

qualtrics<sup>XM</sup><sup>®</sup>

# 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 respond to and overcome challenges brought by the COVID-19 pandemic; 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 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; and our reduced ability to leverage resources at SAP as an independent company from SAP. 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, amortization of acquired intangible assets, and the tax impact of the non-GAAP adjustments. 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.

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// JULY 29, 2021

# The leader in Experience Management



# The leader in omnichannel conversational analytics

The gold standard in taking action on customer and employee feedback now includes the ability to listen to, analyze, and take action on **anything** customers and employees say about your company, **wherever** they say it.





**DIRECT FEEDBACK**

Engage customers by proactively asking the right questions at the right time

**WHAT'S HAPPENING**

Advanced analysis on customer & employee feedback with iQ™

**RESPOND REMARKABLY**

Experience workflows to drive automated action on 1:1 feedback in real time



**INDIRECT FEEDBACK**

Tune into the conversations that people are already having with or about your company

**WHY IT'S HAPPENING**

Industry-specific Natural Language Understanding (NLU) models to uncover intent, emotion, and effort in conversations

**OVERHAUL PROCESSES**

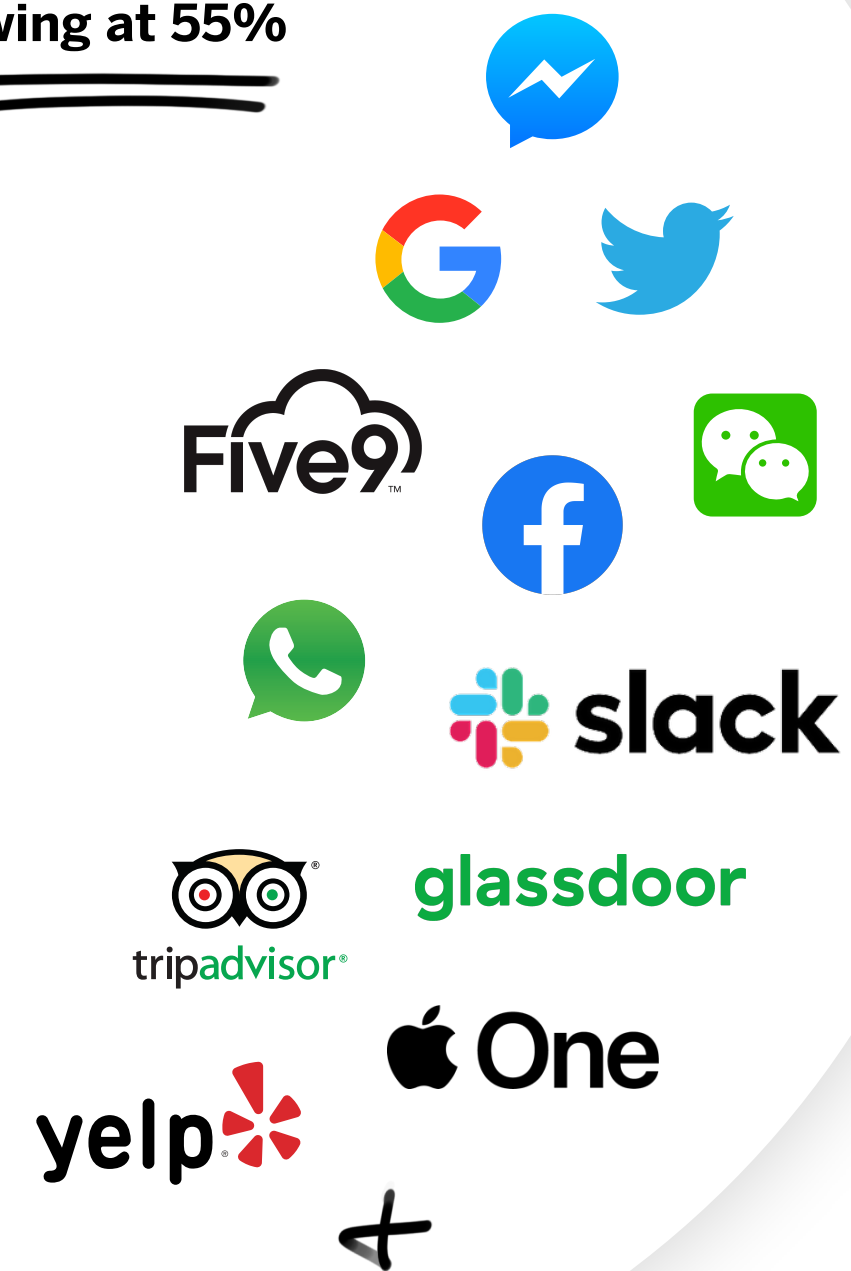
Make system-wide changes that cut across functions and go beyond 1:1 issues

# The most comprehensive solution for analyzing and taking action on a rapidly growing amount of unstructured experience data

**QUALTRICS** is #1 in collecting, analyzing, and taking action on structured experience data

**STRUCTURED DATA**  
15% of data in the enterprise — growing at 22%

**UNSTRUCTURED DATA**  
85% of data in the enterprise — growing at 55%



**CLARABRIDGE** is #1 in unstructured experience data analytics

# Accelerating penetration in large TAM



**\$60B**

EXPERIENCE MANAGEMENT TAM



- + Increase win rate with comprehensive offering
- + Significant value expansion for customers via new offerings
- + Increase initial ASP with joint offering

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**4B+ USER PROFILES**

**1B+ WORKFLOWS EXECUTED BY CUSTOMERS <sup>(1)</sup>**

**88B+ FEEDBACK RECORDS PROCESSED <sup>(1)</sup>**

**13.5K+ CUSTOMERS**

**(1) IN THE LAST 12 MONTHS**

 **CLARABRIDGE**



**25B+ CONVERSATIONS ANALYZED <sup>(1)</sup>**

**150+ INDUSTRY NLU MODELS ACROSS 23 LANGUAGES**

**100%+ USAGE GROWTH EACH YEAR FOR 4 YEARS**

**400+ CUSTOMERS**



# The Qualtrics platform / Defining the XM Category

## Experience Design

Design breakthrough products, services, cultures, and brands

qualtrics<sup>XM</sup>

## 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.



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.

### 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

*PLATFORM EXPANSION  
ACROSS SIX  
PRODUCT LINES*



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



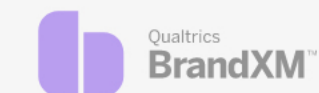
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## DISCOVER

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

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THE OPERATING SYSTEM FOR XM — NOW BIGGER, FASTER, AND SMARTER

Add to the Qualtrics experience database of **4B+ profiles** with an additional **2M customer interactions** analyzed daily by Clarabridge

**Turbo-charge iQ** capabilities with Clarabridge NLU, conversation analysis, predictive drivers, etc

**A refined, more intelligent workflow engine** with increased accuracy, from tactical actions to process improvements

Enrich the XM Directory with NLU (emotional intensity/effort/intent) for every interaction

Accelerate the path to **2B automated experience workflows** through NLU alerting, advanced analytics & intelligence scoring

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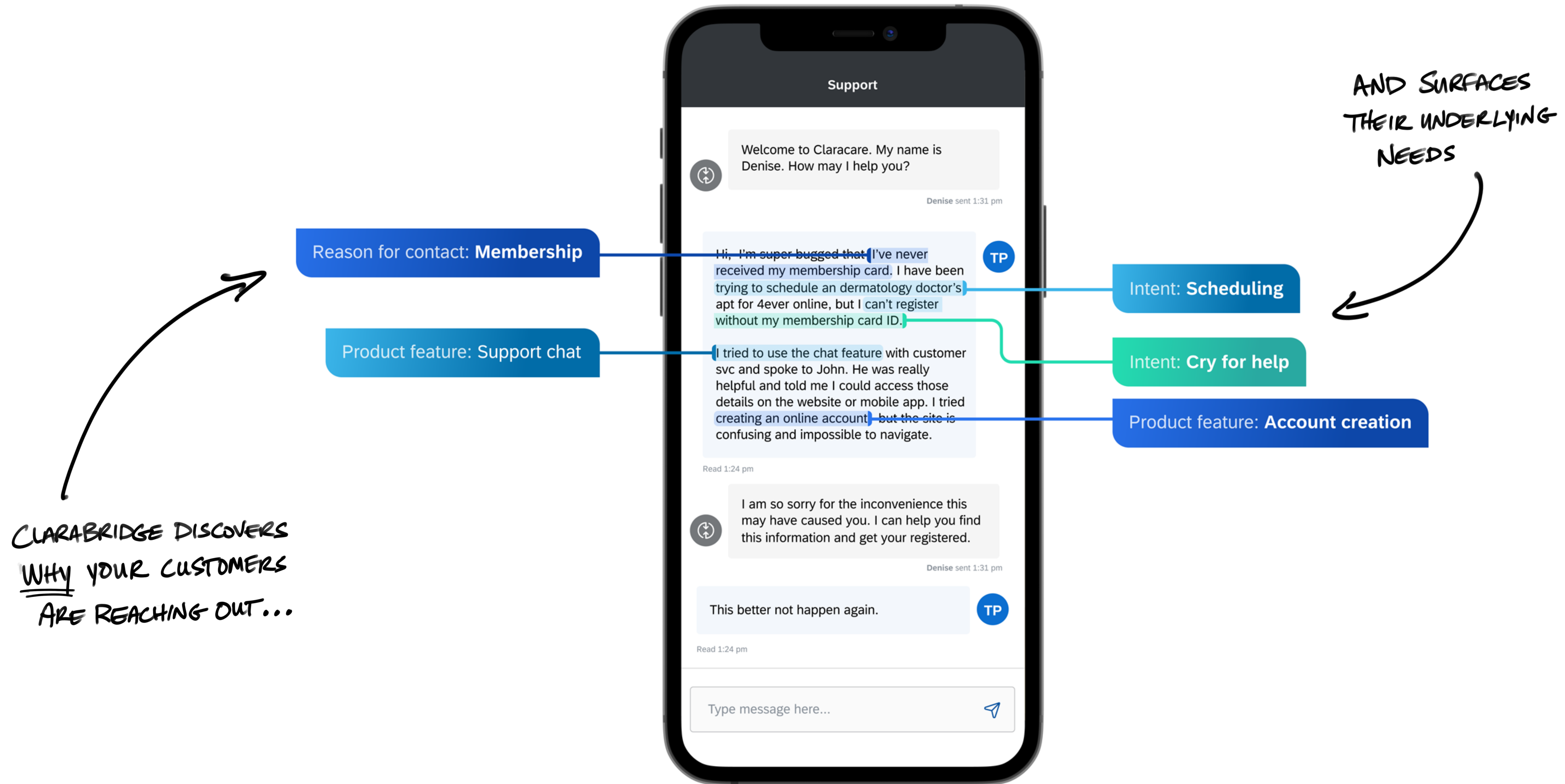


# Illustrations





# The power of conversational analytics



# The power of conversational analytics

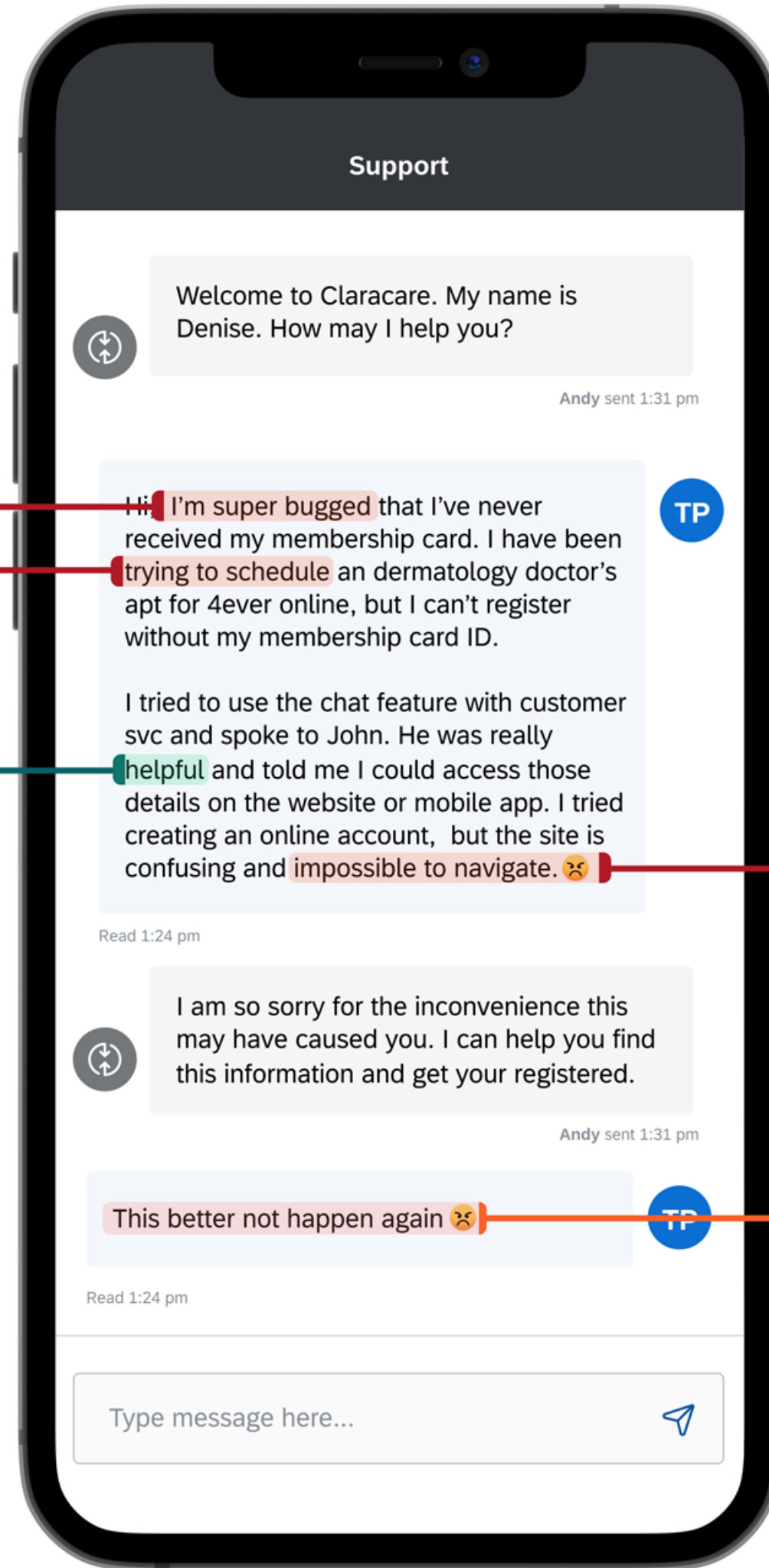


CLARABRIDGE DISCOVERS  
INTENT/EMOTION/EFFORT  
(LEADING INDICATORS OF  
LOYALTY AND CHURN)

Emotion: **Frustration**

Effort: **Hard**

Sentiment: **Positive**



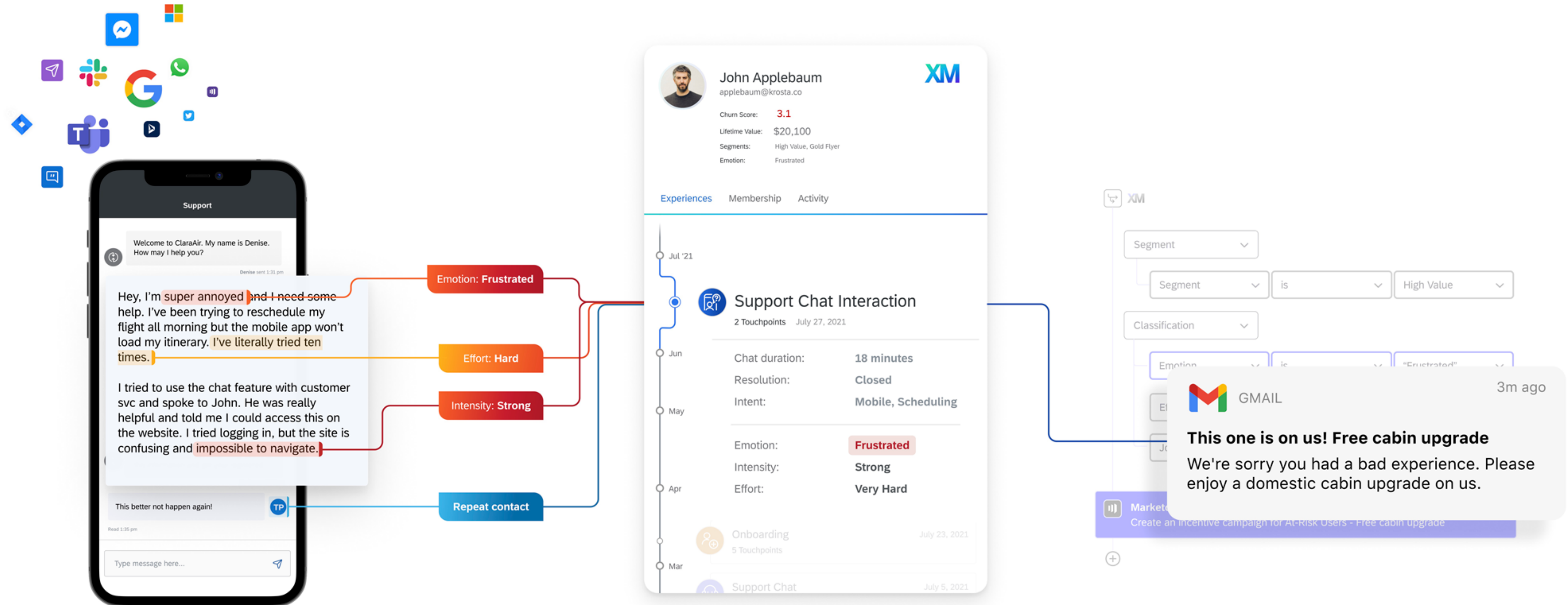
Intensity: **High**

Emotion: **Anger**

UNCOVER EXACTLY  
HOW SATISFIED THEY  
ARE WITH INTENSITY  
DETECTION

# Illustration 1

Personalized experiences that drive loyalty, repeat purchases, and upsell opportunities



Capture signals like intent, emotion, and intensity from any conversational channel.

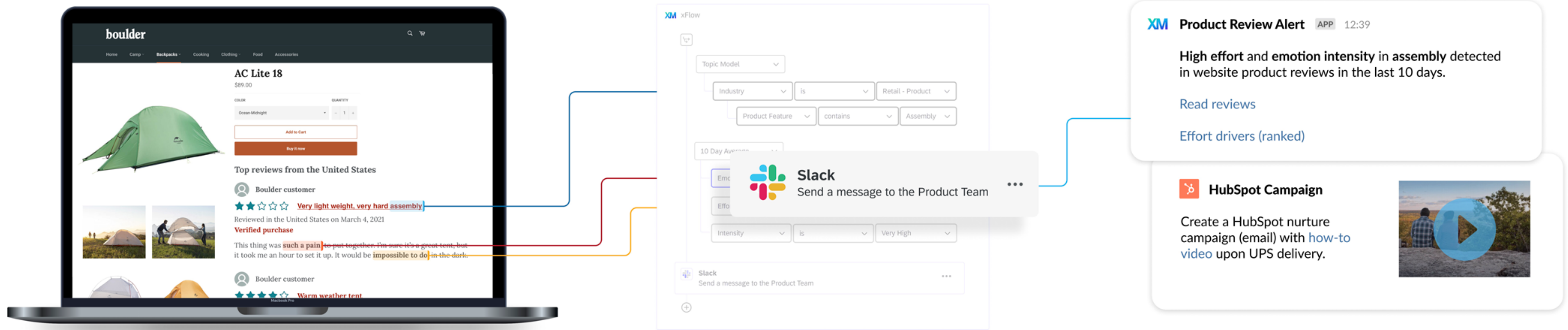
Enrich individual's experience profiles to drive more intelligent actions.

Automate workflows to deliver personalized service recovery, dynamic content, or upsell opportunities.



# Illustration 2

Early warning detection + ongoing optimization using social & product reviews



Clarabridge pulls in all product reviews, social mentions, or any other form of product feedback.

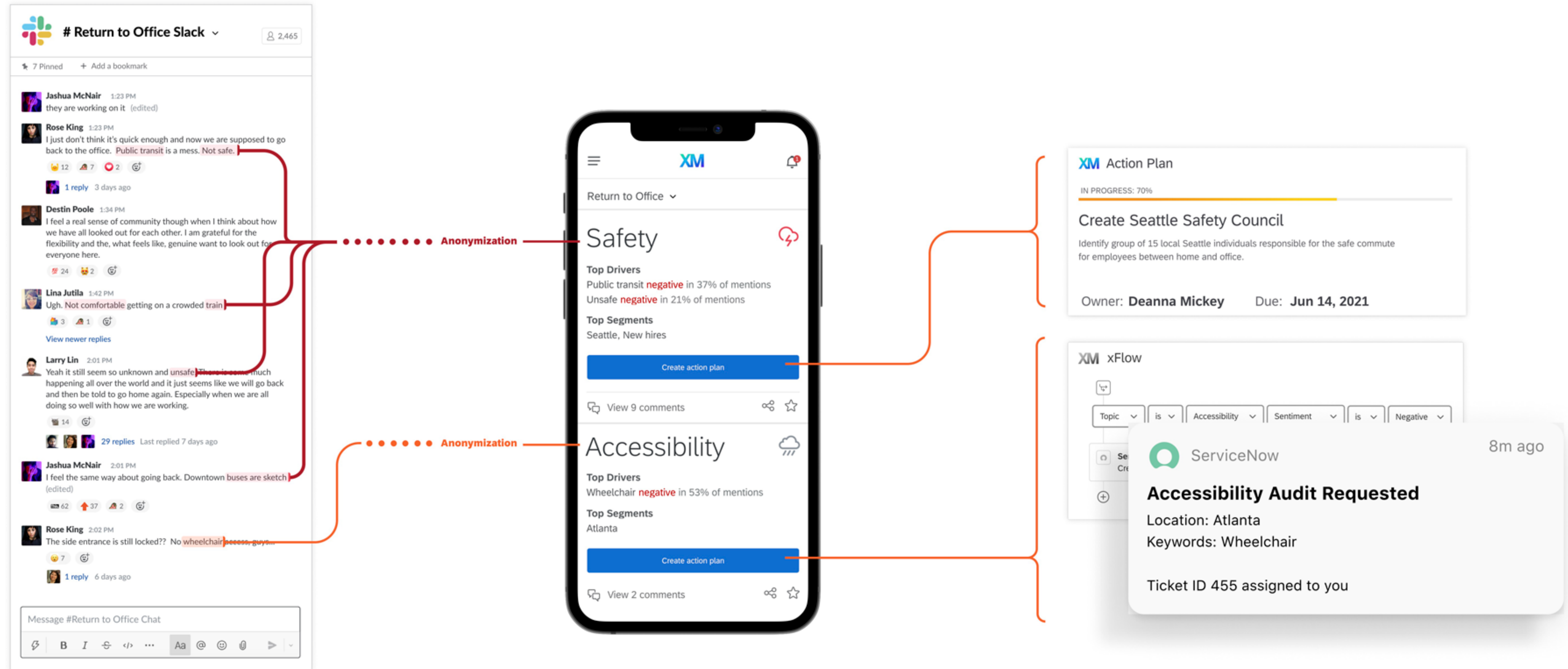
Use benchmarks on customer effort to know if action is required.

Automatically notify product teams the moment issues are detected and immediately launch mitigation efforts.



# Illustration 3

## Winning the war for talent



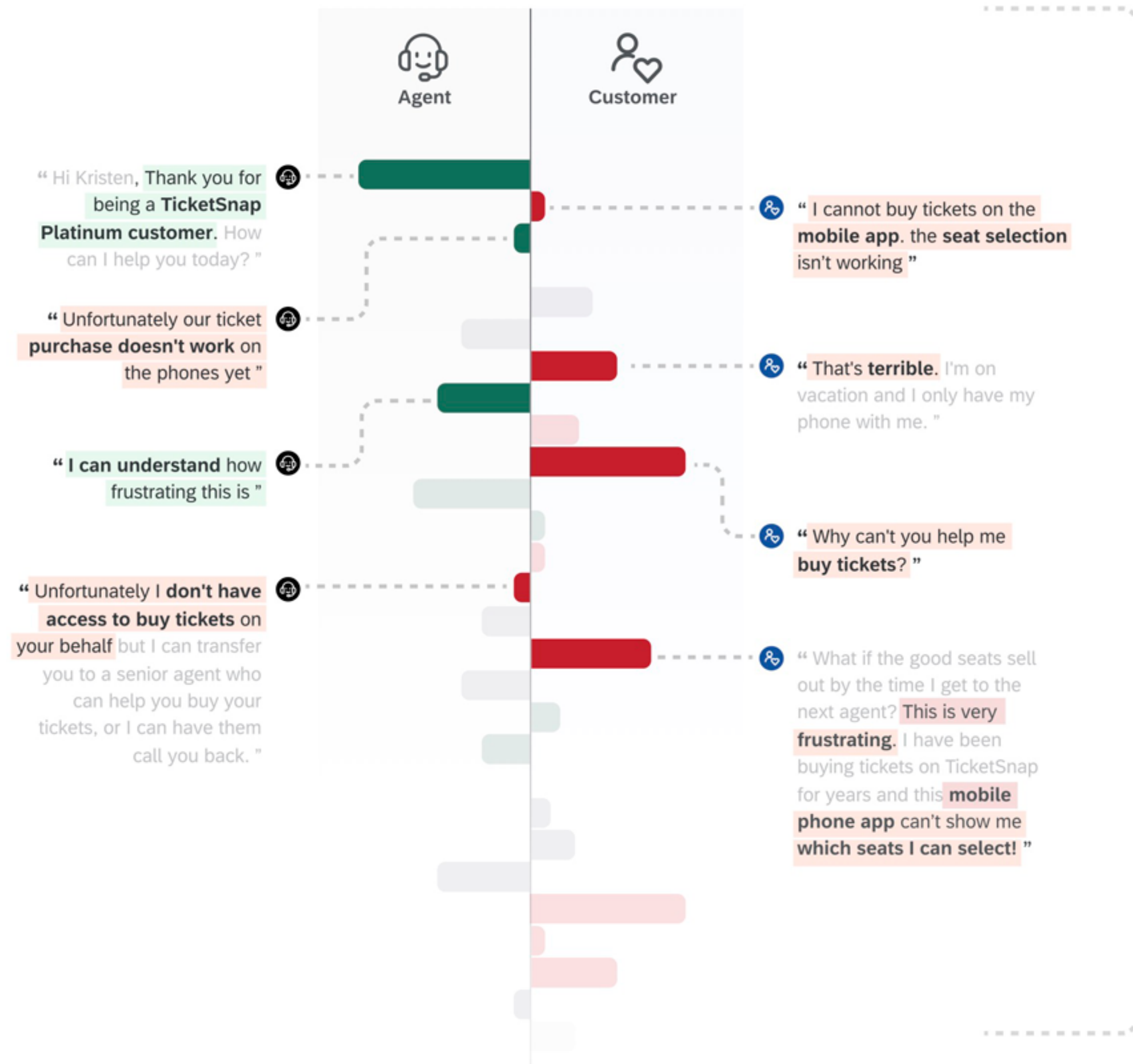
**Clarabridge conversational analytics uncovers real issues that are concerning to employees.**

**Receive clear summaries of the most pressing concerns that could lead to attrition.**

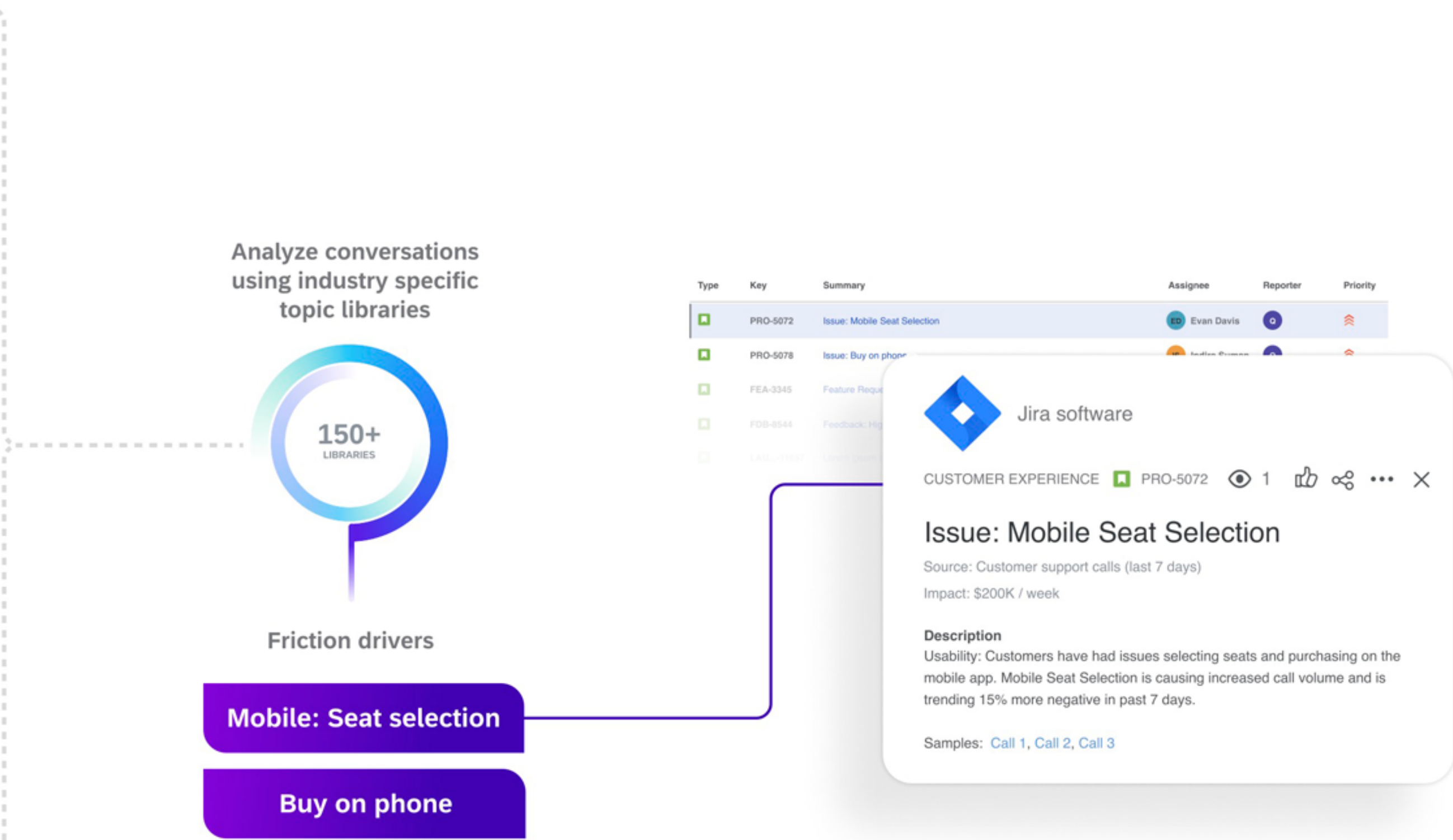
**Flag critical topics for immediate review. Collaborate and prioritize action with teams.**

# Illustration 4

## Leveraging agent/customer conversations to identify and fix broken digital experiences



Clarabridge visualizes emotion, effort and intensity of both the agent and customer across all conversations.



Automatically interpret and categorize issues using Clarabridge's 150+ out of the box models.

Continuously prioritize the highest impact work for digital teams.

# Transaction overview

## STRATEGIC RATIONALE

- + Strengthens position as the world's #1 experience management platform
- + Enhances understanding of customer experience with the addition of omnichannel conversational analytics
- + Complementary to product roadmap, go-to-market, customers, and financial profile

## TRANSACTION CONSIDERATION

- + \$1.125 billion of Qualtrics Class A common stock, represents ~5% pro forma ownership (1)
- + Fixed number of Qualtrics shares based on Qualtrics share price of \$37.33 per share (1)

## FINANCIAL IMPACT

- + ~\$100mm total revenue, 25%+ y/y growth
- + Transaction represents approximately half of Qualtrics' FY21 revenue multiple
- + Current FY21 business outlook does not include impact of acquisition – to be updated after closing

## EXPECTED CLOSING

- + Expected to close in Qualtrics' Q4 FY21
- + Subject to satisfaction of customary closing conditions

(1) Subject to customary purchase price adjustments and certain customary cash payments in lieu of stock. Fixed number of shares based on the volume weighted average sales price per share of Qualtrics' stock during the 10-day period ending three trading days prior to July 29, 2021.



OUR MISSION

# Reducing the world's tolerance for poor experiences, together.

As our technology scales from people and companies to communities and governments, we will begin to close gaps in ways we never dreamed possible. Not only will our technologies help the world's greatest companies close experience gaps, but by understanding human emotions, beliefs, sentiments and values, we will also close some of the world's biggest gaps: political misunderstandings, human rights issues, health care disparities, gender inequality, education, and income. Because many of the world's most pressing problems occur from a lack of understanding, and a lack of action – and those are problems we can solve.



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+



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