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ServiceNow Inc | North America

3Q26 Preview – Executing On The Path to Reacceleration

Solid demand trends persisted QoQ, supported by strength in core workflows (ITOM / ITAM), AI / new product adoption, and an improving Federal backdrop. Q3 setup screens attractive and an achievable re-acceleration in growth is likely required to move shares higher from here.

Time to Re-accelerate? Following a Q2 that saw a bigger beat across both cRPO and Subscription revenue, shares have traded up >70% over the trailing three month period, outperforming the Large Cap Software average +42% and Application Software peers including Adobe (+24%), Salesforce (+58%), and Intuit (+22%) over the same time frame. Granted, a portion of this outperformance can likely be attributed to a broadening of the AI trade more recently, though it may also reflect 1) more positive investor sentiment as consumption-related benefits are set to scale through the back half of the year – "*So I think in the second half of the year, you're going to have a real hockey stick in terms of the assist packs kicking in at scale*" – and 2) a more favorable Federal demand environment.

Q3 Setup Skews Reasonable. From a numbers standpoint, the setup screens favorable with current consensus constant currency (cc) cRPO estimates implying YoY growth of +20%, in-line with management guidance and implying a 150 bps deceleration (vs Q2) against a 100 bps easier YoY compare. On an organic basis, our assumptions suggest consensus constant currency (cc) cRPO estimates imply YoY growth closer to +17% (see Exhibit 1), representing a deceleration of ~175 bps vs Q2 (organic). We think investors are likely targeting 1) Q3 YoY constant currency (cc) cRPO growth of ~22%, implying a 200 bps beat vs guidance (vs 200 bps in Q2, <100 bps in Q1 organically, 100 bps in Q4 organically, and 250 bps in Q3), sequential growth of ~4% (largely in-line with three-year average seasonality), and a modest acceleration on an organic basis, and 2) FY26 constant currency (cc) subscription revenue growth raised by a portion of the beat, largely in-line with historical practices (raised in 3Q25, 3Q24, and 3Q23). ***Bottom line, leaning positive into Q3 results as the setup looks achievable. To that point, acquisition-related contributions are well understood and with shares outperforming more recently, investors are likely targeting an acceleration in growth, particularly given strength in the core and a more robust Federal demand environment.***

Partner Conversations Remained Largely Positive. From a checks standpoint, Q3 checks indicated healthy performance with results in-line to modestly ahead of expectations driven by 1) strength across core workflows including ITAM and ITOM with commentary also pointing to strength across Security-related offerings, 2) continued positive trends across newer product offerings with a focus on AI Control Tower, and 3) positive pricing trends as customers steadily move towards the company's newer Foundation, Advanced, and Prime packaging models. Additionally,

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ServiceNow Inc (NOW.N, NOW UN)

Software | United States of America

Stock Rating	**Overweight**
Industry View	**Attractive**
Price target	**$180.00**
Shr price, close (Oct 23, 2026)	$158.96
Mkt cap, curr (mm)	$164,365
52-Week Range	$192.60-81.25

Fiscal Year Ending	12/25	12/26e	12/27e	12/28e
EPS ($)**	3.51	4.09	5.06	6.05
Prior EPS ($)**	-	-	-	-
P/E	75.7	66.0	53.8	41.9
EPS ($)§	3.47	4.07	5.02	6.08
Div yld (%)	-	-	-	-

Unless otherwise noted, all metrics are based on Morgan Stanley ModelWare framework
** = Based on consensus methodology
§ = Consensus data is provided by Refinitiv Estimates
e = Morgan Stanley Research estimates

QUARTERLY EPS ($)

Quarter	2025	2026e Prior	2026e Current	2027e Prior	2027e Current
Q1	0.81	-	0.97a	-	1.16
Q2	0.82	-	0.90a	-	1.15
Q3	0.96	-	1.02	-	1.29
Q4	0.92	-	1.20	-	1.45

e = Morgan Stanley Research estimates, a = Actual Company reported data

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checks and more recent industry data pointed to a solid Federal demand backdrop. While conversations were largely positive, it is worth noting pricing-related commentary remains an area to monitor as partners suggested customers continue to exercise increased scrutiny with regard to the move towards hybrid-based pricing architectures.

Views from Channel Conversations

1. **Partner Commentary Suggests Demand Environment Remains Healthy.** Partner performance remained healthy in Q3, with our checks pointing to performance broadly in-line to modestly ahead of expectations. Demand commentary was positive with one partner highlighting two seven-figure ACV deals (across Manufacturing and Auto industries). Moreover, workflow-related commentary was largely consistent QoQ with partners highlighting strength across Technology workflows (primarily ITOM and ITAM), Security-related offerings such as SecOps, as well as CSM, HRSD, and FSM. Pipeline commentary was also favorable with partners maintaining growth expectations for the remainder of the year. **Overall, Q3 checks pointed to a stable demand environment with large deal commentary consistent QoQ and broader portfolio adoption remaining solid.**
2. **Still Early in New Product Adoption Ramp, Pricing and Packaging an Area to Watch.** Partner conversations regarding ServiceNow's AI portfolio remained constructive, with commentary suggesting 1) customer inquiries remain healthy and 2) updated pricing and packaging still an area to monitor as customers are adopting the new pricing structure, though with some level of hesitancy given the lack of transparency around token economics. The latter has been a consistent theme for consecutive quarters and while it's worth monitoring, multiple partners highlighted ServiceNow's leadership position across multiple workflow categories as a key reason it's difficult to move off the platform regardless of recent pricing and packaging changes. From a customer inquiry standpoint, new product-related commentary was still mixed but improved QoQ with one partner noting "AI Control Tower has gained significant ground with >25% of customers (specific to their practice) deploying the offering". **All in, hybrid-based pricing dynamics will be an area to monitor across our checks, though this is not unique to ServiceNow and partner commentary across the broader AI portfolio was still encouraging with commentary suggesting the company is well-positioned to capitalize upon a growing pricing and agentic product cycle.**
3. **Encouraging Reads on Fed.** Federal-related demand commentary was largely consistent QoQ with partner conversations pointing to a healthier environment in Q3, particularly following a materially weaker Federal demand backdrop in 2025. To that point, one partner highlighted the Federal and Sovereign opportunity more broadly has improved YoY noting "*Federal has definitely improved a lot versus last year*" and "*they are working on a few large deals in the Middle East right now*". Another partner also highlighted "*Federal has been a good development for the past two and half quarters for them on both civilian and defense*". Moreover, recent USAspending data pointed to multiple seven and eight-figure awards across several government agencies. **All in, partner commentary and more recent**

government data suggest the Federal demand environment remained healthy in Q3, an encouraging sign given ServiceNow's overall exposure to the Vertical (total public sector ~10% of revenue).

Key Metrics for Q3:

- **Subscription Revenue:** MSe/Cons = $3,978M/$3,988M, +21%/+21% YoY reported (+20%/+20% CC); Guidance: $3,975M-$3,980M reported (+20.5% YoY/+20% CC)
- **Current Remaining Performance Obligation (cRPO):** MSe/Cons = $13,562M/$13,572M; +19.5% YoY/+19.5% YoY reported (+20%/+20% YoY CC); Guidance = +19.5% YoY growth reported (+20% CC)

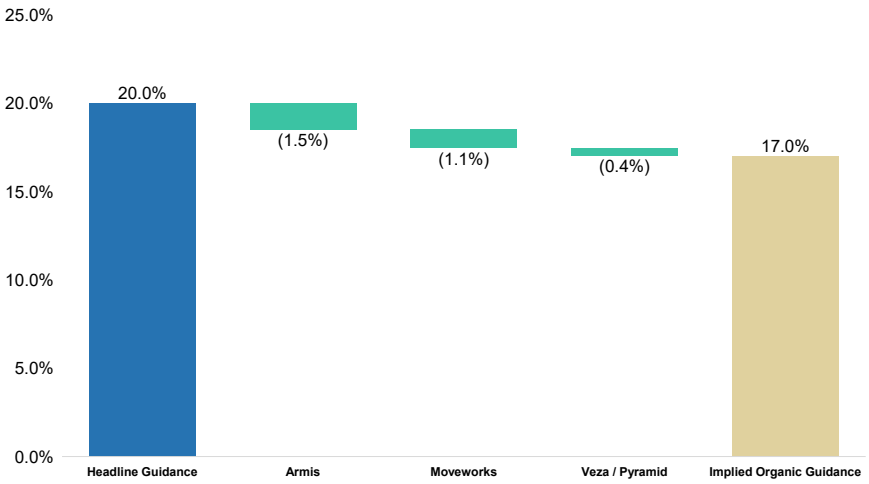
Key Metrics for Q4:

- **Subscription Revenue**: MSe/Cons = $4,244M/$4,242M, +22%/+22% YoY reported (+22%/+22% YoY CC)
- **Current Remaining Performance Obligation (cRPO):** MSe/Cons = $15,293M/$15,293M, +19%/+19% YoY reported (+19.5%/+20% CC)

Key Metrics for FY26:

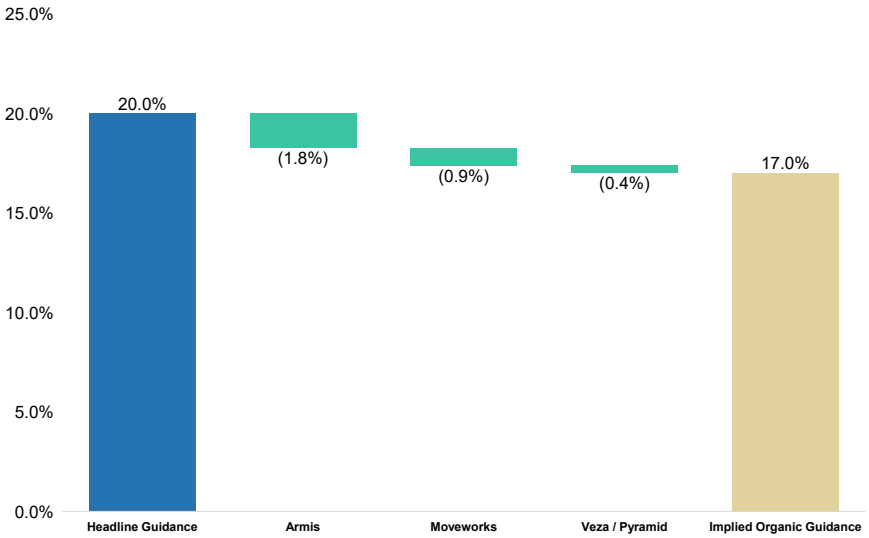
- **Subscription Revenue**: MSe/Cons = $15,770M/$15,775M, +22% YoY/+22% YoY reported (+21%/+21% CC); Guidance: $15,760M-$15,780M reported (+22.5%/+21% CC)
- **Operating Margin**: MSe/Cons at 31.5%/31.5%; Guidance: 31.5% margin
- **Free Cash Flow**: MSe/Cons at 35.0%/35.0%; Guidance: 35% margin

Exhibit 1: Q3 Constant Currency cRPO Growth Waterfall Analysis



Source: Company data, Morgan Stanley Research estimates

Exhibit 2: Q3 Constant Currency Subscription Revenue Growth Waterfall Analysis



Source: Company data, Morgan Stanley Research estimates. Note: "Headline Guidance

Exhibit 3: NOW Estimates: MS vs. Consensus

NOW	3Q26e		4Q26e		FY26e		FY27e	
	MS	Cons.	MS	Cons.	MS	Cons.	MS	Cons.
Subscription Revenue	$3,977.5	$3,987.9	$4,244.4	$4,242.4	$15,770.0	$15,775.1	$18,886.8	$18,777.9
Growth, YoY	*20.6%*	*20.9%*	*22.5%*	*22.4%*	*22.4%*	*22.4%*	*19.8%*	*19.0%*
Total Revenue	$4,091.8	$4,101.5	$4,357.9	$4,353.8	$16,206.7	$16,209.1	$19,369.5	$19,243.3
Growth, YoY	*20.1%*	*20.4%*	*22.1%*	*22.0%*	*22.1%*	*22.1%*	*19.5%*	*18.7%*
Current RPO (Reported)	$13,562.5	$13,572.3	$15,293.2	$15,293.1	$15,293.2	$15,293.1	$18,107.3	$18,004.6
Growth, YoY	*19.5%*	*19.6%*	*19.0%*	*19.0%*	*19.0%*	*19.0%*	*18.4%*	*17.7%*
Op. Income	$1,268.1	$1,276.8	$1,458.9	$1,456.9	$5,098.9	$5,108.1	$6,288.0	$6,252.3
Op. Margin	*31.0%*	*31.1%*	*33.5%*	*33.5%*	*31.5%*	*31.5%*	*32.5%*	*32.5%*
EPS	$1.02	$1.03	$1.20	$1.17	$4.09	$4.07	$5.06	$5.00
FCF	$677.9	$897.7	$2,689.6	$2,580.8	$5,666.4	$5,637.3	$6,874.6	$6,898.9
FCF Margin	*16.6%*	*21.9%*	*61.7%*	*59.3%*	*35.0%*	*34.8%*	*35.5%*	*35.9%*

Source: Refinitiv, Visible Alpha, Company data, Morgan Stanley Research estimates

Exhibit 4: NOW Forward-Year Guidance Analysis

NOW - Annual Guidance Raise								
Earnings Date	23-Oct-24	29-Jan-25	23-Apr-25	23-Jul-25	29-Oct-25	28-Jan-26	22-Apr-26	22-Jul-26
Earnings Quarter	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26
Fwd Year Guide	FY24	FY25	FY25	FY25	FY25	FY26	FY26	FY26
Subscription Revenue								
FY Consensus Estimate Pre-Earnings	$10,588	$12,876	$12,660	$12,672	$12,798	$15,268	$15,563	$15,756
New FY Guidance Low End	$10,655	$12,635	$12,640	$12,775	$12,835	$15,530	$15,735	$15,760
New FY Guidance High End	$10,660	$12,675	$12,680	$12,795	$12,845	$15,570	$15,775	$15,780
New FY Guidance vs. Consensus at Midpoint	**0.7%**	**-1.7%**	**0.0%**	**0.9%**	**0.3%**	**1.8%**	**1.2%**	**0.1%**
FY Guidance Raise	**0.7%**	**-**	**0.0%**	**1.0%**	**0.4%**	**-**	**1.3%**	**0.1%**

Source: Visible Alpha, Company data, Morgan Stanley Research estimates

Exhibit 5: NOW Beat vs Consensus Table

% Beat vs. Consensus										
NOW	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	4 Qtr. Avg.	8 Qtr. Avg.
Total Revenue Beat	1.9%	-0.1%	0.1%	2.9%	1.4%	1.0%	0.6%	1.6%	1.2%	1.2%
Non-GAAP Op. Margin Beat	163.0bps	23.6bps	81.8bps	258.8bps	290.8bps	68.7bps	26.6bps	263.5bps	162.4bps	147.1bps
Sub Revenue Beat	1.9%	-0.5%	0.2%	2.6%	0.9%	1.1%	0.5%	1.6%	1.0%	1.0%
Non-GAAP EPS Beat	$0.05	$0.00	$0.04	$0.10	$0.11	$0.03	$0.00	$0.04	$0.05	$0.05

Source: Morgan Stanley Research estimates, Company data, Visible Alpha

Exhibit 6: NOW Beat vs Guidance Table

% Beat vs. Guidance										
NOW	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	4 Qtr. Avg.	8 Qtr. Avg.
Total Sub Rev Beat - Mean	2.0%	-0.4%	0.3%	2.7%	1.1%	1.2%	0.5%	1.6%	1.1%	1.1%
Total Sub Rev Beat - High End	1.9%	-0.5%	0.2%	2.6%	1.0%	1.0%	0.4%	1.5%	1.0%	1.0%
Total Sub Rev Beat - Low End	2.1%	-0.3%	0.3%	2.7%	1.2%	1.3%	0.6%	1.6%	1.2%	1.2%

Source: Morgan Stanley Research, Company data, Visible Alpha

Exhibit 7: Latest Job Postings



Source: LinkUp, Morgan Stanley Research

AlphaSignals Earnings Preview

Focus KPI	Focus KPI Surprise	Likely impact to consensus EPS*
ServiceNow Inc NOW.N		
Constant Currency (cc) cRPO Growth	↑ Likely upside surprise	↑ Modest revision higher

*Likely impact to consensus EPS is for the next 12 months
Source: Company data, Morgan Stanley Research

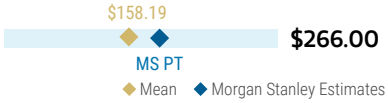
Risk Reward – ServiceNow Inc (NOW.N)

Seeing the Forest For the Trees

PRICE TARGET $180.00

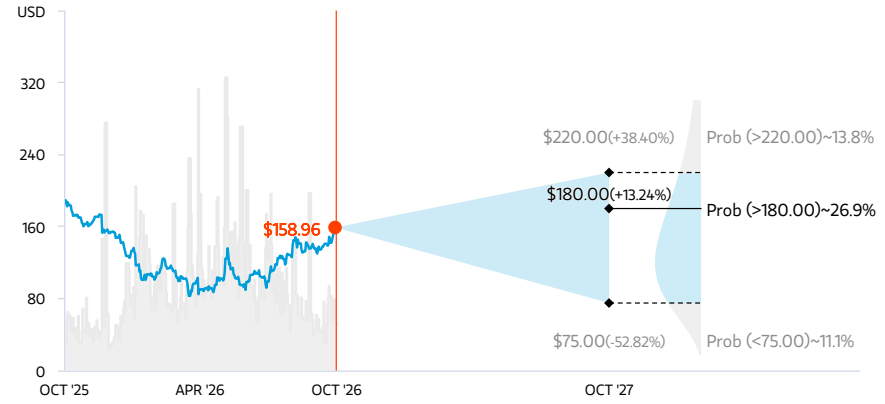
Discount of 21x Base Case CY30e FCF of ~$11.8B, discounted back at 11.9% WACC, plus $7 in CY26 net cash per share. 21x multiple supported by 19% 2-yr FCF CAGR in CY28-CY30.

Consensus Price Target Distribution



Source: Refinitiv, Morgan Stanley Research

RISK REWARD CHART AND OPTIONS IMPLIED PROBABILITIES (12M)



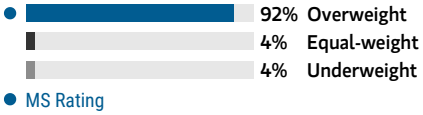
Key: Historical Stock Performance ● Current Stock Price ◆ Price Target

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 23 Oct 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

ServiceNow's strong network of system integrations and cohesive data fabric position the company well to serve as the go-to workflow automation and agentic orchestration platform. The company has generated 20%+ subscription revenue and free cash flow growth and believe it is well-positioned to achieve a similar growth profile supported by expansion into new workflows and Now Assist/new product adoption.

Consensus Rating Distribution



Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

New Data Era: *Positive*

View descriptions of Risk Rewards Themes here

BULL CASE $220.00

Discount of ~23x Bull Case CY30e FCF of ~$13.7B

New Markets Take Off. Demand for NOW's core ITSM offering holds strong, demand for non-core IT workflows takes off. Sub Revenue grows '25-'30 at a 21% CAGR, while margins expand to 36% in FY30 from 10% in FY15. NOW trades at 23x our CY30 FCFe of $13.7B discounted back at 11.9% WACC + $9 in CY26 net cash/share.

BASE CASE $180.00

Discount of ~21x Base Case CY30e FCF of ~$11.8B

Steady Investment in Expanding Market Oppty With Premier Unit Economics Drives Durable FCF CAGR. NOW delivers solid growth through a combination of success in core ITSM and an increasing revenue contribution from new product areas like Now Assist. Sub Revenue grows '25-'30 at a 20% CAGR, while margins expand to 35% in FY30 from 10% in FY15. NOW trades at 21x our CY30 FCFe of $11.8B discounted back at 11.9% WACC + $7 in CY26 net cash/share.

BEAR CASE $75.00

Discount of ~9x Bear Case CY30e FCF of ~$11.2B

TAM Expansion Stalls. NOW continues to see adoption in ITSM, but the revenue generated from new product areas is less than hoped, weighing on forward revenue growth. Sub Revenue grows '25-'30 at a 19% CAGR, while margins expand to 35% in FY30 from 10% in FY15. NOW trades at 9x our CY30 FCFe of $11.2B discounted back at 11.9% WACC + $7 in CY26 net cash/share.



Risk Reward – ServiceNow Inc (NOW.N)

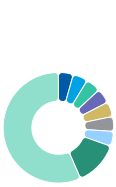
KEY EARNINGS INPUTS

Drivers	Dec 2025	Dec 2026e	Dec 2027e	Dec 2028e
Con. Duration, CC Subscription Billings YoY Growth (%)	0.0	0.0	0.0	0.0
Subscription Revenue YoY Growth (%)	21.0	22.4	19.8	19.0
Total Revenue YoY Growth (%)	20.9	22.1	19.5	18.9
Operating Margin % (%)	31.2	31.5	32.5	33.5
FCF YoY Growth (%)	34.2	22.2	21.3	20.7

INVESTMENT DRIVERS

- Stable levels of sales productivity with sales headcount growing ~30% annually.
- Growth in ACV in enterprise customers from seat growth + adoption of new use cases.
- Growing share in $6B TAM for ITSM plus $54B of additional TAM with newer products.

GLOBAL REVENUE EXPOSURE



0-10% APAC, ex Japan, Mainland China and India
0-10% India
0-10% Japan
0-10% Latin America
0-10% MEA
0-10% Mainland China
0-10% UK
10-20% Europe ex UK
60-70% North America

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

MS ALPHA MODELS

2/5 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

- Greater than expected share gains in new markets as upsell and cross-sell motion takes hold;
- Superior unit economics drive faster than expected FCF growth;
- Improving traction with Federal Government

RISKS TO DOWNSIDE

- Tougher competition from low-end vendors and SaaS peers;
- Sales productivity may decline as with growth if new markets prove challenging;
- Seat-based pricing proves more difficult amidst GenAI disruption

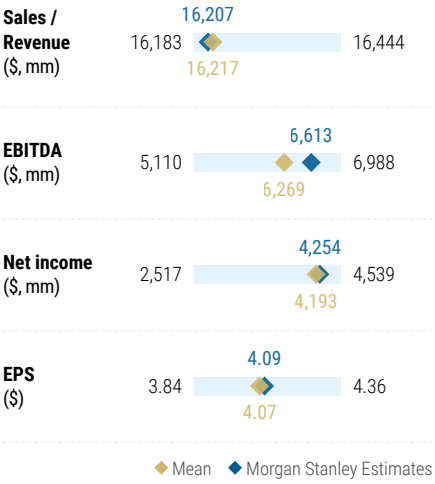
OWNERSHIP POSITIONING

Inst. Owners, % Active	52.8%
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 Dec 2026e



Source: Refinitiv, Morgan Stanley Research

Financials

Exhibit 8: Revenue Drivers

($ in millions, except EPS)

						2026E					2027E					
	FY20	FY21	FY23	FY24	FY25	3/26	6/26	9/26E	12/26E	FY26E	3/27E	6/27E	9/27E	12/27E	FY27E	FY28E
Revenue Model																
Subscription Revenue	**4,285.8**	**5,573.0**	**8,680.0**	**10,646.0**	**12,883.0**	**3,671.0**	**3,877.0**	**3,977.5**	**4,244.4**	**15,770.0**	**4,407.2**	**4,643.9**	**4,771.0**	**5,064.6**	**18,886.8**	**22,479.0**
YoY % change	*31.7%*	*30.0%*	*26.0%*	*22.6%*	*21.0%*	*22.2%*	*24.5%*	*20.6%*	*22.5%*	*22.4%*	*20.1%*	*19.8%*	*20.0%*	*19.3%*	*19.8%*	*19.0%*
QoQ % change						*5.9%*	*5.6%*	*2.6%*	*6.7%*		*3.8%*	*5.4%*	*2.7%*	*6.2%*		
2-Year Avg Seasonality						*6%*	*2%*	*5%*	*5%*		*5%*	*5%*	*4%*	*6%*		
% of Total	*95%*	*95%*	*97%*	*97%*	*97%*	*97%*	*97%*	*97%*	*97%*	*97%*	*98%*	*97%*	*97%*	*98%*	*98%*	*98%*
% of Prior Period Current RPO						*29%*	*31%*	*30%*	*31%*		*29%*	*31%*	*30%*	*32%*		
Upfront Rev from Self-hosted Deployments	*205.0*	*241.0*	*322.0*	*409.0*	*492.0*	*138.0*										
YoY % change	*25.0%*	*17.6%*	*27.3%*	*27.0%*	*20.3%*	*-12.1%*										
Professional Services Revenue	**233.7**	**322.0**	**291.0**	**338.0**	**395.0**	**99.0**	**110.0**	**114.3**	**113.4**	**436.8**	**108.7**	**120.2**	**131.1**	**122.7**	**482.7**	**550.7**
YoY % change	*14%*	*38%*	*-18%*	*16%*	*17%*	*19%*	*8%*	*6%*	*11%*	*11%*	*10%*	*9%*	*15%*	*8%*	*11%*	*14%*
QoQ % change						*-3%*	*11%*	*4%*	*-1%*		*-4%*	*11%*	*9%*	*-6%*		
Attach Rate	*5%*	*6%*	*3%*	*3%*	*3%*	*3%*	*3%*	*3%*	*3%*	*3%*	*2%*	*3%*	*3%*	*2%*	*3%*	*2%*
% of Total	*5%*	*5%*	*3%*	*3%*	*3%*	*3%*	*3%*	*3%*	*3%*	*3%*	*2%*	*3%*	*3%*	*2%*	*2%*	*2%*
Total Revenues	**4,519.5**	**5,895.0**	**8,971.0**	**10,984.0**	**13,278.0**	**3,770.0**	**3,987.0**	**4,091.8**	**4,357.9**	**16,206.7**	**4,515.9**	**4,764.1**	**4,902.2**	**5,187.3**	**19,369.5**	**23,029.7**
YoY % change	*30.6%*	*30.4%*	*23.8%*	*22.4%*	*20.9%*	*22.1%*	*24%*	*20.1%*	*22.1%*	*22.1%*	*19.8%*	*19.5%*	*19.8%*	*19.0%*	*19.5%*	*18.9%*
QoQ % change						*5.7%*	*6%*	*2.6%*	*6.5%*		*3.6%*	*5.5%*	*2.9%*	*5.8%*		
RPO / Bookings Analysis																
Total RPO	**8,900**	**11,500**	**18,000**	**22,300**	**28,200**	**27,700**	**29,000**	**29,037**	**33,562**	**33,562**	**32,997**	**34,499**	**34,401**	**39,737**	**39,737**	**46,895**
YoY Growth	*35%*	*29%*	*29%*	*24%*	*26%*	*25%*	*21%*	*19%*	*19%*	*19%*	*19%*	*19%*	*18%*	*18%*	*18%*	*18%*
QoQ Growth						*-2%*	*5%*	*0%*	*16%*		*-2%*	*5%*	*0%*	*16%*		
2-Year Avg Seasonality						*-1%*	*7%*	*3%*	*15%*		*-1%*	*6%*	*1%*	*16%*		
% to be recognized in NTM per footnotes						*46%*	*46%*	*47%*	*46%*		*46%*	*46%*	*47%*	*46%*		
Current RPO	**4,400**	**5,680**	**8,600**	**10,270**	**12,850**	**12,640**	**13,200**	**13,562**	**15,293**	**15,293**	**15,057**	**15,703**	**16,068**	**18,107**	**18,107**	**21,369**
YoY Growth	*33.3%*	*29.1%*	*23.9%*	*19.4%*	*25.1%*	*22.6%*	*20.9%*	*19.5%*	*19.0%*	*19.0%*	*19.1%*	*19.0%*	*18.5%*	*18.4%*	*18.4%*	*18.0%*
QoQ Growth						*-1.6%*	*4.4%*	*2.7%*	*12.8%*		*-1.5%*	*4.3%*	*2.3%*	*12.7%*		
2-Year Avg Seasonality						*-1%*	*5%*	*5%*	*11%*		*-1%*	*5%*	*3%*	*13%*		
Constant Currency cRPO		**5,808**	**8,520**	**10,490**	**12,440**	*12,450*	*13,280*	*13,622*	*15,353*	**15,353**	*15,057*	*15,703*	*16,068*	*18,107*	**18,107**	**21,369**
YoY Growth		*32.0%*	*22.8%*	*22.0%*	*21.1%*	*20.8%*	*21.6%*	*20.0%*	*19.5%*	*19.5%*	*19.1%*	*19.0%*	*18.5%*	*18.4%*	*18.4%*	*18.0%*
QoQ Growth						*0.1%*	*6.7%*	*2.6%*	*12.7%*		*-1.9%*	*4.3%*	*2.3%*	*12.7%*		
2-Year Avg Seasonality						*-1.0%*	*3.6%*	*4.8%*	*12.3%*		*-0.8%*	*5.0%*	*4.2%*	*11.5%*		
Constant Currency Current RPO (excluding Inorganic Contribution)		**5,808**	**8,520**	**10,490**		**12,296**	**12,981**	**13,305**	**15,015**							
YoY Growth		*32.0%*	*22.8%*	*22.0%*		*19.3%*	*18.9%*	*17.2%*	*16.9%*							
QoQ Growth						*0%*	*6%*	*2%*	*13%*							
Reported cRPO Based Bookings (Current)	**5,619**	**7,175**	**10,631**	**12,654**	**15,888**	**3,560**	**4,547**	**4,454**	**6,089**	**18,650**	**4,280**	**5,410**	**5,267**	**7,227**	**22,184**	**26,291**
YoY Growth	*32%*	*28%*	*25%*	*19%*	*25%*	*14%*	*19%*	*16%*	*20%*	*18%*	*20%*	*19%*	*16%*	*19%*	*19%*	*19%*
QoQ Growth						*-30%*	*28%*	*-2%*	*37%*		*-30%*	*26%*	*-3%*	*37%*		
2-Year Avg Seasonality						*-26%*	*21%*	*7%*	*23%*		*-24%*	*25%*	*-1%*	*34%*		
Subscription Billings / cRPO Bookings Ratio	*89%*	*89%*	*92%*	*92%*	*91%*	*95%*	*87%*	*77%*	*105%*	*92%*	*95%*	*87%*	*80%*	*104%*	*92%*	*92%*
Net New ACV (MSe)	**1,132.2**	**1,476.5**	**1,757.2**	**1,933.0**	**2,126.3**	**581.7**	**406.7**	**417.7**	**908.3**	**2,314.3**	**622.4**	**435.2**	**442.7**	**962.8**	**2,463.1**	**2,621.5**
YoY Growth	*17%*	*30%*	*10%*	*10%*	*10%*	*10%*	*10%*	*8%*	*8%*	*9%*	*7%*	*7%*	*6%*	*6%*	*6%*	*6%*
Constant Currency Net New ACV	**1,112.4**	**1,491.1**	**1,887.4**	**2,139.6**												
% of Full Year (MSe)	*100%*	*100%*	*0%*	*0%*												
YoY Growth	*15%*	*32%*	*18%*	*22%*												
QoQ Growth																
Renewed ACV in the Period (MSe)	**4,253.61**	**5,376.5**	**8,582.8**	**10,383.0**	**13,336.7**	**2,879.3**	**4,030.3**	**3,928.9**	**5,033.0**	**15,871.5**	**3,563.9**	**4,857.1**	**4,709.2**	**6,106.5**	**19,236.8**	**23,159.7**
YoY Growth	*38%*	*26%*	*31%*	*21%*	*28%*	*14%*	*20%*	*18%*	*22%*	*19%*	*24%*	*21%*	*20%*	*21%*	*21%*	*20%*
QoQ Growth						*-30%*	*40%*	*-3%*	*28%*		*-29%*	*36%*	*-3%*	*30%*		
Constant Currency Renewed ACV (MSe)	**4,181.0**	**5,420.0**	**8,512.1**	**10,053.8**												
YoY Growth	*35%*	*27%*	*30%*	*17%*												
QoQ Growth																
Renewal Rate - Reported	*98%*	*98%*	*99%*	*98%*	*98%*	*98%*	*98%*	*98%*	*98%*	*98%*	*98%*	*98%*	*98%*	*98%*	*98%*	*98%*
ACV for Renewal in Period (MSe)	*4,345.1*	*5,493.8*	*8,708.4*	*10,594.9*	*13,608.9*	*2,938.0*	*4,112.6*	*4,009.1*	*5,135.8*	*16,195.4*	*3,636.7*	*4,956.3*	*4,805.3*	*6,231.1*	*19,629.4*	*23,632.3*
Churned ACV in Period (MSe)	*91.45*	*117.14*	*125.69*	*211.90*	*272.18*	*58.8*	*82.3*	*80.2*	*102.7*	*323.91*	*72.7*	*99.1*	*96.1*	*124.6*	*392.59*	*472.65*
% of Renewal Base Renewed in Period (MSe)						*20.7%*	*28.8%*	*27.1%*	*33.4%*		*21.7%*	*28.9%*	*27.0%*	*33.5%*		
Renewal Base Estimate at the End of Period (MSe)						*14,281.6*	*14,783.6*	*15,381.1*	*16,779.8*		*17,178.6*	*17,818.2*	*18,606.0*	*20,199.6*		
Professional Services Bookings	**233.7**	**322.0**	**291.0**	**338.0**	**395.0**	**99.0**	**110.0**	**107.8**	**147.3**	**464.1**	**93.3**	**118.0**	**114.8**	**157.6**	**483.7**	**510.2**
YoY Growth																
QoQ Growth																
Attach Rate						*3%*	*2%*	*2%*	*2%*		*2%*	*2%*	*2%*	*2%*		

Source Company data, Morgan Stanley Research estimates

Exhibit 9: Income Statement

($ millions, Except Per-Share Data)

				2026E					2027E					
	FY23	FY24	FY25	3/26	6/26	9/26E	12/26E	FY26E	3/27E	6/27E	9/27E	12/27E	FY27E	FY28E
Subscription Revenue	**8,680.0**	**10,646.0**	**12,883.0**	**3,671.0**	**3,877.0**	**3,977.5**	**4,244.4**	**15,770.0**	**4,407.2**	**4,643.9**	**4,771.0**	**5,064.6**	**18,886.8**	**22,479.0**
Year over year % change	*26.0%*	*22.6%*	*21.0%*	*22.2%*	*24.5%*	*20.6%*	*22.5%*	*22.4%*	*20.1%*	*19.8%*	*20.0%*	*19.3%*	*19.8%*	*19.0%*
Professional Services Revenue	**291.0**	**338.0**	**395.0**	**99.0**	**110.0**	**114.3**	**113.4**	**436.8**	**108.7**	**120.2**	**131.1**	**122.7**	**482.7**	**550.7**
Year over year % change	*-17.8%*	*16.2%*	*16.9%*	*19.3%*	*7.8%*	*5.8%*	*11.2%*	*10.6%*	*9.8%*	*9.2%*	*14.7%*	*8.2%*	*10.5%*	*14.1%*
Total Revenue	**8,971.0**	**10,984.0**	**13,278.0**	**3,770.0**	**3,987.0**	**4,091.8**	**4,357.9**	**16,206.7**	**4,515.9**	**4,764.1**	**4,902.2**	**5,187.3**	**19,369.5**	**23,029.7**
Year over year % change	*23.8%*	*22.4%*	*20.9%*	*22.1%*	*24.0%*	*20.1%*	*22.1%*	*22.1%*	*19.8%*	*19.5%*	*19.8%*	*19.0%*	*19.5%*	*18.9%*
Quarter over quarter % change				*5.7%*	*5.8%*	*2.6%*	*6.5%*		*3.6%*	*5.5%*	*2.9%*	*5.8%*		
Cost of Revenue														
Cost of Subscription Revenue	1,327.0	1,608.0	2,150.0	674.0	754.0	777.5	833.9	3,039.5	865.9	912.4	937.4	995.1	3,710.9	4,416.7
Cost of Professional Services Revenue	263.0	299.0	367.0	108.0	126.0	101.3	115.4	450.7	118.3	137.3	115.9	124.5	496.1	561.8
Total Cost of Revenue	1,590.0	1,907.0	2,517.0	782.0	880.0	878.8	949.3	3,490.2	984.3	1,049.8	1,053.3	1,119.6	4,207.0	4,978.5
Gross Profit	**7,381.0**	**9,077.0**	**10,761.0**	**2,988.0**	**3,107.0**	**3,213.0**	**3,408.6**	**12,716.5**	**3,531.7**	**3,714.3**	**3,848.8**	**4,067.7**	**15,162.6**	**18,051.2**
Gross Margin	***82.3%***	***82.6%***	***81.0%***	***79.3%***	***77.9%***	***78.5%***	***78.2%***	***78.5%***	***78.2%***	***78.0%***	***78.5%***	***78.4%***	***78.3%***	***78.4%***
Subscription Gross Margin	*84.7%*	*84.9%*	*83.3%*	*81.6%*	*80.6%*	*80.5%*	*80.4%*	*80.7%*	*80.4%*	*80.4%*	*80.4%*	*80.4%*	*80.4%*	*80.4%*
Professional Services Gross Margin	*9.6%*	*11.5%*	*7.1%*	*-9.1%*	*-14.5%*	*11.4%*	*-1.7%*	*-3.2%*	*-8.8%*	*-14.3%*	*11.6%*	*-1.5%*	*-2.8%*	*-2.0%*
Operating Expenses														
Sales & Marketing	2,796.0	3,289.0	3,755.0	1,041.0	1,116.0	1,058.0	1,060.8	4,275.9	1,152.1	1,309.7	1,243.1	1,252.4	4,957.3	5,758.7
Research & Development	1,533.0	1,860.0	2,148.0	582.0	613.0	656.2	657.6	2,508.8	681.3	727.7	737.2	738.6	2,884.9	3,367.9
General & Administration	563.0	673.0	709.0	166.0	205.0	230.6	231.3	832.9	244.0	256.9	264.1	267.5	1,032.5	1,216.1
Total Operating Expenses	4,892.0	5,822.0	6,612.0	1,789.0	1,934.0	1,944.9	1,949.7	7,617.6	2,077.5	2,294.3	2,244.3	2,258.5	8,874.6	10,342.7
Year over year % change	*19%*	*19%*	*14%*	*13%*	*17%*	*20%*	*11%*	*15%*	*16%*	*19%*	*15%*	*16%*	*17%*	*17%*
Operating Income	**2,489.0**	**3,255.0**	**4,149.0**	**1,199.0**	**1,173.0**	**1,268.1**	**1,458.9**	**5,098.9**	**1,454.2**	**1,420.1**	**1,604.5**	**1,809.2**	**6,288.0**	**7,708.5**
Operating Margin	***27.7%***	***29.6%***	***31.2%***	***31.8%***	***29.4%***	***31.0%***	***33.5%***	***31.5%***	***32.2%***	***29.8%***	***32.7%***	***34.9%***	***32.5%***	***33.5%***
Depreciation	562.0	564.0	738.0	258.0	407.0	417.0	431.7	1,513.6	420.3	434.2	446.0	462.8	1,763.3	1,954.2
EBITDA	**3,051.0**	**3,819.0**	**4,887.0**	**1,457.0**	**1,580.0**	**1,685.0**	**1,890.5**	**6,612.5**	**1,874.5**	**1,854.2**	**2,050.5**	**2,272.0**	**8,051.3**	**9,662.7**
EBITDA Margin	***34.0%***	***34.8%***	***36.8%***	***38.6%***	***39.6%***	***41.2%***	***43.4%***	***40.8%***	***41.5%***	***38.9%***	***41.8%***	***43.8%***	***41.6%***	***42.0%***
Net Interest and Other Income (Expense)	246.0	374.0	437.0	170.0	276.0	70.0	93.5	609.5	60.3	77.0	83.2	89.7	310.2	266.0
Income Before Taxes	2,735.0	3,629.0	4,586.0	1,369.0	1,449.0	1,338.1	1,552.4	5,708.4	1,514.5	1,497.0	1,687.8	1,898.9	6,598.2	7,974.5
% of revenues	30.5%	33.0%	34.5%	36.3%	36.3%	32.7%	35.6%	35.2%	33.5%	31.4%	34.4%	36.6%	34.1%	34.6%
Provision (Benefit) for Income Taxes	520.0	727.0	917.0	357.0	519.0	267.8	310.4	1,454.2	302.8	299.3	337.5	379.7	1,319.4	1,594.6
% Tax Rate	19.0%	20.0%	20.0%	26.1%	35.8%	20%	20%	25.5%	20%	20%	20%	20%	20.0%	20.0%
Net income	**2,215.0**	**2,902.0**	**3,669.0**	**1,012.0**	**930.0**	**1,070.2**	**1,242.0**	**4,254.2**	**1,211.7**	**1,197.7**	**1,350.3**	**1,519.2**	**5,278.8**	**6,380.0**
Net margin	**24.7%**	**26.4%**	**27.6%**	**26.8%**	**23.3%**	**26.2%**	**28.5%**	**26.2%**	**26.8%**	**25.1%**	**27.5%**	**29.3%**	**27.3%**	**27.7%**
Pro Forma EPS - Operating[1]	**$2.16**	**$2.78**	**$3.51**	**$0.97**	**$0.90**	**$1.02**	**$1.20**	**$4.09**	**$1.16**	**$1.15**	**$1.29**	**$1.45**	**$5.06**	**$6.05**

Source: Company data, Morgan Stanley Research estimates

Exhibit 10: Balance Sheet

($ in millions, except EPS)				2026E					2027E					
	FY23	FY24	FY25	3/26	6/26	9/26E	12/26E	FY26E	3/27E	6/27E	9/27E	12/27E	FY27E	FY28E
Assets														
Cash and Cash Equivalents	1,904.4	2,304.0	3,726.0	2,702.0	2,503.0	3,180.9	5,870.4	5,870.4	8,093.9	8,922.4	9,785.9	12,745.0	12,745.0	21,040.1
Short Term Investments	2,972.6	3,458.0	2,558.0	2,480.0	2,161.0	2,161.0	2,161.0	2,161.0	2,161.0	2,161.0	2,161.0	2,161.0	2,161.0	2,161.0
Accounts Receivables, net	2,036.0	2,240.0	2,627.0	1,713.0	2,201.0	2,177.4	3,450.7	3,450.7	2,403.2	3,159.3	3,207.8	4,395.6	4,395.6	5,288.1
Deferred Commissions	461.0	517.0	590.0	591.0	594.0	602.7	657.5	657.5	668.1	675.2	690.5	755.3	755.3	877.3
Prepaids and Other Current Assets	403.0	668.0	970.0	949.0	1,055.0	914.0	997.6	997.6	694.7	737.8	635.7	1,124.5	1,124.5	1,026.0
Deferred Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	**7,777.0**	**9,187.0**	**10,471.0**	**8,435.0**	**8,514.0**	**9,036.0**	**13,137.1**	**13,137.1**	**14,020.9**	**15,655.7**	**16,481.0**	**21,181.4**	**21,181.4**	**30,392.5**
Property and Equipment, net	1,358.0	1,763.0	2,289.0	2,250.0	2,177.0	2,265.0	2,334.8	2,334.8	2,304.7	2,226.7	2,343.7	2,435.4	2,435.4	2,530.8
Deferred Commissions, less current	919.0	999.0	1,114.0	1,129.0	1,136.0	1,152.5	1,257.3	1,257.3	1,277.7	1,291.2	1,320.6	1,444.5	1,444.5	1,677.8
Intangible Assets, net	224.0	209.0	1,121.0	1,479.0	3,781.0	3,562.0	3,343.0	3,343.0	3,124.0	2,905.0	2,686.0	2,467.0	2,467.0	1,591.0
Goodwill	1,231.0	1,273.0	3,578.0	4,541.0	9,837.0	9,837.0	9,837.0	9,837.0	9,837.0	9,837.0	9,837.0	9,837.0	9,837.0	9,837.0
Deferred Income taxes	-	-	1,056.0	914.0	890.0	890.0	890.0	890.0	890.0	890.0	890.0	890.0	890.0	890.0
Long Term Investments	3,203.0	4,111.0	3,771.0	2,724.0	2,043.0	2,043.0	2,043.0	2,043.0	2,043.0	2,043.0	2,043.0	2,043.0	2,043.0	2,043.0
Other Assets	2,675.0	2,841.0	2,638.0	2,909.0	3,288.0	3,288.0	3,288.0	3,288.0	3,288.0	3,288.0	3,288.0	3,288.0	3,288.0	3,288.0
Investment in Unconsolidated Affiliate	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets	**17,387.0**	**20,383.0**	**26,038.0**	**24,381.0**	**31,666.0**	**32,073.5**	**36,130.3**	**36,130.3**	**36,785.3**	**38,136.6**	**38,889.3**	**43,586.3**	**43,586.3**	**52,250.0**
Liabilities														
Accounts Payable	126.0	68.0	204.0	427.0	162.0	274.7	525.7	525.7	743.4	229.2	393.1	612.5	612.5	724.0
Accrued Compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Accrued	1,365.0	1,369.0	1,813.0	1,408.0	1,738.0	1,583.0	2,088.7	2,088.7	1,632.7	1,733.3	1,481.9	1,994.1	1,994.1	1,806.9
Warrant Liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Revenue	5,785.0	6,819.0	8,314.0	8,030.0	8,057.0	7,478.8	9,545.9	9,545.9	9,127.8	9,104.2	8,474.6	10,756.6	10,756.6	11,962.3
Short-Term Debt	-	-	-	-	2,082.0	2,082.0	2,082.0	2,082.0	2,082.0	2,082.0	2,082.0	2,082.0	2,082.0	2,082.0
Other Short-term Liabilities	89.0	102.0	112.0	118.0	114.0	114.0	114.0	114.0	114.0	114.0	114.0	114.0	114.0	114.0
Total Current Liabilities	**7,365.0**	**8,358.0**	**10,443.0**	**9,983.0**	**12,153.0**	**11,532.4**	**14,356.3**	**14,356.3**	**13,699.9**	**13,262.7**	**12,545.5**	**15,559.2**	**15,559.2**	**16,689.1**
Deferred Revenue	81.0	95.0	120.0	99.0	135.0	170.5	235.4	235.4	276.8	324.7	367.8	443.3	443.3	688.1
Other Liabilities	825.0	832.0	800.0	1,080.0	1,427.0	1,427.0	1,427.0	1,427.0	1,427.0	1,427.0	1,427.0	1,427.0	1,427.0	1,427.0
Long-Term Debt	1,488.0	1,489.0	1,711.0	1,491.0	5,435.0	5,435.0	5,435.0	5,435.0	5,435.0	5,435.0	5,435.0	5,435.0	5,435.0	5,435.0
Total Liabilities	**9,759.0**	**10,774.0**	**13,074.0**	**12,653.0**	**19,150.0**	**18,564.9**	**21,453.7**	**21,453.7**	**20,838.6**	**20,449.4**	**19,775.3**	**22,864.5**	**22,864.5**	**24,239.1**
Preferred Stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Common stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additional Paid-in Capital	8,301.8	9,588.8	9,973.8	8,459.8	9,115.8	9,777.8	10,471.9	10,471.9	11,179.9	11,914.9	12,659.0	13,433.4	13,433.4	16,724.2
Retained Earnings (Accumulated Deficit)	2,045.9	3,470.9	5,218.9	5,687.9	5,985.9	6,316.6	6,790.4	6,790.4	7,352.4	8,358.0	9,040.6	9,874.1	9,874.1	13,872.3
Accumulated Other Comprehensive Gain (Loss)	(2,719.7)	(3,450.7)	(2,228.7)	(2,419.7)	(2,585.7)	(2,585.7)	(2,585.7)	(2,585.7)	(2,585.7)	(2,585.7)	(2,585.7)	(2,585.7)	(2,585.7)	(2,585.7)
Total Stockholders' Equity	**7,628.0**	**9,609.0**	**12,964.0**	**11,728.0**	**12,516.0**	**13,508.6**	**14,676.6**	**14,676.6**	**15,946.6**	**17,687.2**	**19,113.9**	**20,721.8**	**20,721.8**	**28,010.9**
Total Liabilities and Stockholders' Equity	**17,387.0**	**20,383.0**	**26,038.0**	**24,381.0**	**31,666.0**	**32,073.5**	**36,130.3**	**36,130.3**	**36,785.3**	**38,136.6**	**38,889.3**	**43,586.3**	**43,586.3**	**52,250.0**

Source: Company data, Morgan Stanley Research estimates

Exhibit 11: Cash Flow Statement

($ in millions, except EPS)				2026E					2027E					
	FY23	FY24	FY25	3/26	6/26	9/26E	12/26E	FY26E	3/27E	6/27E	9/27E	12/27E	FY27E	FY28E
Net Income	1,731.0	1,425.0	1,748.0	469.0	298.0	330.6	473.8	1,571.4	562.0	1,005.6	682.6	833.5	3,083.7	3,998.2
Depreciation and Amortization	562.0	564.0	738.0	258.0	407.0	417.0	431.7	1,513.6	420.3	434.2	446.0	462.8	1,763.3	1,954.2
Amortization of Deferred Commissions	459.0	550.0	621.0	168.0	172.0	177.6	186.0	703.6	188.8	194.6	201.9	213.1	798.4	920.8
Stock Compensation Expenses	1,604.0	1,746.0	1,955.0	547.0	652.0	662.0	694.1	2,555.1	708.0	735.0	744.1	774.4	2,961.5	3,290.8
Tax Benefit from exercise of stock options	-	-	-			-	-	-	-	-	-	-	-	-
Provision for Bad Debts	-	-	-			-	-	-	-	-	-	-	-	-
Loss on Disposal of PPE	-	-	-			-	-	-	-	-	-	-	-	-
Deferred Income Taxes	(857.0)	98.0	172.0	102.0	36.0	-	-	138.0	-	-	-	-	-	-
Other	-	(51.0)	181.0	(82.0)	(215.0)	-	-	(297.0)	-	-	-	-	-	-
Changes in Working Capital														
Accounts Receivable	(300.0)	(254.0)	(312.0)	912.0	(441.0)	23.6	(1,273.3)	(778.7)	1,047.5	(756.2)	(48.4)	(1,187.8)	(945.0)	(892.4)
Deferred Commissions	(717.0)	(713.0)	(758.0)	(195.0)	(181.0)	(202.8)	(345.6)	(924.4)	(219.8)	(215.2)	(246.7)	(401.8)	(1,083.4)	(1,276.1)
Prepaid Expenses and Other Assets	(203.0)	(338.4)	(384.0)	(42.0)	(76.0)	141.0	(83.5)	(60.6)	302.9	(43.1)	102.1	(488.8)	(126.9)	98.4
Other Assets	-	-	-	-	-	-		-	-	-	-	-	-	-
Accounts Payable	(142.0)	(52.0)	55.0	250.0	(241.0)	112.7	251.0	372.7	217.7	(514.2)	163.9	219.5	86.9	111.4
Other Accrued Liabilities	176.0	107.0	249.0	(278.0)	(104.0)	(155.0)	505.7	(31.3)	(456.0)	100.6	(251.5)	512.2	(94.6)	(187.3)
Deferred Revenue	1,085.0	1,179.0	1,179.0	(439.0)	280.0	(542.7)	2,132.1	1,430.3	(376.7)	24.3	(586.5)	2,357.4	1,418.5	1,450.5
Other Items and Liabilities	-	-	-			-	-	-	-	-	-	-	-	-
Net Cash Provided by (used in) Operating Activities	**3,398.0**	**4,260.6**	**5,444.0**	**1,670.0**	**587.0**	**963.9**	**2,972.0**	**6,192.8**	**2,394.7**	**965.7**	**1,207.5**	**3,294.6**	**7,862.5**	**9,468.7**
YoY Growth	*24.8%*	*25.4%*	*27.8%*	*0%*	*-18%*	*19%*	*33%*	*13.8%*	*43%*	*65%*	*25%*	*11%*	*27.0%*	*20.4%*
Capital Expenditures	(694.0)	(852.0)	(868.0)	(141.0)	(114.0)	(286.0)	(282.4)	(823.4)	(171.2)	(137.2)	(344.0)	(335.6)	(987.9)	(1,173.6)
Maturities/(Purchases) of Investments	(1,187.0)	(1,715.0)	225.0	987.0	937.0			1,924.0					-	-
Net Cash Paid for Acquisitions, Other Assets	(282.0)	(72.0)	(1,026.0)	(1,325.0)	(7,451.0)	-	-	(8,776.0)	-	-	-	-	-	-
Restricted Cash	-	-	-					-					-	-
Other Investing Activities	(4.0)	(46.0)	(20.0)	28.0	(26.0)	-	-	2.0	-	-	-	-	-	-
Net Cash Provided by (used in) Investing Activities	**(2,167.0)**	**(2,685.0)**	**(1,689.0)**	**(451.0)**	**(6,654.0)**	**(286.0)**	**(282.4)**	**(7,673.4)**	**(171.2)**	**(137.2)**	**(344.0)**	**(335.6)**	**(987.9)**	**(1,173.6)**
Proceeds from Issuance of Common Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Issuance of Preferred Shares	-	-	-	-	-			-					-	-
Proceeds from Exercise of Stock Options and Restricted Stock	194.0	237.0	270.0	153.0	1.0			154.0					-	-
Tax Benefit from exercise of stock options	(332.0)	(527.0)	(770.0)	(164.0)	(117.0)	-	-	(281.0)	-	-	-	-	-	-
Stock Repurchases	(538.0)	(696.0)	(1,840.0)	(2,225.0)	-	-	-	(2,225.0)	-	-	-	-	-	-
Net Borrowing	-	-	-		5,997.0			5,997.0					-	-
Other Financing Activities	(127.0)	(173.0)	-		(7.0)	-	-	(7.0)	-	-	-	-	-	-
Net Cash Provided by (used in) Financing Activities	**(803.0)**	**(1,159.0)**	**(2,340.0)**	**(2,236.0)**	**5,874.0**	**-**	**-**	**3,638.0**	**-**	**-**	**-**	**-**	**-**	**-**
Exchange Rate Impact	1.0	(17.0)	7.0	(7.0)	(6.0)	-	-	(13.0)	-	-	-	-	-	-
Change in Cash and Cash Equivalents	**429.0**	**399.6**	**1,422.0**	**(1,024.0)**	**(199.0)**	**677.9**	**2,689.6**	**2,144.4**	**2,223.4**	**828.5**	**863.5**	**2,959.0**	**6,874.6**	**8,295.1**
Cash, Beginning of Period	**1,475.4**	**1,904.4**	**2,304.0**	**3,726.0**	**2,702.0**	**2,503.0**	**3,180.9**	**3,726.0**	**5,870.4**	**8,093.9**	**8,922.4**	**9,785.9**	**5,870.4**	**12,745.0**
Cash, end of Period	**1,904.4**	**2,304.0**	**3,726.0**	**2,702.0**	**2,503.0**	**3,180.9**	**5,870.4**	**5,870.4**	**8,093.9**	**8,922.4**	**9,785.9**	**12,745.0**	**12,745.0**	**21,040.1**

Source: Company data, Morgan Stanley Research estimates

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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(as of September 30, 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	1599	43%	455	48%	28%	783	44%
Equal-weight/Hold	1563	42%	394	42%	25%	763	43%
Not-Rated/Hold	2	0%	1	0%	50%	1	0%
Underweight/Sell	570	15%	96	10%	17%	227	13%
Total	3,734		946			1774	

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.

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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.

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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.

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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.

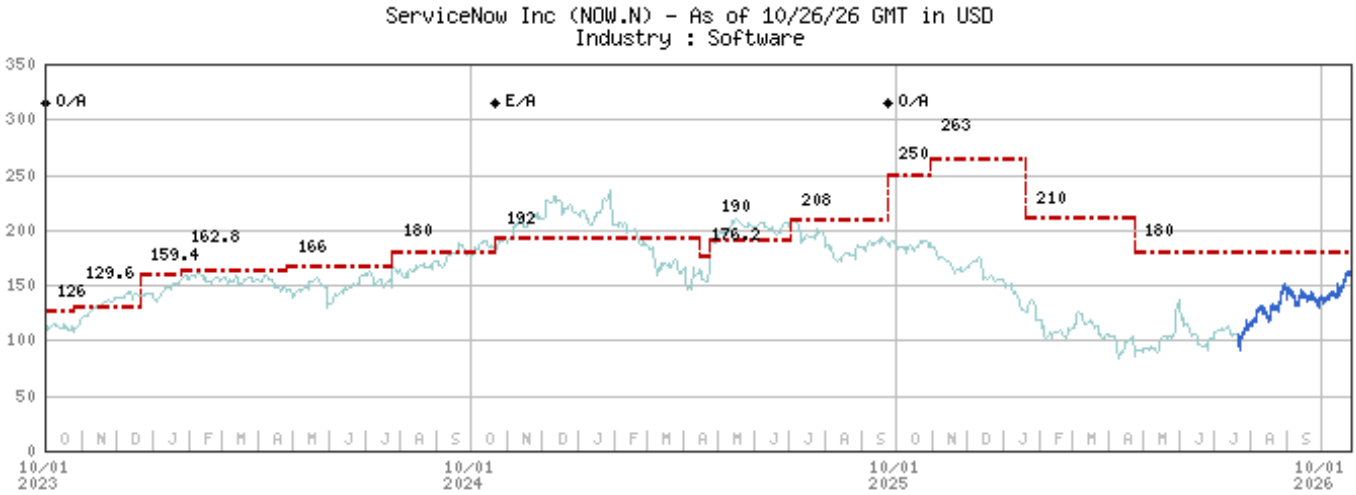
In-Line (I): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be in line with the relevant broad market benchmark, as indicated below.

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.

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



Stock Rating History: 10/1/21 : O/A; 10/21/24 : E/A; 9/24/25 : O/A

Price Target History: 7/29/21 : 140; 10/4/21 : 159.2; 10/28/21 : 161.4; 1/27/22 : 162; 4/28/22 : 149; 5/18/22 : 118.8; 7/14/22 : 115; 7/27/22 : 111.2; 10/19/22 : 108; 10/26/22 : 104; 12/19/22 : 122.4; 5/9/23 : 117.2; 7/26/23 : 126; 10/26/23 : 129.6; 12/21/23 : 159.4; 1/25/24 : 162.8; 4/25/24 : 166; 7/25/24 : 180; 10/21/24 : 192; 4/15/25 : 176.2; 4/24/25 : 190; 7/2/25 : 208; 9/24/25 : 250; 10/30/25 : 263; 1/20/26 : 210; 4/23/26 : 180

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.

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INDUSTRY COVERAGE: Software

COMPANY (TICKER)	RATING (AS OF)	PRICE* (10/23/2026)
Adam Wood		
Adobe Inc. (ADBE.O)	U (07/21/2026)	$263.82
Atlassian Corporation PLC (TEAM.O)	O (01/13/2020)	$227.61
CoreWeave (CRWV.O)	E (10/23/2026)	$54.24
Intuit (INTU.O)	E (07/21/2026)	$343.39
Microsoft (MSFT.O)	O (07/21/2026)	$524.51
Salesforce, Inc. (CRM.N)	E (07/21/2026)	$248.57
Samsara Inc (IOT.N)	E (03/23/2023)	$44.92
ServiceNow Inc (NOW.N)	O (09/24/2025)	$158.96
Shopify Inc (SHOP.O)	O (04/19/2024)	$168.68
Workday Inc (WDAY.O)	U (07/21/2026)	$209.99
Chris Quintero		
BILL Holdings Inc (BILL.N)	E (06/10/2025)	$50.70
Blackline Inc (BL.O)	E (07/21/2026)	$34.80
Box Inc (BOX.N)	E (05/21/2024)	$43.18
CCC Intelligent Solutions Holdings Inc (CCC.O)	++	$7.67
Descartes Systems Group Inc (DSGX.O)	O (01/15/2026)	$93.96
DocuSign Inc (DOCU.O)	E (01/16/2024)	$85.27
Manhattan Associates Inc. (MANH.O)	O (10/11/2026)	$238.19
Navan Inc (NAVN.O)	O (11/24/2025)	$26.96
ServiceTitan Inc (TTAN.O)	O (01/20/2026)	$87.06
SPS Commerce Inc (SPSC.O)	U (07/21/2026)	$92.63
Vertex Inc. (VERX.O)	E (07/21/2026)	$15.39

Via Transportation Inc (VIA.N)	O (01/20/2026)	$36.75
Elizabeth Porter, CFA		
Amplitude Inc. (AMPL.O)	O (01/15/2026)	$17.42
Asana Inc (ASAN.N)	U (05/20/2025)	$12.02
Autodesk (ADSK.O)	O (08/23/2024)	$252.20
Bandwidth Inc (BAND.O)	E (10/16/2026)	$44.18
Figma Inc (FIG.N)	E (08/25/2025)	$24.64
Five9 Inc (FIVN.O)	E (10/10/2022)	$37.61
Freshworks Inc (FRSH.O)	E (10/18/2021)	$15.49
GoDaddy Inc (GDDY.N)	E (07/19/2021)	$112.79
HubSpot, Inc. (HUBS.N)	O (03/21/2023)	$270.88
Klaviyo, Inc (KVYO.N)	O (04/29/2026)	$21.11
Liveramp Holdings Inc (RAMP.N)	E (01/13/2025)	$38.24
monday.com Ltd (MNDY.O)	O (08/12/2025)	$106.53
NICE Ltd. (NICE.O)	E (07/21/2026)	$121.18
Octave Intelligence Plc (OCTV.O)	E (09/17/2026)	$21.29
RingCentral Inc (RNG.N)	E (08/08/2023)	$83.39
Sprinklr Inc (CXM.N)	E (07/19/2021)	$6.69
Sprout Social Inc (SPT.O)	E (11/17/2020)	$12.86
Toast, Inc. (TOST.N)	O (12/16/2021)	$32.71
Twilio Inc (TWLO.N)	O (02/24/2025)	$261.79
Wix.Com Ltd (WIX.O)	E (07/21/2026)	$81.94
Zeta Global Holdings Corp (ZETA.N)	E (08/01/2024)	$33.98
Zoom Communications (ZM.O)	E (10/11/2022)	$95.77
ZoomInfo Technologies Inc (GTM.O)	E (02/01/2024)	$4.35
Meryl R Thomas, CFA		
Lightspeed Commerce Inc. (LSPD.N)	E (02/18/2021)	$11.13
Meta A Marshall		
Check Point Software Technologies Ltd. (CHKP.O)	E (10/16/2023)	$159.03
CrowdStrike Holdings Inc (CRWD.O)	O (03/10/2026)	$257.57
Fortinet Inc. (FTNT.O)	E (07/21/2026)	$179.99
Gen Digital Inc. (GEN.O)	E (06/07/2024)	$24.88
Netskope, Inc. (NTSK.O)	O (10/13/2025)	$24.28
Okta, Inc. (OKTA.O)	O (12/02/2024)	$213.05
Palo Alto Networks Inc (PANW.O)	O (10/10/2017)	$380.55
Qualys Inc (QLYS.O)	U (02/09/2021)	$216.70
Rapid7 Inc (RPD.O)	U (07/21/2026)	$14.91
SailPoint Inc (SAIL.O)	O (09/02/2025)	$21.79
SentinelOne, Inc. (S.N)	E (12/02/2024)	$24.00
Tenable Holdings Inc (TENB.O)	E (12/02/2024)	$44.59
Varonis Systems, Inc. (VRNS.O)	++	$48.88
Zscaler Inc (ZS.O)	E (04/22/2026)	$255.15
Ryan Lountzis		
Nebius Group NV (NBIS.O)	E (01/15/2026)	$158.74
Sanjit K Singh		
Akamai Technologies, Inc. (AKAM.O)	O (01/12/2026)	$93.53
Appian Corp (APPN.O)	E (04/30/2026)	$52.35
C3.ai (AI.N)	U (01/04/2021)	$12.46
Cloudflare Inc (NET.N)	O (12/02/2024)	$325.73
Datadog, Inc. (DDOG.O)	O (01/12/2026)	$269.65
DigitalOcean Holdings Inc (DOCN.N)	O (01/16/2025)	$93.22
Dynatrace Inc (DT.N)	O (08/25/2026)	$64.05
Elastic NV (ESTC.N)	E (07/21/2026)	$102.43
GitLab Inc (GTLB.O)	E (01/12/2026)	$56.28

JFrog Ltd. (FROG.O)	E (07/21/2026)	$100.62
MongoDB Inc (MDB.O)	O (04/12/2023)	$371.09
Oracle Corporation (ORCL.N)	E (01/15/2019)	$126.16
PagerDuty, Inc. (PD.N)	U (07/21/2026)	$17.49
Palantir Technologies Inc. (PLTR.O)	E (02/04/2025)	$196.75
Snowflake Inc. (SNOW.N)	O (06/24/2025)	$325.43
UiPath Inc (PATH.N)	E (09/07/2022)	$14.13

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