

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934  
Date of Report (Date of earliest event reported): August 7, 2024

**DYNATRACE, INC.**

(Exact name of Registrant as specified in its charter)

|   |  |   |
|---|--|---|
| Delaware<br>(State or other jurisdiction of<br>incorporation) | 001-39010<br>(Commission<br>File Number) | 47-2386428<br>(I.R.S. Employer<br>Identification No.) |
|---|--|---|

|  |                     |
|--|---------------------|
| 1601 Trapelo Road, Suite 116<br>Waltham, Massachusetts<br>(Address of principal executive offices) | 02451<br>(Zip Code) |
|--|---------------------|

(781) 530-1000  
Registrant's telephone number, including area code

Not Applicable  
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class                       | Trading Symbol(s) | Name of each exchange on which registered |
|---|-------------------|---|
| Common Stock, par value \$0.001 per share | DT                | New York Stock Exchange                   |

Indicate by check mark whether the Registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 2.02. Results of Operations and Financial Conditions.**

On August 7, 2024, Dynatrace, Inc. (the "Company") issued a press release announcing, and will hold a conference call to discuss, the Company's financial results and other information for the fiscal quarter ended June 30, 2024. The full text of the press release is furnished as Exhibit 99.1 to this report and incorporated into this Item 2.02 by reference.

The information in this Item 2.02 of this Report on Form 8-K and Exhibits 99.1 and 99.2 attached hereto is intended to be furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

| Exhibit No. | Description  |
|-------------|--|
| 99.1        | <a href="#">Press Release issued by Dynatrace, Inc. dated August 7, 2024</a>                             |
| 99.2        | <a href="#">Dynatrace Investor Presentation Q1 FY25 Total ARR Expansion Trends</a>                       |
| 104         | Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document |

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: August 7, 2024

**DYNATRACE, INC.**

By: /s/ James Benson  
Name: James Benson  
Title: Executive Vice President, Chief Financial Officer &  
Treasurer



**Dynatrace Reports First Quarter Fiscal Year 2025 Financial Results**  
**Exceeds high end of guidance across all metrics**  
**Delivers ARR growth of 20% year-over-year on a constant currency basis**  
**Achieves GAAP Operating Margin of 11% and Non-GAAP Operating Margin of 29%**

WALTHAM, Mass., August 7, 2024 - Dynatrace (NYSE: DT), the leader in end-to-end observability and security, today announced financial results for the first quarter of fiscal 2025 ended June 30, 2024.

"We are pleased with our first quarter performance, which once again exceeded guidance across all our key metrics," said Rick McConnell, Chief Executive Officer of Dynatrace. "Now more than ever, it is critical that software works perfectly. The strength of our end-to-end observability platform continues to resonate with our customers as they look to deliver the best end user experience with the highest availability and performance. Our 'power of 3' approach to AI - leveraging predictive, causal, and generative capabilities - is one of our key differentiators and sets us apart from our competitors."

**First Quarter Fiscal 2025 Financial and Other Recent Business Highlights :**

*All growth rates are compared to the first quarter of fiscal 2024, unless otherwise noted.*

**Financial Highlights:**

- ARR of \$1,541 million, an increase of 19%, or 20% on a constant currency basis
- Total Revenue of \$399 million, an increase of 20%, or 21% on a constant currency basis
- Subscription Revenue of \$382 million, an increase of 21% on both an as reported and on a constant currency basis
- GAAP Income from Operations of \$42 million and Non-GAAP Income from Operations of \$114 million
- GAAP EPS of \$0.13 and Non-GAAP EPS of \$0.33, both on a dilutive basis

**Business Highlights:**

- **Platform extension:** Dynatrace launched the following current and open preview extensions:
  - Site Reliability Guardian App automates change impact analysis, helping DevOps and SRE teams make informed release decisions.
  - Davis Anomaly Detection App leverages AI to detect anomalies across observability, security, and business data, enhancing real-time monitoring.
  - Vulnerabilities App identifies code-level, third-party, and runtime vulnerabilities, presenting them in a prioritized view for efficient remediation efforts.
- **Product expansion:** Dynatrace announced the addition of Kubernetes Security Posture Management to its existing security capabilities to enable customers to drive cloud-native application protection at scale. Also, we completed FedRAMP Moderate reauthorization to Rev.5, underscoring our intention to move toward FedRAMP High as a provider of solutions to U.S. federal government agencies.
- **Partnership momentum:** We became the first AWS partner to integrate with its Application Migration Service. Organizations can automatically install and deploy the Dynatrace platform once they start running in the AWS Cloud. In addition, Dynatrace was named a Winner in the 2024 Microsoft Americas Partner of the Year Awards for our ability to innovate and collaborate to foster customer success, AI and CoPilot activation, and transform businesses on the Microsoft Cloud.

**Share Repurchase Program**

- Through June 30, 2024, Dynatrace repurchased approximately 1.1 million shares for approximately \$50 million under its \$500 million share repurchase program.

**First Quarter 2025 Financial Highlights**  
(Unaudited – In thousands, except per share data)

|   | Three Months Ended June 30, |              |
|---|-----------------------------|--------------|
|   | 2024                        | 2023         |
| <b>Key Operating Metric:</b>                    |                             |              |
| Annual recurring revenue (ARR)                  | \$ 1,540,631                | \$ 1,293,895 |
| Year-over-Year Increase                         | 19 %                        |              |
| Year-over-Year Increase - constant currency (*) | 20 %                        |              |
| <b>Revenue:</b>                                 |                             |              |
| Total revenue                                   | \$ 399,220                  | \$ 332,886   |
| Year-over-Year Increase                         | 20 %                        |              |
| Year-over-Year Increase - constant currency (*) | 21 %                        |              |
| Subscription revenue                            | \$ 381,576                  | \$ 316,454   |
| Year-over-Year Increase                         | 21 %                        |              |
| Year-over-Year Increase - constant currency (*) | 21 %                        |              |
| <b>GAAP Financial Measures:</b>                 |                             |              |
| GAAP income from operations                     | \$ 42,029                   | \$ 34,288    |
| GAAP operating margin                           | 11 % 10 %                   |              |
| GAAP net income                                 | \$ 38,620                   | \$ 38,188    |
| GAAP net income per share - diluted             | \$ 0.13                     | \$ 0.13      |
| GAAP shares outstanding - diluted               | 300,966                     | 296,387      |
| Net cash provided by operating activities       | \$ 230,741                  | \$ 133,903   |
| <b>Non-GAAP Financial Measures (*):</b>         |                             |              |
| Non-GAAP income from operations                 | \$ 114,250                  | \$ 92,075    |
| Non-GAAP operating margin                       | 29 % 28 %                   |              |
| Non-GAAP net income                             | \$ 98,926                   | \$ 79,045    |
| Non-GAAP net income per share - diluted         | \$ 0.33                     | \$ 0.27      |
| Non-GAAP shares outstanding - diluted           | 300,966                     | 296,387      |
| Free Cash Flow                                  | \$ 227,382                  | \$ 123,636   |

\* For additional information, please see the "Non-GAAP Financial Measures" and "Key Metrics -Non-GAAP and Other Metrics" section of this press release.

## Financial Outlook

Based on information available as of August 7, 2024, Dynatrace is issuing guidance for the second quarter and maintaining its previous guidance for full year fiscal 2025 in the table below.

This guidance reflects foreign exchange rates as of July 31, 2024. We now expect foreign exchange to be a headwind of approximately \$12 million on ARR and approximately \$10 million on revenue for fiscal 2025. Given recent strengthening in the U.S. dollar, this represents an incremental headwind of approximately \$2 million to ARR and no change to revenue impact for the full year when compared to our prior guidance.

Growth rates for ARR, Total revenue, and Subscription revenue are presented in constant currency to provide better visibility into the underlying growth of the business.

All growth rates below are compared to the second quarter and full year of fiscal 2024.

| <i>(In millions, except per share data)</i> | <b>Q2 Fiscal 2025 Guidance</b> |
|---|--------------------------------|
| Total revenue                               | \$404 - \$407                  |
| As reported                                 | 15% - 16%                      |
| Constant currency                           | 16% - 17%                      |
| Subscription revenue                        | \$388 - \$390                  |
| As reported                                 | 16% - 17%                      |
| Constant currency                           | 17% - 18%                      |
| Non-GAAP income from operations             | \$113 - \$116                  |
| Non-GAAP operating margin                   | 28% - 28.5%                    |
| Non-GAAP net income                         | \$96 - \$99                    |
| Non-GAAP net income per diluted share       | \$0.32 - \$0.33                |
| Diluted weighted average shares outstanding | 302 - 303                      |

| <i>(In millions, except per share data)</i> | <b>Current Guidance<br/>Fiscal 2025</b> | <b>Prior Guidance<br/>Fiscal 2025*</b> | <b>Guidance Change<br/>at Midpoint</b> |
|---|---|--|--|
| ARR   | \$1,720 - \$1,735                       | \$1,720 - \$1,735                      | —                                      |
| As reported                                 | 14% - 15%                               | 14% - 15%                              | —                                      |
| Constant currency                           | 15% - 16%                               | 15% - 16%                              | —                                      |
| Total revenue                               | \$1,644 - \$1,658                       | \$1,644 - \$1,658                      | —                                      |
| As reported                                 | 15% - 16%                               | 15% - 16%                              | —                                      |
| Constant currency                           | 16% - 17%                               | 16% - 17%                              | —                                      |
| Subscription revenue                        | \$1,571 - \$1,585                       | \$1,571 - \$1,585                      | —                                      |
| As reported                                 | 16% - 17%                               | 16% - 17%                              | —                                      |
| Constant currency                           | 16% - 17%                               | 16% - 17%                              | —                                      |
| Non-GAAP income from operations             | \$459 - \$467                           | \$459 - \$467                          | —                                      |
| Non-GAAP operating margin                   | 28%                                     | 28%                                    | —                                      |
| Non-GAAP net income                         | \$383 - \$392                           | \$383 - \$392                          | —                                      |
| Non-GAAP net income per diluted share       | \$1.26 - \$1.29                         | \$1.26 - \$1.29                        | —                                      |
| Diluted weighted average shares outstanding | 303 - 305                               | 303 - 305                              | —                                      |
| Free cash flow                              | \$386 - \$398                           | \$386 - \$398                          | —                                      |
| Free cash flow margin                       | 23.5% - 24%                             | 23.5% - 24%                            | —                                      |

\*Prior guidance was issued on May 15, 2024.

## Conference Call and Webcast Information

Dynatrace will host a conference call and live webcast to discuss its results and business outlook for investors and analysts at 8:00 a.m. Eastern Time today, August 7, 2024. To access the conference call from the U.S. and Canada, dial (866) 405-1247, or internationally, dial (201) 689-8045 with conference ID# 13747991. The call will also be available live via webcast on the company's website, [ir.dynatrace.com](http://ir.dynatrace.com).

An audio replay of the call will also be available until 11:59 p.m. Eastern Time on October 6, 2024, by dialing (877) 660-6853 from the U.S. or Canada, or for international callers by dialing (201) 612-7415 and entering conference ID# 13747991. In addition, an archived webcast will be available at [ir.dynatrace.com](http://ir.dynatrace.com).

We announce material financial information to our investors using our Investor Relations website, press releases, SEC filings and public conference calls and webcasts. We also use these channels to disclose information about the company, our planned financial and other announcements, attendance at upcoming investor and industry conferences, and for complying with our disclosure obligations under Regulation FD.

## Non-GAAP Financial Measures

In addition to disclosing financial measures prepared in accordance with GAAP, this press release and the accompanying tables contain certain non-GAAP financial measures as defined by Regulation G, including non-GAAP income from operations, non-GAAP operating margin, non-GAAP net income, non-GAAP net income per diluted share, and free cash flow. We also use or discuss non-GAAP financial measures in conference calls, slide presentations and webcasts.

We use these non-GAAP financial measures for financial and operational decision-making purposes, and as a means to evaluate period-to-period comparisons and liquidity. We believe that these non-GAAP financial measures provide useful information about our operating results, enhance the overall understanding of past financial performance and allow for greater transparency with respect to metrics used by our management in its financial and operational decision-making.

The presentation of the non-GAAP financial measures is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. Our non-GAAP financial measures may not provide information that is directly comparable to similarly titled metrics provided by other companies.

Non-GAAP financial measures are defined in this press release and the tables included in this press release include reconciliations of historical non-GAAP financial measures to their most directly comparable GAAP measures.

We also include non-GAAP financial measures in our financial outlook included in this press release. Reconciliations of forward-looking non-GAAP income from operations, non-GAAP net income, non-GAAP net income per diluted share, and free cash flow guidance to the most directly comparable GAAP measures are not available without unreasonable efforts due to the high variability, complexity, and low visibility with respect to the charges excluded from these non-GAAP measures; in particular, the measures and effects of share-based compensation expense, employer taxes and tax deductions specific to equity compensation awards that are directly impacted by future hiring, turnover and retention needs, as well as unpredictable fluctuations in our stock price. We expect the variability of the above charges to have a significant, and potentially unpredictable, impact on our future GAAP financial results.

## Definitions - Non-GAAP and Other Metrics

**Annual Recurring Revenue (ARR)** is defined as the daily revenue of all subscription agreements that are actively generating revenue as of the last day of the reporting period multiplied by 365. We exclude from our calculation of ARR any revenues derived from month-to-month agreements and/or product usage overage billings.

**Constant Currency** amounts for ARR, Total Revenue and Subscription Revenue are presented to provide a framework for assessing how our underlying businesses performed excluding the effect of foreign exchange rate fluctuations. To present this information, current and comparative prior period results for entities reporting in currencies other than United States dollars are converted into United States dollars using the average exchange rates from the comparative period rather than the actual exchange rates in effect during the respective periods. All growth comparisons relate to the corresponding period in the last fiscal year.

**Non-GAAP Income from Operations** is defined as GAAP income from operations adjusted for the following items: share-based compensation; employer payroll taxes on employee stock transactions; amortization of intangibles; transaction, restructuring and other non-recurring or unusual items that may arise from time to time. The related margin is non-GAAP income from operations expressed as a percentage of total revenue.

**Non-GAAP Net Income** is defined as GAAP net income adjusted for the following items: income tax expense/benefit; non-GAAP effective cash taxes; net interest expense and income; net cash received from and paid for interest; share-based compensation; employer payroll taxes on employee stock transactions, amortization of intangibles; gains and losses on currency translation; and transaction, restructuring and other non-recurring or unusual items that may arise from time to time. Non-GAAP net income per diluted share is calculated as non-GAAP net income divided by the diluted weighted average shares outstanding used to compute GAAP net income per diluted share.

**Free Cash Flow** is defined as the net cash provided by or used in operating activities less capital expenditures, reflected as purchase of property and equipment and capitalized software additions in our financial statements. The related margin is free cash flow expressed as a percentage of total revenue.

## **About Dynatrace**

Dynatrace exists to make the world's software work perfectly. Our end-to-end platform combines broad and deep observability and continuous runtime application security with the most advanced AIOps to provide answers and intelligent automation from data at an enormous scale. This enables innovators to modernize and automate cloud operations, deliver software faster and more securely, and ensure flawless digital experiences. That's why the world's largest organizations trust the Dynatrace® platform to accelerate digital transformation.

## **Cautionary Language Concerning Forward-Looking Statements**

This press release includes certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including statements related to moving toward FedRAMP High, benefits to organizations from using Dynatrace, and financial and business outlook, including our financial guidance for the second quarter and full year of fiscal 2025. These forward-looking statements include, but are not limited to, plans, objectives, expectations and intentions and other statements contained in this press release that are not historical facts and statements identified by words such as "will," "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates" or words of similar meaning. These forward-looking statements reflect our current views about our plans, intentions, expectations, strategies and prospects, which are based on the information currently available to us and on assumptions we have made. Although we believe that our plans, intentions, expectations, strategies and prospects as reflected in or suggested by those forward-looking statements are reasonable, we can give no assurance that the plans, intentions, expectations or strategies will be attained or achieved. Furthermore, actual results may differ materially from those described in the forward-looking statements and will be affected by a variety of risks and factors that are beyond our control including, without limitation, our ability to maintain our revenue growth rates in future periods; market adoption of our product offerings; continued demand for, and spending on, our solutions; our ability to innovate and develop solutions that meet customer needs, including through Davis AI; the ability of our platform and solutions to effectively interoperate with customers' IT infrastructures; our ability to acquire new customers and retain and expand our relationships with existing customers; our ability to expand our sales and marketing capabilities; our ability to compete; our ability to maintain successful relationships with partners; security breaches, other security incidents and any real or perceived errors, failures, defects or vulnerabilities in our solutions; our ability to protect our intellectual property; our ability to hire and retain necessary qualified employees to grow our business and expand our operations; our ability to successfully complete acquisitions and to integrate newly acquired businesses and offerings; the effect on our business of the macroeconomic environment, associated global economic conditions and geopolitical disruption; and other risks set forth under the caption "Risk Factors" in our Annual Report on Form 10-K, subsequent Quarterly Report(s) on Form 10-Q, and our other SEC filings. We assume no obligation to update any forward-looking statements contained in this document as a result of new information, future events or otherwise.



**DYNATRACE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited – In thousands, except per share data)

|                                      | Three Months Ended<br>June 30, |                  |
|--------------------------------------|--------------------------------|------------------|
|                                      | 2024                           | 2023             |
| Revenue:                             |                                |                  |
| Subscription                         | \$ 381,576                     | \$ 316,454       |
| Service                              | 17,644                         | 16,432           |
| Total revenue                        | <u>399,220</u>                 | <u>332,886</u>   |
| Cost of revenue:                     |                                |                  |
| Cost of subscription                 | 53,572                         | 42,904           |
| Cost of service                      | 16,802                         | 15,542           |
| Amortization of acquired technology  | 4,379                          | 3,898            |
| Total cost of revenue                | <u>74,753</u>                  | <u>62,344</u>    |
| Gross profit                         | <u>324,467</u>                 | <u>270,542</u>   |
| Operating expenses:                  |                                |                  |
| Research and development             | 87,578                         | 66,282           |
| Sales and marketing                  | 145,106                        | 125,117          |
| General and administrative           | 44,978                         | 39,095           |
| Amortization of other intangibles    | 4,776                          | 5,760            |
| Total operating expenses             | <u>282,438</u>                 | <u>236,254</u>   |
| Income from operations               | 42,029                         | 34,288           |
| Interest income, net                 | 12,775                         | 7,146            |
| Other (expense) income, net          | (2,035)                        | 252              |
| Income before income taxes           | 52,769                         | 41,686           |
| Income tax expense                   | (14,149)                       | (3,498)          |
| Net income                           | <u>\$ 38,620</u>               | <u>\$ 38,188</u> |
| Net income per share:                |                                |                  |
| Basic                                | \$ 0.13                        | \$ 0.13          |
| Diluted                              | \$ 0.13                        | \$ 0.13          |
| Weighted average shares outstanding: |                                |                  |
| Basic                                | 297,358                        | 291,325          |
| Diluted                              | 300,966                        | 296,387          |

**UNAUDITED SHARE-BASED COMPENSATION**

|                                | Three Months Ended<br>June 30, |                  |
|--------------------------------|--------------------------------|------------------|
|                                | 2024                           | 2023             |
| Cost of revenue                | \$ 7,730                       | \$ 5,488         |
| Research and development       | 21,580                         | 13,264           |
| Sales and marketing            | 16,022                         | 13,999           |
| General and administrative     | 12,325                         | 7,767            |
| Total share-based compensation | <u>\$ 57,657</u>               | <u>\$ 40,518</u> |

**DYNATRACE, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In thousands, except share and per share data)

|  | June 30, 2024<br>(unaudited) | March 31, 2024      |
|--|------------------------------|---------------------|
| <b>Assets</b>  |                              |                     |
| Current assets:  |                              |                     |
| Cash and cash equivalents  | \$ 930,315                   | \$ 778,983          |
| Short-term investments   | 82,210                       | 57,891              |
| Accounts receivable, net   | 244,996                      | 602,739             |
| Deferred commissions, current  | 99,478                       | 98,935              |
| Prepaid expenses and other current assets  | 67,442                       | 66,749              |
| Total current assets   | 1,424,441                    | 1,605,297           |
| Long-term investments  | 54,711                       | 46,350              |
| Property and equipment, net  | 51,212                       | 53,325              |
| Operating lease right-of-use assets, net   | 71,480                       | 61,390              |
| Goodwill   | 1,334,954                    | 1,335,494           |
| Intangible assets, net   | 41,159                       | 50,995              |
| Deferred tax assets, net   | 160,458                      | 138,836             |
| Deferred commissions, non-current  | 89,441                       | 93,310              |
| Other assets   | 29,806                       | 24,782              |
| <b>Total assets</b>  | <b>\$ 3,257,662</b>          | <b>\$ 3,409,779</b> |
| <b>Liabilities and shareholders' equity</b>  |                              |                     |
| Current liabilities:   |                              |                     |
| Accounts payable   | \$ 3,895                     | \$ 21,410           |
| Accrued expenses, current  | 169,899                      | 233,675             |
| Deferred revenue, current  | 862,084                      | 987,953             |
| Operating lease liabilities, current   | 15,350                       | 15,513              |
| Total current liabilities  | 1,051,228                    | 1,258,551           |
| Deferred revenue, non-current  | 52,178                       | 62,308              |
| Accrued expenses, non-current  | 19,572                       | 18,404              |
| Operating lease liabilities, non-current   | 66,055                       | 54,013              |
| Deferred tax liabilities   | 994                          | 1,013               |
| Total liabilities  | 1,190,027                    | 1,394,289           |
| Shareholders' equity:  |                              |                     |
| Common shares, \$0.001 par value, 600,000,000 shares authorized, 298,215,657 and 296,962,547 shares issued and outstanding at June 30, 2024 and March 31, 2024, respectively | 298                          | 297                 |
| Additional paid-in capital   | 2,263,195                    | 2,249,349           |
| Accumulated deficit  | (160,137)                    | (198,757)           |
| Accumulated other comprehensive loss   | (35,721)                     | (35,399)            |
| Total shareholders' equity   | 2,067,635                    | 2,015,490           |
| <b>Total liabilities and shareholders' equity</b>  | <b>\$ 3,257,662</b>          | <b>\$ 3,409,779</b> |

**DYNATRACE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited – In thousands)

|  | Three Months Ended<br>June 30, |                   |
|--|--------------------------------|-------------------|
|  | 2024                           | 2023              |
| <b>Cash flows from operating activities:</b>                                 |                                |                   |
| Net income   | \$ 38,620                      | \$ 38,188         |
| Adjustments to reconcile net income to cash provided by operations:          |                                |                   |
| Depreciation   | 4,305                          | 3,916             |
| Amortization   | 9,672                          | 9,681             |
| Share-based compensation   | 57,657                         | 40,518            |
| Deferred income taxes  | (22,649)                       | (19,327)          |
| Other  | 1,601                          | (154)             |
| Net change in operating assets and liabilities:                              |                                |                   |
| Accounts receivable  | 355,441                        | 204,228           |
| Deferred commissions   | 2,121                          | 8,545             |
| Prepaid expenses and other assets  | (8,064)                        | (16,426)          |
| Accounts payable and accrued expenses  | (78,265)                       | (39,641)          |
| Operating leases, net  | 1,791                          | 277               |
| Deferred revenue   | (131,489)                      | (95,902)          |
| Net cash provided by operating activities                                    | <u>230,741</u>                 | <u>133,903</u>    |
| <b>Cash flows from investing activities:</b>                                 |                                |                   |
| Purchase of property and equipment   | (3,359)                        | (10,267)          |
| Acquisition of a business, net of cash acquired                              | (100)                          | —                 |
| Purchases of investments   | (40,886)                       | —                 |
| Proceeds from sales and maturities of investments                            | 8,750                          | —                 |
| Net cash used in investing activities  | <u>(35,595)</u>                | <u>(10,267)</u>   |
| <b>Cash flows from financing activities:</b>                                 |                                |                   |
| Payments of deferred consideration related to capitalized software additions | (552)                          | —                 |
| Proceeds from employee stock purchase plan                                   | 10,389                         | 9,584             |
| Proceeds from exercise of stock options                                      | 4,215                          | 13,190            |
| Repurchases of common stock  | (48,556)                       | —                 |
| Taxes paid related to net share settlement of equity awards                  | (8,306)                        | —                 |
| Net cash (used in) provided by financing activities                          | <u>(42,810)</u>                | <u>22,774</u>     |
| Effect of exchange rates on cash and cash equivalents                        | (1,004)                        | (1,055)           |
| Net increase in cash and cash equivalents                                    | 151,332                        | 145,355           |
| Cash and cash equivalents, beginning of period                               | 778,983                        | 555,348           |
| Cash and cash equivalents, end of period                                     | <u>\$ 930,315</u>              | <u>\$ 700,703</u> |

**DYNATRACE, INC.**  
**GAAP to Non-GAAP Reconciliations**  
(Unaudited - In thousands, except percentages)

**Three Months Ended June 30, 2024**

|   | GAAP      | Share-based<br>compensation | Employer payroll<br>taxes on employee<br>stock transactions | Amortization of<br>intangibles | Transaction,<br>restructuring, and<br>other | Non-GAAP   |
|---|-----------|-----------------------------|---|--------------------------------|---|------------|
| <b>Non-GAAP income from operations:</b> |           |                             |   |                                |   |            |
| Cost of revenue                         | \$ 74,753 | \$ (7,730)                  | \$ (886)  | \$ (4,379)                     | \$ —  | \$ 61,758  |
| Gross profit                            | 324,467   | 7,730                       | 886   | 4,379                          | —   | 337,462    |
| <i>Gross margin</i>                     | 81 %      |                             |   |                                |   | 85 %       |
| Research and development                | 87,578    | (21,580)                    | (2,409)   | —                              | (3)   | 63,586     |
| Sales and marketing                     | 145,106   | (16,022)                    | (1,504)   | —                              | —   | 127,580    |
| General and administrative              | 44,978    | (12,325)                    | (610)   | —                              | 3   | 32,046     |
| Amortization of other<br>intangibles    | 4,776     | —                           | —   | (4,776)                        | —   | —          |
| Income from operations                  | \$ 42,029 | \$ 57,657                   | \$ 5,409  | \$ 9,155                       | \$ —  | \$ 114,250 |
| <i>Operating margin</i>                 | 11 %      |                             |   |                                |   | 29 %       |

**Three Months Ended June 30, 2023**

|   | GAAP      | Share-based<br>compensation | Employer payroll<br>taxes on employee<br>stock transactions | Amortization of<br>intangibles | Transaction,<br>restructuring, and<br>other | Non-GAAP  |
|---|-----------|-----------------------------|---|--------------------------------|---|-----------|
| <b>Non-GAAP income from operations:</b> |           |                             |   |                                |   |           |
| Cost of revenue                         | \$ 62,344 | \$ (5,488)                  | \$ (923)  | \$ (3,898)                     | \$ —  | \$ 52,035 |
| Gross profit                            | 270,542   | 5,488                       | 923   | 3,898                          | —   | 280,851   |
| <i>Gross margin</i>                     | 81 %      |                             |   |                                |   | 84 %      |
| Research and development                | 66,282    | (13,264)                    | (2,262)   | —                              | —   | 50,756    |
| Sales and marketing                     | 125,117   | (13,999)                    | (1,552)   | —                              | —   | 109,566   |
| General and administrative              | 39,095    | (7,767)                     | (466)   | —                              | (2,408)                                     | 28,454    |
| Amortization of other<br>intangibles    | 5,760     | —                           | —   | (5,760)                        | —   | —         |
| Income from operations                  | \$ 34,288 | \$ 40,518                   | \$ 5,203  | \$ 9,658                       | \$ 2,408                                    | \$ 92,075 |
| <i>Operating margin</i>                 | 10 %      |                             |   |                                |   | 28 %      |

**DYNATRACE, INC.**  
**GAAP to Non-GAAP Reconciliations**  
(Unaudited - In thousands, except per share data)

|   | Three Months Ended June 30, |                  |
|---|-----------------------------|------------------|
|   | 2024                        | 2023             |
| <b>Non-GAAP net income:</b>                           |                             |                  |
| Net income  | \$ 38,620                   | \$ 38,188        |
| Income tax expense                                    | 14,149                      | 3,498            |
| Non-GAAP effective cash tax                           | (27,094)                    | (18,542)         |
| Interest income, net                                  | (12,775)                    | (7,146)          |
| Cash received from interest, net                      | 11,770                      | 5,512            |
| Share-based compensation                              | 57,657                      | 40,518           |
| Employer payroll taxes on employee stock transactions | 5,409                       | 5,203            |
| Amortization of intangibles                           | 9,155                       | 9,658            |
| Transaction, restructuring, and other                 | —                           | 2,408            |
| Loss (gain) on currency translation                   | 2,035                       | (252)            |
| Non-GAAP net income                                   | <u>\$ 98,926</u>            | <u>\$ 79,045</u> |

|   |         |         |
|---|---------|---------|
| <b>Share count:</b>                           |         |         |
| Weighted-average shares outstanding - basic   | 297,358 | 291,325 |
| Weighted-average shares outstanding - diluted | 300,966 | 296,387 |

|  |         |         |
|--|---------|---------|
| <b>Shares used in non-GAAP per share calculations:</b> |         |         |
| Weighted-average shares outstanding - basic            | 297,358 | 291,325 |
| Weighted-average shares outstanding - diluted          | 300,966 | 296,387 |

|   |         |         |
|---|---------|---------|
| <b>Non-GAAP net income per share:</b>   |         |         |
| Net income per share - basic            | \$ 0.13 | \$ 0.13 |
| Net income per share - diluted          | \$ 0.13 | \$ 0.13 |
| Non-GAAP net income per share - basic   | \$ 0.33 | \$ 0.27 |
| Non-GAAP net income per share - diluted | \$ 0.33 | \$ 0.27 |

|   | Three Months Ended June 30, |                   |
|---|-----------------------------|-------------------|
|   | 2024                        | 2023              |
| <b>Free cash flow:</b>                    |                             |                   |
| Net cash provided by operating activities | \$ 230,741                  | \$ 133,903        |
| Purchase of property and equipment        | (3,359)                     | (10,267)          |
| Capitalized software additions            | —                           | —                 |
| Free cash flow                            | <u>\$ 227,382</u>           | <u>\$ 123,636</u> |

## Contacts

**Investor Contact:**

Noelle Faris  
VP, Investor Relations  
Noelle.Faris@dynatrace.com

**Media Relations:**

Kristy Campbell  
VP, Brand and Communications  
Kristy.Campbell@dynatrace.com

# ARR Expansion Trends<sup>1</sup>

| (\$ in millions)   | FY23    |         |         |         | FY24    |         |         |         | FY25    |           |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|
|  | Q1-23   | Q2-23   | Q3-23   | Q4-23   | Q1-24   | Q2-24   | Q3-24   | Q4-24   | Q1-25   | Q1-25 TTM |
| <b>Year-over-Year</b>  |         |         |         |         |         |         |         |         |         |           |
| ARR (As Reported)  | \$1,031 | \$1,065 | \$1,163 | \$1,247 | \$1,294 | \$1,344 | \$1,425 | \$1,504 | \$1,541 |           |
| Year-over-Year Increase  | 25%     | 23%     | 25%     | 25%     | 25%     | 26%     | 23%     | 21%     | 19%     |           |
| TTM FX headwind/(tailwind) <sup>2</sup>                            | 47      | 61      | 29      | 29      | (3)     | (27)    | (17)    | (10)    | 12      |           |
| ARR - Constant Currency  | 1,078   | 1,126   | 1,191   | 1,276   | 1,291   | 1,316   | 1,408   | 1,494   | 1,553   |           |
| Year-over-Year ARR Increase - Constant Currency <sup>3</sup>       | 31%     | 30%     | 28%     | 28%     | 25%     | 24%     | 21%     | 20%     | 20%     |           |
| <b>Quarter-over-Quarter</b>  |         |         |         |         |         |         |         |         |         |           |
| ARR (As Reported)  | \$1,031 | \$1,065 | \$1,163 | \$1,247 | \$1,294 | \$1,344 | \$1,425 | \$1,504 | \$1,541 |           |
| Net New ARR (As Reported) <sup>4</sup>                             | 36      | 34      | 98      | 84      | 47      | 50      | 82      | 79      | 37      | 247       |
| Quarterly FX headwind/(tailwind) <sup>5</sup>                      | 19      | 24      | (19)    | (2)     | (10)    | 10      | (12)    | 5       | 9       | 11        |
| Net New ARR - Constant Currency                                    | 55      | 58      | 79      | 82      | 37      | 59      | 70      | 84      | 46      | 258       |
| Year-over-Year Net New ARR Growth - Constant Currency <sup>6</sup> | 28%     | 15%     | -3%     | 15%     | -33%    | 2%      | -12%    | 1%      | 23%     | 1%        |

1. Values have been rounded and may not add up precisely to the totals.

2. Year-over-year FX headwind/(tailwind) using exchange rates from the same quarter in the prior year.

3. Represents the year-over-year growth rate excluding the FX headwind/(tailwind).

4. Defined as the quarterly increase/(decrease) in the current quarter as reported ARR compared to the previous quarters as reported ARR.

5. Quarterly FX impact using exchange rates from the prior quarter.

6. Defined as net new ARR in constant currency compared to the year-ago period net new ARR in constant currency.

