Analyst and Investor Session

Agenda

October 21st
10:30am

1. Introduction and Overview
   Doug Merritt, President and CEO

2. Product Deep Dive
   Tim Tully, Chief Technology Officer

3. GTM and Customer Case Studies
   Christian Smith, Chief Revenue Officer

4. Financial Outlook
   Jason Child, Chief Financial Officer

5. Q&A
Safe Harbor Statement

During the course of this presentation, we may make forward-looking statements regarding future events, our products, technology, strategy, acquisitions, investments, total addressable markets, competitive position, momentum and growth in our customers, business and offerings, and the expected financial performance of our company including statements about our models, future growth, growth rates and related targets, such as software bookings mix, full year and long-term cloud gross margin, annual recurring revenue operating margin, long-term annual recurring revenue and operating cash flow and trends in our markets. These statements reflect management’s current expectations, estimates and assumptions based on the information currently available to us. These forward-looking statements are not guarantees of future performance and involve significant risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from results, performance or achievements expressed or implied by the forward-looking statements contained in this presentation.

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We will also discuss non-GAAP financial measures. These non-GAAP financial measures are presented for supplemental informational purposes only and should not be considered a substitute for financial information presented in accordance with GAAP. These non-GAAP financial measures have limitations as analytical tools, and they should not be considered in isolation or as a substitute for analysis of other GAAP financial measures. A reconciliation of historical GAAP and non-GAAP financial measures is provided at https://investors.splunk.com. A reconciliation of forward-looking GAAP and non-GAAP measures is not available without unreasonable effort due to the uncertainty regarding, and the potential variability of, many of these costs and expenses that may be incurred in the future.

In addition, any information about our roadmap outlines our general product direction and is subject to change at any time without notice. It is for informational purposes only and shall not be incorporated into any contract or other commitment. We undertake no obligation either to develop the features or functionalities described or to include any such feature or functionality in a future release.

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Doug Merritt
President and CEO
Sustained Growth & Execution

Total ARR Growth

- Q1-2019: 44%
- Q2-2019: 46%
- Q3-2019: 46%
- Q4-2019: 50%
- Q1-2020: 51%
- Q2-2020: 52%
- Q3-2020: 53%
- Q4-2020: 54%
- Q1-2021: 52%
- Q2-2021: 50%

ARR % represents YoY growth

Cloud Contribution to SW Bookings (Period Exit Rates)

- FY18: 22%
- FY19: 25%
- FY20: 42%
- FY21E: ~60%

Customers with ARR Over $1M

- FY18: 124
- FY19: 220
- FY20: 355
- Q2FY21: 396
Outpacing Our Software Peers at Scale

ARR Growth at ~$2B

34% 35% 44% 50%

Source: Splunk, Company Reports. Workday, Salesforce, and ServiceNow ARR based on subscription sales. % represents YoY growth.
3 Essential Transformations

Transformation #1
Become a World-Class Cloud Provider

Transformation #2
Deliver the World’s First Data-to-Everything Platform

Transformation #3
Reimagine Our Business Fundamentals
Transformation #1

Become a World-Class Cloud Provider
Splunk Is Officially a Cloud-First Company

Q2’21 Total Software Bookings

47% On-Prem

53% Cloud
Hypergrowth in Cloud

Cloud ARR Growth

% represents YoY growth
Top 10 Public Cloud Companies Under $1B in ARR

Splunk Cloud ARR as of Q2-2021
% represents YoY growth

Nearly 2x Growth Compared to Cloud Peers
Splunk Cloud Customers Operate in Both Hybrid and Fully Cloud Environments

Share of Cloud ARR, Hybrid vs. Fully Cloud Customers

- Pure Cloud Customers: 58%
- Hybrid Cloud Customers: 42%

Source: Splunk data as of Q2-2021
Transformation #2

Deliver the World’s First Data-to-Everything Platform
Bringing Together Our Scalable Index with the Most Powerful Capabilities in the Industry
Three Focus Areas for Our Solutions

Data-to-Everything™ Platform

Security  IT  Observability
Splunk Leads in All Three Markets

- **Security**: #1
- **IT**: #1
- **Observability**: Visionary

Source Observability: Gartner Inc. Gartner Magic Quadrant Application Performance Monitoring, C. Rich, F. De Silva, April 2020
The Most Comprehensive and Performant Portfolio in the Industry

**Security Portfolio**
- Investigation and Forensics
- SIEM/Security Analytics
- Automation and Orchestration
- Security Incident Response
- Unified Security Operations

**Data-to-Everything™ Platform**
Agility, Speed and Visibility to Protect Business-Critical Services

IT Portfolio

- IT Investigation and Monitoring
- Event Analytics and Management
- Service Monitoring and Insights
- Incident Response and Automation
- AIOps

Data-to-Everything™ Platform

Security

Observability
Monitoring and Managing Systems Across Complex Hybrid and Multicloud Environments

**Observability Portfolio**

- Cloud Infrastructure Monitoring
- Log Investigation
- Application Performance Monitoring
- Digital Experience Monitoring
- SRE/DevOps Incident Response
- OpenTelemetry

**Data-to-Everything™ Platform**
Transformation #3
Reimagine Our Business Fundamentals
Workload-Based Pricing

Aligned to Value

Flexible

Predictable
Fortune 100 Customer

- Increase in peak ingest: ~3x
- Increase in average # of daily searches: ~16%
- Relative cost reduction: 41%

Workload Pricing

More Ingest, Search Lower Cost
Tim Tully
Chief Technology Officer and SVP
Three Areas of Focus Today...

- Data-to-Everything Platform
- Cloud for the Data Age
- Splunk Solutions
Only Splunk
Market-Leading Portfolio

- Security
- IT
- Observability

Data-to-Everything™ Platform

- Common Work Surface, APIs, Developer Tools
- Mobile & Connected Experiences

- Stream Processing
- Machine Learning
- Scalable Index
- Federated Search and Analytics
- Collaboration and Orchestration

Hybrid and Multicloud Ingestion and Processing
Splunk Equips Customers to Fill Each New Data Platform Requirement

Stream Processing

Machine Learning

Scalable Index

Federated Search and Analytics

Collaboration and Orchestration
Large organizations have **increasingly complex**, hybrid and multicloud environments

**IT**

**Security**

**Observability**

**Beyond**
We Offer a Fully Connected Data Platform

Splunk Data Stream Processor creates one logical data pipeline from extreme edge to cloud

On Premises / Cloud

- Custom Log Formats

Cloud

- Data Cubes, Metrics, Traces, Logs, Custom Formats

Security | IT Ops | Observability | Other
Splunk Leads in All Three Markets

Security
#1

IT
#1

Observability
Visionary

Source Observability: Gartner Inc. Gartner Magic Quadrant Application Performance Monitoring, C. Rich, F. De Silva, April 2020
Splunk Streaming ML

Unrestricted Learning by volume, cardinality and flexibility
Splunk Accelerated Its Transition to Become Cloud Native
We Are Migrating Cloud Customers to Our New Cloud Architecture

Converged Architecture
- Evolving to stateless, elastic architecture
- API-first approach

Four-Week Release Cycle
- Six-week release cadence shifting to four weeks
- Delivering innovation faster

Multicloud
- Supporting multiple cloud service providers
All New Splunk Cloud

Rebuilt for The Data Age
Observability
Retain and Optimize
Lift and Shift
Refactor
Rearchitect / Cloud-Native
# Best in Class Observability Capabilities

<table>
<thead>
<tr>
<th>Capability</th>
<th>Splunk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metrics and Infrastructure Monitoring</td>
<td>✓</td>
</tr>
<tr>
<td>Tracing and APM</td>
<td>✓</td>
</tr>
<tr>
<td>Log Investigation</td>
<td>✓</td>
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<tr>
<td>Byte Code Instrumentation</td>
<td>✓</td>
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<tr>
<td>Real User Monitoring</td>
<td>✓</td>
</tr>
<tr>
<td>Synthetic Monitoring*</td>
<td>✓</td>
</tr>
<tr>
<td>Full-Fidelity Ingestion</td>
<td>✓</td>
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*Subject to completion of the acquisition of Rigor.*
Open Standards
Data Collection

OpenTelemetry

Observability Suite

splunk®
A New Standard for Observability
Market-Leading Portfolio

Data-to-Everything™ Platform

Security  IT  Observability
Market-Leading Security Portfolio

- Investigation and Forensics
- SIEM/Security Analytics
- Automation and Orchestration
- Security Incident Response
- Unified Security Operations

Data-to-Everything™ Platform
A Cloud-Based, Unified Security Operations Platform

Mission Control
Market-Leading IT Portfolio

IT Portfolio

- IT Investigation and Monitoring
- Event Analytics and Management
- Service Monitoring and Insights
- Incident Response and Automation
- AIOps

Data-to-Everything™ Platform

Security

Observability
Splunk Service Intelligence for SAP® Solutions
Only Splunk
Christian Smith
Chief Revenue Officer and SVP
Three Areas of Focus Today

- Cloud First
- Focus on Buying Centers
- Holistic GTM Strategy
Customers featured at .conf20
Anticipate Customer Needs

Navigate Complex Technical Landscape

Understand Customer Challenges
Cloud First, Not Cloud Only

• Evolve Capabilities
• Negotiate Hybrid Environments
• Accelerate Digital Transformation
Trial to Production Experience

- Real data leads to real insights, at Cloud speeds, while fueling Cloud adoption
- Driving 100% remote technical wins during COVID-19
- Use cases that cover more than 90% of our more than 20,000 customers critical needs
Multicloud World

Our solution enables us to bring innovative customer experiences that can only be delivered in the Cloud:

- real-time product feedback
- on-demand content
- in-product guidance and best practices
- unique and differentiated Machine Learning
Buying Centers

IT Ops  Security  DevOps
Specialization and Buying Centers

Single solution
(Splunk Enterprise)

- Mobile App Troubleshooting
- Security Incident Event Management (SIEM)
- Infrastructure monitoring
- PCI compliance monitoring
- Anomaly Detection
- Network Packet Capture
- Network Breach Detection
- IOT/Cloud
- User behavior analytics
- IT Service Monitoring
- HDFS storage & data retrieval
- ML Experimentation
- Security Use Case Examples
- Orchestration & automation
- Business transaction mapping
- On-call coordination & incident response
- Mobile apps
  - Augmented reality
  - Virtual reality
- Stream Processing
- Application performance management
- Integrated SecOps Worksurface

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Mars, Inc.

- Started as one of many tools - expanded to become THE data platform
- Integration helped optimize Security and IT Ops
- Mars started with Splunk for security and IT and quickly become the default tool for analytics across Mars’ businesses
- 300+ users all self-serving their own insights from Splunk

As we mature with it, it’s become apparent that Splunk is the solution for our broader issues as well. Now, we have over 300 users all self-serving their own insights from Splunk. In addition to monitoring insights, we’re also looking forward to using machine learning for predictive capabilities.”

~ Antonio Guedes, Security Analytics Senior Lead at Mars
GTM Strategy
Selling to Buying Centers

- Simplified marketing and messaging
- Dedicated Renewals Team - 100% coverage
- Customer success across entire base
- Centers of Excellence for buying center expertise and lower cost (pre-sales, renewals, customer success)
- Partner GTM re-aligned to Route to Market and Program Evolution
- Investments focused in top TAM countries
- Buying Center Sales Representatives
Workload Pricing

Removes data ingest as a barrier

Allows customers to pay for the value they receive, not the volume they put in

Provides additional flexibility for experimentation
“Splunk Cloud definitely allows us to move faster, ship faster and fix faster.”

— Head of Cloud Engineering
Accelerated Digital Transformation

- **Selected Splunk for Operational Monitoring Platform**
- **Selected SignalFx for Cloud Infrastructure Monitoring**
- **Selected Splunk for Enterprise Observability Platform**

FY15
- Selected Splunk for Operational Monitoring Platform

FY16
- Selected SignalFx for Cloud Infrastructure Monitoring

FY18
- Cloud first data transition

FY19
- Massive Digital Push

FY20
- Selected Splunk for Enterprise Observability Platform

FY21
- COVID-19 Accelerated Digital Journey

ARR Growth
Opportunity Ahead

- Cloud first
- Focusing resources around customer buying centers
- Simplify the value of Splunk
- Solve customer problems
Jason Child
Chief Financial Officer and SVP
Five Areas of Focus Today...

- Market Opportunity
- Growth Drivers and Performance
- Cloud Opportunity
- Buying Center Opportunity
- Long-Range Plan
Market Opportunity
We Have a Massive and Growing Opportunity

Total Addressable Market

Source: Calculations performed by Splunk based on Gartner and IDC research

2020

$81B

2023

$114B

Data-to-Everything™ Platform

Stream Processing  Machine Learning  Scalable Index  Federated Search and Analytics  Collaboration and Orchestration

Security  IT  Observability
TAM Comprised of

4 Key Areas

$17B
Observability / DevOps

$17B
Security, Compliance and Fraud

$28B
IT Operations

$19B
Platform / Other

Source: Calculations performed by Splunk based on Gartner and IDC research
Note: Platform / Other includes Business Analytics, and Industrial Data and IoT
With Significant Room to Grow

$81B
Splunk TAM

~2%
Splunk ARR

Source: Calculations performed by Splunk based on Gartner and IDC research
Growth Drivers and Performance
Splunk Growth Drivers

Growing Renewal Base

Data Volume & Infrastructure Expansion

Reinventing for Cloud

Cross Sell to Additional Buying Centers
Customers Consistently Expand with Splunk

Total ARR from Each Cohort by Year of First Purchase

Growth of Initial ARR:
- 1.4x
- 2.4x
- 2.6x
- 4.6x
- 5.3x
- 8.3x
- 9.0x
- 10.6x
- 17.9x
- 37.0x
Driving Larger Customer Relationships Over Time

- **ARR > $1M**
  - FY18: 124
  - FY19: 220
  - FY20: 355
  - Q2FY21: 396

- **ARR > $5M**
  - FY18: 2
  - FY19: 8
  - FY20: 30
  - Q2FY21: 39

- **ARR > $10M**
  - FY18: 0
  - FY19: 1
  - FY20: 4
  - Q2FY21: 6
Best-in-Class DBNRR at Scale

Source: Wall Street Research, company filings, Splunk Q2-2021 Cloud DBNRR
Companies included in benchmarking: APPN, AVL, AYX, BILL, BL, COUP, CRWD, DDOG, DOCU, ESTC, MDB, NET, NEWR, OKTA, PING, PLAN, SNOW, SPT, TLND, TLWO, VEEV, WK, WORK, ZEN
Note: DDOG discloses DBNRR of 130%+; SNOW ARR-equivalent used is “Product Revenue Run Rate”
Cloud Opportunity
Growing Renewal Base Drives ARR Expansion

Total ARR Estimated for Renewal
Low Cloud Penetration Within Customer Base Presents Large Growth Opportunity

High Cloud Bookings Mix, and low Cloud ARR Mix highlights large conversion opportunity

Total SW Bookings Mix
- 47% Non-Cloud
- 53% Cloud

Total ARR Mix
- 71% Non-Cloud
- 29% Cloud

Splunk data as of Q2-2021
When Customers Move to Cloud They Expand Faster

2.6x Average ARR growth in the year a customer makes their first cloud purchase

5.4x Average ARR growth 3 years after customer makes their first cloud purchase
Cloud Expected to Drive More Than 80% of SW Bookings in FY23
Buying Center Opportunity
Growing Renewal Base Drives ARR Expansion

Total ARR Estimated for Renewal
Massive Opportunity to Cross Sell Into Additional Buying Centers

8% Three Buying Centers

20% Two Buying Centers

72% One Buying Center

Splunk data as of Q2-2021
Customers Deepen Their Commitment When Purchasing Across Multiple Buying Centers

- **2.3x**
  - Average ARR growth in the year a customer shifts from one buying center to multiple buying centers

- **6.3x**
  - Average ARR growth 3 years after customer shifts from one buying center to multiple buying centers

**FY of Customer’s First Shift to Multiple Buying Centers**

- **FY16**
- **FY17**
- **FY18**
- **FY19**
- **FY20**

**Avg. ARR per Customer after moving from one to multiple buying centers**

**Avg. ARR when purchasing from one buying center**
And Deepen Even Further With Expansion Into Additional Buying Centers

Average ARR per Account

1 Buying Center

2 Buying Centers

3 Buying Centers

Customers purchasing across two buying centers have a ~4x greater average ARR compared to those purchasing across one buying center

and a ~9x greater average ARR when purchasing across three buying centers compared to one

Splunk data as of Q2-2021
Long-Range Plan
Cloud Gross Margin Leverage

Gross Margin from Cloud (non-GAAP)

<table>
<thead>
<tr>
<th>Margin Expansion Drivers</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21E</th>
<th>FY23E</th>
<th>Long Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stateless Architecture</td>
<td>27%</td>
<td>38%</td>
<td>53%</td>
<td>60%</td>
<td>70%</td>
<td>75%+</td>
</tr>
<tr>
<td>Elasticity</td>
<td></td>
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<tr>
<td>Multi-Tenancy</td>
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<tr>
<td>Scale</td>
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</table>
ARR Tailwinds from SignalFx and Mix Shift From Perpetual Diminish by End of Year

'Perp mix shift' is an estimation of the Y/Y ARR growth contribution resulting from an estimated annual contract value (ACV) bookings mix shift away from perpetual licenses, which only generate ARR via maintenance fees, to renewable software, which generates ARR for the annualized full contract amount. The estimation applies a constant perpetual mix of the respective prior year and assumes that the shift away from perpetual licenses resulted in an equal shift towards term licenses. We assumed $1 of term license ACV yields roughly 2x the ARR of $1 of perpetual ACV based on an ACV calculation of perpetual as 1/3 of the software total contract value (TCV).
Reiterating ARR Growth Trajectory

$$1.68B$$

40% CAGR

FY20 | FY21E | FY22E | FY23E
# Long-Term Operating Model

Expenses (non-GAAP) as a percentage of ARR

<table>
<thead>
<tr>
<th></th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21E</th>
<th>FY23E</th>
<th>Long Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;M</td>
<td>85%</td>
<td>77%</td>
<td>61%</td>
<td>46%</td>
<td>35%</td>
<td>&lt;32%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>27%</td>
<td>28%</td>
<td>25%</td>
<td>23%</td>
<td>17%</td>
<td>&lt;16%</td>
</tr>
<tr>
<td>G&amp;A</td>
<td>14%</td>
<td>14%</td>
<td>13%</td>
<td>11%</td>
<td>8%</td>
<td>&lt;7%</td>
</tr>
<tr>
<td>ARR Operating Margin</td>
<td>-55%</td>
<td>-44%</td>
<td>-20%</td>
<td>1%</td>
<td>20%</td>
<td>25%+</td>
</tr>
</tbody>
</table>

ARR Operating Margin is ARR less non-GAAP cost of revenues and non-GAAP operating expenses divided by ARR
Cash-Flow Transition Nearly Complete

OCF as % of Revenue is as reported (ASC 605 for periods FY13-FY18; ASC 606 for periods FY19 and later)
Splunk Growth Drivers

- Growing Renewal Base
- Data Volume & Infrastructure Expansion
- Reinventing for Cloud
- Cross Sell to Additional Buying Centers
Q&A
## GAAP to Non-GAAP Reconciliation

<table>
<thead>
<tr>
<th></th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>$ '000s</td>
<td>% of Rev</td>
<td>$ '000s</td>
</tr>
<tr>
<td>GAAP Cloud gross profit</td>
<td>$21,682</td>
<td>23%</td>
<td>$58,754</td>
</tr>
<tr>
<td>Effect of non-GAAP pro-forma expenses (1)</td>
<td>3,287</td>
<td>4%</td>
<td>6,131</td>
</tr>
<tr>
<td>Non-GAAP Cloud gross profit</td>
<td>$24,969</td>
<td>27%</td>
<td>$64,885</td>
</tr>
<tr>
<td>GAAP R&amp;D expense</td>
<td>$301,114</td>
<td>23%</td>
<td>$441,969</td>
</tr>
<tr>
<td>Effect of non-GAAP pro-forma expenses (1)</td>
<td>(108,245)</td>
<td>-8%</td>
<td>(140,327)</td>
</tr>
<tr>
<td>Non-GAAP R&amp;D expense</td>
<td>$192,869</td>
<td>15%</td>
<td>$301,642</td>
</tr>
<tr>
<td>GAAP S&amp;M expense</td>
<td>$777,876</td>
<td>59%</td>
<td>$1,029,950</td>
</tr>
<tr>
<td>Effect of non-GAAP pro-forma expenses (1)</td>
<td>(161,588)</td>
<td>-12%</td>
<td>(195,551)</td>
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<tr>
<td>Non-GAAP S&amp;M expense</td>
<td>$616,288</td>
<td>47%</td>
<td>$834,399</td>
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<td>GAAP G&amp;A expense</td>
<td>$159,143</td>
<td>12%</td>
<td>$237,588</td>
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<tr>
<td>Effect of non-GAAP pro-forma expenses (1)</td>
<td>(55,717)</td>
<td>-4%</td>
<td>(84,077)</td>
</tr>
<tr>
<td>Non-GAAP G&amp;A expense</td>
<td>$103,426</td>
<td>8%</td>
<td>$153,511</td>
</tr>
</tbody>
</table>

(1) Non-GAAP financial measures exclude all or a combination of the following: expenses related to stock-based compensation and related employer payroll tax, amortization of acquired intangible assets, adjustments related to a financing lease obligation, acquisition-related adjustments, including the partial release of the valuation allowance due to acquisitions, adjustments related to restructuring charges and facility exits, capitalized software development costs and a legal settlement charge.