



2021 Analyst & Investor Day

General Disclaimer

Forward-Looking Statements

This presentation and the accompanying oral presentation contain “forward-looking” statements, which are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including statements regarding our financial outlook, our long-term model, the impact of the cyberattack that occurred in December 2020 (the “Cyber Incident”), the recently completed spin-off of the N-able business into a newly created and separately traded public company, the impact of the COVID-19 pandemic and related global economic environment on our business, and our preliminary strategic, operational and financial considerations related thereto.

These forward-looking statements are based on management's beliefs and assumptions and on information currently available to management. Forward-looking statements include all statements that are not historical facts and may be identified by terms such as “aim,” “anticipate,” “believe,” “can,” “could,” “seek,” “should,” “feel,” “expect,” “will,” “would,” “plan,” “project,” “intend,” “estimate,” “continue,” “may,” or similar expressions and the negatives of those terms. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, the following: (a) risks related to the Cyber Incident, including with respect to (1) the discovery of new or different information regarding the Cyber Incident, including with respect to its scope, the threat actor's access to SolarWinds' environments and its related activities during such period, and the related impact on SolarWinds' systems, products, current or former employees and customers, (2) the possibility that our mitigation and remediation efforts with respect to the Cyber Incident may not be successful, (3) the possibility that additional confidential, proprietary, or personal information, including information of SolarWinds' current or former employees and customers, was accessed and exfiltrated as a result of the Cyber Incident, (4) numerous financial, legal, reputational and other risks to us related to the Cyber Incident, including risks that the incident or SolarWinds' response thereto, including with respect to providing notices to any impacted individuals, may result in the loss, compromise or corruption of data and proprietary information, loss of business as a result of termination or non-renewal of agreements or reduced purchases or upgrades of our products, severe reputational damage adversely affecting customer, partner and vendor relationships and investor confidence, increased attrition of personnel and distraction of key and other personnel, U.S. or foreign regulatory investigations and enforcement actions, litigation, indemnity obligations, damages for contractual breach, penalties for violation of applicable laws or regulations, significant costs for remediation and the incurrence of other liabilities, (5) risks that our insurance coverage, including coverage relating to certain security and privacy damages and claim expenses, may not be available or sufficient to compensate for all liabilities we incur related to these matters, (6) the possibility that our steps to secure our internal environment, improve our product development environment and ensure the security and integrity of the software that we deliver to our customers may not be successful or sufficient to protect against future threat actors or attacks or be perceived by existing and prospective customers as sufficient to address the harm caused by the Cyber Incident, (b) other risks related to cyber security, including that we may experience other security incidents or have vulnerabilities in our systems and services exploited, which may result in compromises or breaches of our and our customers' systems or, theft or misappropriation of our and our customers' confidential, proprietary or personal information, as well as exposure to legal and other liabilities, including the related risk of higher customer, employee and partner attrition and the loss of key personnel, as well as negative impacts to our sales, renewals and upgrades; (c) risks related to the recently completed spin-off of the N-able business into a newly created and separately traded public company, including that we may not realize some or all of the anticipated strategic, financial, operational, marketing or other benefits from the separation, or such benefits may be delayed by a variety of circumstances, which may not be under our control, we may experience increased difficulties in attracting, retaining and motivating employees or maintaining or initiating relationships with partners, customers and other parties with which we currently do business, or may do business in the future, we could incur significant liability if the separation is determined to be a taxable transaction, potential indemnification liabilities incurred in connection with the separation could materially affect our business and financial results and N-able may fail to perform under various transaction agreements that were executed as part of the separation; (d) the possibility that the global COVID-19 pandemic may adversely affect our business, results of operations and financial condition; (e) any of the following factors either generally or as a result of the impacts of the Cyber Incident or the global COVID-19 pandemic on the global economy or on our business operations and financial condition or on the business operations and financial conditions of our customers, their end-customers and our prospective customers: (1) reductions in information technology spending or delays in purchasing decisions by our customers, their end-customers and our prospective customers, (2) the inability to sell products to new customers or to sell additional products or upgrades to our existing customers, (3) any decline in our renewal or net retention rates, (4) the inability to generate significant volumes of high quality sales leads from our digital marketing initiatives and convert such leads into new business at acceptable conversion rates, (5) the timing and adoption of new products, product upgrades or pricing model changes by SolarWinds or its competitors, (6) potential foreign exchange gains and losses related to expenses and sales denominated in currencies other than the functional currency of an associated entity, and (7) risks associated with our international operations; (f) the possibility that our operating income could fluctuate and may decline as percentage of revenue as we make further expenditures to support our business or expand our operations; (g) risks related to our evolving focus in our sales motion and challenges and costs associated with selling products to enterprise customers; (h) our inability to successfully identify, complete, and integrate acquisitions and manage our growth effectively; (i) risks associated with our status as a controlled company; and (j) such other risks and uncertainties described more fully in documents filed with or furnished to the Securities and Exchange Commission, including the risk factors discussed in our Annual Report on Form 10-K for the period ended December 31, 2020 filed on March 1, 2021, our Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 filed on May 10, 2021, our Quarterly Report on Form 10-Q for the quarter ended June 30, 2021 filed on August 6, 2021 and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2021 filed on November 9, 2021. All information provided in this release is as of the date hereof and SolarWinds undertakes no duty to update this information except as required by law.

General Disclaimer

HISTORICAL FINANCIAL INFORMATION

This presentation contains historical financial information presented to reflect the spin-off of the N-able business for all periods presented. Unless otherwise noted, all historical financial information referenced herein reflects SolarWinds as a stand-alone business and does not include any contribution from the N-able business. All of such financial information is unaudited and represents our best estimates at the time of this presentation based on information then available and will not be final until SolarWinds files its annual report on Form 10-K reporting N-able as discontinued operations for the prior periods. The unaudited financial information has been derived from the Company's historical consolidated financial statements and give effect to the spin-off of N-able for all periods presented by subtracting the operations and assets and liabilities of N-able including adjustments related to the transaction costs to reflect the financial condition and results of operations as if SolarWinds were a separate stand-alone entity in accordance with GAAP. The unaudited financial information should be read together with SolarWinds' historical consolidated financial statements and accompanying notes available in its filings with the Securities and Exchange Commission.

USE OF PROJECTIONS

This Presentation contains financial forecasts with respect to the Company's projected financial results, including revenue and adjusted EBITDA, for the Company's fiscal year 2022. The Company's independent auditors have not audited, reviewed, compiled or performed any procedures with respect to the projections for the purpose of their inclusion in this Presentation, and accordingly, they did not express an opinion or provide any other form of assurance with respect thereto for purposes of this Presentation. These projections should not be relied upon as being necessarily indicative of future results. The assumptions and estimates underlying the prospective financial information are inherently uncertain and are subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the prospective financial information. See "Forward-Looking Statements" above. Accordingly, there can be no assurance that the prospective results are indicative of future performance of the Company or that actual results will not differ materially from those presented in the prospective financial information. Inclusion of the prospective financial information in this Presentation should not be regarded as a representation by any person that the results contained in the prospective financial information will be achieved.

NON-GAAP FINANCIAL MEASURES

This presentation includes the following non-GAAP financial measures: non-GAAP revenue and revenue growth, adjusted EBITDA, adjusted EBITDA margin and unlevered free cash flow. We use these non-GAAP financial measures to clarify and enhance our understanding, and aid in the period-to-period comparison, of our performance. We believe that these non-GAAP financial measures provide supplemental information that is meaningful when assessing our operating performance because they exclude the impact of certain amounts that our management and board of directors do not consider part of core operating results when assessing our operational performance, allocating resources, preparing annual budgets and determining compensation. The non-GAAP measures have limitations, and should not be considered in isolation, or as a substitute for, the most comparable GAAP financial measures. These non-GAAP financial measures are not prepared in accordance with GAAP, do not reflect a comprehensive system of accounting and may not be completely comparable to similarly titled measures of other companies due to potential differences in the exact method of calculation between companies. **See the Appendix to this presentation for information on how we define these non-GAAP financial measures as well as a reconciliation of the non-GAAP financial measures presented to their most comparable GAAP equivalents.** A reconciliation of forward-looking non-GAAP financial measures used in this presentation to their most comparable GAAP measures is not available without unreasonable effort due to the uncertainty regarding, and the potential variability of, certain of the adjustments made to such measures that may be incurred in the future.

UNLESS OTHERWISE STATED, YOU MAY ASSUME ALL FINANCIAL MEASURES DISCUSSED IN THIS PRESENTATION, INCLUDING STATEMENTS REGARDING PROFIT AND PROFITABILITY, ARE PRESENTED ON A NON-GAAP BASIS.

Impact of Purchase Accounting Related to the Take Private and Acquisitions

SolarWinds Corp. was formed by affiliates of investment firms Silver Lake and Thoma Bravo to acquire SolarWinds, Inc., then a publicly traded company, which acquisition was completed on February 5, 2016 and is referred to throughout this presentation as the “Take Private.” The comparability of our year-to-year operating results has been significantly impacted by the Take Private and to a lesser extent, other acquisitions. We account for acquired businesses, including the Take Private, using the acquisition method of accounting, which requires that the assets acquired and liabilities assumed, including deferred revenue, be recorded at the date of acquisition at their respective fair values which could differ from the historical book values. In most cases, adjusting the acquired deferred revenue balances to fair value on the date of the relevant acquisition had the effect of reducing the historical deferred revenue balance and therefore reducing the revenue recognized in subsequent periods. In addition, we incurred amortization of acquired technology and intangibles in connection with the Take Private and to a lesser extent, other acquisitions.



Introduction & Overview

Sudhakar Ramakrishna

CHIEF EXECUTIVE OFFICER

9:00 AM

Introduction and Overview

Sudhakar Ramakrishna, Chief Executive Officer

9:10 AM

Market Opportunity & Strategy

Sudhakar Ramakrishna, Chief Executive Officer

9:40 AM

Products & Strategy

Rohini Kasturi, Chief Product Officer

10:10 AM

Customer Success

Andrea Webb, Chief Customer Officer

10:35 AM

Go To Market Strategy

David Gardiner, Chief Revenue Officer

11:00 AM

Financial Strategy

Bart Kalsu, Chief Financial Officer

Agenda



Retain



Evolve



Grow

Long-Term Target Model

\$1B+

Total ARR

30%+

Subscription ARR Growth¹

Mid 40s

Adjusted EBITDA Margins

1. Compounded annual growth target for 2021 – 2025.

Our **mission** is to help customers accelerate business transformation...

through simple, powerful, and secure solutions designed for multi-cloud environments.



Our Values



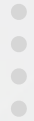
C



Collaborative



A



Accountable



R



Ready



E



Empathetic

Global, Diverse, and Experienced Technology Executives

Committed to the long-term
success of SolarWinds



Sudhakar Ramakrishna
President, Chief Executive Officer



Jason Bliss
Chief Administrative Officer



David Gardiner
Chief Revenue Officer



Dave Hafner
Strategic Finance &
Investor Relations



Bart Kalsu
Chief Financial Officer



Rohini Kasturi
Chief Product Officer



Carolyn Walsh
Worldwide Marketing



Andrea Webb
Chief Customer Officer

2021 Year In Review: Retain. Evolve. Grow.



Successfully Completed Spin-Off of N-able



TTM Renewal Rate of 89% Despite Cyber Incident in Q4'20²



Improving License Revenue Since Q1'21



Database Growth



Expansion of Subscription Offerings



Expanded International Footprint to Capture Market Opportunity



Received 35+ Industry and Customer Awards



Worldwide Leader in Network Management Software for 4th Year in a Row¹



Secure by Design

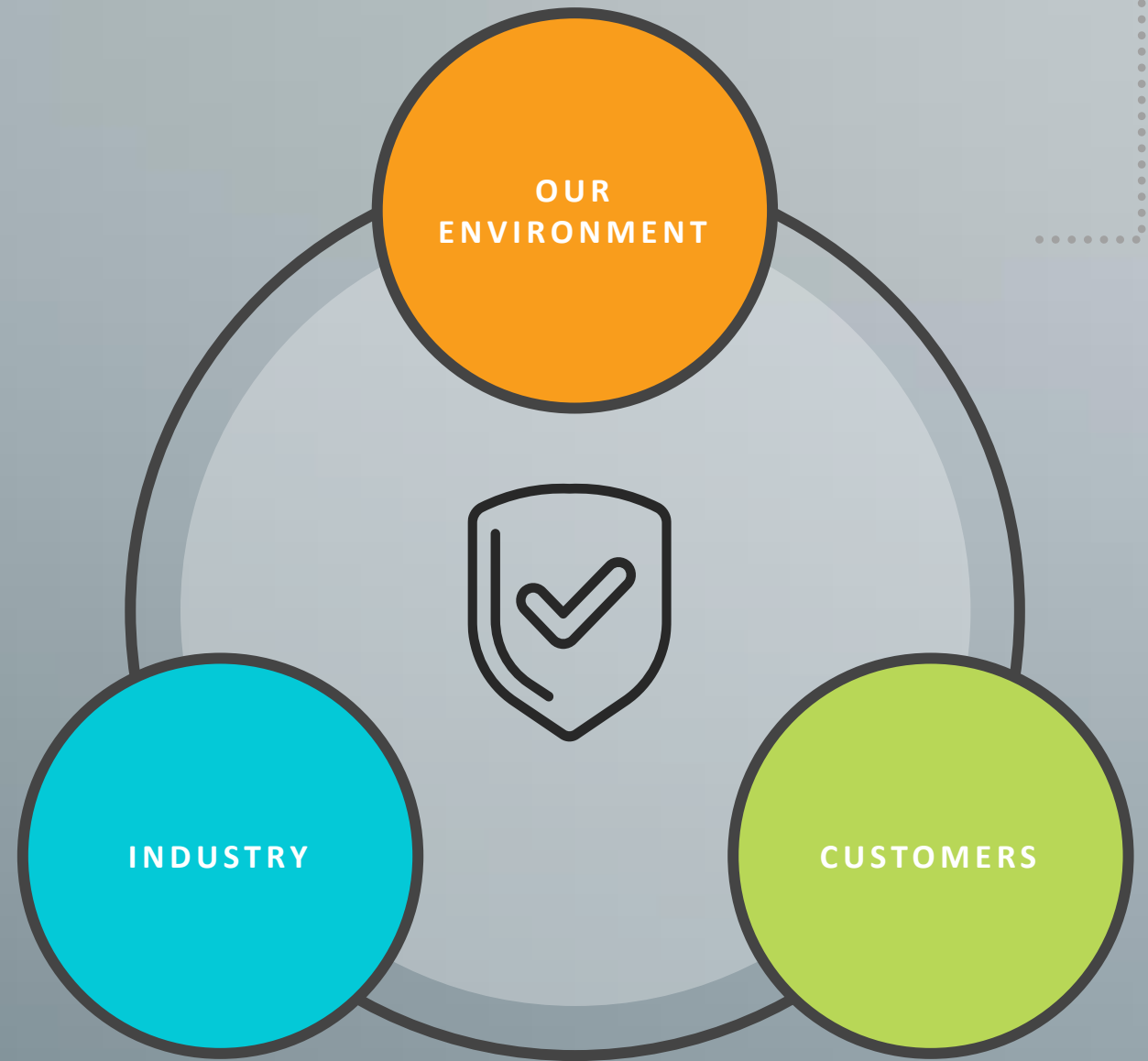
1. IDC-defined Network Management Software functional market, IDC's Worldwide Semiannual Software Tracker, October 15, 2021

2. Trailing 12-month through September 30, 2021



Evolving with Secure by Design

- ✓ **Ensure integrity** of build process
- ✓ **Share learnings** with community and customers
- ✓ **Leverage and contribute** to open-source initiatives
- ✓ **Lead by example** in securing the supply chain



Retaining Customers with Focus and Transparency

Response (to the breach) has been excellent. We appreciated the accountability aspect from your teams in multiple fronts. Reaching out in every way possible and that's important. It's not a small thing what you guys went through. How an organization responds in trouble says volumes.

**SR NETWORK COMMUNICATIONS
SPECIALIST, UNIVERSITY**

SolarWinds has been extremely transparent in answering any questions we've asked and then some. That transparency made a huge difference in choosing to stay with SolarWinds.

TRUCKING COMPANY

I've been doing Orion-Insights monthly since last November. I think they are absolutely great, the printed word always carries more credibility than the spoken.

PUBLISHING COMPANY

... I want to say a big thank you to you for working with us over the last couple of years. You are the main reason why we are now using this application on a daily basis. We greatly appreciate all of your help.

COUNTY GOVERNMENT

After the security breach, that's when the security is the best because SolarWinds fixed the problem. You brought in people to make sure it doesn't happen again and you're probably the most secure monitoring platform out there right now. So yeah, there's lots of different reasons why we decide to renew and stick with SolarWinds.

MOBILE NETWORK OPERATOR COMPANY

Leading to Stabilization and Strong Foundation for Growth

89%

TTM Renewal Rates¹

\$624M

Total ARR²

\$130M

Subscription ARR²

1. Trailing 12-month through September 30, 2021
2. As of September 30, 2021



Market Opportunity & Strategy

Sudhakar Ramakrishna

CHIEF EXECUTIVE OFFICER

Business Transformation is Accelerating

LEADING TO NEW CHALLENGES...



Complexity, security, and productivity challenges abound



Remote work is here to stay



IT budgets and resource constraints remain

...AND CREATING NEW NEEDS



Modernization of operations, apps, and databases



Multi-cloud deployments



Flexible consumption models



Need for the evolution from 'monitoring' to 'observability'



Our Strategy to Address Customer Needs...



Evolving from
Monitoring
to **Observability**



Simplifying **Packaging**
& **Pricing**
Models



Evolving and
Expanding our
Customer Reach



Secure by Design Foundation

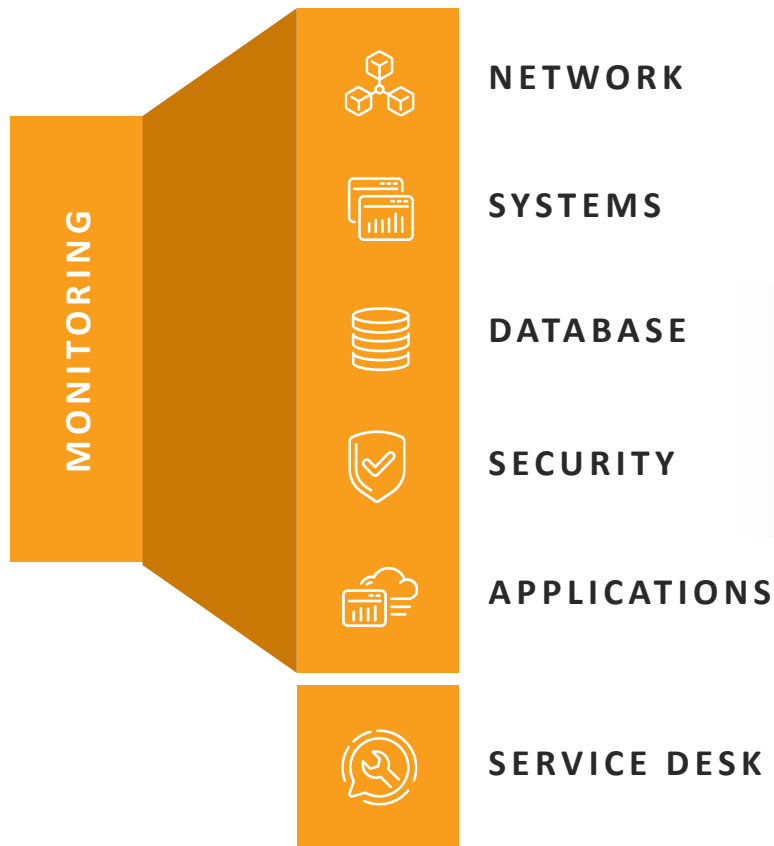




Evolving From Monitoring Leader to Observability Leader

Current State

Powerful, yet affordable, and easy to use tools for IT Pros focused on IT Monitoring & IT Operations...



Broad Observability Capabilities

Future State

Integrated, hybrid 'SolarWinds Observability' solutions

Spanning all IT and user environments





The Evolution to SolarWinds Observability

Evolving our full stack solution to an intelligent hyperconverged platform



SolarWinds



Evolution of customer's digital transformation journey with multi-cloud support

Productivity improvements by delivering insights across infrastructure, apps and data

Predict outages and improve customer experience and deliver on SLAs through AIOps

Reduces time-to-value (TTV) through simple install and onboarding



Simplifying Packaging and Pricing

Increasing our opportunity for subscription revenue and customer LTV

PRODUCT STRATEGY

- Enhanced packaging and pricing for ease of consumption and cross-sell
- Implementing node-based pricing across the portfolio
- Introducing SolarWinds Observability solutions for multi-cloud deployments
 - SaaS/subscription
 - Cloud Service Provider- (CSP) & Managed Service Provider- (MSP) friendly
 - In-product trial and acquisition

CUSTOMER STRATEGY

- Offering buyer flexibility with **Subscription First**
- Implementing sales and channel incentives to drive subscription growth
- Fostering expansion and retention with customer success managers
- Evolving maintenance revenue to value-based subscription revenue
- Developing e-commerce extensions





Evolving & Expanding our Customer Reach

- Retain velocity motion
- Selective high-touch and field engagements
- International expansion
- E-commerce

SALES

PARTNERS

- Focused on traditional GSIs, CSPs, and MSPs
- Global program focused on building “expertise” and “accountability”

- Land, adopt, expand, and retain (LAER)
- CSM engagements
- Enablement & award-winning support

CUSTOMER ORGANIZATION

MARKETING

- Nourish velocity motion
- Account-based marketing (ABM)
- Channel and customer marketing
- Analyst, press, and **community**



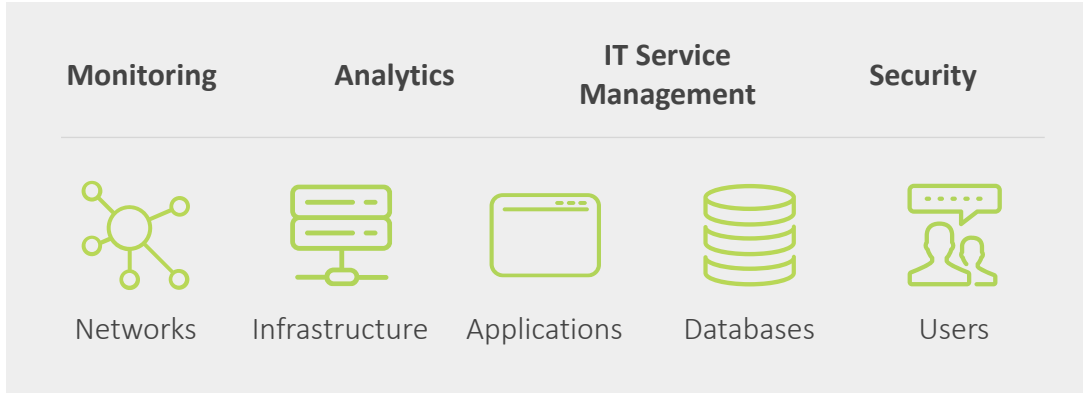
Our Total Addressable Market is Large & Growing



SOLARWINDS OBSERVABILITY



2021¹



2025¹

Go-to-market approach allows us to efficiently reach organizations of all sizes

Product ease-of-use and affordability for small business with power and scalability to address the needs of the enterprise

Our evolution to SolarWinds Observability will enable us to further penetrate the faster-growing segments of our addressable market (e.g., Cloud IT Operations Management, 26% CAGR²)

1. Source: IDC Semiannual Software Tracker, May 2021. Includes the IT Operations Management, Network Management, IT Service Management, Security Analytics, Intelligence, Response and Orchestration, and Database Administration and Development Tools markets.
 2. Source: IDC Worldwide Intelligent CloudOps Software Forecast, July 2021

Well-Positioned for Growth and Profitability

OUR PRIMARY GROWTH DRIVERS



Simplified Packaging and Pricing



Expanding Routes to Market



Multi-Cloud Observability Solutions

SUPPORTED BY A SOLID BUSINESS FOUNDATION



Investing for Growth



Yet Highly Profitable and Efficient



Including a Modern, Scalable Go-to-Market Motion



Secure by Design







Products & Strategy

Rohini Kasturi

CHIEF PRODUCT OFFICER

Customer Need: To Deliver Business Services with High SLAs

Customer environments are becoming more complex than ever

CLOUD SERVICES	INFRASTRUCTURE NODES	APPS	DBS
 100's	 1000's	 100's	 100's



- Hybrid and Multi-Cloud
- IIoT, SD-WAN, and SASE
- Modernization of Apps and Databases
- DevSec, Cloud, and AIOps

 Availability

 Performance

 Cost

 Security

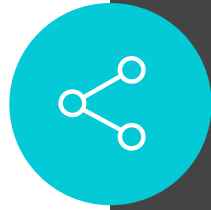
 Predict

Note: Example of a single environment for an upper-mid market customer.

Our Strategy is Evolving to Simplify Customers' Lives



PRODUCT OFFERINGS



BUSINESS MODEL



CUSTOMER / USER EXPERIENCE

Roadmap: A Comprehensive Approach to Observability...

Industry Today

Current Observability Vendors Focus on Metrics, Logs, Traces, etc.



SolarWinds Tomorrow

SolarWinds Observability Uses Rich Data Sources



Roadmap: Designed to Simplify Customers' Lives in 4 Steps...

1 Collect Data From a Rich Set of Sources



IT PRO



DEV/SEC/CLOUD OPS



IT LEADER

2

Aggregate & Normalize Data

3

Provide Visibility & Insights

4

Data Driven Actions & Automation

Multi-Cloud
Kubernetes



Ecosystem
Approach



Third-Party
Integrations



Unified
Experience



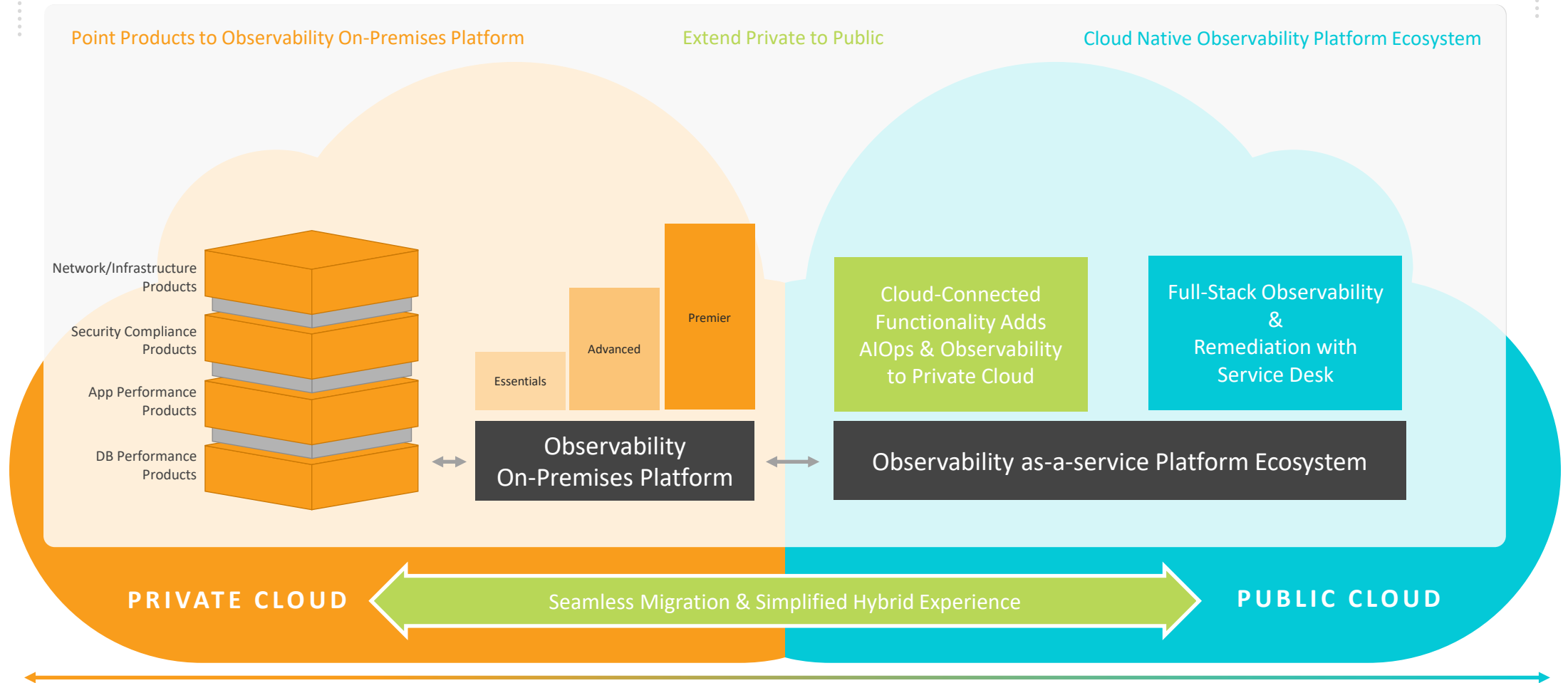
Persona-Based
Automation



Multi-Cloud Observability as-a-service Platform Ecosystem

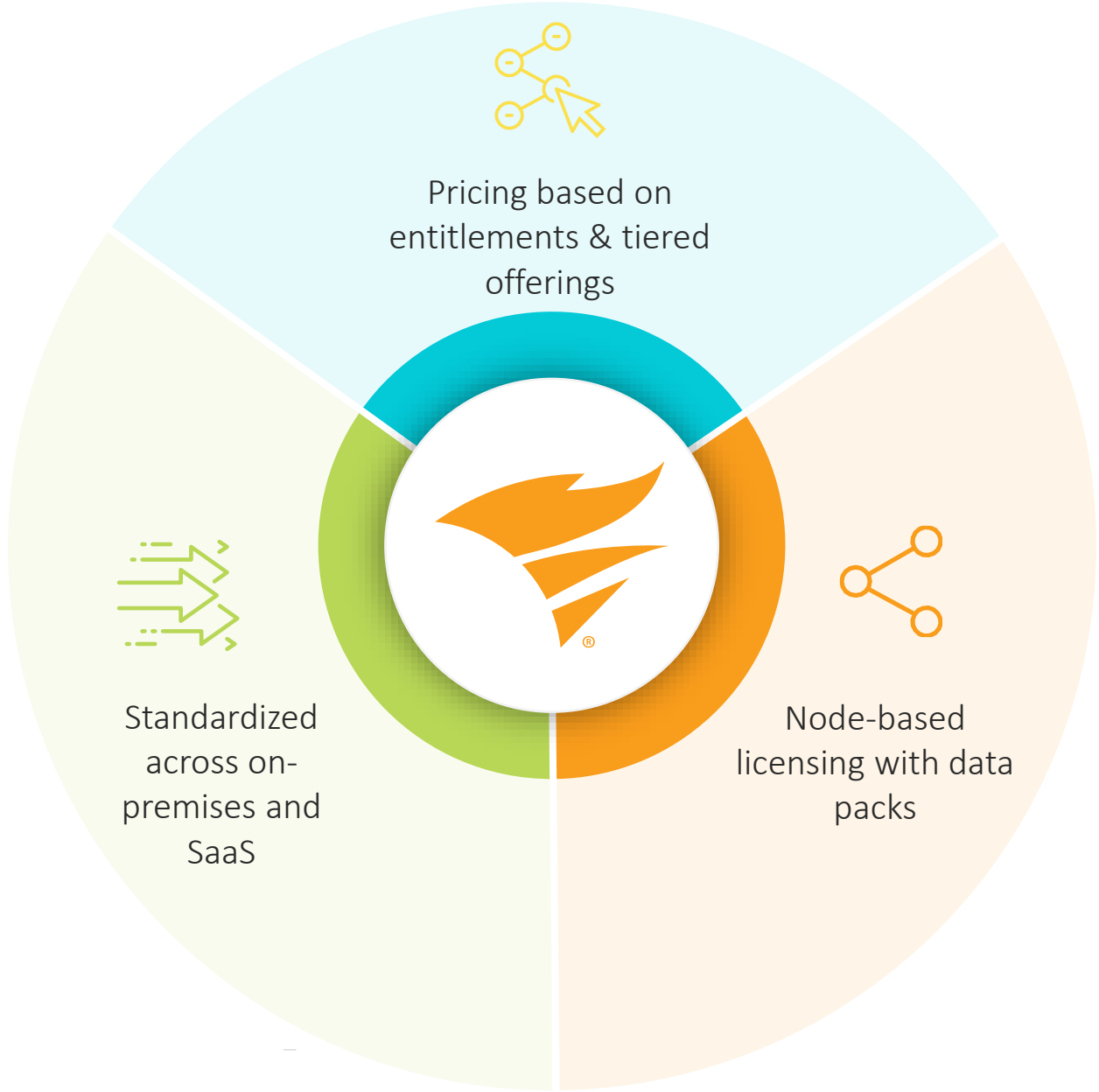
Roadmap: Evolving to Help Customers Today & Tomorrow

THE JOURNEY TO FULL-STACK OBSERVABILITY



The Power of Observability - Configure, Observe, Analyze, Predict, Act, and Remediate

Business Model Strategy Designed for Customer Ease



An Evolved Approach to Customer & User Experience

CUSTOMER EXPERIENCE

- Add new features & capabilities without having to install new software
- Consistent journey to land and expand



USER EXPERIENCE

- Modern and consistent across on-premises & SaaS
- APIs for automation



DEMO

SOLARWINDS OBSERVABILITY AS-A-SERVICE



SolarWinds Portfolio Evolution



2021

Secure-by-Design and SolarWinds Observability Early Access

- DB portfolio supports rich set of DBs
- Service Desk integrates with collaboration systems like MS Teams
- Observability on-premises and as-a-service platforms early access



2022

SolarWinds Observability Launch, Cloud Connected, and Automation with Service Desk

- Advanced and premier editions
- 'As-a-service' full-stack use-cases
- Private cloud customers can seamlessly add AIOps and Observability
- Remediation using Service Desk



2023+

SolarWinds Observability Ecosystem, and Hyper-Automation with Service Desk

- Multi-cloud deployment
- 3rd party applications & cloud services ecosystem
- Seamless migration from on-premises to SaaS
- Hyper-automation with Service Desk

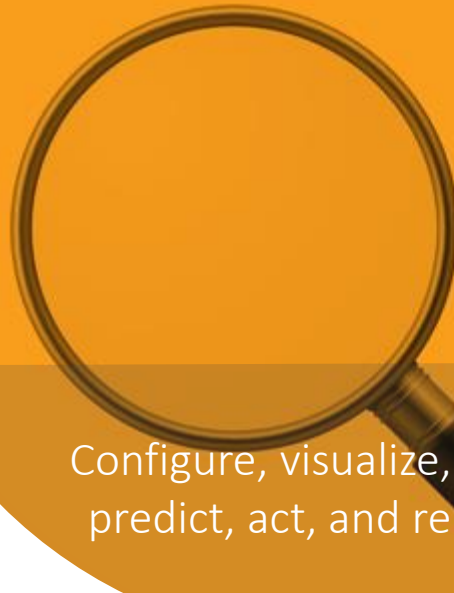
A Vision for the Future

**Monitoring
for Data
Center or Cloud**



Configure and visualize

**Observability for
Hybrid IT**



Configure, visualize, observe,
predict, act, and remediate

**Autonomous
Distributed
Cloud Management**



Self-discovery, self-management,
self-healing, distributed cloud
cockpit, and business-driven



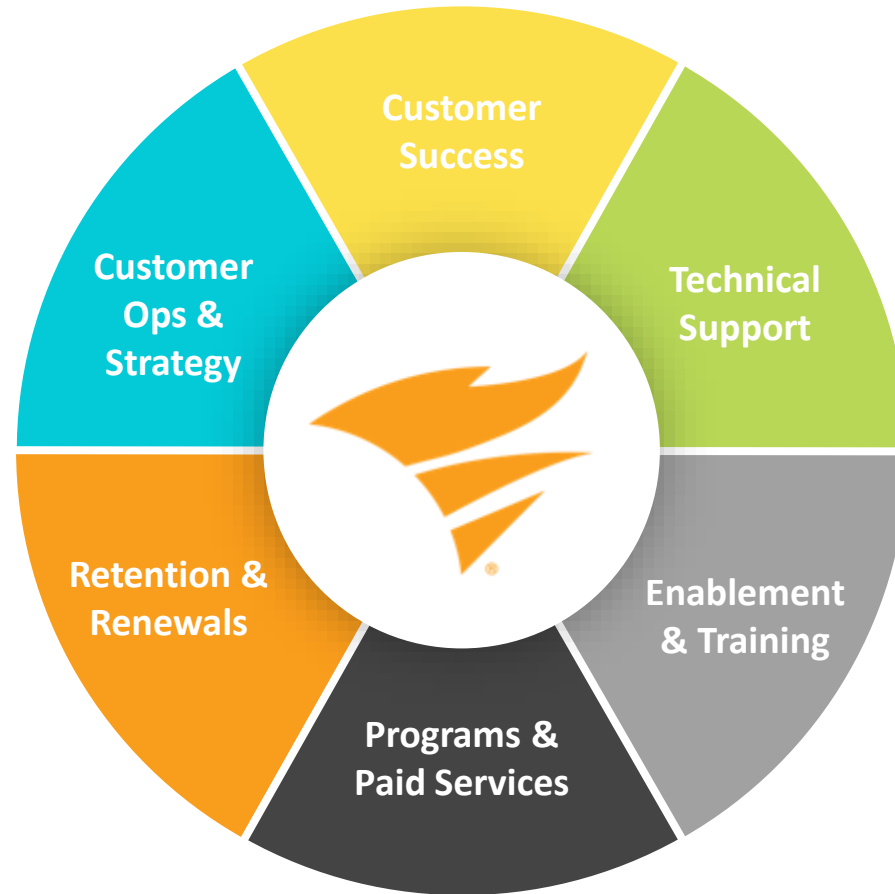


Customer Success

Andrea Webb

CHIEF CUSTOMER OFFICER

Customer Success is a Mindset



Proliferate Customer Success mindset in EVERYTHING we do

Impart timely and relevant enablement to our sales, partner, and customer communities

Deliver profitable growth by delivering *awesome* customer support

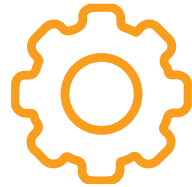
CHIEF CUSTOMER OFFICE

Working to Maximize Customer Lifetime Value



LAND

New Customer



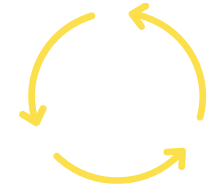
ADOPT

Creating Environment
for Success



EXPAND

Capacity Upgrades &
Cross-sell



RETAIN

Renew / Reactivate

Customer Lifetime Value

Customer Success Investments & Anticipated ROI

INVEST - CUSTOMER DRIVERS - LEADING INDICATORS



ADOPTION

Launched life cycle management, pulse checks, health scoring, self-led onboarding

Customer Marketing programs to drive learning activity

Additional certifications added to SW Certified Professional (SCP), and SW Sales Expert (SSE)



ENGAGEMENT

THWACK – more active today than 2020

SolarWinds Success App – automation and self-serve

1:1 through Joint Technical Reviews (JTRs), QBRs, Health-Checks

Orion Insights tool



SATISFACTION

Revised program, health score, sentiment, CSAT

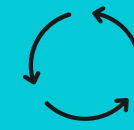
Customer NPS tracking

Transactional CSAT



EXPAND

Ramping CCO-generated pipe contribution to sales in 2021



RENEW

TTM Q3'21 = 89%



ADVOCATE

New advocacy program kicked off – with 248 new advocate signups

Building on a Foundation of Customer Success

Helping our customers realize the value of our solutions in driving business transformation



Creating An Environment For Success

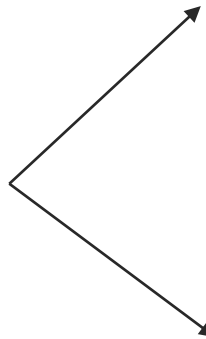
NEW CUSTOMERS



1:1 CSM



SELF-LED



EXISTING CUSTOMERS



QBRs



JTRs



Health-Checks



Learning App

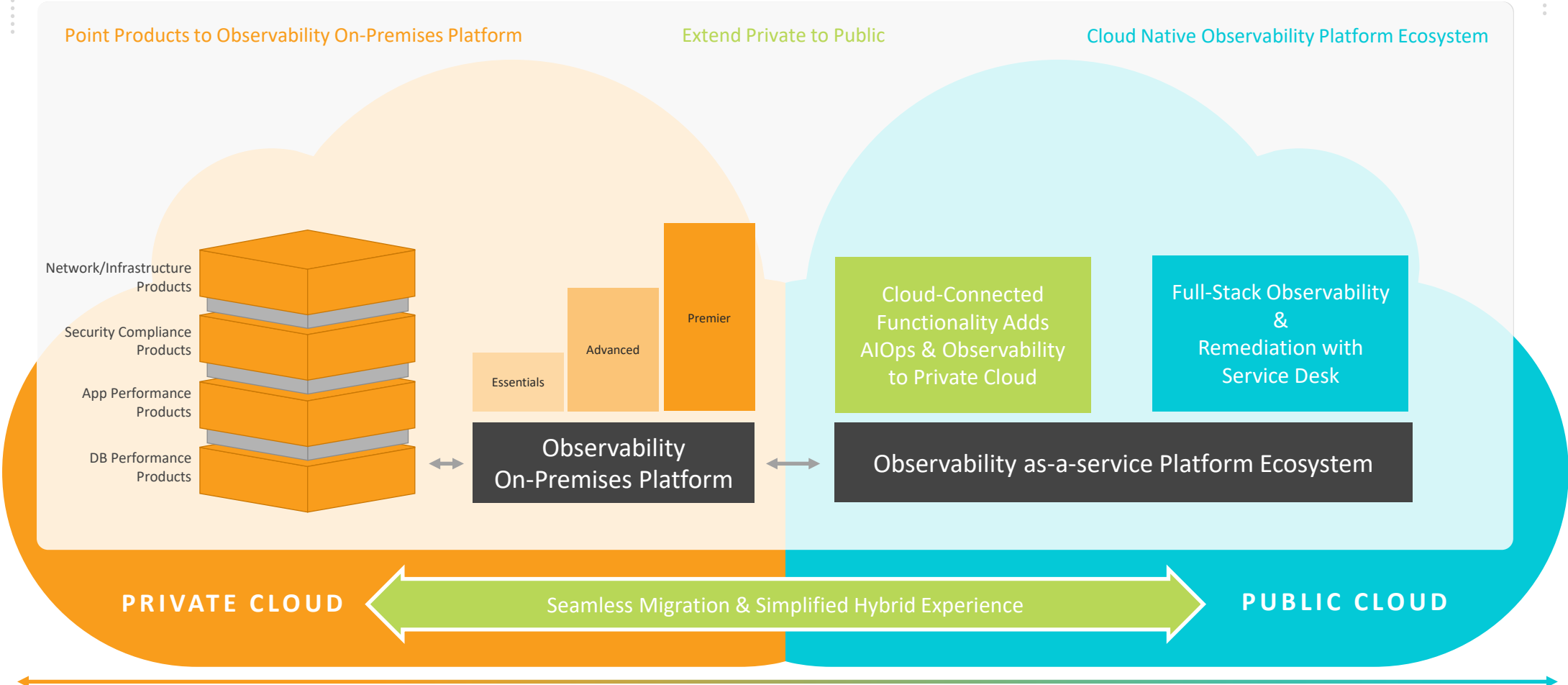


Expanded & Enhanced Support

THWACK
SOLARWINDS IT COMMUNITY

Early Adopters Program: Supporting our Customers' Journey to Observability

THE JOURNEY TO FULL-STACK OBSERVABILITY



The Power of Observability - Configure, Observe, Analyze, Predict, Act, and Remediate

Our Commitment to Customer Success





Go To Market Strategy

David Gardiner

CHIEF REVENUE OFFICER



Retain



Evolve



Grow

Velocity Model

High-Touch,
Customer-Centric Motion

Partnerships &
Routes to Market



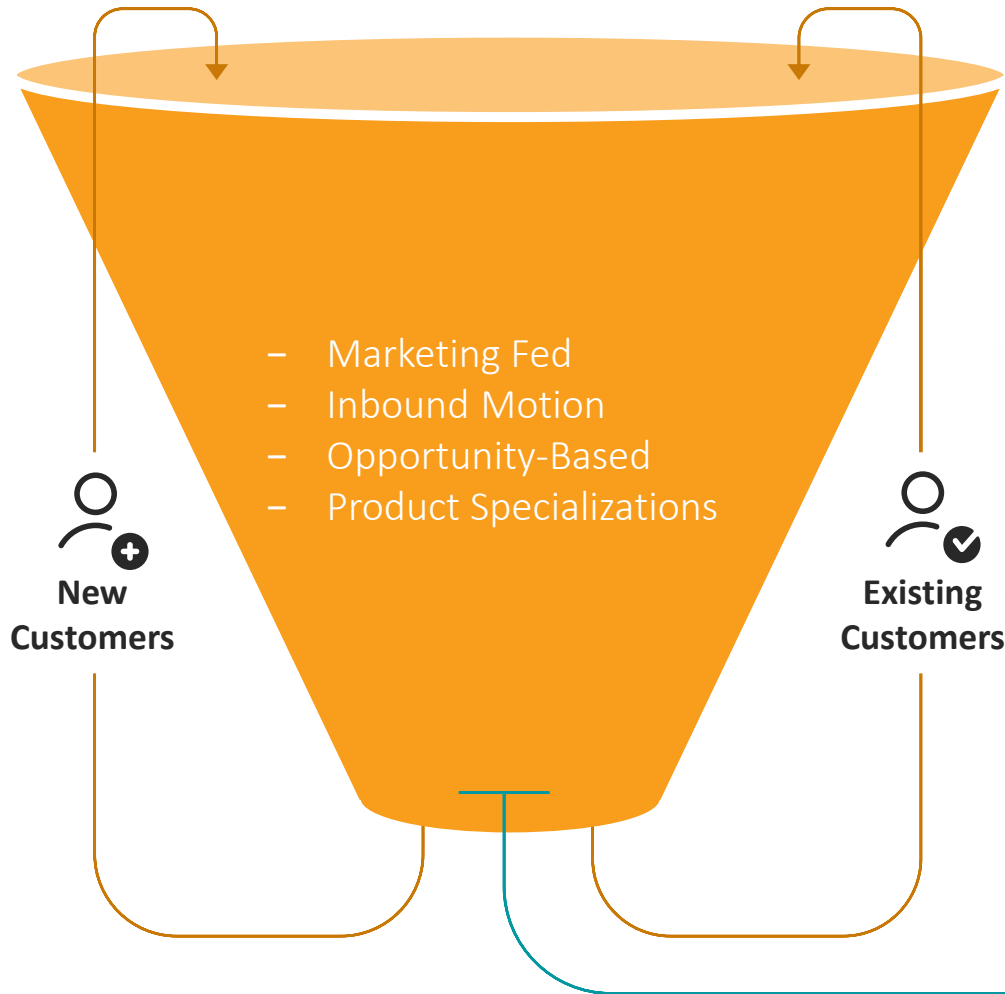
Evolving For A Better Customer Experience

LAND, EXPAND, RENEW

LAND, ADOPT, EXPAND, RETAIN

SOLARWINDS
MARKETING

SOLARWINDS
SALES



Existing
Customers

- Outbound to Customer
- Marketing Segmented (ABM)
- Account-Based
- Solutions-Oriented

SOLARWINDS
CSM

SOLARWINDS
MARKETING

SOLARWINDS
SALES

Building Opportunities to Extend our Relationships...



PROVEN RELATIONSHIPS. PRODUCT BREADTH. VALUE.



Strategic Account Level Sales

Departmental Level Sales



Individual Point Sales

Large Managed Healthcare Company

Managed healthcare insurance company upgrades to a **3-year subscription bundle**

\$1.0M Win

CLIENT PROFILE

- SolarWinds customer since 2008

NOC Transformation: Proactive monitoring through a single pane of glass

- Customer wanted to shift its network operations center (NOC) posture from reactive to proactive. Network technicians were missing issue alerts and requiring 30-60 minutes to pinpoint issues on its servers.
- Agent-based servers also prevented the client from having cross-environment oversight.
- A key selling point for SolarWinds was the ability to monitor and display the customer's environment on a single pane of glass.

Expanding the Relationship – Upgraded Subscription Bundle

- The customer chose SolarWinds Enterprise Bundle as part of their major renewal upgrade, providing ease of consumption and a better price point for more functionality.
- The bundle includes Network Automation Manager (NAM), Server & Application Monitor (SAM), Virtualization Manager (VMAN), APEs (Additional Polling Engine), High Availability (HA), Lab Licenses, and Premier Enterprise Support.

Key Benefits



Proactive Monitoring

Observability that lets you stay ahead and quickly pinpoint issues



Single Pane of Glass

One dashboard that includes all SolarWinds products and services



Scale Up, Scale Out

Drive NOC transformation as networking complexity grows dramatically

Large APAC Government Department

APAC Government Department expanding SolarWinds footprint with Phase 2 deployment

\$943K Win

CLIENT PROFILE

- SolarWinds customer since 2016
- Initial phase of project \$251k win

Highly distributed and isolated networks which require highly reliable and robust solution for monitoring

- Large system integrator helped the customer through multiple test scenarios during PoC and SolarWinds monitoring solutions provided the desired results.
- To support phase 1, the customer purchased multiple copies of Network Performance Monitor (NPM), Netflow Traffic Analyzer (NTA) and Network Configuration Manager (NCM) and deployed in production environment.

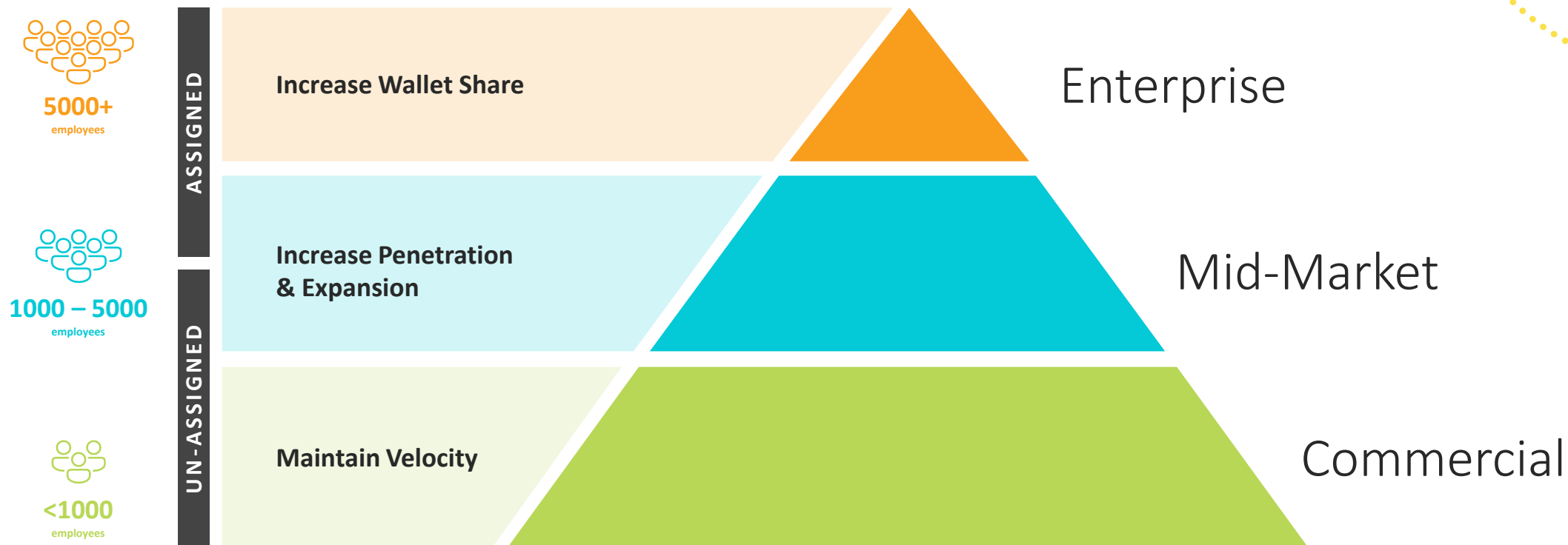
Expanding the Relationship – Partnering with SolarWinds for Phase 2

- Maintaining a close relationship with the customer and SI partner, SolarWinds provides product updates and new features, while receiving positive feedback since the initial purchase.
- The SolarWinds solution proved itself in the environment, sparking the customer to initiate phase 2 to expand the monitoring to more distributed networks and to add additional functionality with the addition of Log Analyzer (LA) and Security Event Manager (SEM).

Why We Won

- Mature products, meeting the customer's needs with limited-to-no learning curve.
- Close partnership relationship allowed SolarWinds to have a stronger understanding of the customer's environment needs, with the partner providing useful insight.

Creating Success For Both Our Sellers and Our Customers



1 Broader focus on prospecting and new-to-franchise customers

2 Stronger alignment between sellers and customer cycles/needs

3 Better efficiencies around marketing efforts and partner strategies

Developing a Partnership Strategy for Growth

DISTRIBUTORS/RESELLERS/VARS



Local Presence



Demand Generation

MSPs/SIs/GSIs



Demand Aggregation



Executive Access



Solution Sales

ALLIANCES/CSPs



Cloud Adoption



Customer Access



Partner Alignment

GSI Case Study

Leading Automotive Company

CLIENT PROFILE

- Pivotal partnership with GSI to transform and innovate IT infrastructure strategy
- Provide agile, open, scalable, and smart hybrid cloud infrastructure leveraging GSI and leading cloud providers to accelerate clients multi-cloud journey.
- **\$680K Subscription Win**



SOLARWINDS ROLE

- Data center consolidation strategy meant there was going to be a mixture of on-premises and multi-cloud environments. GSI partner noted the client had multiple tools running across the globe in silos.
- Client needed to run all network and infrastructure, at a scale of >100,000 nodes spread across the globe, stitched together through an enterprise level console. Phase one of their purchase was for 35,000 nodes.
- SolarWinds worked with the GSI partner to gain a better understanding of the environment, the opportunity expanded to monitor >2000 database instances connected to the client's mission critical applications.



PARTNERSHIP WITH GSI

- SolarWinds has had a strategic alliance relationship with the GSI partner for over a year now, during this time, both companies have worked together on adding important logos worldwide.
- SolarWinds has invested in training and certifying over 100 GSI partner tools engineers through bootcamps and regular sessions, equipping their teams to design and deliver complex implementations, integrations and customizations for larger deals.
- With SolarWinds Observability, GSI partner found it brought them flexibility through the deployment while staying competitive.



FUTURE OPPORTUNITY

- SolarWinds offerings have expanded both the GSI partner and client's confidence in the scale of the SolarWinds solution. Creating opportunity for a large expansion opportunity in the future .



Microsoft Co-Selling Case Study

Financial Software

- Microsoft co-selling partnership established 2019
- 55 deals closed in 2021¹
- ~\$5 million in sales¹

1. As of September 30, 2021.



CUSTOMER PROFILE

- Virtual environment growing rapidly, customer needed more licenses to cover their growth.
- Build: SQL Sentry additional licenses added to gather data queries for database performance and locate gaps and shortfalls.
- Sell: Worked with PDM to connect the Microsoft representative, relationship with database team helped close the deal.
- \$65K deal



HOW WE EXECUTED

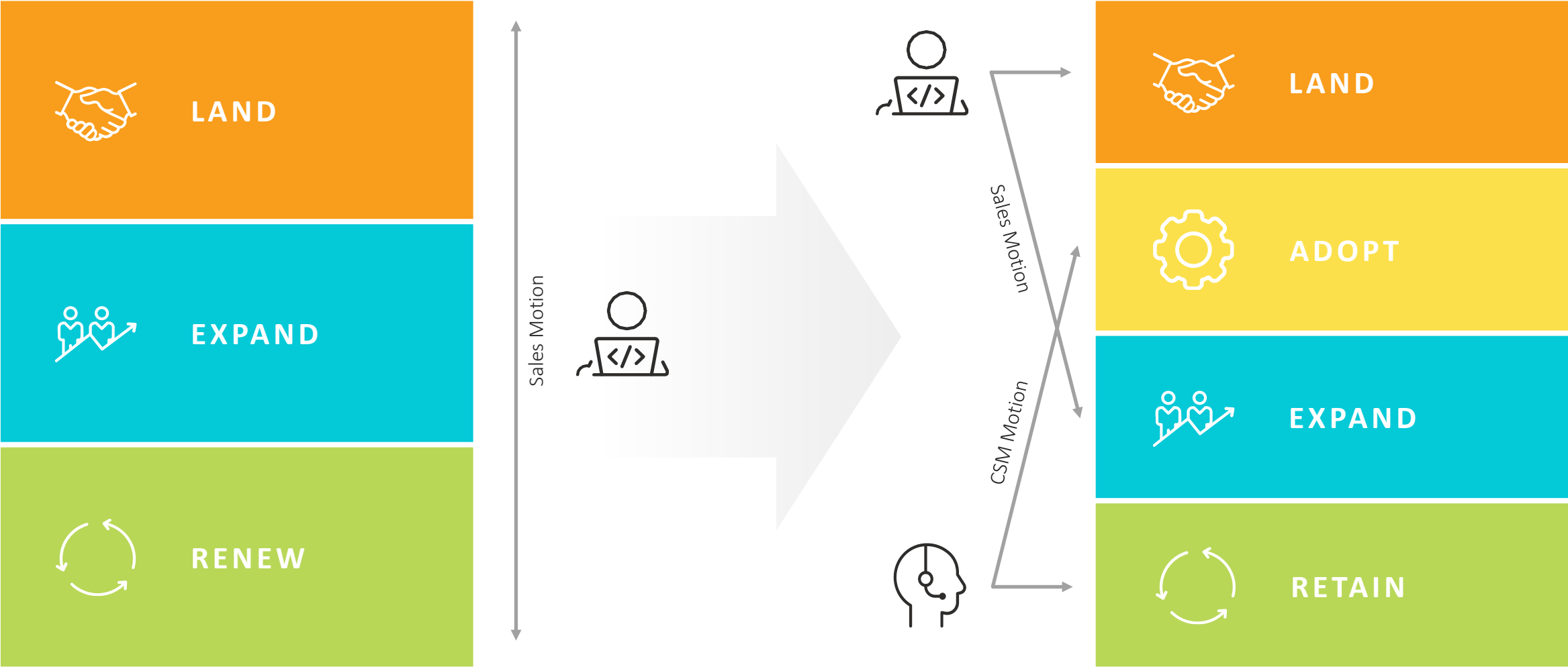
- Engaged with the SolarWinds representative on opportunity and discussed the growth of the customer's environment. The Microsoft representative reached out to the customer on behalf of SolarWinds to validate what was being positioned.



WHY WE WON

- Insights: We engaged the Microsoft Data and AI Specialist as they knew the account well and had a regular cadence with this customer. They were able to validate our solution which helped in closing the deal much faster.
- Voice of the Partner: Having the Microsoft representative engaged with the customer and opportunity created a brand recognition with the customer and our partnership we have with Microsoft.

Shifting to Focus on Land, Adopt, Expand, and Retain



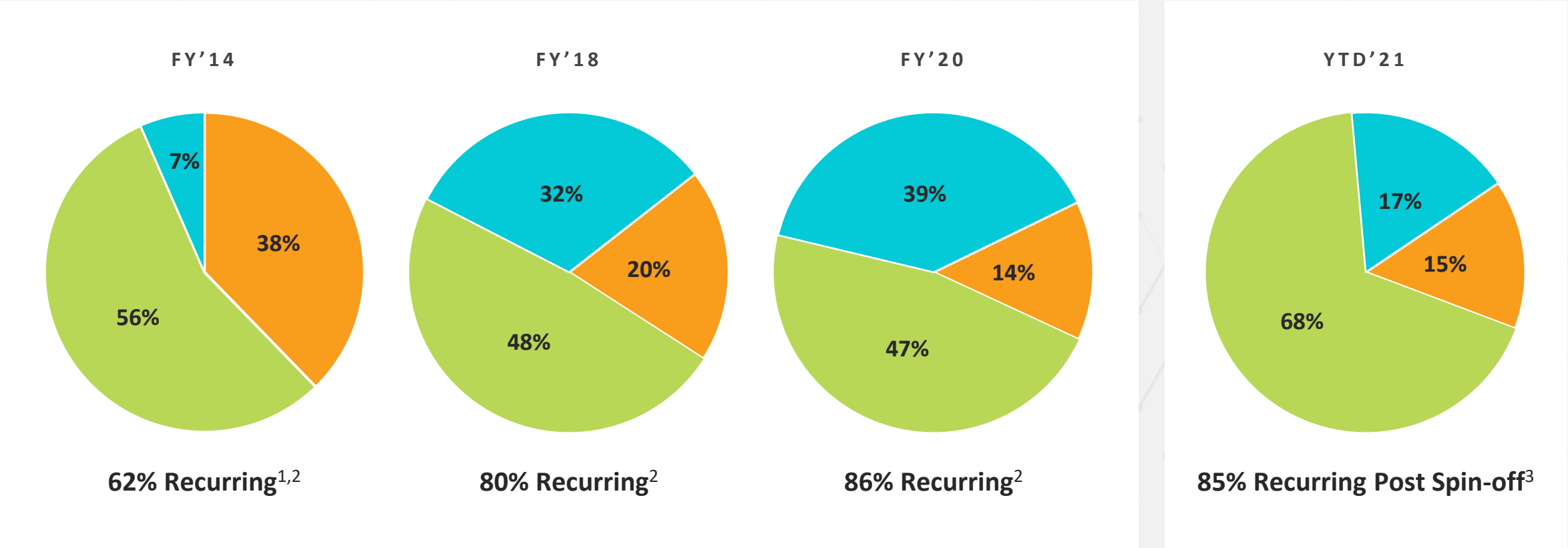


Finance Strategy

Bart Kalsu

CHIEF FINANCIAL OFFICER

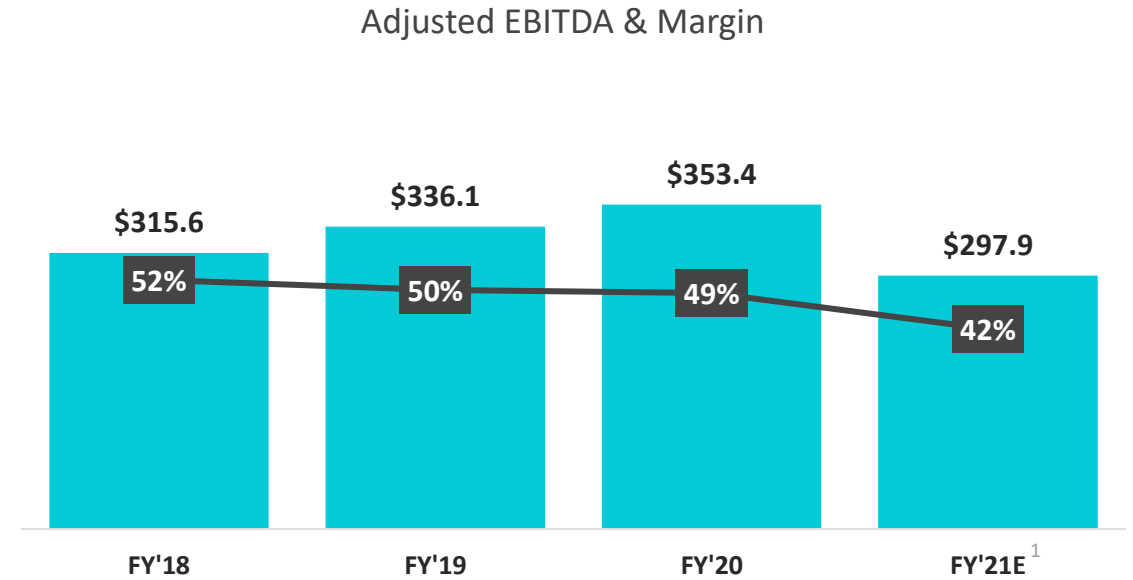
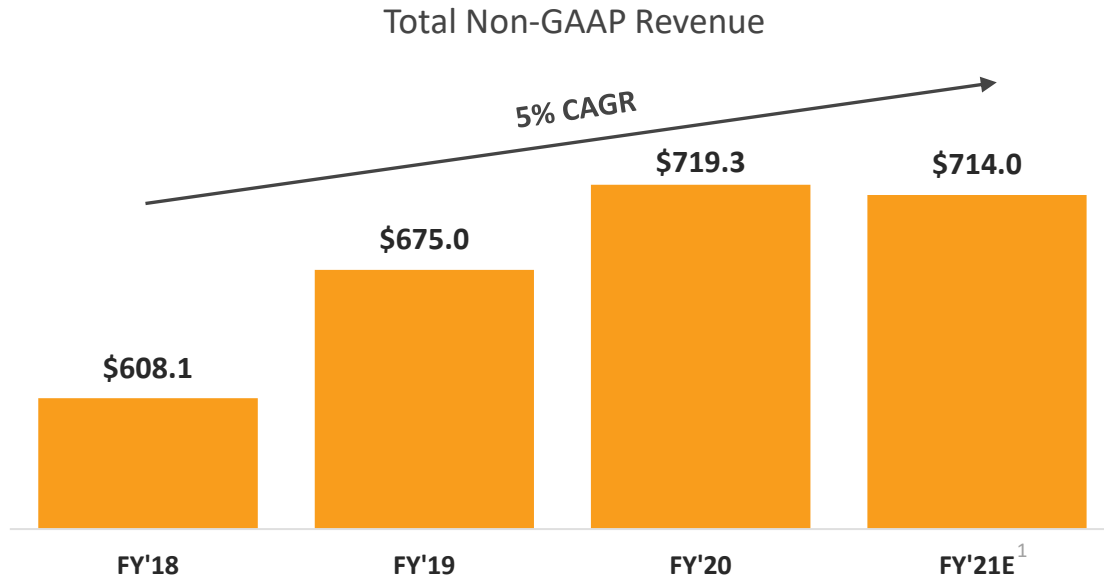
Recurring Revenue Remains High Post N-able Spin-off



■ License % of Total Revenue
 ■ Maintenance % of Total Revenue
 ■ Subscription % of Total Revenue

Note: Percentages shown may not add to 100% due to rounding.
 1. Represents \$428.7 million total revenue. Fiscal year 2014 total revenue as presented on non-GAAP and GAAP basis were consistent as there were no purchase accounting adjustments during this period.
 2. FY'14, FY'18 and FY'20 are non-GAAP revenue results and include revenue from the N-able business as reported in our historical financial results filed with the Securities and Exchange Commission.
 3. YTD'21 which represents the nine months ended 9/30/21 are GAAP revenue results and have been adjusted to remove revenue from the N-able business for the period.

Where We Stand Today



As of September 30, 2021

300K+

Customers

786

Customers with
100K+ in TTM spend

89%

TTM Maintenance
Renewal Rate

85%

YTD Recurring
Revenue

\$624M

Total ARR

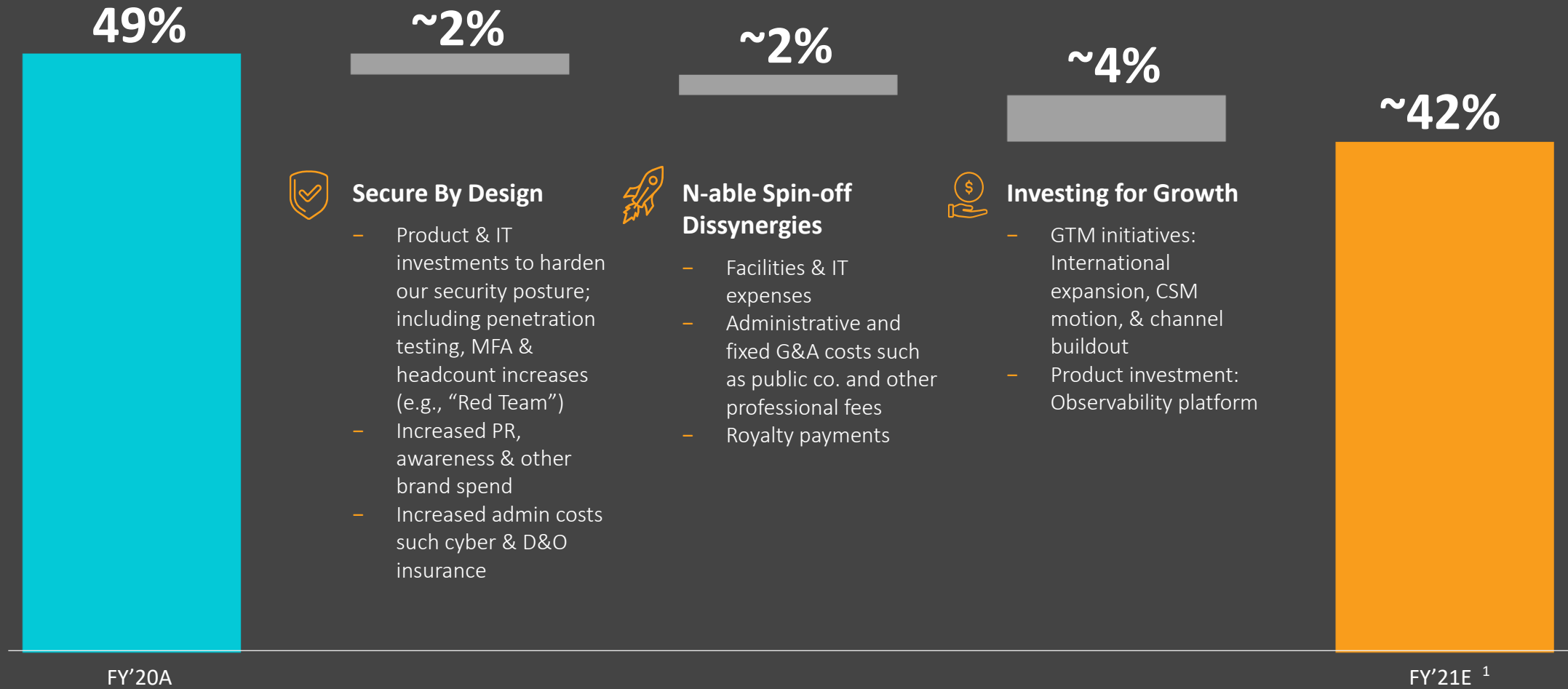
9%

YoY Total ARR
Growth²

1. FY'21E total revenue and Adjusted EBITDA are based on the mid-point of outlook provided on October 28, 2021. Dollar amounts shown are in millions.

2. Represents growth of Total ARR on September 30, 2021 over Total ARR on September 30, 2020.

FY'21E Adjusted EBITDA Margin Review



1. FY'21E Adjusted EBITDA margin is based on the outlook provided on October 28, 2021.

Focused on Growth



Expanding our Routes to Market

- Continued international expansion
- CSMs
- Channel partners
- GSIs



Investing in Existing Products & Markets

- Service Desk
- Database management
- Improved gross & net retention



Simplifying our Packaging and Pricing

- Subscription-first
- Node-based pricing



Delivering Innovative Products

- Broad, differentiated approach to observability
- Integrated platform
- Simplified user-experience



Capital Planning

AS OF SEPTEMBER 30, 2021

\$1.9B Gross Debt – *Matures Feb 2024*

\$709M Cash & Cash Equivalents

\$1.2B Net Debt

÷

\$316M Trailing 12-Month EBITDA

=

3.8x
Net Leverage

<3x

Long-Term Net
Leverage Target

2022 Financial Outlook

REVENUE

\$730 - \$750 Million

Total Revenue

Year-over-Year
Growth of 3% - 5%¹

PROFIT

40% - 41%

Adjusted EBITDA Margin

ADDITIONAL ITEMS

\$28 - \$32 Million

Cash Taxes

22%

Non-GAAP Tax Rate

163 – 165 million

Weighted Average Diluted Shares
Outstanding

1. Calculated based on the \$712 - \$716 million range of 2021 total revenue outlook provided on October 28, 2021.

2022 Revenue Assumptions

\$730 - \$750 Million

Total Revenue

Year-over-Year
Growth of 3% - 5%¹

- Maintain buyer purchasing flexibility with steadily increasing subscription mix
- ~90% maintenance renewal rates excluding potential maintenance to subscription conversions
- High-single digits year-over-year license revenue growth
- ~20% year-over-year subscription revenue growth
- Maintenance revenue flat-to-slightly down year-over-year

1. Calculated based on the \$712 - \$716 million range of 2021 total revenue outlook provided on October 28, 2021.



Closing Remarks

Sudhakar Ramakrishna

CHIEF EXECUTIVE OFFICER

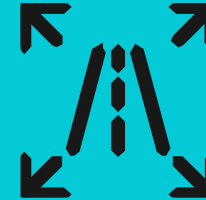
Simple, Powerful, and Secure...



Strong current portfolio of offerings drives near-term growth



SolarWinds Observability enhances our relevance



Expanding our routes to market



Customer success enhances satisfaction and retention



Ability to Execute – Team, Operations, and Financials

Long-Term Target Model Assumptions

Top-Line Assumptions

- Maintain buyer purchasing flexibility with subscription first
- Low 90% maintenance renewal rates excluding potential maintenance-to-subscription transitions
- Focused on organic growth; target model does not assume any significant M&A

Expense Profile Assumptions

	FY'20	YTD'21 ¹	Long-Term Target Model
COGs % of Revenue	7%	9%	10-12%
R&D % of Revenue	10%	13%	11-13%
S&M % of Revenue	28%	29%	26-28%
G&A % of Revenue	8%	9%	8-9%
EBIT % of Revenue	47%	40%	Low 40s
Adjusted EBITDA % of Revenue	49%	42%	Mid 40s

Ramps to support hosting needs assoc. w/ expanded portfolio of SaaS offerings

Remains ~in-line w/ YTD'21; balance new product investment w/ efficient dev process

GTM investments in international, channels, etc. drive operating leverage

Remains ~in-line w/ YTD'21; scale G&A in-line with business to support growth

Note: Includes non-GAAP financial measures
1. Year-to-date through September 30, 2021

Long-Term Target Model

The financial profile we are targeting for 2025

\$1B+
Total ARR

30%+
Subscription ARR Growth¹

90%+
Recurring Revenue

Mid 40s
Adjusted EBITDA Margins

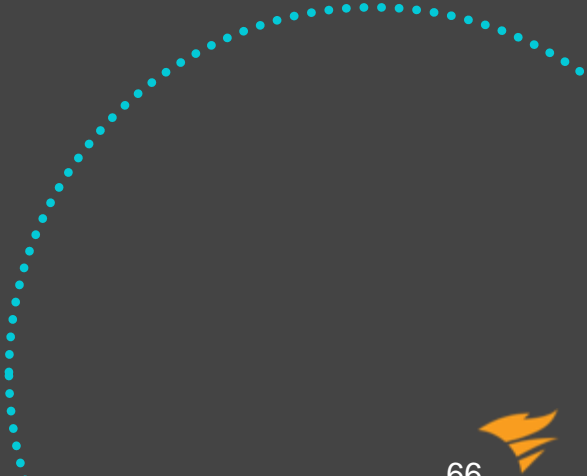
<3x
Net Leverage


10
of Public Software Companies That Share This Total ARR and EBITDA Margin Profile in 2021²

1. Compounded annual growth target for 2021 – 2025.
2. Source: FactSet, company disclosures. Management estimates based on FactSet and public filings.



Q&A





Appendix: Reconciliation of Non-GAAP Financial Measures



Definitions

Non-GAAP Revenue. We define non-GAAP total revenue as total revenue excluding the impact of purchase accounting from acquisitions. The non-GAAP revenue growth rates we provide are calculated using non-GAAP revenue from the comparable prior period. For the third quarter of 2021, there was no impact of purchase accounting on revenue, so our non-GAAP total revenue is equivalent to our GAAP total revenue.

Adjusted EBITDA and Adjusted EBITDA Margin. We define adjusted EBITDA as net income or loss, excluding the impact of purchase accounting on total revenue, amortization of acquired intangible assets and developed technology, depreciation expense, stock-based compensation expense and related employer-paid payroll taxes, restructuring costs, acquisition and other costs, Cyber Incident costs, interest expense, net, debt related costs including fees related to our credit agreements, debt extinguishment and refinancing costs, unrealized foreign currency (gains) losses, and income tax expense (benefit). We define adjusted EBITDA margin as adjusted EBITDA divided by non-GAAP revenue.

Unlevered Free Cash Flow. Unlevered free cash flow is a measure of our liquidity used by management to evaluate cash flow from operations, after the deduction of capital expenditures and prior to the impact of our capital structure, acquisition and other costs, Cyber Incident costs, restructuring costs, employer-paid payroll taxes on stock awards and other one-time items, that can be used by us for strategic opportunities and strengthening our balance sheet. However, given our debt obligations, unlevered free cash flow does not represent residual cash flow available for discretionary expenses.

Annual Recurring Revenue (ARR). ARR is annual run-rate revenue of maintenance and subscription agreements from all customers at a point in time. ARR for a given point in time excludes the impact of future price increases from that point in time and forward.

Maintenance Renewal Rate. Maintenance renewal rate represents sales of maintenance services for all existing maintenance contracts expiring in a period, divided by the sum previous sales of maintenance services corresponding to those services expiring in the current period. Sales of maintenance services includes sales of maintenance renewals for a previously purchased product and the amount allocated to maintenance revenue from a license purchase.

Subscription Net Retention Rate. Net retention rate for subscription products is the implied monthly subscription revenue at the end of a period for the base set of customers from which we generated subscription revenue in the year prior to the calculation, divided by the implied monthly subscription revenue one year prior to the date of calculation for that same customer base.

Customers. We define customers as individuals or entities that have purchased one or more of our products under a unique customer identification number since our inception for our perpetual license products and individuals or entities that have an active subscription for at least one of our subscription products. Each unique customer identification number constitutes a separate customer regardless of the amount purchased. We may have multiple purchasers of our products within a single organization, each of which may be assigned a unique customer identification number and deemed a separate customer.

Non-GAAP Revenue Reconciliation (Pre-Spin; Includes N-able)

Twelve Months Ended
December 31

Revenue (\$ in millions):	2018	2020
GAAP subscription revenue	\$265.6	\$396.5
Impact of purchase accounting	1.2	2.5
Non-GAAP subscription revenue	\$266.8	\$399.0
GAAP maintenance revenue	\$402.9	\$478.3
Impact of purchasing accounting	2.6	-
Non-GAAP maintenance revenue	\$405.5	\$478.3
GAAP total recurring revenue	\$668.5	\$874.8
Impact of purchase accounting	3.7	2.5
Non-GAAP total recurring revenue	\$672.2	\$877.3
GAAP license revenue	\$164.6	\$144.5
Impact of purchase accounting	-	-
Non-GAAP license revenue	\$164.6	\$144.5
Total GAAP revenue	\$833.1	\$1,019.2
Impact of purchase accounting	3.7	2.5
Total non-GAAP revenue	\$836.8	\$1,021.8

Note: Results include revenue from the N-able business as reported in our historical financial results filed with the Securities and Exchange Commission.

Non-GAAP Revenue Reconciliation (Post-Spin; Excludes N-able)

	Twelve Months Ended December 31			Nine Months Ended September 30	
Revenue (\$ in millions):	2018	2019	2020	2021	
Total GAAP revenue	\$604.8	\$669.1	\$716.8	\$531.9	
Impact of purchase accounting	3.3	5.9	2.5	0.1	
Total non-GAAP revenue	\$608.1	\$675.0	\$719.3	\$532.0	

Note: The historical financial information presented above reflects SolarWinds as a stand-alone business and does not include any contribution from the N-able business.

Non-GAAP Reconciliation (Post-Spin; Excludes N-able)

	Twelve Months Ended December 31	Nine Months Ended September 30
(\$ in millions, except margin data):	2020	2021
GAAP total cost of revenue	\$211.4	\$169.7
Stock-based compensation expense and related employer-paid payroll taxes	(1.9)	(1.6)
Amortization of acquired technologies	(157.1)	(120.4)
Acquisition and other costs	(0.0)	(0.0)
Restructuring costs	(0.0)	(0.5)
Cyber Incident costs	(0.1)	(1.8)
Non-GAAP total cost of revenue	\$52.3	\$45.3
GAAP gross profit	\$505.3	\$362.2
Impact of purchase accounting	2.5	0.1
Stock-based compensation expense and related employer-paid payroll taxes	1.9	1.6
Amortization of acquired technologies	157.1	120.4
Acquisition and other costs	0.0	0.0
Restructuring costs	0.0	0.5
Cyber Incident costs	0.1	1.8
Non-GAAP gross profit	\$667.0	\$486.7
GAAP gross margin	70.5%	68.1%
Non-GAAP gross margin	92.7%	91.5%

Non-GAAP Reconciliation (Post-Spin; Excludes N-able) Continued

	Twelve Months Ended December 31	Nine Months Ended September 30
(\$ in millions, except margin data):	2020	2021
GAAP sales and marketing expense	\$217.9	\$174.4
Stock-based compensation expense and related employer-paid payroll taxes	(19.0)	(16.3)
Acquisition and other costs	(0.5)	(0.0)
Restructuring costs	(0.2)	(1.0)
Cyber Incident costs	(0.3)	(1.6)
Non-GAAP sales and marketing expense	\$197.9	\$155.5
GAAP research and development expense	\$85.8	\$78.5
Stock-based compensation expense and related employer-paid payroll taxes	(13.0)	(9.8)
Acquisition and other costs	(0.1)	(0.4)
Restructuring costs	(0.0)	(0.6)
Cyber Incident costs	-	(0.1)
Non-GAAP research and development expense	\$72.7	\$67.7
GAAP general and administrative expense	\$98.3	\$90.1
Stock-based compensation expense and related employer-paid payroll taxes	(30.8)	(16.7)
Acquisition and other costs	(5.2)	(1.0)
Restructuring costs	(2.0)	(2.8)
Cyber Incident costs, net	(3.2)	(20.3)
Non-GAAP general and administrative expense	\$57.1	\$49.3

Non-GAAP Reconciliation (Post-Spin; Excludes N-able) Continued

	Twelve Months Ended December 31	Nine Months Ended September 30
(\$ in millions, except margin data):	2020	2021
GAAP operating expenses	\$453.1	\$384.7
Stock-based compensation expense and related employer-paid payroll taxes	(62.8)	(42.8)
Amortization of acquired intangibles	(51.1)	(41.7)
Acquisition and other costs	(5.8)	(1.4)
Restructuring costs	(2.2)	(4.4)
Cyber Incident costs, net	(3.4)	(22.0)
Non-GAAP operating expenses	\$327.7	\$272.4
GAAP operating income (loss)	\$52.3	\$(22.5)
Impact of purchase accounting	2.5	0.1
Stock-based compensation expense and related employer paid payroll taxes	64.7	44.4
Amortization of acquired technologies	157.1	120.4
Amortization of acquired intangibles	51.1	41.7
Acquisition and other costs	5.8	1.4
Restructuring costs	2.3	4.9
Cyber Incident costs, net	3.5	23.8
Non-GAAP operating income	\$339.4	\$214.3
GAAP operating margin	7.3%	(4.2)%
Non-GAAP operating margin	47.2%	40.3%

Adjusted EBITDA Reconciliation (Post-Spin; Excludes N-able)

	Twelve Months Ended December 31			Nine Months Ended September 30	
(\$ in millions, except margin data):	2018	2019	2020	2021	
Net income (loss)	\$(102.1)	\$18.6	\$158.5	\$(27.8)	
Less: Net income (loss) from discontinued operations	21.7	43.7	42.4	14.8	
Net income (loss) from continuing operations	\$(123.8)	\$(25.1)	\$116.1	\$(42.6)	
Amortization and depreciation	202.3	209.1	221.4	173.4	
Income tax expense (benefit)	(27.4)	(3.1)	(140.2)	(26.3)	
Interest expense, net	142.2	108.1	75.9	48.3	
Impact of purchase accounting on total revenue	3.3	5.9	2.5	0.1	
Unrealized foreign currency (gains) losses	12.7	(0.3)	1.0	(1.5)	
Acquisition and other costs	17.9	7.1	5.8	1.4	
Debt related costs	81.5	0.4	0.4	0.3	
Stock-based compensation expense and related employer-paid payroll taxes	4.6	28.8	64.7	44.4	
Restructuring costs	2.3	5.2	2.3	3.7	
Cyber incident costs, net	-	-	3.5	23.8	
Adjusted EBITDA	\$315.6	\$336.1	\$353.4	\$224.9	
Adjusted EBITDA margin	51.9%	49.8%	49.1%	42.3%	

Note: The historical financial information presented above reflects SolarWinds as a stand-alone business and does not include any contribution from the N-able business.

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