



# Q1 Fiscal 2026 Financial Results

May 28, 2025



# Forward Looking Statements and Non-GAAP Information

This presentation contains forward-looking statements regarding our products, business and operations, including but not limited to our views relating to our opportunity relating to hyperscale and AI environments, our ability to meet hyperscalers' performance and price requirements, our ability to meet the needs of hyperscalers for the entire spectrum of their online storage use cases, the timing and magnitude of large orders, including sales to hyperscalers, the timing and amount of revenue from hyperscaler licensing and support services, future period financial and business results, demand for our products and subscription services, including Evergreen//One, the relative sales mix between our subscription and consumption offerings and traditional capital expenditure sales, our technology and product strategy, specifically customer adoption of FlashBlade//EXA, Pure Fusion™ and priorities around sustainability and energy saving benefits to our customers of using our products, our ability to perform during current macro conditions and expand market share, our sustainability goals and benefits, the impact of inflation, tariffs, economic or supply chain disruptions, our expectations regarding our product and technology differentiation, new technology investments and partnerships, and other statements regarding our products, business, operations and results.

Forward-looking statements include all statements that are not historical facts and can be identified by terms such as "anticipate," "believe," "expect," "could," "seek," "estimate," "intend," "may," "plan," "potential," "predict," "project," "should," "will," "would" or similar expressions and the negatives of those terms. The forward-looking statements in this presentation are based on information currently available to us, and represent our beliefs and assumptions only as of the date of this presentation. Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.

Forward-looking statements are subject to known and unknown risks and uncertainties and are based on potentially inaccurate assumptions that could cause actual results to differ materially from those expected or implied by the forward-looking statements. Additional risks, uncertainties and other factors are included under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," in our reports previously filed with the SEC, which are available on our website at [investor.purestorage.com](http://investor.purestorage.com) and on the SEC's website at [www.sec.gov](http://www.sec.gov).

This presentation includes certain non-GAAP financial measures as defined by SEC rules. As required by Regulation G, we have provided reconciliations of those measures to the most directly comparable GAAP measures, which are available in the Appendix. We have not reconciled our guidance regarding non-GAAP operating income and non-GAAP operating margin to their most directly comparable GAAP measures because items such as stock-based compensation expense and payroll tax expense related to stock-based activities that impact these measures are not within our control and/or cannot be reasonably predicted. Accordingly, reconciliations of non-GAAP operating income and non-GAAP operating margin guidance are not available without unreasonable effort.

Note about 52/53 week fiscal year: We use a 52/53 week fiscal year ending on the first Sunday after January 30. All fiscal year periods presented contain 52 weeks.

# Company Overview

# Q1FY26 Pure Storage at a Glance

Total Revenue  
**\$778.5M**  
12% Y/Y Growth

Subscription ARR <sup>(1)</sup>  
**\$1.7B**  
18% Y/Y Growth

Storage as a Service Offerings <sup>(2)</sup>  
**\$95M**  
70% Y/Y Growth

Total Cash & Marketable Securities <sup>(3)</sup>  
**\$1.58B**

Global Customers  
**13,500+**  
~62% of Fortune 500 Customers

Satisfaction  
**81 NPS** <sup>(4)</sup>  
Highest in the Industry

Non-GAAP Operating Margin <sup>(5)</sup>  
**10.6%**

Remaining Performance Obligations  
**\$2.69B**  
17% Y/Y Growth

(1) Subscription ARR is a key business metric that refers to total annualized contract value of all active subscription agreements on the last day of the quarter, plus on-demand revenue for the quarter multiplied by four.

(2) Total Contract Value (TCV) Sales, or bookings, of Pure's Evergreen/One and similar consumption- and subscription-based offerings is an operating metric, representing the value of orders received during the period.

(3) Consists of cash in banks, cash equivalents (highly liquid investments with an original maturity of three months or less), and available-for-sale securities.

(4) Per Audited NPS customer score as of January 2025.

(5) See GAAP to Non-GAAP reconciliation in Appendix.

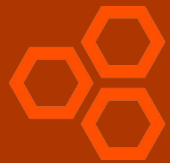


# Q1FY26 Highlights

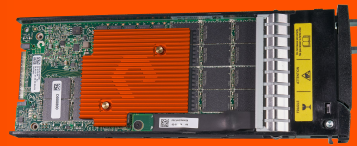
- 1 Revenue growth of 12% reflecting sustained demand for Pure's differentiated data-storage portfolio, particularly **//E family solutions**.
- 2 TCV sales for **Storage-as-a-Service solutions** grew 70% to \$95M, fueled by large **Evergreen//One** deals and higher-velocity transactions.
- 3 Launched **FlashBlade//EXA** to be the industry's highest-performing storage platform for AI and high-performance computing.
- 4 Announced integration of the **Nutanix Cloud Platform** with the **Pure Storage platform**, providing a modern, scalable virtualized environment purpose-built for high-demand, data center-scale workloads.
- 5 Announced a new collaboration with **SK Hynix** to deliver flash storage optimized for the energy-efficient demands of data-intensive hyperscale environments.

# The Most Consistent Data Storage Platform

Purity & DirectFlash for All Storage Protocols & Tiers



Purity +



portworx  
by Pure Storage



Pure1®



Evergreen®



Pure Fusion

FlashArray™

Cloud  
Block  
Store

FlashBlade®

**Scale Up**

**Direct to  
Flash**

**Scale Out**

**Cloud Native**

**Cloud Operating Model**

**Block**

**File**

**Object**

**Networked**

# A Unified Data Platform Focused Around You

## Storage as a Service

Container Data Management | Managed Data Services | Self-service Provisioning | Storage on-demand | Business guarantees (SLAs)

## Single Control Plane

Global Policy Management | Self-managing | Autonomous Modeling | Intelligent Fleet Management | Automation

## Simple Unified Infrastructure

Single OS | Multi-protocol | High Efficiency | Universal Workload Support | Unmatched Scalability

## Evergreen® Architecture

Continual non-disruptive improvement | Seamless Data experience | Zero planned downtime guarantee



On-premises



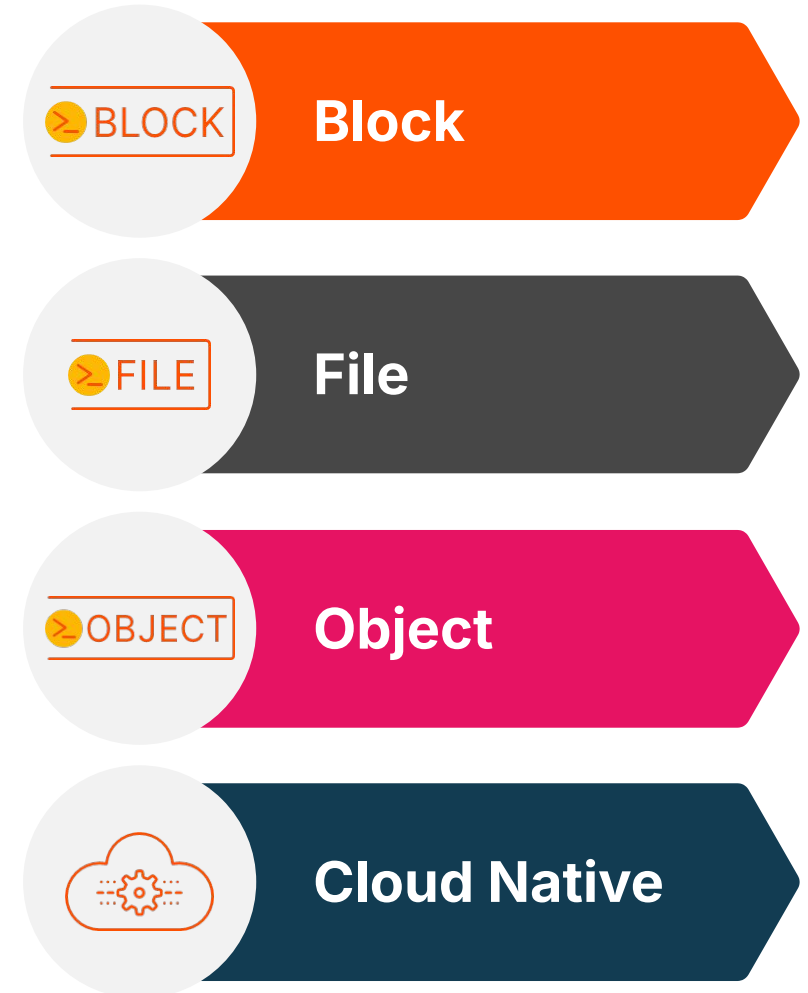
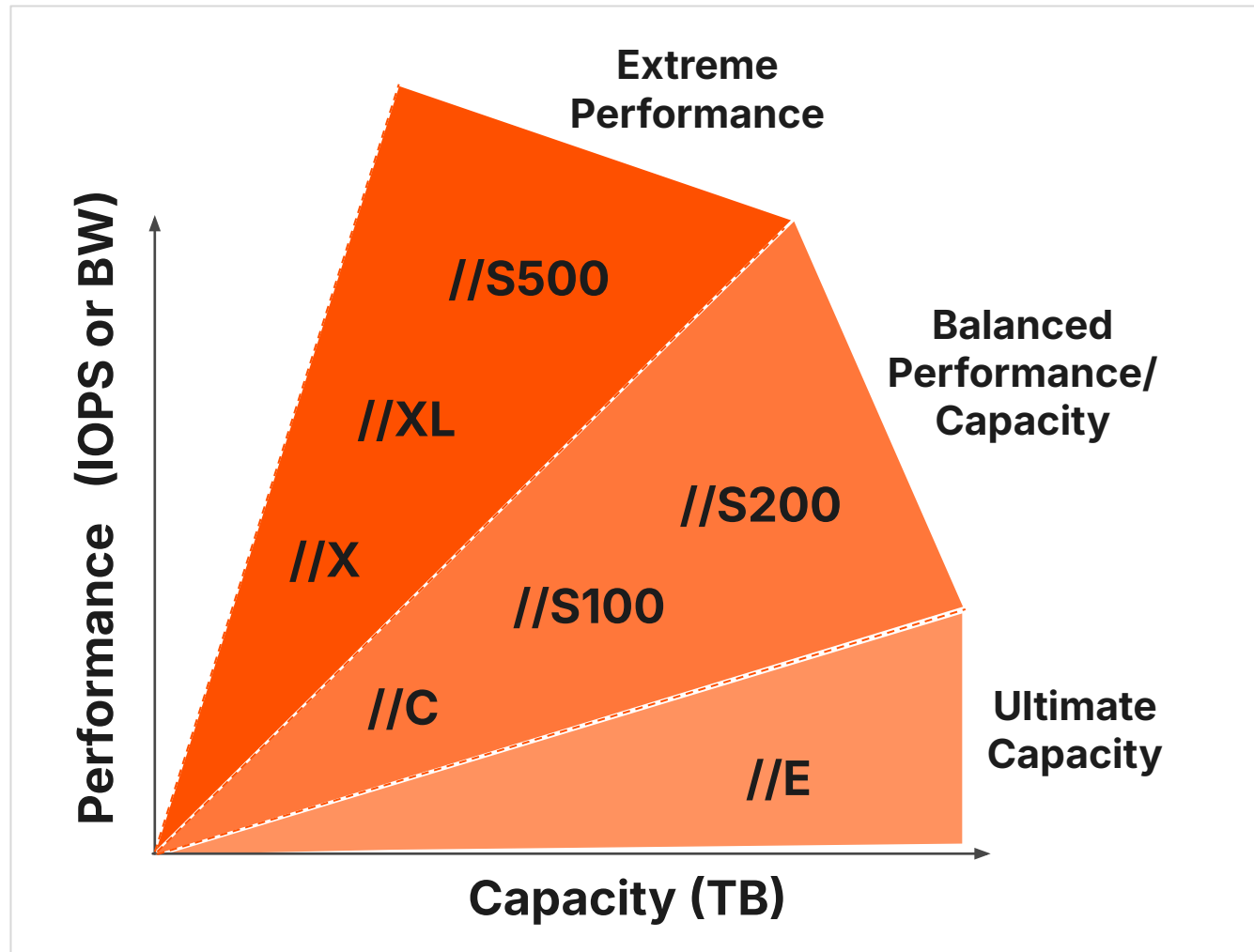
Public Cloud



Hosted

# The Pure Storage Platform

One Family that Satisfies the Full Range of Your Storage Needs



# Pure's Unique, Sustainable Competitive Advantages



## Direct-to-Flash Management

- Efficiency
- Reliability
- Longevity



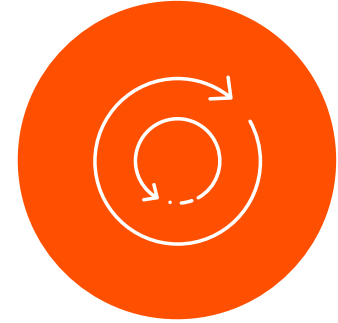
## Highly Consistent Portfolio

- Purity
  - DFM's
  - Pure1
  - Block
  - File
  - Object
- Scale Up and Scale Out



## Cloud Operating Model

- Pools of Storage
- Managed as a Fleet
- Available As-a-Service



## Evergreen Lifecycle

- Never obsolete
- Never disruptive
- Always Modern

# We Deliver Outcomes



# The Data Center Sustainability Challenge

**1-2%** Consumed by Data Centers

**20-25%** From Storage

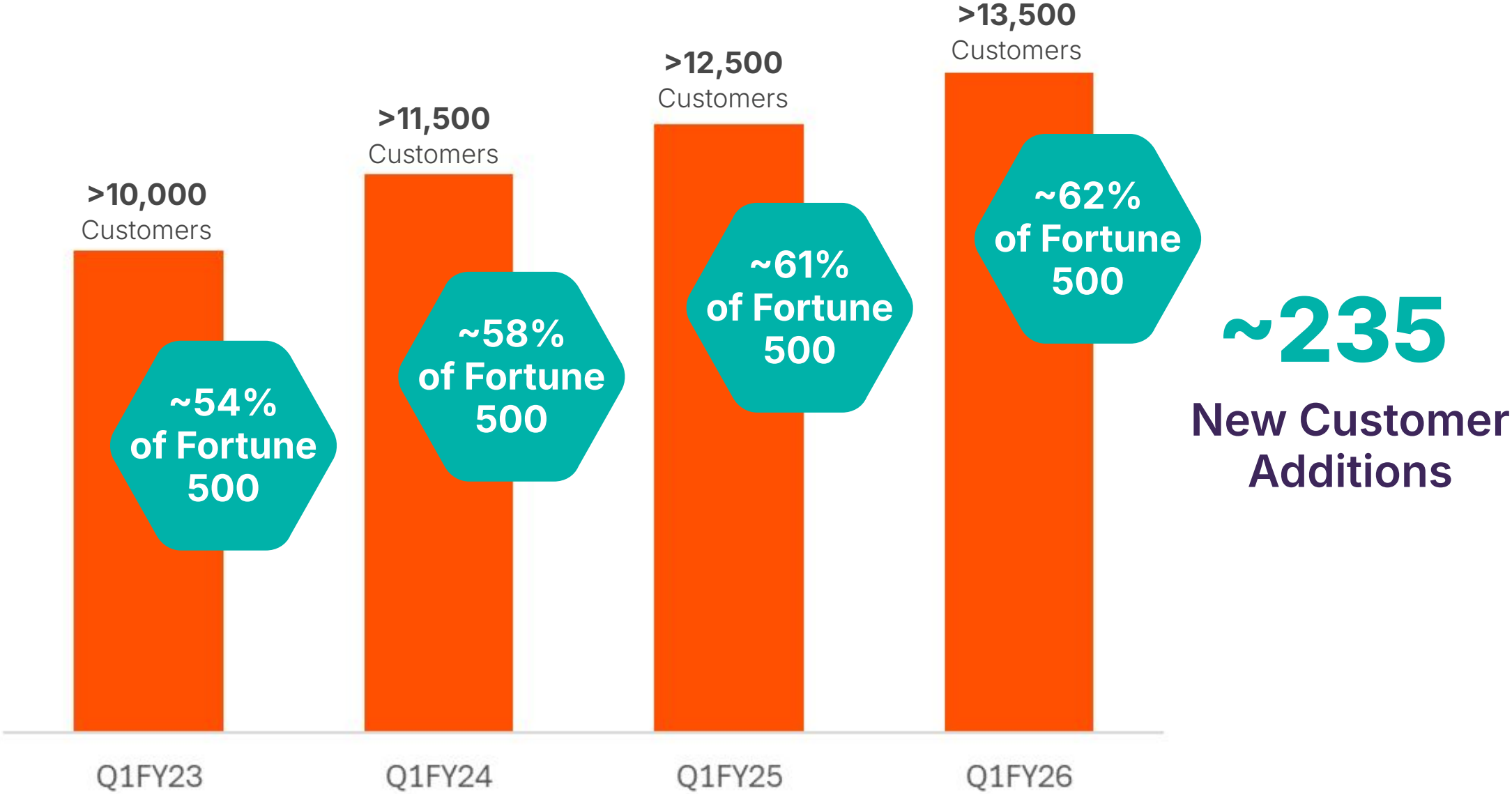


Pure flash storage  
consumes

**80%** less power



# Customers



# Financial Overview

# Q1FY26 Financial Summary

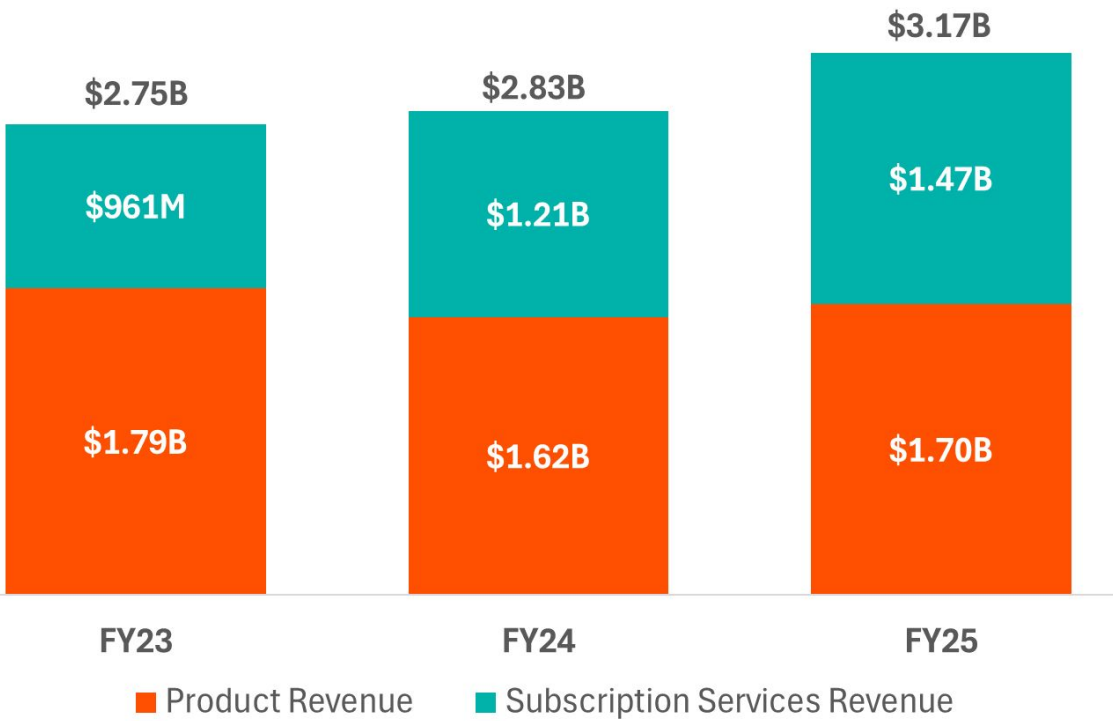
Financial Metrics	Guidance	Actuals
Subscription Annual Recurring Revenue <sup>(1)</sup>		\$1.71 Billion
Revenue	\$770 Million	\$778.5 Million
Non-GAAP Operating Income <sup>(2)</sup>	\$80 Million	\$82.7 Million
Non-GAAP Operating Margin <sup>(2)</sup>	10.4%	10.6%
Operating Cash Flow		\$283.9 Million

(1) Subscription ARR is a key business metric that refers to total annualized contract value of all active subscription agreements on the last day of the quarter, plus on-demand revenue for the quarter multiplied by four.

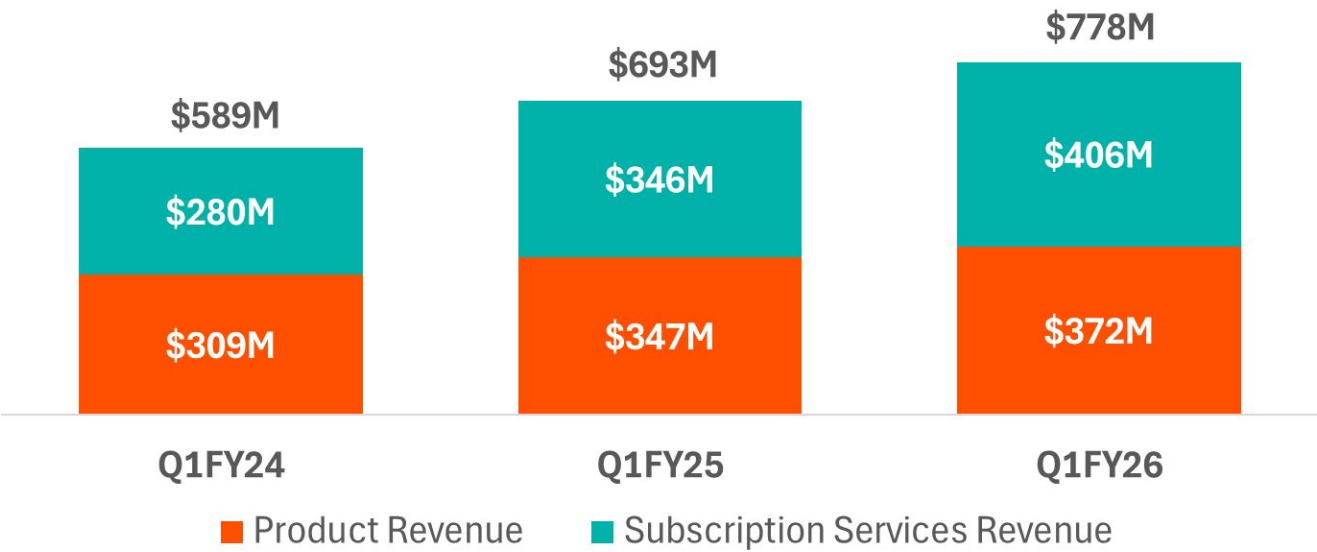
(2) See GAAP to non-GAAP reconciliations for actuals in our appendix.

# Total Revenue

## Annual

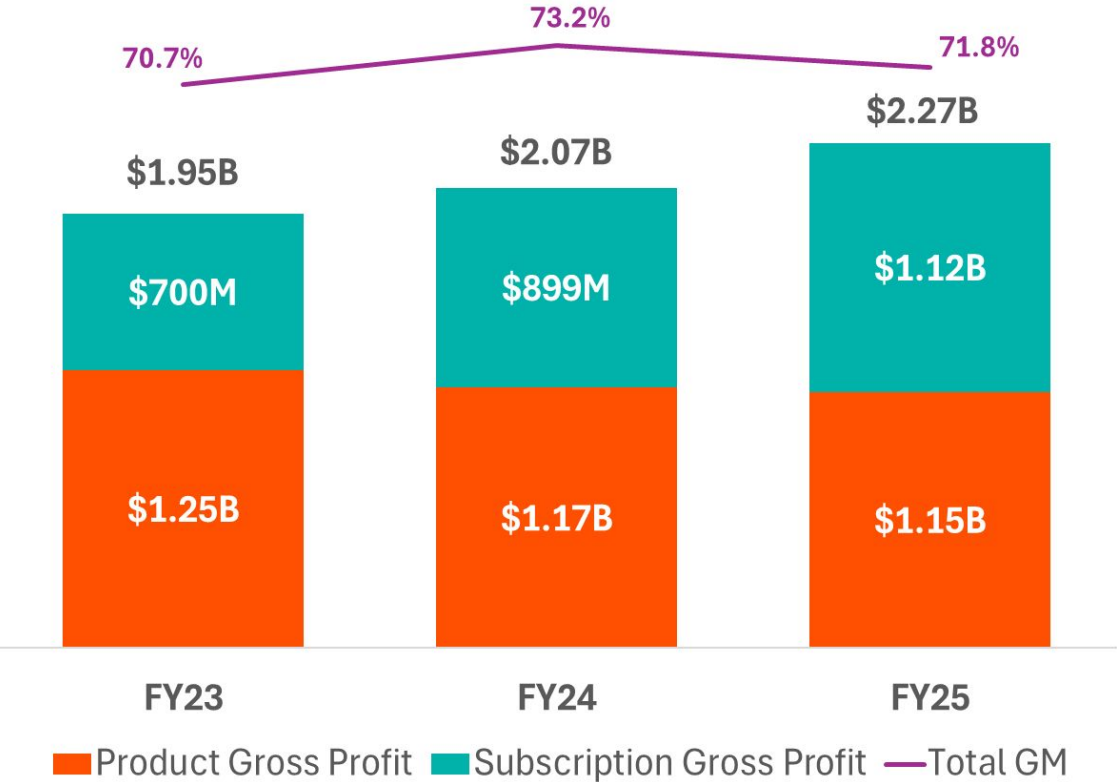


## Q1 Quarterly

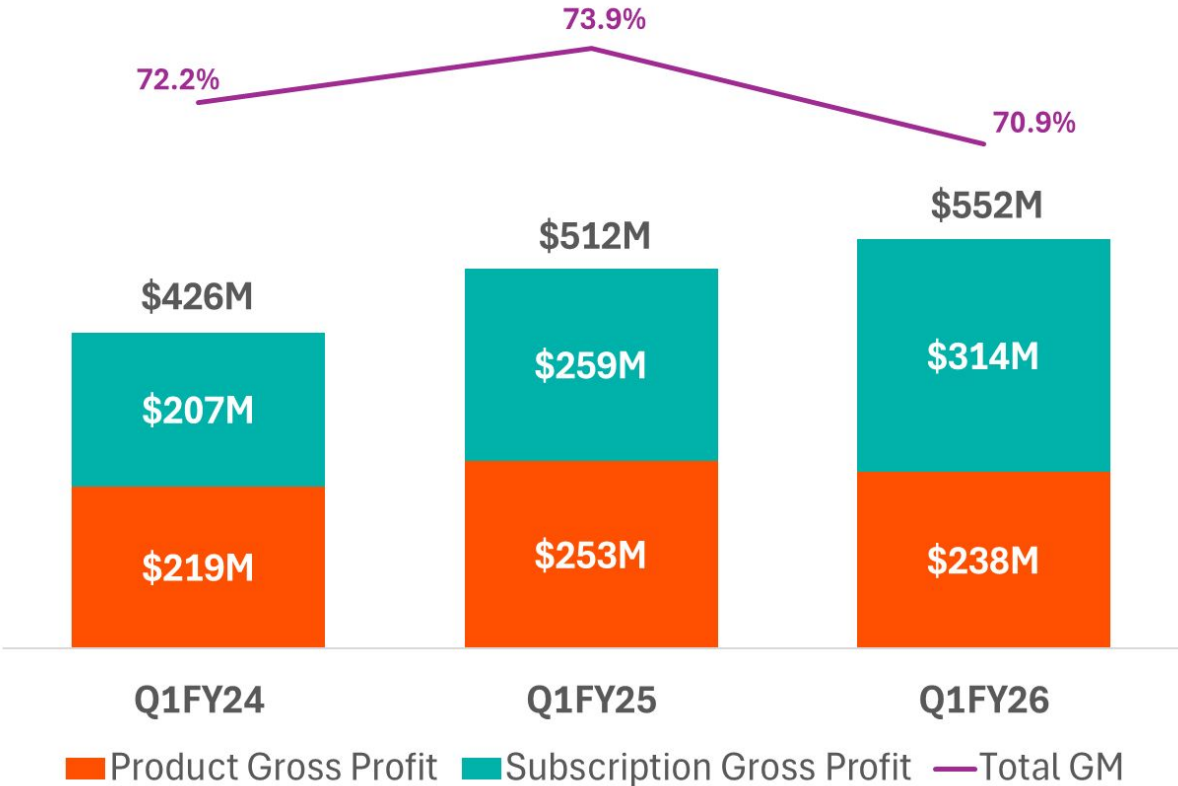


# Non-GAAP Gross Profit & Margin<sup>(1)</sup>

Annual



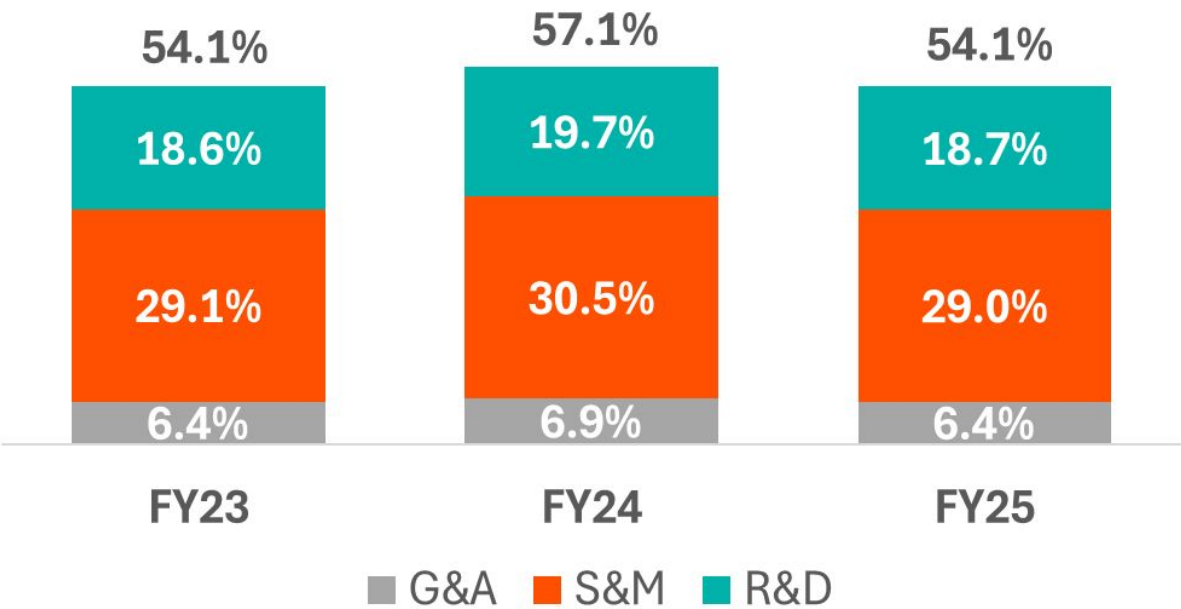
Q1 Quarterly



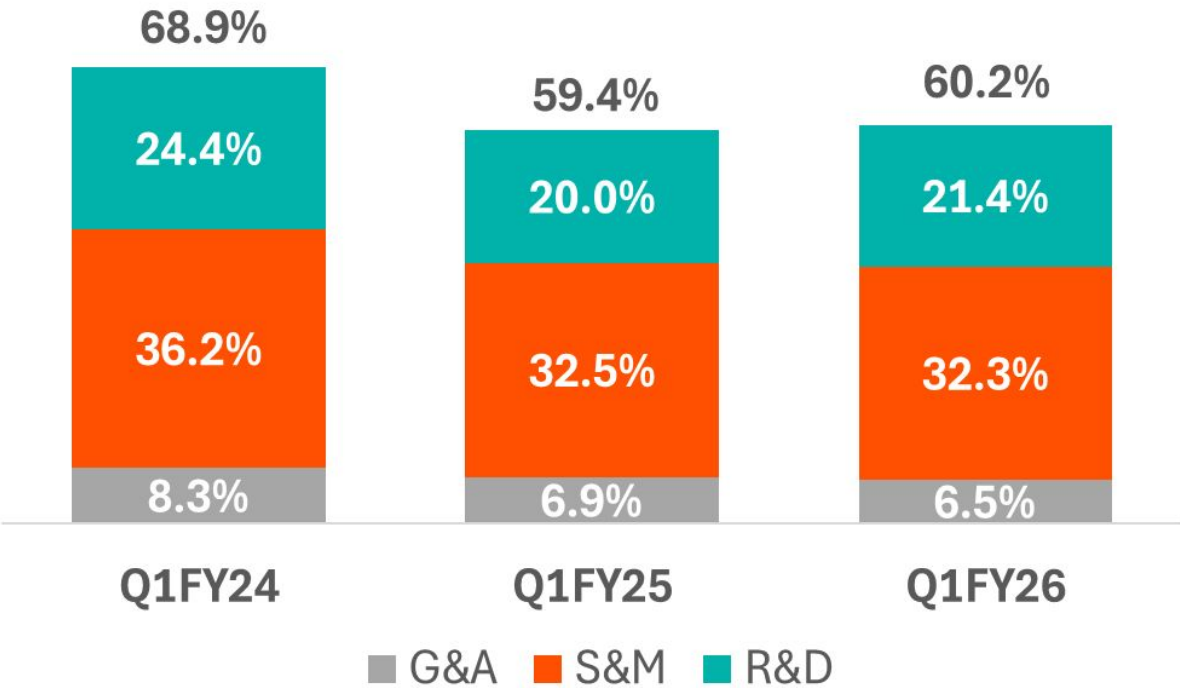
(1) See GAAP to non-GAAP reconciliations in our appendix.

# Non-GAAP Operating Expenses as % of Revenue<sup>(1)</sup>

Annual



Q1 Quarterly

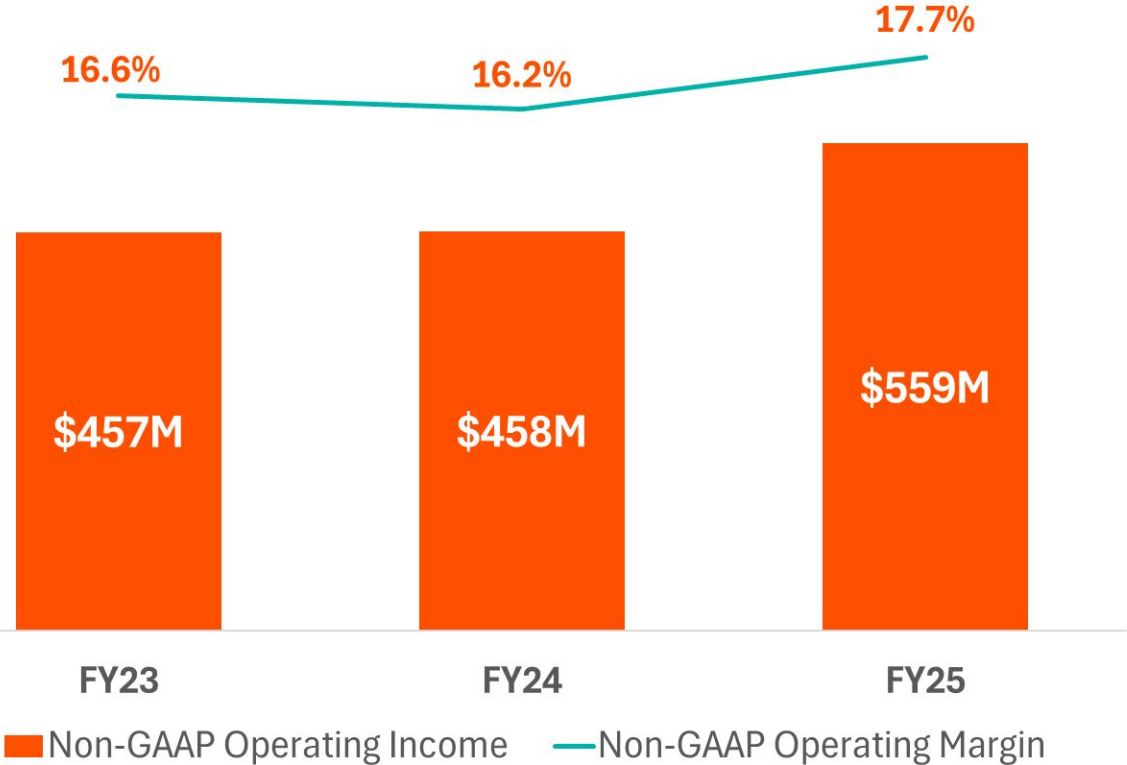


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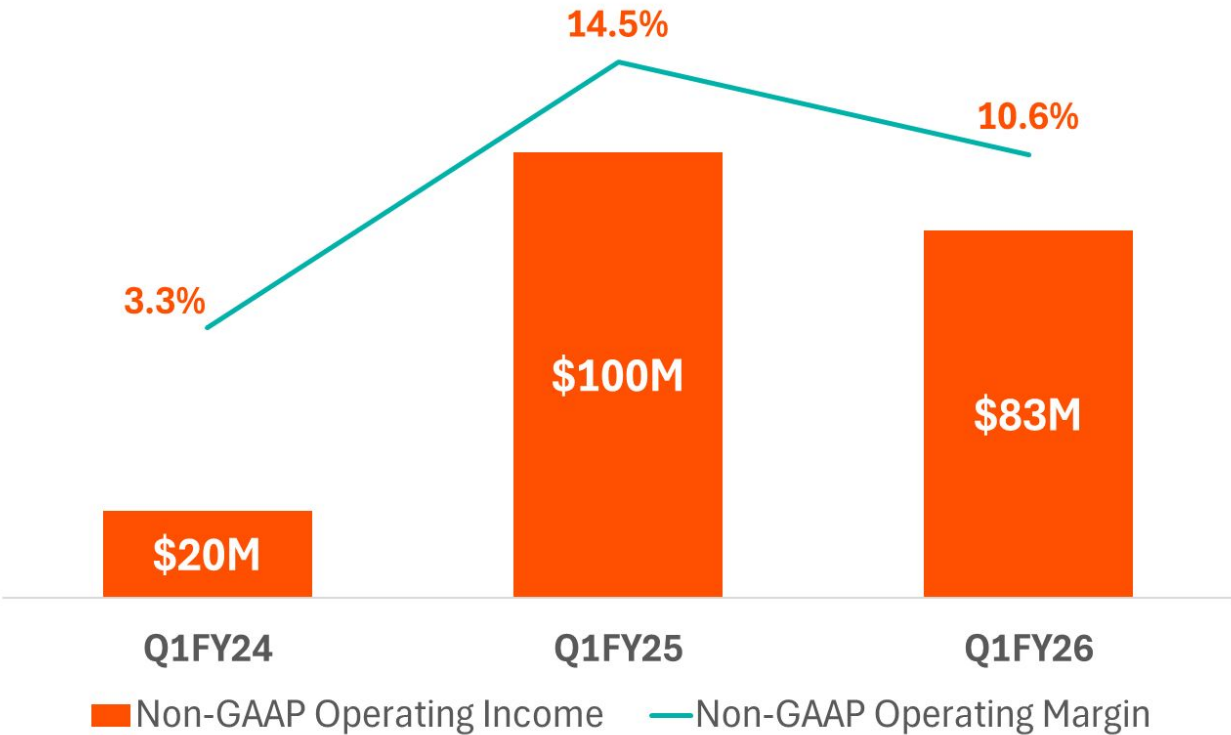


# Non-GAAP Operating Income & Margin <sup>(1)</sup>

Annual



Q1 Quarterly

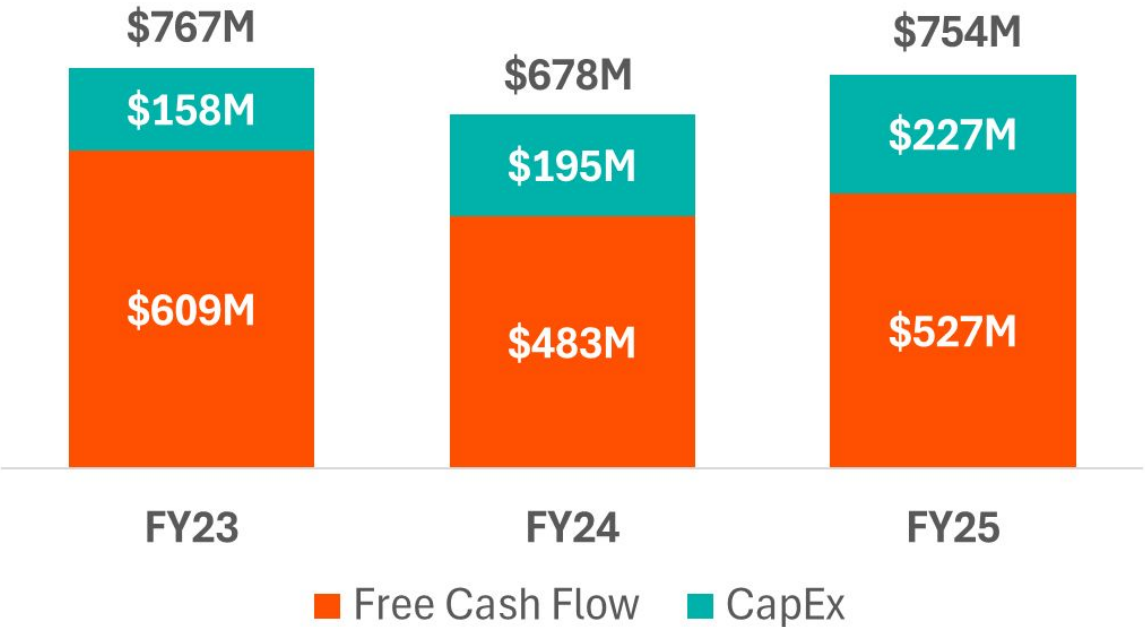


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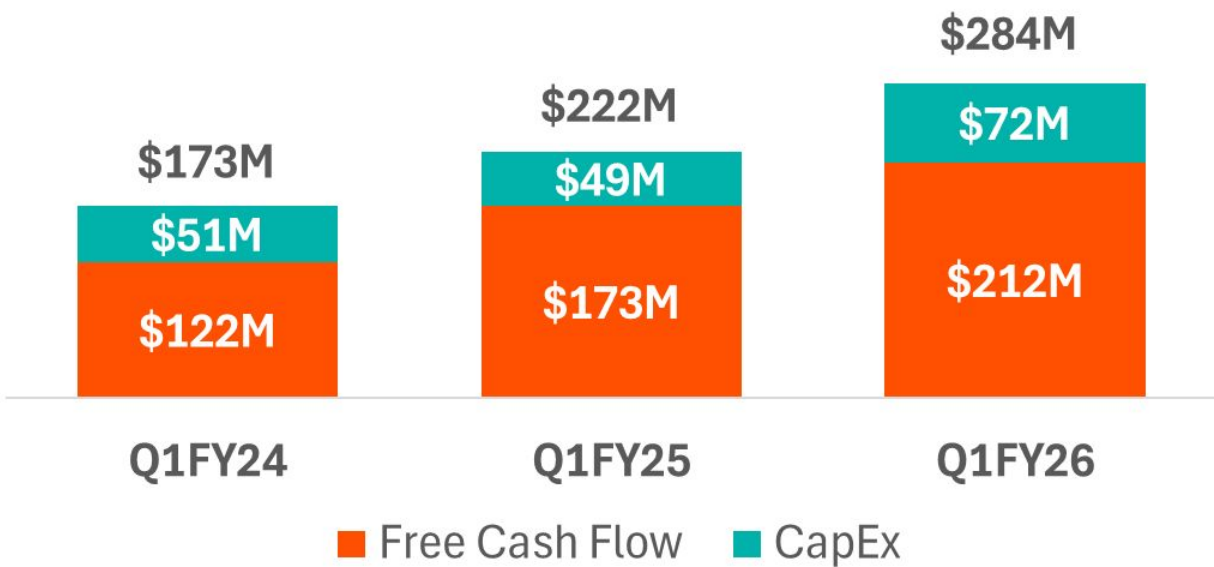


# Operating Cash Flow<sup>(1)</sup>

## Annual



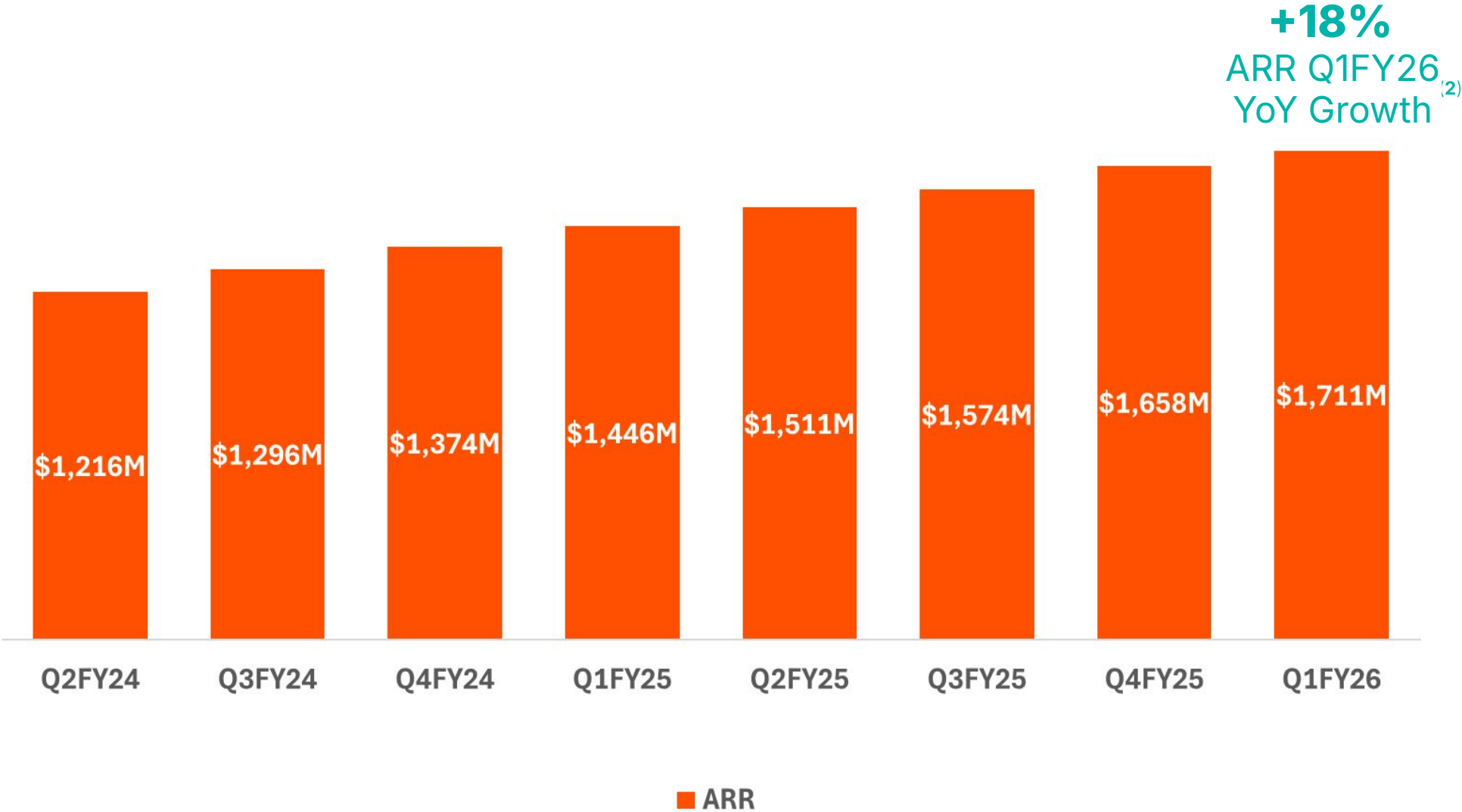
## Q1 Quarterly



(1) See GAAP to non-GAAP reconciliations in our appendix.



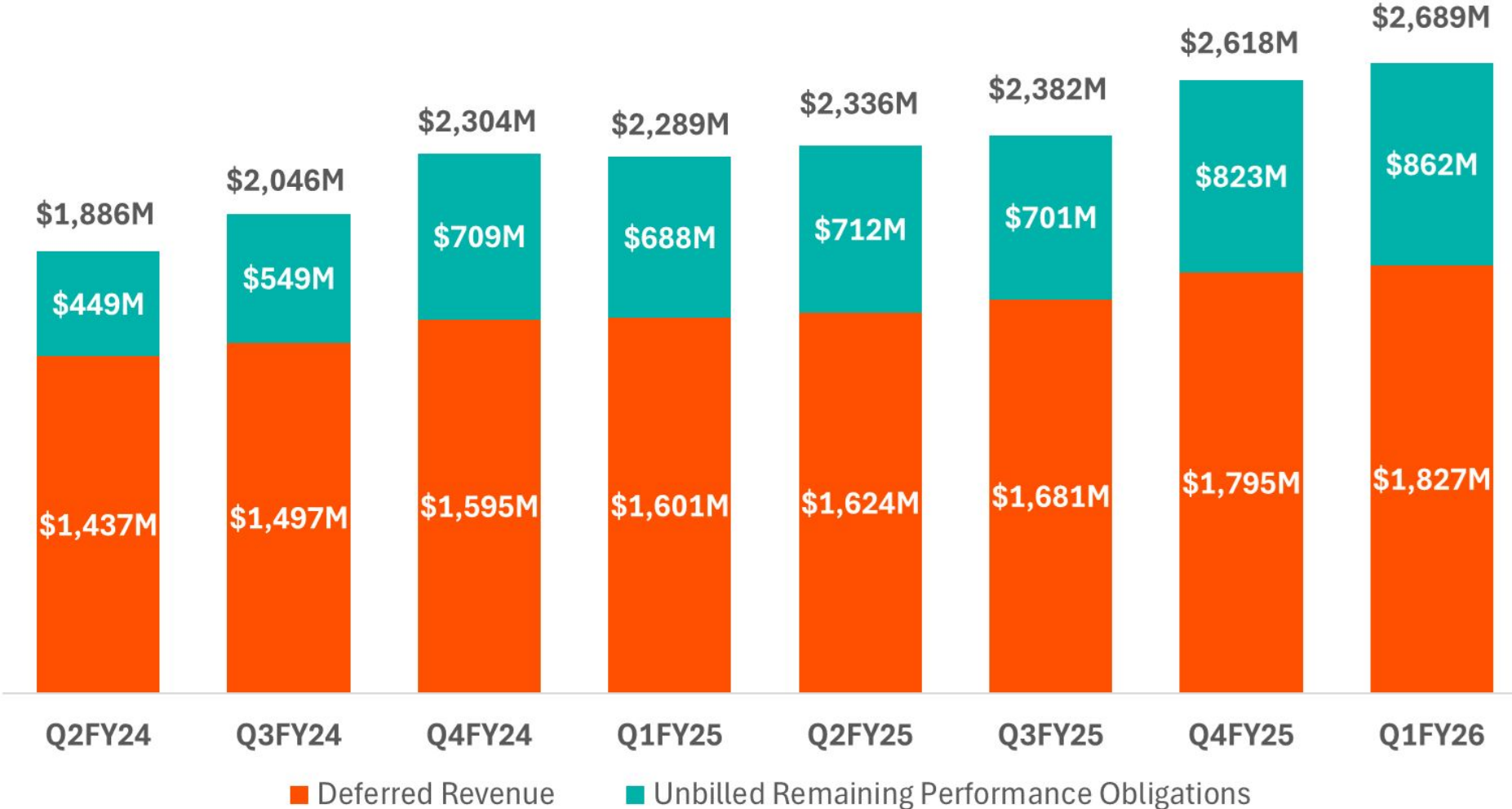
# Subscription Annual Recurring Revenue<sup>(1)</sup>



(1) Subscription ARR is a key business metric that refers to total annualized contract value of all active subscription agreements on the last day of the quarter, plus on-demand revenue for the quarter multiplied by four.  
(2) Subscription ARR excludes executed Evergreen/One contracts where the service date has not started at the end of the first quarter of fiscal 2026. When including these executed contracts, Subscription ARR increased 18% year-over-year.

# Remaining Performance Obligations<sup>(1)</sup>

**+17%**  
RPO Q1FY26  
YoY Growth<sup>(1)</sup>



(1) RPO associated solely with subscription service offerings grew 18% at the end of Q1FY26.



# Guidance

## Q2FY26 Guidance

Revenue	\$845 Million
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Revenue YoY Growth	10.6%
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Non-GAAP Operating Income <sup>(1)</sup>	\$125 Million
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Non-GAAP Operating Margin <sup>(1)</sup>	14.8%
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(1) We have not reconciled guidance for non-GAAP operating income and non-GAAP operating margin to their most directly comparable GAAP measures because items such as stock-based compensation expense and payroll tax expense related to stock-based activities that impact these measures are not within our control and/or cannot be reasonably predicted. Accordingly, reconciliations of non-GAAP operating income and non-GAAP operating margin guidance are not available without unreasonable effort.

# Guidance

## FY26 Guidance

Revenue	\$3.515 Billion
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Revenue YoY Growth	11%
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Non-GAAP Operating Income <sup>(1)</sup>	\$595 Million
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Non-GAAP Operating Margin <sup>(1)</sup>	17.0%
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# Appendix

# Gross Profit & Margin GAAP to Non-GAAP Reconciliation

(\$ in Millions)	Q1 FY24		Q1 FY25		Q1 FY26		FY23		FY24		FY25	
	\$	(%)	\$	(%)	\$	(%)	\$	(%)	\$	(%)	\$	(%)
Product gross profit and margin (GAAP)	\$ 212.8	68.9 %	\$ 246.6	71.0 %	\$ 231.1	62.1 %	\$ 1,222.4	68.2%	\$ 1,150.4	70.9 %	\$ 1,124.1	66.1 %
Add: SBC	2.7	0.9 %	2.8	0.8 %	3.3	0.9 %	10.3	0.6%	9.7	0.6 %	12.6	0.7 %
Add: Payroll tax related to stock-based activities	0.1	- %	0.3	- %	0.2	- %	0.2	- %	0.4	- %	0.8	0.1 %
Add: Duplicate lease costs during the transition of our corporate headquarters	-	- %	-	- %	-	- %	0.6	0.1%	0.4	- %	-	- %
Add: Expenses for severance and termination benefits related to workforce realignment	-	- %	-	- %	0.2	0.1 %	-	- %	0.2	- %	-	- %
Add: Amortization of acquired intangible assets	3.3	1.0 %	3.3	1.0 %	3.3	0.9 %	13.0	0.7%	13.2	0.9 %	13.2	0.8 %
<b>Product gross profit and margin (non-GAAP)</b>	<b>\$ 218.9</b>	<b>70.8 %</b>	<b>\$ 253.0</b>	<b>72.8 %</b>	<b>\$ 238.1</b>	<b>64.0 %</b>	<b>\$ 1,246.5</b>	<b>69.6%</b>	<b>\$ 1,174.3</b>	<b>72.4 %</b>	<b>\$ 1,150.7</b>	<b>67.7 %</b>
Subscription services gross profit and margin (GAAP)	\$ 200.5	71.6 %	\$ 249.1	72.0 %	\$ 305.1	75.1 %	\$ 675.2	70.2%	\$ 870.8	72.1 %	\$ 1,088.6	74.1 %
Add: SBC	5.7	2.0 %	8.9	2.6 %	7.1	1.8 %	22.6	2.3%	25.4	2.1 %	32.6	2.2 %
Add: Payroll tax related to stock-based activities	0.5	0.1 %	0.9	0.3 %	0.8	0.2 %	1.4	0.2%	1.4	0.1 %	2.2	0.2 %
Add: Duplicate lease costs during the transition of our corporate headquarters	-	- %	-	- %	-	- %	0.6	0.1%	0.4	- %	-	- %
Add: Expenses for severance and termination benefits related to workforce realignment	-	- %	0.3	- %	0.6	0.1 %	-	- %	1.0	0.1 %	0.3	- %
Add: Costs associated with the exit of certain operations	-	- %	-	- %	-	- %	0.1	- %	-	- %	-	- %
<b>Subscription services gross profit and margin (non-GAAP)</b>	<b>\$ 206.6</b>	<b>73.7 %</b>	<b>\$ 259.2</b>	<b>74.9 %</b>	<b>\$ 313.6</b>	<b>77.2 %</b>	<b>\$ 699.9</b>	<b>72.8%</b>	<b>\$ 899.0</b>	<b>74.4 %</b>	<b>\$ 1,123.7</b>	<b>76.5 %</b>
Total gross profit and margin (GAAP)	\$ 413.3	70.1 %	\$ 495.7	71.5 %	\$ 536.2	68.9 %	\$ 1,897.6	68.9%	\$ 2,021.2	71.4 %	\$ 2,212.7	69.8 %
Add: SBC	8.3	1.4 %	11.7	1.7 %	10.4	1.4 %	32.9	1.2%	35.1	1.3 %	45.2	1.4 %
Add: Payroll tax related to stock-based activities	0.6	0.1 %	1.2	0.2 %	1.0	0.1 %	1.6	- %	1.8	0.1 %	3.0	0.1 %
Add: Duplicate lease costs during the transition of our corporate headquarters	-	- %	-	- %	-	- %	1.2	- %	0.8	- %	-	- %
Add: Expenses for severance and termination benefits related to workforce realignment	-	- %	0.3	- %	0.8	0.1 %	-	- %	1.2	- %	0.3	- %
Add: Costs associated with the exit of certain operations	-	- %	-	- %	-	- %	0.1	- %	-	- %	-	- %
Add: Amortization of acquired intangible assets	3.3	0.6 %	3.3	0.5 %	3.3	0.4 %	13.0	0.6%	13.2	0.4 %	13.2	0.5 %
<b>Total gross profit and margin (non-GAAP)</b>	<b>\$ 425.5</b>	<b>72.2 %</b>	<b>\$ 512.2</b>	<b>73.9 %</b>	<b>\$ 551.7</b>	<b>70.9 %</b>	<b>\$ 1,946.4</b>	<b>70.7%</b>	<b>\$ 2,073.3</b>	<b>73.2 %</b>	<b>\$ 2,274.4</b>	<b>71.8 %</b>

# Operating Expenses GAAP to Non-GAAP Reconciliation

(\$ in Millions)	Q1FY24		Q1FY25		Q1FY26		FY23		FY24		FY25	
	\$	(%)	\$	(%)	\$	(%)	\$	(%)	\$	(%)	\$	(%)
R&D (GAAP)	\$ 185.3	31.4 %	\$ 193.8	27.9 %	\$ 221.7	28.5 %	\$ 692.5	25.2 %	\$ 736.8	26.1 %	\$ 804.4	25.4 %
Less: SBC	(38.2)	(6.5) %	(50.3)	(7.3) %	(49.2)	(6.3) %	(161.7)	(5.9) %	(167.3)	(6.0) %	(201.1)	(6.3) %
Less: Payments to former shareholders of acquired companies	(0.9)	(0.1) %	-	- %	-	- %	(6.0)	(0.2) %	(2.3)	- %	-	- %
Less: Payroll tax related to stock-based activities	(2.6)	(0.4) %	(5.0)	(0.6) %	(4.1)	(0.5) %	(6.2)	(0.3) %	(7.0)	(0.3) %	(10.1)	(0.4) %
Less: Expenses for severance and termination benefits related to workforce realignment	-	- %	-	- %	(2.2)	(0.3) %	-	- %	-	- %	-	- %
Less: Duplicate lease costs during the transition of our corporate headquarters	-	- %	-	- %	-	- %	(5.7)	(0.2) %	(3.9)	(0.1) %	-	- %
<b>R&amp;D (non-GAAP)</b>	<b>\$ 143.6</b>	<b>24.4 %</b>	<b>\$ 138.5</b>	<b>20.0 %</b>	<b>\$ 166.2</b>	<b>21.4 %</b>	<b>\$ 512.9</b>	<b>18.6 %</b>	<b>\$ 556.3</b>	<b>19.7 %</b>	<b>\$ 593.2</b>	<b>18.7 %</b>
S&M (GAAP)	\$ 232.4	39.4 %	\$ 251.0	36.2 %	\$ 278.5	35.8 %	\$ 883.6	32.1 %	\$ 945.0	33.3 %	\$ 1,020.9	32.2 %
Less: SBC	(17.2)	(2.9) %	(23.5)	(3.4) %	(22.1)	(2.8) %	(72.5)	(2.6) %	(74.7)	(2.7) %	(96.4)	(3.0) %
Less: Payroll tax related to stock-based activities	(1.1)	(0.2) %	(2.1)	(0.3) %	(2.5)	(0.4) %	(4.2)	(0.2) %	(4.2)	(0.1) %	(5.3)	(0.2) %
Less: Expenses for severance and termination benefits related to workforce realignment	-	- %	-	- %	(2.0)	(0.3) %	-	- %	-	- %	-	- %
Less: Duplicate lease costs during the transition of our corporate headquarters	-	- %	-	- %	-	- %	(1.2)	- %	(0.8)	- %	-	- %
Less: Costs associated with the exit of certain operations	-	- %	-	- %	-	- %	(2.3)	(0.1) %	-	- %	-	- %
Less: Amortization of acquired intangible assets	(0.5)	(0.1) %	(0.2)	- %	(0.2)	- %	(2.1)	(0.1) %	(1.7)	- %	(0.9)	- %
<b>S&amp;M (non-GAAP)</b>	<b>\$ 213.6</b>	<b>36.2 %</b>	<b>\$ 225.2</b>	<b>32.5 %</b>	<b>\$ 251.7</b>	<b>32.3 %</b>	<b>\$ 801.3</b>	<b>29.1 %</b>	<b>\$ 863.6</b>	<b>30.5 %</b>	<b>\$ 918.3</b>	<b>29.0 %</b>
G&A (GAAP)	\$ 67.4	11.5 %	\$ 76.8	11.1 %	\$ 67.2	8.6 %	\$ 238.0	8.6 %	\$ 252.2	8.9 %	\$ 286.2	9.0 %
Less: SBC	(14.1)	(2.4) %	(27.5)	(4.0) %	(14.6)	(1.9) %	(60.5)	(2.2) %	(54.3)	(1.9) %	(78.6)	(2.5) %
Less: Payroll tax related to stock-based activities	(0.5)	(0.1) %	(1.2)	(0.2) %	(1.0)	(0.2) %	(1.4)	- %	(1.7)	(0.1) %	(2.7)	(0.1) %
Less: Expenses for severance and termination benefits related to workforce realignment	-	- %	-	- %	(0.5)	- %	-	- %	-	- %	-	- %
Less: Duplicate lease costs during the transition of our corporate headquarters	(4.1)	(0.7) %	-	- %	-	- %	(0.6)	- %	(1.1)	- %	-	- %
Less: Impairment of right-of-use asset associated with cease-use of our former corporate headquarters	-	- %	-	- %	-	- %	-	- %	-	- %	(1.4)	- %
Less: Costs primarily associated with the exit of certain operations	-	- %	-	- %	-	- %	(0.5)	- %	-	- %	-	- %
<b>G&amp;A (non-GAAP)</b>	<b>\$ 48.7</b>	<b>8.3 %</b>	<b>\$ 48.1</b>	<b>6.9 %</b>	<b>\$ 51.1</b>	<b>6.5 %</b>	<b>\$ 175.0</b>	<b>6.4 %</b>	<b>\$ 195.1</b>	<b>6.9 %</b>	<b>\$ 203.5</b>	<b>6.4 %</b>
Restructuring and impairment (GAAP)	-	- %	\$ 15.9	2.3 %	-	- %	-	- %	\$ 33.6	1.2 %	\$ 15.9	0.5 %
Less: Impairment of right-of-use asset and abandonment associated with cease-use of our former corporate headquarters	-	- %	(6.4)	(0.9) %	-	- %	-	- %	(16.8)	(0.6) %	(6.4)	(0.2) %
Less: Expenses for severance and termination benefits related to workforce realignment	-	- %	(9.5)	(1.4) %	-	- %	-	- %	(16.8)	(0.6) %	(9.5)	(0.3) %
<b>Restructuring and impairment (non-GAAP)</b>	<b>\$ -</b>	<b>- %</b>	<b>\$ -</b>	<b>- %</b>	<b>\$ -</b>	<b>- %</b>	<b>\$ -</b>	<b>- %</b>	<b>\$ -</b>	<b>- %</b>	<b>\$ -</b>	<b>- %</b>
Total operating expense (GAAP)	\$ 485.1	82.3 %	\$ 537.5	77.5 %	\$ 567.4	72.9 %	\$ 1,814.1	65.9 %	\$ 1,967.6	69.5 %	\$ 2,127.4	67.1 %
Less: SBC	(69.5)	(11.8) %	(101.3)	(14.7) %	(85.9)	(11.0) %	(294.7)	(10.7) %	(296.3)	(10.6) %	(376.1)	(11.8) %
Less: Payments to former shareholders of acquired companies	(0.9)	(0.1) %	-	- %	-	- %	(6.0)	(0.2) %	(2.3)	- %	-	- %
Less: Payroll tax related to stock-based activities	(4.2)	(0.7) %	(8.3)	(1.1) %	(7.6)	(1.1) %	(11.8)	(0.5) %	(12.9)	(0.5) %	(18.1)	(0.7) %
Less: Duplicate lease costs during the transition of our corporate headquarters	(4.1)	(0.7) %	-	- %	-	- %	(7.5)	(0.2) %	(5.8)	(0.1) %	-	- %
Less: Impairment of right-of-use asset and abandonment associated with cease-use of our former corporate headquarters	-	- %	(6.4)	(0.9) %	-	- %	-	- %	(16.8)	(0.6) %	(7.8)	(0.2) %
Less: Expenses for severance and termination benefits related to workforce realignment	-	- %	(9.5)	(1.4) %	(4.7)	(0.6) %	-	- %	(16.8)	(0.6) %	(9.5)	(0.3) %
Less: Costs primarily associated with the exit of certain operations	-	- %	-	- %	-	- %	(2.8)	(0.1) %	-	- %	-	- %
Less: Amortization of acquired intangible assets	(0.5)	(0.1) %	(0.2)	- %	(0.2)	- %	(2.1)	(0.1) %	(1.7)	- %	(0.9)	- %
<b>Total operating expense (non-GAAP)</b>	<b>\$ 405.9</b>	<b>68.9 %</b>	<b>\$ 411.8</b>	<b>59.4 %</b>	<b>\$ 469.0</b>	<b>60.2 %</b>	<b>\$ 1,489.2</b>	<b>54.1 %</b>	<b>\$ 1,615.0</b>	<b>57.1 %</b>	<b>\$ 1,715.0</b>	<b>54.1 %</b>



# Operating Income & Margin GAAP to Non-GAAP Reconciliation

(\$ in Millions)	Q1 FY24		Q1 FY25		Q1 FY26		FY23		FY24		FY25	
	\$	(%)	\$	(%)	\$	(%)	\$	(%)	\$	(%)	\$	(%)
Operating income (loss) and margin (GAAP)	\$ (71.8)	(12.2) %	\$ (41.8)	(6.0) %	\$ (31.2)	(4.0) %	\$ 83.5	3.0 %	\$ 53.6	1.9 %	\$ 85.3	2.7 %
Add: SBC	77.8	13.2 %	113.0	16.3 %	96.3	12.4 %	327.6	11.9 %	331.4	11.9 %	421.3	13.2 %
Add: Payments to former shareholders of acquired companies	0.9	0.1 %	-	- %	-	- %	6.0	0.2 %	2.3	- %	-	- %
Add: Payroll tax related to stock-based activities	4.8	0.8 %	9.5	1.3 %	8.6	1.1 %	13.4	0.5 %	14.7	0.6 %	21.1	0.8 %
Add: Duplicate lease costs during the transition of our corporate headquarters	4.1	0.7 %	-	- %	-	- %	8.7	0.2 %	6.6	0.1 %	-	- %
Add: Impairment of right-of-use asset and abandonment associated with cease-use of our former corporate headquarters	-	- %	6.4	0.9 %	-	- %	-	- %	16.8	0.6 %	7.8	0.2 %
Add: Expenses for severance and termination benefits related to workforce realignment	-	- %	9.8	1.4 %	5.5	0.7 %	-	- %	18.0	0.6 %	9.8	0.3 %
Add: Costs primarily associated with the exit of certain operations	-	- %	-	- %	-	- %	2.9	0.1 %	-	- %	-	- %
Add: Amortization of acquired intangible assets	3.8	0.7 %	3.5	0.5 %	3.5	0.4 %	15.1	0.7 %	14.9	0.4 %	14.1	0.5 %
<b>Operating income and margin (non-GAAP)</b>	<b>\$ 19.6</b>	<b>3.3 %</b>	<b>\$ 100.4</b>	<b>14.5 %</b>	<b>\$ 82.7</b>	<b>10.6 %</b>	<b>\$ 457.2</b>	<b>16.6 %</b>	<b>\$ 458.3</b>	<b>16.2 %</b>	<b>\$ 559.4</b>	<b>17.7 %</b>

## Free Cash Flow GAAP to Non-GAAP Reconciliation <sup>(1)</sup>

(\$ in millions)	Q1 FY24	Q1 FY25	Q1 FY26	FY23	FY24	FY25
Cash provided by operations (GAAP)	\$ 173.2	\$ 221.5	\$ 283.9	\$ 767.2	\$ 677.7	\$ 753.6
Less: Capital expenditures <sup>1</sup>	(51.4)	(48.8)	(72.3)	(158.1)	(195.1)	(226.7)
<b>Free cash flow (non-GAAP)</b>	<b>\$ 121.8</b>	<b>\$ 172.7</b>	<b>\$ 211.6</b>	<b>\$ 609.1</b>	<b>\$ 482.6</b>	<b>\$ 526.9</b>

(1) Includes capitalized internal-use software costs of \$5.3 million, \$4.5 million and \$6.9 million for Q1 FY24, Q1 FY25 and Q1 FY26 and \$13.7 million, \$19.4 million and \$21.2 million for FY23, FY24 and FY25.

