

**ZSCALER, INC.**  
**Supplemental Financial Information**  
**Explanation of Non-GAAP Financial Measures**

In addition to our results determined in accordance with generally accepted accounting principles in the United States of America (GAAP), we believe the following non-GAAP measures are useful in evaluating our operating performance. We use the following non-GAAP financial information to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that non-GAAP financial information, when taken collectively, may be helpful to investors because it provides consistency and comparability with past financial performance. However, non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. In particular, free cash flow is not a substitute for cash provided by operating activities. Additionally, the utility of free cash flow as a measure of our liquidity is further limited as it does not represent the total increase or decrease in our cash balance for a given period. In addition, other companies, including companies in our industry, may calculate similarly-titled non-GAAP measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison. A reconciliation of our historical non-GAAP financial measures to their most directly comparable financial measures stated in accordance with GAAP has been included in this Supplemental Financial Information. Investors are cautioned that there are a number of limitations associated with the use of non-GAAP financial measures and key metrics as analytical tools. Investors are encouraged to review these reconciliations, and not to rely on any single financial measure to evaluate our business.

**Expenses Excluded from Non-GAAP Measures**

Stock-based compensation expense is excluded primarily because it is a non-cash expense that management believes is not reflective of our ongoing operational performance. Employer payroll taxes related to stock-based compensation, which is a cash expense, are excluded because these are tied to the timing and size of the exercise or vesting of the underlying equity awards and the price of our common stock at the time of vesting or exercise, which may vary from period to period independent of the operating performance of our business. Amortization expense of acquired intangible assets and non-recurring income tax expense or benefit associated with business acquisitions are excluded because these are considered by management to be outside of our core business operating performance. Restructuring and other charges includes severance and termination benefits in connection with a restructuring plan to streamline operations and to align people, roles and projects to our strategic priorities. These expenses are excluded because they fluctuate in amount and frequency and are not reflective of our core business operating performance. Amortization of debt discount and issuance costs from the convertible senior notes are excluded because these are non-cash expenses and are not reflective of our ongoing operational performance. We estimate the tax effect of these items on our non-GAAP results and may adjust our GAAP provision for income taxes, if such effects have a material impact to our non-GAAP results.

Effective August 1, 2024, the beginning of Zscaler's fiscal year ending July 31, 2025, we are using a long-term projected non-GAAP tax rate of 23% for the purpose of determining our non-GAAP net income and non-GAAP net income per share to provide better consistency across interim reporting periods in fiscal 2025 and beyond. Given the significant growth of our business and non-GAAP operating income, we believe this change is necessary to better reflect the performance of our business. We will continue to assess the appropriate non-GAAP tax rate on a regular basis, which could be subject to change for a variety of reasons, including the rapidly evolving global tax environment, significant changes in our geographic earnings mix, or other changes to our strategy or business operations.

**Non-GAAP Financial Measures**

**Non-GAAP Gross Profit and Non-GAAP Gross Margin.** We define non-GAAP gross profit as GAAP gross profit excluding stock-based compensation expense and related employer payroll taxes and amortization expense of acquired intangible assets. We define non-GAAP gross margin as non-GAAP gross profit as a percentage of revenue.

**Non-GAAP Income from Operations and Non-GAAP Operating Margin.** We define non-GAAP income from operations as GAAP loss from operations excluding stock-based compensation expense and related employer payroll taxes, amortization expense of acquired intangible assets and restructuring and other charges. We define non-GAAP operating margin as non-GAAP income from operations as a percentage of revenue.

**Non-GAAP Net Income per Share, Diluted.** We define non-GAAP net income as GAAP net income (loss) excluding stock-based compensation expense and related employer payroll taxes, amortization expense of acquired intangible assets, restructuring and other charges, amortization of debt discount and issuance costs, refunds of certain foreign withholding taxes related to prior fiscal periods and the tax effects of these items on our non-GAAP net income. We define non-GAAP net income per share, diluted, as non-GAAP net income plus the non-GAAP interest expense divided by the weighted-average diluted shares outstanding, which includes the effect of potentially diluted common stock equivalents outstanding during the period and the anti-dilutive impact of the capped call transactions entered into in connection with the convertible senior notes.

**Calculated Billings.** We define calculated billings as revenue plus the change in deferred revenue in a period. Calculated billings in any particular period aims to reflect amounts invoiced for subscriptions to access our cloud platform, together with related support services for our new and existing customers. We typically invoice our customers annually in advance, and to a lesser extent quarterly in advance, monthly in advance or multi-year in advance.

**Free Cash Flow and Free Cash Flow Margin.** We define free cash flow as net cash provided by operating activities less purchases of property, equipment and other assets and capitalized internal-use software. We define free cash flow margin as free cash flow divided by revenue. We believe that free cash flow and free cash flow margin are useful indicators of liquidity that provide information to management and investors about the amount of cash generated from our operations that, after the investments in property, equipment and other assets and capitalized internal-use software, can be used for strategic initiatives.

**ZSCALER, INC.**  
**Condensed Consolidated Statements of Operations**  
*(in thousands, except per share amounts)*  
*(unaudited)*

<b>Fiscal Quarter</b>	<b>Q1 FY23</b>	<b>Q2 FY23</b>	<b>Q3 FY23</b>	<b>Q4 FY23</b>	<b>Q1 FY24</b>	<b>Q2 FY24</b>	<b>Q3 FY24</b>	<b>Q4 FY24</b>
End of Fiscal Quarter	10/31/2022	1/31/2023	4/30/2023	7/31/2023	10/31/2023	1/31/2024	4/30/2024	7/31/2024
Beginning of Fiscal Quarter	8/1/2022	11/1/2022	2/1/2023	5/1/2023	8/1/2023	11/1/2023	2/1/2024	5/1/2024
Revenue	\$ 355,548	\$ 387,598	\$ 418,800	\$ 455,006	\$ 496,703	\$ 524,999	\$ 553,201	\$ 592,868
Cost of revenue <sup>(1)(2)</sup>	76,697	87,604	95,849	102,682	111,394	117,199	118,331	130,205
Gross profit	278,851	299,994	322,951	352,324	385,309	407,800	434,870	462,663
Operating expenses:								
Sales and marketing <sup>(1)(2)</sup>	228,836	235,945	236,273	252,810	267,111	276,481	262,447	294,200
Research and development <sup>(1)(2)</sup>	74,946	85,765	92,637	96,387	113,539	122,181	124,958	139,150
General and administrative <sup>(1)</sup>	44,156	43,522	43,486	46,380	50,716	54,595	50,478	56,263
Restructuring and other charges <sup>(1)</sup>	—	—	6,301	1,299	—	—	—	—
Total operating expenses	347,938	365,232	378,697	396,876	431,366	453,257	437,883	489,613
Loss from operations	(69,087)	(65,238)	(55,746)	(44,552)	(46,057)	(45,457)	(3,013)	(26,950)
Interest income	7,865	12,669	18,577	21,351	25,942	28,385	27,570	27,233
Interest expense <sup>(3)</sup>	(1,331)	(1,333)	(1,383)	(2,494)	(3,159)	(3,605)	(2,764)	(3,604)
Other income (expense), net	(863)	141	(809)	(331)	(1,212)	172	(927)	(1,783)
Income (loss) before income taxes	(63,416)	(53,761)	(39,361)	(26,026)	(24,486)	(20,505)	20,866	(5,104)
Provision for income taxes <sup>(4)</sup>	4,746	3,692	6,685	4,648	8,997	7,964	1,742	9,774
Net income (loss)	\$ (68,162)	\$ (57,453)	\$ (46,046)	\$ (30,674)	\$ (33,483)	\$ (28,469)	\$ 19,124	\$ (14,878)
Net income (loss) per share								
Basic	\$ (0.48)	\$ (0.40)	\$ (0.32)	\$ (0.21)	\$ (0.23)	\$ (0.19)	\$ 0.13	\$ (0.10)
Diluted	\$ (0.48)	\$ (0.40)	\$ (0.32)	\$ (0.21)	\$ (0.23)	\$ (0.19)	\$ 0.12	\$ (0.10)
Weighted-average shares used in computing net income (loss) per share								
Basic	143,476	144,511	145,354	146,424	147,625	148,951	150,290	151,497
Diluted	143,476	144,511	145,354	146,424	147,625	148,951	154,081	151,497

<sup>(1)</sup> Includes stock-based compensation expense and related payroll taxes as follows:

Cost of revenue	\$ 8,661	\$ 9,595	\$ 10,025	\$ 12,016	\$ 12,955	\$ 13,434	\$ 12,487	\$ 13,890
Sales and marketing	55,469	55,213	51,417	60,181	58,668	65,855	45,490	60,584
Research and development	25,233	29,380	31,796	34,742	41,043	44,120	46,346	54,598
General and administrative	19,273	17,330	17,112	19,336	20,063	22,127	17,142	20,298
Restructuring and other charges	—	—	1,036	—	—	—	—	—
Total	\$ 108,636	\$ 111,518	\$ 111,386	\$ 126,275	\$ 132,729	\$ 145,536	\$ 121,465	\$ 149,370

<sup>(2)</sup> Includes amortization expense of acquired intangible assets as follows:

Cost of revenue	\$ 1,939	\$ 2,175	\$ 2,695	\$ 2,765	\$ 2,717	\$ 2,717	\$ 2,962	\$ 4,483
Sales and marketing	178	178	200	217	226	226	279	501
Research and development	435	198	80	—	93	140	140	140
Total	\$ 2,552	\$ 2,551	\$ 2,975	\$ 2,982	\$ 3,036	\$ 3,083	\$ 3,381	\$ 5,124

<sup>(3)</sup> Includes amortization of debt discount and issuance costs

\$ 972	\$ 973	\$ 974	\$ 975	\$ 977	\$ 978	\$ 979	\$ 980
--------	--------	--------	--------	--------	--------	--------	--------

<sup>(4)</sup> Includes tax expense (benefit) associated with specific transactions <sup>(\*\*)</sup>

\$ —	\$ —	\$ —	\$ —	\$ 3,259	\$ —	\$ (5,123)	\$ —
------	------	------	------	----------	------	------------	------

(\*\*) In the fiscal quarter ended October 31, 2023, we recognized a tax expense of \$3.3 million associated with the integration of a business acquisition. In the fiscal quarter ended April 30, 2024, we recognized a tax benefit of \$5.1 million associated with the reduction of the valuation allowance due to the establishment of deferred tax liabilities from a business acquisition.

**ZSCALER, INC.**
**Non-GAAP Condensed Consolidated Statements of Operations**

(in thousands, except per share amounts)  
(unaudited)

<b>Fiscal Quarter</b>	<b>Q1 FY23</b>	<b>Q2 FY23</b>	<b>Q3 FY23</b>	<b>Q4 FY23</b>	<b>Q1 FY24</b>	<b>Q2 FY24</b>	<b>Q3 FY24</b>	<b>Q4 FY24</b>
End of Fiscal Quarter	10/31/2022	1/31/2023	4/30/2023	7/31/2023	10/31/2023	1/31/2024	4/30/2024	7/31/2024
Beginning of Fiscal Quarter	8/1/2022	11/1/2022	2/1/2023	5/1/2023	8/1/2023	11/1/2023	2/1/2024	5/1/2024
Revenue	\$ 355,548	\$ 387,598	\$ 418,800	\$ 455,006	\$ 496,703	\$ 524,999	\$ 553,201	\$ 592,868
Cost of revenue	66,097	75,834	83,129	87,901	95,722	101,048	102,882	111,832
Gross profit	289,451	311,764	335,671	367,105	400,981	423,951	450,319	481,036
Operating expenses:								
Sales and marketing	173,189	180,554	184,656	192,412	208,217	210,400	216,678	233,115
Research and development	49,278	56,187	60,761	61,645	72,403	77,921	78,472	84,412
General and administrative	24,883	26,192	26,374	27,044	30,653	32,468	33,336	35,965
Total operating expenses	247,350	262,933	271,791	281,101	311,273	320,789	328,486	353,492
Income from operations	42,101	48,831	63,880	86,004	89,708	103,162	121,833	127,544
Interest income	7,865	12,669	18,577	21,351	25,942	28,385	27,570	27,233
Interest expense	(359)	(360)	(409)	(1,519)	(2,182)	(2,627)	(1,785)	(2,624)
Other income (expense), net	(863)	141	(809)	(331)	(1,212)	172	(927)	(1,783)
Income before income taxes	48,744	61,281	81,239	105,505	112,256	129,092	146,691	150,370
Provision for income taxes <sup>(1)</sup>	4,746	3,692	6,685	4,648	5,738	7,964	6,865	9,774
Non-GAAP net income	\$ 43,998	\$ 57,589	\$ 74,554	\$ 100,857	\$ 106,518	\$ 121,128	\$ 139,826	\$ 140,596
Non-GAAP net income per share, diluted	\$ 0.29	\$ 0.37	\$ 0.48	\$ 0.64	\$ 0.67	\$ 0.76	\$ 0.88	\$ 0.88
Weighted-average shares used in computing non-GAAP net income per share, diluted	154,203	154,742	155,472	157,315	158,505	159,154	159,657	160,497

<sup>(1)</sup> We use our GAAP provision for income taxes for purposes of determining our non-GAAP income tax expense. The difference between our GAAP and non-GAAP income tax expense represents the effects of stock-based compensation expense and income tax effects associated with business acquisitions. The income tax benefit related to stock-based compensation expense included in the GAAP provision for income taxes was not material for all periods presented. In the fiscal quarter ended October 31, 2023, we recognized a tax expense of \$3.3 million associated with the integration of a business acquisition. In the fiscal quarter ended April 30, 2024, we recorded a tax benefit of \$5.1 million, associated with the reduction of the valuation allowance due to the establishment of deferred tax liabilities from a business acquisition.

<sup>(2)</sup> Supplemental information subsequent to the adoption of ASU 2020-06:

<b>Fiscal Quarter</b>	<b>Q1 FY23</b>	<b>Q2 FY23</b>	<b>Q3 FY23</b>	<b>Q4 FY23</b>	<b>Q1 FY24</b>	<b>Q2 FY24</b>	<b>Q3 FY24</b>	<b>Q4 FY24</b>
Non-GAAP net income	\$ 43,998	\$ 57,589	\$ 74,554	\$ 100,857	\$ 106,518	\$ 121,128	\$ 139,826	\$ 140,596
Add: Non-GAAP interest expense related to the convertible senior notes	359	360	359	359	359	359	359	359
Numerator used in computing non-GAAP net income per share, diluted	\$ 44,357	\$ 57,949	\$ 74,913	\$ 101,216	\$ 106,877	\$ 121,487	\$ 140,185	\$ 140,955
Weighted-average shares used in computing GAAP net income (loss) per share, diluted	143,476	144,511	145,354	146,424	147,625	148,951	154,081	151,497
Add: Dilution from outstanding potentially dilutive equity incentive awards	3,689	2,605	2,492	3,265	3,431	4,670	—	2,699
Add: Dilution from the convertible senior notes using the if-converted method	7,626	7,626	7,626	7,626	7,626	7,626	7,626	7,626
Less: Antidilutive impact of capped call transactions (*)	(588)	—	—	—	(177)	(2,093)	(2,050)	(1,325)
Weighted-average shares used in computing non-GAAP net income per share, diluted	154,203	154,742	155,472	157,315	158,505	159,154	159,657	160,497

(\*) The capped calls have an antidilutive impact when the average stock price of our common stock in a given period is higher than their exercise price.

**ZSCALER, INC.**
**Condensed Consolidated Balance Sheets**
*(in thousands)*
*(unaudited)*

<b>Fiscal Quarter</b>	<b>Q1 FY23</b>	<b>Q2 FY23</b>	<b>Q3 FY23</b>	<b>Q4 FY23</b>	<b>Q1 FY24</b>	<b>Q2 FY24</b>	<b>Q3 FY24</b>	<b>Q4 FY24</b>
End of Fiscal Quarter	10/31/2022	1/31/2023	4/30/2023	7/31/2023	10/31/2023	1/31/2024	4/30/2024	7/31/2024
<b>Assets</b>								
Current assets:								
Cash and cash equivalents	\$ 1,084,945	\$ 1,257,012	\$ 1,275,297	\$ 1,262,206	\$ 1,361,723	\$ 1,438,586	\$ 1,259,197	\$ 1,423,080
Short-term investments	739,845	648,332	693,110	838,026	962,681	1,021,218	980,802	986,574
Accounts receivable, net	268,718	358,614	376,339	582,636	366,843	479,611	506,284	736,529
Deferred contract acquisition costs	90,004	96,105	103,896	115,827	119,417	125,591	135,095	148,873
Prepaid expenses and other current assets	49,849	56,046	78,608	91,619	80,926	77,702	88,636	101,561
Total current assets	2,233,361	2,416,109	2,527,250	2,890,314	2,891,590	3,142,708	2,970,014	3,396,617
Property and equipment, net	183,425	200,468	222,801	242,355	265,592	294,495	330,646	383,121
Operating lease right-of-use assets	76,199	69,848	68,526	70,671	77,137	87,804	92,473	89,758
Deferred contract acquisition costs, noncurrent	211,468	219,046	232,304	259,407	253,386	255,883	268,079	296,525
Acquired intangible assets, net	29,267	26,716	28,841	25,859	25,623	22,540	68,959	63,835
Goodwill	78,547	78,547	89,192	89,192	92,415	92,415	417,029	417,029
Other noncurrent assets	23,465	29,222	31,798	30,519	29,841	38,381	51,551	58,083
Total assets	<u>\$ 2,835,732</u>	<u>\$ 3,039,956</u>	<u>\$ 3,200,712</u>	<u>\$ 3,608,317</u>	<u>\$ 3,635,584</u>	<u>\$ 3,934,226</u>	<u>\$ 4,198,751</u>	<u>\$ 4,704,968</u>
<b>Liabilities and stockholders' equity</b>								
Current liabilities:								
Accounts payable	\$ 29,717	\$ 33,632	\$ 24,783	\$ 18,481	\$ 23,234	\$ 17,137	\$ 28,030	\$ 23,309
Accrued expenses and other current liabilities	60,229	43,547	51,209	64,975	70,950	68,217	82,639	91,708
Accrued compensation	79,587	97,293	123,195	136,800	97,568	137,362	163,119	160,810
Deferred revenue	913,104	1,000,359	1,058,901	1,281,143	1,244,528	1,316,416	1,376,676	1,643,919
Convertible senior notes	—	—	—	—	—	—	—	1,142,275
Operating lease liabilities	28,646	29,173	31,054	34,469	38,138	44,773	50,857	50,866
Total current liabilities	1,111,283	1,204,004	1,289,142	1,535,868	1,474,418	1,583,905	1,701,321	3,112,887
Convertible senior notes, noncurrent	1,139,542	1,140,516	1,140,840	1,134,159	1,134,026	1,141,011	1,137,687	—
Deferred revenue, noncurrent	92,609	111,521	116,472	158,533	155,016	185,759	200,338	251,055
Operating lease liabilities, noncurrent	51,065	46,233	42,884	41,917	43,606	47,906	46,897	44,824
Other noncurrent liabilities	9,958	9,025	10,100	12,728	20,993	16,789	19,369	22,100
Total liabilities	2,404,457	2,511,299	2,599,438	2,883,205	2,828,059	2,975,370	3,105,612	3,430,866
<b>Stockholders' equity</b>								
Common stock	144	145	146	147	148	150	151	152
Additional paid-in capital	1,425,156	1,547,203	1,660,930	1,816,915	1,949,189	2,114,041	2,241,865	2,426,819
Accumulated other comprehensive loss	(37,824)	(5,037)	(102)	(1,576)	(17,955)	(3,009)	(15,675)	(4,789)
Accumulated deficit	(956,201)	(1,013,654)	(1,059,700)	(1,090,374)	(1,123,857)	(1,152,326)	(1,133,202)	(1,148,080)
Total stockholders' equity	431,275	528,657	601,274	725,112	807,525	958,856	1,093,139	1,274,102
Total liabilities and stockholders' equity	<u>\$ 2,835,732</u>	<u>\$ 3,039,956</u>	<u>\$ 3,200,712</u>	<u>\$ 3,608,317</u>	<u>\$ 3,635,584</u>	<u>\$ 3,934,226</u>	<u>\$ 4,198,751</u>	<u>\$ 4,704,968</u>

**ZSCALER, INC.**  
**Condensed Consolidated Statements of Cash flows**  
*(in thousands)*  
*(unaudited)*

<b>Fiscal Quarter</b>	<b>Q1 FY23</b>	<b>Q2 FY23</b>	<b>Q3 FY23</b>	<b>Q4 FY23</b>	<b>Q1 FY24</b>	<b>Q2 FY24</b>	<b>Q3 FY24</b>	<b>Q4 FY24</b>
End of Fiscal Quarter	10/31/2022	1/31/2023	4/30/2023	7/31/2023	10/31/2023	1/31/2024	4/30/2024	7/31/2024
Beginning of Fiscal Quarter	8/1/2022	11/1/2022	2/1/2023	5/1/2023	8/1/2023	11/1/2023	2/1/2024	5/1/2024
<b>Cash flows from operating activities</b>								
Net income (loss)	\$ (68,162)	\$ (57,453)	\$ (46,046)	\$ (30,674)	\$ (33,483)	\$ (28,469)	\$ 19,124	\$ (14,878)
Adjustments to reconcile net loss to cash provided by operating activities:								
Depreciation and amortization expense	11,876	13,365	14,528	15,987	13,962	15,399	17,672	19,275
Amortization expense of acquired intangible assets	2,552	2,551	2,975	2,982	3,036	3,083	3,381	5,124
Amortization of deferred contract acquisition costs	22,325	23,728	25,315	27,350	30,111	31,393	33,207	35,428
Amortization of debt discount and issuance costs	972	973	974	975	977	978	979	980
Non-cash operating lease costs	7,108	7,880	8,332	8,892	9,903	11,730	13,280	14,532
Stock-based compensation expense	105,173	109,738	107,819	122,104	129,138	140,432	113,236	144,870
Accretion of investments purchased at a discount	(165)	(1,268)	(1,956)	(3,193)	(3,199)	(6,383)	(5,002)	(4,478)
Unrealized (gains) losses on hedging transactions	1,185	(1,881)	(444)	(2,179)	1,564	1,277	(1,267)	(821)
Deferred income taxes	65	(56)	149	194	(43)	(1,394)	(4,332)	136
Other	(937)	153	(163)	127	1,031	372	314	1,603
Changes in operating assets and liabilities, net of effects of business acquisitions:								
Accounts receivable	130,636	(89,836)	(17,795)	(206,863)	215,082	(112,708)	(23,968)	(231,366)
Deferred contract acquisition costs	(26,795)	(37,407)	(46,364)	(66,384)	(27,680)	(40,064)	(54,907)	(77,652)
Prepaid expenses, other current and noncurrent assets	(7,579)	(221)	(21,805)	(10,317)	1,349	1,311	(26,112)	(16,519)
Accounts payable	3,000	2,228	(9,307)	(4,337)	4,596	(7,008)	9,932	(3,356)
Accrued expenses, other current and noncurrent liabilities	3,627	2,272	8,962	11,953	4,859	1,161	8,627	28,909
Accrued compensation	(32,797)	15,146	28,584	13,605	(39,232)	39,794	12,254	(2,309)
Deferred revenue	(15,340)	106,202	63,394	264,308	(40,154)	102,631	69,877	317,960
Operating lease liabilities	(8,287)	(6,633)	(8,683)	(8,594)	(11,011)	(11,466)	(12,881)	(13,881)
<b>Net cash provided by operating activities</b>	<b>128,457</b>	<b>89,481</b>	<b>108,469</b>	<b>135,936</b>	<b>260,806</b>	<b>142,069</b>	<b>173,414</b>	<b>203,557</b>
<b>Cash flows from investing activities</b>								
Purchases of property, equipment and other assets	(25,202)	(18,681)	(26,244)	(27,070)	(28,659)	(30,894)	(35,651)	(49,384)
Capitalized internal-use software	(7,641)	(7,982)	(8,339)	(7,565)	(7,429)	(10,387)	(14,637)	(17,855)
Payments for business acquisitions, net of cash acquired	—	—	(15,643)	—	(4,377)	—	(357,404)	(12,921)
Purchase of strategic investments	(700)	(500)	(1,000)	(1,006)	—	(2,000)	—	—
Purchases of short-term investments	(210,255)	(303,488)	(226,496)	(323,904)	(375,929)	(385,867)	(242,176)	(287,043)
Proceeds from maturities of short-term investments	186,096	400,705	161,365	153,683	253,849	340,838	244,566	293,015
Proceeds from sale of short-term investments	—	—	25,083	25,447	—	2,105	45,060	—
<b>Net cash provided by (used in) investing activities</b>	<b>(57,702)</b>	<b>70,054</b>	<b>(91,274)</b>	<b>(180,415)</b>	<b>(162,545)</b>	<b>(86,205)</b>	<b>(360,242)</b>	<b>(74,188)</b>
<b>Cash flows from financing activities</b>								
Proceeds from issuance of common stock upon exercise of stock options	982	1,122	1,090	750	1,256	2,592	7,439	962
Proceeds from issuance of common stock under the employee stock purchase plan	—	11,410	—	30,853	—	18,407	—	33,591
Payment of deferred consideration related to business acquisitions	—	—	—	(215)	—	—	—	—
Other	(2)	—	—	—	—	—	—	(39)
<b>Net cash provided by financing activities</b>	<b>980</b>	<b>12,532</b>	<b>1,090</b>	<b>31,388</b>	<b>1,256</b>	<b>20,999</b>	<b>7,439</b>	<b>34,514</b>
Net increase (decrease) in cash and cash equivalents	71,735	172,067	18,285	(13,091)	99,517	76,863	(179,389)	163,883
Cash and cash equivalents at beginning of period	1,013,210	1,084,945	1,257,012	1,275,297	1,262,206	1,361,723	1,438,586	1,259,197
Cash and cash equivalents at end of period	<u>\$ 1,084,945</u>	<u>\$ 1,257,012</u>	<u>\$ 1,275,297</u>	<u>\$ 1,262,206</u>	<u>\$ 1,361,723</u>	<u>\$ 1,438,586</u>	<u>\$ 1,259,197</u>	<u>\$ 1,423,080</u>

**ZSCALER, INC.**
**GAAP to Non-GAAP Reconciliations**
*(in thousands, except percentages and per share amounts)(unaudited)*

<b>Fiscal Quarter</b>	<b>Q1 FY23</b>	<b>Q2 FY23</b>	<b>Q3 FY23</b>	<b>Q4 FY23</b>	<b>Q1 FY24</b>	<b>Q2 FY24</b>	<b>Q3 FY24</b>	<b>Q4 FY24</b>
End of Fiscal Quarter	10/31/2022	1/31/2023	4/30/2023	7/31/2023	10/31/2023	1/31/2024	4/30/2024	7/31/2024
Beginning of Fiscal Quarter	8/1/2022	11/1/2022	2/1/2023	5/1/2023	8/1/2023	11/1/2023	2/1/2024	5/1/2024
<b>GAAP gross profit</b>	<u>\$ 278,851</u>	<u>\$ 299,994</u>	<u>\$ 322,951</u>	<u>\$ 352,324</u>	<u>\$ 385,309</u>	<u>\$ 407,800</u>	<u>\$ 434,870</u>	<u>\$ 462,663</u>
Stock-based compensation expense and related payroll taxes	8,661	9,595	10,025	12,016	12,955	13,434	12,487	13,890
Amortization expense of acquired intangible assets	1,939	2,175	2,695	2,765	2,717	2,717	2,962	4,483
<b>Non-GAAP gross profit</b>	<u>\$ 289,451</u>	<u>\$ 311,764</u>	<u>\$ 335,671</u>	<u>\$ 367,105</u>	<u>\$ 400,981</u>	<u>\$ 423,951</u>	<u>\$ 450,319</u>	<u>\$ 481,036</u>
GAAP gross margin	78 %	77 %	77 %	77 %	78 %	78 %	79 %	78 %
Non-GAAP gross margin	81 %	80 %	80 %	81 %	81 %	81 %	81 %	81 %
<b>GAAP sales and marketing expense</b>	<u>\$ 228,836</u>	<u>\$ 235,945</u>	<u>\$ 236,273</u>	<u>\$ 252,810</u>	<u>\$ 267,111</u>	<u>\$ 276,481</u>	<u>\$ 262,447</u>	<u>\$ 294,200</u>
Stock-based compensation expense and related payroll taxes	55,469	55,213	51,417	60,181	58,668	65,855	45,490	60,584
Amortization expense of acquired intangible assets	178	178	200	217	226	226	279	501
<b>Non-GAAP sales and marketing expense</b>	<u>\$ 173,189</u>	<u>\$ 180,554</u>	<u>\$ 184,656</u>	<u>\$ 192,412</u>	<u>\$ 208,217</u>	<u>\$ 210,400</u>	<u>\$ 216,678</u>	<u>\$ 233,115</u>
GAAP sales and marketing expense as a percentage of revenue	64 %	61 %	56 %	56 %	54 %	53 %	47 %	50 %
Non-GAAP sales and marketing expense as a percentage of revenue	49 %	47 %	44 %	42 %	42 %	40 %	39 %	39 %
<b>GAAP research and development expense</b>	<u>\$ 74,946</u>	<u>\$ 85,765</u>	<u>\$ 92,637</u>	<u>\$ 96,387</u>	<u>\$ 113,539</u>	<u>\$ 122,181</u>	<u>\$ 124,958</u>	<u>\$ 139,150</u>
Stock-based compensation expense and related payroll taxes	25,233	29,380	31,796	34,742	41,043	44,120	46,346	54,598
Amortization expense of acquired intangible assets	435	198	80	—	93	140	140	140
<b>Non-GAAP research and development expense</b>	<u>\$ 49,278</u>	<u>\$ 56,187</u>	<u>\$ 60,761</u>	<u>\$ 61,645</u>	<u>\$ 72,403</u>	<u>\$ 77,921</u>	<u>\$ 78,472</u>	<u>\$ 84,412</u>
GAAP research and development expense as a percentage of revenue	21 %	22 %	22 %	21 %	23 %	23 %	23 %	23 %
Non-GAAP research and development expense as a percentage of revenue	14 %	14 %	15 %	14 %	15 %	15 %	14 %	14 %
<b>GAAP general and administrative expense</b>	<u>\$ 44,156</u>	<u>\$ 43,522</u>	<u>\$ 43,486</u>	<u>\$ 46,380</u>	<u>\$ 50,716</u>	<u>\$ 54,595</u>	<u>\$ 50,478</u>	<u>\$ 56,263</u>
Stock-based compensation expense and related payroll taxes	19,273	17,330	17,112	19,336	20,063	22,127	17,142	20,298
<b>Non-GAAP general and administrative expense</b>	<u>\$ 24,883</u>	<u>\$ 26,192</u>	<u>\$ 26,374</u>	<u>\$ 27,044</u>	<u>\$ 30,653</u>	<u>\$ 32,468</u>	<u>\$ 33,336</u>	<u>\$ 35,965</u>
GAAP general and administrative expense as a percentage of revenue	12 %	11 %	10 %	10 %	10 %	10 %	9 %	9 %
Non-GAAP general and administrative expense as a percentage of revenue	7 %	7 %	6 %	6 %	6 %	6 %	6 %	6 %
<b>GAAP restructuring and other charges</b>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 6,301</u>	<u>\$ 1,299</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Stock-based compensation expense and related payroll taxes	—	—	1,036	—	—	—	—	—
Restructuring and other charges, excluding stock-based compensation expense <sup>(1)</sup>	—	—	5,265	1,299	—	—	—	—
<b>Non-GAAP restructuring and other charges</b>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
GAAP restructuring and other charges as a percentage of revenue	— %	— %	2 %	— %	— %	— %	— %	— %
Non-GAAP restructuring and other charges as a percentage of revenue	— %	— %	— %	— %	— %	— %	— %	— %
<b>GAAP total operating expenses</b>	<u>\$ 347,938</u>	<u>\$ 365,232</u>	<u>\$ 378,697</u>	<u>\$ 396,876</u>	<u>\$ 431,366</u>	<u>\$ 453,257</u>	<u>\$ 437,883</u>	<u>\$ 489,613</u>
Stock-based compensation expense and related payroll taxes <sup>(1)</sup>	99,975	101,923	101,361	114,259	119,774	132,102	108,978	135,480
Amortization expense of acquired intangible assets	613	376	280	217	319	366	419	641

<b>Fiscal Quarter</b>	<b>Q1 FY23</b>	<b>Q2 FY23</b>	<b>Q3 FY23</b>	<b>Q4 FY23</b>	<b>Q1 FY24</b>	<b>Q2 FY24</b>	<b>Q3 FY24</b>	<b>Q4 FY24</b>
End of Fiscal Quarter	10/31/2022	1/31/2023	4/30/2023	7/31/2023	10/31/2023	1/31/2024	4/30/2024	7/31/2024
Beginning of Fiscal Quarter	8/1/2022	11/1/2022	2/1/2023	5/1/2023	8/1/2023	11/1/2023	2/1/2024	5/1/2024
Restructuring and other charges, excluding stock-based compensation expense <sup>(1)</sup>	—	—	5,265	1,299	—	—	—	—
<b>Non-GAAP total operating expenses</b>	<b>\$ 247,350</b>	<b>\$ 262,933</b>	<b>\$ 271,791</b>	<b>\$ 281,101</b>	<b>\$ 311,273</b>	<b>\$ 320,789</b>	<b>\$ 328,486</b>	<b>\$ 353,492</b>
GAAP total operating expenses as a percentage of revenue	98 %	94 %	90 %	87 %	87 %	86 %	79 %	83 %
Non-GAAP total operating expenses as a percentage of revenue	70 %	68 %	65 %	62 %	63 %	61 %	59 %	60 %
<b>GAAP loss from operations</b>	<b>\$ (69,087)</b>	<b>\$ (65,238)</b>	<b>\$ (55,746)</b>	<b>\$ (44,552)</b>	<b>\$ (46,057)</b>	<b>\$ (45,457)</b>	<b>\$ (3,013)</b>	<b>\$ (26,950)</b>
Stock-based compensation expense and related payroll taxes <sup>(1)</sup>	108,636	111,518	111,386	126,275	132,729	145,536	121,465	149,370
Amortization expense of acquired intangible assets	2,552	2,551	2,975	2,982	3,036	3,083	3,381	5,124
Restructuring and other charges, excluding stock-based compensation expense <sup>(1)</sup>	—	—	5,265	1,299	—	—	—	—
<b>Non-GAAP income from operations</b>	<b>\$ 42,101</b>	<b>\$ 48,831</b>	<b>\$ 63,880</b>	<b>\$ 86,004</b>	<b>\$ 89,708</b>	<b>\$ 103,162</b>	<b>\$ 121,833</b>	<b>\$ 127,544</b>
GAAP operating margin	(19)%	(17)%	(13)%	(10)%	(9)%	(9)%	(1)%	(5)%
Non-GAAP operating margin	12 %	13 %	15 %	19 %	18 %	20 %	22 %	22 %
<b>GAAP interest expense</b>	<b>\$ (1,331)</b>	<b>\$ (1,333)</b>	<b>\$ (1,383)</b>	<b>\$ (2,494)</b>	<b>\$ (3,159)</b>	<b>\$ (3,605)</b>	<b>\$ (2,764)</b>	<b>\$ (3,604)</b>
Amortization of debt discount and issuance costs	972	973	974	975	977	978	979	980
<b>Non-GAAP interest expense</b>	<b>\$ (359)</b>	<b>\$ (360)</b>	<b>\$ (409)</b>	<b>\$ (1,519)</b>	<b>\$ (2,182)</b>	<b>\$ (2,627)</b>	<b>\$ (1,785)</b>	<b>\$ (2,624)</b>
<b>GAAP net income (loss)</b>	<b>\$ (68,162)</b>	<b>\$ (57,453)</b>	<b>\$ (46,046)</b>	<b>\$ (30,674)</b>	<b>\$ (33,483)</b>	<b>\$ (28,469)</b>	<b>\$ 19,124</b>	<b>\$ (14,878)</b>
Stock-based compensation expense and related payroll taxes <sup>(1)</sup>	108,636	111,518	111,386	126,275	132,729	145,536	121,465	149,370
Amortization expense of acquired intangible assets	2,552	2,551	2,975	2,982	3,036	3,083	3,381	5,124
Restructuring and other charges, excluding stock-based compensation expense <sup>(1)</sup>	—	—	5,265	1,299	—	—	—	—
Amortization of debt discount and issuance costs	972	973	974	975	977	978	979	980
Provision (benefit) for income taxes <sup>(2)</sup>	—	—	—	—	3,259	—	(5,123)	—
<b>Non-GAAP net income</b>	<b>\$ 43,998</b>	<b>\$ 57,589</b>	<b>\$ 74,554</b>	<b>\$ 100,857</b>	<b>\$ 106,518</b>	<b>\$ 121,128</b>	<b>\$ 139,826</b>	<b>\$ 140,596</b>
GAAP net loss as a percentage of revenue	(19)%	(15)%	(11)%	(7)%	(7)%	(5)%	3 %	(3)%
Non-GAAP net income as a percentage of revenue	12 %	15 %	18 %	22 %	21 %	23 %	25 %	24 %
<b>Non-GAAP net income</b>	<b>\$ 43,998</b>	<b>\$ 57,589</b>	<b>\$ 74,554</b>	<b>\$ 100,857</b>	<b>\$ 106,518</b>	<b>\$ 121,128</b>	<b>\$ 139,826</b>	<b>\$ 140,596</b>
Add: Non-GAAP interest expense related to the convertible senior notes	359	360	359	359	359	359	359	359
<b>Numerator used in computing non-GAAP net income per share, diluted</b>	<b>\$ 44,357</b>	<b>\$ 57,949</b>	<b>\$ 74,913</b>	<b>\$ 101,216</b>	<b>\$ 106,877</b>	<b>\$ 121,487</b>	<b>\$ 140,185</b>	<b>\$ 140,955</b>
<b>GAAP net income (loss) per share, diluted</b>	<b>\$ (0.48)</b>	<b>\$ (0.40)</b>	<b>\$ (0.32)</b>	<b>\$ (0.21)</b>	<b>\$ (0.23)</b>	<b>\$ (0.19)</b>	<b>\$ 0.12</b>	<b>\$ (0.10)</b>
Stock-based compensation expense and related payroll taxes <sup>(1)</sup>	0.70	0.72	0.72	0.80	0.84	0.91	0.76	0.93
Amortization expense of acquired intangible assets	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.03
Restructuring and other charges, excluding stock-based compensation expense <sup>(1)</sup>	—	—	0.03	0.01	—	—	—	—
Amortization of debt discount and issuance costs	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Provision (benefit) for income taxes <sup>(2)</sup>	—	—	—	—	0.02	—	(0.03)	—

<b>Fiscal Quarter</b>	<b>Q1 FY23</b>	<b>Q2 FY23</b>	<b>Q3 FY23</b>	<b>Q4 FY23</b>	<b>Q1 FY24</b>	<b>Q2 FY24</b>	<b>Q3 FY24</b>	<b>Q4 FY24</b>
End of Fiscal Quarter	10/31/2022	1/31/2023	4/30/2023	7/31/2023	10/31/2023	1/31/2024	4/30/2024	7/31/2024
Beginning of Fiscal Quarter	8/1/2022	11/1/2022	2/1/2023	5/1/2023	8/1/2023	11/1/2023	2/1/2024	5/1/2024
Non-GAAP interest expense related to the convertible senior notes	—	—	—	—	—	—	—	—
Adjustment to total fully diluted earnings per share <sup>(3)</sup>	0.04	0.02	0.02	0.01	0.01	0.01	—	0.01
<b>Non-GAAP net income per share, diluted</b>	<b>\$ 0.29</b>	<b>\$ 0.37</b>	<b>\$ 0.48</b>	<b>\$ 0.64</b>	<b>\$ 0.67</b>	<b>\$ 0.76</b>	<b>\$ 0.88</b>	<b>\$ 0.88</b>
<b>Weighted-average shares used in computing GAAP net income (loss) per share, diluted</b>	143,476	144,511	145,354	146,424	147,625	148,951	154,081	151,497
Outstanding potentially dilutive equity incentive awards	3,689	2,605	2,492	3,265	3,431	4,670	—	2,699
Convertible senior notes	7,626	7,626	7,626	7,626	7,626	7,626	7,626	7,626
Antidilutive impact of capped call transactions <sup>(4)</sup>	(588)	—	—	—	(177)	(2,093)	(2,050)	(1,325)
<b>Weighted-average shares used in computing non-GAAP net income per share, diluted</b>	<b>154,203</b>	<b>154,742</b>	<b>155,472</b>	<b>157,315</b>	<b>158,505</b>	<b>159,154</b>	<b>159,657</b>	<b>160,497</b>

<sup>(1)</sup> In connection with a restructuring plan announced in March 2023, we recognized stock-based compensation expense of approximately \$1.0 million, which is included in stock-based compensation expense and related payroll taxes for the fiscal quarter ended April 30, 2023.

<sup>(2)</sup> We use our GAAP provision for income taxes for purposes of determining our non-GAAP income tax expense. The difference between our GAAP and non-GAAP provision for income taxes represents primarily the effects of stock-based compensation expense and income tax effects associated with business acquisitions. The income tax benefit related to stock-based compensation expense included in the GAAP provision for income taxes was not material for all periods presented. In the fiscal quarter ended October 31, 2023, we recognized a tax expense of \$3.3 million associated with the integration of a business acquisition. In the fiscal quarter ended April 30, 2024, we recognized a tax benefit of \$5.1 million, associated with the reduction of the valuation allowance due to the establishment of deferred tax liabilities from a business acquisition.

<sup>(3)</sup> The sum of the fully diluted earnings per share impact of individual reconciling items may not total to fully diluted non-GAAP net income per share due to the weighted-average shares used in computing the GAAP net loss per share differs from the weighted-average shares used in computing the non-GAAP net income per share, and due to rounding of the individual reconciling items. The GAAP net loss per share calculation uses a lower share count as it excludes potentially dilutive shares, which are included in calculating the non-GAAP net income per share.

<sup>(4)</sup> We exclude the in-the-money portion of the convertible senior notes for non-GAAP weighted-average diluted shares as they are covered by our capped call transactions. Our outstanding capped call transactions are antidilutive under GAAP but are expected to mitigate the dilutive effect of the convertible senior notes and therefore are included in the calculation of non-GAAP diluted shares outstanding. The capped calls have an antidilutive impact when the average stock price of our common stock in a given period is higher than their exercise price.



**ZSCALER, INC.****Free Cash Flow and Free Cash Flow Margin***(in thousands, except percentages)**(unaudited)*

<b>Fiscal Quarter</b>	<b>Q1 FY23</b>	<b>Q2 FY23</b>	<b>Q3 FY23</b>	<b>Q4 FY23</b>	<b>Q1 FY24</b>	<b>Q2 FY24</b>	<b>Q3 FY24</b>	<b>Q4 FY24</b>
End of Fiscal Quarter	10/31/2022	1/31/2023	4/30/2023	7/31/2023	10/31/2023	1/31/2024	4/30/2024	7/31/2024
Beginning of Fiscal Quarter	8/1/2022	11/1/2022	2/1/2023	5/1/2023	8/1/2023	11/1/2023	2/1/2024	5/1/2024
<b>Revenue</b>	\$ 355,548	\$ 387,598	\$ 418,800	\$ 455,006	\$ 496,703	\$ 524,999	\$ 553,201	\$ 592,868
<b>Free cash flow</b>								
Net cash provided by operating activities	\$ 128,457	\$ 89,481	\$ 108,469	\$ 135,936	\$ 260,806	\$ 142,069	\$ 173,414	\$ 203,557
Less: Purchases of property, equipment and other assets	(25,202)	(18,681)	(26,244)	(27,070)	(28,659)	(30,894)	(35,651)	(49,384)
Less: Capitalized internal-use software	(7,641)	(7,982)	(8,339)	(7,565)	(7,429)	(10,387)	(14,637)	(17,855)
<b>Free cash flow</b>	<u>\$ 95,614</u>	<u>\$ 62,818</u>	<u>\$ 73,886</u>	<u>\$ 101,301</u>	<u>\$ 224,718</u>	<u>\$ 100,788</u>	<u>\$ 123,126</u>	<u>\$ 136,318</u>
<b>Year-over-year growth</b>	15 %	113 %	69 %	35 %	135 %	60 %	67 %	35 %
<b>Free cash flow margin</b>								
Net cash provided by operating activities, as a percentage of revenue	36 %	23 %	26 %	30 %	53 %	27 %	31 %	34 %
Less: Purchases of property, equipment and other assets, as a percentage of revenue	(7)%	(5)%	(6)%	(6)%	(6)%	(6)%	(6)%	(8)%
Less: Capitalized internal-use software, as a percentage of revenue	(2)%	(2)%	(2)%	(2)%	(2)%	(2)%	(3)%	(3)%
<b>Free cash flow margin</b>	<u>27 %</u>	<u>16 %</u>	<u>18 %</u>	<u>22 %</u>	<u>45 %</u>	<u>19 %</u>	<u>22 %</u>	<u>23 %</u>

**ZSCALER, INC.****Calculated Billings and Other Selected Key Metrics***(in thousands, except percentages and customer data)**(unaudited)*

<b>Fiscal Quarter</b>	<b>Q1 FY23</b>	<b>Q2 FY23</b>	<b>Q3 FY23</b>	<b>Q4 FY23</b>	<b>Q1 FY24</b>	<b>Q2 FY24</b>	<b>Q3 FY24</b>	<b>Q4 FY24</b>
End of Fiscal Quarter	10/31/2022	1/31/2023	4/30/2023	7/31/2023	10/31/2023	1/31/2024	4/30/2024	7/31/2024
Beginning of Fiscal Quarter	8/1/2022	11/1/2022	2/1/2023	5/1/2023	8/1/2023	11/1/2023	2/1/2024	5/1/2024
<b>Calculated billings</b>								
Revenue	\$ 355,548	\$ 387,598	\$ 418,800	\$ 455,006	\$ 496,703	\$ 524,999	\$ 553,201	\$ 592,868
Add: Total deferred revenue, end of period	1,005,713	1,111,880	1,175,373	1,439,676	1,399,544	1,502,175	1,577,014	1,894,974
Less: Total deferred revenue, beginning of period	(1,021,123)	(1,005,713)	(1,111,880)	(1,175,373)	(1,439,676)	(1,399,544)	(1,502,175)	(1,577,014)
<b>Calculated billings</b>	<b>\$ 340,138</b>	<b>\$ 493,765</b>	<b>\$ 482,293</b>	<b>\$ 719,309</b>	<b>\$ 456,571</b>	<b>\$ 627,630</b>	<b>\$ 628,040</b>	<b>\$ 910,828</b>
Year-over-year growth	37 %	34 %	40 %	38 %	34 %	27 %	30 %	27 %

**Other key business metrics**

Customers with equal or greater than \$100,000 annualized recurring revenue ("ARR")	2,217	2,337	2,432	2,609	2,708	2,820	2,922	3,100
Customers with equal or greater than \$1.0 million ARR	348	378	400	449	468	497	523	567

**ZSCALER, INC.****Change in Non-GAAP Measures Presentation****Establishment of Projected Non GAAP Tax Rate of 23% Effective August 1, 2024 (Beginning of Fiscal 2025)***(in thousands, except per share amounts)**(unaudited)*

Effective August 1, 2024, the beginning of Zscaler's fiscal year ending July 31, 2025, we are using a long-term projected non-GAAP tax rate of 23% for the purpose of determining our non-GAAP net income and non-GAAP net income per share to provide better consistency across interim reporting periods in fiscal 2015 and beyond. Given the significant growth of our business and non-GAAP operating income, we believe this change is necessary to better reflect the performance of our business. We will continue to assess the appropriate non-GAAP tax rate on a regular basis, which could be subject to change for a variety of reasons, including the rapidly evolving global tax environment, significant changes in our geographic earnings mix, or other changes to our strategy or business operations.

The table below illustrates the impact of this change to our non-GAAP net income and non-GAAP net income per share to all periods presented:

<b>Fiscal Quarter</b>	<b>Q1 FY23</b>	<b>Q2 FY23</b>	<b>Q3 FY23</b>	<b>Q4 FY23</b>	<b>Q1 FY24</b>	<b>Q2 FY24</b>	<b>Q3 FY24</b>	<b>Q4 FY24</b>
End of Fiscal Quarter	10/31/2022	1/31/2023	4/30/2023	7/31/2023	10/31/2023	1/31/2024	4/30/2024	7/31/2024
Beginning of Fiscal Quarter	8/1/2022	11/1/2022	2/1/2023	5/1/2023	8/1/2023	11/1/2023	2/1/2024	5/1/2024
<b>Non-GAAP net income, as reported</b>	\$ 43,998	\$ 57,589	\$ 74,554	\$ 100,857	\$ 106,518	\$ 121,128	\$ 139,826	\$ 140,596
Add: Non-GAAP provision for income taxes, as reported	4,746	3,692	6,685	4,648	5,738	7,964	6,865	9,774
Non-GAAP income before income taxes, as reported	48,744	61,281	81,239	105,505	112,256	129,092	146,691	150,370
Less: Non-GAAP provision for income taxes, based on a non-GAAP tax rate of 23%	(11,211)	(14,095)	(18,685)	(24,266)	(25,819)	(29,691)	(33,739)	(34,585)
<b>Non-GAAP net income based on a non-GAAP tax rate of 23%</b>	<u>\$ 37,533</u>	<u>\$ 47,186</u>	<u>\$ 62,554</u>	<u>\$ 81,239</u>	<u>\$ 86,437</u>	<u>\$ 99,401</u>	<u>\$ 112,952</u>	<u>\$ 115,785</u>
<b>Non-GAAP net income per share, diluted, as reported</b>	\$ 0.29	\$ 0.37	\$ 0.48	\$ 0.64	\$ 0.67	\$ 0.76	\$ 0.88	\$ 0.88
<b>Non-GAAP net income per share, diluted, based on a non-GAAP tax rate of 23%</b>	\$ 0.25	\$ 0.31	\$ 0.40	\$ 0.52	\$ 0.55	\$ 0.63	\$ 0.71	\$ 0.72