



Corporate Overview and Q2FY25 Financial Results

November 21, 2024



Forward Looking Statements; Use of Non-GAAP Measures

This presentation and the accompanying oral presentation contain forward-looking statements that involve substantial risks and uncertainties, which include, but are not limited to, statements regarding our expected financial results for the fiscal quarter ending January 31, 2025 and the fiscal year ending April 30, 2025, our strategic areas of focus, expectations and plans regarding our future growth, our go-to-market and growth strategies and the effectiveness of such strategies, estimates of the impact of AI, assessments of our strategic partnerships, the expected performance or benefits of our offerings, our assessments of our competitive advantages, the strength of and demand for our solutions and products, and growth opportunities as well as our ability to address those opportunities. Actual outcomes and results may differ materially from those contemplated by these forward-looking statements due to uncertainties, risks, and changes in circumstances, including but not limited to those related to: our future financial performance, including our expectations regarding our revenue, cost of revenue, gross profit or gross margin, operating expenses (which include changes in sales and marketing, research and development and general and administrative expenses), and our ability to achieve and maintain future profitability; our ability to continue to deliver and improve our offerings and develop new offerings (including innovations around AI use cases); customer acceptance and purchase of our new and existing offerings; the expansion and adoption of our Elastic Cloud offerings; our ability to realize value from investments in the business; our ability to maintain and expand our user and customer base; the impact of the evolving macroeconomic and geopolitical environments on our business, operations, hiring and financial results, and on businesses and spending priorities of our customers and partners; the impact of our pricing model strategies on our business; the impact of foreign currency exchange rate fluctuations and the uncertain inflation and interest rate environment on our results; our international expansion strategy; our operating results and cash flows; the sufficiency of our capital resources; our ability to successfully execute our go-to-market strategy, our forecasts regarding our business; and general market, political, economic and business conditions.

Any additional or unforeseen effect from the evolving macroeconomic and geopolitical environments may exacerbate these risks. Additional risks and uncertainties that could cause actual outcomes and results to differ materially are included in our filings with the Securities and Exchange Commission (the "SEC"), including our Annual Report on Form 10-K for the fiscal year ended April 30, 2024 and subsequent reports filed with the SEC. SEC filings are available on the Investor Relations section of Elastic's website at ir.elastic.co and the SEC's website at www.sec.gov. Elastic assumes no obligation to, and does not currently intend to, update any such forward-looking statements, except as required by law.

In addition to GAAP financial information, this presentation and the accompanying oral presentation include certain non-GAAP financial measures. See the Appendix for a reconciliation of all historical non-GAAP financial measures to their nearest GAAP equivalent.



Elastic, the Search AI Company, combines the precision of search with the intelligence of AI to help everyone find answers that matter from all data. In real time. At scale.

Today's Business Priorities all **Connect to Data**



Elevating Customer Experiences



Improving Operational Resilience



Mitigating Security Risk



But the **mountain of data** is enormous
People can't find **what they're looking for**

480EB

1 EB = 1000 PB = 1,000,000 TB

Data produced
daily by 2025



*Source: IDC Global DataSphere and StorageSphere Forecasts

Generative AI is disrupting every business

72%

ORGANIZATIONS

have adopted AI in 1 or more business functions*

300M

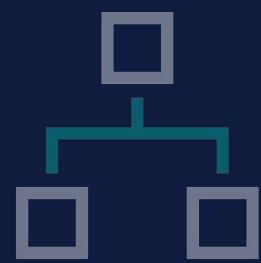
JOBS AUTOMATED

Forecasted impact of Generative AI*

10ⁿ

TECHNOLOGY SHIFTS

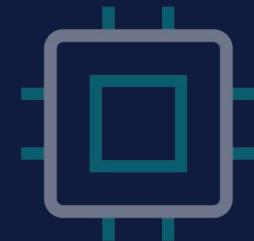
Personalization, automation & productivity



Mainframes
1950s



Databases
1960s



Microprocessor
1971



Modern OS
1981



WWW
1989



Cloud
2006



Mobile
2007



GAI
2022

Search is critical for Generative AI



Relevance & natural language understanding

Search is at the forefront of latest advancements



Optimized to scale large data volumes

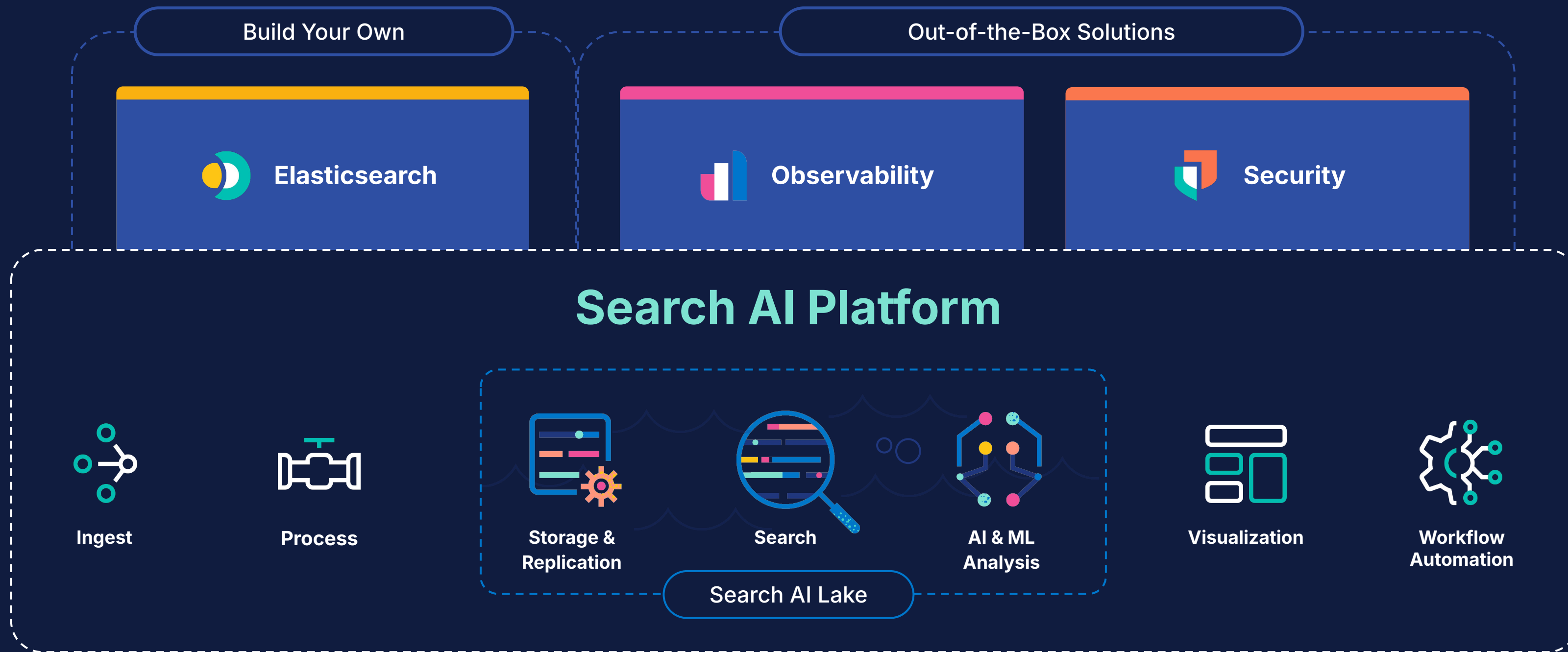
Search delivers results with speed and at a lower cost



Foundational framework for AI apps

Search is an investment in harvesting data and building for the future

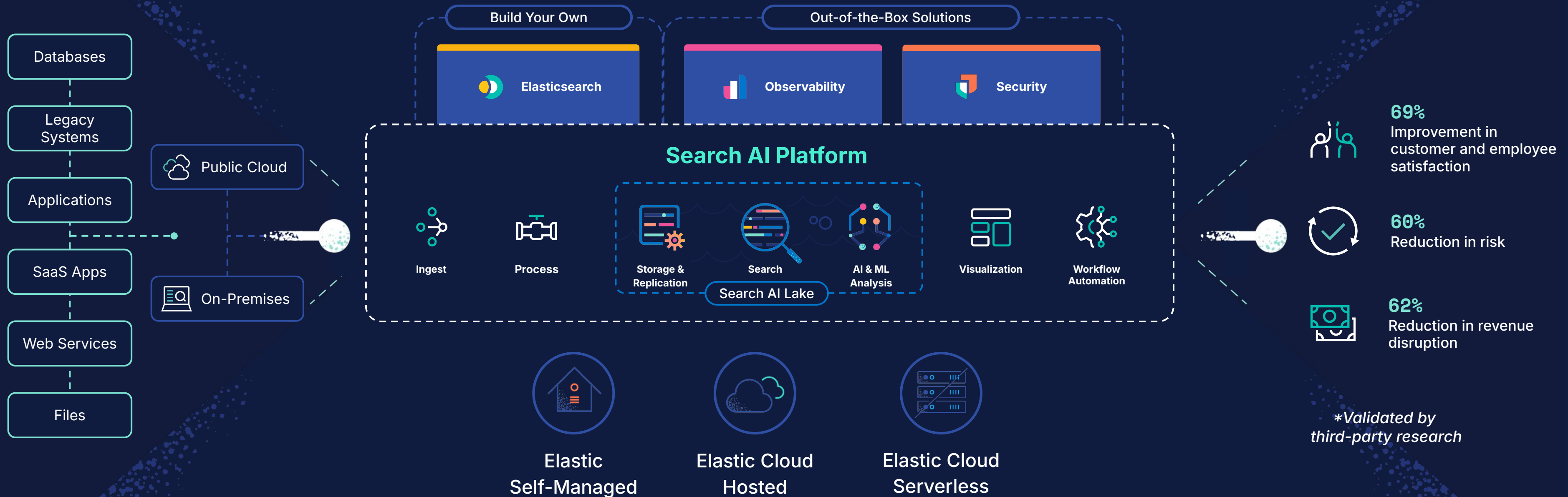
One Search AI Platform Two Out-of-the-Box Solutions The Freedom to Build Anything



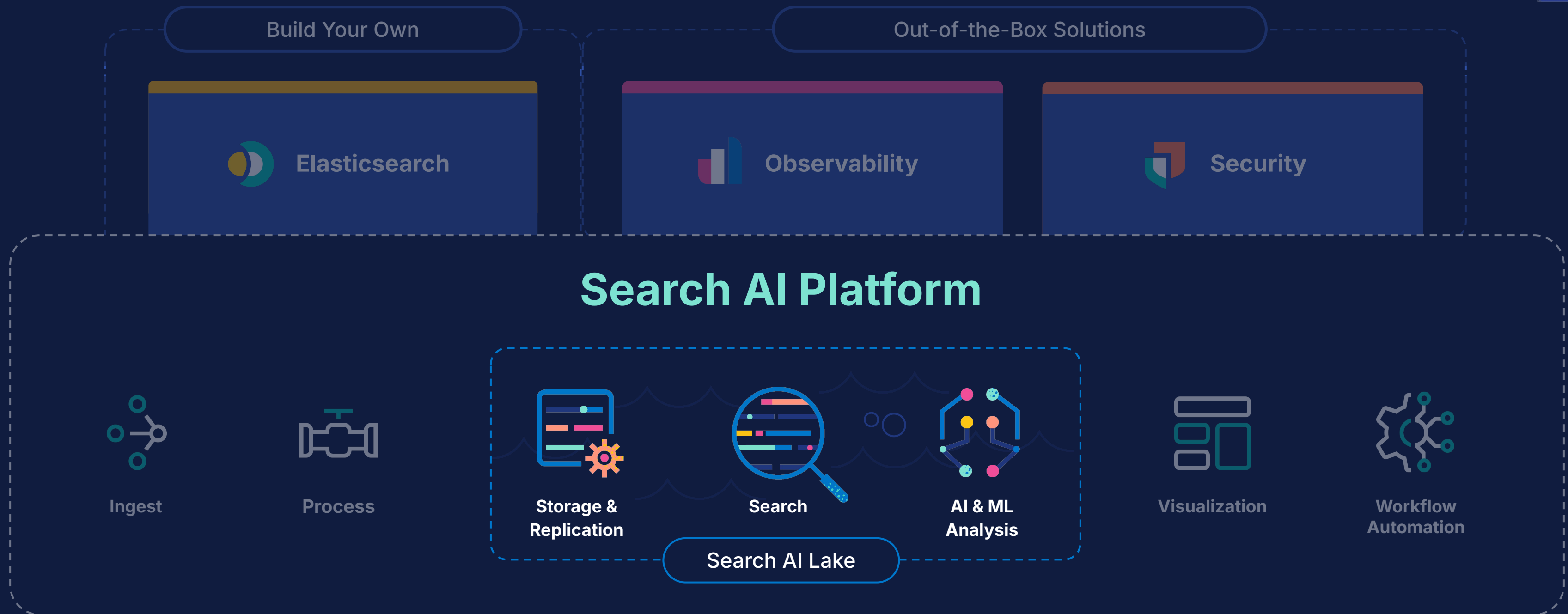
A Comprehensive and Open Platform that Delivers Relevant Results in Real-time

Any Data,
Any Source

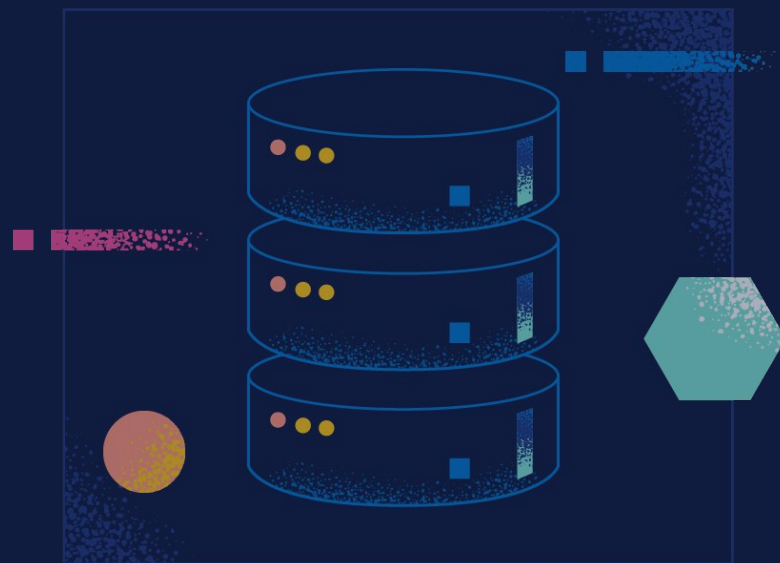
Business Outcomes
for Everyone



Featuring the Industry's Only **Search AI Lake**



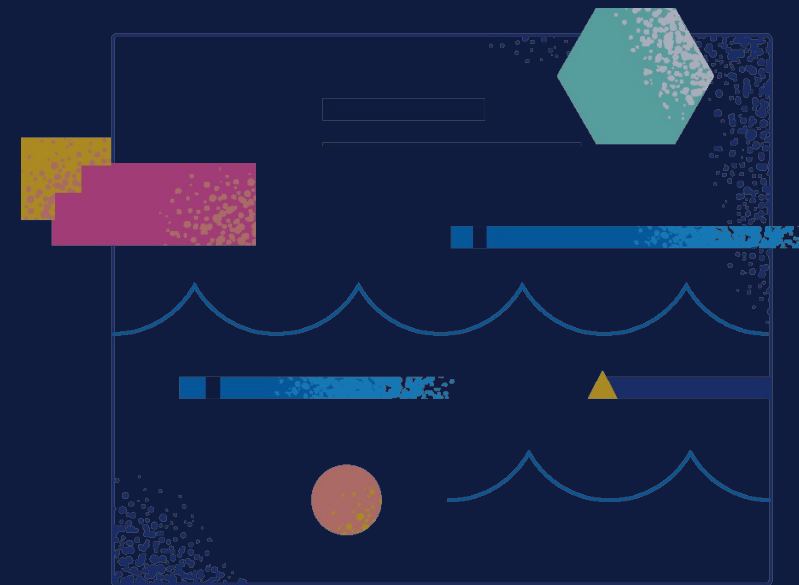
Search AI Lake: A Whole New Architecture for the Gen AI Era



Data Warehouse

Response Time:

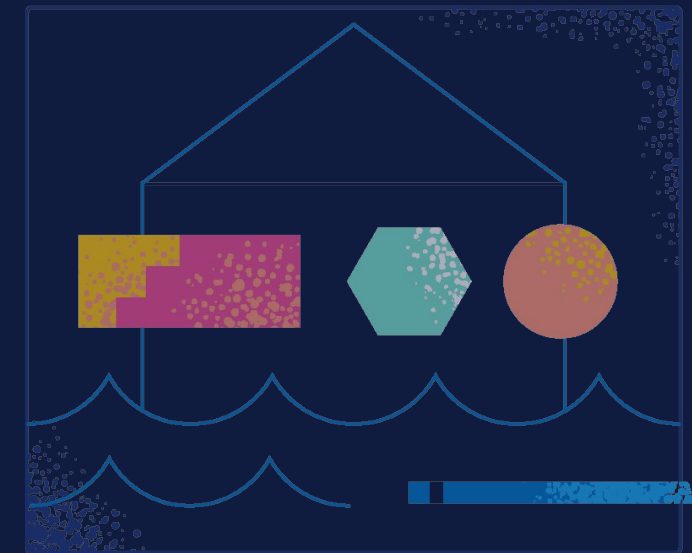
Minutes



Data Lake

Response Time:

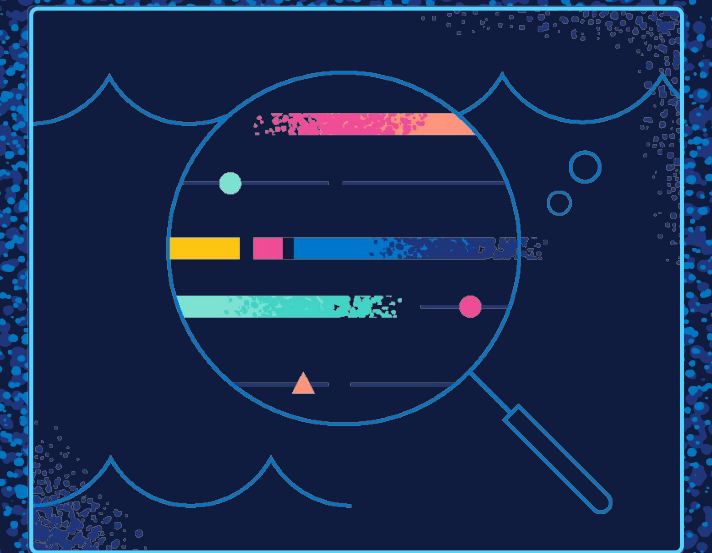
10s of Seconds



Lakehouse

Response Time:

Seconds



Search AI Lake

Response Time:

Milliseconds

Elastic's Search AI Lake is a stateless, AI-optimized data repository for both structured and unstructured data that supports context-aware search and retrieval for both real-time and analytical applications.

Adopting Search AI Has Never Been Easier



Elastic Self-Managed

+



Elastic Cloud Hosted

+



Elastic Cloud Serverless

```
curl -fsSL https://elastic.co/start-local | sh
```

```
Run Elasticsearch and Kibana for local testing
Do not use this script in a production environment
Setting up Elasticsearch and Kibana v8.15.2...
Created the elastic-start-local folder
Generated random passwords

Running 0/0
Network elastic-start-local_default Created
Volume elastic-start-local_dev-kibana Creat...
Volume elastic-start-local_dev-elasticsearch Created
Container es-local-dev Healthy
Container kibana_settings exited
Container kibana-local-dev Healthy

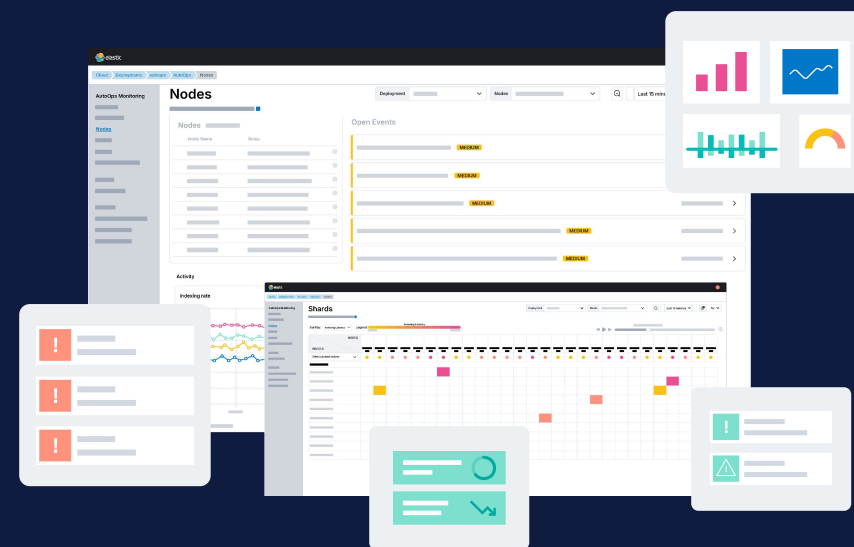
Congrats, Elasticsearch and Kibana are installed and running in Docker!
Open your browser at http://localhost:5601

Username: elastic
Password:

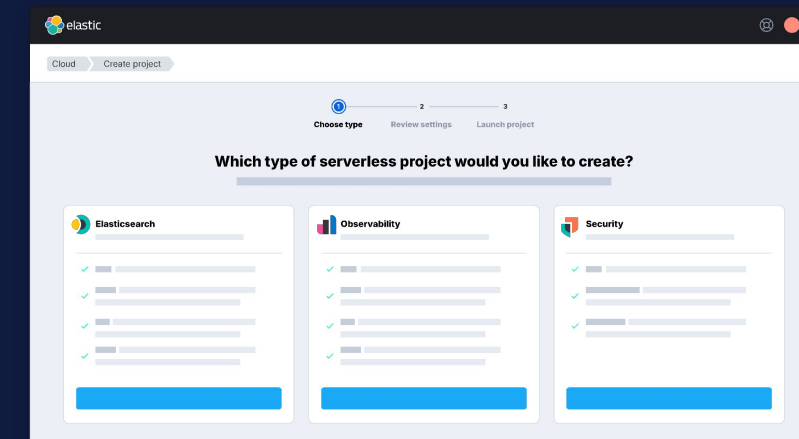
Elasticsearch API endpoint: http://localhost:9200
API key:

Learn more at https://github.com/elastic/start-local
```

Spin up **Elastic Self-Managed** with one simple command.



AutoOps on **Elastic Cloud Hosted** provides easy cluster management, with performance recommendations, resource utilization, and cost insights.



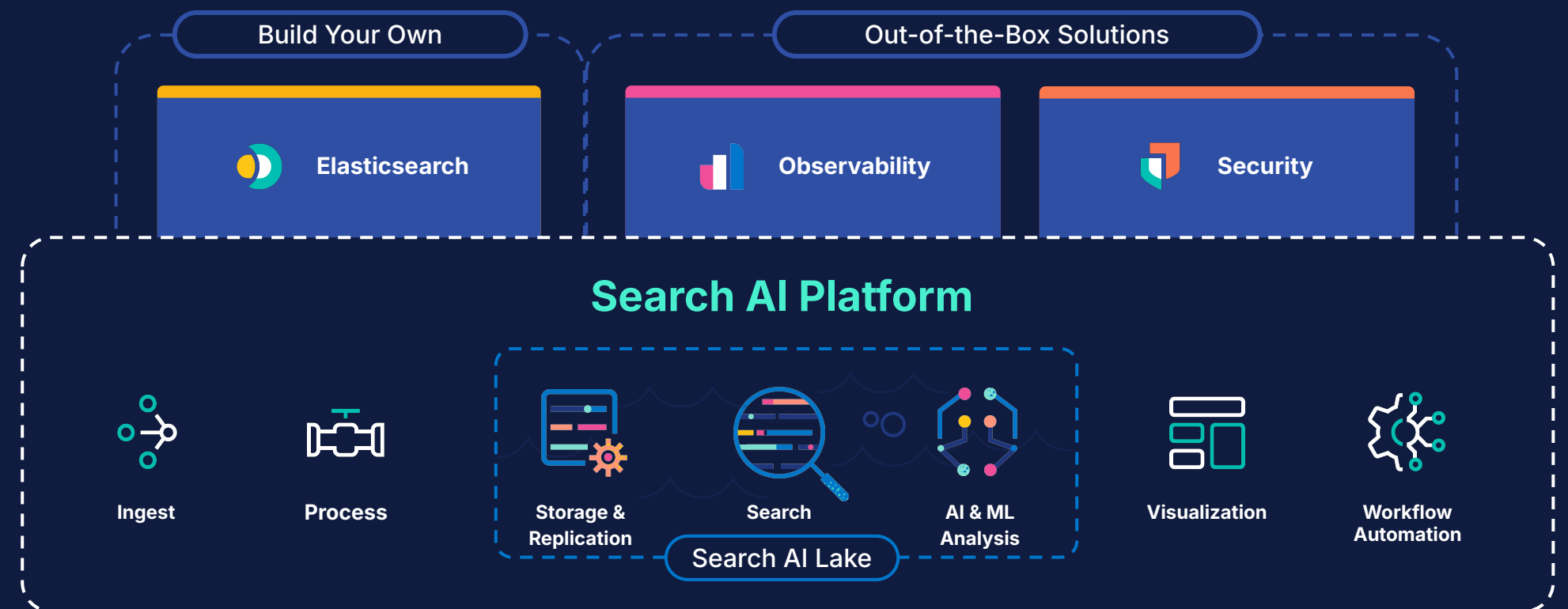
Deploy and use Elastic via **Elastic Cloud Serverless** without managing the underlying Elastic cluster, such as nodes, data tiers, and scaling.

The Speed, Scale, and Flexibility of the Search AI Platform

WHY CUSTOMERS CHOOSE THE SEARCH AI PLATFORM

Booking.com

- + One of the world's leading digital travel companies, ingesting 100 terabytes of data per day to support customers
- + Chose Elastic to tackle the challenges of unparalleled growth, complexity, and scale with Elastic Security, Search, and Observability on Elastic Cloud
- + Now they can minimize risk and fraud while reducing the chance of damage to the reputation of the Booking.com brand

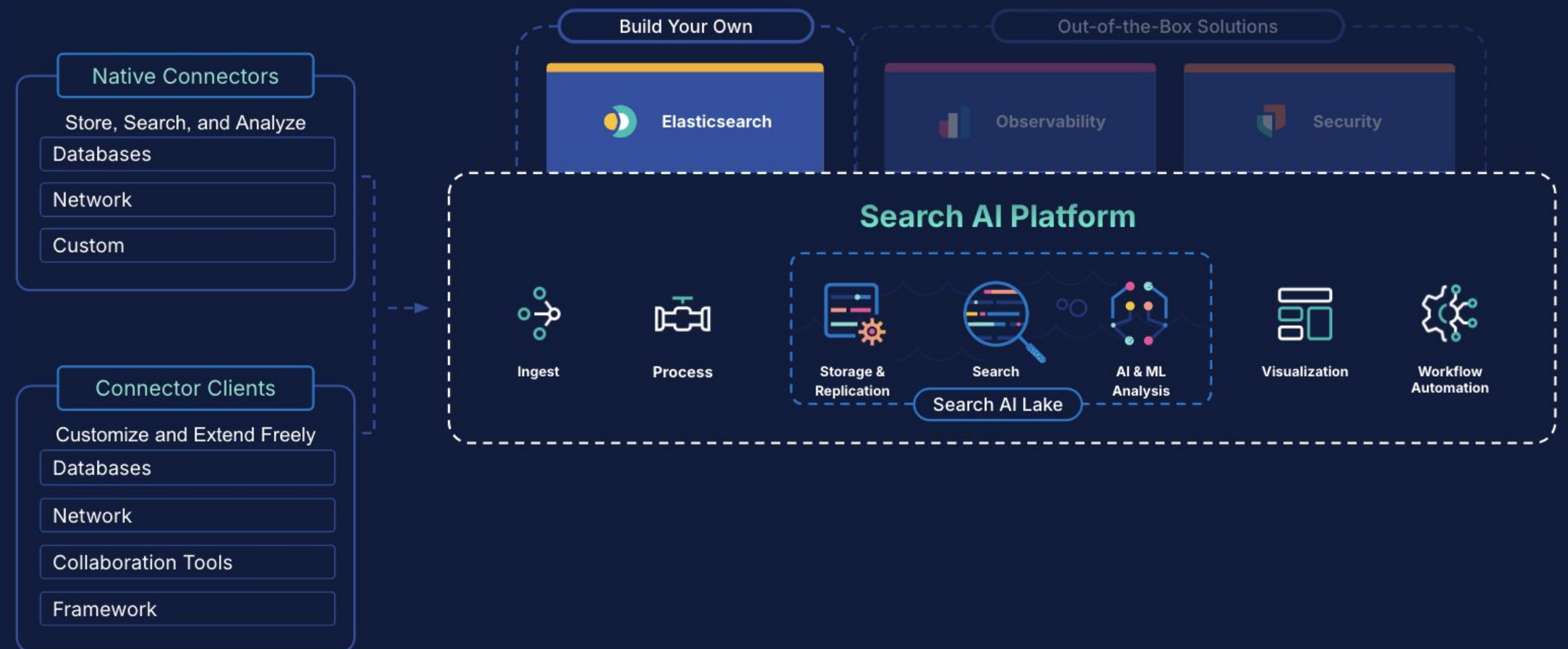


The Flexibility to Build Your Own Search Experiences

WHY CUSTOMERS CHOOSE ELASTICSEARCH



- + Customers worldwide searching across millions of unique permutations of car configurations
- + Chose Elastic for the ability to deliver a centralized, searchable repository, tailored to different sales channels, markets, and audiences
- + Now they are driving increased revenue across the globe

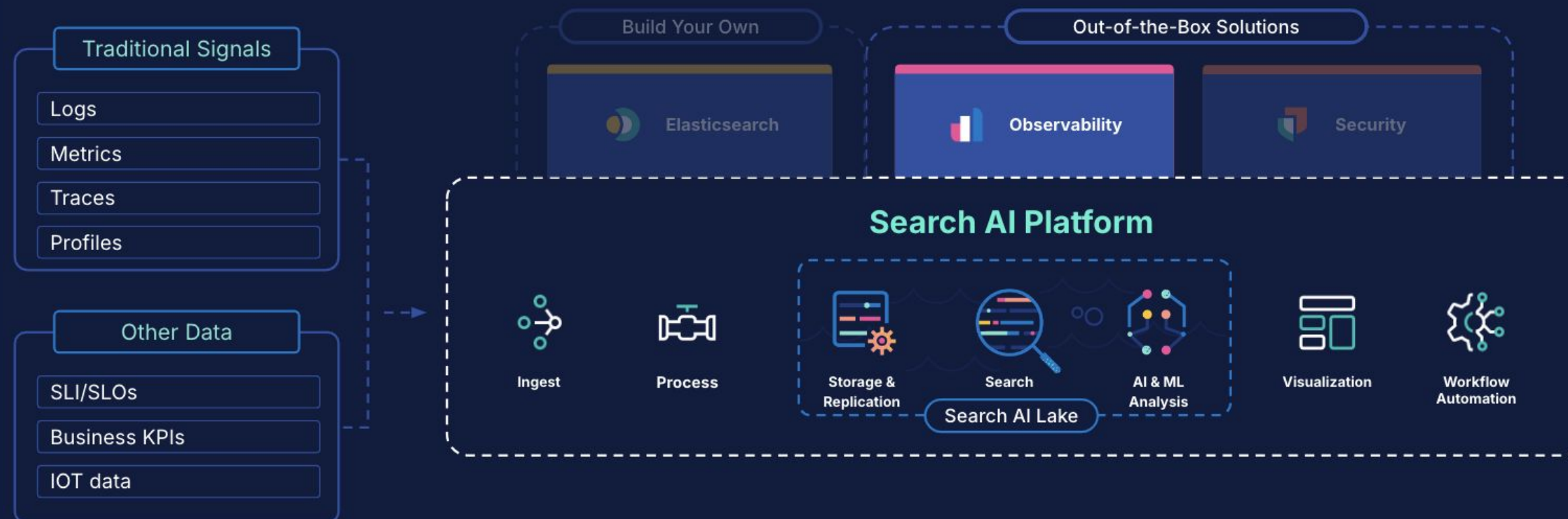


A Comprehensive, AI Driven Observability Solution

WHY CUSTOMERS CHOOSE ELASTIC OBSERVABILITY



- + Ingests 400 terabytes of telemetry data per day with Elastic Observability
- + Provides a single view across infrastructure, monitoring changes including more than 50,000 software builds a day
- + "Elastic provides us with the essential feedback that enables our engineers to iterate faster and increase the speed of innovation."

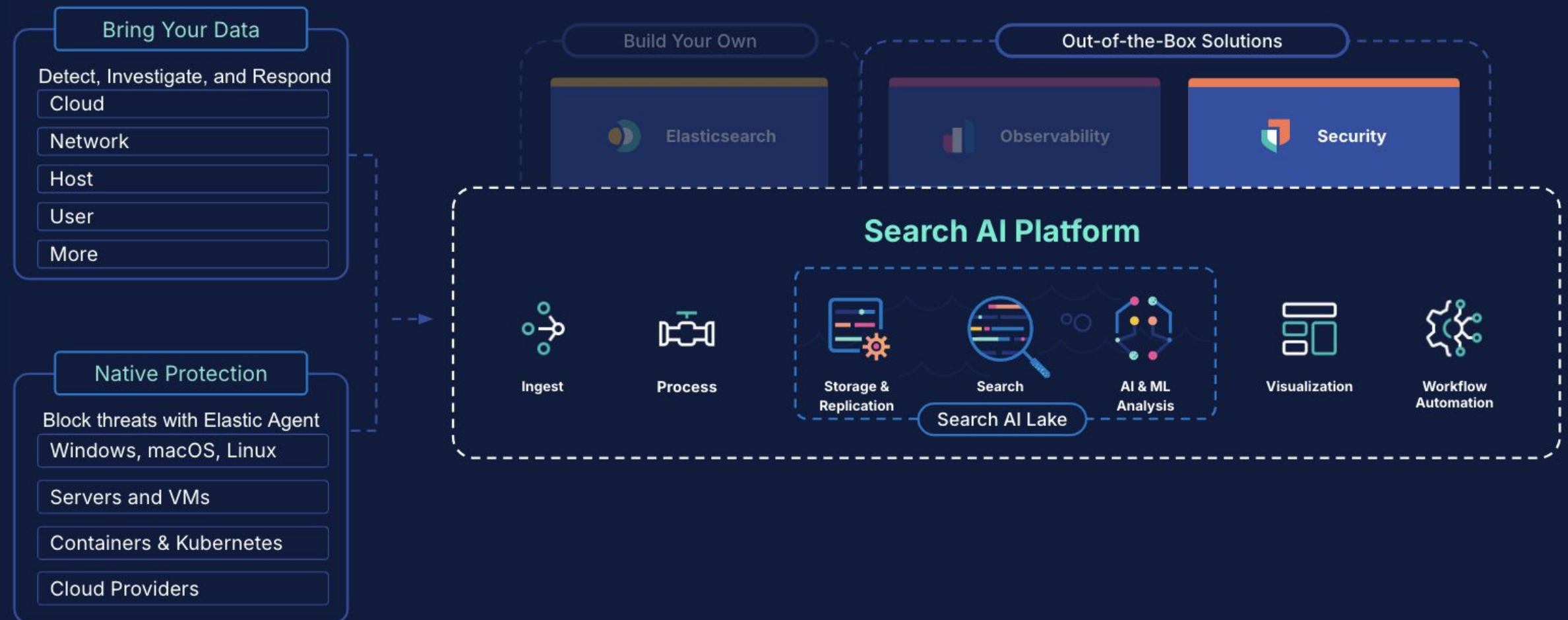


A Comprehensive, AI Driven Security Solution

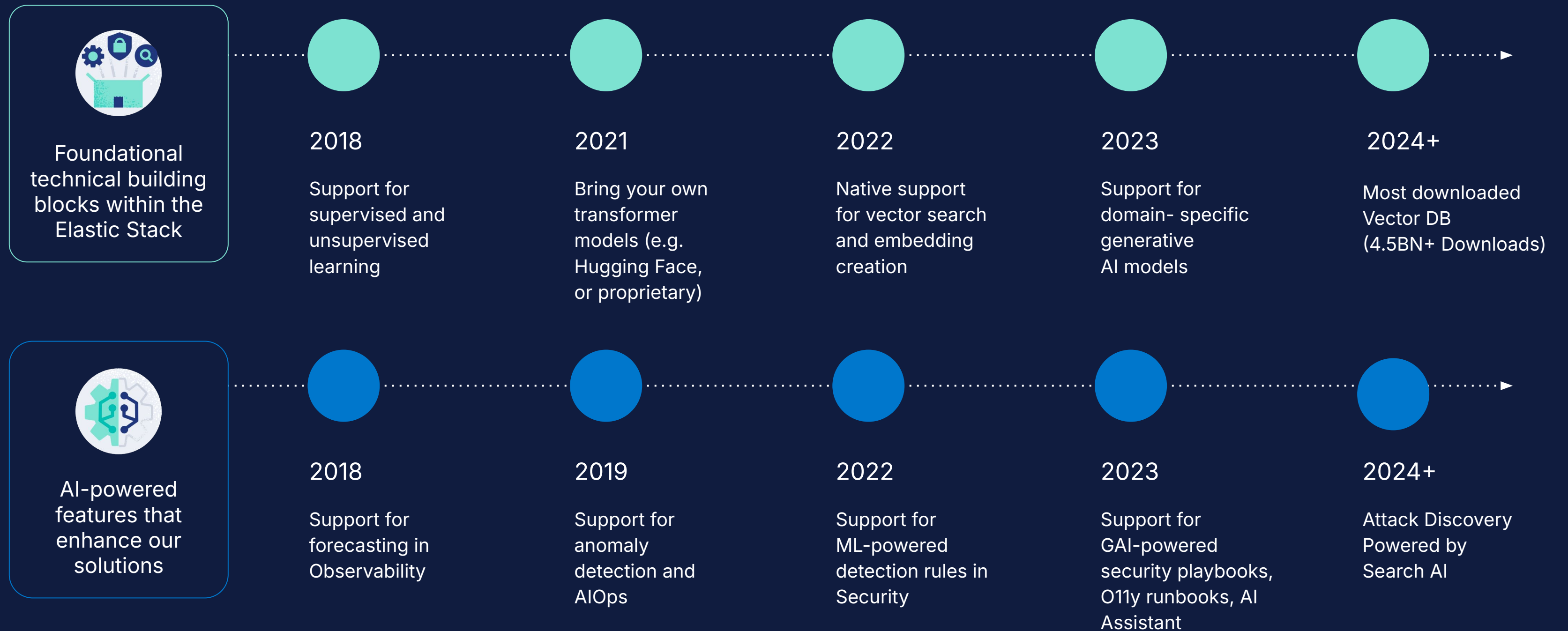
WHY CUSTOMERS CHOOSE ELASTIC SECURITY



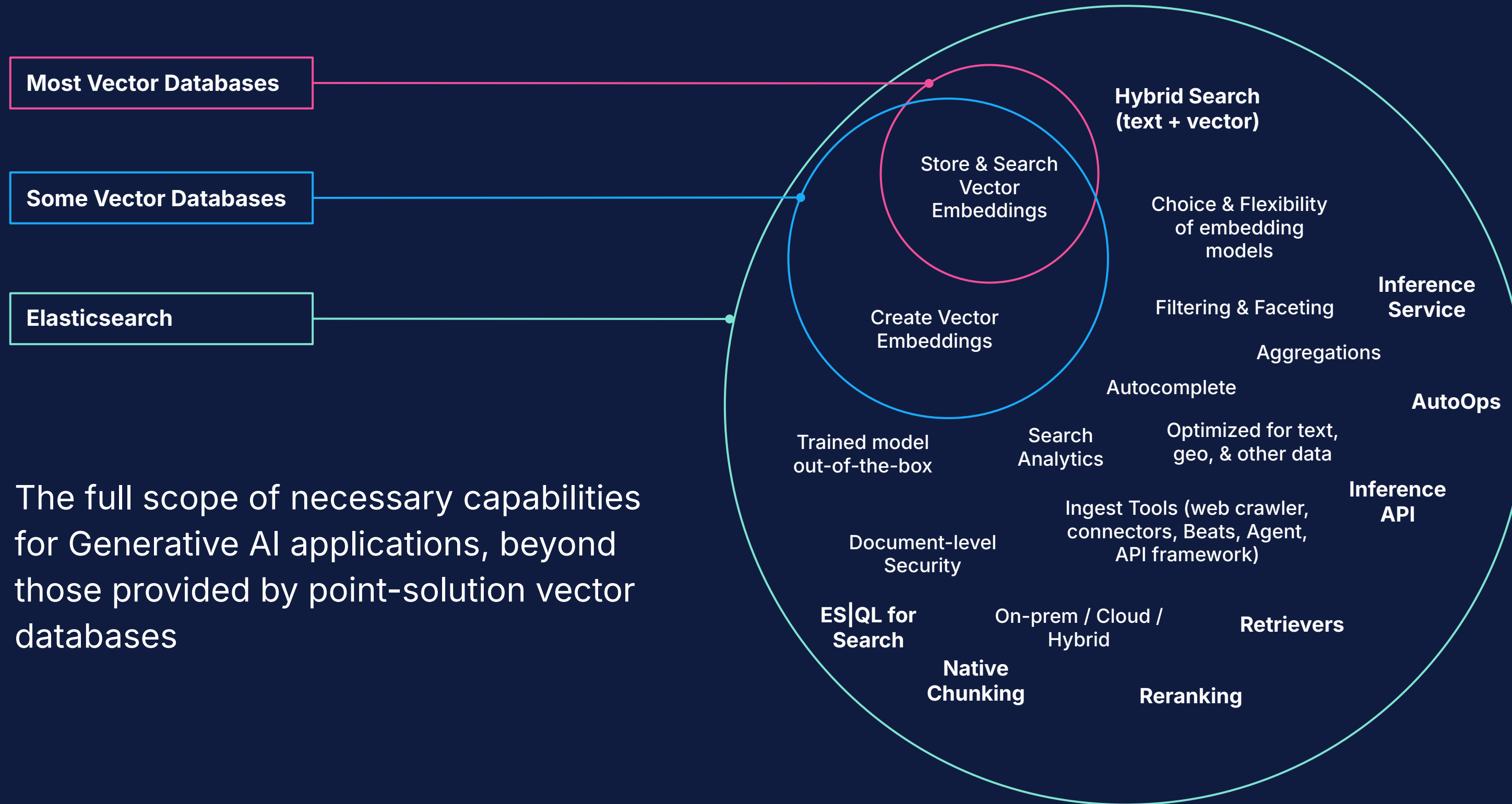
- + Over 1,000 pieces of internal network equipment and multiple security data silos
- + Chose Elastic for the ability to ingest all their security data, standardize it, and automatically detect threats
- + Now they can concentrate all their security workflows into a single solution - reducing MTTX



Years of Search and AI Expertise → Search AI



Only Elastic provides ALL the capabilities you need



The full scope of necessary capabilities for Generative AI applications, beyond those provided by point-solution vector databases

A safer, more cost effective approach to GenAI for more relevant results



Delivers the most **relevant** content

Before GenAI composes a response, Elasticsearch delivers the most relevant content to best answer the query



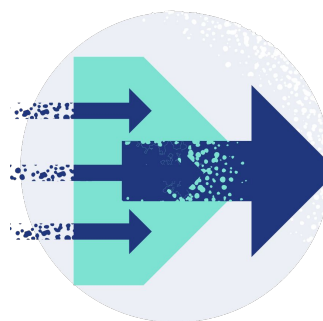
Maintains **security** and **confidentiality**

Recognizes and implements the appropriate access to the user and data, removes private information



Reduces **costs**

By providing the information most relevant to the query, less compute and storage resources are required



Complete platform for **AI apps**

End to end platform to build and deliver AI search applications

Search AI Expertise Built into Each Elastic Solution

From Search to Observability to Security



Elasticsearch

Semantic Search
Image Search
Sentiment Analysis
Recommendations
Named Entity Recognition
Better Binary Quantization



Observability

Anomaly Detection
AIOps
Automatic Import
Interactive Root Cause Analysis
Integrated Case Management
AI Assistant
LLM Observability



Security

Threat Intelligence
Automated Alerting
AI Assistant
Attack Discovery
Automatic Import
LLM Security

Recognized Leadership in Search, Log Analytics, and Security Analytics



Elasticsearch

Leader in the IDC Marketscape:
Knowledge Discovery for External-Facing Use Cases 2024

Strong Performer in The Forrester Wave™: **Cognitive Search**, Dec. 2023

Leader in the IDC MarketScape:
Knowledge Discovery Software 2023-2024



Observability

Leader in the Gartner® Magic Quadrant™ for **Observability Platforms**, Aug. 2024

Strong Performer in The Forrester Wave™: **AIOps**, Dec. 2022



Security

Leader in IDC Marketscape for **SIEM** 2024

Leader in The Forrester Wave™:
Security Analytics Platforms, Dec. 2022

Visionary in Gartner® Magic Quadrant™ for **SIEM**, Oct. 2022, May 2024

Major Player in the IDC MarketScape:
Worldwide **SIEM** 2022 Vendor Assessment

Gartner®

FORRESTER®

IDC



Trusted by **Organizations** Around the World

TECHNOLOGY	FINANCE	TELCO	CONSUMER	HEALTHCARE	PUBLIC SECTOR	AUTOMOTIVE / TRANSPORTATION	RETAIL
							
							
							
							
							

Why Elastic Wins

Power of the Platform

- Solving problems from a search and AI lens: speed, scale, relevance
- Strong foundation in AI/ML, with support for AI across solutions
- Unstructured data from any source
- All solutions on a single stack
- Deploy anywhere - cloud, hybrid, on-prem

Power of the Commercial Model

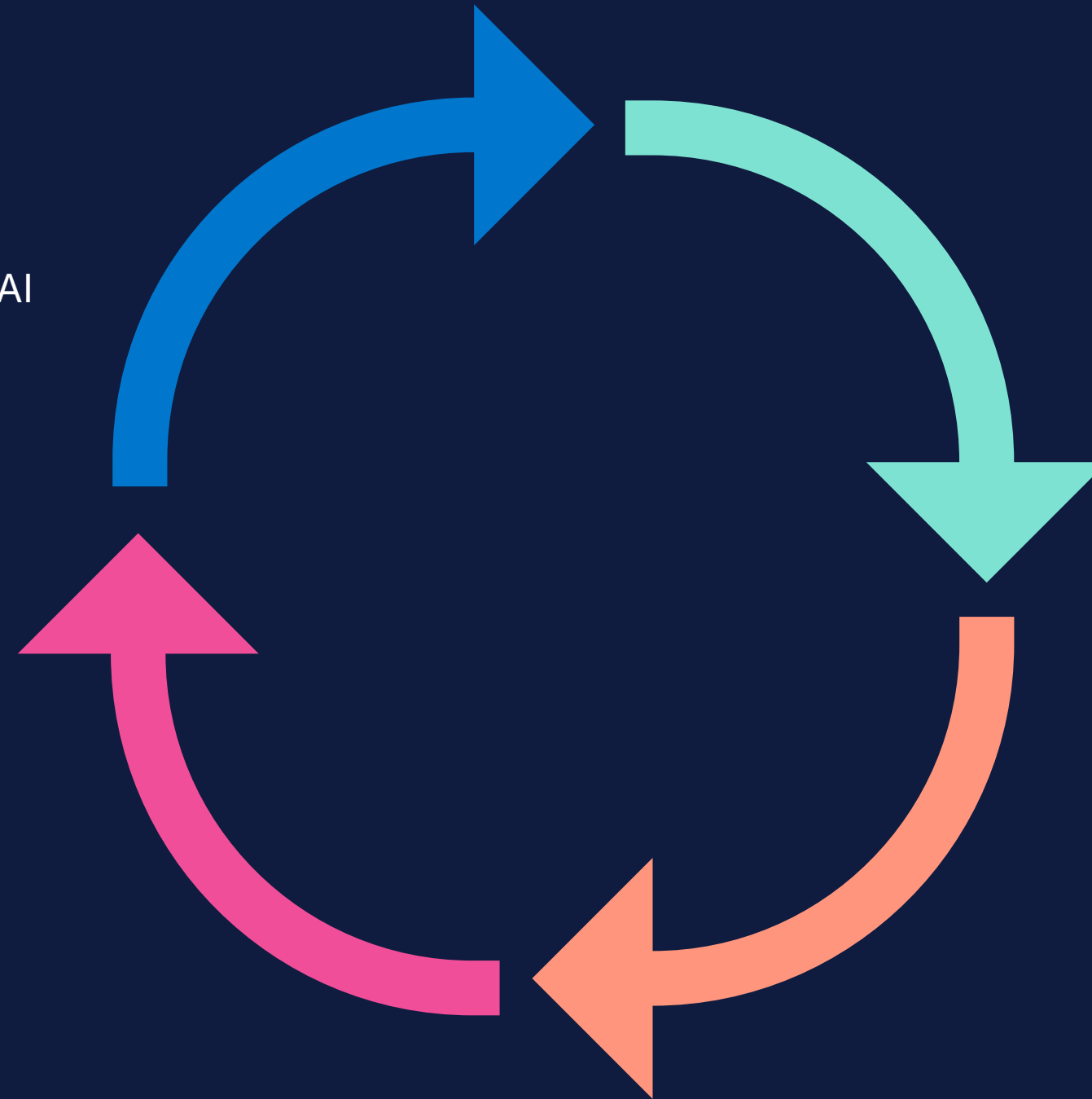
- Compelling TCO advantages and greater business value
- Uniform resource-based pricing model
- Consumption-based model for Cloud

Power of the Community

- Millions of developers with billions of downloads
- Facilitates bottom up adoption within enterprises
- Generates an entry point into new markets
- Engaging with open communities across solutions (Open Security, OpenTelemetry)

Power of Partnerships

- Strategic partnerships with hyperscalers, including co-investments
- Powerful technology integrations
- Preferential access and relationships
- Joint sales pursuits



Elastic's Growth Vectors



New customers
adopt Elastic



Customer data
volume grows



Customers adopt
more use cases



Customers adopt
more solutions



Customers adopt
the cloud

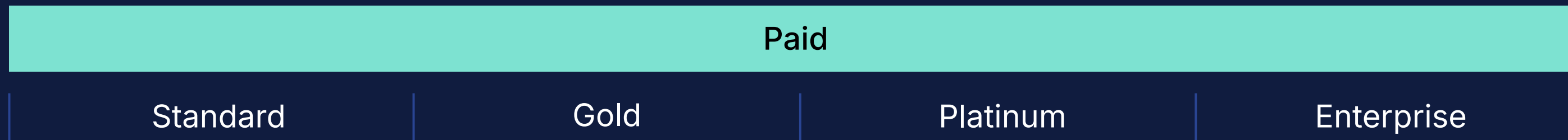


Customers adopt higher
subscription tiers

Distribution and Monetization Model



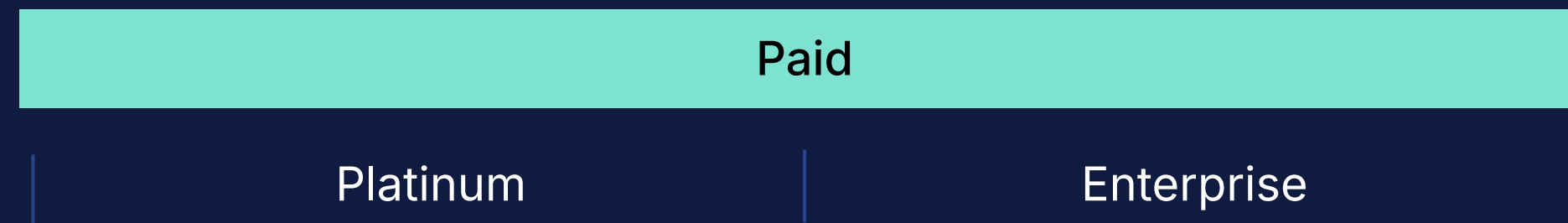
Elastic Cloud



Self-managed

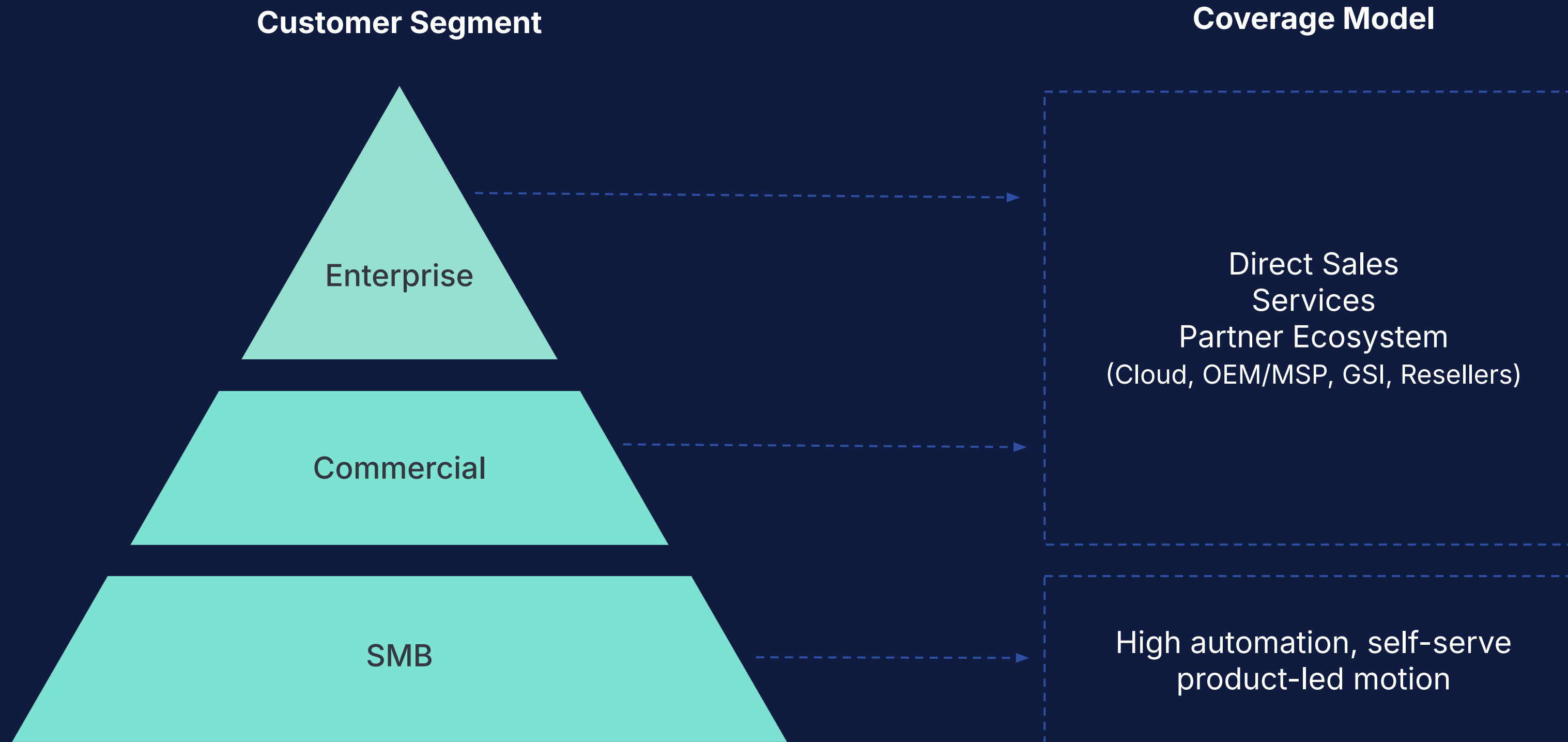
Free & Open

No Support



- Resource-based pricing model ↔ Consumption-based subscriptions on Elastic Cloud
- Subscriptions generally 1 to 3 years, invoiced annually in advance
- Elastic Cloud also has month-to-month web-based self-service option

Low-friction Go-to-Market Model



Scaling with Hyperscaler Cloud Partners



- Multi-year strategic agreements with co-investments
- Powerful technology integrations to accelerate Elastic Cloud adoption
- Preferential access and relationships under ISV programs
- Joint sales pursuits with sales incentives for hyperscaler sales teams

Elastic is Wherever Your Data Lives

 Public Cloud

 Hybrid

 On-Premises



 Amazon Web Services  Google Cloud  Microsoft Azure

55+ Cloud Regions Globally



Sustaining the Cloud Momentum



Track record of growth at scale



Organic Growth



Strong Customer Acquisition



Robust Expansion



Strong Consumption Patterns



Sustained, Organic Mix Shift to Cloud



GTM Momentum



Thriving Hyperscaler Partnerships

Q2 FY25 Results

Q2 FY25 Results At a Glance



18%

Total Revenue Growth
year-over-year



25%

Elastic Cloud Revenue Growth
year-over-year

46% of Total Revenue



18%

Non-GAAP
Operating
Margin*



>1,420

Customers with
ACV > \$100K

Revenue Highlights

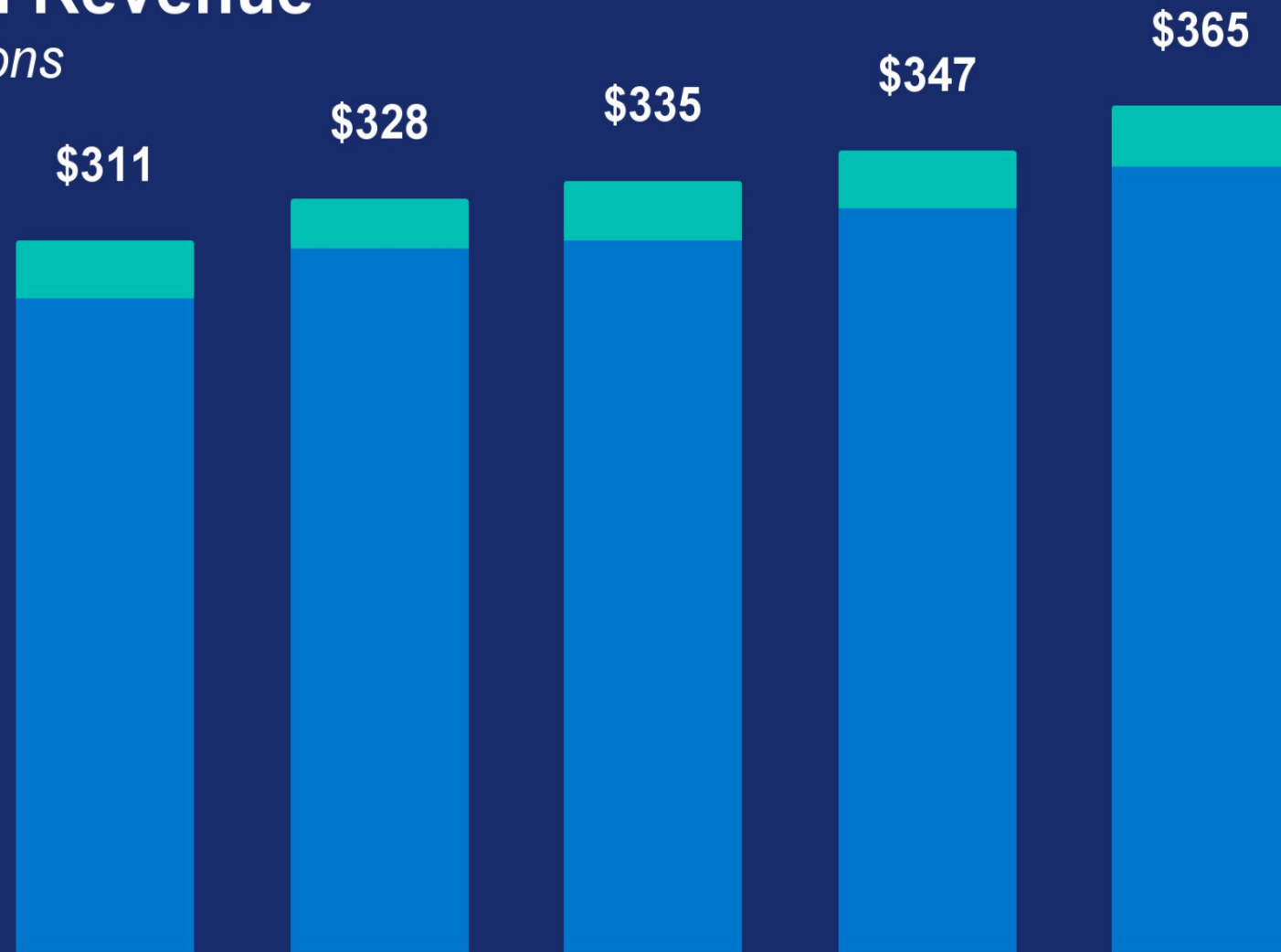
<i>\$ millions</i>	Q2 FY25	Y/Y	Y/Y CC
Total Revenue	\$365	18%	17%
Total Subscription Revenue	\$341	18%	18%
Elastic Cloud Revenue	\$169	25%	25%
Subscription % of Total Revenue	93%		
Professional Services Revenue	\$25	7%	7%

CC = Constant Currency

Strong track record of driving growth

Total Revenue

\$ millions



Quarter	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25
As Reported Y/Y Growth %	17%	19%	20%	18%	18%
Constant Currency Y/Y Growth %	16%	18%	20%	18%	17%

As Reported Y/Y Growth %

Constant Currency Y/Y Growth %

■ Professional Services ■ Subscription Revenue

Cloud Revenue

\$ millions



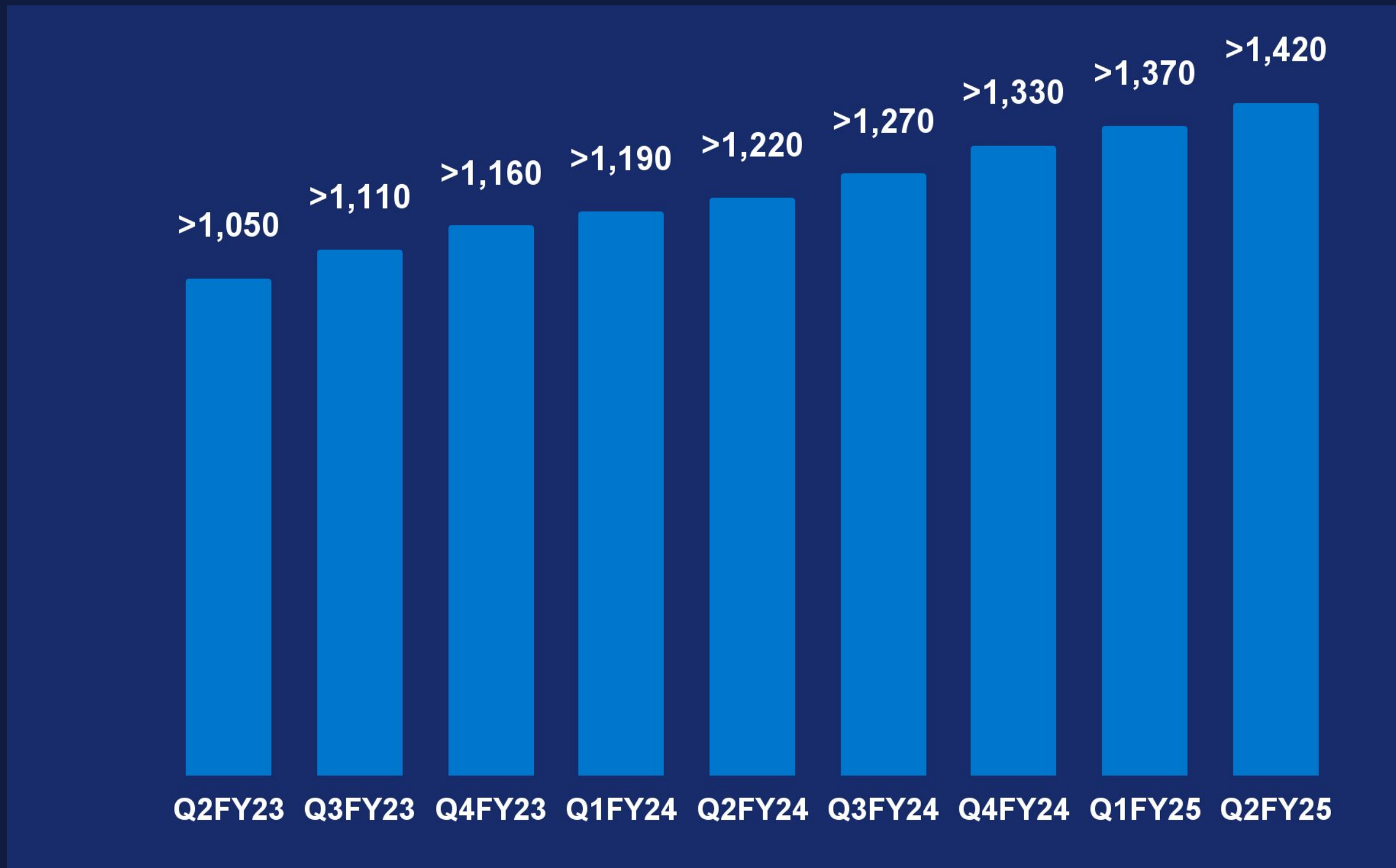
Quarter	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25
As Reported Y/Y Growth %	31%	29%	32%	30%	25%
Constant Currency Y/Y Growth %	30%	29%	32%	30%	25%
Cloud Revenue as a % of Total Revenue	43%	44%	44%	45%	46%

As Reported Y/Y Growth %

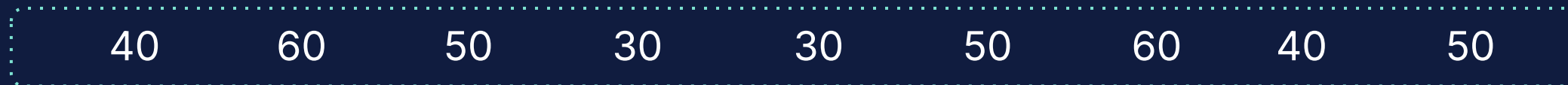
Constant Currency Y/Y Growth %

Cloud Revenue as a % of Total Revenue

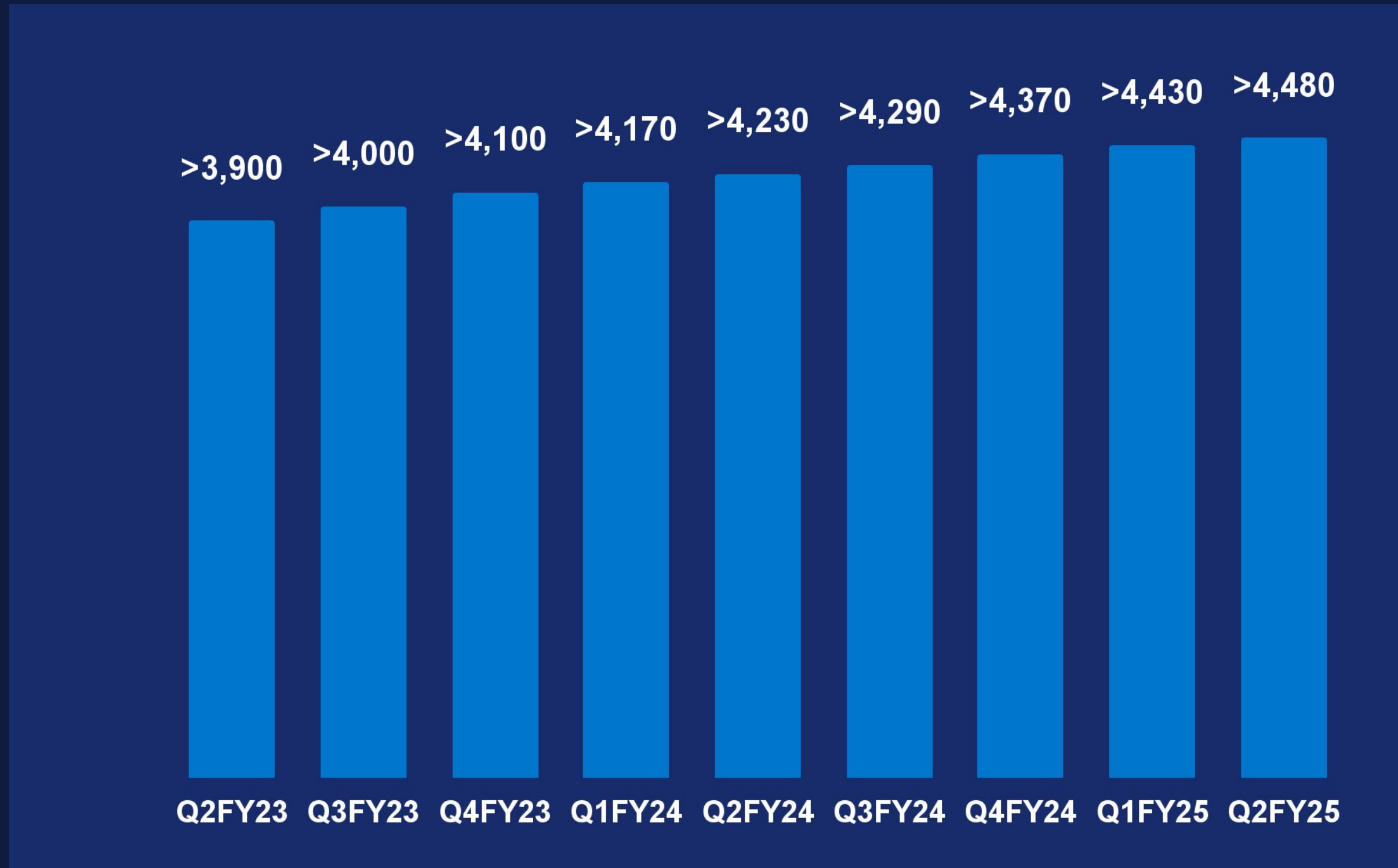
>\$100K ACV Customer Trend



Change from Prior Quarter



>\$10K ACV Customer Trend



Change from Prior Quarter



Healthy Net Expansion Rate

~112%

Q2 FY25

Trailing twelve month measure

Includes only consumption, not commitments,
for customers on Cloud consumption
contracts

Non-GAAP Income Statement Highlights

<i>\$ millions, except per share amounts</i>	Q2 FY25	% of Revenue
Total Revenue	\$365	100%
Gross Profit/Margin	\$281	77%
Research & Development Expense	\$63	17%
Sales & Marketing Expense	\$123	34%
General & Administrative Expense	\$30	8%
Operating Income/Margin	\$64	18%
Earnings per share - Diluted	\$0.59	

See appendix for reconciliation to GAAP

Select Financial Measures

<i>\$ millions, except employees</i>	Q2FY25
Adjusted Free Cash Flow*	\$38
Cash, Cash Equivalents, and Marketable Securities	\$1,198
Total Deferred Revenue	\$646
Remaining Performance Obligations	\$1,266
Employees	3,372

*See appendix for reconciliation to GAAP

Q3 and Full Year FY2025 Guidance

	Q3FY25	FY25
Total Revenue	\$367M - \$369M	\$1.451B - \$1.457B
<i>Year-over-year growth %</i>	12%	15%
<i>Constant currency year-over-year growth %</i>	13%	15%
Non-GAAP Operating Margin	~15%	~13.5%
Non-GAAP Diluted Earnings Per Share	\$0.46 - \$0.48	\$1.68 - \$1.72
Diluted Weighted Average Shares Outstanding	106M - 107M	106M - 108M

A reconciliation of non-GAAP guidance measures to corresponding GAAP measures for operating margin and diluted earnings per share is not available on a forward-looking basis without unreasonable effort due to the uncertainty regarding, and the potential variability of, many of the costs and expenses that may be incurred in the future. These items necessary to reconcile such non-GAAP measures could be material and have a significant impact on the Company's results computed in accordance with GAAP.

Appendix

GAAP to Non-GAAP Reconciliations

Gross Profit and Gross Margin

<i>\$ in millions except percentages</i>	Q2 FY25
GAAP gross profit	\$272
Stock-based compensation expense and related employer taxes	6
Amortization of acquired intangibles	3
Non-GAAP gross profit	\$281
GAAP subscription gross margin %	79 %
Stock-based compensation expense and related employer taxes	1 %
Amortization of acquired intangibles	1 %
Non-GAAP subscription gross margin %	81 %
GAAP professional services gross margin %	5 %
Stock-based compensation expense and related employer taxes	14 %
Non-GAAP professional services gross margin %	20 %
GAAP gross margin %	74 %
Stock-based compensation expense and related employer taxes	2 %
Amortization of acquired intangibles	1 %
Non-GAAP gross margin %	77 %

GAAP to Non-GAAP Reconciliations

Operating Expenses

<i>\$ in millions except percentages</i>	Q2 FY25
GAAP sales & marketing expenses	\$144
Stock-based compensation expense and related employer taxes	(21)
Amortization of acquired intangibles	—
Non-GAAP sales & marketing expenses	\$123
Y/Y	8 %
GAAP research & development expenses	\$88
Stock-based compensation expense and related employer taxes	(25)
Acquisition-related expenses	—
Non-GAAP research & development expenses	\$63
Y/Y	11 %
GAAP general & administrative expenses	\$44
Stock-based compensation expense and related employer taxes	(14)
Acquisition-related expenses	—
Non-GAAP general & administrative expenses	\$30
Y/Y	14 %

Sums may not add to totals due to rounding

GAAP to Non-GAAP Reconciliations

Operating (Loss) / Income, Operating Margin, and (Loss) / Earnings per Share

<i>\$ in millions except percentages and per share amounts</i>	Q2 FY25
GAAP operating loss	\$(4)
Stock-based compensation expense and related employer taxes	66
Amortization of acquired intangibles	3
Acquisition-related expenses	—
Restructuring and other related charges	—
Non-GAAP operating income	\$64
GAAP operating margin %	(1)%
Stock-based compensation expense and related employer taxes	18 %
Amortization of acquired intangibles	1 %
Acquisition-related expenses	— %
Restructuring and other related charges	— %
Non-GAAP operating margin %	18 %
GAAP net loss per share - basic and diluted	\$(0.25)
Stock-based compensation expense and related employer taxes	0.64
Amortization of acquired intangibles	0.03
Acquisition-related expenses	—
Restructuring and other related charges	—
Tax adjustment	0.19
Non-GAAP earnings per share - basic	\$0.61
Non-GAAP earnings per share - diluted	\$0.59

*GAAP to non-GAAP diluted net (loss) earnings per share is not reconciled due to differences in the number of weighted-average shares used to calculate GAAP and non-GAAP diluted net (loss) earnings per share.

GAAP to Non-GAAP Reconciliations

Adjusted Free Cash Flow

<i>\$ in millions except percentages</i>	Q2 FY25
Net cash provided by operating activities	\$38
Less: Purchase of property and equipment	(1)
Add: Interest paid on long-term debt	—
Adjusted free cash flow*	\$38
Net cash (used in) provided by operating activities (as a percentage of total revenue)	10 %
Less: Purchases of property and equipment (as a percentage of total revenue)	— %
Add: Interest paid on long-term debt (as a percentage of total revenue)	— %
Adjusted free cash flow margin*	10 %

Sums may not add to totals due to rounding.

*Adjusted free cash flow is a non-GAAP financial measure that we define as net cash provided by operating activities adjusted for cash paid for interest less cash used for investing activities for purchases of property and equipment. Adjusted free cash flow margin is calculated as adjusted free cash flow divided by total revenue. Adjusted free cash flow does not represent residual cash flow available for discretionary expenditures since, among other things, we have mandatory debt service requirements.