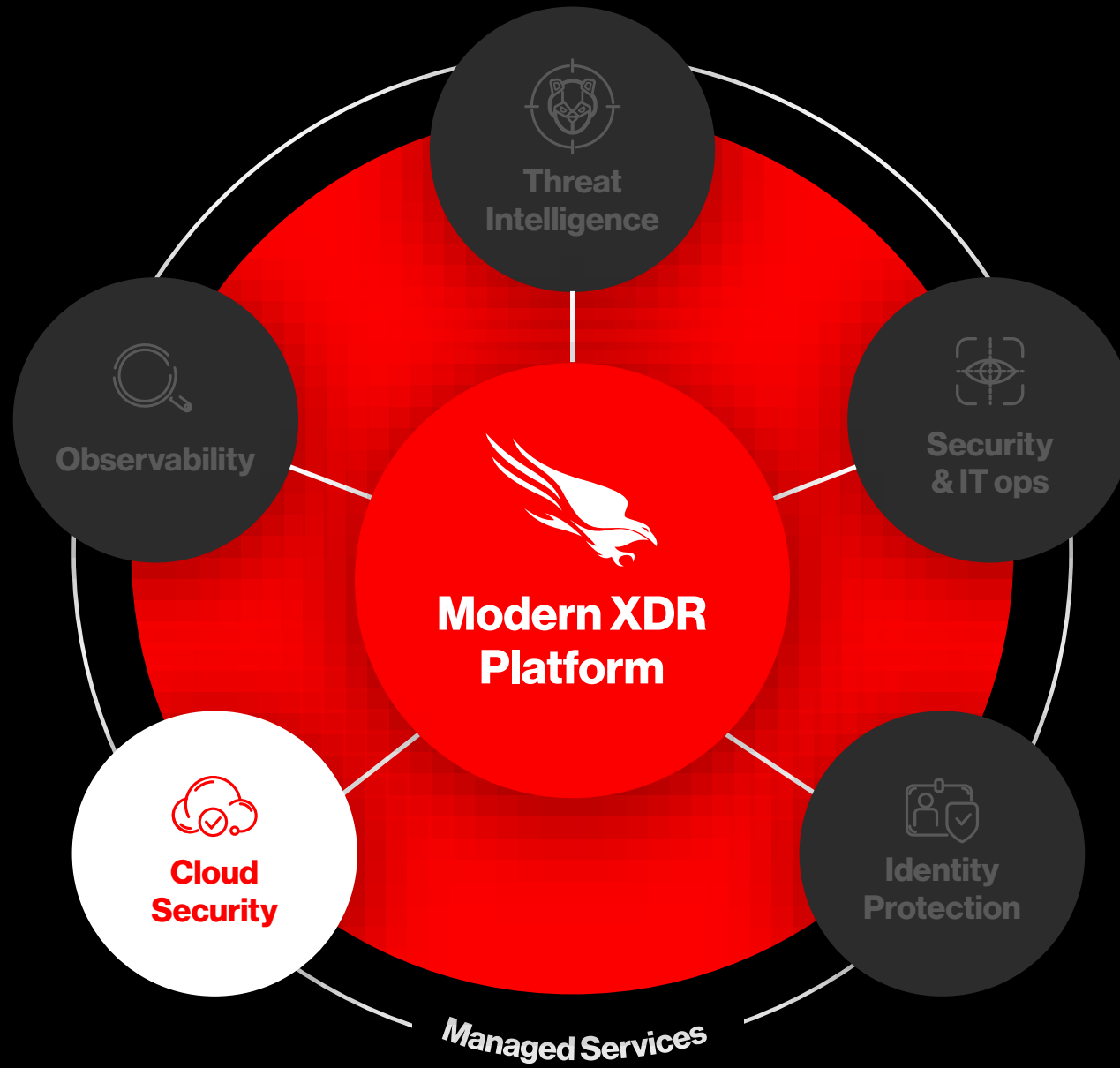


Prevent attackers from abusing identity



Falcon Identity Protection

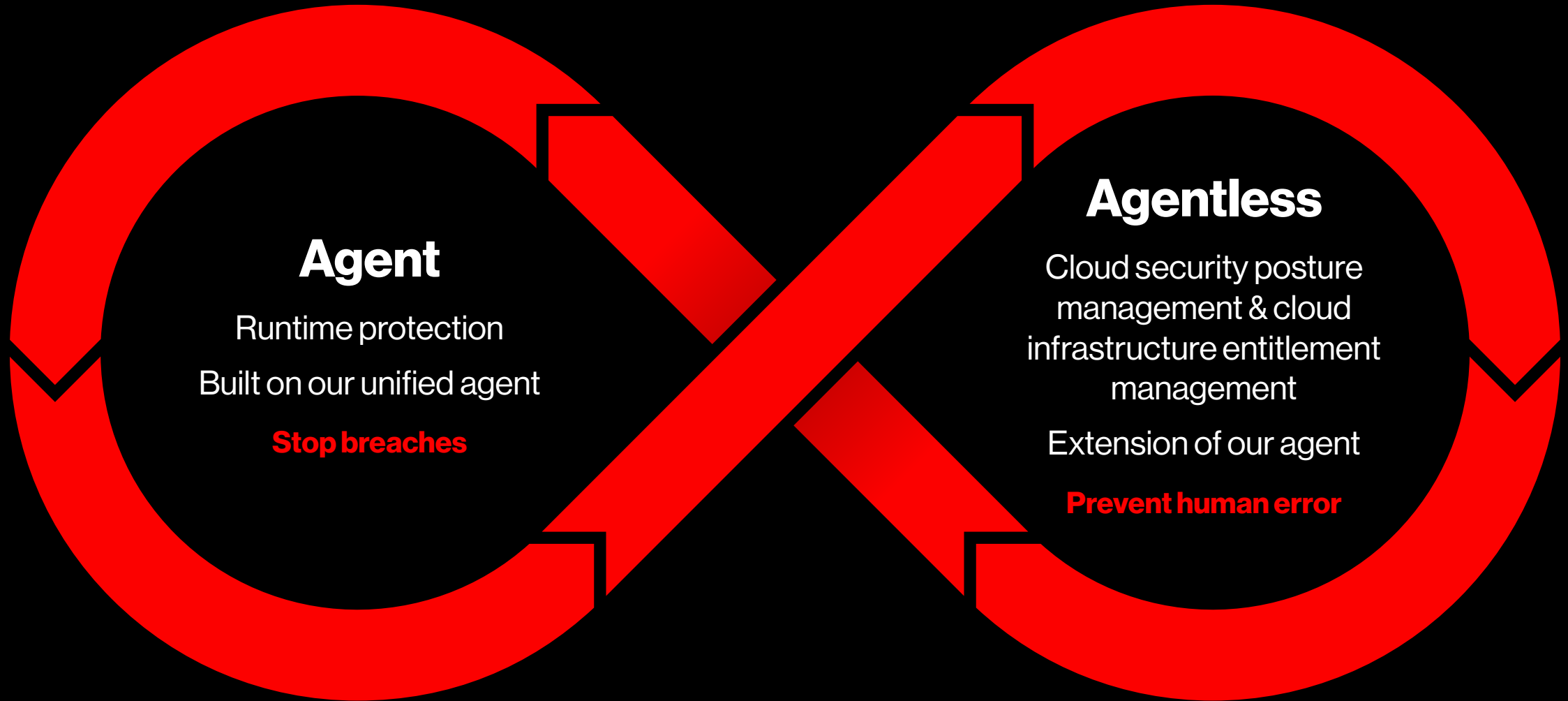
Demo



95% increase in cloud exploitation



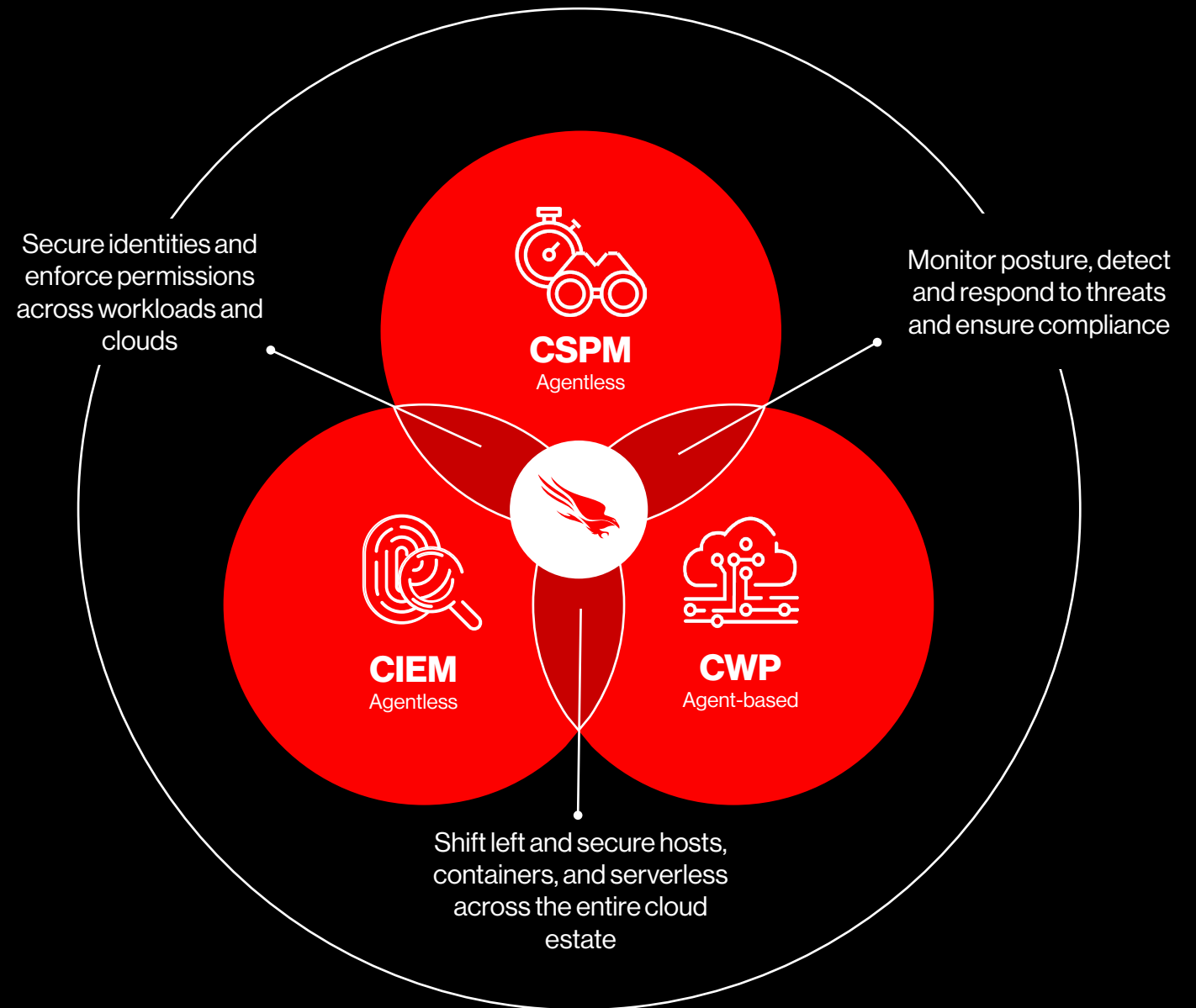
Requirements of modern cloud security



Falcon Cloud Security

**CNAPP for continuous
compliance & security**

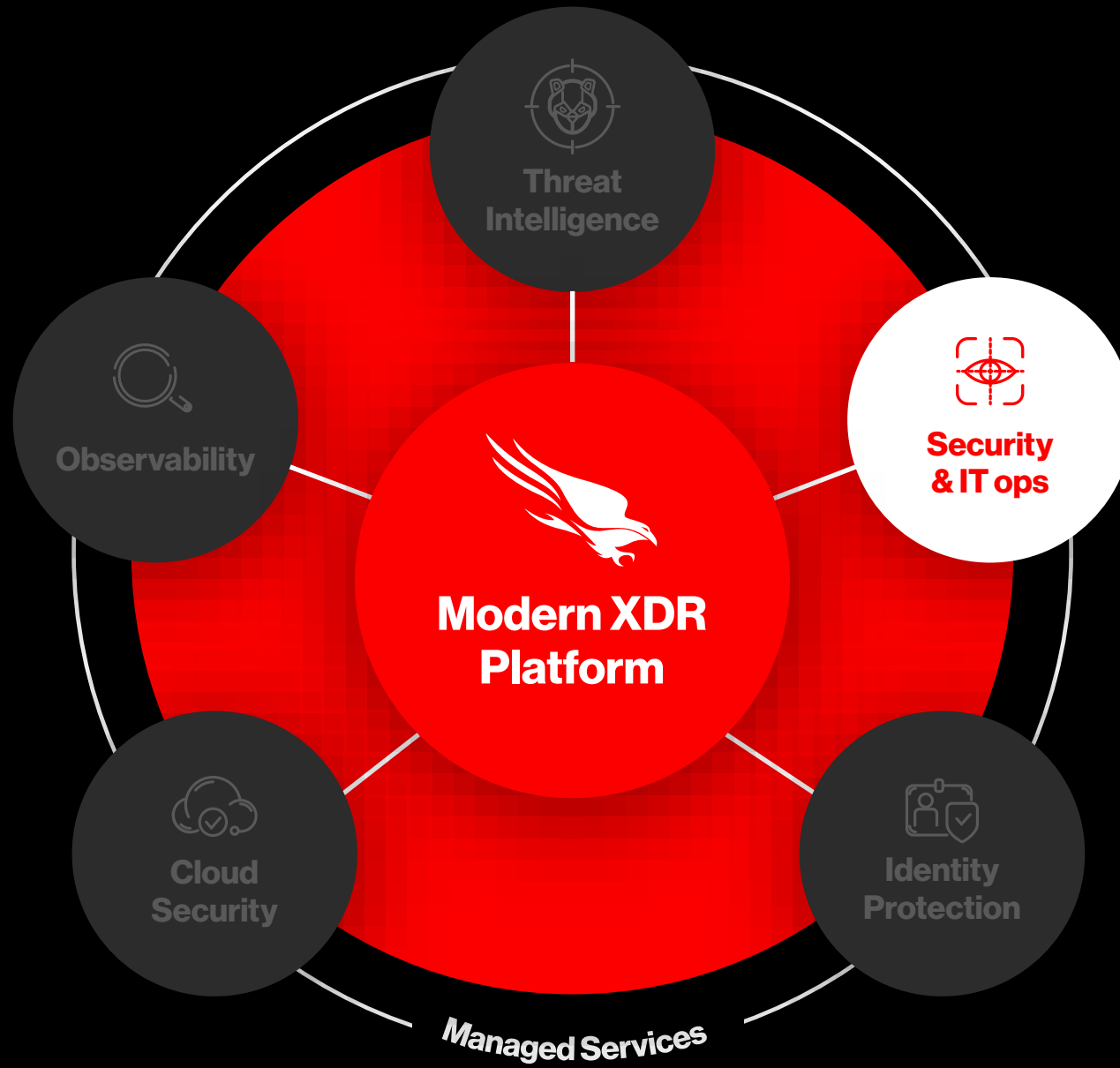
**Unified agent &
agentless protection**





Falcon Cloud Security

Demo



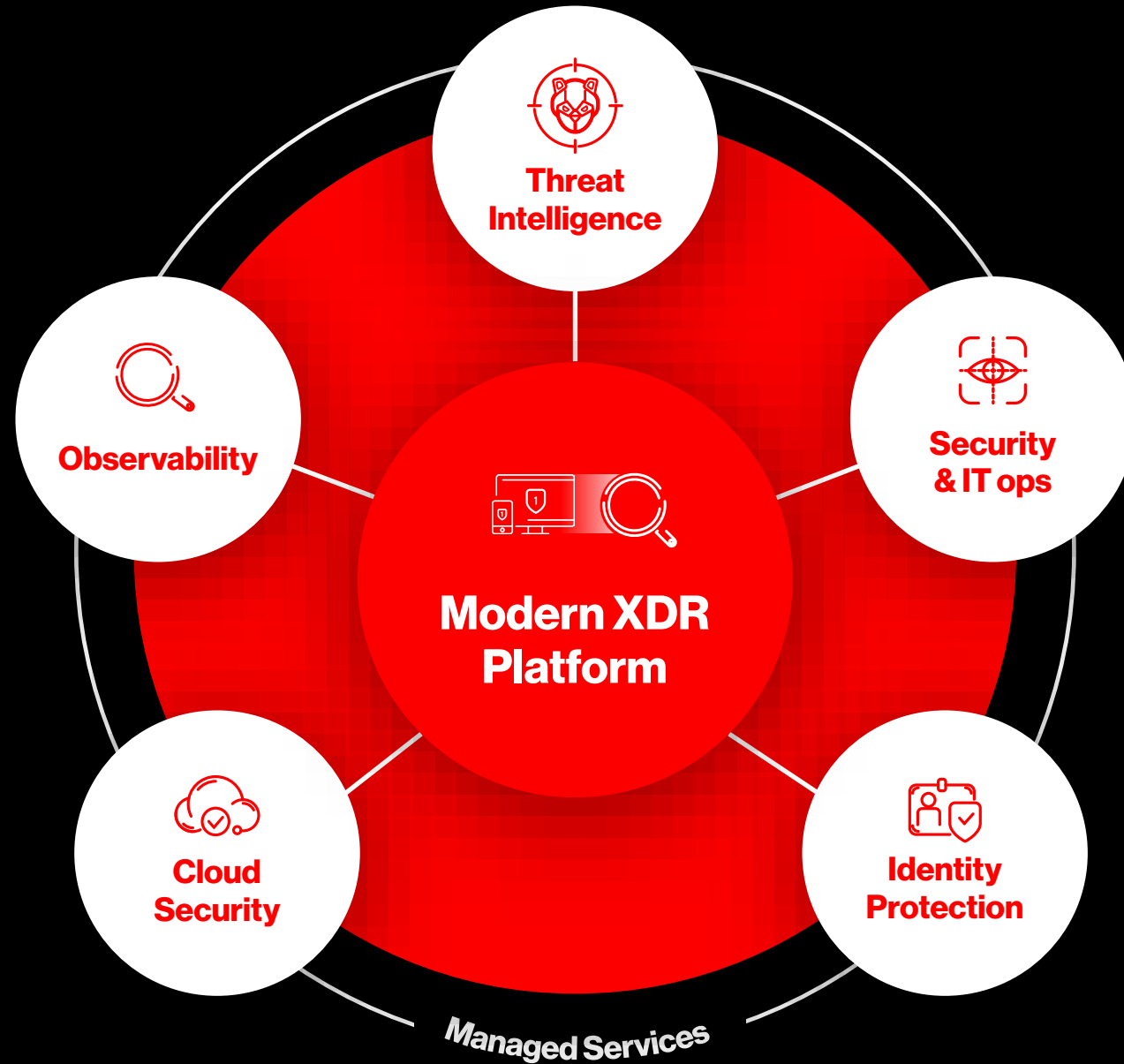


Falcon Surface

Demo

Falcon Platform

Unified XDR capabilities delivered via one agent



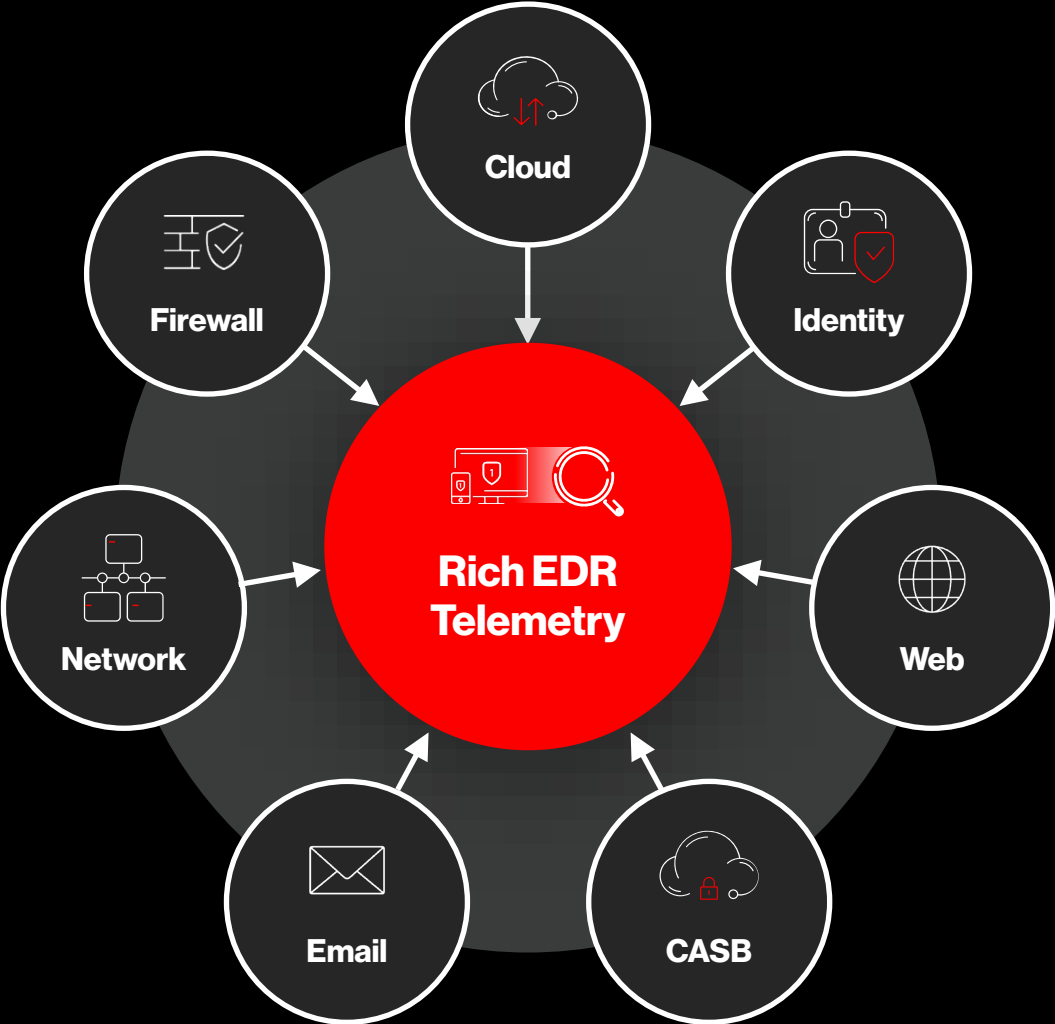
“... **good XDR** lives and dies by the
foundation of a **good EDR.**”

- Allie Mellen, Sr. Analyst, Forrester Research



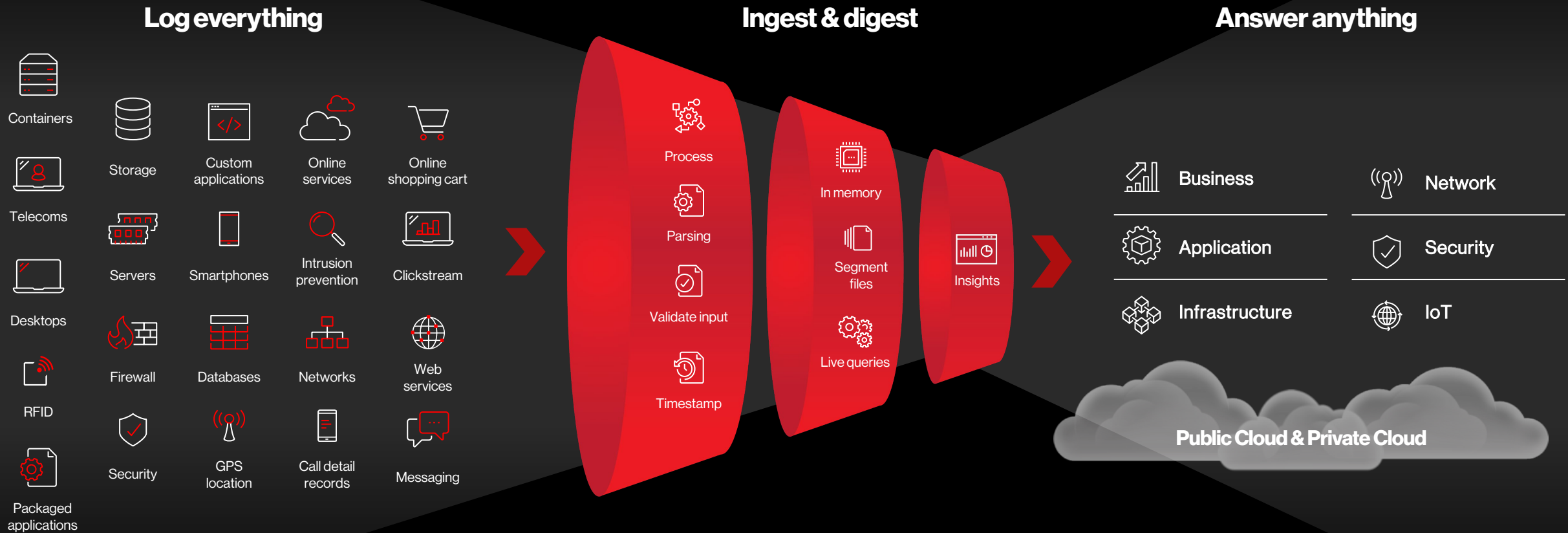
CrowdStrike's XDR is built on the richest EDR data

Extended across every attack surface



Supercharging the XDR revolution

Falcon LogScale: Answer any business or security question in real-time at an economical cost





XDR

Demo

Why customers choose **CrowdStrike**



**Superior security
outcomes**



**Easy to deploy
and manage**



**Economic
cost**

CrowdStrike Named a **Leader**

The Forrester Wave™: Cybersecurity Incident Response Services, Q1 2022

CROWDSTRIKE

Ranked **#1**

IDC Worldwide Corporate Endpoint Security Market Shares, 2021

100%

Ransomware Prevention. Zero False Positives.

CROWDSTRIKE

AAA Enterprise Advanced Security Award

SE Labs Enterprise Advanced Security Ransomware Test

"CrowdStrike Dominates in EDR..."

FORRESTER WAVE FOR ENDPOINT DETECTION AND RESPONSE

FROST & SULLIVAN

FROST RADAR LEADER

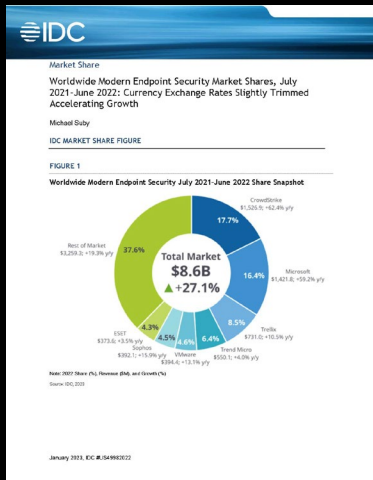
CROWDSTRIKE

FROST RADAR™: Global Cloud-native Application Protection Platform, 2022

CROWDSTRIKE

2022 TECHNOLOGY INNOVATION LEADER

GLOBAL ENDPOINT SECURITY INDUSTRY

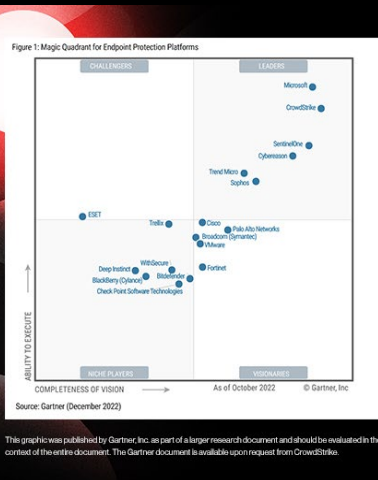


CROWDSTRIKE

CrowdStrike was positioned **furthest to the right**

for Completeness of Vision in the Gartner December 2022 Gartner® Magic Quadrant™ for Endpoint Protection Platforms.

Gartner



CROWDSTRIKE NAMED A LEADER

The Forrester Wave™: External Threat Intelligence Services, Q1 2021

#1 in Prevention

#1 in Stopping Breaches

The leader in XDR

CrowdStrike leads the latest MITRE ATT&CK Evaluations with 100% automated prevention

Leading visibility

Leading analytic coverage

The **ONLY** platform with native Zero Trust & Identity Protection

CROWDSTRIKE



Sources:

- The Forrester Wave™: Cybersecurity Incident Response Services, Q1 2022
- International Data Corporation, Worldwide Corporate Endpoint Security Market Shares, 2020: Pandemic and Expanding Functionality Propelled Market Growth, Doc #US47768021, June 2021
- The Forrester Wave™: Endpoint Detection and Response Providers, Q2 2022
- Frost Radar™: Global Cloud-native Application Protection Platform, 2022
- International Data Corporation, Worldwide Modern Endpoint Security Market Shares, July 2021-June 2022: Currency Exchange Rates Slightly Trimmed Accelerating Growth, Doc #US49982022, January 2023
- The Forrester Wave™: External Threat Intelligence Services, Q1 2021
- Gartner, Magic Quadrant for Endpoint Protection Platforms, Peter Firstbrook, Chris Silva, 31 December 2022.
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Large school district upgrades from Microsoft Defender

The CrowdStrike difference: Stop Breaches



6k
machines re-imaged
due to missed attack

2-4 weeks
of incident
response

~20 min
to triage each
detection



0
productivity loss.
Modern prevention
Superior security outcomes

0
incident response
cost or wasted time
Superior security outcomes

<5 minutes
to triage each detection,
hours saved each week
Easier to operate

US state with multiple agencies trades-up from Microsoft Defender

CrowdStrike difference: avoid the hidden costs of Microsoft Defender



60k
Endpoints

Dozens
Windows OS editions
and versions

30%
of Windows estate
was out of support

\$6.4M

**Projected savings
over 3 years**

Economic cost

1 agent

**for all OSs
and versions**

Easy to deploy and operate

Safeguard

**legacy OSs with the
latest protections**

Easy to deploy and manage





Incident Response Case Study



Growing our Opportunity Profitably at Scale

Burt Podbere
Chief Financial Officer

FY23 at-a-glance

Achieved

\$828M

Net New ARR

Surpassed

\$2.5B

Ending ARR

Delivered

\$677M

Free Cash Flow

Added

6,694

Net New Subscription Customers

78%

Non-GAAP Subscription Gross Margin

15.9%

Non-GAAP Operating Margin

30%

Free Cash Flow Margin

85%

Free Cash Flow Rule of 40

1.1

Magic Number

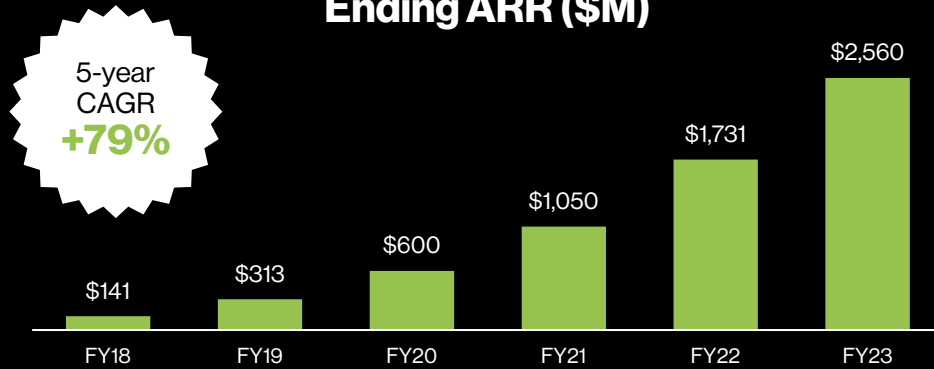
All financial figures as of fiscal year ended January 31, 2023. See Appendix for definition of metrics and reconciliations of each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP.

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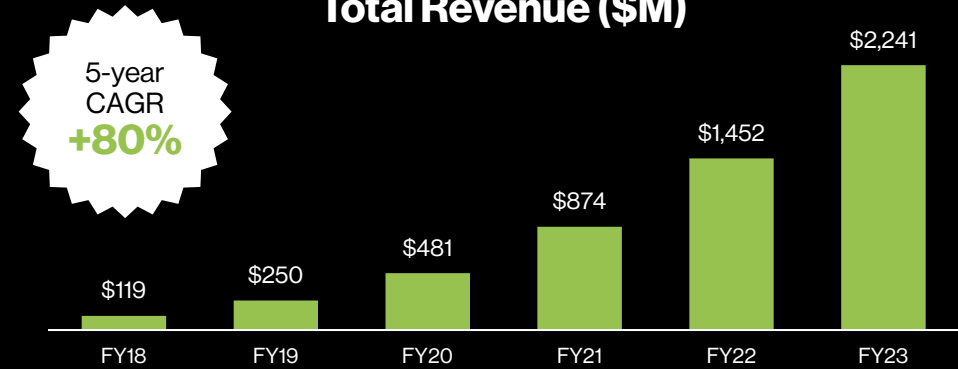


Growth to date

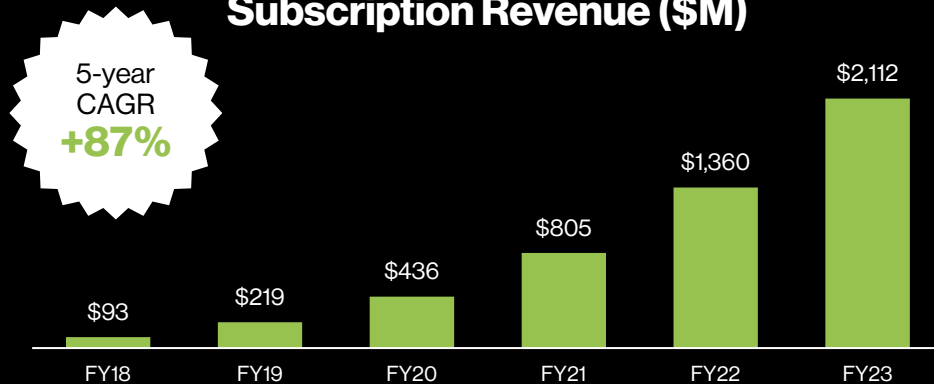
Ending ARR (\$M)



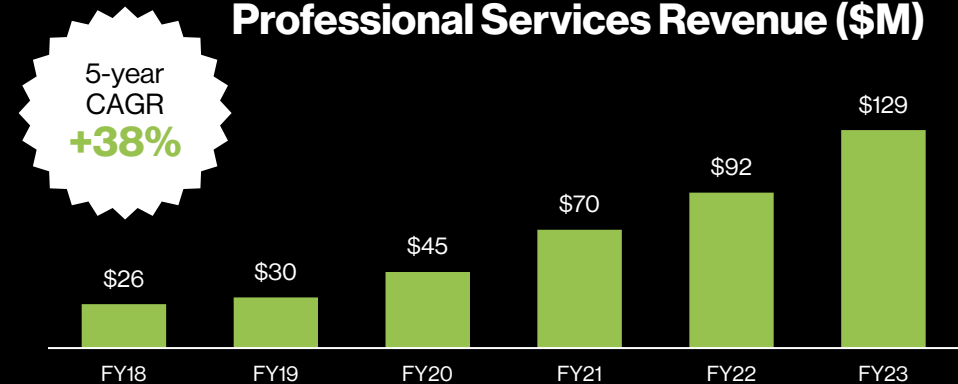
Total Revenue (\$M)



Subscription Revenue (\$M)



Professional Services Revenue (\$M)



Professional services contribution



FY21
\$5.51

FY22
\$5.71

FY23
\$6.07

**Average subscription ARR derived from a customer for every \$1
spent on initial incident response or proactive services**

FY21 figure based on organizations who first became professional services customers after February 1, 2019. FY22 figure based on organizations who first became professional services customers after February 1, 2020. FY23 figure based on organizations who first became professional services customers after February 1, 2021. All figures as of their respective fiscal year end.

ACHIEVING
\$5 BILLION+ ARR

***Illustrative calculation.
Does not represent guidance
or expectations.**

Glide path to \$5B+ ARR

Minimum
Net New ARR required:*

FY23 Net New ARR

\$828M X **3**



\$5B+
FY26 Ending ARR

Commentary:

1

FY24 assumes current macro headwinds lead to flat to very modestly up YoY Net New ARR

2

Net New ARR expected to resume YoY growth in FY25 assuming macro conditions remain consistent

***Illustrative calculation based on ARR example in prior slide. Does not represent guidance or expectations.**

Glide path to \$5B+ ARR

FY23 DBNR
125.3%

FY24
117%

FY25
113%

FY26
110%

Minimum DBNR required*

\$5B+
FY26 Ending ARR

Commentary:

1

Expect FY24 DBNR to remain above benchmark of 120%

2

Above illustrative example carries over the FY23 ratio of new logo and expansion dollars into FY24 – FY26. As previously stated, we expect FY24 net new ARR to be more weighted to expansion dollars compared to FY23

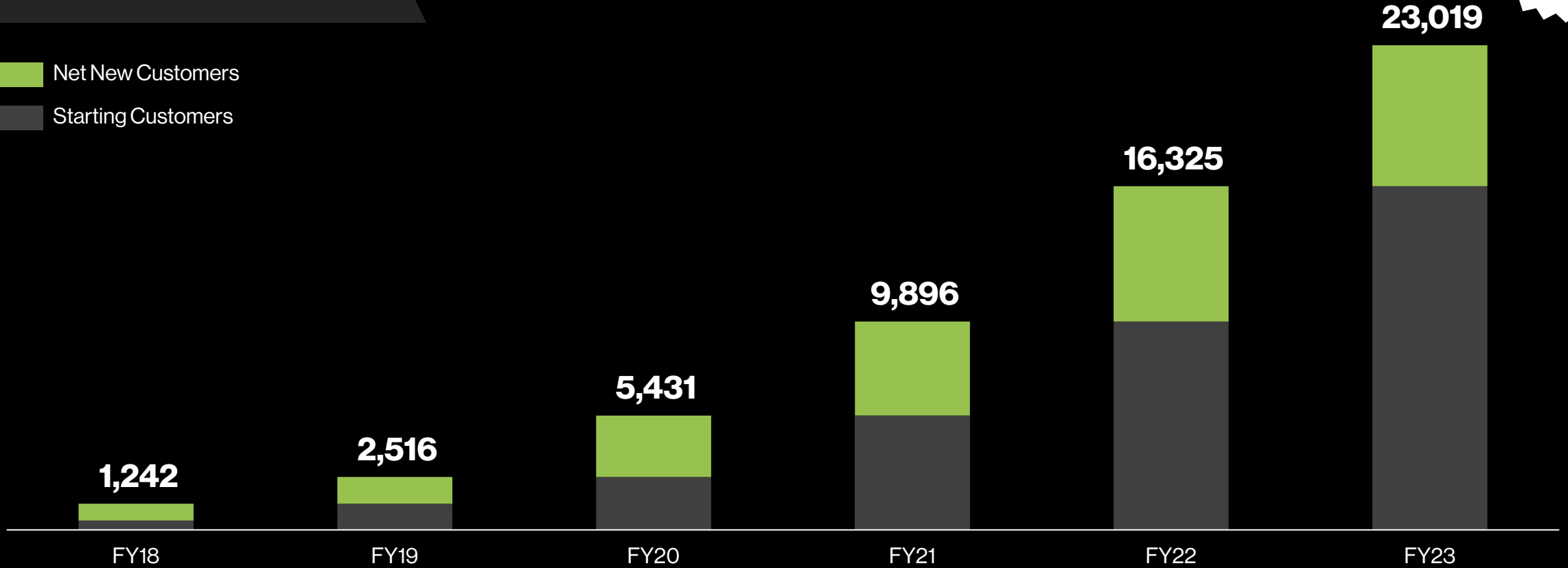
Growth Dynamics



Rapidly expanding customer base

Subscription customers

- Net New Customers
- Starting Customers

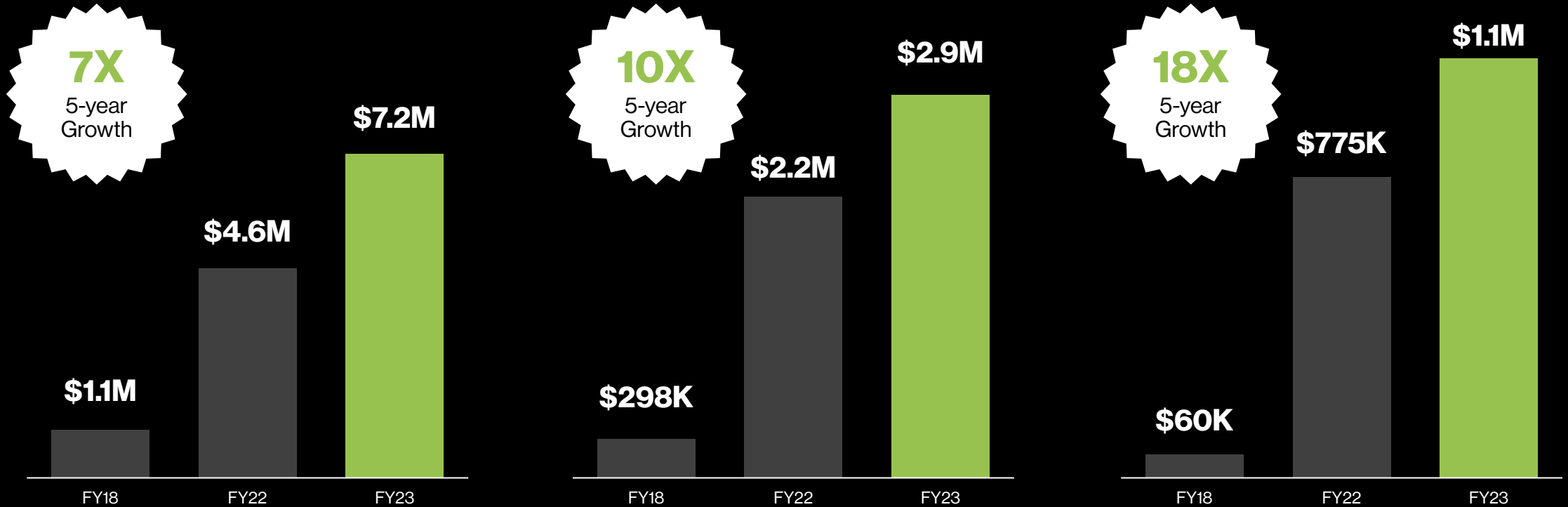


5-year CAGR
+79%



Growing success with top accounts

Minimum ARR required to be a top account



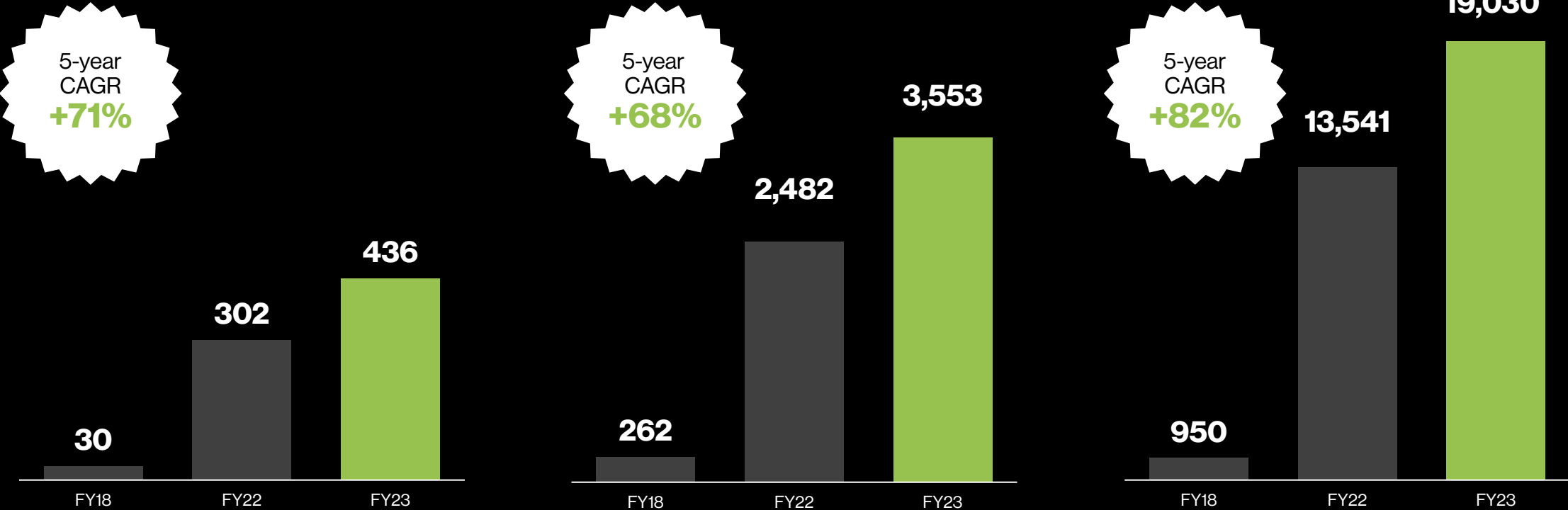
Top 25 Customer

Top 100 Customer

Top 400 Customer

Winning customers of all sizes

Customer count



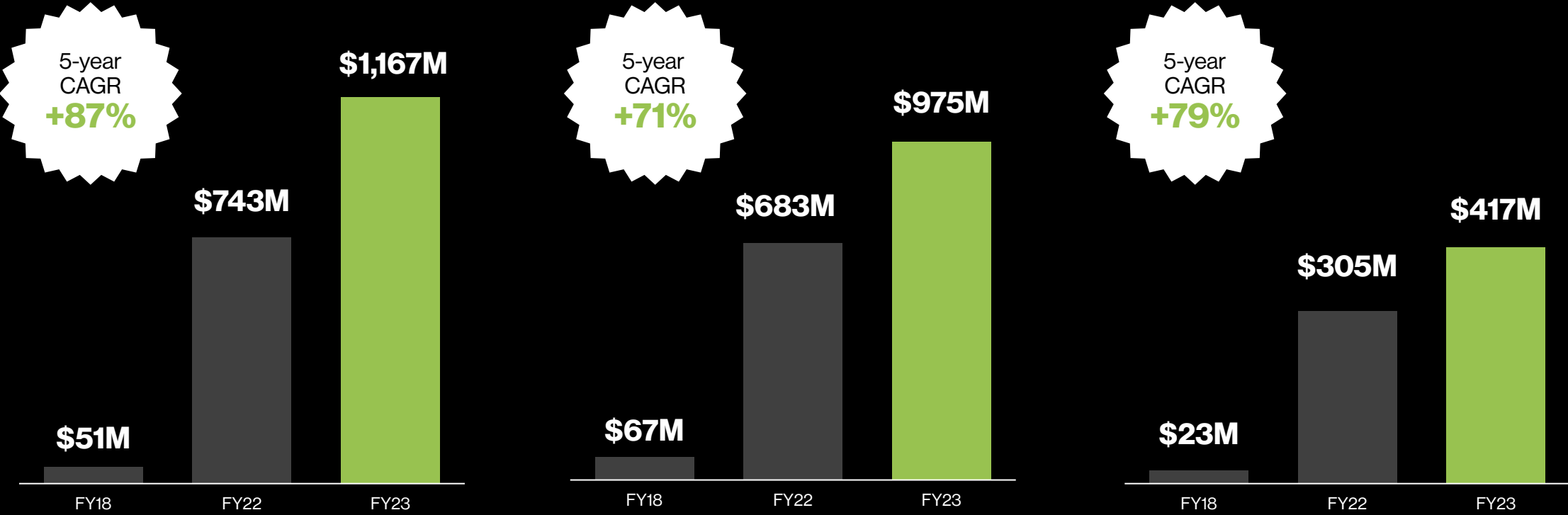
Customers >\$1M ARR

Customers \$100K to \$1M ARR

Customers <\$100K ARR

Growing customers of all sizes

Ending ARR \$



Ending ARR from Customers >\$1M ARR

Ending ARR from Customers \$100K to \$1M ARR

Ending ARR from Customers <\$100K ARR

Customers of all sizes adopting more modules

Average customer module count



Avg. Module Count of Customers >\$1M ARR

Avg. Module Count of Customers \$100K to \$1M ARR

Avg. Module Count of Customers <\$100K ARR

Notes: Average module count of 10 for customers with more than \$1M in ARR was stated in error on the March 7, 2023 earnings call. Average module counts exclude Falcon Go customers for all periods shown. See appendix for more information.

Landing bigger

Average module count of new customers

FY18

2.2

FY22

4.7

FY23

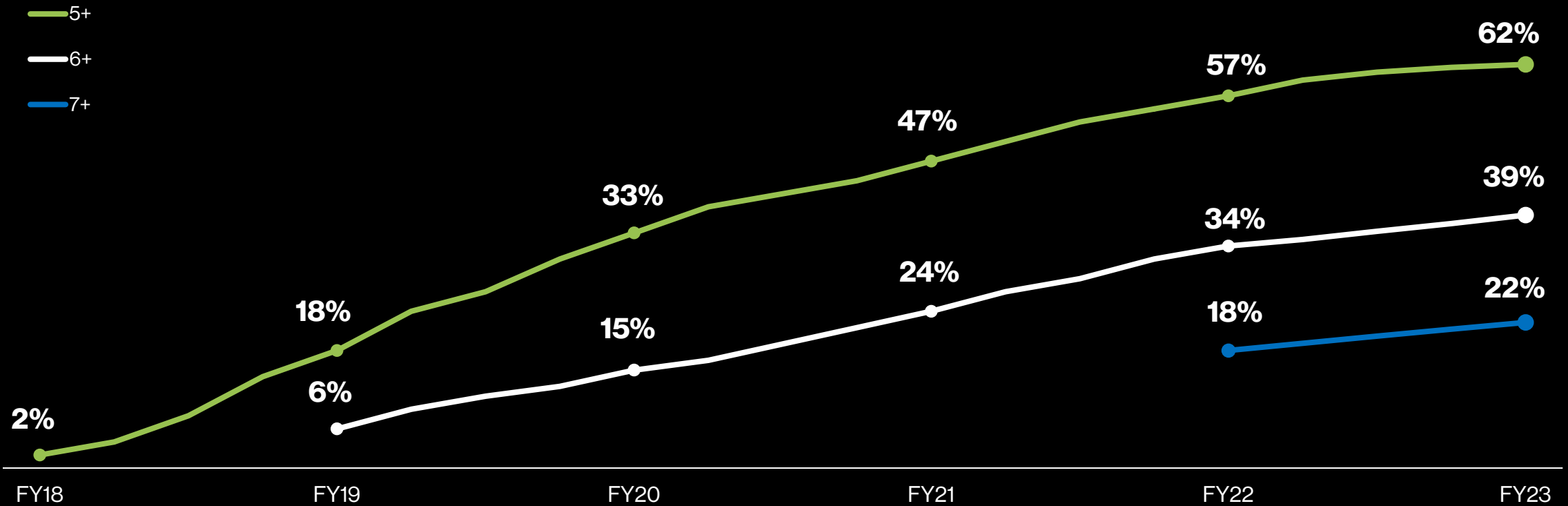
4.8

118% Growth Since FY18

Note: Average module count of new customers excludes Falcon Go customers for all periods shown. See appendix for more information.

Strong module adoption

% of subscription customers with multiple cloud modules



Note: Beginning in Q4 FY23, module adoption rates exclude Falcon Go customers. See appendix for the definition of module adoption rates and historical module adoption rates excluding Falcon Go customers.

Growth opportunities - Emerging modules

Emerging Modules

\$339M
ARR

>4,500

Customers adopted 2 or more emerging modules as of 4Q23

116%

4Q23 YoY
ARR growth

Note: Emerging modules ARR represents ending ARR from Falcon Discover, Falcon Spotlight, Falcon Identity Threat Protection, Falcon Identity Threat Detection, and Falcon LogScale as of the quarter ended January 31, 2023.

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Growth opportunities – Public cloud

\$224M
ARR

>7,000

Customers Deploying Falcon
in the Public Cloud as of 4Q23

111%

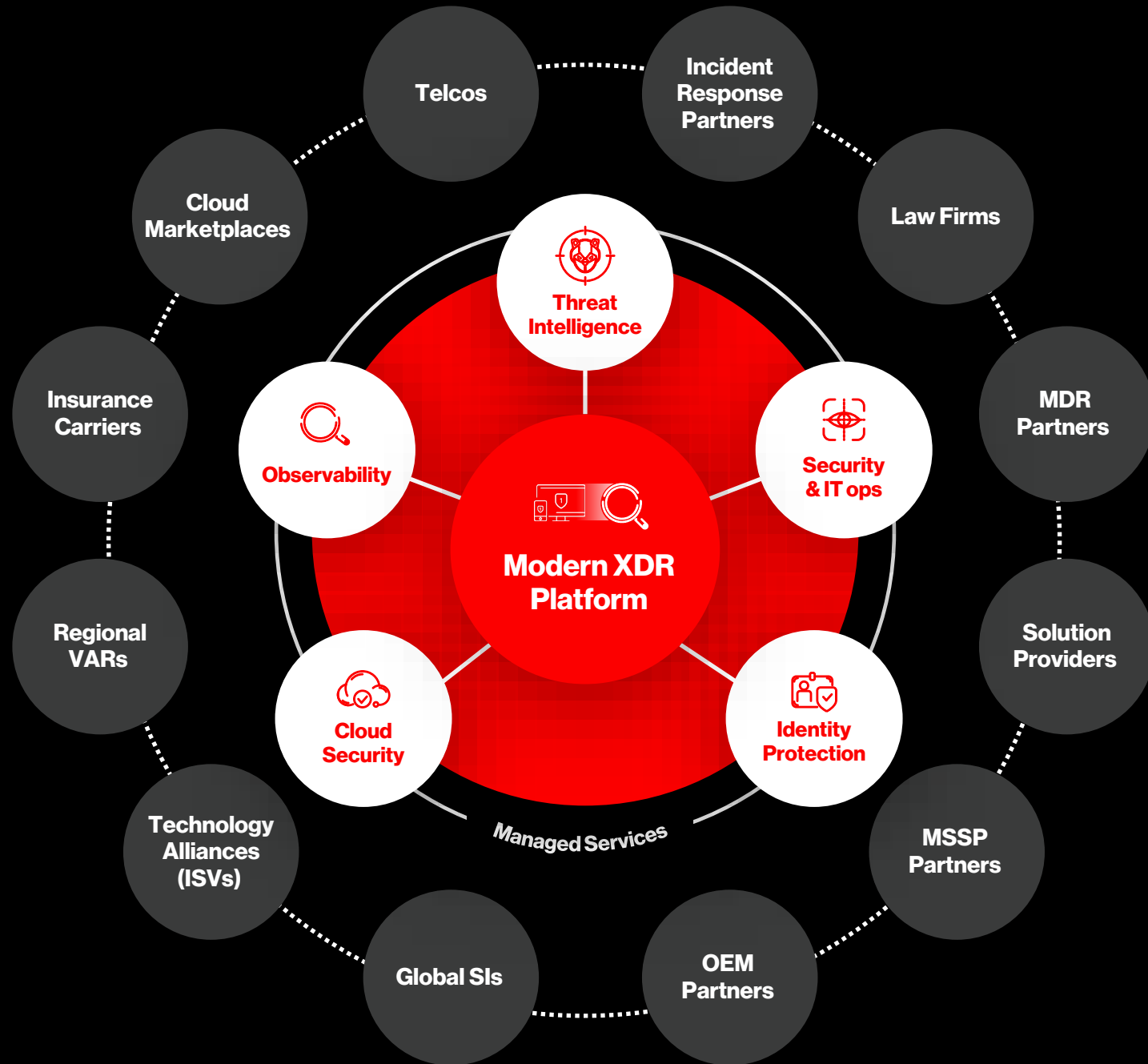
4Q23 YoY
ARR growth

Note: Public cloud deployments ARR represents ending ARR derived from CrowdStrike Falcon modules deployed in a public cloud environment as of the fiscal year ended January 31, 2023.

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Falcon Platform + partner ecosystem



Partner case study

Partner Background

Largest privately-held
global tech services provider

~\$15B

Revenue

1,000's

Customers Globally

>\$200M

Deals Closed in 1.5 Years

Falcon Platform Practice Areas

**Legacy AV
replacement**

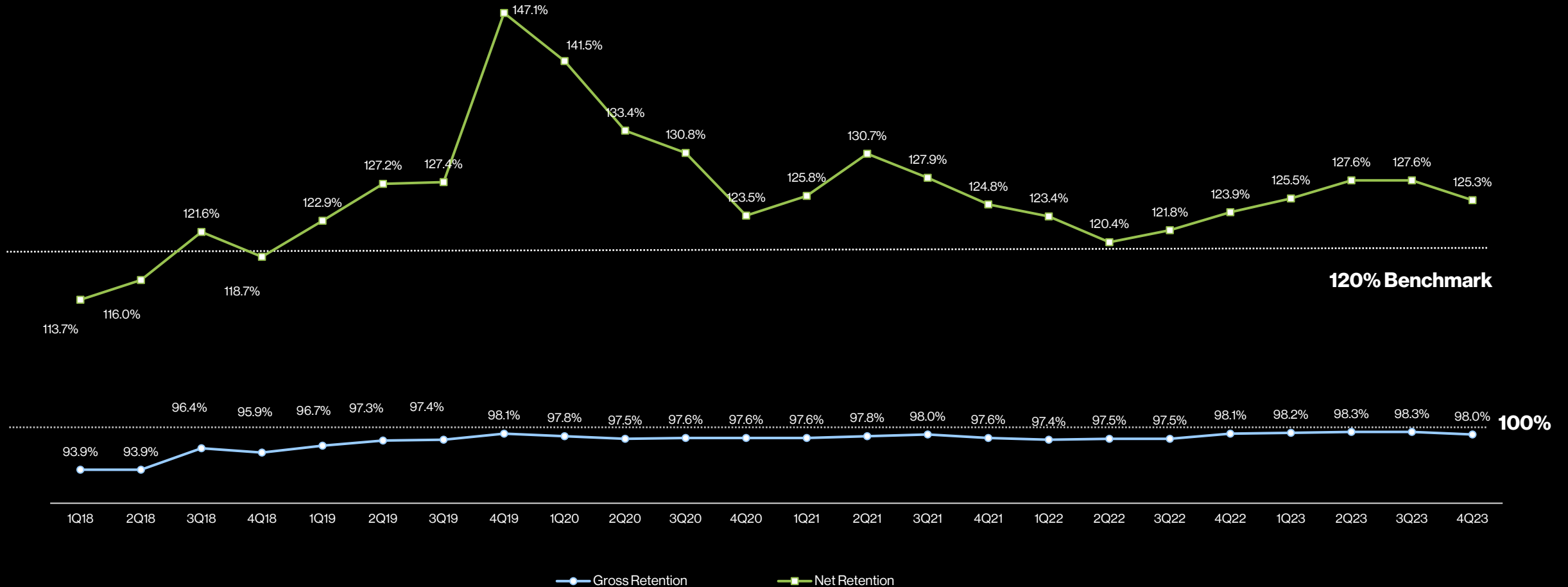
**XDR cyber tool
consolidation**

**Identity &
cloud security**

**Logscale
data projects**

Strong customer retention & expansion

Dollar-based retention rates for subscription ARR (1-year prior cohort)

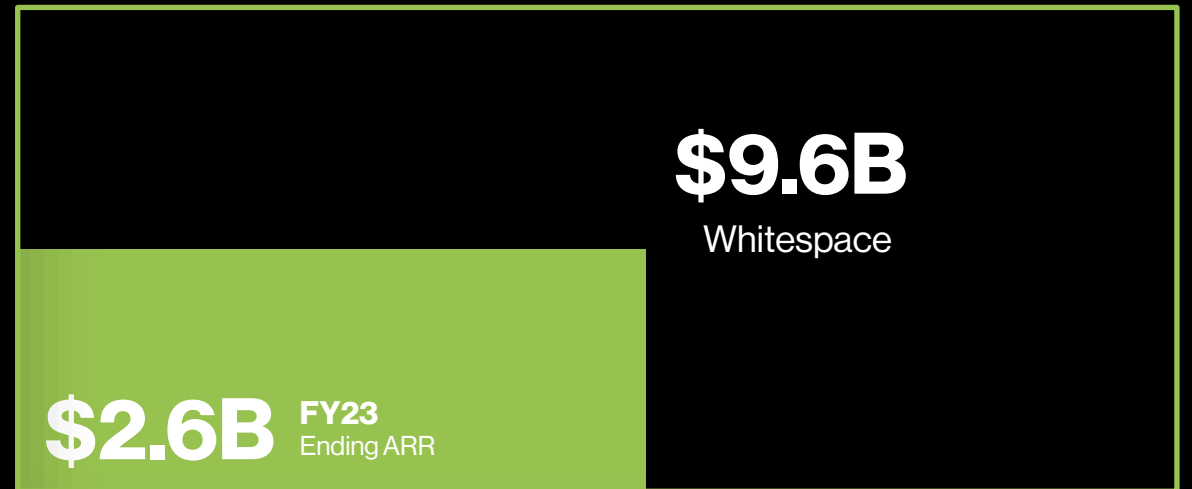


Large expansion opportunity: Existing modules within existing customer base

**FY22 Total Modern XDR Platform
Opportunity within Existing Customers** **\$8.7B**



**FY23 Total Modern XDR Platform
Opportunity within Existing Customers** **\$12.2B**



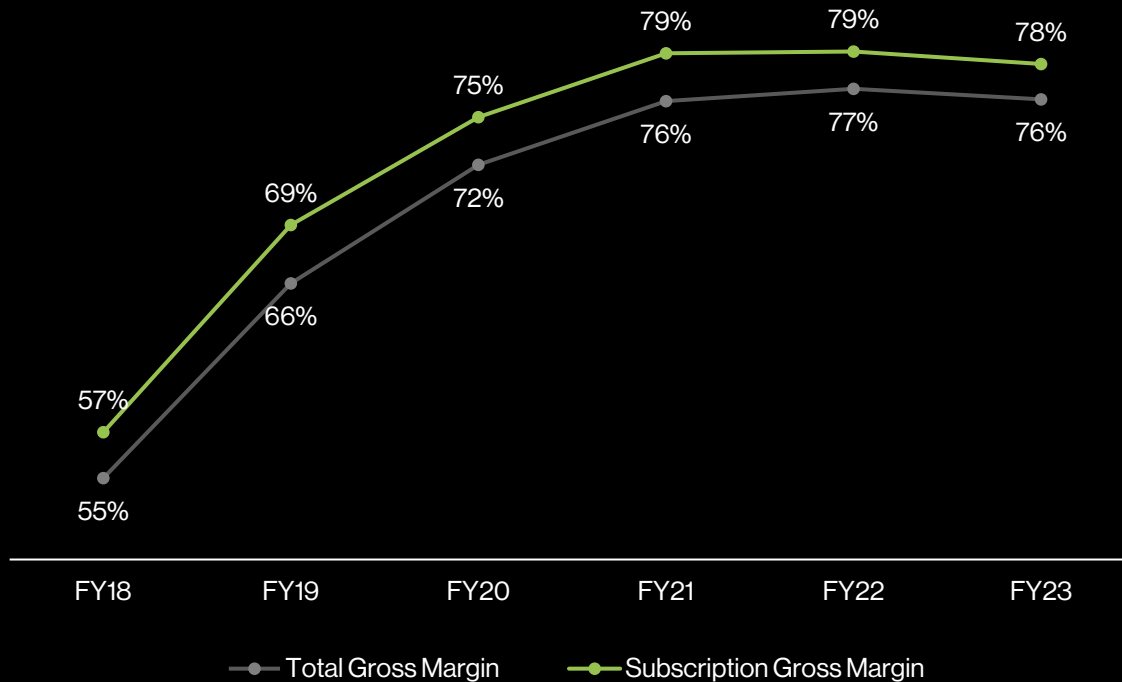
"Total Opportunity within Existing Customers" figures assume all subscription customers as of the respective fiscal periods purchased all available platform modules during that fiscal period with consistent average sale prices and endpoint counts during such fiscal period.

"Whitespace" figures representing the delta between Total Opportunity within Existing Customers and Ending ARR in a given fiscal year.

Investing in Profitable Growth at Scale



Gross margin dynamics



Gross margin expansion initiatives

- 1 Continued data center and public cloud workload optimization
- 2 Public cloud cost optimization as we scale
- 3 Ongoing infrastructure cost associated with LogScale integration

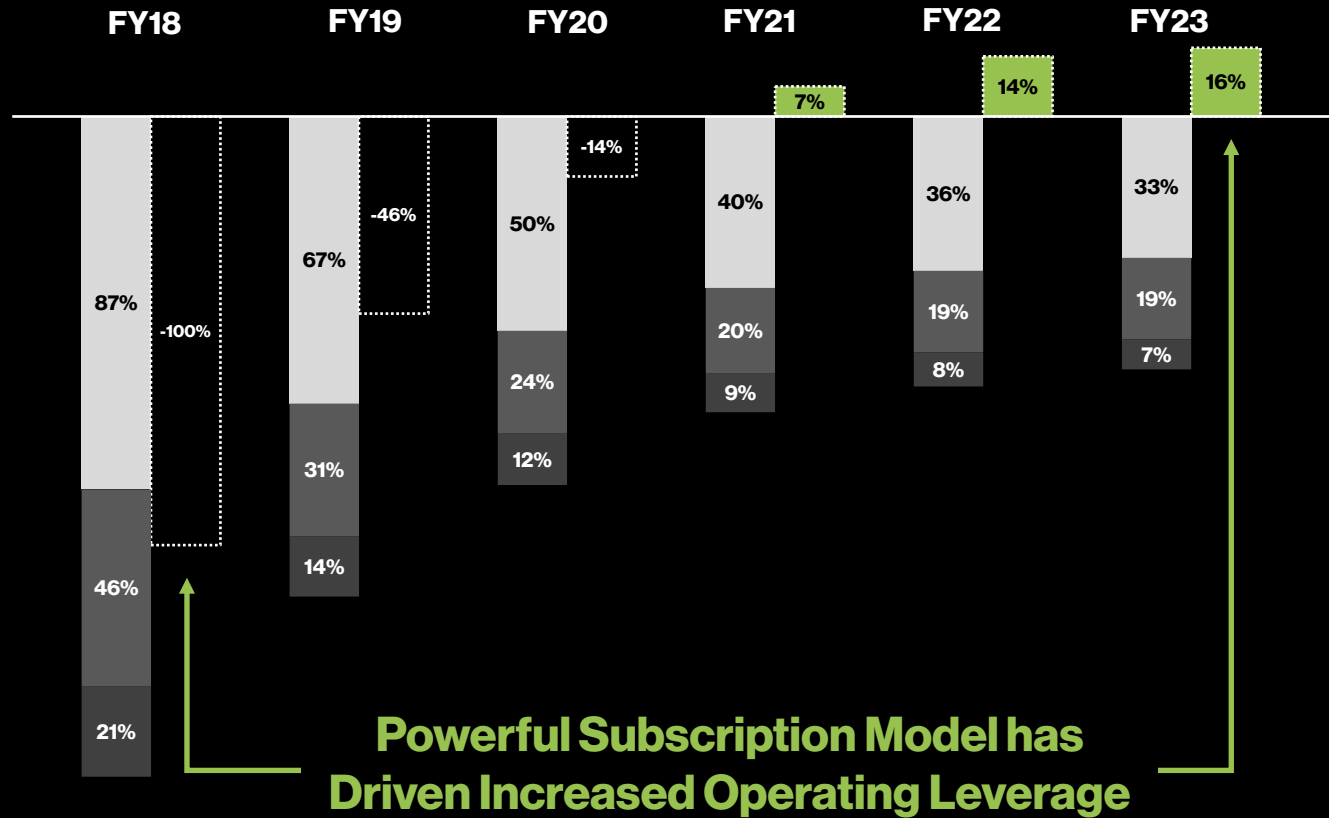
See Appendix for a reconciliation of each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP.

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Increasing operating leverage

Non-GAAP Operating Expenses & Operating Income as % of Revenue

- Sales & Marketing
- Research & Development
- General & Administrative
- Operating Margin

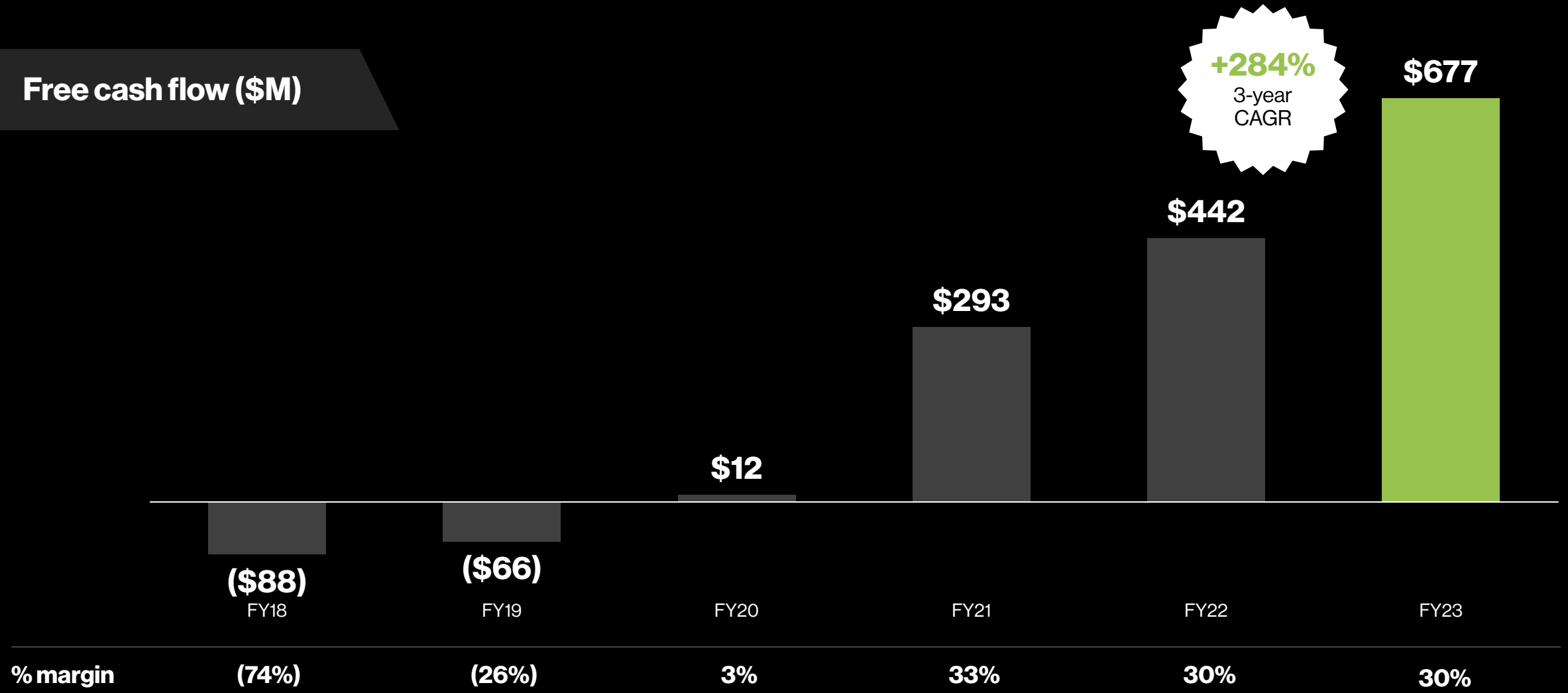


See Appendix for a reconciliation of each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP.



Strong free cash flow

Free cash flow (\$M)

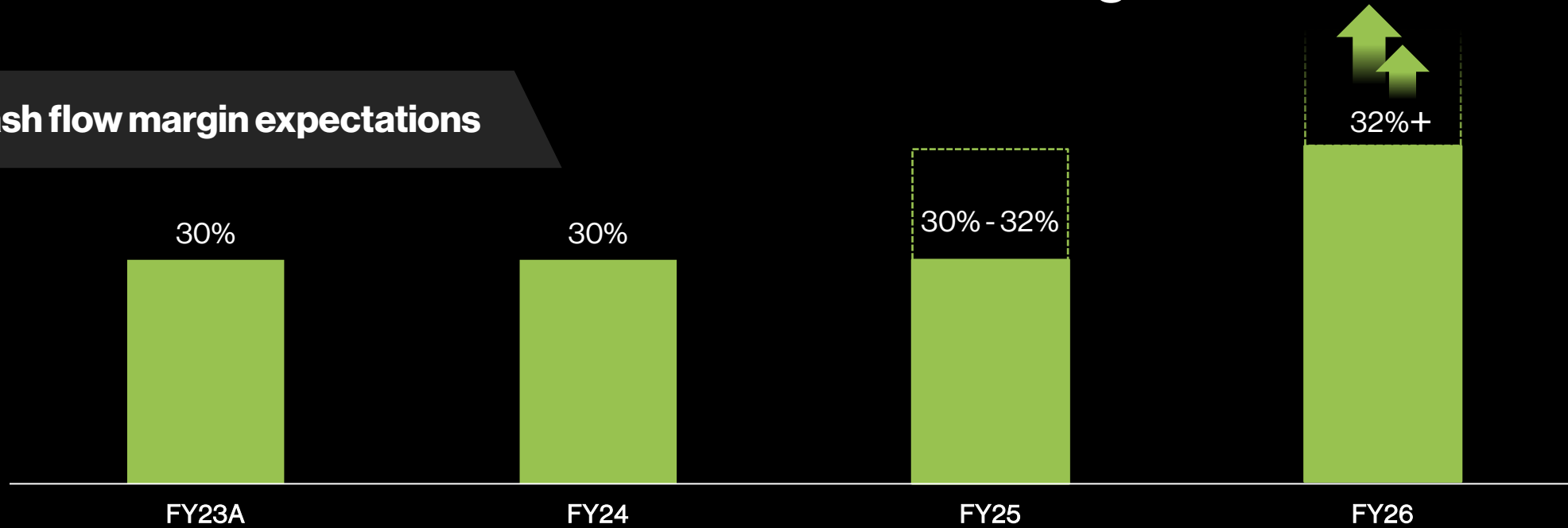


See Appendix for a reconciliation of each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP.



Durable free cash flow margin

Free cash flow margin expectations



Commentary:

FY24 free cash flow margin target includes estimated full year impacts from billings duration and cash taxes, balanced by increased operating leverage, higher interest income and lower capital expenditure.

See Appendix for a reconciliation of each historical non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP.

Achieving the target model

	Current Target (% of Revenue)	FY18	FY19	FY20	FY21	FY22	FY23	Year Expected to Maintain Target ¹
Subscription GM %	77-82%+	57%	69%	75%	79%	79%	78%	FY21 ✓
S&M	30-35%	87%	67%	50%	40%	36%	33%	FY23 ✓
R&D	15-20%	46%	31%	24%	20%	19%	19%	FY23 ✓
G&A	7-9%	21%	14%	12%	9%	8%	7%	FY21 ✓
Operating Margin %	20-22%+	-100%	-46%	-14%	7%	14%	16%	FY25 *
Free Cash Flow %	30-32%+	-74%	-26%	3%	33%	30%	30%	FY21 ✓

¹“Year Expected to Maintain Target”, is defined as the fiscal year in which the company expects to achieve the target range during a given fiscal quarter within that year and remain within the target range prospectively on an annual basis. Target ranges do not include the impact of potential future M&A activity.

*Non-GAAP operating margin % target is expected to be achieved on a quarterly basis some time during fiscal year 2025.

For fiscal years 2018 through 2023, see Appendix for a reconciliation of each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP.



ACHIEVING

\$10 BILLION+ ARR



Prior Year

The winning formula



CrowdStrike

1

With LTM FCF Margin 30%+



Growth

5

With LTM Revenue Growth Rates >60%



Scale

43

Software Peer Group with >\$1B LTM Revenue

Source: Based on publicly traded companies represented in database Public Comps. Segments used in analysis: High Growth SaaS, Mature SaaS, Vertical SaaS, B2B SaaS, Cybersecurity, Enterprise Software, UCaaS, and Top 10 SaaS (as such categories are defined by Public Comps) as of March 2022.



The winning formula



CrowdStrike

Cash Flow

1

With **LTM FCF Margin 30%+**



Growth

2

Growth Rates >50%



Scale

26

Software Peer Group with >\$2B LTM Revenue

Source: Based on publicly traded companies represented in database Public Comps. Segments used in analysis: High Growth SaaS, Mature SaaS, Vertical SaaS, B2B SaaS, Cybersecurity, Enterprise Software, UCaaS, and Top 10 SaaS (as such categories are defined by Public Comps) as of March 2023.





Partner Program Discussion

George Kurtz

Co-Founder and CEO

Daniel Bernard

Chief Business Officer



CROWDSTRIKE

Q&A

Appendix



Modeling considerations

Cash Flow

- Cash flow seasonality will typically trail net new ARR seasonality by one quarter
- Interest expense is paid out twice annually in Q1 and Q3, approximately \$11 million per payment
- ESPP purchase occurs twice annually in Q2 & Q4, and while essentially neutral to cash on an annual basis, it will appear as a cash outflow in Q2 and Q4
- Assuming \$129 million in interest income at the midpoint of FY24 guidance
- Assuming ~\$32 million in cash outlay for income taxes in FY24, compared to \$12 million in FY23

Interest Expense

- Interest expense is accrued quarterly and paid out twice annually in Q1 and Q3, approximately \$11 million per payment.
- Issuance cost amortization for both the Senior Notes and the revolving credit facility will be GAAP only charges. Interest expense on the Senior Notes and unused commitment fee for the revolver will be GAAP and non-GAAP

Capital Expenditure

- Assuming capital expenditure in FY24 to be 6% – 8% of revenue

Stock-Based Compensation

- Annual diluted weighted average shares outstanding count is expected increase less than 2% in FY24 and less than 3% in subsequent fiscal years



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 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: $((\text{Quarter GAAP Subscription Revenue} - \text{Prior Quarter GAAP Subscription Revenue}) \times 4) / \text{Prior Quarter Non-GAAP Sales \& Marketing Expense}$.

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. There is no impact to periods prior to the second quarter of fiscal 2023. Subscription customers' (excluding Falcon Go customers) adoption rates were as follows:

	Q2 FY23	Q3 FY23
Five or more modules	61%	61%
Six or more modules	36%	37%
Seven or more modules	20%	21%



Appendix (cont'd)

REPORTS

Reports used for TAM data:

With Current Portfolio in CY23 and CY25:

- International Data Corporation's Worldwide Security Spending Guide. (July 2023)
- International Data Corporation, Market Forecast – Worldwide IoT Security Forecast, 2021–2025: Critical Applications Accelerate Demand for Contextualized Security. (March 2023)
- International Data Corporation, Market Forecast – Worldwide Cloud-Native Extended Detection and Response Forecast, 2023–2026: Is This the New Standard of Excellence? (March 2023)
- International Data Corporation, Market Forecast – Worldwide IT Operations Analytics Software Forecast, 2023–2026. (March 2023)
- 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, 2023–2026: What Is Your Risk? (Jan 2023)
- 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, 2023–2026: Steady Growth Continues Amid Global Headwinds. (July 2023)
- International Data Corporation, Market Forecast – Worldwide Attack Surface Management and Breach and Attack Simulation Software Forecast, 2023–2026: Reducing the Angles of Attack. (August 2023)

Potential TAM in CY26:

- Company estimate



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, mark-to-market adjustments on deferred compensation liabilities, and legal reserve and settlement charges.

Non-GAAP Net Income (Loss) Attributable to CrowdStrike

We define non-GAAP net income (loss) attributable to CrowdStrike as GAAP net loss attributable to CrowdStrike excluding stock-based compensation expense, amortization of acquired intangible assets (including purchased patents), acquisition-related expenses, amortization of debt issuance costs and discount, mark-to-market adjustments on deferred compensation liabilities, , legal reserve and settlement charges, losses (gains) on strategic investments, gains on deferred compensation assets, and the tax costs for intellectual property integration relating to acquisitions.



Appendix (cont'd)

Non-GAAP Net Income per Share Attributable to CrowdStrike Common Stockholders, Basic 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 diluted common stock equivalents outstanding during the period.

Free Cash Flow

Free cash flow is a non-GAAP financial measure that we define as net cash provided by (used in) operating activities less purchases of property and equipment, capitalized internal-use software and website development costs, and purchases of deferred compensation investments. 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 (used in) 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 reconciliations

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

	FY18	FY19	FY20	FY21	FY22	FY23
Revenue						
Subscription	\$ 92,568	\$ 219,401	\$ 436,323	\$ 804,670	\$ 1,359,537	\$ 2,111,660
Professional services	26,184	30,423	45,090	69,768	92,057	129,576
Total revenue	<u>\$ 118,752</u>	<u>\$ 249,824</u>	<u>\$ 481,413</u>	<u>\$ 874,438</u>	<u>\$ 1,451,594</u>	<u>\$ 2,241,236</u>
GAAP subscription gross profit	\$ 52,711	\$ 150,193	\$ 323,849	\$ 619,458	\$ 1,037,633	\$ 1,599,976
Stock based compensation expense	89	689	5,226	11,705	22,044	32,091
Amortization of acquired intangible assets	287	327	323	1,057	10,758	13,907
Non-GAAP subscription gross profit	<u>\$ 53,087</u>	<u>\$ 151,209</u>	<u>\$ 329,398</u>	<u>\$ 632,220</u>	<u>\$ 1,070,435</u>	<u>\$ 1,645,974</u>
GAAP professional services gross profit	\$ 11,555	\$ 12,393	\$ 15,937	\$ 25,435	\$ 30,740	\$ 40,029
Stock based compensation expense	252	205	2,486	6,005	10,050	15,692
Non-GAAP professional services gross profit	<u>\$ 11,807</u>	<u>\$ 12,598</u>	<u>\$ 18,423</u>	<u>\$ 31,440</u>	<u>\$ 40,790</u>	<u>\$ 55,721</u>
GAAP Sales and marketing operating expenses	\$ 104,277	\$ 172,682	\$ 266,595	\$ 401,316	\$ 616,546	\$ 904,409
Stock based compensation expense	(1,386)	(5,175)	(23,919)	(50,557)	(89,634)	(151,919)
Amortization of acquired intangible assets	(21)	(143)	(123)	(362)	(2,117)	(2,557)
Non-GAAP sales and marketing operating expenses	<u>\$ 102,870</u>	<u>\$ 167,364</u>	<u>\$ 242,553</u>	<u>\$ 350,397</u>	<u>\$ 524,795</u>	<u>\$ 749,933</u>
GAAP research and development operating expenses	\$ 58,887	\$ 84,551	\$ 130,188	\$ 214,670	\$ 371,283	\$ 608,364
Stock based compensation expense	(3,429)	(7,815)	(15,403)	(40,274)	(102,027)	(174,711)
Amortization of acquired intangible assets	(320)	(113)	(41)	(29)	—	—
Non-GAAP research and development operating expenses	<u>\$ 55,138</u>	<u>\$ 76,623</u>	<u>\$ 114,744</u>	<u>\$ 174,367</u>	<u>\$ 269,256</u>	<u>\$ 433,653</u>
GAAP general and administrative operating expenses	\$ 32,542	\$ 42,217	\$ 89,068	\$ 121,436	\$ 223,092	\$ 317,344
Stock based compensation expense	(7,187)	(6,621)	(32,906)	(41,134)	(86,197)	(152,091)
Acquisition-related expenses	(167)	—	—	(3,758)	(6,369)	(2,664)
Amortization of acquired intangible assets	—	—	—	—	(27)	(101)
Mark-to-market adjustments on deferred compensation liabilities	—	—	—	—	—	(1)
Legal reserve and settlement charges	—	—	—	—	(9,500)	—
Non-GAAP general and administrative operating expenses	<u>\$ 25,188</u>	<u>\$ 35,596</u>	<u>\$ 56,162</u>	<u>\$ 76,544</u>	<u>\$ 120,999</u>	<u>\$ 162,487</u>
GAAP loss from operations	\$ (131,440)	\$ (136,864)	\$ (146,065)	\$ (92,529)	\$ (142,548)	\$ (190,112)
Stock based compensation expense	12,343	20,505	79,940	149,675	309,952	526,504
Amortization of acquired intangible assets	628	583	487	1,448	12,902	16,565
Acquisition-related expenses	167	—	—	3,758	6,369	2,664
Mark-to-market adjustments on deferred compensation liabilities	—	—	—	—	—	1
Legal reserve and settlement charges	—	—	—	—	9,500	—
Non-GAAP income (loss) from operations	<u>\$ (118,302)</u>	<u>\$ (115,776)</u>	<u>\$ (65,638)</u>	<u>\$ 62,352</u>	<u>\$ 196,175</u>	<u>\$ 355,622</u>



Free cash flow reconciliation

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

	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23
Free cash flow reconciliation						
GAAP net cash provided by (used in) operating activities	\$ (58,766)	\$ (22,968)	\$ 99,943	\$ 356,566	\$ 574,784	\$ 941,007
Purchases of property and equipment	(22,906)	(35,851)	(80,198)	(52,799)	(112,143)	(235,019)
Capitalized internal-use software and website development	(6,542)	(6,794)	(7,289)	(10,864)	(20,866)	(29,095)
Purchases of deferred compensation investments	—	—	—	—	—	(64)
Free cash flow	<u>\$ (88,214)</u>	<u>\$ (65,613)</u>	<u>\$ 12,456</u>	<u>\$ 292,903</u>	<u>\$ 441,775</u>	<u>\$ 676,829</u>

