Investor Presentation

Q1 FY23

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 strategies or plans for future operations; any statements concerning new features, enhancements or upgrades to our existing applications or plans for future applications; any 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/company/investor_relations.php

Workday assumes no obligation for, and does not intend to update, any forward-looking statements. 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 Measures

In addition to financial results presented in accordance with generally accepted accounting principles (GAAP), this presentation includes certain non-GAAP financial measures of financial 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. In addition, these non-GAAP measures have limitations in that they do not reflect all of the amounts associated with Workday's results of operations as determined in accordance with GAAP. Reconciliations of these non-GAAP financial measures to the most directly comparable financial measures are contained in the Appendix to this presentation. A reconciliation of our forward outlook for non-GAAP operating margin with our forward-looking GAAP operating margin is not available without unreasonable efforts as the quantification of share-based compensation expense, which is excluded from our non-GAAP operating margin, requires additional inputs such as the number of shares granted and market prices that are not ascertainable.

Workday at a Glance

Workday by the Numbers

$105B+
Market Opportunity

$4.79B 22% YoY Growth
Trailing Twelve Month Subscription Revenue[1]

$7.97B 21% YoY Growth
24-Month Subscription Revenue Backlog[2]

$1.64B 30% Margin
Trailing Twelve Month Operating Cash Flow[1]

Enterprise Management Cloud
For Finance, HR, Planning, Spend Management and Analytics

9,500+ Global Customers
Operating across 175+ Countries

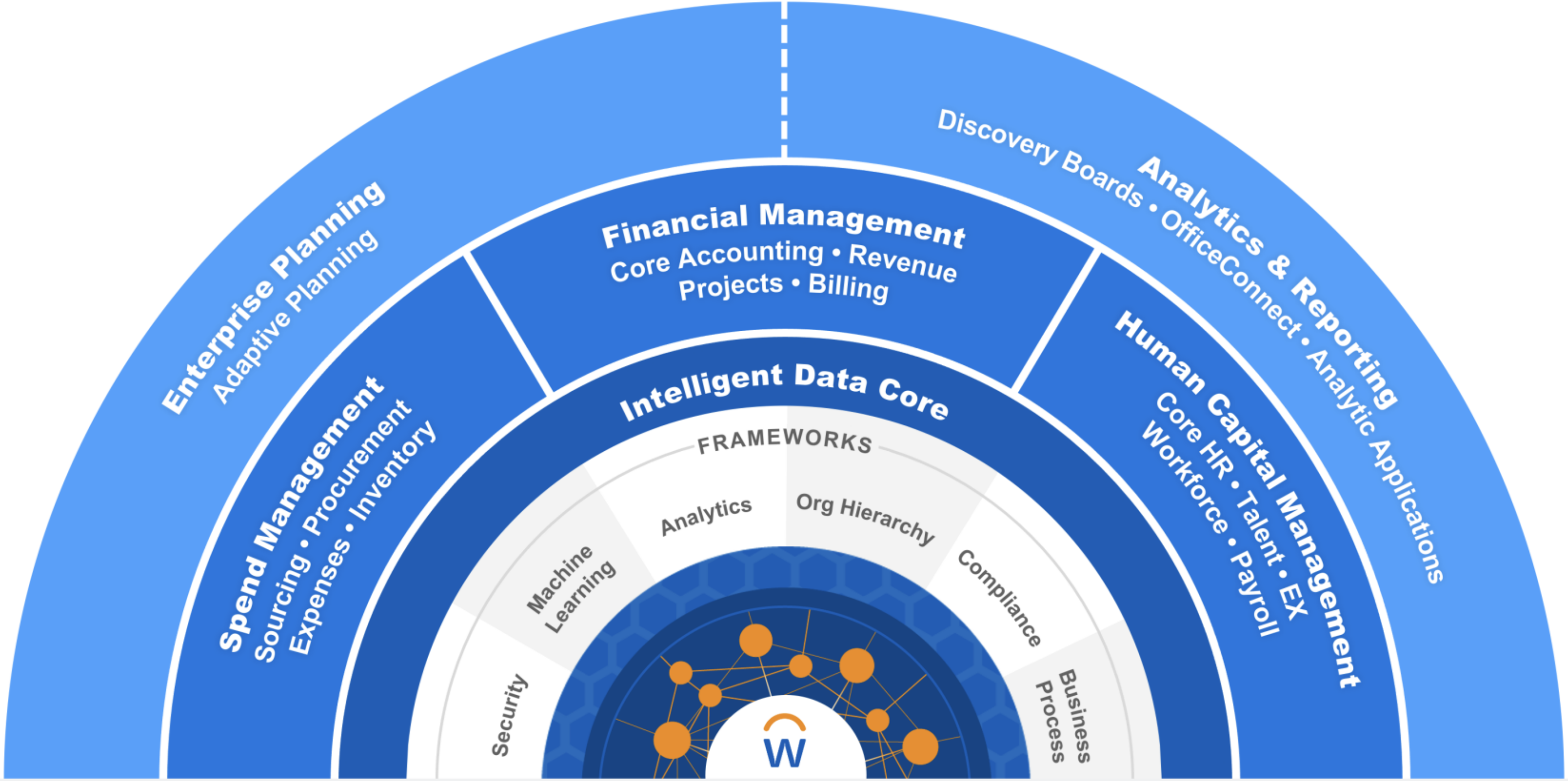
Serving 50%+ of the *Fortune* 500
Including 70%+ of the top 50 *Fortune* 500 companies

60M+ Global Users
97% Customer Satisfaction[3]

15,900+ Employees Worldwide
Offices in 30+ Countries

[1] For the trailing twelve months ended 4.30.22
[2] For the period ended 4.30.22
[3] Based on a survey conducted by Workday of Named Support Contacts in April 2021

Workday Enterprise Management Cloud



True Cloud Scale • Elasticity • Performance • Availability • Continuous Delivery of Innovation • Single Version

Serving Organizations of all Sizes and Across Industries

Addressing a Large and Expanding TAM

$39B
Total Addressable Market
In 2012 at IPO[1]

New Markets Have Expanded TAM

HCM Opportunity
$38B
Core HCM • Payroll and Workforce Management • Talent Management • Employee Experience

FINS+ Opportunity
$67B
Financial Management • Spend Management • FIN-Planning • Industry Solutions • Platform • Accounting Center • Analytics and Reporting

$105B+
Total Addressable Market Current[2]

IDC and Workday Estimates
[1] TAM as of 8.30.2012
[2] TAM as of 9.21.2021

With a Leading Position in HCM

~$38B

HCM Market Opportunity

HCM Provides Significant Runway

- International
- Expanding Share of Wallet
- Medium Enterprise
- U.S. Federal
- Future Innovation
- M&A

IDC and Workday estimates. Includes core HCM, Payroll, Recruiting, Benefits, Workforce Analytics, Compensation, Employee Engagement Surveys, Help, Journeys, Learning, Performance, Scheduling, Time Tracking, and Workforce Planning

And a Broadening Footprint in FINS+

~$67B

FINS+ Market Opportunity

FINS+ Unlocks a Massive Opportunity

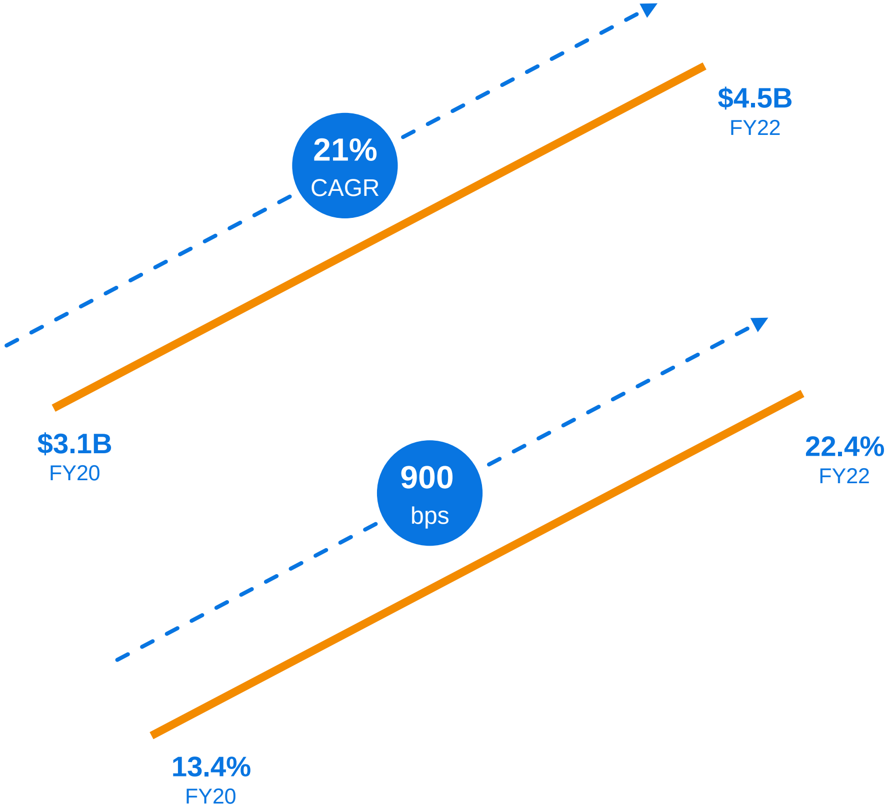
- New Landing Points
- Expanding into Our HCM Base
- Medium Enterprise
- Deepening Our Industry Presence
- Future Innovation
- M&A

IDC and Workday estimates. Includes Financial Management, Accounting Center, Analytics, Financial Planning, Spend Management, Expenses, Integration/Platform, Projects, and Industry Solutions

Driving Profitable Growth at Scale

Annual Subscription Revenue[1]

Non-GAAP Operating Margin[2]



95%+
Gross Revenue Retention[3]

[1] CAGR calculations are based on FY20-FY22 results
[2] Reconciliations of GAAP to Non-GAAP financial data included in the Appendix
[3] Measures the annual recurring revenue of our customers as of 4.30.21 that we have maintained as of 4.30.22, without giving credit for additional upsells or price and/or seats related changes. The metric captures only customer and product churn

While Growing Responsibly and Inclusively

ESG and Our Employees

VIBE
Our commitment to value inclusion, belonging, and equity for all

Opportunity Onramps®
Provide candidates from diverse, nontraditional backgrounds with training and job opportunities

Investing in Training
To help ensure we attract, recruit, hire, and advance employees of all backgrounds

ESG and Our Customers

Building Inclusive Solutions
Investing to help organizations gain valuable insights about equity within their workforce

Building Sustainable Solutions
Helping customers improve sustainability and resilience of their supply chains

Empowering our Ecosystem
Workday's adaptable platform enables customers and partners to manage their emissions reduction strategy

ESG and the World Around Us

Net-Zero Carbon Footprint
Achieved net-zero emissions in 2020 and lifetime net-zero carbon footprint in 2021

Commitment to 1.5ºC
Science-based targets across our entire value chain

Driving Policy Change
Working to advance polices that support a skills-based approach to talent, and aid in the transition to a low-carbon economy

For More Information:
Visit our ESG Resource Page: Sustainability and Reporting with Workday
Read our Blog: Our Commitments to ESG at Workday
Download our 2021 Global Impact Report

Q1 FY23 Highlights and Guidance

Q1 FY23 Financial Highlights

	Q1 FY23 Results	Increase (Decrease) YoY
Total Revenue	$1.43B	22%
Subscription Revenue	$1.27B	23%
Total Subscription Revenue Backlog	$12.65B	26%
24-month Subscription Revenue Backlog	$7.97B	21%
GAAP Operating Margin	(5.1%)	(180 bps)
Non-GAAP Operating Margin[1]	20.1%	(450 bps)
Operating Cash Flows	$440M	(3%)

[1] Reconciliations of GAAP to Non-GAAP financial data included in the Appendix

Q1 FY23 Customer Wins and Expansions

Lehigh Valley Health Network

Macomb County Michigan 1818

Mohegan Gaming & Entertainment

Physicians Mutual

Seminole Hard Rock Support Services

orange

AU

West Tennessee Healthcare

CrossCountry Mortgage

Domestic & General

Pendragon Vehicle Management

Scandic

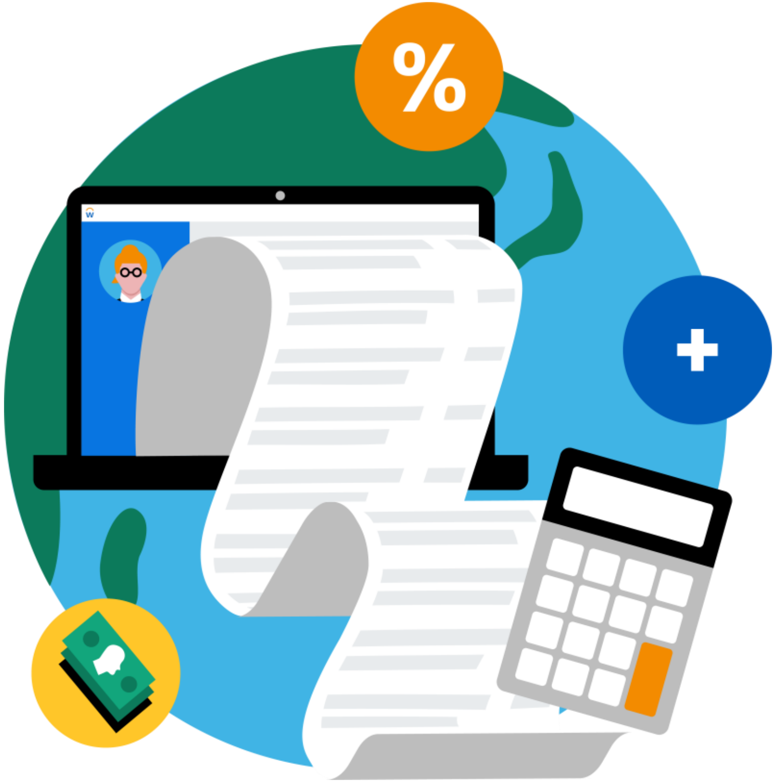
Accor

Booking.com

King's Daughters Medical Center

Q1 FY23 Business Highlights

- Workday intends to create 1,000 new jobs at its European headquarters in Dublin over the next two years. In addition, the company plans to build new European headquarters at Grangegorman in Dublin.
- Workday completed the issuance and sale of $3.0 billion aggregate principal amount of senior notes in an underwritten, registered public offering.
- Building on its long-standing support of ESG, Workday shared its commitments to ESG as well as announced two new ESG solutions to help customers drive social and sustainability initiatives as they navigate evolving ESG regulations and corporate accountability standards.
- Workday was named one of the World's Most Ethical Companies by Ethisphere, which recognizes companies with a commitment to advancing business integrity.



Guidance Summary

Q2 FY23	Quarterly Guidance	Increase (Decrease) YoY
Total Revenue	$1.517B - $1.519B	20-21%
Subscription Revenue	$1.353B - $1.355B	22%
24-month Subscription Revenue Backlog	n/a	20%
Non-GAAP Operating Margin	17.5%	(570 bps)
GAAP Operating Margin	~22 points lower than non-GAAP	n/a
Full Year FY23	**Full Year Guidance**	**Increase (Decrease) YoY**
Total Revenue	$6.187B - $6.207B	20-21%
Subscription Revenue	$5.537B - $5.557B	22%
Non-GAAP Operating Margin	18.5%	(390 bps)
GAAP Operating Margin	~24 points lower than non-GAAP	n/a
Non-GAAP Tax Rate	19%	n/a
Operating Cash Flows	$1.610B	(2%)

As provided on Q1 FY23 Earnings Call on 5.26.22

Appendix

Reconciliation of GAAP to Non-GAAP Data

Three Months Ended April 30, 2022

(in thousands, except percentages and per share data)	GAAP	Share-Based Compensation Expenses	Other Operating Expenses[2]	Income Tax and Dilution Effects[3]	Non-GAAP
Costs and expenses:					
Costs of subscription services	$232,922	$(26,230)	$(16,326)	$-	$190,366
Costs of professional services	169,899	(27,584)	(3,899)	-	138,416
Product development	541,509	(153,304)	(13,011)	-	375,194
Sales and marketing	429,301	(59,169)	(14,046)	-	356,086
General and administrative	133,869	(45,219)	(2,613)	-	86,037
Operating income (loss)	(72,843)	311,506	49,895	-	288,558
Operating margin	*(5.1)%*	*21.7%*	*3.5%*	*-%*	*20.1%*
Other income (expense), net	(20,163)	-	-	-	(20,163)
Income (loss) before provision for (benefit from) income taxes	(93,006)	311,506	49,895	-	268,395
Provision for (benefit from) income taxes	9,167	-	-	41,828	50,995
Net income (loss)	$(102,173)	$311,506	$49,895	$(41,828)	$217,400
Net income (loss) per share, basic[1]	$(0.41)	$1.24	$0.20	$(0.17)	$0.86
Net income (loss) per share, diluted[1]	$(0.41)	$1.24	$0.20	$(0.20)	$0.83

[1] GAAP net loss per share is calculated based upon 251,743 basic and diluted weighted-average shares of common stock. Non-GAAP net income per share is calculated based upon 251,743 basic and 263,473 diluted weighted-average shares of common stock. The numerator used to compute non-GAAP diluted net income per share was increased by $1.3 million for after-tax interest expense on our convertible senior notes in accordance with the if-converted method.

[2] Other operating expenses include employer payroll tax-related items on employee stock transactions of $28.3 million and amortization of acquisition-related intangible assets of $21.6 million.

[3] We utilize a fixed long-term projected tax rate in our computation of the non-GAAP income tax provision to provide better consistency across the reporting periods. For fiscal 2023, the non-GAAP tax rate is 19%. Included in the per share amount is a dilution impact of $0.03 from the conversion of GAAP diluted net loss per share to non-GAAP diluted net income per share.

Reconciliation of GAAP to Non-GAAP Data

Three Months Ended April 30, 2021

(in thousands, except percentages and per share data)	GAAP	Share-Based Compensation Expenses	Other Operating Expenses[2]	Income Tax and Dilution Effects[3]	Non-GAAP
Costs and expenses:					
Costs of subscription services	$182,208	$(20,717)	$(14,204)	$-	$147,287
Costs of professional services	150,845	(27,692)	(6,953)	-	116,200
Product development	441,616	(129,862)	(19,542)	-	292,212
Sales and marketing	326,494	(50,308)	(17,106)	-	259,080
General and administrative	112,183	(36,056)	(4,386)	-	71,741
Operating income (loss)	(38,313)	264,635	62,191	-	288,513
Operating margin	*(3.3)%*	*22.5%*	*5.4%*	*-%*	*24.6%*
Other income (expense), net	(9,051)	-	-	-	(9,051)
Income (loss) before provision for (benefit from) income taxes	(47,364)	264,635	62,191	-	279,462
Provision for (benefit from) income taxes	(842)	-	-	53,940	53,098
Net income (loss)	$(46,522)	$264,635	$62,191	$(53,940)	$226,364
Net income (loss) per share, basic[1]	$(0.19)	$1.09	$0.26	$(0.23)	$0.93
Net income (loss) per share, diluted[1]	$(0.19)	$1.09	$0.26	$(0.29)	$0.87

[1] GAAP net loss per share is calculated based upon 243,739 basic and diluted weighted-average shares of common stock. Non-GAAP net income per share is calculated based upon 243,739 basic and 260,416 diluted weighted-average shares of common stock. The numerator used to compute non-GAAP diluted net income per share was increased by $1.3 million for after-tax interest expense on our convertible senior notes in accordance with the if-converted method.

[2] Other operating expenses include employer payroll tax-related items on employee stock transactions of $44.3 million and amortization of acquisition-related intangible assets of $17.9 million.

[3] We utilize a fixed long-term projected tax rate in our computation of the non-GAAP income tax provision to provide better consistency across the reporting periods. For fiscal 2022, the non-GAAP tax rate was 19%. Included in the per share amount is a dilution impact of $0.07 from the conversion of GAAP diluted net loss per share to non-GAAP diluted net income per share.

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 income (loss), non-GAAP operating margin, and non-GAAP net income (loss) per share. Workday has provided a reconciliation of each non-GAAP financial measure used in this earnings release to the most directly comparable GAAP financial measure. Non-GAAP operating income (loss) and non-GAAP operating margin differ from GAAP in that they exclude share-based compensation expenses, employer payroll tax-related items on employee stock transactions, and amortization expense for acquisition-related intangible assets. Non-GAAP net income (loss) per share 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, and income tax effects.

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.

Management believes excluding the following items from the GAAP Condensed 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.* Although share-based compensation is an important aspect of the compensation of our employees and executives, management believes it is useful to exclude share-based compensation expenses to better understand the long-term performance of our core business and to facilitate comparison of our results to those of peer companies. Share-based compensation expenses are 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.

About Non-GAAP Financial Measures (cont'd)

- *Other operating expenses*. Other operating expenses includes employer payroll tax-related items on employee stock transactions and amortization of acquisition-related intangible assets. The amount of employer payroll tax-related items on employee stock transactions is dependent on our stock price and other factors that are beyond our control and do not correlate to the operation of the business. 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 its related amortization can vary significantly and are unique to each acquisition and thus we do not believe it is reflective of ongoing operations. Although we exclude the amortization of acquisition-related intangible assets from these non-GAAP measures, management believes that it is important for investors to understand that such intangible assets were recorded as part of purchase accounting and contribute to revenue generation.
- *Income tax effects.* We utilize a fixed long-term projected tax rate in our computation of the non-GAAP income tax provision to provide better consistency across the reporting periods. In projecting this long-term non-GAAP tax rate, we utilize a three-year financial projection that excludes the direct impact of share-based compensation and related employer payroll taxes, amortization of acquisition-related intangible assets, and amortization of debt discount and issuance costs. The projected rate considers other factors such as our current operating structure, existing tax positions in various jurisdictions, and key legislation in major jurisdictions where we operate. For fiscal 2023 and 2022, we determined the projected non-GAAP tax rate to be 19%, which reflects currently available information, as well as other factors and assumptions. We will periodically re-evaluate this tax rate, as necessary, for significant events, based on our ongoing analysis of the 2017 U.S. Tax Cuts and Jobs Act, relevant tax law changes, material changes in the forecasted geographic earnings mix, and any significant acquisitions.

The use of non-GAAP operating income (loss), non-GAAP operating margin, and non-GAAP net income (loss) per share measures have certain limitations as they do not reflect all items of income and expense that affect Workday's operations. Workday compensates for these limitations by reconciling the non-GAAP financial measures to the most comparable 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.

Thank You