

PagerDuty

Investor presentation

Q3 2025

Period ended October 31, 2024

Safe harbor

This presentation contains forward-looking statements. All statements other than statements of historical fact contained in this presentation, including statements as to future results of operations and financial position, such as the financial guidance for the fourth quarter of fiscal 2025 and full year fiscal 2025, growth and future revenue prospects, expected client demand for and benefits of our offerings, the impact of our recently-released and planned products and services, business strategy and plans, including our ability to expand into new sectors, objectives of management for future operations of PagerDuty, Inc. (“PagerDuty” or the “Company”), market size and growth opportunities, competitive position, technological and market trends and target operating model, are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “can,” “desire,” “able,” “guidance,” “expect,” “extend,” “anticipate,” “should,” “believe,” “hope,” “target,” “project,” “accelerate,” “goals,” “estimate,” “potential,” “predict,” “may,” “will,” “might,” “could,” “intend,” “shall” or the negative of these terms or other similar words or expressions. You should not rely upon forward looking statements as predictions of future events.

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The forward-looking statements contained in this presentation are also subject to additional risks, uncertainties, and factors, including those more fully described in PagerDuty’s filings with the Securities and Exchange Commission, including its most recently filed Form 10-K /A and Form 10-Q.

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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 industry data. These data involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. The Company has not independently verified the statistical and other industry data generated by independent parties and contained in this presentation and, accordingly, it cannot guarantee their accuracy or completeness. In addition, projections, assumptions and estimates of its future performance and the future performance of the markets in which the Company competes are necessarily subject to a high degree of uncertainty and risk due to a variety of factors. These and other factors could cause results or outcomes to differ materially from those expressed in the estimates made by the independent parties and by PagerDuty.

This presentation also includes certain non-GAAP financial measures. These non-GAAP financial measures are in addition to, and not as a substitute for or superior to measures of financial performance prepared in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures versus their nearest GAAP equivalents. For example, other companies may calculate non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of the Company’s non-GAAP financial measures as tools for comparison. The Company has provided a reconciliation of those measures to the most directly comparable GAAP measures, which is available at <https://investor.pagerduty.com>.

For further information with respect to PagerDuty, we refer you to our most recent Form 10-K/A and Form 10-Q and our other filings with the SEC. In addition, we are subject to the information and reporting requirements of the Securities Exchange Act of 1934 and, accordingly, file periodic reports, current reports, proxy statements and other information with the SEC. These periodic reports, current reports, proxy statements and other information are available for review at the SEC’s website at <http://www.sec.gov>.

Purpose

We empower teams with the time and efficiency to build the future.

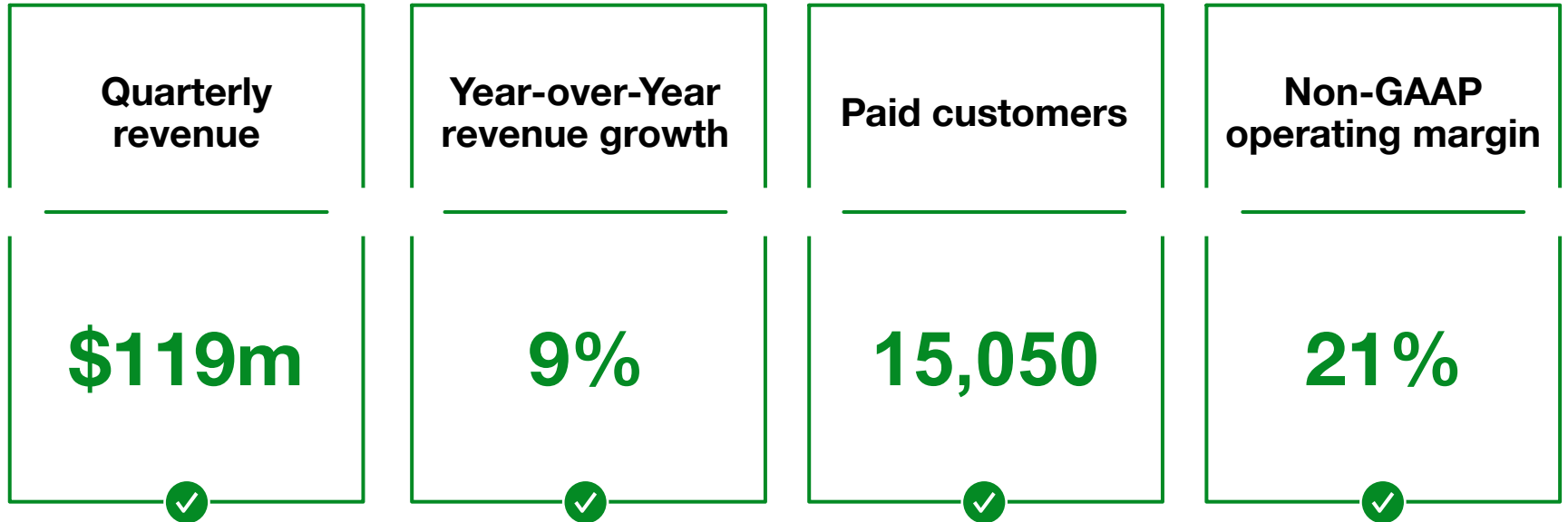
Vision

An equitable world where we transform critical work so all teams can delight their customers and build trust.

Mission

To revolutionize operations and build customer trust by anticipating the unexpected in an unpredictable world.

PagerDuty Q3 overview



See appendix for GAAP to non-GAAP reconciliation

The PagerDuty Operations Cloud: addressing customers' critical business priorities

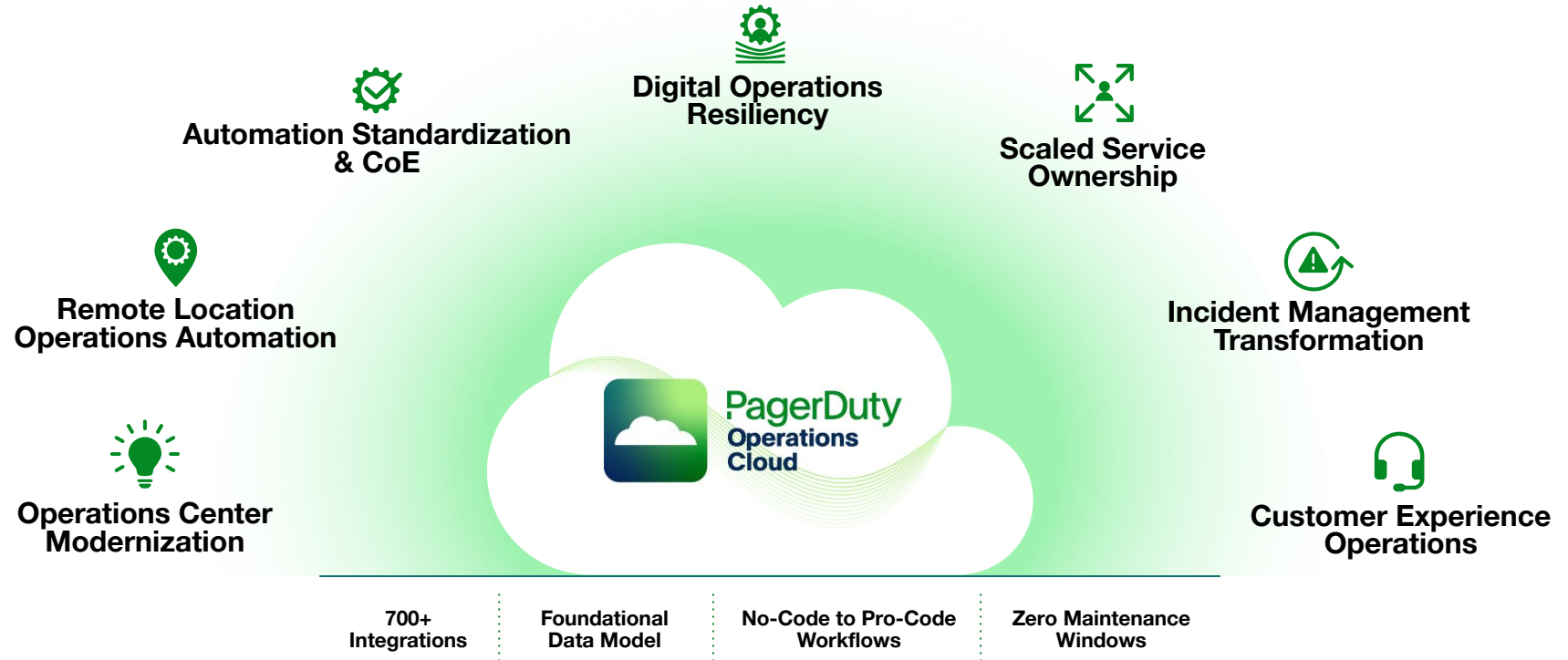
Enterprise priorities

- ✓ Grow revenue by increasing innovation velocity
- ✓ Reduce costs to achieve operational efficiency at scale
- ✓ Mitigate the risk of operational failures and poor digital customer experiences

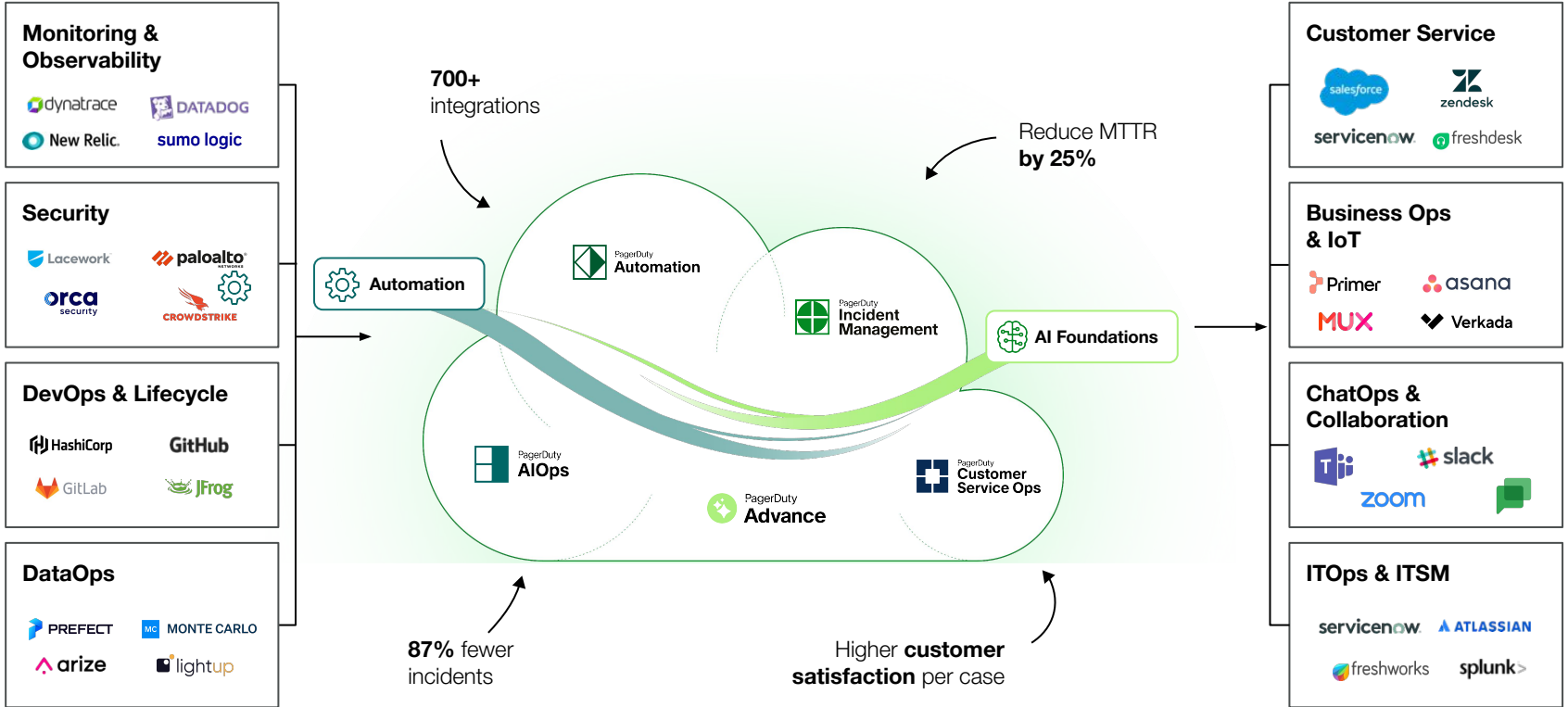
PagerDuty delivers

- ✓ Modern operations capabilities enable teams to move faster, create more value, and build a competitive advantage
- ✓ AI- and machine learning-powered automation to optimize workflows, consolidate tooling, and embed best practices to significantly improve operational efficiency across the organization.
- ✓ Streamlined alerting processes, automated remediation and triage, AI-powered insights from past incidents and correlated events, and supporting compliance to regulatory obligations related to major incidents.

The Platform for Operational Transformation



The PagerDuty Operations Cloud



The Operations Cloud product pillars



PagerDuty Incident Management

- Professional \$252 per user/year
- Business \$492 per user/year
- Enterprise (contact for pricing)

Deliver always on digital services by mobilizing the right response when seconds matter.



PagerDuty AIOps: consumption pricing, starting at \$8,388/year

Reduce noise, identify root causes, and automate incident resolution in real time.



Runbook Automation, \$1,500 per user/year + Cloud Platform fee

Runbook Automation, Self-hosted (contact for pricing)

Workflow Automation, (contact for pricing)

Operate faster by automating and delegating business and IT processes.



PagerDuty for Customer Service

- Professional \$252 per user/year
- Business \$492 per user/year
- Enterprise (contact for pricing)

Empower Customer Service teams to proactively solve customer issues, faster.

Add ons

PagerDuty Advance \$4,980 per user/year | Jeli: (contact for pricing) | Runbook Automation for Incident Management: \$708 per user/year
Stakeholder License: \$1,800 per 50 stakeholders per year | Status Pages: \$1,068 per 1,000 subscribers/year | Professional Services and Support (contact for pricing)

Forrester total economic impact study

PagerDuty is an essential partner to build resilient and efficient operations

249%

Return on investment
(ROI) over three years

<12 months

Payback

Source: Forrester Consulting: The Total Economic Impact of the PagerDuty Operations Cloud. August 2024
<https://www.pagerduty.com/resources/analyst-report/unlock-the-roi-of-pagerduty-forrester-study/>

PagerDuty is a market leader

PagerDuty has been recognized as a Leader in the **2024 GigaOm Radar for AIOps**. This is PagerDuty's third consecutive year being recognized as a Leader in this report.

Correlation & Causation

Automated Remediation

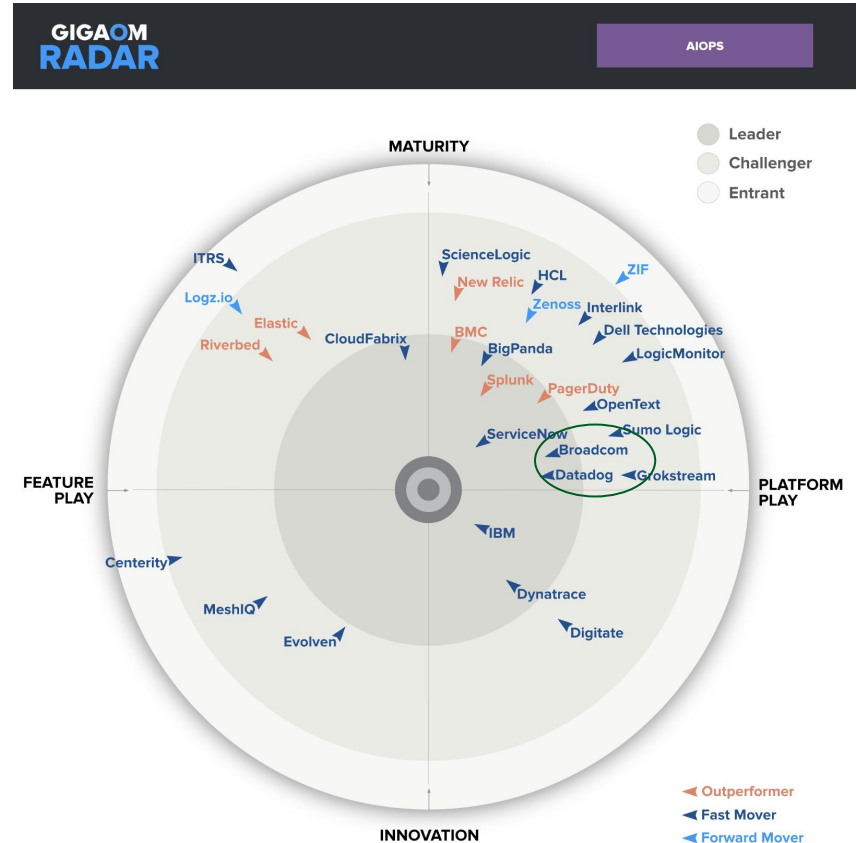
Workflow Integration

Ease of Deployment

Read the full report at:

<https://www.pagerduty.com/resources/analyst-report/gigaom-radar-for-aiops-2024/>

PagerDuty



Underpenetrated, fragmented market opportunity

80 million users by persona (estimated) in 2023

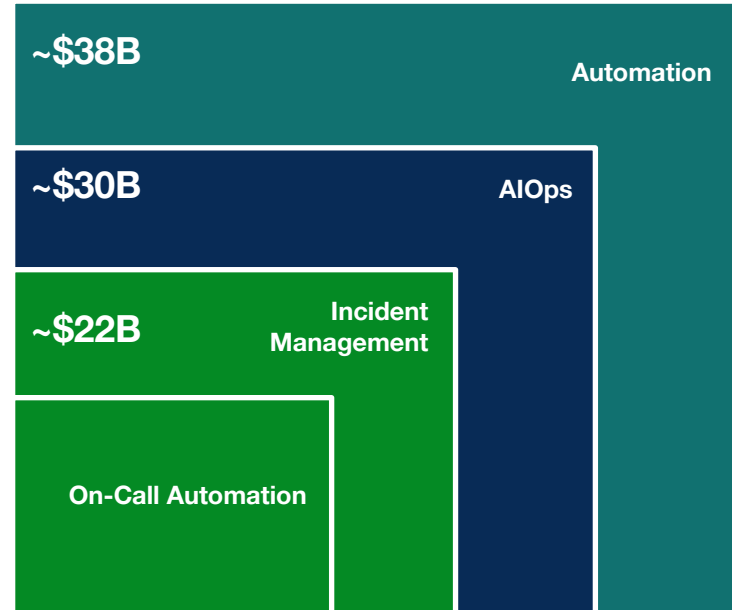
Developers: driven by digital services and software-driven innovation → **29m users**

Infrastructure and Operations: undergoing modernization with Digital, Cloud adoption, and DevOps → **22m users**

Customer Service: push for improving cost-efficiency and productivity through self-service and automation → **27m users**

SecOps: a relatively small, but influential population (i.e. protect all technology / data, employees, customers and stakeholders for a business) → **2m users**

\$38B total addressable market



Go-to-market model aligns to customer opportunity

Customer segment (by \$ revenue)	Sales channel	
Enterprise >\$1B	High value field sales	Self-service
Mid-Market >\$50m	High velocity inside sales	
SMB <\$50m	Programmatic digital sales	

Why PagerDuty wins – fast time to value

Technology



Integrations



AI / Machine learning



Automation

Customer focus



24/7 availability



Enterprise scale



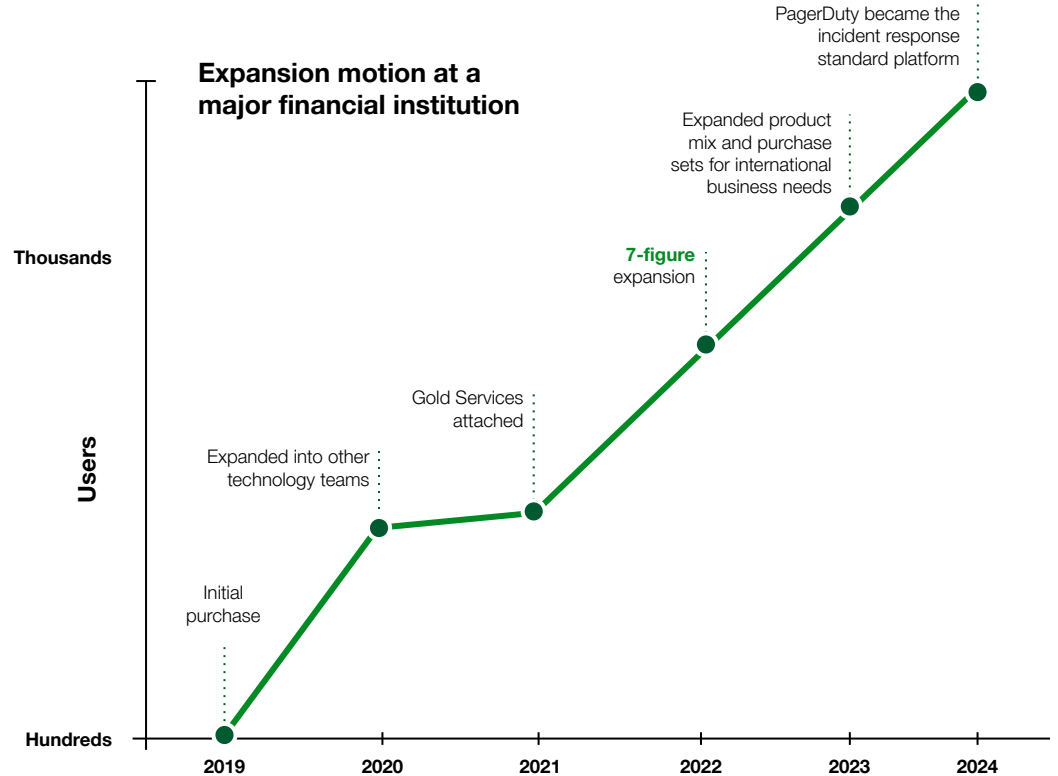
Easy setup

Innovation-driven land-and-expand model

A leading financial services organization relies on PagerDuty to increase workforce efficiency, critical application uptime, and operating leverage.

Value captured includes, reduced toil and improved customer experience through greater app reliability.

- **2019:** Initial purchase for a group delivering applications for high value clients
- **2020:** Additional purchases = > \$1M in ARR
- **2021:** Added gold services
- **2022:** Additional 7-figure deal
- **2023:** Expanded product mix and purchase sets for international business needs
- **2024:** Became the incident response standard platform for the organization



Momentum in the enterprise segment: Million-dollar ARR customers continue to expand



Operations **Cloud traction**

driving multi-product, multi-year opportunities



Expanding reach

within the enterprise with adoption across business units, geographies, and teams



Technology **recognized as a value driver**

for driving innovation and efficiencies - no longer a cost center



Increasing ARR

is earned by delivering proven value, fast time to value, and ROI



PagerDuty

FY24 Impact Report



PagerDuty impact customer, Nexleaf Analytics

Focus on Global Impact



Financials

Select operating metrics

	FY24 Q3	FY24 Q4	FY25 Q1	FY25 Q2	FY25 Q3
Revenue (millions)	\$109	\$111	\$111	\$116	\$119
Revenue Growth	15%	10%	8%	8%	9%
Non-GAAP Operating Margin	14%	10%	14%	17%	21%
DBNR	110%	107%	106%	106%	107%
Paid Customers	15,049	15,039	15,120	15,044	15,050
Customers >\$100K	778	804	811	820	825

See appendix for GAAP to non-GAAP reconciliation; see appendix for definition of operating metrics

Non-GAAP target operating model

% of Revenue	FY20	FY21	FY22	FY23	FY24	Q3'FY25	Target
Gross Margin	86%	87%	85%	85%	86%	86%	85%
Sales & Marketing	53%	50%	50%	43%	38%	34%	35%
Research & Development	26%	25%	25%	24%	22%	19%	20%
General & Administrative	24%	21%	19%	17%	13%	12%	10%
Operating Margin	(17%)	(8%)	(8%)	1%	13%	21%	20%



See appendix for GAAP to non-GAAP reconciliation



Our mission at PagerDuty is to revolutionize operations and build customer trust by anticipating the unexpected in an unpredictable world.

Investment highlights

Real-time leading operations cloud platform

Comprehensive product offerings to optimize operating efficiency and offer tangible ROI

Significant market opportunity

Customer-driven demand across business operations and industrial operations

Expansive enterprise adoption

Strong enterprise demand with opportunity to further expand across the operations cloud platform

Consistent innovation and execution

Expanding competitive advantage through product offerings and focused execution amidst macro environment

Aiming to achieve durable profitable growth

Solid revenue growth with significant operating margin expansion

Appendix

Definitions

Annual recurring revenue (ARR) - Annualized recurring value of all active contracts at the end of a reporting period.

Customer - A separate legal entity, such as a company or an educational or government institution, that has an active subscription with us or one of our partners to access our platform. In situations where an organization has multiple subsidiaries or divisions, we treat the parent entity as the customer instead of treating each subsidiary or division as a separate customer.

Dollar-Based Net Retention (DBNR) - Calculated as of a period end starting with the ARR from the cohort of all customers as of 12 months prior to such period end. Next, we calculate the ARR from these same customers as of the current period end. Period ARR includes any expansion and is net of downgrades or churn over the last 12 months but excludes ARR from new customers in the current period. We then divide the total Current Period ARR by the total Prior Period ARR to arrive at the dollar-based net retention rate.

Reconciliation

PagerDuty, Inc.

Reconciliation of GAAP to Non-GAAP Data

(in thousands, except percentages and per share data) (unaudited)

	Three months ended October 31,		Year Ended January 31,		
	2024	2023	2024	2023	2022
Non-GAAP gross profit and non-GAAP gross margin					
Gross profit	\$98,678	\$89,015	\$352,867	\$300,359	\$233,035
Add:					
Stock-based compensation	1,432	1,820	7,586	6,827	3,751
Employer taxes related to employee stock transactions	29	21	199	163	131
Amortization of acquired intangible assets	2,200	2,087	8,614	7,401	1,120
Restructuring costs	—	—	137	357	—
Non-GAAP gross profit	\$102,339	\$92,943	\$369,403	\$315,107	\$238,037
Revenue	\$118,946	\$108,720	\$430,699	\$370,793	\$281,396
Gross margin	83%	82%	82%	81%	83%
Non-GAAP gross margin	86%	86%	86%	85%	85%
Non-GAAP research and development					
Research and development	\$34,267	\$34,272	\$139,769	\$134,876	\$95,690
Less: Stock-based compensation	11,576	11,128	44,800	39,012	23,764
Less: Employer taxes related to employee stock transactions	173	210	1,398	942	929
Less: Acquisition-related expenses	227	161	838	3,105	1,789
Less: Amortization of acquired intangible assets	—	88	350	232	—
Less: Restructuring costs	—	—	(26)	2,004	—
Non-GAAP research and development	\$22,291	\$22,685	\$92,409	\$89,581	\$69,208

Note: Certain figures may not sum due to rounding.

Reconciliation con't

PagerDuty, Inc.

Reconciliation of GAAP to Non-GAAP Data

(in thousands, except percentages and per share data) (unaudited)

	Three months ended October 31,		Year Ended January 31,		
	2024	2023	2024	2023	2022
Non-GAAP sales and marketing					
Sales and marketing	\$49,272	\$49,630	\$196,769	\$195,622	\$161,624
Less: Stock-based compensation	7,639	8,094	30,345	29,804	19,012
Less: Employer taxes related to employee stock transactions	128	39	919	892	765
Less: Amortization of acquired intangible assets	632	610	2,459	2,546	2,380
Less: Restructuring costs	—	(1)	(49)	2,200	—
Non-GAAP sales and marketing	\$40,873	\$40,888	\$163,095	\$160,180	\$139,467
Non-GAAP general and administrative					
General and administrative	\$25,432	\$25,955	\$112,575	\$99,238	\$77,432
Less: Stock-based compensation	11,126	10,786	44,421	34,264	23,506
Less: Employer taxes related to employee stock transactions	122	145	982	1,099	1,192
Less: Acquisition-related expenses	—	530	962	1,454	319
Less: Amortization of acquired intangible assets	—	21	87	58	—
Less: Restructuring costs	—	133	8,615	474	—
Non-GAAP general and administrative	\$14,184	\$14,340	\$57,508	\$61,889	\$52,415
Non-GAAP operating income (loss) and non-GAAP operating margin					
Loss from operations	\$(10,293)	\$(20,842)	\$(96,246)	\$(129,377)	\$(101,711)
Add: Stock-based compensation	31,773	31,828	127,152	109,907	70,033
Add: Employer taxes related to employee stock transactions	452	415	3,498	3,096	3,017
Add: Amortization of acquired intangible assets	2,832	2,806	11,510	10,237	3,500
Add: Acquisition-related expenses	227	691	1,800	4,559	2,108
Less: Restructuring costs	—	132	8,677	5,035	—
Non-GAAP operating income (loss)	\$24,991	\$15,030	\$56,391	\$3,457	\$(23,053)
Revenue	\$118,946	\$108,720	\$430,699	\$370,793	\$281,396
GAAP operating margin	(9)%	(19)%	(22)%	(35)%	(36)%
Non-GAAP operating margin	21%	14%	13%	1%	(8)%

Note: Certain figures may not sum due to rounding.

Reconciliation con't

PagerDuty, Inc.

Reconciliation of GAAP to Non-GAAP Data

(in thousands, except percentages and per share data) (unaudited)

	Three months ended October 31,		Year Ended January 31,		
	2024	2023	2024	2023	2022
Non-GAAP net income (loss) attributable to PagerDuty, Inc. common stockholders					
Net loss attributable to PagerDuty, Inc. common stockholders	\$(6,558)	\$(15,125)	\$(81,757)	\$(128,423)	\$(107,455)
Add: Stock-based compensation	31,773	31,828	127,152	109,907	70,033
Add: Employer taxes related to employee stock transactions	452	415	3,498	3,096	3,017
Add: Amortization of debt issuance costs	671	523	2,078	1,839	1,805
Add: Amortization of acquired intangible assets	2,832	2,806	11,510	10,237	3,500
Add: Acquisition-related expenses	227	691	1,800	4,559	2,108
Add: Restructuring costs	—	132	8,677	5,035	—
Add: Gain on partial extinguishment of convertible senior notes	—	(3,970)	(3,699)	—	—
Add: Adjustment attributable to redeemable non-controlling interest	634	2,359	6,568	—	—
Add: Income tax effect of non-GAAP adjustments	(6,310)	(466)	(3,273)	(2,556)	—
Non-GAAP net income (loss) attributable to PagerDuty, Inc. common stockholders	\$23,721	\$19,193	\$72,554	\$3,694	\$(26,992)
Non-GAAP net income (loss) per share, basic					
GAAP net loss per share, basic, attributable to PagerDuty, Inc. common stockholders	\$(0.07)	\$(0.16)	\$(0.89)	\$(1.45)	\$(1.27)
Non-GAAP adjustments to net loss attributable to PagerDuty, Inc. common stockholders	0.33	0.37	1.68	1.49	0.95
Non-GAAP net income (loss) per share, basic, attributable to PagerDuty, Inc. common stockholders	\$0.26	\$0.21	\$0.79	\$0.04	\$(0.32)
Non-GAAP net income (loss) per share, diluted					
GAAP net loss per share, diluted, attributable to PagerDuty, Inc. common stockholders	\$(0.07)	\$(0.16)	\$(0.89)	\$(1.45)	\$(1.27)
Non-GAAP adjustments to net loss attributable to PagerDuty, Inc. common stockholders	0.32	0.36	1.63	1.49	0.95
Non-GAAP net income (loss) per share, diluted, attributable to PagerDuty, Inc. common stockholders	\$0.25	\$0.20	\$0.74	\$0.07	\$(0.32)
Weighted-average shares used in calculating net income (loss) per share					
Basic	91,438	93,104	92,341	88,721	84,514
Diluted	94,036	96,235	100,941	100,862	84,514

Note: Certain figures may not sum due to rounding.

Reconciliation con't

PagerDuty, Inc.

Reconciliation of GAAP to Non-GAAP Data

(in thousands, except percentages and per share data) (unaudited)

	Three months ended October 31,		Year Ended January 31,		
	2024	2023	2024	2023	2022
Free cash flow and free cash flow margin					
Net cash provided by (used in) operating activities	\$22,073	\$16,917	\$71,974	\$16,980	\$(6,021)
Purchases of property and equipment	(552)	(245)	(2,164)	(4,637)	(3,457)
Capitalization of internal-use software costs	(2,078)	(1,441)	(5,384)	(3,836)	(3,353)
Free cash flow	\$19,443	\$15,231	\$64,426	\$8,507	\$(12,831)
Net cash (used in) provided by investing activities	\$(3,101)	\$10,887	\$(30,525)	\$(86,165)	\$17,376
Net cash (used in) provided by financing activities	\$(78,118)	\$54,157	\$51,600	\$(6,413)	\$(736)
Revenue	\$118,946	\$108,720	\$430,699	\$370,793	\$281,396
Free cash flow margin	16%	14%	15%	2%	(5)%

Note: Certain figures may not sum due to rounding.