



CYBERARK®
The Identity Security Company™

Investor Relations Presentation

May 2024



Cautionary Language Concerning Forward-Looking Statements

This presentation contains forward-looking statements, which express the current beliefs and expectations of CyberArk's (the "Company") management. In some cases, forward-looking statements may be identified by terminology such as "believe," "may," "estimate," "continue," "anticipate," "intend," "should," "plan," "expect," "predict," "potential" or the negative of these terms or other similar expressions. Such statements involve a number of known and unknown risks and uncertainties that could cause the Company's future results, levels of activity, performance or achievements to differ materially from the results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. Important factors that could cause or contribute to such differences include risks relating, but not limited to: changes to the drivers of the Company's growth and the Company's ability to adapt its solutions to the information security market changes and demands, including artificial intelligence (AI); the Company's ability to acquire new customers and maintain and expand the Company's revenues from existing customers; intense competition within the information security market; real or perceived security vulnerabilities, gaps, or cybersecurity breaches of the Company, or the Company's customers' or partners' systems, solutions or services; risks related to the Company's compliance with privacy, data protection and AI laws and regulations; the Company's ability to successfully operate the business as a subscription company and fluctuation in the quarterly results of operations; the Company's reliance on third-party cloud providers for its operations and software-as-a-service ("SaaS") solutions; the Company's ability to hire, train, retain and motivate qualified personnel; the Company's ability to effectively execute its sales and marketing strategies; the Company's ability to find, complete, fully integrate or achieve the expected benefits of additional strategic acquisitions; the Company's ability to maintain successful relationships with channel partners, or if the Company's channel partners fail to perform; risks related to sales made to government entities; prolonged economic uncertainties or downturns; the Company's history of incurring net losses, the Company's ability to generate sufficient revenue to achieve and sustain profitability and the Company's ability to generate cash flow from operating activities; regulatory and geopolitical risks associated with the Company's global sales and operations; risks related to intellectual property claims; fluctuations in currency exchange rates; the ability of the Company's products to help customers achieve and maintain compliance with government regulations or industry standards; the Company's ability to protect its proprietary technology and intellectual property rights; risks related to using third-party software, such as open-source software; risks related to stock price volatility or activist shareholders; any failure to retain the Company's "foreign private issuer" status or the risk that the Company may be classified, for U.S. federal income tax purposes, as a "passive foreign investment company"; risks related to the Company's Convertible Notes, including the potential dilution to existing shareholders and the Company's ability to raise the funds necessary to repurchase the Company's Convertible Notes; changes in tax laws; the Company's expectation to not pay dividends on the Company's ordinary shares for the foreseeable future; risks related to the Company's incorporation and location in Israel, including the ongoing war between Israel and Hamas and conflict in the region; and other factors discussed under the heading "Risk Factors" in the Company's most recent annual report on Form 20-F filed with the Securities and Exchange Commission. Forward-looking statements in this presentation are made pursuant to the safe harbor provisions contained in the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements are made only as of the date hereof, and the Company undertakes no obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

The **Global Leader** in Identity Security

- ▶ Leading the way in Identity Security, protecting all identities with the right level of controls
- ▶ The only Identity Security Platform that secures all identities – human and machine
- ▶ Customers prioritize CyberArk's solutions

\$50

Billion Total
Addressable Market

>8,800

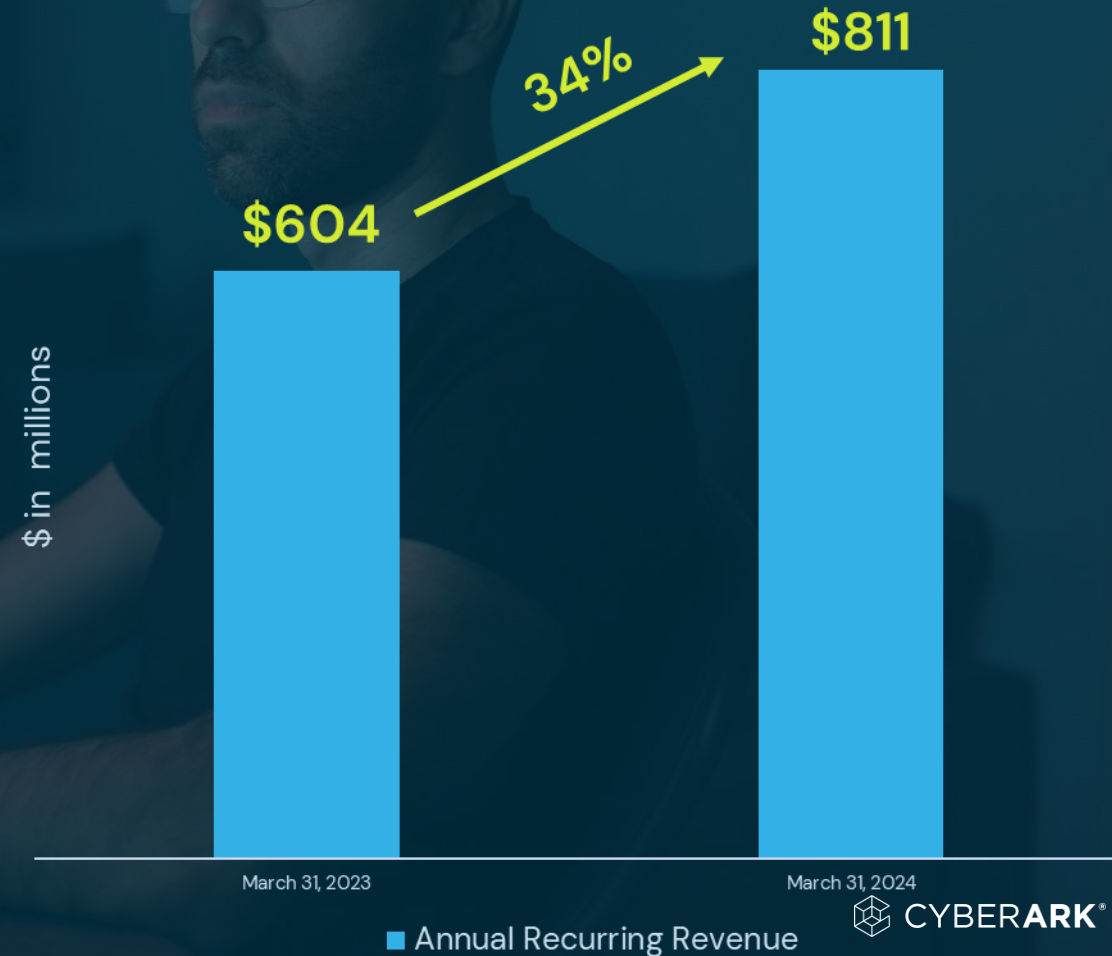
Global Customers
>55% Fortune 500
>35% Global 2000

\$811 million

Annual Recurring Revenue
~59% Americas
~31% EMEA
~10% APJ

>90%

of Revenue
is Recurring



Investment Highlights



Durable Industry
Tailwinds



Industry Leading
Innovation



Strong Revenue & ARR
Growth



Highly Predictable,
Recurring Revenue Model



Platform Selling Motion
Driving Land and Expand



Improving Profitability &
Free Cash Flow*

*CyberArk's reported metrics continue to be impacted by its transition to a recurring revenue business model.



CYBERARK®
The Identity Security Company™

CyberArk's Mission

Secure the world
against cyber threats
so together we can
move fearlessly forward




**New
Identities**



**New
Environments**



**New Attack
Methods**



Today's siloed approach to
securing identities was built to
solve yesterday's problems.

Today's world
requires a
new approach.



Security-first



Unified



All Identities

The background is a dark, blue-toned digital space. It is filled with numerous translucent, multi-colored cubes (blue, purple, orange, green) that appear to be floating or falling. Many of these cubes contain small, high-quality portraits of diverse individuals, including men and women of various ages and ethnicities. The overall effect is one of a vast, interconnected digital identity space.

CyberArk's Vision

**Every identity secured
with the right level of
privilege controls.**

Solutions for Securing **Every Identity**



Workforce



IT



Developers



Machines

IDENTITY SECURITY

Securing Workforce Users

Securing High Risk Users

Securing IT Admins

Securing Cloud Operations Teams

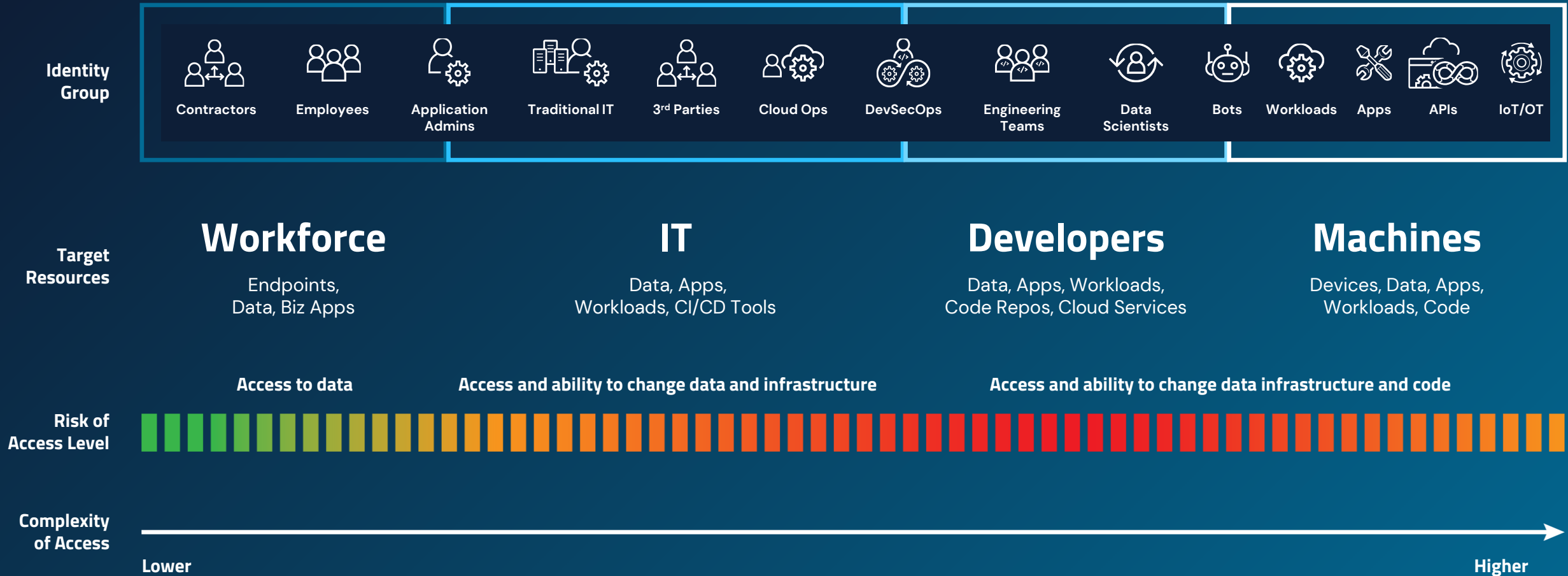
Securing Developers

Securing Cloud Workload Identities

Securing Secrets for Hybrid IT

Secure Desktops & Servers

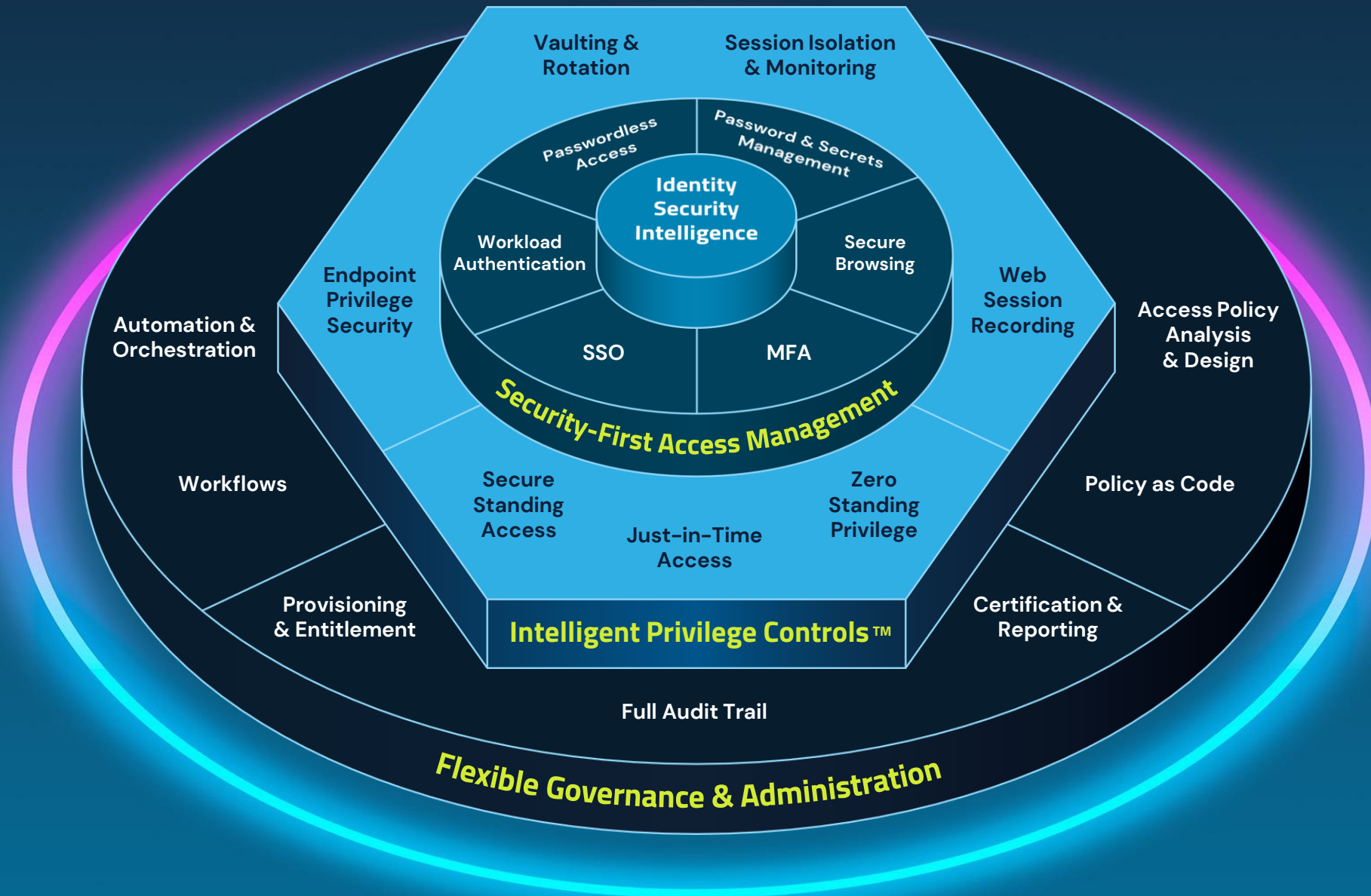
Spectrum of Secured Identities





CYBERARK®

Identity Security Platform



2024 Threat Surface



Identity



**Artificial
Intelligence**



Browser



CYBERARK[®]
The Identity Security Company[™]

Partner Ecosystem

**VARs &
Distributors**

MSP

**Global SI &
Advisories**

Marketplaces

**C³
Alliance**

Financial Overview



CyberArk Has a Compelling Financial Profile



Strong Track Record of Growth



Recurring Revenue Driving Visibility



Diverse, Balanced Customer Base

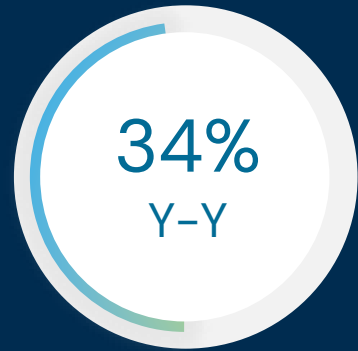


Consistent Land and Expand Motion



Strong Cash Flow Generation

First Quarter 2024 Metrics: **Revenue Accelerates**



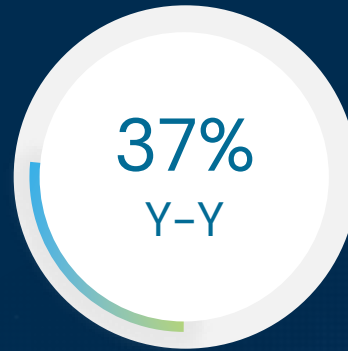
\$811M

Annual Recurring
Revenue (ARR)



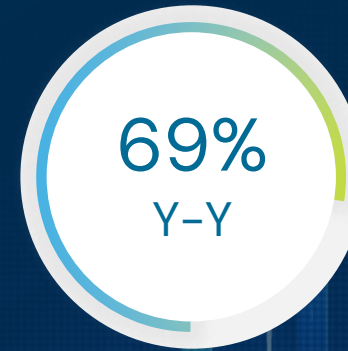
\$621M

Subscription Portion
of Annual Recurring
Revenue (ARR)



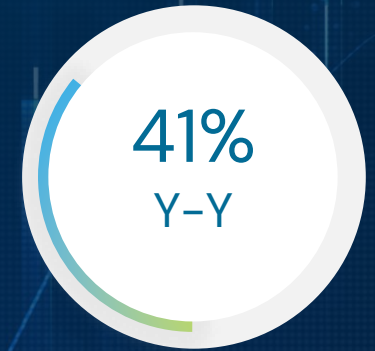
\$222M

Total Revenue



\$156M

Subscription
Revenue
**71% of Total
Revenue**



\$206M

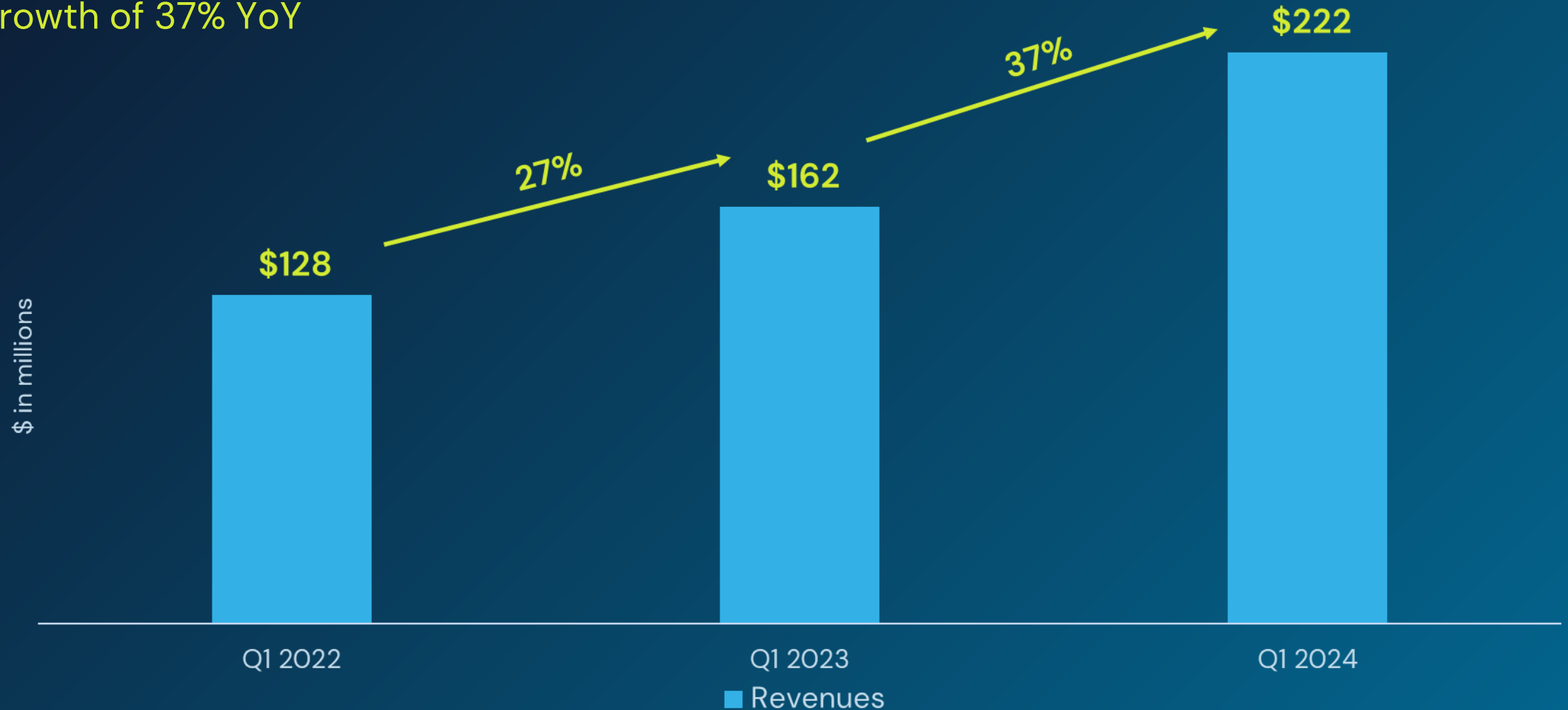
Recurring
Revenue
**93% of Total
Revenue**

Growth rates for ARR and Subscription ARR reflect growth from March 31, 2023 to March 31, 2024. Growth rates for revenue are for Q1 2023 to Q1 2024.

Refer to appendix for more information regarding Annual Recurring Revenue and Subscription Portion of Annual Recurring Revenue.

Revenue Growth Accelerates; Exceeds High End of Guidance Range for Q1 2024

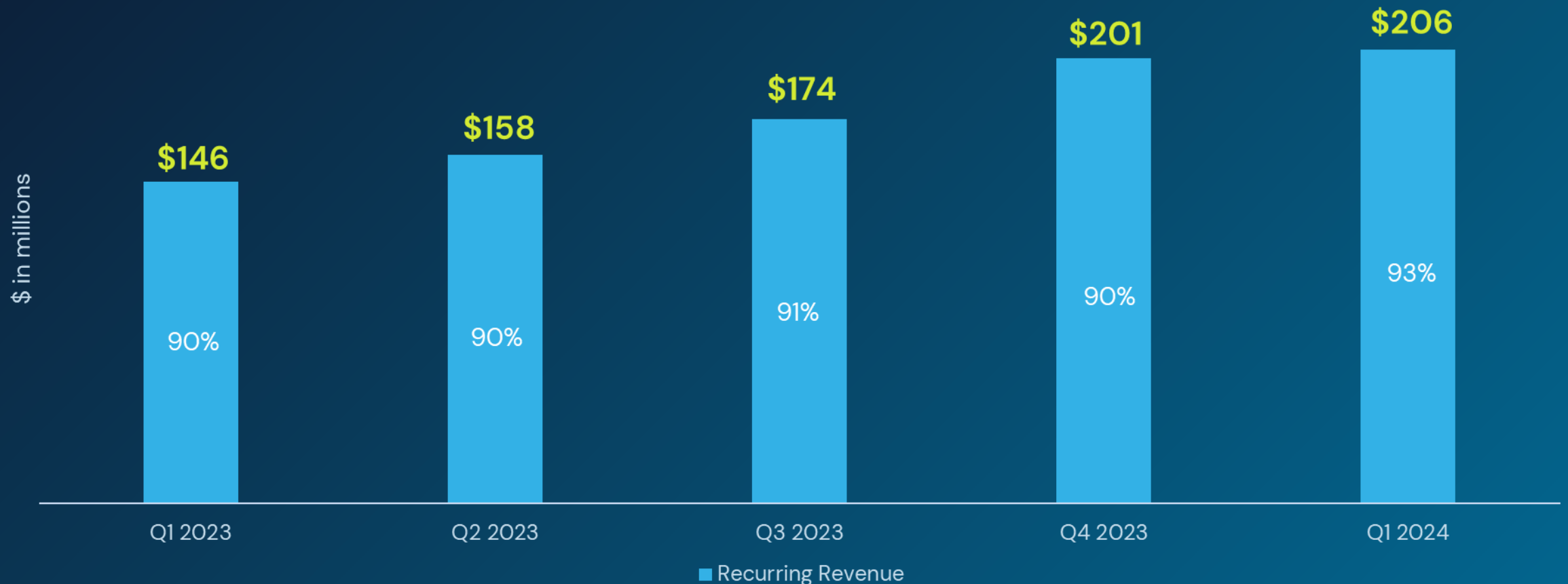
Growth of 37% YoY



Recurring Revenue is Driving Growth

93% of Revenue in Q1 2024 is Recurring, up from 90% in Q1 2023

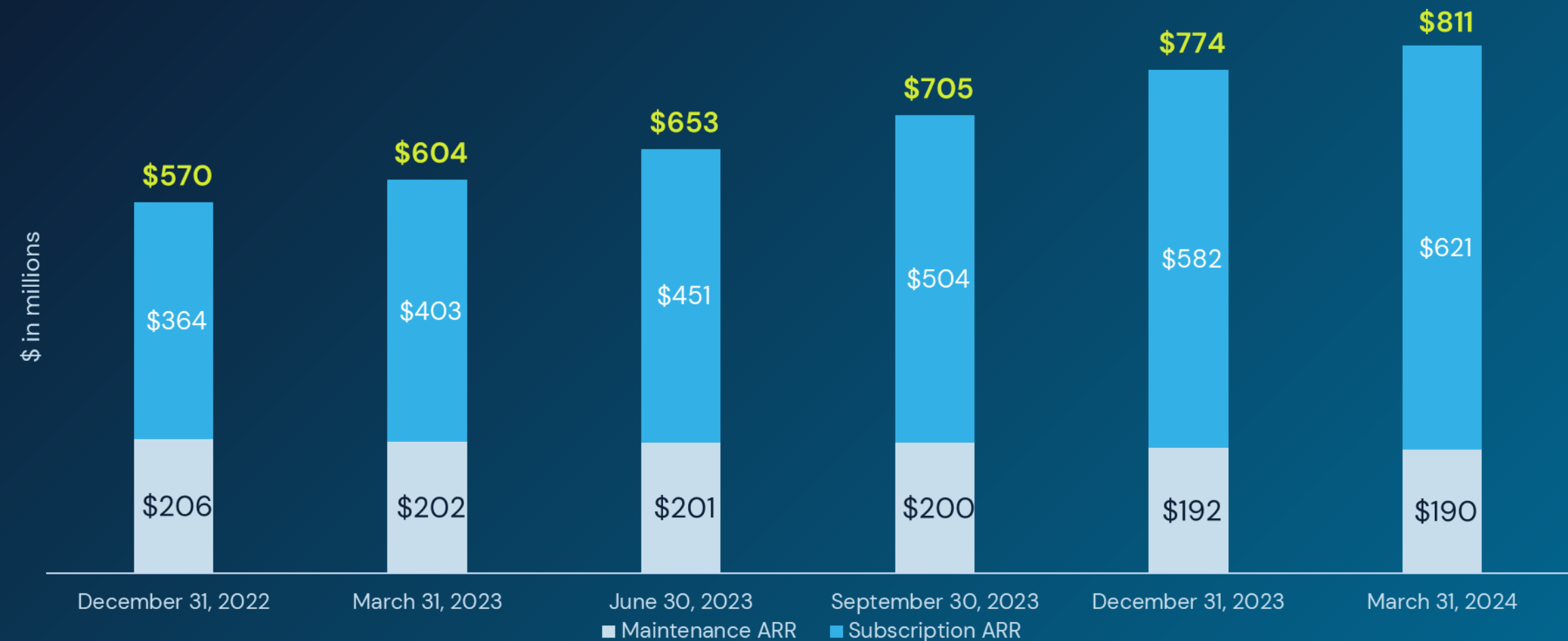
Recurring Revenue Growth of 41% Year-over-Year in Q1 2024



Continued Growth in Annual Recurring Revenue (ARR)

Subscription Portion of Annual Recurring Revenue Grew 54%, Reaching 77% of Total ARR

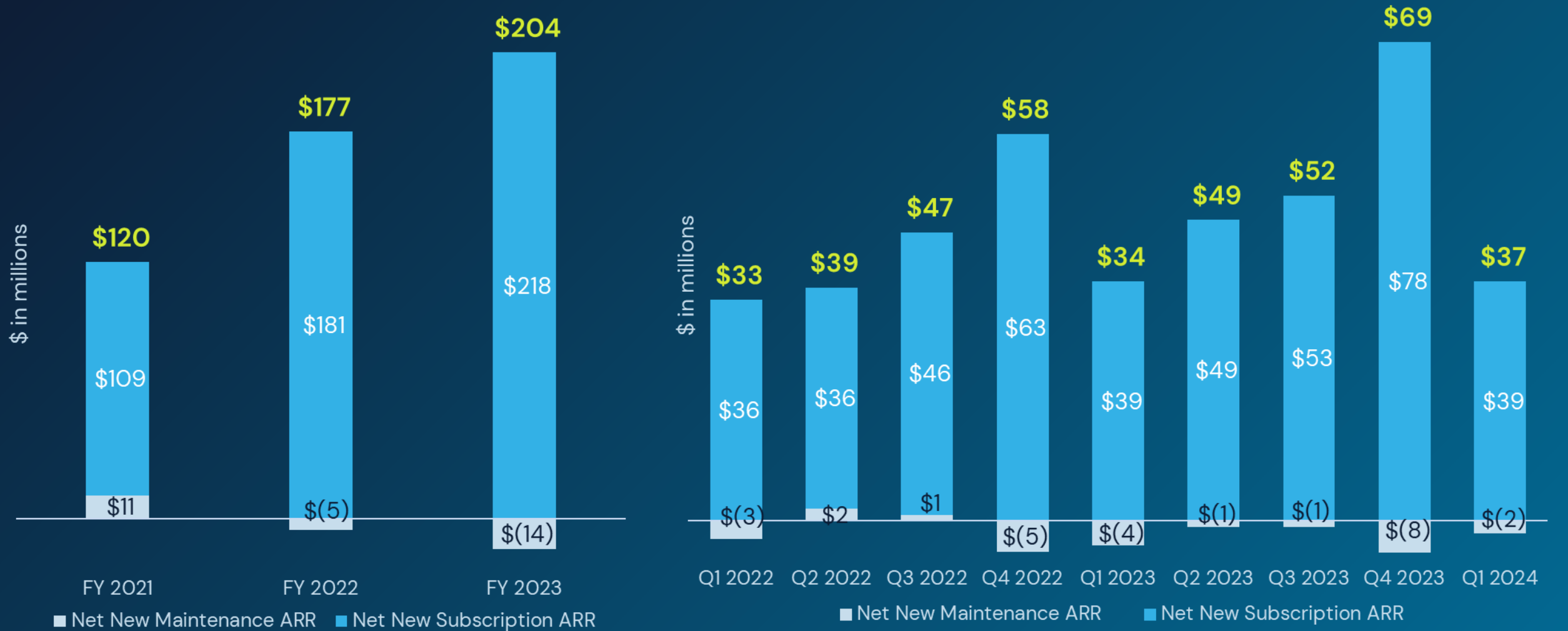
Total ARR Growth of 34% Year-over-Year



Totals may not sum because of rounding

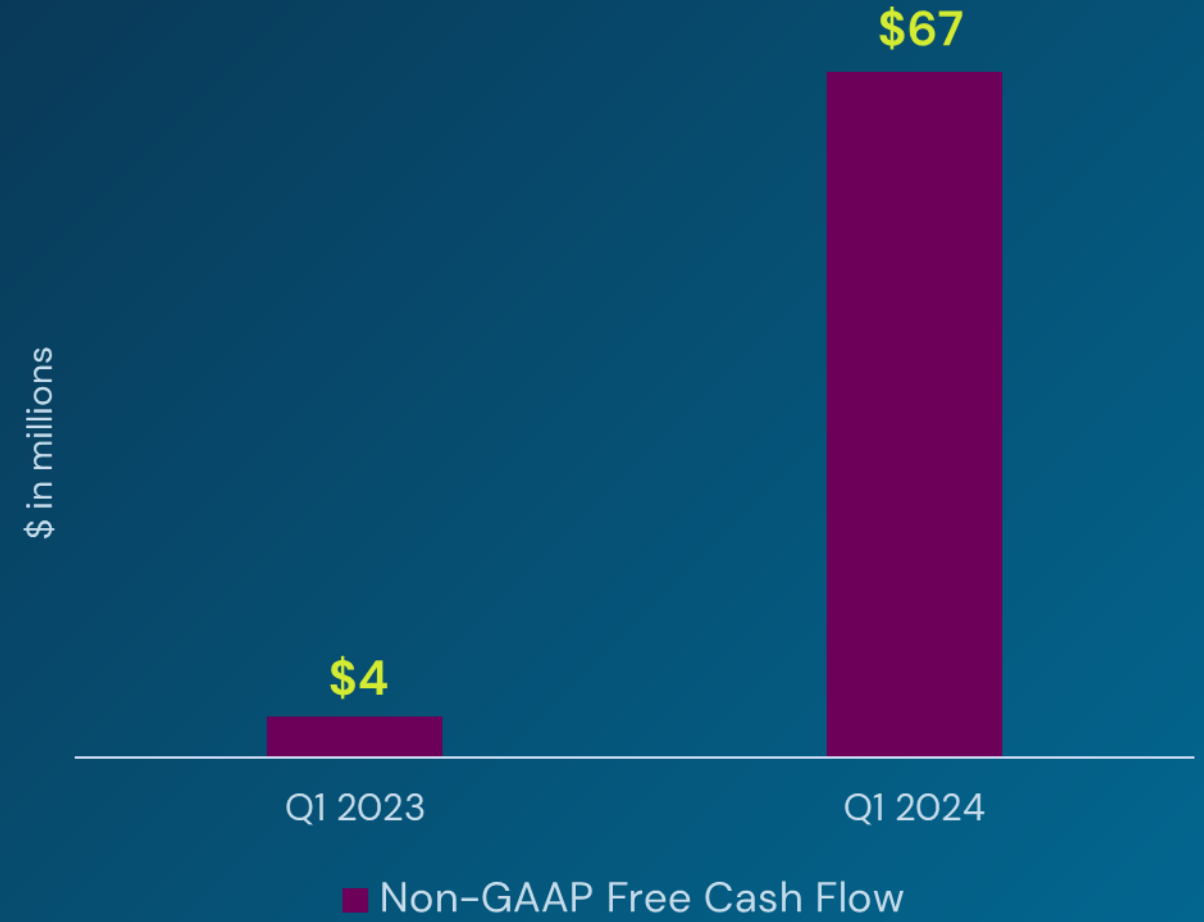
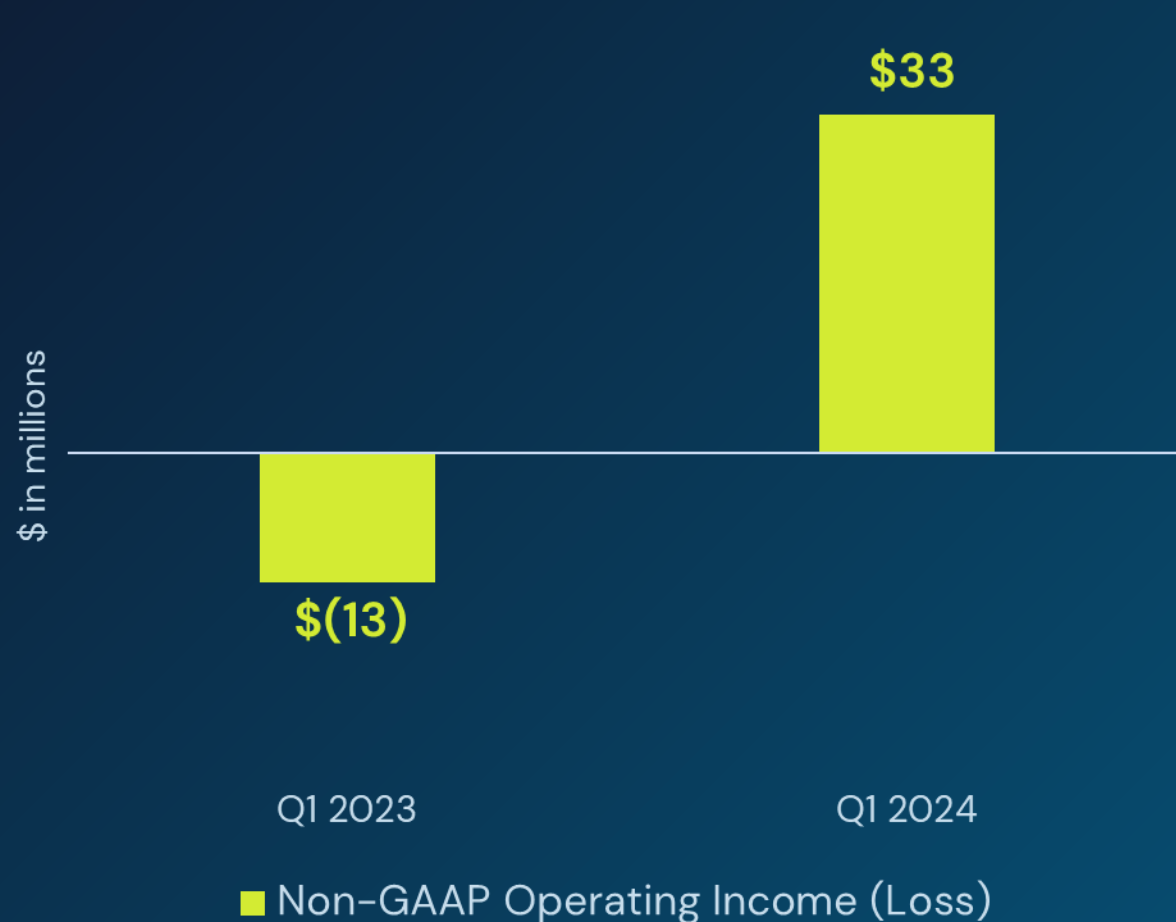
Healthy Net New ARR

Net New ARR of \$37 million in the First Quarter of 2024



Strong Profitability and Cash Flow

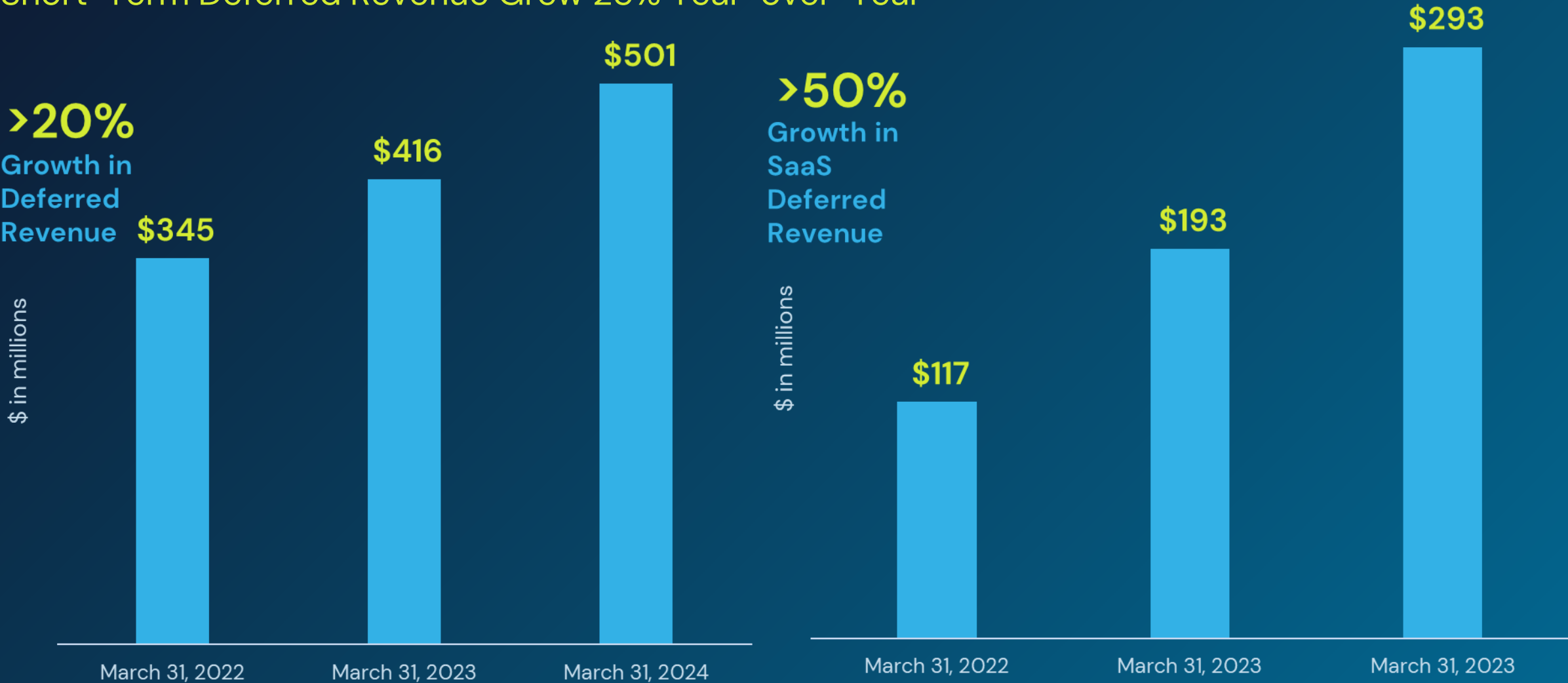
Operational Excellence Driving Increased Operating Leverage and Cash Flow



CyberArk underwent a transition to a subscription-based business model, with the ratable nature of revenue recognition impacting profitability and cash flow. FCF is the last metric to inflect post transition

Deferred Revenue Powered by Strong SaaS Adoption

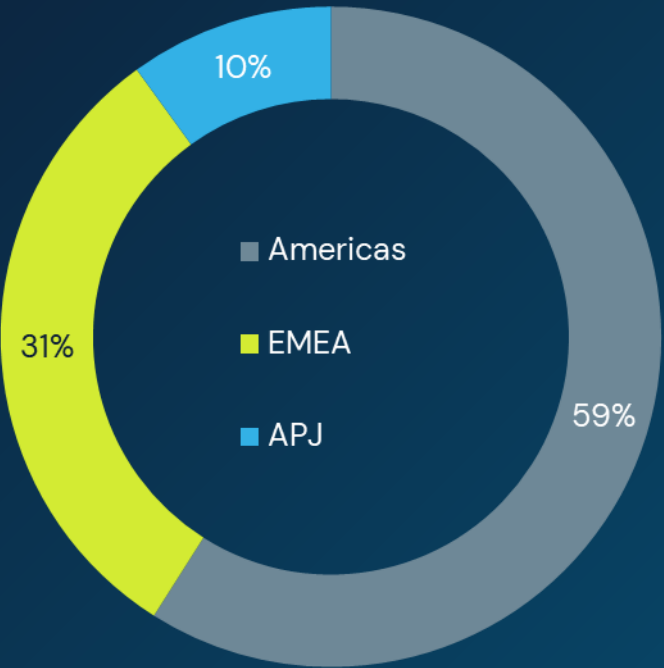
Short-Term Deferred Revenue Grew 25% Year-over-Year



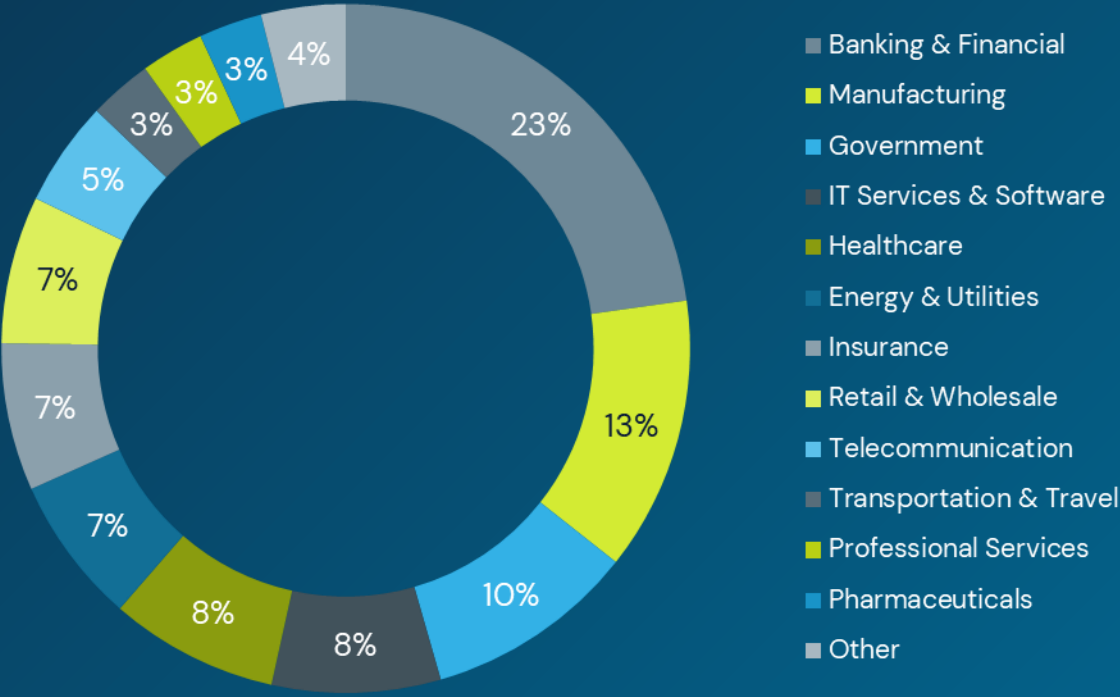
*We are moving our perpetual maintenance contracts to one-year terms deliberately as part of our subscription transition, which lowered our long-term deferred revenue in the quarter, impacting our year-over-year total deferred revenue growth rate. Short-Term Deferred Revenue grew by 25% year over year.
Growth rates on this slide refer to the period ended March 31, 2024 compared to the same period the year prior.
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Global Business across Diverse Industries

ARR by Geography



ARR by Vertical



Data on this slide as of March 31, 2024. Prior disclosure for verticals was based on subscription bookings over a twelve-month period. In September 2023, CyberArk changed the disclosure to ARR by vertical.



CYBERARK®
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Guidance



Guidance

Reflecting our leadership position in identity security, unique identity security platform, and durable industry tailwinds

	Q2 2024	Full Year 2024
Total Revenue <i>Growth Year-over-Year</i>	\$215.0 to \$221.0 million 22% to 26%	\$928.0 to \$938.0 million 23% to 25%
Non-GAAP Operating Income	\$12.0 to \$17.0 million	\$90.5 to \$99.5 million
Non-GAAP EPS	\$0.34 to \$0.44 per diluted share	\$1.88 to \$2.07 per diluted share
Annual Recurring Revenue (ARR)* <i>Growth Year-over-Year</i>	--	\$975 to \$990 million 26% to 28%
Non-GAAP Free Cash Flow	--	\$115.0 to \$125.0 million
Weighted Average Shares Outstanding	48.1 million diluted shares	48.1 million diluted shares

Based on information available as of May 2, 2024, CyberArk is issuing guidance for the second quarter and full year 2024 as indicated above.

*as of December 31, 2024



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Appendix

How We Calculate ARR

ARR is defined as the annualized value of active SaaS, self-hosted subscriptions and their associated maintenance & support services, and maintenance contracts related to the perpetual licenses in effect at the end of the reported period.

Subscription portion of ARR is defined as the annualized value of active SaaS and self-hosted subscription contracts in effect at the end of the reported period. The subscription portion of ARR excludes maintenance contracts related to perpetual licenses.

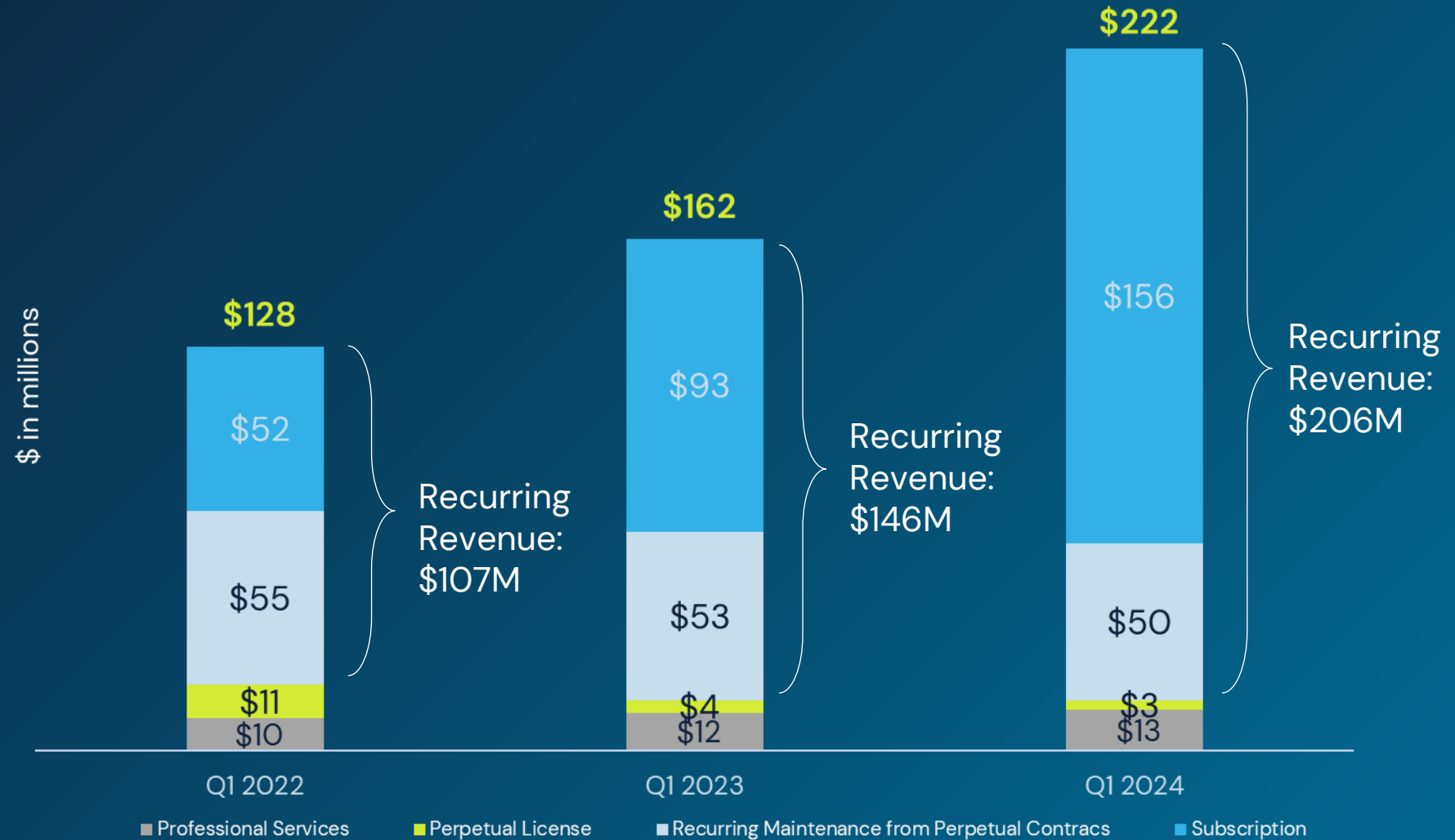
$$ARR = \frac{TCV \times 365}{Duration (days)}$$

Annual Recurring Revenue (ARR) is a performance indicator that provides more visibility into the growth of our recurring business in the upcoming year. ARR should be viewed independently of revenues and total deferred revenue as it is an operating measure and is not intended to be combined with or to replace either of those measures. ARR is not a forecast of future revenues and can be impacted by contract start and end dates and renewal rates. This visibility allows us to make informed decisions about our capital allocation and level of investment.

Subscription Revenue Growth of 69%

More than 90% of Revenue is Recurring in Q1 2024

- 71% of Revenue in Q1 2024 is from Subscription, compared to 57% in Q1 2023

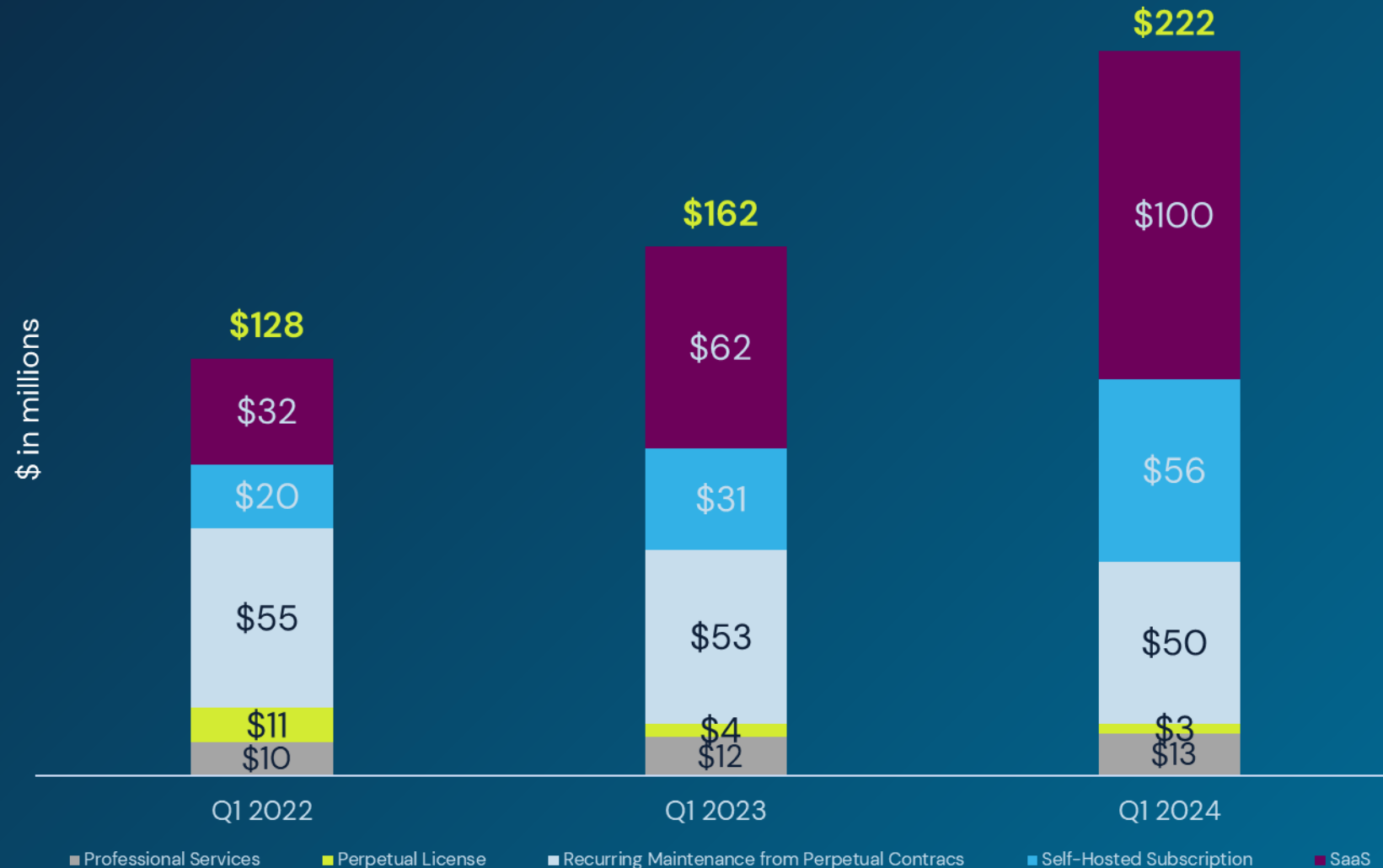


Totals may not sum because of rounding

Subscription Revenue Growth of 69%

More than 90% of Revenue is Recurring in Q1 2024

- 71% of Total Revenue in Q1 2024 is from Subscription, compared to 57% in Q1 2023
- SaaS revenue grew 63% YoY
- Self-Hosted Subscription revenue grew 80% YoY



Subscription = SaaS + Self-Hosted Subscription (both License + Ratable Maintenance of self-hosted Subscription Revenue)
Totals may not sum because of rounding

Identity is the Attack Surface

99%

Of organizations say they expect their organization to suffer an identity-related compromise in 2023

58%

Of organizations say this will happen as part of a digital transformation initiative such as cloud adoption or legacy app migration

68%

Of organizations will deploy more SaaS tools in the next 12 months than they do today

Source: [CyberArk 2023 Identity Security Threat Landscape Report](#)

GAAP to Non-GAAP Reconciliation

(In Thousands)	2021	2022	2023	Q1 2023	Q1 2024
GAAP gross profit to Non-GAAP gross profit :					
Gross Profit	\$409,610	\$465,664	\$595,757	\$125,733	\$179,142
Share-based compensation	11,158	15,060	17,612	3,953	4,820
Amortization of stock-based compensation capitalized in software development costs	242	346	393	103	72
Amortization of intangible assets	5,112	6,044	6,817	1,704	1,704
Acquisition related expenses	--	--	--	--	--
Impairment of capitalized software development costs	--	--	2,067	--	--
Non-GAAP gross profit	\$426,122	\$487,114	\$622,646	\$131,493	\$185,738

GAAP to Non-GAAP Reconciliation

(In Thousands)	2021	2022	2023	Q1 2023	Q1 2024
GAAP operating income (loss) to Non-GAAP operating income (loss):					
Operating loss	\$(78,337)	\$(152,450)	\$(116,472)	\$(46,126)	\$(6,378)
Share-based compensation	95,436	120,821	140,101	31,596	37,499
Amortization of stock-based compensation capitalized in software development costs	242	346	393	103	72
Amortization of intangible assets	5,810	6,655	7,364	1,841	1,829
Acquisition related expenses	--	2,244	--	--	--
Facility exit and transition costs	760	--	--	--	--
Impairment of capitalized software development costs	--	--	2,067	--	--
Non-GAAP operating income (loss)	\$23,911	\$(22,384)	\$33,453	\$(12,586)	\$33,022
GAAP net income (loss) to Non-GAAP net income (loss):					
Net income (loss)	\$(83,946)	\$(130,368)	\$(66,504)	\$(35,028)	\$5,470
Share-based compensation	95,436	120,821	140,101	31,596	37,499
Amortization of stock-based compensation capitalized in software development costs	242	346	393	103	72
Amortization of intangible assets	5,810	6,655	7,364	1,841	1,829
Acquisition related expenses	--	2,244	--	--	--
Amortization of debt discount and issuance costs	17,790	2,980	2,996	748	751
Facility exit and transition costs	760	--	--	--	--
Gain from investment in privately held companies	--	(324)	(2,757)	--	--
Taxes on income related to Non-GAAP Adjustments	(22,682)	(20,189)	(31,656)	(6,206)	(9,752)
Impairment of capitalized software development costs	--	--	2,067	--	--
Non-GAAP Net Income (Loss)	\$13,410	\$(17,835)	\$52,004	\$(6,946)	\$35,869

Diluted Net Income (Loss) per ordinary share

(In Thousands, except per share data)	Q1 2023	Q1 2024	2022	2023
Numerator				
Net Income (loss) Attributable to Common Stockholders, basic	\$(35,028)	\$5,470	\$(130,368)	\$(66,504)
Add: Interest expense on convertible senior notes net of tax	-	661	-	-
Net Income (Loss) Attributable to Common Stockholders, diluted	\$(35,028)	\$6,130	\$ (130,368)	\$ (66,504)
Shares used in computing net income (loss) per ordinary shares, diluted	41,168,043	47,737,396	40,583,002	41,658,424
Diluted net income (loss) per ordinary share	\$(0.85)	\$0.13	\$ (3.21)	\$ (1.60)

Reconciliation of GAAP Operating Cash Flow to Free Cash Flow

(In Thousands)	2021	2022	2023	Q1 2023	Q1 2024
Net cash provided by operating activities	\$74,740	\$49,708	\$56,204	\$5,821	\$68,635
Purchase of Property and Equipment	(8,928)	(12,517)	4,948	(1,775)	(1,865)
Free Cash Flow	\$65,812	\$37,191	\$51,256	\$4,046	\$66,770



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Thank You