

Investor Presentation

Second Quarter 2025

Safe Harbor and other information

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 information concerning our possible or assumed strategy, future operations, financing plans, operating model, financial position, future revenues, projected costs, competitive position, industry environment, potential growth opportunities, potential market opportunities, plans and objectives of management, the effects of competition on our business and customer trends.

Forward-looking statements include all statements that are not historical facts and can be identified by terms such as “anticipates,” “believes,” “could,” “seeks,” “estimates” (including, without limitation, financial estimates denoted with an “E,” such as FY25E), “targets,” “guidance,” “expects,” “intends,” “may,” “plans,” “potential,” “predicts,” “prospects,” “projects,” “should,” “will,” “would” or similar expressions and the negatives of those terms, although not all forward-looking statements contain these identifying words.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Additionally, these forward-looking statements, particularly our guidance, involve risks, uncertainties and assumptions based on information available to us as of July 23, 2025, including those related to our future financial performance, global economic conditions and demand for digital transformation. Many of these assumptions relate to matters that are beyond our control and changing rapidly, including, but not limited to, fluctuations in the value of foreign currencies relative to the U.S. Dollar; fluctuations in interest rates; global macroeconomic and political conditions including tariffs, inflation and armed conflicts; and fluctuations and volatility in our stock price. If any such risks or uncertainties materialize or if any of the assumptions prove incorrect, our results could differ materially from the results expressed or implied by the forward-looking statements we make. Further information on these and other factors that could cause or contribute to such differences include, but are not limited to, those discussed in the “Risk Factors” section in our Annual Report on Form 10-K filed for the year ended December 31, 2024 and in our other Securities and Exchange Commission (“SEC”) filings. We cannot guarantee that we will achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements.

Forward-looking statements represent our management’s beliefs and assumptions only as of the date of this presentation. We undertake no obligation, and do not intend, to update these forward-looking statements, to review or confirm analysts’ expectations, or to provide interim reports or updates on the progress of the current financial quarter.

This presentation includes certain non-GAAP financial measures and the corresponding growth rates as defined by SEC rules. For additional information, see the slide titled “Statement Regarding Use of Non-GAAP Financial Measures.”

Terms such as Remaining Performance Obligations (“RPO”), Current Remaining Performance Obligations (“CRPO”) and Renewal Rate shall have the meanings set forth in our filings with the SEC.

The information in this presentation on new products, features, or functionality, including products that incorporate AI technology, is intended to outline our general product direction and should not be relied upon in making a purchasing decision. The information on new products, features, and functionality is for informational purposes only and shall not be incorporated into any contract. The information on new products, features, and functionality is not a commitment, promise, or legal obligation to deliver any material, code or functionality. The development, release, and timing of any features or functionality described for our products remains at our sole discretion.

Statement Regarding Use of Non-GAAP Financial Measures

We report non-GAAP financial measures in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP.

We adjust revenues and related growth rates ("revenues"), and current remaining performance obligations ("cRPO") and remaining performance obligations ("RPO") and related growth rates for constant currency to provide a framework for assessing how our business performed excluding the effect of foreign currency rate fluctuations, and for revenues only, any gains or losses from foreign currency hedge contracts that are reported in the current and comparative period. To exclude the effect of foreign currency rate fluctuations, current period revenues results for entities reporting in currencies other than U.S. Dollars are converted into U.S. Dollars at the average exchange rates in effect for the comparison period, rather than the actual exchange rates in effect for the current period. Guidance for related growth rates is derived by applying the average exchange rates in effect during the comparison period, rather than the exchange rates for the guidance period, adjusted for any foreign currency hedging effects. We believe the presentation of revenues and corresponding growth rates adjusted for constant currency by excluding effects of foreign currency rate fluctuations and any gains or losses from foreign currency hedge contracts facilitates the comparison of revenues year-over-year. Current period cRPO and RPO results and related growth rates for entities reporting in currencies other than U.S. Dollars are converted into U.S. Dollars at the exchange rates in effect at the end of the comparison period rather than the actual end of the period exchange rates in effect during the current period. Guidance for cRPO growth rates is derived by applying the end of period exchange rates in effect during the comparison period rather than the exchange rates in effect during the guidance period. We believe the presentation of cRPO and RPO and related growth rates adjusted for constant currency facilitates the comparison of cRPO and RPO year-over-year, respectively.

Our non-GAAP presentation of gross profit, income from operations, and net income measures exclude certain non-cash or non-recurring items, including stock-based compensation expense, amortization of purchased intangibles, legal settlements, business combination and other related costs including compensation expense, impairment of assets, severance costs, and income tax effects and adjustments. We believe these adjustments provide useful supplemental information to investors and facilitates the analysis of our operating results and comparison of operating results across reporting periods.

Free cash flow is defined as net cash provided by operating activities plus cash outflows for legal settlements and business combination and other related costs including compensation expense, reduced by purchases of property and equipment. Free cash flow margin is calculated as free cash flow as a percentage of total revenues. We believe information regarding free cash flow and free cash flow margin provides useful information to investors because it is an indicator of the strength and performance of our business operations.

Our presentation of non-GAAP financial measures may not be comparable to similar measures used by other companies. We encourage investors to carefully consider our results under GAAP, as well as our supplemental non-GAAP information and the reconciliation between these presentations, to more fully understand our business. Please see the tables included at the end of this presentation for the reconciliation of GAAP and non-GAAP results.



Technology Workflows

Accelerate digital transformation with resilient, cost-efficient, and secure technology



Core Business Workflows

Provide easy-to-follow processes across HR, Procurement, Facilities, Legal, and Finance, reducing costs and improving performance



CRM and Industry Workflows

Intelligently orchestrate customer experiences to service, sell, and deliver on a single platform



Creator Workflows

Build connected cross-enterprise workflow apps fast using low-code and hyperautomation that safely deliver agile services at scale



Connect AI, data, and workflows to maximize the value of existing technology investments, cut costs, and make impactful improvements in core business processes all on a single platform

We are the AI Platform for Business Transformation



We move with the pace of innovation to help customers transform organizations across every industry while upholding a trustworthy, human centered approach to deploying our products and services at scale



Our approximately 8,400 global customers⁽¹⁾ include over 85% of the Fortune 500. They all rely on ServiceNow solutions using the Now AI Platform—the intelligent and intuitive cloud platform—for successful digital transformation



Our aspiration is to be the **defining enterprise software company of the 21st century**



From Fortune ©2025 Fortune Media IP Limited. All rights reserved. Fortune and Fortune 500® are registered trademarks of Fortune Media IP Limited and are used under license. Fortune and Fortune Media IP Limited are not affiliated with, and do not endorse the products or services of, ServiceNow.

(1) Global customers count is as of the end of fiscal 2024.

Q2-25 Financial Highlights

Q2 2025 Results	Quarterly Results	Increase (Decrease) Y/Y	Currency Impact ⁽¹⁾	Non-GAAP Constant Currency Y/Y ⁽²⁾
Subscription Revenues	\$3,113M	22.5%	~100bps tailwind	21.5%
Current RPO (cRPO)	\$10.92B	24.5%	~300bps tailwind	21.5%
Remaining Performance Obligations (RPO)	\$23.9B	29%	~350bps tailwind	25.5%
Non-GAAP Operating Margin ⁽³⁾	29.5%	~250bps	NA	NA
Non-GAAP Free Cash Flow Margin ⁽³⁾	16.5%	~300bps	NA	NA

(1) Currency impact on subscription revenue growth rates are derived by applying the average exchange rates in effect during the comparison period, rather than the actual average exchange rates in effect during the current period, excluding any gains or losses from foreign currency hedge contracts that are reported in the current and comparative periods. Currency impact on cRPO and RPO growth rates are derived by applying the exchange rates in effect at the end of the comparison period rather than the actual end of period exchange rates in effect during the current period.

(2) The non-GAAP growth rates for subscription revenues are adjusted for constant currency by excluding effects of foreign currency rate fluctuations and any gains or losses from foreign currency hedge contracts, and cRPO and RPO are adjusted only for constant currency. See slides 10-11 for additional discussion of non-GAAP subscription revenues and their corresponding growth rates. See slide 12 for additional discussion of non-GAAP cRPO and RPO and their corresponding growth rates.

(3) This financial metric and its corresponding growth rate, if applicable, are calculated on a non-GAAP basis. See appendix for a reconciliation of non-GAAP financial measures to the most comparable GAAP measures.

Note: Numbers rounded for presentation purposes.

2025 Guidance Assumptions

ServiceNow has a larger-than-average customer cohort scheduled to renew in Q4 2025. As a result, Q3 2025 will experience approximately 2 points of headwinds to cRPO growth as the contractual obligations wind down. We expect that cohort to renew in Q4 2025, at which time those headwinds will subside.

As noted last quarter, U.S. Federal agencies are navigating changes, from tightening budgets to evolving mission demands. We expect those dynamics to continue into Q3 2025. We remain confident that our revised guidance appropriately reflects these trends and continues to set us up for success for the remainder of the year.

Guidance Summary

Q3 2025 Guidance	Quarterly Guidance	Increase (Decrease) Y/Y	Currency Impact Included in Guidance ⁽¹⁾	Non-GAAP Constant Currency Y/Y ⁽²⁾
Subscription Revenues	\$3,260M - \$3,265M	20% - 20.5%	~50bps tailwind	19.5%
Non-GAAP Operating Margin ⁽³⁾	30.5%	~(50bps)	NA	NA
Current RPO (cRPO) Growth	18.5%	NA	~50bps tailwind	18%

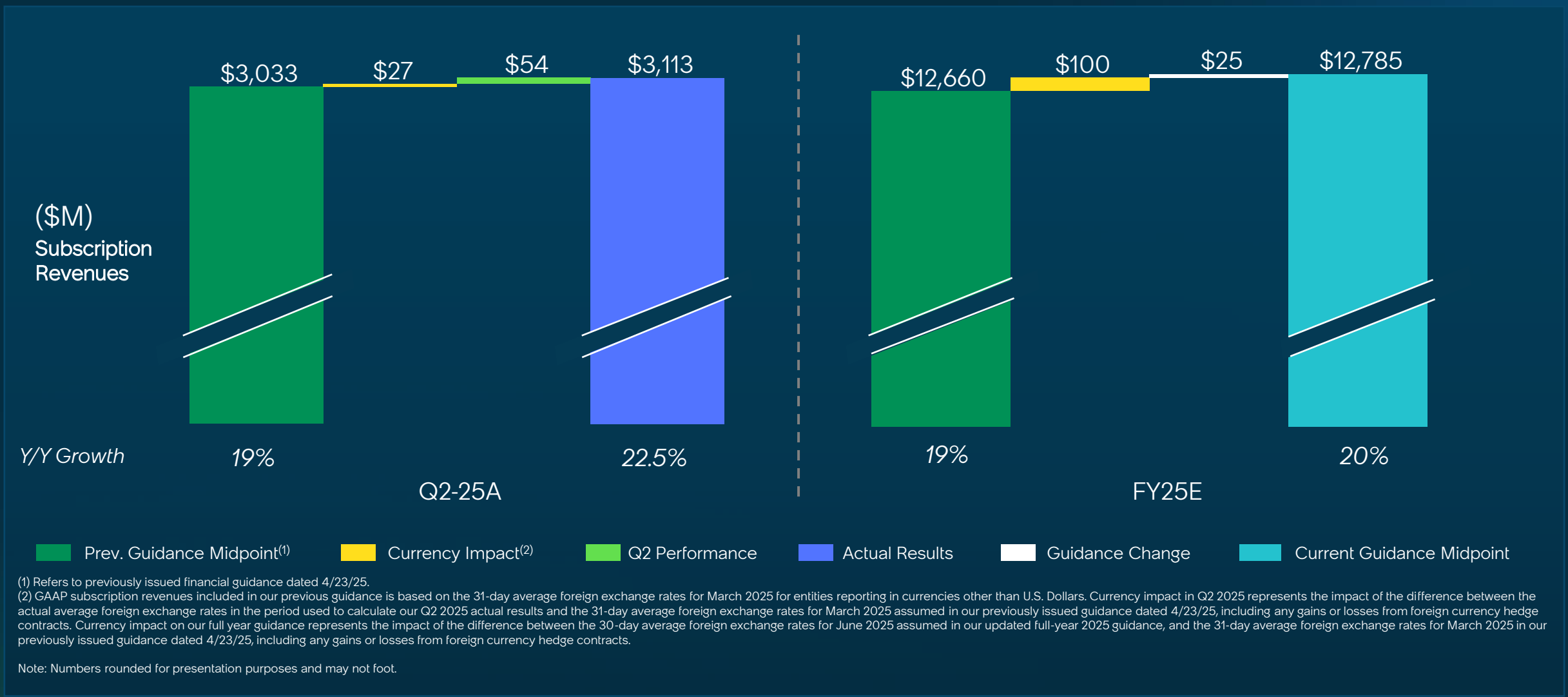
FY 2025 Guidance	Full-Year Guidance	Increase (Decrease) Y/Y	Currency Impact Included in Guidance ⁽¹⁾	Non-GAAP Constant Currency Y/Y ⁽²⁾
Subscription Revenues	\$12,775M - \$12,795M	20%	~50bps tailwind	19.5% - 20%
Non-GAAP Subscription Gross Margin ⁽³⁾	83.5%	~(150bps)	NA	NA
Non-GAAP Operating Margin ⁽³⁾	30.5%	~100bps	NA	NA
Non-GAAP Free Cash Flow Margin ⁽³⁾	32%	~50bps	NA	NA

(1) Currency impact on subscription revenues growth rates are derived by applying the average exchange rates in effect during the comparison period, rather than the exchange rates for the guidance period, adjusted for any foreign currency hedging effects. Currency impact on cRPO growth rates are derived by applying the end of period exchange rates in effect during the comparison period rather than the exchange rates in effect during the guidance period.

(2) The non-GAAP growth rates for subscription revenues are adjusted for constant currency by excluding effects of foreign currency rate fluctuations and any gains or losses from foreign currency hedge contracts, and cRPO is adjusted only for constant currency.

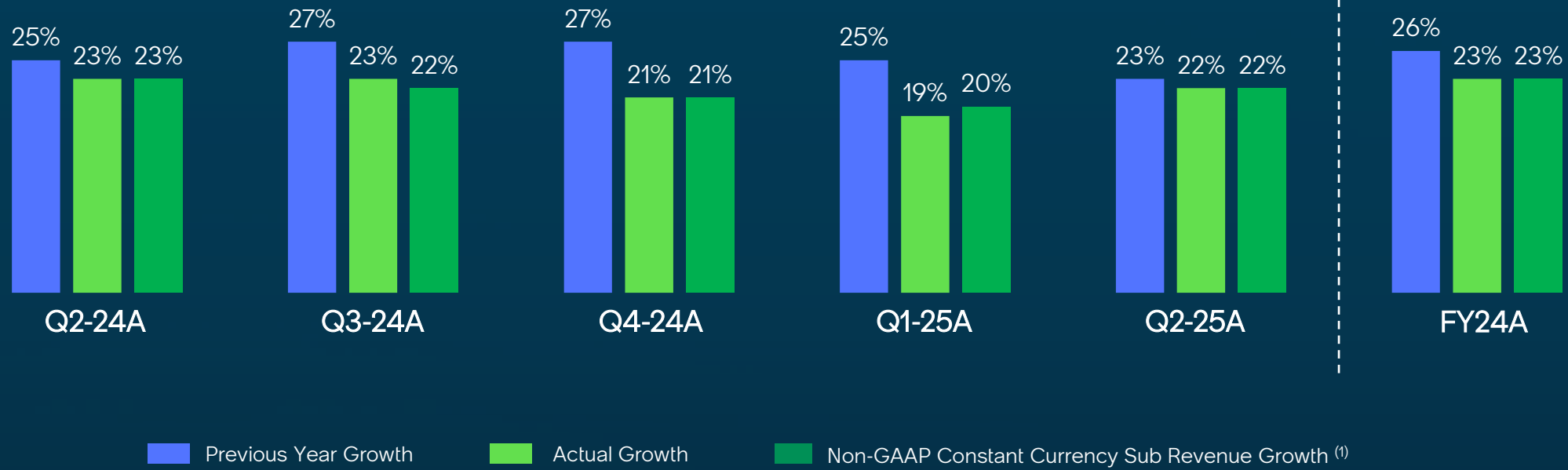
(3) This financial metric and its corresponding growth rate, if applicable, are calculated on a non-GAAP basis. See appendix for a reconciliation of non-GAAP financial measures to the most comparable GAAP measures.

Comparison to Previously Issued Guidance



Year-Over-Year Subscription Revenues Growth

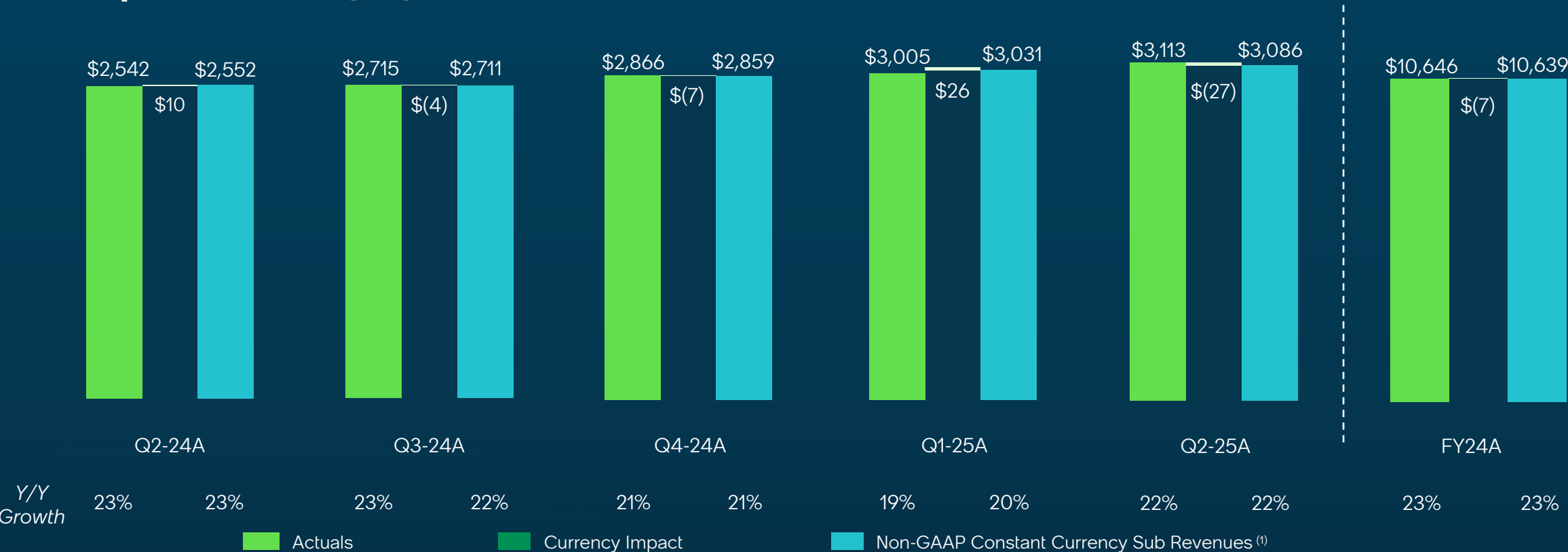
Subscription Revenues (%)



(1) Non-GAAP subscription revenues growth rates are adjusted only for constant currency and derived by adjusting subscription revenues for constant currency by applying the average exchange rates in effect during the comparison period rather than the actual average exchange rate in effect during the current period and excluding any gains or losses from foreign currency hedge contracts.
Note: Numbers are rounded to the nearest whole percentage for presentation purposes.

Currency Impact to Year-Over-Year Sub. Revenues

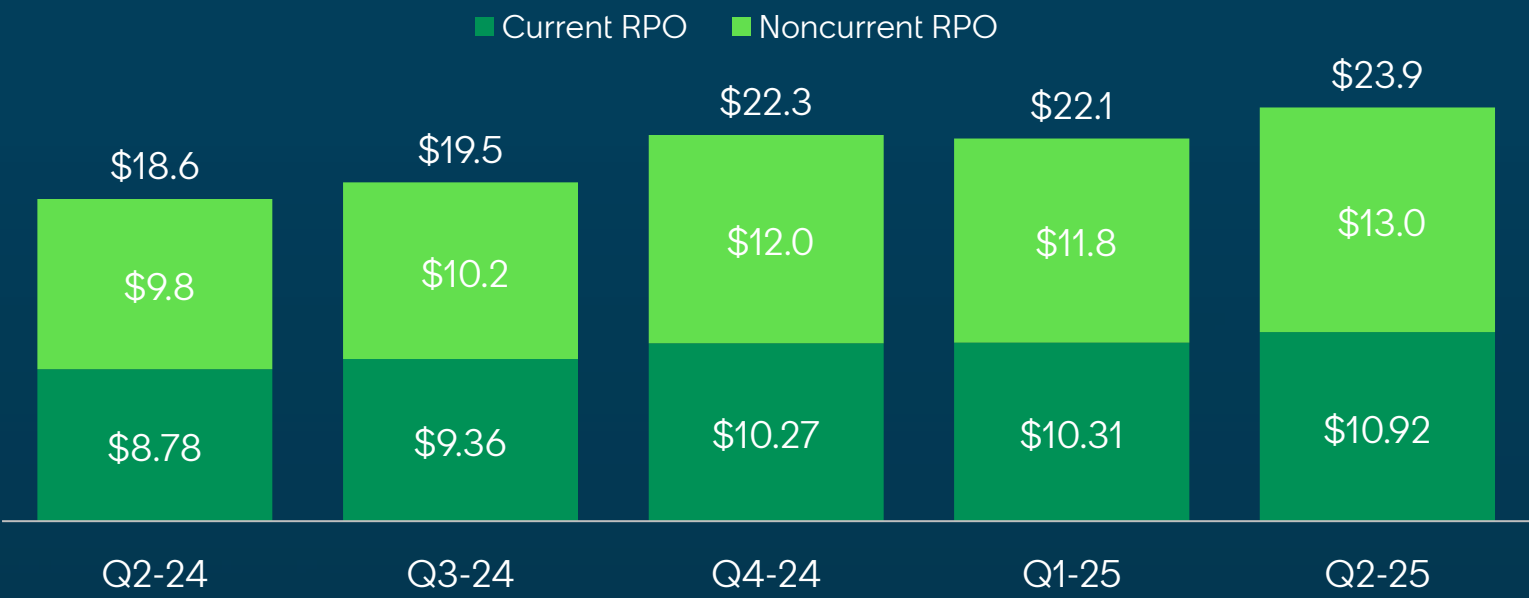
Subscription Revenues (\$M)



(1) Non-GAAP constant currency subscription revenues and the corresponding growth figures are adjusted only for constant currency and derived by applying the average exchange rates in effect during the comparison period rather than the actual average exchange rate in effect during the current period and excluding any gains or losses from foreign currency hedge contracts.
Note: Numbers are rounded to the nearest whole percentage for presentation purposes.

Remaining Performance Obligations (RPO)

(\$B)

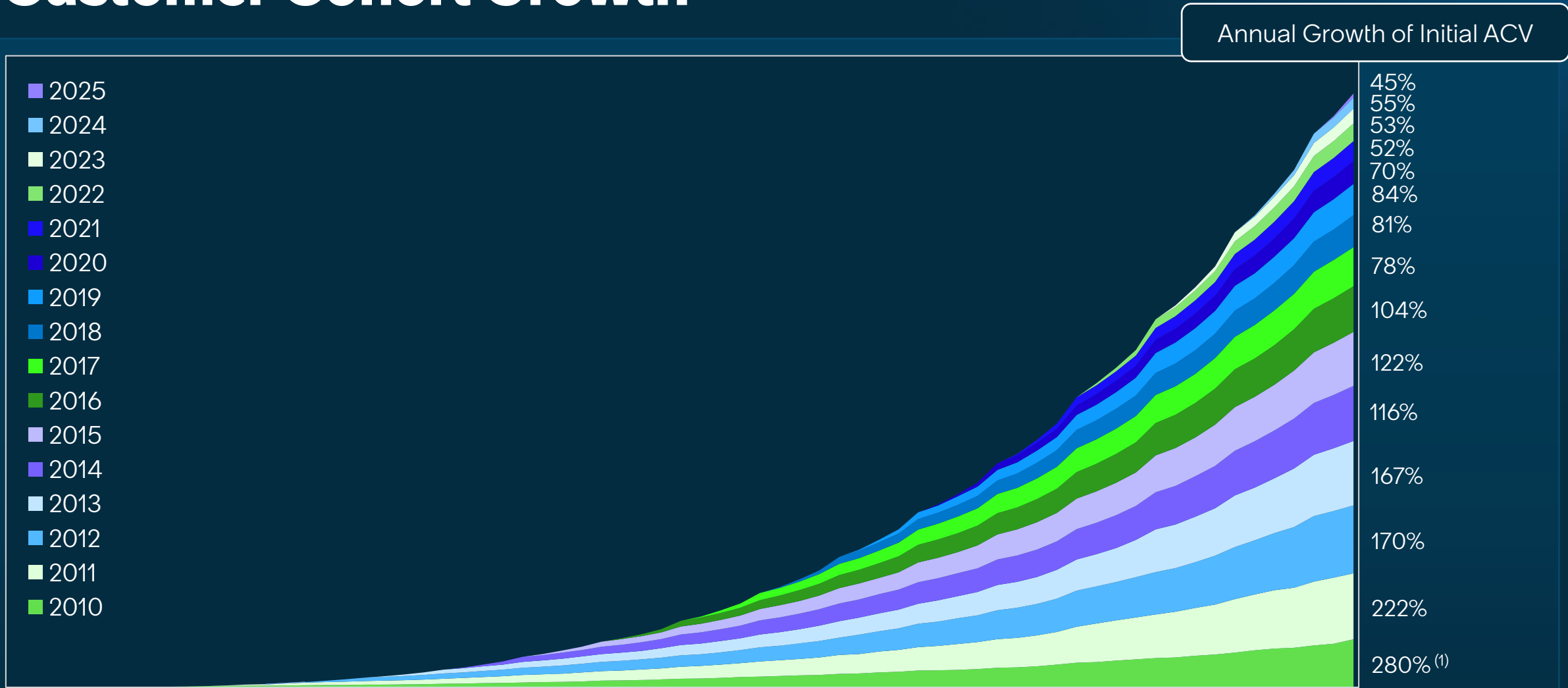


Q2-25
Y/Y Growth
+29% / +25.5% cc⁽¹⁾
Total RPO

cRPO Y/Y Growth	22%	26%	19.5%	22%	24.5%
cRPO cc ⁽¹⁾ Y/Y Growth	22.5%	23.5%	22%	22%	21.5%

(1) The total RPO and current RPO growth rates are adjusted only for constant currency. Results for entities reporting in currencies other than U.S. Dollars are converted into U.S. Dollars at the exchange rates in effect at the end of the comparison period, rather than the actual exchange rates in effect at the end of the current period.
Note: Numbers rounded for presentation purposes.

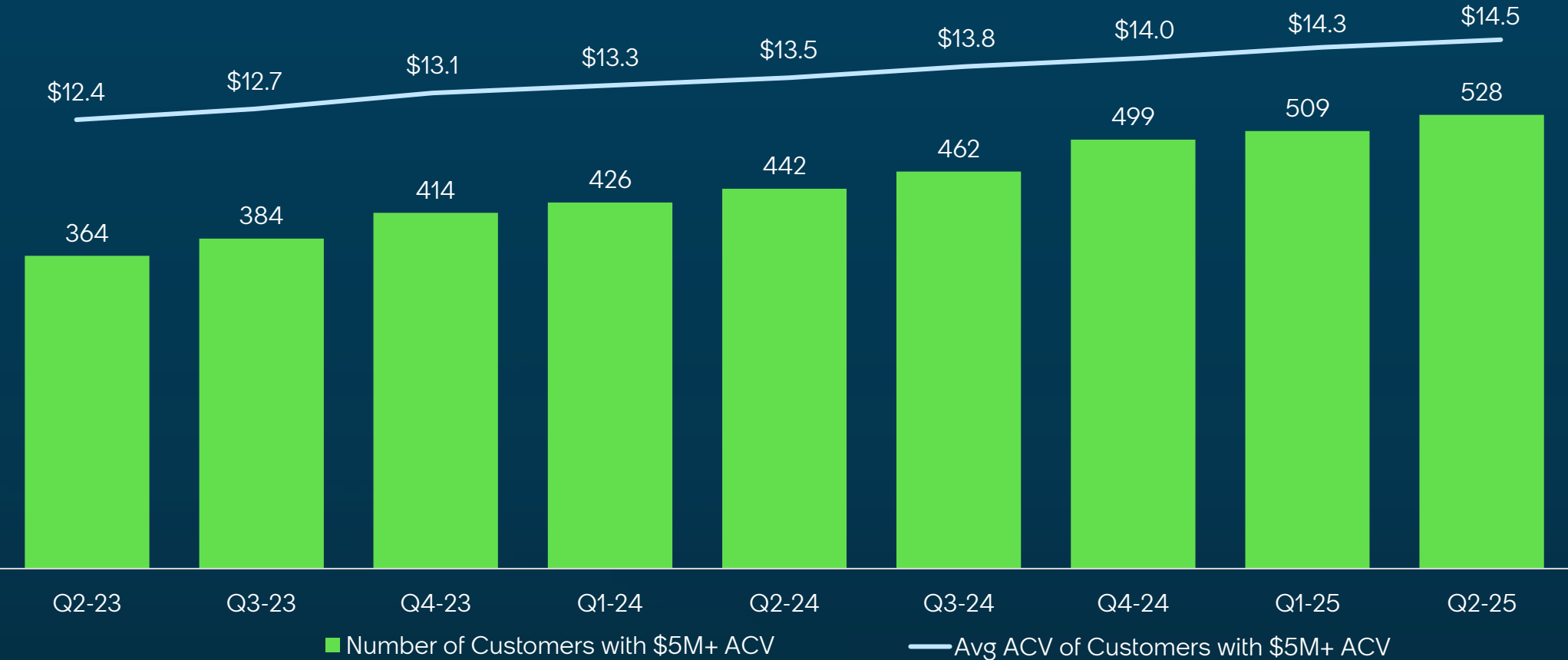
Customer Cohort Growth



(1) As an illustrative example, 2010 customer cohort started with a contract of initial ACV (annual contract value) of \$100 and grew to ACV of \$4,300 as of Q2-25 and represents annual growth of initial ACV of 280%.
Note: Chart reflects growth in total annual contract value over time, inclusive of losses, for the group of customers that joined ServiceNow in each respective year. Annual Growth represents increases in total annual contract value after the initial contract of each customer.

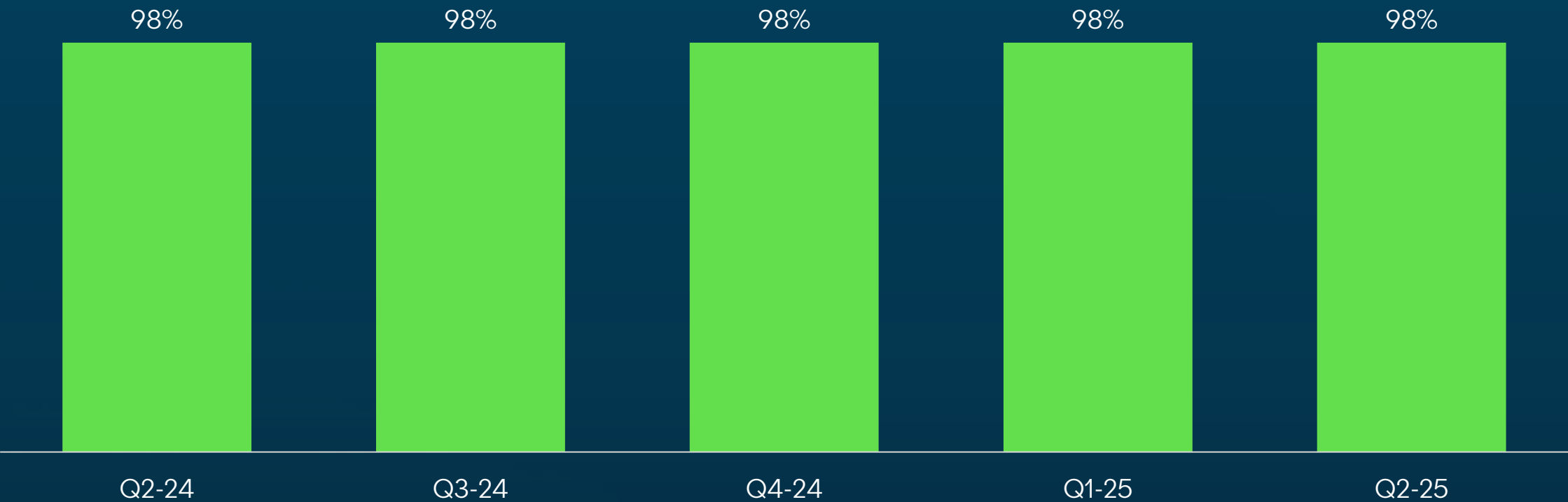
Expansion of Customer Relationships

(\$M)



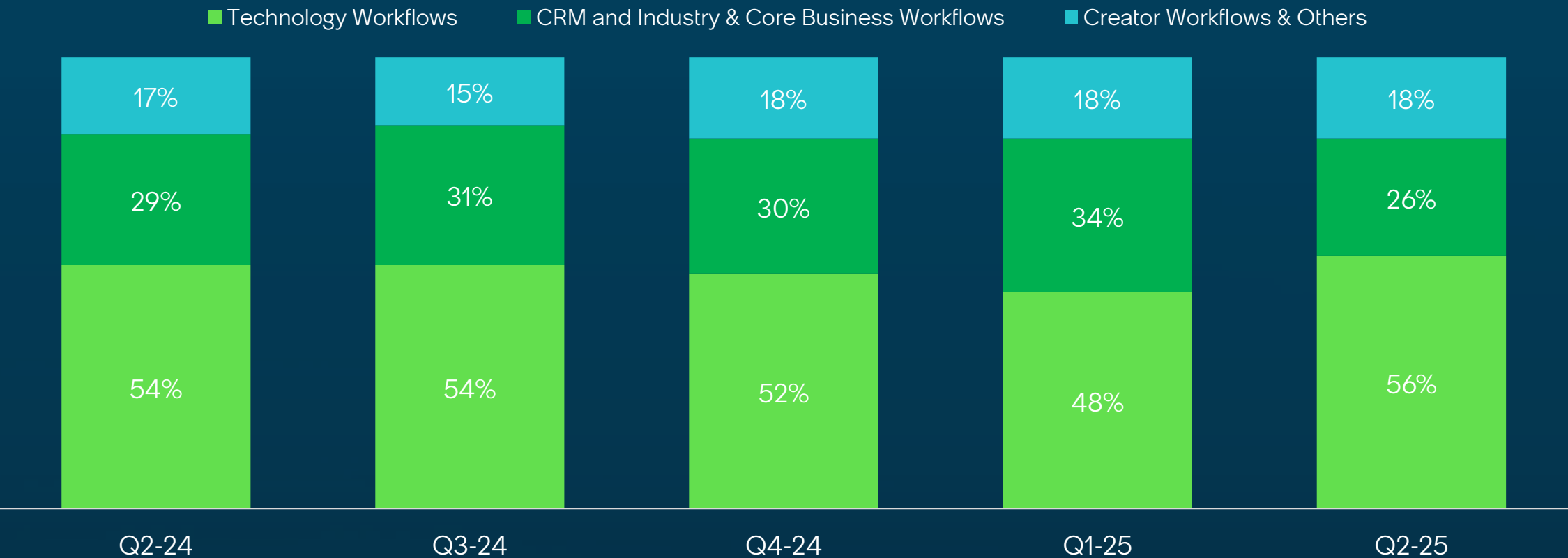
Note: Previously disclosed number of customers with ACV greater than \$5 million is restated to allow for comparability. ACV is calculated based on the foreign exchange rate in effect at the time the contract was entered into. Foreign exchange rate fluctuations could cause some variability in the number of customers with ACV greater than \$5 million.

Renewal Rate



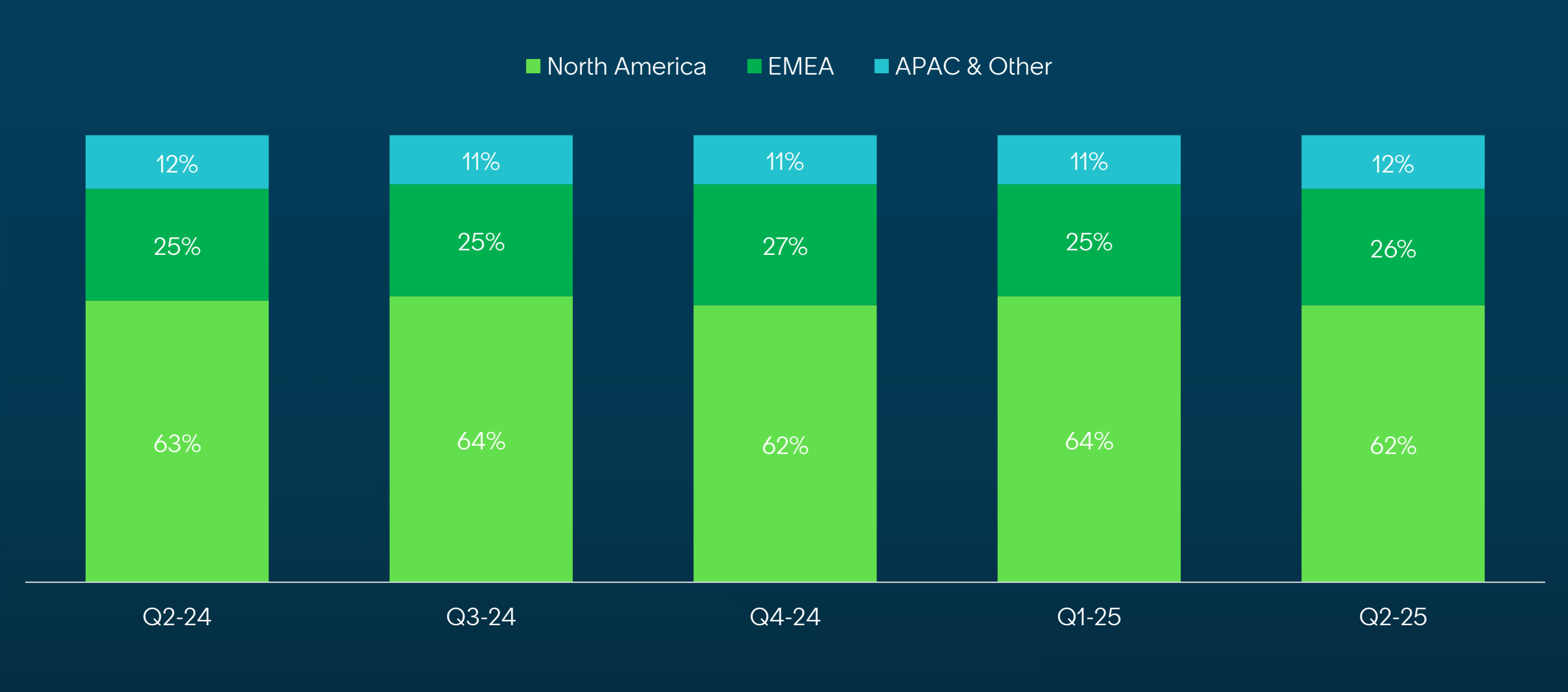
Note: We adjust our Renewal Rate for acquisitions, consolidations and other customer events that cause the merging of two or more accounts occurring at the time of renewal.

Net New ACV Contribution Across Workflows and Products⁽¹⁾

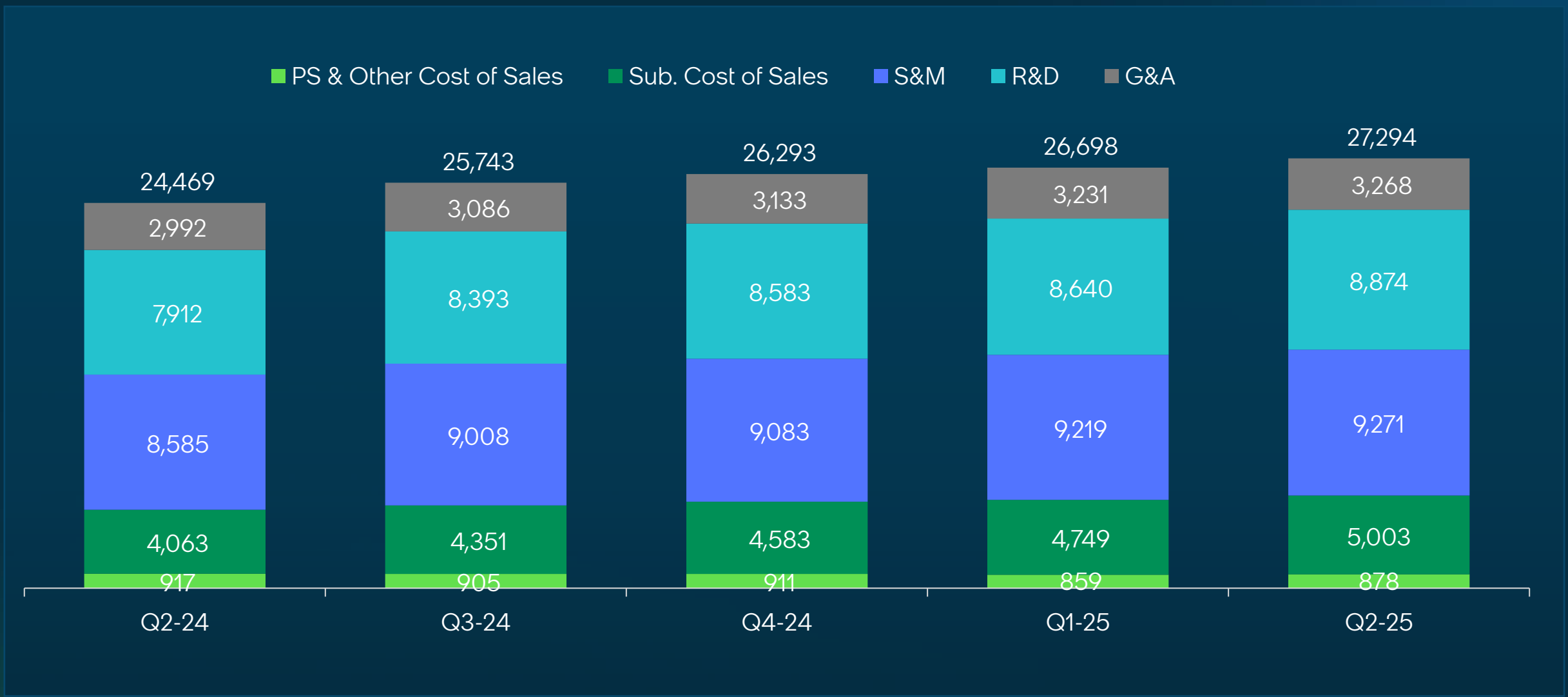


(1) Historical presentations disclosed net new ACV contribution across products and are not comparable to net new ACV contribution across workflows and products disclosed herein. NNACV generated from Industry products is spread across several workflows, the majority of which is reported under CRM and Industry Workflows.
Note: Technology Workflows include IT Service Management, IT Operations Management, Asset Management, Security Operations, Integrated Risk Management, Strategic Portfolio Management, Operational Technology Management, and others. CRM and Industry & Core Business Workflows include Customer Service Management, Field Service Management, HR Service Delivery, Workplace Service Delivery, Legal Service Delivery, Source-to-Pay Operations, and others. Creator Workflows & Others include App Engine, Workflow Data Fabric, Platform Privacy & Security, and others. Prior to Q1-25, Source-to-Pay Operations were included as part of Creator Workflows & Others.

GAAP Revenues by Geography

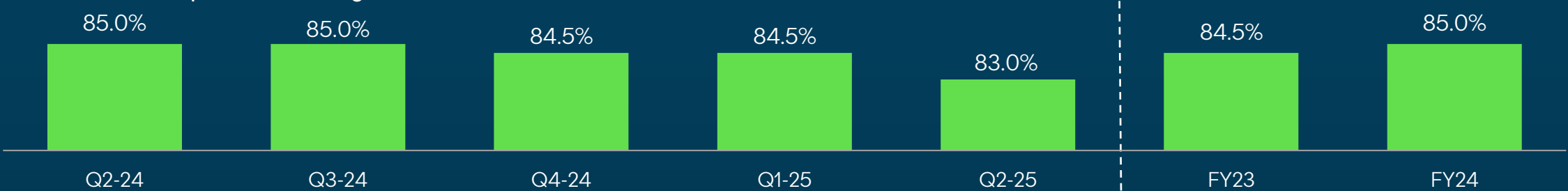


Headcount by Department

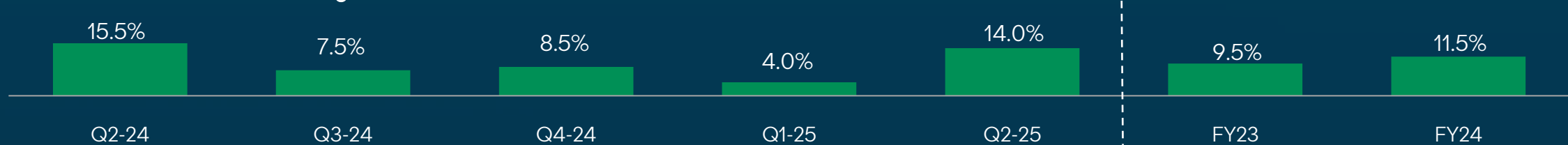


Non-GAAP Gross Margins

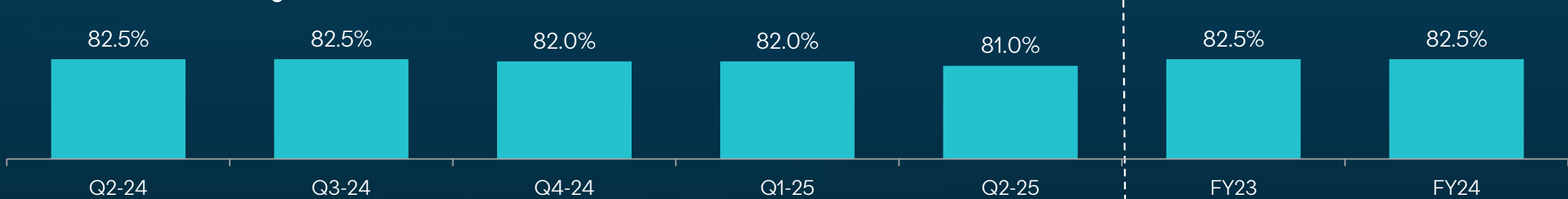
Non-GAAP Subscription Gross Margin



Non-GAAP PS & Other Gross Margin



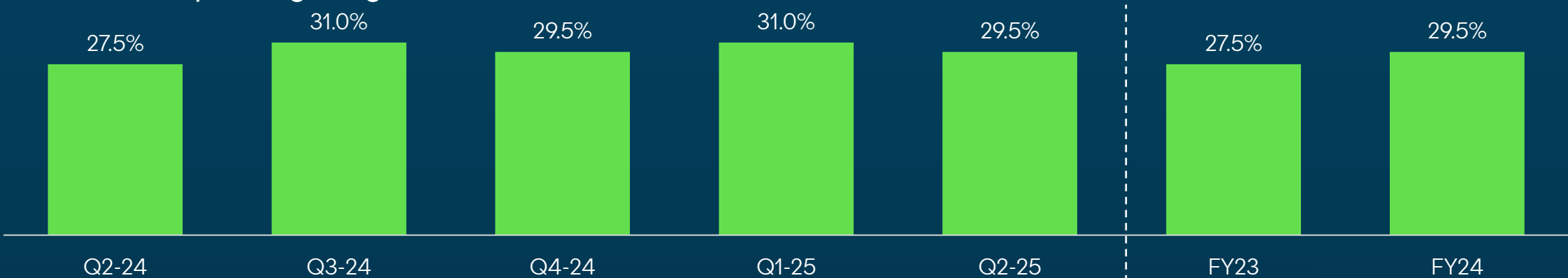
Non-GAAP Total Gross Margin



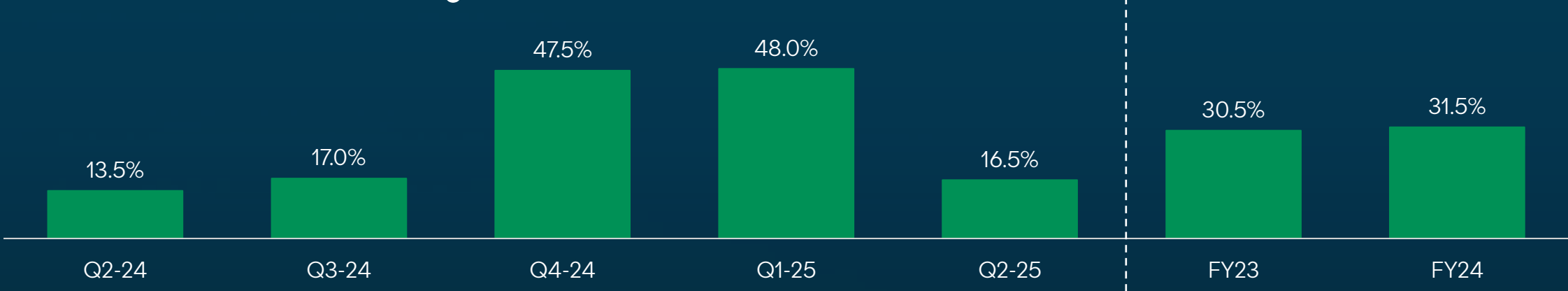
Note: All figures are calculated on a non-GAAP basis. See appendix for reconciliation of non-GAAP financial measures.

Non-GAAP Operating and Free Cash Flow Margins

Non-GAAP Operating Margin



Non-GAAP Free Cash Flow Margin



Note: All figures are calculated on a non-GAAP basis. See appendix for reconciliation of non-GAAP financial measures.

Non-GAAP Net Income and Diluted EPS



Note: All figures are calculated on a non-GAAP basis. See appendix for reconciliation of non-GAAP financial measures.

GAAP to Non-GAAP Reconciliation and Supplemental Information

GAAP to Non-GAAP Reconciliation – Other

in millions (except %'s and per share data)	2023	Margin	Q1'24	Margin	Q2'24	Margin	Q3'24	Margin	Q4'24	Margin	2024	Margin	Q1'25	Margin	Q2'25	Margin	Q3'25E	Margin	2025E	Margin
GAAP Subscription Gross Profit	\$ 7,074	81.5%	\$ 2,082	82.5%	\$ 2,073	81.5%	\$ 2,219	81.5%	\$ 2,330	81.5%	\$ 8,704	82%	\$ 2,444	81.5%	\$ 2,488	80%	N/A	N/A	N/A	80.5%
(+) Subscription SBC	\$ 202	2.5%	\$ 58	2.5%	\$ 62	2.5%	\$ 64	2.5%	\$ 66	2.5%	\$ 250	2.5%	\$ 68	2.5%	\$ 76	2.5%	N/A	N/A	N/A	2%
(+) Subscription Amort of Purchased Intangibles	\$ 77	1%	\$ 21	1%	\$ 21	1%	\$ 22	1%	\$ 20	0.5%	\$ 84	1%	\$ 20	0.5%	\$ 23	0.5%	N/A	N/A	N/A	1%
(+) Business Combination and Other Related Costs	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	N/A	N/A	N/A	0%
(+) Severance Costs	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	\$ 3	0%	N/A	N/A	N/A	0%
Non-GAAP Subscription Gross Profit	\$ 7,353	84.5%	\$ 2,161	85.5%	\$ 2,156	85%	\$ 2,305	85%	\$ 2,416	84.5%	\$ 9,038	85%	\$ 2,532	84.5%	\$ 2,590	83%	N/A	N/A	N/A	83.5%
GAAP Professional Services and Other Gross Profit (Loss)	\$ (24)	(8.5%)	\$ 1	1%	\$ 2	2%	\$ (6)	(6.5%)	\$ (4)	(4%)	\$ (7)	(2%)	\$ (7)	(8.5%)	\$ 3	3%	N/A	N/A	N/A	N/A
(+) Professional Services and Other SBC	\$ 52	17.5%	\$ 12	14.5%	\$ 12	13.5%	\$ 11	14%	\$ 11	12.5%	\$ 46	13.5%	\$ 11	13%	\$ 11	11%	N/A	N/A	N/A	N/A
(+) Severance Costs	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	N/A	N/A	N/A	N/A
Non-GAAP Professional Services and Other Gross Profit	\$ 28	9.5%	\$ 13	15.5%	\$ 14	15.5%	\$ 5	7.5%	\$ 7	8.5%	\$ 39	11.5%	\$ 4	4%	\$ 14	14%	N/A	N/A	N/A	N/A
GAAP Gross Profit	\$ 7,050	78.5%	\$ 2,083	80%	\$ 2,075	79%	\$ 2,213	79%	\$ 2,326	78.5%	\$ 8,697	79%	\$ 2,437	79%	\$ 2,491	77.5%	N/A	N/A	N/A	N/A
(+) SBC	\$ 254	3%	\$ 70	2.5%	\$ 74	3%	\$ 75	2.5%	\$ 77	2.5%	\$ 296	2.5%	\$ 79	2.5%	\$ 87	2.5%	N/A	N/A	N/A	N/A
(+) Amort of Purchased Intangibles	\$ 77	1%	\$ 21	1%	\$ 21	1%	\$ 22	1%	\$ 20	0.5%	\$ 84	1%	\$ 20	0.5%	\$ 23	0.5%	N/A	N/A	N/A	N/A
(+) Severance Costs	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	\$ 3	0%	N/A	N/A	N/A	N/A
Non-GAAP Gross Profit	\$ 7,381	82.5%	\$ 2,174	83.5%	\$ 2,170	82.5%	\$ 2,310	82.5%	\$ 2,423	82%	\$ 9,077	82.5%	\$ 2,536	82%	\$ 2,604	81%	N/A	N/A	N/A	N/A
GAAP Income from Operations	\$ 762	8.5%	\$ 332	12.5%	\$ 240	9%	\$ 418	15%	\$ 374	12.5%	\$ 1,364	12.5%	\$ 451	14.5%	\$ 358	11%	N/A	14%	N/A	14%
(+) SBC	\$ 1,604	18%	\$ 422	16%	\$ 444	17%	\$ 426	15%	\$ 454	15.5%	\$ 1,746	16%	\$ 470	15%	\$ 499	15.5%	N/A	15%	N/A	15%
(+) Amort of Purchased Intangibles	\$ 85	1%	\$ 24	1%	\$ 24	1%	\$ 23	1%	\$ 23	1%	\$ 94	1%	\$ 21	0.5%	\$ 25	1%	N/A	1%	N/A	1%
(+) Business Combination and Other Related Costs	\$ 38	0.5%	\$ 13	0.5%	\$ 12	0.5%	\$ 4	0%	\$ 4	0%	\$ 33	0.5%	\$ 11	0.5%	\$ 14	0.5%	N/A	0%	N/A	0%
(+) Impairment of Assets	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	\$ 30	1%	N/A	N/A	N/A	0%
(+) Severance Costs	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	\$ 29	1%	N/A	0%	N/A	0%
(+) Legal Settlements	-	0%	-	0%	-	0%	-	0%	\$ 17	0.5%	\$ 17	0%	-	0%	-	0%	N/A	0%	N/A	0%
Non-GAAP Income from Operations	\$ 2,489	27.5%	\$ 791	30.5%	\$ 720	27.5%	\$ 872	31%	\$ 872	29.5%	\$ 3,254	29.5%	\$ 953	31%	\$ 955	29.5%	N/A	30.5%	N/A	30.5%
GAAP Net Income	\$ 1,731	19.5%	\$ 347	13.5%	\$ 262	10%	\$ 432	15.5%	\$ 384	13%	\$ 1,425	13%	\$ 460	15%	\$ 385	12%	N/A	N/A	N/A	N/A
(+) SBC	\$ 1,604	18%	\$ 422	16%	\$ 444	17%	\$ 426	15%	\$ 454	15.5%	\$ 1,746	16%	\$ 470	15%	\$ 499	15.5%	N/A	N/A	N/A	N/A
(+) Amort of Purchased Intangibles	\$ 85	1%	\$ 24	1%	\$ 24	1%	\$ 23	1%	\$ 23	1%	\$ 94	1%	\$ 21	0.5%	\$ 25	1%	N/A	N/A	N/A	N/A
(+) Business Combination and Other Related Costs	\$ 38	0.5%	\$ 13	0.5%	\$ 12	0.5%	\$ 4	0%	\$ 4	0%	\$ 33	0.5%	\$ 11	0.5%	\$ 14	0.5%	N/A	N/A	N/A	N/A
(+) Impairment of Assets	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	\$ 30	1%	N/A	N/A	N/A	N/A
(+) Severance Costs	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	\$ 29	1%	N/A	N/A	N/A	N/A
(+) Legal Settlements	-	0%	-	0%	-	0%	-	0%	\$ 17	0.5%	\$ 17	0%	-	0%	-	0%	N/A	N/A	N/A	N/A
(-) Income Tax Expense Effects Related to the Above Adjustments ⁽¹⁾	\$ (193)	(2%)	\$ (99)	(4%)	\$ (91)	(3.5%)	\$ (110)	(4%)	\$ (113)	(4%)	\$ (413)	(4%)	\$ (116)	(4%)	\$ (128)	(4%)	N/A	N/A	N/A	N/A
(-) Income Tax benefit from the release of a valuation allowance on the deferred tax asset	\$ (1,050)	(11.5%)	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	N/A	N/A	N/A	N/A
Non-GAAP Net Income	\$ 2,215	24.5%	\$ 707	27%	\$ 651	25%	\$ 775	27.5%	\$ 769	26%	\$ 2,902	26.5%	\$ 846	27.5%	\$ 854	26.5%	N/A	N/A	N/A	N/A
Weighted-Average Shares Used to Compute Net Income per Share - Diluted	206	N/A	208	N/A	208	N/A	209	N/A	209	NA	208	208	209	N/A	209	N/A	210	N/A	210	N/A
GAAP Net Income per Share - Diluted	\$ 8.42	N/A	\$ 1.67	N/A	\$ 1.26	N/A	\$ 2.07	N/A	\$ 1.83	N/A	\$ 6.84	N/A	\$ 2.20	N/A	\$ 1.84	N/A	N/A	N/A	N/A	N/A
Non-GAAP Net Income per Share - Diluted	\$ 10.78	N/A	\$ 3.41	N/A	\$ 3.13	N/A	\$ 3.72	N/A	\$ 3.67	N/A	\$ 13.92	N/A	\$ 4.04	N/A	\$ 4.09	N/A	N/A	N/A	N/A	N/A
GAAP Net Cash Provided by Operating Activities	\$ 3,398	38%	\$ 1,341	51.5%	\$ 620	23.5%	\$ 671	24%	\$ 1,635	55.5%	\$ 4,267	39%	\$ 1,677	54.5%	\$ 716	22.5%	N/A	N/A	N/A	39%
(-) Purchases of Property and Equipment	\$ (694)	(7.5%)	\$ (135)	(5%)	\$ (262)	(10%)	\$ (202)	(7%)	\$ (253)	(8.5%)	\$ (852)	(8%)	\$ (205)	(6.5%)	\$ (190)	(6%)	N/A	N/A	N/A	(7%)
(+) Cash Paid for Legal Settlements	-	0%	-	0%	-	0%	-	0%	\$ 17	0.5%	\$ 17	0%	-	0%	-	0%	N/A	N/A	N/A	0%
(+) Business combination and other related costs	\$ 24	0.5%	\$ 19	0.5%	\$ 1	0%	\$ 2	0%	\$ 1	0%	\$ 23	0%	\$ 5	0%	\$ 9	0.5%	N/A	N/A	N/A	0%
Non-GAAP Free Cash Flow	\$ 2,728	30.5%	\$ 1,225	47%	\$ 359	13.5%	\$ 471	17%	\$ 1,400	47.5%	\$ 3,455	31.5%	\$ 1,477	48%	\$ 535	16.5%	N/A	N/A	N/A	32%

⁽¹⁾ We use a non-GAAP effective tax rate for evaluating our operating results to provide consistency across reporting periods. Based on our long-term projections, we are using a non-GAAP tax rate of 20% for each of the three months ended June 30, 2025 and 2024. This non-GAAP tax rate could change for various reasons including significant changes in our geographic earnings mix or fundamental tax law changes in major jurisdictions in which we operate.

Supplemental Information

in millions	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25
Stock-based compensation							
Cost of revenues:							
Subscription	\$ 58	\$ 62	\$ 64	\$ 66	\$ 250	\$ 68	\$ 76
Professional services and other	\$ 12	\$ 12	\$ 11	\$ 11	\$ 46	\$ 11	\$ 11
Operating expenses:							
Sales and marketing	\$ 134	\$ 141	\$ 144	\$ 146	\$ 565	\$ 148	\$ 155
Research and development	\$ 159	\$ 170	\$ 150	\$ 176	\$ 655	\$ 185	\$ 196
General and administrative	\$ 59	\$ 59	\$ 57	\$ 55	\$ 230	\$ 58	\$ 61
Total stock-based compensation	\$ 422	\$ 444	\$ 426	\$ 454	\$ 1,746	\$ 470	\$ 499
Amortization of purchase intangibles							
Cost of revenues:							
Subscription	\$ 21	\$ 21	\$ 22	\$ 20	\$ 84	\$ 20	\$ 23
Professional services and other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses:							
Sales and marketing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Research and development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General and administrative	\$ 4	\$ 2	\$ 1	\$ 3	\$ 10	\$ 1	\$ 2
Total amortization of purchase intangibles	\$ 24	\$ 24	\$ 23	\$ 23	\$ 94	\$ 21	\$ 25
Business combinations and other related costs							
Cost of revenues:							
Subscription	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Professional services and other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses:							
Sales and marketing	\$ -	\$ -	\$ -	\$ 1	\$ 1	\$ -	\$ -
Research and development	\$ 11	\$ 10	\$ 3	\$ 2	\$ 26	\$ 2	\$ 2
General and administrative	\$ 2	\$ 2	\$ 1	\$ 1	\$ 6	\$ 9	\$ 12
Total Business combinations and other related costs	\$ 13	\$ 12	\$ 4	\$ 4	\$ 33	\$ 11	\$ 14
Legal Settlements							
Cost of revenues:							
Subscription	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Professional services and other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses:							
Sales and marketing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Research and development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General and administrative	\$ -	\$ -	\$ -	\$ 17	\$ 17	\$ -	\$ -
Total Legal Settlements	\$ -	\$ -	\$ -	\$ 17	\$ 17	\$ -	\$ -
Impairment of assets							
Cost of revenues:							
Subscription	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Professional services and other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses:							
Sales and marketing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Research and development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General and administrative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30
Total Impairment of assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30
Severance costs							
Cost of revenues:							
Subscription	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3
Professional services and other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses:							
Sales and marketing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19
Research and development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5
General and administrative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2
Total Severance costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29

Note: Numbers rounded for presentation purposes and may not foot.

servicenow®