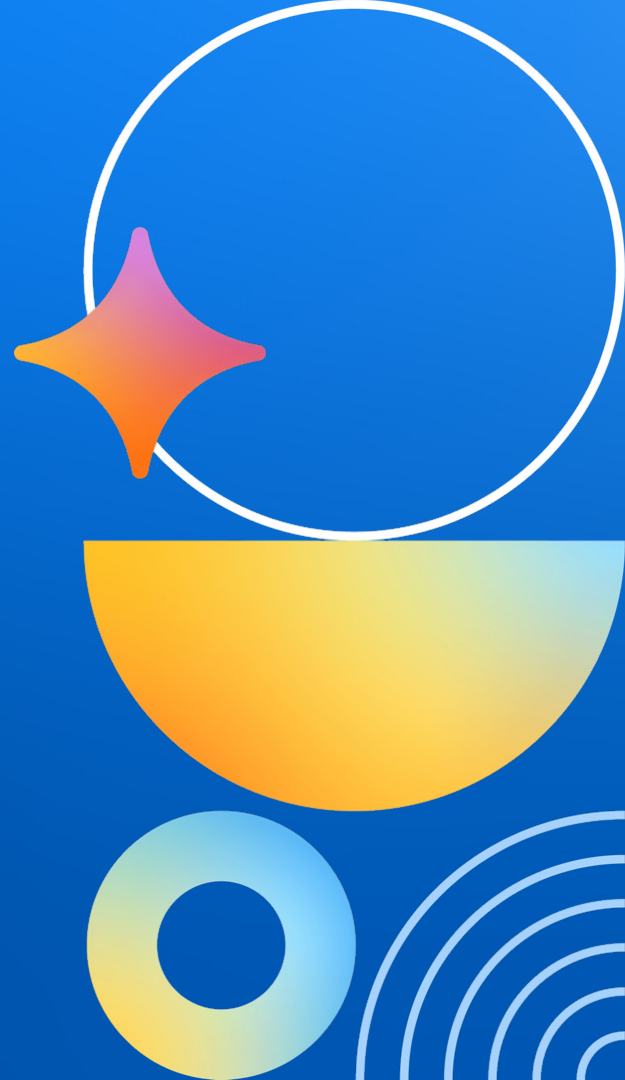




# Financial Analyst Day

September 17, 2024



# Agenda

## **Our Platform Opportunity**

Carl Eschenbach • CEO

## **AI and Innovation**

Ali Fuller • SVP, Experience

## **Full Suite Success**

David Somers • Chief Product Officer

## **International and Partner Momentum**

Doug Robinson • Co-President

## **Financial Framework**

Zane Rowe • CFO

## **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](http://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.

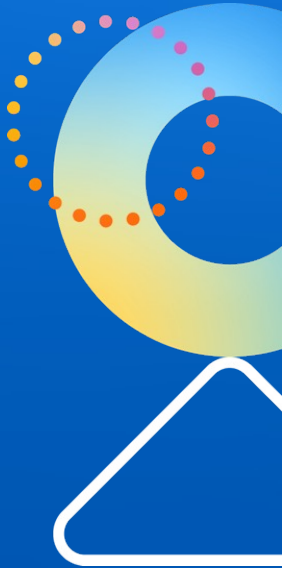
Customers who purchase Workday services should make their purchase decisions based upon services, features, and functions that are currently available.

## 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. 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

CEO







 | **RISING**

# Showcasing the Power of the Workday Platform



**Illuminate**



**Agents**



**User Experience + AI Assistant**



**Evisort Acquisition**



workday®



Evisort

Leader in AI-powered document  
intelligence

Unlocks value of unstructured  
business data

Workday + Evisort: AI-powered  
document intelligence solutions  
across Workday's suite of  
applications

# Our Journey



**19,900+**  
employees  
worldwide



**95%+**  
gross revenue  
retention<sup>1</sup>



**10,500+**  
global  
customers



**70M+**  
users under  
contract



**60%+**  
of the F500  
use Workday



**30+**  
offices  
worldwide

**2012**  
**\$274M**



**2013**  
AI

**2016**  
**\$1.6B**



**2020**  
Workday  
Extend

**2020**  
**\$4.3B**

**FORTUNE**  
**500**

**2024**  
**\$8.4B<sup>2</sup>**  
Total Revenue

**2005**  
Workday  
founded

**2006**  
Workday  
HCM

**2008**  
Workday  
Financial  
Management

All data as of 7.31.24 unless otherwise stated.  
<sup>1</sup>Refer to the Appendix - Other Business Metrics for further details.  
<sup>2</sup>Represents the midpoint of our guidance for FY25 total revenue.

# Diversity = Durable Growth

## FY27 and beyond

Segmentations

Industries

Geographies

Platform

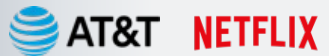
Ecosystem

2024  
**\$8.4B<sup>1</sup>**  
Total Revenue

<sup>1</sup>Represents the midpoint of our guidance for FY25 total revenue.

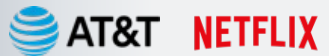
# Value Creation

## CUSTOMERS



# Value Creation

## CUSTOMERS



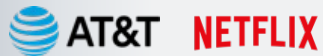
## PARTNERS





# Value Creation

## CUSTOMERS



## PARTNERS



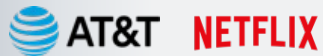
## WORKDAY





# Value Creation

## CUSTOMERS



## PARTNERS



## WORKDAY



## Shareholders

# The Workday Platform

## Workday Marketplace



## Customers' Industry Ecosystem



### Extensibility and Interoperability

Workday Extend

Workday Integration Cloud

### Experience

Conversational AI

Web

Omni-Channel

Mobile

### The Workday Suite

#### HR



#### Finance



Planning • Industry Solutions • Analytics

### Workday Illuminate ✨

Intelligent Data Core

Domain-Specific LLMs

AI Gateway

### Technology Core

Security

Resiliency

Business Process

Data Model



**HCM**

**FINS+**





**\$160B**  
TAM

# Medium-Term Outlook

FY26 and FY27

~ **15%**



Annual  
Subscription  
Revenue Growth

FY27

**30%**



Non-GAAP  
Operating Margin<sup>1</sup>

<sup>1</sup>Refer to the Appendix - About Non-GAAP Measures for further details.

# Platform Supports Durable Growth

**AI**

- Platform with Data and Context Advantage
- Functionality Driving Strong Win Rates
- Transformational Areas Expand TAM



# Platform Supports Durable Growth

## **FINS Full Suite**



- Financials Focus
- Increased TAM and Win Rates
- Focus Industries and Medium Enterprise Driving Growth



# Platform Supports Durable Growth

## International



- Deployed in 175+ Countries<sup>1</sup>
- ~50% of TAM is Outside the U.S.<sup>2</sup>
- 25% of Current Total Revenue<sup>3</sup>

<sup>1</sup>As of 7.31.24.

<sup>2</sup>TAM estimates based on Workday and third-party data as of 9.17.24.

<sup>3</sup>For the Trailing Twelve Month (TTM) period ended 7.31.24.





# Platform Supports Durable Growth

## Partners



- 500+ Sales Partners: **5x Increase**<sup>1</sup>
- ~400 Innovation Partners: **2x Increase**<sup>2</sup>
- Strategic Partnerships Expand TAM

<sup>1</sup>Increase is based on 9.17.24 relative to 9.27.23.

<sup>2</sup>Increase is relative to data as of 18 months ago.



# Platform Supports Durable Growth

**AI**



**FINS  
Full Suite**



**International**



**Partners**



# Platform Supports Durable Growth

**AI**



**FINS  
Full Suite**



**International**



**Partners**



**Emerging  
Growth  
Areas**



# Platform Supports Durable Growth



## Emerging Growth Areas

- U.S. Federal Government
- Japan
- Student
- Emerging Enterprise



# Platform Supports Durable Growth

**AI**



**FINS  
Full Suite**



**International**



**Partners**



**Emerging  
Growth  
Areas**





# Leadership Team





# Growth Drivers Update

**Ali Fuller**

SVP, Experience

**David Somers**

Chief Product Officer

**Doug Robinson**

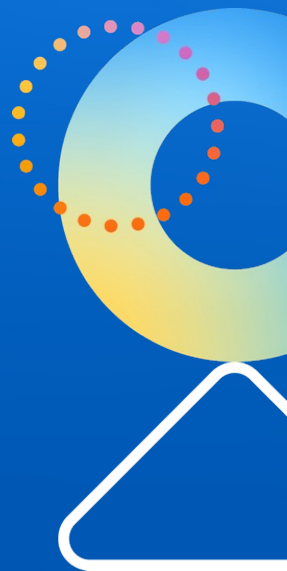
Co-President



AI AND INNOVATION

# Ali Fuller

SVP, Experience





# Workday's Unique Positioning



Data and Context



Platform Approach



Experience



3x Innovation



Value Centric Approach

# Workday Illuminate

AI that fundamentally transforms your business.



## ACCELERATE

Automates  
to Simplify  
Routine Tasks



## ASSIST

Reduces Cognitive  
Load for Users



## TRANSFORM

Adapts, Learns,  
and Optimizes Key  
Business Processes



Return on Investment

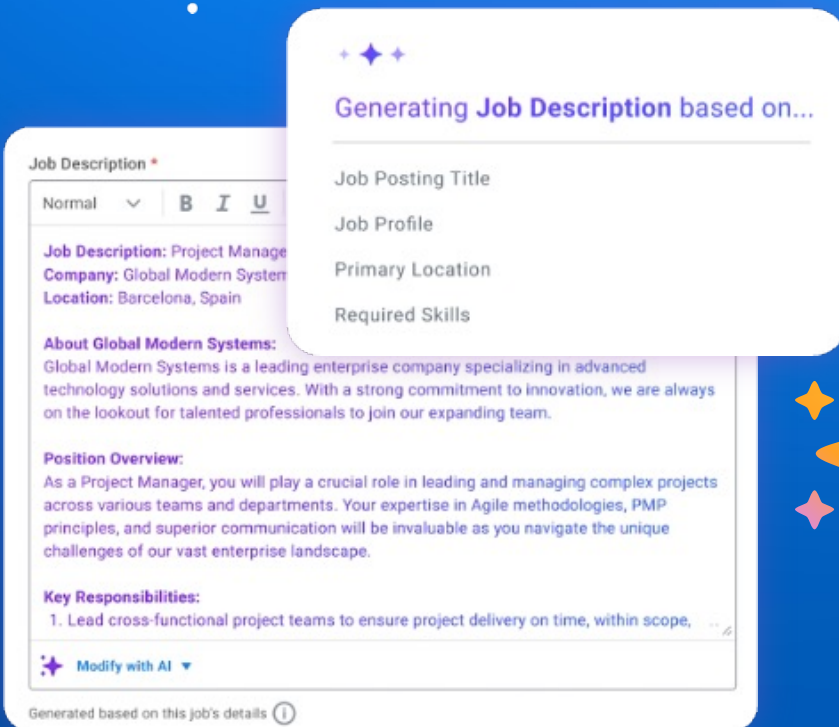
# Workday Illuminate Accelerate

Getting current work done faster

SIMPLIFIED CONTENT CREATION

Create easily. Refine intelligently.

Create, summarize, and extract information using learned patterns from existing data.



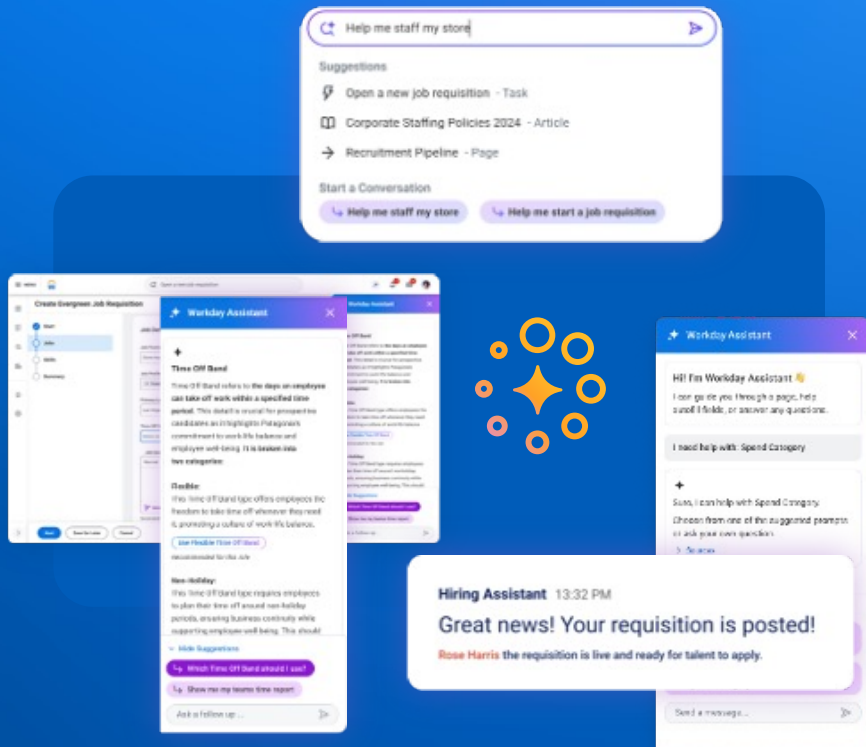


# Workday Illuminate Assist

## Reduces cognitive load

## DISCOVER AND ACTION

Natural language companion through the entire experience. Conversational search and natural language interaction that makes it easy to find what you're looking for. Generative AI-powered guidance helps complete tasks faster and with greater confidence.

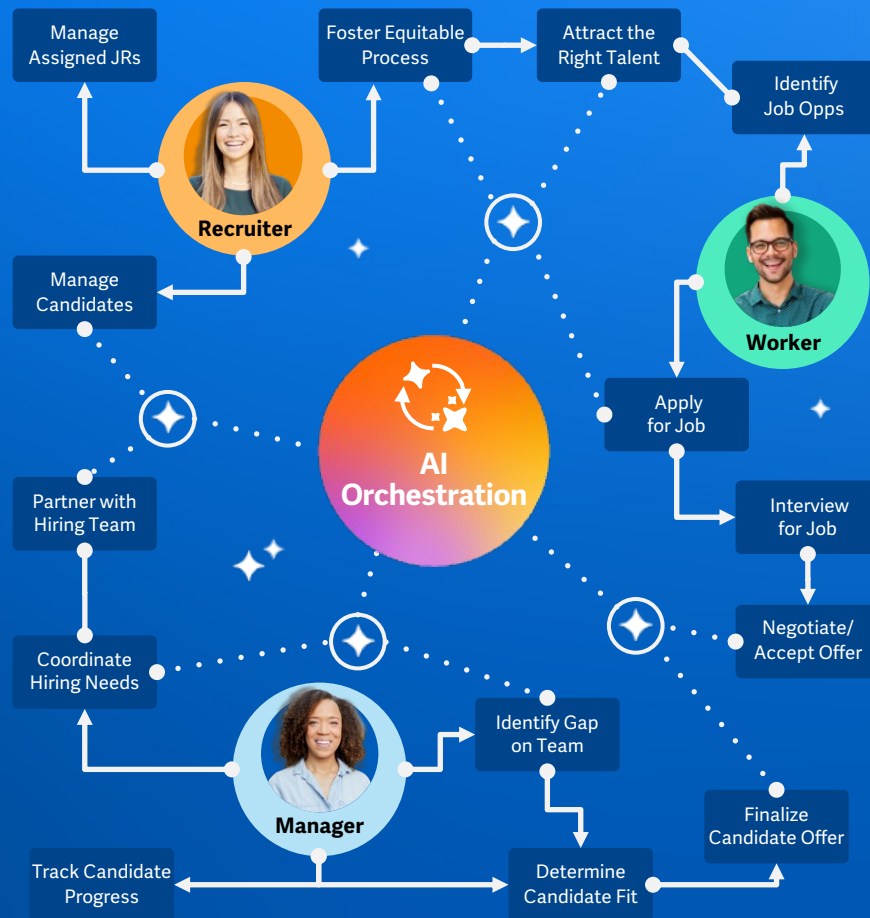


# Workday Illuminate Transform

Transforms critical business processes

## AI AGENTS & ORCHESTRATION

Autonomous, performs tasks or makes decisions on behalf of a user.  
Coordinates and manages multiple AI Agents, ability to handle complex processes, adapt and learn.



# A Glimpse into Our Recruiter AI Agent

# 25%<sup>1</sup>

Increase in Recruiter Capacity

My Req's / 40BR Marketing Coordinator

1 M Putnam Avenue-Hempstead, NY United States

APPLICANTS 176

LEADS 55

New 46

In Review 25

Phone Screen 3

Interview 1

Pre-Offer/Offer

Post Offer

Rejected 100

Keywords search	<input type="checkbox"/>	ID	NAME	TYPE	APPLIED	CURRENT/LAST JOB	TIME IN CURRENT ROLE	
Skills	<input type="checkbox"/>			Patricia Shaw	External	May 14, 2024	Digital Marketing, Employer Brand Specialist, A... ABC Group	2 yrs, 3 mos
Type	<input type="checkbox"/>			Ramon Mitchell	External	Mar 7, 2024	Marketing Coordinator S Company	1 yr, 9 mos
Applied	<input type="checkbox"/>			Claudia Robinson	Referral	Apr 5, 2024	Marketing Coordinator L Company	2 yrs, 7 mos
Status	<input type="checkbox"/>			Gemma Scott	External	May 16, 2024	Marketing And Brand Associate B Company	4 yrs, 7 mos
Days in status	<input type="checkbox"/>			Kayla Wheeler	External	Mar 25, 2024	Marketing Communications Coordinator K Company	3 yrs, 7 mos
Relevant experience	<input type="checkbox"/>			Debra Gross	Internal	Apr 4, 2024	Marketing Specialist M Company	3 yrs, 5 mos
Highest degree	<input type="checkbox"/>			Harold Sherman	External	May 10, 2024	Assistant Branch Manager C Company	4 yrs, 5 mos
Distance	<input type="checkbox"/>			Connor Burns	External	Apr 25, 2024	Marketing Coordinator XYZ Group	1 yr, 6 mos
Legally authorized to work in job country	<input type="checkbox"/>			Gerald Roberts	Agency	May 27, 2024	Relations And Marketing Coordinator A Company	3 yrs, 10 mos
Will require sponsorship	<input type="checkbox"/>			Kevin Moody	External	May 27, 2024	Marketing Assistant P Company	1 yr, 8 mos
Fetch leads that applied	<input type="checkbox"/>			David Smith	Internal	May 27, 2024	Marketing Assistant Q Company	1 yr, 8 mos



You have **3 referral candidates** for Req 1245 awaiting your review for over 5 days.

[View Referrals](#)

<sup>1</sup>Represents the increase in the average number of requisitions per month in the 10 months after implementing Recruiter AI Agent compared to the average number of requisitions in the 10 months prior to implementation. Based on the experience of a representative number of customers.

# A Glimpse into Empowering Managers with AI

# 31%<sup>1</sup>

Reduction in Time-to-Offer



## Great news! Your req is posted!

You can copy the following link to share it on your professional networks: [www.externalposting.com](http://www.externalposting.com)



## Open Tasks

Below are your open tasks to ensure your job is filled as quickly as possible with the best talent.

[Review Candidates \(15\)](#) →

[Interview \(1\)](#) →

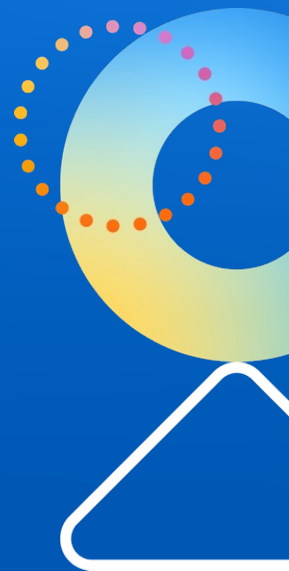
<sup>1</sup>Based on the experience of a Fortune 100 customer. Represents the reduction in the average time-to-offer in the six months after implementing the manager empowerment solution compared to the average time-to-offer in the one year prior to implementation.



FINS / FULL SUITE

# David Somers

Chief Product Officer





# Driving Growth Across Our Core Markets



**HCM**



**FINS+**



# Full Suite Driving Growth



**Full Suite**

# FINS/Full Suite:

## Why It Matters



Doubles our TAM

Higher Win Rates

Furthers our AI Advantage

The Way Many Industries Buy

# FINS/Full Suite: Momentum in the Last Year



>1/3 of New Deals are  
Full Suite<sup>1</sup>

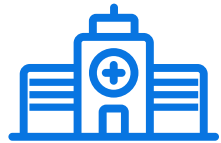
Built Foundation of  
FINS Sellers

Medium Enterprise  
and Industry Driving  
Growth

<sup>1</sup>Full Suite defined as customers with both Core HCM and Core Financials. Represents the % of core land deals that were Full Suite over the TTM ended 7.31.24.

# Industry: Closer Look at SLED & Healthcare

## Healthcare



**~60%**  
of Customers  
Full Suite

**5,000+**  
Customer  
Opportunity

## State and Local



**~60%**  
of Customers  
Full Suite

**4,000+**  
Customer  
Opportunity

## Higher Ed



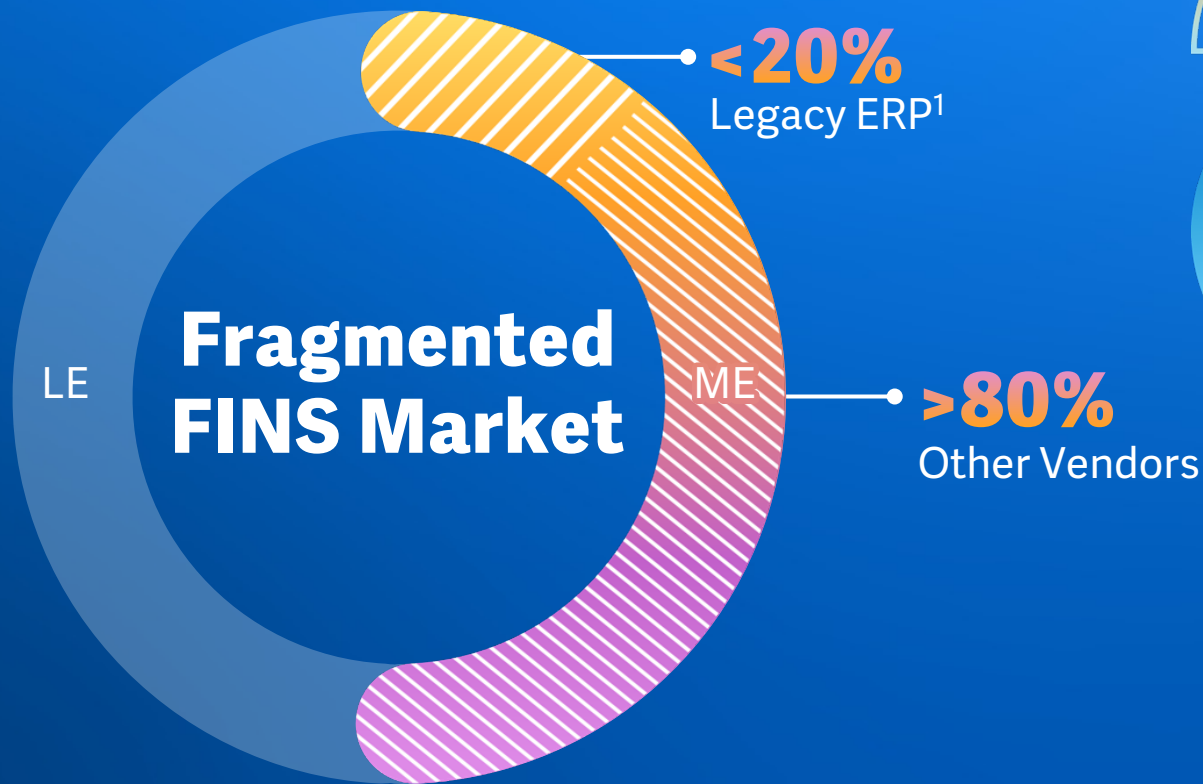
**~80%**  
of Customers  
Full Suite

**3,000+**  
Customer  
Opportunity

# Medium Enterprise



# Medium Enterprise



<sup>1</sup>Legacy ERP refers to Oracle (excl. NetSuite) and SAP.  
Represents the mix of incumbent financials providers for Workday medium enterprise net new and add-on financials wins for the TTM 7.31.24.

# FINS/Full Suite:

Where Are  
We Headed?



Deepening Industry Footprint

Medium Enterprise / Accelerate

International Localization

Partners Accelerate Innovation

AI: Connecting HCM + FINS





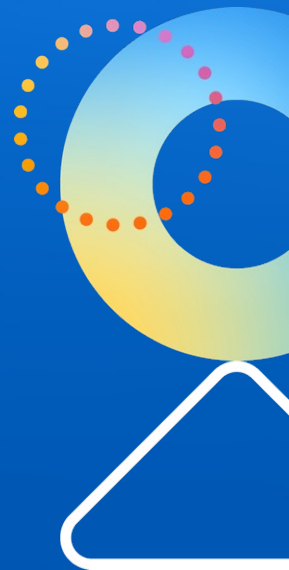
INTERNATIONAL



PARTNERS

# Doug Robinson

Co-President



# International: Why It Matters

~50% of our TAM<sup>1</sup>

Global Source of Truth  
Across HCM and Finance

Significant Source of  
Workday Talent



# International:

Momentum in  
the Last Year

Leadership



# International: Momentum in the Last Year

Increasing Win Rates



Based on Workday's win rate data for the TTM 7.31.24 compared with the TTM 7.31.23.

# International: Momentum in the Last Year

## Partner Selling

**15%**  
of EMEA's  
net new ACV

**16%**  
of APAC's  
net new ACV

Represents the partner contribution to net new ACV for the quarter ended 7.31.24.

# International: Momentum in the Last Year

Payroll Partners

ADP

pwc

STRADA



# International: Momentum in the Last Year

Japan



# International:

Momentum in  
the Last Year

Federal





# International: Momentum in the Last Year

FINS

**>25%**  
FINS  
New Customer  
Growth



# International:

## Where Are We Headed?



Global Payroll Connect

FINS Continued Build-out

Partners Accelerate Go-to-Market and Innovation

New Geographies

# Partners:

## Why It Matters



**Deliver:** 95%+ of Deployments on Time<sup>1</sup>

**Grow:** Accelerate our Go-to-Market Engine

**Build:** Accelerate our Innovation

# Partners: Momentum in the Last Year



**500+**<sup>1</sup>

Partners creating new opportunities

**<3%**  **9%**<sup>2</sup>

Partner contribution to net-new ACV in Q2'25

**25%+**<sup>3</sup>

Partner deployment resources

**2x**<sup>4</sup>

Innovation partners



Strategic partners

<sup>1</sup>As of 09.17.24.

<sup>2</sup>Partner contribution to net-new ACV for the quarter ended 7.31.24.

<sup>3</sup>As of the TTM 7.31.24.

<sup>4</sup>Increases relative to data as of 18 months ago.

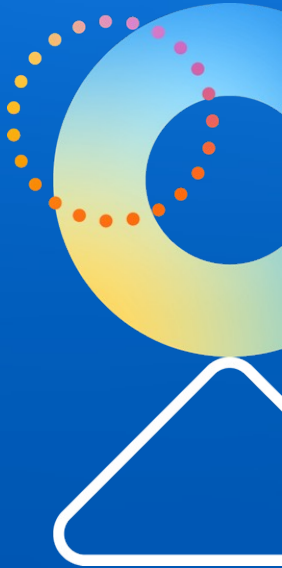
# Partners:

Where Are  
We Headed?



# Zane Rowe

CFO



# Balanced Growth Formula

**Annual  
Subscription  
Revenue Growth<sup>1</sup>**

**~15%**  
FY26, FY27

**Non-GAAP  
Operating Margin**

**30%**  
FY27

**Net New**

**Customer Base**

<sup>1</sup>Represents annual subscription revenue growth target for FY26 and FY27.

# Balanced Growth Formula

## Net New

### AI

AI innovation drives strong win rates

### FINS / Full Suite

**>1/3** of new customers land full suite<sup>1</sup>

### Int'l

**25%** of revenue<sup>2</sup>  
**~50%** TAM<sup>3</sup>

### Partner Ecosystem

**9%** of net-new ACV from partners<sup>4</sup>  
Accelerating entrance into new markets

### Medium Enterprise

**~50%** of net-new ACV from ME<sup>2</sup>

### Emerging Growth Areas

Federal  
Student  
Japan  
Strategic Partnerships

<sup>1</sup>Represents the % of core land deals that were full suite over the TTM ended 7.31.24.; <sup>2</sup>For the TTM period ended 7.31.24.;

<sup>3</sup>TAM estimates based on Workday and third-party data as of 9.17.24.; <sup>4</sup>Partner contribution to net-new ACV for the quarter ended 7.31.24.



# Balanced Growth Formula

## Customer Base

### AI

**54%** Talent Optimization

**17%** Extend / Extend Pro<sup>1</sup>

**<5%** HiredScore

AI Marketplace

### FINS / Full Suite

**36%** Core FINS

**36%** Financial Planning

**28%** Procurement

**38%** Expenses

### Int'l

Ramping customer base sales capacity

### Partner Ecosystem

Workday Marketplace

Industry Accelerators

### Employee Experience & Workforce Management

**19%** Help

**19%** Peakon

**18%** Journeys

**<10%** Scheduling

**<5%** VNDLY

<sup>1</sup>Includes attach rates for Extend inclusive of Extend Pro.

Denominator on attach rates is inclusive of all Workday core customers as of 7.31.24. %s represent current attach rates.

# Core Markets Support Durable Growth



**HCM<sup>1</sup>**

**17%**

Subscription revenue  
growth<sup>3</sup>



**FINS+<sup>2</sup>**

**21%**

Subscription revenue  
growth<sup>3</sup>

<sup>1</sup>HCM includes Workday Human Capital Management, Recruiting, Time Tracking, Payroll, Learning, Talent Optimization, Workforce Planning, People Analytics, Peakon, Help/Journeys, VNDLY, Scheduling, HiredScore, and Other.

<sup>2</sup>FINS+ includes Workday Financial Management, Financial Planning, Spend Management, Prism Analytics, Industry Solutions, Extend, and Other.

<sup>3</sup>For the TTM ended 7.31.24.

# Core Markets Support Durable Growth



**Full Suite  
Driving Growth**

# Driving Margin Expansion

**Annual Subscription  
Revenue Growth**

**~15%**  
FY26 FY27

**Non-GAAP  
Operating Margin<sup>1</sup>**

**30%**  
FY27

- Targeted growth investments / ROI
- Efficiency through scale across people / processes / systems
- Leveraging AI across the company
- Partner innovation on platform
- Partner go-to-market efficiencies
- Global footprint expansion

<sup>1</sup>Refer to the Appendix - About Non-GAAP Measures for further details.

# Strong Cash Flow Generation

Annual Subscription  
Revenue Growth

**~15%**  
FY26 FY27

Non-GAAP  
Operating Margin

**30%**  
FY27

Operating Cash  
Flow Margin

**~34%**  
FY27

Free Cash Flow  
Margin<sup>1</sup>

**~30%**  
FY27

- Strong working capital benefits supports healthy cash flow growth
- Efficient capital spending
- Free cash flow generation supports our priorities of organic innovation, strategic M&A, and managing dilution via share buybacks

<sup>1</sup>Refer to the Appendix - About Non-GAAP Measures for further details.

# Focused on Managing SBC/Dilution

**Annual Subscription  
Revenue Growth**

**~15%**  
FY26 FY27

**Non-GAAP  
Operating Margin**

**30%**  
FY27

**Operating Cash  
Flow Margin**

**~34%**  
FY27

**Free Cash Flow  
Margin**

**~30%**  
FY27

**Stock-Based  
Compensation  
as % Revenue**

**~15%**  
FY27

- Expect SBC to represent ~15% of revenue in FY27 and focused on driving lower over the long term
- Targeting net dilution of ~1% annually<sup>1</sup>
- Framework assumes M&A consistent with recent levels; non-material impact to near-term results

<sup>1</sup>Dilution is calculated based on fully diluted shares outstanding, which is equal to the sum of shares outstanding and future shares potentially issuable, offset by shares withheld for employee taxes on equity awards and share repurchases.

Q&A



# We want your feedback.

Please take the survey by scanning the QR code.

Scan me





# *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'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 differs from GAAP in that it excludes share-based compensation expenses, employer payroll tax-related items on employee stock transactions, amortization expense for acquisition-related intangible assets, acquisition-related costs, realignment costs, and gains and losses on strategic investments.

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 expenses. Share-based compensation primarily consists of non-cash expenses for employee restricted stock units and our employee stock purchase plan, and includes share-based compensation associated with acquisitions. 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 expenses are 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 expenses has on our operating results. Similar to share-based compensation expenses, 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.
- Realignment costs. Realignment costs are associated with a formal restructuring plan and are primarily related to employee severance, the closure of facilities, and cancellation of certain contracts. 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 nonmarketable 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 realignment costs.

# Other Business Metrics

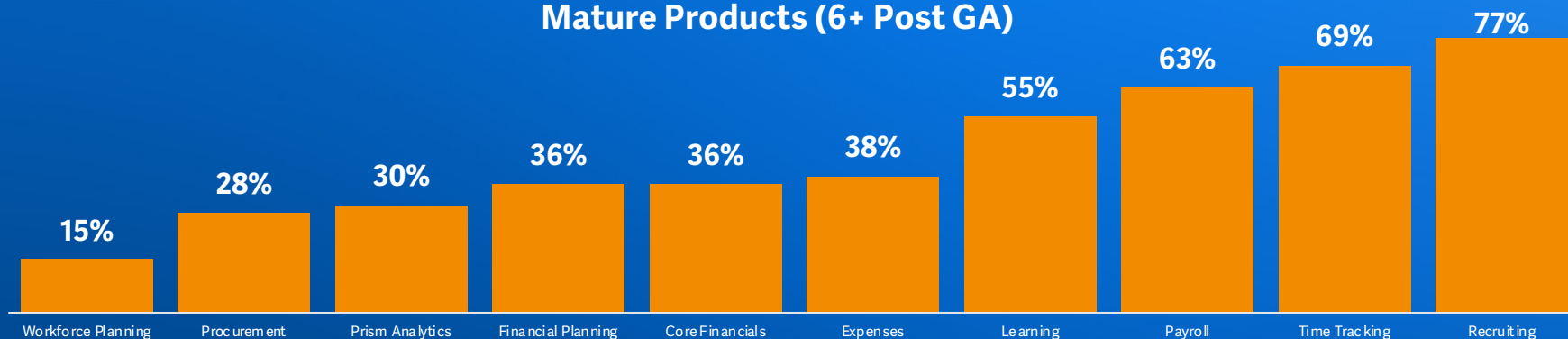
## Gross Revenue Retention Rates

Gross revenue retention rates measure the percentage of recurring revenue retained from existing customers. The metric takes into account recurring revenues lost to product or customer churn, and does not account for additional revenue earned from add-ons or net expansions, which include volume and price adjustments. Gross revenue retention rates are calculated by taking the current period-end annual recurring revenue (“ARR”) of our customers that we retained year-over-year, excluding add-ons and net expansions, divided by the total ARR from that same set of customers at the end of the corresponding prior period.

Our gross revenue retention rates are based on ARR, which represents the annualized value of active subscription contracts as of the end of each period. Each subscription contract is annualized by dividing the total contract value by the number of days in the contract term and then multiplying by 365. We exclude certain subscription contracts from the calculation, including contracts with terms less than one year that are distinct from our core product offering, such as contracts for tenants which are used for implementation and testing. To the extent that we are negotiating a renewal with a customer after the expiration of the subscription, ARR is not adjusted until a draft renewal agreement is signed or the customer churns. We calculate ARR on a constant currency basis using exchange rates set at the beginning of each fiscal year. ARR is a non-GAAP financial measure and should be viewed independently of, and not as a substitute for or combined with, revenue and unearned revenue.

# Updated Product Attach Rates

## Mature Products (6+ Post GA)



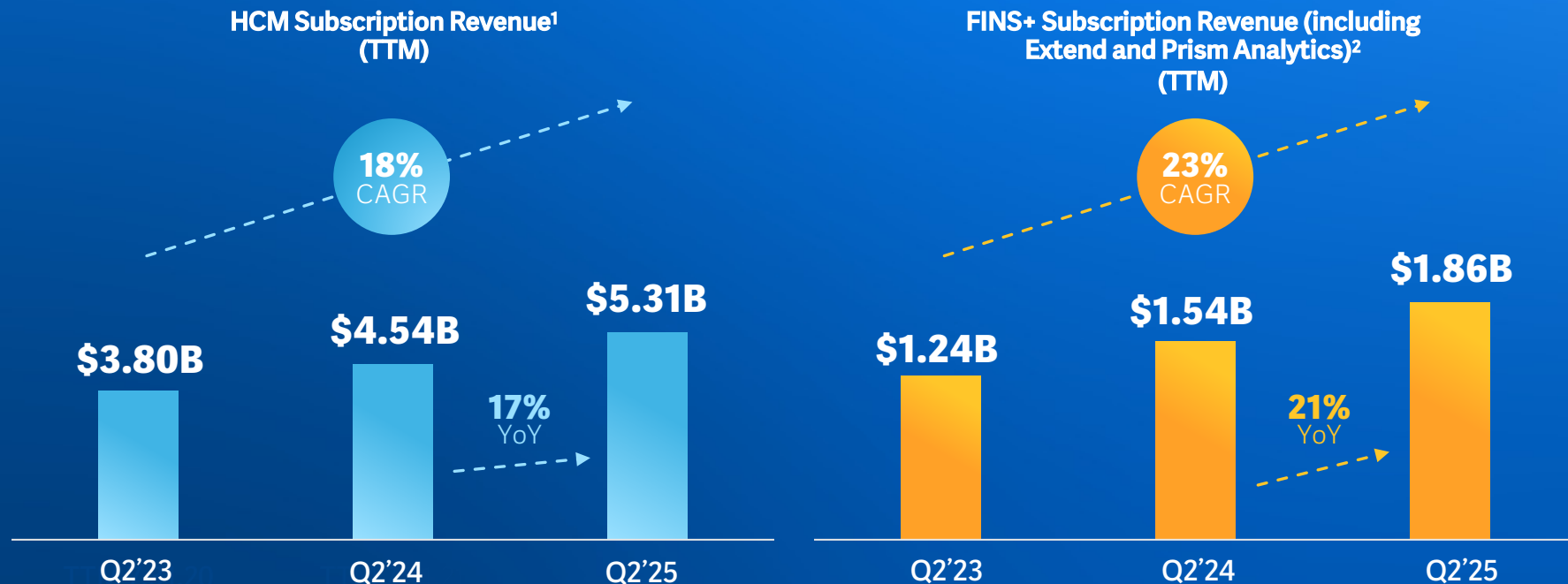
## Maturing Products (0-6 Years Post GA)



Denominator on attach rates is inclusive of all Workday core customers as of 7.31.24.

<sup>1</sup>Includes attach rates for Extend inclusive of Extend Pro.

# Core Markets Support Durable Growth

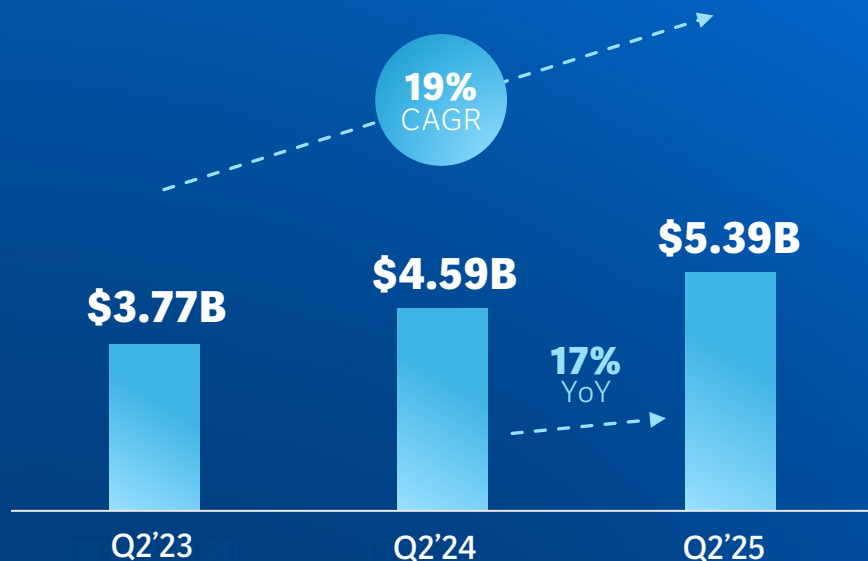


¹HCM includes Workday Human Capital Management, Recruiting, Time Tracking, Payroll, Learning, Talent Optimization, Workforce Planning, People Analytics, Peakon, Help/Journeys, VNDLY, Scheduling, and Other.

²FINS+ includes Workday Financial Management, Financial Planning, Spend Management, Prism Analytics, Industry Solutions, Extend, and Other.

# Core Markets Support Durable Growth

US Subscription Revenue  
(TTM)



International Subscription Revenue  
(TTM)

