

# Q3 2024 Earnings

November 2024



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Forward-looking statements are subject to known and unknown risks, uncertainties, assumptions and other factors. Some of these risks are described in greater detail in our filings with the Securities and Exchange Commission, including our most recently filed Quarterly Report on Form 10-Q or Annual Report on Form 10-K. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause our actual results to differ materially from those contained in any forward-looking statements we may make. These factors may cause our actual results, performance or achievements to differ materially and adversely from those anticipated or implied by our forward-looking statements. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not rely on these statements or regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified timeframe, or at all. We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this presentation, and although we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted a thorough inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and you are cautioned not to unduly rely upon these statements.

Market data and industry information used throughout this presentation are based on management’s knowledge of the industry and the good faith estimates of management. We also relied, to the extent available, upon management’s review of independent industry surveys and publications and other publicly available information prepared by a number of third-party sources. All of the market data and industry information used in this presentation involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates.

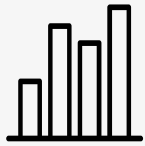
In addition to GAAP financial measures, this presentation includes non-GAAP financial measures and key performance indicators that we use to help us evaluate our business, identify trends affecting our business, formulate business plans and make strategic decisions. There are limitations to the non-GAAP financial measures included in this presentation, and they may not be comparable to similarly titled measures of other companies. The non-GAAP financial measures included in this presentation should not be considered in isolation from or as a substitute for their most directly comparable GAAP measures. Please see the Appendix for a reconciliation to the most directly comparable GAAP financial measures.

# Q3'24 Financial Highlights



Subscription  
Revenue

**\$111M**  
**39% y/y growth**



Non-GAAP Software  
Gross Margin<sup>(1)</sup>

**78%**



Non-GAAP  
Operating Margin<sup>(1)</sup>

**4%**



LTM Free Cash  
Flow<sup>(1)</sup>

**>\$60M**

Note:  
1. See Appendix for definition and for a reconciliation to the most directly comparable GAAP measure.

# Revenue

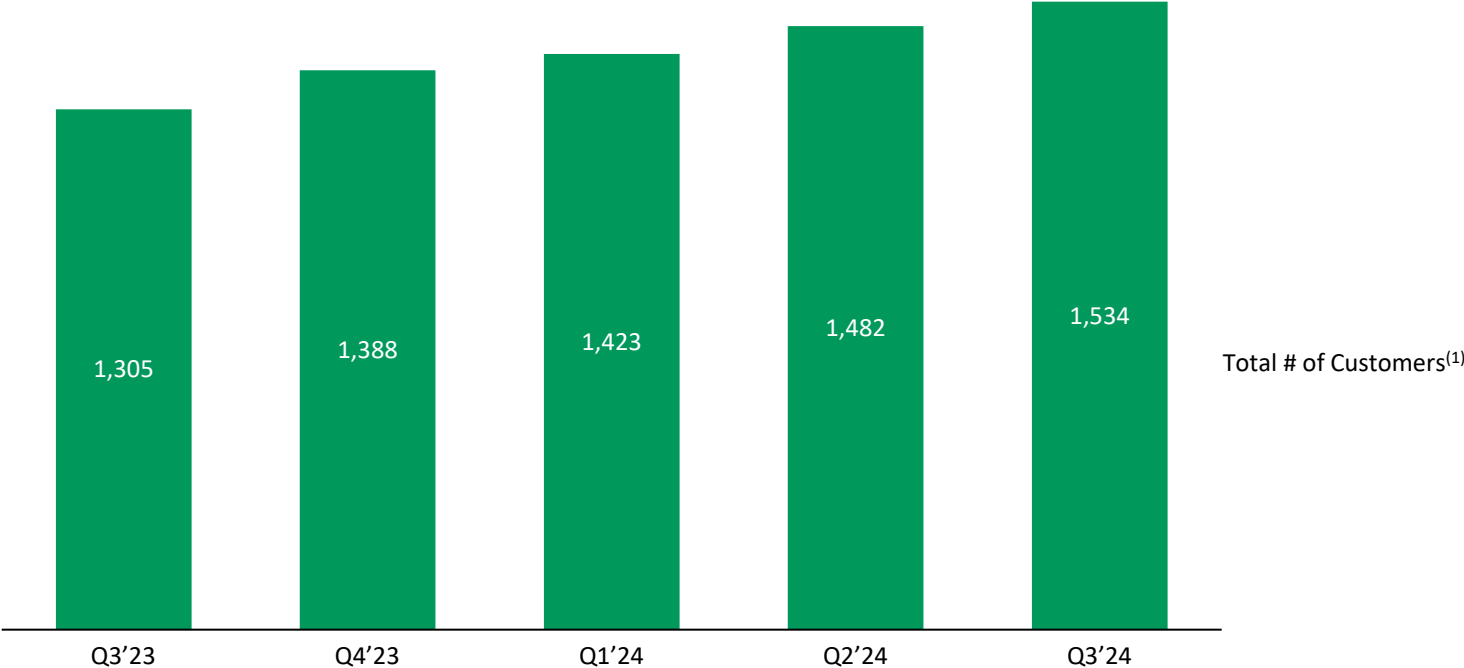
39% y/y subscription revenue growth



Note: Totals may not foot due to rounding.

# Customer Count

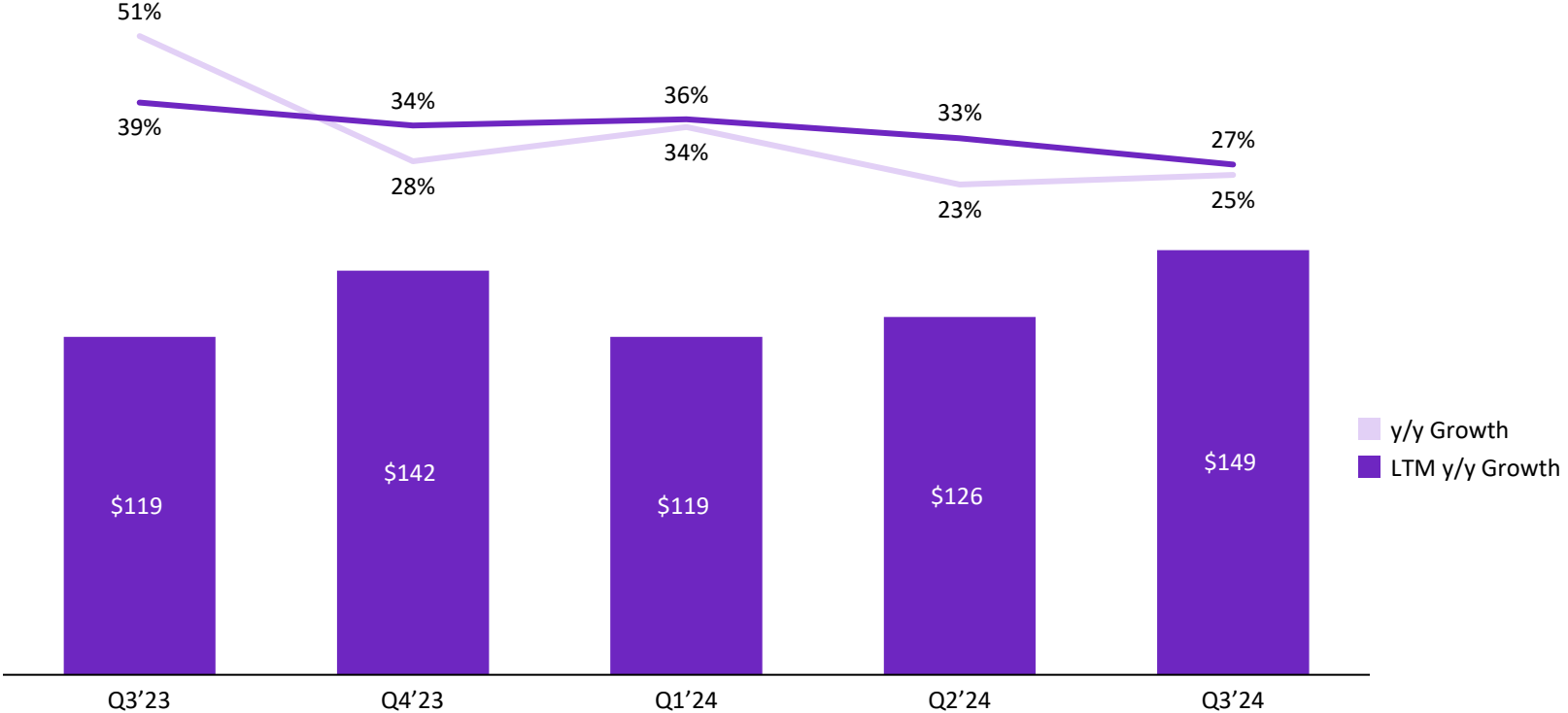
18% y/y growth in Q3'24



Note:  
1. See Appendix for definition.

# Billings<sup>(1)</sup> Trend

27% LTM y/y growth



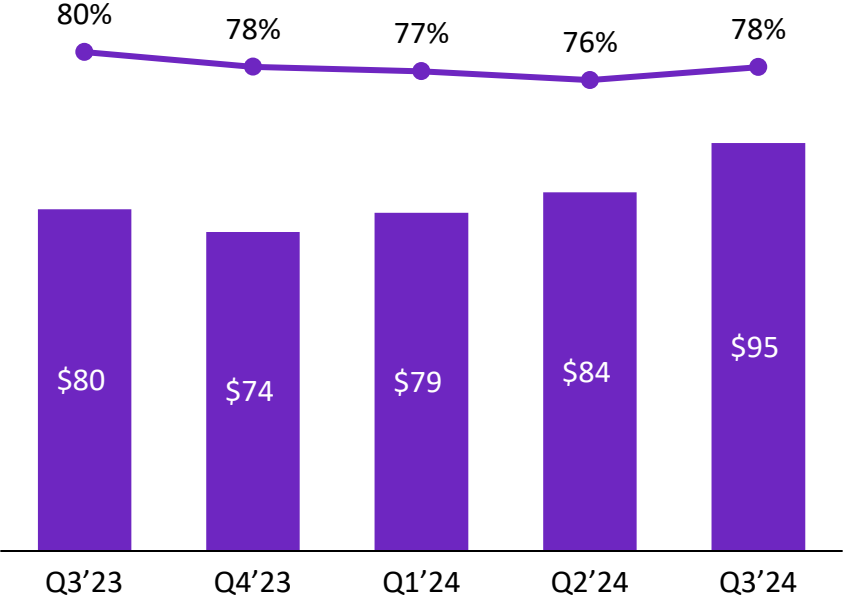
Note:  
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(\$ in Millions)

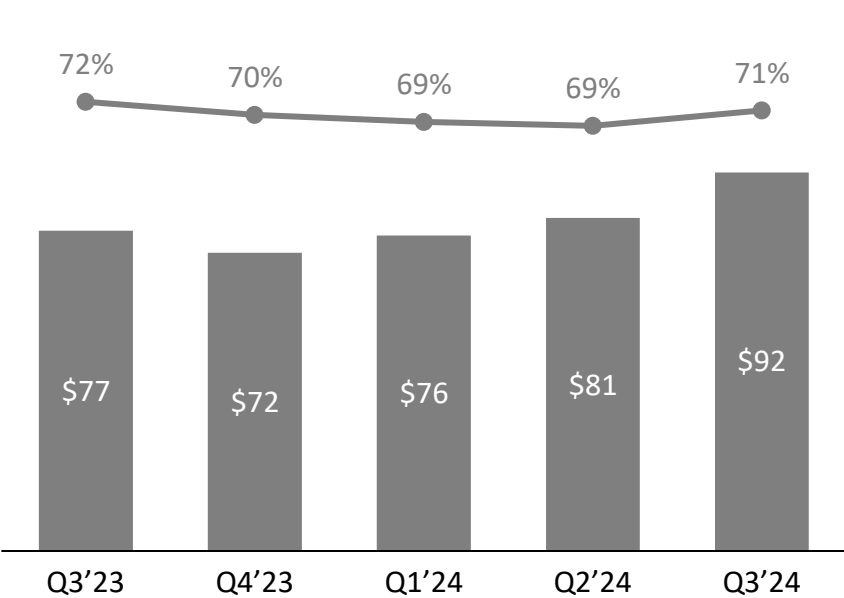
# Non-GAAP Gross Profit & Margin

License mix impacted non-GAAP gross margin ~100 basis points y/y

NON-GAAP SOFTWARE GROSS PROFIT & MARGIN<sup>(1)</sup>



NON-GAAP GROSS PROFIT & MARGIN<sup>(1)</sup>



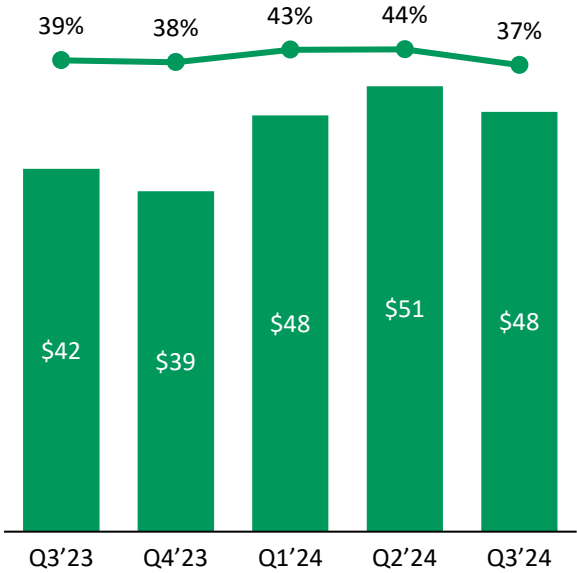
Notes:  
1. See Appendix for definition and for a reconciliation to the most directly comparable GAAP measure.

(\$ in Millions) —● % Margin

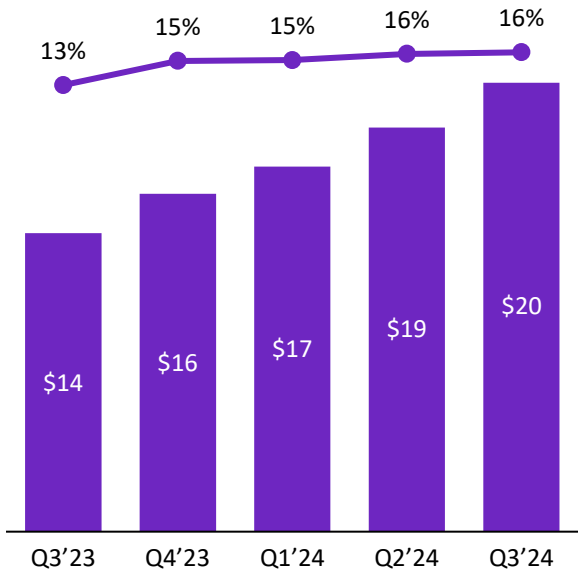
# Non-GAAP Operating Expenses

Total non-GAAP Opex improved ~200 basis points y/y

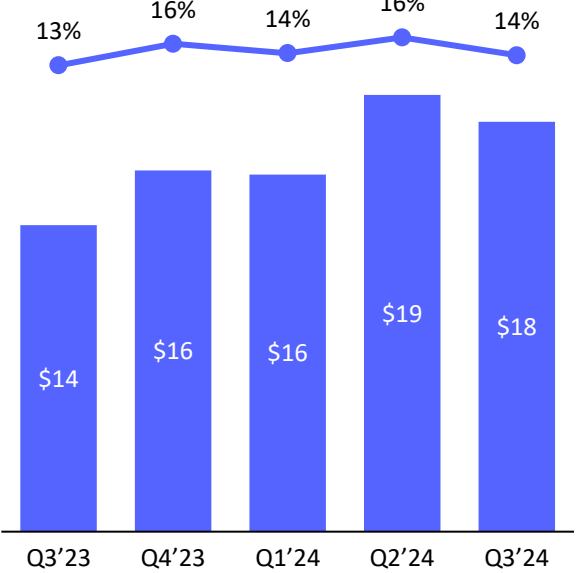
## NON-GAAP SALES & MKTG<sup>(1)</sup>



## NON-GAAP RESEARCH & DEV<sup>(1)</sup>



## NON-GAAP GENERAL & ADMIN<sup>(1)</sup>



Note:  
1. See Appendix for a reconciliation to the most directly comparable GAAP measure.

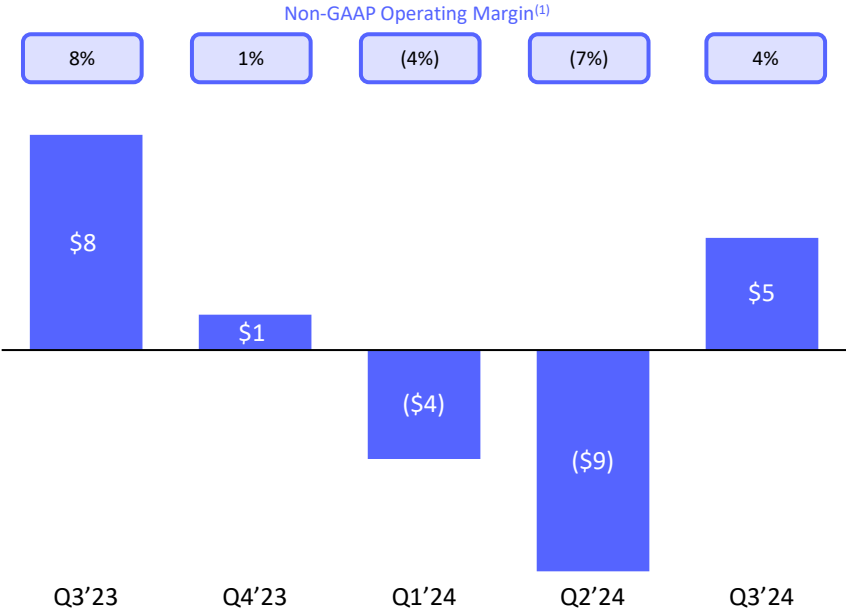
(\$ in Millions)    —●— % of Revenue



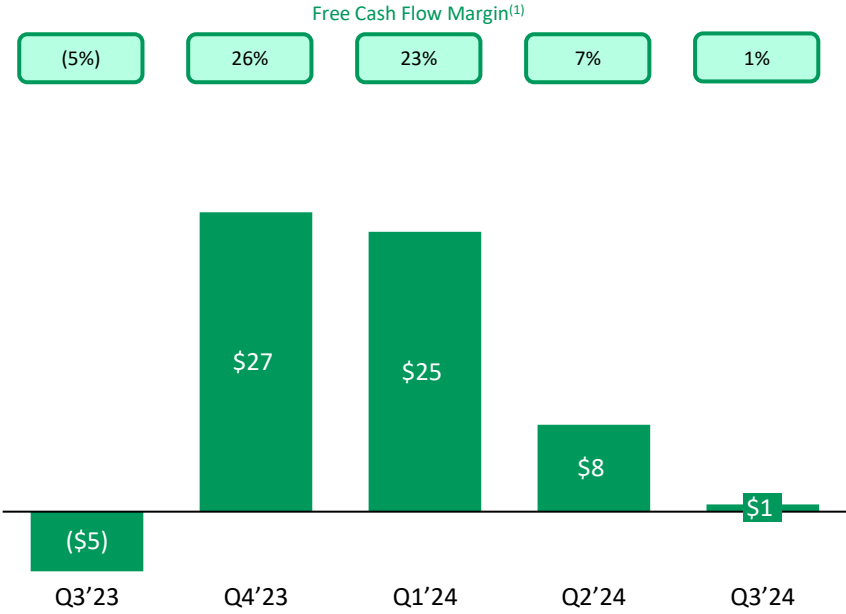
# Non-GAAP Operating Results & Free Cash Flow

Generated over \$60M in Free Cash Flow over the past 4 quarters

## NON-GAAP OPERATING INCOME / (LOSS)<sup>(1)</sup>



## FREE CASH FLOW<sup>(1)</sup>



Note:  
1. See Appendix for definition and for a reconciliation to the most directly comparable GAAP measure.

(\$ in Millions) % of Total Revenue

# Guidance

	Q4'24	FY24
TOTAL REVENUE	\$127M to \$129M	\$484M to \$486M
NON-GAAP OPERATING MARGIN <sup>(1)</sup>	0% to 2%	(2%) to (1%)
NON-GAAP NET INCOME PER SHARE <sup>(2)</sup>	\$0.01 to \$0.03	\$0.06 to \$0.08
EQUITY-BASED COMPENSATION	\$50M to \$55M	\$315M to \$320M

Notes:

1. See Appendix for definition.

2. See Appendix for definition. OneStream has not provided a reconciliation of its forward outlook for non-GAAP operating margin and non-GAAP net loss per share to their most directly comparable GAAP financial measures in reliance on the unreasonable efforts exception provided under Item 10(e)(1)(i)(B) of Regulation S-K. OneStream is unable to predict with reasonable certainty the amount and timing of adjustments that are used to calculate these non-GAAP financial measures, particularly related to stock-based compensation and its related tax effects.

# Appendix

# Key Financial Presentation Notes

- **Non-GAAP Gross Profit and Gross Margin**

- Non-GAAP gross margin is our non-GAAP gross profit as a percentage of our total revenue. Non-GAAP gross profit equals our software revenue and professional services revenue and fees less subscription costs and professional services costs adjusted for non-cash, non-operational and non-recurring items, including equity-based compensation expense, employer taxes on employee stock transactions, and amortization of acquired intangible assets. Software revenue represents revenue from the sale of access to our platform, either pursuant to SaaS contracts that we account for as subscription revenue or pursuant to perpetual or term-based software licenses that we account for as license revenue. Subscription revenue also includes cloud computing service fees and customer support and maintenance for software under our term-based and perpetual licenses. Professional services revenue includes revenue from consulting, implementation and configuration services and training.

- **Software Revenue**

- Software revenue represents revenue from the sale of access to our platform, either pursuant to SaaS contracts that we account for as subscription revenue or pursuant to perpetual or term-based software licenses that we account for as license revenue. Subscription revenue also includes cloud computing service fees and customer support and maintenance for software under our term-based and perpetual licenses. Software revenue excludes revenue from professional services and fees.

- **Non-GAAP Software Gross Profit and Non-GAAP Software Gross Margin**

- We define non-GAAP software gross profit equals our software revenue less subscription costs adjusted for non-cash, non-operational and non-recurring items, including equity-based compensation expense, employer taxes on employee stock transactions, and amortization of acquired intangible assets. Non-GAAP software gross margin is our non-GAAP software gross profit as a percentage of our software revenue.

- **Non-GAAP Operating Income / (Loss) and Non-GAAP Operating Margin**

- We define non-GAAP operating income / (loss) as income / (loss) from operations adjusted for non-cash, non-operational and non-recurring items, including equity-based compensation expense, employer taxes on employee stock transactions, and amortization of acquired intangible assets. Non-GAAP operating margin is non-GAAP operating income / (loss) as a percentage of total revenue.

# Key Financial Presentation Notes

- **Billings**
  - Billings is a non-GAAP measure that we calculate by taking the change in deferred revenue less the change in unbilled accounts receivable between the start and end of the period and adding that to total revenue recognized in the same period.
- **Total Customers**
  - We define a customer as an entity with an active contract as of the measurement date. Organizations with multiple divisions, segments or subsidiaries may be counted as multiple customers.
- **Free Cash Flow and Free Cash Flow Margin**
  - We define free cash flow as net cash provided by (used in) operating activities less purchases of property and equipment. We define free cash flow margin as free cash flow as a percentage of revenue.
- **Non-GAAP Net Income / (Loss) Per Share**
  - We define non-GAAP net income / (loss) as net loss adjusted for non-cash, non-operational and non-recurring items, including equity-based compensation expense, employer taxes on employee stock transactions, and amortization of acquired intangible assets. We define non-GAAP net income / (loss) per share as non-GAAP net income / (loss) divided by weighted-average shares outstanding.

# Non-GAAP Reconciliation

## Gross Profit and Gross Margin

\$000, except percentages	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24
<b>Total Revenue</b>	<b>107,004</b>	<b>102,594</b>	<b>110,291</b>	<b>117,501</b>	<b>129,140</b>
GAAP Gross Profit	77,479	72,108	76,263	80,526	64,739
(+) Equity- Based Compensation Expense	0	0	0	0	26,867
(+) Employer Taxes on Employee Stock Transactions	0	0	0	0	53
<b>Non- GAAP Gross Profit</b>	<b>77,479</b>	<b>72,108</b>	<b>76,263</b>	<b>80,526</b>	<b>91,659</b>
GAAP Gross Margin	72%	70%	69%	69%	50%
Non- GAAP Gross Margin	72%	70%	69%	69%	71%
<b>Software Revenue</b>	<b>98,914</b>	<b>95,162</b>	<b>101,866</b>	<b>110,038</b>	<b>122,456</b>
GAAP Software Gross Profit	79,548	74,263	78,760	83,523	90,070
(+) Equity- Based Compensation Expense	0	0	0	0	4,981
(+) Employer Taxes on Employee Stock Transactions	0	0	0	0	7
<b>Non- GAAP Software Gross Profit</b>	<b>79,548</b>	<b>74,263</b>	<b>78,760</b>	<b>83,523</b>	<b>95,058</b>
GAAP Software Gross Margin	80%	78%	77%	76%	74%
Non- GAAP Software Gross Margin	80%	78%	77%	76%	78%

# Non-GAAP Reconciliation

## Operating Expenses and Operating Expenses as a % of Revenue

\$000, except percentages	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24
<b>Total Revenue</b>	<b>107,004</b>	<b>102,594</b>	<b>110,291</b>	<b>117,501</b>	<b>129,140</b>
GAAP Sales & Marketing	42,226	39,554	48,309	52,216	62,700
(-) Equity-Based Compensation Expense	(459)	(356)	(356)	(918)	(114,713)
(-) Employer Taxes on Employee Stock Transactions	0	0	0	0	(134)
<b>Non-GAAP Sales &amp; Marketing</b>	<b>41,767</b>	<b>39,198</b>	<b>47,953</b>	<b>51,298</b>	<b>47,853</b>
GAAP Sales & Marketing as a % of Revenue	39%	39%	44%	44%	42%
Non-GAAP Sales & Marketing as a % of Revenue	39%	38%	43%	44%	37%
GAAP Research & Development	13,859	15,675	16,924	19,952	83,040
(-) Equity-Based Compensation Expense	(104)	(105)	(105)	(1,149)	(62,251)
(-) Employer Taxes on Employee Stock Transactions	0	0	0	0	(93)
(-) Amortization of Acquired Intangible Assets	0	0	0	(183)	(275)
<b>Non-GAAP Research &amp; Development</b>	<b>13,755</b>	<b>15,570</b>	<b>16,819</b>	<b>18,620</b>	<b>20,421</b>
GAAP Research & Development as a % of Revenue	13%	15%	15%	17%	64%
Non-GAAP Research & Development as a % of Revenue	13%	15%	15%	16%	16%
GAAP General & Administrative	14,391	16,671	16,410	19,929	74,170
(-) Equity-Based Compensation Expense	(864)	(722)	(652)	(652)	(56,152)
(-) Employer Taxes on Employee Stock Transactions	0	0	0	0	(112)
<b>Non-GAAP General &amp; Administrative</b>	<b>13,527</b>	<b>15,949</b>	<b>15,758</b>	<b>19,277</b>	<b>17,906</b>
GAAP General & Administrative as a % of Revenue	13%	16%	15%	17%	57%
Non-GAAP General & Administrative as a % of Revenue	13%	16%	14%	16%	14%

# Non-GAAP Reconciliation

## Operating Income and Operating Margin

\$000, except percentages	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24
<b>Total Revenue</b>	<b>107,004</b>	<b>102,594</b>	<b>110,291</b>	<b>117,501</b>	<b>129,140</b>
GAAP Operating Income / (Loss)	7,003	208	(5,380)	(11,571)	(255,171)
(+) Equity-Based Compensation Expense	1,427	1,183	1,113	2,719	259,983
(+) Employer Taxes on Employee Stock Transactions	0	0	0	0	393
(+) Amortization of Intangible Assets	0	0	0	183	275
<b>Non-GAAP Operating Income / (Loss)</b>	<b>8,430</b>	<b>1,391</b>	<b>(4,267)</b>	<b>(8,669)</b>	<b>5,480</b>
GAAP Operating Margin	7%	0%	(5%)	(10%)	(198%)
Non-GAAP Operating Margin	8%	1%	(4%)	(7%)	4%



# Non-GAAP Reconciliation

## Free Cash Flow & Free Cash Flow Margin

\$000, except percentages	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24
<b>Total Revenue</b>	<b>107,004</b>	<b>102,594</b>	<b>110,291</b>	<b>117,501</b>	<b>129,140</b>
Net Cash (Used in) Provided by Operating Activities	(4,372)	26,795	25,540	8,114	2,360
(-) Purchases of Property and Equipment	(923)	(222)	(690)	(410)	(1077)
<b>Free Cash Flow</b>	<b>(5,295)</b>	<b>26,573</b>	<b>24,850</b>	<b>7,704</b>	<b>1,283</b>
Net Cash (Used in) Provided by Operating Activities as a Percentage of Revenue	(4%)	26%	23%	7%	2%
Free Cash Flow Margin	(5%)	26%	23%	7%	1%
Net Cash (Used in) Provided by Investing Activities	(831)	(222)	(690)	(8,004)	(1077)
Net Cash (Used in) Provided by Financing Activities	0	(546)	(351)	(694)	352,978

# Non-GAAP Reconciliation

## Billings

\$000, except percentages	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24
<b>Total Revenue</b>	<b>107,004</b>	<b>102,594</b>	<b>110,291</b>	<b>117,501</b>	<b>129,140</b>
(+) Deferred revenue, end of period	149,671	132,606	190,888	196,849	209,958
(-) Deferred revenue, beginning of period	140,462	149,671	132,606	190,888	196,849
(-) Unbilled accounts receivable, end of period	39,805	33,528	33,535	31,405	25,044
(+) Unbilled accounts receivable, beginning of period	42,217	39,805	33,528	33,535	31,405
<b>Billings</b>	<b>118,625</b>	<b>141,806</b>	<b>118,566</b>	<b>125,592</b>	<b>148,610</b>