



Q4 and Full Year Fiscal 2021 Financial Review

Safe Harbor

This presentation contains forward-looking statements that are based on our management's beliefs and assumptions and on information currently available to management. Forward-looking statements include all statements that are not historical facts and can be identified by terms 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 in this press release include, among other things, statements under "Outlook" above and any other statements about expected financial metrics, such as revenue, billings, non-GAAP gross margin, non-GAAP diluted weighted-average shares outstanding, and non-financial metrics, such as customer growth, as well as statements related to our expectations regarding the benefits of the DocuSign Agreement Cloud and enhancements to it, additions to the DocuSign Agreement Cloud software suite of products, including as a result of acquisitions, and the anticipated benefits of our issuances of convertible notes and the establishment of our credit facility. They also include statements about our future operating results and financial position, our business strategy and plans, market growth and trends, and our objectives for future operations. These statements are subject to substantial risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements.

These risks and uncertainties include, among other things, risks related to our ability to estimate the size of our total addressable market; our expectations regarding the impact of the ongoing COVID-19 pandemic on our business, the results of our operations and our financial condition, as well as our future profitability and growth once the pandemic has abated; our expectations regarding the impact of the ongoing COVID-19 pandemic on the businesses of our customers, partners and suppliers, and the economy; our ability to effectively sustain and manage our growth and future expenses, achieve and maintain future profitability, attract new customers and maintain and expand our existing customer base; our ability to scale and update our platform to respond to customers' needs and rapid technological change; the effects of increased competition in our market and our ability to compete effectively; 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 relationship with developers; our ability to expand our direct sales force, customer success team and strategic partnerships around the world; our ability to identify targets for and execute potential acquisitions; our ability to successfully integrate the operations of businesses we may acquire, or to realize the anticipated benefits of such acquisitions; our ability to maintain, protect and enhance our brand; the sufficiency of our cash and cash equivalents to satisfy our liquidity needs; limitations on us due to obligations we have under our credit facility or other indebtedness; our failure or the failure of our software suite of services 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; our ability to estimate the size and potential growth of our target market; 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 quarterly report on Form 10-Q for the quarter ended October 31, 2020 filed on December 4, 2020 with the Securities and Exchange Commission (the "SEC"), and other filings that we make from time to time with the SEC. In addition, any forward-looking statements contained in this press release are based on assumptions that we believe to be reasonable as of this date. Except as required by law, we assume no obligation to update these forward-looking statements, or to update the reasons if actual results differ materially from those anticipated in the forward-looking statements.

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 are presenting 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.

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, acquisition-related expenses, loss on extinguishment of debt, tax impact related to an intercompany IP transfer 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.

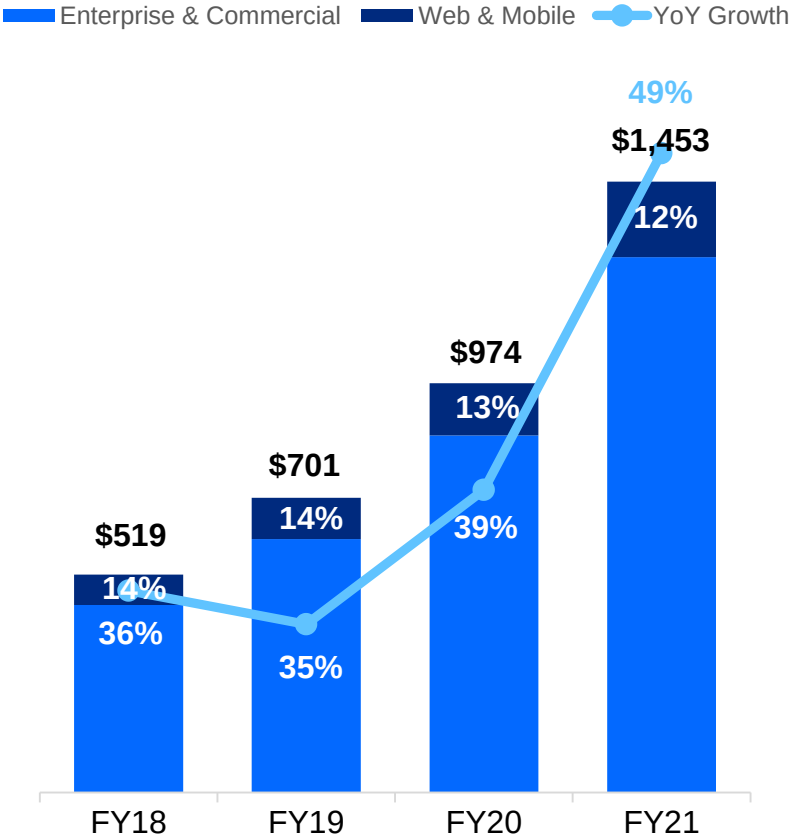
Free cash flow: We define free cash flow as net cash provided by (used in) operating activities less purchases of property and equipment. We believe free cash flow is an important liquidity measure of the cash (if any) that is available, after purchases of property and equipment, for operational expenses, 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 is a key metric to measure our periodic performance. 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.

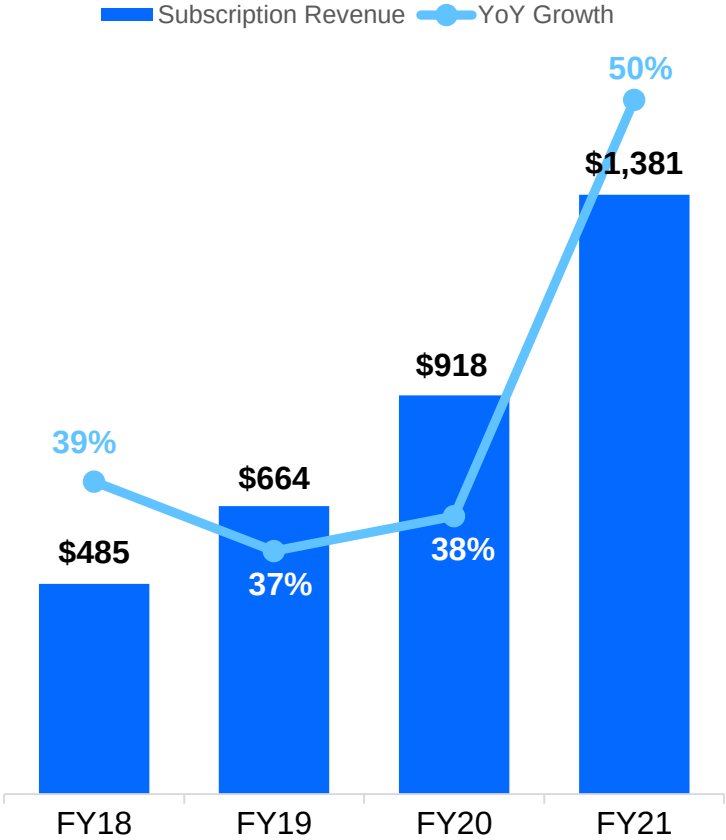
For a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measure, please see "Reconciliation of GAAP to Non-GAAP Financial Measures" below.

Strong and consistent revenue growth at scale

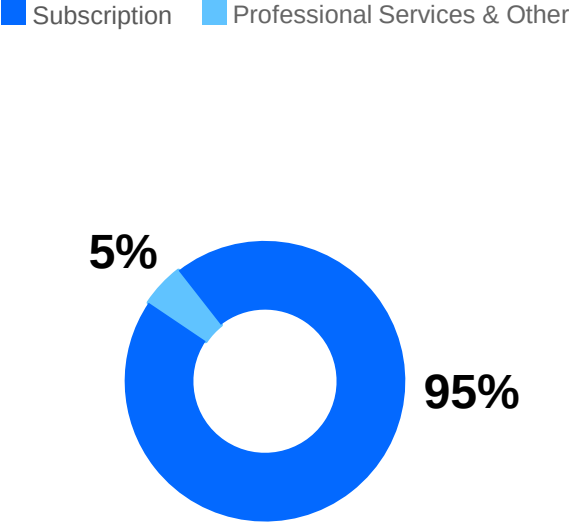
Revenue



Subscription Revenue



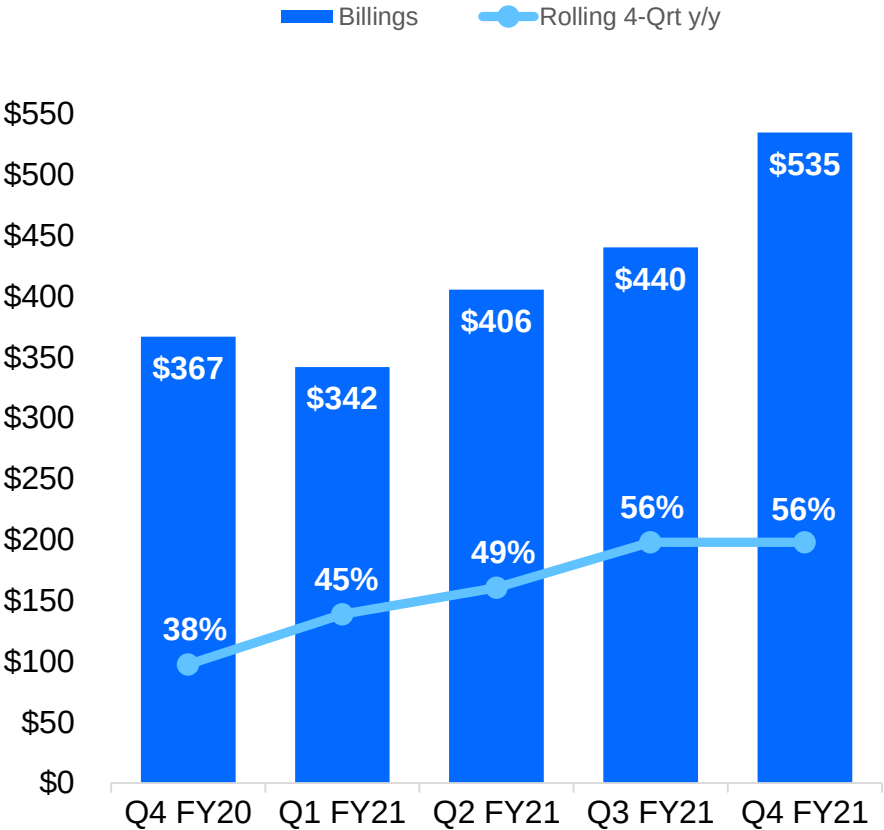
Revenue Contribution⁽¹⁾



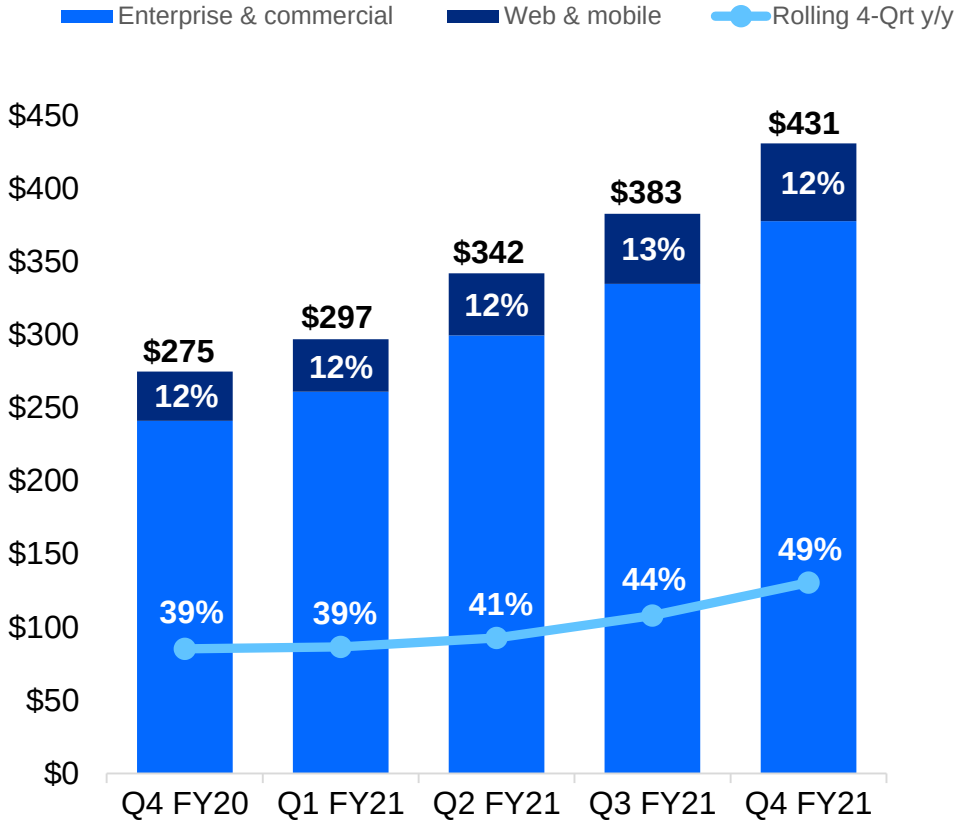
Note: For the fiscal years ended January 31, 2018, 2019, 2020 and 2021. \$ in millions.
(1) For the fiscal year ended January 31, 2021.

Strong growth in billings and revenue⁽¹⁾

Billings⁽²⁾



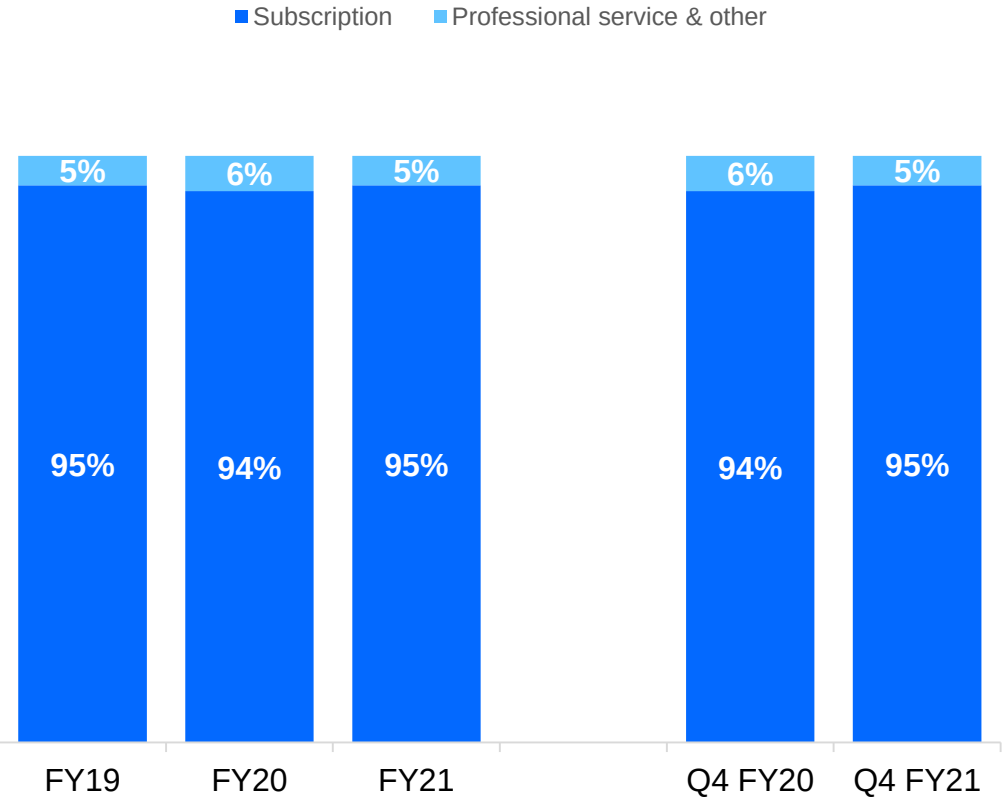
Revenue



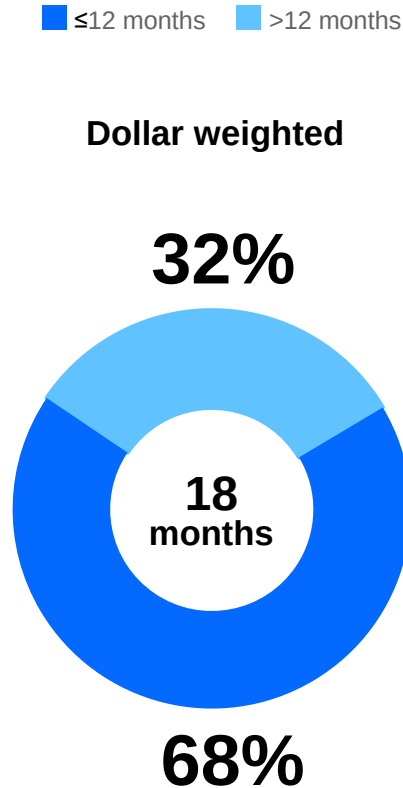
(1) For the fiscal quarter ended January 31, 2021 and the four fiscal quarters prior. \$ in millions.
(2) Billings = total revenues plus the change in contract liabilities and refund liability less contract assets and unbilled accounts receivable in a given period. Please see Appendix for non-GAAP reconciliation.

Strong revenue visibility

Revenue contribution⁽¹⁾



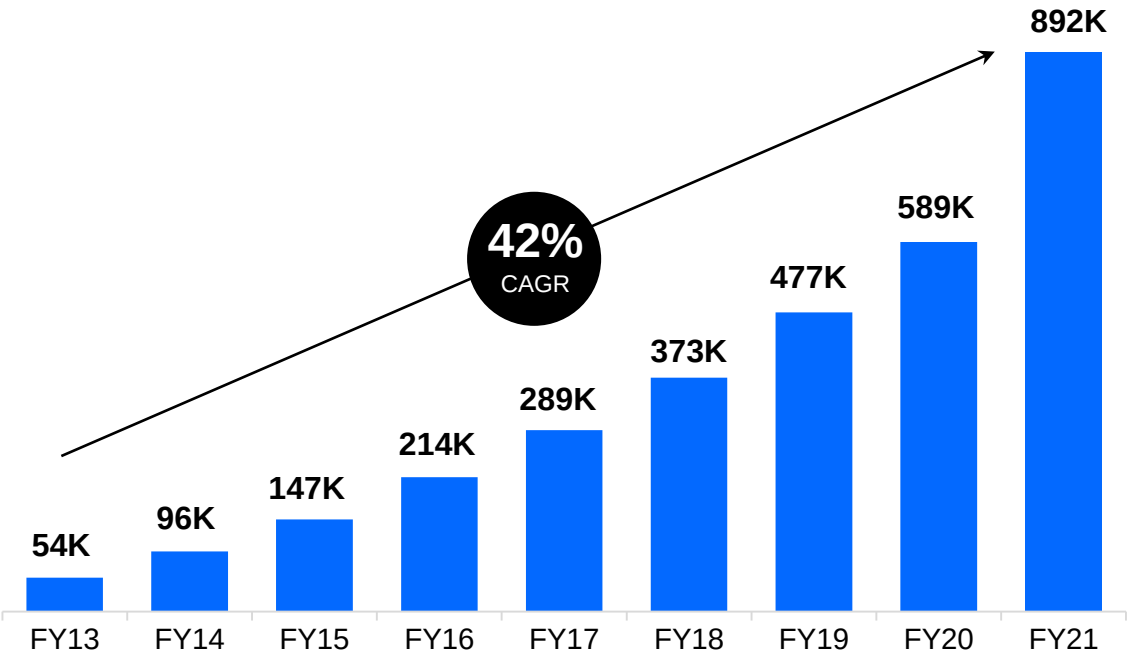
Average contract length⁽²⁾



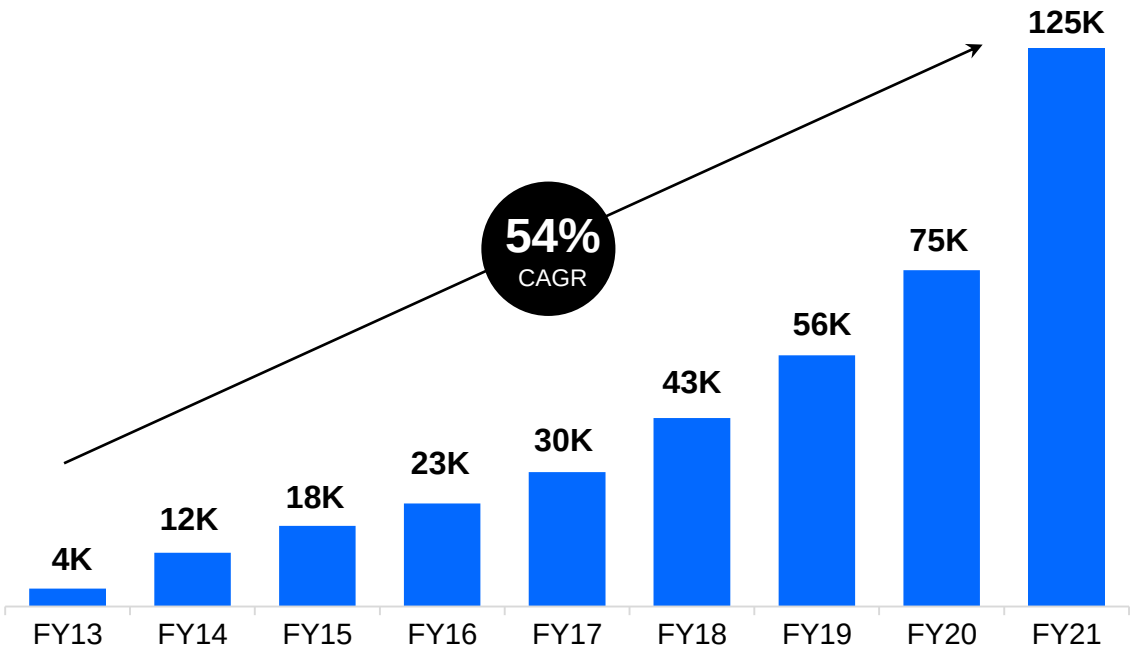
(1) For the fiscal years ended January 31, 2019, 2020, 2021, and for the three months ended January 31, 2020 and 2021.
(2) Rolling 4-quarter average through Q4 FY21.

Large and growing customer base

Total Customers⁽¹⁾



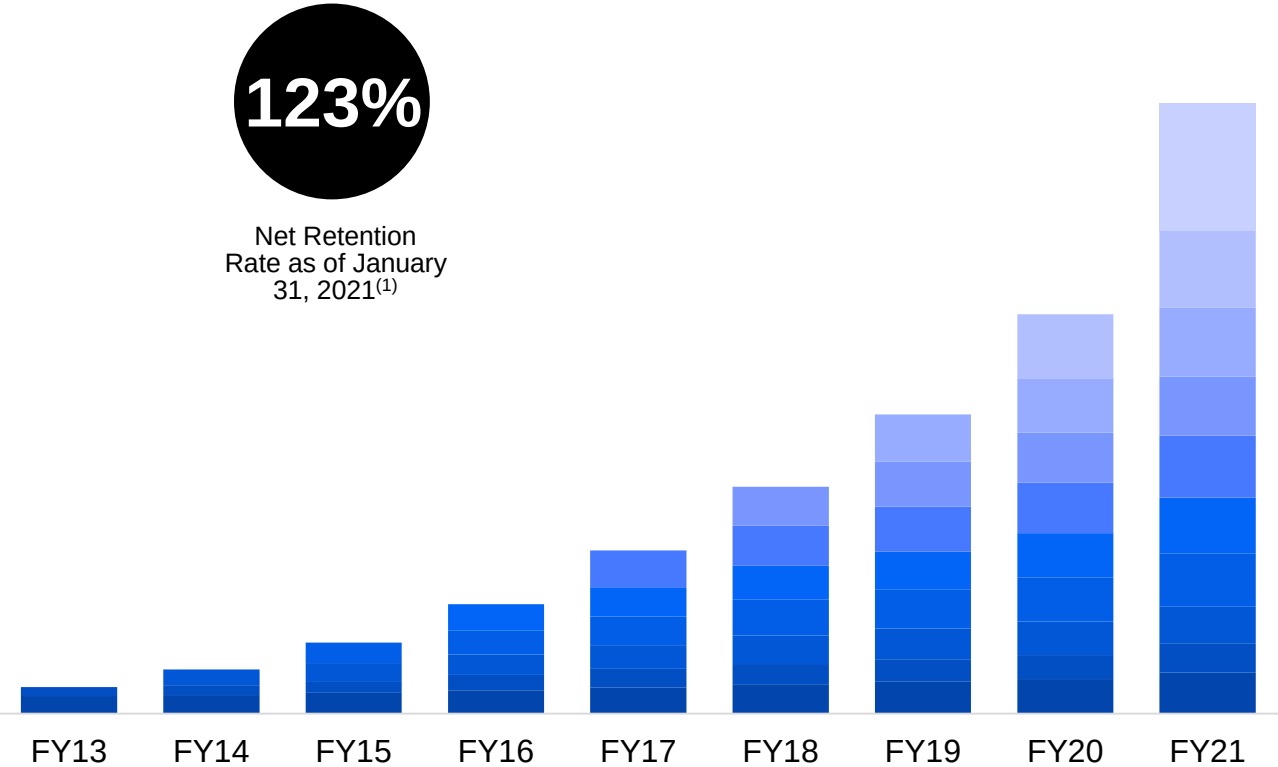
Enterprise & Commercial Customers⁽²⁾



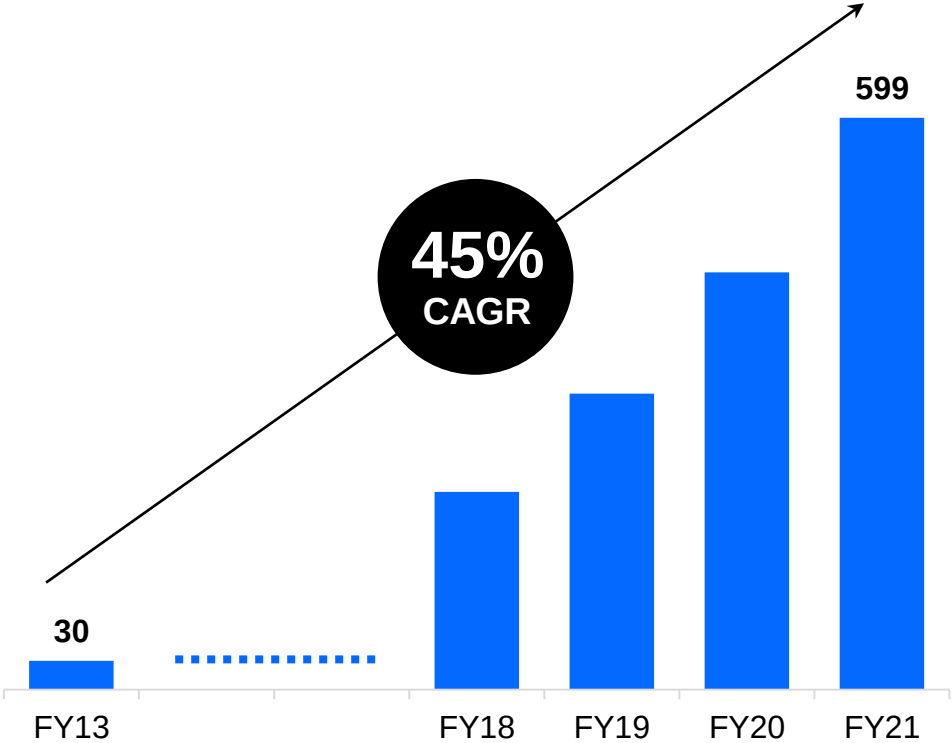
(1) At period end.
(2) Comprised of customers who were not acquired through our self-service channel.

Cohort and large customer expansion

Cohort analysis

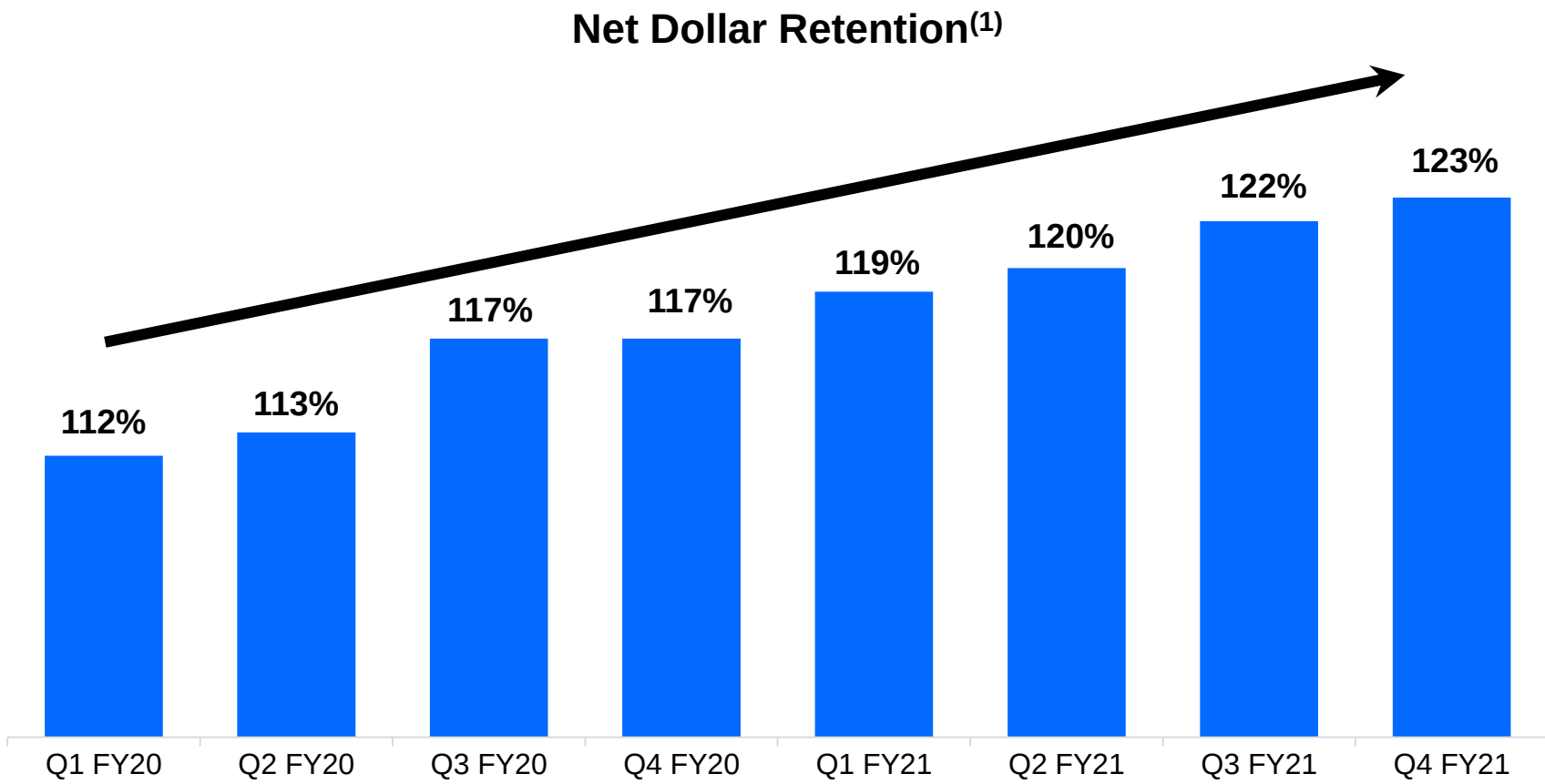


Customers with >\$300K in ACV⁽²⁾



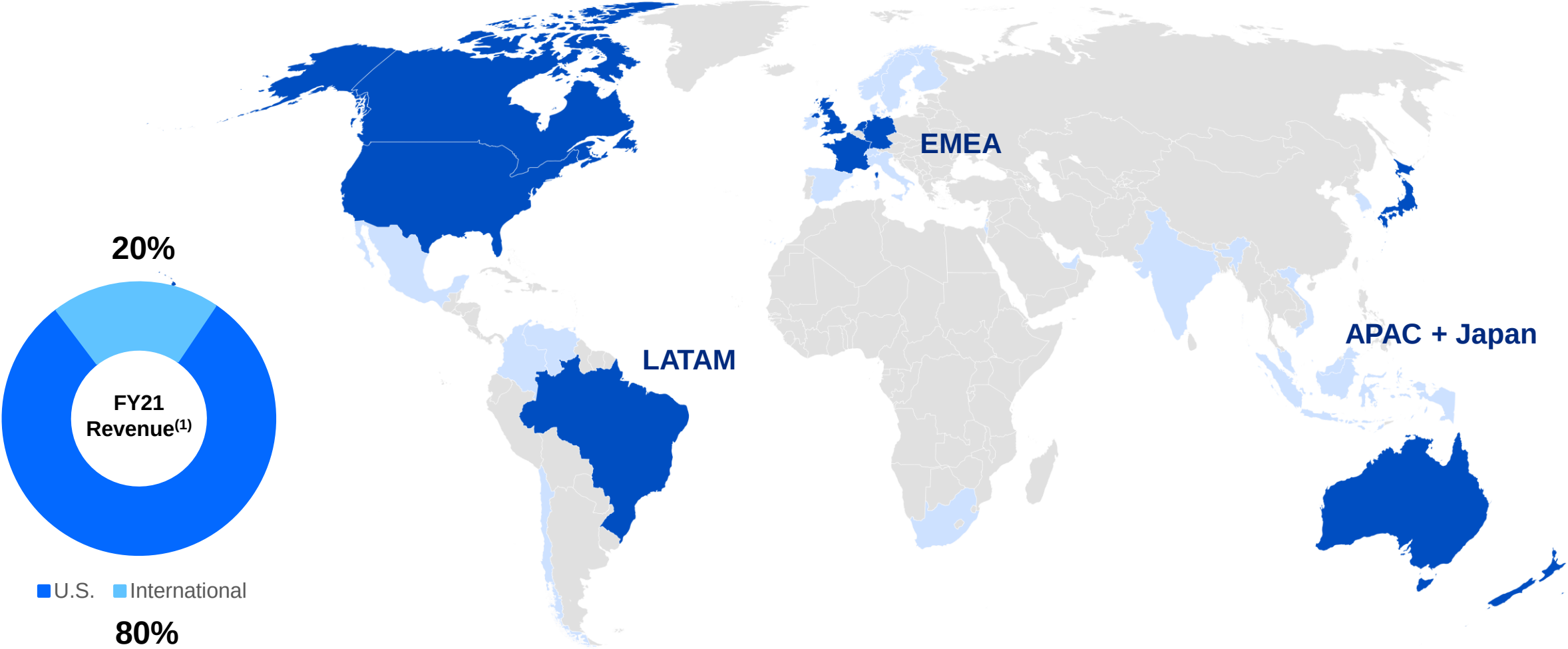
(1) Compares the ACV for subscription contracts from a set of enterprise and commercial customers at two period end dates. To calculate our dollar-based net retention rate at the end of a base year (e.g., January 31, 2021), we first identify the set of customers that were customers at the end of the prior year (e.g., January 31, 2020) and then divide the ACV attributed to that set of customers at the end of the base year by the ACV attributed to that same set at the end of the prior year. The quotient obtained from this calculation is the dollar-based net retention rate.
(2) Average Contract Value.

Strength in customer demand driving accelerated growth at scale



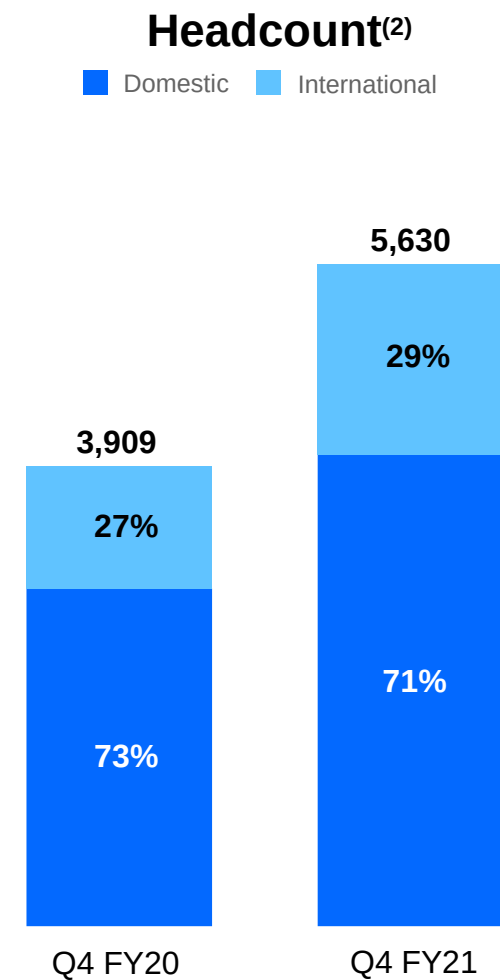
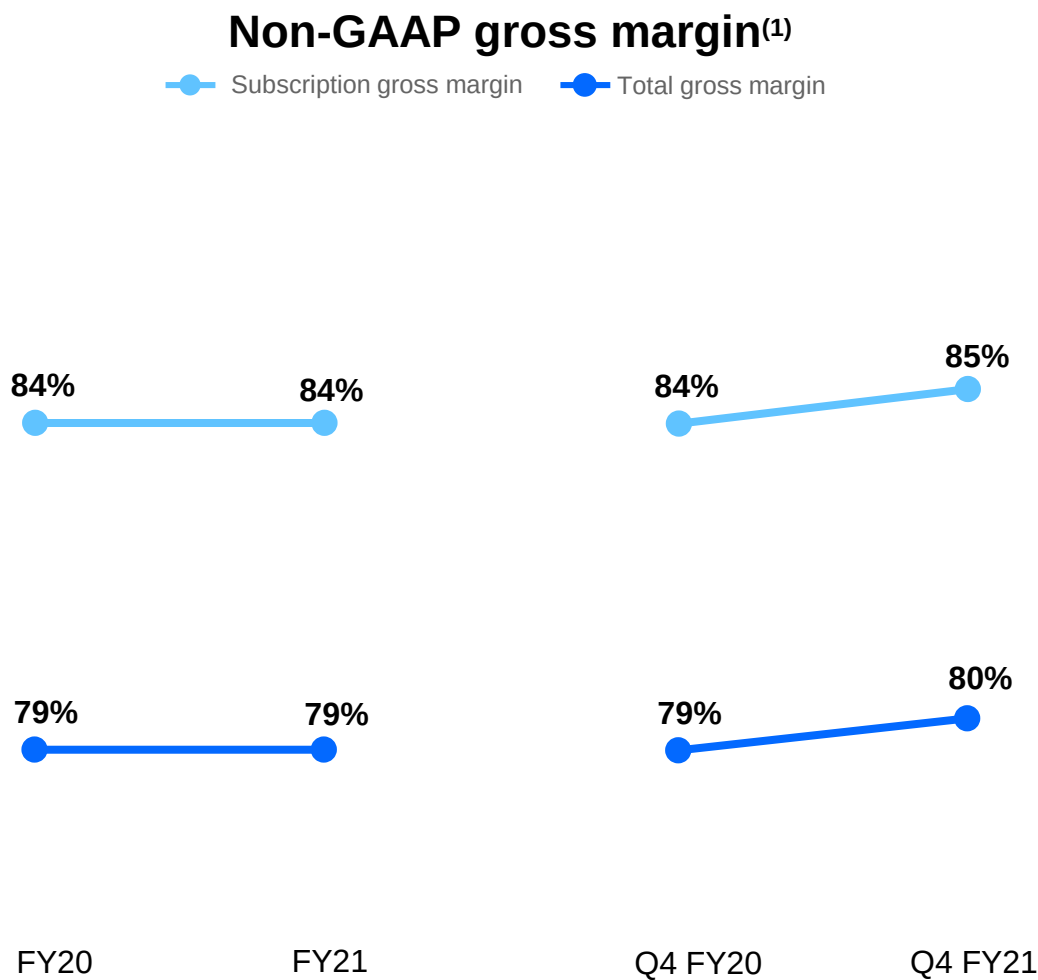
(1) Compares the ACV for subscription contracts from a set of enterprise and commercial customers at two period end dates. To calculate our dollar-based net retention rate at the end of a base year (e.g., January 31, 2021), we first identify the set of customers that were customers at the end of the prior year (e.g., January 31, 2020) and then divide the ACV attributed to that set of customers at the end of the base year by the ACV attributed to that same set at the end of the prior year. The quotient obtained from this calculation is the dollar-based net retention rate.

Rapid international expansion



(1) As of January 31, 2021.

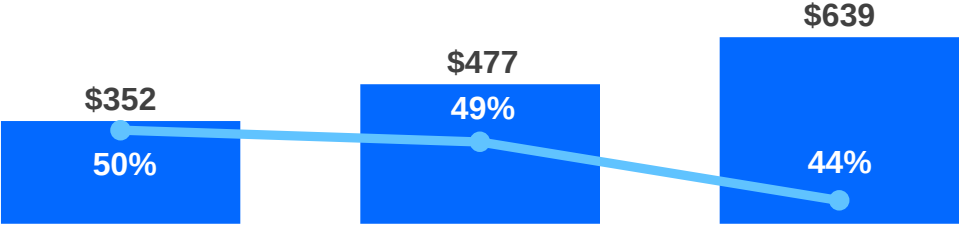
Achieving increased leverage



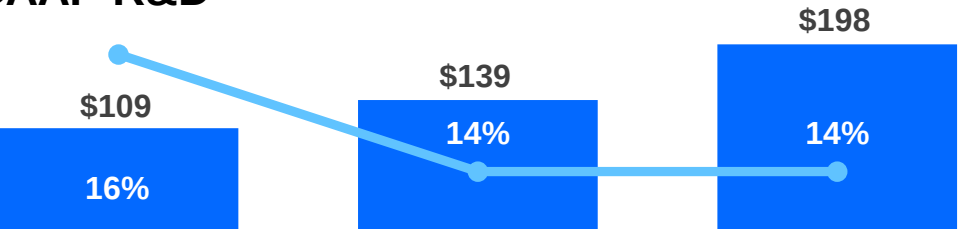
(1) Please see Appendix for GAAP to non-GAAP reconciliation. \$ in millions. Percentages are a % of revenue.
(2) As of January 31, 2020 and 2021.

Achieving increased leverage

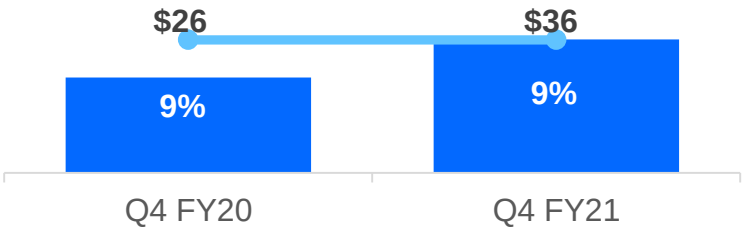
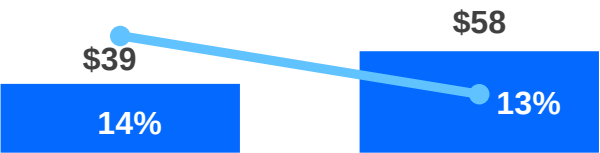
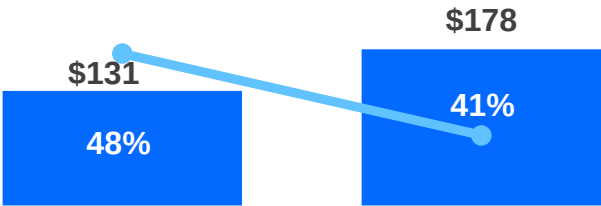
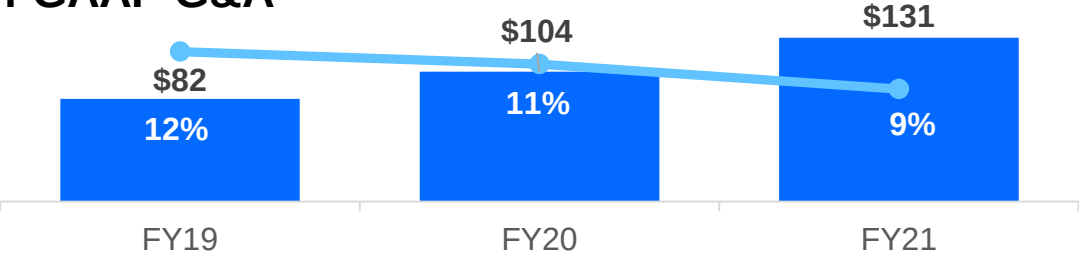
Non-GAAP S&M⁽¹⁾



Non-GAAP R&D⁽¹⁾



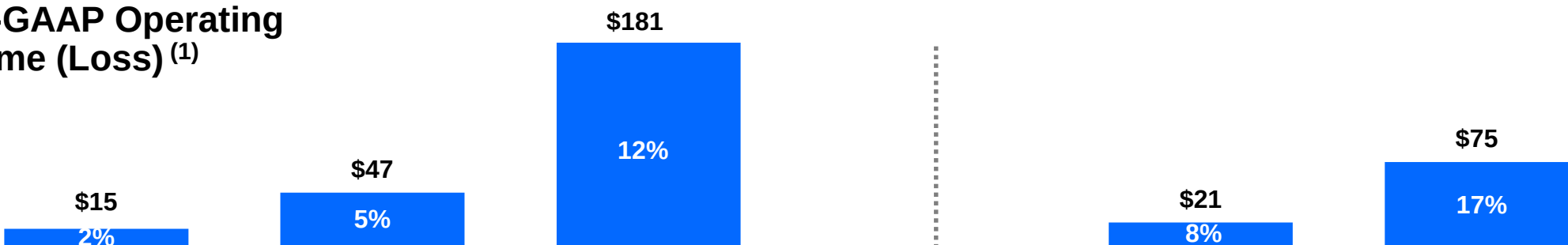
Non-GAAP G&A⁽¹⁾



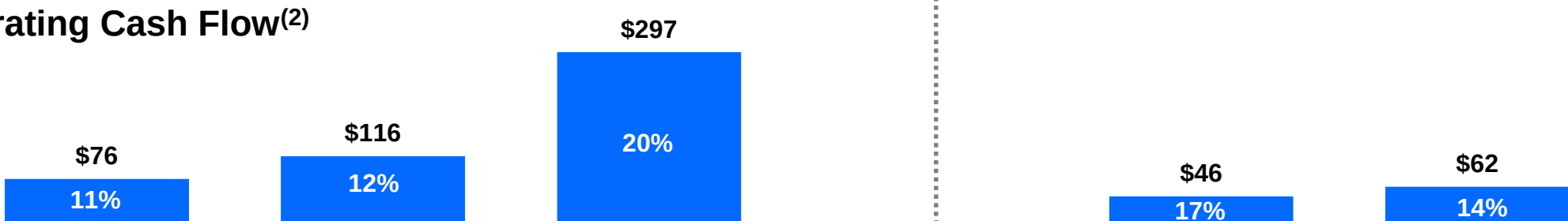
Note: For the fiscal years ended January 31, 2019, 2020, 2021 and the quarter ended January 31, 2021. \$ in millions. Margins are as % of revenue.
(1) Please see Appendix slides for non-GAAP reconciliation.

Improving profitability and cash flow

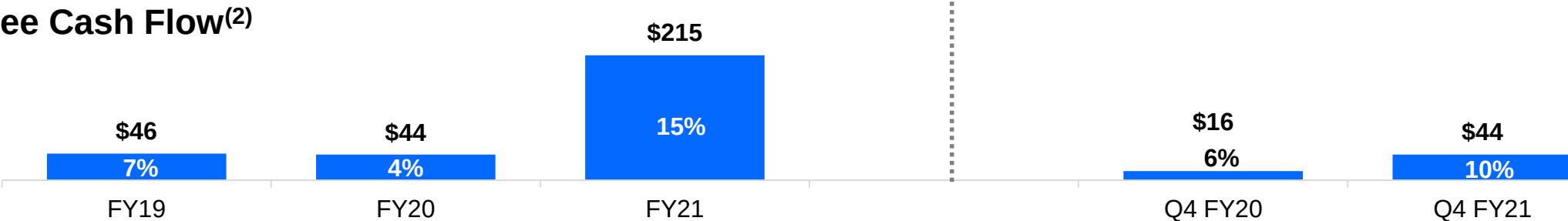
Non-GAAP Operating Income (Loss) ⁽¹⁾



Operating Cash Flow⁽²⁾



Free Cash Flow⁽²⁾



Note: For the fiscal years ended January 31, 2019, 2020, 2021 and the quarter ended January 31, 2021. \$ in millions. Margins are as % of revenue.

(1) Please see Appendix slides for non-GAAP reconciliation.

(2) OCF and FCF include \$75 million related to accounting of the extinguishment of the 2023 convertible notes. FCF calculated as Operating Cash Flow – CapEx. Please Appendix for calculation.

Q1 FY2022 Guidance

	Q1 Fiscal 2022		
Total revenue	\$432M	-	\$436M
Subscription revenue	\$415M	-	\$419M
Billings	\$457M	-	\$467M
Non-GAAP Gross margin	79%	-	81%
Non-GAAP Operating margin	12%		14%
Non-GAAP diluted weighted-average shares o/s	205M	-	210M

FY2022 Guidance

Fiscal 2022			
Total revenue	\$1,963M	-	\$1,973M
Subscription revenue	\$1,886M	-	\$1,896M
Billings	\$2,260M	-	\$2,280M
Non-GAAP Gross margin	79%	-	81%
Non-GAAP Operating margin	13%	-	15%
Provision for income taxes	\$8M	-	\$10M
Non-GAAP diluted weighted-average shares o/s	205M	-	210M

Appendix

GAAP to non-GAAP gross profit reconciliation

Gross Profit (in \$K)	Quarter Ended January 31,		Twelve Months Ended January 31,	
	2021	2020	2021	2020
GAAP Gross Profit	329,318	206,820	1,088,989	730,737
Add: Stock-based Compensation in Cost of Revenue	12,648	7,777	42,658	28,585
Add: Amortization of Acquisition-related Intangibles in Cost of Revenue	3,196	1,348	11,052	5,704
Add: Employer Payroll Tax on Employee Stock Transactions in Cost of Revenue	1,454	668	5,904	2,577
> Non-GAAP Gross Profit	346,616	216,613	1,148,603	767,603
GAAP Gross Margin	76%	75%	75%	75%
Non-GAAP Gross Margin	80%	79%	79%	79%

Subscription Gross Profit (in \$K)	Quarter Ended January 31,		Twelve Months Ended January 31,	
	2021	2020	2021	2020
GAAP Subscription Revenue	410,215	258,122	1,381,397	918,463
Less: GAAP Subscription Cost of Revenue	73,347	48,162	259,992	163,931
> GAAP Subscription Gross Profit	336,868	209,960	1,121,405	754,532
Add: Stock-based Compensation in Subscription Cost of Revenue	6,138	3,951	20,793	12,882
Add: Amortization of Acquisition-related Intangibles in Subscription Cost of Revenue	3,196	1,348	11,052	5,704
Add: Employer Payroll Tax on Employee Stock Transactions in Subscription Cost of Revenue	679	285	2,862	1,054
> Non-GAAP Subscription Gross Profit	346,881	215,544	1,156,112	774,172
GAAP Subscription Gross Margin	82%	81%	81%	82%
Non-GAAP Subscription Gross Margin	85%	84%	84%	84%

GAAP to non-GAAP operating gain / (loss) and free cash flow reconciliation

Adjusted Operating Gain / (Loss) (in \$K)	Quarter Ended January 31,		Twelve Months Ended January 31,	
	2021	2020	2021	2020
GAAP Operating Loss	(24,897)	(42,353)	(173,855)	(193,509)
Add: Stock-based Compensation in Cost of Revenue	12,648	7,777	42,658	28,585
Add: Amortization of Intangibles in Cost of Revenue	3,196	1,348	11,052	5,704
Add: Employer Payroll Tax on Employee Stock Transactions in Cost of Revenue	1,454	668	5,904	2,577
Add: Stock-based Compensation in Operating Expenses	70,991	47,828	244,219	177,819
Add: Amortization of Intangibles in Operating Expenses	3,390	2,911	14,566	12,013
Add: Employer Payroll Tax on Employee Stock Transactions in Operating Expenses	7,822	2,589	28,138	14,143
Add: Acquisition-related Operating Expenses	-	-	7,962	-
> Non-GAAP Operating Income	74,604	20,768	180,644	47,332
Operating Margin (GAAP)	(6%)	(15%)	(12%)	(20%)
Operating Margin (non-GAAP)	17%	8%	12%	5%

Free Cash Flow (in \$K)	Quarter Ended January 31,		Twelve Months Ended January 31,	
	2021	2020	2021	2020
Net Cash Provided by Operating Activities	62,233	45,505	296,954	115,696
Less: Purchases of Property, Plant, and Equipment	(18,251)	(29,975)	(82,395)	(72,046)
> Free Cash Flow	43,982	15,530	214,559	43,650
Free Cash Flow Margin	10%	6%	15%	4%
Net Cash Provided by (Used in) Investing Activities	(18,835)	29,306	81,229	(321,489)
Net Cash Provided by (Used in) Financing Activities	143,459	(31,302)	(58,976)	(70,455)

GAAP to non-GAAP operating expenses reconciliation

Sales & Marketing (in \$K)

	Quarter Ended January 31,		Twelve Months Ended January 31,	
	2021	2020	2021	2020
GAAP Sales & Marketing	221,896	161,326	798,625	591,379
Less: Stock-based Compensation in Sales & Marketing	(37,190)	(26,170)	(131,041)	(94,863)
Less: Amortization of Acquisition-related Intangibles in Sales & Marketing	(3,390)	(2,911)	(14,566)	(12,013)
Less: Acquisition-related Expenses in Sales & Marketing	-	-	(186)	-
Less: Employer Payroll Tax on Employee Stock Transactions in Sales & Marketing	(3,198)	(1,413)	(14,190)	(7,023)
> Non-GAAP Sales & Marketing	178,118	130,832	638,642	477,480
Sales & Marketing as % of Revenue (GAAP)	51%	59%	55%	61%
Sales & Marketing as % of Revenue (non-GAAP)	41%	48%	44%	49%

Research & Development (in \$K)

	Quarter Ended January 31,		Twelve Months Ended January 31,	
	2021	2020	2021	2020
GAAP Research & Development	80,135	52,094	271,522	185,552
Less: Stock-based Compensation in Research & Development	(20,328)	(12,252)	(65,890)	(43,211)
Less: Employer Payroll Tax on Employee Stock Transactions in Research & Development	(2,012)	(636)	(7,329)	(3,524)
> Non-GAAP Research & Development	57,795	39,206	198,303	138,817
Research & Development as % of Revenue (GAAP)	19%	19%	19%	19%
Research & Development as % of Revenue (non-GAAP)	13%	14%	14%	14%

General & Administrative (in \$K)

	Quarter Ended January 31,		Twelve Months Ended January 31,	
	2021	2020	2021	2020
GAAP General & Administrative	52,184	35,753	192,697	147,315
Less: Stock-based Compensation in General & Administrative	(13,473)	(9,406)	(47,288)	(39,745)
Less: Acquisition-related Expenses in General & Administrative	-	-	(7,776)	-
Less: Employer Payroll Tax on Employee Stock Transactions in General & Administrative	(2,612)	(540)	(6,619)	(3,596)
> Non-GAAP General & Administrative	36,099	25,807	131,014	103,974
General & Administrative as % of Revenue (GAAP)	12%	12%	13%	15%
General & Administrative as % of Revenue (non-GAAP)	9%	9%	9%	11%

Computation of billings

Computation of Billings (in \$K)

	Quarter Ended January 31,		Twelve Months Ended January 31,	
	2021	2020	2021	2020
Revenue	430,898	274,895	1,453,047	973,971
Add: Contract Liabilities and Refund Liability, End of Period	800,940	522,201	800,940	522,201
Less: Contract Liabilities and Refund Liability, Beginning of Period	(702,691)	(435,898)	(522,201)	(390,887)
Add: Contract Assets and Unbilled Accounts Receivable, Beginning of Period	26,808	20,805	15,082	13,436
Less: Contract Assets and Unbilled Accounts Receivable, End of Period	(21,021)	(15,082)	(21,021)	(15,082)
Add: Contract Assets and Unbilled Accounts Receivable by Acquisitions	-	-	6,589	-
Less: Contract Liabilities and Refund Liability Contributed by Acquisitions	-	-	(9,344)	-
Billings	534,934	366,921	1,723,092	1,103,639