



Financial Analyst Day

September 13, 2022

Agenda

Our Momentum	.....	Aneel Bhusri – Co-Founder, Co-CEO, and Chairman Chano Fernandez – Co-CEO
Our Expanding Opportunity	.....	Pete Schlampp – Chief Strategy Officer
Our Innovation Story	.....	Sayan Chakraborty – EVP, Product and Technology Terrance Wampler – Group GM, oCFO David Somers – Group GM, oCHRO
Break		
Our Customer Experience	.....	Sheri Rhodes – Chief Customer Officer
Our Partner Journey	.....	Sam Alkharrat – Chief Partner Officer
Our Go-to-Market Strategy	.....	Chano Fernandez – Co-CEO
Our Powerful Model	.....	Barbara Larson – Chief Financial Officer
Q&A	.....	Executive Staff

Safe Harbor Statement

This presentation may contain forward-looking statements for which there are risks, uncertainties, and assumptions.

Forward-looking statements may include any statements regarding strategies or plans for future operations; any statements concerning new features, enhancements or upgrades to our existing applications or plans for future applications; any projections of revenues, gross margins, earnings, or other financial items; and any statements of expectation or belief. Forward-looking statements are based only on currently available information and our current beliefs, expectations, and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy, and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks, and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements, and therefore you should not rely on any forward-looking statements that we may make. Further information on risks that could affect Workday's results is included in our filings with the Securities and Exchange Commission which are available on the Workday investor relations webpage: www.workday.com/company/investor_relations.php

Workday assumes no obligation for, and does not intend to update, any forward-looking statements. Any unreleased services, features, functionality or enhancements referenced in any Workday document, roadmap, blog, our website, press release or public statement that are not currently available are subject to change at Workday's discretion and may not be delivered as planned or at all.

Customers who purchase Workday services should make their purchase decisions based upon services, features, and functions that are currently available.

Use of Non-GAAP Financial Measures

A reconciliation of non-GAAP product development expense, sales and marketing expense, gross margin, and operating margin to GAAP product development expense, sales and marketing expense, gross margin, and operating margin is included at the end of this presentation within the Appendix. A reconciliation of our forward outlook for non-GAAP margins to our forward-looking GAAP margins is not available without unreasonable efforts as the quantification of share-based compensation expense, which is excluded from our non-GAAP margins, requires additional inputs such as the number of shares granted and market prices that are not ascertainable. The impact of share-based compensation may have a significant impact on our margins in any given period.



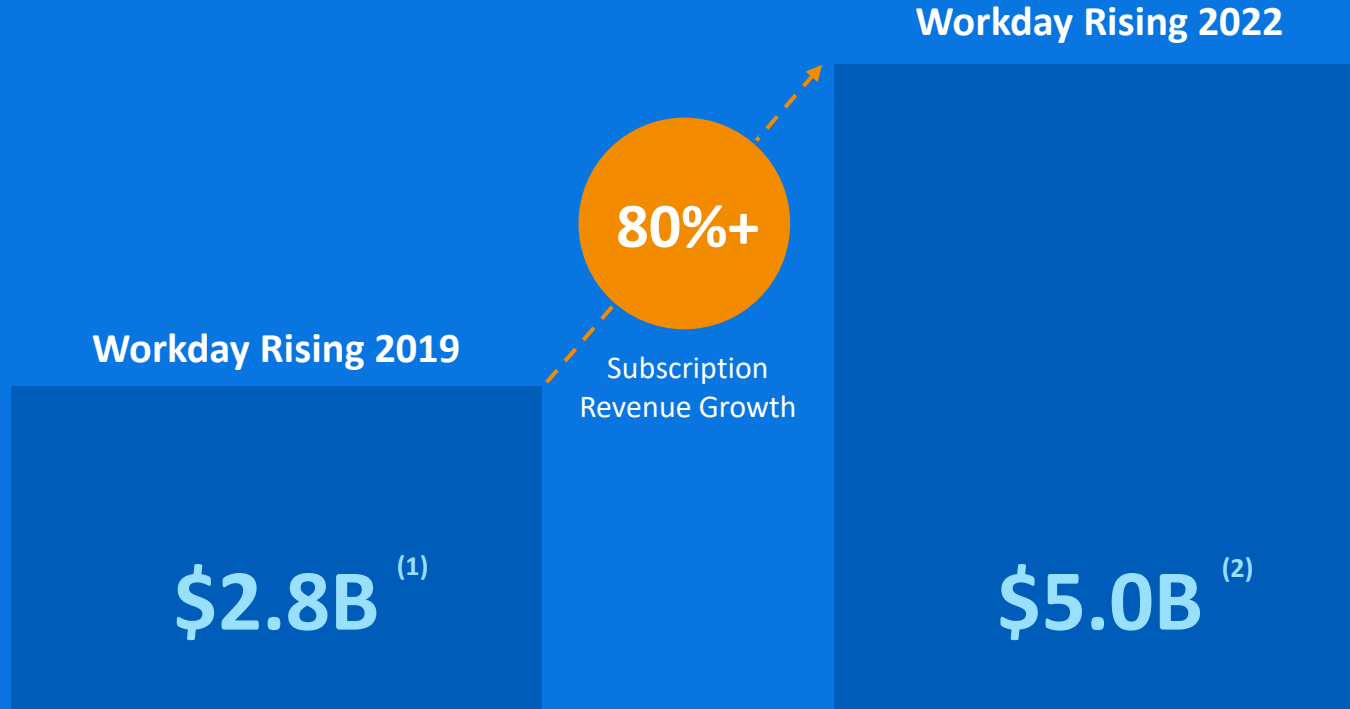
Our Momentum

Driving the Next Phase of Growth

Aneel Bhusri

Co-Founder, Co-CEO, and Chairman

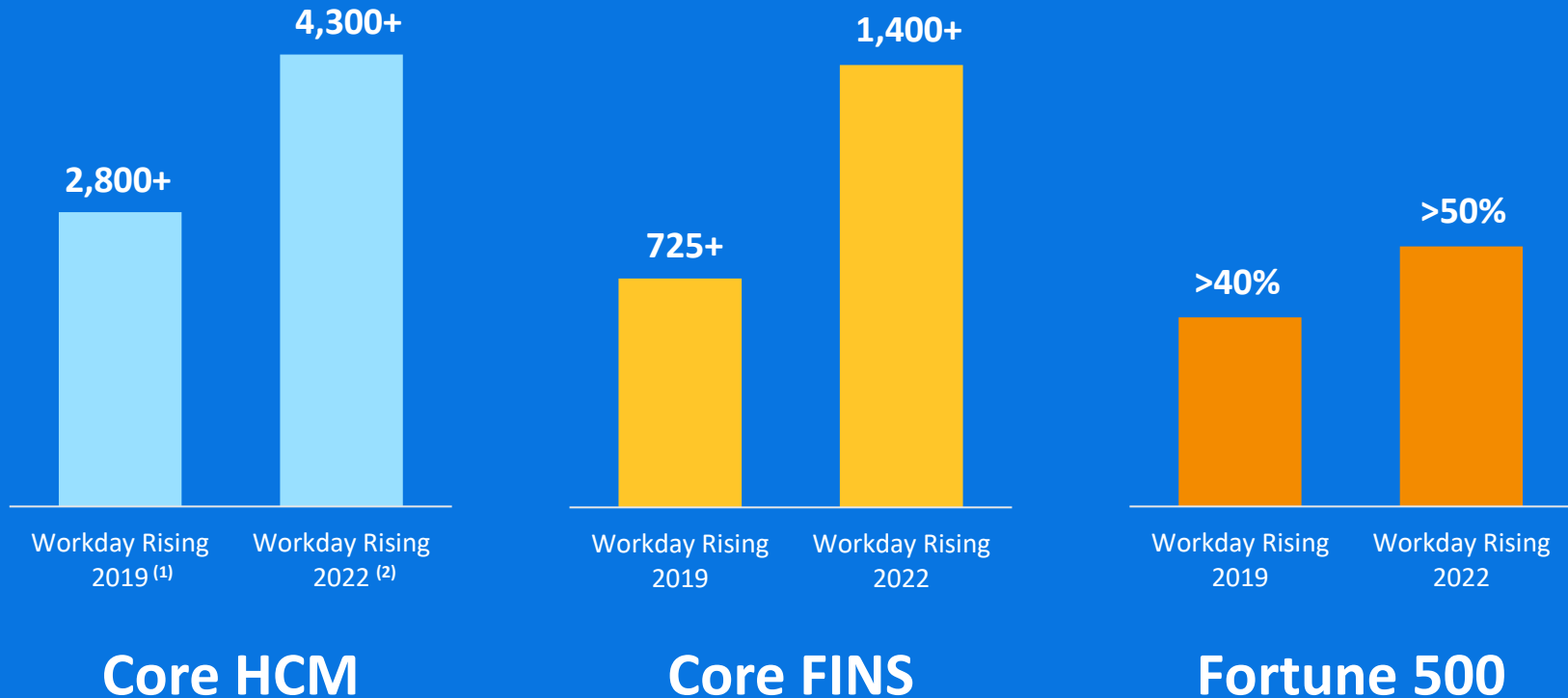
Driving Enduring Growth at Scale



(1) Subscription Revenue for the trailing 12-month period ended 7.31.19

(2) Subscription Revenue for the trailing 12-month period ended 7.31.22

Customer Momentum



(1) As of 7.31.19

(2) As of 7.31.22

**We're mission
critical.**





Our Momentum

Driving the Next Phase of Growth

Chano Fernandez

Co-CEO

Market Landscape

Digital
acceleration
is at the top of
the agenda.



Our Customers



95%+

Current year results based on a survey conducted
by Workday of Named Support Contacts in May
2022

Customer satisfaction for 13 years



Driving the Next Phase of Growth

\$10B

Total revenue

20%+

Subscription revenue growth

Driving the Next Phase of Growth



oCHRO



oCFO



International



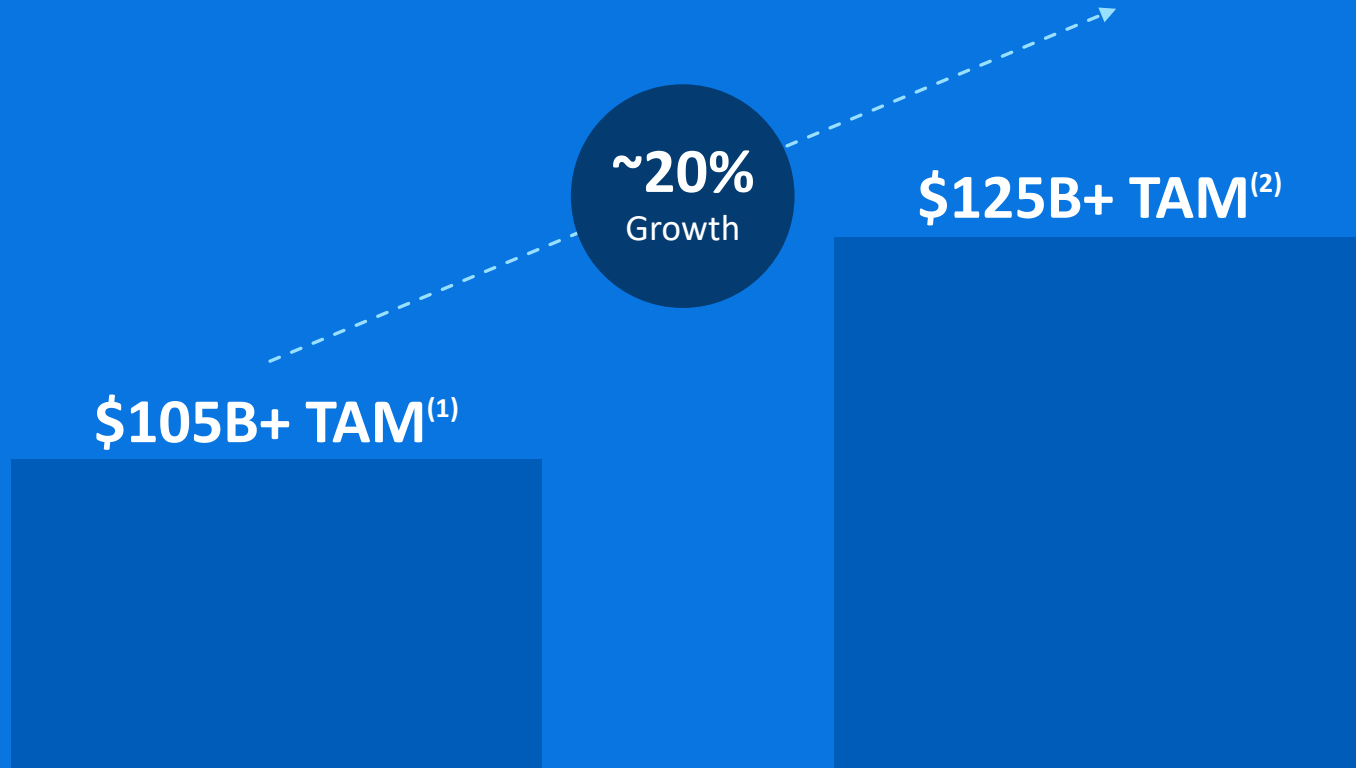
Medium
Enterprise



Our Expanding Opportunity *Uniquely* Positioned for Market Share Gains

Pete Schlampp
Chief Strategy Officer

Our Expanding Opportunity



(1) IDC and Workday estimates as of 9.21.2021

(2) IDC and Workday estimates as of 9.13.2022

\$125B+

Addressing a Large
and Expanding
Opportunity

HCM \$52B

Human Capital Management/
Workforce Management

Workforce Planning
and People Analytics

Talent Management

Employee Experience

Payroll

FINS+ \$73B

Financial Management

Financial Planning

Spend Management

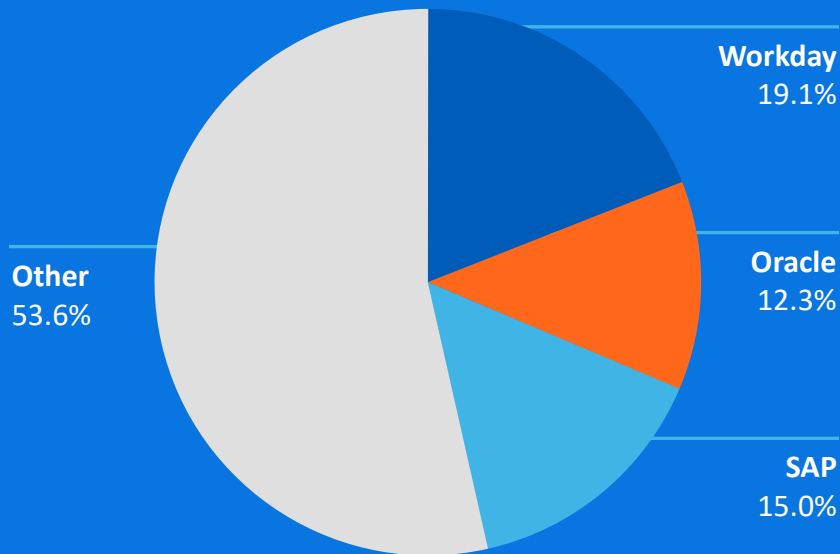
Platform

Analytics

Student

Cloud Market Leader

According to Gartner's market share research, Workday had the largest market share in 2021 for ERP Worldwide SaaS revenue at **19.1%**.



SaaS ERP Total Worldwide Revenue Market Share, 2021 (Millions of U.S. Dollars)

Charts/graphics created by Workday based on Gartner research: Gartner® Market Share: Enterprise Application Software as a Service, Worldwide, 2021, Neha Gupta, Yanna Dharmasthira, Chris Pang, Craig Roth, Jim Hare, Alys Woodward, Julian Poulter, Balaji Abbabatulla, Eric Hunter, Kevin Quinn, Amarendra ., Kanchi Bindal, Abhilash Khalkar, Mudit Sharma, Radu Miclaus, Roland Johnson, 19 May 2022.

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A Recognized Leader in Two Magic Quadrant Reports

1: Gartner Magic Quadrant for Cloud ERP for Service-Centric Enterprises, John Van Decker, Denis Toril, Tim Falth, Sam Grinter, Patrik Connaughton, 12 July 2022

2: Source: Gartner Magic Quadrant for Cloud HCM Suites for 1,000+ Employee Enterprises, Sam Grinter, Chris Pang, Jeff Freyer, Ron Hansome, Helen Poitevin, Ranadip Chandra, John Kostoulas, 19 October 2021

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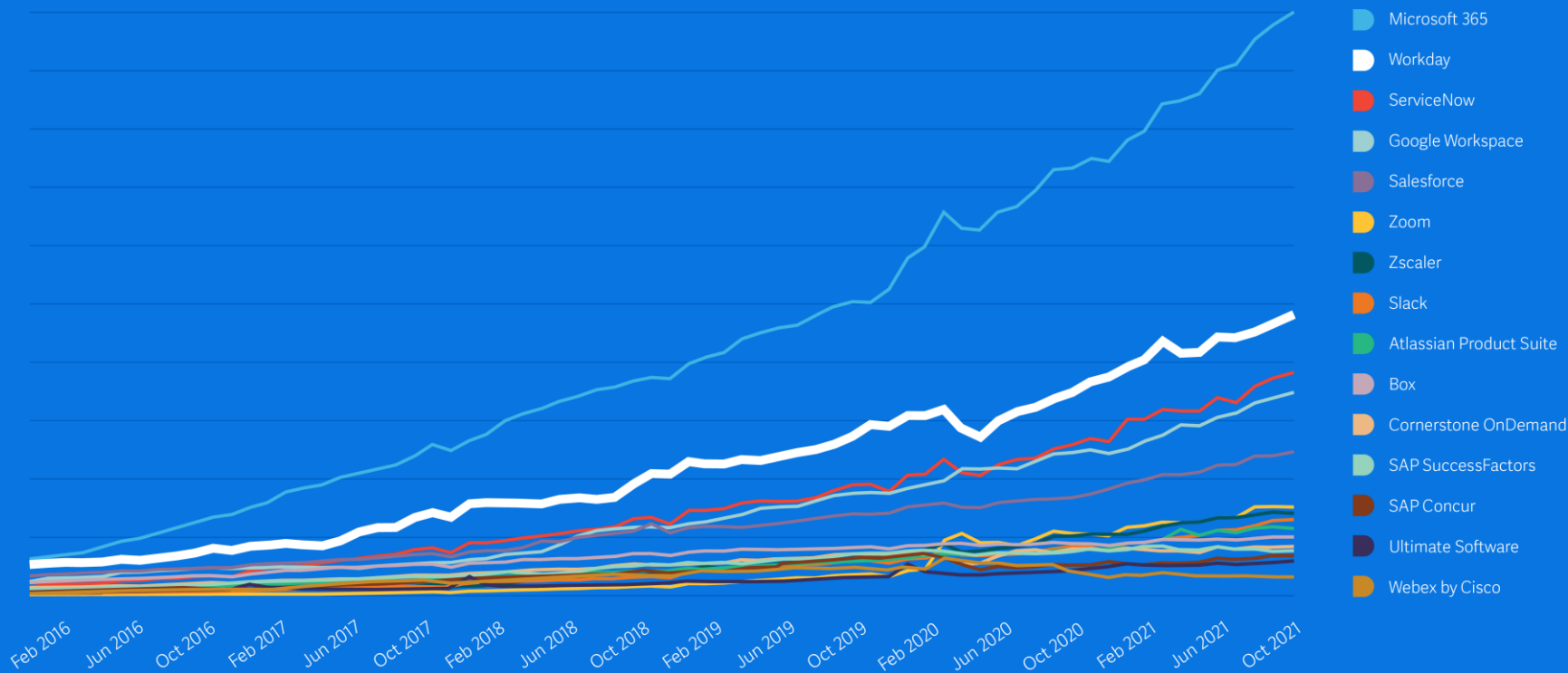
ERP

Recognized as a Leader⁽¹⁾
in the 2022 Gartner® Magic Quadrant™ for
Cloud ERP for Service-Centric Enterprises

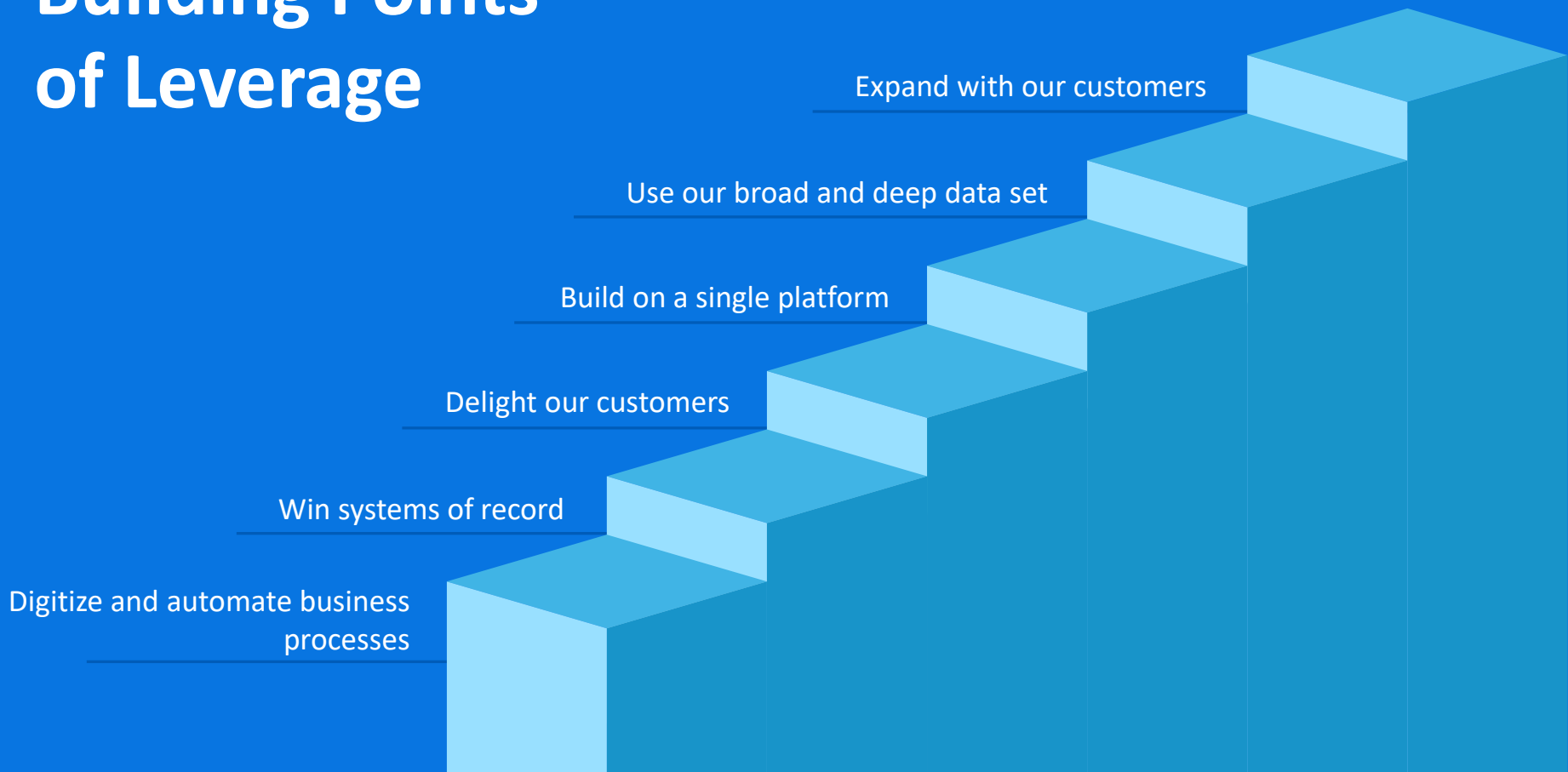
HCM

Recognized as a Leader⁽²⁾
in the 2021 Gartner® Magic Quadrant™ for
Cloud HCM Suites for 1,000+ Employee
Enterprises

Massive Scale



Building Points of Leverage



How Workday is Unique in the Office of the CHRO



Trusted
HR brand in
enterprise software



The world's most scalable
people
data cloud



Broad portfolio of native
applications that work
better together



ML foundation
to elevate human
performance



Core HCM

Recruiting

Learning

Talent
Optimization



Core HCM

Recruiting

Learning

Talent
Optimization



Core HCM

Recruiting

Learning

Talent
Optimization



Core HCM

Recruiting

Learning

**Talent
Optimization**



VNDLY

A Workday Company

Extended Workforce



Core HCM



Core HCM

Workforce Management

Payroll

Time Tracking

Scheduling

Absence Management



UK



France



Germany



Australia



Medium Enterprise



Retail



Hospitality



Healthcare



Manufacturing

How Workday is Unique in the Office of the CFO



Leading oCFO cloud suite for service-based industries



Unified, adaptable architecture built for speed and agility



Intelligent data core to plan, execute, and analyze the business



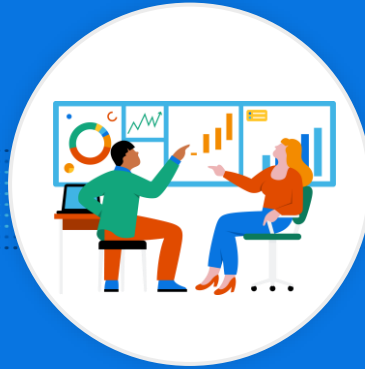
Composable platform and broad network of solutions and ecosystem partners

Connecting the Back, Middle, and Front Offices



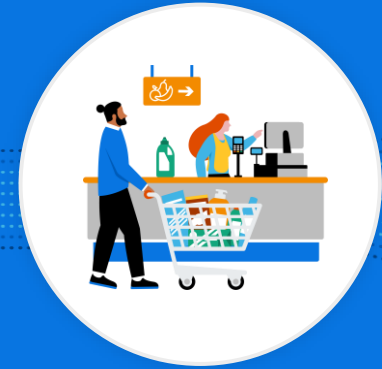
Back Office

- Financials
- HR, Talent, Recruiting, Payroll
- Spend and Supplier Management



Middle Office

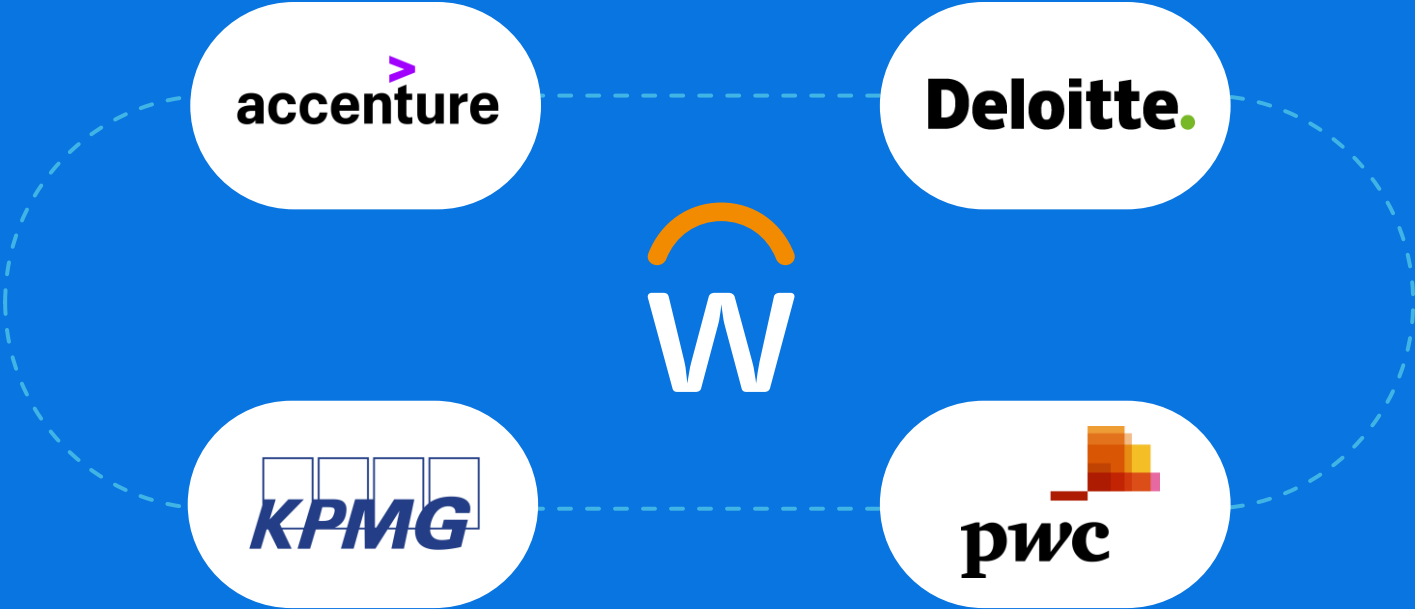
- Instrument Cash Flow
- Cost and Profitability, Business Planning
- Regulatory Reporting and Analysis



Front Office: Financial Services

- Claims and Policy
- Loans, Deposits, Credit Cards

Industry Accelerators from Workday



Industry Accelerators from Workday



Accelerate to Cloud



Scale with Open Ecosystems



Adapt and Innovate Together



Healthcare



Insurance



Banking and
Capital Markets



Technology

Financial Services

\$1B+ annual recurring
revenue business

Healthcare

**Financial
Services**

\$1B+ annual recurring
revenue business

Government

**Professional
Services**

Education

**Technology
and Media**

Healthcare

**Financial
Services**

Government

**Retail and
Hospitality**

**Professional
Services**

Education

Transportation

Lead with Organic Innovation

Accelerate with Selective M&A

Culture and Talent

Product and
Technology

Buying Center
and Customer Fit

Geographies

Industry Verticals



Our Innovation Story

Designed to Adapt, Scaled to Win

Sayan Chakraborty

EVP, Product & Technology

Where we started

In-Memory Object
Data Model

Business Process,
ML, and Security

Intelligent Data Core

One Version of the Software

Where we started

In-Memory Object
Data Model

Business Process,
ML, and Security

Intelligent Data Core

One Version of the Software

Reliable

- 99.7% Best-in-Class Availability SLA
- 99.97% Delivered Service Availability

Scalable

- 60M+ Users⁽¹⁾
- 442B Transactions⁽²⁾

Performant

- 96% of All Transactions < 1 Second

Ambient

- Responsive, Omni-Channel, Accessible,
Native Mobile

Secure

- Configurable Security Model
- Privacy and Security by Design

(1) As of 7.31.22

(2) For the Fiscal Year ended 1.31.22

**Where we
are**

An evolving
architecture

Where we **are**

An evolving
architecture

Converted to
Microservices

Scaled
Horizontally

Integrated
Acquisitions

**Where we
are going**

From Evolution
to Revolution

Where we are going

From Evolution to
Revolution

Evolution: Public Cloud

- Global Expansion
- Hybrid Workload Management
- Service Optimization

Revolution: Public Cloud First

Where we are going

From Evolution to
Revolution

Public Cloud → Public Cloud First

Evolution: Workday Extend

- 750+ applications already built
- Workday Orchestrate
- Workday App Builder

Revolution: API-First Platform

Where we are going

From Evolution to
Revolution

Public Cloud → Public Cloud First

Workday Extend → API-First Platform

Evolution: ML in the Platform

Revolution: ML in Everything We Do

Where we are going

From Evolution to
Revolution

Public Cloud → Public Cloud First

Workday Extend → API-First Platform

ML in the Platform → ML in Everything We Do

Evolution

Revolution

Leverage



Our Innovation Story

Designed to Adapt, Scaled to Win

Terrance Wampler

Group General Manager, oCFO

Empower the Office of the CFO



Interoperate for Industry Depth



Enable Organizational Agility



Deliver Trusted Business Insights



Create Intelligent Business Processes

Empower the Office of the CFO



Interoperate for Industry Depth



Enable Organizational Agility



Deliver Trusted Business Insights



Create Intelligent Business Processes

Interoperate for Industry Depth

Connecting the Back, Middle, and Front Offices



Back Office

- Financials
- HR, Talent, Recruiting, Payroll
- Spend and Supplier Management



Middle Office

- Instrument Cash Flow
- Cost and Profitability, Business Planning
- Regulatory Reporting and Analysis



Front Office: Financial Services

- Claims and Policy
- Loans, Deposits, Credit Cards

- Financials
- HR
- ISV

Services Industries

	 Financial Services	 Professional Services	 Healthcare	 Media and Entertainment	 Technology
 Front	Ingest loan, deposit, trade, policy, and claims data to support customer, transaction, and product profitability with straight-through process from front to back office and persisted policy, product, and trade subledgers.	CPQ [Services], Customer Engagement, Travel Booking, Extended Enterprise Learning , Office Space Reservations (Hoteling) , Collaboration	Ingesting clinical utilization data to identify opportunities for product standardization, ingesting revenue data to calculate net patient revenue, Patient Scheduling & Billing [ISV] , Procedure Management / Point of Use [ISV] , Electronic Health Records [ISV]	Services CPQ, Product CPQ [ISV] , Customer Engagement [ISV] , Ecomm portals [ISV] , Direct to Consumer portals [ISV] , Incentive Compensation [ISV]	CPQ [Services + Products], eCommerce [ISV] , Customer Engagement [ISV] , Sales Order Management [ISV] , Supply and Project/Production [ISV] , Incentive Compensation [ISV]
 Middle	Funds Transfer Pricing Instrument Daily Balances Activity-Based Costing LDTI, IFRS 17 Customer and Product Profitability Balance Sheet, and Margin Planning	Project Planning and Optimization, Cost & Profitability, Professional Services Automation (PSA), Revenue Forecasting, Workforce Scheduling , WIP Management , Intelligent Resource Management	Grants Management Inventory Optimization, Demand Planning (supply, space, staff), Cost and Profitability (procedures, services), Service Line, Supply Chain Analytics, Labor , Workforce Scheduling [ISV]	Production Management [ISV] Rights Management [ISV] Advertising Management [ISV] Freelancer Management [ISV]	Contract Lifecycle Management Supplier Performance Transaction (Sales/Use) Tax Flexible Workforce , Entitlements
 Back	Accounting, FAS 91, Close, SEC Reporting Regulatory/Statutory Reporting Corporate FP&A, SMCR	Project Accounting, Project Management, Project Billing, Project Profitability, Compliance Reporting, Certifications	Certifications/Skills Supply Chain Management: Bill Only/Consignment, Par/Perpetual Inventory, GS1 Standards, Mobile Barcode Scanning, EDI, Warehouse Mgmt. [ISV]	Revenue Management Payment Processing [ISV]	Revenue Management Sales & Revenue Planning Workforce Planning Payment Processing [ISV] Corporate Tax [ISV]

Industry Agnostic

Financial Management
[GAAP, ASC 842, AP/AR]

Accounting
Center

Planning

Spend
Management

Analytics

Core HCM






Talent and
Recruiting

Skills and
Learning

Payroll

- Financials
- HR
- ISV

Services Industries

	 Financial Services	 Professional Services	 Healthcare	 Media and Entertainment	 Technology
 Front	Ingest loan, deposit, trade, policy, and claims data to support customer, transaction, and product profitability with straight-through process from front to back office and persisted policy, product, and trade subledgers.	CPQ [Services], Customer Engagement, Travel Booking, Extended Enterprise Learning , Office Space Reservations (Hoteling) , Collaboration	Ingesting clinical utilization data to identify opportunities for product standardization, ingesting revenue data to calculate net patient revenue, Patient Scheduling & Billing [ISV] , Procedure Management / Point of Use [ISV] , Electronic Health Records [ISV]	Services CPQ, Product CPQ [ISV] , Customer Engagement [ISV], Ecomm portals [ISV] , Direct to Consumer portals [ISV] , Incentive Compensation [ISV]	CPQ [Services + Products], eCommerce [ISV] , Customer Engagement [ISV] , Sales Order Management [ISV] , Supply and Project/Production [ISV] , Incentive Compensation [ISV]
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 Back	Accounting, FAS 91, Close, SEC Reporting Regulatory/Statutory Reporting Corporate FP&A, SMCR	Project Accounting, Project Management, Project Billing, Project Profitability, Compliance Reporting, Certifications	Certifications/Skills Supply Chain Management: Bill Only/Consignment, Par/Perpetual Inventory, GS1 Standards, Mobile Barcode Scanning, EDI, Warehouse Mgmt. [ISV]	Revenue Management Payment Processing [ISV]	Revenue Management Sales & Revenue Planning Workforce Planning Payment Processing [ISV] Corporate Tax [ISV]

Industry Agnostic

Financial Management
[GAAP, ASC 842, AP/AR]

Accounting
Center

Planning

Spend
Management

Analytics

Core HCM

Talent and
Recruiting

Skills and
Learning

Payroll

Industry Spotlight

Professional Services

Services CPQ

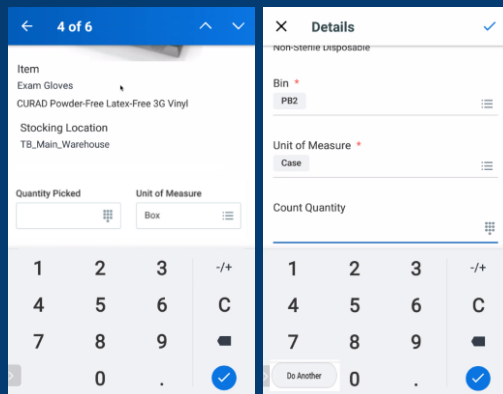
Guide Selling & Automate Quoting and Proposal Creation



Healthcare

Mobile Inventory User Experience

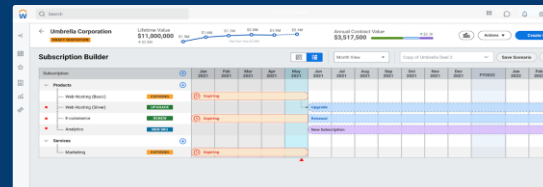
Order or check inventory levels for medicine and medical supplies from their phone



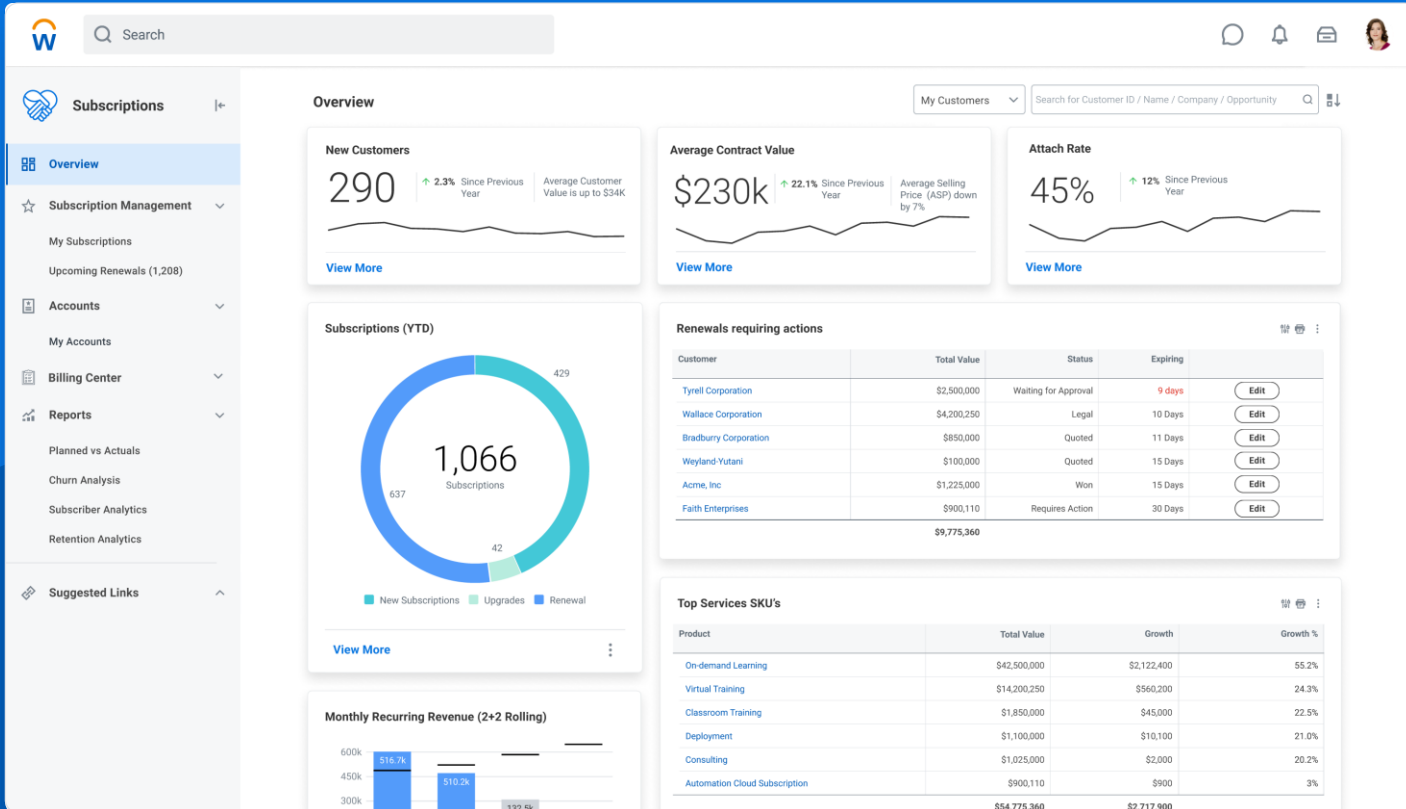
Media

Subscription Management

Construct innovative product offerings and easily plan and handle recurring revenue processing



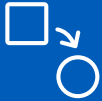
Subscription Management



Empower the Office of the CFO



Interoperate for Industry Depth



Enable Organizational Agility



Deliver Trusted Business Insights

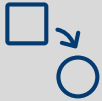


Create Intelligent Business Processes

Empower the Office of the CFO



Interoperate for Industry Depth



Enable Organizational Agility



Deliver Trusted Business Insights



Create Intelligent Business Processes

Agility and Planning: By the Numbers

100,000

levels or planning entities



160% ⁽¹⁾

more planning scenarios



(1) Represents the median increase of planning scenarios for large enterprise customers as of March 2022 compared to March 2020

Empower the Office of the CFO



Interoperate for Industry Depth



Enable Organizational Agility



Deliver Trusted Business Insights

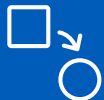


Create Intelligent Business Processes

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Enable Organizational Agility



Deliver Trusted Business Insights



Create Intelligent Business Processes

Trucking Carrier Determines Driver Profitability



With Workday

- Leveraging Workday Prism Analytics to bring external data (from fleet management, billing, customer sat, ops systems) along with HCM and finance, created general manager dashboards for each location (e.g., business mix)
- Truck driver P&Ls for finance, ops, and field managers
- Invoice matching from billing system

Value Realized

- Eliminated spreadsheet compilation/more time to analyze the business (20 hours/week savings)
- Used truck driver P&L to determine which drivers were more profitable driving company trucks versus owner operators, which drivers should get advances
- Eliminate Excel manipulation, run invoice matching in seconds versus hours to prepare reports, increased security

Use Cases:

Simple Revenue Recognition

Transform business events into accounting to recognize revenue, including deferred revenue

Cash Subledger

Transform business events into accounting to recognize cash sales, credit card sales, billings, and payments

Incorporate M&A

Easily ingest new data sources to create accounting to support acquisitive growth

Accruals

Eliminate manual data manipulation needed to create accounting on accrual entries

Transform Digital and Physical Sales into Accounting

Transform physical product sales and digital product sales into accounting to recognize revenue

Transform Patient Revenue Detail and Calculate Net Revenue

Ingest patient revenue data and calculate net patient revenue on gross AR, and transform this data into accounting

Expense Recognition

Transform business events into accounting to recognize expenses including deferred expenses and prepaid expenses

Product Spotlight

Workday Accounting Center

“ With Workday Accounting Center we have **full transparency** into detailed accounting creation from close to 75 files from policy, claims, and other systems, **streamlining our accounting into one system** and providing us with **deeper insight** into insurance product profitability.”

Vice President of Accounting and Treasurer, Shelter Insurance

AON

CNA



loanDepot

NETFLIX

SHARP



Product Spotlight

Workday Accounting Center

Empower the Office of the CFO



Interoperate for Industry Depth



Enable Organizational Agility



Deliver Trusted Business Insights



Create Intelligent Business Processes

Empower the Office of the CFO



Interoperate for Industry Depth



Enable Organizational Agility



Deliver Trusted Business Insights



Create Intelligent Business Processes

Available

Future

Automation

- Supplier Invoice Automation—Scanning
- Receipt Scanning for Expenses
- Contract Scanning and Search

- Contract Metadata Extraction
- Auto-Skip Approvals
- Self-Reconciling Accounts

Anomaly Detection

- Journal Insights
- Expense Protect
- Plan Anomalies

- Duplicate Detection of Expenses
- Flux Analysis

Recommendations

- Customer Payment Matching
- Spend Category Recommendations for Purchase Orders and Non-Catalog Requisitions
- Supplier Invoice Automation—Worktag Recommendations

- Generic Worktag Validation (Additional Fields)
- Contract Semantic Search
- Predictive Planning

Product Spotlight Machine Learning



SKOOKUM

“Using supplier invoice scanning has been a big win for us. We let Workday do the work for us and we simply review the scanned information. And we’ve **gained greater visibility** into pending invoices, with all the associated notes in one place. **The result is greater transparency and efficiency over our payables process.**”

Payables Manager, Skookum Contract Services

LIFETIME[®]
HEALTHY WAY OF LIFE

“Workday proactively identifies accounting errors and helps us understand the behavior of journal data, learn from it, and solve from it as well. A process that took a day now takes 30 minutes via a report refresh and shows us where to put our time and attention. We now have **cleaner financial statements** at the very beginning and **more time back**, which gives us more time to focus on our customers.”

Product Spotlight

Machine Learning



Our Innovation Story

Designed to Adapt, Scaled to Win

David Somers

Group General Manager, oCHRO

Empower the Office of the CHRO



Innovate Around Skills Cloud and Surrounding Products



Empower Frontline Workers and Managers



Incorporate the Extended Workforce

Empower the Office of the CHRO



Innovate Around Skills Cloud and Surrounding Products



Empower Frontline Workers and Managers



Incorporate the Extended Workforce

Skills Momentum



1,300 ⁽¹⁾

Customers live

From 25M to 5.7B ⁽²⁾

Skill usage in 4 years

(1) As of September 2022

(2) As of August 2022

The logo features a white cloud shape containing the text "Workday Skills Cloud". Behind the cloud is a stylized sun with concentric yellow and orange rings. The background is a vibrant blue with a pattern of white dotted lines radiating from the center, creating a network-like effect. Surrounding the central cloud are ten orange hexagonal icons, each containing a white icon and a small white circle with a blue "W" logo. The icons represent various business and technology concepts: a group of people, a line graph with an upward arrow, a person with a circular arrow, a document with a person icon, a hand holding a plus sign, a lightbulb, a document with a plus sign, a hand holding a leaf, a calendar, and a cube structure.

Workday Skills Cloud

Public &
Market Data

Assessment
Data

Point
Solutions

Custom
Integrations

The Next Generation of Skills

Skills infrastructure

Skills in applications

Annotation technology

Performant tooling



Talent and Performance



The Next Generation of Performance Management

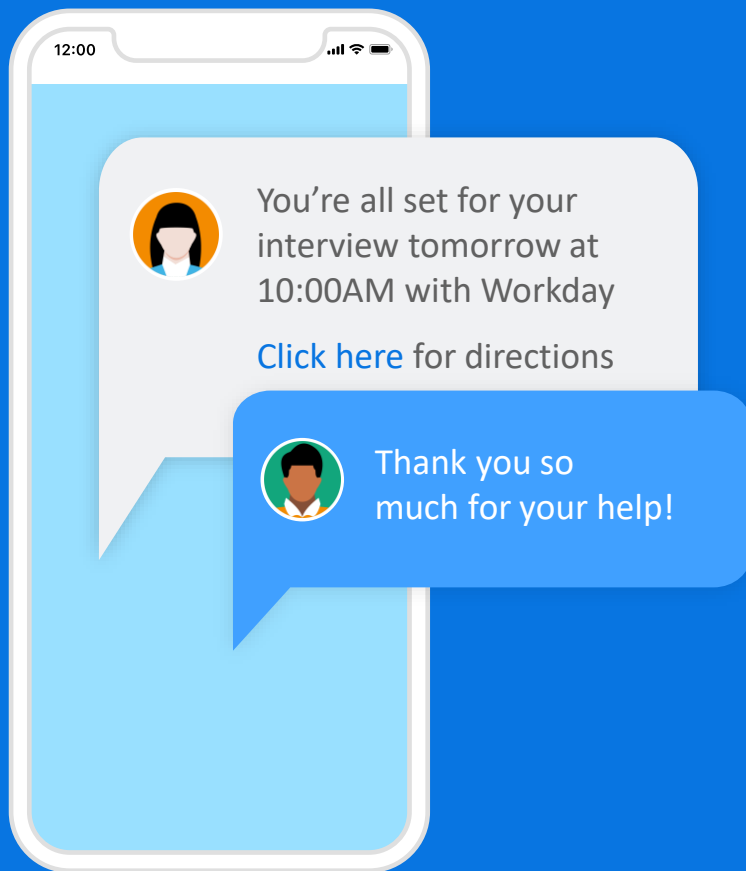
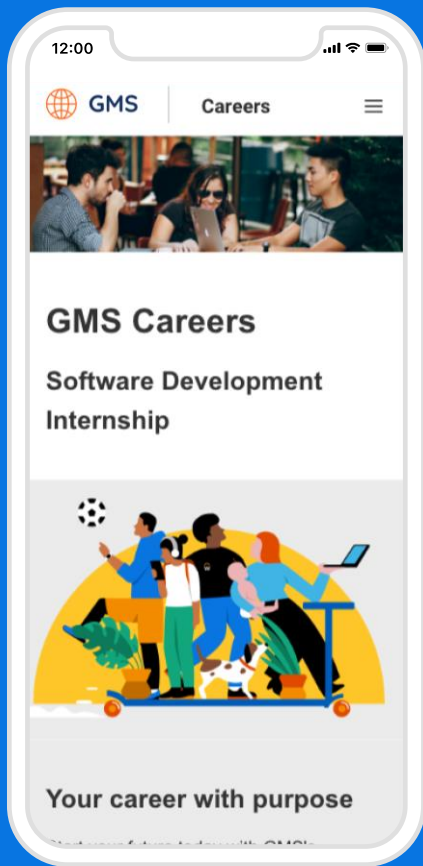


Leader in Recruiting Market

74%

Using Workday Recruiting

Expanding with Messaging and Candidate Engagement



Rapidly Growing our Learning Footprint

2,000+

Learning Customers

Empower the Office of the CHRO



Innovate Around Skills Cloud and Surrounding Products



Empower Frontline Workers and Managers



Incorporate the Extended Workforce

Empower the Office of the CHRO



Innovate Around Skills Cloud and Surrounding Products



Empower Frontline Workers and Managers



Incorporate the Extended Workforce

Scheduling and Labor Optimization



The screenshot displays the labor scheduling software interface for San Francisco Store 6110. The main view is a weekly schedule grid for the period Sep 26 - Oct 2, 2021. The grid shows shifts for various employees, including Alec Regan, Ashley Klein, Denise Reeves, Dwayne Osborne, and Emily Moran. A productivity overlay shows metrics for the last week: Sales (\$105,000.00), Labor Cost (\$10,629.50), Ratio % (10.12%), Hours (913), and Sales per hour (\$115.00). A mobile app interface is overlaid on the right, showing the 'Change My Schedule Preferences' screen with fields for Position, Effective Date, Preferred Weekly Hours (set to 40), Preferred Role (Stock Associate), and Preferred Location (SF Store).

Employee	Sun 26	Mon 27	Tue 28	Wed 29	Thu 30	Fri 01	Sat 02
Alec Regan	13.5 Hours	3:00 - 7:00 PM SF Store	12:00 - 4:00 PM SF Store	12:00 - 6:00 PM SF Store (Meal: 12:00 - 1:00)			
Ashley Klein	13.5 Hours	11:00 AM - 5:00 PM SF Store (Meal: 2:30 - 3:00)	9/28/2021, 8:00 P... SF Store	9/29/2021, 8:00 P... SF Store	8 hours Time Off		
Denise Reeves	12 Hours			2:00 - 6:00 PM SF Store	2:00 - 6:00 PM SF Store	11:00 AM - 3:00 PM SF Store	
Dwayne Osborne	13.5 Hours	11:00 AM - 3:00 PM SF Store	8 AM - 5 PM Time Off			10/1/2021, 7 SF Store (Meal: 11:00)	
Emily Moran		4:00 - 11:00 PM SF Store	9/28/2021, 8:00 P... SF Store	9/29/2021, 9:00 P... SF Store	9/30/2021, 8:00 P... SF Store		

Frontline Worker

Check in/check out

Shift scheduling

Access to earned pay



Workforce Management



Empower the Office of the CHRO



Innovate Around Skills Cloud and Surrounding Products



Empower Frontline Workers and Managers



Incorporate the Extended Workforce

Empower the Office of the CHRO



Innovate Around Skills Cloud and Surrounding Products

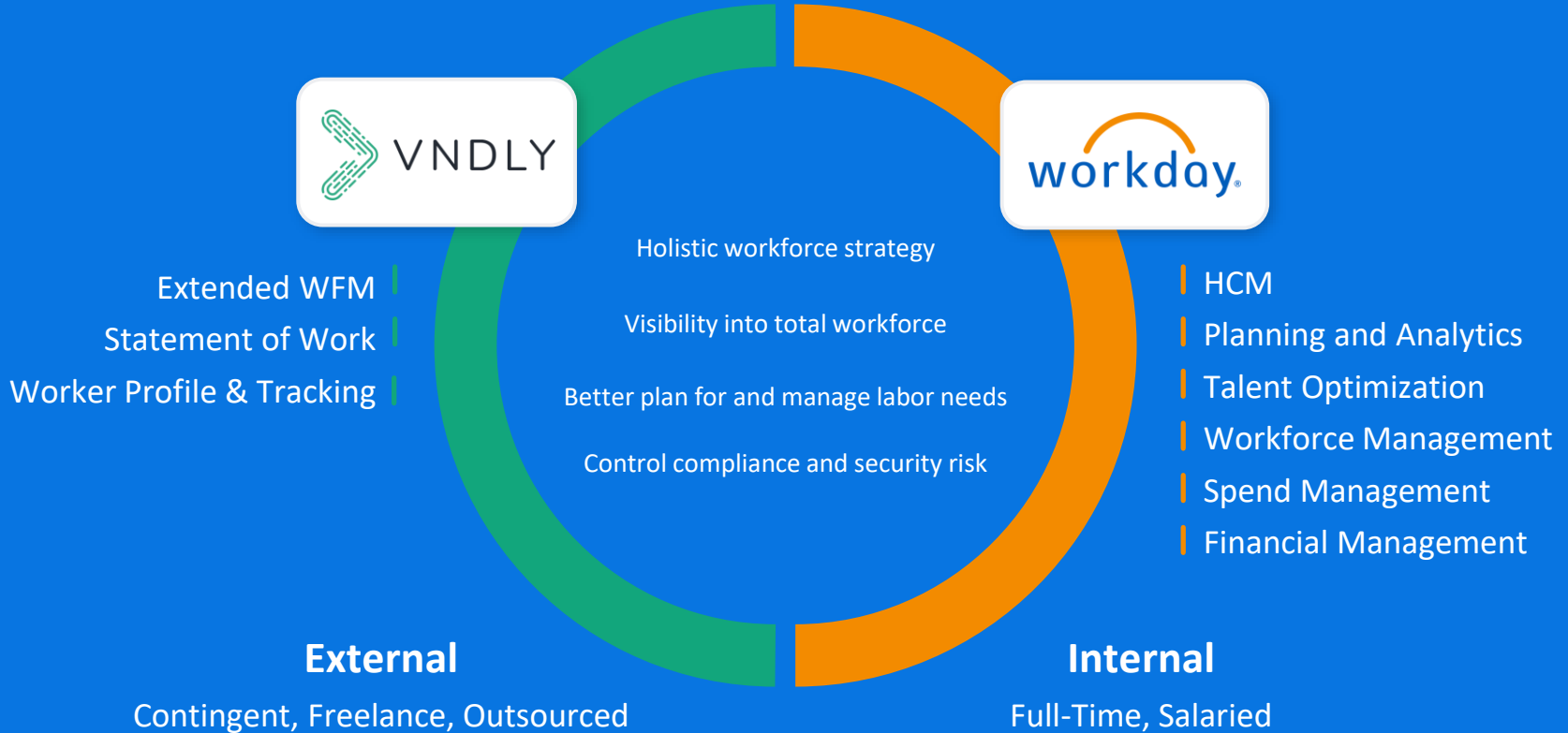


Empower Frontline Workers and Managers



Incorporate the Extended Workforce

Source and Manage the Total Workforce





BREAK



Our Customer Experience

Accelerating the Value of Workday

Sheri Rhodes

Chief Customer Officer

Customer Experience

It Takes an Ecosystem . . .

16,500+ ⁽¹⁾

Certified
Resources



95%+

Customer
Satisfaction



95%+

On-Time
Deployments



Evolving the Customer Experience

Adapting the customer experience as we move out of the pandemic and into an uncertain macro-environment



**Hyperfocus on Rebuilding
Customer Intimacy**



**Flexibility to Meet
Broad Customer Needs**



**Evolved Business Model
and Rapid Innovation**

Optimizing Customer Deployment

Prescriptive deployment techniques, pre-configured setups & standardized tools
Tailored approach when warranted



Proven Methodologies



Accelerated Time to Value



Global Momentum

FY23 Go-Lives





Our Partner Journey

Accelerating the Value of Workday

Sam Alkharat

Chief Partner Officer

My Observations



Partners Going “All In” on Workday



Customers Seeking More Depth
and Choice



Unwavering Commitment to an Enhanced
Partner Experience

Global Partners Strategy



INNOVATE

Expand Joint Solution Offerings



SELL

Grow Partner Leverage, Reach, and Coverage



SERVICE

Deliver Customer Quality, Value, and Choice

Partner Experience Foundation (PXF)

Partner Management

Joint Go-to-Market

Partner Development

Partner Success

SI

Software

AMS

Channel

Hyperscaler

MSP

VAR

Advisory



Our Go-to-Market Strategy

Broadening our Strategic Footprint

Chano Fernandez

Co-President



Broadening Land Opportunity



Accelerating Expand Opportunity



Evolving Industry Opportunity



Broadening Land Opportunity

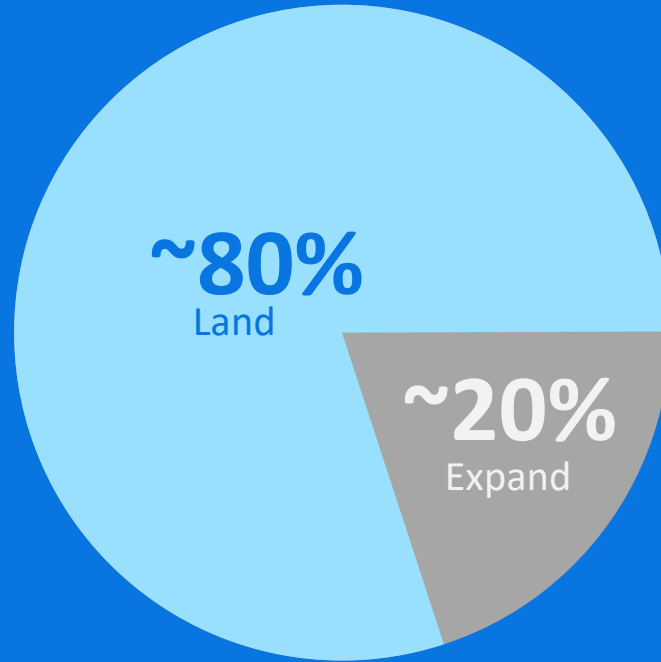


Accelerating Expand Opportunity



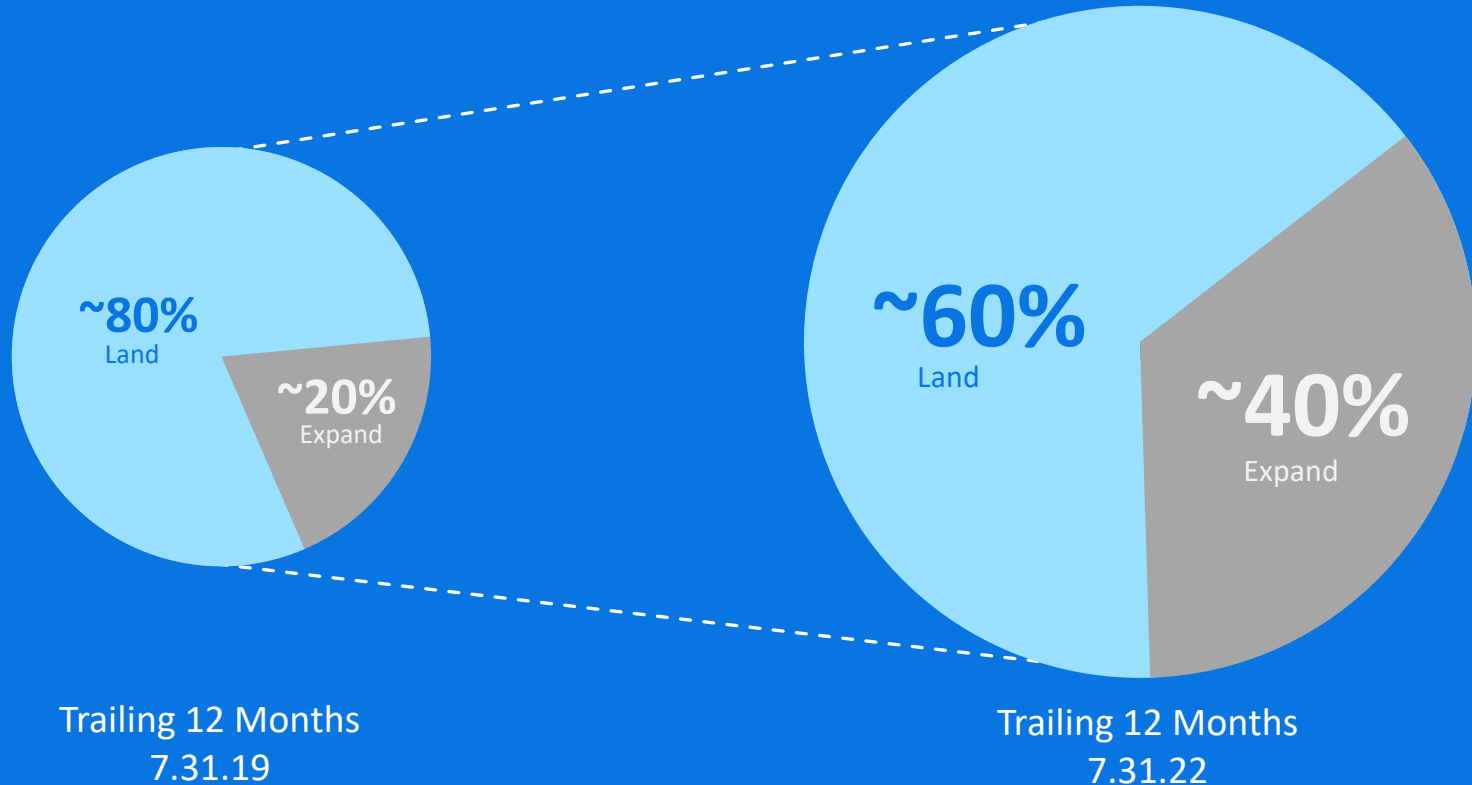
Evolving Industry Opportunity

Land Is an Important Growth Contributor . . .



Trailing 12 Months
7.31.19

Land Is an Important Growth Contributor . . .



... With Significant Opportunity Ahead

4,450+
Core Customers



... With Significant Opportunity Ahead

4,450+
Core Customers

36,000+

Core Customer
Opportunity

Platform Expansion Driving Larger Lands

Average SKUs per Net New Customer



4

FY15

Platform Expansion Driving Larger Lands

Average SKUs per Net New Customer



FY15



FY18

Platform Expansion Driving Larger Lands

Average SKUs per Net New Customer



FY15



FY18



FY20

Platform Expansion Driving Larger Lands

Average SKUs per Net New Customer



Platform Expansion Driving More Diverse Lands



Platform Expansion Driving More Diverse Lands



~50%

Industry Land Deal Sizes
Are ~50% Larger

Platform Expansion Driving More Diverse Lands



Platform Expansion Driving More Diverse Lands



~50%

of Total Land ACV Comes from
Medium Enterprise

Platform Expansion Driving More Diverse Lands



Platform Expansion Driving More Diverse Lands



~100%

Growth in New ACV Bookings in
Our Tier 1 EMEA Countries

Tier 1 countries are UK, France, and Germany

Represents growth in new land ACV for the trailing 12 months ended 7.31.22 compared with the trailing 12 months ended 7.31.21

Platform Expansion Driving More Diverse Lands



70%+

Growth in New ACV Bookings in
APJ

Platform Expansion Driving More Diverse Lands



Platform Expansion Driving More Diverse Lands



40%+

Growth in Planning-First Lands
Converting to Core HCM and/or
FINS



Broadening Land Opportunity



Accelerating Expand Opportunity



Evolving Industry Opportunity



Broadening Land Opportunity

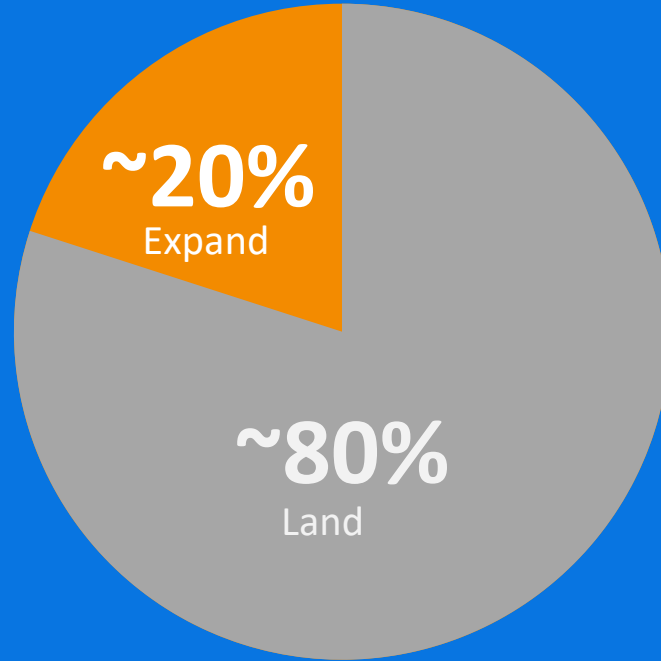


Accelerating Expand Opportunity



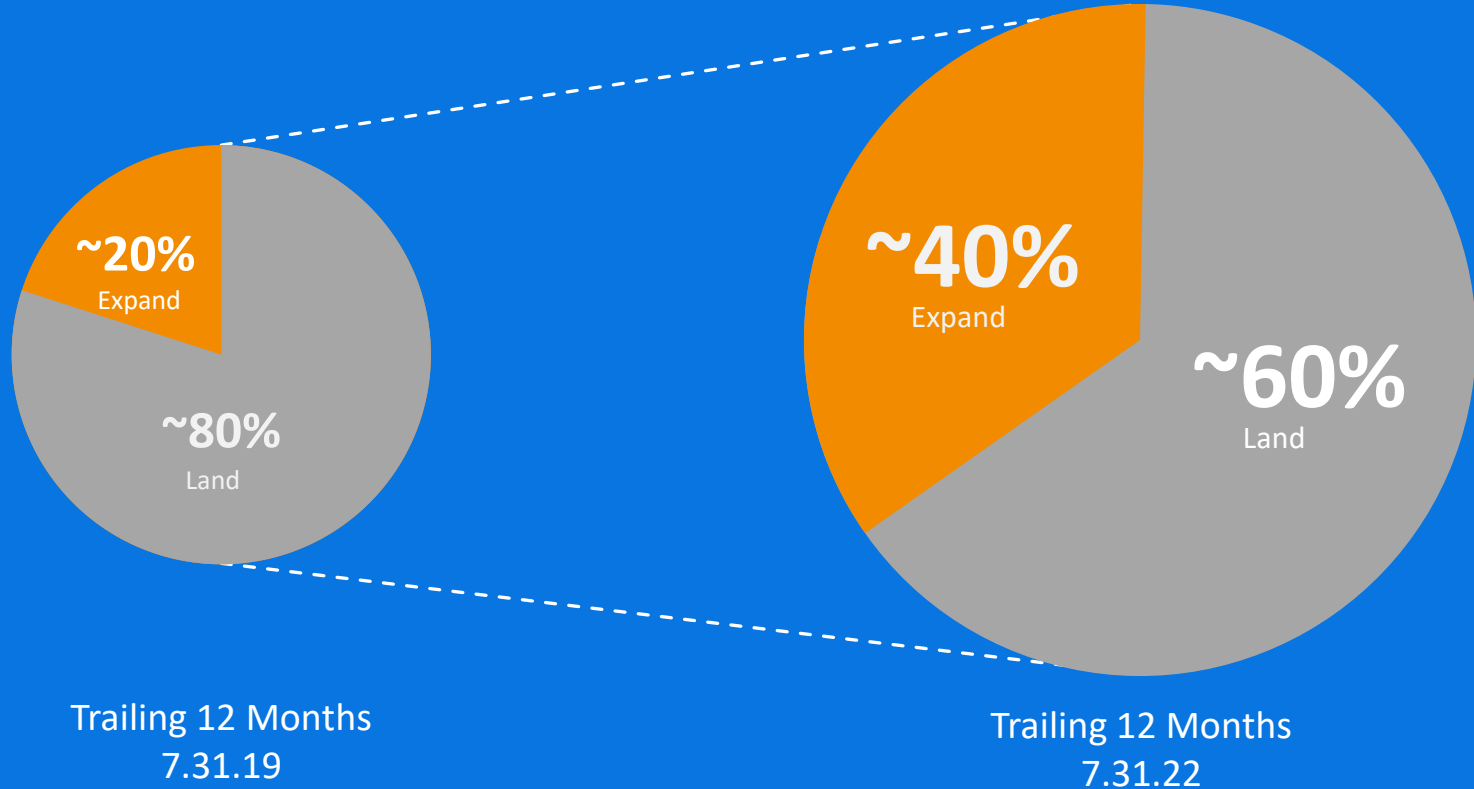
Evolving Industry Opportunity

Expand Is Becoming a Powerful Growth Driver . . .



Trailing 12 Months
7.31.19

Expand Is Becoming a Powerful Growth Driver . . .



... Driven by a Strong Customer Base ...

4,450+



Core Customers

6,000+



Planning Customers

50%+

Fortune 500



95%+

Customer Satisfaction



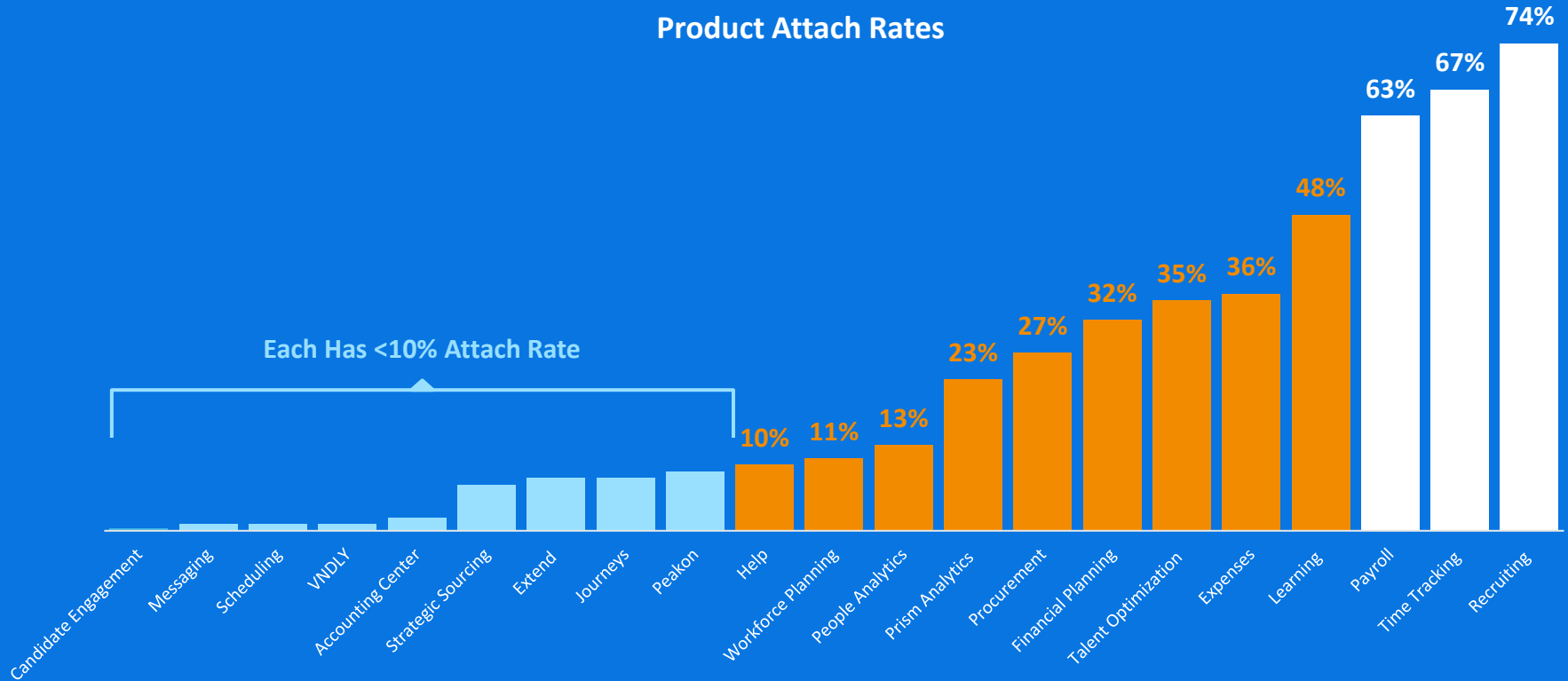
25%+

Global 2000



... And Our Expanding Platform

Product Attach Rates



Momentum Is Broad-Based Across Solutions . . .

<15%

Largest product is less than
15% of new ACV from
customer base

2/3

Top 10 products represent 2/3
of new ACV from customer base

. . . And Driving Increased Deal Sizes



... And Driving Increased Deal Sizes



~45% growth
in average deal sizes to
customer base



Customer Base Is Key Driver of FINS Expansion



Digital AE Channel Driving High-Velocity Transactions

Serve the
Customer



Grow the
Business



Develop
Talent



The Power of Land and Expand

ARR from this customer
has increased
>25x





Broadening Land Opportunity



Accelerating Expand Opportunity



Evolving Industry Opportunity



Broadening Land Opportunity



Accelerating Expand Opportunity



Evolving Industry Opportunity

Leading in Industry

Financial Services						
Healthcare						
Education & Government						
Professional Services						
Retail and Hospitality						
Technology and Media						

Financial Services



1st Industry to >\$1B in ARR

>70% of the Fortune 500 financial services companies are customers



Workday Accounting Center driving increased core financials win rates

Leading in Industry

Financial Services						
Healthcare						
Education & Government						
Professional Services						
Retail and Hospitality						
Technology and Media						

Healthcare

BON SECOURS
MERCY HEALTH

 Advocate Aurora Health

 OhioHealth

 Spectrum
Health

Geisinger

 Mercy


dayton
children's

 Trinity Health
LIVONIA, MI

 ChristianaCare

 SENTARA

>60%

Attach rate for Financial Management and Supply Chain Management among acute care providers

~10x

increase in customers since announced focus on healthcare industry in 2015

#1

Ranked Best in KLAS ERP and Talent Management for five years in a row—every year since first included⁽¹⁾

Leading in Industry

Financial Services						
Healthcare						
Education & Government						
Professional Services						
Retail and Hospitality						
Technology and Media						

Education & Government



>75%

Workday Financial Management attach rate in Higher Education

1.2M+

Student records managed by Workday Student

\$2B

Federal TAM

Leading in Industry

Financial Services						
Healthcare						
Education & Government						
Professional Services						
Retail and Hospitality						
Technology and Media						

Professional Services



70% of the top 10 accounting organizations have selected Workday⁽¹⁾

26% Workday gained PSA market share at 26% year-over-year compared to nearest competitor at 3%⁽²⁾

(1) Rankings via Accounting Today

(2) Source: IDC PSA Marketscape

Leading in Industry

Financial Services						
Healthcare						
Education & Government						
Professional Services						
Retail and Hospitality						
Technology and Media						

Retail and Hospitality



>50%

of the Fortune 500 retail and hospitality companies are Workday customers

16M+

retail and hospitality workers using Workday

>100%

increase in retail finance customers since pandemic started

Leading in Industry

Financial Services						
Healthcare						
Education & Government						
Professional Services						
Retail and Hospitality						
Technology and Media						

Technology and Media

NETFLIX



CONDÉ NAST



Etsy

CRAIN



>70%

of the Fortune 500 enterprise tech companies are Workday customers

#1

in automated revenue management for second time in a row

#1

Largest industry of financial planning ARR⁽¹⁾

(1) As of 7.31.22



Our Powerful Model

Converting Opportunity to Profitable Growth

Barbara Larson

CFO



Enduring Growth



Profitable Growth



Responsible Growth



Enduring Growth

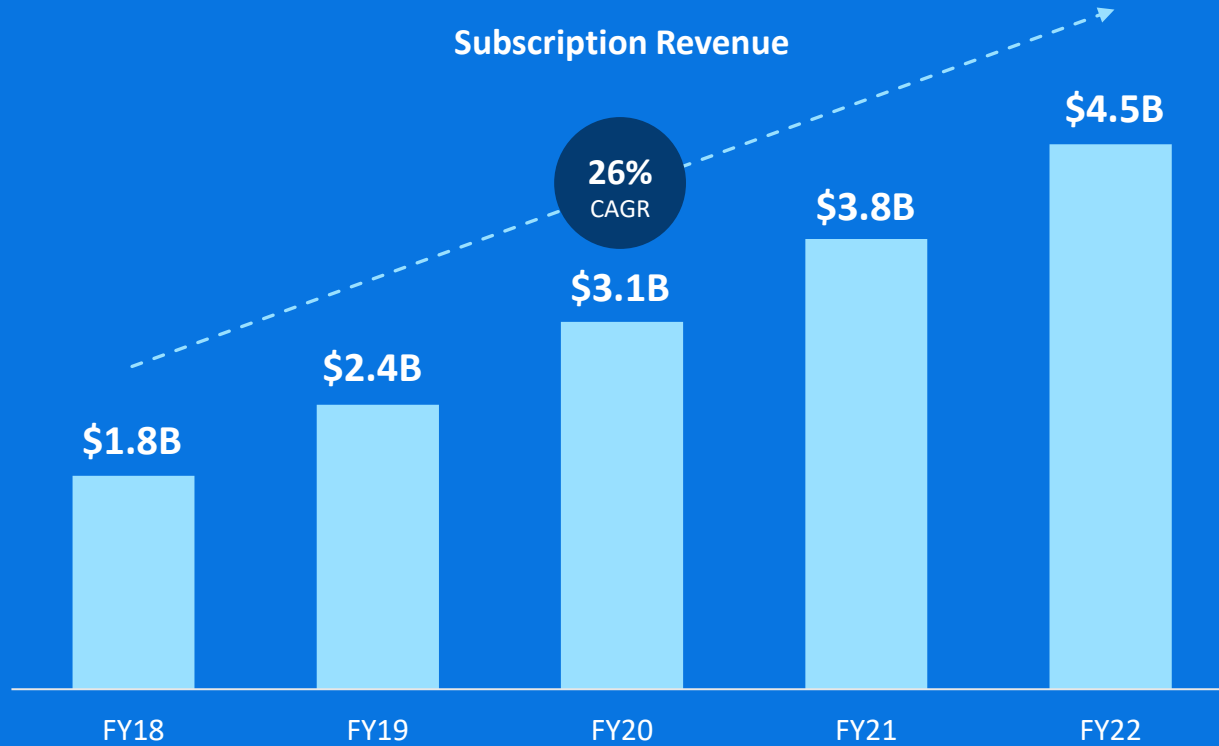


Profitable Growth



Responsible Growth

Driving Enduring Growth at Scale



\$125B+
TAM
<5%
penetration

HCM \$52B

Human Capital Management/
Workforce Management

>10% share

Workforce Planning
and People Analytics

<5% share

Talent Management

>5% share

Employee Experience

<5% share

Payroll

~10% share

FINS+ \$73B

Financial Management

<5% share

Financial Planning

<10% share

Spend Management

<5% share

Platform

<5% share

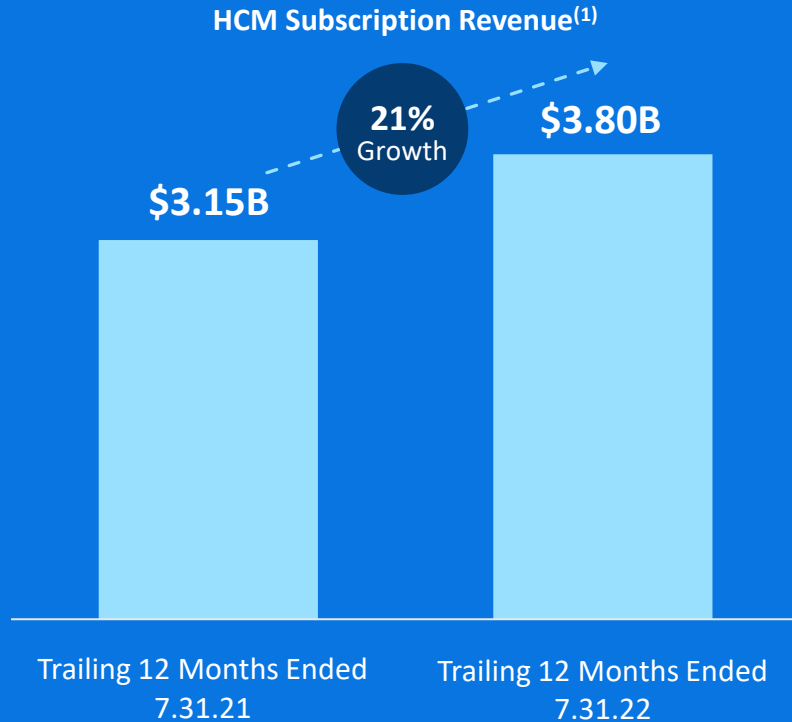
Analytics

<5% share

Student

<5% share

Leveraging Our HCM Leadership to Sustain Growth



<10%
penetration



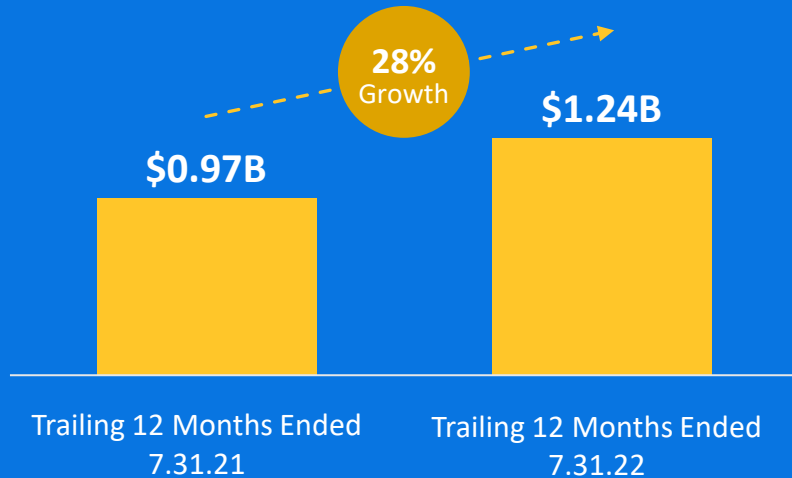
⁽²⁾

⁽¹⁾ HCM includes Workday Human Capital Management, Recruiting, Time Tracking, Payroll, Learning, Talent Optimization, Workforce Planning, People Analytics, Peakon, Help/Journeys, VNDLY, Scheduling, and Other

⁽²⁾ IDC and Workday estimates as of 9.13.2022

Share Gains Driving Scale in FINS+

FINS+ Subscription Revenue⁽¹⁾



<5%

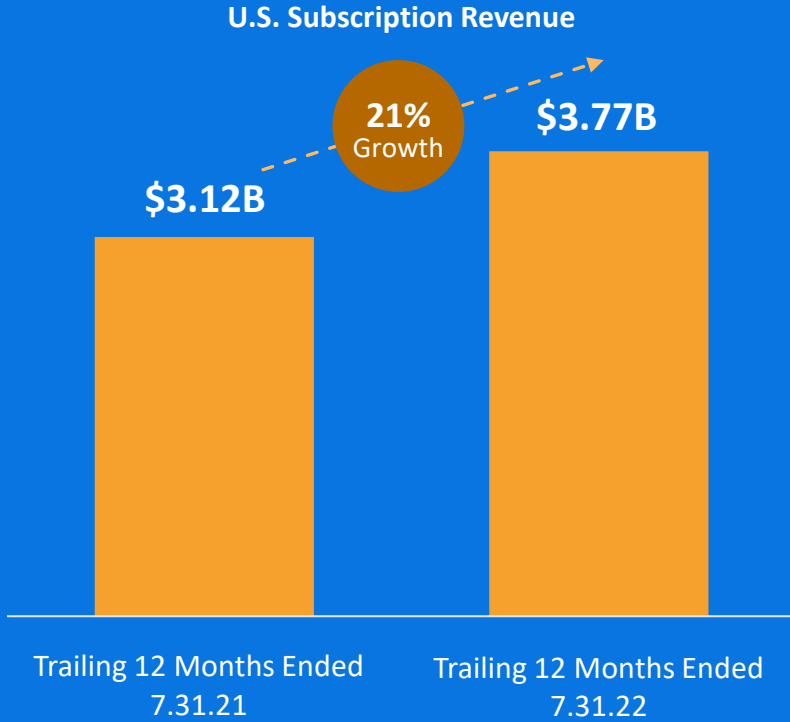


penetration⁽²⁾

(1) FINS+ includes Workday Financial Management, Financial Planning, Spend Management, Prism Analytics, Industry Solutions, Extend, and Other

(2) IDC and Workday estimates as of 9.13.2022

Leader in the U.S. Market with Ample Runway



<10%
penetration

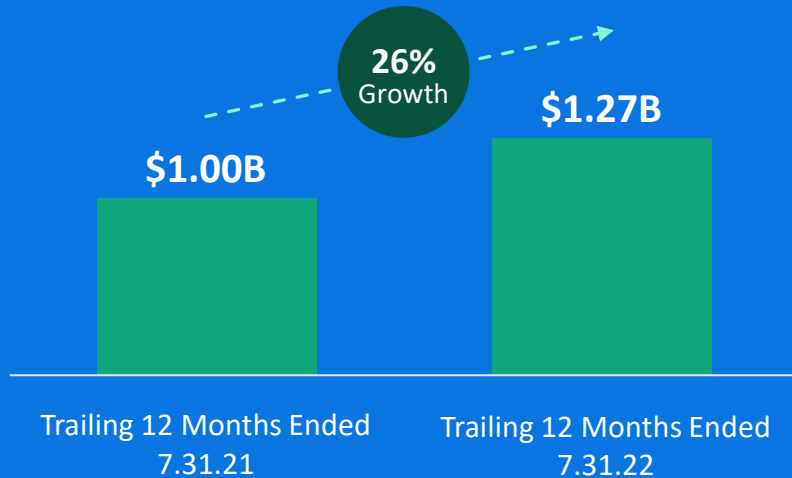


(1)

(1) IDC and Workday estimates as of 9.13.2022

While Expanding Our International Presence

International Subscription Revenue



<5%



penetration ⁽¹⁾

(1) IDC and Workday estimates as of 9.13.2022

Strategic Growth Vectors Have Clear Momentum

Medium Enterprise

~50%

of Total Land ACV from
Medium Enterprise

Customer Base

~45%

Increase in Average Deal
Sizes

Industry

~50%

Larger Land Deal Sizes
Compared to
Non-Industry

With Significant Runway Ahead

Medium Enterprise

~15%
Customer Unit
Penetration

Customer Base

\$10B+
Customer Base
Opportunity⁽¹⁾

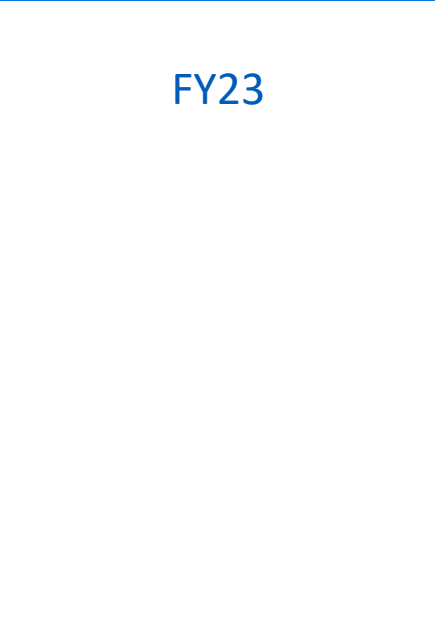
Industry

~80%
of U.S. Employees Are
in Services
Industries⁽²⁾

(1) As of 7.31.22

(2) U.S. Bureau Labor Statistics

**Targeting Sustained
20%+ Subscription
Revenue Growth**



FY23



Targeting Sustained 20%+ Subscription Revenue Growth

FY23

20%+

\$10B Total
Revenue





Enduring Growth



Profitable Growth



Responsible Growth



Enduring Growth



Profitable Growth



Responsible Growth

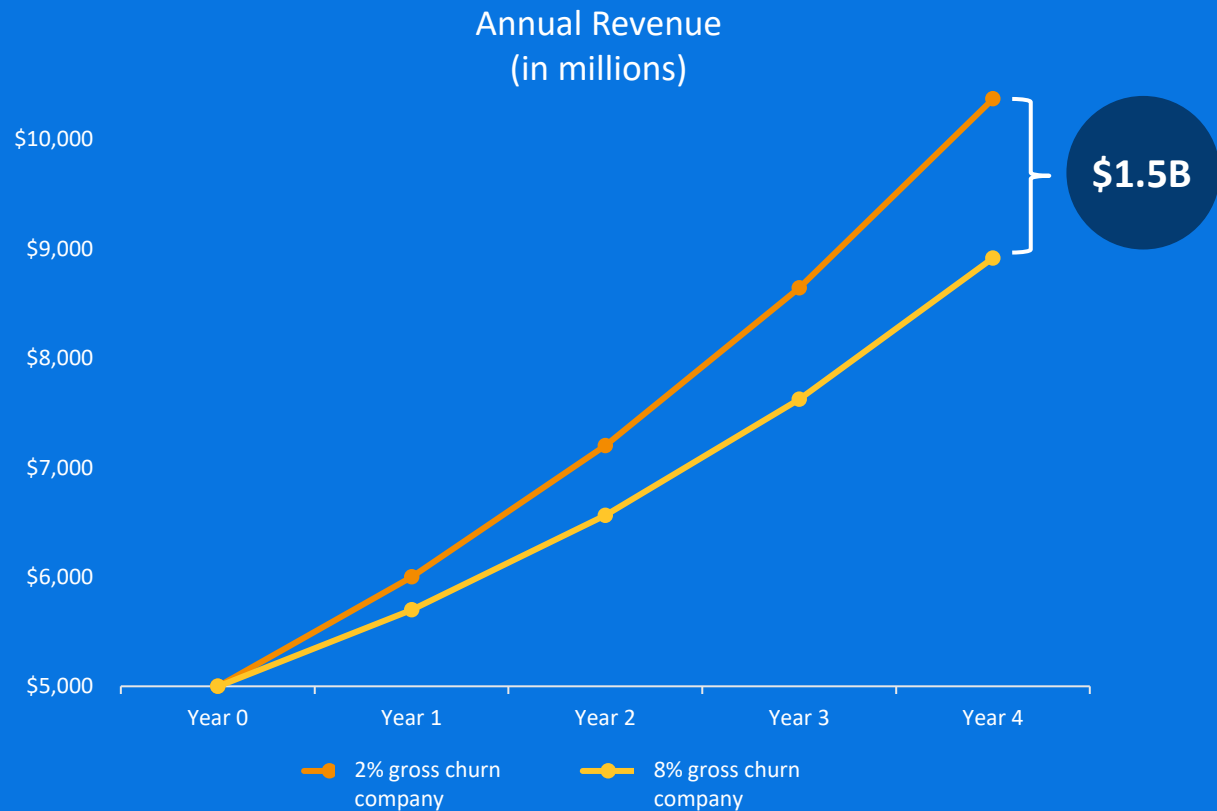
**Our Model Is Anchored
in Best-in-Class
Retention**

98%

Average Gross Revenue
Retention Rate⁽¹⁾

(1) Average gross revenue retention over the 5-year period from Q3'18 to Q2'23. Calculated by measuring the annual recurring revenue of our customers for the year-earlier period that we have maintained in the current period, without giving credit for additional upsells and/or seat related changes. The metric captures only customer and product churn.

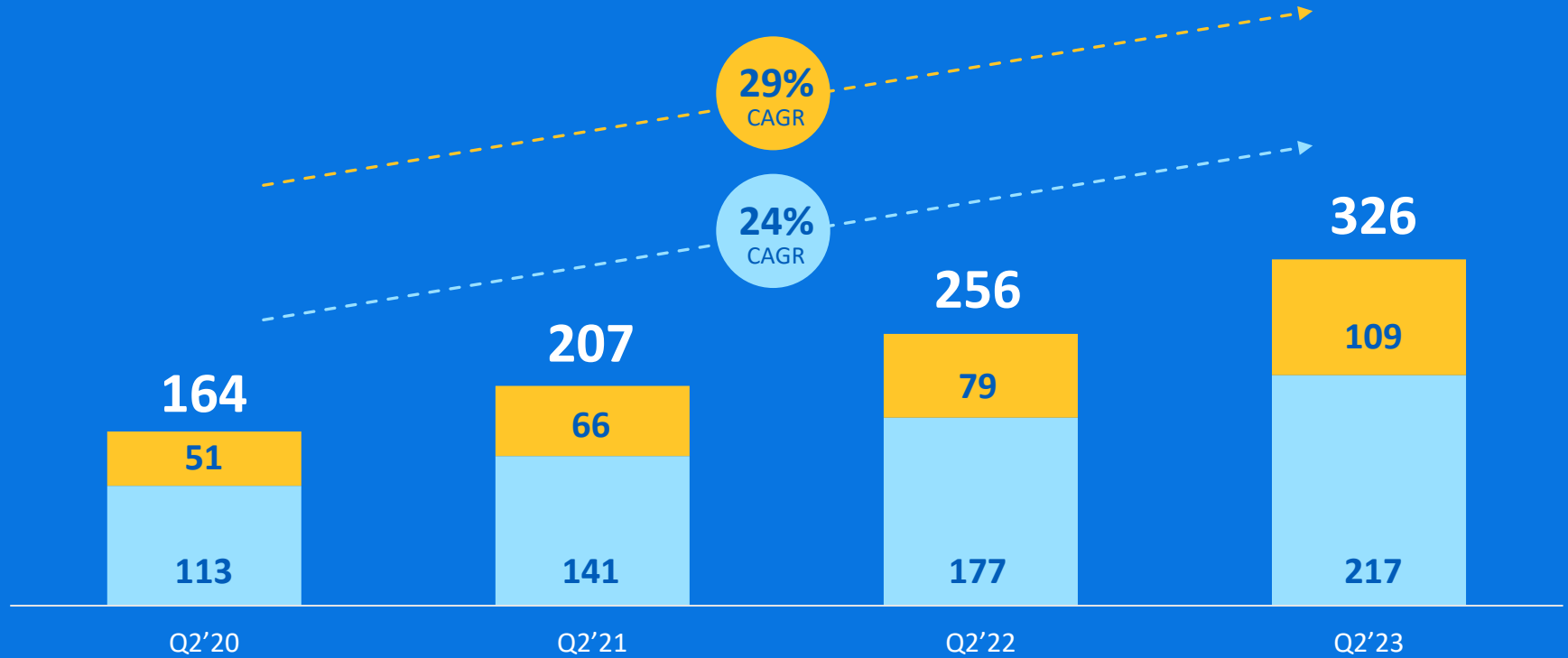
The Compounding Effect of 98% Gross Retention



6% difference in churn rate results in a **\$1.5 billion revenue difference** in the fourth year

Calculation assumes both companies start with \$5 billion in annual revenue; 2% gross churn company grows revenue 20% annually over the four years; 8% gross churn company has the same new ARR bookings on a gross basis as 2% gross churn company

Driving Growth in Strategic Relationships



■ \$3M-\$5M ARR Customers

■ \$5M+ ARR Customers

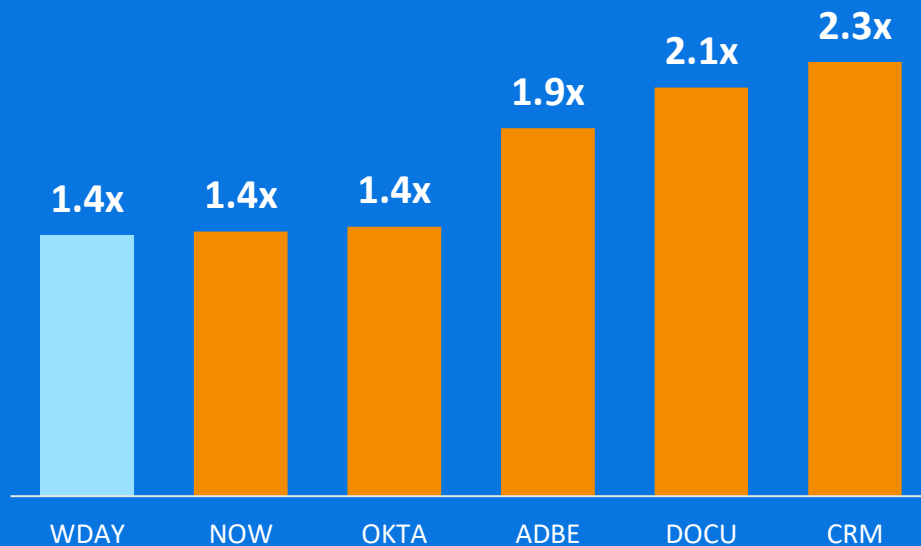
And Increased Net Retention



Which Combined with
Efficient CAC

1.4x

Customer Acquisition Cost



Calculated as the trailing 12-month non-GAAP sales and marketing expense divided by (subscription revenue for the most recently reported quarter analyzed less the year-ago period subscription revenue annualized)
Reconciliation of GAAP to non-GAAP sales and marketing expense included in the appendix

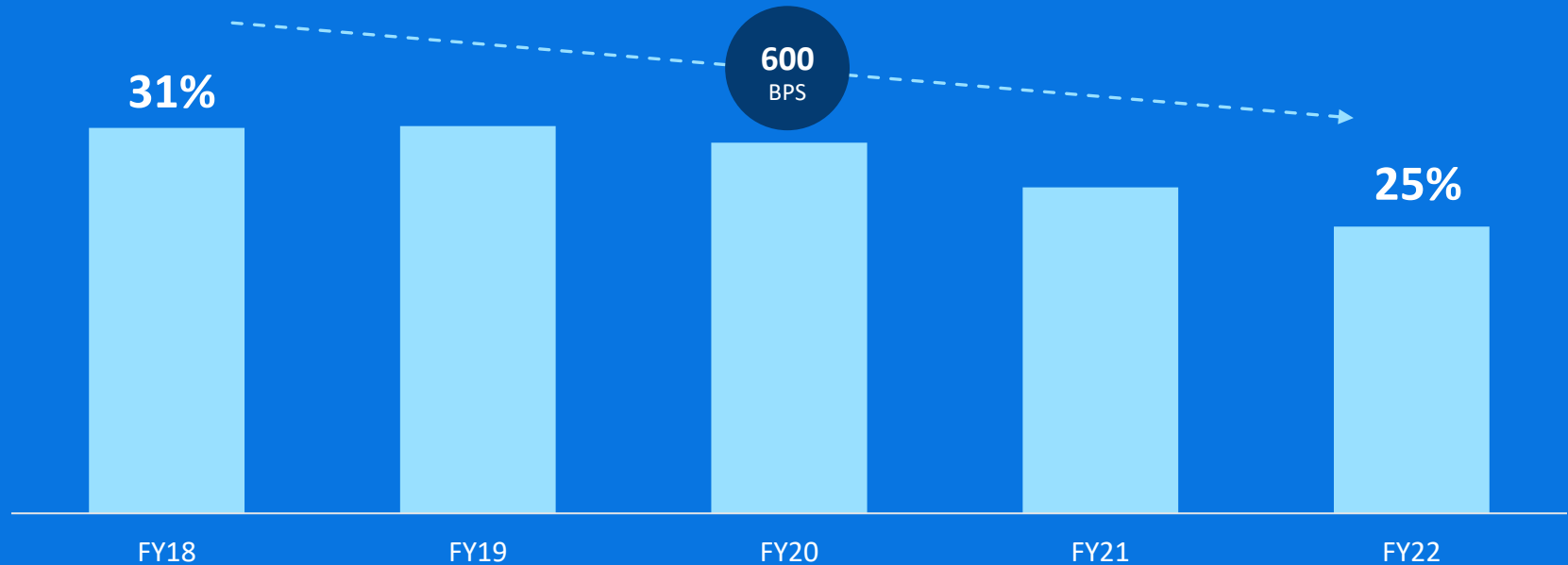
**Informs Our Investment
in Sales and Marketing**

#1

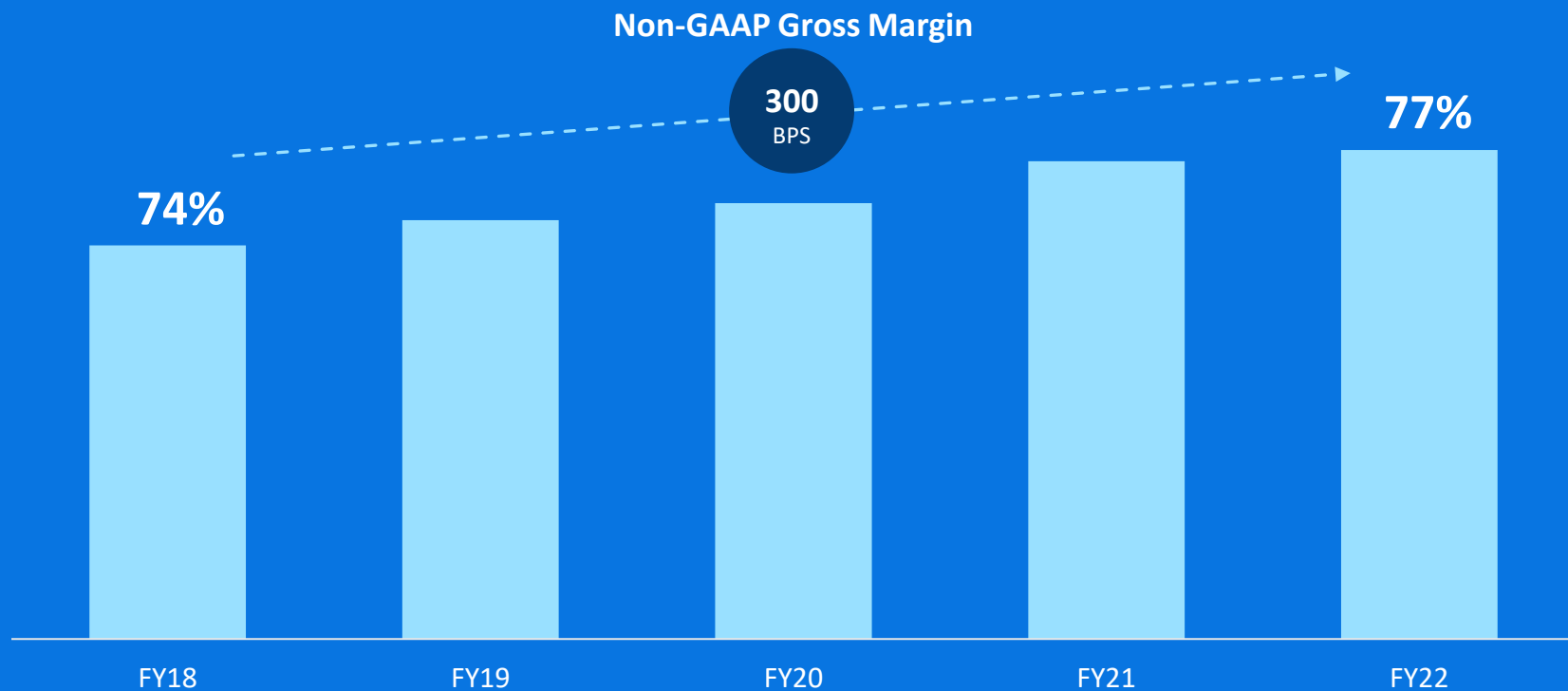
**Largest Area of
Headcount Additions**

R&D Source of Leverage as Platform Scales

Non-GAAP R&D / Revenue

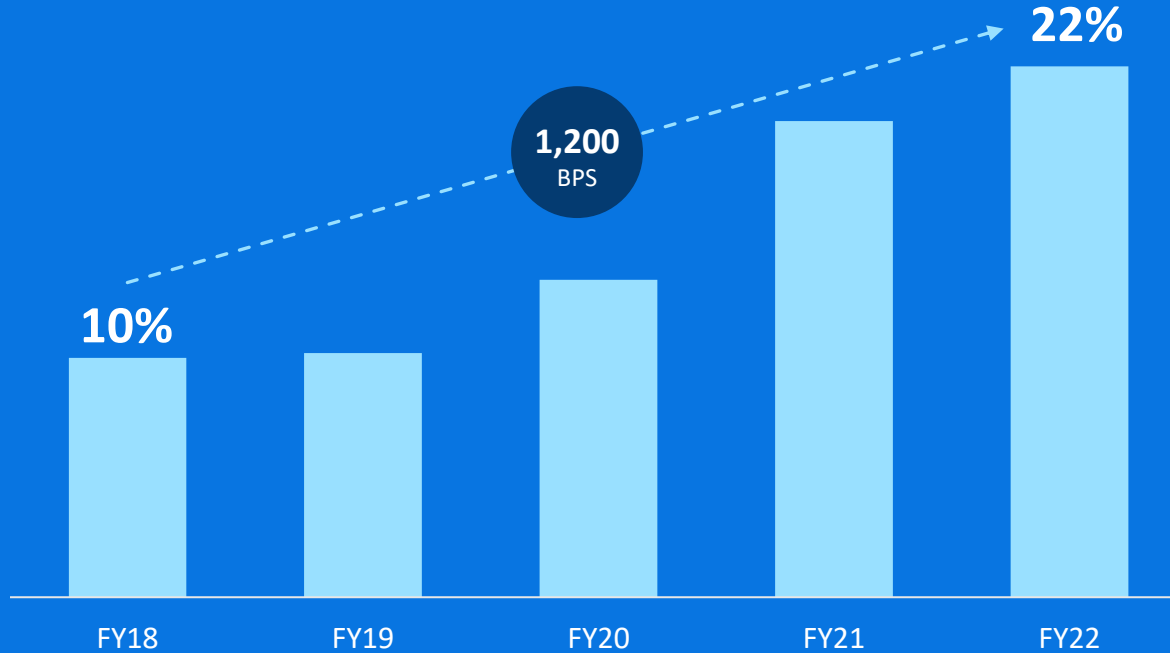


Gross Margin Source of Leverage as Platform Scales



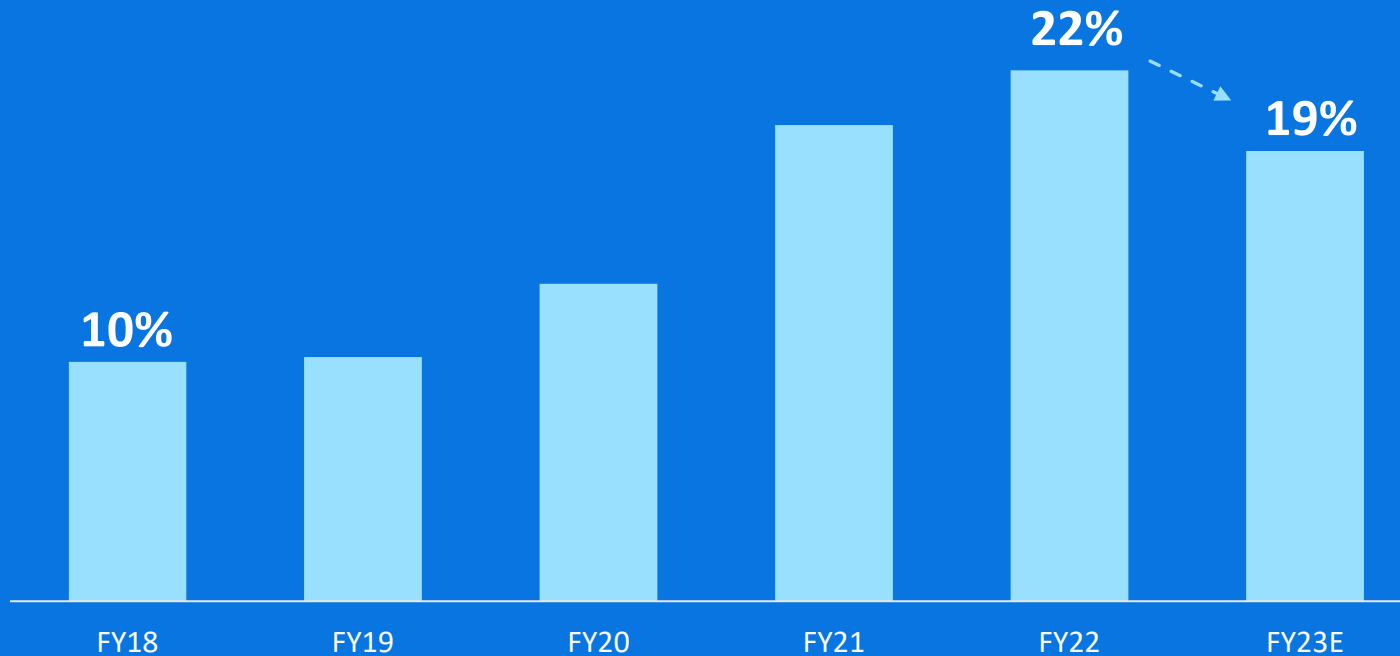
Profitably Growing at Scale

Non-GAAP Operating Margin



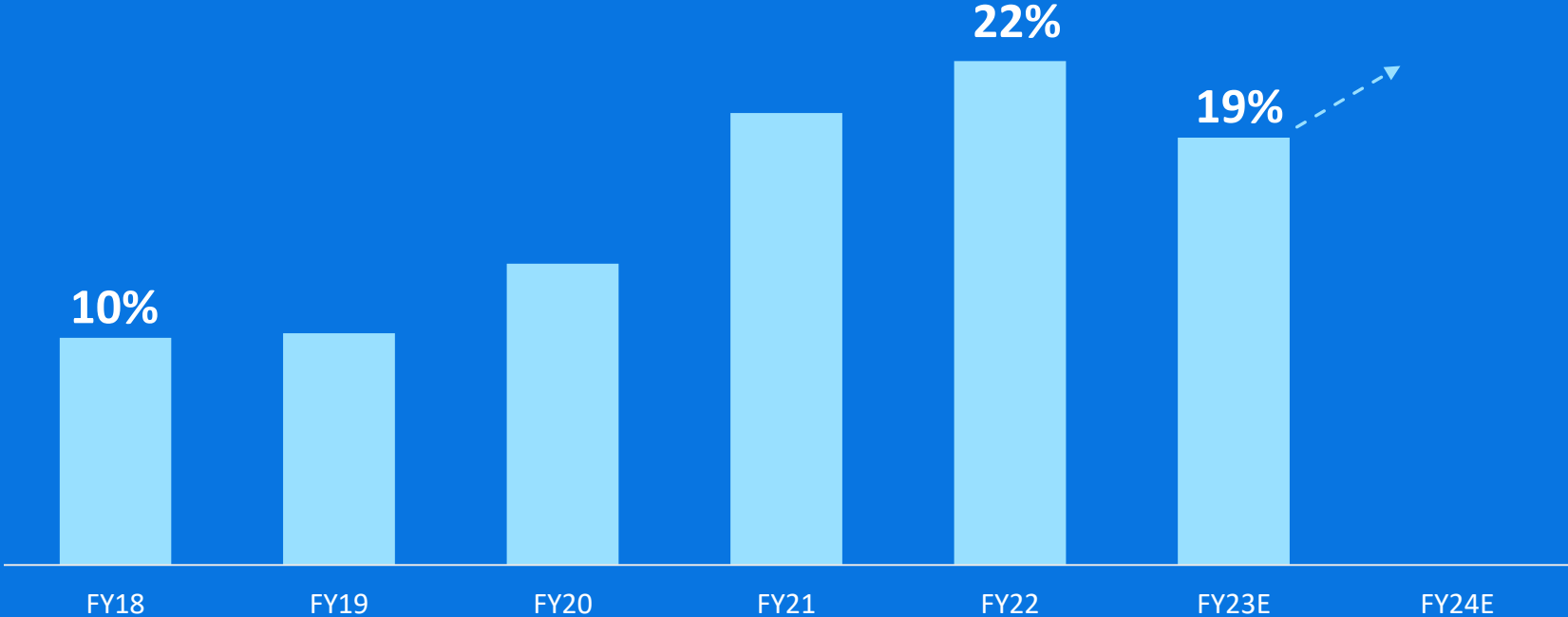
While Investing for Long-Term Growth

Non-GAAP Operating Margin



Expect Margin Expansion in FY24

Non-GAAP Operating Margin



Reconciliation of GAAP to non-GAAP operating margin included in the appendix. Arrow not scale

Powering Margin Expansion on Our Path to \$10B

<u>Line Items</u>	<u>Non-GAAP Targeted Margins</u>
Gross Margins	~80%
R&D/Revenue	~22%
S&M/Revenue	~27%
G&A/Revenue	~6%
Operating Margin	~25%
Operating Cash Flow Margin	~35%



Opportunity for Longer Term Expansion

25%

Non-GAAP
Operating
Margin

35%

Operating
Cash Flow Margin

Expect Pace of Stock Compensation to Moderate on Our Path to \$10B and Beyond



**SBC as
% Revenue**



Enduring Growth



Profitable Growth



Responsible Growth



Enduring Growth



Profitable Growth



Responsible Growth

We're Committed to Creating a Sustainable Future, Together



ESG and Our Employees

Cultivating a Culture
of Belonging

Workday Peakon Employee
Voice

VIBE™



ESG and Our Customers

Building Inclusive Solutions

Building Sustainable Solutions

Empowering our
Ecosystem



ESG and the World Around Us

Commitment to 1.5°C

Net-Zero Carbon Footprint

Driving Policy Change



Key

Takeaways



**Relentless innovation
drives expanding
opportunity**



**Strategic growth vectors have
clear momentum**



Powerful financial model



Q&A