DocuSign

Smarter, Easier, Trusted Agreements

Q4 FY24



Safe Harbor

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which statements involve substantial risk and uncertainties. All statements contained in this presentation other than statements of historical fact, including statements regarding our future operating results and financial position, our business strategy and plans, market growth and trends, objectives for future operations, and the impact of such assumptions on our financial condition and results of operations are forward-looking statements. Forward-looking statements in this presentation also include, among other things, statements on pages titled "FY25 Guidance" and "Q1 FY25" Guidance in this presentation and any other statements about expected financial metrics, such as revenue, billings, non-GAAP gross margin, non-GAAP operating margin, non-GAAP diluted weighted-average shares outstanding, and non-financial metrics, such as our anticipated future products and product strategy, as well as statements related to our expectations regarding customer acceptance of those products. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential," or "continue" or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions.

Forward-looking statements contained in this presentation include, but are not limited to, statements about: our expectations regarding global macro-economic conditions, including the effects of inflation, volatile interest rates, instability in the global banking sector, and market volatility on the global economy; our ability to estimate the size and growth of our total addressable market; our ability to compete effectively in an evolving and competitive market; the impact of any data breaches, cyberattacks or other malicious activity on our technology systems; our ability to effectively sustain and manage our growth and future expenses and achieve and maintain future profitability; our ability to attract new customers and maintain and expand our existing customer base; our ability to effectively implement and execute our restructuring plans; our ability to scale and update our platform to respond to customers' needs and rapid technological change, including our ability to successfully incorporate generative artificial intelligence into our existing and future products; our ability to expand use cases within existing customers and vertical solutions; our ability to expand our operations and increase adoption of our platform internationally; our ability to strengthen and foster our relationships with developers; our ability to retain our direct sales force, customer success team and strategic partnerships around the world; our ability to identify targets for and execute potential acquisitions and to successfully integrate and realize the anticipated benefits of such acquisitions; our ability to maintain, protect and enhance our brand; the sufficiency of our cash, cash equivalents and capital resources to satisfy our liquidity needs; limitations on us due to obligations we have under our credit facility or other indebtedness; our ability to realize the anticipated benefits of our stock repurchase program; our failure or the failure of our software to comply with applicable industry standards, laws and regulations; our ability to maintain, protect and enhance our intellectual property; our ability to successfully defend litigation against us; our ability to attract large organizations as users; our ability to maintain our corporate culture; our ability to offer high-quality customer support; our ability to hire, retain and motivate qualified personnel, including executive level management; our ability to successfully manage and integrate executive management transitions; uncertainties regarding the impact of general economic and market conditions, including as a result of regional and global conflicts; our ability to successfully implement and maintain new and existing information technology systems, including our ERP system; and our ability to maintain proper and effective internal controls.

Additional risks and uncertainties that could affect our financial results are included in the sections titled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our annual report on Form 10-K for the fiscal year ended January 31, 2023 filed on March 27, 2023 with the Securities and Exchange Commission (the "SEC"), quarterly report on Form 10-Q for the quarter ended October 31, 2023 filed on December 8, 2023 with the SEC, and other filings that we make from time to time with the SEC. The forward-looking statements made in this presentation relate only to events as of the date on which such statements are made. We undertake no obligation to update any forward-looking statements after the date of this presentation or to conform such statements to actual results or revised expectations, except as required by law.

Non-GAAP Financial Measures and Other Key Metrics

To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, we use certain non-GAAP financial measures, as described below, to understand and evaluate our core operating performance. These non-GAAP financial measures, which may be different than similarly-titled measures used by other companies, are presented to enhance investors' overall understanding of our financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

We believe that these non-GAAP financial measures provide useful information about our financial performance, enhance the overall understanding of our past performance and future prospects, and allow for greater transparency with respect to important metrics used by our management for financial and operational decision-making. We present these non-GAAP measures to assist investors in seeing our financial performance using a management view, and because we believe that these measures provide an additional tool for investors to use in comparing our core financial performance over multiple periods with other companies in our industry. However, these non-GAAP measures are not intended to be considered in isolation from, a substitute for, or superior to our GAAP results.

Non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP income from operations, non-GAAP operating margin, non-GAAP net income and non-GAAP net income per share: We define these non-GAAP financial measures as the respective GAAP measures, excluding expenses related to stock-based compensation, employer payroll tax on employee stock transactions, amortization of acquisition-related intangibles, amortization of debt discount and issuance costs, fair value adjustments to strategic investments, executive transition costs, lease-related impairment and lease-related charges, restructuring and other related charges, as these costs are not reflective of ongoing operations and, as applicable, other special items. 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. When evaluating the performance of our business and making operating plans, we do not consider these items (for example, when considering the impact of equity award grants, we place a greater emphasis on overall stockholder dilution rather than the accounting charges associated with such grants). We believe it is useful to exclude these expenses in order to better understand the long-term performance of our core business and to facilitate comparison of our results to those of peer companies and over multiple periods. In addition to these exclusions, we subtract an assumed provision for income taxes to calculate non-GAAP net income. 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 and fiscal 2024, we have determined the projected non-GAAP tax rate to be 20%.

Free cash flow: We define free cash flow as net cash provided by operating activities less purchases of property and equipment. We believe free cash flow is an important liquidity measure of the cash that is available (if any), after purchases of property and equipment, for operational expenses, investment in our business, and to make acquisitions. Free cash flow is useful to investors as a liquidity measure because it measures our ability to generate or use cash in excess of our capital investments in property and equipment. Once our business needs and obligations are met, cash can be used to maintain a strong balance sheet and invest in future growth.

Billings: We define billings as total revenues plus the change in our contract liabilities and refund liability less contract assets and unbilled accounts receivable in a given period. Billings reflects sales to new customers plus subscription renewals and additional sales to existing customers. Only amounts invoiced to a customer in a given period are included in billings. We believe billings can be used to measure our periodic performance, when taking into consideration the timing aspects of customer renewals, which represents a large component of our business. Given that most of our customers pay in annual installments one year in advance, but we typically recognize a majority of the related revenue ratably over time, we use billings to measure and monitor our ability to provide our business with the working capital generated by upfront payments from our customers.

For a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measure, please see "Reconciliation of GAAP to Non-GAAP Financial Measures" below.

At a glance

Market leadership



World's #1 e-Signature solution

Customer base

1.51M [1]

Across all industries, segments, and geos

Large market opportunity[2]

~$50B TAM

Broader DocuSign opportunity (before and after signing)

Q4 FY24[3] performance

$712M

Total Revenue (27% Int'l)

8% Y/Y growth

$833M

Billings

13% Y/Y growth

25%

Operating Margin (Non-GAAP)

$249M

Free Cash Flow

(1) As of January 31, 2024.
(2) DocuSign estimate combining commissioned third-party research with internal customer count, pricing and spending data.
(3) For the fiscal quarter ended January 31, 2024.

Agreements are the foundation of doing business

Sales

Sales Contracts
NDAs
SOWs

Service

Field Service
Change Orders
Work Agreements

Marketing

Vendor Agreements
Sponsor Agreements
Influencer Agreements

HR

Offer Letters
Background Checks
Company Policies

Procurement

Vendor Contracts
Purchase Orders
Termination Letters

Legal

Amendments
Affidavits
SEC Filings

But agreement processes are manual & disconnected

Business Process

CRM
Lead to Cash

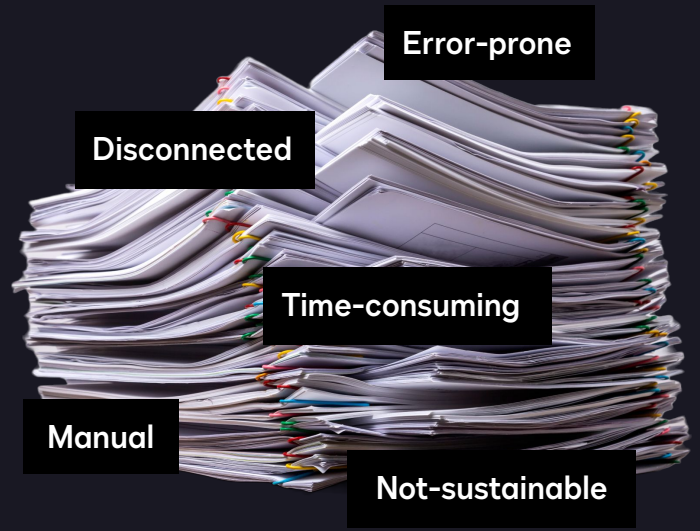
ERP
Procure to Pay

ERP
Design to Operate

HCM
Hire to Retire

AGREEMENT GAP

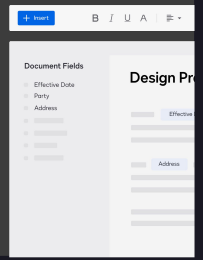
Agreement Process



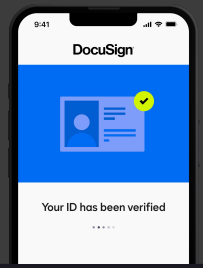
True transformation of the agreement process means going beyond the signature

AGREEMENT PROCESS

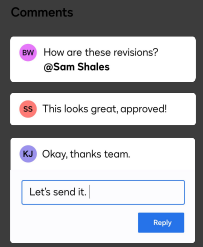
Agreement Generation



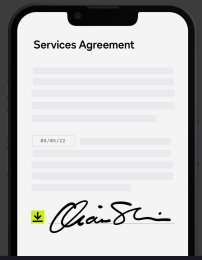
ID Verification



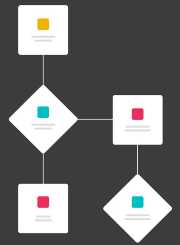
Review & Negotiation



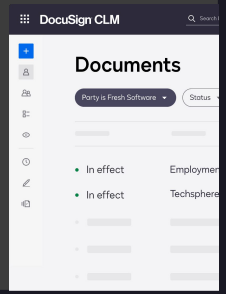
Signature



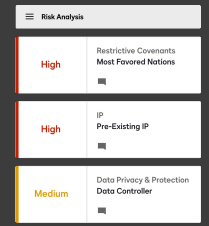
Automated Workflows



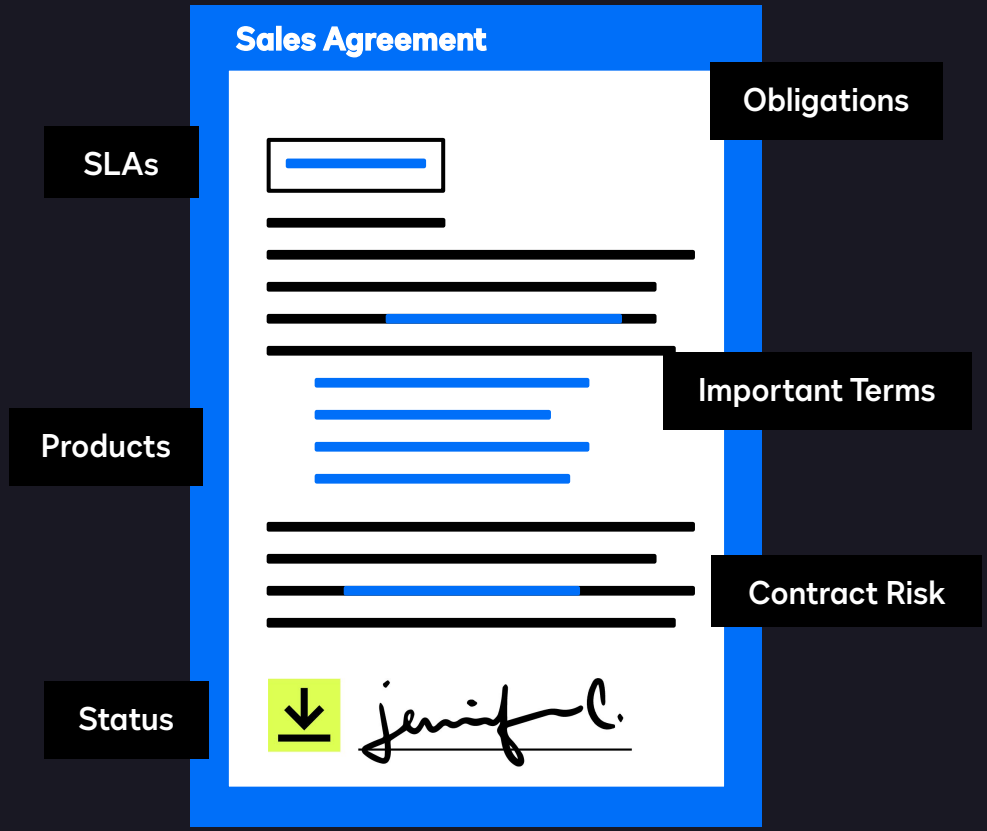
Secure Repository



Analytics



DocuSign unlocks the data that lives in agreements



Redefining how the world comes together and agrees



Smarter

Personalized document generation
Dynamic agreement
Intelligent analytics and insights



Easier

Send and sign anytime, from practically anywhere
Faster time to value, efficiency
Extend with integrations and customization



Trusted

Highest level of assurance
Support full range of functional areas/industries
Superior security toolset, intelligent threat detection

Industry Leading Portfolio Lineup Across the Agreement Process

eSignature

The world's #1 way to sign electronically

Editions range from personal to enterprise use

eSignature add-ons

Enhanced options for any agreement scenario

Add-ons include support for identity verification, web forms, monitor, payments, SMS delivery, notarization, API integrations and industry and country-specific capabilities

CLM

Top Rated Contract Lifecycle Management, for workflows before & after the signature

Gen, CLM Essentials, CLM and CLM+

Ecosystem — ISVs / Systems Integrators / Resellers / Developers

Platform — Repository / Search / Object Model / AI / API / Monitor / Admin Tools

Market leader with large untapped opportunity

TAM[1]

$50B



(1) DocuSign estimate combining commissioned third-party research with internal customer count, pricing and spending data

Across all verticals

The world's leading brands trust DocuSign



DocuSign Public

Why DocuSign continues to win

/ Comprehensive

Most Applications
15+ applications span the entire agreement process

Most Integrations
900+ active partner integrations with business systems where work gets done

Award-Winning API
1,000+ customer-built integrations

/ Innovative

Category Leader
e-signature pioneer, with 750+ product innovations delivered

Scaled Solutions
Designing, delivering, and supporting technologies across agreement workflows

Leading Platform Tech[3]
Architected to power industry leading to over 99.9% uptime

/ Trusted

1.51M Customers
and more than a billion users[1].
Global leader in e-signature across 180+ countries

Security & Privacy
FedRamp, GDPR, BCR, ISO27001

Purpose-Built Security
Proactive Threat Detection;
24/7 Activity Tracking;
Enhanced ID Verification

/ Simple

Faster
41% completed in < 15 minutes;
76% in < 1 day[2]

High Value
Delivers immediate ROI

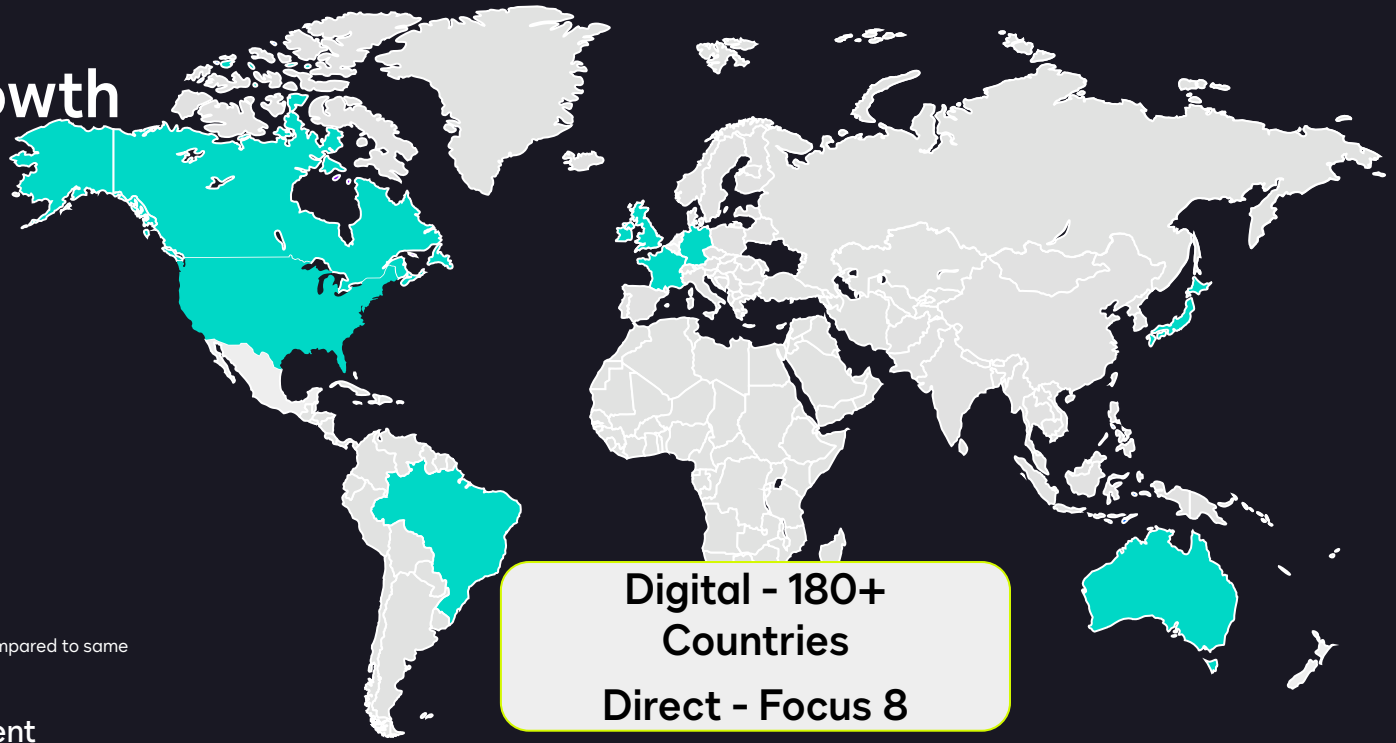
(1) As of January 31, 2024
(2) In FY 2024, 76% of all Successful Transactions on our platform were completed in less than 24 hours and 41% within 15 minutes—compared to the days or weeks common to traditional methods.
(3) For the 12 month period ended January 31, 2024

Investing in international growth

19% Y/Y Int'l Revenue Growth
(Q4FY24)[1]

27% of Total Revenue
(Q4FY24)[1]

(1) For the fiscal quarter ended January 31, 2024 compared to same period a year ago.



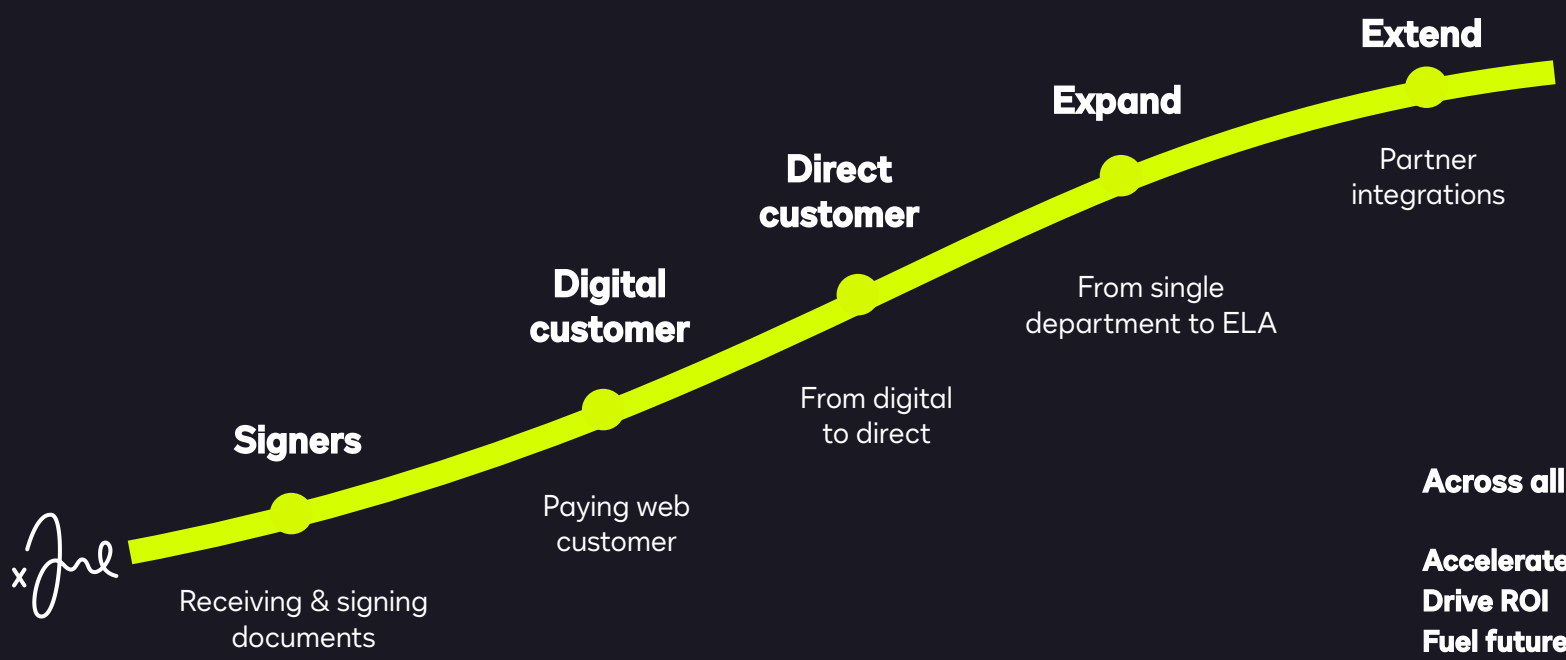
Market Prioritization & Investment

Tier 1: Market Leader
- Primary market focus for Direct GTM investment
- Fully localized digital experience
- Targeted investment in Resell partners

Tier 2: Seed and Grow
- High potential investment countries
- Seed with targeted direct investments, localized sales & support through partner and digital

Tier 3: Digital & Emerging
- Digital First strategy
- Indirect selling via key resellers

Omni-channel experience throughout the customer journey



Across all GTM teams

Accelerate value realization
Drive ROI
Fuel future growth
Increase net retention

How customers buy from us

Prepaid Model

Multi-Factor Subscription Model

Volume Capacity
Pre-Set # of Envelopes

Seat Based
Contract per user

Add-on Functionality
Multiple levels of add-on functionality

Dollar Weighted Average Contract Length[1]



(1) Rolling 4-quarter average through fiscal quarter ended January 31, 2024.

DocuSign partner ecosystem

Comprehensive network of cloud, service, and reseller partners

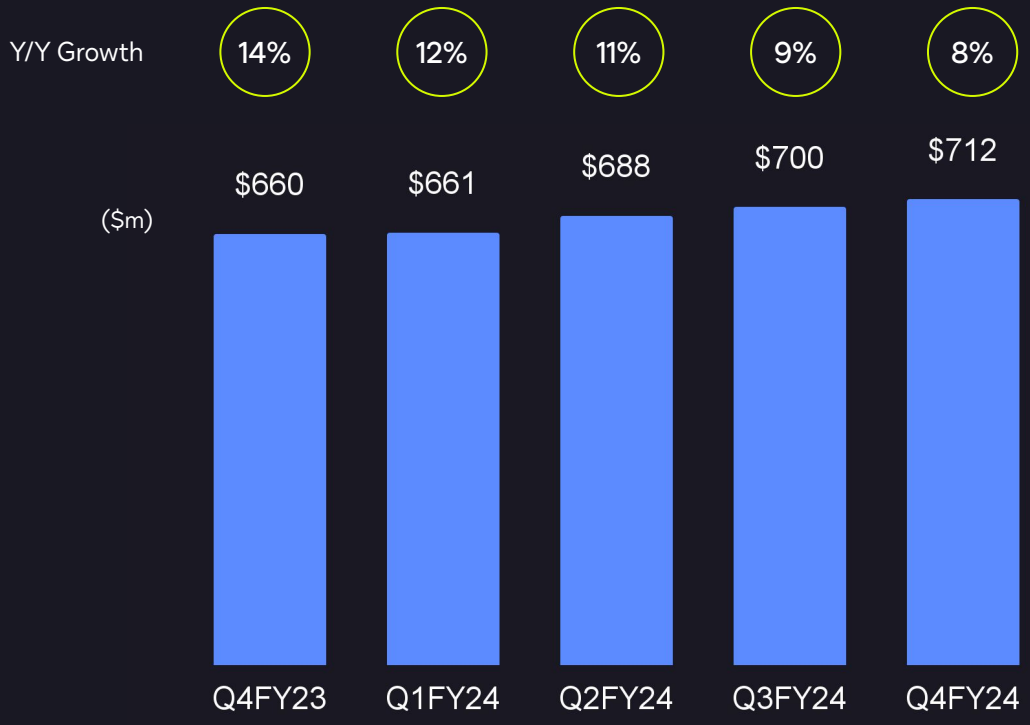
ISVs
(and 350+ more)

Systems Integrators
500+ certified professionals across 10+ global & regional SIs

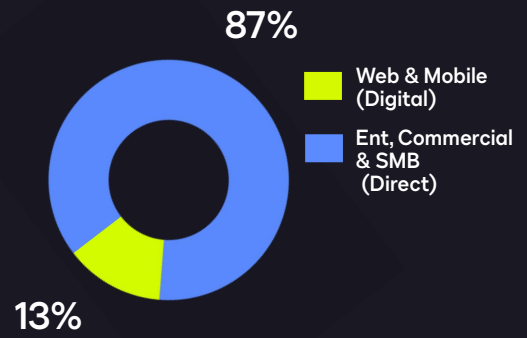
Resellers
140+ resellers extend our reach, helping customers agree in 40+ countries

Financial Review

Total Revenue growth

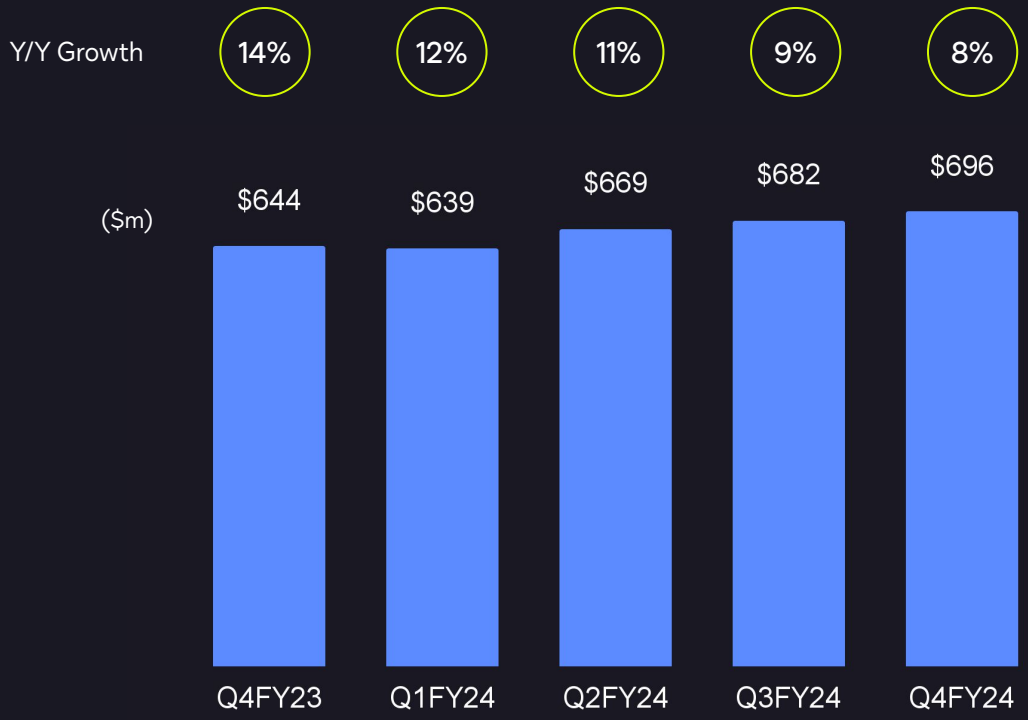


Revenue Contribution[1] Direct v. Digital

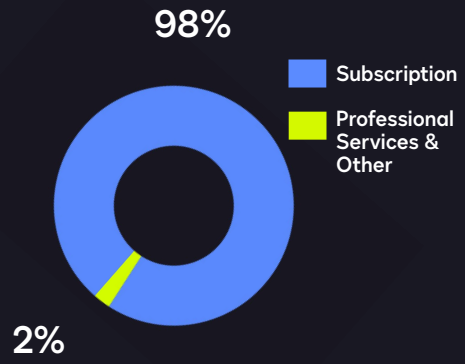


(1) Fiscal quarter ended January 31, 2024.

Subscription Revenue growth



Revenue Contribution[1] Subscription v. Pro Serve and Other



(1) Fiscal quarter ended January 31, 2024.

Billings[1] growth

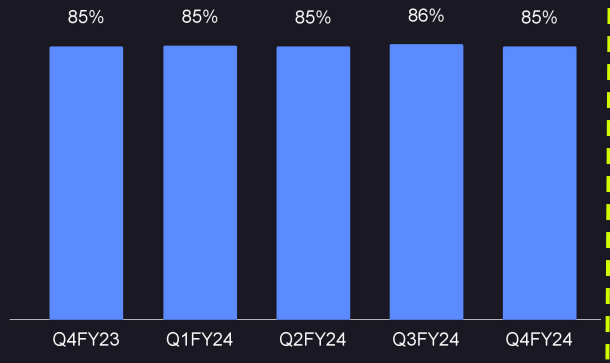


(1) Billings = total revenues plus the change in contract liabilities and refund liability less contract assets and unbilled accounts receivable in a given period. Please see Appendix for non-GAAP reconciliation.
(2) Rolling 4- quarter year over year growth rate is used to smooth out the quarterly variability in the billings number

Maintaining healthy margins

Non-GAAP Gross Margin[1]

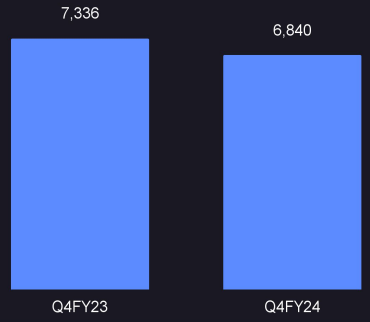
Subscription Gross Margin



Total Gross Margin

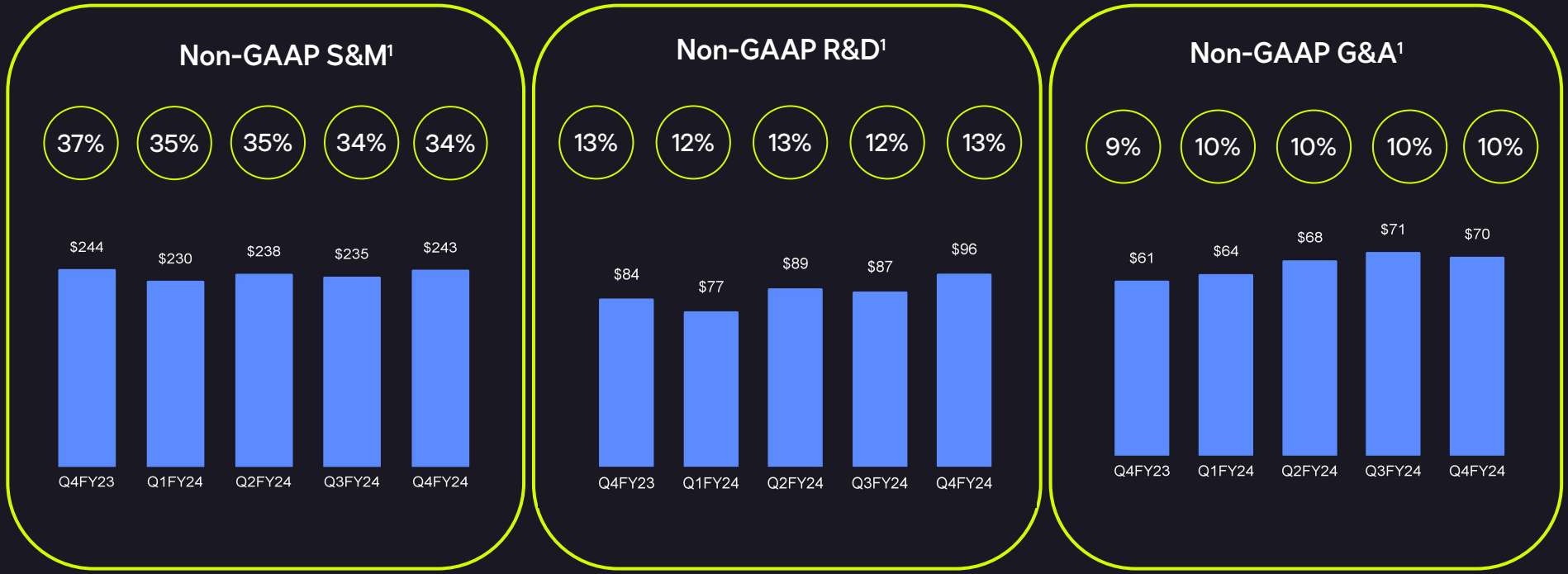


Headcount[2]



(1) Margins are as % of total revenue. Please see Appendix for GAAP to non-GAAP reconciliation.
(2) As of January 31, 2023 and 2024.

Operating Expenses as a % of revenue



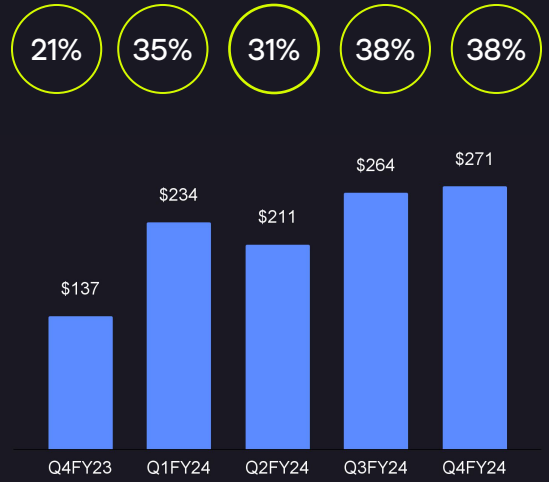
(1) in millions. Margins are as % of total revenue. Please see Appendix slides for non-GAAP reconciliation.

Operating leverage and cash flow

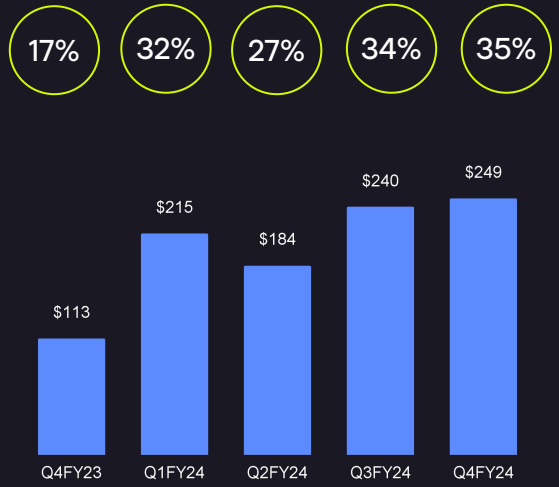
Non-GAAP Operating Income[1]



Operating Cash Flow[1]



Free Cash Flow[2]



Margin as % of total revenue

(1) in millions. Margins are as % of total revenue.
(2) FCF calculated as Operating Cash Flow less CapEx. Please see Appendix for calculation. Please see Appendix slides for non-GAAP reconciliation.

Q1 FY25 Guidance

(in $ millions, except percentages)	Q1 FY25		
Total revenue	$704	-	$708
Subscription revenue	$686	-	$690
Billings	$685	-	$695
Non-GAAP gross margin	81.0%	-	82.0%
Non-GAAP operating margin	27.0%	-	28.0%
Non-GAAP diluted weighted-average shares o/s	208	-	213

FY25 Guidance

(in $ millions, except percentages)	FY25		
Total revenue	$2,915	-	$2,927
Subscription revenue	$2,843	-	$2,855
Billings	$2,970	-	$3,024
Non-GAAP gross margin	81.0%	-	82.0%
Non-GAAP operating margin	26.5%	-	28.0%
Non-GAAP diluted weighted-average shares o/s	208	-	213

Appendix

Financial & Operational Metrics

Financial Metrics (in $ M)	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24
Revenue	$660	$661	$688	$700	$712
% Y/Y Change	*14%*	*12%*	*11%*	*9%*	*8%*
Subscription Revenue	$644	$639	$669	$682	$696
% Y/Y Change	*14%*	*12%*	*11%*	*9%*	*8%*
International Revenue	$165	$168	$180	$185	$196
% Y/Y Change	*19%*	*17%*	*17%*	*18%*	*19%*
Billings	$739	$675	$711	$692	$833
% Y/Y Change	*10%*	*10%*	*10%*	*5%*	*13%*
Rolling 4-Qtr % Y/Y Change[1]	*13%*	*11%*	*12%*	*9%*	*9%*
Non-GAAP Operating Income	$155	$176	$170	$187	$178
Non-GAAP Operating Margin (%)	*24%*	*27%*	*25%*	*27%*	*25%*
Non-GAAP Free Cash Flow	$113	$215	$184	$240	$249
Free Cash Flow Margin	*17%*	*32%*	*27%*	*34%*	*35%*
Operational Metrics	**Q4FY23**	**Q1FY24**	**Q2FY24**	**Q3FY24**	**Q4FY24**
Total Customers	1.35M	1.40M	1.44M	1.47M	1.51M
% Y/Y Change	*16%*	*13%*	*12%*	*11%*	*11%*
Enterprise & Commercial Customers[2]	211K	220K	226K	233K	242K
% Y/Y Change	*24%*	*21%*	*18%*	*15%*	*15%*
Customers >$300k ACV[3]	1,080	1,063	1,047	1,051	1,060
% Y/Y Change	*27%*	*20%*	*6%*	*- %*	*(2%)*
Dollar Net Retention[4]	107%	105%	102%	100%	98%

(1) Rolling 4- quarter year over year growth rate is used to smooth out the quarterly variability in the billings number.
(2) Comprised of customers who were not acquired through our Digital channel.
(3) ACV = Annualized Contract Value
(4) Compares the annual recurring revenue, or ARR, for active subscription contracts from Direct customers at two period end dates. To calculate our dollar-based net retention rate at the end of the base year (e.g., January 31, 2024), we first identify customers that were customers at the end of the prior year (e.g., January 31, 2023) and then divide the ARR attributed to those customers at the end of the base year by the ARR attributed to those same customers at the end of the prior year. For the full year periods, we use January 31 as the base year and compare the customer set to customers at the end of the prior year. The quotient obtained from this calculation is the dollar-based net retention rate. For clarity, we do not include customers serviced via our digital channel in this metric.

GAAP to Non-GAAP Gross Profit Reconciliation

Gross Profit (in $ thousands)	Quarter Ended January 31,		Year Ended January 31,	
	2024	2023	2024	2023
GAAP gross profit	564,479	522,150	2,189,261	1,979,827
Add: Stock-based compensation	20,494	19,075	79,996	72,674
Add: Amortization of acquisition-related intangibles	2,070	2,382	8,857	9,613
Add: Employer payroll tax on employee stock transactions	337	392	2,262	2,184
Add: Lease-related impairment and lease-related charges	—	412	721	1,090
Non-GAAP gross profit	587,380	544,411	2,281,097	2,065,388
GAAP gross margin	79 %	79 %	79 %	79 %
Non-GAAP gross margin	82 %	83 %	83 %	82 %

Subscription Gross Profit (in $ thousands)	Quarter Ended January 31,		Year Ended January 31,	
	2024	2023	2024	2023
GAAP subscription revenue	695,682	643,677	2,686,708	2,442,177
Less: GAAP subscription cost of revenue	120,551	110,463	459,905	426,077
GAAP subscription gross profit	575,131	533,214	2,226,803	2,016,100
Add: Stock-based compensation	13,517	11,644	51,660	46,916
Add: Amortization of acquisition-related intangibles	2,070	2,382	8,857	9,613
Add: Employer payroll tax on employee stock transactions	232	243	1,464	1,393
Add: Lease-related impairment and lease-related charges	—	126	505	447
Non-GAAP subscription gross profit	590,950	547,609	2,289,289	2,074,469
GAAP subscription gross margin	83 %	83 %	83 %	83 %
Non-GAAP subscription gross margin	85 %	85 %	85 %	85 %

GAAP to Non-GAAP Operating Income (Loss) and Free Cash Flow Reconciliation

Operating Income (Loss) (in $ thousands)	Quarter Ended January 31,		Year Ended January 31,	
	2024	2023	2024	2023
GAAP income (loss) from operations	9,935	(284)	31,634	(88,031)
Add: Stock-based compensation	161,000	145,923	611,835	533,100
Add: Amortization of acquisition-related intangibles	4,701	4,953	19,375	20,706
Add: Employer payroll tax on employee stock transactions	2,600	1,944	13,682	12,921
Add: Restructuring and other related charges	88	253	30,381	28,335
Add: Lease-related impairment and lease-related charges	—	2,676	4,460	7,181
Add: Executive transition costs	—	—	—	2,634
Non-GAAP income from operations	178,324	155,465	711,367	516,846
GAAP operating margin	1 %	— %	1 %	(3) %
Non-GAAP operating margin	25 %	24 %	26 %	21 %

Free Cash Flow (in $ thousands)	Quarter Ended January 31,		Year Ended January 31,	
	2024	2023	2024	2023
Net cash provided by operating activities	270,698	137,057	979,526	506,759
Less: Purchases of property and equipment	(22,114)	(24,064)	(92,391)	(77,654)
Non-GAAP free cash flow	248,584	112,993	887,135	429,105
Free Cash Flow Margin	35%	17%	32%	17%
Net cash provided by (used in) by investing activities	67,238	(43,502)	44,612	(191,197)
Net cash used in financing activities	(735,034)	(15,614)	(946,039)	(98,256)

GAAP to Non-GAAP Operating Expenses Reconciliation

Sales & Marketing (in $ thousands)	Quarter Ended January 31,		Year Ended January 31,	
	2024	2023	2024	2023
GAAP sales and marketing	300,221	304,649	1,168,137	1,242,711
Less: Stock-based compensation	(53,251)	(55,760)	(203,855)	(222,334)
Less: Amortization of acquisition-related intangibles	(2,631)	(2,571)	(10,518)	(11,093)
Less: Employer payroll tax on employee stock transactions	(1,104)	(910)	(5,049)	(6,160)
Less: Lease-related impairment and lease-related charges	—	(1,467)	(2,171)	(3,820)
Non-GAAP sales and marketing	243,235	243,941	946,544	999,304
GAAP sales and marketing as a percentage of revenue	42 %	46 %	42 %	49 %
Non-GAAP sales and marketing as a percentage of revenue	34 %	37 %	34 %	40 %

Research & Development (in $ thousands)	Quarter Ended January 31,		Year Ended January 31,	
	2024	2023	2024	2023
GAAP research and development	151,524	125,891	539,488	480,584
Less: Stock-based compensation	(54,753)	(41,278)	(184,211)	(149,967)
Less: Employer payroll tax on employee stock transactions	(605)	(460)	(4,276)	(3,469)
Less: Lease-related impairment and lease-related charges	—	(433)	(873)	(1,252)
Non-GAAP research and development	96,166	83,720	350,128	325,896
GAAP research and development as a percentage of revenue	21 %	19 %	20 %	19 %
Non-GAAP research and development as a percentage of revenue	13 %	13 %	13 %	13 %

General & Administrative (in $ thousands)	Quarter Ended January 31,		Year Ended January 31,	
	2024	2023	2024	2023
GAAP general and administrative	102,711	91,641	419,621	316,228
Less: Stock-based compensation	(32,502)	(29,810)	(143,773)	(88,125)
Less: Employer payroll tax on employee stock transactions	(554)	(182)	(2,095)	(1,108)
Less: Lease-related impairment and lease-related charges	—	(364)	(695)	(1,019)
Less: Executive transition costs	—	—	—	(2,634)
Non-GAAP general and administrative	69,655	61,285	273,058	223,342
GAAP general and administrative as a percentage of revenue	15 %	14 %	15 %	13 %
Non-GAAP general and administrative as a percentage of revenue	10 %	9 %	10 %	9 %

Computation of Billings

Computation of Billings (in $ thousands)	Quarter Ended January 31,		Year Ended January 31,	
	2024	2023	2024	2023
Revenue	712,386	659,576	2,761,882	2,515,915
Add: Contract liabilities and refund liability, end of period	1,343,792	1,191,269	1,343,792	1,191,269
Less: Contract liabilities and refund liability, beginning of period	(1,228,174)	(1,113,131)	(1,191,269)	(1,049,106)
Add: Contract assets and unbilled accounts receivable, beginning of period	25,253	17,945	16,615	18,273
Less: Contract assets and unbilled accounts receivable, end of period	(20,189)	(16,615)	(20,189)	(16,615)
Non-GAAP billings	833,068	739,044	2,910,831	2,659,736

