Investor Presentation

Q3 FY27

workday.

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This presentation may contain forward-looking statements for which there are risks, uncertainties, and assumptions. Forward-looking statements may include any statements regarding strategies or plans for future operations; any statements concerning new features, enhancements or upgrades to our existing applications or plans for future applications; any projections of revenues, gross margins, earnings, or other financial items; and any statements of expectation or belief. Forward-looking statements are based only on currently available information and our current beliefs, expectations, and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy, and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks, and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements, and therefore you should not rely on any forward-looking statements that we may make. Further information on risks that could affect Workday's results is included in our filings with the Securities and Exchange Commission which are available on the Workday investor relations webpage: investor.workday.com.

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Customers who purchase Workday services should make their purchase decisions based upon services, features, and functions that are currently available.

Use of Non-GAAP Measures

In addition to financial results presented in accordance with US generally accepted accounting principles (GAAP), this presentation includes certain non-GAAP financial measures of performance. These non-GAAP financial measures are in addition to, and not a substitute for or superior to, measures of financial performance prepared in accordance with GAAP, and may be different from non-GAAP financial measures used by other companies. In addition, these non-GAAP financial measures have limitations in that they do not reflect all of the amounts associated with Workday's results of operations or cash flows as determined in accordance with GAAP. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures are contained in the Appendix to this presentation.

The Company has not provided a reconciliation of its forward outlook for non-GAAP operating margin with its forward-looking GAAP operating margin in reliance on the unreasonable efforts exception provided under Item 10(e)(1)(i)(B) of Regulation S-K. The Company is unable to predict with reasonable certainty the amount and timing of adjustments that are used to calculate this non-GAAP financial measure, particularly related to stock-based compensation and its related tax effects, acquisition-related costs, and restructuring costs.

Workday at a Glance

Workday by the Numbers

$276B
Market Opportunity[1]

$9.718B 14.2% YoY Growth
Trailing Twelve Month Subscription Revenues[2]

$3.256B 31.2% Margin
Trailing Twelve Month Non-GAAP Operating Income[2,3]

$3.229B 31.0% Margin
Trailing Twelve Month Operating Cash Flow[2]



Trusted Agentic Platform
For HR, Finance, and IT



11,500+ Global Customers
Operating Across 180+ Countries



Serving 65%+ of the Fortune 500
Including 75%+ of the Top 50 Fortune 500 Companies



80M+ Users Under Contract
Generating ~1.4 Trillion Transactions Annually[4]



20,900+ Employees Worldwide
Offices in 30+ Countries

[1] TAM estimates based on Workday and third-party data as of 10.13.2026
[2] For the trailing twelve months ended 10.31.2026
[3] Reconciliations of GAAP to Non-GAAP financial data included in the Appendix
[4] Reflects transaction volume as of fiscal 2026

Workday's AI Platform

Agentic Experience

Sana

Teams of Agents

Agents for Everyone
- Self-Service Agent
- Sana Concierge
- Sana Coach

Agents for HR
- Talent Acquisition Agent
- Org Development Agent
- Workforce Mgmt Agent
- Payroll Agent

Agents for Finance
- Accounting Agent
- Contracts Agent
- Procurement Agent
- Travel Agent

Agents for IT & Dev
- Developer Agent
- Admin Agent

Decision Intelligence | Turn trusted data into auditable decisions

Trusted Agent Platform

Agent Harness
Memory, Guardrails, Grounded Reasoning

Agent Governance
Security, Passport, Agent System of Record

Data Cloud
Open Data Core, Live Data Query, Context Layer

Extend AI
Developer Agent, Custom Agents, Agent-Ready Tools

Developer Platform and Marketplace

Core Applications

HCM | Payroll | Financials | Planning | Industry

Data & Context

Unified Data | Governance | Business Processes | Security | Compliance

Workday's AI Advantage



Higher Accuracy

Context advantage

Gives agents **grounded context**

Deterministic Execution

Write path advantage

Routes every action through your **configured compliance**

Real-time Flow of Work

Business process advantage

Every action is executed as the **right person, with the right scope**

Driving Clear AI Momentum

Total ARR from Agentic AI

$750M+

>130% YoY Growth

Number of Core Customers

2,200+

Licensed on one or more Agentic AI products[1]

Core Customer AI Attach Rate

~30%

Licensed on one or more Agentic AI products[1]

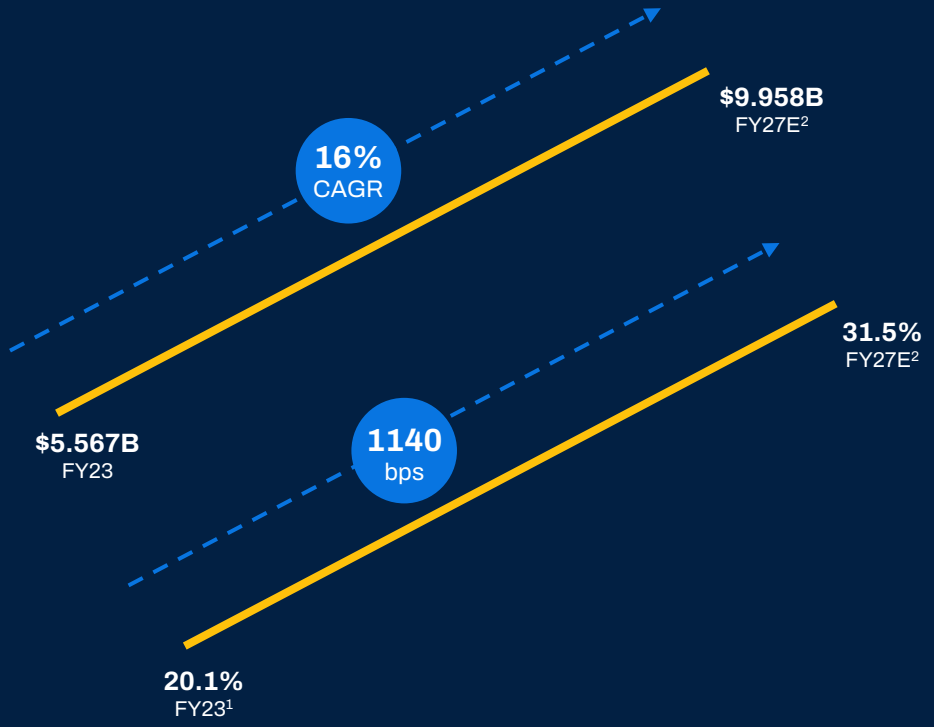
For the quarter ended 10.31.2026

[1] Represents monetized AI solutions including HiredScore, Evisort, Paradox, Sana Learn, Sana Enterprise, Extend AI, Flex Credits, Decision Intelligence, Workday Data Cloud and Adaptive Planning Pro

Driving Profitable Growth at Scale

Annual Subscription Revenues

Non-GAAP Operating Margin



97%
Gross Revenue Retention[3]

[1] Reconciliations of GAAP to Non-GAAP financial data included in the Appendix
[2] As provided on Q3 FY27 Earnings Call on 11.24.2026
[3] Refer to Appendix - Other Business Metrics for further details

Note: Lines not drawn to scale

Financial Highlights and Guidance

Q3 FY27 Financial Highlights

	Quarterly Results	Increase YoY
Total Revenues	$2.705B	11.2%
Subscription Revenues	$2.532B	12.8%
Total Subscription Revenue Backlog	$27.548B	6.1%
12-month Subscription Revenue Backlog	$9.216B	12.3%
GAAP Operating Margin	12.1%	148 bps
Non-GAAP Operating Margin[1]	31.4%	294 bps
Operating Cash Flows	$735M	25.1%
Free Cash Flows[1]	$691M	25.8%

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

Q3 FY27 Customer Wins and Expansions



Recent Business Highlights

- Workday welcomed new customers including AISIN Corporation, Dr. Oetker, Euronews, Greenpeace Australia, Pon Holdings B.V., and Standard Bots Company, and added new Sana Enterprise customers including Forvis Mazars, Virgin Cruises, and Wolters Kluwer N.V.
- Industry leaders such as Google, SMS Holdings Corporation, and WPP invested in Workday's AI products.
- More than 2,200 core customers have purchased at least one AI product, up nearly 25% from last quarter.
- Workday acquired C1.ai, a leading agentic identity platform for people and AI agents.
- Nearly 40,000 Workday customers, partners, and innovators joined Workday Rising in the U.S. and EMEA.
- Workday announced Sana is the new home experience for Workday.
- Workday launched Autopilot Agents, new agents that continuously handle routine HR, finance, and IT processes in the background.
- Workday announced that Sana will work inside the AI tools and platforms employees already use, including Claude, Google Cloud's Gemini for business, Microsoft Copilot, Microsoft Teams, and Slack.
- Workday announced its Trusted Agent Platform is now headless, enabling customers to build, run, and govern lawful AI agents across HR and finance with the development tools and models they choose.
- Workday announced Workday Candidate Profile to let job seekers own, manage, and save their information once and reuse it when they apply for jobs at the thousands of companies that use Workday to hire.
- Workday announced Workday Decision Intelligence is now available across its portfolio, giving HR and finance teams a single, governed AI experience that works the way an in-house analyst would to model business scenarios across HR and finance.
- Workday introduced Work Intelligence, which shows companies how AI is changing the work inside each job and which skills their people will need next.

Recent Business Highlights (cont'd)

- Workday and Anthropic announced a new partnership that will bring Claude's frontier reasoning together with Sana AI agents and Workday's trusted data and business context in HR and finance.
- Workday and Accenture launched a forward deployed engineering program to help organizations reinvent how work gets done in the age of AI.
- Workday completed the issuance and sale of $2.5 billion aggregate principal amount of senior notes in an underwritten, registered public offering.
- Workday launched operations in the United Arab Emirates, with a new office in Dubai and expanded local leadership.
- Workday was named a Market Shaper in the inaugural 2026 Gartner® Emerging Market Quadrant (eMQ) for AI Agents in Human Resources.[1]
- Workday was named a Leader in the 2026 Gartner® Magic Quadrant™ for Cloud HCM Suites for 1,000+ Employee Enterprises,[2] Workforce Management Technology,[3] and Cloud ERP Finance.[4]
- Sana from Workday was named a 2026 Top HR Product of the Year by HR Executive.

[1] Gartner, Emerging Market Quadrant for AI Agents in Human Resources — Established Vendors, Ranadip Chandra, Eser Rizaoglu, 23 September 2026

[2] Gartner, Magic Quadrant for Cloud HCM Suites for 1,000+ Employee Enterprises, Josie Xing, Ranadip Chandra, Ron Hanscome, Sam Grinter, Kate Jensen, Anand Chouksey, 31 August 2026

[3] Gartner, Magic Quadrant for Workforce Management Technology, By Sam Grinter, Ranadip Chandra, Kelsie Marian, Anand Chouksey, 14 September 2026

[4] Gartner Magic Quadrant for Cloud ERP Finance, Mike Helsel, Irmina Melarkode 15 October 2026

Guidance Summary

Q4 FY27	Quarterly Guidance	Increase YoY
Total Revenues	$2.755B	9%
Subscription Revenues	$2.600B	10%
12-month Subscription Revenue Backlog	n/a	10% - 11%
Non-GAAP Operating Margin	31.7%	111 bps
GAAP Operating Margin	~18 to 19 points lower than non-GAAP	n/a
Fiscal Year 2027	**Full Year Guidance**	**Increase YoY**
Total Revenues	$10.652B	12%
Subscription Revenues	$9.958B	13%
Non-GAAP Operating Margin	31.5%	194 bps
GAAP Operating Margin	~19 points lower than non-GAAP	n/a
Non-GAAP Tax Rate	19%	n/a
Operating Cash Flows	$3.450B	17%
Capital Expenditures	$270M	66%
Free Cash Flow	$3.180B	15%

As provided on Q3 FY27 Earnings Call on 11.24.2026

Appendix

Reconciliations of GAAP to Non-GAAP Data

(in millions, except percentages)	Three Months Ended October 31,		Nine Months Ended October 31,		Trailing Twelve Months Ended
	2026	2025	2026	2025	October 31, 2026
Non-GAAP operating income					
Operating income	$ 329	$ 259	$ 979	$ 547	$ 1,154
Share-based compensation expense [1]	421	376	1,292	1,185	1,677
Employer payroll tax-related items on employee stock transactions	11	9	44	47	58
Amortization of acquisition-related intangible assets	34	25	105	67	144
Acquisition-related costs	4	18	12	32	42
Restructuring costs	51	5	51	172	181
Non-GAAP operating income	$ 850	$ 692	$ 2,483	$ 2,050	$ 3,256
Non-GAAP operating margin [2]					
Operating margin	12.1 %	10.7 %	12.4 %	7.8 %	11.1 %
Share-based compensation expense [1]	15.6 %	15.5 %	16.4 %	16.9 %	16.0 %
Employer payroll tax-related items on employee stock transactions	0.4 %	0.3 %	0.5 %	0.7 %	0.6 %
Amortization of acquisition-related intangible assets	1.3 %	1.0 %	1.3 %	1.0 %	1.4 %
Acquisition-related costs	0.1 %	0.7 %	0.2 %	0.5 %	0.4 %
Restructuring costs	1.9 %	0.3 %	0.6 %	2.3 %	1.7 %
Non-GAAP operating margin	31.4 %	28.5 %	31.4 %	29.2 %	31.2 %

Reconciliations of GAAP to Non-GAAP Data

(in millions, except per share data)	Three Months Ended October 31,		Nine Months Ended October 31,	
	2026	2025	2026	2025
Non-GAAP net income				
Net income	$ 237	$ 252	$ 1091	$ 548
Share-based compensation expense [1]	421	376	1,292	1,185
Employer payroll tax-related items on employee stock transactions	11	9	44	47
Amortization of acquisition-related intangible assets	34	25	105	67
Acquisition-related costs	4	18	12	32
Restructuring costs	51	5	51	172
Net (gains) losses on strategic investments	7	(3)	13	0
Income tax effects[3]	(70)	(60)	(560)	(229)
Non-GAAP net income	$ 695	$ 622	$ 2,048	$ 1,822
Non-GAAP diluted net income per share [2][4]				
Diluted net income per share	$ 0.96	$ 0.94	$ 4.38	$ 2.03
Share-based compensation expense [1]	1.71	1.40	5.19	4.39
Employer payroll tax-related items on employee stock transactions	0.05	0.03	0.17	0.18
Amortization of acquisition-related intangible assets	0.14	0.09	0.42	0.25
Acquisition-related costs	0.01	0.07	0.05	0.12
Restructuring costs	0.21	0.02	0.20	0.64
Net (gains) losses on strategic investments	0.03	(0.01)	0.05	0.00
Income tax effects[3]	(0.29)	(0.22)	(2.23)	(0.85)
Non-GAAP diluted net income per share	$ 2.82	$ 2.32	$ 8.23	$ 6.76

[1] Share-based compensation expense in the GAAP to non-GAAP reconciliation tables above excludes share-based compensation associated with restructuring activities of $3 million and $9 for the three months ended October 31, 2026, and 2025, respectively, and $8 million and $42 million for the nine months ended October 31, 2026, and 2025, respectively. These expenses are included in Restructuring costs.

[2] Operating margin and diluted net income per share are calculated using unrounded data.

[3] Income tax effects includes the impact of an intra-entity transfer of certain intellectual property rights as part of an internal legal entity restructuring completed during the nine months ended October 31, 2026, which resulted in the recognition of a deferred tax asset and related tax benefit of $374 million.

[4] Weighted-average shares used to calculate GAAP and non-GAAP diluted net income per share were 245,958 and 268,629 for the three months ended October 31, 2026, and 2025, respectively, and 248,779 and 269,700 for the nine months ended October 31, 2026, and 2025, respectively.

Reconciliations of GAAP to Non-GAAP Data

	Year Ended January 31, 2023
Non-GAAP operating margin [1]	
Operating margin	(3.6) %
Share-based compensation expense	20.8 %
Employer payroll tax-related items on employee stock transactions	0.8 %
Amortization of acquisition-related intangible assets	1.4 %
Restructuring costs	0.7 %
Non-GAAP operating margin	20.1 %

[1] Operating margin is calculated using unrounded data.

(in millions)	Three Months Ended October 31,		Nine Months Ended October 31,	
	2026	2025	2026	2025
Free cash flows				
Net cash provided by operating activities	$ 735	$ 588	$ 1,950	$ 1,661
Less: Capital expenditures	(44)	(38)	(183)	(102)
Free cash flows	$ 691	$ 550	$ 1,767	$ 1,559

Supplemental Financial Information

(in millions)	Three Months Ended October 31,		Nine Months Ended October 31,	
	2026	2025	2026	2025
Share-based compensation expense [1]				
Costs and expenses:				
Costs of subscription services	$ 40	$ 39	$ 121	$ 120
Costs of professional services	28	27	84	84
Product development	195	162	595	515
Sales and marketing	87	83	270	261
General and administrative	71	65	222	205
Restructuring	0	0	0	0
Total share-based compensation expense	$ 421	$ 376	$ 1,292	$ 1,185
Employer payroll tax-related items on employee stock transactions [1]				
Costs and expenses:				
Costs of subscription services	$ 2	$ 1	$ 5	$ 5
Costs of professional services	0	1	5	5
Product development	5	3	20	18
Sales and marketing	3	3	9	13
General and administrative	1	1	5	6
Restructuring	0	0	0	0
Total employer payroll tax-related items on employee stock transactions	$ 11	$ 9	$ 44	$ 47
Amortization of acquisition-related intangible assets				
Costs and expenses:				
Costs of subscription services	$ 21	$ 14	$ 65	$ 39
Costs of professional services	0	0	0	0
Product development	0	1	0	2
Sales and marketing	13	10	40	26
General and administrative	0	0	0	0
Restructuring	0	0	0	0
Total amortization of acquisition-related intangible assets	$ 34	$ 25	$ 105	$ 67

Supplemental Financial Information (cont'd)

(in millions)	Three Months Ended October 31,		Nine Months Ended October 31,	
	2026	2025	2026	2025
Acquisition-related costs				
Costs and expenses:				
Costs of subscription services	$ 0	$ 0	$ 0	$ 0
Costs of professional services	0	0	0	0
Product development	0	6	2	14
Sales and marketing	0	0	1	0
General and administrative	4	12	9	18
Restructuring	0	0	0	0
Total acquisition-related costs	$ 4	$ 18	$ 12	$ 32
Restructuring costs				
Costs and expenses:				
Costs of subscription services	$ 0	$ 0	$ 0	$ 0
Costs of professional services	0	0	0	0
Product development	0	0	0	0
Sales and marketing	0	0	0	0
General and administrative	0	0	0	0
Restructuring	51	5	51	172
Total restructuring costs	$ 51	$ 5	$ 51	$ 172

[1] Share-based compensation expense in the GAAP to non-GAAP reconciliation tables above excludes share-based compensation associated with restructuring activities of $8 million and $0 for the three months ended October 31, 2026, and 2025, respectively, and $8 million and $42 million for the nine months ended October 31, 2026, and 2025, respectively. These expenses are included in Restructuring costs.

About Non-GAAP Financial Measures

To provide investors and others with additional information regarding Workday's results, the following non-GAAP financial measures are disclosed: non-GAAP operating income, non-GAAP operating margin, non-GAAP net income, non-GAAP diluted net income per share, and free cash flows. Workday has provided a reconciliation of each non-GAAP financial measure used in this presentation to the most directly comparable GAAP financial measure. Non-GAAP operating income and non-GAAP operating margin differ from GAAP in that they exclude share-based compensation expense, employer payroll tax-related items on employee stock transactions, amortization expense for acquisition-related intangible assets, acquisition-related costs, and restructuring costs. Non-GAAP net income and non-GAAP diluted net income per share differ from GAAP in that they exclude share-based compensation expense, employer payroll tax-related items on employee stock transactions, amortization expense for acquisition-related intangible assets, acquisition-related costs, restructuring costs, gains and losses on strategic investments, and income tax effects. Free cash flows differ from GAAP cash flows from operating activities in that it treats capital expenditures as a reduction to cash flows.

Workday's management uses these non-GAAP financial measures to understand and compare operating results across accounting periods, for internal budgeting and forecasting purposes, for short- and long-term operating plans, and to evaluate Workday's financial performance. Management believes these non-GAAP financial measures reflect Workday's ongoing business in a manner that allows for meaningful period-to-period comparisons and analysis of trends in Workday's business. Management also believes that these non-GAAP financial measures provide useful information to investors and others in understanding and evaluating Workday's operating results and prospects in the same manner as management and in comparing financial results across accounting periods and to those of peer companies.

Management believes excluding the following items from the GAAP Condensed Consolidated Statements of Operations is useful to investors and others in assessing Workday's operating performance due to the following factors:

- *Share-based compensation expense.* Share-based compensation primarily consists of non-cash expenses for employee restricted stock units and our employee stock purchase plan. Although share-based compensation is an important aspect of the compensation of our employees and executives, this expense is determined using a number of factors, including our stock price, volatility, and forfeiture rates, that are beyond our control and generally unrelated to operational decisions and performance in any particular period. Further, share-based compensation expense is not reflective of the value ultimately received by the grant recipients.
- *Employer payroll tax-related items on employee stock transactions*. We exclude the employer payroll tax-related items on employee stock transactions in order to show the full effect that excluding share-based compensation expense has on our operating results. Similar to share-based compensation expense, this tax expense is dependent on our stock price and other factors that are beyond our control and do not correlate to the operation of our business.

About Non-GAAP Financial Measures (cont'd)

- *Amortization of acquisition-related intangible assets*. For business combinations, we generally allocate a portion of the purchase price to intangible assets. The amount of the allocation is based on estimates and assumptions made by management and is subject to amortization. The amount of purchase price allocated to intangible assets and the term of the related amortization can vary significantly and are unique to each acquisition and thus we do not believe this activity is reflective of our ongoing operations. Although we exclude the amortization of acquisition-related intangible assets from these non-GAAP financial measures, we believe that it is important for investors to understand that such intangible assets were recorded as part of purchase accounting and contribute to revenue generation.
- *Acquisition-related costs.* Acquisition-related costs include direct transaction costs, such as due diligence and advisory fees, and certain compensation and integration-related expenses. We exclude the effects of acquisition-related costs as we believe these transaction-specific expenses are inconsistent in amount and frequency and do not correlate to the operation of our business.
- *Restructuring costs.* Restructuring costs are associated with a formal restructuring plan and are primarily related to workforce reductions, the closure of facilities, and other exit and disposal activities. We exclude these expenses because they are not reflective of ongoing business and operating results.
- *Gains and losses on strategic investments.* Our strategic investments include investments in early stage companies that are valuable to Workday customers and complementary to Workday products. Gains and losses on strategic investments may result from observable price adjustments and impairment charges on non-marketable equity securities, ongoing mark-to-market adjustments on marketable equity securities, and the sale of equity investments. We do not rely on these securities to fund our ongoing operations, and therefore we do not consider the gains and losses on these strategic investments to be reflective of our ongoing operations.
- *Income tax effects.* We utilize a fixed long-term projected tax rate in our computation of the non-GAAP income tax provision to provide better consistency across the reporting periods. In projecting this long-term non-GAAP tax rate, we utilize a three year financial projection that excludes the direct impact of the items excluded from GAAP income and certain discrete tax items in calculating our non-GAAP income. The projected rate considers other factors such as our current operating structure, existing tax positions in various jurisdictions, and key legislation in major jurisdictions where we operate. For fiscal 2027 and 2026, we determined the projected non-GAAP tax rate to be 19%, which reflects currently available information, as well as other factors and assumptions. We will periodically re-evaluate this tax rate, as necessary, for significant events, relevant tax law changes, material changes in the forecasted geographic earnings mix, and any significant acquisitions.

Additionally, with regards to free cash flows, Workday's management believes that reducing cash provided by operating activities by capital expenditures is meaningful to investors and others because it provides an enhanced view of cash flow generation from the ongoing operations of our business, and it balances operating results, cash management, and capital efficiency.

The use of these non-GAAP measures has certain limitations as they do not reflect all items of expense or cash that affect Workday's operations. Workday compensates for these limitations by reconciling the non-GAAP financial measures to the most comparable GAAP financial measures. These non-GAAP financial measures should be considered in addition to, not as a substitute for or in isolation from, measures prepared in accordance with GAAP. Further, these non-GAAP measures may differ from the non-GAAP information used by other companies, including peer companies, and therefore comparability may be limited. Management encourages investors and others to review Workday's financial information in its entirety and not rely on a single financial measure.

Other Business Metrics

Gross Revenue Retention Rate

Gross revenue retention rate measures the percentage of recurring revenue retained from existing customers and is calculated by taking total annual recurring revenue (“ARR”) of our customers as of the corresponding prior period-end and comparing that to ARR from that same set of customers as of the current period-end. The metric takes into account recurring revenues lost to product or customer churn but does not account for additional revenue earned from add-ons or net expansions, which include volume and price adjustments.

Our gross revenue retention rate is based on ARR, which represents the annualized value of active subscription contracts as of the end of each period. Each subscription contract is annualized by dividing the total contract value by the number of days in the contract term and then multiplying by 365. We exclude certain subscription contracts from the calculation, including contracts with terms less than one year that are distinct from our core product offering, such as contracts for tenants which are used for implementation and testing. To the extent that we are negotiating a renewal with a customer after the expiration of the subscription, ARR is only adjusted if the customer churns. We calculate ARR on a constant currency basis using exchange rates set at the beginning of each fiscal year.

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