

Investor Presentation

First Quarter Fiscal Year 2021



Forward-looking statements

This presentation contains “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, including but not limited to, statements regarding our financial outlook, product development, business strategy and plans, market trends and market size, opportunities, positioning, and the potential impact of the global COVID-19 pandemic on U.S. and global economies and our business. These forward-looking statements are made as of the date they were first issued and were based on current expectations, estimates, forecasts, and projections as well as the beliefs and assumptions of management. Words such as “guidance,” “expect,” “anticipate,” “should,” “believe,” “hope,” “target,” “project,” “plan,” “goals,” “estimate,” “potential,” “predict,” “may,” “will,” “might,” “could,” “intend,” “shall,” and variations of these terms or the negative of these terms and similar expressions are intended to identify these forward-looking statements. Forward-looking statements are subject to a number of risks and uncertainties, many of which involve factors or circumstances that are beyond the control of Slack Technologies, Inc. (“Slack”). Slack’s actual results could differ materially from those stated or implied in forward-looking statements due to a number of factors, including but not limited to, risks detailed in Slack’s Annual Report on Form 10-K for the year ended January 31, 2020, filed with the Securities and Exchange Commission (the “SEC”). Further information on potential risks that could affect actual results will be included in the subsequent periodic and current reports and other filings that Slack makes with the SEC from time to time, including its Quarterly Report on Form 10-Q for the quarter ended April 30, 2020. Past performance is not necessarily indicative of future results. Slack undertakes no intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. These forward-looking statements should not be relied upon as representing Slack’s views as of any date subsequent to the date of this presentation.

This presentation includes certain non-GAAP financial measures and corresponding growth rates as defined by SEC rules. For additional information, see the slide titled “Non-GAAP Financial Measures.”

Terms such as “Paid Customers,” “Net Dollar Retention Rate,” and “Paid Customers >\$100K” have the meanings set forth in our filings with the SEC.

Additional information regarding these and other factors that could affect Slack’s results is included in Slack’s SEC filings, which may be obtained by visiting our Investor Relations website at investor.slackhq.com or the SEC’s website at www.sec.gov.

Non-GAAP financial measures

This presentation and the accompanying tables contain non-GAAP financial measures. Certain of these non-GAAP financial measures exclude stock-based compensation and related payroll taxes, amortization of debt discount and issuance costs, and amortization of intangible assets.

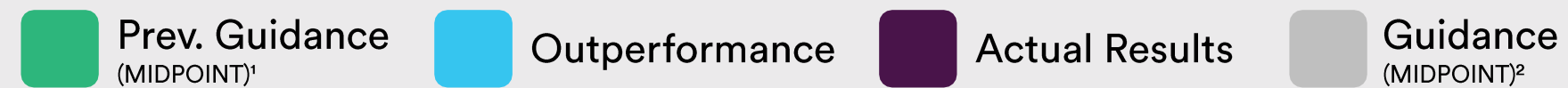
Slack believes that these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to Slack's financial condition and results of operations. Slack's management uses these non-GAAP measures to compare Slack's performance to that of prior periods for trend analysis, and for budgeting and planning purposes. Slack believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing Slack's financial measures with other software companies, many of which present similar non-GAAP financial measures to investors. The non-GAAP financial information is presented for supplemental informational purposes only, and should not be considered a substitute for financial information presented in accordance with GAAP, and may be different from similarly-titled non-GAAP measures used by other companies.

Management does not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with GAAP. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses and income that are required by GAAP to be recorded in Slack's financial statements. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which expenses and income are excluded or included in determining these non-GAAP financial measures. Slack urges investors to review the reconciliation of its non-GAAP financial measures to the comparable GAAP financial measures, which it includes in presentations of quarterly financial results, including this presentation, and not to rely on any single financial measure to evaluate Slack's business.

Reconciliation tables of the most comparable GAAP financial measures to the non-GAAP financial measures used in this presentation are included with the financial tables at the end of this presentation. Slack has not reconciled its outlook as to non-GAAP operating loss, non-GAAP net loss per share, and free cash flow to their most directly comparable GAAP measure because certain items are out of Slack's control or cannot be reasonably predicted. Accordingly, a reconciliation for forward-looking non-GAAP operating loss, and non-GAAP net loss per share, and free cash flow is not available without unreasonable effort.

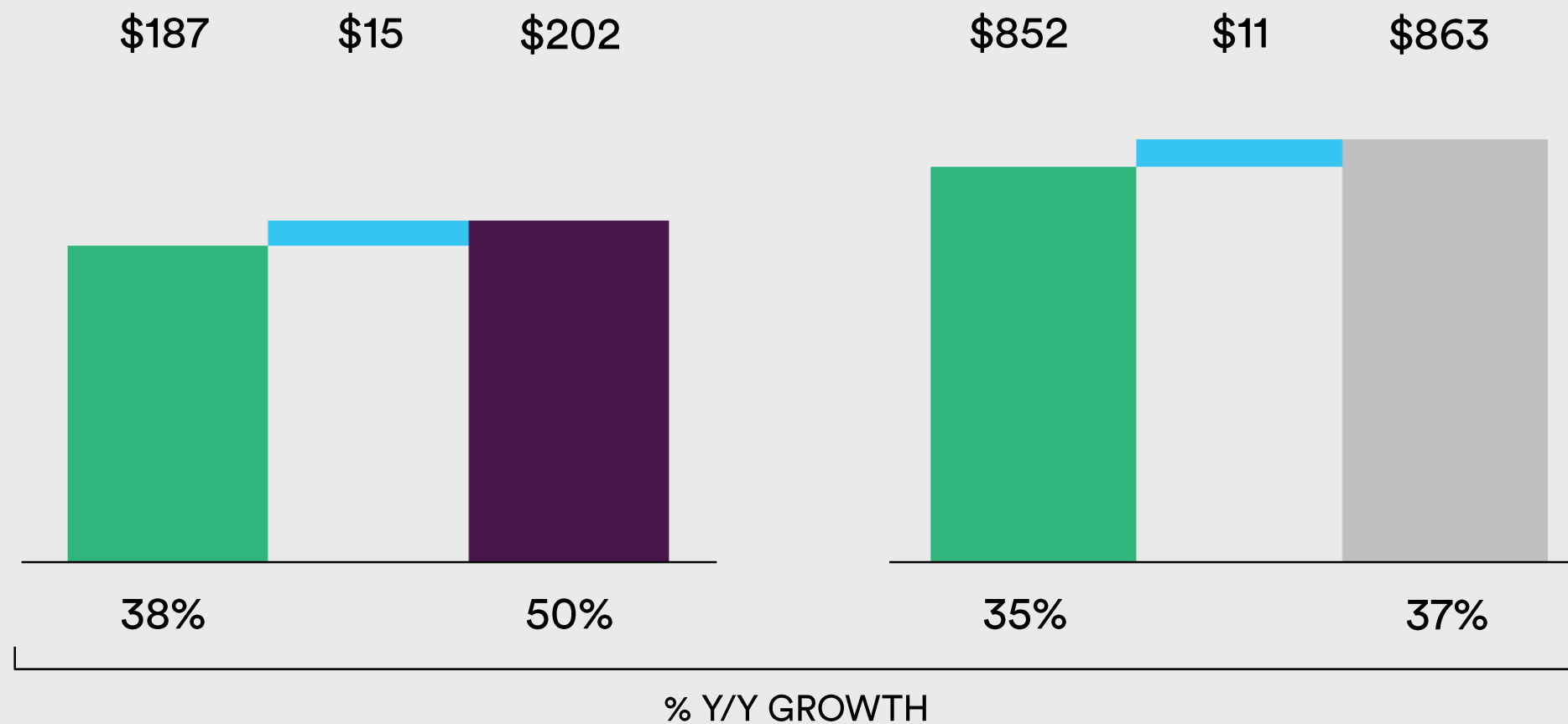
Comparison to previously issued guidance

Revenue (\$M)



Q1 FY21 Revenue

FY21 Revenue



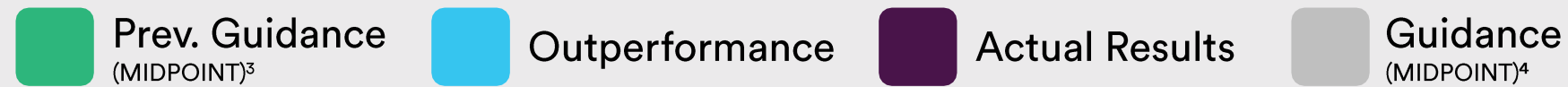
(1) Refers to financial guidance previously issued on March 12, 2020.

(2) Refers to financial guidance issued on June 4, 2020.

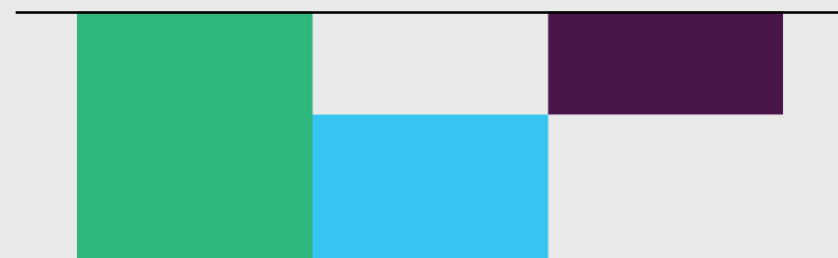
Note: Numbers rounded for presentation purposes.

Comparison to previously issued guidance

Operating Income (Loss) & Free Cash Flow (\$M)

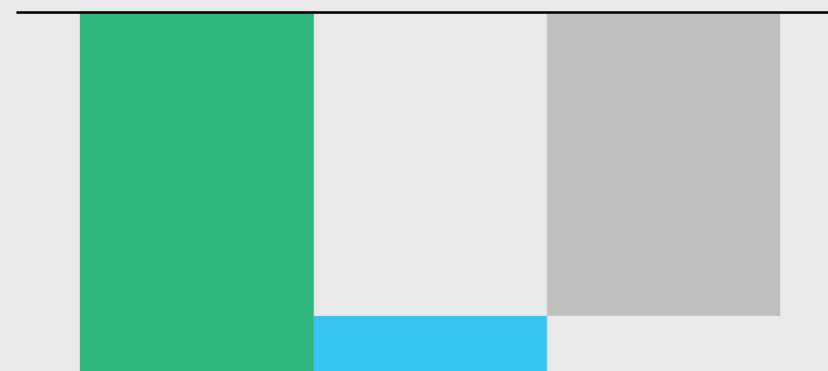


Q1 FY21 Non-GAAP Operating Loss⁵



\$ (40) \$ 23 \$ (17)

FY21 Non-GAAP Operating Loss⁵



\$ (125) \$ 20 \$ (105)

FY21 Free Cash Flow⁵



\$ (10) - \$ (10)

(3) Refers to financial guidance previously issued on March 12, 2020.

(4) Refers to financial guidance issued on June 4, 2020.

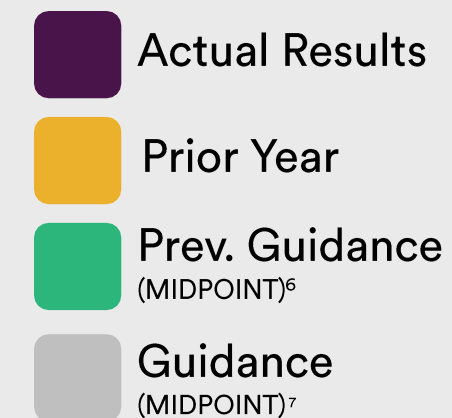
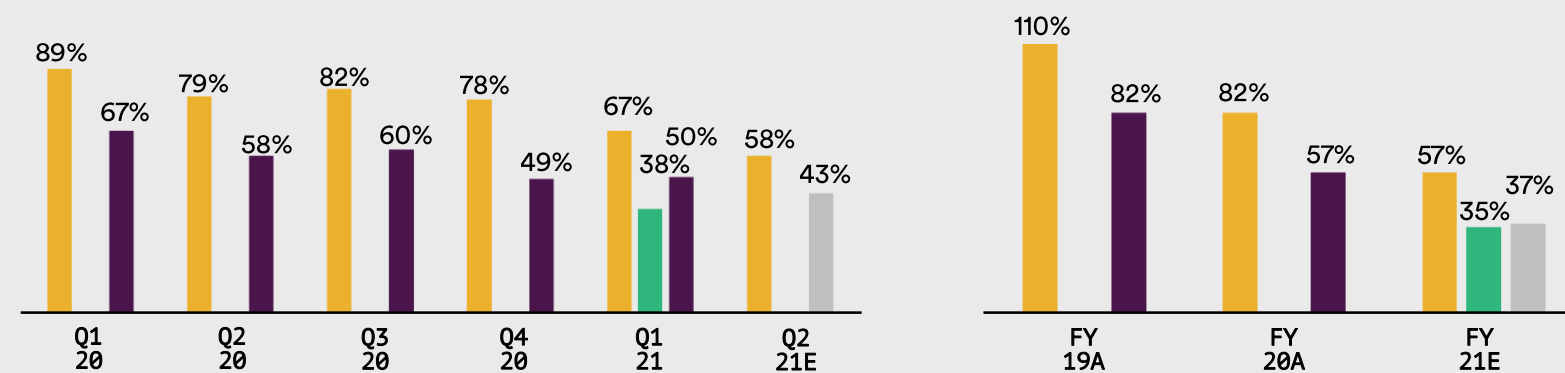
(5) Non-GAAP operating loss and free cash flow are calculated on a non-GAAP basis. See appendix for a reconciliation of non-GAAP financial measures.

Note: Numbers rounded for presentation purposes.

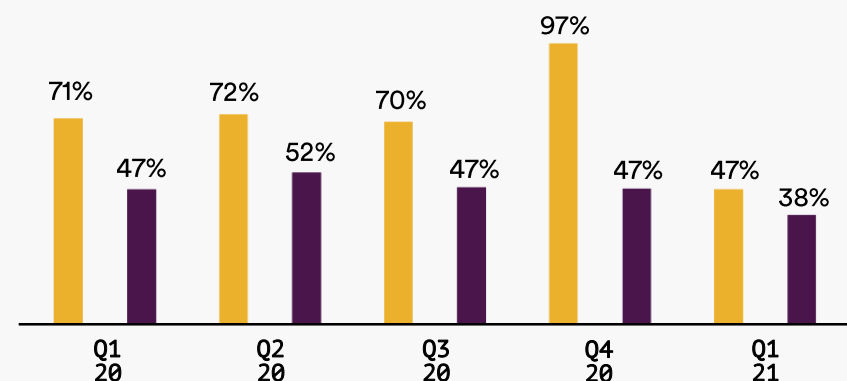
Year-over-year trends

Revenue, Calculated Billings & TTM Calculated Billings

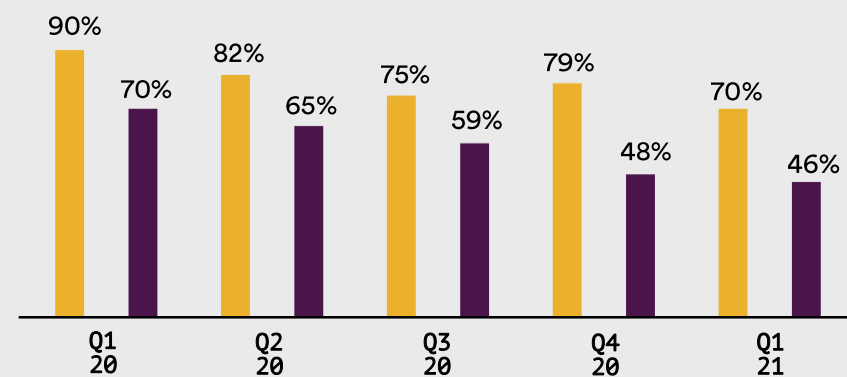
GAAP Revenue



Calculated Billings⁸



TTM Calculated Billings⁸



(6) Refers to financial guidance previously issued on March 12, 2020.

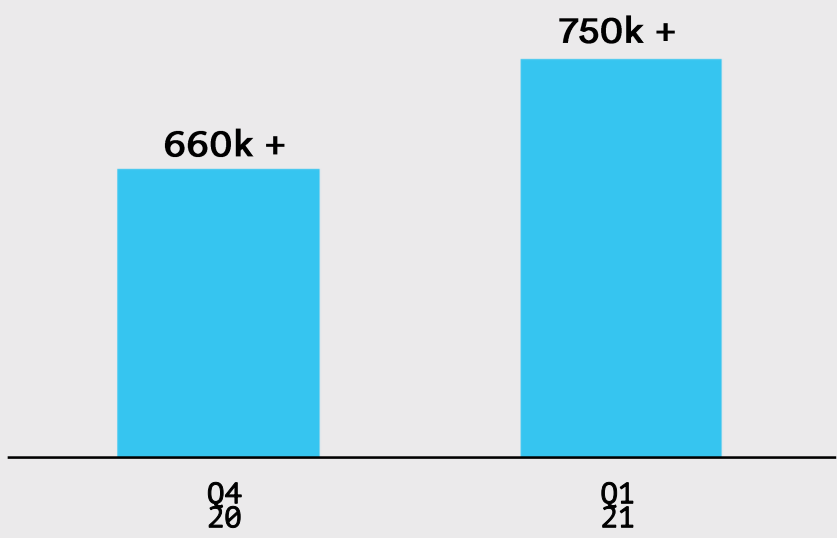
(7) Refers to financial guidance issued on June 4, 2020.

(8) Calculated billings are calculated on a non-GAAP basis. See appendix for a reconciliation of non-GAAP financial measures.

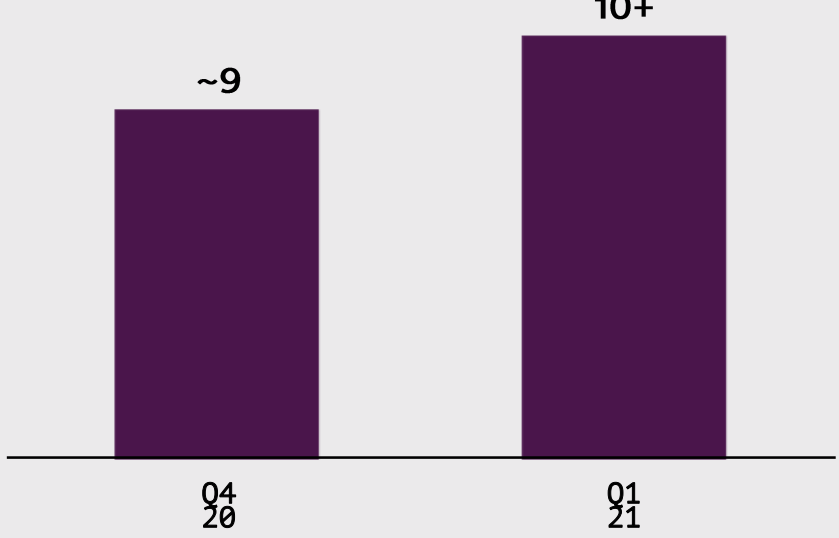
Note: Percentages rounded for presentation purposes.

The shift to work-from-home has driven increased adoption and engagement

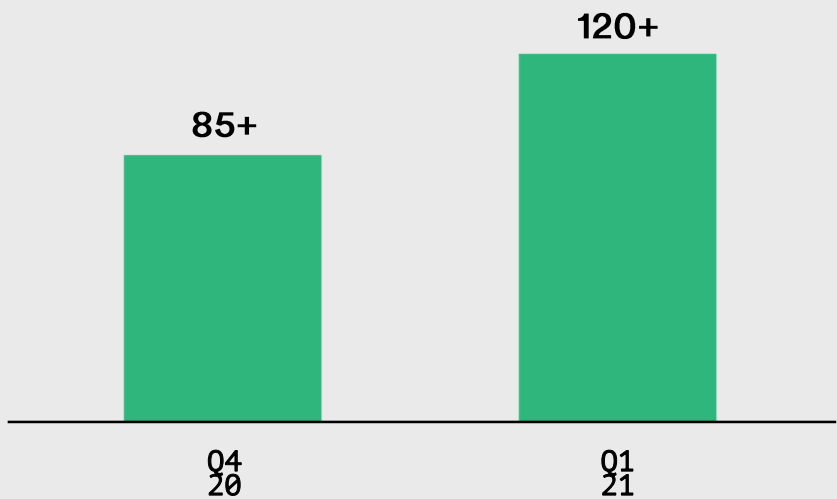
Organizations Using Slack



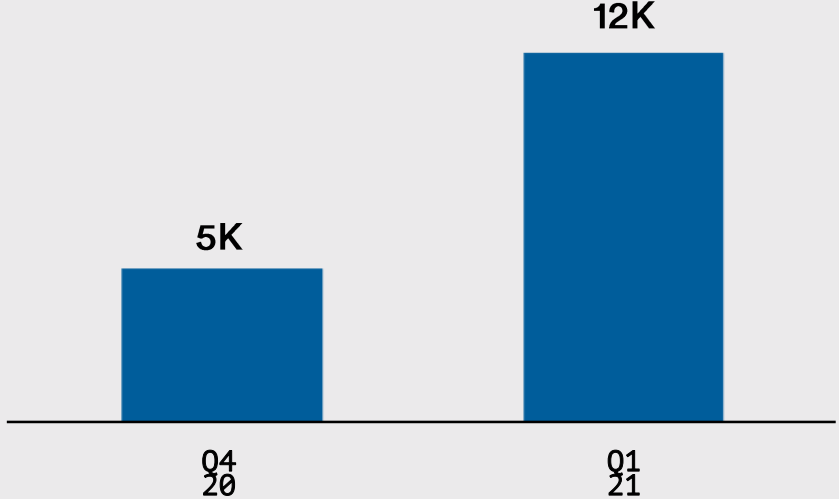
Average Hours Connected to Slack Per Day¹⁰



Average Minutes of Active Usage on Slack Per Day⁹



Net Added Paid Customers

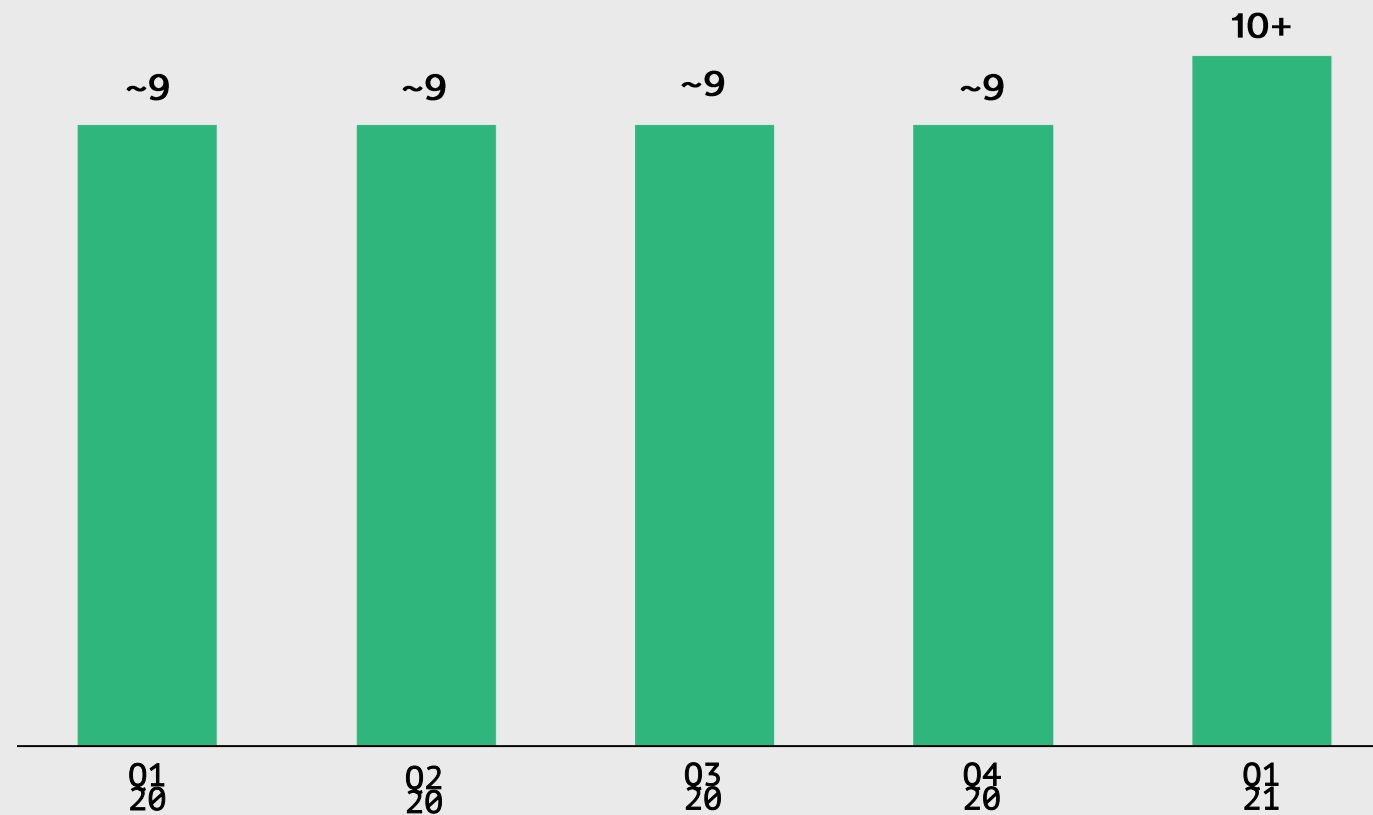


(9) Reflects average minutes of active usage of Slack per day, on a typical workday, by users at Paid Customers during the last week of the fiscal quarter indicated.

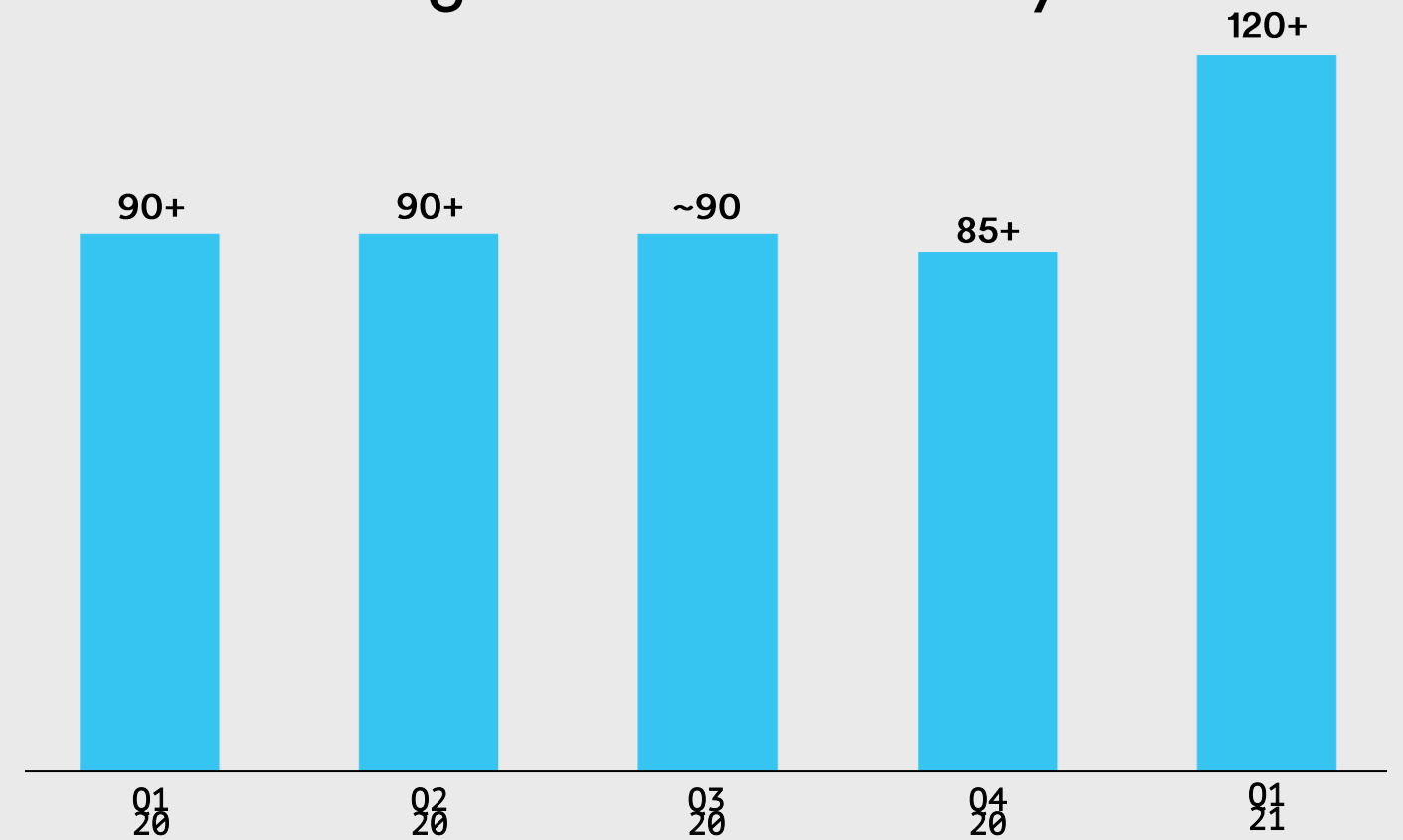
(10) Reflects average hours connected to Slack per day, on a typical workday, by users at Paid Customers during the last week of the fiscal quarter indicated.

Slack users are consistently highly engaged

Average Hours Connected to Slack Per Day¹¹



Average Minutes of Active Usage on Slack Per Day¹¹



(11) Usage and connection figures are measured for users at Paid Customers, on a typical workday, during the last work week of the fiscal quarter indicated.

Our platform enables a large and growing ecosystem

2,200+
Apps

in the app directory

650K+

custom apps and
integrations used weekly

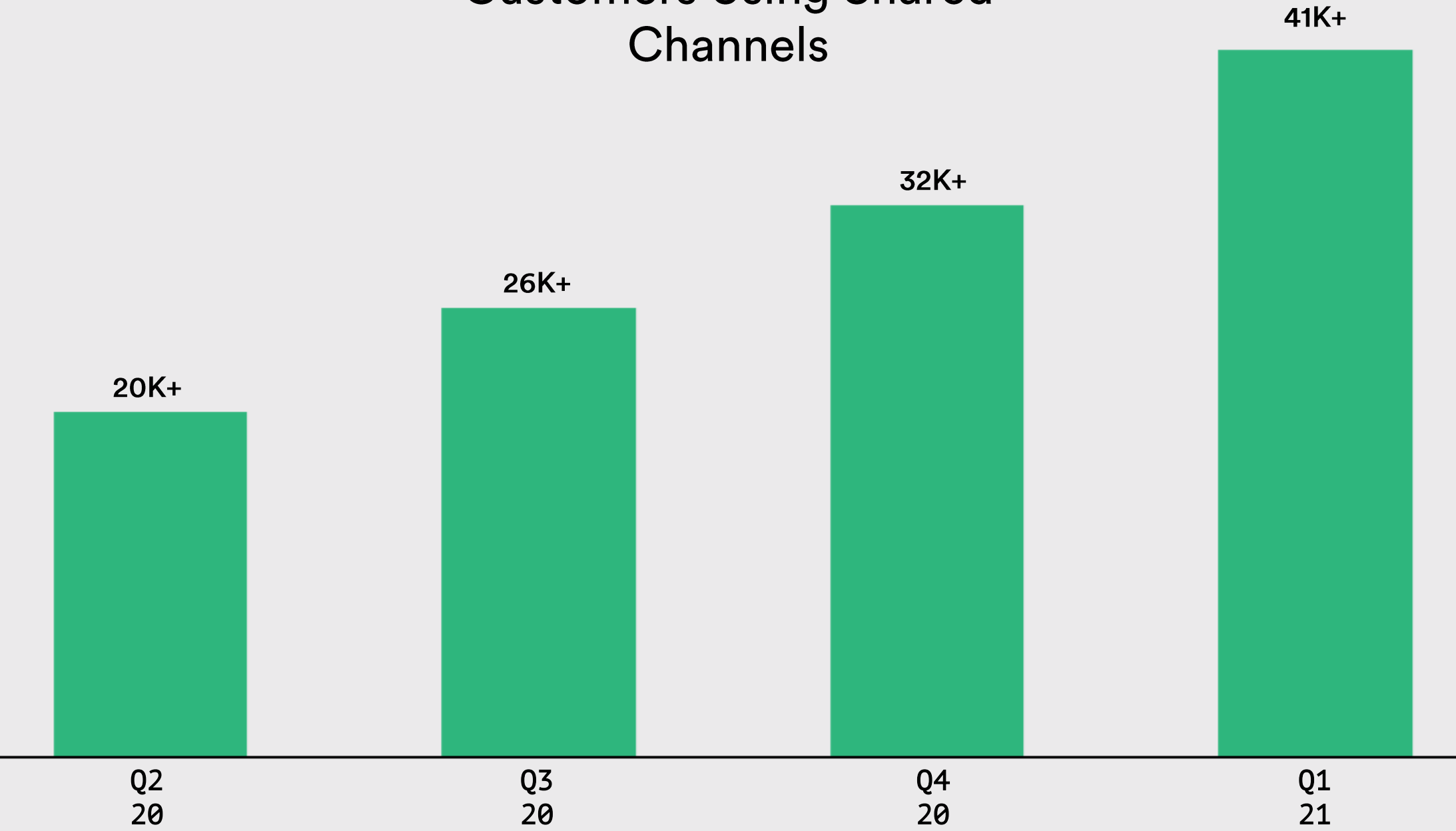
790K+

Active Developers

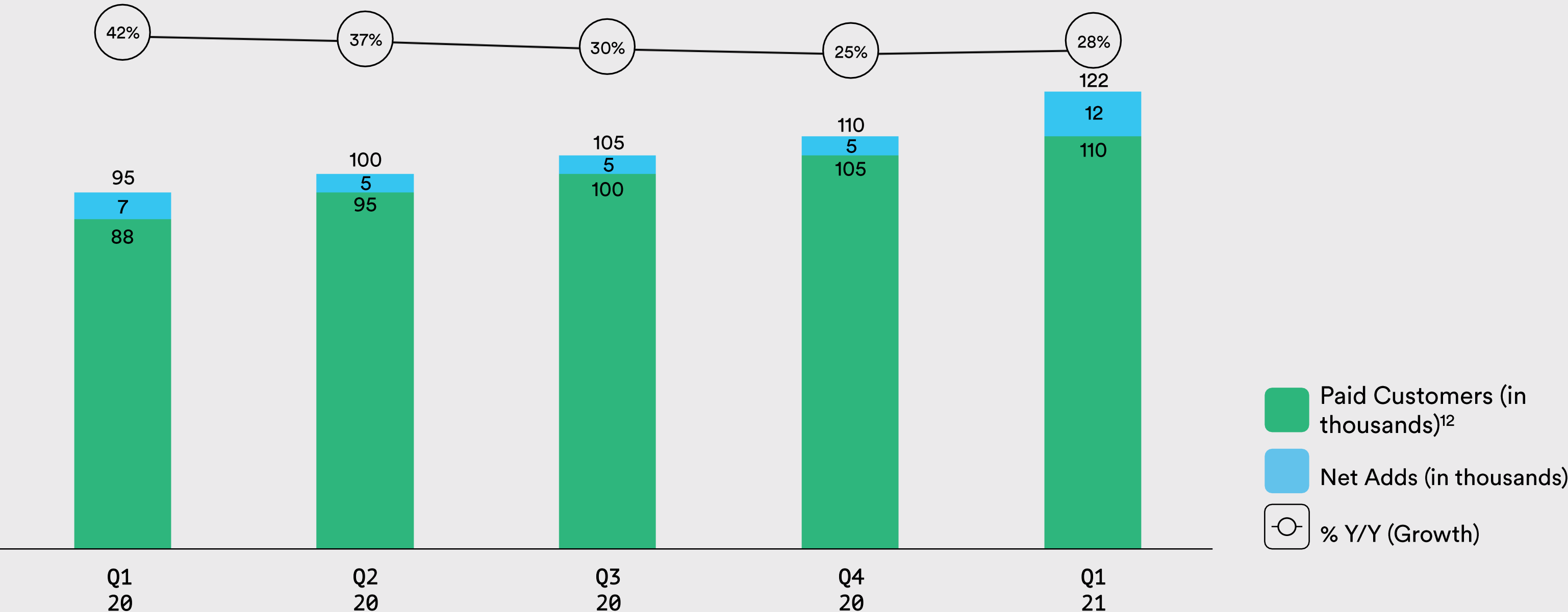
Note: Figures are as of April 30, 2020.

Shared channels create an emerging network of work across organizational boundaries

Customers Using Shared Channels

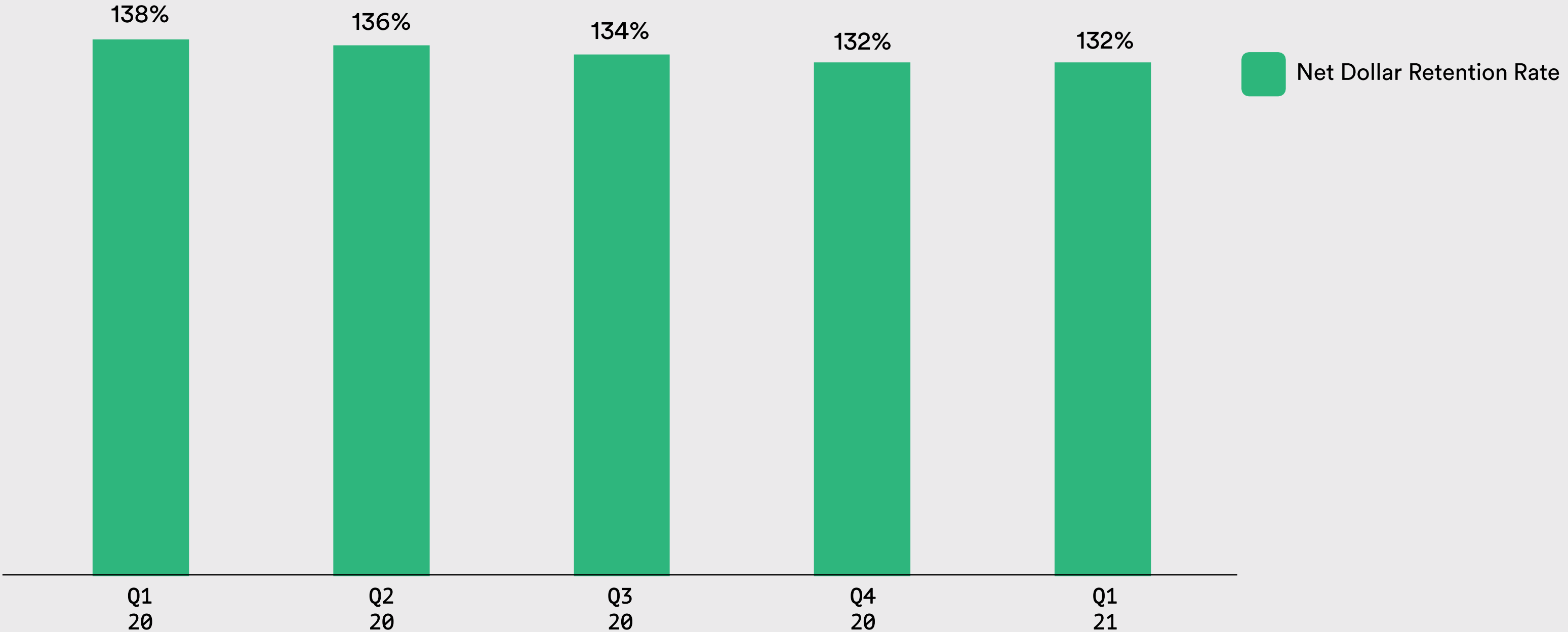


A large and rapidly growing customer base

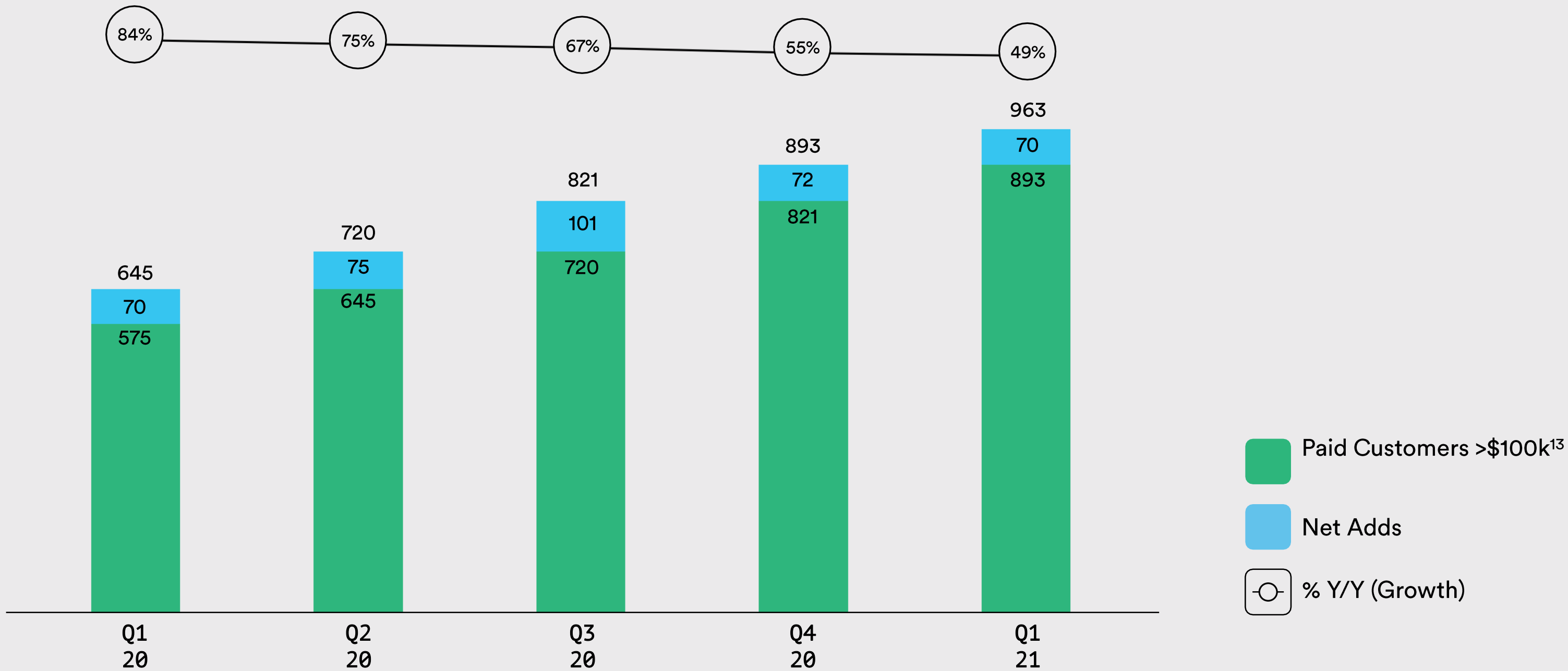


(12) Paid Customers at beginning of period presented.

Strong retention and expansion within existing customers



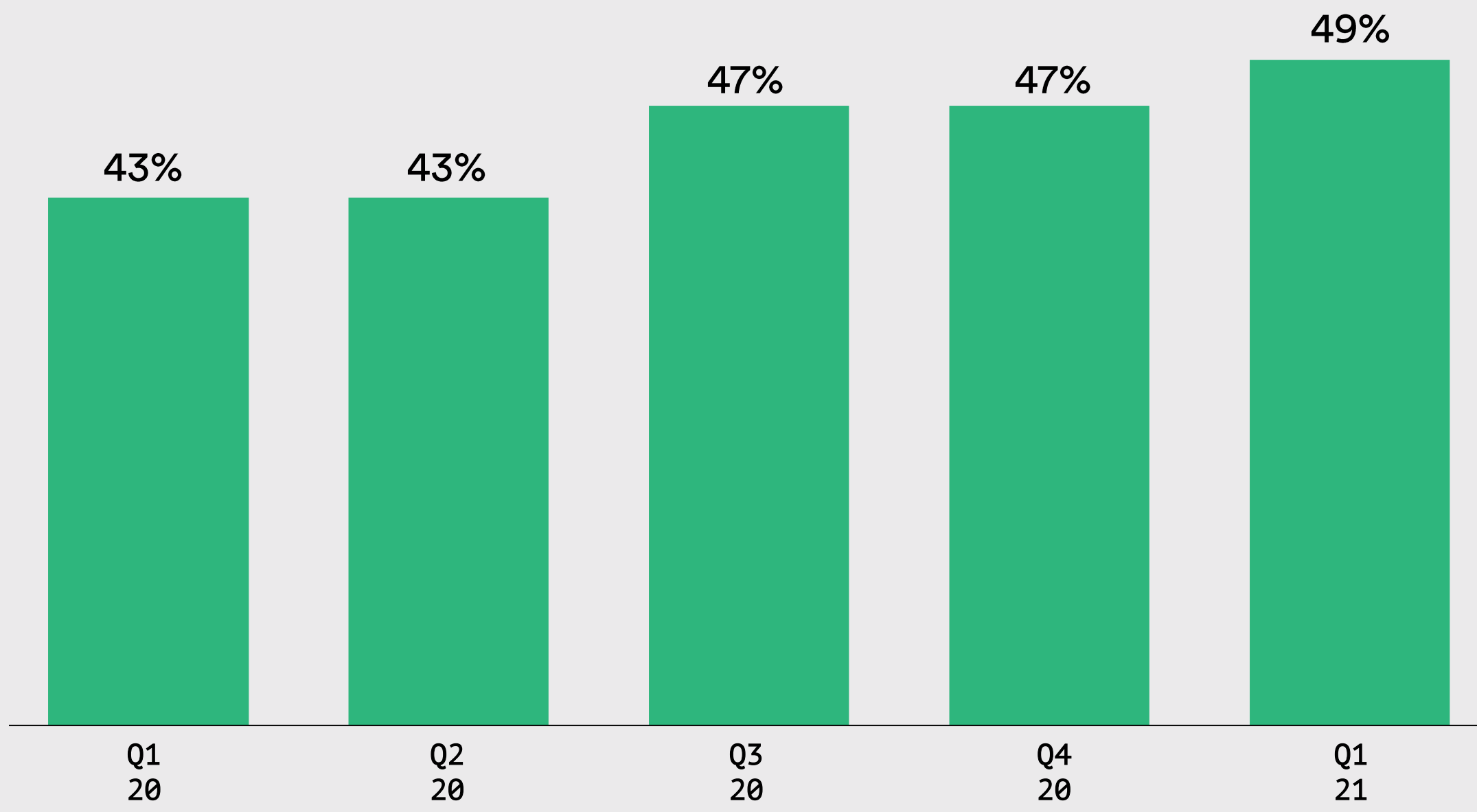
Significant large customer traction



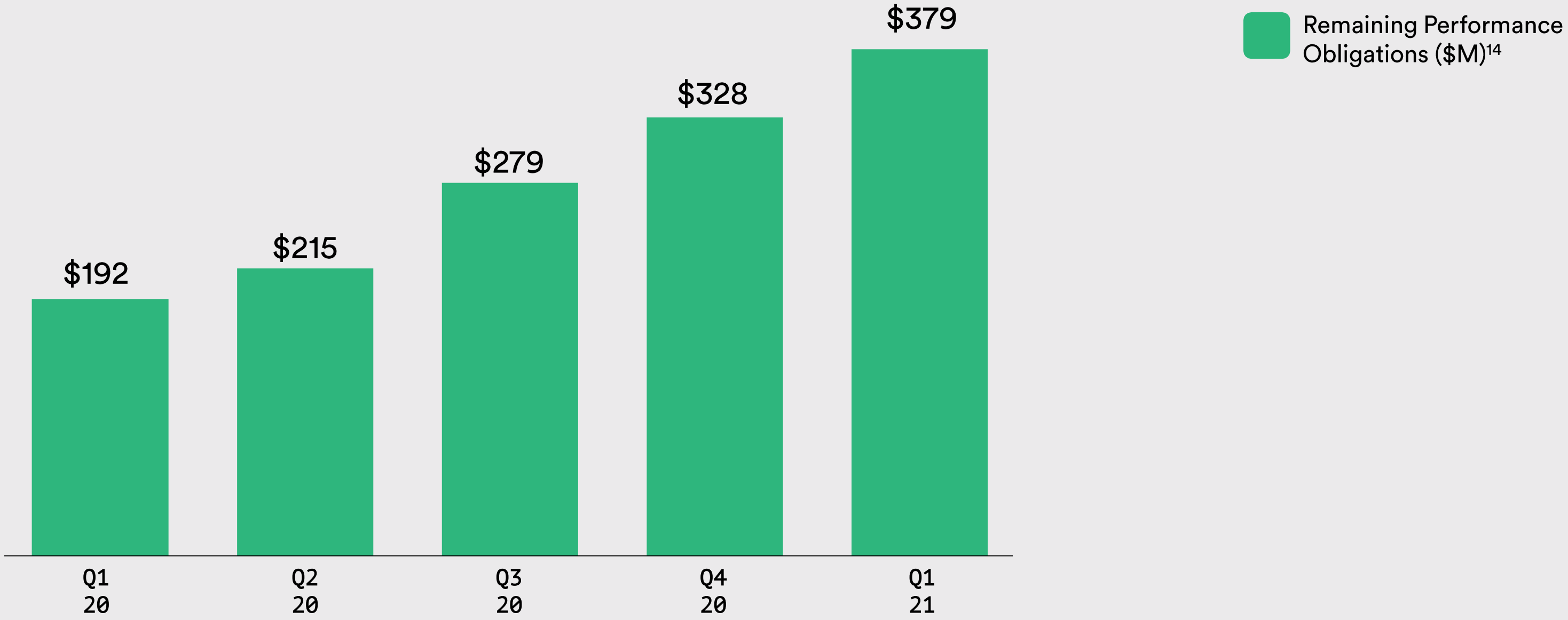
(13) Paid Customers > \$100K at beginning of period presented.

A growing percentage of revenue from large customers

■ Percent of Revenue from Paid Customers > \$100K

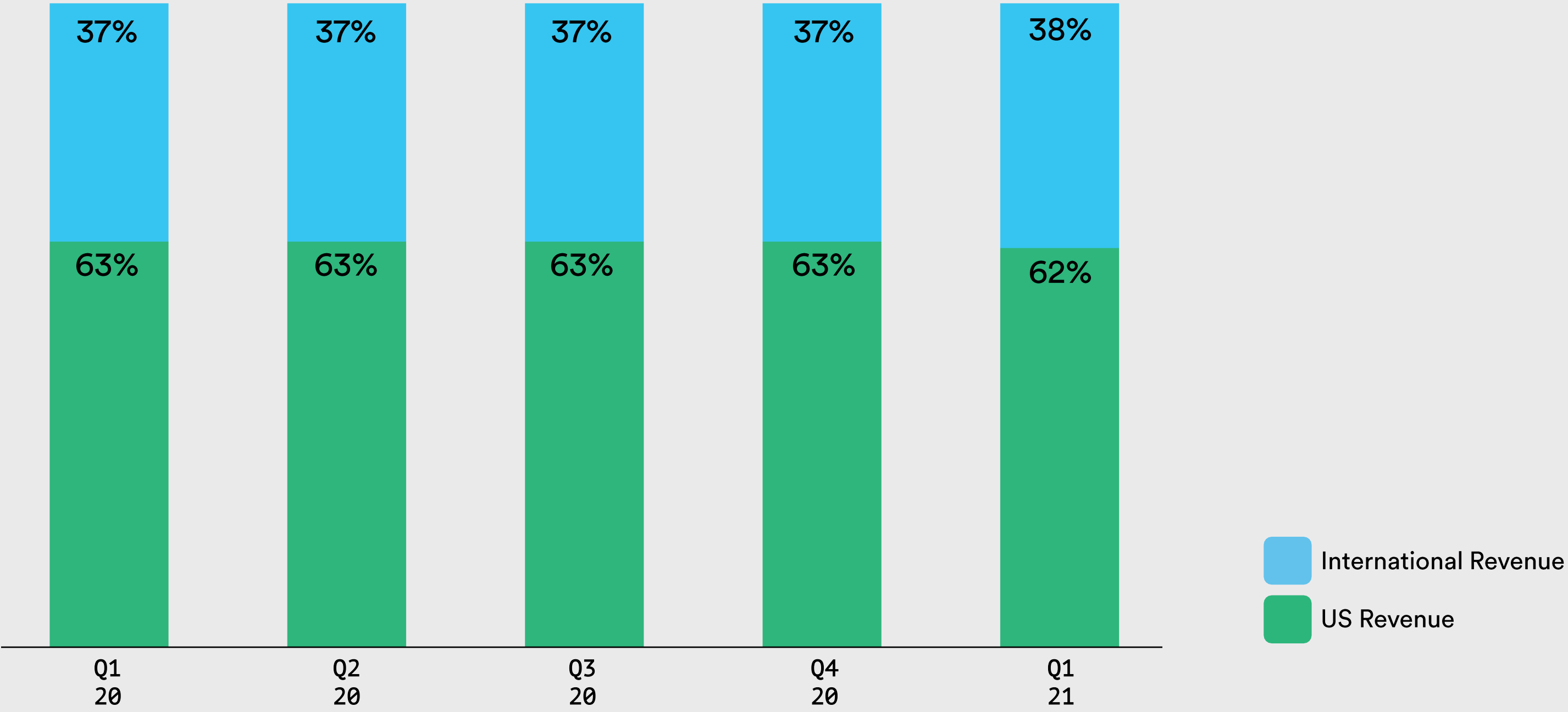


Steady growth in remaining performance obligations

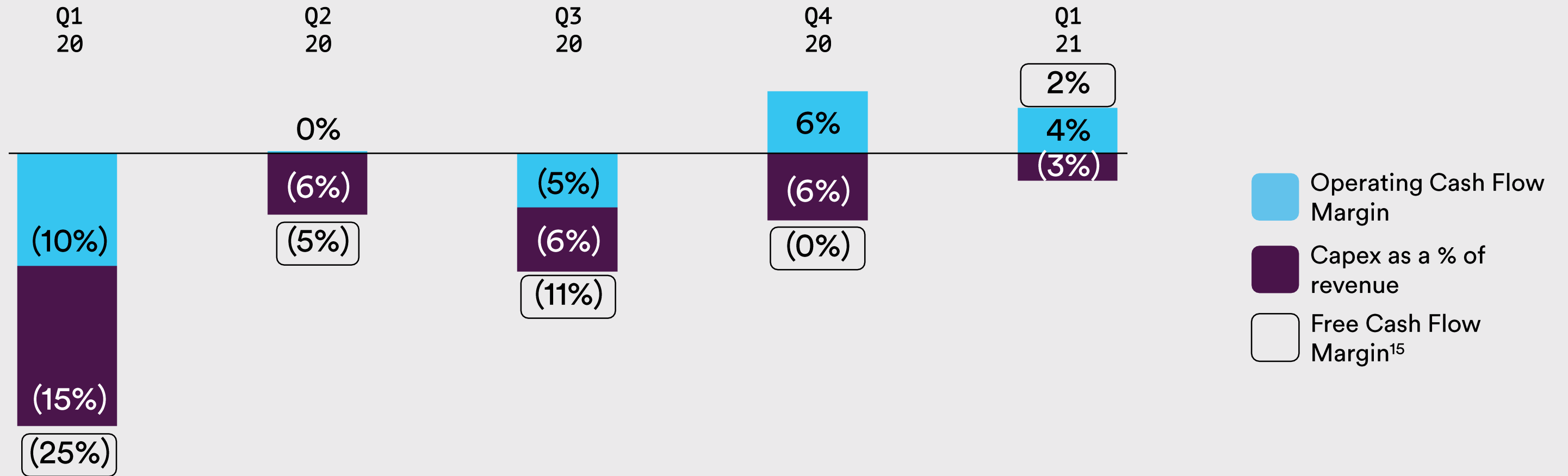


(14) RPO is reflective of contracts greater than one year in length and excludes annual and monthly contracts as we have taken the practical expedient under ASC 606.

An international revenue footprint in 150+ countries

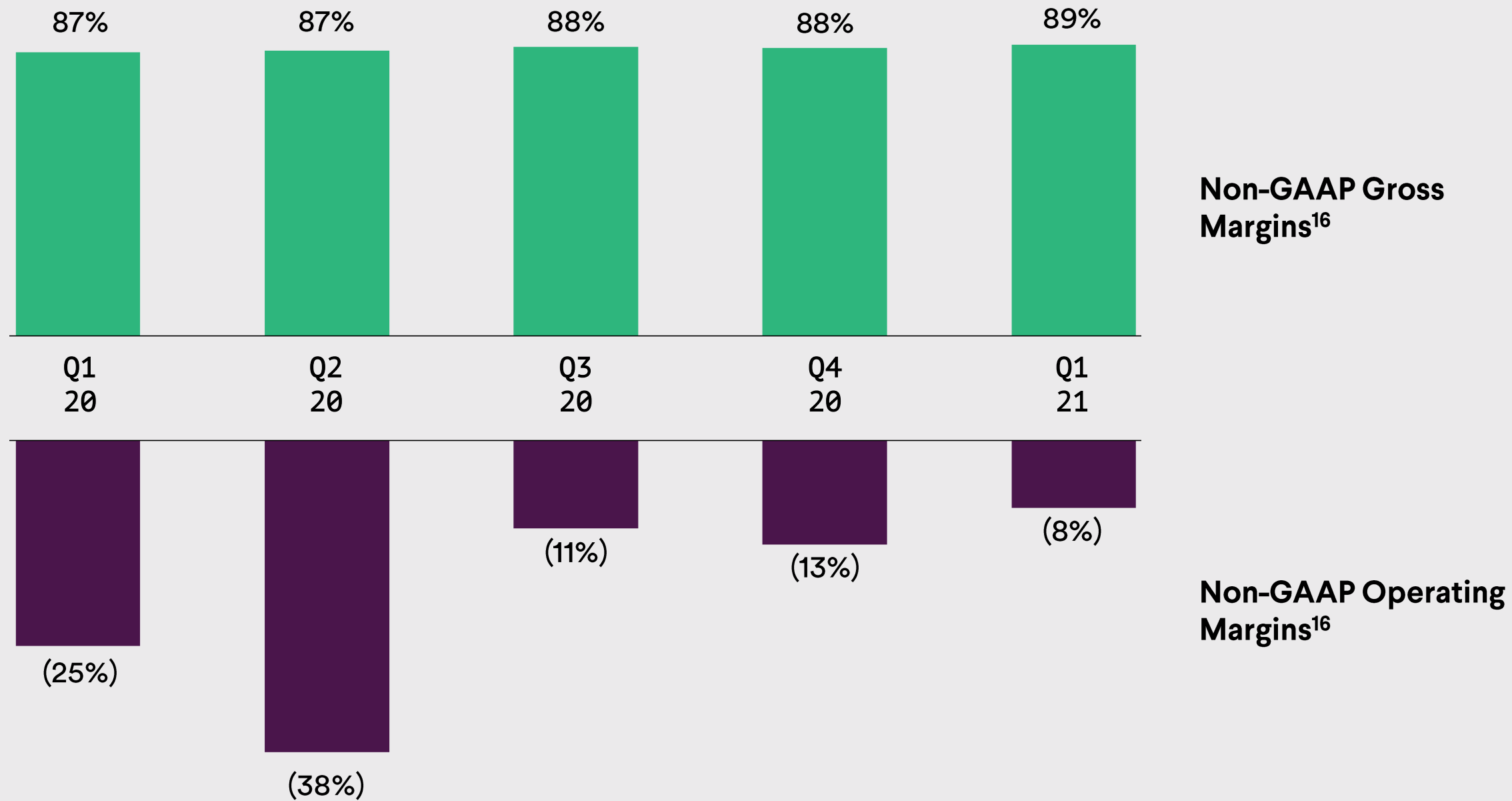


Free Cash Flow



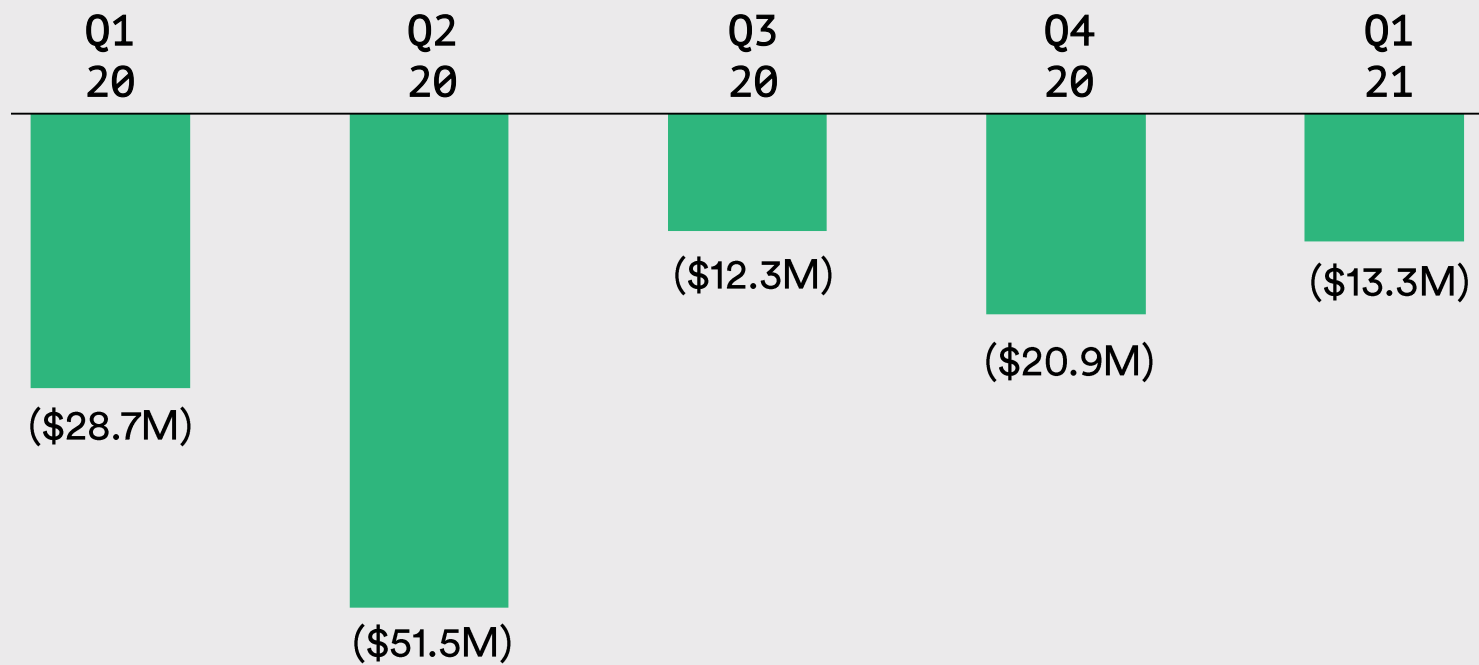
(15) Free cash flow margins are calculated on a non-GAAP basis. See appendix for a reconciliation of non-GAAP financial measures.

Non-GAAP Gross Margins & Non-GAAP Operating Margins

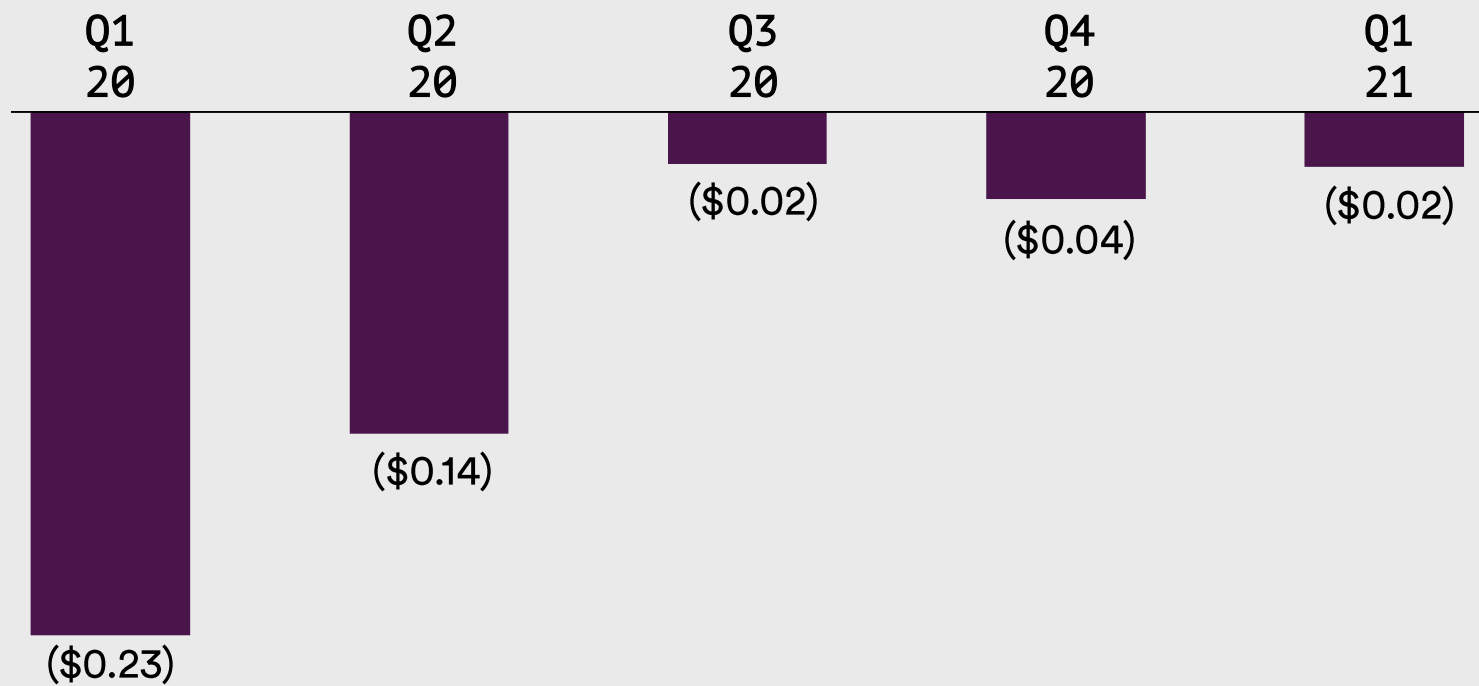


(16) Non-GAAP gross margins and non-GAAP operating margins are calculated on a non-GAAP basis. See appendix for a reconciliation of non-GAAP financial measures.

Non-GAAP Net Income (Loss) & EPS



**Non-GAAP Net Income (Loss)
Attributable to Slack Common
Stockholders¹⁷**



**Non-GAAP
EPS¹⁷**

(17) Non-GAAP net income (loss) attributable to Slack common stockholders and non-GAAP EPS are calculated on a non-GAAP basis. See appendix for a reconciliation of non-GAAP financial measures.

Calculated Billings & TTM Calculated Billings

Calculated Billings

\$'s in Millions	Q1'20	Y/Y	Q2'20	Y/Y	Q3'20	Y/Y	Q4'20	Y/Y	Q1'21	Y/Y
Revenue	134.8	67%	145.0	58%	168.7	60%	181.9	49%	201.7	50%
Add: Total deferred revenue, end of period	256.7	75%	286.5	69%	303.9	60%	376.7	56%	381.1	48%
Less: Total deferred revenue, beginning of period	(241.9)	93%	(256.7)	75%	(286.5)	69%	(303.9)	60%	(376.7)	56%
Calculated Billings	149.6	47%	174.8	52%	186.1	47%	254.7	47%	206.0	38%

TTM Calculated Billings

\$'s in Millions	Q1'20	Y/Y	Q2'20	Y/Y	Q3'20	Y/Y	Q4'20	Y/Y	Q1'21	Y/Y
TTM Revenue	454.5	76%	507.4	69%	570.5	64%	630.4	57%	697.3	53%
Add: Total deferred revenue, end of period	256.7	75%	286.5	69%	303.9	60%	376.7	56%	381.1	48%
Less: Total deferred revenue, beginning of period	(146.6)	98%	(169.4)	90%	(190.2)	80%	(241.9)	93%	(256.7)	75%
TTM Calculated Billings	564.5	70%	624.6	65%	684.2	59%	765.3	48%	821.6	46%

Note: Percentages rounded for presentation purposes.

Free Cash Flow

Free Cash Flow

\$'s in Millions	Q1'20	% of Rev.	Q2'20	% of Rev.	Q3'20	% of Rev.	Q4'20	% of Rev.	Q1'21	% of Rev.
Net cash provided by (used in) operating activities	(14.1)	(10%)	0.3	0%	(9.1)	(5%)	10.5	6%	8.7	4%
Purchases of property and equipment	(20.1)	(15%)	(8.2)	(6%)	(10.0)	(6%)	(11.4)	(6%)	(5.0)	(3%)
Free Cash Flow	(34.2)	(25%)	(7.9)	(5%)	(19.1)	(11%)	(0.8)	(0%)	3.7	2%

Note: Percentages rounded for presentation purposes.

Gross Margins & Operating Margins

Gross Margins

\$'s in Millions	Q1'20	% of Rev.	Q2'20	% of Rev.	Q3'20	% of Rev.	Q4'20	% of Rev.	Q1'21	% of Rev.
GAAP gross profit	116.2	86%	113.9	79%	145.6	86%	157.5	87%	176.0	87%
Add: Stock-based compensation and related employer payroll taxes	0.0	0%	11.8	8%	2.8	2%	2.5	1%	2.6	2%
Add: Amortization of acquired intangible assets	0.6	0%	0.6	0%	0.6	0%	0.6	0%	0.6	0%
Non-GAAP Gross profit	116.9	87%	126.3	87%	148.9	88%	160.6	88%	179.2	89%

Operating Margins

\$'s in Millions	Q1'20	% of Rev.	Q2'20	% of Rev.	Q3'20	% of Rev.	Q4'20	% of Rev.	Q1'21	% of Rev.
GAAP Operating loss	(38.4)	(29%)	(363.7)	(251%)	(95.0)	(56%)	(91.2)	(50%)	(76.2)	(38%)
Add: Stock-based compensation and related employer payroll taxes	3.6	3%	307.0	212%	75.8	45%	67.0	37%	58.4	29%
Add: Amortization of acquired intangible assets	1.0	1%	1.0	1%	1.0	0%	1.1	1%	1.2	1%
Non-GAAP Operating loss	(33.8)	(25%)	(55.6)	(38%)	(18.1)	(11%)	(23.1)	(13%)	(16.6)	8%

Note: Percentages rounded for presentation purposes.

Net Income (Loss) & EPS

Net Income (Loss)

\$'s in Millions	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21
Net loss attributable to Slack common stockholders	(33.3)	(359.6)	(89.2)	(89.0)	(75.2)
Add: Stock-based compensation and related employer payroll taxes	3.6	307.0	75.8	67.0	58.4
Add: Amortization of acquired intangible assets	1.0	1.0	1.0	1.1	1.2
Add: Amortization of debt discount and issuance costs	-	-	-	-	2.4
Non-GAAP net loss	(28.7)	(51.5)	(12.3)	(20.9)	(13.3)

Net Income (Loss) Per Share

	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21
GAAP net loss per share	(0.26)	(0.98)	(0.16)	(0.16)	(0.13)
Add: Stock-based compensation and related employer payroll taxes	0.03	0.84	0.14	0.12	0.11
Add: Amortization of acquired intangible assets	0.00	0.00	0.00	0.00	0.00
Add: Amortization of debt discount and issuance costs	-	-	-	-	0.00
Non-GAAP net loss per share	(0.23)	(0.14)	(0.02)	(0.04)	(0.02)

Note: EPS reconciling items are rounded for presentation purposes.