



Q2 Fiscal 2025 Financial Results

August 28, 2024



Forward Looking Statements and Non-GAAP Information

This presentation contains forward-looking statements regarding our products, business and operations, including but not limited to our views relating to future period financial and business results, demand for our products and subscription services, including Evergreen//One, our technology and product strategy, specifically customer priorities around sustainability, the environmental and energy saving benefits to our customers of using our products, our ability to perform during current macro conditions and expand market share, our sustainability goals and benefits, our ability to capture storage workloads for AI environments and hyperscalers, the timing and magnitude of large orders, the impact of inflation, economic or supply chain disruptions, our expectations regarding our product and technology differentiation, including FlashBlade//E and FlashArray//E, new customer acquisition, and other statements regarding our products, business, operations and results.

Forward-looking statements include all statements that are not historical facts and can be identified by terms such as "anticipate," "believe," "expect," "could," "seek," "estimate," "intend," "may," "plan," "potential," "predict," "project," "should," "will," "would" or similar expressions and the negatives of those terms. The forward-looking statements in this presentation are based on information currently available to us, and represent our beliefs and assumptions only as of the date of this presentation. Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.

Forward-looking statements are subject to known and unknown risks and uncertainties and are based on potentially inaccurate assumptions that could cause actual results to differ materially from those expected or implied by the forward-looking statements. Additional risks, uncertainties and other factors are included under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," in our reports previously filed with the SEC, which are available on our website at investor.purestorage.com and on the SEC's website at www.sec.gov.

This presentation includes certain non-GAAP financial measures as defined by SEC rules. As required by Regulation G, we have provided reconciliations of those measures to the most directly comparable GAAP measures, which are available in the Appendix. We have not reconciled our guidance regarding non-GAAP operating income and non-GAAP operating margin to their most directly comparable GAAP measures because items such as stock-based compensation expense and payroll tax expense related to stock-based activities that impact these measures are not within our control and/or cannot be reasonably predicted. Accordingly, reconciliations of non-GAAP operating income and non-GAAP operating margin guidance are not available without unreasonable effort.

Note about 52/53 week fiscal year: We use a 52/53 week fiscal year ending on the first Sunday after January 30. The FY22 period presented contains 53 weeks whereas all other fiscal year periods presented contain 52 weeks.



Company Overview

Q2FY25 Pure Storage at a Glance

Total Revenue

\$763.8M

11% Y/Y Growth

Subscription
ARR⁽¹⁾

\$1.51B

24% Y/Y Growth

Strong Sales
Performance of

**FlashArray//E
FlashBlade//E**

Total Cash &
Marketable
Securities⁽²⁾

\$1.82B

Customers

13,000+

Global Customers

~62% of Fortune
500 Customers

Satisfaction

82 NPS⁽³⁾

Highest in the
Industry

Non-GAAP
Operating
Margin⁽⁴⁾

18.1%

Remaining
Performance
Obligations

\$2.34B

24% Y/Y Growth

(1) Subscription ARR is a key business metric that refers to total annualized contract value of all active subscription agreements on the last day of the quarter, plus on-demand revenue for the quarter multiplied by four.

(2) Consists of cash in banks, cash equivalents (highly liquid investments with an original maturity of three months or less), and available-for-sale securities.

(3) Per Audited NPS customer score as of December 2023.

(4) See GAAP to Non-GAAP reconciliation in Appendix.



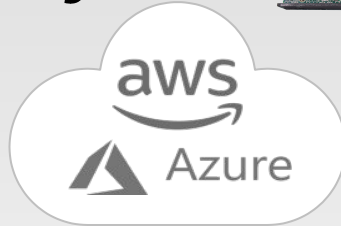
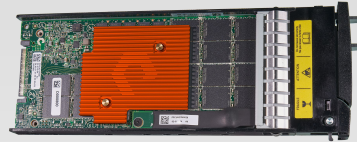
Q2FY25 Highlights

- 1 Q2 revenue growth of 11% year-over-year.
- 2 ARR grew 24% to over \$1.5 billion, which continues to be driven by our Evergreen//One service offering, in particular, for our higher velocity business.
- 3 Strong sales growth of our FlashArray//E, Flashblade//E, FlashArray//C solutions, driven by high customer demand transitioning cost-sensitive workloads to all-flash.
- 4 The AI market for data storage has progressed as we have consistently predicted.
- 5 Our discussions with hyperscalers to replace their core storage with Pure technology continue to progress positively.

World's Most Consistent, Modern, Reliable Product Line



Purity +



FlashArray™



Cloud
Block
Store

FlashBlade®



Pure1®



portworx
Enterprise
Data Services

Evergreen®
//Forever™ //Flex™ //One™

Pure Fusion

Scale Up

Unified Block & File
Low Latency
High Performance
to High Capacity

Direct to Flash

Block, File, Object
On Prem and In Cloud
Consistent APIs
Best data reduction
Highest Sustainability

Scale Out

File and Object
High Throughput
High Performance to
High Capacity

Integrated SaaS Mgt

All Products
Predictive Support

Cloud Native

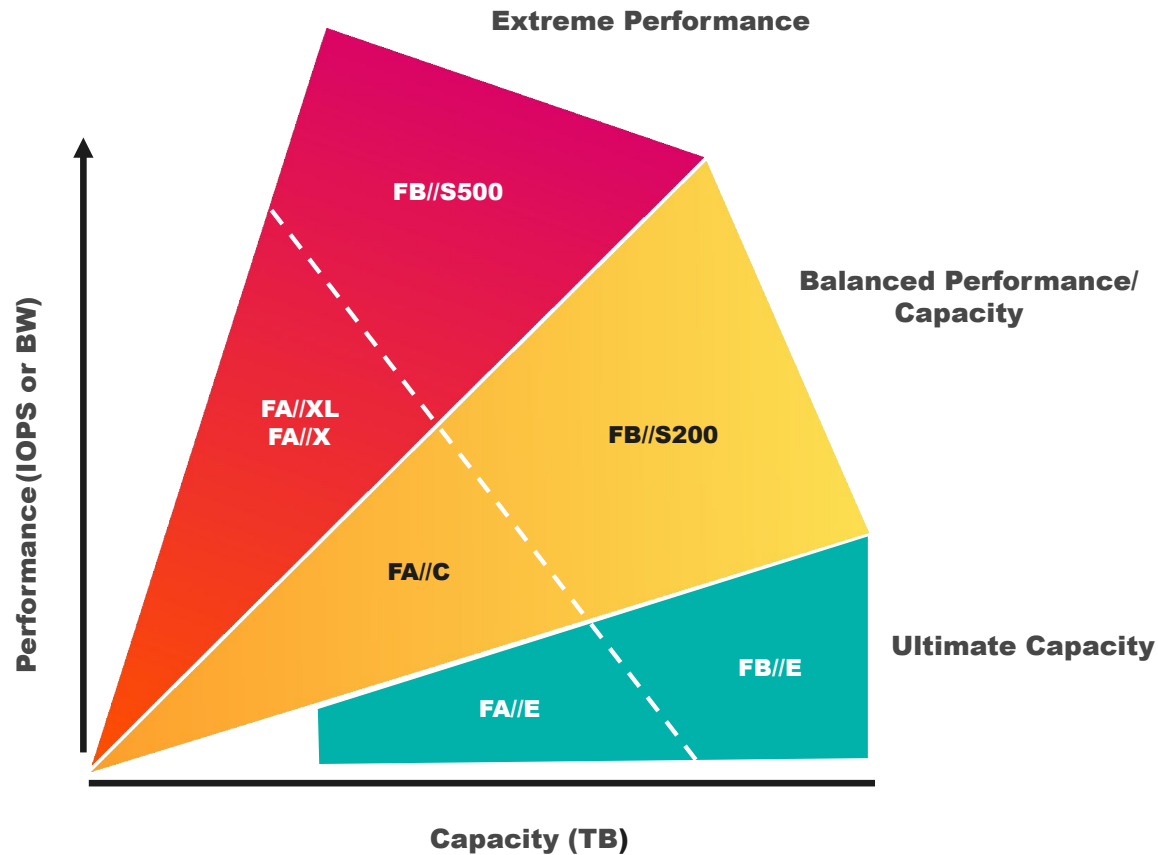
Kubernetes Data
Management
Supports all
environments

Cloud Operating Model

and Subscription Services

Pure DirectFlash™ Storage Portfolio

Able to Satisfy the Full Range of Enterprise Storage Needs



Block

File

Object

Pure's Unique, Sustainable Competitive Advantages



Direct-to-Flash Management

- Efficiency
- Reliability
- Longevity



Highly Consistent Portfolio

- Purity
- DFMs
- Pure1
- Block
- File
- Object

Scale Up and Scale Out



Cloud Operating Model

- Pools of Storage
- Managed as a Fleet
- Available As-a-Service



Evergreen Lifecycle

- Never obsolete
- Never disruptive
- Always Modern

We Deliver Outcomes



Supporting the World's AI Projects

MEDIAZEN
GLOBAL NO.1 VOICE SERVICE CREATOR

 **health2030**
genome center

AutoNation

 **Crater Labs**
moonshots with impact!

 **Meta**

FOLDING
@HOME

McMaster
University 

HOPAX

 **SiriusXM**
SATELLITE RADIO

 **Paige**

 **St. Joseph's Health**
MEDICAL PAVILION

 **SMART**
DIGITAL

GRAPHCORE

Major GPU
Cloud
Provider

...and over 100 other AI Customers

The Data Center Sustainability Challenge

1-2% Consumed by Data Centers

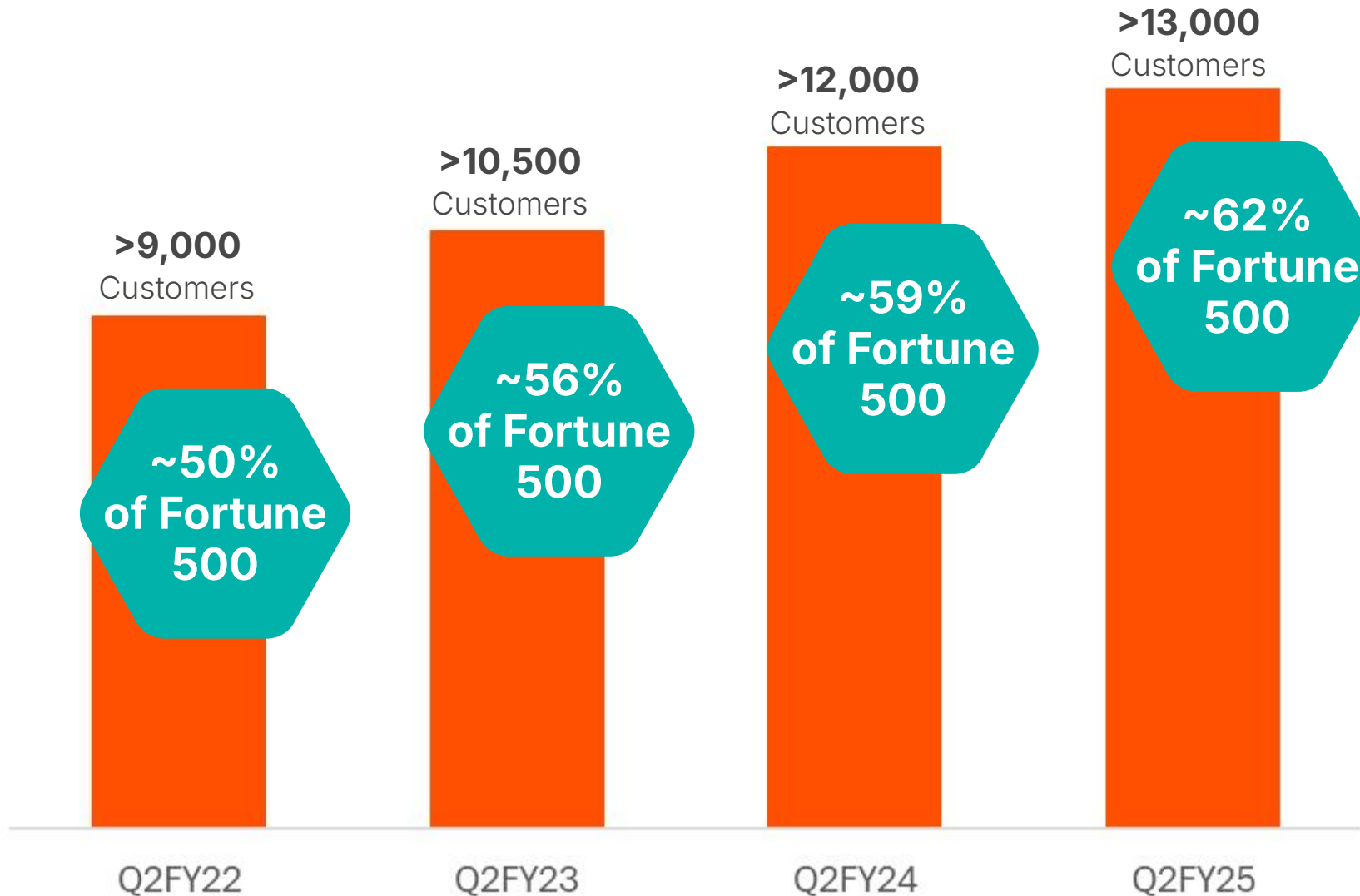
20-25% From Storage



Pure flash storage
consumes

80% less power

Customers



~261
New Customer Additions
Including **2** new Fortune 500 Customers

Financial Overview

Q2FY25 Financial Summary

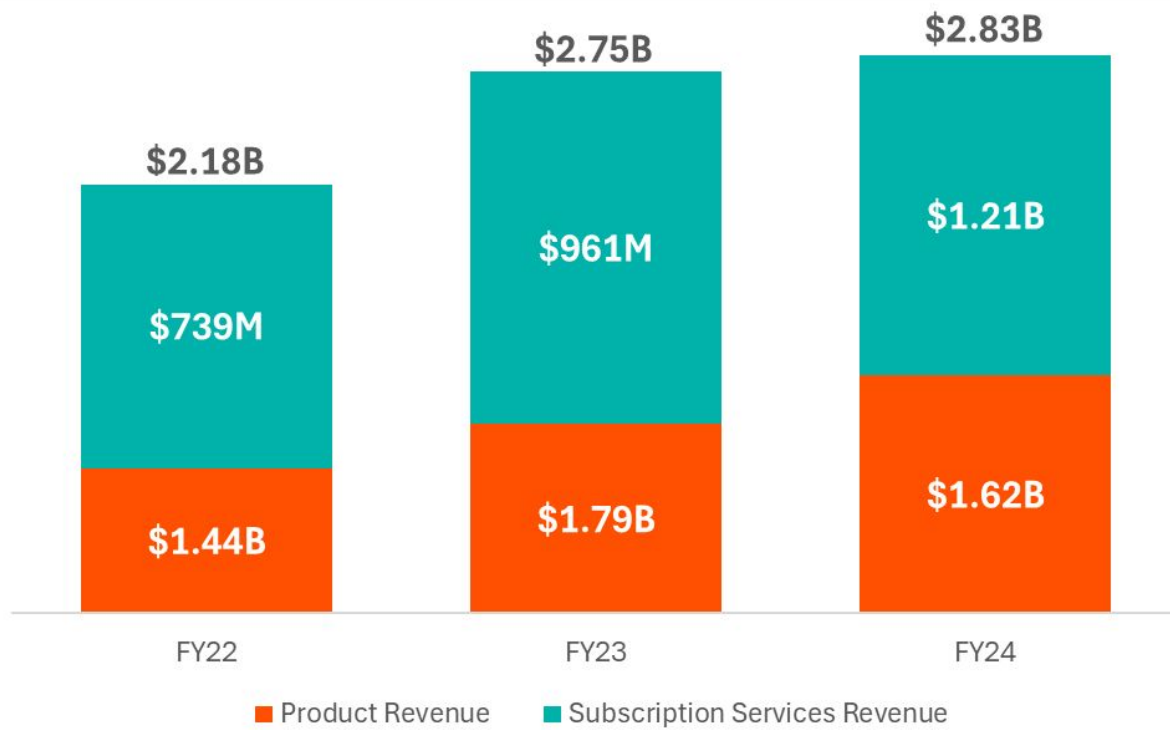
Financial Metrics	Guidance	Actuals
Subscription Annual Recurring Revenue ⁽¹⁾		\$1.51 Billion
Revenue	\$755 Million	\$763.8 Million
Non-GAAP Operating Income ⁽²⁾	\$125 Million	\$138.6 Million
Non-GAAP Operating Margin ⁽²⁾	16.6%	18.1%
Operating Cash Flow		\$226.6 Million

(1) Subscription ARR is a key business metric that refers to total annualized contract value of all active subscription agreements on the last day of the quarter, plus on-demand revenue for the quarter multiplied by four.

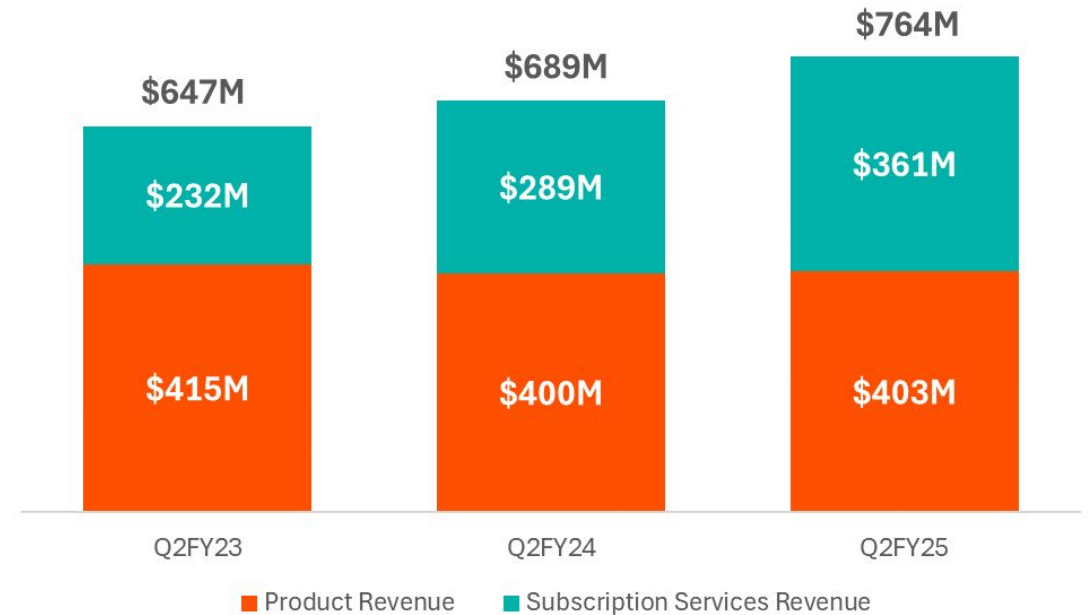
(2) See GAAP to non-GAAP reconciliations for actuals in our appendix.

Revenue

Annual



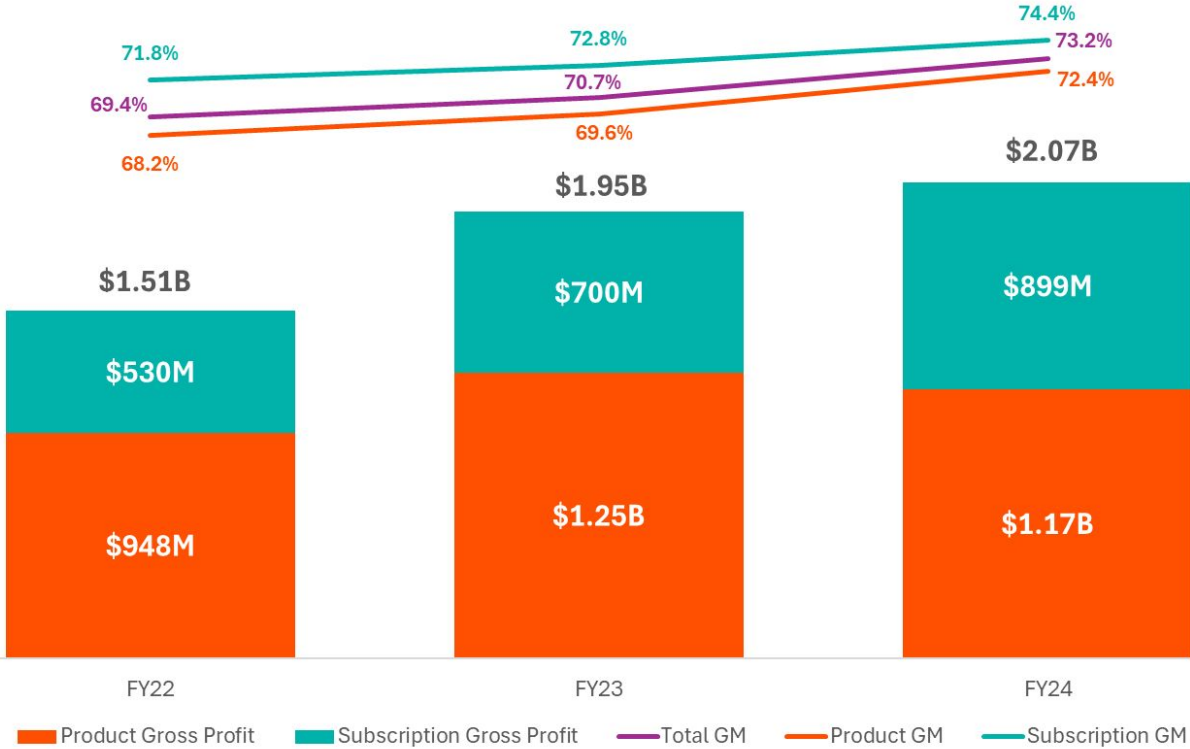
Q2 Quarterly



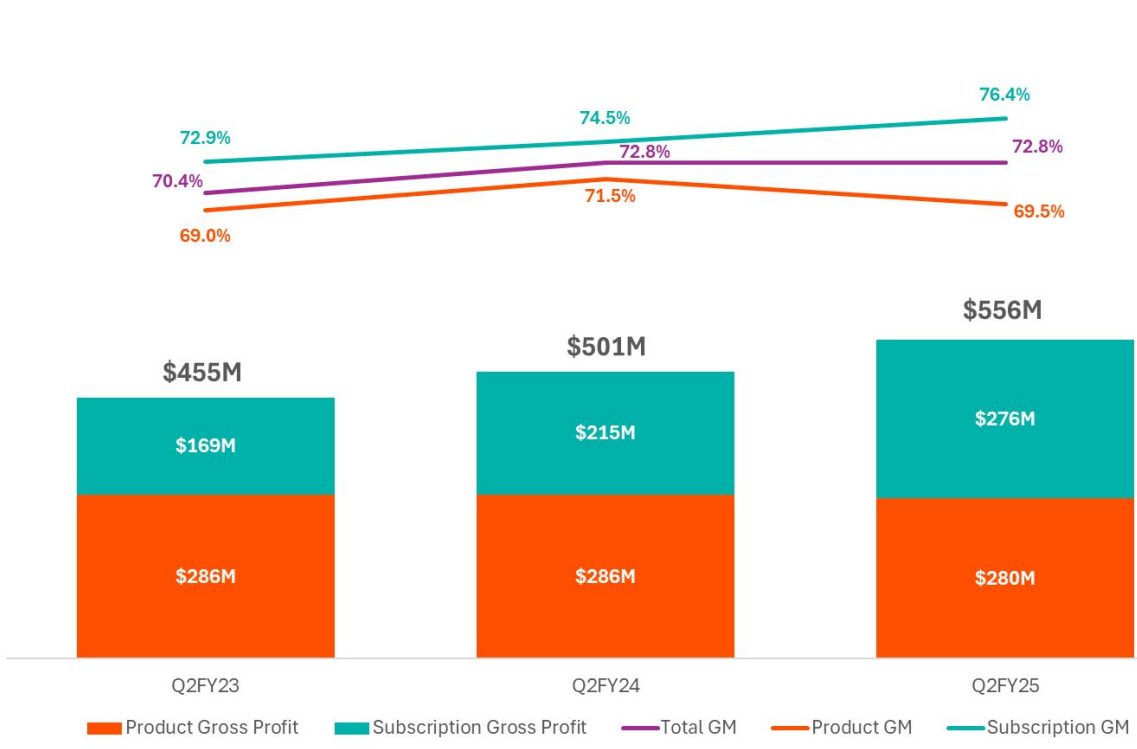
Non-GAAP Gross Profit & Margin

(1)

Annual



Q2 Quarterly



(1) See GAAP to non-GAAP reconciliations for actuals in our appendix.

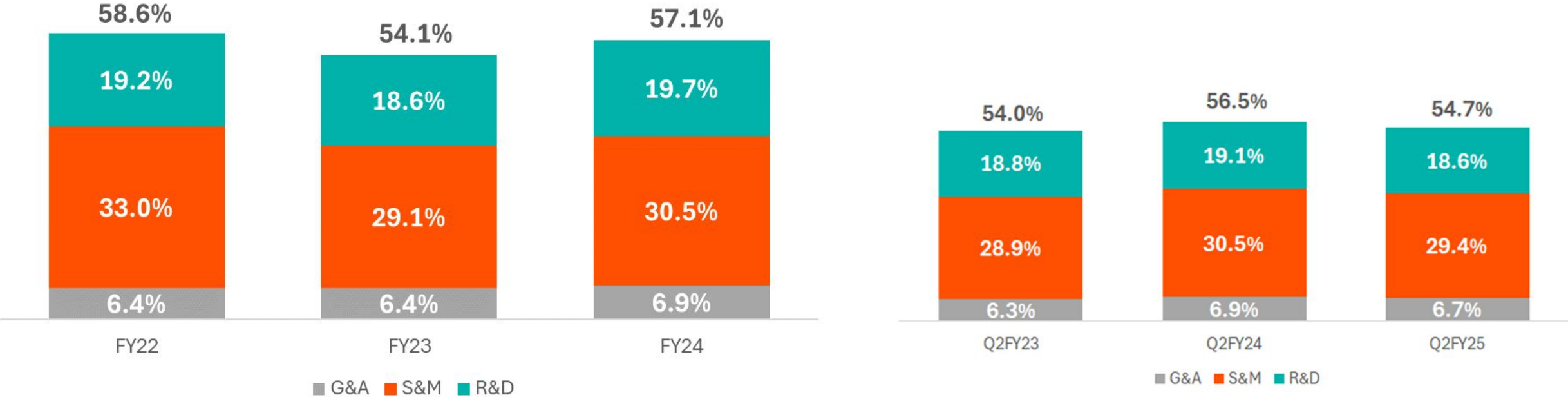


Non-GAAP Operating Expenses as % of Revenue

(1)

Annual

Q2 Quarterly



(1) See GAAP to non-GAAP reconciliations for actuals in our appendix.



Non-GAAP Operating Income & Margin

(1)

Annual

Q2 Quarterly

10.8% 16.6% 16.2%



16.4% 16.2% 18.1%



Non-GAAP Operating Income Non-GAAP Operating Margin

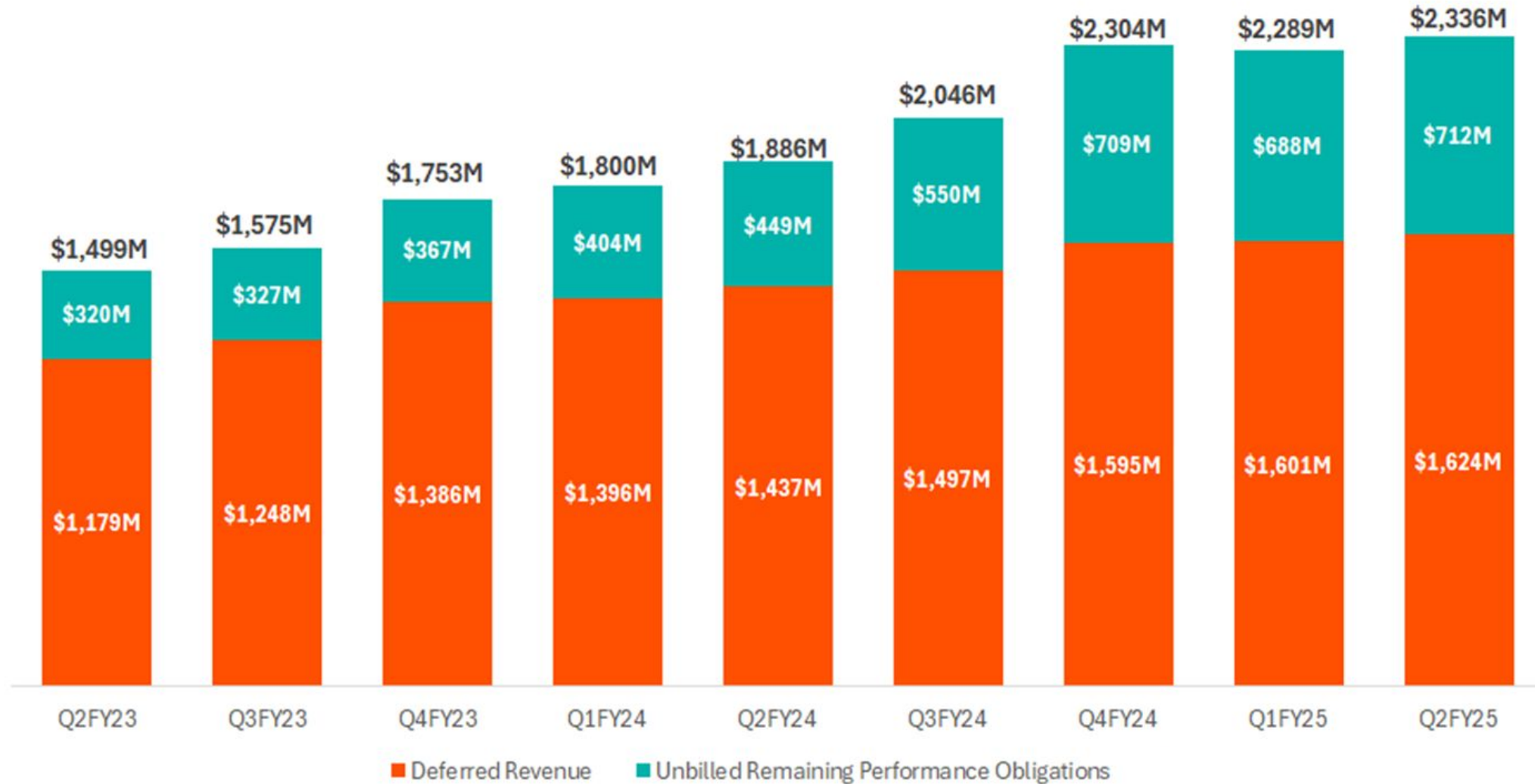
Non-GAAP Operating Income Non-GAAP Operating Margin

(1) See GAAP to non-GAAP reconciliations for actuals in our appendix.

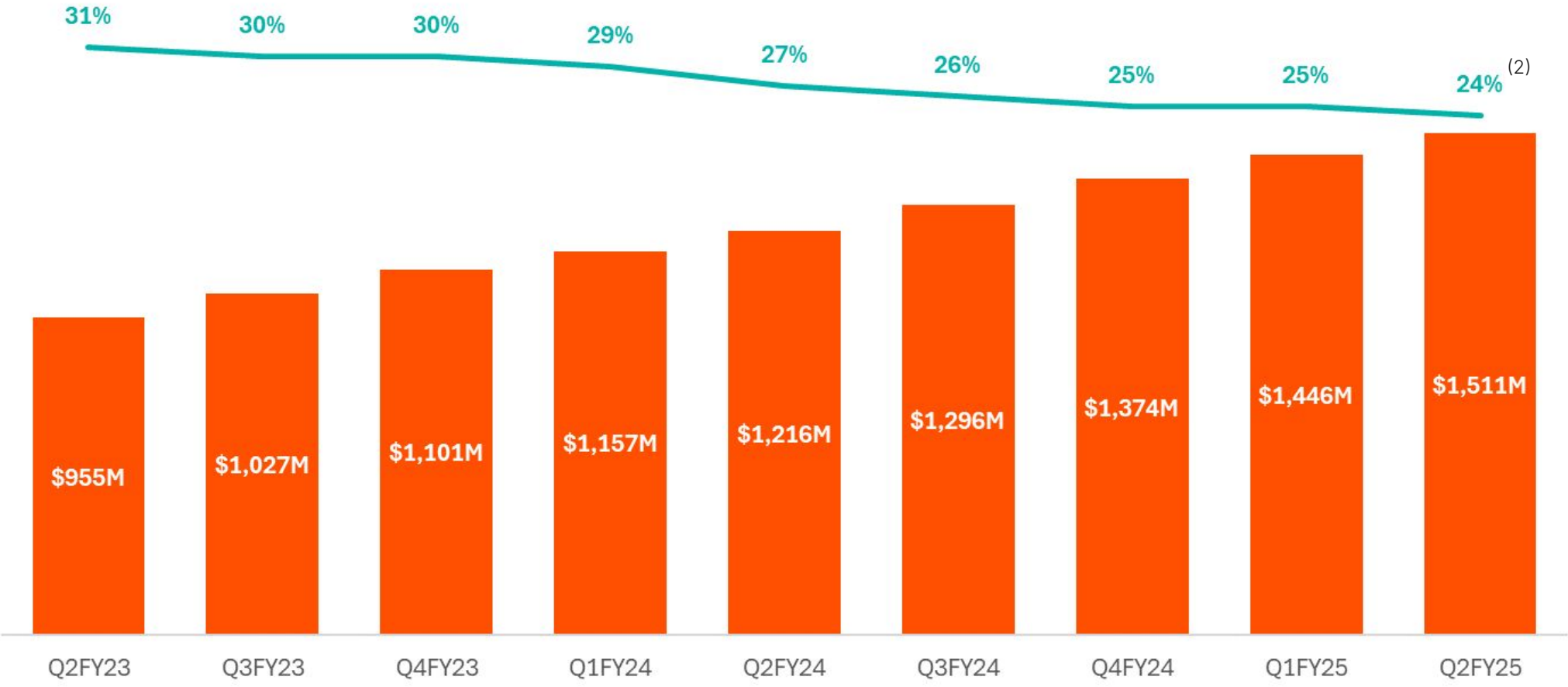


Remaining Performance Obligations

+24%
RPO Q2FY25
YoY Growth⁽¹⁾



Subscription Annual Recurring Revenue⁽¹⁾



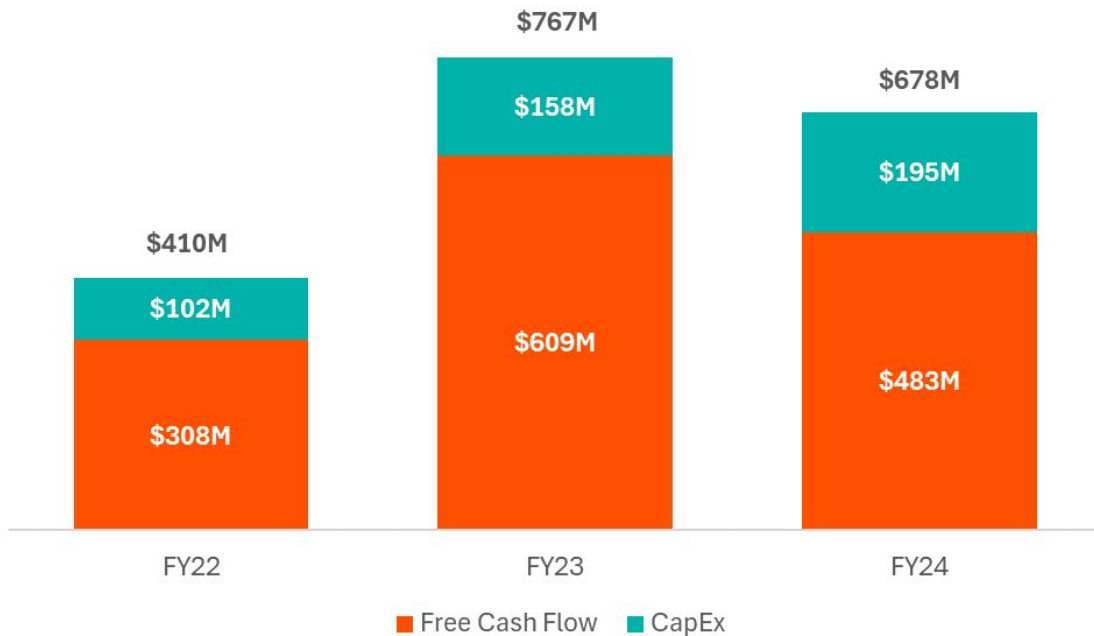
(1) Subscription ARR is a key business metric that refers to total annualized contract value of all active subscription agreements on the last day of the quarter, plus on-demand revenue for the quarter multiplied by four.

(2) Subscription ARR excludes executed Evergreen/One contracts where the service date has not started at the end of the second quarter of fiscal 2025. When including these executed contracts, Subscription ARR increased 25% year-over-year.

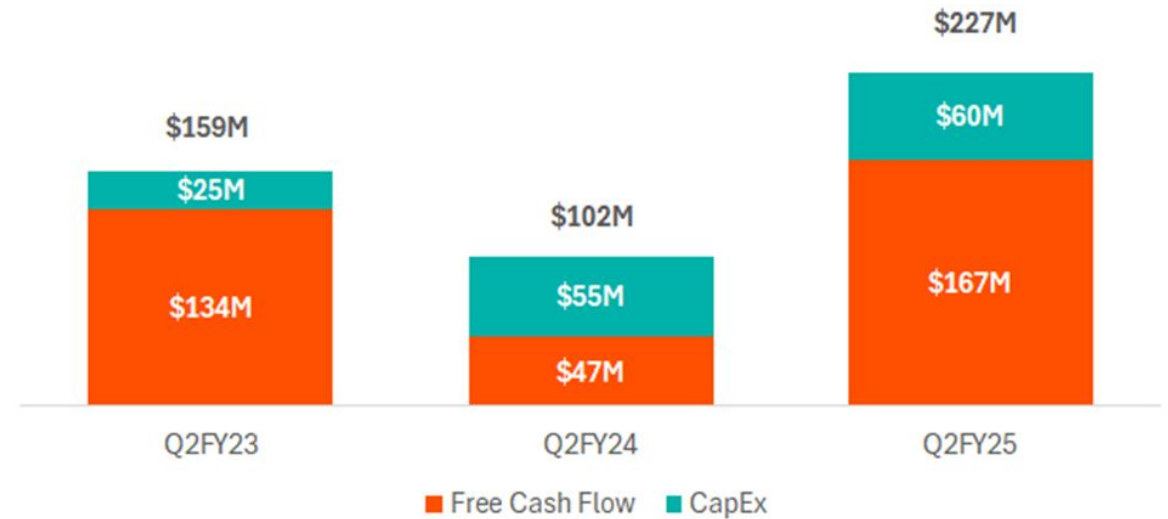
ARR YoY ARR Growth

Cash Flow

Annual Operating Cash Flow ⁽¹⁾



Q2 Operating Cash Flow ⁽¹⁾



(1) See GAAP to non-GAAP reconciliations in our appendix.



Guidance

Q3FY25 Guidance

Revenue	\$815 Million
Revenue YoY Growth	6.8%
Non-GAAP Operating Income ⁽¹⁾	\$140 Million
Non-GAAP Operating Margin ⁽¹⁾	17.2%

(1) We have not reconciled guidance for non-GAAP operating income and non-GAAP operating margin to their most directly comparable GAAP measures because items such as stock-based compensation expense and payroll tax expense related to stock-based activities that impact these measures are not within our control and/or cannot be reasonably predicted. Accordingly, reconciliations of non-GAAP operating income and non-GAAP operating margin guidance are not available without unreasonable effort.

Guidance

FY25 Guidance

Revenue	\$3.1 Billion
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Revenue YoY Growth	10.5%
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TCV Sales for Evergreen//One & Evergreen//Flex Subscription Service Offerings	\$500 Million
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TCV Sales for Evergreen//One & Evergreen//Flex Subscription Service Offerings YoY Growth Rate	Approximately 25%
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Non-GAAP Operating Income ⁽¹⁾	\$532 Million
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Non-GAAP Operating Margin ⁽¹⁾	17%
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(1) We have not reconciled guidance for non-GAAP operating income and non-GAAP operating margin to their most directly comparable GAAP measures because items such as stock-based compensation expense and payroll tax expense related to stock-based activities that impact these measures are not within our control and/or cannot be reasonably predicted. Accordingly, reconciliations of non-GAAP operating income and non-GAAP operating margin guidance are not available without unreasonable effort.

FY25 Revenue Growth Rate Perspectives

Revenue Growth Rate Perspectives

10.5% FY25 revenue growth rate guidance

~2% Net impact of Evergreen//One and Evergreen//Flex strength*

12.5% FY25 annual revenue growth rate, absent headwinds

*Unfavorable impact from new FY25 Evergreen//One and Evergreen//Flex sales partially offset by favorable impact from higher than originally expected FY24 sales of Evergreen//One and Evergreen//Flex.

Appendix

Gross Profit & Margin

GAAP to Non-GAAP Reconciliation

(\$ in Millions)	Q2 FY23		Q2 FY24		Q2 FY25		FY22		FY23		FY24	
	\$	(%)	\$	(%)	\$	(%)	\$	(%)	\$	(%)	\$	(%)
Product gross profit and margin (GAAP)	\$ 280.3	67.6%	\$ 279.1	69.8 %	\$ 272.9	67.8 %	\$ 964.4	66.9%	\$ 1,222.4	68.2%	\$ 1,150.4	70.9 %
Add: SBC	2.6	0.6%	3.0	0.7 %	3.4	0.9 %	6.4	0.4%	10.3	0.6%	9.7	0.6 %
Add: Payroll tax related to stock-based activities	0.1	- %	0.1	- %	0.2	- %	-	- %	0.2	- %	0.4	- %
Add: Duplicate lease costs during the transition of our corporate headquarters	-	- %	0.4	0.1 %	-	- %	-	- %	0.6	0.1%	0.4	- %
Add: Expenses for severance and termination benefits related to workforce realignment	-	- %	-	- %	-	- %	-	- %	-	- %	0.2	- %
Add: Amortization of acquired intangible assets	3.2	0.8%	3.3	0.9 %	3.3	0.8 %	13.0	0.9%	13.0	0.7%	13.2	0.9 %
Product gross profit and margin (non-GAAP)	\$ 286.2	69.0%	\$ 285.9	71.5 %	\$ 279.8	69.5 %	\$ 983.8	68.2%	\$ 1,246.5	69.6%	\$ 1,174.3	72.4 %
Subscription services gross profit and margin (GAAP)	\$ 163.3	70.3%	\$ 207.5	71.8 %	\$ 267.2	74.0 %	\$ 508.1	68.8%	\$ 675.2	70.2%	\$ 870.8	72.1 %
Add: SBC	5.8	2.5%	6.8	2.4 %	8.0	2.2 %	21.3	2.9%	22.6	2.3%	25.4	2.1 %
Add: Payroll tax related to stock-based activities	0.3	0.1%	0.5	0.2 %	0.7	0.2 %	1.0	0.1%	1.4	0.2%	1.4	0.1 %
Add: Duplicate lease costs during the transition of our corporate headquarters	-	- %	0.4	0.1 %	-	- %	-	- %	0.6	0.1%	0.4	- %
Add: Expenses for severance and termination benefits related to workforce realignment	-	- %	-	- %	-	- %	-	- %	-	- %	1.0	0.1 %
Add: Costs associated with the exit of certain operations	-	- %	-	- %	-	- %	-	- %	0.1	- %	-	- %
Subscription services gross profit and margin (non-GAAP)	\$ 169.4	72.9%	\$ 215.2	74.5 %	\$ 275.9	76.4 %	\$ 530.4	71.8%	\$ 699.9	72.8%	\$ 899.0	74.4 %
Total gross profit and margin (GAAP)	\$ 443.6	68.6%	\$ 486.6	70.7 %	\$ 540.1	70.7 %	\$ 1,472.5	67.5%	\$ 1,897.6	68.9%	\$ 2,021.2	71.4 %
Add: SBC	8.4	1.3%	9.8	1.4 %	11.4	1.5 %	27.7	1.3%	32.9	1.2%	35.1	1.3 %
Add: Payroll tax related to stock-based activities	0.4	0.1%	0.6	0.1 %	0.9	0.2 %	1.0	- %	1.6	- %	1.8	0.1 %
Add: Duplicate lease costs during the transition of our corporate headquarters	-	- %	0.8	0.1 %	-	- %	-	- %	1.2	- %	0.8	- %
Add: Expenses for severance and termination benefits related to workforce realignment	-	- %	-	- %	-	- %	-	- %	-	- %	1.2	- %
Add: Costs associated with the exit of certain operations	-	- %	-	- %	-	- %	-	- %	0.1	- %	-	- %
Add: Amortization of acquired intangible assets	3.2	0.4%	3.3	0.5 %	3.3	0.4 %	13.0	0.6%	13.0	0.6%	13.2	0.4 %
Total gross profit and margin (non-GAAP)	\$ 455.6	70.4%	\$ 501.1	72.8 %	\$ 555.7	72.8 %	\$ 1,514.2	69.4%	\$ 1,946.4	70.7%	\$ 2,073.3	73.2 %

Operating Expenses

GAAP to Non-GAAP Reconciliation

	Q2 FY23		Q2 FY24		Q2 FY25		FY22		FY23		FY24	
	\$	(%)	\$	(%)	\$	(%)	\$	(%)	\$	(%)	\$	(%)
(\$ in Millions)												
R&D (GAAP)	\$ 165.7	25.6 %	\$ 182.5	26.5 %	\$ 195.5	25.6 %	\$ 581.9	26.7 %	\$ 692.5	25.2 %	\$ 736.8	26.1 %
Less: SBC	(41.6)	(6.3)%	(44.1)	(6.4)%	(50.9)	(6.7)%	(142.3)	(6.5)%	(161.7)	(5.9)%	(167.3)	(6.0)%
Less: Payments to former shareholders of acquired companies	(1.8)	(0.3)%	(0.9)	(0.1)%	-	- %	(17.2)	(0.8)%	(6.0)	(0.2)%	(2.3)	- %
Less: Payroll tax related to stock-based activities	(0.9)	(0.2)%	(1.9)	(0.3)%	(2.3)	(0.3)%	(4.8)	(0.2)%	(6.2)	(0.3)%	(7.0)	(0.3)%
Less: Duplicate lease costs during the transition of our corporate headquarters	-	- %	(3.9)	(0.6)%	-	- %	-	- %	(5.7)	(0.2)%	(3.9)	(0.1)%
R&D (non-GAAP)	\$ 121.4	18.8 %	\$ 131.7	19.1 %	\$ 142.3	18.6 %	\$ 417.6	19.2 %	\$ 512.9	18.6 %	\$ 556.3	19.7 %
S&M (GAAP)	\$ 206.8	32.0 %	\$ 232.7	33.9 %	\$ 250.3	32.8 %	\$ 799.0	36.6 %	\$ 883.6	32.1 %	\$ 945.0	33.3 %
Less: SBC	(18.0)	(2.8)%	(19.5)	(2.8)%	(24.4)	(3.2)%	(71.4)	(3.3)%	(72.5)	(2.6)%	(74.7)	(2.7)%
Less: Payroll tax related to stock-based activities	(0.9)	(0.1)%	(1.6)	(0.3)%	(1.4)	(0.2)%	(4.0)	(0.2)%	(4.2)	(0.2)%	(4.2)	(0.1)%
Less: Duplicate lease costs during the transition of our corporate headquarters	-	- %	(0.8)	(0.2)%	-	- %	-	- %	(1.2)	- %	(0.8)	- %
Less: Costs associated with the exit of certain operations	-	- %	-	- %	-	- %	-	- %	(2.3)	(0.1)%	-	- %
Less: Amortization of acquired intangible assets	(0.5)	(0.2)%	(0.5)	(0.1)%	(0.3)	- %	(2.2)	(0.1)%	(2.1)	(0.1)%	(1.7)	- %
S&M (non-GAAP)	\$ 187.4	28.9 %	\$ 210.3	30.5 %	\$ 224.2	29.4 %	\$ 721.4	33.0 %	\$ 801.3	29.1 %	\$ 863.6	30.5 %
G&A (GAAP)	\$ 56.7	8.8 %	\$ 60.8	8.8 %	\$ 69.4	9.0 %	\$ 190.0	8.7 %	\$ 238.0	8.6 %	\$ 252.2	8.9 %
Less: SBC	(15.6)	(2.5)%	(16.0)	(2.3)%	(18.2)	(2.3)%	(45.6)	(2.2)%	(60.5)	(2.2)%	(54.3)	(1.9)%
Less: Payroll tax related to stock-based activities	(0.3)	- %	(0.4)	(0.1)%	(0.6)	- %	(0.8)	- %	(1.4)	- %	(1.7)	(0.1)%
Less: Duplicate lease costs during the transition of our corporate headquarters	-	- %	2.9	0.5 %	-	- %	-	- %	(0.6)	- %	(1.1)	- %
Less: Costs primarily associated with the exit of certain operations	-	- %	-	- %	-	- %	-	- %	(0.5)	- %	-	- %
Less: Impairment of right-of-use asset associated with cease-use of a certain facility	-	- %	-	- %	-	- %	(0.6)	- %	-	- %	-	- %
Less: Acquisition-related transaction and integration expenses	-	- %	-	- %	-	- %	(2.8)	(0.1)%	-	- %	-	- %
G&A (non-GAAP)	\$ 40.8	6.3 %	\$ 47.3	6.9 %	\$ 50.6	6.7 %	\$ 140.2	6.4 %	\$ 175.0	6.4 %	\$ 195.1	6.9 %
Restructuring and impairment (GAAP)	-	- %	\$ 16.8	2.4 %	-	- %	-	- %	-	- %	\$ 33.6	1.2 %
Less: Impairment of right-of-use asset and abandonment associated with cease-use of our former corporate headquarters	-	- %	(16.8)	(2.4)%	-	- %	-	- %	-	- %	(16.8)	(0.6)%
Less: Expenses for severance and termination benefits related to workforce realignment	-	- %	-	- %	-	- %	-	- %	-	- %	(16.8)	(0.6)%
Restructuring and impairment (non-GAAP)	\$ -	- %	\$ -	- %	\$ -	- %	\$ -	- %	\$ -	- %	\$ -	- %
Total operating expense (GAAP)	\$ 429.2	66.4 %	\$ 492.8	71.6 %	\$ 515.2	67.4 %	\$ 1,570.9	72.0 %	\$ 1,814.1	65.9 %	\$ 1,967.6	69.5 %
Less: SBC	(75.2)	(11.6)%	(79.6)	(11.5)%	(93.5)	(12.2)%	(259.3)	(12.0)%	(294.7)	(10.7)%	(296.3)	(10.6)%
Less: Payments to former shareholders of acquired companies	(1.8)	(0.3)%	(0.9)	(0.1)%	-	- %	(17.2)	(0.8)%	(6.0)	(0.2)%	(2.3)	- %
Less: Payroll tax related to stock-based activities	(2.1)	(0.3)%	(3.9)	(0.7)%	(4.3)	(0.5)%	(9.6)	(0.4)%	(11.8)	(0.5)%	(12.9)	(0.5)%
Less: Duplicate lease costs during the transition of our corporate headquarters	-	- %	(1.8)	(0.3)%	-	- %	-	- %	(7.5)	(0.2)%	(5.8)	(0.1)%
Less: Impairment of right-of-use asset and abandonment associated with cease-use of our former corporate headquarters	-	- %	(16.8)	(2.4)%	-	- %	-	- %	-	- %	(16.8)	(0.6)%
Less: Expenses for severance and termination benefits related to workforce realignment	-	- %	-	- %	-	- %	-	- %	-	- %	(16.8)	(0.6)%
Less: Costs primarily associated with the exit of certain operations	-	- %	-	- %	-	- %	-	- %	(2.8)	(0.1)%	-	- %
Less: Amortization of acquired intangible assets	(0.5)	(0.2)%	(0.5)	(0.1)%	(0.3)	- %	(2.2)	(0.1)%	(2.1)	(0.1)%	(1.7)	- %
Less: Impairment of right-of-use asset associated with cease-use of a certain facility	-	- %	-	- %	-	- %	(0.6)	- %	-	- %	-	- %
Less: Acquisition-related transaction and integration expenses	-	- %	-	- %	-	- %	(2.8)	(0.1)%	-	- %	-	- %
Total operating expense (non-GAAP)	\$ 349.6	54.0 %	\$ 389.3	56.5 %	\$ 417.1	54.7 %	\$ 1,279.2	58.6 %	\$ 1,489.2	54.1 %	\$ 1,615.0	57.1 %

Operating Income (Loss) & Margin

GAAP to Non-GAAP Reconciliation

(\$ in Millions)	Q2 FY23		Q2 FY24		Q2 FY25		FY22		FY23		FY24	
	\$	(%)	\$	(%)	\$	(%)	\$	(%)	\$	(%)	\$	(%)
Operating income (loss) and margin (GAAP)	\$ 14.4	2.2 %	\$ (6.2)	(0.9) %	\$ 24.9	3.3 %	\$ (98.4)	(4.5) %	\$ 83.5	3.0 %	\$ 53.6	1.9 %
Add: SBC	83.6	12.9 %	89.4	12.9 %	104.9	13.7 %	287.0	13.3 %	327.6	11.9 %	331.4	11.9 %
Add: Payments to former shareholders of acquired companies	1.8	0.3 %	0.9	0.1 %	-	- %	17.2	0.8 %	6.0	0.2 %	2.3	- %
Add: Payroll tax related to stock-based activities	2.5	0.4 %	4.5	0.8 %	5.2	0.7 %	10.6	0.4 %	13.4	0.5 %	14.7	0.6 %
Add: Duplicate lease costs during the transition of our corporate headquarters	-	- %	2.6	0.4 %	-	- %	-	- %	8.7	0.2 %	6.6	0.1 %
Add: Impairment of right-of-use asset and abandonment associated with cease-use of our former corporate headquarters	-	- %	16.8	2.4 %	-	- %	-	- %	-	- %	16.8	0.6 %
Add: Expenses for severance and termination benefits related to workforce realignment	-	- %	-	- %	-	- %	-	- %	-	- %	18.0	0.6 %
Add: Costs primarily associated with the exit of certain operations	-	- %	-	- %	-	- %	-	- %	2.9	0.1 %	-	- %
Add: Amortization of acquired intangible assets	3.7	0.6 %	3.8	0.6 %	3.6	0.4 %	15.2	0.7 %	15.1	0.7 %	14.9	0.4 %
Add: Impairment of right-of-use asset associated with cease-use of a certain facility	-	- %	-	- %	-	- %	0.6	- %	-	- %	-	- %
Add: Acquisition-related transaction and integration expenses	-	- %	-	- %	-	- %	2.8	0.1 %	-	- %	-	- %
Operating income and margin (non-GAAP)	\$ 106.0	16.4 %	\$ 111.8	16.2 %	\$ 138.6	18.1 %	\$ 235.0	10.8 %	\$ 457.2	16.6 %	\$ 458.3	16.2 %

Free Cash Flow ⁽¹⁾

GAAP to Non-GAAP Reconciliation

(\$ in millions)	Q2 FY23	Q2 FY24	Q2 FY25	FY22	FY23	FY24
Cash provided by operations (GAAP)	\$ 159.4	\$ 101.6	\$ 226.6	\$ 410.1	\$ 767.2	\$ 677.7
Less: Capital expenditures ¹	(25.2)	(55.1)	(60.0)	(102.3)	(158.1)	(195.1)
Free cash flow (non-GAAP)	\$ 134.2	\$ 46.5	\$ 166.6	\$ 307.8	\$ 609.1	\$ 482.6

(1) Includes capitalized internal-use software costs of \$3.9 million, \$5.3 million and \$5.3 million for Q2 FY23, Q2 FY24 and Q2 FY25 and \$8.8 million, \$13.7 million and \$19.4 million for FY22, FY23 and FY24.

