

# CLEARWATER

## ANALYTICS



Investor Presentation  
July 31, 2024



# Safe Harbor

This presentation contains "forward-looking statements" within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on our management's beliefs and assumptions and on information currently available to our management. Forward-looking statements include information concerning our possible or assumed future results of operations, business strategies, technology developments, financing and investment plans, dividend policy, competitive position, industry, economic and regulatory environment, potential growth opportunities and the effects of competition. Forward-looking statements include statements that are not historical facts and can be identified by terms such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "seek," "should," "will," "would" or similar expressions and the negatives of those terms, but are not the exclusive means of identifying such statements.

Forward-looking statements involve known and unknown risks, uncertainties, and other factors, many of which are beyond Clearwater Analytics' control, that may cause our actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These risks and uncertainties may cause actual results to differ materially from Clearwater Analytics' current expectations and include, but are not limited to, our ability to keep pace with rapid technological change and market developments, including artificial intelligence, competitors in our industry, the possibility that market volatility, a downturn in economic conditions or other factors may cause negative trends or fluctuations in the value of the assets on our platform, our ability to manage growth, our ability to attract and retain skilled employees, the possibility that our solutions fail to perform properly, disruptions and failures in our and third parties' computer equipment, cloud-based services, electronic delivery systems, networks and telecommunications systems and infrastructure, the failure to protect our, our customers' and/or our vendors' confidential information and/or intellectual property, claims of infringement of others' intellectual property, as well as other risks and uncertainties detailed in Clearwater Analytics' periodic public filings with the U.S. Securities and Exchange Commission (the "SEC"), including but not limited to those discussed under "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2023, filed on February 29, 2024, and in other periodic reports filed by Clearwater Analytics with the SEC. These filings are available at [www.sec.gov](http://www.sec.gov) and on our website. Given these uncertainties, you should not place undue reliance on forward-looking statements. Also, forward-looking statements represent our management's beliefs and assumptions only as of the date of the release of this investor presentation. and should not be relied upon as representing Clearwater Analytics' expectations or beliefs as of any date subsequent to the time they are made. Clearwater Analytics does not undertake to and specifically declines any obligation to update any forward-looking statements that may be made from time to time by or on behalf of Clearwater Analytics.

This presentation also contains estimates and other statistical data made by independent parties and by the Company relating to market size and growth and other data about the Company's industry. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Neither the Company nor any other person makes any representation as to the accuracy or completeness of such data or undertakes any obligation to update such data after the date of this presentation. In addition, projections, assumptions and estimates of our future performance and the future performance of the markets in which the Company operates are necessarily subject to a high degree of uncertainty and risk.

In light of the foregoing, you are urged not to rely on any forward-looking statement or third-party data in reaching any conclusion or making any investment decision about any securities of the Company.

# Financial Information and NPS

Net Promoter Score ("NPS") refers to our net promoter score, which can range from a low of negative 100 to a high of positive 100, that we use to gauge customer satisfaction. NPS benchmarks can vary significantly by industry, but a score greater than zero represents a company having more promoters than detractors. Our methodology of calculating NPS reflects responses from customers who purchase investment accounting and reporting, performance measurement, compliance monitoring and risk analytics solutions from us and choose to respond to the survey question. In particular, it reflects responses given in the second quarter of 2024 and reflects a sample size of 140 responses over that period. NPS gives no weight to customers who decline to answer the survey question.

This presentation contains certain non-GAAP measures, including non-GAAP gross margin, adjusted EBITDA, adjusted EBITDA margin, non-GAAP R&D, non-GAAP S&M and non-GAAP G&A.

The non-GAAP measures are not based on any standardized methodology prescribed by GAAP and are not necessarily comparable to similar measures presented by other companies. However, we believe that this non-GAAP information is useful as an additional means for investors to evaluate our operating performance, when reviewed in conjunction with our GAAP financial statements. These measures should not be considered in isolation or as a substitute for measures prepared in accordance with GAAP, and because these amounts are not determined in accordance with GAAP, they should not be used exclusively in evaluating our business and operations. In addition, undue reliance should not be placed upon non-GAAP or operating information because this information is neither standardized across companies nor subjected to the same control activities and audit procedures that produce our GAAP financial results.

Our non-GAAP statement of operations measures, including non-GAAP gross profit, non-GAAP gross margin, non-GAAP income from operations, adjusted EBITDA, adjusted EBITDA margin, non-GAAP net income, non-GAAP diluted earnings per share, non-GAAP R&D, non-GAAP S&M, non-GAAP G&A and free cash flow, are adjusted to exclude the impact of certain costs, expenses, gains and losses and other specified items that management believes are not indicative of our ongoing operations. These adjusted measures exclude the impact of share-based compensation and eliminate potential differences in results of operations between periods caused by factors such as financing and capital structures, taxation positions or regimes, restructuring, impairment and other charges.

A reconciliation of certain of the non-GAAP measures is presented in the Appendix to this presentation and in the Current Report on Form 8-K filed in reference to our earnings for the first quarter of 2024.

# Up-C Structure and TRA

The information presented in the Appendix regarding the Company's corporate and share structure and the tax receivable agreement (the "TRA") is summary information only, does not purport to be complete and should be read together with the Company's description of these matters in the Definitive Proxy Statement filed on April 29, 2024, the Company's Annual Report on Form 10-K for the year ended December 31, 2023 filed on February 29, 2024, including the risk factors thereto, and in other periodic reports filed by Clearwater Analytics with the Securities and Exchange Commission, including the exhibits thereto (the "SEC Disclosure Documents"). In the event of any conflict between the information presented herein and the SEC Disclosure Documents, you should rely on the content contained in the SEC Disclosure Documents.

# Looking Further Ahead: Expanding Clearwater's Mission



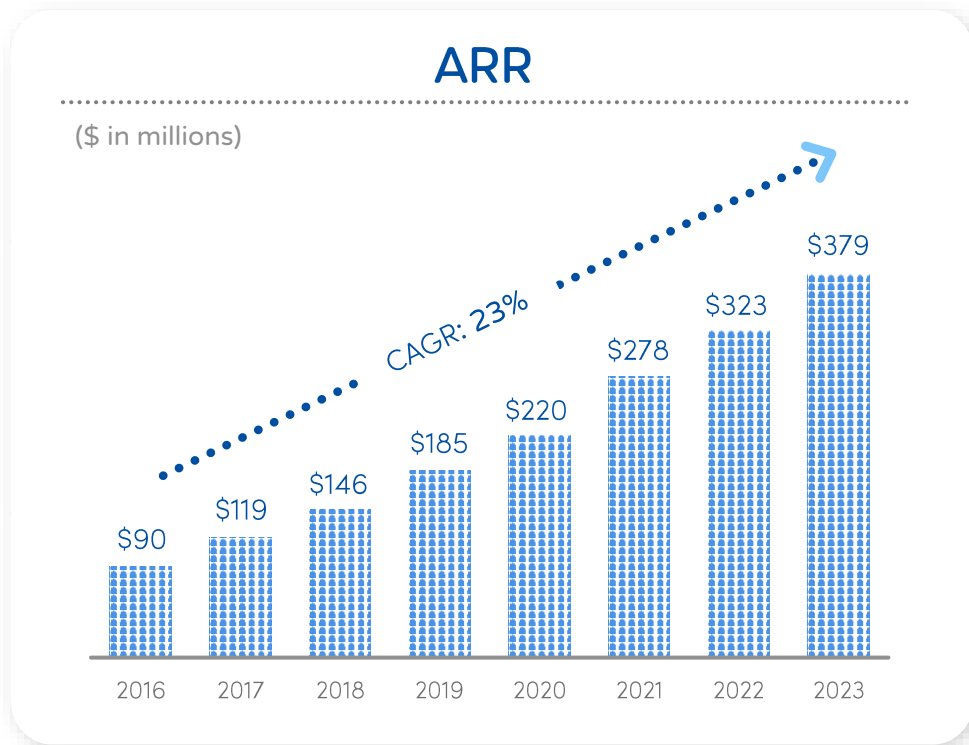
## Where we started...

Be the world's most **trusted** and **comprehensive** technology platform for investment **accounting and analytics**...and eventually revolutionize the world of investing.

## Clearwater Vision for the Future


Be the world's most **trusted** and **comprehensive** technology platform that **simplifies** **the entire investment lifecycle**... and eventually revolutionize the world of investing.

# Clearwater at a Glance




## Durable & Reliable Growth

### Powerful business model

- 

**100% SaaS<sup>1</sup>**  
Revenue model
- 

**31%**  
Q2 2024 EBITDA margin
- 

**50**  
Rule of 50 company<sup>2</sup>

### Clients love us

- 

**60+**  
NPS
- 

**99%**  
Gross revenue retention
- 

**110%**  
Net revenue retention

Note: Except for NPS and otherwise indicated, all metrics as of June 30, 2024.

<sup>1</sup> Not including JUMP Technology acquisition that closed on November 30, 2022.

<sup>2</sup> Rule of 50 calculated using LTM revenue growth % plus EBITDA margin % from most recent quarter, which is 52% for Q2 2024.

<sup>3</sup> Not including Wilshire acquisition that closed on April 22, 2024.

# Company Overview



# Our Clients Face Increasing Challenges...

## Instruments for Growth



Growing importance of alternative assets



Increasing global investment portfolios



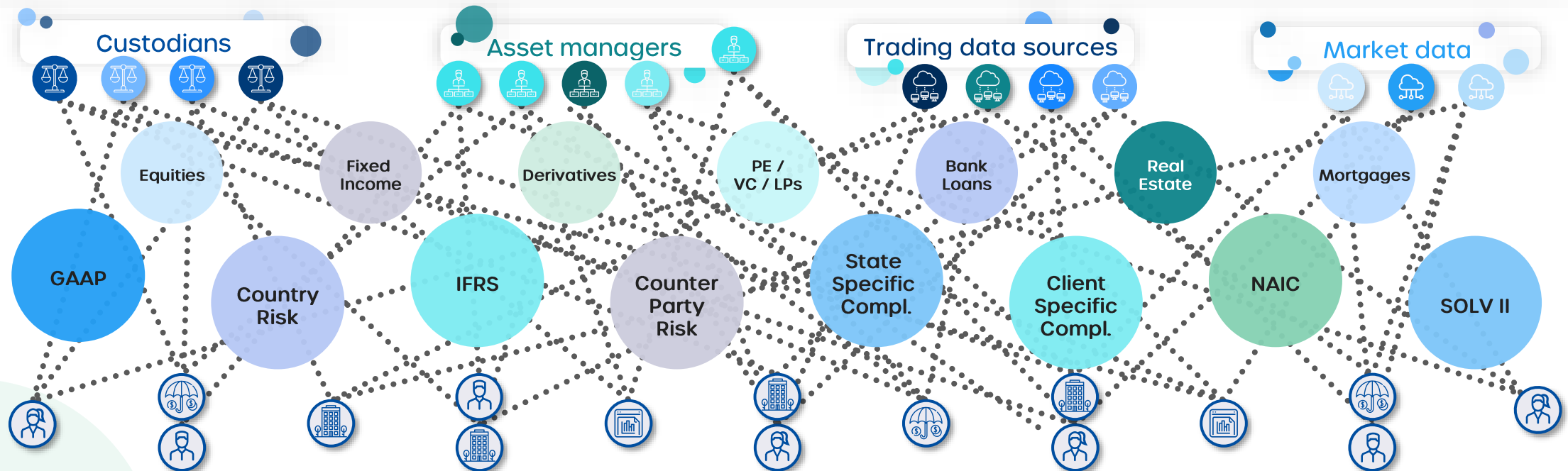
Rising demand for risk management and transparency



High regulatory complexity



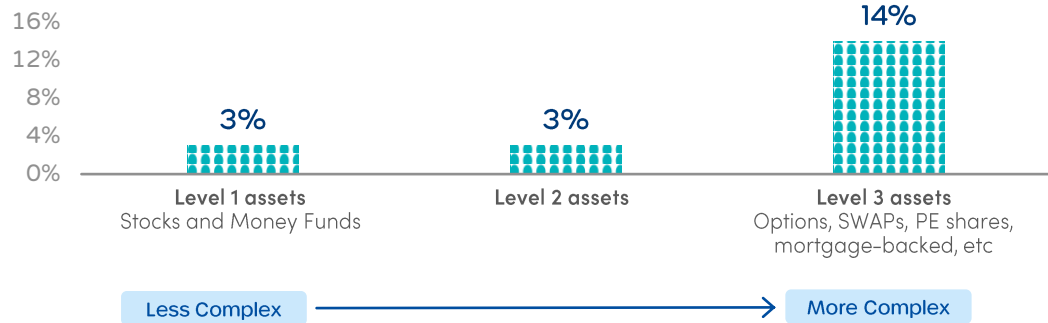
Need for radically simplified infrastructure



.....Asset managers and owners across functions.....

# ...And the Challenges are Dramatic

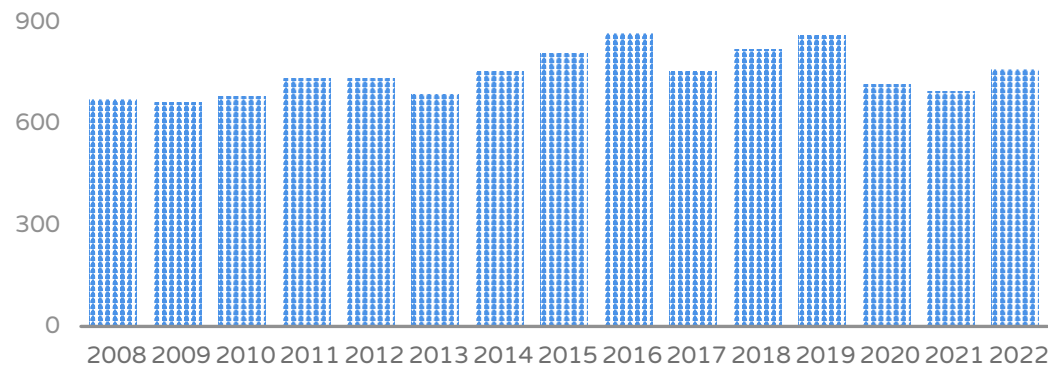
Corporate, Insurance, IAM asset complexity growth



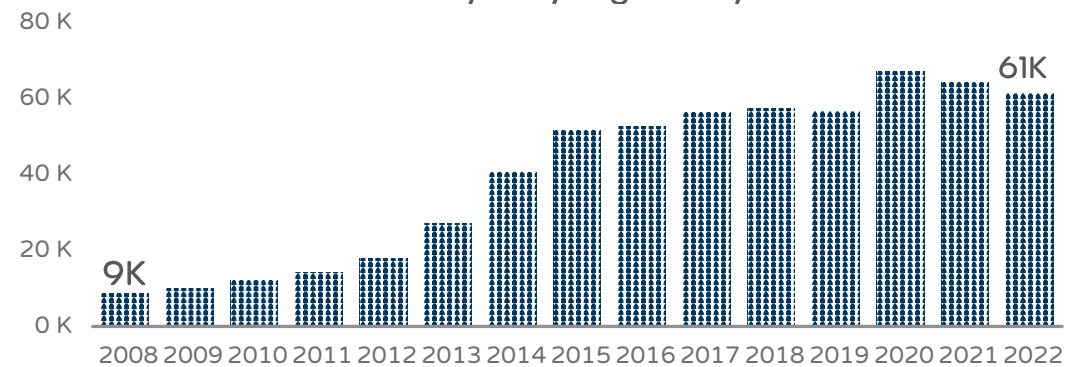
Key regulations in the asset management industry (2009-present)



SEC enforcement actions

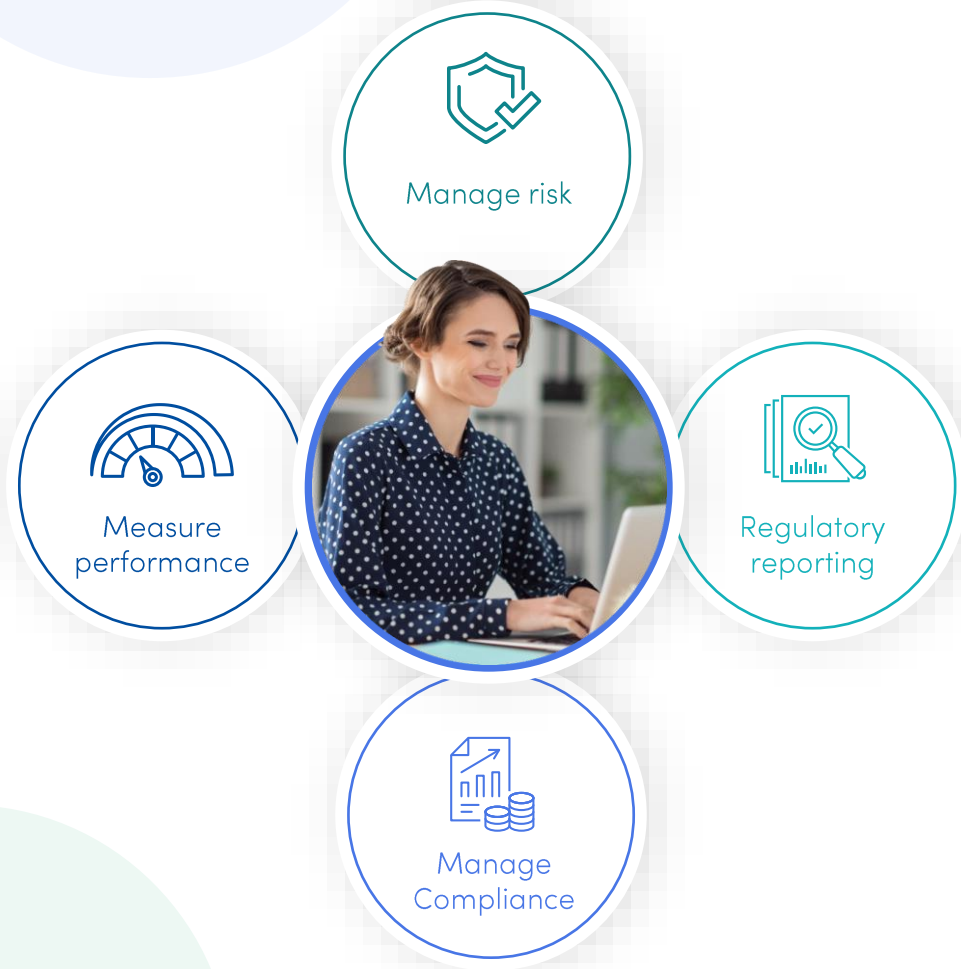


Global total yearly regulatory alerts





# And Many Critical Business Functions Need to Be Addressed...



## ...Which Requires:

1. A comprehensive view of the portfolio that is **multi-asset, multi-basis, and multi-currency**
2. **100% visibility:** Analysis on 95% of the portfolio is inadequate – **the opaque final 5%** can have disproportionate risk
3. **Daily and on-demand availability:** once a quarter, month, or week is inadequate

# Why Is It So Hard to Get a Comprehensive View?

60+ Different asset classes



40+ Different currencies



10+ Accounting regimes & bases

- GAAP LLOYDS IFRS
- DAP GASB SOLV2 PRCG
- STAT PERF TAX

1,000s of individual tax lots

## How Have Companies Addressed These Challenges:



Clients bought asset-specific and region-specific solutions



...built massive function-specific data warehouses



...hired armies of people



...but manual processes are slow, error prone, rigid, and expensive

Patchwork of legacy technologies is an increasingly untenable solution

# We Radically Simplify Investment Accounting and Analytics

Our Single Platform Replaces Many Legacy Systems, Processes and Warehouses

## Instead of...

Each client ingesting and aggregating their own feeds

Each client reconciling their own data

Separate accounting engines for each asset class and each country

Different systems for different business needs



## ...we deliver

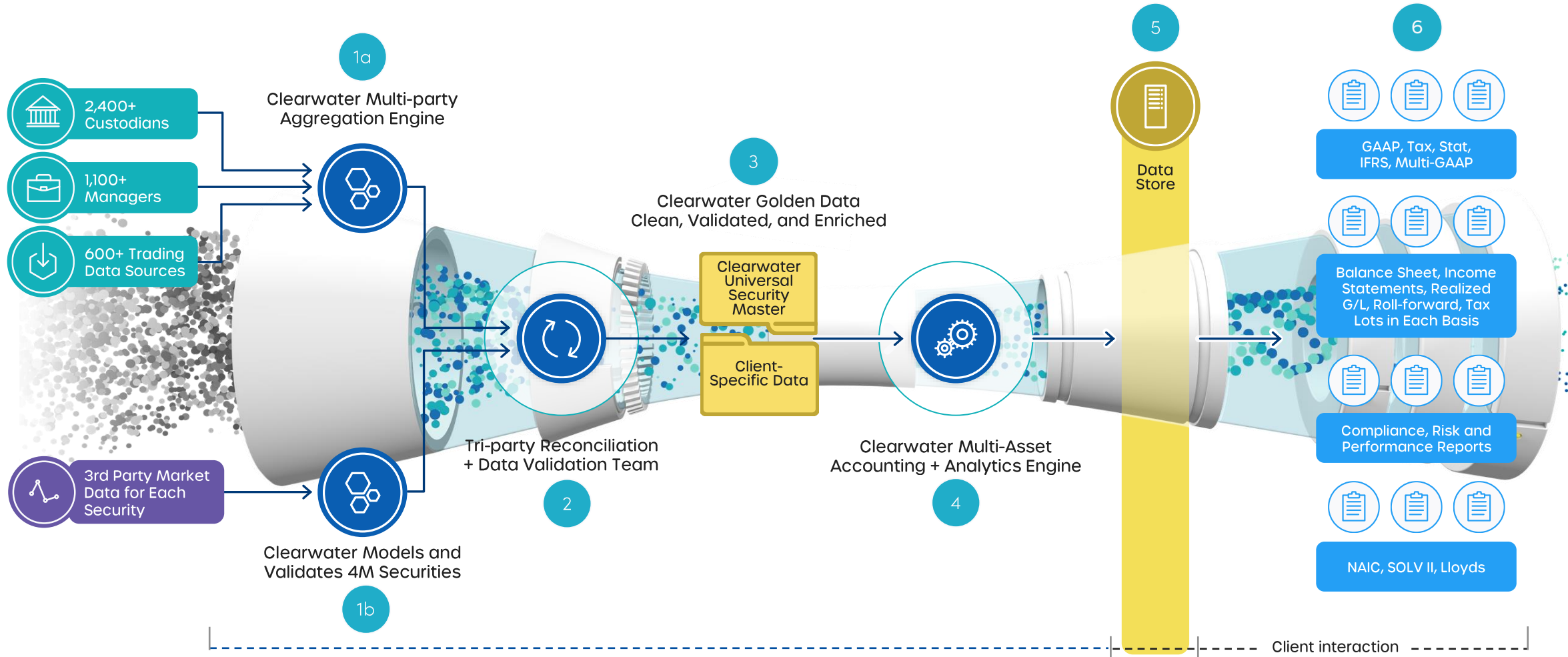
We ingest and aggregate all data feeds **once** for all clients

We reconcile all the data **once** and then use it for all clients

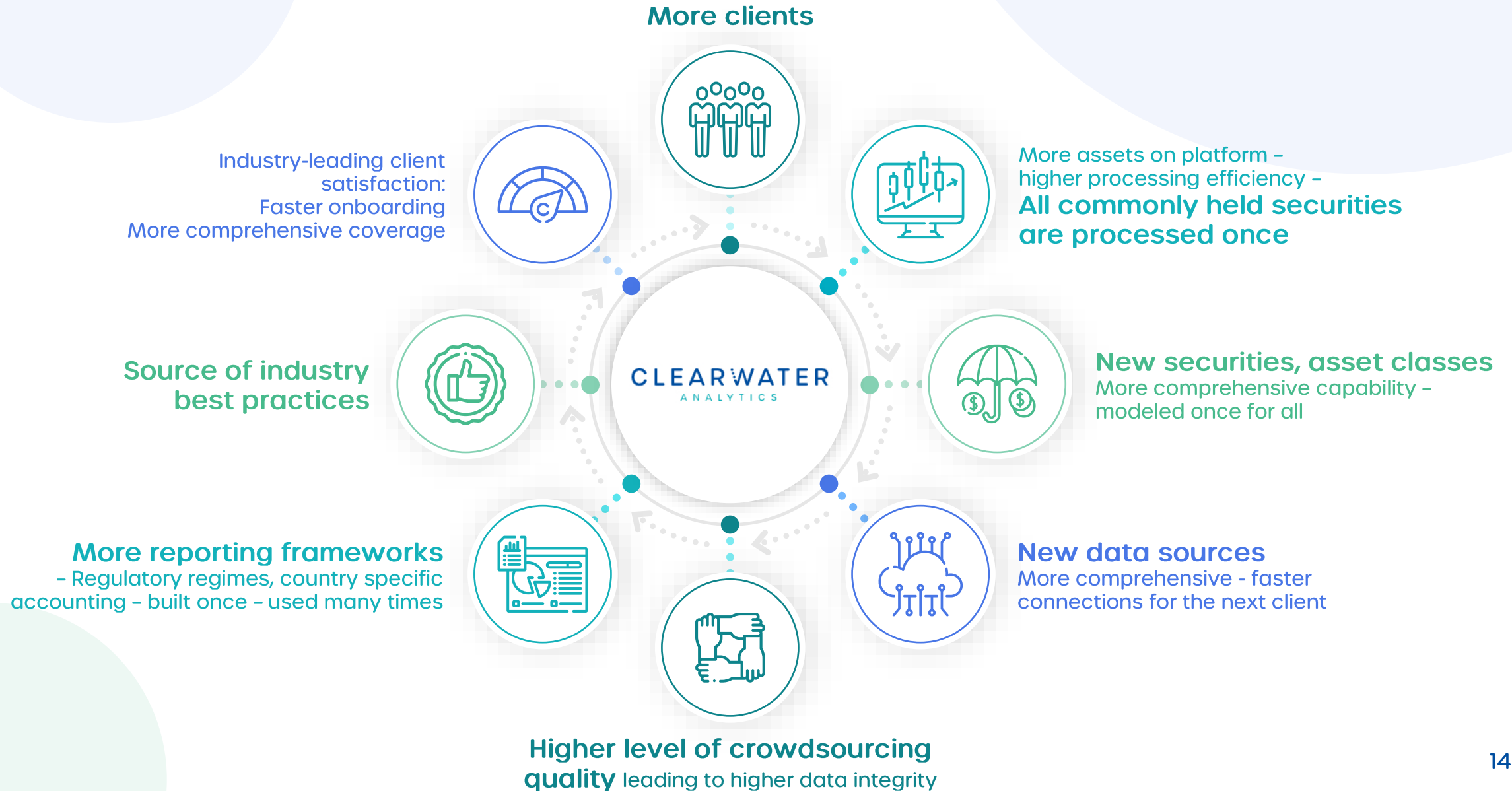
**One** accounting engine for all asset classes and countries

**One** platform for risk, regulatory, performance and all business functions

# How Our Platform Works



# We Benefit From Powerful Network Effects



# Delighting Our Clients

## Clearwater's differentiated client success

~80%

Competitive  
win rate<sup>1</sup>

60+

NPS

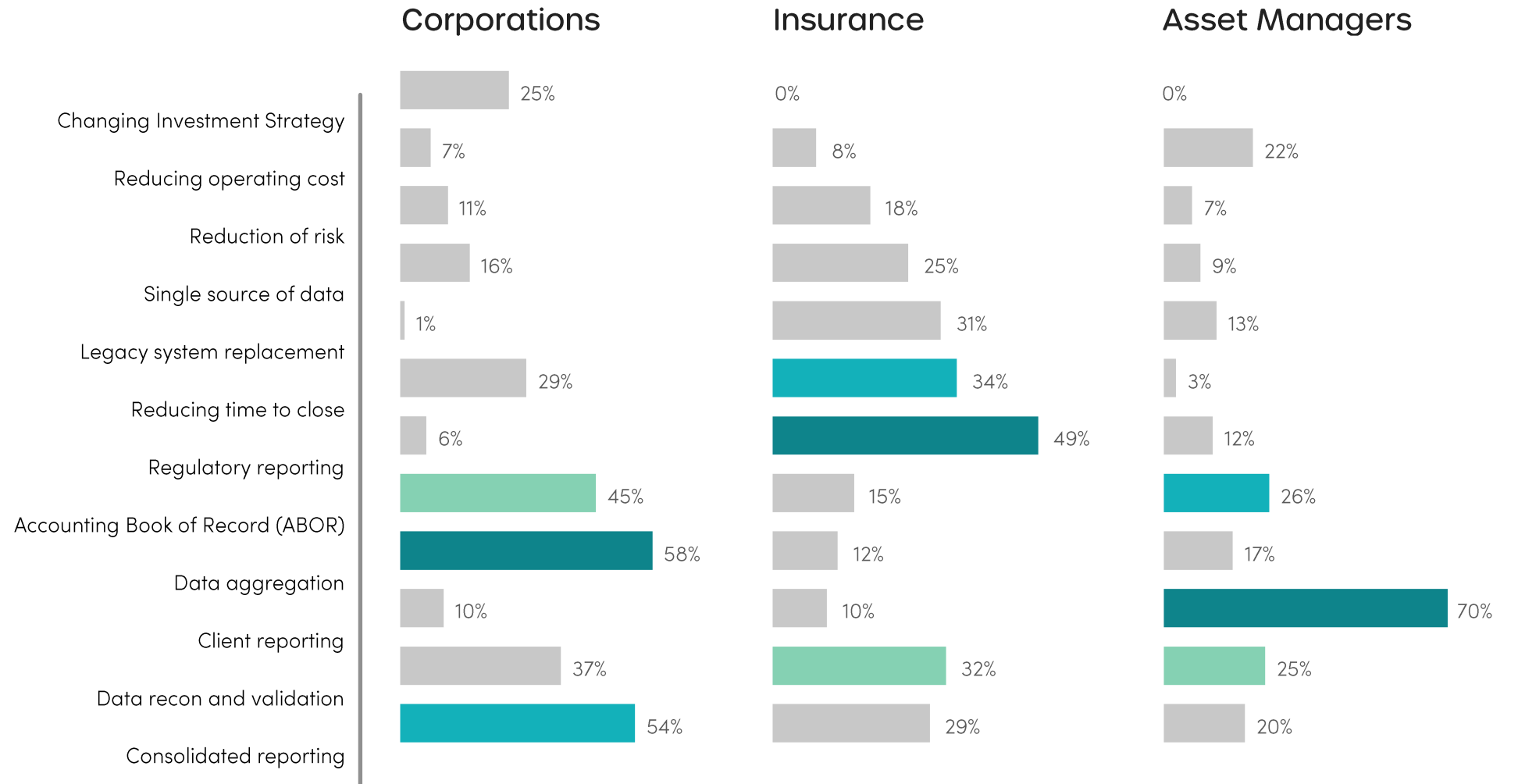
## Legacy competitors

Providers that rely largely on outdated technology architectures and significant manual effort



<sup>1</sup>Based on deals over the past four years that reached the proposal stage.

# Problems We Solve



Represents the % of opportunities that list the problem as a reason to come to Clearwater Analytics



# A History of Delivering Scale and Growth

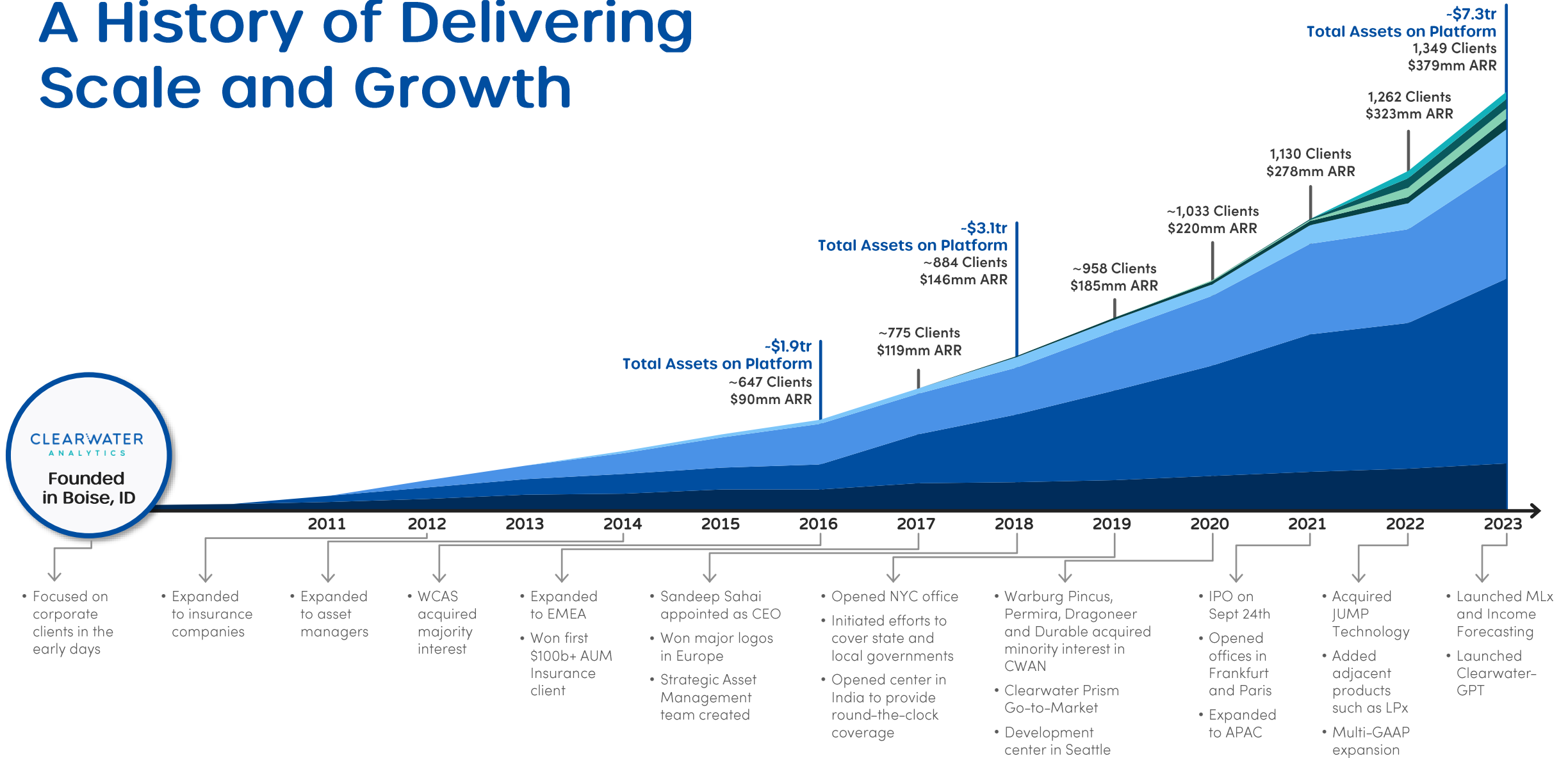


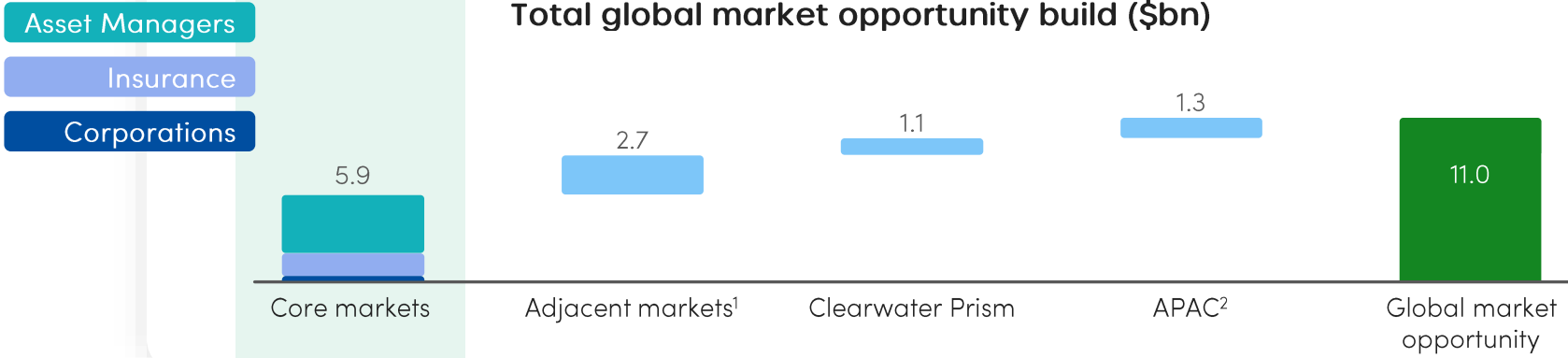
Chart above is for illustrative purpose only. Not to scale.

● Corporation ● Insurance ● Asset Mgmt ● EMEA ● State and Local Gov. (SLED) ● Prism ● APAC ● Adjacent Products

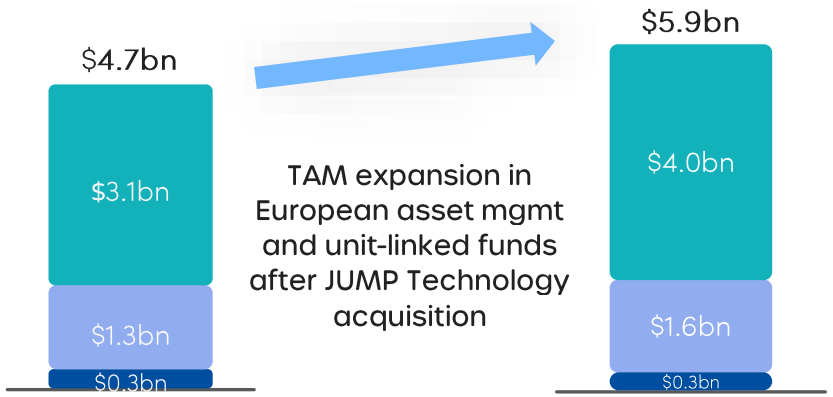
# Our Market



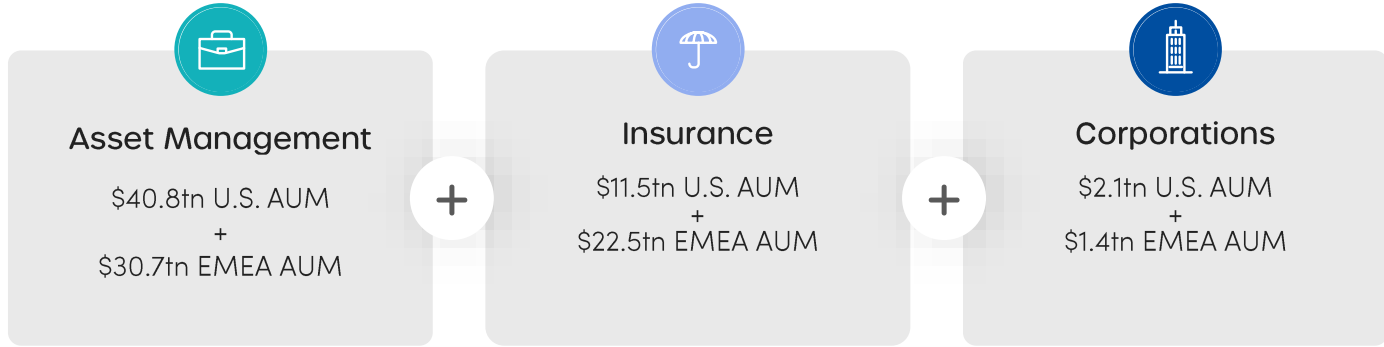
# \$11 billion Global TAM Ripe for Disruption



## Increase of ~\$1 bn



## Core markets – Detailed build up



Source: Company commissioned study

<sup>1</sup> Adjacent markets represent opportunities from hedge funds, government, wealth management, family office and pension funds.

<sup>2</sup> APAC market represents combination of corporations, insurance and asset managers market opportunity in APAC and does not include Clearwater Prism or other adjacent markets.

# Multiple Levers of Growth Makes This an Exciting Opportunity...

## Current initiatives to maintain/enhance our growth trajectory



Deepen Relationships with Existing Clients

110% Net Revenue Retention as of June 30, 2024

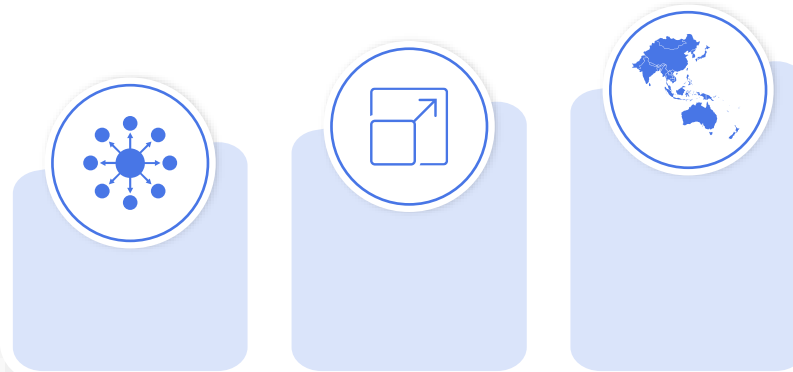
Gain Market Share Within Core Client End Markets

Right to win in North America Insurance and Asset Management ~80% Win Rate<sup>1</sup>

Continue European Growth

Europe TAM increased to ~50% of core TAM\*

## Medium-term opportunities for incremental growth



Enter Adjacent Client End Markets

Governments, pension funds, sovereign wealth funds

Deliver Adjacent Solutions

Gain traction with Prism and extend our technology lead

Accelerate APAC Growth

\$1.3bn opportunity in APAC

## Areas to explore



Insights from Assets on the Platform

Insight from more than \$7.3tr of assets on the platform



Best Practice Solutions

Creating impact from best practices benchmarking

\*TAM expansion in European asset mgmt and unit-linked funds after JUMP Technology acquisition

<sup>1</sup>Based on deals over the past four years that reached the proposal stage.

# Financial & Growth



# Our Financial Snapshot



**23%**  
ARR CAGR 2016 – Q2'24



**31%**  
EBITDA Margin  
Q2 2024



**Rule of 50**  
Company



**Rapidly Expanding Globally**  
In FY 2023, % of international  
revenue is  
**18%**  
up from 14% in FY 2022



**99%** Gross Revenue Retention Rate  
**110%** Net Revenue Retention Rate



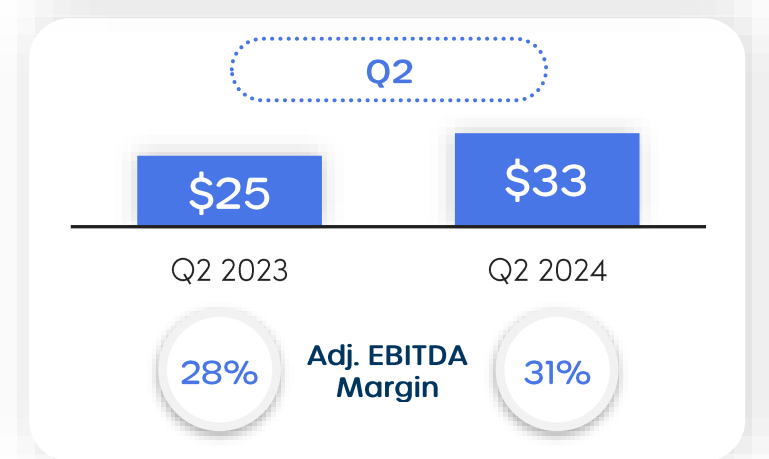
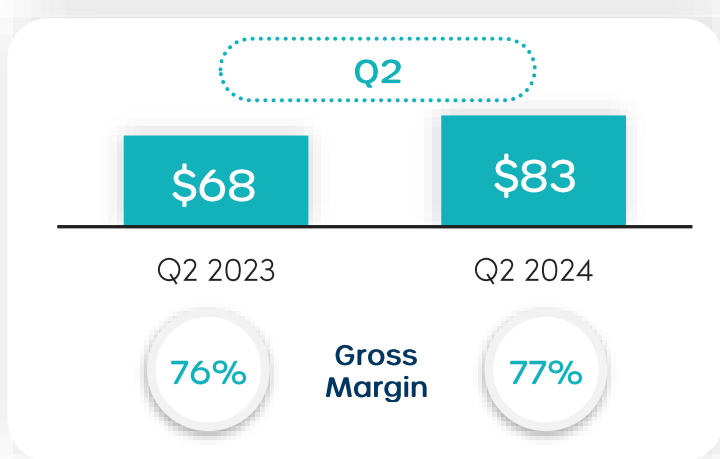
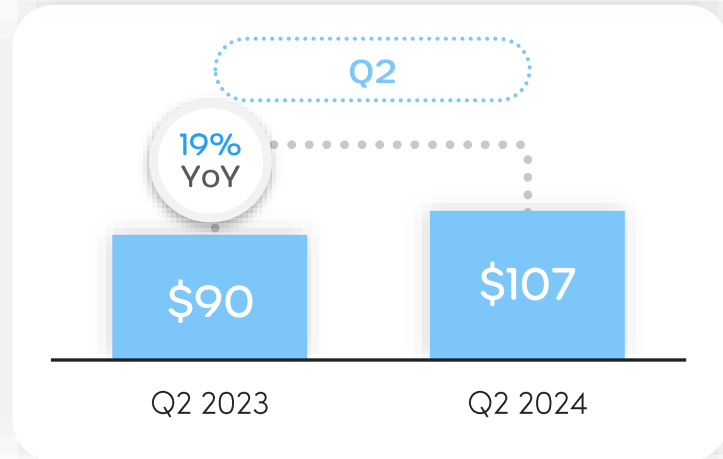
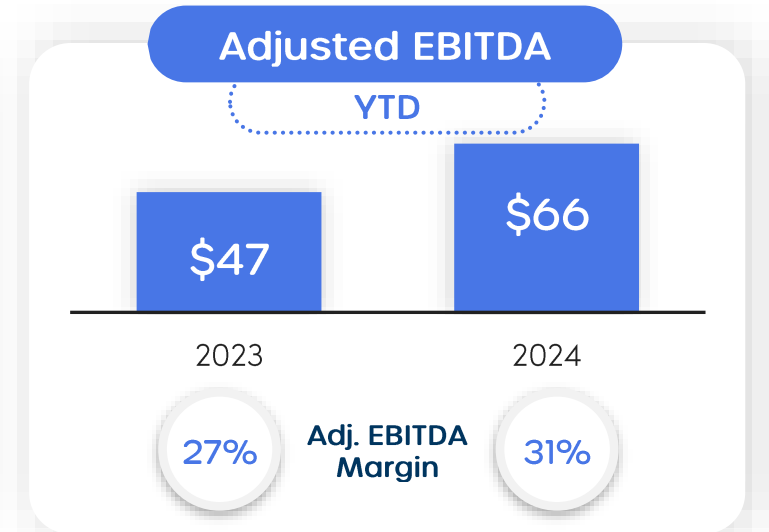
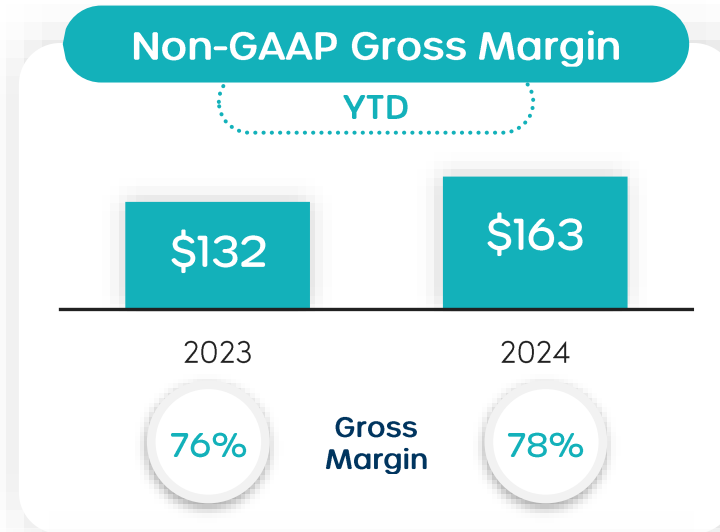
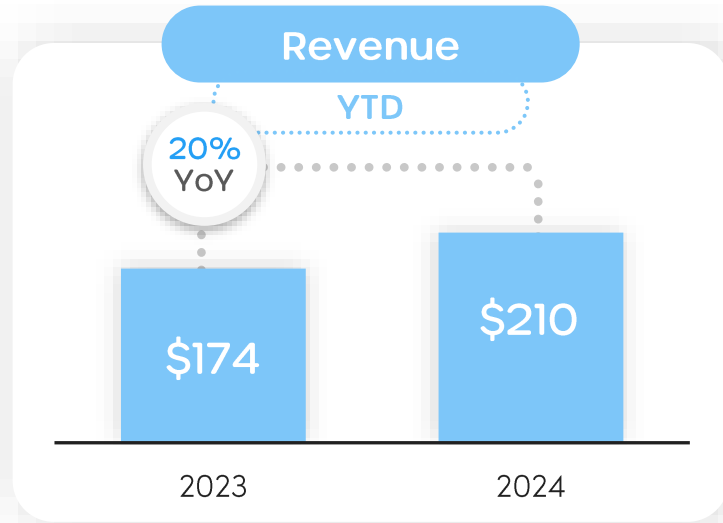
**100%**  
Subscription Revenue\*  
*Billed Monthly*

**Note:**

- All financial metrics are as of June 30, 2024, unless noted otherwise.
- Rule of 50 calculated using LTM revenue growth % plus EBITDA margin % from most recent quarter, which is 52% for Q2 2024.
- EBITDA margin for the year ended December 31, 2023, 2022, 2021, 2020, and 2019 were 29%, 27%, 29%, 28%, and 30%, respectively. EBITDA margin for quarter ended June 30, 2024 was 31%.
- \*Not including JUMP Technology acquisition that closed on November 30, 2022.

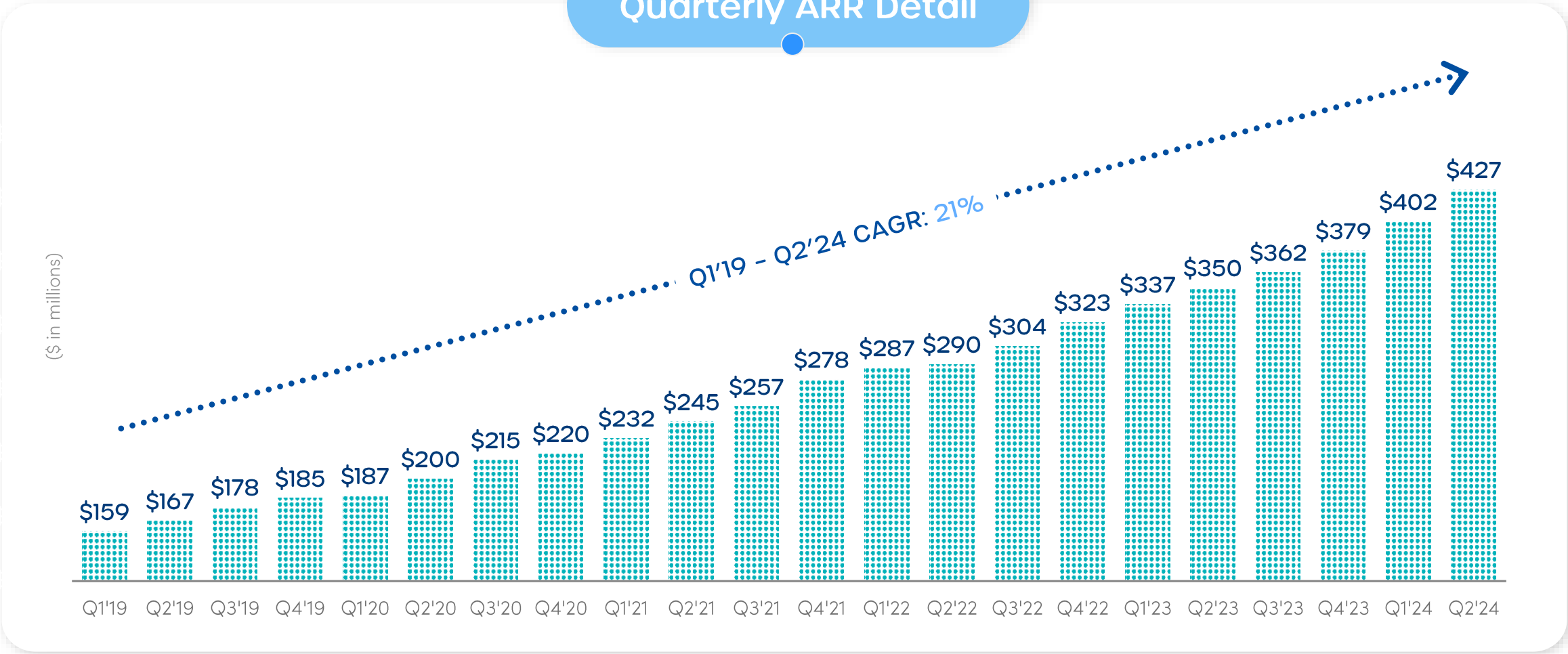
# Strong Revenue Growth at Scale, with Significant Profitability

Continuing in Q2 of 2024 | (\$ in million)



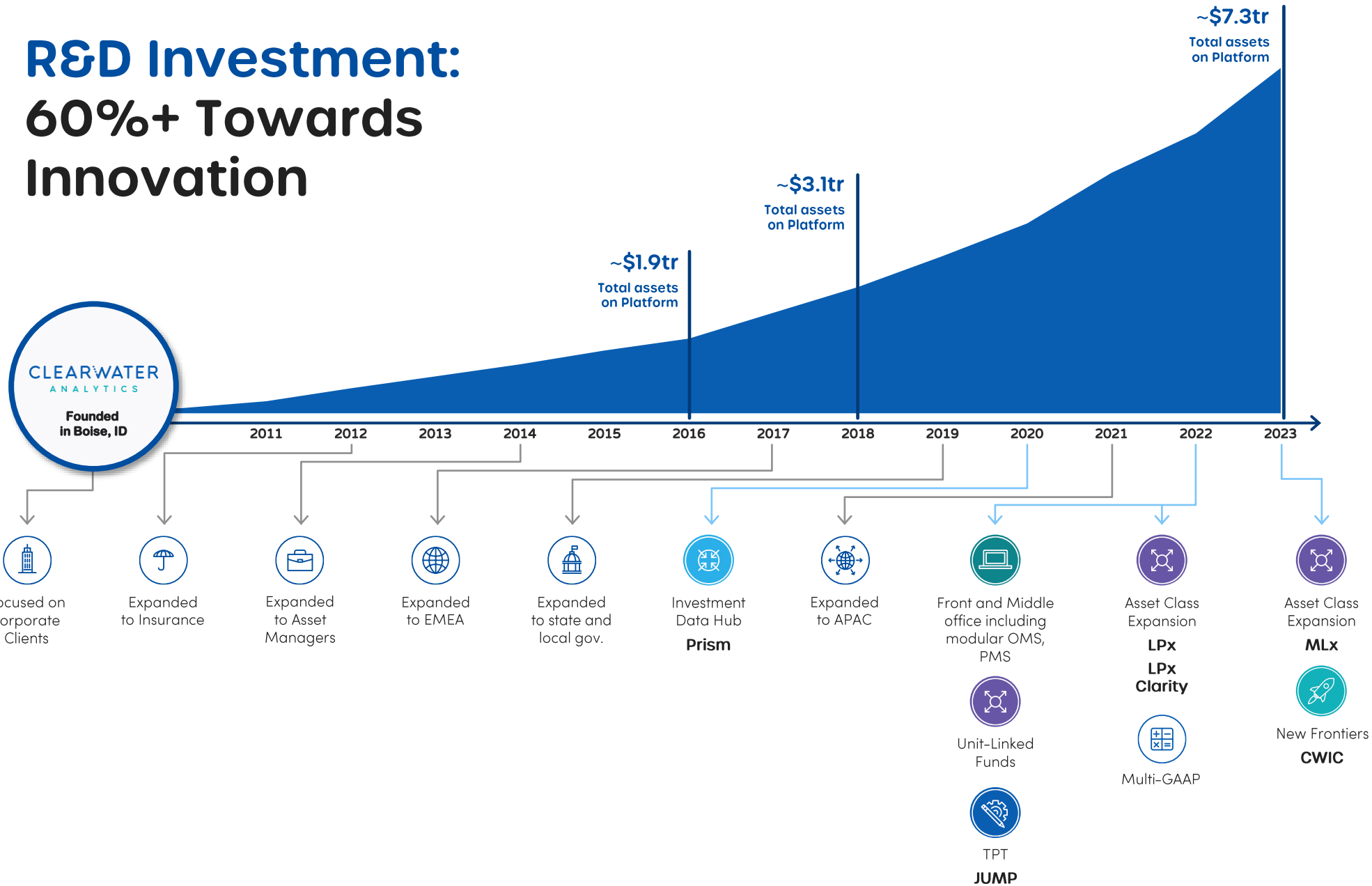
# Sustained, Consistent Increases in Contracted Revenues

Quarterly ARR Detail





# R&D Investment: 60%+ Towards Innovation



## Platform Innovations

Add on modules to our accounting and reporting platform like GL Toolkit, Tri-partite templates and more



## Investment Data Consolidation

Single golden source of truth for investment data for investment managers and buy side investors.



## Asset Class and Funds Expansion

Expanded variety of asset and fund class coverage



## Front and Middle Office

Modular solutions that expand into new buyers across the investment lifecycle



## New Frontiers

Using the latest in data, AI and technology to drive productivity, automation and accountability across the investment lifecycle

# Commercial Model

## Base+ Model

Annual Base fee based on current book and Product Bundle Package Selected

Basis point fee for asset growth beyond current book

Annual price increase on base fee of greater than fixed % or CPI

Specific definition of the package purchased, additional products purchased incrementally

## Commercial Package Bundles

Base

Professional

Enterprise

Insurance

Corporates

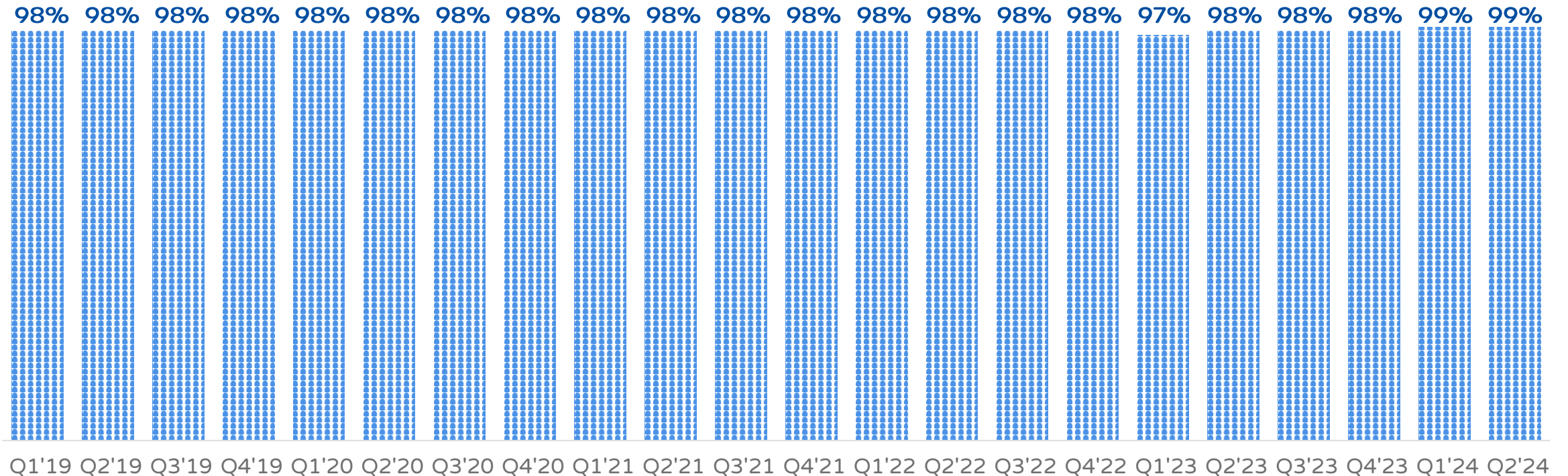
Asset Managers

Additional Products and Services

# Extremely High and Consistent Gross Revenue Retention Rate

At least 98% for 21 out of the past 22 quarters

## Quarterly Gross Revenue Retention Rate



# Long-Term Operating Model Non-GAAP

% of Revenue	FY-19	FY-20	FY-21	FY-22	FY-23	FY-24 Guidance	Long Term Targets <sup>2</sup>
Revenue Growth	25%	21%	24%	20%	21%	\$442 mm to \$444 mm	20%+
Gross Margin	73%	75%	76%	75%	77% +YoY 140 bps		~80%+
R&D	22%	25%	24%	25%	26%		~20%
S&M	11%	9%	13%	13%	12%		~14%
G&A	10%	13% (9% w/o sales tax adj.) <sup>1</sup>	10%	11%	10%		~6%
EBITDA Margin	30%	28% (33% w/o sales tax adj.) <sup>1</sup>	29%	27%	29% +YoY 200 bps	~32% Higher than 31% target, previously stated in prior quarters.	~40%+

<sup>1</sup>Relates to the expenses associated with accrued sales tax liability due to a change in estimates of liability following the completion of a comprehensive review of sales tax reporting obligations across jurisdictions during 2020. For the year ended December 31, 2020, this was \$9.10m related to G&A.

<sup>2</sup>These are not projections; they are goals/targets and are forward-looking, subject to significant business, economic, and competitive uncertainties and contingencies, many of which are beyond the control of the Company and its management, and are based upon assumptions with respect to future decisions, which are subject to change. Actual results will vary and those variations may be material. Nothing in this presentation should be regarded as a representation by any person that these goals/targets will be achieved and the Company undertakes no duty to update its goals.

# Our People & Values



# World Class Management Team



**Sandeep Sahai**  
Chief Executive  
Officer



**Shane Akeroyd**  
Chief Strategy  
Officer



**Cindy Blendu**  
CHRO / Chief  
Transformation Officer



**Jim Cox**  
Chief Financial  
Officer



**Souvik Das**  
Chief Technology  
Officer



**Sunil Dixit**  
Chief Product  
Officer



**Scott Erickson**  
Chief Revenue  
Officer



**Emmanuel Fougeras**  
President,  
JUMP Technology



**Heather McClellan**  
Chief of Staff



**James Price**  
Chief Quality  
Officer



**Subi Sethi**  
Chief Client  
Officer

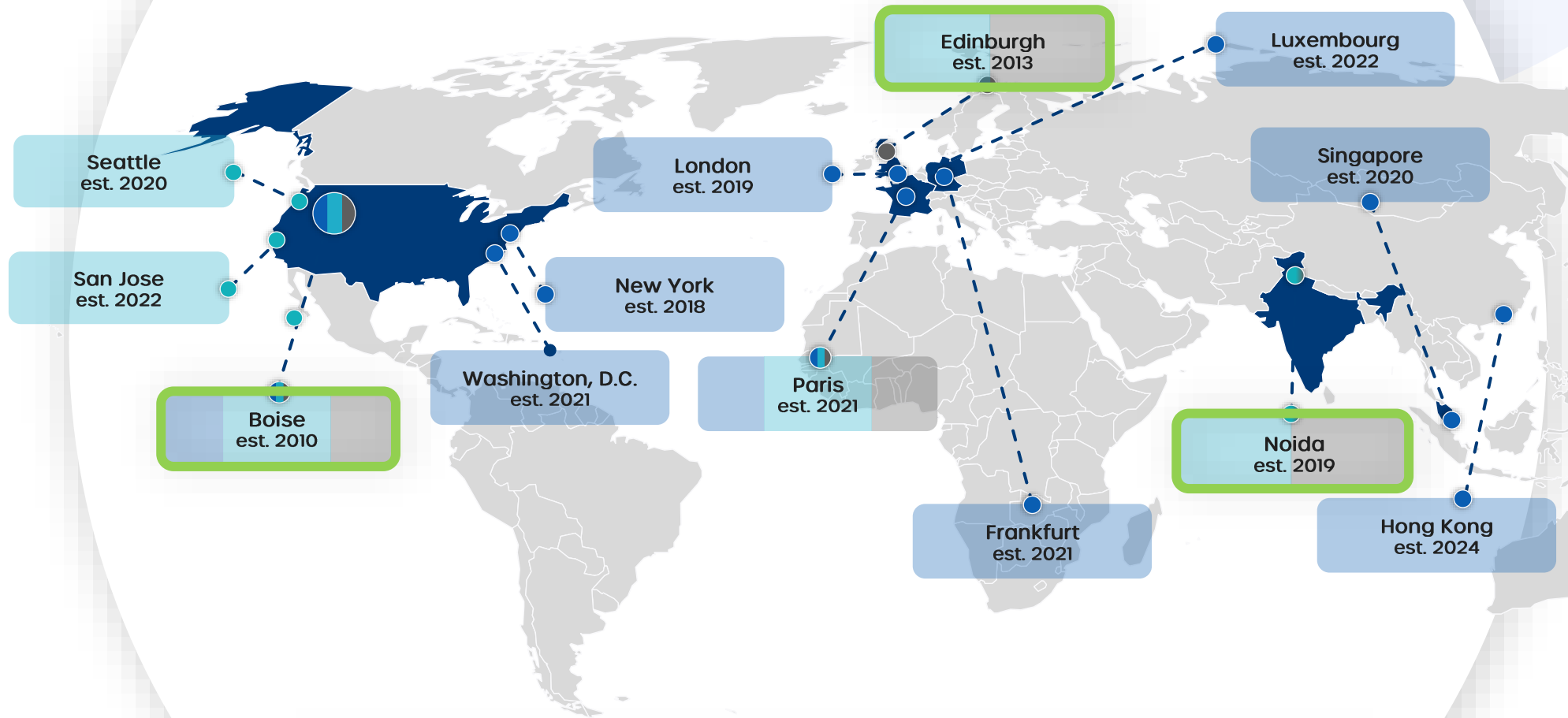


**Alphonse Valbrune**  
Chief Legal  
Officer



**Keith Viverito**  
Director of Europe, Middle  
East and Africa

# Global Team and Footprint to Address All Client Needs



Total employees at end 2023: 1,756

Note: Total employees includes JUMP Technology.



# Clearwater Highlights



## Cloud native technology leader

Single instance multi-tenant platform disrupting an industry dominated by legacy technologies. Win rates of ~80%<sup>1</sup> proves the disruptive power



## Secular tailwinds

Explosion of regulations and search for yield driving demands that legacy technology cannot deliver



## Powerful network effects

The network effect creates a competitive advantage that has been years in the making



## Clearwater Way: Clients love us

Satisfaction is much higher compared to competitors. Trusted by top tier institutions globally



## Large TAM

\$11B market opportunity. Company has a proven capability of entering new markets successfully



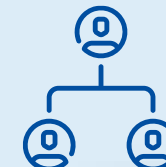
## Strong financial profile

Proven 20%<sup>2</sup> revenue growth and ~30%<sup>3</sup> EBITDA margins make it a rule of 50 company



## Multiple growth levers

Numerous means to sustain growth rates and drive EBITDA margins



## Experienced team

A leadership team with a proven track record of building and scaling successful companies

<sup>1</sup> Based on deals over the past four years that reached the proposal stage.

<sup>2</sup> For the year ended December 31, 2023, 2022, and 2021, revenue increased 21%, 20%, and 24%, respectively.

<sup>3</sup> EBITDA margin for the year ended December 31, 2023, 2022, 2021, 2020, and 2019 were 29%, 27%, 29%, 28%, and 30%, respectively. EBITDA margin for quarter ended June 30, 2024 was 31%.



# Appendix



# Definitions of Non-GAAP Terms and Key Operating Measures

## Adjusted EBITDA

We define Adjusted EBITDA as net income plus (i) interest expense, net, (ii) depreciation and amortization expense, (iii) equity-based compensation, (iv) Recapitalization compensation expenses and (v) other expenses, which include professional service fees related to settlement of a legal matter, management fees to our investors, income taxes related to foreign subsidiaries, foreign exchange gains and losses and other expenses that are not reflective of our core operating performance.

## Annualized Recurring Revenue

Annualized recurring revenue is calculated at the end of a period by dividing the recurring revenue in the last month of such period by the number of days in the month and multiplying by 365.

## Gross Revenue Retention Rate

Gross revenue retention rate represents annual contract value ("ACV") at the beginning of the 12-month period ended on the reporting date less client attrition over the prior 12-month period, divided by ACV at the beginning of the 12-month period, expressed as a percentage. ACV is comprised of annualized recurring revenue plus booked not billed revenue, which represents the estimated annual contracted revenue for new and existing client opportunities prior to revenue recognition. Client attrition occurs when a client provides a contract termination notice. The amount of client attrition is calculated as the reduction in annualized revenue of the client at the time of the notice and is recorded in the month the final billing occurs.

## Net Revenue Retention Rate

Net revenue retention rate is the percentage of recurring revenue retained from clients on the platform for 12 months and includes changes from the addition, removal or value of assets on our platform, contractual changes that have an impact to annualized recurring revenues and lost revenue from client attrition. We calculate net revenue retention rate as of a period end by starting with the annualized recurring revenue from clients as of the 12 months prior to such period end. We then calculate the annualized recurring revenue from these clients as of the current period end. We then divide the total current period end annualized recurring revenue by the 12-month prior period end annualized recurring revenue to arrive at the net revenue retention rate.

# Reconciliation of Net Income/(Loss) to Adjusted EBITDA

(\$ in millions)	Six Months Ended June 30		Three Months Ended June 30	
	2024	2023	2024	2023
Net Income/(Loss)	\$3	\$(17)	\$0	\$(12)
Interest Expense, Net	(4)	(3)	(2)	(1)
Depreciation and Amortization	5	5	3	2
Equity-based Comp & related payroll tax	54	53	25	29
Tax Receivable Agreement Expense	6	7	6	7
Transaction Expense	2	2	1	0
Other Expenses <sup>1</sup>	0	1	0	0
<b>Adjusted EBITDA</b>	<b>\$66</b>	<b>\$47</b>	<b>\$33</b>	<b>\$25</b>
Revenue	\$210	\$174	\$107	\$90
<b>Adjusted EBITDA Margin</b>	<b>31%</b>	<b>27%</b>	<b>31%</b>	<b>28%</b>
<b>Net Income/(Loss) Margin</b>	<b>1%</b>	<b>(10)%</b>	<b>0%</b>	<b>(13)%</b>

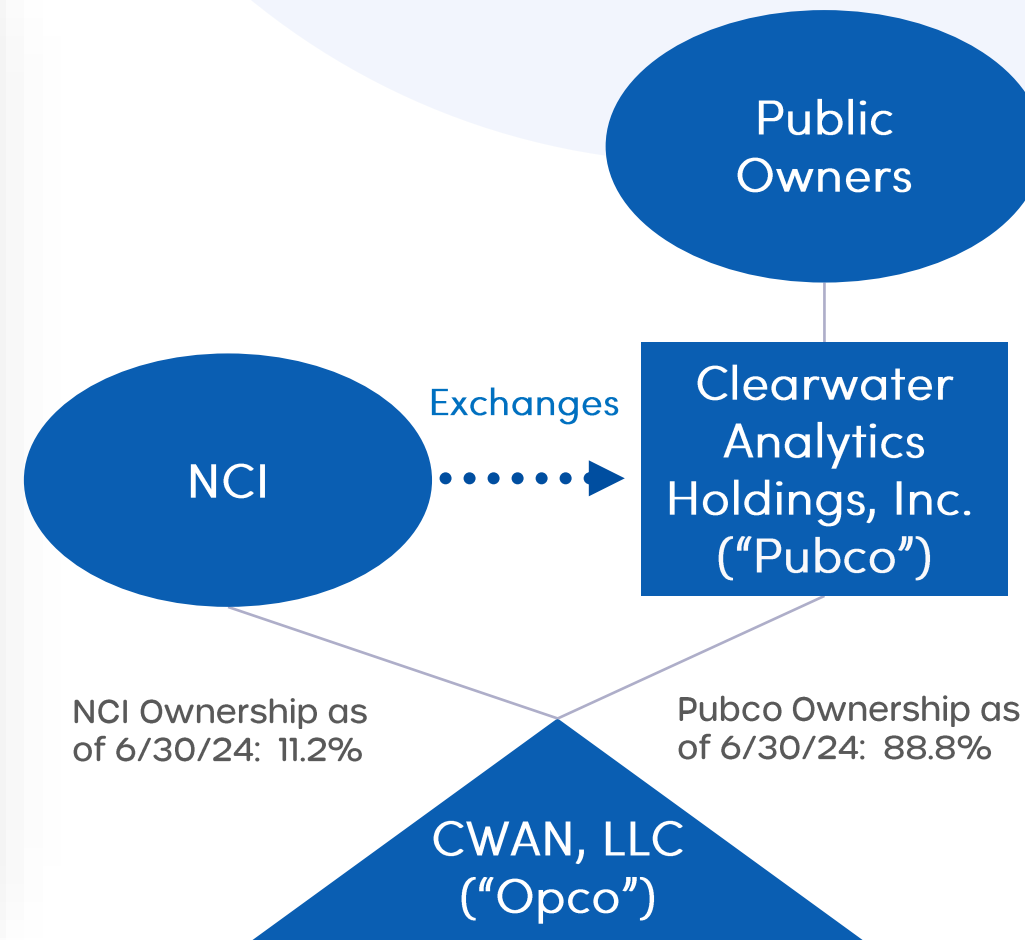
<sup>1</sup>Other expenses includes management fees to our investors, income taxes, foreign exchange gains and losses and other expenses that are not reflective of our core operating performance including the costs to set up our Up-C structure and Tax Receivable Agreement.

# Up-C Structure and TRA <sup>1</sup>

## Key Points:

1. In an Up-C structure, operations are conducted through a limited liability company treated as a partnership for tax purposes ("Opco"), which is partially owned by our public corporation ("Pubco") and whose other partners are certain of our pre-IPO owners (the "Noncontrolling Interest" or "NCI").
2. Over time, the holders of NCI are expected to exchange partnership units for Pubco shares. This increases Pubco's ownership of Opco (as well as Pubco's Class A shares outstanding). Eventually, we expect that Pubco will own 100% of Opco. Approximately 53% of the NCI outstanding at the time of the IPO have exchanged their LLC interests for Class A shares of Pubco.
3. After exchange, Pubco may utilize the tax benefit created by these exchanges over time, which may offset Pubco's taxable income and reduce income taxes due on Pubco's corporate income tax return. In addition, as a result of a restructuring in connection with our IPO, Pubco received additional tax benefits from certain pre-IPO owners that may also reduce our taxable income and corporate income taxes.
4. As part of the IPO, a Tax Receivable Agreement ("TRA") was signed whereby 85% of the actual cash tax savings realized by Pubco from such tax benefit will be paid to the NCI that have exchanged their LLC interests for Pubco Class A or Class D shares, other former pre-IPO owners or certain members of management through bonus agreements (the "TRA Payees"), and 15% kept by Pubco (such tax benefit utilized by Pubco calculated using certain simplifying assumptions, subject to acceleration in certain circumstances, and as further described in our SEC Disclosure Documents).
5. Timing of any payments under the TRA is unknown as it depends on many factors including our future profitability for tax purposes and the timing of exchanges by the holders of NCI.

## Up-C Structure



**Key Concept:** The payment of 85% of the tax benefit to the TRA Payees is in lieu of the income tax that Pubco would have expected to pay. Because of the Up-C structure, instead of paying 100% to the government, Pubco pays 85% to the TRA Payees and keeps 15% for itself.

# Multi-Class Share Structure <sup>1</sup>

## Class A common stock

- 1 share. 1 vote.
- Economic interest in Pubco.
- Owned mainly by public shareholders.
- 160.4 million shares as of 6/30/24

## Class B common stock

- 1 share. 1 vote.
- No economic interest in Pubco.
- Unit holders of CWAN, LLC (Opco).
- Owned by certain pre-IPO shareholders.
- 0.1 million shares as of 6/30/24
- May be exchanged into Class A (together with a partnership unit).

## Principal Equity Owners: WCAS, Warburg Pincus, Permira

## Class C common stock

- 1 share. 10 votes.
- No economic interest in Pubco.
- Unit holders of CWAN, LLC (Opco).
- May only be owned by the Principal Equity Owners.
- 27.4 million shares as of 6/30/24
- May be exchanged into Class A or Class B or Class D (together with a partnership unit).

## Class D common stock

- 1 share. 10 votes.
- Economic interest in Pubco.
- May only be owned by the Principal Equity Owners.
- 58.3 million shares as of 6/30/24
- May be exchanged into Class A.

If Principal Equity Owners sell or distribute Class C or Class D shares to third party transferees, the shares automatically become Class A or Class B.

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