



FINANCIAL UPDATE Q4 FY2022 // January 2023

Safe harbor statement

This presentation includes express and implied “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases, you can identify forward-looking statements by terms such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “project,” “will,” “would,” “should,” “could,” “can,” “predict,” “potential,” “target,” “explore,” “continue,” or the negative of these terms, and similar expressions intended to identify forward-looking statements. However, not all forward-looking statements contain these identifying words. These statements may relate to our market size and growth strategy, our estimated and projected costs, margins, revenue, expenditures and growth rates, our future results of operations or financial condition, our plans and objectives for future operations, growth, initiatives, or strategies. By their nature, these statements are subject to numerous uncertainties and risks, including factors beyond our control, that could cause actual results, performance or achievement to differ materially and adversely from those anticipated or implied in the statements, including: our future financial performance, including our revenue, cost of revenue, gross profit, operating expenses, ability to generate positive cash flow, and ability to be profitable; our ability to grow at or near historical growth rates; anticipated technology trends, such as the use of and demand for experience management software; our ability to attract and retain customers to use our products; our ability to address and overcome challenges related to the current economic downturn; our ability to attract enterprises and international organizations as customers for our products; our ability to expand our network with content consulting partners, delivery partners, and technology partners; the evolution of technology affecting our products and markets; our ability to introduce new products and enhance existing products and to compete effectively with competitors; our ability to successfully enter into new markets and manage our international expansion; the attraction and retention of qualified employees and key personnel; our ability to effectively manage our growth and future expenses and maintain our corporate culture; our ability to realize cost savings and achieve other benefits related to our restructuring efforts; our anticipated investments in sales and marketing and research and development; our ability to maintain, protect, and enhance our intellectual property rights; our ability to successfully defend litigation brought against us; our ability to maintain data privacy and data security; the sufficiency of our cash and cash equivalents to meet our liquidity needs; our ability to comply with modified or new laws and regulations applying to our business; the impact of geopolitical events, including the ongoing conflict between Russia and Ukraine; our ability to respond to and overcome challenges brought by the COVID-19 pandemic, including any new variants of the virus; our reduced ability to leverage resources at SAP as an independent company from SAP; the effects on our business of recent volatility in capital markets and lower market prices for our securities; our ability to meet investor and customer expectations and evolving regulations regarding environmental, social and governance issues; and the increased expenses associated with being an independent public company. Additional risks and uncertainties that could cause actual outcomes and results to differ materially from those contemplated by the forward-looking statements are or will be included under the caption “Risk Factors” and elsewhere in our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q that we file with the Securities and Exchange Commission. Forward-looking statements speak only as of the date the statements are made and are based on information available to us at the time those statements are made and/or management's good faith belief as of that time with respect to future events. We assume no obligation to update forward-looking statements to reflect events or circumstances after the date they were made, except as required by law.

This presentation also contains estimates and other statistical data made by independent parties and by us relating to market size and growth and other data about our industry. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. In addition, projections, assumptions, and estimates of our future performance and the future performance of the markets in which we compete are necessarily subject to a high degree of uncertainty and risk.

The trademarks included herein are the property of the owners thereof and are used for reference purposes only. Such use should not be construed as an endorsement of such products or services.

To supplement our financial results, which are prepared and presented in accordance with U.S. generally accepted accounting principles (“GAAP”), we use certain non-GAAP financial measures, as described below, to understand and evaluate our core operating performance. These non-GAAP financial measures, which may be different than similarly-titled measures used by other companies, are presented to enhance investors’ overall understanding of our financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. We believe that these non-GAAP financial measures provide useful information about our financial performance, enhance the overall understanding of our past performance and future prospects, and allow for greater transparency with respect to important metrics used by our management for financial and operational decision-making. We are presenting these non-GAAP measures to assist investors in seeing our financial performance using a management view, and because we believe that these measures provide an additional tool for investors to use in comparing our core financial performance over multiple periods with other companies in our industry. You should consider non-GAAP results alongside other financial performance measures and results presented in accordance with GAAP. In addition, in evaluating non-GAAP results, you should be aware that in the future we will incur expenses such as those that are the subject of adjustments in deriving non-GAAP results and you should not infer from our non-GAAP results that our future results will not be affected by these expenses or any unusual or non-recurring items. Non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating income (loss), non-GAAP operating margin, non-GAAP net income (loss), non-GAAP net income (loss) per share, free cash flow, free cash flow margin: We define these non-GAAP financial measures as the respective GAAP measures, excluding equity and cash settled stock-based compensation expenses, including employer payroll tax on employee stock transactions, amortization of acquired intangible assets, acquisition related costs, changes in the fair value of our distribution liability for our tax sharing agreement with SAP, and the tax impact of the non-GAAP adjustments, as applicable. When evaluating the performance of our business and making operating plans, we do not consider these items (for example, when considering the impact of equity award grants, we place a greater emphasis on overall stockholder dilution rather than the accounting charges associated with such grants). We believe it is useful to exclude these expenses in order to better understand the long-term performance of our core business and to facilitate comparison of our results to those of peer companies and over multiple periods.

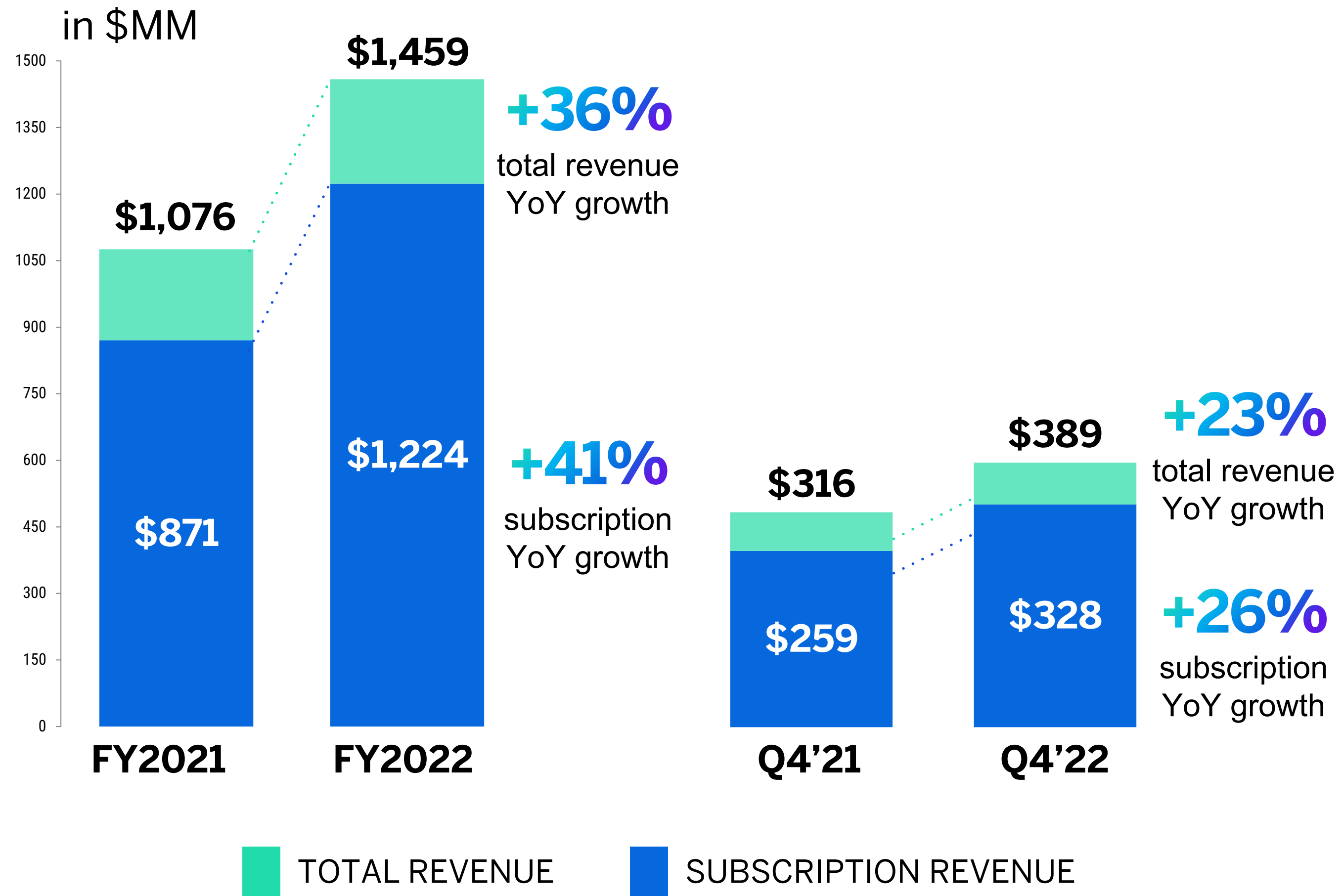
Qualtrics at a glance

5,600+
employees¹

2,262
customers with >\$100K
in annualized recurring
revenue¹

120%
net retention rate²

2021, 2022, and Q4'22 Revenue and Revenue Growth



\$2.2Bn
Remaining Performance
Obligations – 25% YoY
Growth¹

\$60Bn
total addressable
market³

6%
Q4'22 Non-GAAP
operating margin

**Software to help turn
customers into fanatics
employees into ambassadors
products into obsessions
and brands into religions**

Experience Design

Design breakthrough products, services, cultures, and brands

Experience Improvement

Continuously improve customer, employee, product, and brand experiences



Listen & Remember



Process & Understand



Build a Culture of Action



Uncover the products, services, and experiences that the market wants next.

Market Research

Research Design

Testing & Optimization

Sample Management



Decrease churn.
Increase Customer Lifetime Value.
Reduce cost to serve.

Customer Care

Digital Experience

On-site / In-store

B2B Account Management



Improve product market fit.
Increase share of wallet.
Decrease time to market.

Pricing & Packaging

Product Market Fit

Product Testing

Product Satisfaction



Attract and retain talent.
Increase engagement.
Improve productivity.

Culture & Development

Engagement

Facilities & IT

Onboarding & Exit



Acquire new customers.
Increase market share. Improve awareness and perception.

Brand Tracking

Awareness & Perception

Segmentation

Ad Testing



Expert designed programs.
White-glove implementation and management.

XM Program Design / Audit

Culture & Compensation

Executive Reporting

Advisory Services



Experience Design

Design breakthrough products, services, cultures, and brands

qualtrics.^{XM}

Experience Improvement

Continuously improve each experience

PLATFORM EXPANSION
ACROSS SIX
PRODUCT LINES



Uncover the products, services, and experiences that the market wants next.



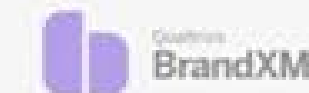
Decrease churn. Increase Customer Lifetime Value. Reduce cost to serve.



Improve product market fit. Increase share of wallet. Decrease time to market.



Attract and retain talent. Increase engagement. Improve productivity.



Acquire new customers. Increase market share. Improve awareness and perception.



Expert designed programs. White-glove implementation and management.

DISCOVER

Tune in to every conversation happening about your company. Understand intent/emotion/effort, at scale. Overhaul & optimize products, processes, and services.



- Market R&D
- Digital Experience Design
- Returns / Claims



- Contact Center
- Digital Optimization
- Location-based Reviews



- Product Quality
- Product Safety
- Competitive Intel



- Agent QM
- Agent Coaching
- Compliance



- Crisis Management
- Perception
- Brand Health



- Service Quality Improvement
- Digital Transformation
- Process / Product Improvement



ENGAGE

Ask customers and employees for feedback. Spot gaps and uncover opportunities. Take action and drive improvement.

- Market Research
- Research Design
- Testing & Optimization
- Sample Management



- Customer Care
- Digital Experience
- On-site / In-store
- B2B Account Management



- Pricing & Packaging
- Product Market Fit
- Product Testing
- Product Satisfaction



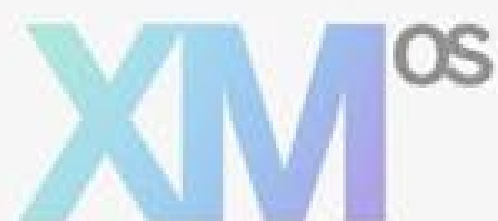
- Culture & Development
- Engagement
- Facilities & IT
- Onboarding & Exit



- Brand Tracking
- Awareness & Perception
- Segmentation
- Ad Testing



- XM Program Design / Audit
- Culture & Compensation
- Executive Reporting
- Advisory Services



Listen & Remember



Process & Understand



Build a Culture of Action

Experience Design

Design breakthrough products, services, cultures, and brands



Experience Improvement

Continuously improve each experience



Uncover the products, services, and experiences that the market wants next.



Decrease churn. Increase Customer Lifetime Value. Reduce cost to serve.



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DISCOVER

Tune in to all the conversations happening about your brand. Deeply understand the "why". Find opportunities and drive precise action.

- Market R&D
- Digital Experience Design
- Returns / Claims

+

- Contact Center
- Digital Optimization
- Location-based Reviews

+

- Product Quality
- Product Safety
- Competitive Intel

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- Agent QM
- Agent Coaching
- Compliance

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- Crisis Management
- Perception
- Brand Health

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- Service Quality Improvement
- Digital Transformation
- Process / Product Improvement

+

ENGAGE

Ask customers and employees for feedback. Spot gaps and uncover opportunities. Take action and drive improvement.

- Market Research
- Research Design
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- Customer Care
- Digital Experience
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- XM Program Design / Audit
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+



CONTINUED CATEGORY AND PLATFORM INNOVATION

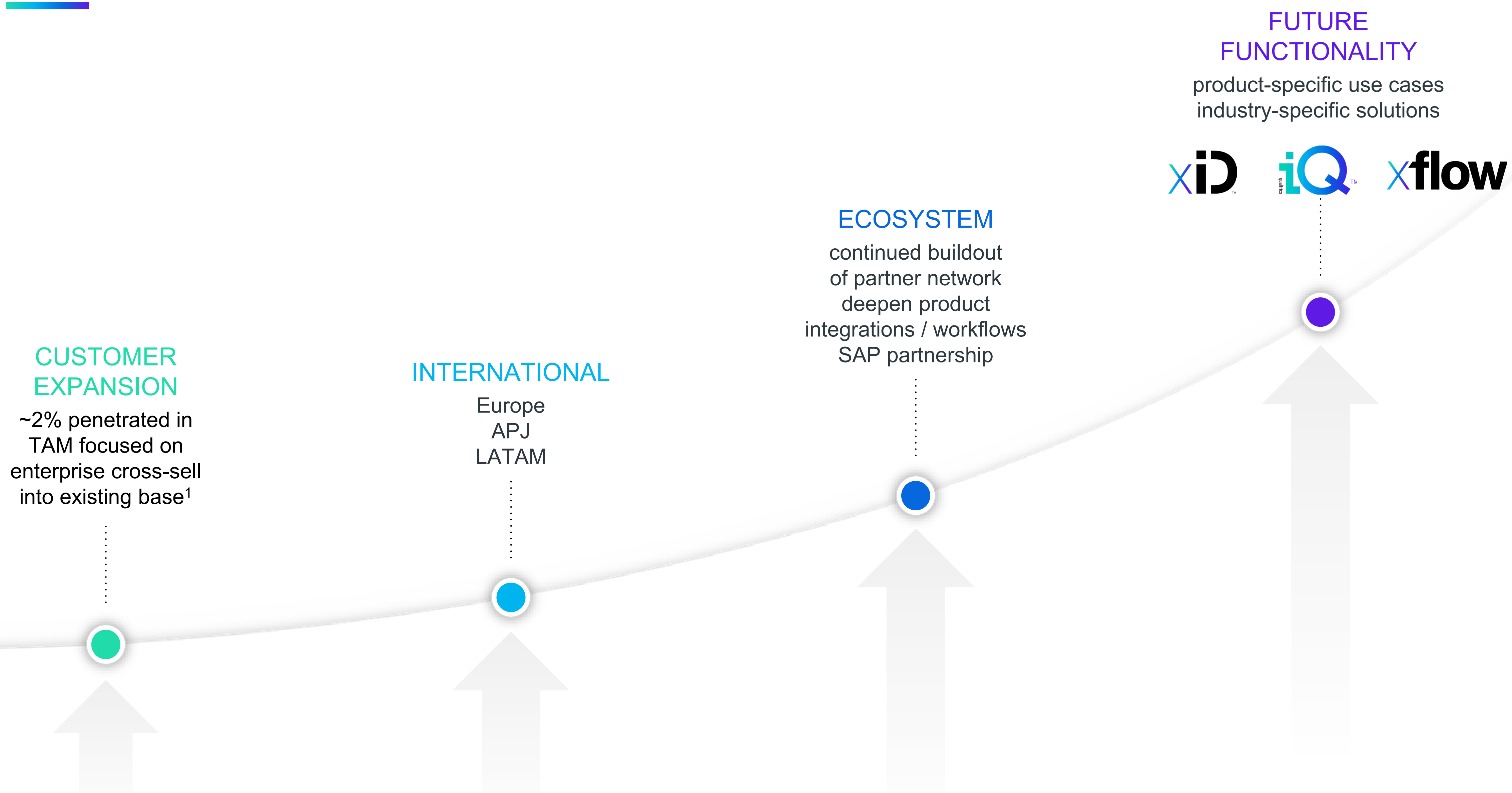


Know Where to Focus and What to do



Build a Culture of Action

Ongoing growth opportunities



1 – As of December 31, 2022

Q4'22 customer wins

BMW
GROUP



KFC

Vera Bradley

Qualcomm



Our customers span across all industries

ENTERPRISE

90%+
OF FORTUNE 100¹

LARGE DEPLOYMENTS

2,262
CUSTOMERS WITH >\$100K ARR²

DIVERSITY

<2%
LARGEST CUSTOMER AS
% OF TOTAL REVENUE³

BANKING/INSURANCE



RETAIL



TRAVEL & HOSPITALITY



GOVERNMENT



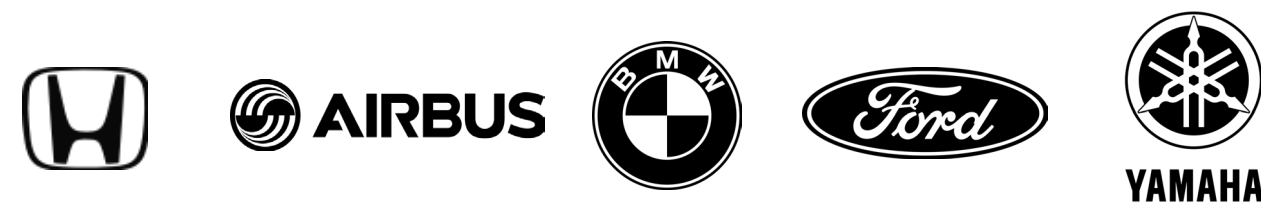
HEALTHCARE/LIFE SCIENCES



EDUCATION



INDUSTRIAL/AUTOMOTIVE



NON-PROFIT



OIL AND GAS/UTILITIES



SERVICES/CONSULTING



TECHNOLOGY



TELECOM/MEDIA



CPG



Rapidly scaling our global presence

Revenue outside the United States

28% **29%** **30%**
FY2020¹ FY2021¹ FY2022¹

Local sales presence around the globe

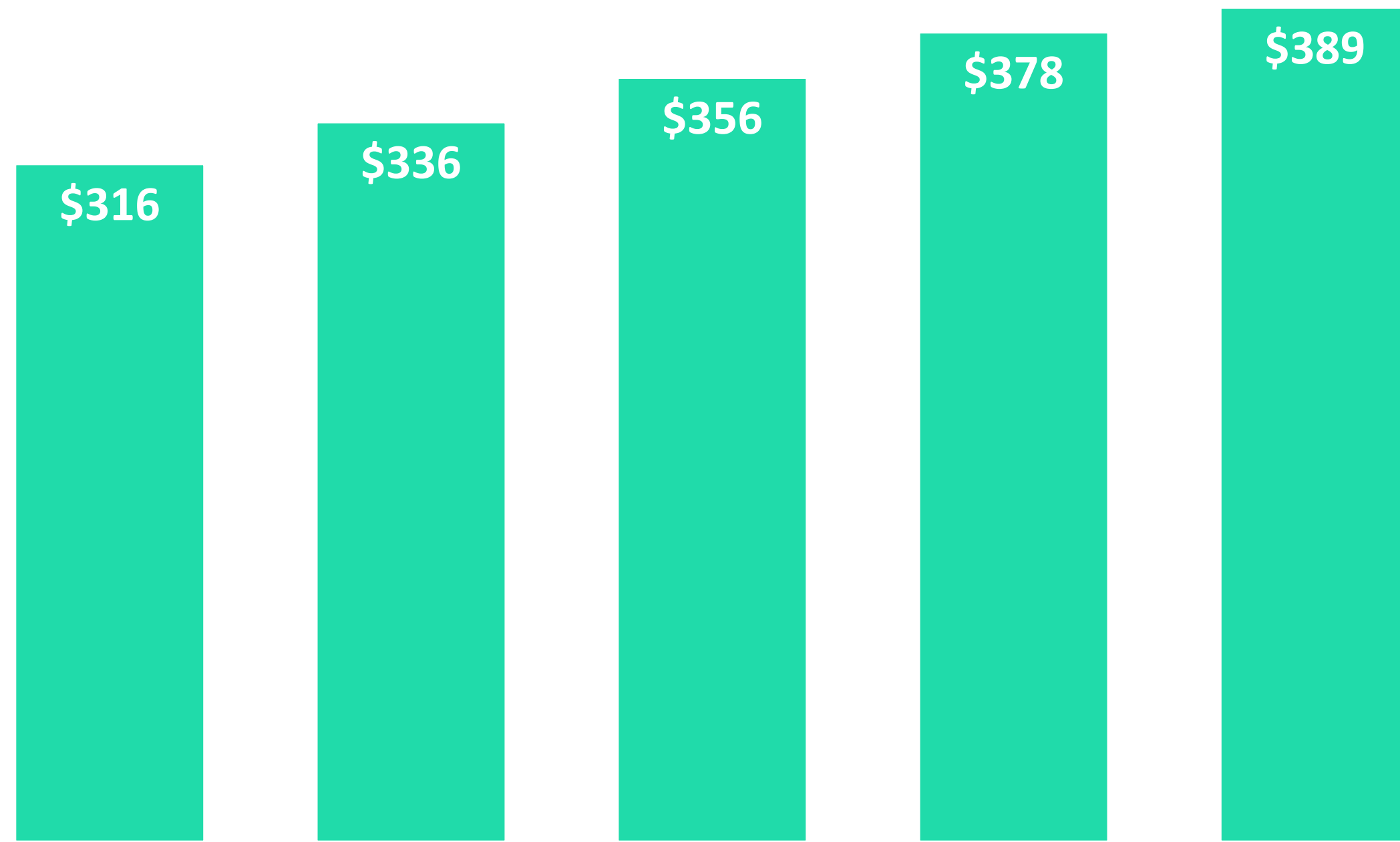
Provo	Seattle	Dublin	Sydney
Dallas	Toronto	Munich	Singapore
Raleigh	Vancouver	London	Tokyo
Chicago	São Paulo	Paris	Hong Kong
Atlanta	Mexico City	Stockholm	Melbourne
D.C.	Buenos Aires	Madrid	Seoul
Newton	Bogota	Zurich	Mumbai
New York	San José	Brussels	Bangkok
Denver		Copenhagen	Brisbane
			Auckland



Continued revenue growth at scale

Quarterly Total Revenue

in \$MM



Q4 21

Q1 22

Q2 22

Q3 22

Q4 22

% YoY
Growth

48%

41%

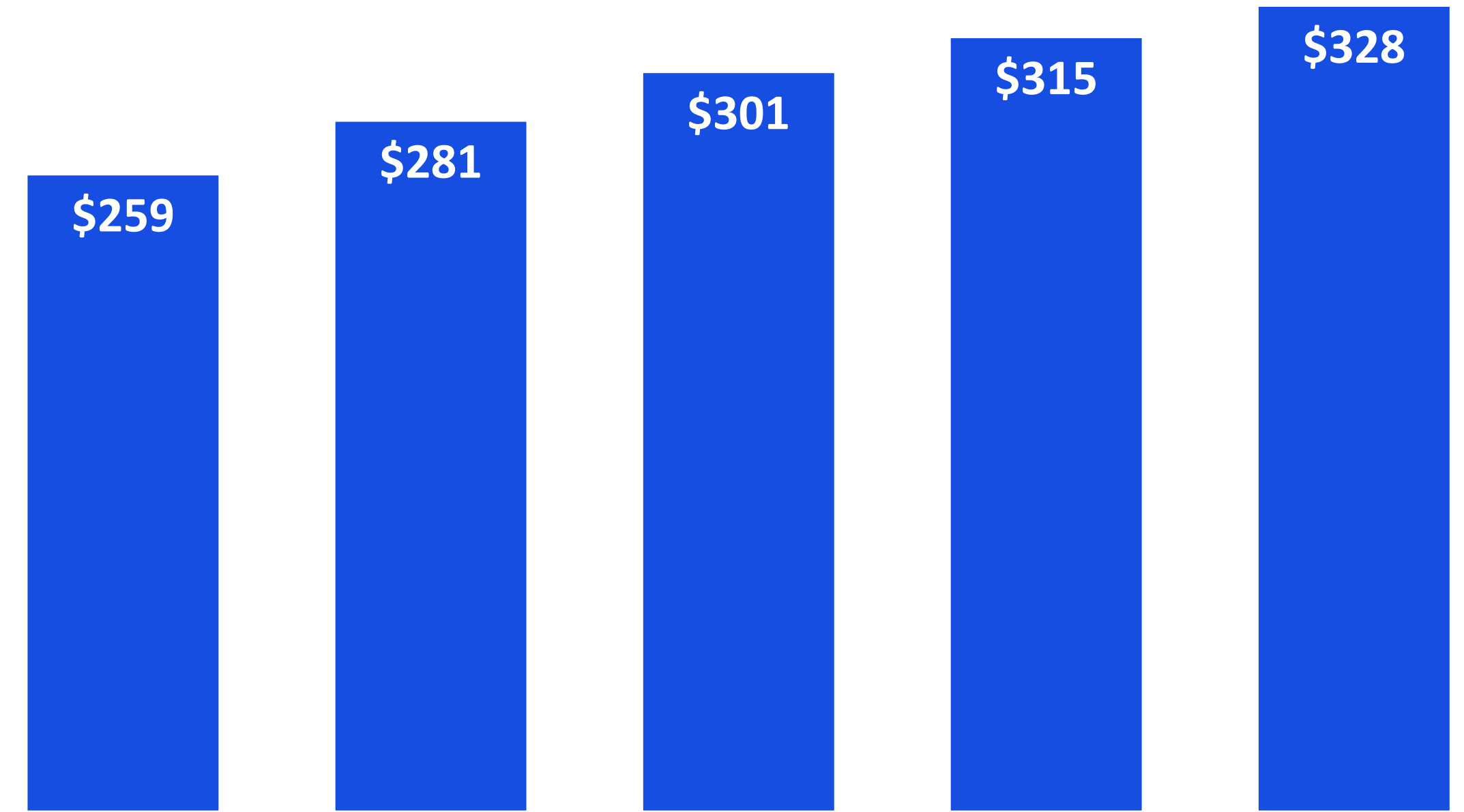
43%

39%

23%

Quarterly Subscription Revenue

in \$MM



Q4 21

Q1 22

Q2 22

Q3 22

Q4 22

% YoY
Growth

61%

50%

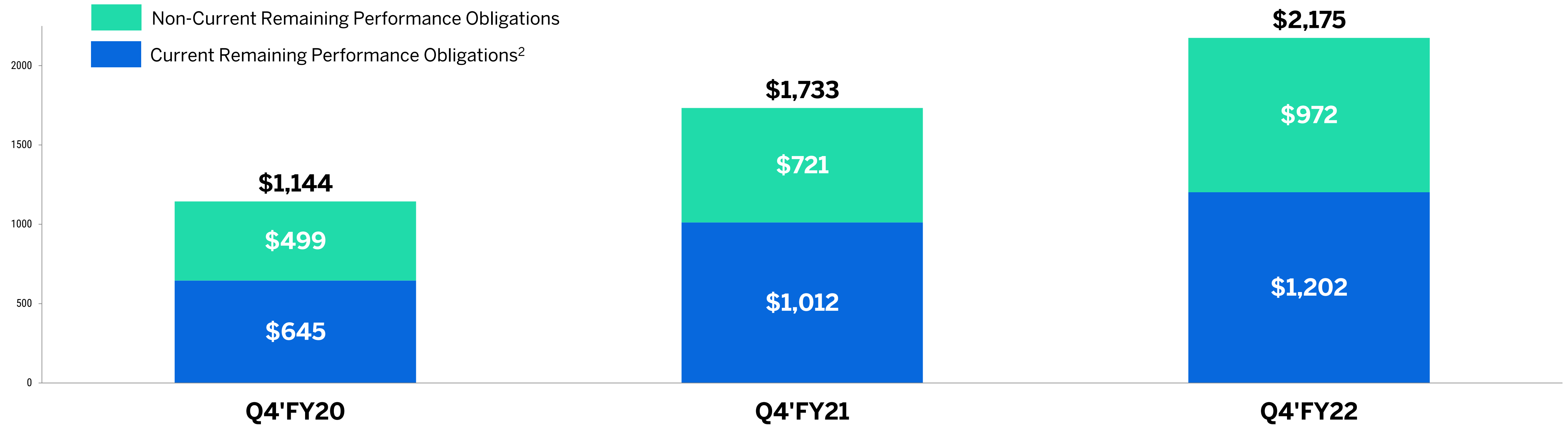
47%

43%

26%

Historical remaining performance obligations¹

in \$MM

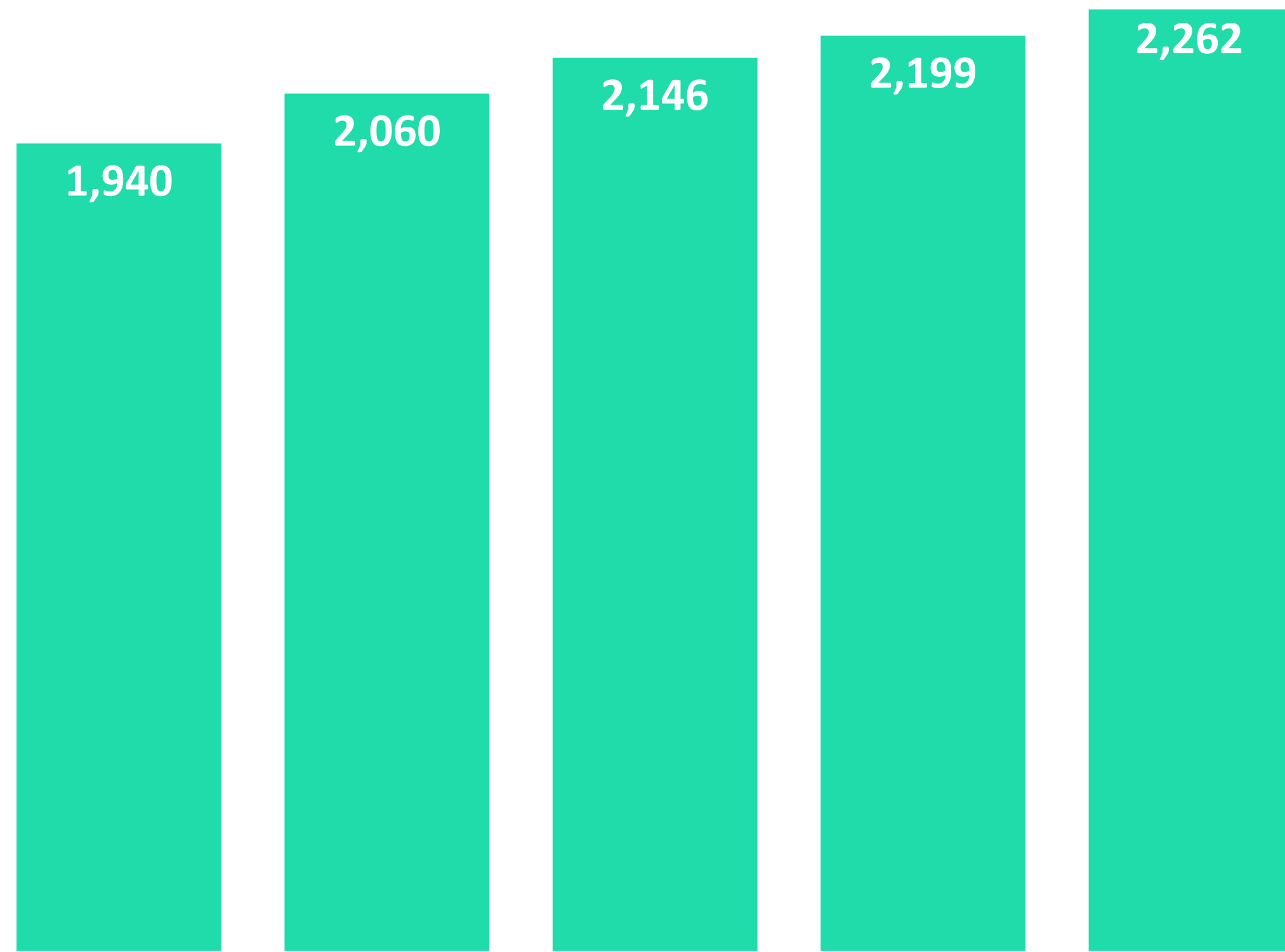


YoY Growth %	Total RPO	Current RPO
	78%	49%
	51%	57%
	25%	19%

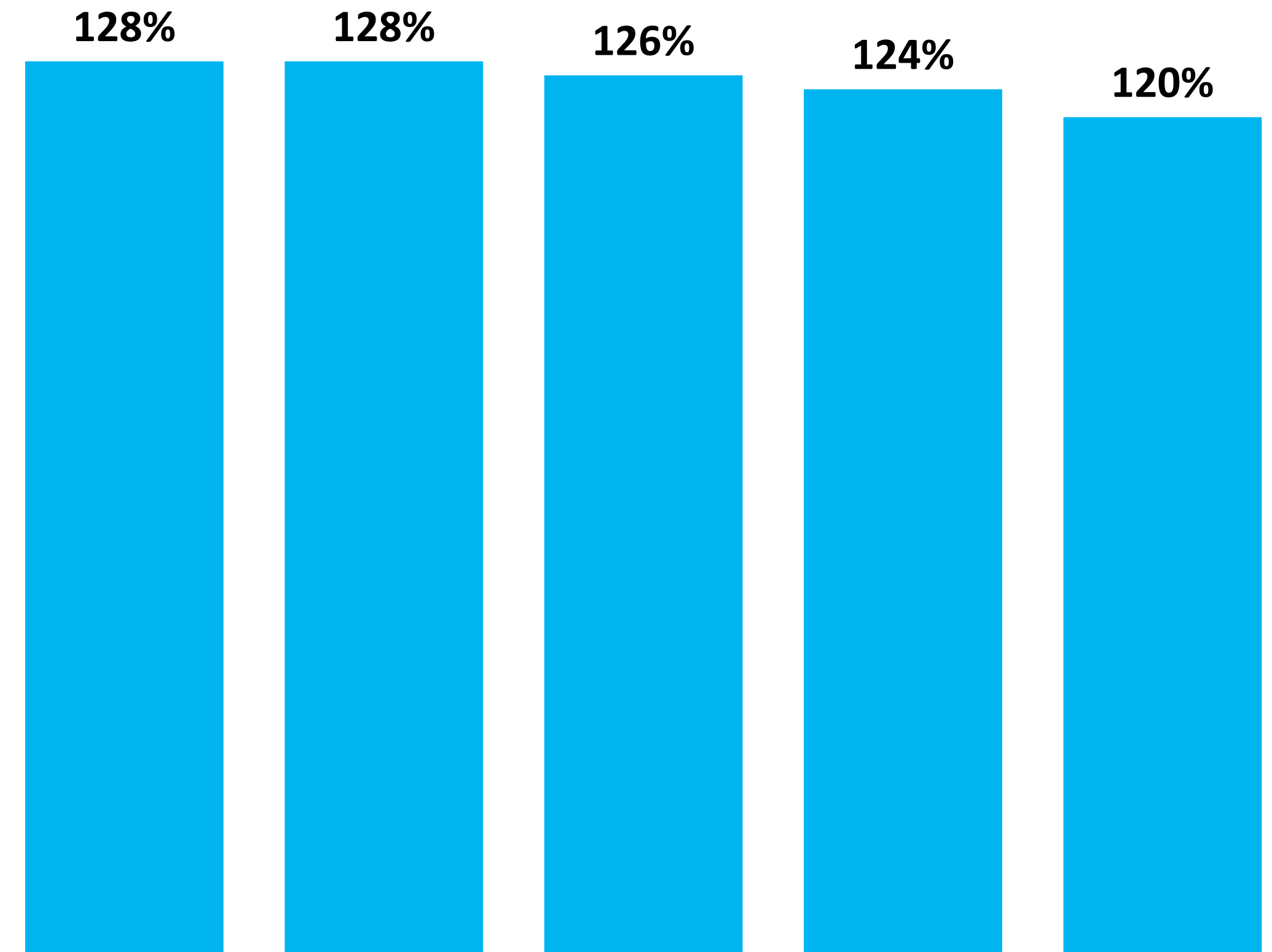
1-Remaining performance obligations represent all contracted future revenue that has not yet been recognized, including both deferred revenue and non-cancelable contracted amounts that will be invoiced and recognized as revenue in future periods
 2-Defined as RPOs expected to be recognized as revenue in next 12 months

Growing large customers who still represent small percentage of overall customer base

Customers with >\$100K in Subscription ARR



Net Retention Rate¹

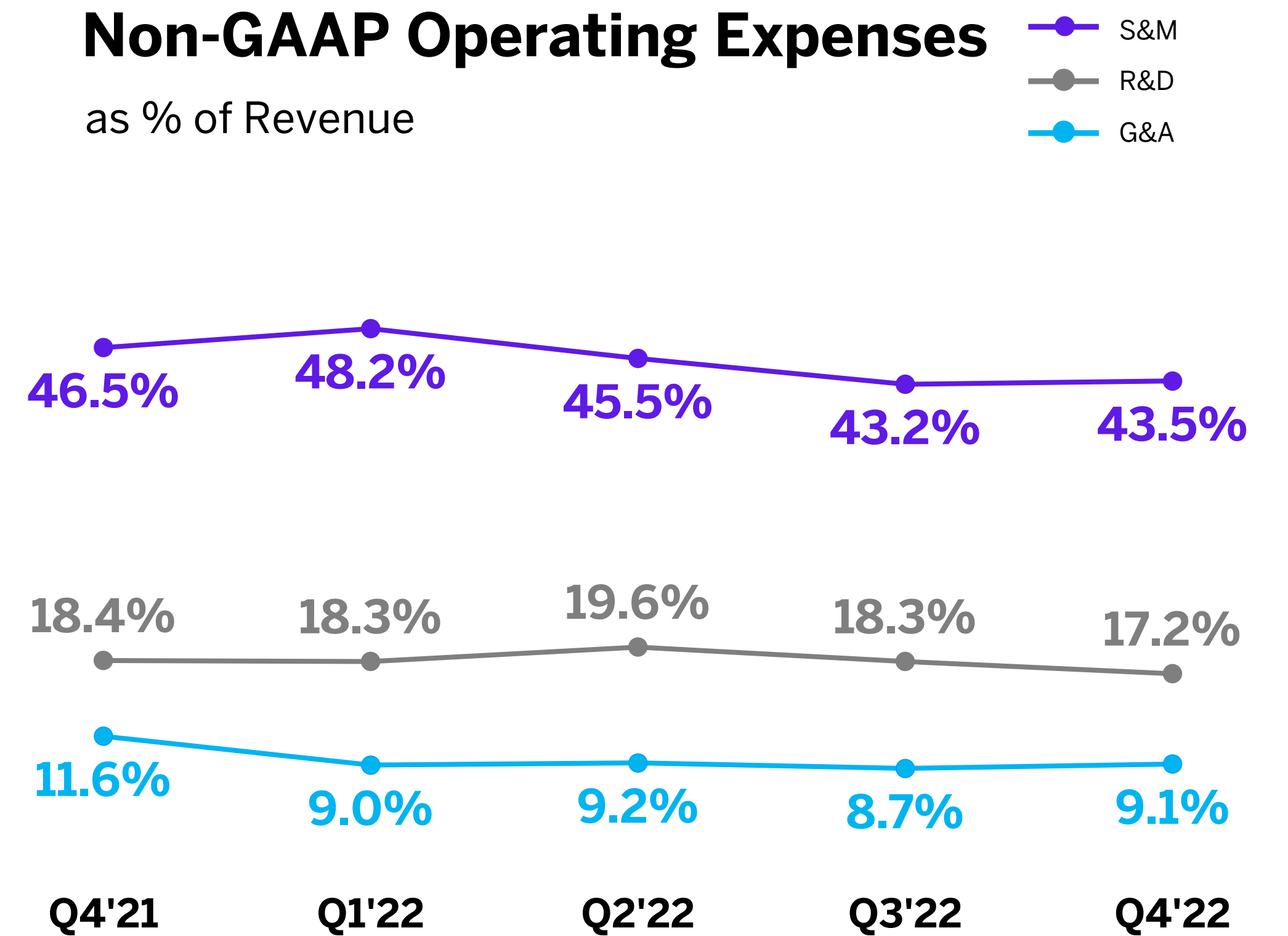
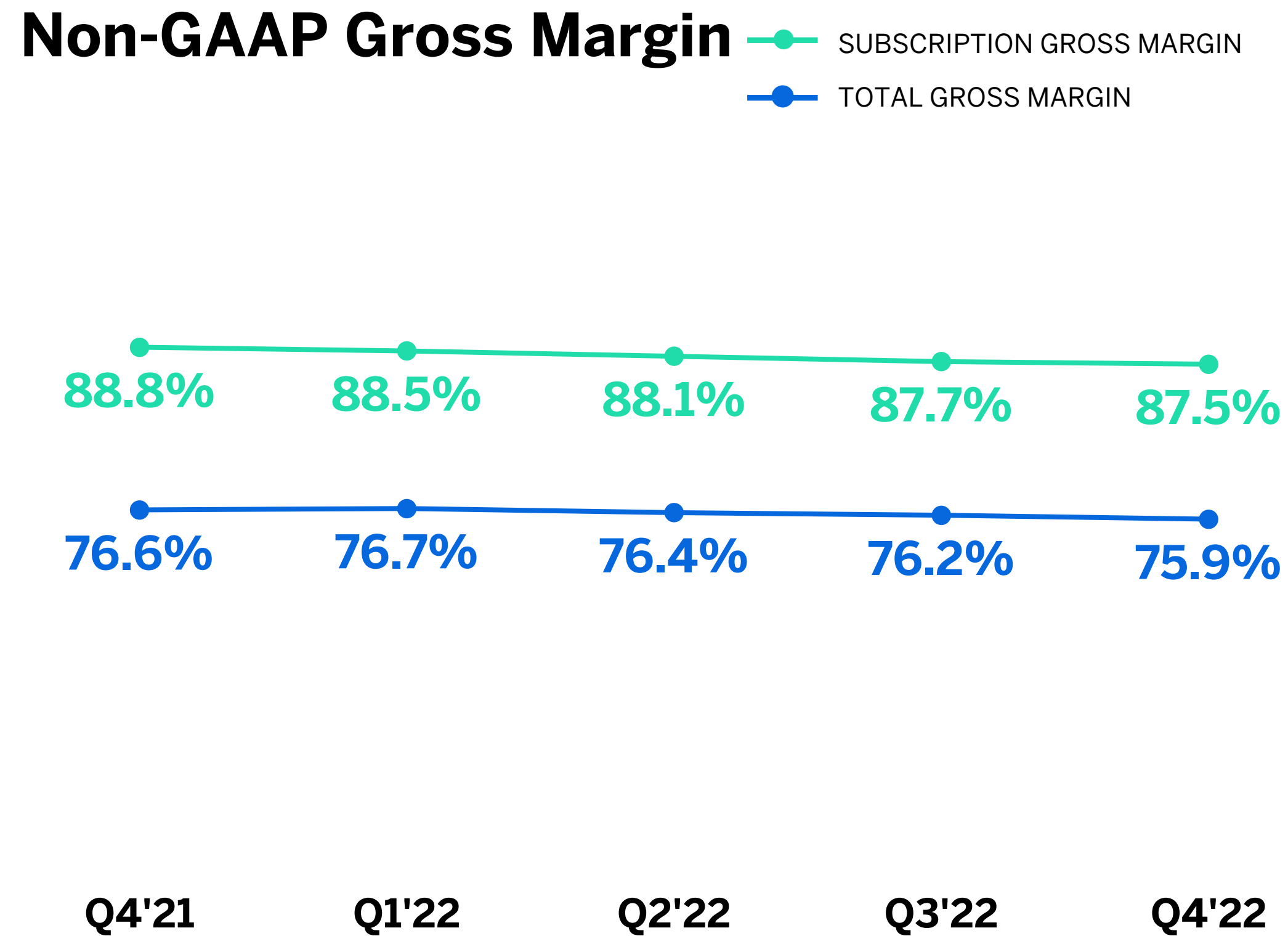


% YoY Growth

Quarter	% YoY Growth
Q4 21	45%
Q1 22	41%
Q2 22	37%
Q3 22	32%
Q4 22	17%

¹–Net retention rate is calculated using subscription revenue. We first calculate the subscription revenue in one quarter from a cohort of customers that were customers at the beginning of the same quarter in the prior fiscal year, or cohort customers. We repeat this calculation for each quarter in the trailing four-quarter period. The numerator for net retention rate is the sum of subscription revenue from cohort customers for the four most recent quarters, or numerator period, and the denominator is the sum of subscription revenue from cohort customers for the four quarters preceding the numerator period.

Steady margins while investing for growth



NON-GAAP OPERATING MARGIN

0% 1% 2% 6% 6%

Guidance summary

Q1 2023	Quarterly Guidance	Increase Y/Y (At Midpoint)
Subscription Revenue	\$333M – \$335M	19%
Total Revenue	\$392M – \$394M	17%
Non-GAAP Operating Margin	4.0% – 5.0%	327bps
Non-GAAP Net Income (Loss) Per Share	\$0.01 – \$0.02 Assuming 605M weighted average shares outstanding	-
Full-Year 2022	Full-Year Guidance	Increase Y/Y (At Midpoint)
Subscription Revenue	\$1,406M - \$1,414M	15%
Total Revenue	\$1,661M - \$1,669M	14%
Non-GAAP Operating Margin	10.0% – 11.0%	653bps
Non-GAAP Net Income Per Share	\$0.20 – \$0.24 Assuming 625M weighted average shares outstanding	-

The Company has not provided a reconciliation of the forward-looking information presented in its guidance because material items that impact that reconciliation are not reasonably estimable at this time.

Appendix

GAAP to Non-GAAP reconciliation

<i>(\$ in thousands, Fiscal Year Ending December 31)</i>	3 Months Ended 12/31/2021	3 Months Ended 12/31/2022	2020	2021	2022
GAAP Total Gross Profit	\$224,157	\$274,514	\$565,035	\$790,392	\$1,028,678
<i>GAAP Gross Margin</i>	71%	71%	74%	73%	71%
Add: Stock-based compensation expense, including cash settled and employer payroll tax on employee stock transactions ⁽¹⁾	10,764	13,402	11,369	37,447	54,114
Add: Amortization of acquired intangible assets	7,270	7,385	1,062	8,243	29,914
Non-GAAP Total Gross Profit	\$242,191	\$295,301	\$577,466	\$836,082	\$1,112,706
<i>Non-GAAP Gross Margin</i>	77%	76%	76%	78%	76%
GAAP Subscription Gross Profit	\$218,986	\$274,157	\$512,726	\$764,869	\$1,026,854
<i>GAAP Subscription Gross Margin</i>	85%	84%	89%	88%	84%
Add: Stock-based compensation expense, including cash settled and employer payroll tax on employee stock transactions ⁽¹⁾	3,626	5,056	4,632	12,148	19,337
Add: Amortization of acquired intangible assets	7,270	7,385	1,062	8,243	29,914
Non-GAAP Subscription Gross Profit	\$229,882	\$286,598	\$518,420	\$785,260	\$1,076,105
<i>Non-GAAP Subscription Gross Margin</i>	89%	87%	90%	90%	88%

GAAP to Non-GAAP reconciliation

<i>(\$ in thousands, Fiscal Year Ending December 31)</i>	3 Months Ended 12/31/2021	3 Months Ended 12/31/2022	2020	2021	2022
GAAP Sales and Marketing Expense	\$193,887	\$228,924	\$431,794	\$643,333	\$892,022
<i>GAAP Sales and Marketing Expense (as % of Revenue)</i>	61%	59%	57%	60%	61%
Less: Stock-based compensation expense, including cash settled and employer payroll tax on employee stock transactions ⁽¹⁾	(41,615)	(54,128)	(37,877)	(136,532)	(213,634)
Less: Amortization of Acquired Intangible Assets	(5,265)	(5,532)	(204)	(5,441)	(22,121)
Non-GAAP Sales and Marketing Expense	\$147,007	\$169,264	\$393,713	\$501,360	\$656,267
<i>Non-GAAP Sales and Marketing Expense (as % of Revenue)</i>	47%	44%	52%	47%	45%
GAAP Research and Development Expense	\$97,606	\$106,691	\$212,795	\$324,158	\$427,179
<i>GAAP Research and Development Expense (as % of Revenue)</i>	31%	27%	28%	30%	29%
Less: Stock-based compensation expense, including cash settled and employer payroll tax on employee stock transactions ⁽¹⁾	(39,369)	(39,739)	(68,355)	(128,779)	(159,599)
Non-GAAP Research and Development Expense	\$58,237	\$66,952	\$144,440	\$195,379	\$267,580
<i>Non-GAAP Research and Development Expense (as % of Revenue)</i>	18%	17%	19%	18%	18%
GAAP General and Administrative Expense	\$238,790	\$185,498	\$175,499	\$876,734	\$758,452
<i>GAAP General and Administrative Expense (as % of Revenue)</i>	76%	48%	23%	82%	52%
Less: Stock-based compensation expense, including cash settled and employer payroll tax on employee stock transactions ⁽¹⁾	(200,800)	(149,955)	(106,412)	(754,382)	(625,248)
Less: Amortization of Acquired Intangible Assets	(305)	(312)	(188)	(446)	(1,270)
Less: Acquisition related costs	(1,059)	—	—	(14,489)	(866)
Non-GAAP General and Administrative Expense	\$36,626	\$35,231	\$68,899	\$107,417	\$131,068
<i>Non-GAAP General and Administrative Expense (as % of Revenue)</i>	12%	9%	9%	10%	9%

GAAP to Non-GAAP reconciliation

<i>(\$ in thousands, Fiscal Year Ending December 31)</i>	3 Months Ended 12/31/2021	3 Months Ended 12/31/2022	2020	2021	2022
GAAP Operating Income (Loss)	\$(306,126)	\$(246,599)	\$(255,053)	\$(1,053,833)	\$(1,048,975)
<i>GAAP Operating Margin</i>	<i>(97)%</i>	<i>(63)%</i>	<i>(33)%</i>	<i>(98)%</i>	<i>(72)%</i>
Add: Stock-based compensation expense, including cash settled and employer payroll tax on employee stock transactions ⁽¹⁾	292,548	257,224	224,013	1,057,140	1,052,595
Add: Amortization of Acquired Intangible Assets	12,840	13,229	1,454	14,130	53,305
Add: Acquisition related costs	1,059	—	—	14,489	866
Non-GAAP Operating Income (Loss)	\$321	\$23,854	\$(29,586)	\$31,926	\$57,791
<i>Non-GAAP Operating Margin</i>	<i>0%</i>	<i>6%</i>	<i>(4)%</i>	<i>3%</i>	<i>4%</i>
GAAP Net Loss	\$(309,772)	\$(256,360)	\$(272,502)	\$(1,059,146)	\$(1,061,478)
<i>GAAP Net Loss Margin</i>	<i>(98)%</i>	<i>(66)%</i>	<i>(36)%</i>	<i>(98)%</i>	<i>(73)%</i>
Add: Stock-based compensation expense, including cash settled and employer payroll tax on employee stock transactions ⁽¹⁾	292,548	257,224	224,013	1,057,140	1,052,595
Add: Amortization of Acquired Intangible Assets	12,840	13,229	1,454	14,130	53,305
Add: Acquisition related costs	1,059	—	—	14,489	866
Add: Change in Fair Value of Distribution Liability for Tax Sharing Agreement	(13,500)	4,000	—	(13,500)	(6,500)
Add: Tax Impact of the Non-GAAP Adjustments	(22,613)	(2,082)	1,075	(19,132)	(13,816)
Non-GAAP Net Income (Loss)	\$(39,438)	\$16,011	\$(45,960)	\$(6,019)	\$24,972
<i>Non-GAAP Net Income (Loss) Margin</i>	<i>0%</i>	<i>4%</i>	<i>(6)%</i>	<i>(1)%</i>	<i>2%</i>
Weighted-average Class A and Class B shares used in computing non-GAAP net income (loss) per share, basic	555,708,307	592,063,675	423,334,994	516,869,588	584,285,678
Weighted-average Class A and Class B shares used in computing non-GAAP net income (loss) per share, diluted	555,708,307	592,063,675	423,334,994	516,869,588	584,962,603
Non-GAAP net income (loss) per share, basic	\$(0.07)	\$0.03	\$(0.11)	\$(0.01)	\$0.04
Non-GAAP net income (loss) per share, diluted	\$(0.07)	\$0.03	\$(0.11)	\$(0.01)	\$0.04

GAAP to Non-GAAP reconciliation

<i>(\$ in thousands, Fiscal Year Ending December 31)</i>	3 Months Ended 12/31/2021	3 Months Ended 12/31/2022	2020	2021	2022
Net Cash Provided by (Used in) Operating Activities	\$13,664	23,897	\$(410,722)	\$2,801	\$17,903
<i>Operating Cash Flow Margin</i>	4%	6%	(54)%	0%	1%
Less: Capital Expenditures	(74,112)	(14,997)	(89,518)	(103,823)	(51,200)
Free Cash Flow	\$(60,448)	8,900	\$(500,240)	\$(101,022)	\$(33,297)
<i>Free Cash Flow Margin</i>	(19)%	2%	(66)%	(9)%	(2)%

1. During the three months ended December 31, 2022, employer payroll tax on employee stock transactions reported in cost of revenue was \$0.1 million and employer payroll tax reported in operating expenses was \$1.5 million. During the twelve months ended December 31, 2022, employer payroll tax on employee stock transactions reported in cost of revenue was \$1.3 million and employer payroll tax reported in operating expenses was \$17.1 million. Employer payroll tax on employee stock transactions was not material during the three or twelve months ended December 31, 2022. The amount of employer payroll tax-related items on employee stock transactions is dependent on our stock price and other factors that are beyond our control and do not correlate with the operation of the business. When evaluating the performance of our business and making operating plans, we do not consider these items (for example, when considering the impact of equity award grants, we place a greater emphasis on overall stockholder dilution rather than the accounting charges associated with such grants). We believe it is useful to exclude these expenses in order to better understand the long-term performance of our core business and to facilitate comparison of our results to those of peer companies and over multiple periods.