

WELCOME TO

Financial Analyst Day



Agenda

01

Strategy and Growth

Carl Eschenbach

02

Financial Framework

Zane Rowe

03

Product and
Innovation

Gerrit Kazmaier

Aashna Kircher

Peter Bailis

04

Go-to-Market

Rob Enslin

05

Q&A

Safe Harbor Statement

This presentation may contain forward-looking statements for which there are risks, uncertainties, and assumptions. Forward-looking statements may include any statements regarding our strategies or plans for future operations; growth and opportunities; new features, enhancements, or upgrades to our existing applications or plans for future applications; projections of revenues, gross margins, earnings, or other financial items; and any statements of expectation or belief. Forward-looking statements are based only on currently available information and our current beliefs, expectations, and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy, and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks, and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements, and therefore you should not rely on any forward-looking statements that we may make. Further information on risks that could affect Workday's results is included in our filings with the Securities and Exchange Commission which are available on the Workday investor relations webpage: www.workday.com/en-us/company/about-workday/investor-relations/overview.html.

Workday assumes no obligation for, and does not intend to update, any forward-looking statements, except as required by law. Any unreleased services, features, functionality, or enhancements referenced in any Workday document, roadmap, blog, our website, press release, or public statement that are not currently available are subject to change at Workday's discretion and may not be delivered as planned or at all.

Customers who purchase Workday services should make their purchase decisions based upon services, features, and functions that are currently available.

Use of Non-GAAP Financial Measures

In addition to financial results presented in accordance with generally accepted accounting principles (GAAP), this presentation includes certain non-GAAP financial measures of performance. A reconciliation of the non-GAAP operating margin to GAAP operating margin is contained in the Appendix to this presentation. These non-GAAP financial measures are in addition to, and not a substitute for or superior to, measures of financial performance prepared in accordance with GAAP, and may be different from non-GAAP financial measures used by other companies. Refer to the Appendix for an explanation of non-GAAP financial measures, and why management believes these measures provide useful information.

Carl Eschenbach

Chief Executive Officer

Driving Innovation

Best AI Agents for HR,
Finance, and Planning



Accelerating Investments
in Our Core Products



Open Platform
Designed for Work



Opening Up Sizeable Core TAM Through Targeted Investments

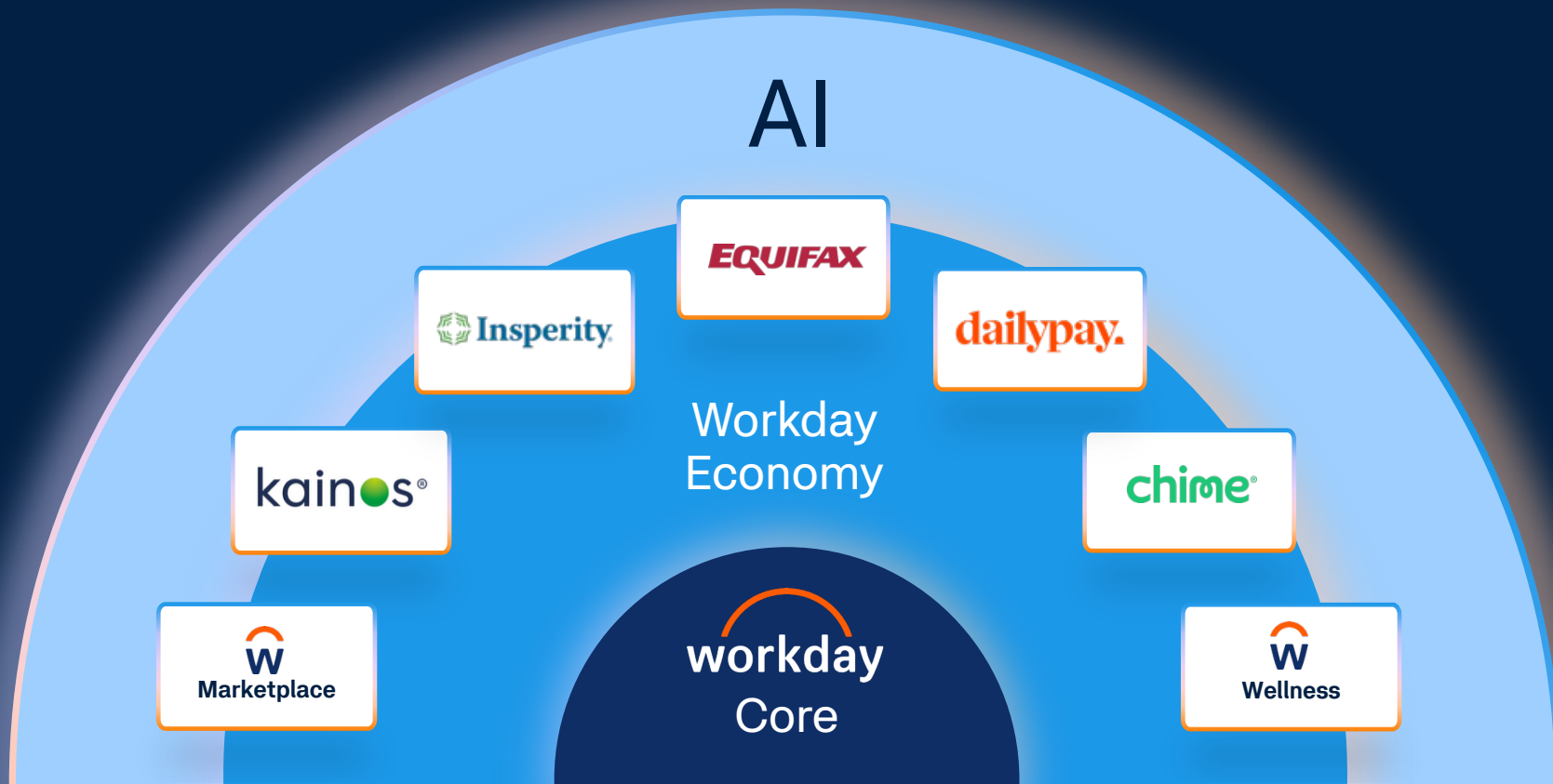
\$188B



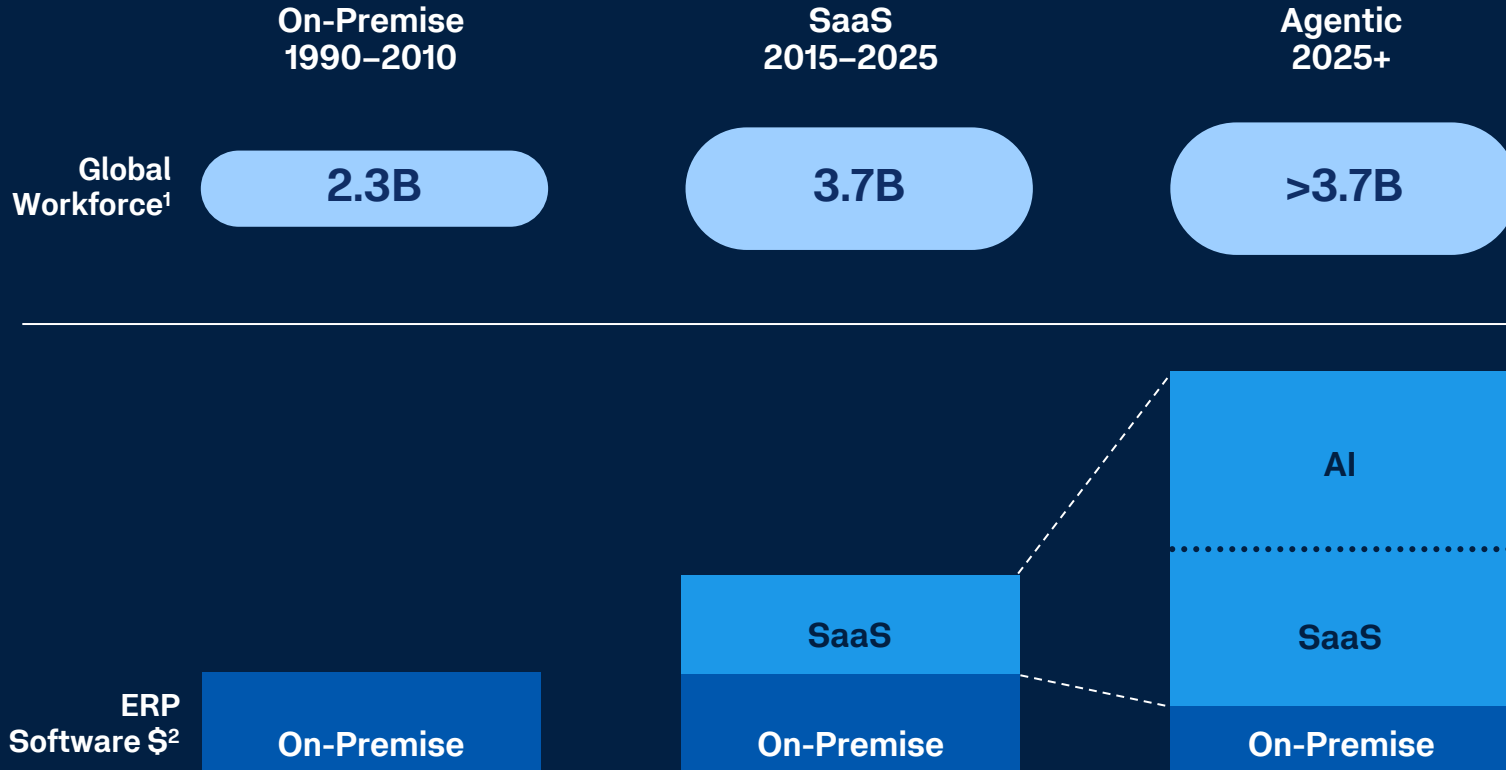
Platform and AI Expand Our Opportunity



Platform and AI Expand Our Opportunity



The Future of Software

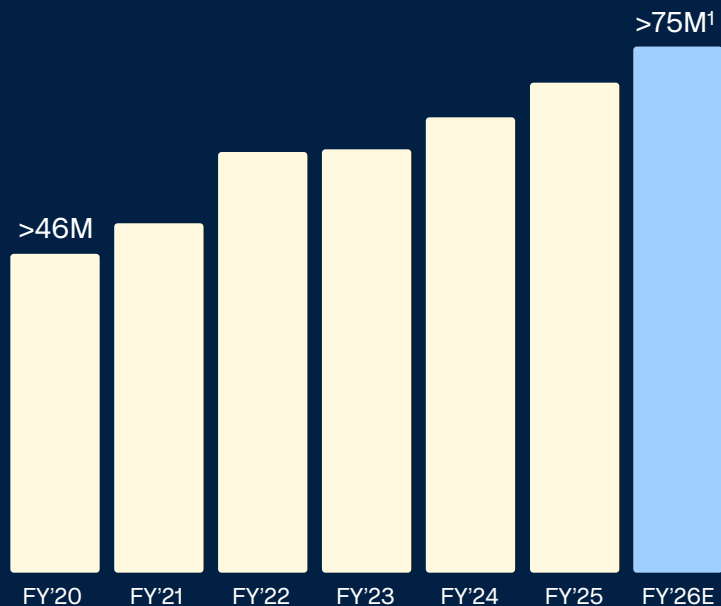


¹Global Workforce from World Bank Group for the periods 1990, 2024, and Workday Estimates.

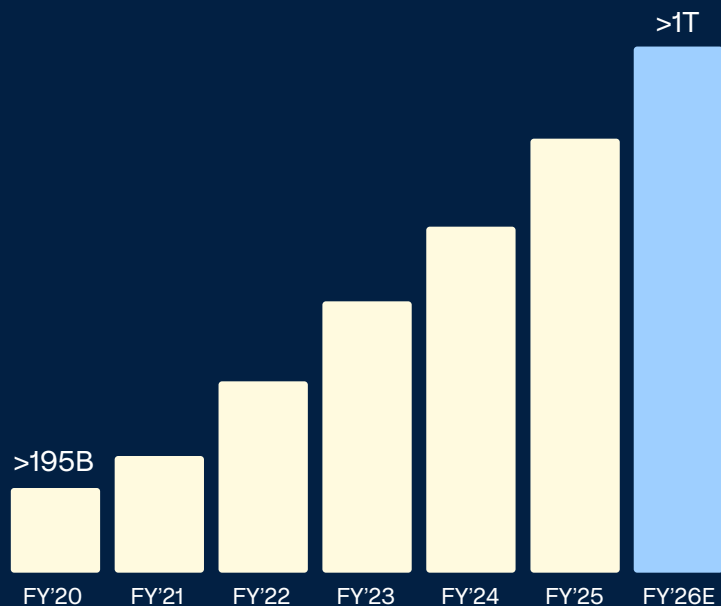
²ERP estimates via IDC and include: Asset life-cycle management, Enterprise Performance management, Financials, HCM, Order management, Payroll management, Procurement, Project and Portfolio management.

Pole Position in AI Through Proprietary Data

Workday Users Under Contract



Annual Transactions on Platform



¹Represents Workday users under contract as of 7.31.25.

Growing AI Momentum

Core Customers Using
Workday Illuminate™

~75%

% of Net-New Customer Wins
with One or More AI Products¹

>75%

Net-New ACV
from AI Products¹
YoY

>2x

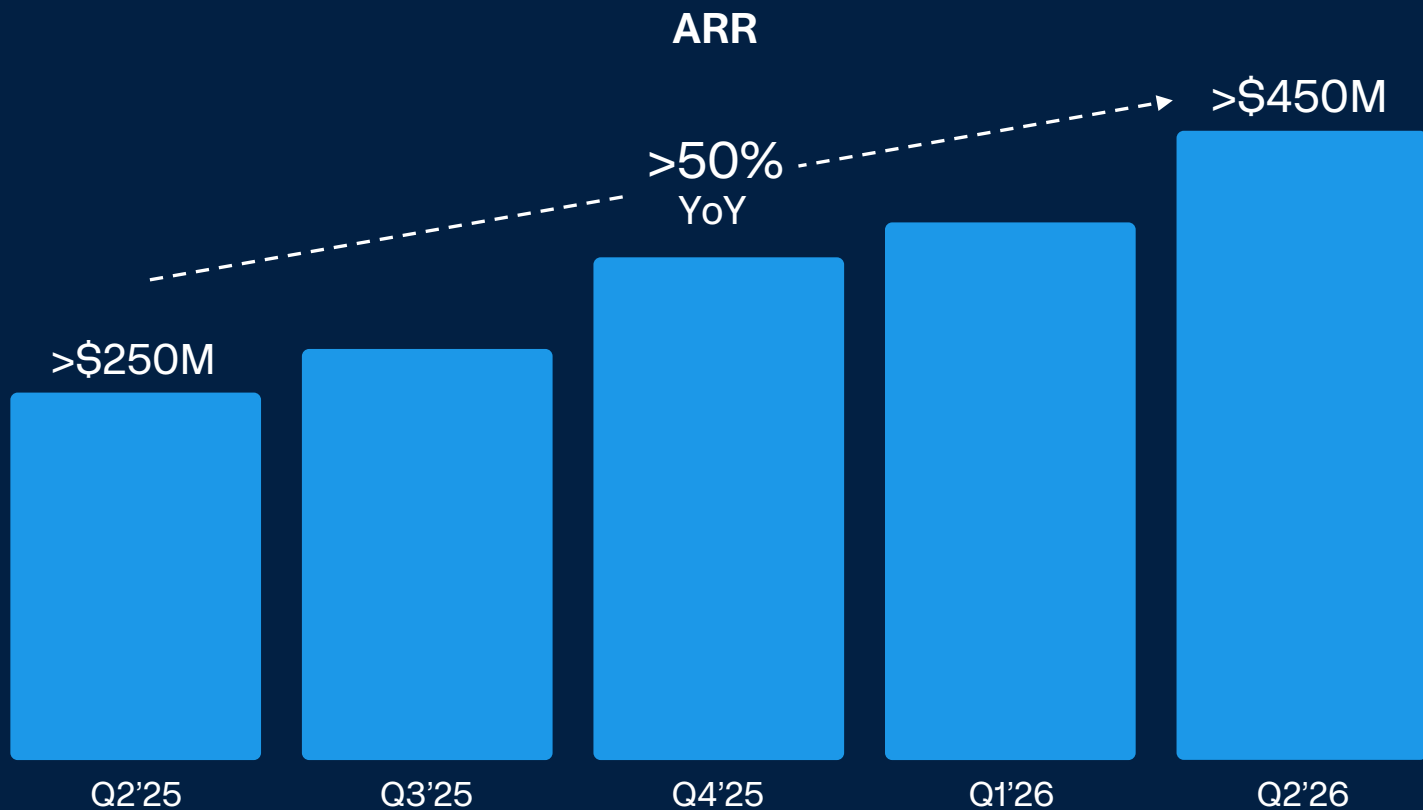


% of Customer Expansions with
One or More AI Products¹

>30%

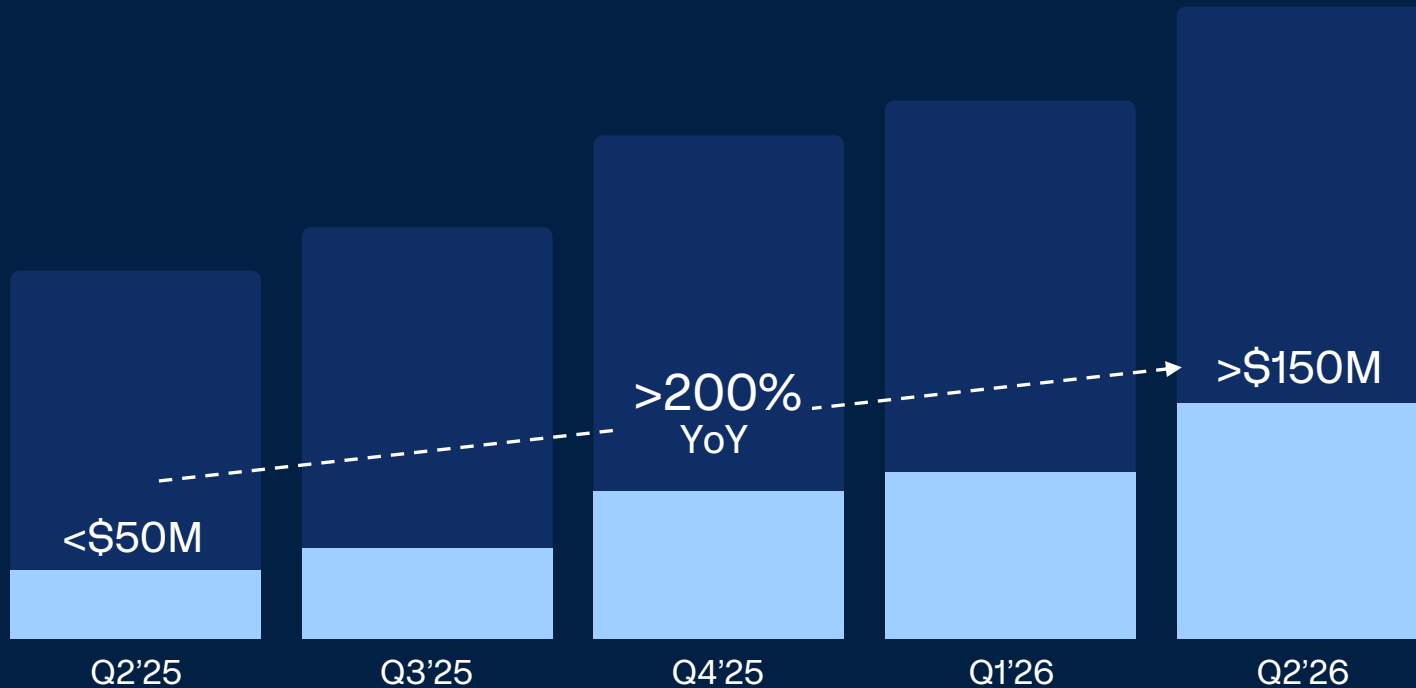
¹Includes Recruiting Agent, Talent Mobility Agent, Contract Intelligence Agent, Contract Negotiation Agent, Extend Pro, Talent Optimization, and Labor Optimization and Scheduling for the quarter ended 7.31.25.

Growing AI Momentum

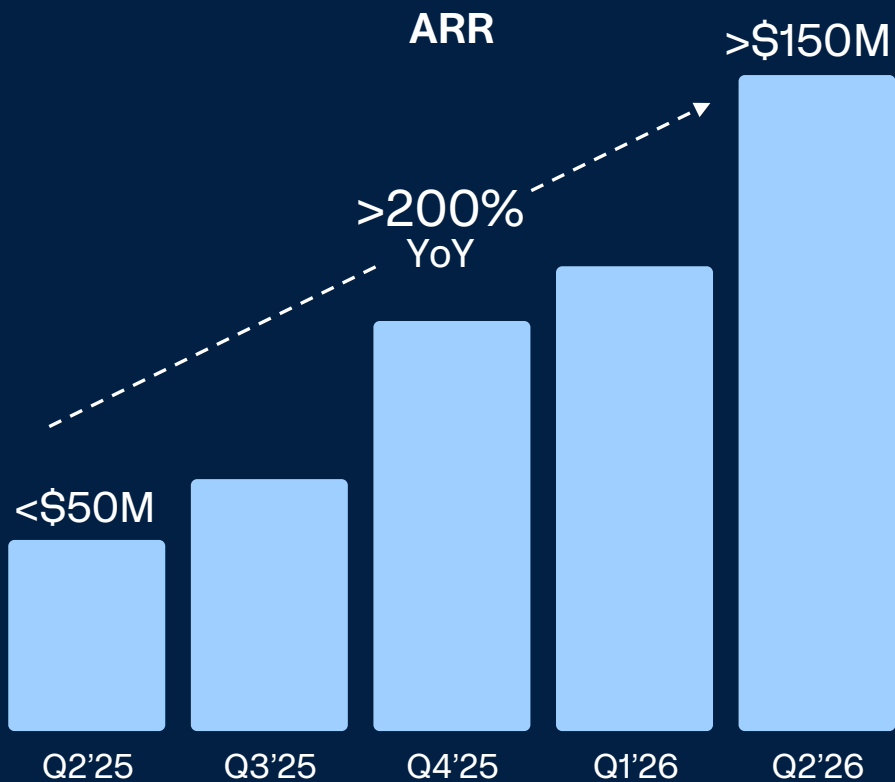


Emerging Agentic AI SKUs

ARR



Emerging Agentic AI SKUs



Driving

~1.5

Percentage Points of
ARR Growth to the
Overall Business

Leadership Team



Peter Bailis
Chief Technology
Officer



Aneel Bhusri
Co-Founder and Executive Chair



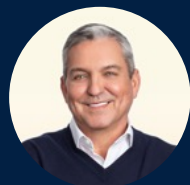
Patrick Blair
Chief Revenue Officer



Emma Chalwin
Chief Marketing Officer



Angelique De Vries-Schipperjin
President, EMEA



Rob Enslin
President,
Chief Commercial Officer



Chikara Furuichi
President, Japan



Ashley Goldsmith
Chief People Officer



Gerrit Kazmaier
President, Product & Technology



Lionel Liniger
SVP, North American Sales



Ale Mayer
Chief Strategy and Business
Operations Officer



Sheri Rhodes
Chief Customer
Officer



Zane Rowe
Chief Financial
Officer



Rich Sauer
Chief Legal Officer



Simon Tate
President, APAC

Zane Rowe

Chief Financial Officer

Growth Area KPIs

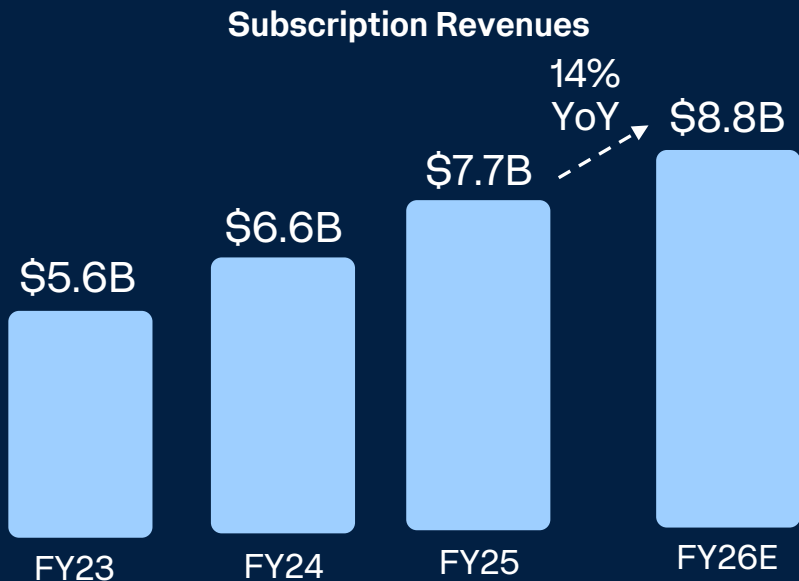
AI	>\$150M in emerging agentic AI ARR growing >200%
International	~15% international subscription revenue growth ¹
FINS/Full Suite	~20% FINS+ subscription revenue growth ¹
Partners	1,300+ partners including over 725 sales partners and over 650 innovation partners ²
Medium Enterprise	>50% of new customer ACV ¹
M&A	HiredScore ARR +250% since acquisition (5 quarters) ³ Evisort ARR +45% since acquisition (3 quarters) ³ Success attaching to customer base / opening TAM

¹For the Trailing Twelve Month (TTM) period ended 7.31.25.

²As of 9.16.25.

³As of 7.31.25.

Driving Growth at Scale ...



Net New Subscription Revenues Added

\$1.0B \$1.0B \$1.1B \$1.1B

Diverse Revenue Drivers

Customer Base Product Adoption

New Customer Growth

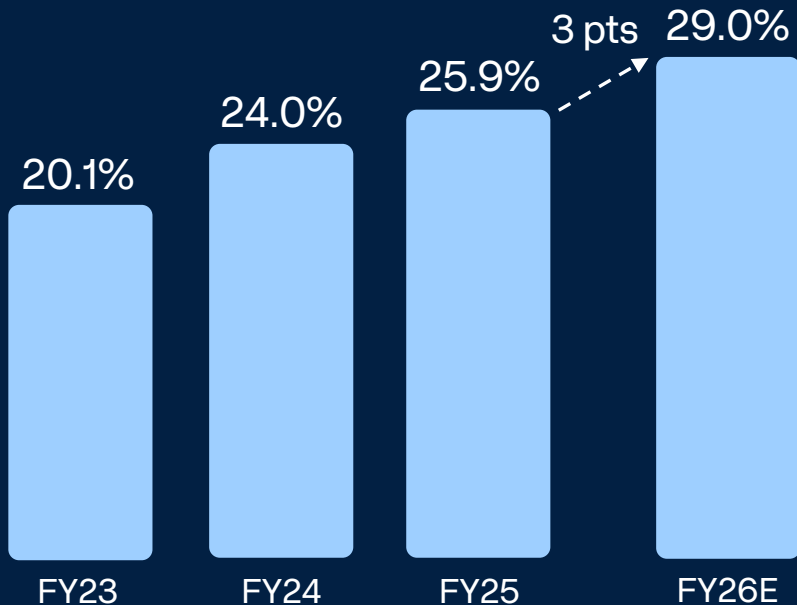
Ramp of Growth Areas

Monetization of AI

Inorganic Contribution

... While Expanding Margins ...

Non-GAAP Operating Margin



Driving Leverage

Strong Gross Retention

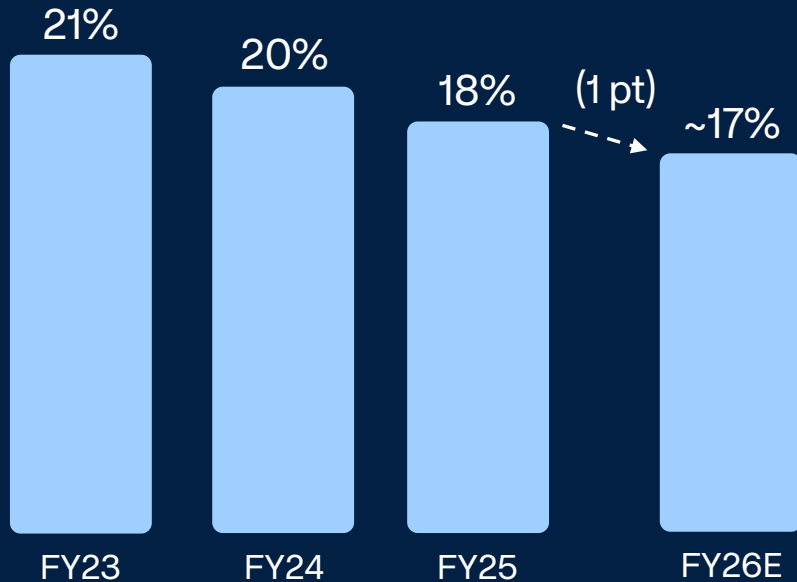
Efficiencies Through Scale

People/Process/Systems

Internal AI Adoption

...And Managing Stock-Based Compensation...

Stock-Based Compensation Expense as a % of Revenue



SBC Considerations

- Structural Plan Improvements
- Disciplined Approach to Allocation
- Moderated Headcount Growth

Key Framework Assumptions

Growth	Low	Mid	High
Macro	Slowing	Stable	Improving
Ramp of Growth Areas	Moderating	Continued	Faster
Margin Impact			
Investment Level (assumes continued investment in AI across all scenarios)	Reduced Pace: <i>Bias toward incremental margin</i>	Current Pace: <i>Balanced margin progression</i>	Increased Pace: <i>Bias toward growth</i>

Target Financial Framework

	Low	Mid	High
Subscription Revenue CAGR Through FY28	12%	13%-14%	15%
Non-GAAP Operating Margin in FY28	36%	~35%	33%
Non-GAAP “Rule of”¹	48%		
SBC % Revenue in FY28	13%-14% and managing lower		
Non-GAAP “Rule of” Including SBC²	~35%		
Share Repurchases³	\$5B through FY27		
FCF/Share CAGR Through FY28⁴	>20%		
FCF/Share in FY28⁴	~\$15		

All Targets are FY28 unless otherwise noted; 3-year CAGR calculated for FY26-FY28. Refer to Appendix – About Non-GAAP Measures for further details.

¹ Defined as FY28 subscription revenue growth plus FY28 Non-GAAP operating margin.

² Defined as FY28 subscription revenue growth plus FY28 Non-GAAP operating margin minus FY28 SBC % of revenue.

³ Share repurchases are inclusive of FY26 and FY27.

⁴ Excludes any non-recurring items.

Capital Allocation Philosophy

Organic Innovation



Primary Investment Focus

Innovating and Growing Our Platform

Driving Value with Agentic AI Opportunities

M&A



Cultural Alignment

Team and Technology

Adjacent Markets

TAM Expander



Share Repurchases



Accelerating with \$5B of Intended Repurchases Through FY27

Reducing Our Share Count Through FY27

Gerrit Kazmaier

President, Product and Technology

Workday's Unique Appeal

**Innovation
Agenda & AI
Inflection Point**



**Leadership and
Trust**



**Market Position
and Potential**



Core Values



McKinsey
& Company

80%

of companies are using the latest generation of AI; the same percentage have seen no significant gains in top- or bottom-line performance.

Our Data, Workflows and Governance Are the Foundation to Deliver On an Enterprise AI Promise

The AI Challenges Everyone Faces

Accuracy with Enterprise Data and Context

Enterprise data can't be upstreamed into base LLMs

Finding the right context for LLMs is very hard

Most enterprise data is not close to being ready

Integration with Processes, Logic, and Systems

Agent interop limited by enterprise APIs

Workflows are stateful and fixed

Automation gains are often cross-process/domain

Our Data, Workflows and Governance Are the Foundation to Deliver On an Enterprise AI Promise

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Agent interop limited by enterprise APIs
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Automation gains are often cross-process/domain

The AI Opportunity We Have

Leverage and Expand Data Moat

Build context and models on clean data
Expand and integrate our data foundation
Evolve our data model for AI consumption

Integration with Processes and Logic

Radically embrace OSS standards (MCP)
Reimagine business process with embedded AI
Enable AI-based extensibility

The AI Enterprise Platform for Managing People, Money, and Agents

Next-Generation ERP

Best AI Agents



Expanding the Core
Business



Open Enterprise
AI Platform



Illuminate Every Aspect of HR, Financials, and Platform

Illuminate for Workforce Management

Frontline Agent

Illuminate for Contingent Workforce

Contingent Sourcing Agent

Document Intelligence for Contingent Labor Agent **NEW**

Illuminate for HR Admin

BP Optimize Agent

Self-Service Agent

Case Agent **NEW**

Job Architecture Agent **NEW**

Illuminate for Implementation

Business Process Copilot Agent **NEW**

Illuminate for Payroll

Payroll Agent

Illuminate for Talent Management

Talent Mobility Agent

Performance Agent **NEW**

Illuminate for Learning

Learning and Development Agent¹ **NEW**

Illuminate for Talent Acquisition

Recruiting Agent

Workday Paradox Candidate Experience Agent² **NEW**

Illuminate for Employee Experience

Employee Sentiment Agent **NEW**

Illuminate for Accounting

Financial Audit Agent

Financial Test **NEW**

Cost & Profitability Agent **NEW**

Financial Close Agent **NEW**

Illuminate for Spend

Contract Intelligence Agent

Contract Negotiation Agent

Supplier Contract Agent

Illuminate for Revenue

Revenue Contract Agent

Illuminate for Planning

Planning Agent

Illuminate for Platform

Workday Flowise Agent Builder **NEW**

Illuminate for Higher Education

Student Administration Agent **NEW**

Academic Requirements **NEW**

¹ Pending close of the Sana acquisition.

² Pending close of the Paradox acquisition.

International



Federal



Medium
Enterprise



Accelerated with AI agents

Frontline



Expanding Our
Core Business

Open AI Enterprise Platform – Workday Build

The Developer Platform for People, Money, and Agents



Flowise Agents

Workday Flowise Agent Builder



Extend Apps

Workday Extend App Builder



Orchestrations

Orchestration Builder



Data Cloud

Data & Analytics



Workday Developer Copilot



One Developer Experience



APIs & Connectors

Open standards for max connectivity: MCP, A2A, REST, GraphQL, SOAP, JDBC, Iceberg

Delivered on the Workday Platform

Aashna Kircher

Group General Manager, CHRO Products

The AI Enterprise Platform for Managing People, Money, and Agents

Next-Generation ERP

Best AI Agents



Expanding the Core Business



Open Enterprise AI Platform



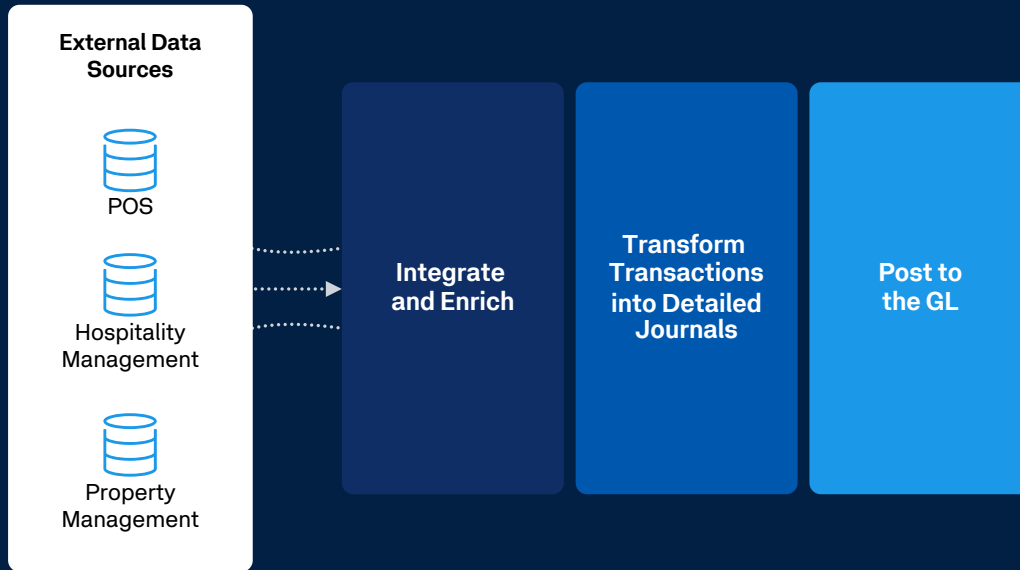
Getting the
data right.

Getting The Data Right



Getting the Data Right

FINS: Accounting Center



1B+

Detailed Entries
Automated

400+

Customers Achieving
Mass Efficiencies

13

Industries in Use

Getting the Data Right

FINS: Connecting Industry Operational Data



Transforms the
financial close process



Transforms the
order-to-cash process
for B2C companies in
tech and media



Transforms the
supply chain across
industries such as
high tech, life
sciences, automotive,
and healthcare

Data Flywheel



Best AI Agents for HR, FINS, and Planning

Recruiting Agent
Talent Mobility Agent
Contract Intelligence Agent
Contract Negotiation Agent

Available 2024/2025

Agent System of Record

Announced Feb. 2025

Self-Service Agent
Payroll Agent
Financial Audit Agent
Frontline Agent
BP Optimize Agent
Revenue Contract Agent
Planning Agent
Supplier Contract Agent
Contingent Sourcing Agent

Early Adopter 2025

Document Intelligence for
Contingent Labor Agent
Business Process Copilot Agent
Case Agent
Performance Agent
Workday Paradox Candidate
Experience Agent¹
Learning & Development Agent²
Job Architecture Agent
Employee Sentiment Agent
Financial Test Agent
Cost & Profitability Agent
Financial Close Agent
Student Administration Agent
Academic Requirements Agent
Workday Flowise Agent Builder

Expected Availability 2026

¹ Pending close of the Paradox acquisition.

² Pending close of the Sana acquisition.



Recruiting Agent



Talent Mobility Agent

Up to

70%

Reduction in
Screening Time

Up to

40%

Decrease in
Hiring Time



Recruiting Agent



Talent Mobility Agent



Contract Intelligence Agent

Up to

65%

Reduction in Contract
Execution Time



Talent Mobility Agent



Contract Intelligence Agent



Payroll Agent

Up to

4x

Faster Compliance
Enablement



Contract Intelligence Agent



Payroll Agent



Financial Audit Agent

Up to

900

Hours Saved on
Annual Audits



Payroll Agent



Financial Audit Agent



Contingent Sourcing Agent

Up to

25%

Lower Sourcing
Costs



Financial Audit Agent



Contingent Sourcing Agent



Planning Agent

Up to

30%

Efficiency Gains



Contingent Sourcing Agent



Planning Agent



Employee Sentiment Agent

Address employee sentiment and reduce costly employee turnover.



Planning Agent



Employee Sentiment Agent



Performance Agent

Streamlines the entire review process so managers can focus on meaningful feedback.



Employee Sentiment Agent



Performance Agent



Case Agent

Reduces case resolution times and lowers the number of support requests.



Performance Agent



Case Agent



Financial Close Agent

Optimizes the financial close process to accelerate predictability, efficiency and lower risk.

CEO Level Business Transformation



Industry Solutions • Analytics • Extend

The AI Enterprise Platform for Managing People, Money, and Agents

Next-Generation ERP

Best AI Agents



Expanding the Core
Business



Open Enterprise
AI Platform





Medium
Enterprise

Expanding the Core Business: Medium Enterprise

Reducing Operational Costs



BP Optimize Agent

Up to

90%

Improvement in Business
Process Efficiency

Expanding the Core Business: Medium Enterprise

Simplifying Integrations



Revenue Contract Agent

Automatically extracts key financial data from contracts with AI and automates downstream activity.

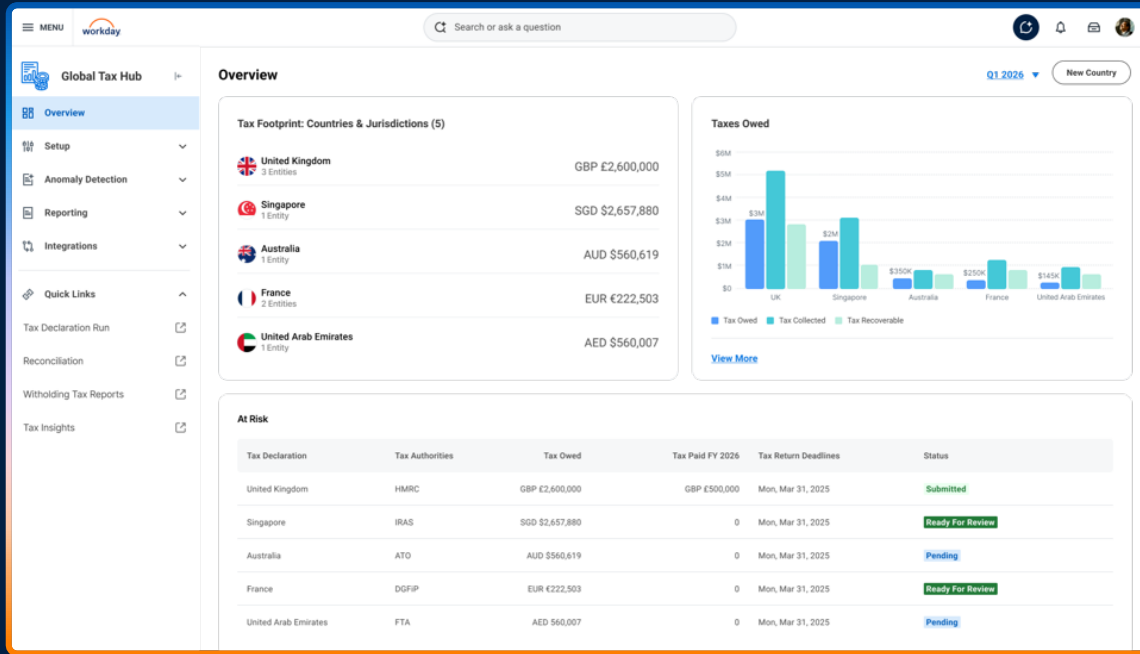


International

Expanding the Core Business : International Cloud Platform Availability Zones & Regions



Expanding the Core Business: International Compliance



175+
Countries¹

55+
Preconfigured Tax
and Reporting
Templates²

Integrating partners: VERTEX | Avalara | THOMSON REUTERS | Kyriba

¹Represents the number of countries Workday is deployed in as of 7.31.25.

²Country-specific local configurations available as of 2025 R1 release.

Expanding the Core Business: International

Global Payroll Connect



Expanding the Core Business: International

Enabling the Ecosystem

The screenshot shows the Workday Marketplace interface. At the top, the Workday logo and 'Marketplace' text are visible. A search bar contains the text 'pwc'. Below the search bar, there are navigation tabs for 'AI', 'Finance', 'HR', 'Planning', and 'Industries'. A toggle switch for 'Show AI Solutions only' is set to 'on'. The search results are displayed in a grid of six cards, each representing a different application or service provided by PwC. The cards are: 'Interview Scheduler', 'Pillar Two Data Processing', 'Security Suite', 'Remuneration Regulations [MRT] App', 'Right to Work', and 'Regulation & Compliance [SMCR] App'. Each card includes an icon, the title, the provider 'By PwC', and a brief description of the service.

workday Marketplace

Search: pwc

AI Finance HR Planning Industries

Show AI Solutions only

Results 1-12 of 27 for pwc

Business Function

- Finance
- HR
- Industry Operations
- Platform

Industry

Solution Type

Product Compatibility

Partners

Interview Scheduler
By PwC
Effortless Interview Scheduling: Automate, optimise, and secure your recruitment within the Workday.

Pillar Two Data Processing
By PwC
This new capability in conjunction with our services helps simplify data collection and storage, enabling a...

Security Suite
By PwC
Workday Security made simple: Request, review, audit, stay compliant. All in one place.

Remuneration Regulations [MRT] App
By PwC
PwC's Remuneration Regulations

Right to Work
By PwC
Transform your right to work process with PwC's Right to Work, an app

Regulation & Compliance [SMCR] App
By PwC
The PwC SMCR App seamless

PwC builds apps on Workday to help navigate global regulations.

UK: Right to Work App

Netherlands: Sickness & Recovery Management



Federal

Expanding the Core Business: Federal

Next-Gen AI Capabilities
and World Class Data
Security



All of Workday for All
Agencies

Built-in Federal
Productization –
NOT Customization





Frontline

Expanding the Core Business: Frontline



Big TAM

Billions of Frontline
Workers Globally



Strong Foothold
in the Core

Retail and Hospitality

Manufacturing

Healthcare



Expanding Our
Product Depth

Frontline Agent

PARADOX 

Expanding the Core Business: Frontline



Frontline Agent

Up to

90%

Time Saved on
Timesheet Approvals

Expanding the Core Business: Frontline



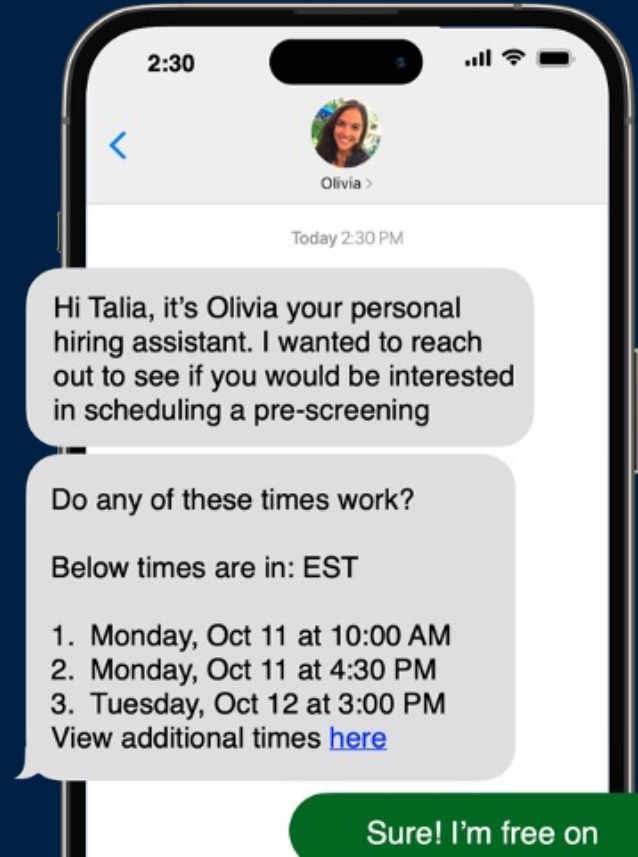
Expanding Our AI-Powered Talent Acquisition Suite

Best-in-class conversational AI

Market leader in frontline hiring workflows

Conversion rates of over 70%

Workday partner since 2021 with over 200 customers



Peter Bailis

Chief Technology Officer

The AI Enterprise Platform for Managing People, Money, and Agents

Next-Generation ERP

Best AI Agents



Expanding the Core
Business



Open Enterprise
AI Platform



Power of our HR Data

Workday Wellness



Power of our HR Data

Strategic Partnerships



Workday Build

The Developer Platform for Customer and
Partner Innovation on Workday

Workday Build

The Developer Platform for People, Money, and Agents



Flowise Agents

Workday Flowise Agent Builder



Extend Apps

Workday Extend App Builder



Orchestrations

Orchestration Builder



Data Cloud

Data & Analytics

Workday Build

The Developer Platform for People, Money, and Agents



Flowise Agents

Workday Flowise Agent Builder



Extend Apps

Workday Extend App Builder



Orchestrations

Orchestration Builder



Data Cloud

Data & Analytics



Workday Developer Copilot



One Developer Experience

Workday Build

The Developer Platform for People, Money, and Agents



Flowise Agents

Workday Flowise Agent Builder



Extend Apps

Workday Extend App Builder



Orchestrations

Orchestration Builder



Data Cloud

Data & Analytics



Workday Developer Copilot



One Developer Experience



APIs & Connectors

Open standards for max connectivity: MCP, A2A, REST, GraphQL, SOAP, JDBC, Iceberg

Workday Build

The Developer Platform for People, Money, and Agents



Flowise Agents

Workday Flowise Agent Builder



Extend Apps

Workday Extend App Builder



Orchestrations

Orchestration Builder



Data Cloud

Data & Analytics



Workday Developer Copilot



One Developer Experience



APIs & Connectors

Open standards for max connectivity: MCP, A2A, REST, GraphQL, SOAP, JDBC, Iceberg

Delivered on the Workday Platform



workday



Tools



**Partner
Ecosystem**



Community

**Build the
future of work.**

**Build your
business.**

**Build your
career.**

Workday Build

The developer platform for people, money, and agents.

Workday Data Cloud

Making Data Open, Accessible, and AI-Ready



workday



Workday
Live Data
Query

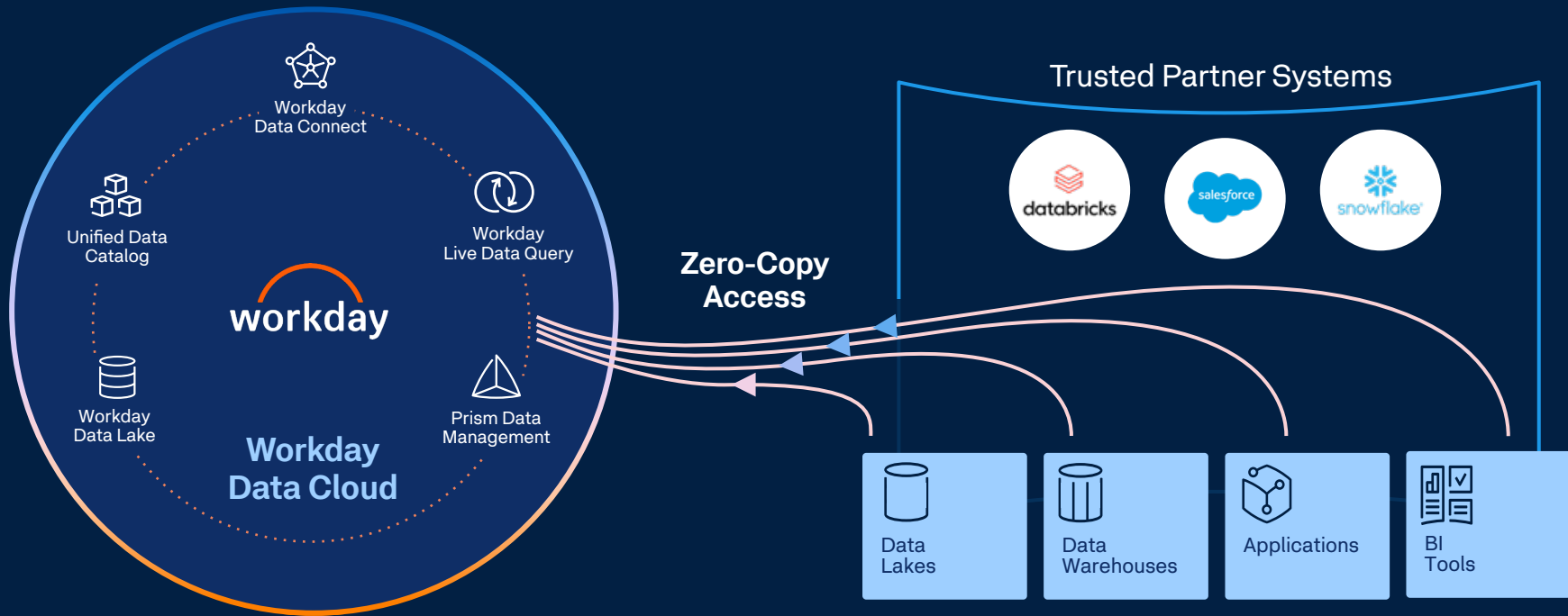


Prism Data
Management



Workday
Data Lake

Workday Data Cloud



workday + SanaTM

Rob Enslin

President, Chief Commercial Officer

Balanced Go-to-Market Model

New Customers

70,000+ Addressable
Core Customers



Customer Base

11,000+ Global Customers
65%+ of the Fortune 500



Platform Advantage

Openness • Trust • Extensibility

¹ Represents % of Workday's subscription revenue growth for the six months ended Q2FY26 compared to the six months ended Q2FY25. Please see our Form 10-Q for the quarter ended 7.31.25 filed with the SEC for further details.

Go-to-Market Growth Priorities



AI: New Pricing Model Delivering Value at Scale

Workday Flex Credits



Simple

Included in subscription

AI always on, no bolt-ons



Flexible

Fungible across agents,
APIs, storage

Scales as customers grow

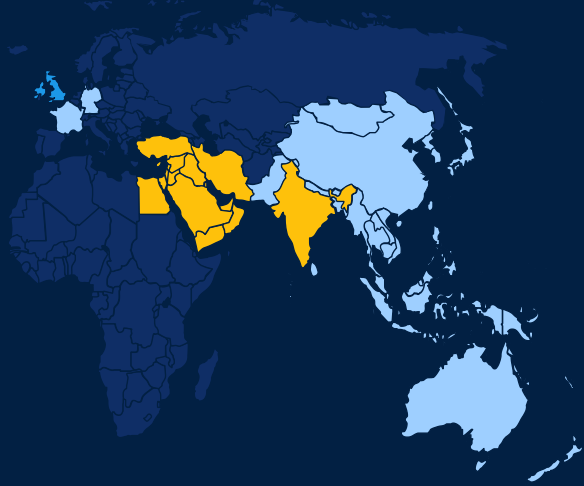


Transparent

Clear view of usage & ROI

Add credits as value
expands

International: Growth Framework



UKI
Playbook

Market leader in HCM

Verticalized GTM + emerging enterprise



Lighthouse
Wins

France

DECATHLON

Japan

kuraray

Germany



APAC



New
Markets

India: scaling with direct sales build-out

Middle East: launch in progress



Talent

Jess O'Reilly - VP, Sales ASEAN

Sunil Jose - GVP, India

Volker Reinert - VP, Customer Success
EMEA and APAC

Arvind Sundaresan - VP, Services APAC

Medium Enterprise: A Core Growth Engine

~50%
of TAM¹

Full Suite Differentiation

U.S. Leading the Way



~40%

of New ME Customers
Land Full Suite²

~50%

of New ME Customers
Purchase Core FINS²

Workday GO

Faster Deployments



<60

Days to Go-Live

¹TAM estimates based on Workday and third-party data as of 9.16.25.

² For the TTM ending 7.31.25.

Industries: Diversified, Durable Growth

> \$1B ARR

Financial Services



Professional and Business Services



Retail and Hospitality



Technology and Media



Manufacturing



Emerging Industries

Federal

\$2B+

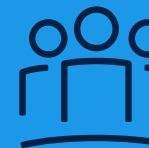
TAM¹



Frontline Workforce

70%

of Global Workforce



¹ TAM estimates based on Workday and third-party data as of 9.16.25.

Partners: Scaling Growth Across the Ecosystem

1,300+
unique partners

Deployment

21,000+
Certified Partner
Consultants

Sales

Sourcing

>20%

of New Customer ACV¹

Sourcing

~10%

of Customer Expansion ACV¹

Innovation

100+

Built on Workday
Apps

Strategic Partnerships

\$100M+
in ARR²

¹ For Q2 FY26.

² Represents ARR from strategic partnerships that has been added since the beginning of FY24.

Medium Enterprise



Industries



Partner Ecosystem



Accelerate growth



with **customers** at the center.

International



AI



Appendix

About Non-GAAP Financial Measures

To provide investors and others with additional information regarding Workday's results, we have disclosed the following non-GAAP financial measures: non-GAAP operating margin and free cash flow margin. Workday has provided a reconciliation of the non-GAAP operating margin to GAAP operating margin. Workday's management uses these non-GAAP financial measures to understand and compare operating results across accounting periods, for internal budgeting and forecasting purposes, for short- and long-term operating plans, and to evaluate Workday's financial performance. Management believes these non-GAAP financial measures reflect Workday's ongoing business in a manner that allows for meaningful period-to-period comparisons and analysis of trends in Workday's business. Management also believes that these non-GAAP financial measures provide useful information to investors and others in understanding and evaluating Workday's operating results and prospects in the same manner as management and in comparing financial results across accounting periods and to those of peer companies.

Non-GAAP Operating Margin

Non-GAAP operating margin differ from GAAP in that it excludes share-based compensation expense, employer payroll tax-related items on employee stock transactions, amortization expense for acquisition-related intangible assets, acquisition-related costs, and restructuring costs.

Management believes excluding the following items from the GAAP Consolidated Statements of Operations is useful to investors and others in assessing Workday's operating performance due to the following factors:

- *Share-based compensation expense.* Share-based compensation primarily consists of non-cash expenses for employee restricted stock units and our employee stock purchase plan. Although share-based compensation is an important aspect of the compensation of our employees and executives, this expense is determined using a number of factors, including our stock price, volatility, and forfeiture rates, that are beyond our control and generally unrelated to operational decisions and performance in any particular period. Further, share-based compensation expense is not reflective of the value ultimately received by the grant recipients.
- *Employer payroll tax-related items on employee stock transactions.* We exclude the employer payroll tax-related items on employee stock transactions in order to show the full effect that excluding share-based compensation expense has on our operating results. Similar to share-based compensation expense, this tax expense is dependent on our stock price and other factors that are beyond our control and do not correlate to the operation of our business.
- *Amortization of acquisition-related intangible assets.* For business combinations, we generally allocate a portion of the purchase price to intangible assets. The amount of the allocation is based on estimates and assumptions made by management and is subject to amortization. The amount of purchase price allocated to intangible assets and the term of the related amortization can vary significantly and are unique to each acquisition and thus we do not believe this activity is reflective of our ongoing operations. Although we exclude the amortization of acquisition-related intangible assets from these non-GAAP financial measures, we believe that it is important for investors to understand that such intangible assets were recorded as part of purchase accounting and contribute to revenue generation.
- *Acquisition-related costs.* Acquisition-related costs include direct transaction costs, such as due diligence and advisory fees, and certain compensation and integration-related expenses. We exclude the effects of acquisition-related costs as we believe these transaction-specific expenses are inconsistent in amount and frequency and do not correlate to the operation of our business.
- *Restructuring costs.* Restructuring costs are associated with a formal restructuring plan and are primarily related to workforce reductions, the closure of facilities, and other exit and disposal activities. We exclude these expenses because they are not reflective of ongoing business and operating results.
- *Gains and losses on strategic investments.* Our strategic investments include investments in early stage companies that are valuable to Workday customers and complementary to Workday products. Gains and losses on strategic investments may result from observable price adjustments and impairment charges on non-marketable equity securities, ongoing mark-to-market adjustments on marketable equity securities, and the sale of equity investments. We do not rely on these securities to fund our ongoing operations nor do we actively trade publicly held securities, and therefore we do not consider the gains and losses on these strategic investments to be reflective of our ongoing operations.

Free Cash Flow Margin

We define free cash flows as net cash provided by operating activities minus capital expenditures. Free cash flow margin is calculated as free cash flows as a percentage of total revenues. We use free cash flow margin as a measure of financial progress in our business, as it balances operating results, cash management and capital efficiency.

Limitations on the Use of Non-GAAP Financial Measures

These non-GAAP financial measures should be considered in addition to, not as a substitute for or in isolation from, measures prepared in accordance with GAAP. Further, these non-GAAP measures may differ from the non-GAAP information used by other companies, including peer companies, and therefore comparability may be limited. Management encourages investors and others to review Workday's financial information in its entirety and not rely on a single financial measure.

The Company has not provided a reconciliation of its forward outlook for non-GAAP operating margin with its forward-looking GAAP operating margin in reliance on the unreasonable efforts exception provided under Item 10(e)(1)(i)(B) of Regulation S-K. The Company is unable to predict with reasonable certainty the amount and timing of adjustments that are used to calculate this non-GAAP financial measure, particularly related to stock-based compensation and its related tax effects, acquisition-related costs, and restructuring costs.

Reconciliations of GAAP to Non-GAAP Data

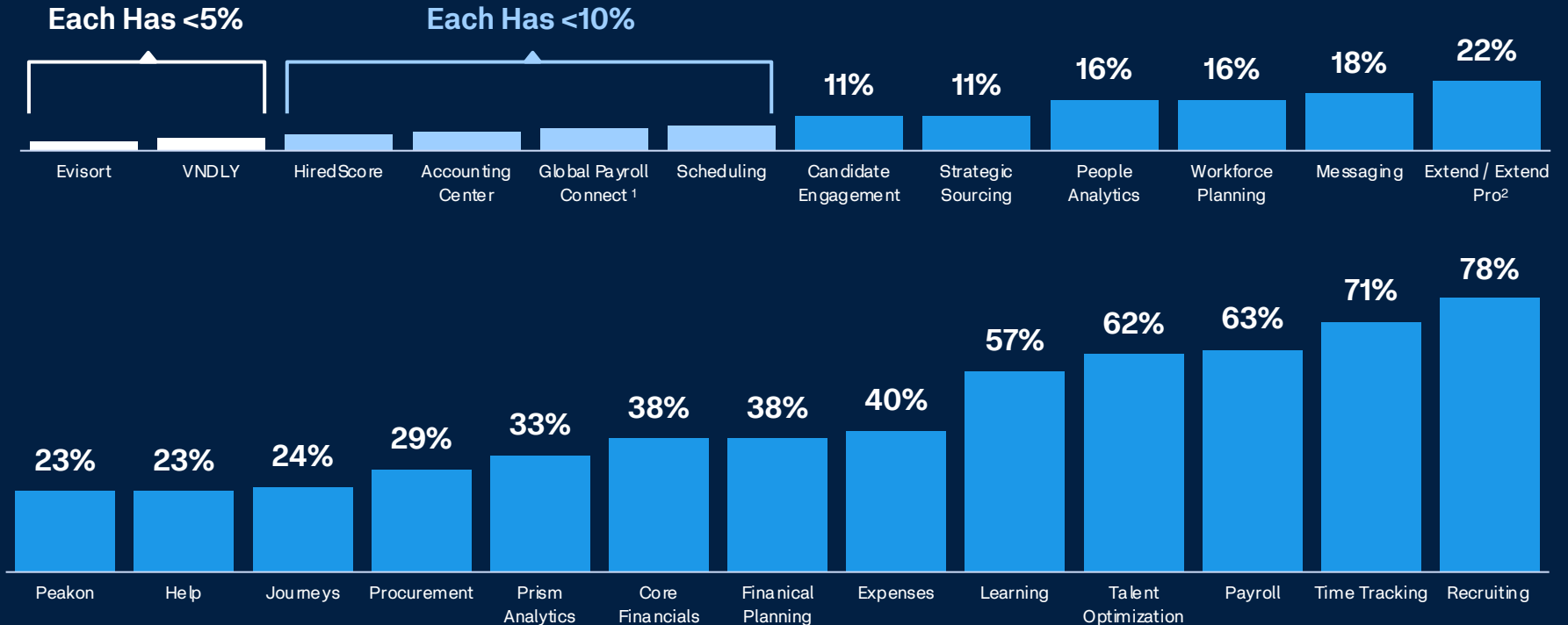
Operating Margin

(in millions, except percentages and per share data)	FY23	FY24	FY25
<u>Non-GAAP operating margin</u> ¹			
Operating margin	(3.6) %	2.5 %	4.9 %
Share-based compensation expense ²	20.8 %	19.5 %	17.9 %
Employer payroll tax-related items on employee stock transactions	0.8 %	0.9 %	0.9 %
Amortization of acquisition-related intangible assets	1.5 %	1.1 %	0.9 %
Acquisition-related costs	0.0 %	0.0 %	0.2 %
Restructuring costs	0.6 %	0.0 %	1.1 %
Non-GAAP operating margin	20.1 %	24.0 %	25.9 %

¹ Operating margin is calculated based upon the respective underlying, non-rounded data.

² The reconciliation to non-GAAP operating margin excludes \$8 million of Share-based compensation expense in fiscal 2025 related to restructuring initiatives. This amount has been included as a component of the Restructuring costs adjustment in this reconciliation.

Updated Product Attach Rates



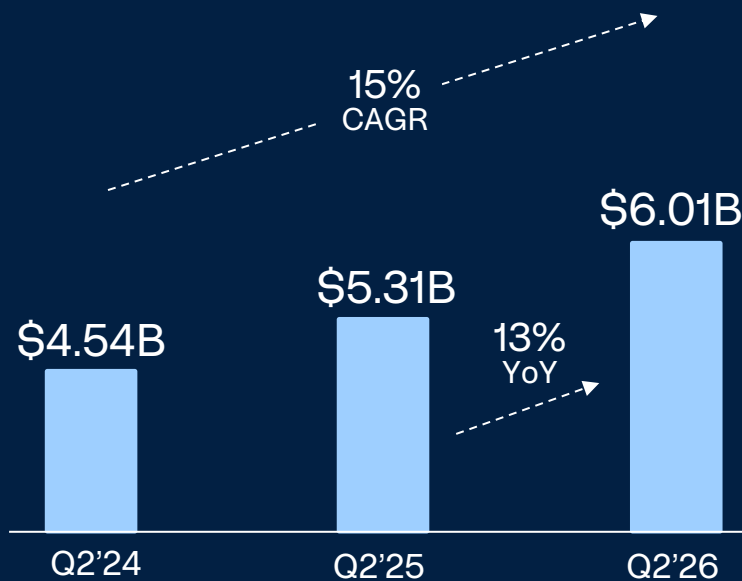
Denominator on attach rates is inclusive of all Workday core customers as of 7.31.25.

¹Excludes legacy Cloud Connect for Third-party Payroll SKU which has over 50% attach rate.

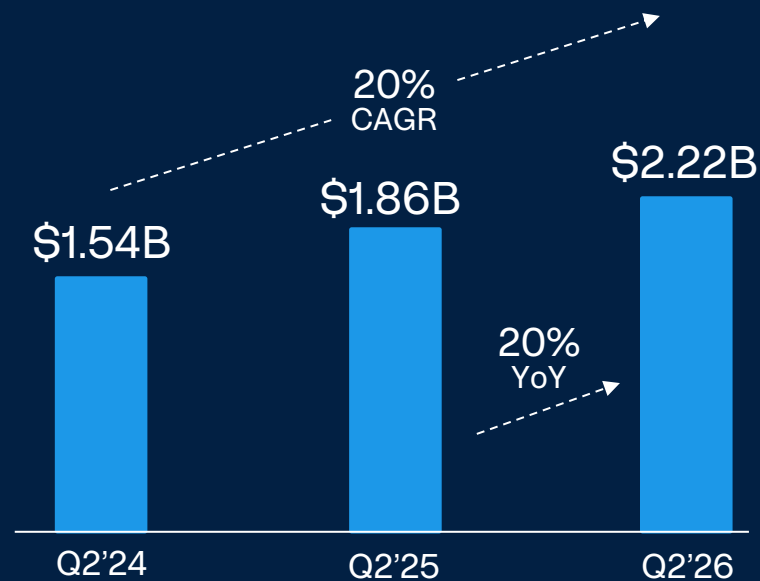
²Includes attach rates for Extend inclusive of Extend Pro.

Core Markets Support Durable Growth

HCM Subscription Revenues¹ (TTM)



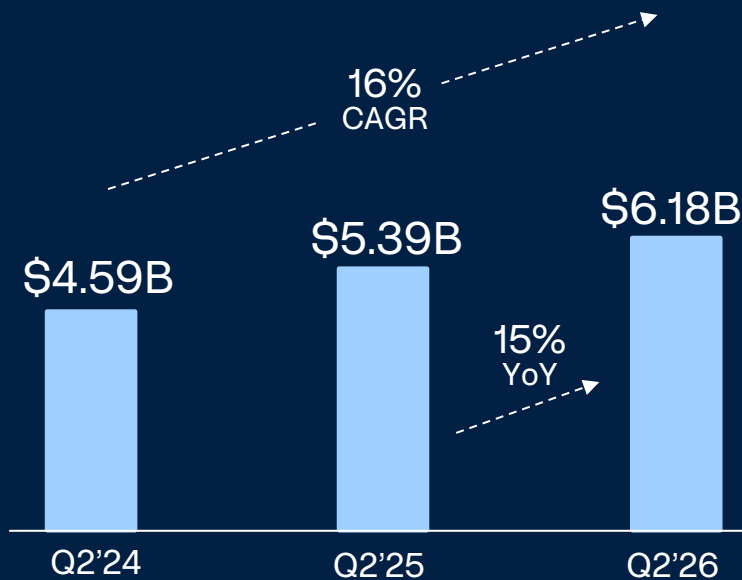
FINS+ Subscription Revenues² (TTM)



¹HCM includes Workday Human Capital Management, Recruiting, Time Tracking, Payroll, Learning, Talent Optimization, Workforce Planning, People Analytics, Peakon, Help/Journeys, VNDLY, Scheduling, HiredScore, and Other.
²FINS+ includes Workday Financial Management, Financial Planning, Spend Management, Prism Analytics, Industry Solutions, Extend, Evisort, and Other.

Core Markets Support Durable Growth

U.S. Subscription Revenues (TTM)



International Subscription Revenues (TTM)

