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Samsara, Inc. (IOT)

Investor Day

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MANAGEMENT DISCUSSION SECTION

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We're using AI to determine that this driver is attentive. He has proper following distance. He's not speeding. We can tell that this driver is not at fault. And if this had been an accident, the safety manager would get a real time alert on their phone, they can log into the app from wherever they are. They can make sure that the driver is okay. Get them any assistance they need. And then they can share this video with an officer at the scene with their insurance company, and this never ends up in court. A single exoneration can save customers hundreds of thousands of dollars or in the case of a major injury or fatality, millions of dollars.

Now, let's take a look at all the data that we're capturing in the process. We talked about distraction, following distance, driver behavior. We're also understanding speed or are they on the break or are they on the gas or are they using the cruise control. We can see the G-force of the incident. We can see where on the route it happened. This means that out of all of the billions of hours of driving, we're able to use data, and AI, define moments of interest, analyze them and surface these analytics to operators.

Let's take a look at the safety dashboard that a VP of Operations or a VP of Safety would work out of. Here, we can see statistics aggregated across the entire fleet, all rolled up in a simple safety score. So we can see Superior Plus is a very safe fleet, with a safety score of 96. We can see how that's trended over time in 95, bouncing between 95 and 96, and then it actually improved, holding at 96 and now up to 97. So trending in the right direction.

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Operations leaders will want to see how does this score vary by different parts of their business, so we can drill down by region. How does California compare to the Mid-Atlantic or New York? We can drill down into individual operating teams. We can see what is driving these scores from speeding to distraction. And we can identify the top performing regions, teams and drivers to incentivize and reward them. And we can see those who need a little bit of extra coaching and extra help. And when it's time to actually engage with individual drivers on their safety, we can do that through workflows built into the platform.

By open our coaching interface, we can actually have structured workflows to engage with the drivers on their behavior, be able to positively recognize and reward their safe driving and also show them where they can get better. Now these tools, this data, these workflows are what customers are using to implement safety programs and actually reduce their accident rates by sometimes over 80% and increase driver retention in the process. So these are a handful of examples of how customers are using Samsara to improve their safety outcomes.

Next, let's talk about efficiency. Physical operations are asset and labor-intensive industries, so finding better ways to get utilization out of their assets and make more efficient use of labor is critical. Maintenance is a great example. Here we can see all of Superior Plus' assets and we can understand the maintenance status and health of each of them. So for each of these vehicles, we can see the battery voltage, the engine hours, the odometer, any fault codes that are being reported.

Now, this data means that instead of having a schedule base maintenance program where we maintain a truck every 6 months, every 12 months, we can have a data-driven maintenance program. We might have older assets or assets that are more heavily utilized, assets with engine faults, we can get those in for service faster, we can avoid unplanned downtime and we can squeeze extra life out of these units.

And if we have lightly used assets that are healthy, we can avoid the cost overhead of unnecessary maintenance. We can use the interface to see which assets are maybe at risk of breakdown, which are reporting engine faults. Oftentimes that check engine light goes off and it might go unreported, now maintenance teams can see it from the cloud and we can even create real time alerts. So if we want to be alerted to a potential maintenance issue that could cause damage to equipment or unplanned downtime, we can take immediate action.

Let's see how we can set that up. Search for maintenance alerts. Let's set up an alert. If there's a fault code that's reported by a sensor in the engine. Let's focus on the most severe fault codes that we want to be notified about that are lit for more than 60 seconds. We can set up an alert and have a notification, be delivered right to the operator's phone or to the dashboard. They can get that off the road in for service, avoid upsetting a customer, avoid unplanned downtime.

Now, all of this data from the assets and sensors is incredibly powerful for driving maintenance programs. Equally important is the observations by the workers who are operating the equipment. Now, these operators will typically inspect trucks and equipment every day before using them, make sure they're in proper working order. And this has historically been a pen and paper process. It's slow. It's error prone. And a mechanic might get a big stack of paper at the end of the week to sift through.

Now, we can actually do these inspections through a guided workflow in our mobile app. The operator is guided through how to perform the inspection. Are they checking each area properly? If they find a defect, they can take a photo of it. And when they hit submit, it gets sent into the cloud in real time.

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Now, maintenance teams can see all of the inspections as they're flowing in. We can see the safe healthy inspections. We can see any issues that were reported. And when an issue comes in, we can immediately schedule that vehicle for service and actually manage the entire workflow, see the defects that were reported, leaking oil from the engine, front hood damage. We have photos to see what was going on. This is information that's incredibly helpful. That's impossible with pen and paper. And we can manage the workflow from the issue being reported out in the field, fixed by the mechanic, and then verified by the worker out in the field again.

I talked to a customer earlier this morning who's deployed this capability. And in the first few months, they've already saved literally thousands of hours of time by digitizing their inspections. And it turns out that these digital workflows are not limited to inspections. They're common across operations.

So we built document capabilities into the platform. We can create different types of documents to digitize customers' processes. For example, if we want to make sure that pallets are returned to the right place at the end of the day, that they don't go lost, that crews aren't searching for them in the morning, we can create a digital document. Drivers can submit them at the end of the day.

And here we can see that, indeed, the pallet is put back where it's supposed to be. We can see where that was recorded and when. And now we have data to analyze. One of our customers, UFP Industries, estimates that by going paperless with Samsara and bringing these processes into digital workflows, they're saving $600,000 a year.

Now, efficiency is not limited to vehicles. It's equally important in the equipment that our operators use, which is why we built our connected equipment products. Here, we can see a piece of heavy construction equipment that is being monitored through our connected equipment solution. We can see its location out at a jobsite. We can see the health of the asset. We can see its fuel level. We can see any diagnostics issues.

And this is incredibly powerful, right? We heard from American Airlines having real-time information about the location, about their equipment and their ground operations means that they're saving thousands of hours of hunting these down. And they're actually, by getting them to the right place at the right time, helping make sure that flights take off on time.

Think about servicing this asset. As we can see, this is out in the middle of nowhere. If we want to send out a technician to maintain it, it's incredibly helpful to understand, hey, does it need service? We can look at its utilization, we can look at its health, and then we can send the technician to the right spot, so they're not hunting around this quarry for an hour before they can do their job. Incredible labor savings.

And by understanding asset location and utilization, we can identify underutilized pieces of equipment, and we can redirect them to other operations where they have higher needs, so that customers can do more work without having to buy or lease more assets. So these are just a few examples of how customers are using connected operations to make more efficient use of their labor and their assets.

Last, let's look at efficiency. Physical operations customers are looking to measure their sustainability. They're looking to measure their emissions and report on them to meet their regulatory requirements. They're looking to lower these emissions and in order to meet their sustainability targets and in the process, they want to lower cost. They want to eliminate fuel waste. They want to transition to lower cost energy sources. And our platform helps them do that.

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We can see their CO2 emissions right here in the platform, makes their reporting much, much easier. And they can see the efficiency of their assets and the behaviors that are driving those efficiencies like engine idling or driver efficiency. We can have detailed information into driver behavior that impacts sustainability. We can understand their idling, their speeding, how smoothly are they driving? Are they using the cruise control effectively?

And just like safety, we can see this by region, we can see this by driver, and we can create incentive and rewards programs. One of our customers, a logistics operator in the Midwest, implemented a driver efficiency rewards program using this data. And through that program they were able to take countless tons of CO2 of the air and they're actually saving $1 million in fuel cost.

And for customers who are transitioning to electric vehicles, they can manage those in our platform as well, so they can see the state of charge. They can optimize their range. They can make sure that they have enough battery charge to complete the jobs that they need to do, and they can optimize their charging schedules. And for customers who are making that transition, we make that easier as well. We can analyze all the data in the system across their vehicles and identify these are the vehicles that are the best candidates to transition to electric. And that's how customers are being more sustainable with data in Samsara.

All right. To recap, we've seen how customers can use Samsara to replace multiple siloed legacy systems with a single unified system of record. How they can use that system of record to access and analyze data and ultimately act on it to be safer, to be more efficient, and to be more sustainable. But we are continuing to innovate and expand where we can address customers' operations.

And to tell you more about that, I'd like to hand it over to Jeff. Jeff?

Jeffrey W. Hausman

Chief Product Officer, Samsara, Inc.

All right. Good afternoon, everybody. Great to be with all of you. For those of you who I have not met, Jeff Hausman, I'm our Chief Product Officer. And I've now been with Samsara for not quite 11 months. And I figure it might be beneficial to give you a little bit of background on me before we dive in.

So I've been – as I announced earlier today, I've been working in the area of digital transformation with IT organizations for quite a long time. Most recently I led what was called the Operations Management portfolio at ServiceNow for three-and-a-half years, and I previously have spent time in other large technology companies Veritas, Hewlett-Packard, Symantec, McAfee and others. One of the things that really excites me and Lara talked about purpose; Sanjit and Kiren shared vision and opportunity, one of the things that really excites me is the opportunity to take all the learnings and knowledge, partner with our customers and transform the way the world works in physical operations. And that's why I'm here.

And if you think about all of the road map and all of the innovation that we deliver, it is fueled by our customers. I talked about this earlier, Kiren just shared a bunch of capabilities. A lot of our innovation is driven by the fact that our technology and R&D teams, they're constantly out there, meeting with customers. We had several customer advisory councils literally yesterday. We tested some new ideas. We got their continued feedback. In the past, that's led to things like AI-powered dash cameras, driver workflows, or end of day and beginning of day workflows, the fuel and energy insights that he just shared.

I've also been, in my first 11 months here, spending a lot of time with customers personally, so I've met over 75 of our customers face to face across North America and Europe. And there are a couple of common themes that I

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kind of tend to hear from them. Number one, they see data as a critical unlock to help them drive and do things differently, as we heard earlier. The other thing that I hear is I hear customers who start to appreciate that not all technology is solving their needs. And so what I talked about earlier this morning are a number of new innovations that are focused on reshaping the worker experience. Because we talk about the fact that data is critical, data can inform things, but ultimately, people drive transformation.

So, we shared earlier this morning about how we are driving innovations in the areas of personalized experiences, connected experiences and integrated experiences. From a personalized standpoint, our customers have all manner of different types of workers that are out in the field, helping them operate more safely, more productively. I'll show you some of the new things that we're doing there. They also have a very vast set of operations. They have all different types of jobs that they do, all different types of sites that they operate in, connecting across that entire workforce from sites to vehicles, to assets, critically important.

And finally, as we just shared, the integration of various different systems, systems that are in use by our customers, their customers, their partners, those are unlocking effectively new value streams or new use cases and breaking down data silos.

So let's dive into personalized. One of the biggest challenges whenever I survey the room, I ask our customers, how many of you have 100% utilization? How many of you have full staff? Not one raises their hands. They are all struggling with the opportunity and the betterment and the way to engage and retain their drivers, their field workers, et cetera. Critical problem. They're looking for ways to drive better experiences. Kiren mentioned and we saw in the Chalk Mountain video how a number of customers use our AI-powered information to understand and better self-coach on behavioral situations and improve driving behavior.

And we're helping them with these in-cab alerts and nudges to self-correct and then they can resolve those issues in real time, not having to wait until a coaching session necessarily, but they're able to improve their safety scores and improve the overall safety and operations of their business and their overall organization.

But we also saw that there are a number of other challenges that they have. Most of our customers have hundreds, if not thousands or tens of thousands of workers and they're operating in all kinds of different locations. So imagine I described this this morning. It's 3:00 AM in the morning, some worker is out in that – I don't know that quarry that was shown, out in the middle of nowhere, having trouble with an app or a workflow. What do we do? How do we help them actually get this working properly? Or they're driving in the middle of rush hour traffic and they're getting incessant notifications, texts, TikTok, whatever, right? We knew we could do better.

And so this morning, I introduced one of our new solutions, a software-based solution called Mobile Experience Management. Mobile Experience Management is going to allow our customers to simplify mobile management at scale, and they can personalize the mobile experience for specific personas. So for instance, if you were a field service tech, I can define what specific applications and workflows are appropriate for you. If you are a construction worker, I could do the same. If you're a long-haul driver, I can do the same for you so I can personalize and make sure you're getting what you need. And there really two deep benefits.

The first benefit that we talk a lot with customers about is go back to that 3:00 AM scenario. We could provide a lifeline from central HQ out to that worker. We can make sure that they get an application downloaded and working, a workflow operating, fix the configuration issue if that's what it is. Get them up and running, wherever, whenever they need it from a remote location. That's keeping them connected and productive, which is critical for the efficiency and driving of that business.

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The second thing is something as focused more on drivers, it's called Focus Mode. This going to allow you to determine what applications and workflows are available to that persona, while a vehicle is in motion. It's going to more proactively, avoid even further sets of distractions or disruptions, while a vehicle is in motion. So, these two benefits, fantastic, very powerful, great to hear about them. But I want to conduct a quick little video demonstration of remote support to share with you how this actually works. So, let's bring up the little remote demo and I'll talk to it.

Now, this remote support feature, it's the only integration and opportunity in the market that's tied directly into our platform. And if somebody is in need of a solution, you can go find a particular device. You can click into remote session with that particular worker's device. And you see here this is the dashboard view from back office and the same view that the actual worker has in their mobile device. I can now go in, in real time and I can derive, if you will, and address and fix whatever challenge. Or in this case, I'm literally starting and helping them drive a start of day workflow.

I can literally provide complete support wherever and however they need it to make them more productive. We're pretty excited about this and frankly, so is the audience from this morning. But beyond personalized experiences, again, our customers are operating at vast, connected, large sets of complex operations. We need to drive connected experiences for them.

So picture, for instance, the volume and the type of jobs that our customers are performing. We saw how we have all different types of organizations. We have people managing deliveries, people performing service fieldwork. They're operating in hazardous conditions, often with dangerous equipment. We've got to help them with better visibility into how things are working.

So one of the things that we saw is we saw an opportunity to help them rethink and leverage the feedback from them on how they actually manage things like intensive amounts of paperwork and pen-and-paper processes. Every single one of our customers has lots of these.

Beyond, as Kiren showed, the vehicle inspections, think about OSHA safety. Our customers fill out massive paperwork. It takes tremendous amounts of time. Sanjit talked about one of our customers who is taking them not only thousands of hours to actually fill these all out. It takes days for that paperwork to get back to a central office and be able to be used.

So we have worked on and focused on complete digitize or digitizing this process, helping make it easier and better for workers with what we call Connected Forms. It was talked about briefly. I shared it this morning. This is another software-only solution. This is going to bring the power of mobile workflows everywhere within physical operations. Think about how you can now digitize any type of challenge, and I'll, in a moment, show it to you.

But there are a couple of key things. This is going to help save hours. It's going to improve efficiency. it's going to avoid mistakes. It's going to help you avoid costly fines you might have, particularly in regulated or OSHA-type compliance. And this is something that can be delivered seamlessly to anybody with a mobile device, which pretty much everybody in this room has, and most of our customers now have.

So let's do this, it's great to hear me talk about it, but we're going to do a live demo. So, CJ, in the back of the room. You ready? You look ready. All right. We're going to do a live demo for you of Connected Forms. You can see the digitization of forms, it starts in the familiar Samsara mobile app and you see on the upper right there, this great new tile says forms. Through that, we can pump from the Connected Operations Cloud, down to this mobile device all manner of various different types of inspections forms for all manner of different types of things. And

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CJ's showing you a selected list we could customize and do all manner. These could be safety inspections, specialized equipment inspections, anything that you need to do, we can customize and put directly into a mobile worker's device.

Now, we did this earlier today, so we're going to do the same one today. So we don't – we have good karma. We are here in a tight little space. There's only two egress, so we have fire safety challenges, right, CJ? Let's do the OSHA fire safety inspection form. So as he goes in, this is so easy for him to fill out and complete. CJ is not a fire safety expert. He doesn't understand OSHA regulations, well, maybe he does, but we'll say he doesn't for this. He is prompted to automatically go through all these checklists, all the different items, and to identify if there are any issues. And you can see he did find an issue. He found that somebody blocked fire doors out there or somewhere. What he's able to do, he's able to add notes. He's able to add photo directly in to prove that there is an issue, so that he can submit it back to HQ. So he's going to go ahead and hit submit. And that is in real time translated up into the Samsara Connected Operations Cloud, so every customer can get real time immediate visibility into all these issues and submissions.

Now, let's shift gears, CJ. Let's go to the team at HQ. So now, we are the safety and maintenance team at Company X. What CJ is showing you is a list of all the different submissions from throughout the organization. And they're sorted by where they were – who they were submitted by and the time they were submitted. But you can also look at it – as you know, we have an enterprise-grade platform by tags, by the form type, by variety of different other factors to organize this the way he wants. And if he clicks into the specific one that we just did, you'll see additional context besides the answers, that I'll come to in a minute, shows he did it, when he did it, where he did it. You saw him do it. He did it right here in Austin, Texas. This is live. And then if he scrolls out, he can scroll down and show you the answers. He can show you the text and the photo, have his proof. And now he's easily able to make sure this is passed on and resolved. And I'll come back to that more in a minute.

But let's also think about another challenge that customers bring to us. What happens when I need to go back and find one of those form submissions from a year ago, three months ago, what have you? What do they today? They're rummaging through file cabinets or sifting through mountains of paper. Now you simply go to the issues page. Every historical submission is now in one single place right here. It's organized by when it's due, but he can look at it by status or who it's assigned to and CJ maybe if we just go as a last step here, drill into our − there you go. Door is blocked by mountains of boxes, lovely. He can also assign it to somebody. He can put the priority in it. He can start and kick off another workflow from this. So rest assured, he'll make sure that our boxes get removed safely and we're all good.

Bottom line is Connected Forms is going to change the way that our entire operations customer base works. It's going to give them that power of connected digital workflows throughout their operations and to all of their workers. Incredibly powerful and we're really excited about this. So there you have it. Live demo of Connected Forms. All right.

Thank you, CJ. All right. Now, beyond those personalizing connected experiences, our customers also need integrated experiences. So we have one of the largest sets of capabilities from a platform standpoint. We have the largest set of operational data on an open, integrated platform in our industry. We have over 240 different integrations. Our platform operates at enterprise scale. You already heard about the 6 trillion data points that we get, you heard about the what I said this morning, about [indiscernible] (01:12:43) collective miles and the diagnostics of that that come into our system every single year.

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We have capabilities that our enterprise customers expect: tags which you saw, single sign-on, rules-based, all the things that our largest customers and enterprise-grade customers expect. And you also see that on average they use six various different integrations. They're driving a lot of value in addition in outside.

So let me talk about a few of our types of integrations and these are just a few. We have 240. Let's start with OEMs. We can bring data in from tractor or tractor providers, refrigerated trailer providers, specialty equipment providers, so Thermo King, Stellantis, John Deere, GM, Ford, et cetera. And if those organizations already have a way to bring data into our cloud, we can do cloud-to-cloud integration with them. It's providing additional insight and value to help our customers manage their entire portfolio fleets.

And frankly, most of our customers are not homogeneous. They have multiple sets of equipment and providers. It's very important for us to be able to get that information for them however and wherever we need it. Second, IT data and I'll extend it and say IT and financial data. We have all manner of different types of integrations with these types of systems. Some of you who were here last year probably remember the story of Michael sharing Liberty Energy situation. They were able to, because of the way that they lease back equipment into their organization, they were able to use our data on location to improve, tie back into their financial systems, and drive localized tax savings throughout their operations to the tune of more than $10 million in a year. That's pretty powerful.

From an insurance standpoint, we help organizations tie into insurance organizations, and there is a great win-win-win story there. When companies are using our capabilities, their safety is better. That actually helps the insurance companies and it reduces the payouts, so they get lower premiums.

The story I shared this morning was company called, Fraley & Schilling. They operate 41 fleets across the Eastern US. Those fleets drive 4.5 million miles a month. They've been able to improve safety scores and they've lowered insurance costs by over 36%. That's fantastic. And then the last area that I'm highlighting on this slide, vertical-specific. So one specific example that I can highlight is RUBICONSmartCity. They leverage our APIs, they're a water and recycling kind of management software solution for cities. And using our data, they integrate our data via API and they're able to, in real time, share with their customers both routes and the expected time of pickup and whatnot, helping drive more efficiency and better customer success and customer service.

So, you can see the power of our platform and how we're able to drive integrated experiences to break down data silos and unlock new value streams and new outcomes for them. And you're going to even hear a little bit when I come back with two of our customers about how they're using data in integrations, in driving outcome in all the areas that we talked about around efficiency, safety, and sustainability.

So, I'm going to close out here. Excuse me. Look, we're helping our customers solve really tough challenges. We're helping speed their digital transformation by reshaping the worker experience. And we're doing it to drive efficiency, safety and sustainability. We continue to drive innovation, listening to our customers. We continue to invest in expanding our ever enterprise-grade scale. We continue to focus on driving AI and innovation in that arena. And we will continue to be delivering outcomes for customers.

So with that, I think we are going to wrap and take a little break. And how much time do people have, Mike?

Michael Chang

Vice President-Corporate Development & Investor Relations, Samsara, Inc.

5 minutes.

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Jeffrey W. Hausman

Chief Product Officer, Samsara, Inc.

5 minutes and we'll be back on here. Thank you.

[Break] (01:17:24-01:26:31)

Jeffrey W. Hausman

Chief Product Officer, Samsara, Inc.

All right. And we are back, everybody's still here. So listen, after hearing about – maybe we go to the next slide, after hearing about our product update. We thought it would be great to hear from two of our esteemed customers that represent two different industries, two different areas. So I'm very pleased to welcome to the stage, I guess we'll do it in order of Jonathan first and then Travis. So Jonathan, who is VP of Transformation, he get it right at Maxim Crane Works. They are the largest crane rental company in the United States. Did I get that right?

Jonathan Vinson

Vice President-Transformation, Maxim Crane Works, LP

Yes, sir.

Jeffrey W. Hausman

Chief Product Officer, Samsara, Inc.

So tell us a little bit about your role at [indiscernible] (01:27:08).

Jonathan Vinson

Vice President-Transformation, Maxim Crane Works, LP

Thanks, Jeff. So, yes, I'm Jonathan Vinson, I'm the Vice President of Transformation for Maxim Crane Works. As Jeff alluded to, we are the largest crane rental company in North America with 2,500 lifting assets and over 5,000 support fleet being tractors, trailers and mechanic trucks. We've had a relationship with Samsara since June of last year with full implementation taking place in January of this year.

Jeffrey W. Hausman

Chief Product Officer, Samsara, Inc.

That is fantastic. And we have Travis. I'll let you introduce yourself. Senior Director of Systems and Strategy, you get a new title on me, which is great at Univar Solutions. Univar is a global chemicals and ingredients distributor. They are number 369, not 370, 369 on the Fortune 500. So tell us a little bit about them.

Travis Vedral

Senior Director-Systems and Strategies, Univar Solutions

Yeah, no, thank you, Jeff, thank you again for inviting me to be here again. My focus with Univar Solutions is really maximizing our capabilities in transportation through leveraging data and technology. And Univar Solutions, we're a large organization, 10,000 employees, global organization, our private fleet, 5,000 plus assets. Identified as a top 50 private fleet asset in the nation. So we're super excited to be partnered with Samsara, but we've been a customer for two-plus years now. Last year, Nathan Slemmons on our IT team actually won the Connected Operations Award for Technology Leader of the Year.

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Jeffrey W. Hausman

Chief Product Officer, Samsara, Inc.

Yeah.

Travis Vedral

Senior Director-Systems and Strategies, Univar Solutions

For his great implementation in 2021. Seven months, we implemented those assets with no downtime. So happy to be back to be on for the second year in a row.

Jeffrey W. Hausman

Chief Product Officer, Samsara, Inc.

That is fantastic and it's great to have both of you. Thank you for sharing your stories with everybody. I'm going to start the questions with let's talk a little about operational challenges, because obviously both of you have very complex, large operations. I'm going to start with Jonathan. Tell me a little bit about some of the challenges that you saw that led you to explore and think about Samsara?

Jonathan Vinson

Vice President-Transformation, Maxim Crane Works, LP

Yeah. With our lifting capacity in our fleet, the complexity of the projects that we work on are varied. So one of the biggest challenges that we face as an organization is we have a very manual process. So when it comes to the evaluation of our equipment, pre and post-job, payroll, billing, everything along the lines of maintenance. So there's so many touchpoints where a one ticket will go to somebody in payroll, another ticket will go to somebody in billing, another ticket will go to somebody in maintenance. So those are some of the challenges that we're working through with Samsara and trying to avoid, one, the loss of those tickets, as well as making sure that it's as efficient and as automatic as possible.

Jeffrey W. Hausman

Chief Product Officer, Samsara, Inc.

Yeah. And you have, what, 2,300 cranes or something like that?

Jonathan Vinson

Vice President-Transformation, Maxim Crane Works, LP

A little over 2,300 cranes and over 5,000 tractor trailers and mechanic trucks.

Jeffrey W. Hausman

Chief Product Officer, Samsara, Inc.

Yeah. And then explain a little bit about the relationship between the rigging and the cranes, just to give people some perspective of other scale of assets.

Jonathan Vinson

Vice President-Transformation, Maxim Crane Works, LP

Yeah. In addition to the fleet that I mentioned before, we have over 20,000 ancillary pieces of equipment that we're managing on a day to day basis. So depending on the lift that we're working on for a project, there could be

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dozens, if not hundreds of different configurations that we're working through as part of that project. So the complexity of that is quite significant in our industry.

Jeffrey W. Hausman

Chief Product Officer, Samsara, Inc.

Yeah. That's great. And, Travis, same question for you.

Travis Vedral

Senior Director-Systems and Strategies, Univar Solutions

Yeah. Before Samsara, we have 100 terminals across the nation and we're working off different datasets, different connected platforms – well, non-connected platforms actually and it was great. This morning in one of the breakout sessions next door, we were talking about some of the document process flows and how bringing all that data together.

And that was our challenge. We didn't have a holistic way to look at our organization to run efficiently, to operate and to keep safety as our prime focus. And so now with Samsara, since the implementation, we've been able to take all the different data connection points of different vendors in the data space, put it together through Samsara, pull out the data we need to make decisions and now we've got 100 different locations playing off the same playbook. And so it's really unique.

Jeffrey W. Hausman

Chief Product Officer, Samsara, Inc.

You also – I know you both have this challenge, but you also have had faced some labor challenges where this is helping you as well. Maybe share a little bit about that before we dive in.

Travis Vedral

Senior Director-Systems and Strategies, Univar Solutions

The previous couple of years, we've had labor challenges. And by putting Samsara in our assets, it's helped us and I think we're going to get to it a little bit later, also is really keep our driver retention rates high. And so those labor challenges, the supply chain challenges. Being able to tell our customers when we expect something to deliver and having that confidence, that's what we're striving to do.

Jeffrey W. Hausman

Chief Product Officer, Samsara, Inc.

That's fantastic. And listen, I know for both of you, I've been to your site. I haven't yet been to your site. It's only been 11 months. You're both – safety is – it's job number one. So, Jonathan, just tell us a little bit about what are you doing from a safety standpoint? How is Samsara helping you drive safety?

Jonathan Vinson

Vice President-Transformation, Maxim Crane Works, LP

Yeah. I'm sure it's very similar to Travis' business. Safety is our number one priority. Our number one priority being in a very risk-adverse environment, because of the potential complexity of our projects and the risk of accidents. The number one priority for our company is to have our employees go home to their families safe. One of the key things with our partnership with Samsara is, on average, for the last four years, we averaged 20 rear-ending accidents with our equipment on the road annually.

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Since the implementation of Samsara in June of last year, starting with our pilot, we've had zero. And I have to knock on wood every single time I say that, but that's one of those things. In addition to keeping our employees safe, it's a significant financial savings for our company to avoid those types of accidents.

Jeffrey W. Hausman

Chief Product Officer, Samsara, Inc.

Yeah. And you also have a long-term goal from a broader savings standpoint. Maybe you can share a little bit about what you want to do there.

Jonathan Vinson

Vice President-Transformation, Maxim Crane Works, LP

Absolutely. So one of the key things as part of our ROI for our investment with Samsara was to reduce our insurance claims for over-the-road accidents and on-site job accidents. Our goal is to reduce that by 30% over the course of the next five years, which is upwards to several million dollars in savings during that period of time.

Jeffrey W. Hausman

Chief Product Officer, Samsara, Inc.

That is fantastic. Great. Great to hear. And, Travis, obviously safety is important to you. So tell us a little about what you've seen in terms of...

Travis Vedral

Senior Director-Systems and Strategies, Univar Solutions

I don't want to echo Jonathan here, but, yeah, safety is extremely valuable, and having best-in-class data and technology, it drives that comfort for the driver to know that we're focusing on their safety, as well as the communities that we work and live in as one of our purposes with the organization.

And what's quite unique about that is we weren't confident with the datasets we had before Samsara, and now we are. And some stats that we've seen implementing the safety protocols is we've had a 40% reduction in harsh events, and we've taken it a step further. We've reduced our in-cab alerts from 60 seconds down to 20 seconds, which is unique because it's not just having that after-the-fact coaching. The drivers get the instantaneous feedback. So there's a coach in the cab.

Jeffrey W. Hausman

Chief Product Officer, Samsara, Inc.

Yeah.

Travis Vedral

Senior Director-Systems and Strategies, Univar Solutions

And something unique about Univar is any time we have more than two individuals on any phone call or meeting, we do a safety share.

Jeffrey W. Hausman

Chief Product Officer, Samsara, Inc.

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Yeah.

Travis Vedral

Senior Director-Systems and Strategies, Univar Solutions

We spend two to three minutes talking about safety and some aspect from suntan lotion to crossing the road through right way. And recently we've implemented what we call dash cam diaries companywide, so we're taking the dash cams from Samsara from incidents, near incidents or just great reactions from our highly qualified drivers and we're sharing it across the full organization. So the full organization weekly, monthly, daily has access to these cameras and say, hey, look what [ph] Johnny (01:34:46) did over there, this is phenomenal, you should pay attention when you're on the road doing these things.

Jeffrey W. Hausman

Chief Product Officer, Samsara, Inc.

That is great. Dash cam diaries. Okay, you should go into marketing. All right. Listen, great to hear about safety. Another area that we have talked about and you both have some very interesting feedback on is around sustainability. What you're doing particularly as it relates to safety, obviously is a component of the S part of ESG, keeping drivers safe, communities safe, et cetera. I'll start with Travis this time. Tell me a little bit about what you're doing there.

Travis Vedral

Senior Director-Systems and Strategies, Univar Solutions

Sustainability is at the core of what we do being really tied to the environmental aspect of our organization and I would ask everybody go to our website, see our goals are quite aggressive. But for transportation, we focus really on three areas. The three areas we focus on are first, minimize miles. Second, efficient equipment. And third, targeting behaviors. And going back, minimize miles that's payload optimization, network optimization, but more importantly route optimization.

Jeffrey W. Hausman

Chief Product Officer, Samsara, Inc.

Yeah.

Travis Vedral

Senior Director-Systems and Strategies, Univar Solutions

So with the integration into SAP, we can actually look at our drivers routes to make sure they have high route compliance. We can give them coaching on active route delays or challenges of that nature and make sure we're driving the safe route.

Secondly, when we go to the equipment we look at our idling, we look at how is the equipment performing? So reducing our emissions through gaining that MPG, gaining the fuel reduction and we get that feedback directly through the connections with our fuel provider right into Samsara, so we get these reports and we get to look at them monthly, daily, et cetera.

And then lastly, targeted training. And this focuses on the behaviors that the driver does inside the cab to be more ecofriendly. We've got the scorecard. Samsara provides the scorecards. They provide us all those details. But now, we're actually taking it a step further to try to figure out how can we create a ecofriendly driving module, so

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that we can pull the drivers out and not just say, hey, you're braking too hard. We can coach them and show them how to effectively brake. And that wouldn't be available if it wasn't for your back-end API.

Jeffrey W. Hausman

Chief Product Officer, Samsara, Inc.

That is fantastic. And again, I said to the audience, you would talk about integrations and value coming. There are some of them. Jonathan, over to you.

Jonathan Vinson

Vice President-Transformation, Maxim Crane Works, LP

Yeah. Very similar to Travis. One of the two things that I think is the most important when it comes to the ESG component of what we're looking to achieve here versus idling. We have heavy equipment that is typically waiting at a gate on a construction site for a trailer, somebody else to be there to help unload, to get the crane ready for a project. And a lot of times we had – well currently, we had zero visibility to any type of idling impact to our business. So we were wasting significant amounts of fuel.

When we started the pilot, we were at 40% idle time. When we were working with Samsara, they told us basically, the industry standard was around 25%.

Jeffrey W. Hausman

Chief Product Officer, Samsara, Inc.

Yeah.

Jonathan Vinson

Vice President-Transformation, Maxim Crane Works, LP

So our goal was to reduce just 5% in year one, which was going to save upwards to three quarters of a million dollars a year.

In addition to that, we had absolutely zero visibility with regards to the carbon footprint on our massive pieces of equipment. So now, we actually have that visibility. We can track it and we can actually improve it over the course of the next several years.

Jeffrey W. Hausman

Chief Product Officer, Samsara, Inc.

That is fantastic to hear. And speaking of assets and tracking and whatnot, I'm going to come back to you from an asset utilization standpoint.

End 44-88

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How do I use this to optimize my maintenance or asset purchasing, et cetera? So that's really a continuation, I think, of the momentum that we shared last year and it's continued to grow, both with the number of partners in our ecosystem as we continue to add more partners into our marketplace, as well as how those are being leveraged by the customers.

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In terms of AI, certainly thinking about generative AI, speaking large language models as a new tool in the toolkit. We're doing a lot with AI today. These opened up new possibilities. And one of them is how do we help customer complete tasks, right? That might be a driver, right? How do we help to give them safety feedback, but something that we're doing today, we'll continue to do more of. Also, thinking about the admin experience and how we can help them make better decisions and act on the [indiscernible] (02:19:49).

Michael Chang
Vice President-Corporate Development & Investor Relations, Samsara, Inc.

A

Great. Our next question is from Matt Pfau.

Matthew Pfau
Analyst, William Blair & Co. LLC

Q

Yeah. Great. Matt Pfau from William Blair. Wanted to ask about your entrance into providing more of a workforce solutions. How do you think about that longer term in terms of what you want to address and what you don't want to address? A lot of your customers are doing many different processes and procedures that can be digitized. What do you leave for partners? What do you do and then how do you think about monetizing those? Are those more of seat-based versus some other monetization model?

Jeffrey W. Hausman
Chief Product Officer, Samsara, Inc.

A

I guess I'll start. So I think the number one thing that I would say is, we'll continue to work with our customers to understand what are those different types of workflows that they want to digitize, they need to digitize. That's going to help us understand what are the things that we are best suited to do and what are things that relate to other third parties? And even building on the last question, we have so many partners coming to us now to actually integrate. And I announced this morning we have new data connectors to allow us to communicate better. We have new developer tools. So I think we will learn that over time.

I'm also not going to announce pricing yet for Connected Forms. It's not even GA, but we'll get there and we're learning and working through things. We want to make sure that it is obviously inappropriate fares exchange of value. It's also able to be understood. So, I share experiences from others, dare I say battle wounds of different ways of pricing tables at another big company that didn't go over so well because it's very hard for the customer to appreciate and understand. So we're being very thoughtful about how we are actually going to monetize that. So stay tuned. We'll come back to you on that one.

Michael Chang
Vice President-Corporate Development & Investor Relations, Samsara, Inc.

A

Right here. And of course next question for Peter.

Peter Burkly
Analyst, Evercore ISI

Q

Thanks, guys. It's Peter Burkly with Evercore ISI filling in for Kirk Materne. So, Dominic, maybe for you, just curious, great progress on the margin front. As you guys get to the free cash flow positive, just thinking about the sales and marketing leverage, sort of where you see the ability to drive further leverage from here and maybe does the mix of net new ARR coming from lands versus expansion play into that equation at all?

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Dominic Phillips
Chief Financial Officer & Executive Vice President, Samsara, Inc.
A

It doesn't because the way that we compensate our sales organization is really around net new ACV. So they get the same – there's the same kind of cost of sale for a new logo versus an expansion. Maybe the expansions have a little bit faster of a sales cycle. But I think the bigger point is we've gotten to this scale in seven-plus years of selling. We sell three to five-year contracts. And so we're really learning a lot about our renewal motion. And the majority of our ARR still has not yet been renewed. But as that happens, again, the cost of sale, the commission rate associated with that renewed dollar of ARR is much lower, which is going to continue to drive more and more leverage out of the business.

Michael Chang
Vice President-Corporate Development & Investor Relations, Samsara, Inc.
A

Our next question is from Chris.

Christopher Quintero
Analyst, Morgan Stanley
Q

Hey. Chris Quintero from Morgan Stanley. I think it was this time last year at the Analyst Day where you talked about how you're thinking about better monetizing the business with pricing tiers kind of mentioned as a potential. So just – and you've hired a lot of senior people from ServiceNow. So just curious if you can provide any detail on those kind of plans or thought process?

Jeffrey W. Hausman
Chief Product Officer, Samsara, Inc.
A

Sure. Good question. Listen, the notion of pricing and packaging is something that we regularly think about. We look at it on a – an annual basis pretty carefully as I think you know, last fall, we did increase pricing for our existing products. I think that was the first time it had been done in a while. We are being thoughtful about what it takes and what's appropriate to do.

I do have experience, as does Lara, as does Dominic, with various different models, whether that's good, better, best high pricing in from other places. There's nothing that I've got to announce right now. We are looking at things carefully and it does take time. We have to make sure that we're internally ready, that our customers, that our partners are all part of that process. So stay tuned. We'll come back to you when the time is right. But we are absolutely looking at both how to monetize new things and how we might change if we do structures of existing things.

Michael Chang
Vice President-Corporate Development & Investor Relations, Samsara, Inc.
A

Our next question here for Junaid

Junaid Siddiqui
Analyst, Truist Securities, Inc.
Q

Thank you. Junaid Siddiqui from Truist Securities. Sanjit, you've mentioned Western Europe to be potentially an even bigger opportunity for you than here in North America. How should we think about investments there going forward as you continue to expand there? And maybe if you could share some insights there for me, some similarities and differences between customers and partners and from a competition perspective.

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Sanjit Biswas
Co-Founder, Chief Executive Officer & Director, Samsara, Inc.

A

Yeah. So we're excited about the Western European market because of its scale. In terms of scale, it is a bit larger than North America in terms of number of commercial vehicles make. Mike, you may remember the stats a little better than I do, but it's really significant because there are so many major economies. The other interesting thing is they are mirror images of the industries we serve today. So if we think about food and beverage distribution, utilities, all of those businesses we talked about, they exist in Europe. So the needs are very similar. Now, what's different is there are regional differences in terms of regulation. So the French rules are a little bit different than the UK rules, are different than the rules in the DACH region. So we need to make sure that we are appropriately customized on those kind of localization topics.

The usability of the product also matters. A lot of local language support. And then just understanding some of the norms and nuances. Maybe insurance payouts are a little bit different in some of those regions, things like that. So I would say it's an 80/20 where 80% is a very similar kind of carbon copy or mirror image of what we see here in North America, and 20% is a little different. Our strategy has been to actually break Europe up into multiple regions, UK and Ireland being the kind of beachhead that we've landed with. We've been in that region for a few years. We're seeing great progress. We're now starting to expand onto the continent, but it's a long-term strategy for us. It's not something we're trying to rush into.

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