Safe harbor

This presentation contains forward-looking statements. All statements other than statements of historical fact contained in this presentation, including statements as to future results of operations and financial position such as the financial guidance for the fourth quarter of fiscal 2023 and full year 2023, growth prospects and future revenue, planned products and services, business strategy and plans, objectives of management for future operations of PagerDuty, Inc. (“PagerDuty” or the “Company”), market size and growth opportunities, total addressable market (TAM), competitive position and technological and market trends, are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “can,” “desire,” “able,” “guidance,” “expect,” “extend,” “anticipate,” “should,” “believe,” “hope,” “target,” “project,” “accelerate,” “goals,” “estimate,” “potential,” “predict,” “may,” “will,” “might,” “could,” “intend,” “shall” or the negative of these terms or other similar words or expressions. You should not rely upon forward-looking statements as predictions of future events.

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This presentation also includes certain non-GAAP financial measures. These non-GAAP financial measures are in addition to, and not as a substitute for or superior to measures of financial performance prepared in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures versus their nearest GAAP equivalents. For example, other companies may calculate non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of the Company’s non-GAAP financial measures as tools for comparison. The Company has provided a reconciliation of those measures to the most directly comparable GAAP measures, which is available in the appendix.

For further information with respect to PagerDuty, we refer you to our most recent Form 10-K and 10-Q filed with the SEC. In addition, we are subject to the information and reporting requirements of the Securities Exchange Act of 1934 and, accordingly, file periodic reports, current reports, proxy statements and other information with the SEC. These periodic reports, current reports, proxy statements and other information are available for review at the SEC’s website at http://www.sec.gov.

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Purpose

We empower teams with the time and efficiency to build the future.

Vision

An equitable world where we transform critical work so all teams can delight their customers and build trust.

Mission

To revolutionize operations and build customer trust by anticipating the unexpected in an unpredictable world.
Our core Promise

For Developers, IT Operations, Customer Service, Security, and more teams, we are the best way to manage urgent, mission-critical work—and keep digital services always on.

Our core Value

We help those teams spend less time on interrupt work — and more time focused on creating new and better digital experiences.

Our core users

PagerDuty is essential infrastructure for digital operations: integrates with the entire tech stack, uses machine learning to pinpoint issues, and automates action to resolve issues when seconds matter. It delivers immediate value, improves team productivity, and ensures a great digital experiences for end users.
Digital drives sustained demand

Digital first: Characteristics

- Digital acceleration
- Cloud adoption
- DevOps transformation

Real time work | Service ownership | Broad ecosystem | Event Intelligence, Automation, and Analytics | Orchestration
66% have more than 10 observability tools

Total observability tools used to collect data from application environment

Digital Operations Lifecycle

- Work, Data, Customer Signals and Events
- Event Management
  - Accelerated Root Cause Identification
  - Event Driven Automation
  - Automated Diagnostics
  - Automated Resolution
- Human Mobilization
  - On-Call Management
  - Automated Incident Response
- Process Automation
- IT Ops
- DevOps
- Customer Service Ops
- SecOps
- Business Ops
- Executives & Stakeholders
**PagerDuty Operations Cloud™**

**Digital Operations Platform**

- Incident Response
- AIOps
- Process Automation
- Customer Service Operations

- Fully managed
- Global scale
- Machine learning
- Deep data set

Service directory

APIs

**Integrations**

- 700+
- Datadog
- AWS
- GitLab
- HashiCorp

**PD apps**

- Zendesk
- Salesforce

**CollabOps**

- Slack
- Zoom
- Microsoft Teams
PagerDuty® for Process Automation

**PagerDuty Runbook Automation**
Automate and delegate runbook tasks from a SaaS environment

**Fully Managed SaaS**

**PagerDuty Process Automation**
Self-managed process automation platform for more flexibility

**Customer Managed Cluster**

**PagerDuty Automation Actions**
Connect any automation for diagnosis and remediation of incidents into PagerDuty

**Add-On Directly Inside PD**

Automates Diagnostics and Remediation Of Incidents and Repeat Work
Event Driven/Real Time + For Responders + For Customer Service + For Business
Plans for the Digital Operations Journey

**Incident Response**
- **Land**: PagerDuty Incident Response
  - Free
  - Professional $252 per user/year
  - Business $492 per user/year
  - Digital Operations (contact for pricing)

**AIOps**
- Add on: PagerDuty Event Intelligence, $288 per user/year
- Add on: PagerDuty Automation Actions, $240 per user/year

**Process Automation**
- **Land**: PagerDuty Process Automation Self-managed (contact for pricing)
- **Land**: PagerDuty Runbook Automation SaaS, $1,500 per user/year

**Customer Service Operations**
- **Land**: PagerDuty for Customer Service
  - Professional $252 per user/year
  - Business $492 per user/year
  - Digital Operations (contact for pricing)

Deliver always on digital services by mobilizing the right response when seconds matter.

Reduce noise, identify root causes, and automate incident resolution in real time.

Operate faster by automating and delegating business and IT processes

Empower Customer Service teams to proactively solve customer issues, faster.
# Why PagerDuty wins - fast time to value

<table>
<thead>
<tr>
<th>Technology</th>
<th>Customer focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>♦ Integrations</td>
<td>♦ 24/7 availability</td>
</tr>
<tr>
<td>AI / Machine Learning</td>
<td>♦ Enterprise Scale</td>
</tr>
<tr>
<td>Automation</td>
<td>♦ Easy setup</td>
</tr>
</tbody>
</table>

## Driving value for customers

- **795%** 3-year ROI
- **77%** Reduced time to troubleshoot issues
- **2 months** To payback
- **74%** Reduction in unplanned downtime
- **85%** Reduced time to identify troubleshooting issues

Innovation driven land-and-expand model

A leading financial services organization relies on PagerDuty to increase workforce efficiency, critical application uptime, and operating leverage.

Value captured includes, reduced toil and improved customer experience through greater app reliability.

- **2019**: Initial purchase for a group delivering applications for high value clients
- **2020**: Additional purchases = > $1M in ARR
- **2021**: Added gold services
- **2022**: Additional 7-figure deal

Expansion Motion at a Major Financial Institution
Underpenetrated, fragmented market opportunity

75 million users by persona (estimated) in 2022

**Developers:** driven by digital services and software-driven innovation → **25m users**

**Infrastructure and Operations:** undergoing modernization with Digital, Cloud adoption, and DevOps → **21m users**

**Customer Service:** push for improving cost-efficiency and productivity through self-service and automation → **27m users**

**SecOps:** a relatively small, but influential population (i.e. protect all technology / data, employees, customers and stakeholders for a business) → **2m users**

Source: CapIQ
Enterprises are early in Digital Operations Maturity

**Manual**
- Issues are identified by customers not by internal teams.
- Little to no mechanisms to reach experts in an urgent and timely manner.

**Reactive**
- Always in firefighting mode.
- No defined process for managing issues.

**Responsive**
- Resolving issues as they occur.
- Distributed teams begin to take full ownership of microservices.

**Proactive**
- Seamless, coordinated issue management.
- Issues are detected and fixed by technical teams before customers are aware.

**Preventative**
- Ahead of issues before they start.
- Predictive issue remediation occurs based on machine learning insights.
Focus on environmental, social and governance

PagerDuty.org
PagerDuty.org works with mission-driven organizations to advance justice and health through by mobilizing our product, funds, people, and voice.

92% of Our Employees
Cite social impact as making them proud to work at PagerDuty (top Net Promoter Score for the company)

Pledge 1%
To accelerate change in local and global communities

Top 100 Bay Area Corporate Philanthropists
As recognized by SF Business Times for 2022

2nd Annual Impact Report
Published April 2022
Financials
## Select operating metrics

<table>
<thead>
<tr>
<th></th>
<th>FY22 Q3</th>
<th>FY22 Q4</th>
<th>FY23 Q1</th>
<th>FY23 Q2</th>
<th>FY23 Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$72</td>
<td>$79</td>
<td>$85</td>
<td>$90</td>
<td>$94</td>
</tr>
<tr>
<td>Revenue Growth</td>
<td>33%</td>
<td>32%</td>
<td>34%</td>
<td>34%</td>
<td>31%</td>
</tr>
<tr>
<td>Non-GAAP Operating Margin</td>
<td>(7%)</td>
<td>(3%)</td>
<td>(3%)</td>
<td>(4%)</td>
<td>3%</td>
</tr>
<tr>
<td>DBNR</td>
<td>124%</td>
<td>124%</td>
<td>126%</td>
<td>124%</td>
<td>123%</td>
</tr>
<tr>
<td>Paid Customers</td>
<td>14,486</td>
<td>14,865</td>
<td>15,040</td>
<td>15,174</td>
<td>15,265</td>
</tr>
<tr>
<td>Customers &gt;$100K</td>
<td>543</td>
<td>594</td>
<td>655</td>
<td>689</td>
<td>710</td>
</tr>
</tbody>
</table>
Our mission at PagerDuty is to revolutionize operations and build customer trust by anticipating the unexpected in an unpredictable world.
Appendix
Definitions

Annual recurring revenue (ARR) - Annualized recurring value of all active contracts at the end of a reporting period.

Customer - A separate legal entity, such as a company or an educational or government institution, that has an active subscription with us or one of our partners to access our platform. In situations where an organization has multiple subsidiaries or divisions, we treat the parent entity as the customer instead of treating each subsidiary or division as a separate customer.

Dollar-Based Net Retention (DBNR) - Calculated as of a period end starting with the ARR from the cohort of all customers as of 12 months prior to such period end. Next, we calculate the ARR from these same customers as of the current period end. Period ARR includes any expansion and is net of downgrades or churn over the last 12 months but excludes ARR from new customers in the current period. We then divide the total Current Period ARR by the total Prior Period ARR to arrive at the dollar-based net retention rate.
### Reconciliation of GAAP to Non-GAAP Data

** PagerDuty, Inc. **

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended October 31</th>
<th></th>
<th>Year Ended January 31</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2022</td>
<td>2021</td>
<td>2022</td>
<td>2021</td>
<td>2020</td>
</tr>
<tr>
<td><strong>Reconciliation of gross profit and gross margin</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GAAP gross profit</td>
<td>$76,196</td>
<td>$59,721</td>
<td>$233,035</td>
<td>$182,870</td>
<td>$141,772</td>
</tr>
<tr>
<td>Plus: Share-based compensation</td>
<td>1,937</td>
<td>861</td>
<td>3,751</td>
<td>1,702</td>
<td>1,018</td>
</tr>
<tr>
<td>Plus: Employer taxes related to employee stock transactions</td>
<td>38</td>
<td>22</td>
<td>131</td>
<td>54</td>
<td>35</td>
</tr>
<tr>
<td>Plus: Amortization of acquired intangible assets</td>
<td>1,949</td>
<td>280</td>
<td>1,120</td>
<td>373</td>
<td>—</td>
</tr>
<tr>
<td>Non-GAAP gross profit</td>
<td>$80,120</td>
<td>$60,884</td>
<td>$238,037</td>
<td>$184,999</td>
<td>$142,825</td>
</tr>
<tr>
<td>GAAP gross margin</td>
<td>81%</td>
<td>83%</td>
<td>83%</td>
<td>86%</td>
<td>85%</td>
</tr>
<tr>
<td>Non-GAAP adjustments</td>
<td>4%</td>
<td>2%</td>
<td>2%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Non-GAAP gross margin</td>
<td>85%</td>
<td>85%</td>
<td>85%</td>
<td>87%</td>
<td>86%</td>
</tr>
</tbody>
</table>

| **Reconciliation of operating expenses** |       |       |      |      |      |
| GAAP research and development   | $35,004 | $24,554 | $95,690 | $64,566 | $49,011 |
| Less: Share-based compensation  | (10,824) | (6,183) | (23,764) | (11,095) | (5,566) |
| Less: Employer taxes related to employee stock transactions | (202) | (212) | (929) | (411) | (43) |
| Less: Acquisition-related expenses | (738) | (442) | (1,789) | (614) | — |
| Less: Amortization of acquired intangible assets | (29) | — | — | — | — |
| Non-GAAP research and development | $23,211 | $17,717 | $69,208 | $52,446 | $43,402 |

*Note: Certain figures may not sum due to rounding.*
Reconciliation of GAAP to Non-GAAP Data
(in thousands, except percentages and per share data) (unaudited)

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended October 31</th>
<th>Year Ended January 31</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2022</td>
<td>2021</td>
</tr>
<tr>
<td>GAAP sales and marketing</td>
<td>$47,118</td>
<td>$40,176</td>
</tr>
<tr>
<td>Less: Share-based compensation</td>
<td>(8,004)</td>
<td>(4,606)</td>
</tr>
<tr>
<td>Less: Employer taxes related to employee stock transactions</td>
<td>(148)</td>
<td>(175)</td>
</tr>
<tr>
<td>Less: Amortization of acquired intangible assets</td>
<td>(643)</td>
<td>(595)</td>
</tr>
<tr>
<td>Non-GAAP sales and marketing</td>
<td>$38,323</td>
<td>$34,800</td>
</tr>
<tr>
<td>GAAP general and administrative</td>
<td>$26,616</td>
<td>$19,808</td>
</tr>
<tr>
<td>Less: Share-based compensation</td>
<td>(10,679)</td>
<td>(6,128)</td>
</tr>
<tr>
<td>Less: Employer taxes related to employee stock transactions</td>
<td>(195)</td>
<td>(268)</td>
</tr>
<tr>
<td>Less: Acquisition-related expenses</td>
<td>(164)</td>
<td>—</td>
</tr>
<tr>
<td>Less: Amortization of acquired intangible assets</td>
<td>(7)</td>
<td>—</td>
</tr>
<tr>
<td>Non-GAAP general and administrative</td>
<td>$15,571</td>
<td>$13,394</td>
</tr>
</tbody>
</table>

Reconciliation of operating loss and operating margin

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended October 31</th>
<th>Year Ended January 31</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2022</td>
<td>2021</td>
</tr>
<tr>
<td>GAAP operating loss</td>
<td>$(32,542)</td>
<td>$(24,817)</td>
</tr>
<tr>
<td>Plus: Share-based compensation</td>
<td>31,444</td>
<td>17,778</td>
</tr>
<tr>
<td>Plus: Employer taxes related to employee stock transactions</td>
<td>583</td>
<td>695</td>
</tr>
<tr>
<td>Plus: Amortization of acquired intangible assets</td>
<td>2,628</td>
<td>875</td>
</tr>
<tr>
<td>Plus: Acquisition-related expenses</td>
<td>902</td>
<td>442</td>
</tr>
<tr>
<td>Non-GAAP operating income/(loss)</td>
<td>$3,015</td>
<td>$(5,027)</td>
</tr>
<tr>
<td>GAAP operating margin</td>
<td>(35)%</td>
<td>(35)%</td>
</tr>
<tr>
<td>Non-GAAP adjustments</td>
<td>38%</td>
<td>28%</td>
</tr>
<tr>
<td>Non-GAAP operating margin</td>
<td>3%</td>
<td>(7)%</td>
</tr>
</tbody>
</table>

Note: Certain figures may not sum due to rounding.
During the first quarter of fiscal 2022, the Company early adopted ASU 2020-06 which resulted in the elimination of amortization of debt discount on the convertible senior notes from February 1, 2021. In line with ASU 2020-06, the company uses the if-converted method to calculate the non-GAAP net income per diluted share attributable to PagerDuty, Inc. related to the convertible notes. Approximately 7.2 million shares related to the convertible notes were therefore included in the non-GAAP diluted share number, while the numerator used to compute this measure was increased by $0.9 million for after-tax interest expense savings related to our convertible notes for the three months ended October 31, 2022.

(1) During the first quarter of fiscal 2022, the Company early adopted ASU 2020-06 which resulted in the elimination of amortization of debt discount on the convertible senior notes from February 1, 2021. In line with ASU 2020-06, the company uses the if-converted method to calculate the non-GAAP net income per diluted share attributable to PagerDuty, Inc. related to the convertible notes. Approximately 7.2 million shares related to the convertible notes were therefore included in the non-GAAP diluted share number, while the numerator used to compute this measure was increased by $0.9 million for after-tax interest expense savings related to our convertible notes for the three months ended October 31, 2022.

Note: Certain figures may not sum due to rounding.
Reconciliation con’t
PagerDuty, Inc.
Reconciliation of GAAP to Non-GAAP Data
(in thousands, except percentages and per share data) (unaudited)

Free Cash Flow

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended October 31</th>
<th>Year Ended January 31</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2022</td>
<td>2021</td>
</tr>
<tr>
<td>Net cash (used in) provided by operating activities</td>
<td>$(448)</td>
<td>$2,650</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases of property and equipment</td>
<td>(815)</td>
<td>(85)</td>
</tr>
<tr>
<td>Capitalization of internal-use software costs</td>
<td>(988)</td>
<td>(784)</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>$(2,251)</td>
<td>$1,781</td>
</tr>
<tr>
<td>Net cash (used in) provided by investing activities</td>
<td>$(7,221)</td>
<td>$5,092</td>
</tr>
<tr>
<td>Net cash used in financing activities</td>
<td>$(7,964)</td>
<td>$(2,529)</td>
</tr>
<tr>
<td>Free cash flow margin</td>
<td>(2)%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Note: Certain figures may not sum due to rounding.