

Q4 2022 Financials

May 2022





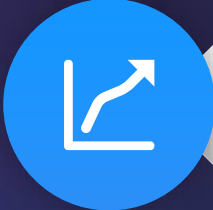

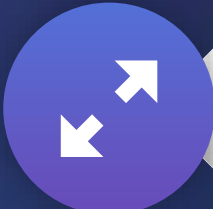

Legal Disclaimer

This presentation includes certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding management’s expectations of future financial and operational performance and operational expenditures, expected growth, and business outlook, including our financial guidance for the first quarter and full year of fiscal 2023, statements regarding the impact of the COVID-19 pandemic and related economic conditions on our business and results of operations; statements regarding the impact of the war in Ukraine and related governmental sanctions on our business and results of operations; statements regarding the impact of past and potential future cyber security breaches on our business and results of operations; and statements regarding the size of our market and our positioning for capturing a larger share of our market. These forward-looking statements include, but are not limited to, plans, objectives, expectations and intentions and other statements contained in this press release that are not historical facts and statements identified by words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates” or words of similar meaning. These forward-looking statements reflect our current views about our plans, intentions, expectations, strategies and prospects, which are based on the information currently available to us and on assumptions we have made. Although we believe that our plans, intentions, expectations, strategies and prospects as reflected in or suggested by those forward-looking statements are reasonable, we can give no assurance that the plans, intentions, expectations or strategies will be attained or achieved. Furthermore, actual results may differ materially from those described in the forward-looking statements and will be affected by a variety of risks and factors that are beyond our control including, without limitation, the effect of the COVID-19 pandemic, the war in Ukraine and cyber security breaches on our business operations and demand for our products as well as its impact on general economic and financial market conditions; our ability to maintain our subscription revenue growth rates in future periods, our ability to service our substantial level of indebtedness, market adoption of software intelligence solutions for application performance monitoring, digital experience monitoring and infrastructure monitoring, continued spending on and demand for software intelligence solutions, our ability to maintain and acquire new customers, our ability to differentiate our platform from competing products and technologies; our ability to successfully recruit and retain highly-qualified personnel; the price volatility of our common stock, and other risks set forth under the caption “Risk Factors” in our most recently filed annual report on Form 10-K and quarterly reports on Form 10-Q, and our other SEC filings. We assume no obligation to update any forward-looking statements contained in this document as a result of new information, future events or otherwise.

This presentation includes non-GAAP financial measures which have certain limitations and should not be considered in isolation, or as alternatives to or substitutes for, financial measures determined in accordance with generally accepted accounting principles in the United States (“GAAP”). The non-GAAP measures as defined by the Company may not be comparable to similar non-GAAP measures presented by other companies. The Company’s presentation of such measures, which may include adjustments to exclude unusual or non-recurring items, should not be construed as an inference that its future results will be unaffected by these or other unusual or non-recurring items. A reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures is included in the Appendix to these slides.



Compelling Financial Profile

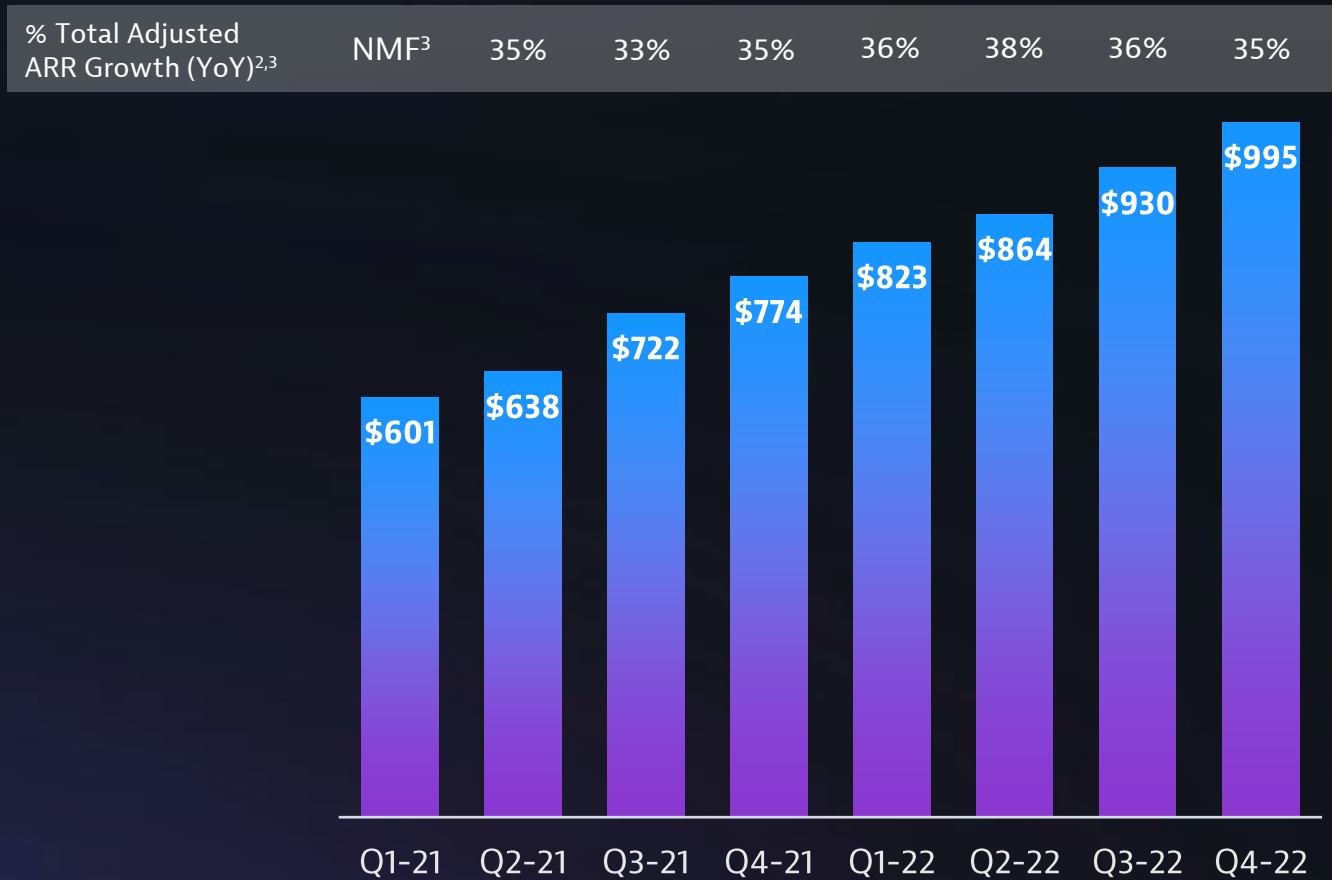
	Rapid ARR growth	\$995M Q4-22 ARR ¹ , Adjusted ARR ¹ up 35% YoY CC
	Predictable model	93% Q4-22 subscription revenue, up 31% YoY CC ² \$253M Q4-22 total revenue, up 31% YoY CC ² , \$1B+ annual run rate
	Healthy growth dynamics	120%+ Dynatrace net expansion rate ¹ for 16 consecutive quarters 21% FY22 New Logo growth YoY
	Investing for growth, balancing healthy margins	35% and 47% YoY FY22 ³ R&D and S&M increased investments, respectively 25% FY22 uFCF margin

1) See Appendix for definitions.
2) Denotes growth when adjusted for constant currency exchange rates.
3) Non-GAAP R&D, S&M and uFCF are non-GAAP financial measures. See Appendix for reconciliation of GAAP to non-GAAP financial measures.



Sustainable ARR Growth at CC

Quarterly Total ARR (\$M, as reported)¹

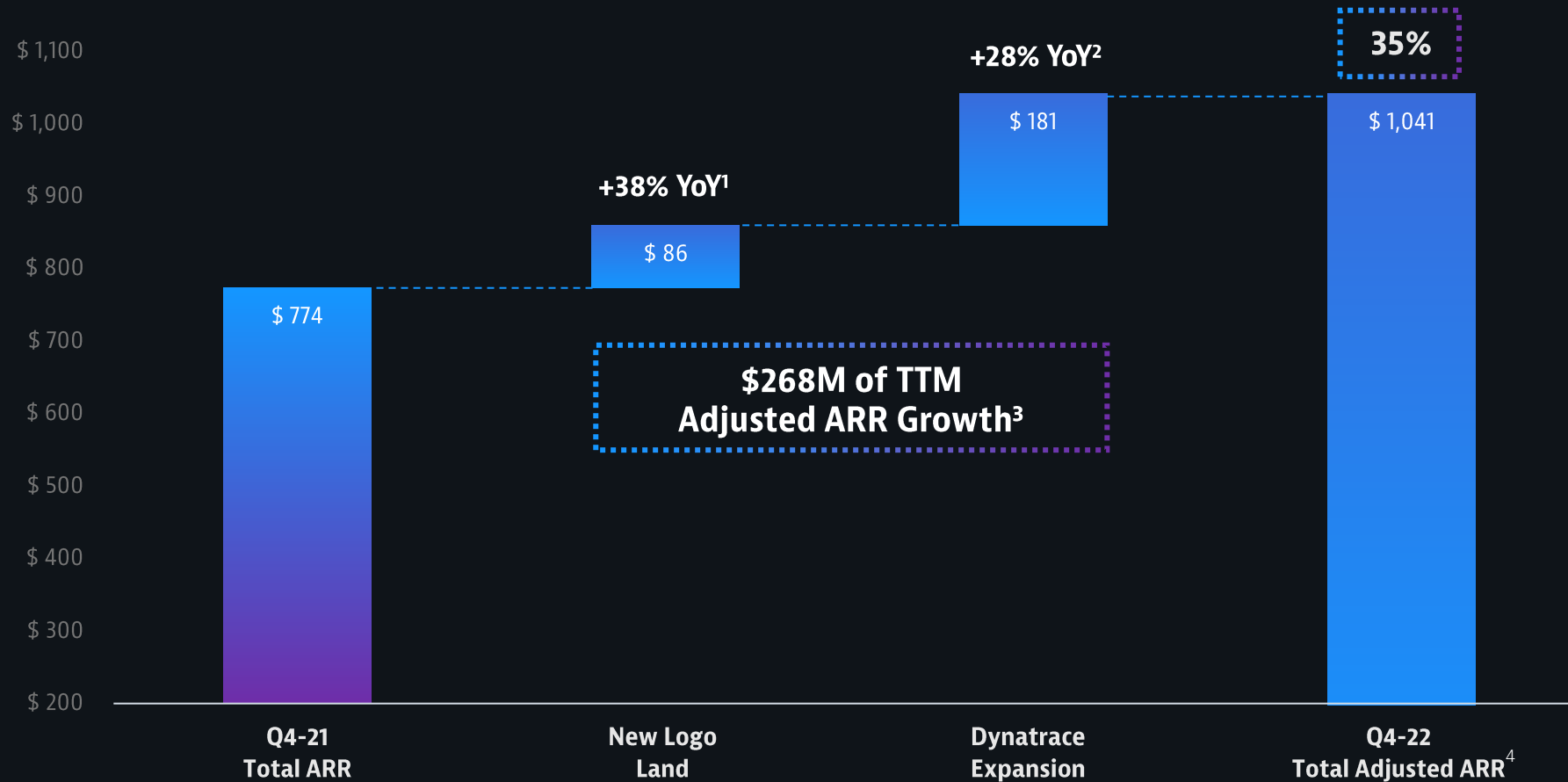


1) Annual and Quarterly Total ARR amounts shown in bar graphs are 'As Reported' metrics.
2) See Appendix for definition.
3) Perpetual license headwind was not material before Q2-21.



Total Adjusted ARR Growth at CC

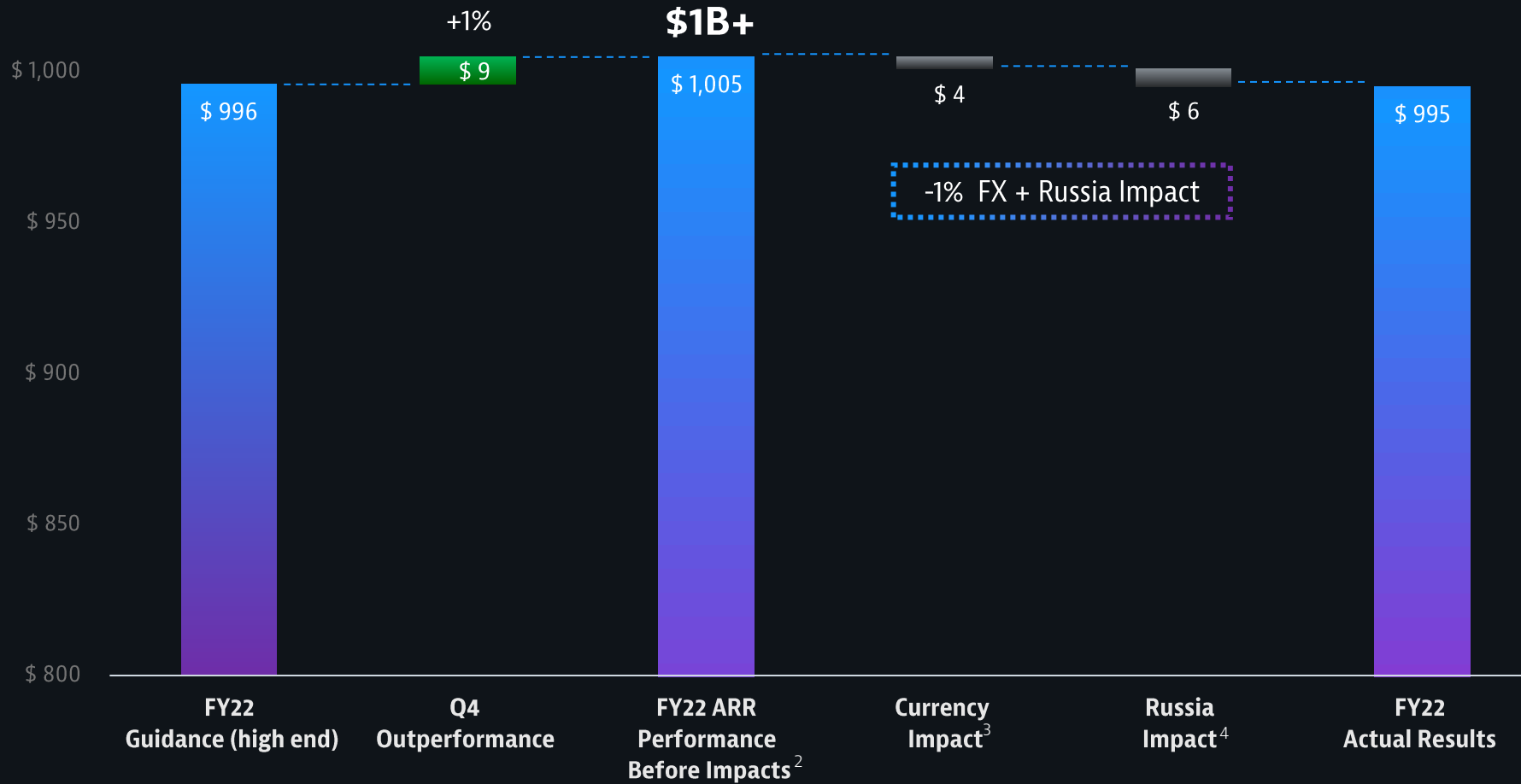
Q4-22 +\$268M year over year or 35% at CC



1) Represents total new logo dollars added in the trailing-twelve-month period ending March 31, 2022, compared to the same TTM period a year ago ending March 31, 2021.
2) Represents total net expansion dollars added in the TTM period ending March 31, 2022, compared to the same TTM period a year ago ending March 31, 2021.
3) Represents total new logo and net expansion dollars added in the TTM period ending March 31, 2022, compared to as reported Adjusted ARR a year ago ending March 31, 2022.
4) See appendix for definition.



FY22 ARR vs. High End of Guidance (as reported)



1) Reflects midpoint of Total ARR guidance provided on our February 2, 2022 earnings call.

2) Reflects Q4 performance compared to guidance prior to negative impacts associated with the further strengthening of the U.S. Dollar and discontinuation of business in Russia.

3) Reflects impact to ARR when comparing exchange rates used at time of issuing guidance (December 31, 2021) with March 31, 2022 rates.

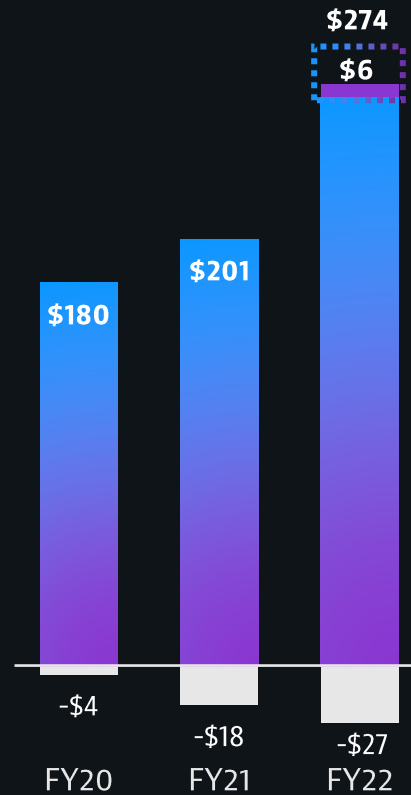
4) Represents impact from discontinuation of business in Russia.



New ARR Growth

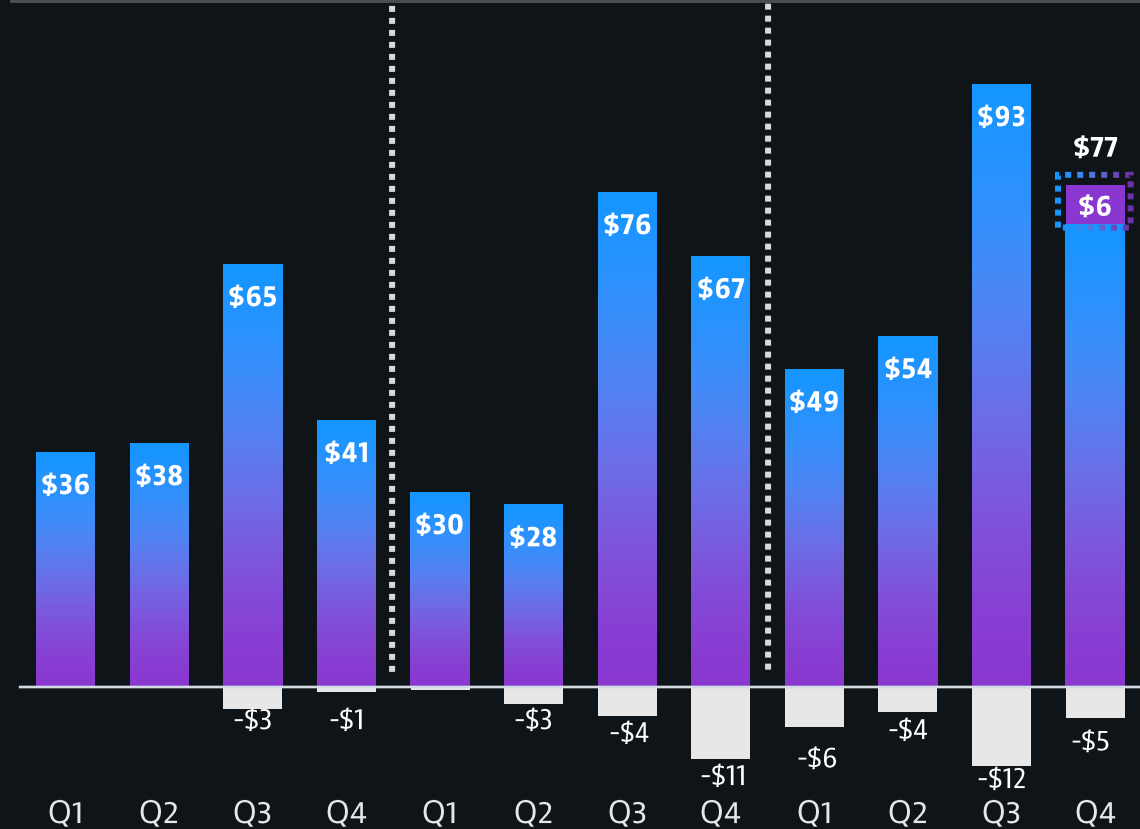
Quarterly ARR Expansion @ CC ex-Perp

Annual New ARR (\$M) ¹			
New ARR Growth @ CC ex-Perp (YoY) ²	NMF ³	11%	36%⁴



Quarterly New ARR (\$M)¹

FY 2020			FY 2021			FY 2022					
16%	55%	50%	35%	(17)%	(25)%	17%	61%	63%	92%	22%	16%⁴



■ Total ARR ex-Perp Runoff @ CC ■ Perp Runoff @ CC ■ Impact from Russia Exit

1) Annual and Quarterly New ARR amounts shown in bar graphs represent Total ARR at constant currency excluding the amount of Dynatrace perpetual license ARR at constant currency that had reached the end of its revenue recognition schedule, net of new perpetual ARR signed in the period. See Appendix for more detail.
 2) Constant currency growth rates reflect YoY growth when using exchange rates compared to the as reported results from the same quarter in the prior year.
 3) New ARR Growth was not meaningful prior to FY20.
 4) FY22 and Q4-22 New ARR growth rates represents total ARR at constant currency excluding the impact of quarterly perpetual license rolloff and the \$6M impact associated with the discontinuation of business in Russia.



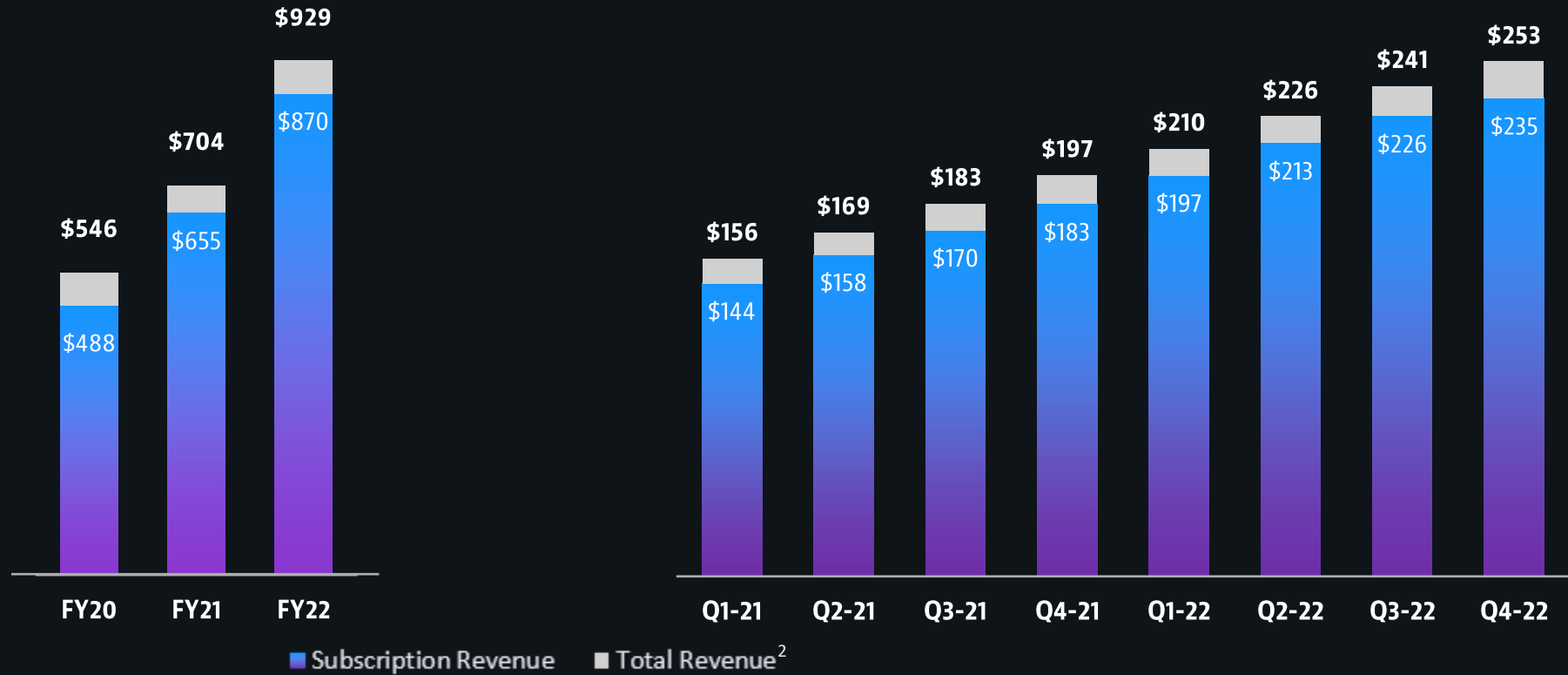
Subscription & Total Revenue Growth at CC

Annual Revenue (\$M)

Total Revenue Growth CC (YoY) ¹	29%	28%	32%
Subscription Revenue Growth CC (YoY) ¹	42%	33%	32%

Quarterly Revenue (\$M)

30%	30%	25%	27%	29%	33%	33%	31%
37%	35%	30%	32%	30%	33%	34%	31%



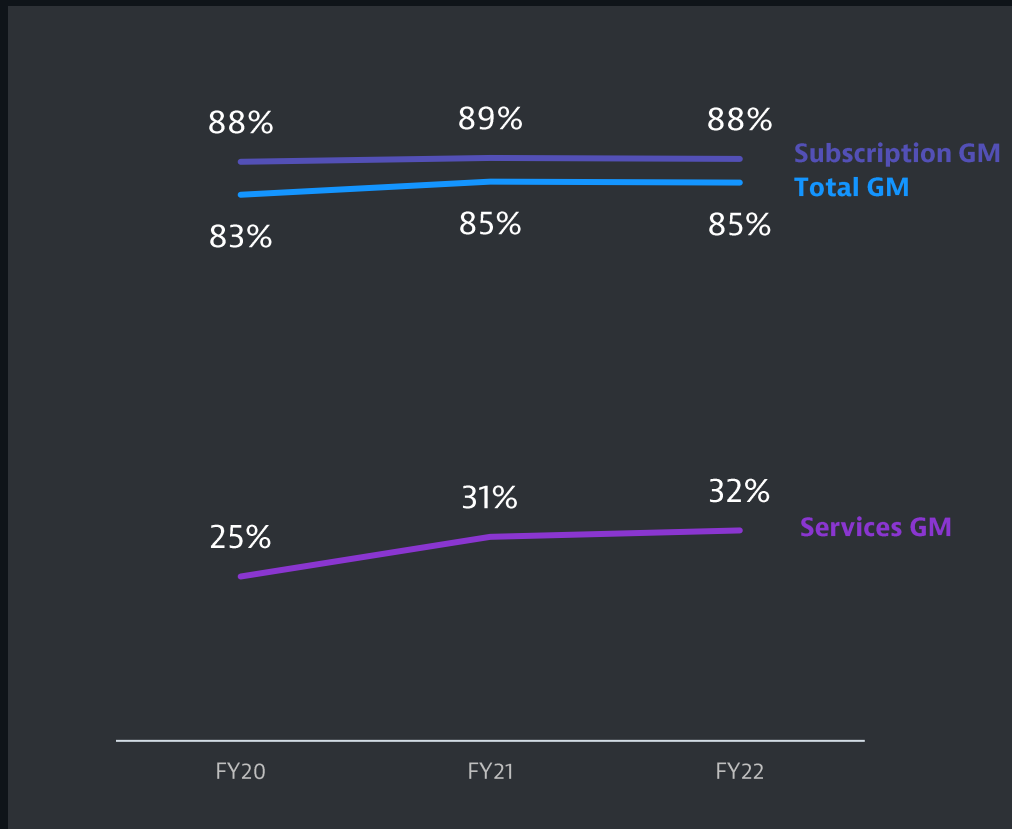
■ Subscription Revenue ■ Total Revenue²

1) Constant currency growth rates reflect YoY growth when using exchange rates from the same quarter in the prior year.
2) Total revenue includes subscription, services and license revenue.

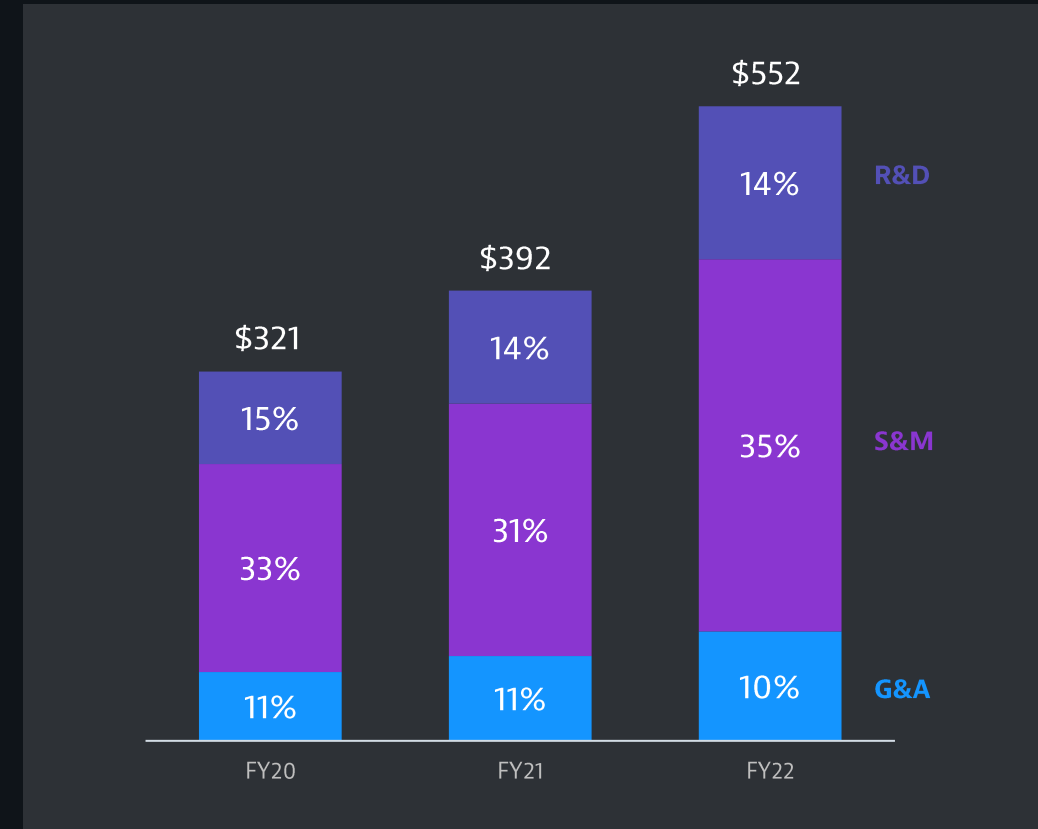


Efficient Model with Best-in-Class Margins¹

Non-GAAP Gross Profit Margin



Non-GAAP OPEX \$'s & as % of Revenue (\$M)



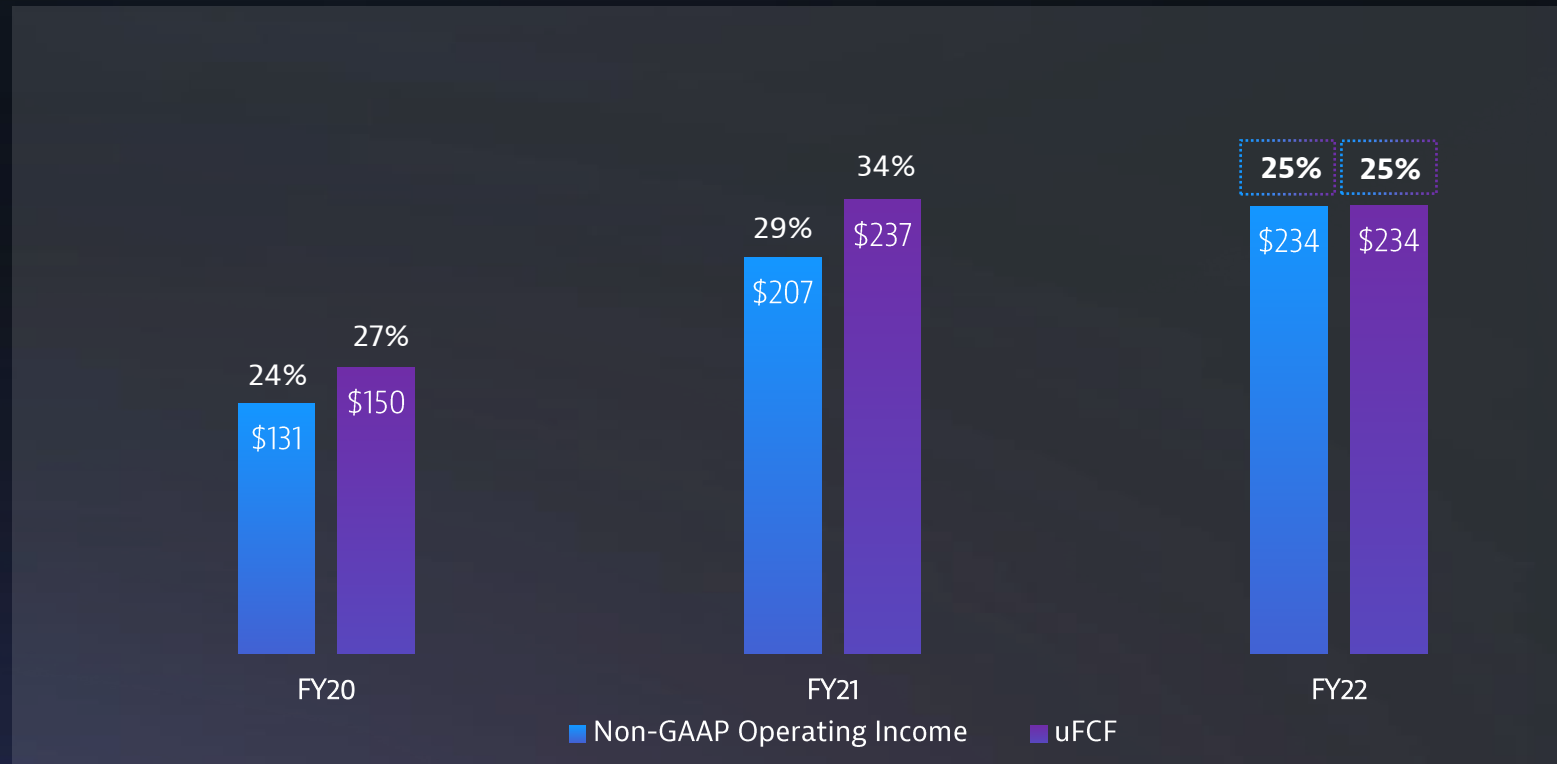
FY22 Non-GAAP OPEX reflects increased investments in S&M and R&D

1) These are non-GAAP financial measures. See Appendix to presentation for reconciliation of GAAP to non-GAAP financial measures.



Proven Profitable Business Model

Non-GAAP Operating Income and Unlevered Free Cash Flow (uFCF) ^{1,2} (\$M)



FY21 Non-GAAP Op Inc and uFCF driven by COVID-related cost savings.

FY22 driven by increased investments in S&M and R&D.

1) These are non-GAAP financial measures. See Appendix to presentation for reconciliation of GAAP to non-GAAP financial measures.
2) As reported dollars and percent of revenue.



FY23 Guidance Summary

Our guidance is based on foreign exchange rates as of April 30, 2022. Since March 31, 2022, the U.S. dollar has continued to strengthen, which results in a sizeable foreign exchange ("FX") headwind. For Fiscal 2023, we expect total FX headwind to be approximately \$20 million dollars on ARR and revenue.

In addition, on March 8, 2022, we announced that we would discontinue business in Russia and Belarus which results in a \$6 million impact to ARR for Fiscal 2023.

Growth rates for Adjusted ARR, Total revenue, and Subscription revenue are presented in constant currency in the table below to provide better visibility into the underlying growth of the business.

Based on information available, as of May 18, 2022, Dynatrace is issuing guidance for the first quarter Fiscal 2023 and full year Fiscal 2023 as follows:

(in millions, except per share data)	Full Year Fiscal 2023 Guidance
Total ARR	\$1,250 – \$1,265
As reported	26% – 27%
Constant currency	28% – 29%
Adjusted ARR growth	29% – 30%
Total revenue	\$1,142 – \$1,158
As reported	23% – 25%
Constant currency	27% – 28%
Subscription revenue	\$1,071 – \$1,086
As reported	23% – 25%
Constant currency	27% – 28%
Non-GAAP operating income	\$257 – \$266
Non-GAAP net income	\$216 – \$225
Non-GAAP net income per diluted share	\$0.74 – \$0.77
Diluted weighted average shares outstanding	292 – 294
Free cash flow¹	\$330 – \$345
Free cash flow margin	29% – 30%

(in millions, except per share data)	Q1 Fiscal 2023 Guidance
Total revenue	\$261 – \$263.5
As reported	24% – 26%
Constant currency	29% – 31%
Subscription revenue	\$244.5 – \$246.5
As reported	24% – 25%
Constant currency	29% – 30%
Non-GAAP operating income	\$60 – \$62
Non-GAAP net income	\$50 – \$52
Non-GAAP net income per diluted share	\$0.17 – \$0.18
Diluted weighted average shares outstanding	291 – 292

All growth rates are compared to the first quarter and full year of fiscal 2022 unless otherwise noted.

1) See Appendix for definition.

Definitions & Non-GAAP Reconciliations



Appendix - Definitions

1. **Annual Recurring Revenue "ARR"** is defined as the daily revenue of all subscription agreements that are actively generating revenue as of the last day of the reporting period multiplied by 365. We exclude from our calculation of Total ARR any revenues derived from month-to-month agreements and/or product usage overage billings.
2. **Adjusted ARR** is defined as ARR excluding the impact of foreign exchange rate fluctuations that occurred over the trailing twelve-month period. This calculation also excludes the headwind associated with the Dynatrace® perpetual license ARR that rolled off in the trailing twelve-month period.
3. **Adjusted ARR Growth** is defined as year-over-year growth in Adjusted ARR divided by ARR as reported.
4. **Subscription Revenue** is defined as Software-as-a-service ("SaaS") agreements, Dynatrace® term-based licenses, for which revenue is recognized ratably over the contract term, Dynatrace® perpetual licenses, which are recognized ratably over the term of the expected optional maintenance renewals, which is generally three years, and maintenance and support agreements.
5. **Unlevered Free Cash Flow** is defined as net cash provided by (used in) operating activities and adjusted to exclude cash paid for interest (net of tax), non-recurring restructuring and acquisition related costs, along with costs associated with one-time offerings and filings, less cash used in investing activities for acquisition of property and equipment. However, given our debt obligations, unlevered free cash flow does not represent residual cash flow available for discretionary expenses.
6. **Free Cash Flow** is defined as net cash provided by (used in) operating activities and adjusted to exclude cash used in investing activities for acquisition of property and equipment and may from time to time be subject to adjustments for non-recurring items.



Total ARR Expansion Trends¹

	FY21				
(\$ in millions)	Q1-21	Q2-21	Q3-21	Q4-21	
Year-over-Year					
ARR (As Reported)	601	638	722	774	
<i>Year-over-Year increase</i>	37%	35%	35%	35%	
TTM FX headwind/(tailwind) ²	<u>8</u>	<u>(9)</u>	<u>(18)</u>	<u>(19)</u>	
ARR - Constant Currency	609	629	704	755	
<i>Year-over-Year ARR Increase - Constant Currency³</i>	39%	33%	32%	32%	
TTM Perpetual License Rolloff - Constant Currency ⁴	<u>4</u>	<u>7</u>	<u>8</u>	<u>18</u>	
ARR Excluding TTM Perp License Rolloff - Constant Currency	613	635	711	773	
<i>Year-over-Year ARR Growth ex-Perp - Constant Currency</i>	39%	35%	33%	35%	
	Q1-21	Q2-21	Q3-21	Q4-21	TTM
Quarter-over-Quarter					
ARR (As Reported)	601	638	722	774	
Net New ARR (As Reported) ⁵	29	37	84	52	201
Quarterly FX headwind/(tailwind) ⁶	1	<u>(11)</u>	<u>(12)</u>	3	<u>(18)</u>
Net New ARR - Constant Currency	30	26	72	56	183
Quarterly Perpetual License Rolloff - Constant Currency ⁷	0	3	4	11	18
Net New ARR Excluding Perpetual License Rolloff - Constant Currency	30	28	76	67	201
<i>Year-over-Year ARR Growth ex-Perp - Constant Currency</i>	(17)%	(25)%	17%	61%	11%

	FY22				
(\$ in millions)	Q1-22	Q2-22	Q3-22	Q4-22	
Year-over-Year					
ARR (As Reported)	823	864	930	995	
<i>Year-over-Year increase</i>	37%	35%	29%	29%	
TTM FX headwind/(tailwind) ²	<u>(30)</u>	<u>(8)</u>	<u>21</u>	<u>20</u>	
ARR - Constant Currency	794	856	951	1,014	
<i>Year-over-Year ARR Increase - Constant Currency³</i>	32%	34%	32%	31%	
TTM Perpetual License Rolloff - Constant Currency ⁴	<u>24</u>	<u>25</u>	<u>34</u>	<u>27</u>	
ARR Excluding TTM Perp License Rolloff - Constant Currency	817	881	985	1,041	
<i>Year-over-Year ARR Growth ex-Perp - Constant Currency</i>	36%	38%	36%	35%	
	Q1-22	Q2-22	Q3-22	Q4-22	TTM
Quarter-over-Quarter					
ARR (As Reported)	823	864	930	995	
Net New ARR (As Reported) ⁵	49	41	66	65	221
Quarterly FX headwind/(tailwind) ⁶	<u>(6)</u>	<u>10</u>	<u>15</u>	1	<u>19</u>
Net New ARR - Constant Currency	43	50	81	66	240
Quarterly Perpetual License Rolloff - Constant Currency ⁷	6	4	12	5	27
Net New ARR Excluding Perpetual License Rolloff - Constant Currency	49	54	93	71	268
<i>Year-over-Year ARR Growth ex-Perp - Constant Currency</i>	63%	92%	22%	7%	33%

1) Values have been rounded and may not add up precisely to the totals
2) Year-over-year FX headwind/(tailwind) using exchange rates from the same quarter in the prior year.
3) Represents the year-over-year growth rate excluding the FX headwind/(tailwind).
4) Represents the cumulative trailing-twelve-month amount of Dynatrace perpetual license ARR that had reached the end of its revenue recognition schedule.
5) Defined as the quarterly increase/(decrease) in the current quarter as reported ARR compared to the previous quarters as reported ARR.
6) Quarterly FX impact using exchange rates from the prior quarter.
7) Represents the quarterly amount of Dynatrace perpetual license ARR that had reached the end of its revenue recognition schedule in constant currency, net of new perpetual license ARR signed in the quarter.



Non-GAAP Operating Income Reconciliation

(\$ in millions)	FY21 ¹						FY22 ¹					
	GAAP	Stock-Based Comp.	Employer Payroll Tax on Employee Stock trans.	Amort of Other Intangibles	Restructuring & Other	Non-GAAP	GAAP	Stock-Based Comp.	Employer Payroll Tax on Employee Stock trans.	Amort. of Other Intangibles	Restructuring & Other	Non-GAAP
Cost of Revenues	\$128	\$(7)	\$(1)	\$(15)	-	\$ 104	\$173	\$(13)	\$(1)	(16)	-	\$143
Gross Profit	\$576	\$7	\$1	\$15	-	\$ 599	\$757	\$13	\$1	\$16	-	\$786
<i>Gross Margin</i>	82%					85%	81%					85%
Research and Development	111	(12)	(1)	-	-	98	\$156	\$(21)	\$(2)	-	-	\$133
Sales and Marketing	245	(24)	(2)	-	-	220	\$362	\$(36)	\$(2)	-	-	\$324
General and Administrative	92	(15)	-	-	(3)	74	\$127	\$(29)	\$(1)	-	\$(1)	\$95
Amortization of other intangibles	35	-	-	(35)	-	-	\$30	-	-	\$(30)	-	-
Restructuring and other	-	-	-	-	-	-	-	-	-	-	-	-
Operating Income (loss)¹	\$92	\$58	\$4	\$50	\$3	\$207	\$81	\$100	\$6	\$46	\$1	\$234
<i>Operating Margin</i>	13%					29%	9%					25%

¹⁾ Values have been rounded and may not add up precisely to the total.



uFCF & FCF Reconciliation¹

(\$ in millions)	FY21	FY22
Free Cash Flow		
Net Cash Provided by Operating Activities	\$ 220	\$ 251
PP&E	(14)	(18)
Total FCF	\$ 206	\$ 233
Unlevered Free Cash Flow		
Cash paid for interest expense	12	8
Discrete tax items	18	(7)
Transaction, restructuring, and other	3	1
Total uFCF	\$240	\$236
Interest Tax Adjustment	(3)	(2)
uFCF (After tax adjustment)	\$ 237	\$ 234
uFCF % of Revenue	34%	25%

¹⁾ Values have been rounded and may not add up precisely to the totals.