

Rubrik Reports First Quarter Fiscal Year 2027 Financial Results

- *Results exceeded all guided metrics*
- *Raising all guided metrics for fiscal year 2027*
- *First quarter subscription ARR grew 32% year-over-year to \$1.57 billion*
- *First quarter revenue grew 39% year-over-year to \$387.1 million*
- *Operating cash flow margin of 21%; free cash flow margin of 19%*

Palo Alto, California, June 4, 2026 – **Rubrik, Inc. (NYSE: RBRK)**, the Security and AI Operations company, today announced financial results for the first quarter of fiscal year 2027, ended April 30, 2026.

“We are off to an excellent start to fiscal 2027 as Rubrik is now an increasingly strategic platform for agentic cyber resilience — bringing together data, identity, and AI in a single architecture. We are more confident than ever that we are in the early innings of the AI acceleration opportunity,” said Bipul Sinha, Rubrik’s Chief Executive Officer, Chairman, and Co-Founder.

Commenting on the company’s financial results, Kiran Choudary, Rubrik’s Chief Financial Officer, added, “We are pleased with our strong start to fiscal year 2027, exceeding all guided metrics with subscription ARR of \$1.57 billion growing 32% year-over-year and free cash flow margin of 19%. This demonstrates our ability to drive durable growth and meaningful operating leverage at scale.”

First Quarter Fiscal 2027 Financial Highlights

- **Subscription Annual Recurring Revenue (ARR):** Subscription ARR was up 32% year-over-year, growing to \$1.57 billion as of April 30, 2026.
- **Revenue:** Subscription revenue was \$374.2 million, a 41% increase compared to \$265.7 million in the first quarter of fiscal 2026. Total revenue was \$387.1 million, a 39% increase compared to \$278.5 million in the first quarter of fiscal 2026. This includes \$8.5 million in revenue from material rights in the first quarter of fiscal 2027 and \$13.4 million in revenue from material rights in the first quarter of fiscal 2026. Revenue excluding material rights increased 43% year-over-year in the first quarter of fiscal 2027.
- **Gross Margin:** GAAP gross margin was 80.5%, compared to 78.3% in the first quarter of fiscal 2026. Non-GAAP gross margin was 82.9%, compared to 80.5% in the first quarter of fiscal 2026.
- **Subscription ARR Contribution Margin:** Subscription ARR contribution margin was 13.2% compared to 8.0% in the first quarter of fiscal 2026, reflecting the strong net new subscription ARR in the quarter and an improvement in operating leverage in the business.
- **Net Income/Loss per Share:** GAAP net loss per share was \$(0.21), compared to \$(0.53) in the first quarter of fiscal 2026. Non-GAAP net income per share, diluted, was \$0.16, compared to non-GAAP net loss per share, diluted, of \$(0.15) in the first quarter of fiscal 2026.
- **Cash Flow from Operations:** Cash flow from operations was \$81.7 million, compared to \$39.7 million in the first quarter of fiscal 2026. Free cash flow was \$73.6 million, compared to \$33.3 million in the first quarter of fiscal 2026.
- **Cash, Cash Equivalents, and Short-Term Investments:** Cash, cash equivalents, and short-term investments were \$1.75 billion as of April 30, 2026.

Recent Business Highlights

- As of April 30, 2026, Rubrik had 2,946 customers with Subscription ARR of \$100,000 or more, up 24% year-over-year.

- Announced access to Anthropic’s Mythos Research Preview as part of Project Glasswing. An important next step in the evolution of AI and cybersecurity, Rubrik is testing this advanced frontier AI to ensure we can better serve our customers when cyber breaches inevitably happen.
- Announced the launch of data protection for Google Workspace, designed to bring immutable, air-gapped backups and rapid recovery to Gmail and Google Drive. The offering extends Rubrik’s SaaS cyber resilience coverage to one of the most widely used enterprise platforms alongside M365.
- Launched Rubrik Agent Cloud (RAC) for Google Cloud’s Gemini Enterprise Agent Platform, designed to enable organizations to auto-discover AI agents, apply real-time intent-based guardrails, and use Rubrik’s “Agent Rewind” capability to instantly reverse destructive agentic actions.
- Unveiled SAGE (Semantic AI Governance Engine), Rubrik’s proprietary AI governance engine underpinning real-time, intent-based agentic guardrails in Rubrik Agent Cloud.
- Announced a new integration with Microsoft Defender that connects Microsoft’s real-time identity threat detection with Rubrik’s automated identity rollback and recovery, enabling response times measured in hours rather than days.
- Selected as an American Hospital Association (AHA) Preferred Cybersecurity Provider, giving nearly 5,000 AHA member hospitals access to Rubrik’s cyber resilience bundle including Identity Recovery, M365 protection, ransomware-response workshops, and financial impact assessments.
- Launched rubrik.com/community, a dedicated practitioner platform for professionals across data protection, identity security, cloud resilience, and AI operations, featuring peer networking, practitioner-authored playbooks, and Regional Huddle for Resilience (H4R) in-person meetups.

Second Quarter and Fiscal Year 2027 Outlook

Rubrik is providing the following guidance for the second quarter of fiscal year 2027 and the full fiscal year 2027:

- Second Quarter Fiscal 2027 Outlook:
 - Revenue of \$395 million to \$397 million.
 - Non-GAAP subscription ARR contribution margin of approximately 11-12%.
 - Non-GAAP net income per share of \$0.03 to \$0.05.
 - Weighted-average shares outstanding of approximately 224 million.
- Full Fiscal Year 2027 Outlook:
 - Subscription ARR between \$1,854 million and \$1,862 million.
 - Revenue of \$1,638 million to \$1,648 million.
 - Non-GAAP subscription ARR contribution margin of approximately ~14%.
 - Non-GAAP net income per share of \$0.25 to \$0.35.
 - Weighted-average shares outstanding of approximately 228 million.
 - Free cash flow of \$293 million to \$303 million.

Additional information on Rubrik’s reported results, including a reconciliation of the non-GAAP results to their most comparable GAAP measures, is included in the financial tables below. A reconciliation of non-GAAP guidance measures to corresponding GAAP measures is not available on a forward-looking basis without unreasonable effort due to the uncertainty of expenses that may be incurred in the future, although it is important to note that these factors could be material to Rubrik’s results computed in accordance with GAAP. For example, stock-based compensation-related charges, including employer payroll tax-related items on employee stock transactions, are impacted by the timing of employee stock transactions, the future fair market value of Rubrik’s Class A common stock, and Rubrik’s future hiring and retention needs, all of which are difficult to predict and subject to constant change.

Conference Call Information

Rubrik will host a conference call to discuss results for the first quarter of fiscal year 2027, as well as its financial outlook for the second quarter and full fiscal year 2027 today at 2:00 p.m. Pacific Time / 5:00 p.m. Eastern Time. Open to the public, analysts and investors may access the webcast, results press release, and investor presentation on Rubrik's investor relations website at <https://ir.rubrik.com>. A replay of the webcast will also be accessible from Rubrik's investor relations website a few hours after the conclusion of the live event.

Rubrik uses its investor relations website and may use certain social media accounts including X (formerly Twitter) (@rubrikInc and @bipulsinha) and LinkedIn (www.linkedin.com/company/rubrik-inc and www.linkedin.com/in/bipulsinha) as a means of disclosing material non-public information and for complying with its disclosure obligations under Regulation FD.

Forward-Looking Statements

This press release and the related conference call contain express and implied “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding Rubrik’s financial outlook for the second quarter of fiscal year 2027 and full fiscal year 2027, changes to Rubrik’s global revenue organization and the impact on continued growth, Rubrik’s market position, market opportunities, including with respect to generative and agentic AI, and growth strategy, Rubrik’s ability to drive operating leverage and profitability, Rubrik’s platform vision and strategic positioning, product initiatives, strategic partnerships and alliances, go-to-market motions and market trends. In some cases, you can identify forward-looking statements by terms such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “project,” “will,” “would,” “should,” “could,” “can,” “predict,” “potential,” “target,” “explore,” “continue,” “outlook,” “guidance,” or the negative of these terms, where applicable, and similar expressions intended to identify forward-looking statements. By their nature, these statements are subject to numerous uncertainties and risks, including factors beyond Rubrik’s control, that could cause actual results, performance or achievement to differ materially and adversely from those anticipated or implied in the statements. Risks include but are not limited to Rubrik’s limited operating history, the growth rate of the market in which Rubrik competes, Rubrik’s ability to effectively manage and sustain its growth, Rubrik’s ability to introduce new products on top of its platform, Rubrik’s ability to compete with existing competitors and new market entrants, Rubrik’s ability to effectively manage the leadership transition in its global revenue organization, Rubrik’s ability to expand internationally, its ability to utilize AI successfully in its current and future products, Rubrik’s ability to successfully integrate acquisitions into its business and operations, and international conflict, global security concerns and their potential impact on regional and global economies and supply chains. Additional risks and uncertainties that could cause actual outcomes and results to differ materially from those contemplated by the forward-looking statements are included under the caption “Risk Factors” and elsewhere in our most recent filings with the Securities and Exchange Commission, including in our Annual Report on Form 10-K for the fiscal year ended January 31, 2026. Forward-looking statements speak only as of the date the statements are made and are based on information available to Rubrik at the time those statements are made and/or management’s good faith belief as of that time with respect to future events. Rubrik assumes no obligation to update forward-looking statements to reflect events or circumstances after the date they were made, except as required by law.

Non-GAAP Financial Measures

Rubrik has provided in this press release financial information that has not been prepared in accordance with GAAP. Rubrik uses these non-GAAP financial measures internally in analyzing its financial results and believes that use of these non-GAAP financial measures is useful to investors as an additional tool to evaluate ongoing operating results and trends and in comparing Rubrik’s financial results with other companies in its industry, many of which present similar non-GAAP financial measures.

Non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP financial measures and should be read only in conjunction with Rubrik’s condensed consolidated financial statements prepared in accordance with GAAP. A reconciliation of Rubrik’s historical non-GAAP financial measures to the most directly comparable GAAP measures has been provided in the financial statement tables included in this press release, and investors are encouraged to review the reconciliation.

Free Cash Flow and Free Cash Flow Margin. Rubrik defines free cash flow as net cash provided by (used in) operating activities less cash used for purchases of property and equipment and capitalized internal-use software. Rubrik believes free cash flow is a helpful indicator of liquidity that provides information to management and investors about the amount of cash generated or used by Rubrik’s operations that, after the investments in property and equipment and capitalized internal-use software, can be used for strategic initiatives, including investing in Rubrik’s business and strengthening its financial position. One limitation of free cash flow is that it does not reflect Rubrik’s future contractual commitments. Additionally, free cash flow is not a substitute for cash provided by (used in) operating activities and the utility of free cash flow as a measure of Rubrik’s liquidity is further limited as it does not represent the total increase or decrease in Rubrik’s cash balance for a given period. Free cash flow margin is calculated as free cash flow divided by total revenue.

Non-GAAP Subscription Cost of Revenue. Rubrik defines non-GAAP subscription cost of revenue as subscription cost of revenue, adjusted for amortization of acquired intangibles, stock-based compensation expense, stock-based compensation included in amortization of capitalized internal-use software, and other non-recurring items.

Non-GAAP Operating Expenses (Research and Development, Sales and Marketing, General and Administrative).

Rubrik defines non-GAAP operating expenses as operating expenses (research and development, sales and marketing, general and administrative), adjusted for, as applicable, stock-based compensation expense, and other non-recurring items.

Non-GAAP Gross Profit, Non-GAAP Operating Income (Loss), and Non-GAAP Net Income (Loss).

Rubrik defines non-GAAP gross profit, non-GAAP operating income (loss), and non-GAAP net income (loss) as the respective GAAP measure, excluding, as applicable, the effect of amortization of acquired intangibles, stock-based compensation expense, stock-based compensation included in amortization of capitalized internal-use software, amortization of debt issuance costs, other non-recurring items, and the related income tax effect of these adjustments.

Non-GAAP Gross Margin. Rubrik defines non-GAAP gross margin as non-GAAP gross profit as a percentage of total revenue.

Non-GAAP Net Income (Loss) Per Share, Basic and Diluted.

Rubrik defines non-GAAP net income (loss) per share, basic as non-GAAP net income (loss) divided by the weighted-average number of shares of common stock outstanding during the period. Our non-GAAP net income per share, diluted is defined as non-GAAP net income divided by the non-GAAP weighted-average number of diluted shares outstanding, which includes (a) the effect of all potentially dilutive common stock equivalents (stock options, restricted stock units, restricted stocks, employee stock purchase rights under our 2024 Employee Stock Purchase Plan), and (b) the potential dilutive effect of the shares issuable upon conversion of our convertible senior notes using the if-converted method.

Subscription Annual Recurring Revenue (“ARR”) Contribution Margin.

Rubrik defines Subscription ARR Contribution Margin as Subscription ARR contribution divided by Subscription ARR at the end of the period. Rubrik defines Subscription ARR Contribution as Subscription ARR at the end of the period less: (i) non-GAAP subscription cost of revenue and (ii) non-GAAP operating expenses for the prior 12-month period ending on that date. Rubrik believes that Subscription ARR Contribution Margin is a helpful indicator of operating leverage. One limitation of Subscription ARR Contribution Margin is that the factors that impact Subscription ARR will vary from those that impact subscription revenue and, as such, may not provide an accurate indication of Rubrik’s actual or future GAAP results. Additionally, the historical expenses in this calculation may not accurately reflect the costs associated with future commitments.

Key Business Metrics

Subscription ARR. Rubrik calculates Subscription ARR as the annualized value of our active subscriptions as of the measurement date, based on our customers’ total contract value, and assuming any contract that expires during the next 12 months is renewed on existing terms. Subscriptions include offerings for our RSC platform and related data security SaaS solutions, term-based licenses for our RSC-Private platform and related products, prior sales of CDM sold as a subscription term-based license with associated support and related SaaS products, and standalone sales of our SaaS subscription offerings like Anomaly Detection, Sensitive Data Monitoring and Resilience Guardian. Net new Subscription ARR refers to the difference between Subscription ARR in the reported period and Subscription ARR in the prior quarter, and captures new logos and expansions, offset by contraction and attrition since the prior quarter.

Cloud ARR. Rubrik calculates Cloud ARR as the annualized value of our active cloud-based subscriptions as of the measurement date, based on our customers’ total contract value, and assuming any contract that expires during the next 12 months is renewed on existing terms. Our cloud-based subscriptions include RSC and RSC-Government (excluding RSC-Private). Cloud ARR also includes SaaS subscription offerings like Anomaly Detection and Sensitive Data Monitoring, which are sold standalone or with prior sales of term-based license offerings of CDM.

Average Subscription Dollar-Based Net Retention Rate. Rubrik calculates Average Subscription Dollar-Based Net Retention Rate by first identifying subscription customers (“Prior Period Subscription Customers”) which were subscription customers at the end of a particular quarter (the “Prior Period”). Rubrik then calculates the Subscription ARR from these Prior Period Subscription Customers at the end of the same quarter of the subsequent year (the “Current Period”). This calculation captures upsells, contraction, and attrition since the Prior Period. Rubrik then divides total Current Period Subscription ARR by the total Prior Period Subscription ARR for Prior Period Subscription Customers. Rubrik’s Average Subscription Dollar-Based Net Retention Rate in a particular quarter is obtained by averaging the result from that particular quarter with the corresponding results from each of the prior three quarters.

Customers with \$100K or More in Subscription ARR. Customers with \$100K or more in Subscription ARR represent the number of customers that contributed \$100,000 or more in Subscription ARR as of period end.

About Rubrik

Rubrik (NYSE: RBRK), the Security and AI Operations Company, leads at the intersection of data protection, cyber resilience, and enterprise AI acceleration. Rubrik Security Cloud delivers complete cyber resilience by securing, monitoring, and recovering data, identities, and workloads across clouds. Rubrik Agent Cloud accelerates trusted AI agent deployments at scale by monitoring and auditing agentic actions, enforcing real-time guardrails, fine-tuning for accuracy and undoing agentic mistakes.

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Rubrik, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share amounts)

(unaudited)

	Three Months Ended April 30,	
	2026	2025
Revenue		
Subscription	\$ 374,153	\$ 265,661
Other	12,915	12,820
Total revenue	<u>387,068</u>	<u>278,481</u>
Cost of revenue		
Subscription	66,723	51,912
Other	8,562	8,571
Total cost of revenue	<u>75,285</u>	<u>60,483</u>
Gross profit	311,783	217,998
Operating expenses		
Research and development	114,341	81,815
Sales and marketing	193,098	169,993
General and administrative	56,978	59,281
Total operating expenses	<u>364,417</u>	<u>311,089</u>
Loss from operations	(52,634)	(93,091)
Interest income	15,898	7,696
Interest expense	(1,070)	(9,813)
Other income (expense), net	590	(5,622)
Loss before income taxes	(37,216)	(100,830)
Income tax expense	4,637	1,274
Net loss	\$ (41,853)	\$ (102,104)
Net loss per share, basic and diluted	\$ (0.21)	\$ (0.53)
Weighted-average shares used in computing net loss per share, basic and diluted	<u>203,668</u>	<u>191,625</u>

Rubrik, Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)
(unaudited)

	April 30, 2026	January 31, 2026
Assets		
Current assets		
Cash and cash equivalents	\$ 429,397	\$ 380,196
Short-term investments	1,319,717	1,295,579
Accounts receivable, net of allowances	199,344	256,773
Deferred commissions	109,910	110,651
Prepaid expenses and other current assets	165,368	180,365
Total current assets	<u>2,223,736</u>	<u>2,223,564</u>
Property and equipment, net	86,504	83,830
Deferred commissions, noncurrent	155,621	157,592
Goodwill	199,606	199,606
Other assets, noncurrent	102,780	101,944
Total assets	<u>\$ 2,768,247</u>	<u>\$ 2,766,536</u>
Liabilities and stockholders' deficit		
Current liabilities		
Accounts payable	\$ 14,161	\$ 15,329
Accrued expenses and other current liabilities	143,910	229,976
Deferred revenue	1,121,975	1,068,754
Total current liabilities	<u>1,280,046</u>	<u>1,314,059</u>
Deferred revenue, noncurrent	766,401	776,547
Other liabilities, noncurrent	71,334	64,771
Convertible senior notes, net	1,131,791	1,130,721
Total liabilities	<u>3,249,572</u>	<u>3,286,098</u>
Stockholders' deficit		
Class A common stock	4	4
Class B common stock	1	1
Additional paid-in capital	2,755,906	2,662,861
Accumulated other comprehensive loss	(9,222)	3,733
Accumulated deficit	<u>(3,228,014)</u>	<u>(3,186,161)</u>
Total stockholders' deficit	<u>(481,325)</u>	<u>(519,562)</u>
Total liabilities and stockholders' deficit	<u>\$ 2,768,247</u>	<u>\$ 2,766,536</u>

Rubrik, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Three Months Ended April 30,	
	2026	2025
Cash flows from operating activities:		
Net loss	\$ (41,853)	\$ (102,104)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	12,081	8,075
Stock-based compensation	73,368	73,540
Amortization of deferred commissions	29,307	24,785
Deferred income taxes	489	604
Other	1,850	(375)
Changes in operating assets and liabilities:		
Accounts receivable	57,429	12,031
Deferred commissions	(26,595)	(21,449)
Prepaid expenses and other assets	13,783	(7,824)
Accounts payable	(861)	(489)
Accrued expenses and other liabilities	(80,384)	(36,813)
Deferred revenue	43,075	89,674
Net cash provided by operating activities	<u>81,689</u>	<u>39,655</u>
Cash flows from investing activities:		
Purchases of property and equipment	(4,277)	(2,850)
Capitalized internal-use software	(3,799)	(3,465)
Purchases of investments	(291,957)	(120,162)
Maturities of investments	263,850	162,617
Payments for business combinations, net of cash acquired	—	(1,975)
Net cash (used in) provided by investing activities	<u>(36,183)</u>	<u>34,165</u>
Cash flows from financing activities:		
Proceeds from exercise of stock options	656	1,849
Proceeds from issuance of common stock under employee stock purchase plan	16,559	13,492
Net cash provided by financing activities	<u>17,215</u>	<u>15,341</u>
Effect of exchange rate on cash, cash equivalents, and restricted cash	(9,483)	8,751
Net increase in cash, cash equivalents, and restricted cash	53,238	97,912
Cash, cash equivalents, and restricted cash, beginning of period	392,740	193,594
Cash, cash equivalents, and restricted cash, end of period	<u>\$ 445,978</u>	<u>\$ 291,506</u>

Rubrik, Inc.
GAAP to Non-GAAP Reconciliations

(in thousands, except percentages and per share data)

(unaudited)

	Three Months Ended April 30,	
	2026	2025
Reconciliation of GAAP total gross profit to non-GAAP total gross profit:		
Total gross profit on a GAAP basis	\$ 311,783	\$ 217,998
Add: Stock-based compensation expense	5,265	4,825
Add: Stock-based compensation included in amortization of capitalized internal-use software	1,096	349
Add: Amortization of acquired intangibles	2,802	960
Non-GAAP total gross profit	<u>\$ 320,946</u>	<u>\$ 224,132</u>
	80.5	78.3
GAAP total gross margin	%	%
	82.9	80.5
Non-GAAP total gross margin	%	%
Reconciliation of GAAP operating expenses to non-GAAP operating expenses:		
Research and development operating expense on a GAAP basis	\$ 114,341	\$ 81,815
Less: Stock-based compensation expense	33,026	19,812
Non-GAAP research and development operating expense	<u>\$ 81,315</u>	<u>\$ 62,003</u>
Sales and marketing operating expense on a GAAP basis	\$ 193,098	\$ 169,993
Less: Stock-based compensation expense	16,331	24,144
Non-GAAP sales and marketing operating expense	<u>\$ 176,767</u>	<u>\$ 145,849</u>
General and administrative operating expense on a GAAP basis	\$ 56,978	\$ 59,281
Less: Stock-based compensation expense	18,746	24,759
Non-GAAP general and administrative operating expense	<u>\$ 38,232</u>	<u>\$ 34,522</u>
Reconciliation of GAAP operating loss to non-GAAP operating income (loss):		
Operating loss on a GAAP basis	\$ (52,634)	\$ (93,091)
Add: Stock-based compensation expense	73,368	73,540
Add: Stock-based compensation included in amortization of capitalized internal-use software	1,096	349
Add: Amortization of acquired intangibles	2,802	960
Non-GAAP operating income (loss)	<u>\$ 24,632</u>	<u>\$ (18,242)</u>
Reconciliation of GAAP net loss to non-GAAP net income (loss):		
Net loss on a GAAP basis	\$ (41,853)	\$ (102,104)
Add: Stock-based compensation expense	73,368	73,540
Add: Stock-based compensation included in amortization of capitalized internal-use software	1,096	349
Add: Amortization of acquired intangibles	2,802	960
Add: Amortization of debt issuance costs	1,070	—
Income tax expenses effect related to the above adjustments	(321)	(1,428)
Non-GAAP net income (loss)	<u>\$ 36,162</u>	<u>\$ (28,683)</u>

	Three Months Ended April 30,	
	2026	2025
Net income (loss) per share - basic and diluted:		
GAAP net loss per share, basic and diluted	\$ (0.21)	\$ (0.53)
Weighted-average shares used to compute GAAP net loss per share, basic and diluted	203,668	191,625
Non-GAAP net income (loss) per share, basic	\$ 0.18	\$ (0.15)
Weighted-average shares used to compute non-GAAP net income (loss) per share, basic	203,668	191,625
Non-GAAP net income (loss) per share, diluted	\$ 0.16	\$ (0.15)
Weighted-average shares used to compute GAAP net loss per share, basic and diluted	203,668	191,625
Add: Effect of potentially dilutive common stock equivalents	11,243	—
Add: Effect of convertible senior notes	9,218	—
Weighted-average shares used to compute non-GAAP net income (loss) per share, diluted ⁽¹⁾	224,129	191,625

(1) For the periods in which we had non-GAAP net income, the non-GAAP weighted-average shares used in computing non-GAAP net income per share, diluted included (a) the effect of all potentially dilutive common stock equivalents (stock options, restricted stock units, restricted stocks and employee stock purchase rights under our 2024 Employee Stock Purchase Plan, to the extent they are dilutive) and (b) the potential dilutive effect of shares issuable upon conversion of the convertible senior notes using the if-converted method. The capped call transactions entered into in connection with the convertible senior notes had no dilutive impact for any of the periods presented.

The following table presents a reconciliation of free cash flow to net cash provided by operating activities, the most directly comparable GAAP measure, for each of the periods indicated (unaudited, in thousands, except percentages):

	Three Months Ended April 30,	
	2026	2025
Net cash provided by operating activities	\$ 81,689	\$ 39,655
Less: Purchases of property and equipment	(4,277)	(2,850)
Less: Capitalized internal-use software	(3,799)	(3,465)
Free cash flow	\$ 73,613	\$ 33,340
Operating cash flow margin	21 %	14 %
Free cash flow margin	19 %	12 %
Net cash (used in) provided by investing activities	\$ (36,183)	\$ 34,165
Net cash provided by financing activities	\$ 17,215	\$ 15,341

The following table presents the calculation of Subscription ARR Contribution Margin for the periods presented as well as a reconciliation of (i) non-GAAP subscription cost of revenue to subscription cost of revenue and (ii) non-GAAP operating expenses to operating expenses (in thousands, except percentages):

	Twelve Months Ended April 30,	
	2026	2025
Subscription cost of revenue	\$ 244,552	\$ 193,223
Stock-based compensation expense	(17,037)	(18,289)
Stock-based compensation included in amortization of capitalized internal-use software	(2,903)	(607)
Amortization of acquired intangibles	(9,330)	(3,730)
Non-GAAP subscription cost of revenue	\$ 215,282	\$ 170,597
Operating expenses	\$ 1,453,058	\$ 1,249,744
Stock-based compensation expense	(309,832)	(334,156)
Non-GAAP operating expenses	\$ 1,143,226	\$ 915,588
Subscription ARR	\$ 1,565,141	\$ 1,181,269
Non-GAAP subscription cost of revenue	(215,282)	(170,597)
Non-GAAP operating expenses	(1,143,226)	(915,588)
Subscription ARR Contribution	\$ 206,633	\$ 95,084
Subscription ARR Contribution Margin	13.2	8.0 %