



PROCORE

2024 Investor Day

Denver, CO | November 21, 2024

Welcome

Agenda

Thursday, November 21 | 9:00am - 12:05pm MST

9:00a - 9:05a

Opening Remarks

Alexandra Geller - Head of Investor Relations

9:05a - 9:20a

Procore Overview

Tooe Courtemanche - Founder, President, & Chief Executive Officer

9:20a - 9:40a

Growth Drivers

Howard Fu - Chief Financial Officer & Treasurer

9:40a - 10:00a

Go-to-Market Strategy

Ryan Butler - SVP of Corporate & GTM Strategy & Operations

10:00a - 10:25a

Procore Platform - Customer Journey

Wyatt Jenkins, Chief Product Officer

10:25a - 10:35a

Break

10:35a - 11:05a

Customer Fireside

*Tooe Courtemanche - Founder, President, & CEO, Procore Technologies, Inc.
Joseph Haugland - President & Chief Operating Officer, Haugland Group LLP*

11:05a - 11:20a

Financial Summary

Howard Fu - Chief Financial Officer & Treasurer

11:20a - 12:05p

Executive Q&A

*Tooe Courtemanche - Founder, President, & Chief Executive Officer
Howard Fu - Chief Financial Officer & Treasurer
Steve Davis - President, Product & Technology
Larry Stack - Chief Revenue Officer
Sarah Hodges - Chief Marketing Officer
Paul Lyandres - Chief Business Officer*

Disclaimers

Forward-Looking Statements

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This presentation also contains estimates and information concerning Procore's industry, including market size and growth rates of the markets in which Procore participates, that are based on industry publications and reports. This information involves a number of assumptions and limitations, and investors are cautioned not to give undue weight to such estimates. Procore has not independently verified the accuracy or completeness of the data contained in these industry publications and reports.

Non-GAAP Financial Measures

This presentation includes non-GAAP financial measures. These non-GAAP financial measures are not prepared in accordance with U.S. generally accepted accounting principles ("GAAP"), and may not be comparable to similarly-titled measures presented by other companies or to third-party expectations, nor should they be construed as an alternative to other financial measures determined in accordance with GAAP. Procore believes certain non-GAAP measures, as described in this presentation, are useful in evaluating its operating performance. Management uses non-GAAP financial information, collectively, to evaluate Procore's ongoing operations as well as for internal planning and forecasting purposes. Procore believes that non-GAAP financial information, when taken collectively, is helpful to investors because it provides consistency and comparability with past financial performance, and may assist in comparison with other companies, some of which use similar non-GAAP financial information to supplement their GAAP results. Refer to the Appendix for a reconciliation of those non-GAAP financial measures to the most directly comparable GAAP measures.

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Procore Overview

Tooey Courtemanche | Founder, President, & CEO

PROCORE

Key Takeaways



Construction is Massive

Significant digitization opportunity provides durable long-term growth for a projected \$15T¹ industry



Category Leader

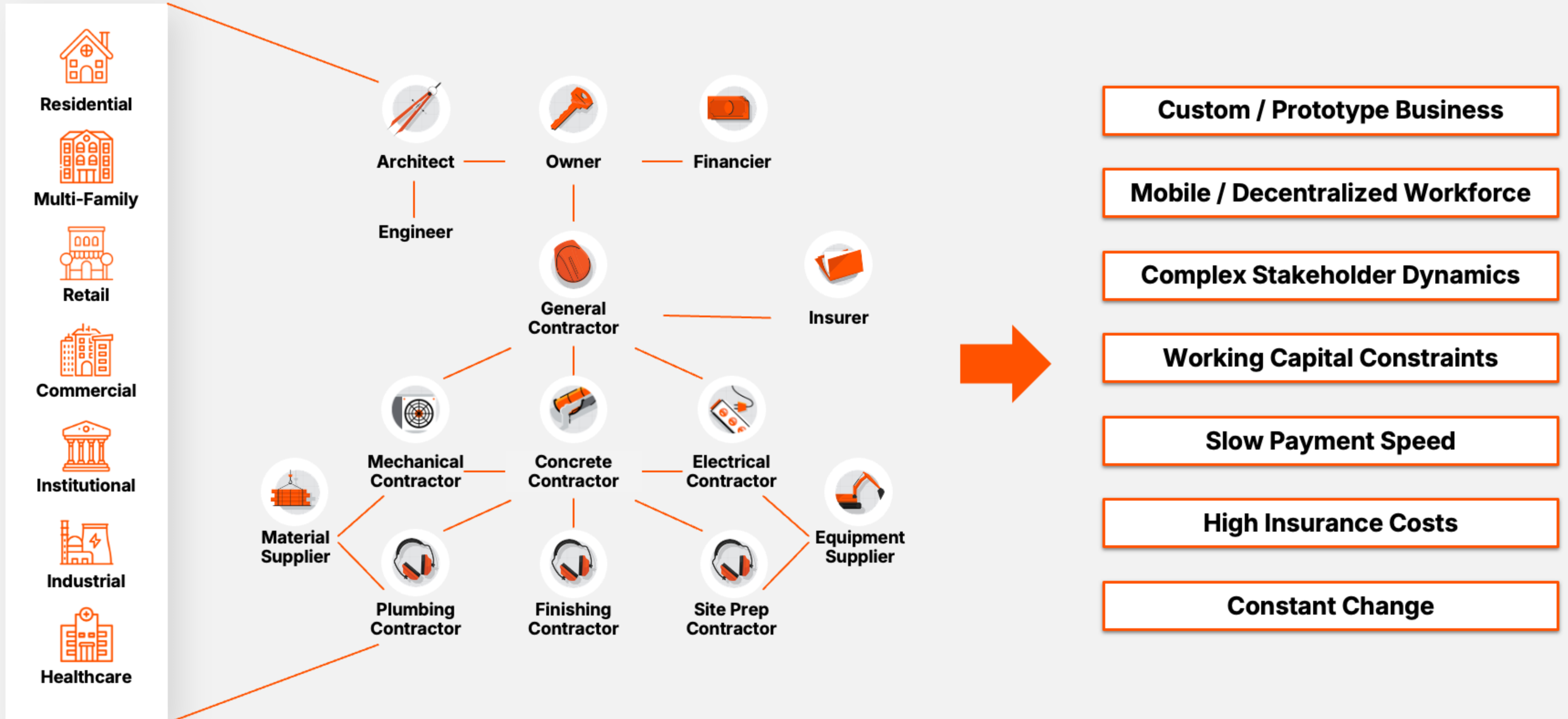
Our leading platform and industry partnership will continue to deliver strong customer ROI



Financial Improvement

We are committed to efficiency and per share improvement

Construction Is Highly **Complex & Dynamic**



OUR VISION

**Improve the lives of
everyone in construction.**

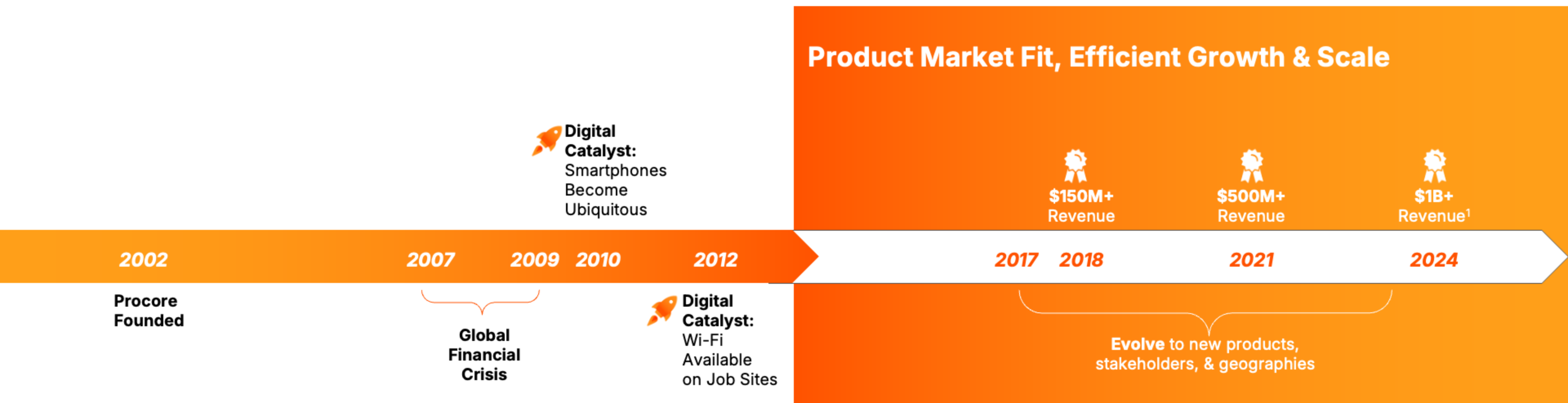
OUR MISSION

**Connect everyone
in construction on a
global platform.**

PROCORE



Resilience, Evolution & Success



Construction is Massive

2022 Global Workforce By Sector¹

Agriculture.....	26%
Manufacturing.....	14%
Wholesale & Retail Trade.....	14%
Construction.....	8%
Transportation.....	6%
Other Services.....	5%
Education.....	5%
Real Estate.....	5%
Public Administration.....	4%
Healthcare.....	4%
Food Service.....	4%
Financials.....	2%
Utilities.....	1%
Mining.....	1%



8%

Global Workforce in 2022

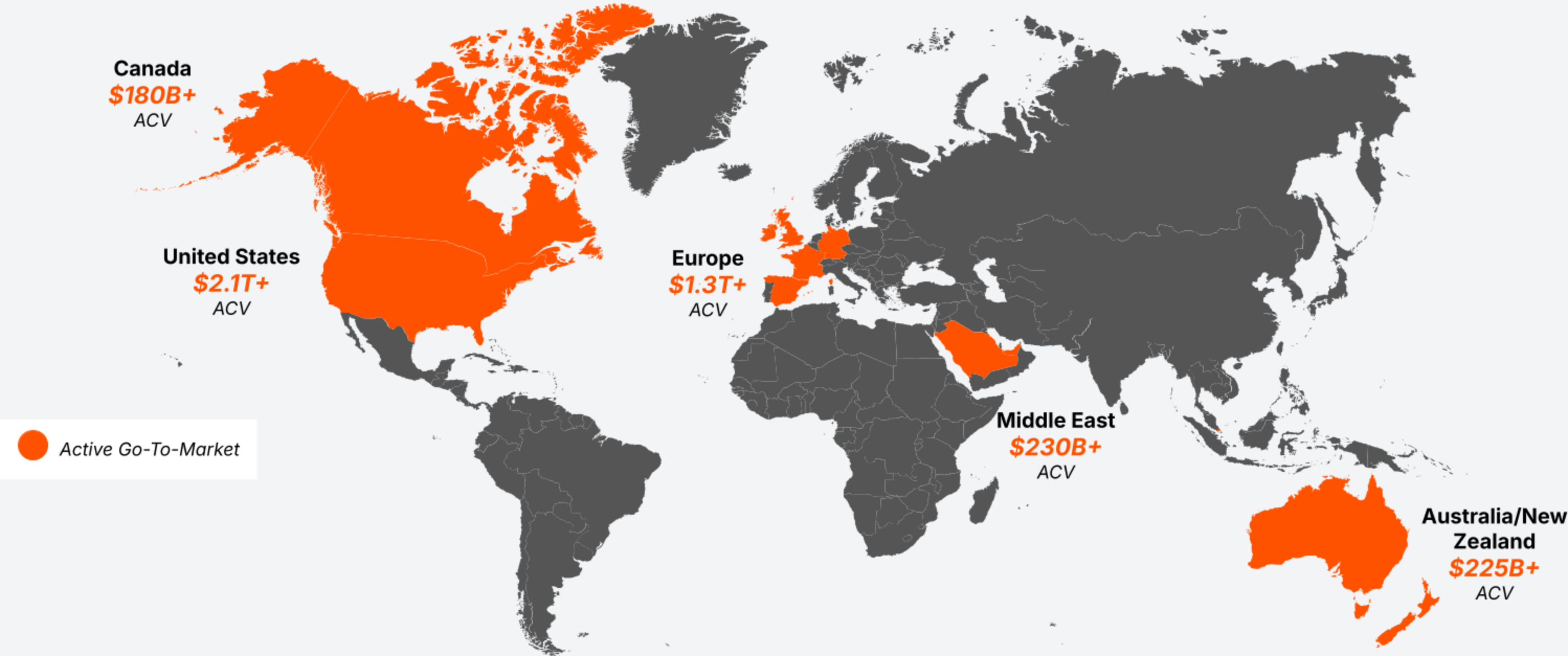
Larger

Than Global Transportation +
Financials in 2022 Combined

\$15T

Est. global construction spend
in 2030²

Construction is Massive **in our Markets**



11
Active GTM Countries

\$4T
Active GTM Countries ACV

\$10T
\$4T x2.5 "Triple TAM" as ACV through all 3 Stakeholders

The Unified Platform

SOLUTIONS



Preconstruction

- Bid Management
- 2D/3D Takeoff
- Estimating
- Prequalification
- Design Coordination



Project Execution

- Project Management
- Safety
- Quality
- Field Scheduling
- Closeout



Resource Management

- Field Productivity
- Workforce Planning
- Equipment Management
- Materials Management



Financial Management

- Project Financials
- Pay
- Payment Applications
- Accounting Integrations

PLATFORM CAPABILITIES



BIM

- Models
- Design Plugins
- Field Viewer
- BIM Data



Document Management

- Documents
- Specifications
- Drawings
- Photos & Videos



Assets

- Asset Register
- Asset Data



Collaboration

- Conversations
- Connectability
- Notifications



Field Solutions

- Mobile
- Reality Capture
- Tablet
- AR/Glasses



Maps

- GIS Data
- Locations



Enterprise Flexibility

- Workflows
- Attribute-based Permissions
- Customization



Ecosystem

- App Marketplace Integrations
- Open API



AI

- Insights & Benchmarks
- Copilot
- Agents & Automation



Analytics

- 360 Reporting
- Advanced Analytics



Secure & Compliant Zones

- Regional App Zones
- Regional Data Zones
- Government Zones

The Platform of Choice for Construction

OWNERS & DEVELOPERS



GENERAL CONTRACTORS



SPECIALTY CONTRACTORS



The **Leader** in Construction Technology

~\$900B

Annual Construction Volume
Committed on Procore

\$1.2B

Annualized
Revenue Run Rate

\$157M

LTM Free
Cash Flow

~17K

Total
Customers

2.2K+

Customers Spending
\$100K+ in ARR

81

Customers Spending
\$1M+ in ARR

2M

Active Procore
Users

3M+

Projects Running
on Procore

160+

Countries with
Active Procore Projects

Note: All data as of September 30, 2024. Free cash flow is a non-GAAP metric. "ARR" refers to annual recurring revenue. Active Procore Users are users that have completed at least two create or update or delete (CRUD) events on the Procore platform since January 1, 2023. Refer to the appendix for the definitions of annual construction volume, annualized revenue run rate, free cash flow, and annual recurring revenue, and for a reconciliation of non-GAAP measures to the most directly comparable GAAP measures.



Growth Drivers

Howard Fu | CFO & Treasurer

PROCORE

CFO Objectives → FCF Per Share Growth

Accelerating Free Cash Flow Per Share



Growth & Monetization

- New logo acquisition in both the U.S. and International
- Expand existing customers
 - Upsell via additional construction volume
 - Cross-sell via new products
- Optimize product development → GTM execution cycles



Capital Allocation

- Resources are allocated to the highest-ROI opportunities
- Strategically sequence the timing of investments and associated returns to foster sustainable growth
- Thoughtfully balance cash vs. equity
- Opportunistically repurchase shares (new)



Operational Efficiency

- S&M: Improve GTM motions with consideration for growth-adjusted LTV/CACs
- R&D: Drive leverage via foundational platform capabilities
- G&A: Scale via automation and lower cost service centers

Go To Market Dimensions

GEOGRAPHY	CUSTOMER SIZE	STAKEHOLDER		
		Owner	General Contractor	Speciality Contractor
United States	Enterprise			
	Mid-Market			
	SMB			
Canada	Enterprise			
	Mid-Market			
	SMB			
UK & Ireland	Enterprise			
	Mid-Market			
	SMB			
Rest Of Europe	Enterprise			
	Mid-Market			
	SMB			
Australia & New Zealand	Enterprise			
	Mid-Market			
	SMB			
Middle East	Enterprise			
	Mid-Market			
	SMB			

Actively Pursuing

Inbound Only

We operate the business via three dimensions:

- by Geography
- by Customer Size
- by Stakeholder

Each dimension is a unique “market”

Not all possible “markets” are actively pursued due to either internal priorities / phasing or TAM / opportunity size

Go To Market Dimensions: U.S.

GEOGRAPHY	CUSTOMER SIZE	STAKEHOLDER		
		Owner	General Contractor	Speciality Contractor
United States	Enterprise			
	Mid-Market			
	SMB			
Canada	Enterprise			
	Mid-Market			
	SMB			
UK & Ireland	Enterprise			
	Mid-Market			
	SMB			
Rest Of Europe	Enterprise			
	Mid-Market			
	SMB			
Australia & New Zealand	Enterprise			
	Mid-Market			
	SMB			
Middle East	Enterprise			
	Mid-Market			
	SMB			

- U.S. is 84% of Total ARR
- The avg U.S. customer has 3-4 products

Go To Market Dimensions: International

REGION	CUSTOMER SIZE	STAKEHOLDER		
		Owner	General Contractor	Speciality Contractor
United States	Enterprise			
	Mid-Market			
	SMB			
Canada	Enterprise			
	Mid-Market			
	SMB			
UK & Ireland	Enterprise			
	Mid-Market			
	SMB			
Rest Of Europe	Enterprise			
	Mid-Market			
	SMB			
Australia & New Zealand	Enterprise			
	Mid-Market			
	SMB			
Middle East	Enterprise			
	Mid-Market			
	SMB			

Actively Pursuing

Inbound Only

- *International is 16% of Total ARR*
- *The avg Intl. customer has 3-4 products*

Go To Market Dimensions: GCs

REGION	CUSTOMER SIZE	STAKEHOLDER		
		Owner	General Contractor	Speciality Contractor
United States	Enterprise			
	Mid-Market			
	SMB			
Canada	Enterprise			
	Mid-Market			
	SMB			
UK & Ireland	Enterprise			
	Mid-Market			
	SMB			
Rest Of Europe	Enterprise			
	Mid-Market			
	SMB			
Australia & New Zealand	Enterprise			
	Mid-Market			
	SMB			
Middle East	Enterprise			
	Mid-Market			
	SMB			

- GCs are 60% of Total ARR growing 16% YoY
- 49 GCs w/ \$1M+ ARR
- 1,402 GCs w/ \$100K+ ARR
- The avg GC customer has 3-4 products

Go To Market Dimensions: U.S. GCs

REGION	CUSTOMER SIZE	STAKEHOLDER		
		Owner	General Contractor	Speciality Contractor
United States	Enterprise			
	Mid-Market			
	SMB			
Canada	Enterprise			
	Mid-Market			
	SMB			
UK & Ireland	Enterprise			
	Mid-Market			
	SMB			
Rest Of Europe	Enterprise			
	Mid-Market			
	SMB			
Australia & New Zealand	Enterprise			
	Mid-Market			
	SMB			
Middle East	Enterprise			
	Mid-Market			
	SMB			

- U.S. GCs are 51% of Total ARR growing 16% YoY
- The avg U.S. GC customer has 3-4 products

Go To Market Dimensions: U.S. ENT GCs

REGION	CUSTOMER SIZE	STAKEHOLDER		
		Owner	General Contractor	Speciality Contractor
United States	Enterprise			
	Mid-Market			
	SMB			
Canada	Enterprise			
	Mid-Market			
	SMB			
UK & Ireland	Enterprise			
	Mid-Market			
	SMB			
Rest Of Europe	Enterprise			
	Mid-Market			
	SMB			
Australia & New Zealand	Enterprise			
	Mid-Market			
	SMB			
Middle East	Enterprise			
	Mid-Market			
	SMB			

- U.S. Ent GCs are 31% of Total ARR growing 16% YoY
- The avg U.S. Ent customer has 5-6 products

Go To Market Dimensions: ENR 400

REGION	CUSTOMER SIZE	STAKEHOLDER		
		Owner	General Contractor	Speciality Contractor
United States	Enterprise			
	Mid-Market			
	SMB			
Canada	Enterprise			
	Mid-Market			
	SMB			
UK & Ireland	Enterprise			
	Mid-Market			
	SMB			
Rest Of Europe	Enterprise			
	Mid-Market			
	SMB			
Australia & New Zealand	Enterprise			
	Mid-Market			
	SMB			
Middle East	Enterprise			
	Mid-Market			
	SMB			

- ENR 400 is 18% of Total ARR growing 15% YoY
- The avg ENR 400 customer has 5-6 products

Go To Market Dimensions: SCs

REGION	CUSTOMER SIZE	STAKEHOLDER		
		Owners	General Contractor	Speciality Contractor
United States	Enterprise			
	Mid-Market			
	SMB			
Canada	Enterprise			
	Mid-Market			
	SMB			
UK & Ireland	Enterprise			
	Mid-Market			
	SMB			
Rest Of Europe	Enterprise			
	Mid-Market			
	SMB			
Australia & New Zealand	Enterprise			
	Mid-Market			
	SMB			
Middle East	Enterprise			
	Mid-Market			
	SMB			

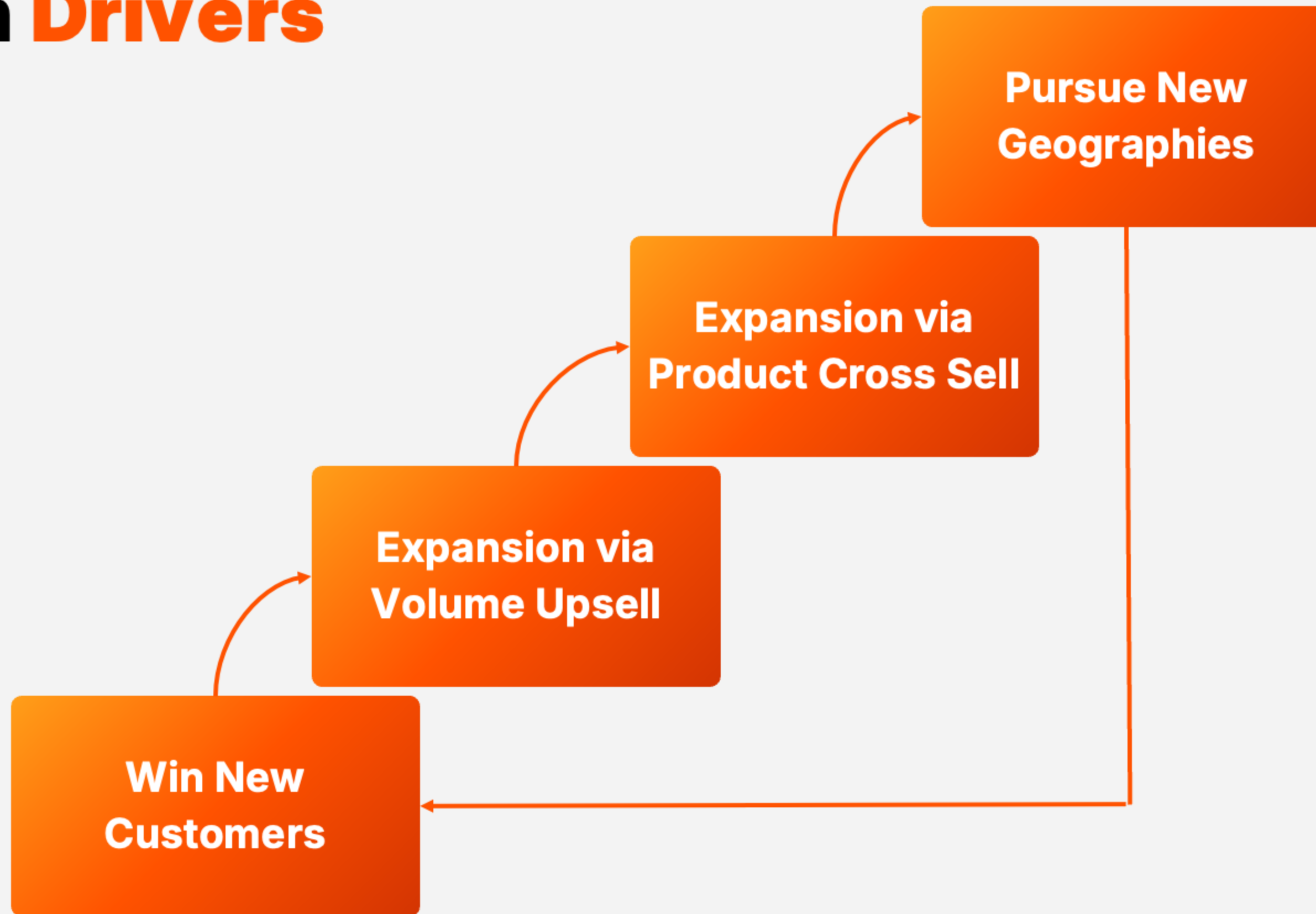
- SCs are 15% of Total ARR growing 22% YoY
- 6 SCs w/ \$1M+ ARR
- 270 SCs w/ \$100K+ ARR
- The avg SC customer has ~3 products

Go To Market Dimensions: Owners

REGION	CUSTOMER SIZE	STAKEHOLDER		
		Owners	General Contractor	Speciality Contractor
United States	Enterprise			
	Mid-Market			
	SMB			
Canada	Enterprise			
	Mid-Market			
	SMB			
UK & Ireland	Enterprise			
	Mid-Market			
	SMB			
Rest Of Europe	Enterprise			
	Mid-Market			
	SMB			
Australia & New Zealand	Enterprise			
	Mid-Market			
	SMB			
Middle East	Enterprise			
	Mid-Market			
	SMB			

- Owners are 25% of Total ARR growing 16% YoY
- 26 Owners w/ \$1M+ ARR
- 589 Owners w/ \$100K+ ARR
- The avg Owner customer has 3-4 products

Growth Drivers

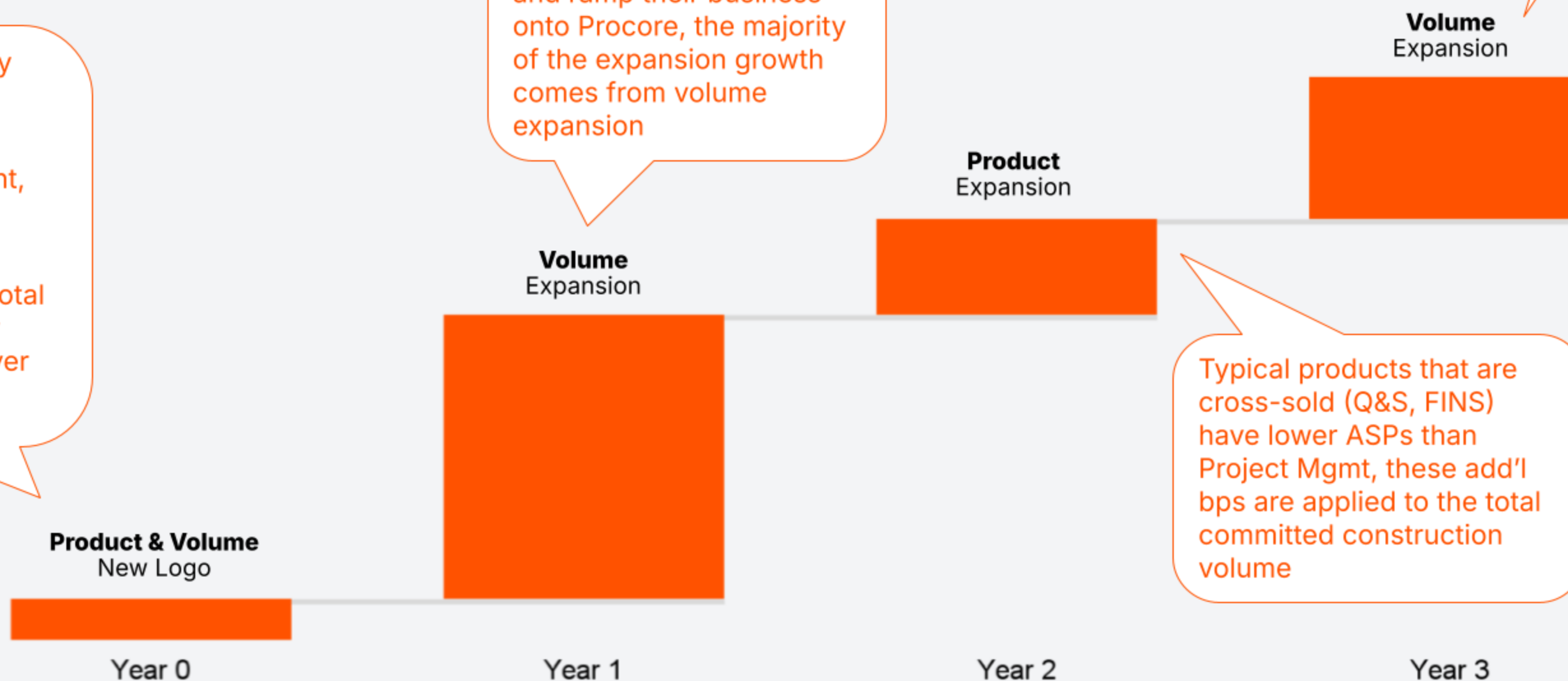


How We Land & Expand

Illustrative Customer Example

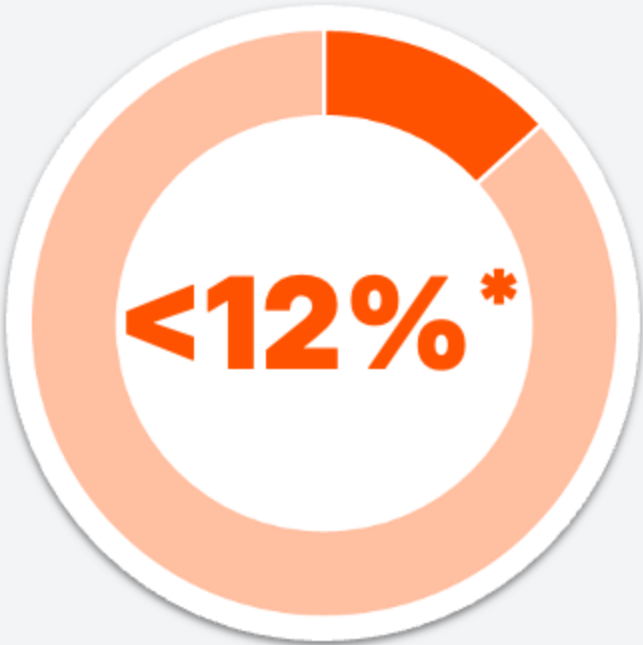
When a customer initially purchases, the contract typically consists of:

1. Project Management, our highest ASP product
2. Modest % of their total annual volume they expect to deploy over the contract term



Land Mix Favors Product, but Expansion is More Influenced by Volume

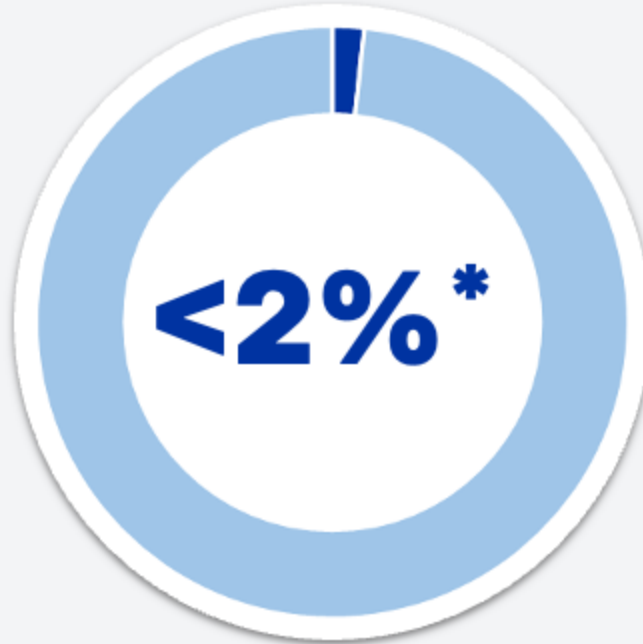
New Logo Opportunity



Estimated U.S. Logo Capture

100K+ Addressable Construction Logos in the United States

*Updated methodology excludes logos with <\$2.5M in annual construction volume.



Estimated International Logo Capture

260K+ Addressable Construction Logos in Active GTM Countries

Select Penetration Rates Within Each Stakeholder

Owner

~2%

~100K Global Owners in Active GTM Countries

Owners span most major industries. We have seen early success (~25% of ARR) across corporations (ie Fortune 1000), energy, utilities, education, and healthcare.

General Contractor

72%
ENR 400

31%
US MM+ GC Logos

Specialty Contractor

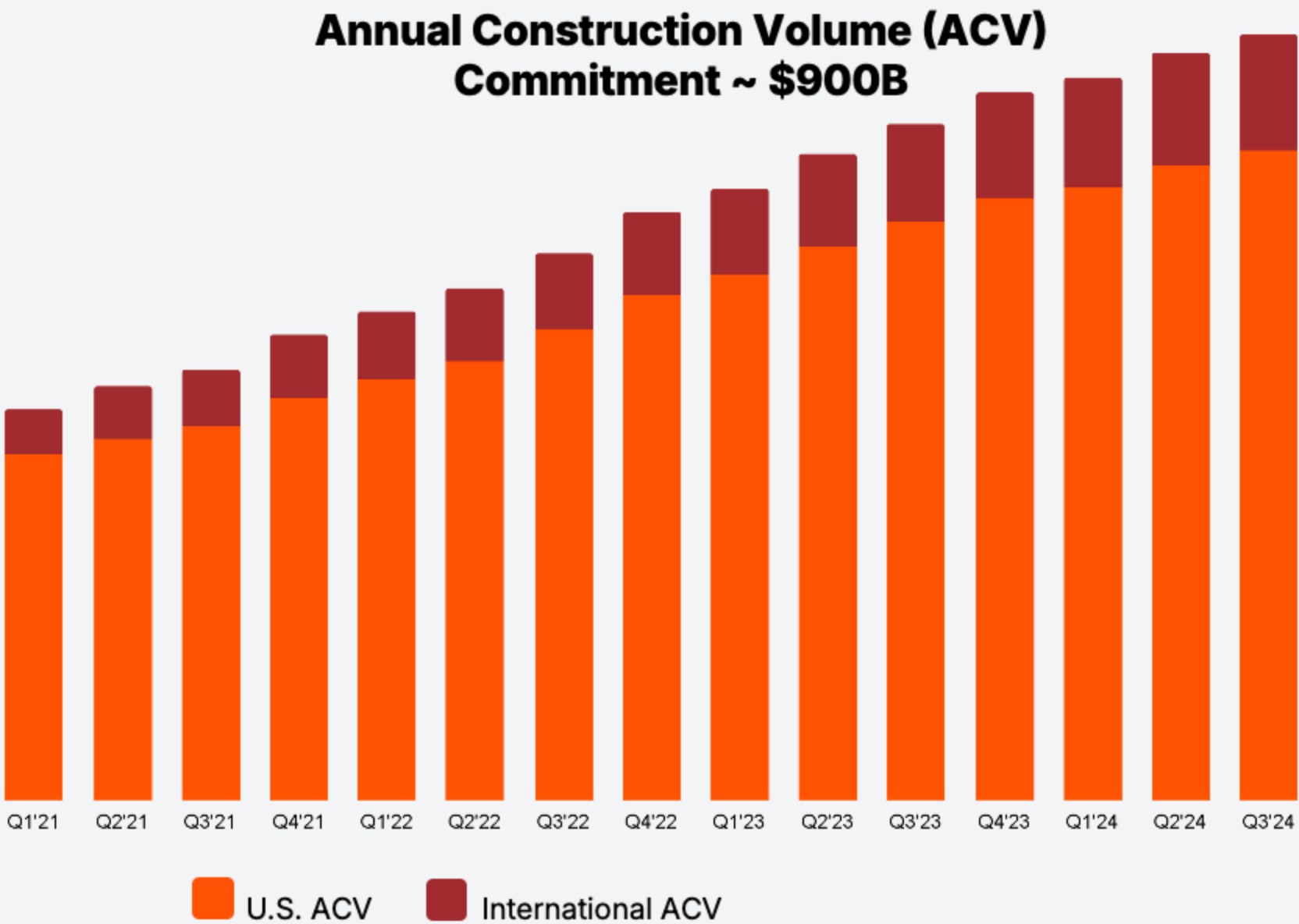
26%
ENR 600

28%
US MM+ SC Logos

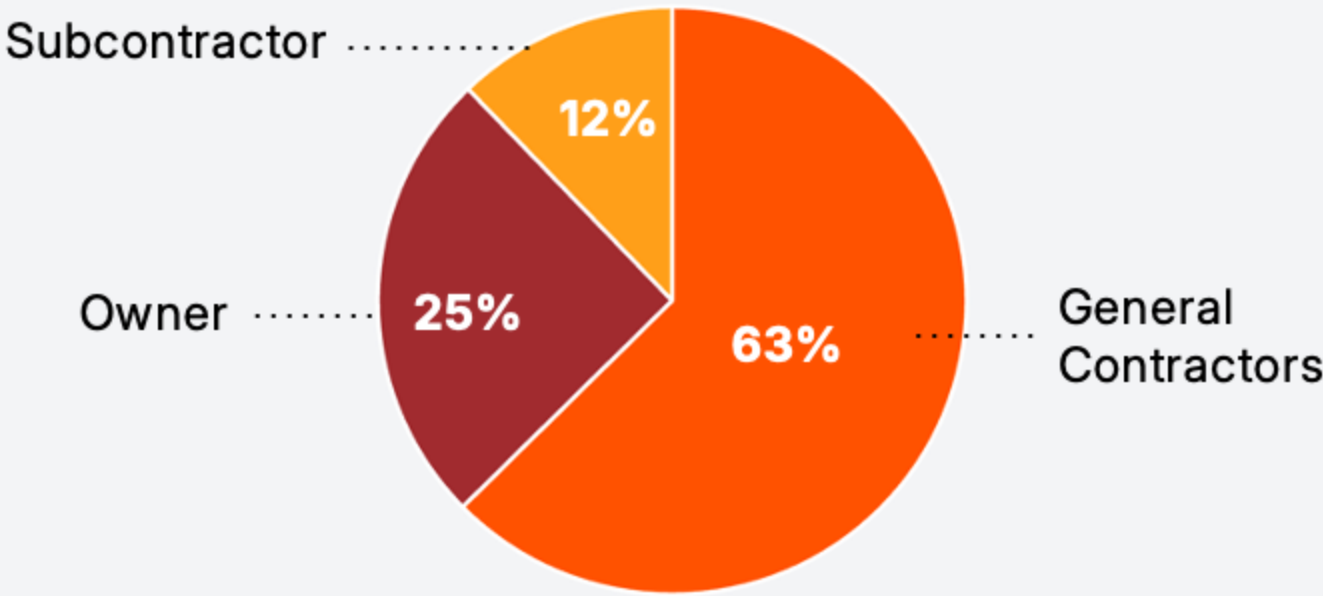
Note: Logo capture rates reflect our customer count as of September 30, 2024, as a percentage of the total estimated number of logos in Procore's addressable markets (or a specified subset thereof) with at least \$2.5M of annual construction volume, where the number of "captured" customers is defined as the aggregate number of entities (i) that have entered into one or more subscriptions with us that have recurring charges for which the term has not ended as of September 30, 2024, or (ii) with which we are negotiating a subscription renewal. Active go-to-market countries are countries where we are actively pursuing new customers and do not include countries where we only sell via inbound demand. Logo estimates by region and stakeholder are based on Procore calculations using data from the U.S. Census Bureau, Frost & Sullivan, and D&B Hoovers. "ARR" refers to annual recurring revenue. Refer to the appendix for the definitions of customer count and annual recurring revenue. General Contractor ENR 400 and Specialty Contractor ENR 600 metrics are based on the 2023 ENR cohort.

Volume Upsell Opportunity

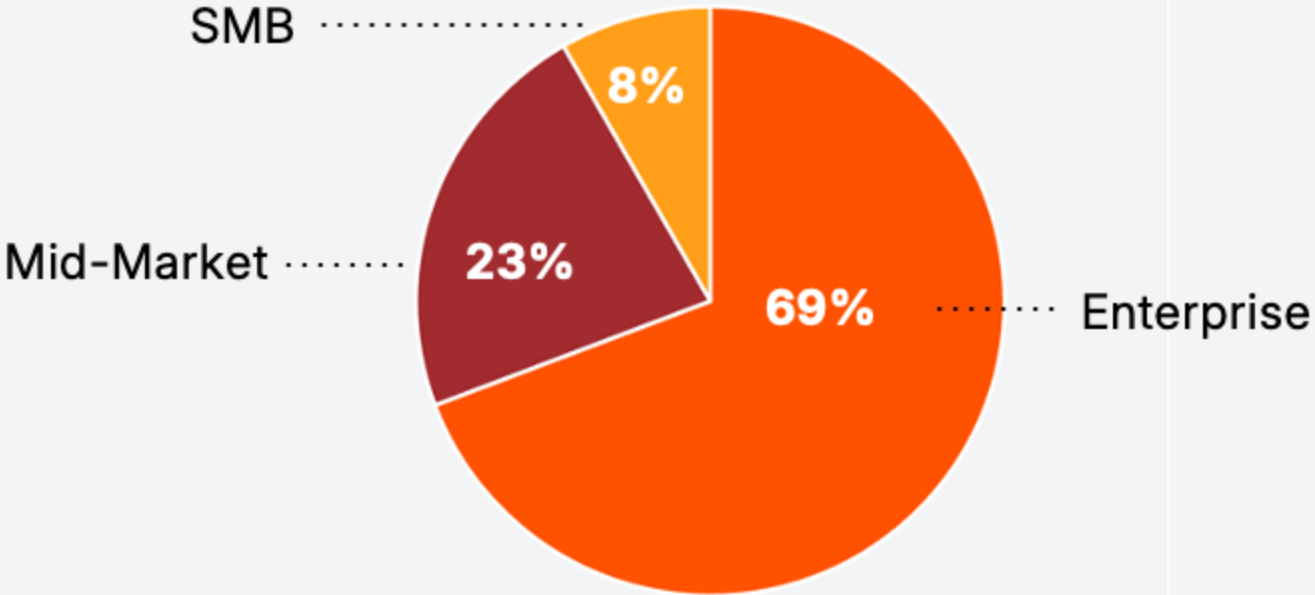
Today we only have ~45% of our customer's total ACV



ACV Commitment by Stakeholder



ACV Commitment by Customer Size

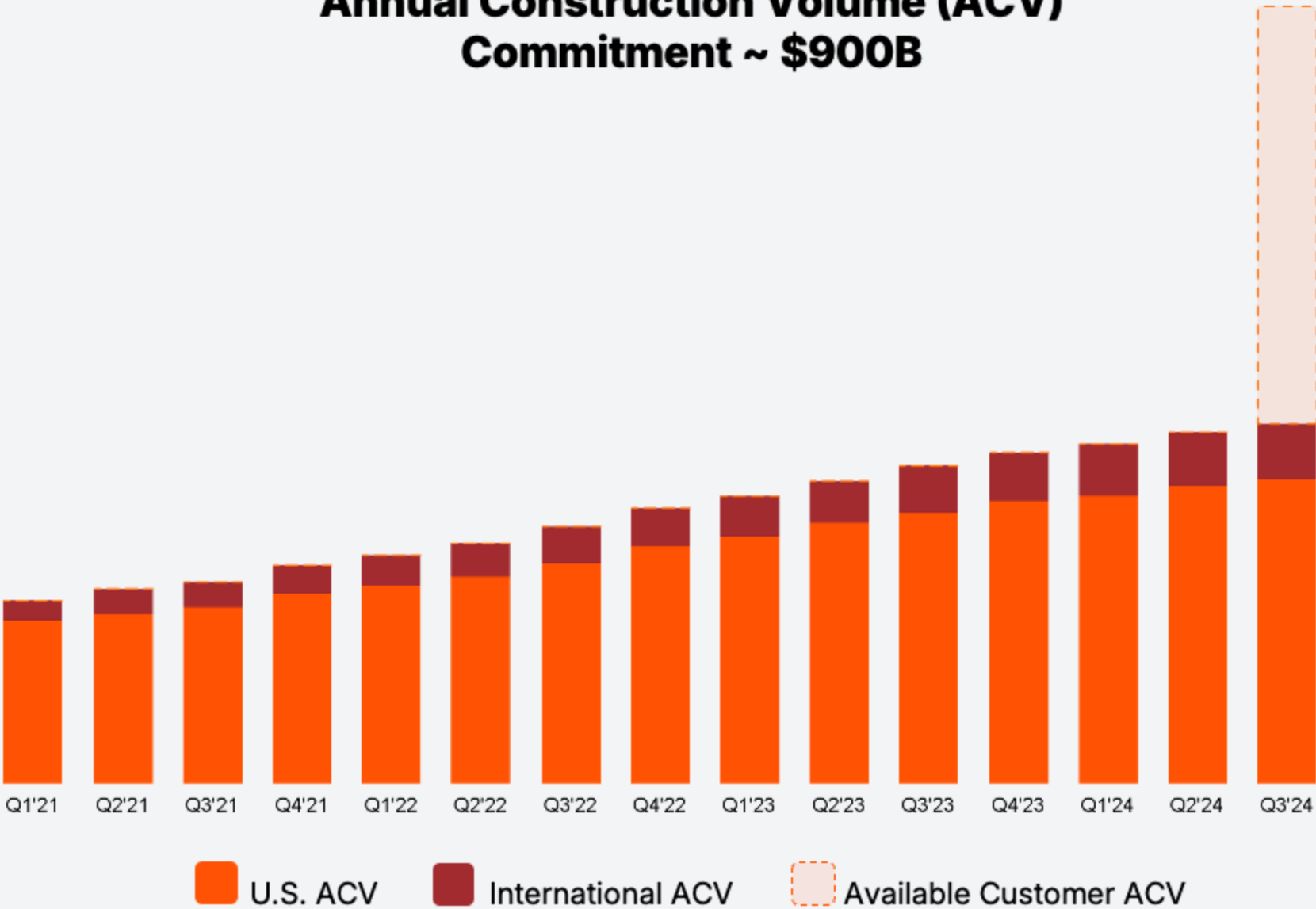


Note: "ACV" refers to annual construction volume. ACV commitment reflects construction volume contracted to run on the Procore platform by customers as of September 30, 2024. Refer to the appendix for the definition of annual construction volume and for more information about how ACV by region/country is determined.

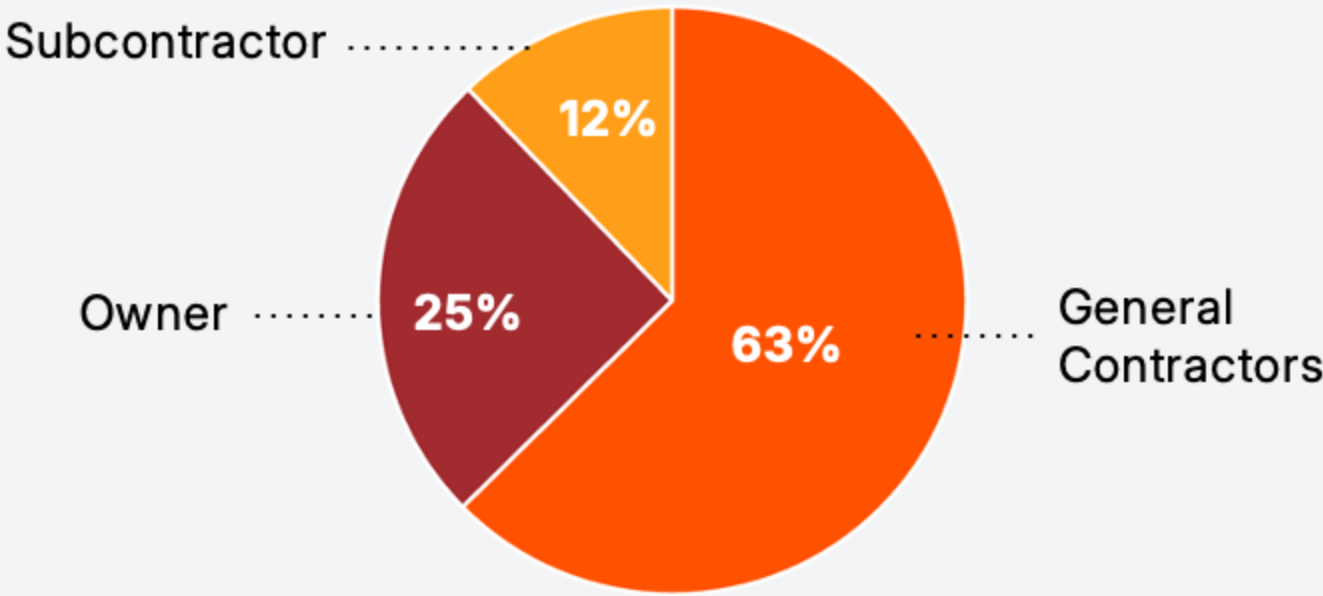
Volume Upsell Opportunity

Opportunity exists to capture an incremental \$1T+ of ACV from existing customers

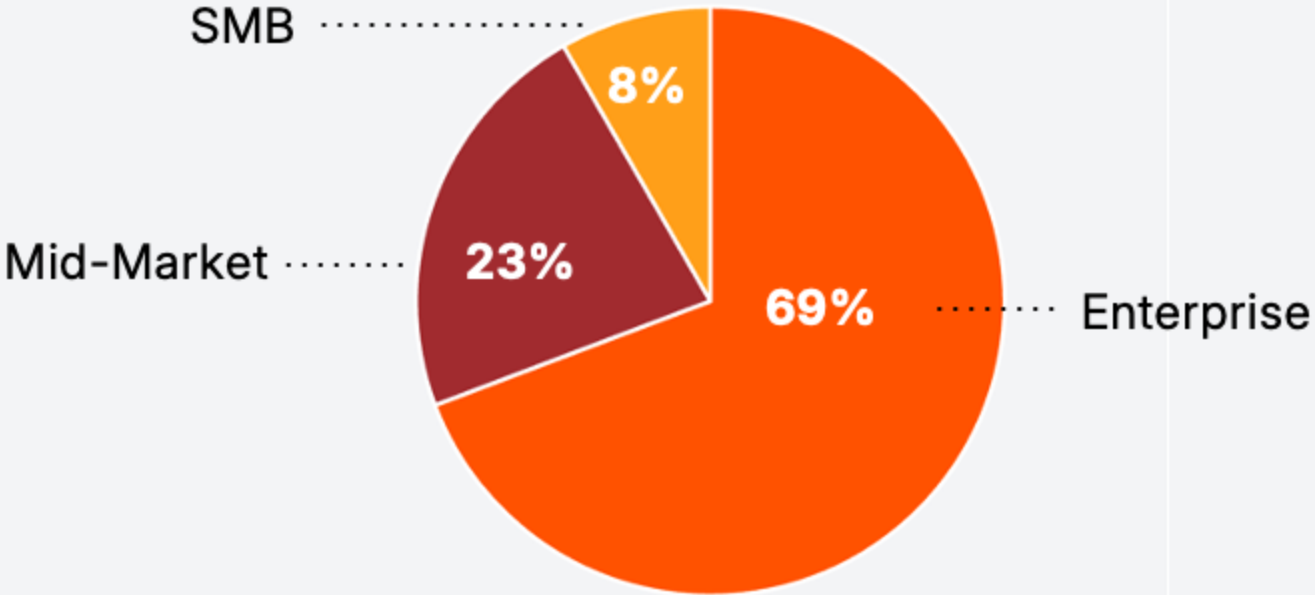
Annual Construction Volume (ACV)
Commitment ~ \$900B



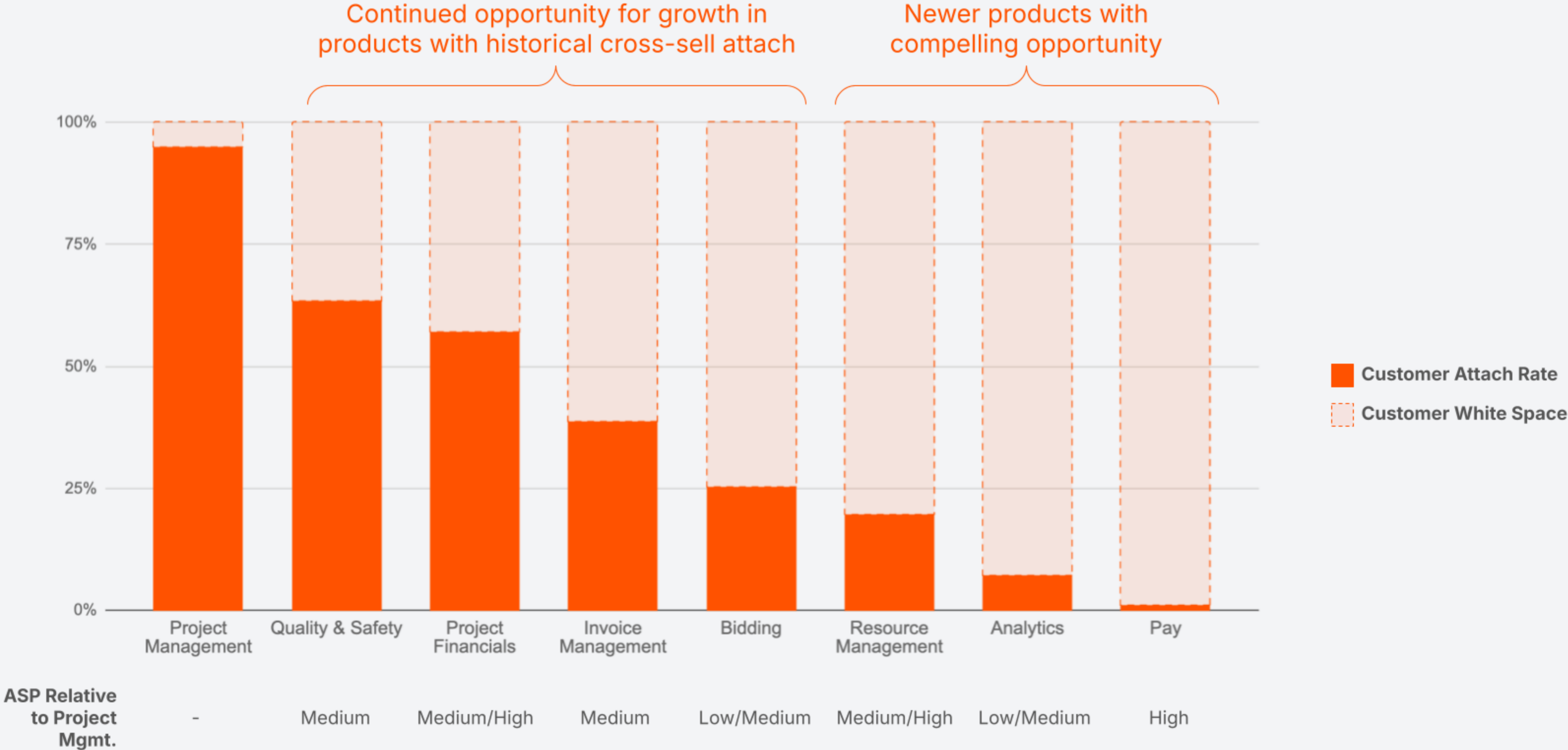
ACV Commitment by Stakeholder



ACV Commitment by Customer Size

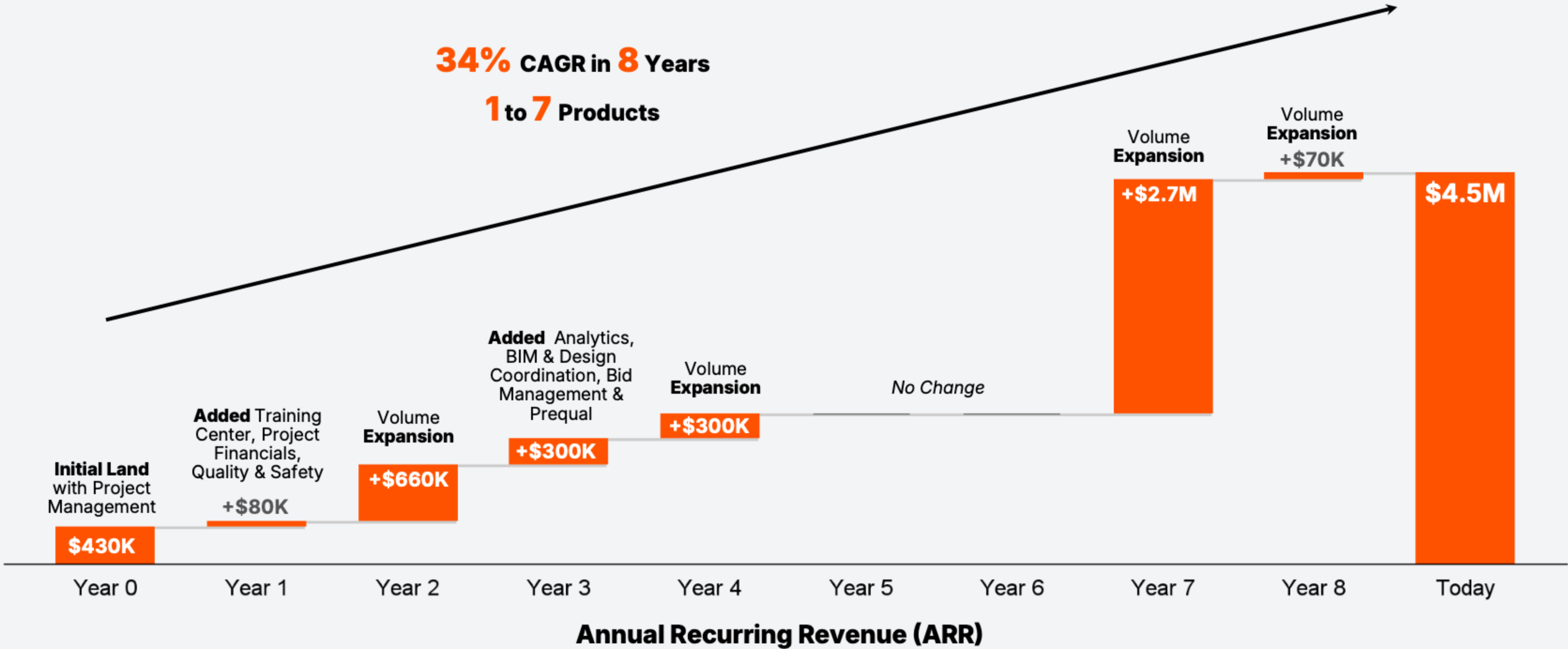


Product Cross-Sell Opportunity



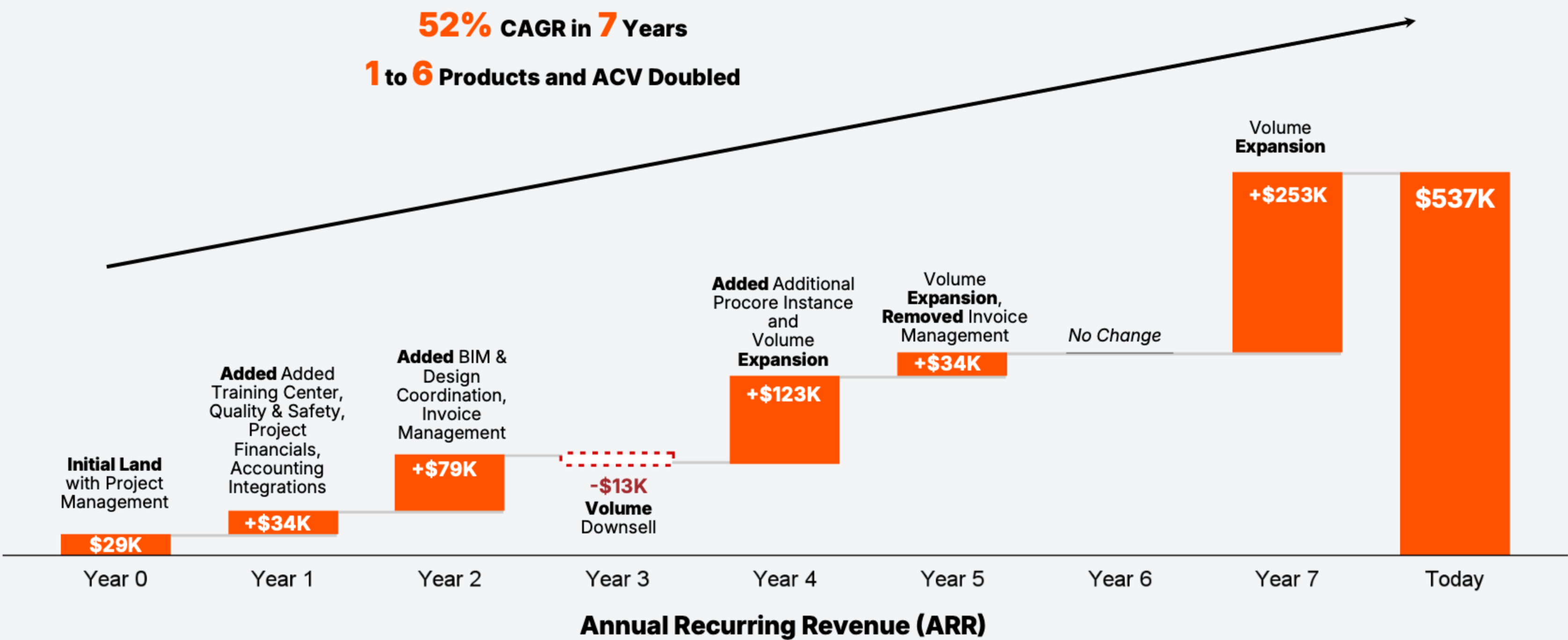
Land & Expand Case Study

Enterprise Owner with ARR of \$4.5M+

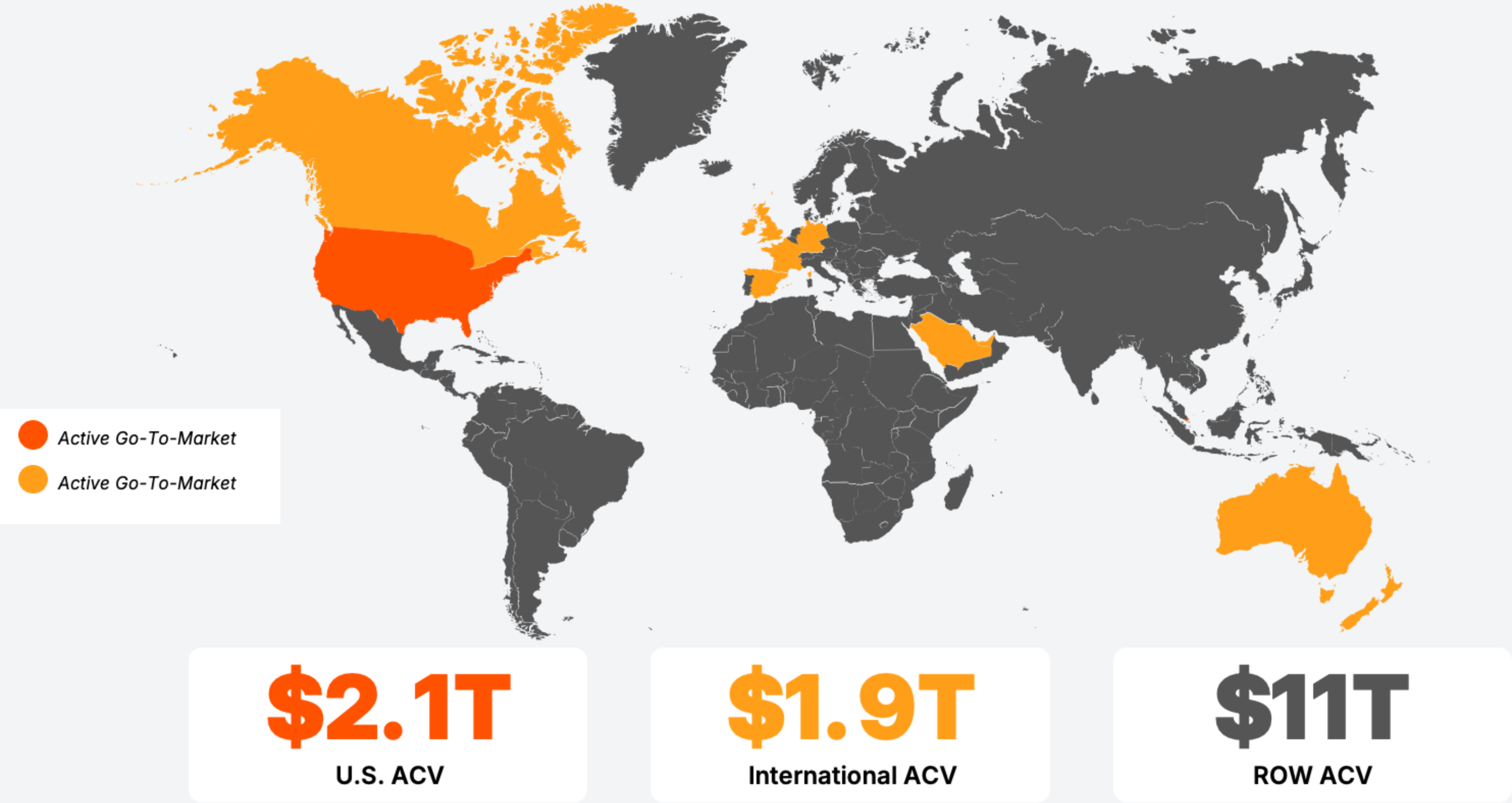


Land & Expand Case Study

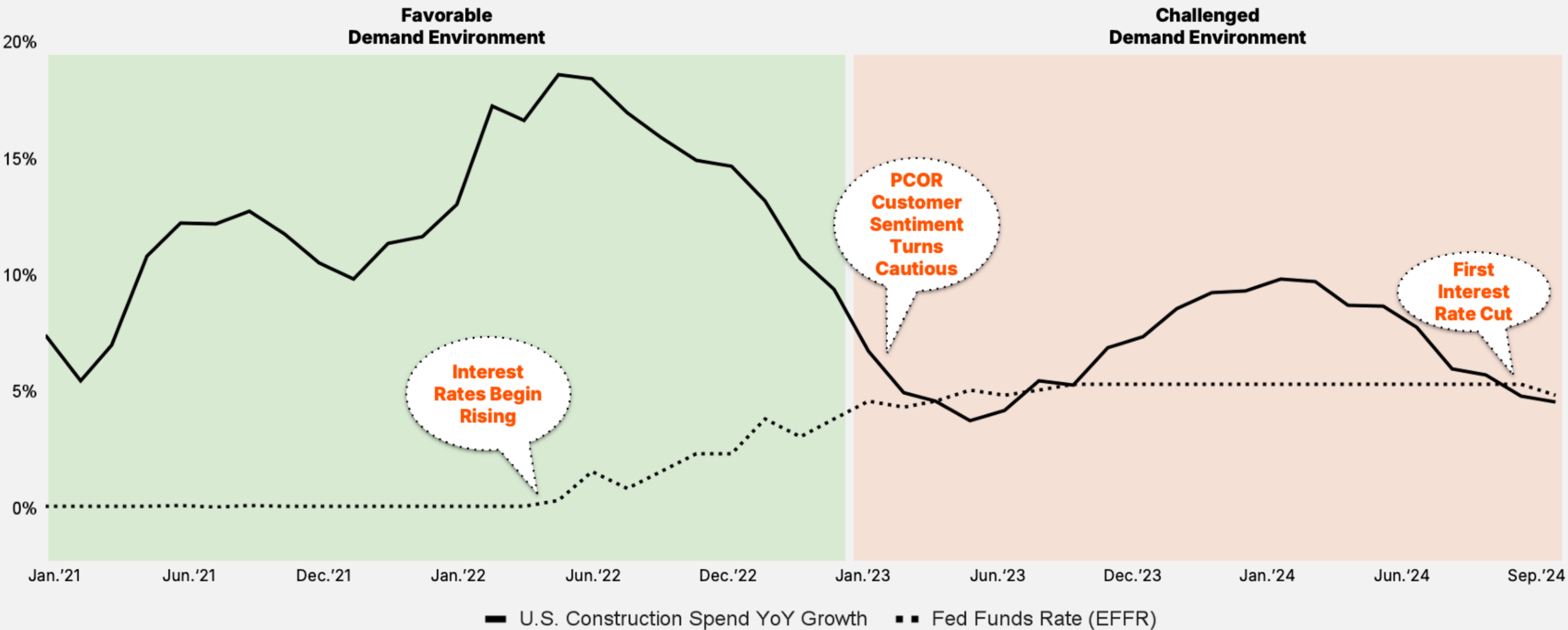
Mid-Market GC with ARR of \$500K+



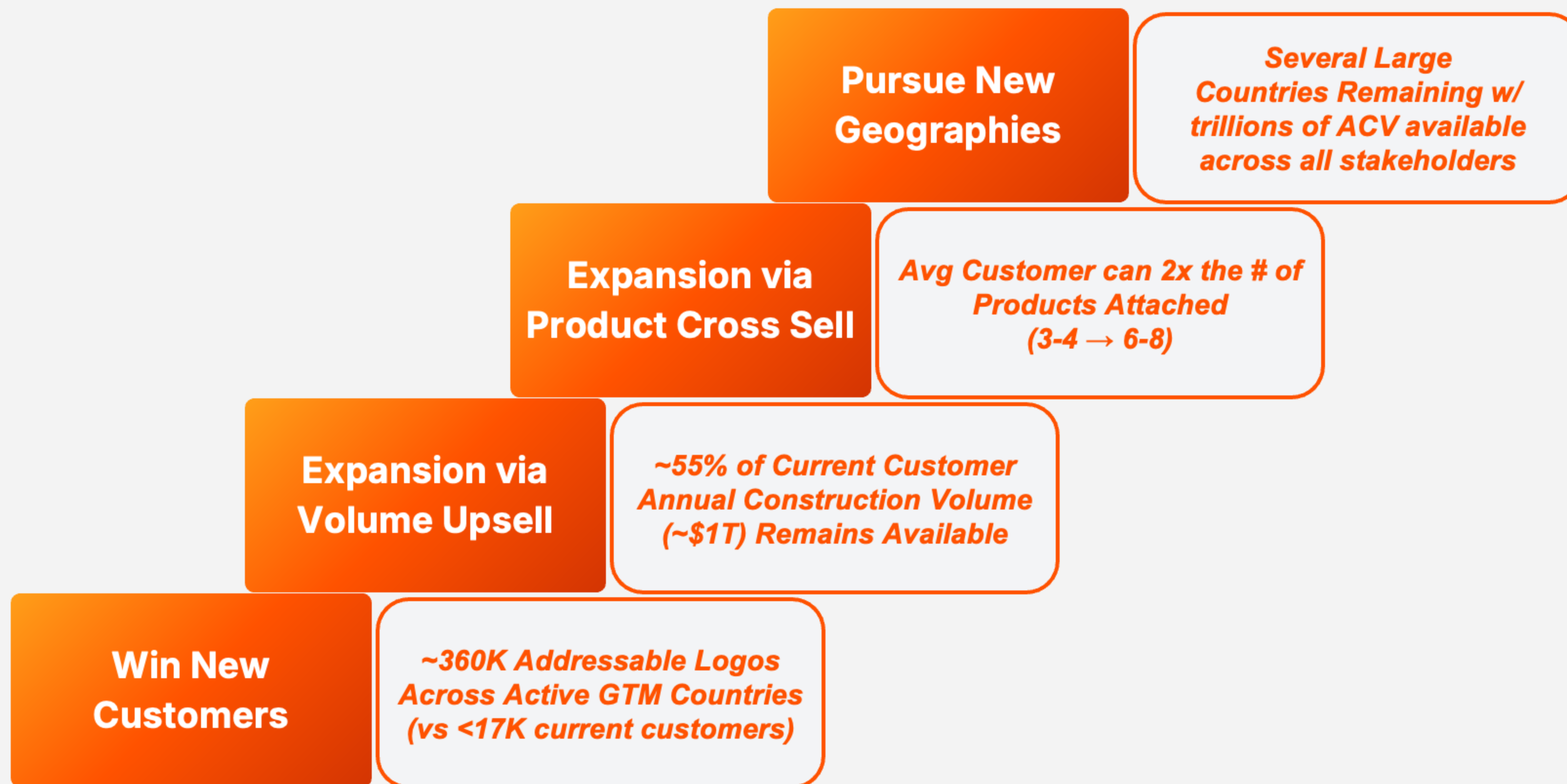
Geographic Expansion Opportunity



Construction is **Growing**, but is **Cyclical**



Combined Opportunity





Go To Market Strategy

Ryan Butler | SVP, Corporate and GTM Strategy & Operations

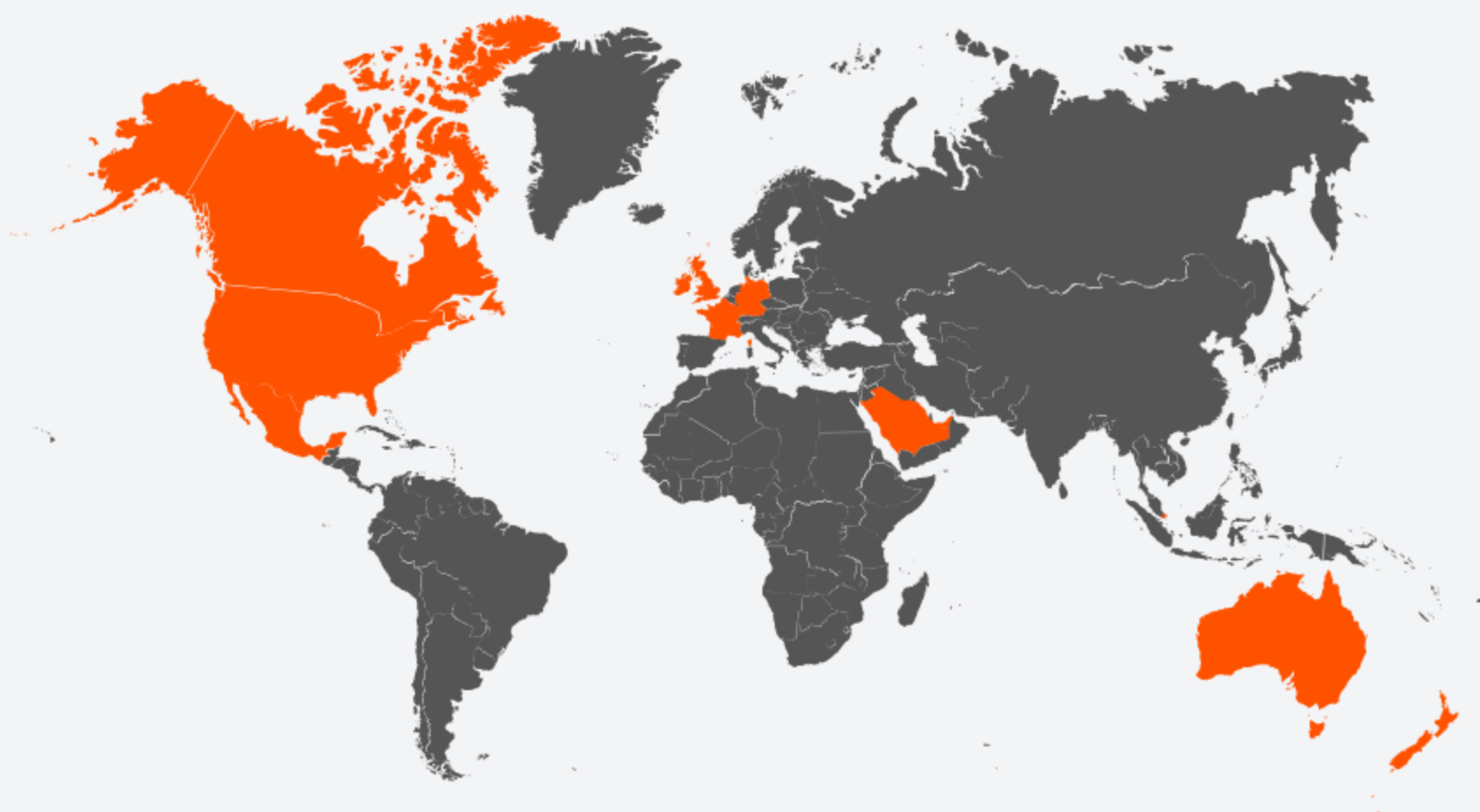
PROCORE

Previous Go-To-Market Model

Global Head
of Sales

Global Head
of Customer
Success

Global Head
of Marketing

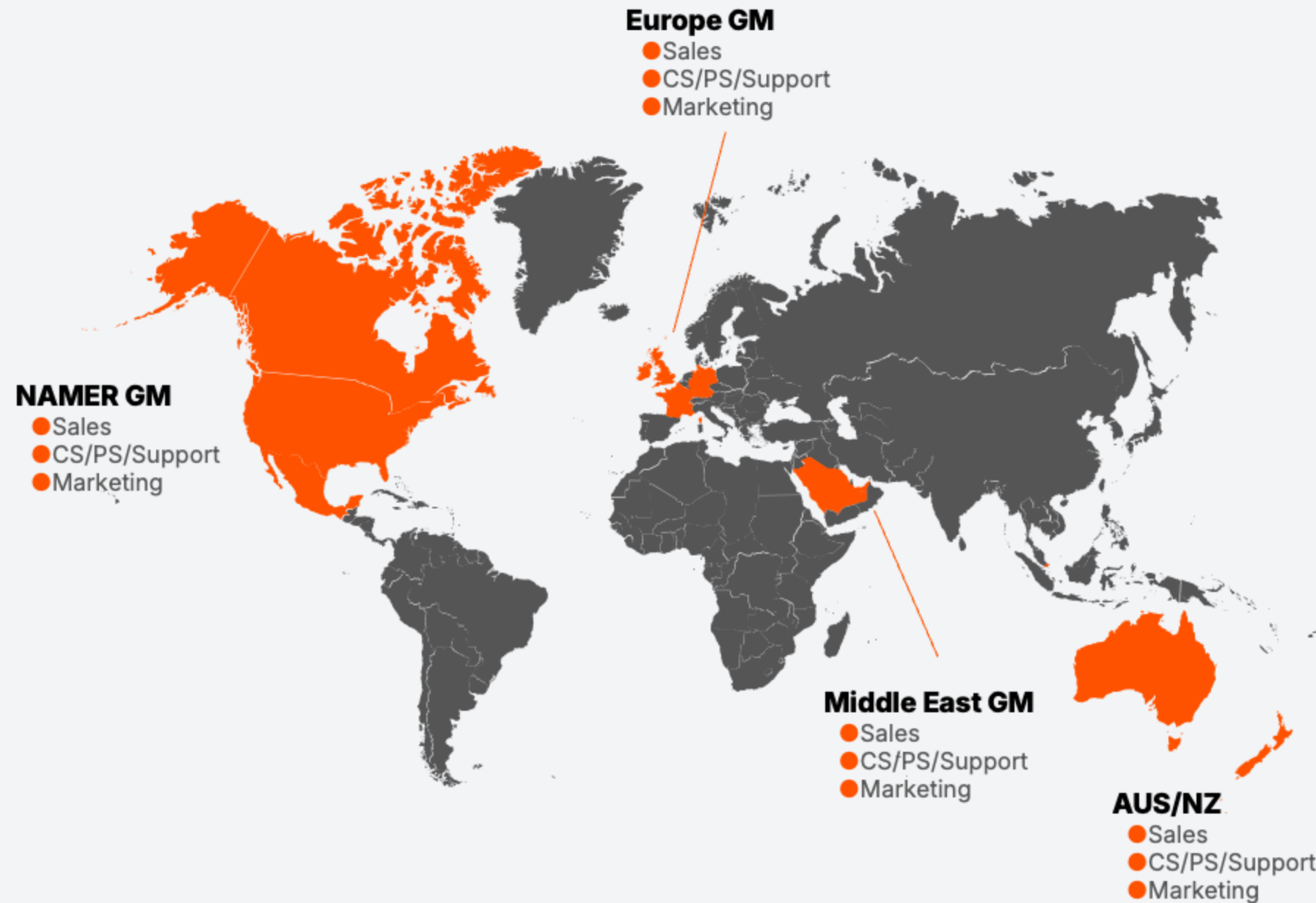


Model Limitations:

- + Single/global approach to all regions
- + Matrix organization design
- + Disproportionate US focus
- + Generalist AEs only, no Product Overlays

While this model enabled us to exceed \$1B+ in annualized revenue, we believe improvements will enable us to achieve multi-billion in revenue

New Go-To-Market Model



Benefits of Model:

- + Local approach determined by regional GM
- + GMs responsible for entire GTM motion
- + Dedicated GMs for each region
- + Generalist AEs & Product Overlays

***Enhanced customer experience
that is local and maximizes the
value and breadth of the platform.***

Bespoke Approach by Geography

	NAMER	AUS/NZ	Europe	Middle East
PCOR Brand Recognition	High	Med	Low	Low
Industry Volume & Logo Fragmentation	High	Med	Low	Low
Industry Regulation & Complexity	Low	High	High	Med
Primary GTM Motion	Expansion	New Logo	New Logo	Focused New Logo
Primary GTM Stakeholder	Multi-Stakeholder	ENT GCs	MM/ENT GCs	ENT Owners
Competitive Dynamic	Greenfield & Fragmented	Legacy Incumbent	Greenfield & Fragmented	Greenfield & Legacy Incumbent

Multiple Buyer Personas

Primary Buyer Personas										
Solutions		Head of Pre-Construction	Estimator	Head of Safety	Head of Quality	Virtual Design Coordinator	Chief Operating Officer	Chief Financial Officer	Controller	Chief Executive Officer
	Preconstruction	×	×				×	×		
	Project Execution			×	×	×	×			×
	Resource Management						×	×	×	×
	Financial Management						×	×	×	×
	Technical Overlay Specialist									

Delivering **Value**

Expected Customer Benefits

- + Deeper account coverage from Procore
- + Greater access to platform specialists
- + Higher platform adoption → higher ROI
- + Higher ROI → digitize additional processes and further consolidate their technology stack

Expected Procore Benefits

- + Deeper account relationships
- + Stronger platform adoption
- + Higher retention and expansion rates
- + Stronger and more durable revenue growth
- + Higher margins and per share performance

Case Study: "Swarmed" Account

Customer:

Enterprise Specialty Contractor

Before

\$160K

ARR

\$100M

ACV

After

Adopted and/or Expanded:

- Added Quality & Safety
- Added BIM & Design Coordination
- Added Bidding
- Tripled Volume Commitment

Total ARR:

\$365K

Total ACV:

\$300M

ARR Uplift:

125%+

Case Study: "Swarmed" Account

Customer:

ENR 100 General Contractor

Before

\$670K

ARR

\$1B

ACV

After

Adopted and/or Expanded:

- Added \$1B in Annual Construction Volume Committed
- Added Advisory Services

Total ARR:

\$1.4M

Total ACV:

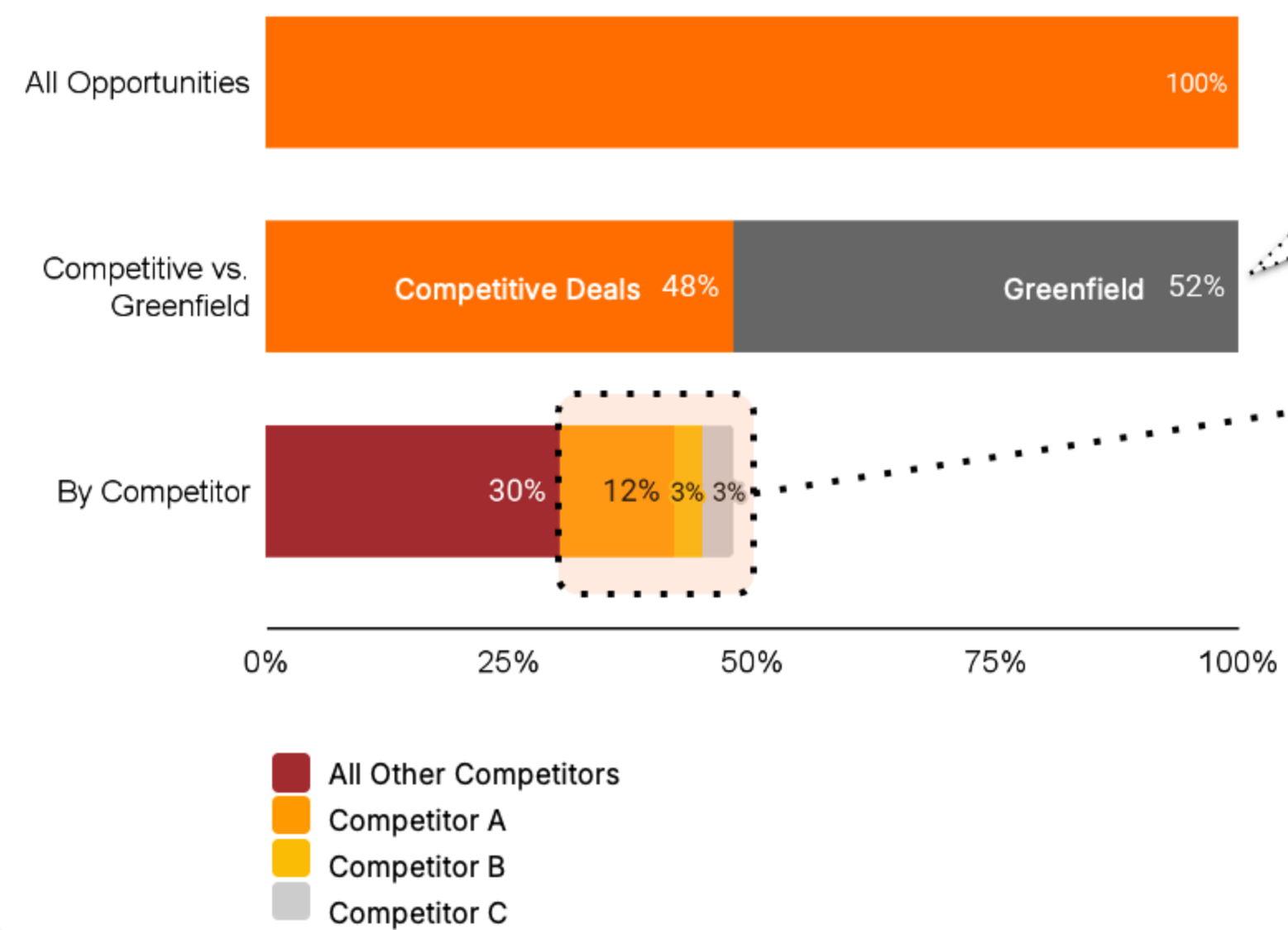
\$2B

ARR Uplift:

105%+

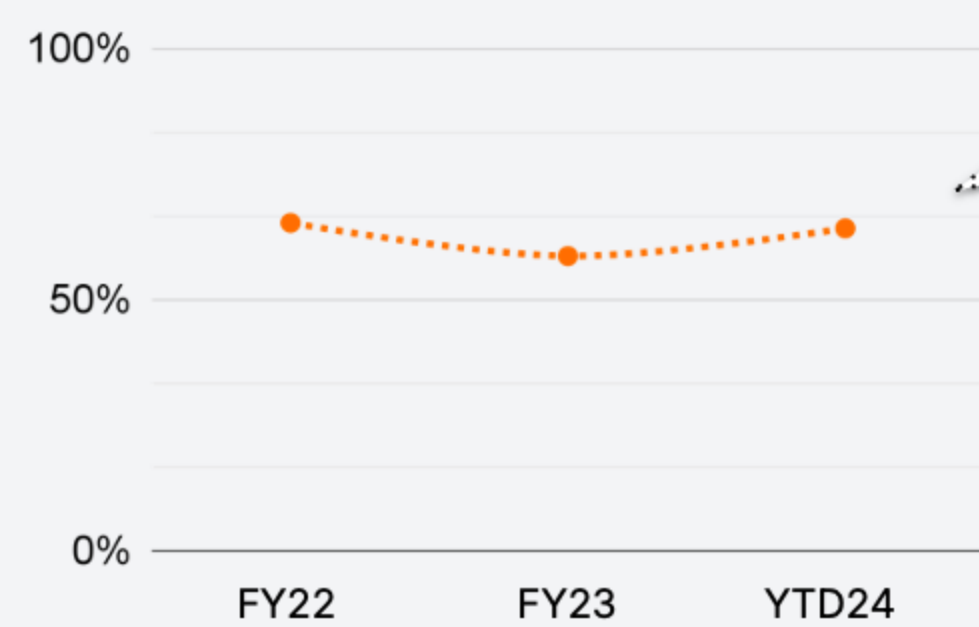
Consistently Strong Win Rates

FY22 - YTD'24 New Logo Opportunities



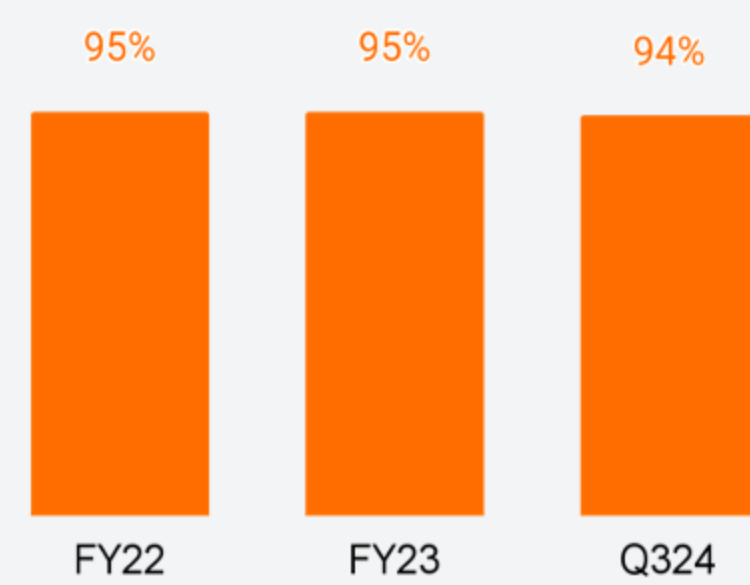
86%
Average Win Rate
In a Greenfield
Opportunity
FY22 - YTD'24

Historical Win Rates vs Top 3 Competitors Combined



63%
Combined
Average Win Rate
Against Top 3
Competitors
FY22 - YTD'24

Gross Retention Rate



Transition **Milestones**

August 2024

Transition Begins

New roles identified and hiring effort began. Enablement and change management provided to organization. General Managers assumed new scope and began forming their leadership teams.

Q1 2025

Begin Operating in New GTM Model

Territories and compensation plans distributed. Newly structured teams (w/ product overlays) are formed and begin updating customer account plans and pipeline.

H2 2025

Operate & Execute

Begin to see benefits in latter half of FY25 as organization operates within the new GTM model.

July 2024

Announce New GTM Model

Communicated the vision, changes and rationale to internal and external stakeholders.

Q4 2024 (Current Phase)

Change Management

Minimizing disruption, delivering enablement, system readiness, and sales leadership finalize detailed planning.

H1 2025

Transition Project Largely Complete

Hiring, enablement and change management executed.



Procore Platform - Customer Journey

Wyatt Jenkins | Chief Product Officer

PROCORE

The Unified Platform

SOLUTIONS



Preconstruction

- Bid Management
- 2D/3D Takeoff
- Estimating
- Prequalification
- Design Coordination



Project Execution

- Project Management
- Safety
- Quality
- Field Scheduling
- Closeout



Resource Management

- Field Productivity
- Workforce Planning
- Equipment Management
- Materials Management



Financial Management

- Project Financials
- Pay
- Payment Applications
- Accounting Integrations

PLATFORM CAPABILITIES



BIM

- Models
- Design Plugins
- Field Viewer
- BIM Data



Document Management

- Documents
- Specifications
- Drawings
- Photos & Videos



Assets

- Asset Register
- Asset Data



Collaboration

- Conversations
- Connectability
- Notifications



Field Solutions

- Mobile
- Reality Capture
- Tablet
- AR/Glasses



Maps

- GIS Data
- Locations



Enterprise Flexibility

- Workflows
- Attribute-based Permissions
- Customization



Ecosystem

- App Marketplace Integrations
- Open API



AI

- Insights & Benchmarks
- Copilot
- Agents & Automation



Analytics

- 360 Reporting
- Advanced Analytics



Secure & Compliant Zones

- Regional App Zones
- Regional Data Zones
- Government Zones

Construction Technology Maturity Curve

Manual
Reactive

*Paper trails,
reactive plans*

**Technology
Basic**
Evolving

*Building digital
foundations*

**Technology
Proficient**
Proficient

*New Standards
meet Mobile Tech*

Advanced
Proactive

*Building with
context*

**Transformed
Leader**

*Data-driven
decision excellence*



Where is your company?

Momentum on Network Activation

Example Project Types



Multi-Family



Office



Commercial



Healthcare



Education



Transportation



Power



Manufacturing



~17,000

Procore customers as of Q3 2024



716,000+

Collaborator Companies:
GCs, SCs, Owners, Architects,
Engineers, Suppliers, & Insurers

"With Connectability I was able to sync 1,800 drawings in about 20 minutes or so. Without Connectability, it probably would have taken me the whole day and more. This tool is working well for us and we are grateful this solution is part of the platform."

– Brian K. Zook, Senior Project Engineer at Smucker Company

Value for Every Stakeholder

General Contractors

*Delivering projects on time
and on budget*

Specialty Contractors

*Enabling teams to work efficiently, optimize
productivity, and maximize profitability*

Owners

*Enabling insights across
a portfolio of investments*

Procore Solutions and Platform Capabilities

 **Project Management**

 **Project Financials**

 **Collaboration**

 **Quality**

 **Analytics**

 **Invoice Management**

 **Bid Management**

 **Safety**

 **Resource Management**

 **Project Management**

 **Collaboration**

 **Project Financials**

 **Field Solutions**

 **Field Scheduling**

 **Estimating**

 **Maps & Locations**

 **Project Financials**

 **Analytics/Insights**

 **Portfolio Planning**

 **Risk Management**

 **Asset Management**

 **Integrated Schedule**

 **Quality Assurance**

 **Estimating and Bidding**

Value for Every Stakeholder

General Contractors

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Procore Solutions and Platform Capabilities

 Project Management

 Project Financials

 Collaboration

 Quality

 Analytics

 Invoice Management

 Bid Management

 Safety

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 Project Management

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 Field Solutions

 Field Scheduling

 Estimating

 Maps & Locations

 Project Financials

 Analytics/Insights

 Portfolio Planning

 Risk Management

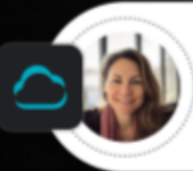
 Asset Management

 Integrated Schedule

 Quality Assurance

 Estimating and Bidding

Conceptual Estimate



Sarah | Owner

RivCloud Technologies

Owner develops a cost model to create a conceptual estimate with comparable projects.

Similar Historic Projects

Houston, TX

1,000,000 sqft

Sept 23, 2022

Nexus Data Center

6550 Bertner Ave, Houston, TX

Phoenix, AZ

1,000,000 sqft

Nov 04, 2019

Riverview Data Center

1021 Tech Drive, Spring, TX

AI Industry Benchmark

Your Company

\$160 / sq ft

+/- \$10

Industry Benchmarks

\$155 / sq ft

+/- \$10

Industry benchmark data from similar sized projects.

Your Project Estimation

Houston, TX

1,000,000 sqft

Burnham Park Data Center

1010 W Data Rd, Houston, TX

Building Materials

\$1,148,886,880

Concrete (18%)

\$206,800,640

Steel (22%)

\$252,754,710

Masonry (7%)

\$80,421,880

Roofing (4%)

\$45,955,470

Mechanical (9%)

\$103,399,820

Electrical (7%)

\$80,421,880

Plumbing (6%)

\$68,933,210

Estimated Cost

\$2,108,049,320

Start Initial Estimate

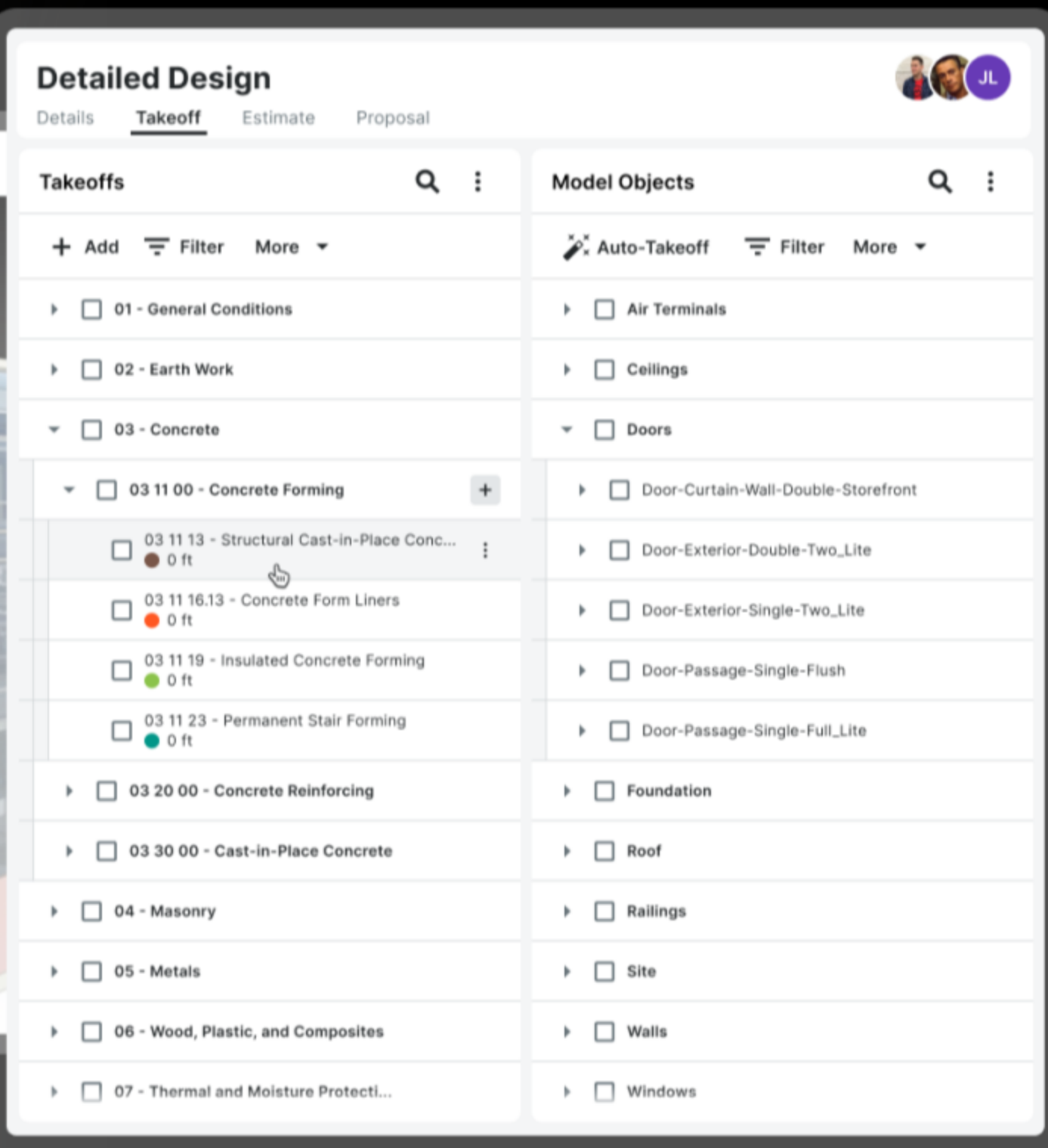
Building Materials	\$1,127,780,000	\$995,515,000	\$1,029,050,000
Concrete (18%)	\$202,600,400	\$179,192,700	\$185,229,000
Steel (22%)	\$248,114,600	\$219,213,300	\$226,391,000
Masonry (7%)	\$78,944,600	\$69,686,050	\$72,033,500
Roofing (4%)	\$45,111,200	\$39,820,600	\$41,162,000
Mechanical (9%)	\$101,500,200	\$89,596,350	\$92,714,500
Electrical (7%)	\$78,944,600	\$69,686,050	\$72,033,500
Plumbing (6%)	\$67,666,800	\$59,730,900	\$61,743,000
Project Cost	\$2.108B	\$1.793B	\$1.871B

PROCORE

3D Takeoff Through BIM



The GC's VDC team creates a 3D model to utilize for takeoffs within Procore's Estimating solution.



GC Bidding Network

**Will | GC**
Vertigo Construction

Bid package is created from estimate. The GC can use natural language filtering in the bidding network, but Copilot has already recommended qualified contractors for invite to bid.

Add Bidder

Filters

Clear All

Previous Bidders

Select bid package or bid form

Service Area

Houston, Texas

Search by Office Address Only

Trades

Earthwork

Cost Codes

Select Cost Codes

Qualification Status

Qualified

Union Status

Union

Non Union

Business Classifications

Select Business Classifications

Average Contract Value

Select Average Contract Value

Minimum Average Rating

★★★★★

AI Earthwork in Houston

Filter

Trades and Services: Earthwork

Qualification Status: Qu

☐ Company	Trades
☐ UTSA UTSA Construction	Earthwork
☐ SCC Earthwork...	Earthwork
☐ Austin Construction LLC	Earthwork
☐ Johnson Construction Co	Earthwork
☐ BuildWise Solutions	Earthwork
☐ AnchorWorks Contracting	Earthwork
☐ Steel Creek Projects	Earthwork
☐ Done Right Construction Done Right LLC	Earthwork
☐ Core Pillar Enterprises	Earthwork
☐ AtlasSite Services Atlas LLC	Earthwork
☐ Prime Craft Construction Prime Craft LLC	Earthwork
☐ Horizon Built Group	Earthwork

0 companies selected

Cancel

Send Invitations

Add Bidders

Copilot

Conversa...

Kickoff

You

Can you provide me with qualified earthwork contractor

Copilot

Here are some recommended

UTSA

You've worked on 4 projects together

SCC Earthwork

They have 10 projects in Procore

Austin Construction LLC

You've worked on 2 projects together

Ask a question

It Only Takes One Issue to Stop the Work



Earthwork SC finds a water table issue while digging for foundations.

He confirms this will impact the foundations and mechanical room with AR.



Real-Time Decisions Using RFI and Conversations



Dylan | Foreman
JD Grading & Excavation

RFI processed in real time.
Procore Conversations
connects everyone
immediately.

Game-time decisions are
made quickly.

←

RFI #24: Footing Impact from Water Table

Email

+

✎

General

Related Items (0)

Emails (0)

Change History (2)

Created by:



Dylan Noble
Foreman | JD Grading & Excavation

Due: 10/09/23

Open

General Information

RFI Manager



Jim Taylor
Project Manager | Vertigo Construction

Assignee



Louisa Martinez
Engineer | MKM Architecture

Trade(s)



Earthwork, Concrete

Private



Yes (private)

Description

Hit an unexpected water table while excavating. This will impact our ability to dig footings for concrete piers. Please provide details on how to proceed.

Ball In Court



Louisa Martinez
Engineer | MKM Architecture

Distribution List



Earthwork (JD Grading & Excavation)
Concrete (ECO Concrete)
Engineering (MKM Architects)

Schedule Impact



4 days

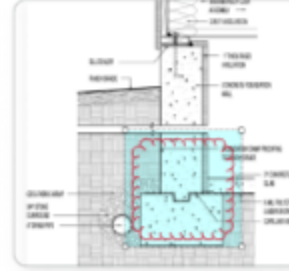
Cost Impact



Yes (Unknown)

Attachments





Conversation

Unfollow



Copilot

Converse

Kickoff

Info

Workflows

Reports

Settings

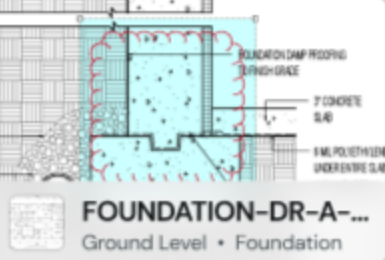
Structshare

Kojo



Dylan Noble 9:03 AM
Foreman | JD Grading & Excavation

Hello, @Jim Taylor our team submitted this RFI earlier this week and have not yet seen a response. Please advise as this is creating a significant delay in work.



FOUNDATION-DR-A-...
Ground Level • Foundation

Draft a Reply with Copilot

Hi @Dylan Noble. We are working with the design team now to get final revisions. We should have those to you shortly.

✎

Send

Ask a question

➤

+

 Louisa | Engineer
MKM Engineering

Engineer notes a change order is needed, and we need to add a sump pump as part of the change to protect from future issues.

Change Order needs approval
before work can begin again.



GC Hub with Copilot



When GC logs in, they see multiple items to deal with in a single, organized view. Copilot suggests a resequencing to resolve the constraint without impacting the critical path.



Burnham Park Data Center

1010 W Data Rd, Houston, TX

87°F 91° 64'

Project Links

Site Logistic Plans

Latest Drawings

EarthCam Link

Project Timeline



Open Items

Overdue Due Today Due Soon

#CON-2: Finish Roof Concrete	Nov 17, 2024	OPEN
#3: Concrete Execution	Nov 17, 2024	IN PROGRESS
#224450-1: Floor Heating Product Data	Nov 18, 2024	IN PROGRESS
Pour Concrete: North Building	Nov 18, 2024	IN PROGRESS
#18: Exposed Wires Hazard	Nov 18, 2024	READY FOR REVIEW
#CON-7: Misplaced Brace Frame Bolts	Nov 19, 2024	OPEN
#CON-5: Entrance patio dimension	Nov 19, 2024	OPEN

Latest Drawings

77 sheets uploaded on 06/03/04 require your attention. Ready for review.

Issued for Construction

Published 06/01/2024

77 Sheets

View Drawings

Shop Drawings	06/02/2024	68 Sheets
Concrete Work Set	05/28/2024	16 Sheets
Architectural Set	05/24/2024	21 Sheets

Project Map



Insights

Your Project's Submit Response Time

Quick Insight

Your project has a better rate Submittals on time than 74% the industry.

Average days to complete Sub

Project

Comp...

Industry

0 2

Project Team

Project Manager

Jim Taylor (Vertigo Construction)

Project Engineer

Jessica Lynch (Vertigo Construction)

Superintendent

Hector Rodriguez (Vertigo Construction)

Risk & Safety Manager

Swathi Patel (Vertigo Construction)

Architect

Sarah Brown (Vertigo Construction)

Foreman

Frank Llamo (JD Grading & Excavation)

Copilot



Copilot

After reviewing your project schedule this morning we found 1 constraint blocking an activity on your schedule.

- The SW Foundation installation on the southwest corner is blocked by [SWF-RFI 24](#).

Adjusting your sequence to start your NE Foundation installation on 11/15/24, and start your SW Foundation installation on 11/21/24 will provide time to resolve the constraint without impacting the critical path.

Would you like Copilot to update the schedule with this sequence adjustment?

Suggested Actions

Yes, shift the dates so the NE Foundation installation to 11/15/24 and the SW Foundation installation to 11/21/24.

No, I will select the date

Ask a question



Optional 2-way Schedule Sync

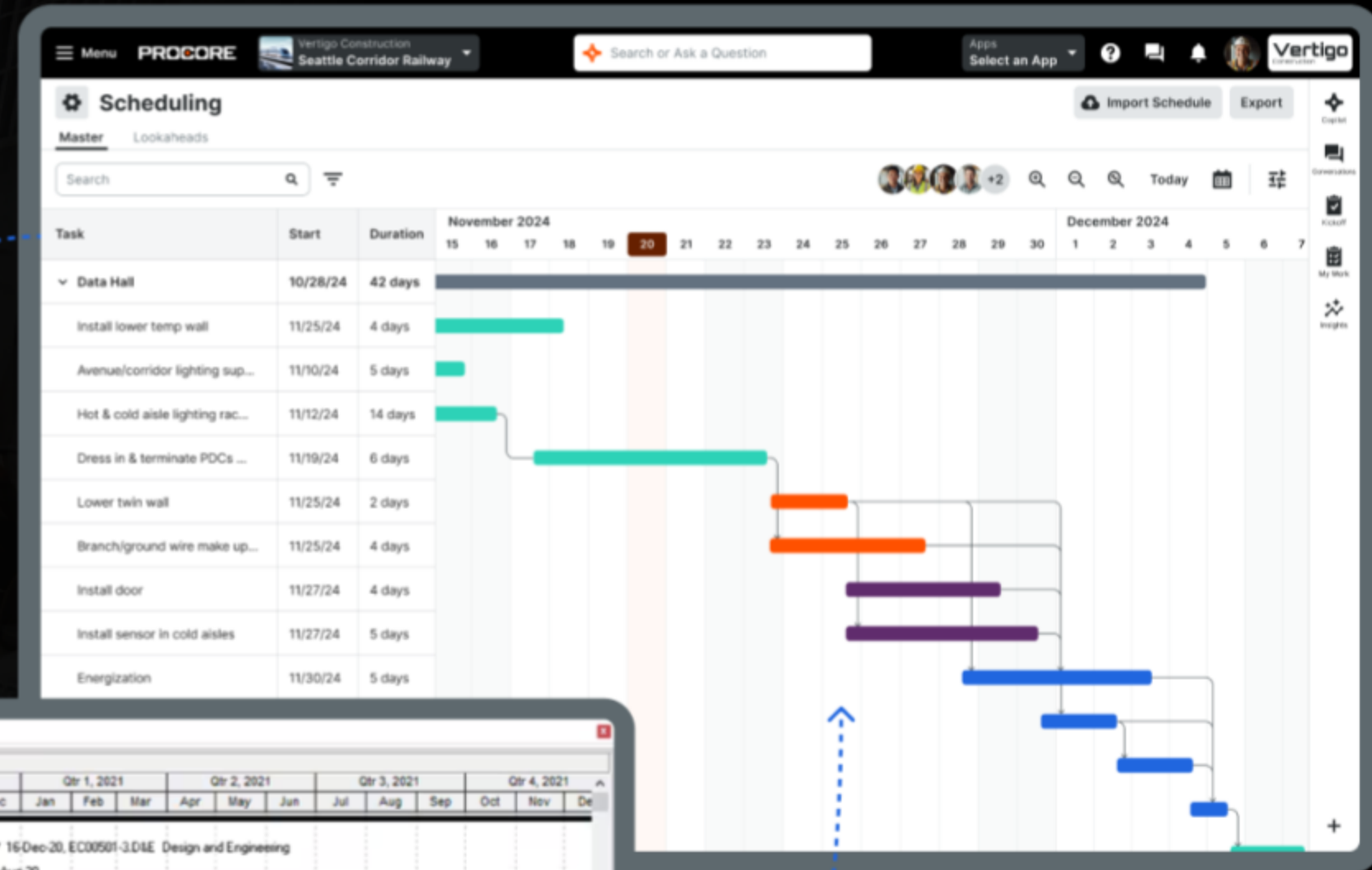


Minor adjustments are typically managed only in Procore.

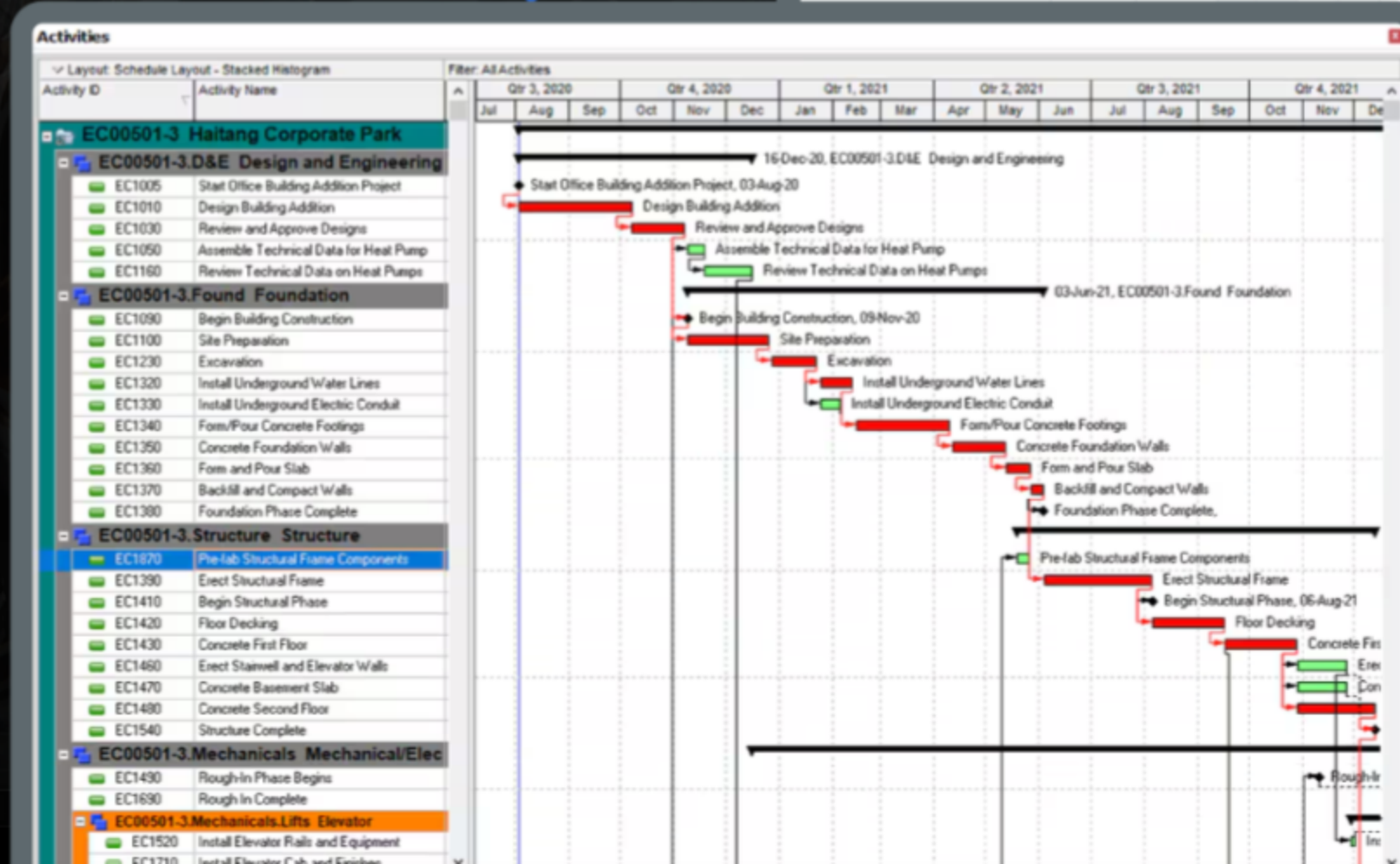
This change was significant enough where all systems need the same information, so the GC PM uses the optional sync to push the change back to P6.

PROCORE

Procore Schedule Sync



P6 Schedule Sync



Relocating Equipment on the Site



Concrete Superintendent logs on remotely to ensure his team is working in the correct location.

Equipment and crew have relocated to the NE corner per the schedule change.

Back on track, with no impact to critical path, so no project delay.

Menu

PROCORE

ECO Concrete
Burnham Park Data Center

Search Project

Apps
Select an App

?

ECO

Equipment

Registry Recycle Bin

Search

1

Burnham Park Data Center

List: All Mapped

1 selected
Deselect All

☐

Alloy Forklift

ACTIVE

☐

Dayton EX

ACTIVE

☒

BX-Backhoe

ACTIVE

☐

Detroit Paver 2

ACTIVE

☐

Evo Forklift

ACTIVE

☐

Detroit Paver 1

ACTIVE

☐

Pacific Dump Truck

ACTIVE

☐

Pacific-A Dozer

ACTIVE

Navigate Map

Map Filter

BX-Backhoe

BX-Backhoe has been moved to Burnham Park Data Center. It is located in the NE corner.

Status
ACTIVE

Type
Backhoe

Location
27.04, 22.93

Idle Hours
2.3 hrs

Odometer
5,300 kms

100 ft

Handover Begins



Louisa | SC

Pipes Plumbing

Plumber shares completed Action Plan for sump pump with the GC, indicating the unit is ready for service.

GC PM tags completed Action Plan for Handover, automatically adding the documents to the Owner's package.

Analytics indicate all Handover activities are on track.

Handover > Action Plans < HD-Sump Pump-Mechanical Room-Action Plan > Rev 1 V4 Published >

Pipes Plumbing, Inc

123 Main St, Phoenix, AZ, 55555
Main Office 555-555-1414 - Fax 555-555-1616

Start-Up Report

Start-up reports assist in assuring products are installed the way the manufacturer has intended. It is also a tool used in warranty claims and troubleshooting. Once this report is properly filled out, and signed for approval, it must be placed on file with Pipes Plumbing . Failure to do so could result in loss of warranty.

Job Name: Burnham Park Data CenterLocation: SE Mechanical Room

Installing Contractor: Pipes PlumbingContractor Phone Number: 555-555-1212

Engineer: Mike Mitchell, PEInstallation Date: 2/15/24

Rep Agency: Mitchell EngineeringStart-up Date: 10/28/24

Rep Email: mikem@mitchelleng.comRep Phone Number: 555-555-1313

System Information

Round basin: 12 in x 15 in or Square/rectangular basin: in x in x in

Valve box, if applicable: 4 in x 4 inDo valves operate correctly: Yes or No

Discharge depth from cover: 8 inDistance between pump and control panel: 12 ft

of inlet from cover: 1 in

No Pressure switch: Yes or NoNumber of backup floats: 2

Control Panel

or 60 HzPanel securely mounted: Yes or No

110 VSupply voltage wire gauge size: 10

Yes or No

correct pump voltage: (3 phase ONLY): 200V, 230V, or 460V

5% of the pump's tag voltage.
in the panel to be secure on the terminal block.

Page 1 of 1100% < >

Handover Items in Progress

Lobby

Mechanical Room

Electrical Room

Dock

Main Office

Security

Corridors

Bay 1

Bay 2

Bay 3

Bay 4

0%

100%

% Not Complete % Complete

Information

General Information

Name

HD-Sump Pump-Mechanical Room-Action Plan

Description

Start up complete and sump pump is ready for service.

Type

D-Document

Status

Published

Document Stage

Handover Documentation

Revision

1

Location

011-Mechanical Room

Format

PDF

Size

50 MB

Discipline

P-Plumbing

Date Uploaded

09/02/2024 at 12:05 PM CT

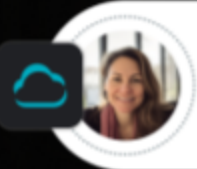
by Jon Smith (Vertigo Construction)

Cancel

Update

PROCORE

Project Closing Out



Sarah | Owner

RivCloud Technologies

Owner sees a full history of the project so no bottlenecks in billing.

Sump Pump shows up ready for service in Asset Register, indicating Handover is underway.

Menu

PROCORE

Vertigo Construction
Burnham Park Data Center

Search or Ask a Question

Apps
Select an App

TERRADATA SOLUTIONS

Owner Overview

Today's Schedule

THU 9

Phase 2 begins
Broadway Data Center

Site Survey
Gables Park Plaza

Bids Due
Vemi Park Data

Asset Register

You have one new asset registered.

Approved

Critical asset: Industrial sump pump approved for [Burnham Park Data Center](#).

Documents Your Are Tracking

Specifications_1.pdf

06/04/2024 at 12:39 pm by Croy Bosch

Project Controls & Accounting

06/02/2024 at 2:14 pm by Roy Miller

Bid_list_original.csv

05/30/2024 at 9:21 am by Sarah Badera

rincon-master_v4.pdf

05/30/2024 at 8:55 am by Ashley Aviram

monarch-logo.jpg

05/29/2024 at 5:05 pm

EP102-ELECTRICAL-POWER-PLAN.pdf

05/29/2024 at 4:05 pm

Projects Billed to Date

Search projects

Filter

Gantt

Table

Configure

Active Projects

Name	# #	Stage	Total Value	PAID Invoice Value	ERP Paid Invoice Value
Broadway Data Center	001MW	COURSE OF CONSTRUCTION	\$392,383,200	\$126,200,489	\$83,200
Vemi Park Data	002SW	BIDDING	\$187,340,500	\$583,200	\$43,500
Manor Office Development	003SW	ESTIMATING	\$70,245,528	Procore Predicted \$523,300	Procore Predicted N/A
Advanced Data Center	004SW	PURSUIT	\$484,465,528	Procore Predicted \$727,700	Procore Predicted N/A
Gables Park Plaza	009W	PURSUIT	\$30,234,647	Procore Predicted \$837,800	Procore Predicted N/A
Windsor Lake Data Center	012SW	PURSUIT	\$420,564,567	Procore Predicted \$957,567	Procore Predicted N/A
Vortex Business Center	014SW	PURSUIT	\$45,273,738	\$872,560	\$56,500

PROCORE

Delivering Value to Each Stakeholder

General Contractors

Delivering projects on time and on budget



- + Reduce project delays and cost overruns
- + Leverage historical data to improve schedule and forecast accuracy
- + Improve communication to align all collaborators
- + Improve quality
- + Improve safety

Specialty Contractors

Enabling teams to work efficiently, optimize productivity, and maximize profitability



- + Optimize resource management and allocation
- + Leverage historical data to improve schedule and forecast accuracy
- + Streamline processes
- + Optimize supply chain and inventory management
- + Improve communication to stay aligned with other collaborators

Owners

Enabling insights across a portfolio of investments



- + Increase cost predictability
- + Control time to completion
- + Gain real-time visibility across portfolio
- + Maintain commitment to quality
- + Increase collaboration



Break

PROCORE



Customer Fireside

Tooey Courtemanche

Founder, President & CEO | Procore Technologies, Inc.

Joseph (JJ) Haugland

President & COO | Haugland Group LLP

PROCORE



Financial Summary

Howard Fu | CFO & Treasurer

PROCORE

CFO Objectives → FCF Per Share Growth

Accelerating Free Cash Flow Per Share



Growth & Monetization

- New logo acquisition in both the U.S. and International
- Expand existing customers
 - Upsell via additional construction volume
 - Cross-sell via new products
- Optimize product development → GTM execution cycles



Capital Allocation

- Resources are allocated to the highest-ROI opportunities
- Strategically sequence the timing of investments and associated returns to foster sustainable growth
- Thoughtfully balance cash vs. equity
- Opportunistically repurchase shares (new)



Operational Efficiency

- S&M: Improve GTM motions with consideration for growth-adjusted LTV/CACs
- R&D: Drive leverage via foundational platform capabilities
- G&A: Scale via automation and lower cost service centers

Capital Allocation **Priorities**

1.

Organic & Efficient Growth

The first lever and investment priority continues to be organic and efficient revenue growth.

We have significant opportunity as the technology leader serving Construction. Our sufficient capital enables us to fund business objectives and **continue generating free cash flow.**

2.

M&A

The second lever is investment in M&A.

Our M&A strategy primarily focuses on accelerating our product roadmap with smaller, tuck in companies that are typically from our App Marketplace and already integrated in the Procore platform.

3.

Capital Return

The third lever is returning capital to shareholders.

Our guiding principle is to repurchase shares to provide notable accretion to per-share targets and optimize long-term shareholder value.

Stock Repurchase

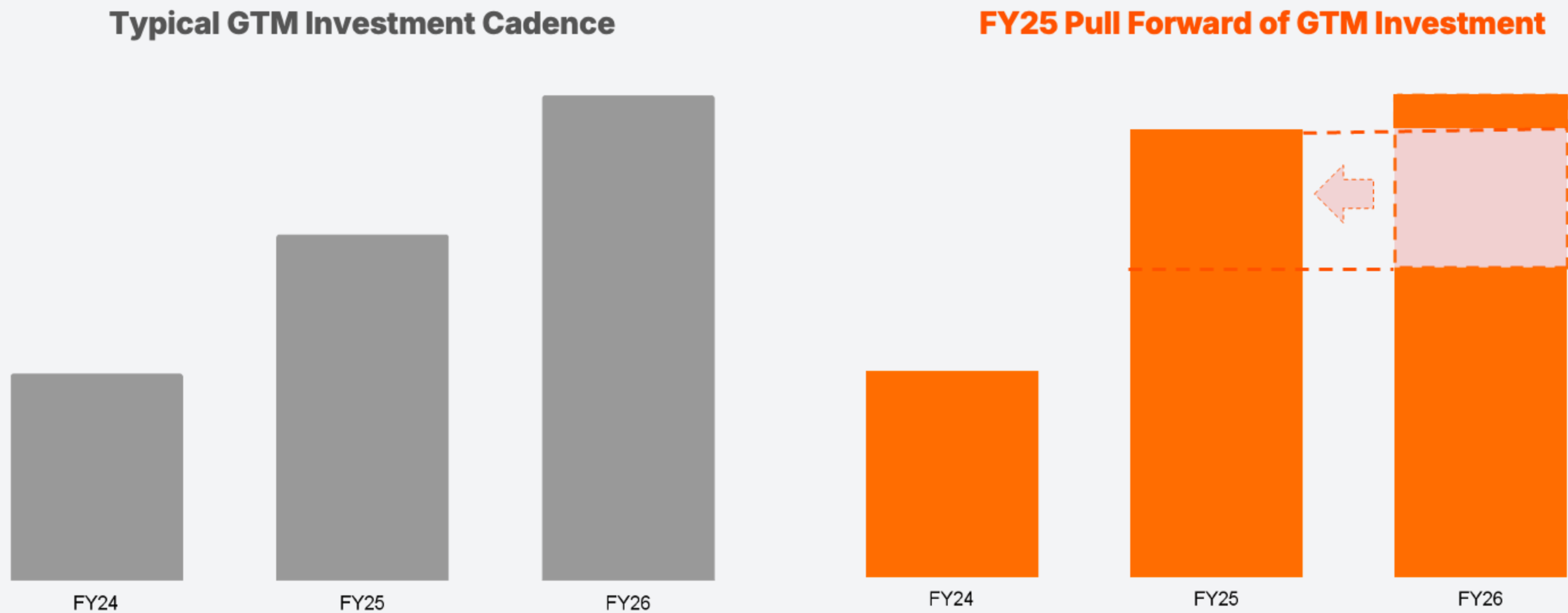
- + \$300M stock repurchase authorization
- + 1 year term
- + To be deployed opportunistically depending on market conditions
- + Represents approx 40% of our cash, cash equivalents, and marketable securities balance¹
- + Represents ~3% of our market capitalization as of November 15, 2024

Our guiding principle is notable accretion to per share targets to optimize long-term shareholder value

¹Balance as of September 30, 2024.

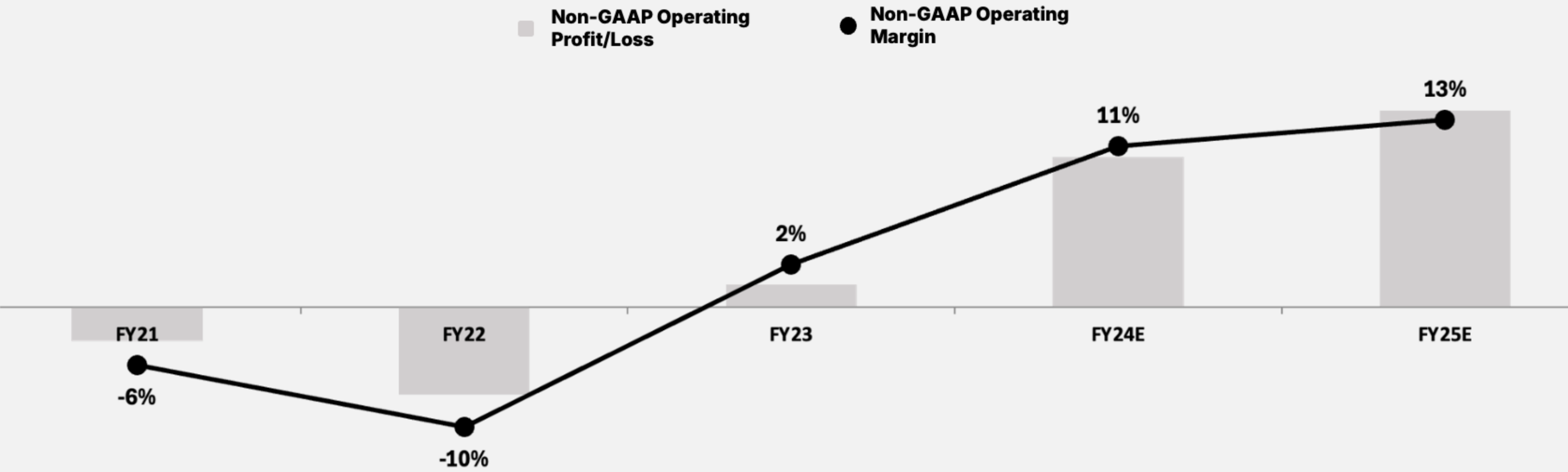
Note: The program does not obligate Procore to acquire any particular amount of stock, and may be suspended or discontinued at any time at Procore's discretion.

Go-To-Market Investment Cadence



The GTM operating model transition will pull forward the investment we would have made in FY26, however, we intend to offset this investment with other efficiencies, therefore, FY25 S&M as a % of revenue is expected to be similar or lower than FY24 and this should position us for further efficiency gains in FY26

Operational Efficiency



Note: Operating profit/loss and margin are non-GAAP measures. FY24E uses the high end of our guidance range. FY25E is based on our initial FY25 guidance. Shows fiscal year non-GAAP operating profit/(loss) and non-GAAP operating profit/(loss) as a % of revenue. Non-GAAP operating expenses and operating margin are calculated as operating expenses excluding stock-based compensation, amortization of acquired intangible assets, employer payroll tax related to employee stock transactions, and acquisition-related expenses. Refer to the appendix for a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures.

Progression of Efficiency

Commitment to margin expansion, disciplined equity management and ultimately free cash flow per share improvement

40%+ FCF Margins
Best in class vertical margins

25%+ FCF Margins
Realize further efficiencies via thoughtful onshore and offshore initiatives

GAAP Profitability
Equity discipline combined with operating efficiency

Capital Return Program
Return excess cash opportunistically based on market conditions to optimize FCF per share

Non-GAAP Profitability
Prioritizing operating efficiency in addition to top line growth

Equity Management
Shift compensation towards less equity; maintain dilution rates of 1%-3% depending on revenue growth

Consistent Free Cash Flow
Obtain scale in both GTM and operating efficiency; business begins to consistently generate excess cash

Key Takeaways



Construction is Massive

Significant digitization opportunity provides durable long-term growth for a projected \$15T¹ industry



Category Leader

Our leading platform and industry partnership will continue to deliver strong customer ROI



Financial Improvement

We are committed to efficiency and per share improvement

A low-angle, black and white photograph of a construction site. A large tower crane is the central focus, with its lattice structure extending from the bottom center towards the top right. The crane's jib is visible, with the letters 'DCI' partially legible. To the left of the crane, a building under construction is visible, covered in scaffolding. To the right, another structure is also under construction, also featuring scaffolding. The sky is a uniform dark grey. On the far left, there is a large, solid orange shape that resembles a stylized arrow pointing to the right.

Executive Q&A

PROCORE

A low-angle, black and white photograph of a construction site. A large tower crane is positioned in the center, its lattice structure extending upwards. To the right, a building under construction is visible, completely encased in a dense network of scaffolding. The sky is a uniform, dark grey. On the left side of the frame, there is a large, solid orange shape that resembles a stylized arrow pointing towards the right.

Thank You

PROCORE



Appendix

PROCORE

References and Definitions

ANNUAL CONSTRUCTION VOLUME (ACV)

When we refer to ACV with respect to our customers, we define ACV as the annual construction volume that our customers have contracted to run on the Procore platform.

When we refer to ACV with respect to a geographic location (such as a region or a country), we define ACV as the actual or projected annual construction volume spend in that particular location. Our estimates of the construction industry's ACV with respect to a specific geographic location are calculated by us using data from the U.S. Census Bureau, international government statistics agencies, advisory firms, Oxford Economics estimates, and D&B Hoovers data, and are limited to the following countries: Australia (as of Q1 2024), Canada (as of October 2023), France (as of 2023), Germany (as of 2023), Ireland (as of 2023), New Zealand (as of June 2024), Saudi Arabia (as of 2023), Spain (as of 2023), United Arab Emirates (as of 2022), United Kingdom (as of 2022), United States (as of July 2024). Please note that more countries are served than are represented by our data.

When we refer to Rest of World (ROW) ACV, we define ACV as the projected global construction ACV as of 2030 (see definition of TAM for details about how this is calculated), minus projected ACV for our active go-to-market countries (which are countries where we are actively pursuing new customers and which do not include countries where we only sell via inbound demand).

ANNUAL RECURRING REVENUE (ARR)

We define ARR at the end of a particular period as the annualized dollar value of our subscriptions from the specified customer or customers as of such period end date. For multi-year subscriptions, ARR at the end of a particular period is measured by using the stated contractual subscription fees as of the period end date on which ARR is measured. For example, if ARR is measured during the first year of a multi-year contract, the first-year subscription fees are used to calculate ARR. ARR at the end of a particular period includes the annualized dollar value of subscriptions for which the term has not ended, and subscriptions for which we are negotiating a subscription renewal. ARR should be viewed independently of revenue determined in accordance with GAAP and does not represent our U.S. GAAP revenue on an annualized basis. ARR is not intended to be a replacement or forecast of revenue.

ANNUALIZED REVENUE RUN RATE

Annualized Revenue Run Rate is measured by multiplying Procore's quarterly revenue as of a given date by the number four.

References and Definitions

CUSTOMER COUNT

We define the number of customers at the end of a particular period as the number of entities that have entered into one or more subscriptions with us that have recurring charges for which the term has not ended, or with which we are negotiating a subscription renewal. An entity with multiple subsidiaries, segments, or divisions, is defined and counted as a single customer, even if there are multiple separate subscriptions. Customer count metrics exclude customers acquired from business combinations that do not have standard Procore annual contracts.

FREE CASH FLOW (FCF)

We define free cash flow as net cash provided by operating activities, less purchases of property and equipment and capitalized software development costs. We believe free cash flow is an important liquidity measure of the cash (if any) that is available, after our operating activities and capital expenditures. We use free cash flow in conjunction with traditional GAAP measures to assess our liquidity and evaluate the effectiveness of our business strategies.

GROSS RETENTION RATE (GRR)

To calculate our GRR at the end of a particular period, we first calculate the ARR from the cohort of active customers at the end of the period 12 months prior to the end of the period selected. We then calculate the value of ARR from any customers whose subscriptions terminated and were not renewed during the 12 months preceding the end of the period selected, which we refer to as cancellations. To calculate GRR, we divide (a) the total prior period ARR minus cancellations by (b) the total prior period ARR.

TOTAL ADDRESSABLE MARKET (TAM)

We view the construction industry's ACV as the primary factor informing our TAM because our revenue is driven by the value of the ACV that our customers have contracted to run on the Procore platform, and because changes in ACV are generally correlated with our revenue and growth opportunity. Our estimate of global construction ACV as of 2030 is based on a projection developed by Oxford Economics (see Oxford Economics: Future of Construction (September 2021), estimated global construction spend in 2030). Refer to the definition of Annual Construction Volume (ACV) for more information about how we calculate ACV with respect to a particular region or country.

TOTAL ANNUAL RECURRING REVENUE (TOTAL ARR)

We define Total ARR as the aggregate ARR across all given customer contracts in a referenced customer cohort.

GAAP to Non-GAAP Reconciliation

<i>(dollars in thousands)</i>	FY21	FY22	FY23	FY24 YTD (Q3'24)	Q1'24	Q2'24	Q3'24
Revenue	\$ 514,821	\$ 720,203	\$ 950,010	\$ 849,660	\$ 269,428	\$ 284,347	\$ 295,885
Reconciliation of gross profit and gross margin to non-GAAP gross profit and non-GAAP gross margin:							
GAAP gross profit	\$ 416,509	\$ 571,787	\$ 775,548	\$ 700,882	\$ 223,705	\$ 236,246	\$ 240,931
Stock-based compensation expense	8,094	7,253	11,491	11,056	3,185	3,683	4,188
Amortization of acquired technology intangible assets	7,522	22,428	22,396	18,739	5,885	6,156	6,698
Employer payroll tax on employee stock transactions	457	308	540	485	212	161	113
Acquisition-related expenses	2	-	-	-	-	-	-
Restructuring related charges	-	-	-	-	-	-	-
Non-GAAP gross profit	\$ 432,584	\$ 601,776	\$ 809,975	\$ 731,162	\$ 232,987	\$ 246,246	\$ 251,930
GAAP gross margin	81%	79%	82%	82%	83%	83%	81%
Non-GAAP gross margin	84%	84%	85%	86%	86%	87%	85%
Reconciliation of operating expenses to non-GAAP operating expenses:							
GAAP sales and marketing	\$ 308,511	\$ 424,976	\$ 494,908	\$ 390,286	\$ 120,994	\$ 127,922	\$ 141,370
Stock-based compensation expense	(68,755)	(53,397)	(55,162)	(42,725)	(13,020)	(15,671)	(14,034)
Amortization of acquired technology intangible assets	(3,600)	(12,425)	(12,425)	(9,475)	(3,106)	(3,145)	(3,224)
Employer payroll tax on employee stock transactions	(2,325)	(1,955)	(2,766)	(2,867)	(1,264)	(788)	(815)
Acquisition-related expenses	(488)	(1,725)	(2,483)	(1,448)	(448)	(1,000)	-
Restructuring related charges	-	-	-	-	-	-	-
Non-GAAP sales and marketing	\$ 233,343	\$ 355,474	\$ 422,072	\$ 333,771	\$ 103,156	\$ 107,318	\$ 123,297
GAAP sales and marketing as a percentage of revenue	60%	59%	52%	46%	45%	45%	48%
Non-GAAP sales and marketing as a percentage of revenue	45%	49%	44%	39%	38%	38%	42%

GAAP to Non-GAAP Reconciliation (Cont.)

<i>(dollars in thousands)</i>	FY21	FY22	FY23	FY24 YTD (Q3'24)	Q1'24	Q2'24	Q3'24
GAAP research and development	\$ 237,290	\$ 270,982	\$ 300,571	\$ 223,698	\$ 70,599	\$ 72,308	\$ 80,791
Stock-based compensation expense	(85,040)	(63,262)	(68,275)	(49,684)	(13,735)	(17,628)	(18,321)
Amortization of acquired technology intangible assets	(2,674)	(3,528)	(2,757)	(2,008)	(675)	(665)	(668)
Employer payroll tax on employee stock transactions	(2,606)	(2,474)	(3,217)	(3,089)	(1,668)	(900)	(521)
Acquisition-related expenses	(1,348)	(5,549)	(6,370)	-	-	-	-
Restructuring related charges	-	-	-	-	-	-	-
Non-GAAP research and development	\$ 145,622	\$ 196,169	\$ 219,952	\$ 168,917	\$ 54,521	\$ 53,115	\$ 61,281
GAAP research and development as a percentage of revenue	46%	38%	32%	26%	26%	25%	27%
Non-GAAP research and development as a percentage of revenue	28%	27%	23%	20%	20%	19%	21%
GAAP general and administrative	\$ 156,635	\$ 166,283	\$ 195,746	\$ 157,077	\$ 51,018	\$ 50,792	\$ 55,267
Stock-based compensation expense	(65,272)	(38,974)	(44,406)	(39,602)	(11,729)	(13,961)	(13,912)
Employer payroll tax on employee stock transactions	(1,127)	(1,202)	(1,910)	(1,820)	(1,045)	(494)	(281)
Acquisition-related expenses	(7,442)	(2,128)	(35)	(614)	-	(563)	(51)
Restructuring related charges	-	-	-	-	-	-	-
Non-GAAP general and administrative	\$ 82,794	\$ 123,979	\$ 149,395	\$ 115,041	\$ 38,244	\$ 35,774	\$ 41,023
GAAP general and administrative as a percentage of revenue	30%	23%	21%	18%	19%	18%	19%
Non-GAAP general and administrative as a percentage of revenue	16%	17%	16%	14%	14%	13%	14%
Reconciliation of loss from operations and operating margin to non-GAAP loss from operations and non-GAAP operating margin:							
GAAP loss from operations	\$ (285,927)	\$ (290,454)	\$ (215,677)	\$ (70,179)	\$ (18,906)	\$ (14,776)	\$ (36,497)
Stock-based compensation expense	227,161	162,886	179,334	143,067	41,669	50,943	50,455
Amortization of acquired technology intangible assets	13,796	38,381	37,578	30,222	9,666	9,966	10,590
Employer payroll tax on employee stock transactions	6,515	5,939	8,433	8,261	4,189	2,343	1,730
Acquisition-related expenses	9,280	9,402	8,888	2,062	448	1,563	51
Restructuring related charges	-	-	-	-	-	-	-
Non-GAAP loss from operations	\$ (29,175)	\$ (73,846)	\$ 18,556	\$ 113,433	\$ 37,066	\$ 50,039	\$ 26,329
GAAP operating margin	(56%)	(40%)	(23%)	(8%)	(7%)	(5%)	(12%)
Non-GAAP operating margin	(6%)	(10%)	2%	13%	14%	18%	9%

Free Cash Flow Bridge

<i>(dollars in thousands)</i>	FY21	FY22	FY23	LTM (As of Q3'24)	Q1'24	Q2'24	Q3'24
Revenue	\$ 514,821	\$ 720,203	\$ 950,010	\$ 849,660	\$ 269,428	\$ 284,347	\$ 295,885
Computation of free cash flow and free cash flow margin:							
Net cash (used in) provided by operating activities	\$ 36,730	\$ 12,608	\$ 92,015	\$ 207,859	\$ 69,145	\$ 58,695	\$ 39,276
Purchases of property and equipment	(12,383)	(15,782)	(10,325)	(9,762)	(2,089)	(1,874)	(3,547)
Capitalized software development costs	(15,248)	(33,648)	(34,685)	(41,951)	(9,514)	(10,218)	(12,721)
Non-GAAP free cash flow	\$ 9,099	\$ (36,822)	\$ 47,005	\$ 156,146	\$ 57,542	\$ 46,603	\$ 23,008
Non-GAAP free cash flow margin	2%	(5%)	5%	18%	21%	16%	8%