September 29, 2026 04:01 AM GMT

Software | North America

Cyber Feedback: Expensive, But Necessary

WHAT'S CHANGED		
Okta, Inc. (OKTA.O)	From	To
Price Target	$200.00	**$245.00**

Investors agreed with our analysis that cyber should see acceleration from increased AI safety concerns and that platforms are best positioned. However, with val'ns viewed as stretched, incremental investors await pullbacks on platforms, increasingly looking at cheaper names like OKTA/FTNT/S/SAIL.

Key Takeaways

- Investors agree with analysis in our AI Cyber note last week, seeing acceleration and share gain potential for platforms (PANW, CRWD).
- However, at current valuations, incremental investors are being more opportunistic and looking to a broader set of names.
- OKTA is a name many investors are following; we raise our PT given Oktane event last week and our view that it's a beneficiary of the Agentic Identity theme.
- FTNT is another name investors are examining in order to determine how long the refresh/technical debt cycle might last.
- While fewer investors are looking beyond those four names, S/SAIL did come up in about a quarter of conversations.

Along with our US Policy and Thematics team, we published a couple of standalone cyber notes last week, Attack of the Agents: Cybersecurity Scenarios In 3 States of the World and a What's in the Price note for PANW and CRWD.

Need is clear, but investors see the platforms as expensive. Following our cyber deep dives last week, investor conversations leaned constructive on cyber, but concerned around valuation (with CRWD at 30x 28e Sales and PANW at 18x). With our analysis pointing to acceleration in both share gains and market growth being built into stocks, there is a view that there isn't much room in current valuations of the platforms. However, with increasing reports of jailbreaks and malicious behavior on the part of autonomous agents, there was also a recognition that the theme isn't likely to cool off enough to create an attractive entry opportunity, potentially forcing moves by investors who have been on the sidelines. We expect a combination of reluctant stragglers and squeezing of shorts to drive moves from here.

Looking outside of core platforms for other ways to play the theme. As a result of the valuations of PANW/CRWD, widely acknowledged to be winners on the theme, we did detect a greater willingness to look at a slightly broader set of

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SOFTWARE	
North America	
Industry View	**Attractive**

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names. For the majority of conversations, this meant OKTA or FTNT, though in a smaller group of cases, this would also include S or SAIL. For OKTA, the name is generally seen as a secular winner from Agentic Identity exposure, highlighted in our Deep Dive and recent Oktane note, with investors wondering how quickly some of the acceleration can take place because of the agentic opportunity. We continue to think this will come on slowly, with moves this year related to technical debt being addressed, but continue to see runway with the name (see PT update below). For FTNT, we think the name has clearly seen a benefit from technical debt being addressed over the last couple of quarters, with product growth accelerating meaningfully. Investors tend to be concerned with whether that can continue with a stronger COVID-era refresh next year or whether difficult comps made it hard to outperform. We have been biased negatively, leaning more towards difficult comps, but will be doing some work here, particularly as outcome bleeds into the whole firewall space (CSCO, CHKP). S and SAIL were brought up less frequently, but with both being 20% growers at attractive valuations, conversations took place as to whether they were worth looking at more closely.

Agree with scenarios, with generally only the investors who are not involved being primed to believe bear case. Overall, investors were receptive to our analysis of 3 potential scenarios of cyber spend in coming years, namely: 1) Status Quo, 2) Accelerated Spend in Catch-up, 3) Cyber Unable to Catch Breaches, more general cyber slowdown (scenarios we described as going from most likely to least likely). In general, many see the status quo as the most likely, where a more gradual ramp up in cyber spend will have to come in (causing acceleration to ~20%+ market growth). We did find that those who are not involved in cyber tend to want to believe the bear case of there being a bigger breach that cyber vendors would be unlikely to catch. We tend to think that trade is likely to get squeezed more in the near term as investors reassess whether they have appropriate exposure to the theme.

Cyber maintenance post user events; OKTA PT to $245 from $200 (remain OW). With CRWD and OKTA holding investor events in the past couple of weeks, we are publishing an updated model reflecting revised FY28 NNARR guidance for CRWD as a part of this note. We are updating our OKTA PT following Oktane last week given 1) several AI-related product announcements including Agent SSO, A2A connections, and a robust company alliance ("Blueprint Alliance") focused on helping enterprises secure and govern AI agents, 2) management commentary suggesting IAM could be the biggest market within cyber in five years, primarily driven by agentic, and 3) AI driving a more robust identity modernization opportunity. Our revised PT is a function of increasing our CY27 FCF multiple from 33X to 41X, implying a CY27 sales multiple of 12.0X (vs 9.6X prior). This puts OKTA's EV/Sales/g in line with platforms at ~1.2x EV/Sales/g, vs. 0.8x EV/Sales/g for broader cyber software to reflect the company's attractive positioning and ability to reaccelerate growth as they capture agentic identity share and an increase in identity modernizations.

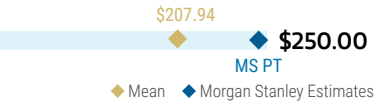
Risk Reward – Okta, Inc. (OKTA.O)

A Secular Winner in SaaS Security Making a Comeback

PRICE TARGET $245.00

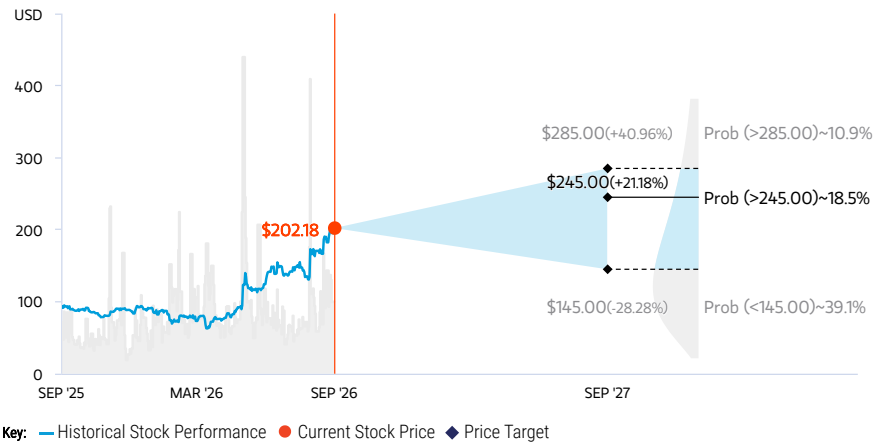
Based on 41x Base Case CY27e FCF and implying ~12X EV/CY27e sales, roughly in line with the broader Security group to account for reaccelerating growth profile and potential upside from AI-related product opportunity

Consensus Price Target Distribution



Source: Refinitiv, Morgan Stanley Research

RISK REWARD CHART AND OPTIONS IMPLIED PROBABILITIES (12M)



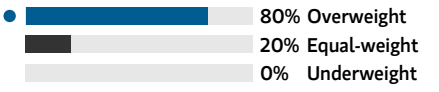
Key: Historical Stock Performance ● Current Stock Price ◆ Price Target

Source: Refinitiv, Morgan Stanley Research, Morgan Stanley Institutional Equities Division. The probabilities of our Bull, Base, and Bear case scenarios playing out were estimated with implied volatility data from the options market as of 28 Sep 2026. All figures are approximate risk-neutral probabilities of the stock reaching beyond the scenario price in either three-months' or one-years' time. View explanation of Options Probabilities methodology here

OVERWEIGHT THESIS

- OKTA remains a long-term share gainer in Identity and Access Management, a large and rapidly growing market opportunity tied to key secular themes such as Cloud adoption and an increasingly hybrid workforce. With >$40 billion estimated TAM, we see long runway of growth and modest share gain.
- Stabilizing topline growth and improving profitability should drive 15-20% FCF CAGR over the next few years, closing the significant valuation gap vs SaaS/security peers.

Consensus Rating Distribution



Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Secular Growth: *Positive*

View descriptions of Risk Rewards Themes here

BULL CASE $285.00

46x Bull Case 2027e FCF of $1,094M

Expanding Market Opportunity. Okta maintains its position as a leader in identity and access management within the traditional use cases, while also seeing meaningful traction in the external customer use case. This drives a 2-yr revenue CAGR of 13% to reach $3.7B in CY27. FCF margin reaches 29% by CY27, driving FCF of $1,094M. OKTA trades at 46x EV/FCF in CY27, yielding a $285 CY27 valuation (~13x EV/CY27 Sales).

BASE CASE $245.00

41x Base Case 2027e FCF of $1,037M

Leading Share Gainer in Identity Management. Okta continues to be the leading share gainer in identity and access management market, with a total revenue 2-yr CAGR of 10% to reach $3.5B by CY27. FCF margins reach 29%, driving CY27 FCF of $1,037M. OKTA trades at 41x EV/FCF in CY27, yielding a $245 share price in CY27 (~12x EV/CY27 Sales).

BEAR CASE $145.00

23x Bear Case 2027e FCF of $1,008M

Competitive Pressures Limit Pace of Growth. Competition from larger vendors impedes OKTA's growth and drives higher deceleration in topline. Rev. growth slows to 9% CAGR from CY25e-CY27e, reaching total rev. of $3.4B by CY27. FCF margin reaches 29% by CY27, driving FCF of $1,008M. OKTA trades at 23x EV/FCF in CY27, yielding a $145 CY27 valuation (~7X EV/CY27 Sales).

Risk Reward – Okta, Inc. (OKTA.O)

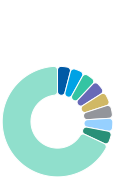
KEY EARNINGS INPUTS

Drivers	Jan 2026	Jan 2027e	Jan 2028e	Jan 2029e
Total Billings YoY Growth (%)	10.3	13.0	9.0	8.5
Dollar Net Retention (%)	94.0	94.0	94.0	94.0
Operating Margin % (%)	26.2	25.9	26.6	27.3

INVESTMENT DRIVERS

- Faster than expected share gain in identity management security market
- Stable to improving Net Retention Rate
- Improving sales productivity as sales reps ramp on newer offerings

GLOBAL REVENUE EXPOSURE



0-10% APAC, ex Japan, Mainland China and India
0-10% Europe ex UK
0-10% India
0-10% Japan
0-10% Latin America
0-10% MEA
0-10% Mainland China
0-10% UK
80-90% North America

Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies here

MS ALPHA MODELS

3/5 BEST	24 Month Horizon	5/5 MOST	3 Month Horizon

Source: Refinitiv, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

RISKS TO PT/RATING

RISKS TO UPSIDE

1) Stronger upsell traction with Auth0; 2) Emerging opportunity around securing external users (customers, partners) comes into fruition faster than expected; 3) Material pickup in activity around emerging governance and PAM use cases.

RISKS TO DOWNSIDE

1) Broader security spending slows materially; 2) increased competition from larger vendors like Microsoft; 3) execution issues take longer than expected to resolve

OWNERSHIP POSITIONING

Inst. Owners, % Active	55.8%
HF Sector Long/Short Ratio	2.2x
HF Sector Net Exposure	30.6%

Refinitiv; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure – Short Exposure).

MS ESTIMATES VS. CONSENSUS

FY Jan 2028e

Sales / Revenue ($, mm)	3,478	3,534 / 3,546	3,699
EBIT ($, mm)	894	941 / 945	1,060
EPS ($)	4.10	4.29 / 4.34	4.61

◆ Mean ◆ Morgan Stanley Estimates

Source: Refinitiv, Morgan Stanley Research

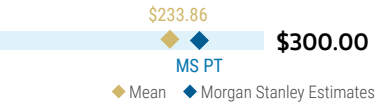
Risk Reward – CrowdStrike Holdings Inc (CRWD.O)

Broad Security Platform Driving Long-Term Share Gains

PRICE TARGET $254.00

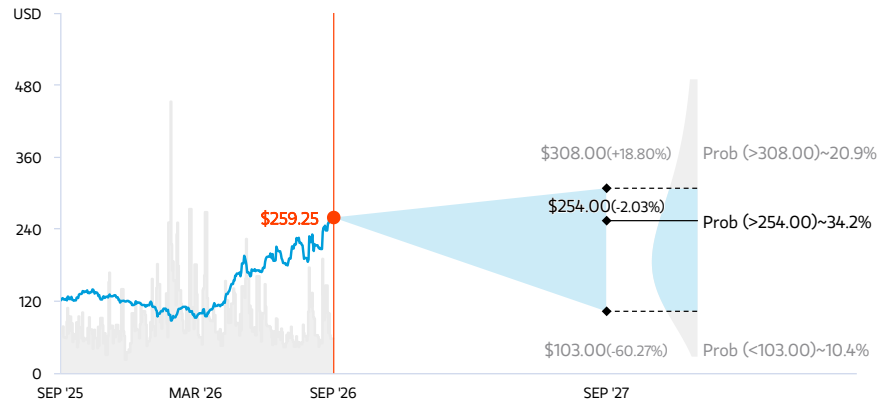
Our $254 PT is based on 64X CY30e FCF of $5.44B, discounted back at 12%. This multiple implies ~36X EV/CY27 Sales, a premium to Large Cap SaaS/Security peers.

Consensus Price Target Distribution



Source: Refinitiv, Morgan Stanley Research

RISK REWARD CHART AND OPTIONS IMPLIED PROBABILITIES (12M)



Key: Historical Stock Performance ● Current Stock Price ◆ Price Target

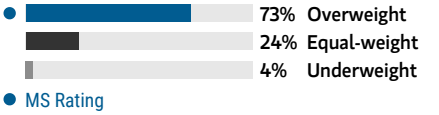
Source: Refinitiv, Morgan Stanley Research, Morgan Stanley Institutional Equities Division. The probabilities of our Bull, Base, and Bear case scenarios playing out were estimated with implied volatility data from the options market as of 28 Sep 2026. All figures are approximate risk-neutral probabilities of the stock reaching beyond the scenario price in either three-months' or one-years' time. View explanation of Options Probabilities methodology here

OVERWEIGHT THESIS

CrowdStrike has quickly risen to market leadership as a next-gen SaaS security platform. Continued share gain in the core endpoint market, in addition to growing uptake of emerging modules (SIEM, identity protection, cloud security) and favorable AI positioning should help to sustain 20%+ topline longer term.

With the broader platform garnering traction, GenAI gaining momentum, and improvements in EBIT, we see durable 25%+ FCF CAGR over the next 3 years. We believe the stock's premium valuation is justified given potential topline re-acceleration, improving margin profile, and highly defensible moat across multiple areas of the security stack, driving our OW thesis.

Consensus Rating Distribution



Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Secular Growth: *Positive*

View descriptions of Risk Rewards Themes here

BULL CASE $308.00

65X CY30e FCF of $6.56B, discounted back at 12%

-ARR reaches $14.9B in CY30, a 24% 5-yr CAGR

-Rev. grows to $13.1B in CY30, a 23% 5-yr CAGR

-Op. Margins improve from 22% in CY23 to 41% in CY30, yielding $6.56B in FCF

-Apply 65x EV/CY30 FCF mult (1.3x EV/CY27 FCF growth adjusted), discounted back at 12%, to get to our $308 bull case valuation

BASE CASE $254.00

64X CY30e FCF of $5.48B, discounted back at 12%

-ARR reaches $13.9B in CY30, a 22% 5-yr CAGR

-Rev. grows to $12.2B in CY30, a 21% 5-yr CAGR

-Op. Margins improve from 22% in CY23 to 37% in CY30, yielding $5.48B in FCF

-Apply 64x EV/CY30 FCF mult (1.6x EV/CY27 FCF growth adjusted), discounted back at 12%, to get to our $254 valuation

BEAR CASE $103.00

40X CY30e FCF of $3.4B, discounted back at 12%

-ARR reaches $11.3B in CY30, a 17% 5-yr CAGR

-Rev. grows to $9.9B in CY30, a 16% 5-yr CAGR

-Op. Margins improve from 22% in CY23 to 31% in CY30, yielding $3.4B in FCF

-Apply 40x EV/CY30 FCF mult (2.3x EV/CY27 FCF growth adjusted), discounted back at 12%, to get to our $103 bear case valuation

Risk Reward – CrowdStrike Holdings Inc (CRWD.O)

KEY EARNINGS INPUTS

Drivers	Jan 2026	Jan 2027e	Jan 2028e	Jan 2029e
ARR YoY Growth (%)	23.8	25.8	24.7	0.0
Customer Count Growth (%)	17.2	16.0	14.8	0.0
Net Revenue Retention Rate (%)	115.0	116.2	116.2	0.0
Gross Margin (%)	78.2	79.0	79.8	80.6
Operating Margin (%)	21.7	25.1	27.2	30.2

INVESTMENT DRIVERS

Upcoming earnings

GLOBAL REVENUE EXPOSURE



- 0-10% APAC, ex Japan, Mainland China and India
- 0-10% Europe ex UK
- 0-10% India
- 0-10% Japan
- 0-10% Latin America
- 0-10% MEA
- 0-10% UK
- 70-80% North America

Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies here

MS ALPHA MODELS

4/5 BEST	24 Month Horizon	3/5 MOST	3 Month Horizon

Source: Refinitiv, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

RISKS TO PT/RATING

RISKS TO UPSIDE

- Stronger than expected endpoint security demand remains elevated due to rising cyber threats
- TAM expansion opportunities (XDR, Identity, Cloud Workload Protection) materialize faster than expected

RISKS TO DOWNSIDE

- Competition makes new customer acquisition tougher
- Lower cost alternatives commoditize CRWD's premium pricing
- Softer hiring environment pressures upsell activity

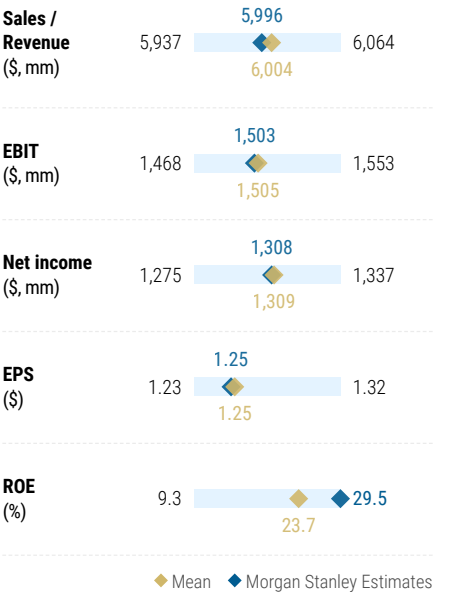
OWNERSHIP POSITIONING

Inst. Owners, % Active	48.4%
HF Sector Long/Short Ratio	2.2x
HF Sector Net Exposure	30.6%

Refinitiv; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure – Short Exposure).

MS ESTIMATES VS. CONSENSUS

FY Jan 2027e



Source: Refinitiv, Morgan Stanley Research

CRWD Model Changes and Updated Financials

Exhibit 1: Model Changes

CrowdStrike Model Changes	4/26	7/26	10/26E	1/27E	FY27E	4/27E	7/27E	10/27E	1/28E	FY28E	FY29E
New Total ARR	**5508.8**	**5841.4**	**6186.4**	**6607.3**	**6607.3**	**6908.7**	**7277.5**	**7709.1**	**8236.3**	**8236.3**	**9968.2**
YoY	**24.2%**	**25.4%**	**25.7%**	**25.8%**	**25.8%**	**25.4%**	**24.6%**	**24.6%**	**24.7%**	**24.7%**	**21.0%**
Old Total ARR	5508.8	5841.4	6186.4	6607.3	6607.3	6897.4	7266.6	7649.3	8114.5	8114.5	9810.7
YoY	24.2%	25.4%	25.7%	25.8%	25.8%	25.2%	24.4%	23.6%	22.8%	22.8%	20.9%
% Change	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.2%**	**0.1%**	**0.8%**	**1.5%**	**1.5%**	**1.6%**
$ Change	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$11.3**	**$10.9**	**$59.9**	**$121.8**	**$121.8**	**$157.5**
New Net-New ARR	**255.8**	**332.6**	**344.9**	**421.0**	**1354.3**	**301.3**	**368.8**	**431.6**	**527.1**	**1628.9**	**1731.9**
YoY	**32.1%**	**50.4%**	**30.0%**	**27.2%**	**34.0%**	**17.8%**	**10.9%**	**25.1%**	**25.2%**	**20.3%**	**6.3%**
Old Net-New ARR	255.8	332.6	344.9	421.0	1354.3	290.0	369.2	382.7	465.2	1507.2	1696.2
YoY	32.1%	50.4%	30.0%	27.2%	34.0%	13.4%	11.0%	10.9%	10.5%	11.3%	12.5%
% Change	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**3.9%**	**-0.1%**	**12.8%**	**13.3%**	**8.1%**	**2.1%**
$ Change in $	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$11.3**	**-$0.4**	**$49.0**	**$61.9**	**$121.8**	**$35.8**
New Total Revenue	**1385.6**	**1470.9**	**1526.2**	**1613.3**	**5996.0**	**1710.3**	**1776.2**	**1873.0**	**1978.0**	**7337.4**	**8780.4**
YoY	**25.6%**	**25.8%**	**23.7%**	**23.6%**	**24.6%**	**23.4%**	**20.8%**	**22.7%**	**22.6%**	**22.4%**	**19.7%**
Old Total Revenue	1385.6	1470.9	1526.2	1613.3	5996.0	1710.3	1773.2	1870.2	1962.6	7316.3	8747.1
YoY	25.6%	25.8%	23.7%	23.6%	24.6%	23.4%	20.6%	22.5%	21.7%	22.0%	19.6%
% Change in Revenue $	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.2%**	**0.1%**	**0.8%**	**0.3%**	**0.4%**
$ Change in $	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$2.9**	**$2.8**	**$15.4**	**$21.1**	**$33.3**
New Operating Income	**325.7**	**371.6**	**374.3**	**431.1**	**1502.7**	**443.8**	**491.6**	**506.4**	**554.5**	**1996.3**	**2654.5**
New Operating Margin	**23.5%**	**25.3%**	**24.5%**	**26.7%**	**25.1%**	**25.9%**	**27.7%**	**27.0%**	**28.0%**	**27.2%**	**30.2%**
Old Old Operating Income	325.7	371.6	374.3	431.1	1502.7	443.8	490.8	505.6	550.2	1990.4	2644.4
Old Operating Margin	23.5%	25.3%	24.5%	26.7%	25.1%	25.9%	27.7%	27.0%	28.0%	27.2%	30.2%
Change to $	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.8**	**$0.8**	**$4.3**	**$5.9**	**$10.1**
Change to %	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
New Free Cash Flow	**468.5**	**377.4**	**421.1**	**537.0**	**1808.2**	**558.4**	**505.2**	**628.4**	**830.9**	**2523.0**	**3151.2**
New FCF Margin	**33.8%**	**25.7%**	**27.6%**	**33.3%**	**30.2%**	**32.6%**	**28.4%**	**33.6%**	**42.0%**	**34.4%**	**35.9%**
Old Free Cash Flow	468.5	377.4	421.1	537.0	1808.2	562.5	514.5	620.7	820.8	2518.6	3130.2
Old FCF Margin	33.8%	25.7%	27.6%	33.3%	30.2%	32.9%	29.0%	33.2%	41.8%	34.4%	35.8%
% Change to FCF Margin	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**-0.2%**	**-0.6%**	**0.4%**	**0.2%**	**0.0%**	**0.1%**
$ Change in $	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**-$4.1**	**-$9.3**	**$7.7**	**$10.1**	**$4.4**	**$21.0**

Source: Morgan Stanley Research, Company Data

Exhibit 2: CRWD Revenue Drivers

	FY23	FY24	FY25	FY26	4Q26	1Q26	2Q26E	3Q26E	FY27E	4Q27E	1Q27E	2Q27E	3Q27E	FY28E	FY29E
Customer Model															
Per Customer Metrics															
Annual Recurring Revenue Model															
Prior Year Annual Recurring Revenue	1,731.3	2,559.7	3,435.2	4,342.0	4,435.6	4,666.7	4,922.0	5,253.9	5,253.9	5,598.8	5,941.4	6,186.4	6,607.3	6,607.3	8,236.3
(+) New Customer ARR	392.3	393.1	394.5	374.7	457.9	488.2	487.0	503.4	503.4	597.5	489.7	628.6	668.5	668.5	797.6
New ARR per Gross New Customer ('000)	**$53.9**	**$57.6**	**$48.1**	**$39.1**	**$39.9**	**$46.2**	**$43.4**	**$45.8**	**$45.6**	**$44.7**	**$41.6**	**$43.4**	**$46.6**	**$46.6**	**$28.5**
YoY Growth	-16%	7%	-17%	-21%	-4%	14%	19%	20%	20%	12%	-10%	0%	0%	0%	-39%
(+) Expansion ARR	436.0	466.3	412.2	636.3	680.1	696.5	797.4	851.0	851.0	892.4	946.3	1,002.2	1,070.4	1,070.4	1,334.9
Net Expansion Rate	**125%**	**119%**	**112%**	**115%**	**115%**	**115%**	**115%**	**115%**	**116%**	**116%**	**116%**	**116%**	**116%**	**116%**	**116%**
Net-New ARR	**828.4**	**875.5**	**806.9**	**1,011.0**	**1,138.0**	**1,184.7**	**1,284.4**	**1,354.4**	**1,354.3**	**1,489.9**	**1,435.9**	**1,630.8**	**1,738.9**	**1,738.9**	**2,132.5**
YoY Growth	22%	6%	-8%	25%	25%	25%	30%	29%	29%	31%	21%	26%	26%	26%	23%
QoQ Growth					-23%	4%	8%	5%	0%	10%	-4%	14%	7%	0%	23%
3-yr Seasonality					-20%	10%	1%	33%	24%	33%	9%	29%	29%	24%	23%
NNARR / Prior Year S&M	*$1.58*	*$1.17*	*$0.94*	*$0.80*					*$0.89*					*$0.91*	*$0.80*
Ending Annual Recurring Revenue	**2,559.7**	**3,435.2**	**4,242.0**	**5,253.0**	**5,598.8**	**5,941.4**	**6,186.4**	**6,607.3**	**6,607.3**	**6,908.7**	**7,377.5**	**7,709.1**	**8,236.3**	**8,236.3**	**9,968.2**
YoY Growth	48%	34%	23%	23.8%	24.2%	25.4%	25.7%	25.8%	25.8%	23.4%	24.6%	24.6%	24.7%	24.7%	21.0%
					5%	6%	4%	7%		5%	5%	5%	7%		
M&A Contribution							7.8								
Organic ARR					**5,591.0**	**5,941.4**	**6,186.4**	**6,607.3**		**6,908.7**	**7,377.5**	**7,709.1**	**8,236.3**		
YoY Growth					24%	25%	26%	26%		23%	25%	25%	25%		
Organic Net New ARR	828.4	870.5	806.9	1,011.0	248.0	340.4	344.9	421.0	1,354.3	301.3	368.8	431.6	527.1	1,628.9	1,731.9
YoY Growth	22%	5%	-8%	25%	28%	54%	30%	27%	34%	18%	11%	25%	25%	20%	6%
Revenue Model															
Total Subscription Revenue	**2,111.7**	**2,870.6**	**3,701.5**	**4,564.7**	**1,320.9**	**1,480.3**	**1,455.8**	**1,539.0**	**5,715.9**	**1,630.4**	**1,690.9**	**1,766.6**	**1,886.8**	**6,994.7**	**8,379.2**
YoY Growth	55%	36%	31%	21%	25.7%	27%	25%	24%	25%	23%	21%	23%	23%	22%	20%
QoQ Growth					6%	6%	4%	6%		6%	4%	5%	7%		
Total Subscription Revenue as % of Prior Qtr ARR/4					101%	102%	100%	100%		99%	98%	98%	98%		
Professional Services Revenue	**129.6**	**185.0**	**192.1**	**247.3**	**64.8**	**70.6**	**70.3**	**74.4**	**280.1**	**80.0**	**85.3**	**86.3**	**91.2**	**342.7**	**410.2**
YoY Growth	41%	43%	4%	29%	23%	7%	7%	18%	13%	23%	21%	23%	23%	22%	20%
QoQ Growth					3%	9%	(0%)	6%		8%	7%	1%	6%		
% Professional Services Attach Rate	6%	6%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Total Revenue	**2,241.2**	**3,055.6**	**3,893.6**	**4,812.0**	**1,385.6**	**1,470.9**	**1,526.2**	**1,613.3**	**5,996.0**	**1,710.3**	**1,776.2**	**1,873.0**	**1,978.0**	**7,337.4**	**8,790.4**
YoY Growth	54%	36%	29%	21.7%	25.6%	26%	23.7%	23.6%	24.6%	23.4%	20.8%	22.7%	22.6%	22.4%	19.7%
ARR Drivers															
Ending Annual Recurring Revenue	**2,559.7**	**3,435.2**	**4,242.0**	**5,253.0**	**5,598.8**	**5,941.4**	**6,186.4**	**6,607.3**	**6,607.3**	**6,908.7**	**7,377.5**	**7,709.1**	**8,236.3**	**8,236.3**	**9,968.2**
YoY Growth	48%	34%	23%	24%	24%	25%	26%	26%	26%	23%	24%	25%	25%	25%	21%
Ending ARR - Endpoint Security	**2,173.0**	**2,569.2**	**2,922.0**	**3,268.0**					**3,688.9**					**4,287.1**	**4,630.2**
YoY Growth	39%	18%	14%	12%					13%					14%	10%
Net New ARR (NNARR)	610.7	397.1	381.8	346.0					420.9					518.2	423.1
YoY Growth		-37%	-7%	-4%					22%					23%	-18%
% of Total ARR	85%	75%	69%	62%					56%					51%	46%
% of NNARR	74%	44%	45%	34%					31%					32%	24%
Ending ARR - Cloud, Identity & Next-Gen SIEM	**386.7**	**870.0**	**1,320.0**	**1,985.0**					**2,915.5**					**4,029.2**	**5,336.9**
YoY Growth	129%	125%	51%	50%					47%					38%	32%
Net New ARR (NNARR)	217.7	483.3	443.0	665.0					933.4					1,110.7	1,308.8
YoY Growth		124%	-9%	49%					40%					19%	18%
% of Total ARR	15%	25%	31%	38%					44%					49%	54%
% of NNARR	47%	56%	55%	66%					69%					68%	76%
Core Endpoint/Cloud Deployment															
Core Endpoint/Workload Security															
Endpoint Security Market Spend	$12,087	$14,540	$17,011	$19,498					$21,857					$24,215	$26,619
Estimated YoY Growth	24.7%	20.3%	17.0%	14.6%					12.1%					10.8%	9.9%
Core Endpoint Security & Other - ARR	**$2,173.0**	**$2,569.2**	**$2,922.0**	**$3,268.0**					**$3,688.9**					**$4,287.1**	**$4,630.2**
YoY Growth	39.1%	17.8%	14.1%	11.8%					12.9%					14.0%	10.1%
QoQ Growth															
Estimated Market Share %	18.0%	17.8%	17.2%	16.8%					16.9%					17.4%	17.4%
Emerging Products															
Next-Gen SIEM (LogScale)															
XDR TAM (APM, SOC Analytics, Log Analytics, SIEM)	$8,731	$13,245	$15,896	$18,559					$21,384					$24,445	$27,721
Estimated YoY Growth	17.5%	51.7%	20.0%	16.8%					15.2%					14.3%	13.4%
Next-Gen SIEM (LogScale) - ARR	**$57.7**	**$150.0**	**$330.0**	**$555.0**					**$994.6**					**$1,502.8**	**$2,121.2**
YoY Growth	220.5%	160.0%	120.0%	77.3%					79.0%					51.2%	41.1%
QoQ Growth															
Estimated Market Share %	0.7%	1.7%	2.7%	3.2%					4.7%					6.2%	7.7%
% of Total ARR	2.3%	4.4%	7.8%	11.1%					15.1%					18.2%	21.2%
NG SIEM (LogScale) - NNARR	$39.7	$92.3	$180.0	$255.0					$409.6					$508.1	$617.4
YoY Growth	193.3%	132.6%	95.0%	41.7%					60.7%					24.0%	21.3%
% of total NNARR	4.8%	10.5%	22.3%	25.2%					30.3%					31.3%	35.6%
Falcon Cloud Security															
Cloud Security Est. Market Spend	$3,221	$3,868	$5,641	$7,068					$9,096					$11,140	$13,440
YoY Growth	69.5%	20.1%	45.8%	25.8%					28.2%					30.5%	32.8%
Public Cloud Spend (IaaS/PaaS)	$204,993	$258,998	$327,415	$327,415					$508,859					$506,859	$506,859
as % of Overall Public Cloud Spend	1.6%	1.5%	1.7%	2.2%					1.8%					2.2%	2.7%
Falcon Cloud Security ARR	**$224.0**	**$425.0**	**$660.0**	**$880.0**					**$1,025.2**					**$1,255.6**	**$1,514.3**
YoY Growth	111.3%	89.7%	41.2%	33.3%					38.2%					22.5%	20.6%
QoQ Growth															
Estimated Market Share %	7.0%	11.0%	16.6%	11.3%					11.3%					11.3%	11.3%
Cloud Security - NNARR	118.0	201.0	175.0	200.0					225.2					230.4	259.3
YoY Growth	116.5%	70.3%	-12.9%	14.3%					12.6%					2.3%	12.5%
% of total NNARR	14.2%	23.0%	21.7%	19.8%					16.6%					14.1%	15.0%
Falcon Shield (Next-Gen Identity Protection)															
Identity Protection TAM	$3,700	$5,200	$7,020	$8,880					$11,000					$13,420	$15,970
Estimated YoY Growth	68.2%	40.5%	35.0%	26.5%					23.9%					22.0%	19.0%
Falcon Shield (Identity Protection) - ARR	**$105.0**	**$300.0**	**$370.0**	**$520.0**					**$730.4**					**$999.0**	**$1,294.0**
YoY Growth	133.3%	185.7%	23.3%	40.5%					40.5%					36.8%	29.5%
QoQ Growth															
Estimated Market Share %	2.8%	5.8%	5.3%	5.9%					6.6%					7.4%	8.1%
% of Total ARR	4.1%	8.7%	8.7%	9.9%					11.1%					12.1%	13.0%
Falcon Shield (Identity Protection) - NNARR	$60.0	$195.0	$70.0	$150.0					$210.4					$268.6	$295.1
YoY Growth	71.4%	225.0%	-64.1%	114.3%					40.3%					27.6%	9.9%
% of total NNARR	7.2%	22.3%	8.7%	14.8%					18.9%					18.5%	17.9%
Charlotte AI															
Charlotte AI - ARR			**$20.0**	**$80.0**					**$168.0**					**$270.8**	**$407.9**
YoY Growth									110.0%					61.1%	50.6%
% of Total ARR			0.5%	1.5%					2.5%					3.3%	4.1%
Charlotte AI - NNARR			$20.0	$80.0					$88.0					$102.7	$137.1
YoY Growth									10.0%					16.7%	33.5%
% of total NNARR			2.5%	7.9%					6.5%					6.3%	7.0%
Charlotte AI - Total Endpoints			1,000,000	4,002,000					8,402,400					13,536,680	20,360,856
Number of Endpoints			50,000,000	60,000,000					72,000,000					86,400,000	103,680,000
Endpoint Penetration %			2%	7%					12%					16%	20%
Charlotte AI - ARR per endpoint			$20.00	$20.00					$20.00					$20.00	$20.00
All Else (Discover, Vuln Mgmt, ASM, etc.)															
IT Ops, Device VM, ASM, DLP -- TAM		$11,801	$12,918	$14,254					$15,627					$17,091	$18,471
Estimated YoY Growth			9.5%	10.3%					9.6%					9.4%	8.1%
All Other (Discover, Vuln Mgmt, ASM, etc.) - ARR	**$176.3**		**$250.0**												
YoY Growth	87.6%														
QoQ Growth															
Estimated Market Share %															
% of Emerging Modules ARR	52.0%														
% of Total ARR	6.9%		5.9%												
Deferred Revenue															
Current Deferred Revenues	**1727.5**	**2278.0**	**2733.0**	**3421.1**	**3370.2**	**3497.1**	**3722.6**	**4370.3**	**4370.3**	**4356.8**	**4690.2**	**4796.5**	**5621.7**	**5621.7**	**7237.9**
as % of Total Deferred Revenue	73%	74%	73%	75%	71%	72%	72%	72%	72%	72%	72%	72%	72%	72%	72%
YoY % Change	52%	31%	20%	25%	23%	26%	31%	28%	28%	29%	29%	29%	29%	29%	29%
QoQ % Change					-1%	4%	6%	17%		0%	8%	2%	17%		
Long-Term Deferred Revenues	**627.6**	**783.3**	**990.7**	**1332.6**	**1352.0**	**1345.1**	**1431.8**	**1680.9**	**1680.9**	**1675.7**	**1730.9**	**1844.8**	**2162.2**	**2162.2**	**2783.9**
as % of Total Deferred Revenue	27%	26%	27%	28%	29%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%
YoY % Change	60%	25%	27%	34%	32%	28%	18%	26%	26%	24%	29%	29%	29%	29%	29%
QoQ % Change					1%	-1%	6%	17%		0%	3%	7%	17%		
Total Deferred Revenues	**2355.1**	**3054.1**	**3728.7**	**4753.6**	**4722.2**	**4842.2**	**5154.4**	**6051.1**	**6051.1**	**6032.5**	**6231.1**	**6641.3**	**7783.9**	**7783.9**	**10021.8**
Billings Model															
Current Billings	**2,832.2**	**3,598.8**	**4,419.9**	**5,500.1**	**1,334.9**	**1,597.5**	**1,751.6**	**2,261.6**	**6,945.2**	**1,696.8**	**1,919.6**	**2,169.2**	**2,803.2**	**8,588.9**	**10,396.6**
YoY Growth	50%	27%	23%	25%	19%	23%	34%	21%	26%	27%	20%	24%	24%	24%	21%
QoQ Growth					(29%)	20%	10%	29%		(25%)	13%	13%	29%		
Annual Seasonality					19%	23%	23%	35%		25%	23%	23%	29%		
3-yr Avg Seasonality					(16%)	8%	3%	41%		(23%)	11%	7%	37%		
2-Year Stack					36%	53%	62%	82%		47%	53%	58%	49%		
YoY Compare (bps)						348	733	400		-1,183	1,338	146	-1,368		
Total Billings (Revenue + Change in Deferred from BS)	**3,567.5**	**3,754.5**	**4,628.2**	**5,836.8**	**1,354.4**	**1,590.9**	**1,838.4**	**2,810.1**	**7,293.7**	**1,691.7**	**1,874.7**	**2,283.2**	**3,120.6**	**9,070.2**	**11,018.2**
YoY Growth	48%	23%	23%	26%	18%	29%	36%	35%	25%	25%	24%	24%	24%	24%	21%
QoQ Growth					-32%	17%	16%	37%		-33%	17%	16%	37%		
Annual Seasonality					19%	23%	23%	35%		25%	23%	23%	29%		
3-yr Avg Seasonality							10%	48%		22%	10%	16%	39%		
2-Year Stack					41%	54%	57%	81%		43%	53%	50%	50%		
YoY Compare (bps)						237	658	-592		-728	1,092	-340	9		
Billings to Revenue Ratio	137%	123%	117%	121%	98%	108%	120%	180%	122%	99%	111%	122%	158%	124%	125%
ARR	2559.7	3435.2	4242.0	5253.0	5598.8	5941.4	6186.4	6607.3	6607.3	6908.7	7277.5	7709.1	8236.3	8236.3	9968.2
Billings/ARR	130%	109%	109%	111%	25%	27%	30%	38%	110%	24%	27%	30%	38%	110%	111%
Estimated Duration (months)	***16.4***	***14.7***	***14.1***	***14.0***					***14.5***					***14.4***	***14.3***
Remaining Performance Obligations															
Total Deferred Revenues	2355.1	3054.1	3728.7	4753.4	4722.2	4842.2									
Backlog	1033.4	1545.9	2771.3	4246.6	4877.5	5937.8									
Remaining Performance Obligations	**3,388.5**	**4,600.0**	**6,500.0**	**9,000.0**	**9,600.0**	**10,780.0**									
YoY Growth	49%	37%	41%	38%	28%	49%									
QoQ Growth					(2%)	22%									
Current Remaining Performance Obligations (cRPO)	**2,122.1**	**2,760.0**	**3,440.0**	**4,500.0**	**4,400.0**	**5,350.0**									
% of RPO recognized over NTM					50%	50%									
YoY Growth					24%	43%									
QoQ Growth					(2%)	22%									
Organic cRPO Bookings (Subs Revenue + QoQ Change in cRPO)	**2,788.0**	**3,591.4**	**4,446.0**	**5,619.7**	**1,253.1**	**2,399.3**									
YoY Growth	49%	27%	27%	26%	6%	79%									
QoQ Growth					(32%)	94%									
TTM cRPO Bookings					5,691	6,730									
Growth in TTM cRPO Bookings					22%	32%									
Revenue by Geography															
United States	1,563.6	2,088.1	2,682.9	3,216.7	913.7	994.5									
EMEA	327.9	467.9	619.5	782.7	235.3	263.7									
APAC	228.1	315.5	402.5	495.7	146.2	157.9									
Other	121.6	184.0	248.7	317.0	90.4	94.8									
Mix															
United States	69.8%	68.3%	67.9%	66.8%	65.9%	64.9%									
EMEA	14.6%	15.3%	15.7%	16.3%	17.0%	17.9%									
APAC	10.2%	10.3%	10.2%	10.3%	10.5%	10.7%									
Other	5.4%	6.0%	6.3%	6.6%	6.5%	6.4%									
YoY Growth															
United States	49.4%	33.5%	28.5%	19.9%	23.2%	21.6%									
EMEA	63.8%	42.7%	32.4%	26.3%	33.4%	40.0%									
APAC	59.9%	38.3%	27.6%	23.2%	29.6%	34.3%									
Other	95.4%	51.3%	35.2%	27.4%	25.0%	21.1%									

Source: Morgan Stanley Research, Company Data

Exhibit 3: CRWD Income Statement

	FY23	FY24	FY25	FY26	4/26	7/26	10/26E	1/27E	FY27E	4/27E	7/27E	10/27E	1/28E	FY28E	FY29E
Subscription Revenue	2,111.7	2,870.6	3,761.5	4,564.7	1,320.9	1,400.3	1,455.8	1,539.0	5,715.9	1,630.4	1,690.9	1,786.6	1,886.8	6,994.7	8,370.2
YoY Growth	*55%*	*36%*	*31%*	*21%*	*26%*	*27%*	*25%*	*24%*	*25%*	*23%*	*21%*	*23%*	*23%*	*22%*	*20%*
Professional Services Revenue	129.6	185.0	192.1	247.3	64.8	70.6	70.3	74.4	280.1	80.0	85.3	86.3	91.2	342.7	410.2
YoY Growth	*41%*	*43%*	*4%*	*29%*	*23%*	*7%*	*7%*	*18%*	*13%*	*23%*	*21%*	*23%*	*23%*	*22%*	*20%*
Total Revenue	**2,241.2**	**3,055.6**	**3,953.6**	**4,812.0**	**1,385.6**	**1,470.9**	**1,526.2**	**1,613.3**	**5,996.0**	**1,710.3**	**1,776.2**	**1,873.0**	**1,978.0**	**7,337.4**	**8,780.4**
YoY Growth	*54%*	*36%*	*29%*	*22%*	*26%*	*26%*	*24%*	*24%*	*25%*	*23%*	*21%*	*23%*	*23%*	*22%*	*20%*
Cost of Revenue															
Cost of Subscription Revenue	465.7	571.3	739.9	888.9	252.2	264.2	271.7	284.2	1,072.3	297.8	305.5	319.2	333.3	1,255.7	1,435.8
Cost of Professional Services Revenue	73.9	102.7	124.8	160.8	43.6	49.5	43.0	48.5	184.6	53.8	59.8	52.8	59.4	225.8	270.3
Total Cost of Revenue	539.5	674.0	864.8	1,049.7	295.8	313.7	314.7	332.6	1,256.8	351.6	365.3	371.9	392.7	1,481.5	1,706.1
Subscription Gross Profit	1,646.0	2,299.3	3,021.5	3,675.8	1,068.6	1,136.1	1,184.1	1,254.8	4,643.6	1,332.6	1,385.4	1,467.4	1,553.5	5,739.0	6,934.4
% Subscription Gross Margin	*78%*	*80%*	*80%*	*81%*	*81%*	*81%*	*81%*	*82%*	*81%*	*82%*	*82%*	*82%*	*82%*	*82%*	*83%*
Professional Services Gross Profit	55.7	82.3	67.3	86.5	21.2	21.1	27.4	25.9	95.5	26.2	25.4	33.6	31.7	116.9	139.9
% Professional Services Gross Margin	*43%*	*44%*	*35%*	*35%*	*33%*	*30%*	*39%*	*35%*	*34%*	*33%*	*30%*	*39%*	*35%*	*34%*	*34%*
Gross Profit	**1,701.7**	**2,381.6**	**3,088.8**	**3,762.3**	**1,089.8**	**1,157.2**	**1,211.5**	**1,280.7**	**4,739.2**	**1,358.7**	**1,410.9**	**1,501.0**	**1,585.3**	**5,855.9**	**7,074.3**
% Gross Margin	*76%*	*78%*	*78%*	*78%*	*79%*	*79%*	*79%*	*79%*	*79%*	*79%*	*79%*	*80%*	*80%*	*80%*	*81%*
Operating Expenses															
Sales & Marketing	749.9	962.6	1,263.5	1,520.0	413.1	412.9	492.1	469.0	1,787.1	501.4	489.7	594.6	573.0	2,158.6	2,490.6
Research & Development	433.7	561.7	731.8	914.2	273.4	284.8	264.5	294.2	1,116.8	320.3	326.1	303.9	354.8	1,305.2	1,468.6
General & Administration	162.5	197.0	255.9	281.7	77.7	87.9	80.6	86.4	332.6	93.3	103.5	96.1	103.0	395.8	460.6
Other Charges	545.7	662.3	958.1	1,360.4	356.3	404.9	420.9	460.9	1,643.0	488.4	507.1	534.6	564.4	2,094.5	2,504.0
Total Operating Expenses	1,346.1	1,721.3	2,251.1	2,715.8	764.1	785.6	837.2	849.6	3,236.5	915.0	919.3	994.6	1,030.8	3,859.7	4,419.9
YoY Growth	*47%*	*28%*	*31%*	*21%*	*16%*	*20%*	*19%*	*21%*	*19%*	*20%*	*17%*	*19%*	*21%*	*19%*	*15%*
Operating Income	**355.6**	**660.3**	**837.7**	**1,046.5**	**325.7**	**371.6**	**374.3**	**431.1**	**1,502.7**	**443.8**	**491.6**	**506.4**	**554.5**	**1,996.3**	**2,654.5**
% Operating Margin	*15.9%*	*21.6%*	*21.2%*	*21.7%*	*23.5%*	*25.3%*	*24.5%*	*26.7%*	*25.1%*	*25.9%*	*27.7%*	*27.0%*	*28.0%*	*27.2%*	*30.2%*
Net Interest and Other Income / (Expense)	30.2	124.8	175.0	161.9	69.7	37.2	37.2	46.3	190.2	37.8	41.8	45.5	50.1	175.1	216.4
One time items	(2.2)	(0.9)	0.8	1.3	17.8	(0.4)	-	-	17.4	-	-	-	-	-	-
Income Before Taxes	388.0	786.0	1,011.9	1,207.0	377.5	409.2	411.4	477.3	1,675.5	481.5	533.4	551.9	604.6	2,171.4	2,870.9
% of Revenue	*17%*	*26%*	*26%*	*25%*	*27%*	*28%*	*27%*	*30%*	*28%*	*28%*	*30%*	*29%*	*31%*	*30%*	*33%*
Provision / (Benefit) for Income Taxes (Non-GAAP)	19.7	34.3	24.3	250.4	94.1	86.3	86.8	100.7	367.8	101.5	112.5	116.4	127.5	457.9	605.4
Provision / (Benefit) for Income Taxes	17.7	32.8	71.1	34.2	(6.9)	(1.4)	86.8	100.7	179.1	101.5	112.5	116.4	127.5	457.9	605.4
One-time	(1.9)	(1.4)	46.9	(216.2)	(101.0)	(87.7)			(188.6)					-	-
% Tax Rate	*5%*	*4%*	*2%*	*21%*	*25%*	*21%*	*21%*	*21%*	*22%*	*21%*	*21%*	*21%*	*21%*	*21%*	*21%*
Net Income (Non-GAAP)	**368.4**	**751.8**	**987.6**	**956.6**	**283.4**	**322.9**	**324.7**	**376.7**	**1,307.7**	**380.0**	**421.0**	**435.5**	**477.1**	**1,713.5**	**2,265.5**
% Net Margin	*16%*	*25%*	*25%*	*20%*	*20%*	*22%*	*21%*	*23%*	*22%*	*22%*	*24%*	*23%*	*24%*	*23%*	*26%*
Non-GAAP EPS	**$0.39**	**$0.77**	**$0.98**	**$0.93**	**$0.27**	**$0.31**	**$0.31**	**$0.36**	**$1.25**	**$0.36**	**$0.40**	**$0.41**	**$0.45**	**$1.61**	**$2.09**
YoY Growth	*128%*	*100%*	*27%*	*-5%*	*51%*	*34%*	*30%*	*28%*	*34%*	*31%*	*28%*	*32%*	*24%*	*29%*	*30%*
Share Counts															
Weighted avg. common shares (Basic)	932.5	954.5	978.9	1002.2	1014.9	1019.4	1021.7	1026.3	1020.6	1030.8	1035.4	1040.0	1044.7	1037.7	1056.4
Diluted Shares Outstanding (Operating)	932.5	954.5	978.9	1002.2	1014.9	1019.4	1047.8	1052.5	1033.7	1057.2	1061.9	1066.6	1071.4	1064.3	1083.3
Diluted Shares Outstanding (Operating) (Non-GAAP)	**956.4**	**974.5**	**1005.5**	**1025.8**	**1031.5**	**1044.5**	**1047.8**	**1052.5**	**1044.1**	**1057.2**	**1061.9**	**1066.6**	**1071.4**	**1064.3**	**1083.3**
Dilution Ratio	103%	102%	103%	102%	102%	102%	103%	103%	102%	103%	103%	103%	103%	103%	103%
Period end basic shares outstanding	943.5	967.5	987.7	1008.4	1014.9	1019.4	1024.0	1028.5	1028.5	1033.1	1037.7	1042.4	1047.0	1047.0	1065.8
Change in period end shares (QoQ)		2%	3%	2%	1%	0%	0%	0%	2%	0%	0%	0%	0%	2%	2%

Source: Morgan Stanley Research, Company Data

Risk Reward Reference links

1. View explanation of Options Probabilities methodology - Options_Probabilities_Exhibit_Link.pdf

2. View descriptions of Risk Rewards Themes - RR_Themes_Exhibit_Link.pdf

3. View explanation of regional hierarchies - GEG_Exhibit_Link.pdf

4. View explanation of Theme/Exposure methodology - ESG_Sustainable_Solutions_External_Link.pdf

5. View explanation of HERS methodology - ESG_HERS_External_Link.pdf

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The following analysts hereby certify that their views about the companies and their securities discussed in this report are accurately expressed and that they have not received and will not receive direct or indirect compensation in exchange for expressing specific recommendations or views in this report: Ryan Lountzis; Meta A Marshall.

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Within the last 12 months, Morgan Stanley managed or co-managed a public offering (or 144A offering) of securities of Akamai Technologies, Inc., Autodesk, Check Point Software Technologies Ltd., Cloudflare Inc, CoreWeave, DigitalOcean Holdings Inc, Dynatrace Inc, Intuit, Navan Inc, Nebius Group NV, Salesforce, Inc., ServiceNow Inc, Tenable Holdings Inc.

Within the last 12 months, Morgan Stanley has received compensation for investment banking services from Akamai Technologies, Inc., Autodesk, Blackline Inc, CCC Intelligent Solutions Holdings Inc, Check Point Software Technologies Ltd., Cloudflare Inc, CoreWeave, DigitalOcean Holdings Inc, GoDaddy Inc, HubSpot, Inc., Intuit, Microsoft, Navan Inc, Nebius Group NV, NICE Ltd., Octave Intelligence Plc, Salesforce, Inc., ServiceNow Inc, Tenable Holdings Inc, Via Transportation Inc, Workday Inc, Zeta Global Holdings Corp.

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Dynatrace Inc, Figma Inc, Five9 Inc, Fortinet Inc., Freshworks Inc, Gen Digital Inc., GitLab Inc, GoDaddy Inc, HubSpot, Inc., Intuit, JFrog Ltd., Klaviyo, Inc, Microsoft, monday.com Ltd, MongoDB Inc, Nebius Group NV, NICE Ltd., Oracle Corporation, PagerDuty, Inc., Palantir Technologies Inc., Palo Alto Networks Inc, Qualys Inc, RingCentral Inc, SailPoint Inc, Salesforce, Inc., SentinelOne, Inc., ServiceNow Inc, ServiceTitan Inc, Shopify Inc, Snowflake Inc., Tenable Holdings Inc, Toast, Inc., Twilio Inc, UiPath Inc, Varonis Systems, Inc., Wix.Com Ltd, Workday Inc, Zeta Global Holdings Corp, Zoom Communications, Zscaler Inc.

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Global Stock Ratings Distribution

(as of August 31, 2026)

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	Coverage Universe		Investment Banking Clients (IBC)			Other Material Investment Services Clients (MISC)	
Stock Rating Category	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
Overweight/Buy	1555	42%	450	48%	29%	767	44%
Equal-weight/Hold	1577	43%	395	42%	25%	770	44%
Not-Rated/Hold	3	0%	1	0%	33%	1	0%
Underweight/Sell	559	15%	93	10%	17%	216	12%
Total	3,694		939			1754	

Data include common stock and ADRs currently assigned ratings. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months. Due to rounding off of decimals, the percentages provided in the "% of total" column may not add up to exactly 100 percent.

Analyst Stock Ratings

Overweight (O). The stock's total return is expected to exceed the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Equal-weight (E). The stock's total return is expected to be in line with the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Not-Rated (NR). Currently the analyst does not have adequate conviction about the stock's total return relative to the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Underweight (U). The stock's total return is expected to be below the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Unless otherwise specified, the time frame for price targets included in Morgan Stanley Research is 12 to 18 months.

Analyst Industry Views

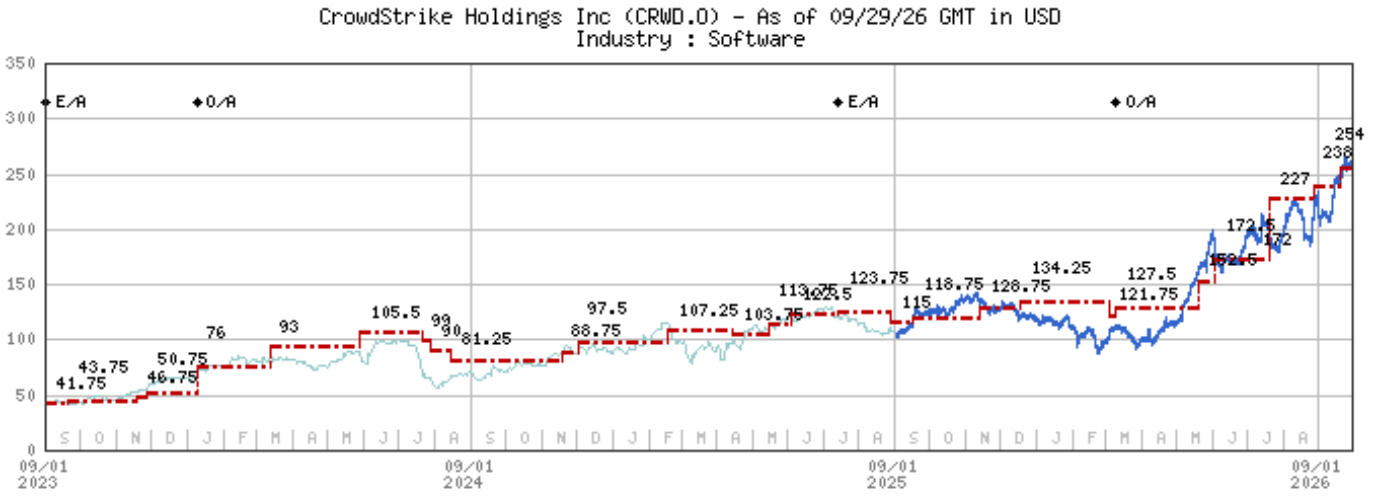
Attractive (A): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be attractive vs. the relevant broad market benchmark, as indicated below.

In-Line (I): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be in line with the relevant broad market benchmark, as indicated below.

Cautious (C): The analyst views the performance of his or her industry coverage universe over the next 12-18 months with caution vs. the relevant broad market benchmark, as indicated below.

Benchmarks for each region are as follows: North America - S&P 500; Latin America - relevant MSCI country index or MSCI Latin America Index; Europe - MSCI Europe; Japan - TOPIX; Asia - relevant MSCI country index or MSCI sub-regional index or MSCI AC Asia Pacific ex Japan Index.

Stock Price, Price Target and Rating History (See Rating Definitions)



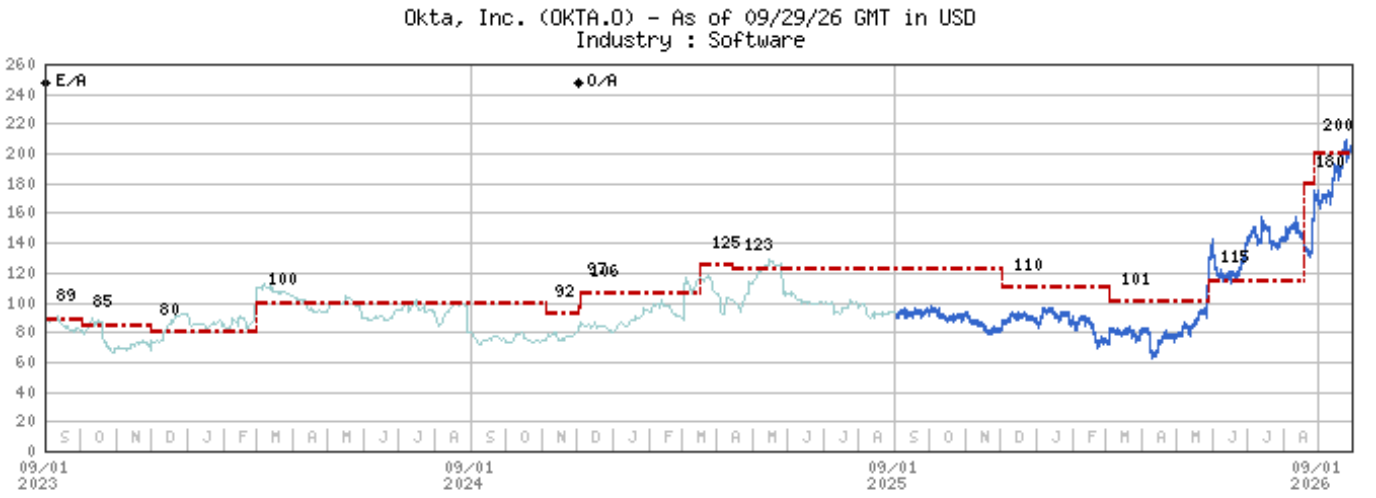
Stock Rating History: 11/15/21 : U/A; 3/10/22 : E/A; 6/6/22 : O/A; 8/27/23 : E/A; 1/9/24 : O/A; 7/14/25 : E/A; 3/10/26 : O/A

Price Target History: 11/15/21 : 61.75; 12/2/21 : 56.25; 1/18/22 : 49.25; 3/7/22 : 45; 3/10/22 : 53; 5/18/22 : 45.25; 6/3/22 : 48.75; 6/6/22 : 53.75; 8/31/22 : 54.25; 11/22/22 : 47.5; 11/30/22 : 43; 1/12/23 : 33.75; 2/24/23 : 37.5; 3/14/23 : 40.75; 7/31/23 : 44.5; 8/27/23 : 41.75; 9/21/23 : 43.75; 11/19/23 : 46.75; 11/28/23 : 50.75; 1/9/24 : 76; 3/12/24 : 93; 5/28/24 : 105.5; 7/21/24 : 99; 7/29/24 : 90; 8/15/24 : 81.25; 11/18/24 : 88.75; 12/2/24 : 97.5; 2/18/25 : 107.25; 4/15/25 : 103.75; 5/15/25 : 113.75; 6/4/25 : 122.5; 7/14/25 : 123.75; 8/28/25 : 115; 9/17/25 : 118.75; 11/13/25 : 128.75; 12/18/25 : 134.25; 3/4/26 : 121.75; 3/10/26 : 127.5; 5/20/26 : 152.5; 6/3/26 : 172.5; 7/6/26 : 172; 7/21/26 : 227; 8/27/26 : 238; 9/20/26 : 254

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target No Price Target Assigned (NA)
Stock Price (Not Covered by Current Analyst) Stock Price (Covered by Current Analyst)
Stock and Industry Ratings (abbreviations below) appear as ◆ Stock Rating/Industry View
Stock Ratings: Overweight (O) Equal-weight (E) Underweight (U) Not-Rated (NR) No Rating Available (NA)
Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

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Effective January 13, 2014, the industry view benchmarks for Morgan Stanley Asia Pacific are as follows: relevant MSCI country index or MSCI sub-regional index or MSCI AC Asia Pacific ex Japan Index.



Stock Rating History: 9/1/21 : E/A; 9/28/21 : O/A; 9/1/22 : E/A; 12/2/24 : O/A

Price Target History: 1/8/21 : 275; 9/28/21 : 315; 12/2/21 : 300; 1/18/22 : 270; 4/13/22 : 200; 5/18/22 : 150; 9/1/22 : 93; 11/4/22 : 65; 2/28/23 : 70; 3/2/23 : 84; 7/31/23 : 89; 10/2/23 : 85; 11/30/23 : 80; 2/29/24 : 100; 11/4/24 : 92; 12/2/24 : 97; 12/4/24 : 106; 3/18/25 : 125; 4/15/25 : 123; 12/3/25 : 110; 3/5/26 : 101; 5/29/26 : 115; 8/20/26 : 180; 8/27/26 : 200

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target No Price Target Assigned (NA)
Stock Price (Not Covered by Current Analyst) Stock Price (Covered by Current Analyst)
Stock and Industry Ratings (abbreviations below) appear as ◆ Stock Rating/Industry View
Stock Ratings: Overweight (O) Equal-weight (E) Underweight (U) Not-Rated (NR) No Rating Available (NA)
Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

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COMPANY (TICKER)	RATING (AS OF)	PRICE* (09/28/2026)
Adam Wood		
Adobe Inc. (ADBE.O)	U (07/21/2026)	$231.01
Atlassian Corporation PLC (TEAM.O)	O (01/13/2020)	$178.54
Intuit (INTU.O)	E (07/21/2026)	$269.40
Microsoft (MSFT.O)	O (07/21/2026)	$509.22
Salesforce, Inc. (CRM.N)	E (07/21/2026)	$227.27
Samsara Inc (IOT.N)	E (03/23/2023)	$37.93
ServiceNow Inc (NOW.N)	O (09/24/2025)	$131.45
Shopify Inc (SHOP.O)	O (04/19/2024)	$144.01
Workday Inc (WDAY.O)	U (07/21/2026)	$188.60
Chris Quintero		
BILL Holdings Inc (BILL.N)	E (06/10/2025)	$41.60
Blackline Inc (BL.O)	E (07/21/2026)	$26.56
Box Inc (BOX.N)	E (05/21/2024)	$31.34
CCC Intelligent Solutions Holdings Inc (CCC.O)	O (11/13/2024)	$6.62
Descartes Systems Group Inc (DSGX.O)	O (01/15/2026)	$78.85
DocuSign Inc (DOCU.O)	E (01/16/2024)	$66.98
Manhattan Associates Inc. (MANH.O)	E (10/21/2025)	$201.88
Navan Inc (NAVN.O)	O (11/24/2025)	$19.98
ServiceTitan Inc (TTAN.O)	O (01/20/2026)	$59.92
SPS Commerce Inc (SPSC.O)	U (07/21/2026)	$81.01
Vertex Inc. (VERX.O)	E (07/21/2026)	$11.06
Via Transportation Inc (VIA.N)	O (01/20/2026)	$29.10
Elizabeth Porter, CFA		
Amplitude Inc. (AMPL.O)	O (01/15/2026)	$13.30
Asana Inc (ASAN.N)	U (05/20/2025)	$8.64

Autodesk (ADSK.O)	O (08/23/2024)	$207.19
Figma Inc (FIG.N)	E (08/25/2025)	$20.25
Five9 Inc (FIVN.O)	E (10/10/2022)	$34.66
Freshworks Inc (FRSH.O)	E (10/18/2021)	$12.53
GoDaddy Inc (GDDY.N)	E (07/19/2021)	$93.71
HubSpot, Inc. (HUBS.N)	O (03/21/2023)	$202.84
Klaviyo, Inc (KVYO.N)	O (04/29/2026)	$15.40
Liveramp Holdings Inc (RAMP.N)	E (01/13/2025)	$37.63
monday.com Ltd (MNDY.O)	O (08/12/2025)	$79.05
NICE Ltd. (NICE.O)	E (07/21/2026)	$109.09
Octave Intelligence Plc (OCTV.O)	E (09/17/2026)	$18.58
RingCentral Inc (RNG.N)	E (08/08/2023)	$76.13
Sprinklr Inc (CXM.N)	E (07/19/2021)	$4.98
Sprout Social Inc (SPT.O)	E (11/17/2020)	$9.47
Toast, Inc. (TOST.N)	O (12/16/2021)	$30.38
Twilio Inc (TWLO.N)	O (02/24/2025)	$286.98
Wix.Com Ltd (WIX.O)	E (07/21/2026)	$69.60
Zeta Global Holdings Corp (ZETA.N)	E (08/01/2024)	$28.99
Zoom Communications (ZM.O)	E (10/11/2022)	$87.30
ZoomInfo Technologies Inc (GTM.O)	E (02/01/2024)	$3.59
Meryl R Thomas, CFA		
Lightspeed Commerce Inc. (LSPD.N)	E (02/18/2021)	$9.69
Meta A Marshall		
Check Point Software Technologies Ltd. (CHKP.O)	E (10/16/2023)	$129.27
CrowdStrike Holdings Inc (CRWD.O)	O (03/10/2026)	$259.25
Fortinet Inc. (FTNT.O)	E (07/21/2026)	$176.33
Gen Digital Inc. (GEN.O)	E (06/07/2024)	$20.85
Netskope, Inc. (NTSK.O)	O (10/13/2025)	$17.85
Okta, Inc. (OKTA.O)	O (12/02/2024)	$202.18
Palo Alto Networks Inc (PANW.O)	O (10/10/2017)	$392.09
Qualys Inc (QLYS.O)	U (02/09/2021)	$173.83
Rapid7 Inc (RPD.O)	U (07/21/2026)	$11.80
SailPoint Inc (SAIL.O)	O (09/02/2025)	$20.57
SentinelOne, Inc. (S.N)	E (12/02/2024)	$22.74
Tenable Holdings Inc (TENB.O)	E (12/02/2024)	$34.47
Varonis Systems, Inc. (VRNS.O)	E (01/26/2026)	$47.93
Zscaler Inc (ZS.O)	E (04/22/2026)	$199.39
Ryan Lountzis		
CoreWeave (CRWV.O)	E (04/22/2025)	$85.07
Nebius Group NV (NBIS.O)	E (01/15/2026)	$231.88
Sanjit K Singh		
Akamai Technologies, Inc. (AKAM.O)	O (01/12/2026)	$108.99
Appian Corp (APPN.O)	E (04/30/2026)	$35.02
C3.ai (AI.N)	U (01/04/2021)	$10.41
Cloudflare Inc (NET.N)	O (12/02/2024)	$353.99
Datadog, Inc. (DDOG.O)	O (01/12/2026)	$268.70
DigitalOcean Holdings Inc (DOCN.N)	O (01/16/2025)	$136.29
Dynatrace Inc (DT.N)	O (08/25/2026)	
Elastic NV (ESTC.N)	E (07/21/2026)	
GitLab Inc (GTLB.O)	E (01/12/2026)	
JFrog Ltd. (FROG.O)	E (07/21/2026)	
MongoDB Inc (MDB.O)	O (04/12/2023)	
Oracle Corporation (ORCL.N)	E (01/15/2019)	
PagerDuty, Inc. (PD.N)	U (07/21/2026)	



Palantir Technologies Inc. (PLTR.O)	E (02/04/2025)	$187.48
Snowflake Inc. (SNOW.N)	O (06/24/2025)	$328.12
UiPath Inc (PATH.N)	E (09/07/2022)	$12.19

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