Investor Presentation

Q1 FY27

workday.

Safe Harbor Statement

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.

Workday assumes no obligation for, and does not intend to update, any forward-looking statements, except as required by law. Any unreleased services, features, functionality or enhancements referenced in any Workday document, roadmap, blog, our website, press release or public statement that are not currently available are subject to change at Workday's discretion and may not be delivered as planned or at all.

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

$188B
Market Opportunity[1]

$9.128B 14.7% YoY Growth
Trailing Twelve Month Subscription Revenues[2]

$2.956B 30.0% Margin
Trailing Twelve Month Non-GAAP Operating Income[2,3]

$3.177B 32.2% Margin
Trailing Twelve Month Operating Cash Flow[2]



Leading Enterprise AI Platform
For HR, Finance, and IT



11,500+ Global Customers
Operating Across 175+ Countries



Serving 65%+ of the Fortune 500
Including 70%+ of the Top 50 Fortune 500 Companies



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



20,800+ Employees Worldwide
Offices in 30+ Countries

[1] TAM estimates based on Workday and third-party data as of 9.16.2025
[2] For the trailing twelve months ended 4.30.2026
[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 for Work

Unified & Connected Experience for Work

Sana

Agent Management & Governance

Agent System of Record

Visibility and control of all first & third party agents, with provisioning, analytics, and full agent governance

Platform Extensibility & Ecosystem

Data Cloud

Knowledge layer for AI to fuel zero-copy, contextualized, enterprise intelligence

Workday Build

Build and connect agents, apps, & data across the enterprise

Teams of Agents

Workday-Built Teams of Agents

Agentic HR | Agentic Finance | Agentic IT | Agentic Legal

Core Applications

HCM | Payroll | Financials | Planning | Student | Industry Solutions

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

New ACV from Agentic AI

>200%

YoY Growth[1]

Expansion Deals

>50%

Larger When Including Agentic AI[1,2]

Workday Customers

>4,000

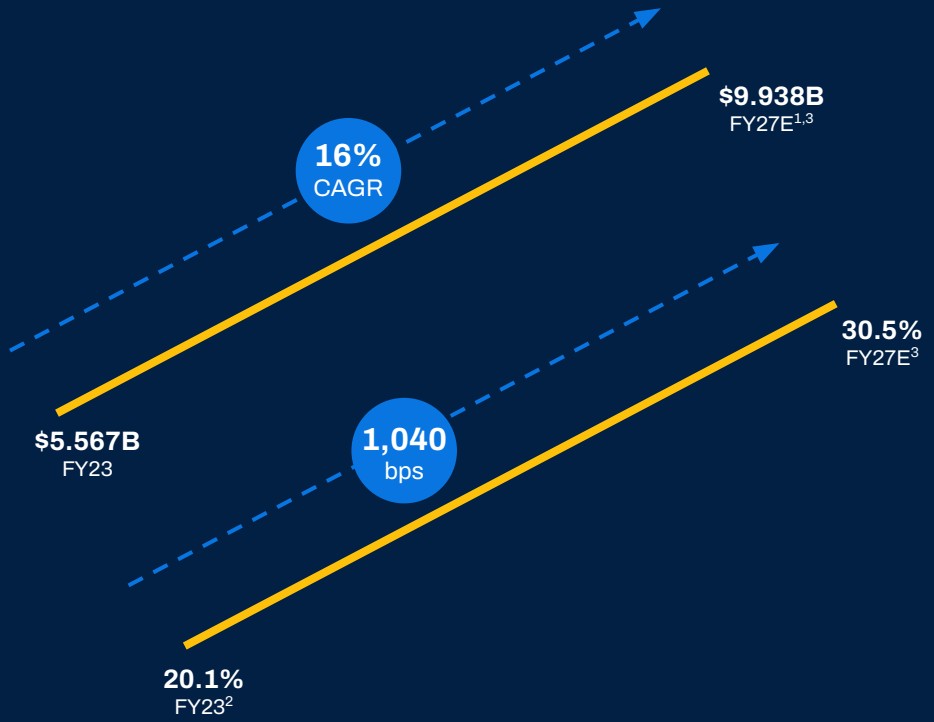
Using at Least One Organic Agent[3]

[1] For the quarter ended 4.30.2026
[2] Represents the increase in average ACV for customer base expansion deals that include AI compared with average ACV of overall customer base expansion deals, excluding a large federal government expansion
[3] As of 5.21.2026

Driving Profitable Growth at Scale

Annual Subscription Revenues

Non-GAAP Operating Margin



97%
Gross Revenue Retention[4]

[1] CAGR calculation is based on FY23 actual subscription revenue and the mid-point of our FY27 subscription revenue guidance as provided on 5.21.2026
[2] Reconciliations of GAAP to Non-GAAP financial data included in the Appendix
[3] As provided on Q1 FY27 Earnings Call on 05.21.2026
[4] Refer to Appendix - Other Business Metrics for further details

Note: Lines not drawn to scale

NetApp

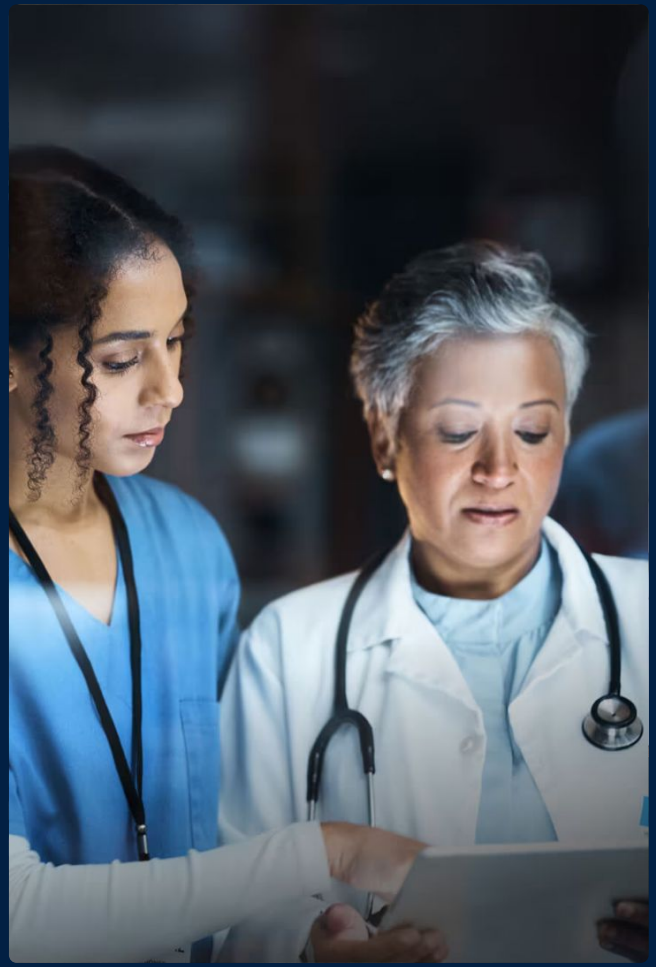
Powered by Workday Contract Intelligence Agent

- 90,000 contracts analyzed
- $2.5M+ saved by automating review
- Thousands of hours saved

AdventHealth

Powered by Workday Hiredscore AI for Recruiting Agent

- 100% increase in number of job requisitions closed
- 77% of nursing requisitions covered by past applicants



FLEXGEN

Powered by Workday Contract Intelligence Agent

- Saved $35M+ by identifying tariff exposure
- Reduced contract review triggered by new tariff policies from weeks to days
- Tariff risk now analyzed in ~1 day



7-ELEVEN

Powered by Workday Paradox Candidate Experience Agent

- Store leaders save 40,000 hours per week in recruiting tasks
- 85% of applicants scheduled in less than an hour
- 2M+ recruiting hours saved annually
- 7-day time-to-hire reduction



Financial Highlights and Guidance

Q1 FY27 Financial Highlights

Q1 FY27	Quarterly Results	Increase YoY
Total Revenues	$2.542B	13.5%
Subscription Revenues	$2.354B	14.3%
Total Subscription Revenue Backlog	$27.294B	10.9%
12-month Subscription Revenue Backlog	$8.806B	15.5%
GAAP Operating Margin	13.3%	1,154 bps
Non-GAAP Operating Margin[1]	31.8%	159 bps
Operating Cash Flows	$696M	52.1%
Free Cash Flows[1]	$616M	46.4%

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

Q1 FY27 Customer Wins and Expansions



Recent Business Highlights

- Workday welcomed new customers including ACHM Hotels by Marriott, Australian Gas Infrastructure Group, Del Monte Fresh Produce Company, Smiths Group, and State of Delaware, and expanded existing relationships with Bank OZK, GE Vernova, and Queensland University of Technology.
- The number of customers using Workday's organically developed agents has more than doubled quarter-over-quarter, with over 4,000 customers using at least one of these agents, as of today, to support their business processes.
- In Q1, Workday supported 14 million hiring processes with its Recruiting Agent, up 44% year-over-year.
- The Workday customer community now represents more than 80 million users under contract.
- Sana from Workday – superintelligence for work – is now available to customers worldwide. Workday also introduced Sana for IT Service Management (ITSM) to handle common service tasks from HR, finance, and IT, and a new Travel Agent to bring travel and expenses together in one seamless experience.
- The Workday Agent System of Record is now generally available, giving customers visibility and control over all of their AI agents.
- Workday introduced new innovations to support the public sector and veteran workforce, including the Personnel Action Request Agent to modernize federal HR transactions and Military Skills Mapper to help organizations more effectively identify and hire military veteran talent.
- Workday expanded into Vietnam, its sixth market in the ASEAN region, joining Singapore, Malaysia, Thailand, Indonesia, and the Philippines.
- Workday announced EU-based data residency in Frankfurt and multilingual support for Workday Contract Lifecycle Management, providing organizations with a contract management solution that meets EU data residency requirements.
- Workday expanded its partnership with Microsoft; announced new partner offerings through Workday Recognition provided by Achievers and the Insperity HRScale™ solution; and welcomed Morgan Stanley at Work and PerkSpot to the Workday Wellness program.
- Workday was the only vendor to be named a Customers' Choice in the 2026 Gartner Voice of the Customer for Cloud ERP for Service-Centric Enterprises[1] for two consecutive years.
- Workday was named a Leader in the Gartner® Magic Quadrant™ for Student Information Systems.[2]
- Workday was named one of the 2026 World's Most Ethical Companies® by Ethisphere for the sixth consecutive year.
- KLAS Research recognized Workday as the 2026 Best in KLAS winner for ERP for large organizations.

[1] Gartner Voice of the Customer for Cloud ERP for Service-Centric Enterprises, Peer Community Contributor, 24 April 2026
[2] Gartner Magic Quadrant for Higher Education SaaS Student Information Systems, Robert Yanckello, Grace Farrell, 31 March 2026

Guidance Summary

Q2 FY27	Quarterly Guidance	Increase YoY
Total Revenues	$2.635B	12%
Subscription Revenues	$2.455B	13%
12-month Subscription Revenue Backlog	n/a	13.5% - 14.5%
Non-GAAP Operating Margin	30.0%	102 bps
GAAP Operating Margin	~19 points lower than non-GAAP	n/a
Fiscal Year 2027	**Full Year Guidance**	**Increase YoY**
Total Revenues	$10.635B - $10.660B	11% - 12%
Subscription Revenues	$9.925B - $9.950B	12% - 13%
Non-GAAP Operating Margin	30.5%	94 bps
GAAP Operating Margin	~18 to 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 Q1 FY27 Earnings Call on 5.21.2026

Appendix

Reconciliations of GAAP to Non-GAAP Data

(in millions, except percentages)	Three Months Ended April 30,		Trailing Twelve Months Ended
	2026	2025	April 30, 2026
Non-GAAP operating income			
Operating income	$ 338	$ 39	$ 1,020
Share-based compensation expense [1]	409	417	1,562
Employer payroll tax-related items on employee stock transactions	19	27	54
Amortization of acquisition-related intangible assets	36	21	121
Acquisition-related costs	7	7	62
Restructuring costs	0	166	137
Non-GAAP operating income	$ 809	$ 677	$ 2,956
Non-GAAP operating margin [2]			
Operating margin	13.3 %	1.8 %	10.4 %
Share-based compensation expense [1]	16.1 %	18.6 %	15.9 %
Employer payroll tax-related items on employee stock transactions	0.7 %	1.2 %	0.5 %
Amortization of acquisition-related intangible assets	1.4 %	0.9 %	1.2 %
Acquisition-related costs	0.3 %	0.3 %	0.6 %
Restructuring costs	0.0 %	7.4 %	1.4 %
Non-GAAP operating margin	31.8 %	30.2 %	30.0 %

Reconciliations of GAAP to Non-GAAP Data

(in millions, except per share data)	Three Months Ended April 30,	
	2026	2025
Non-GAAP net income		
Net income	$ 222	$ 68
Share-based compensation expense [1]	409	417
Employer payroll tax-related items on employee stock transactions	19	27
Amortization of acquisition-related intangible assets	36	21
Acquisition-related costs	7	7
Restructuring costs	0	166
Net (gains) losses on strategic investments	9	1
Income tax effects	(26)	(105)
Non-GAAP net income	$ 676	$ 602
Non-GAAP diluted net income per share [2][3]		
Diluted net income per share	$ 0.87	$ 0.25
Share-based compensation expense [1]	1.61	1.54
Employer payroll tax-related items on employee stock transactions	0.08	0.10
Amortization of acquisition-related intangible assets	0.14	0.08
Acquisition-related costs	0.03	0.02
Restructuring costs	0.00	0.61
Net (gains) losses on strategic investments	0.03	0.00
Income tax effects	(0.10)	(0.37)
Non-GAAP diluted net income per share	$ 2.66	$ 2.23

[1] Share-based compensation expense in the GAAP to non-GAAP reconciliation tables above excludes share-based compensation associated with restructuring activities of $42 million for the three months ended April 30, 2025. These expenses are included in Restructuring costs.

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

[3] Weighted-average shares used to calculate GAAP and non-GAAP diluted net income per share were 254,313 and 270,296 for the three months ended April 30, 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	0.7 %
Non-GAAP operating margin	20.1 %

[1] Operating margin is calculated based upon the respective underlying, non-rounded data.

Reconciliations of GAAP to Non-GAAP Data
Cash from Operations to Free Cash Flows

(in millions)	Three Months Ended April 30,	
	2026	2025
Net cash provided by operating activities	$ 696	$ 457
Less: Capital expenditures	(80)	(36)
Free cash flows	$ 616	$ 421

Supplemental Financial Information

(in millions)	Three Months Ended April 30,	
	2026	2025
Share-based compensation expense [1]		
Costs and expenses:		
Costs of subscription services	$ 37	$ 42
Costs of professional services	26	30
Product development	184	183
Sales and marketing	90	92
General and administrative	72	70
Restructuring	0	0
Total share-based compensation expense	$ 409	$ 417
Employer payroll tax-related items on employee stock transactions		
Costs and expenses:		
Costs of subscription services	$ 2	$ 3
Costs of professional services	2	3
Product development	9	12
Sales and marketing	4	6
General and administrative	2	3
Restructuring	0	0
Total employer payroll tax-related items on employee stock transactions	$ 19	$ 27
Amortization of acquisition-related intangible assets		
Costs and expenses:		
Costs of subscription services	$ 23	$ 12
Costs of professional services	0	0
Product development	0	0
Sales and marketing	13	9
General and administrative	0	0
Restructuring	0	0
Total amortization of acquisition-related intangible assets	$ 36	$ 21

Supplemental Financial Information (cont'd)

(in millions)	Three Months Ended April 30,	
	2026	2025
Acquisition-related costs		
Costs and expenses:		
Costs of subscription services	$ 0	$ 0
Costs of professional services	0	0
Product development	2	3
Sales and marketing	0	1
General and administrative	5	3
Restructuring	0	0
Total acquisition-related costs	$ 7	$ 7
Restructuring costs		
Costs and expenses:		
Costs of subscription services	$ 0	$ 0
Costs of professional services	0	0
Product development	0	0
Sales and marketing	0	0
General and administrative	0	0
Restructuring	0	166
Total restructuring costs	$ 0	$ 166

[1] Share-based compensation expense in the GAAP to non-GAAP reconciliation tables above excludes share-based compensation associated with restructuring activities of $42 million for the three months ended April 30, 2025. 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 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 have 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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