



Matt Martino: All right, first company meetings this morning. We're lucky to have Samsara and Sanjit Biswas, CEO and Dominic Phillips, CFO, and I'm Matt Martino. I cover Samsara and infrastructure and vertical software.

I think in the interest of time, we'll kick it off. So, thank you guys both for being here this morning.

Unknown: Great. Thanks for having us.

Matt Martino: Awesome. Well, Sanjit, when you founded Samsara, much of the physical economy was still largely offline. So, a decade into that journey, what have you learned about the scale and the shape of the opportunity that you could not have appreciated perhaps at the outset?

Sanjit Biswas: Yes. So, when we started Samsara, it was a little over 10 years ago, we saw that there was a tremendous amount of infrastructure in the world. And that's what kind of caught our interest. We were talking about the electrical grid, the roadways, the companies that haul our trash every day. And we felt that they had not gone through digital transformation. So, we wanted to help build products and tools to help them do that. I think what I appreciate now is just the sheer scale and magnitude of our planet's infrastructure.

I think as an outsider, you're not on the inside. You're not seeing how complex it is, how many thousands of pieces of equipment it takes to run these operations every day. But having spent time with customers, I've developed a deep appreciation for just the enormous amount of complexity they have to deal with.

Matt Martino: Great. Well, let's turn to the quarter for a moment. You guys' reported earnings last week. Sanjit, Dom, you can both take this. But net new ARR growth accelerated. Again, Samsara has now crossed \$2 billion in ARR. What has changed most meaningfully in the business to drive that acceleration? And how does that shape the way you think about growth from here?

Dominic Phillips: I think there are a few things that we called out on the call that have been actually pretty consistent over the last several quarters. The first is large customers and large deals. In the quarter, we had a quarterly record number of 100K-plus and \$1 million-plus customers added. It was our third highest quarter ever in terms of large million dollar-plus net new ACV deals. So, the large customers continue to drive more and more of our ARR mix, 100K plus customers now contribute 63% of the overall ARR. So, I call that out as one.

And the other that really stands out is this bucket of emerging products, these non-core products, have really consistently driven a lot of our growth. So, now for three consecutive quarters, these emerging products have contributed more than 20% of our overall net new ACV. And so, we now have many ways that we can interact with customers and enter into some of these deals. And that's been pretty consistent over the last several quarters.

Matt Martino: Yes, maybe just to double click on the upmarket momentum because that was particularly notable, record ads in \$100k-plus, near record in \$1 million-plus. I guess, is there anything resonating differently with large enterprises today? And how has like the breadth of Samsara's platform changed the conversation with these customers? I think about the city win that you guys called out on your last call.

Sanjit Biswas: Yes, absolutely. So, the city win was fantastic. This is a top five city here in the U.S. They had started out in a pocket of their operations really on the telematics side. And then what they realized is that they wanted to modernize really the way the city runs. And that involved putting safety cameras in, so helping improve driver safety, also understanding where all this equipment is, helping modernize even how they maintain the roadways. So, they licensed a newer product from us called Road Intelligence that gives them visibility over all the potholes and the road conditions and what's changing.

So, this kind of ties back to my first answer around complexity of these operations. There wasn't any one thing they wanted to look at, they actually wanted a digital copy of their city so they could better understand the operation. And that's, I think, an incredible opportunity. And we're not just seeing it in public sector, we're seeing it in industries like construction, field services, energy utilities, everyone is going through digital transformation. And the difference in these industries is it's so physical. They need visibility over all these assets and roadways. They need data about how all this equipment's performing. And then they have pretty big teams. So, they have thousands of frontline employees that they need to go collect operational data about.

Matt Martino: Great. Dom, maybe staying with the growth model, Samsara is winning a lot of large new logos, NRR is still holding at 115%. So, with core products still meaningfully underpenetrated and the new products, adding another layer of expansion, like how do you think about the durability of the NRR profile over time and perhaps for that to even strengthen from here?

Dominic Phillips: Yes, so what's interesting about our business is it's been very balanced very consistently. We showed this slide at our Investor Day presentation in June where over the last three fiscal years, roughly 60% of our net new ACV has come from our existing customers and 40% has come from new logos. And that, again, has been consistent over three years.

So, a lot of opportunity on the new logo side, but also a really large opportunity still within our existing customers. We showed a subsequent slide where if you take our existing ARR as 1X, and if we were to go wall to wall across all of our products and license, all of our customers' commercial vehicles and physical assets and frontline workers, we estimate that we could drive another 8X, more than 8X, just within our existing customer base.

And then if you really just look at our core products, the video-based safety and telematics, we're only roughly 35% saturated, meaning we still, even within our current customers, have a lot of ability to drive upsells across the core products as well.

So, all of those give us a lot of confidence that expansions are going to continue to be a big driver of growth and allow us to continue this -- the approximately 115% NRR that we've been able to achieve.

Matt Martino: And maybe you just expound on sort of like how you unlock the additional 60% to 70% of that sort of unit TAM within your installed base. Like how does that kind of sequence into the model?

Dominic Phillips: Well, I think it's meeting the customers kind of where they are. As Sanjit mentioned, these are customers that historically have not adopted a lot of technology and they're going through this large digital transformation and there's a lot of change management that's ultimately required. And so, meeting customers where they are in terms of like what are their largest pain points, and then help them kind of sequence how we're going to install the technology and offer them this service, I think has happened very consistently and will continue to drive the expansions going forward.

Matt Martino: Maybe just one on supply chain to kind of close out the discussion on the quarter. The strength in demand that you're seeing also means procuring more inventory, you're operating in a volatile supply chain environment, you're absorbing higher hardware costs. The first question is, how comfortable are you with your ability to secure the inventory needed to meet the improved demand outlook in the second-half of the year? And then even looking beyond 2027, how should we think about the pace of free cash flow normalization and any gross margin implications as we kind of progress to kind of Fiscal 2028?

Dominic Phillips: Do you wanna take the first part?

Sanjit Biswas: Yes, I'll take the first part. So I do think we're seeing very strong adoption of these products. And so, that's gotten us going out to market, securing more hardware. It's a very dynamic environment, but I have to say we have a fantastic supply chain team. If you remember back in 2022, there were a lot of disruptions in the supply chain as well. We didn't stock out a product. We're very nimble. We'll redesign hardware if needed to adapt to whatever components are available. So, I feel good about our ability to procure the product, but we do need to be out there because it's a tight market.

Matt Martino: And then on the gross margins and free cash flow, Dom?

Dominic Phillips: Yes, so, on the free cash flows, it happens much more in the near term because we have to pay for the inventory and then we recognize the revenue ratably over the customer contract three to five years. So, you see it more impacted in the near term. Again, and as I said on the earnings call, it's really being driven by three things. The first is we're just growing faster than we expected. And so, as you grow faster, you need more devices to meet customer demand. The second is that because we have a very strong cash

position, we're going to really go out there and try to pre-buy inventory whenever possible because we're seeing really strong customer demand in the market.

And then the last is kind of what Sanjit alluded to is that we are seeing rising supply chain costs. So, you will see it more acutely in free cash flow near term. Medium and longer term, we believe that operating margin is the right forward indicator for where free cash flow will ultimately be. And if you go back to FY 2022, 2023 when we came out of COVID and we saw this, eventually free cash flow will converge back into operating margin, and that is kind of the true indicator of where profitability would be in a normal supply chain environment.

Fortunately, on the gross margin side, these costs get amortized into COGS over the useful life of these, which we estimate to be about five years. And so, it won't impact our gross margins as near term as it will for cash flow, which gives us the opportunity to go out and try to find offsets for it.

So, can we drive more higher [ASPs]? Can we drive more revenue per device? We've talked about there are multiple ways that we can now monetize data that we've collected off of one device. Can we increase our product mix to the more gross margin accretive products over time? And then obviously, can we find cost offsets? Can we improve things like our cloud costs? Can we lower our sale costs, customer support in those areas? So, we have some time to try to find these offsets to gross margin, and that's why we feel confident that we'll stay at roughly 78% or flat gross margin year over year.

Matt Martino: Okay, and then Sanjit, I mean, you've talked about having a nimble supply chain, and you've got sort of a long tail of competitors out there. And you've insinuated in the past that there's a possibility that you could actually see win rates improve against some of your competitive set given sort of some of the supply chain disruptions out there. Are you seeing that in the business today or is that something more on the come?

Sanjit Biswas: So, I think we show very well from a competitive perspective, our ability to invest in R&D given our scale means that we have a richer product set, we have deeper product features, which means more value for the customers. Supply chain is one of those aspects that they kind of rely upon us on, especially if you think about a large, complex operation, someone that's got distributed teams, maybe 30,000, 40,000 vehicles, lots of equipment in the field. They want a partner that can deliver and make sure that there's stock so there's no disruption in their operations. So, I do think that's a differentiator for us. But the bigger picture is really what we do for the customer is so much broader than any of those kind of niche individual point solutions.

Matt Martino: Okay. And then maybe just zooming out a little bit, Samsara's first decade was largely about making physical operations observable. Now the sensor network is becoming denser just as AI can start to reason across video, telemetry, documents, workflows. As those two curves converge, what do you think becomes possible and how does that change the role that Samsara can play in the future?

Sanjit Biswas: It's a great question. So, what's possible now I think would have blown our minds 10 years ago. When we started, it was really around big data and analytics, right? Can you take all this sensor data and report on it? Now we can go find insights in the data using intelligence in the cloud and automate the action. You can automate the workflow. And examples of that are video understanding, right? We now have vision language models that can go watch a dash cam video clip, understand if the driver was operating defensively, and give them a big high five, right? Give them some recognition.

That is something that's helping accelerate adoption with frontline teams. They say, hey, this is great technology because no one was seeing all this great work we're doing. And then when you do that, you start to find adjacent opportunities. Could we help train that frontline team? Maybe on, you know, keep their driving skills sharp, but also train them on some new frontline operation. Maybe they're electricians building data centers and they're taking new trainings all the time.

So, the scope of what we can do has kind of expanded because of these new models. And I think with AI, as the models become more and more sophisticated, we're basically seeing new opportunities to have impact with these customers. So, overall, the ambition that we have as a company has grown as a side effect of that.

Matt Martino: Okay. And then maybe we bring that closer to today. Some of Samsara's latest AI features have seen a fourfold increase in usage in the last two months. Early receptivity is clearly there. Where do you see the clearest path to monetization and how much will change management influence the pace at which customers adopt these capabilities more broadly?

Sanjit Biswas: Yes, I think it is important to understand the customer context here. Knowledge work, I think, has been going through this transformation for the last year or two where people are very comfortable now with the systems and engaging things like Copilot and cloud code and so on.

In frontline industries, that's been less the case. If you think about it, many of them are deskless workers, so they're operating out in the field. They need the right form factor. So, what we've done is put AI in the cab where it just comes from the speaker. It might be a start of day briefing, for example. The engagement on features like that has been really strong. So, think about it as field service worker, you start your shift at the beginning in the morning, and it briefs you on the weather, the jobs you have for the day, your safety record, areas to improve, that kind of thing.

That is a totally different delivery mechanism than a sidebar copilot, right? And so that's been exciting for us to see the unlock happening there. But it's early days, and I think what we will see is over the next year or two, the level of comfort will grow, and then the task automation that happens as a side effect of AI automation is going to be significant.

So, that's where we're going to emphasize it. Let's go understand the daily tasks that people have to do thousands and thousands of times at scale and let's automate a bunch of that work.

- Matt Martino: Okay. And we hear a lot about like where task automation versus sort of workflow automation. And so Dom, maybe to like loop you into this, you've talked about how agents naturally lend themselves to a consumption model. I guess, how do you decide which capabilities belong within existing subscriptions versus something you're going to charge for on a per consumption basis?
- Dominic Phillips: It's something we really experiment with. We talk to kind of customers about and really try to understand like where the power use cases are going to be and ultimately like then where the like largest costs are going to be for us to provide those. And then those are the things that ultimately get put into SKUs and products and ultimately monetized.
- On the agents specifically, what customers are saying is we love this, we're getting a lot of value out of this. We would like visibility into what this is ultimately going to cost so that we don't just get a bill at the end of the month and we have no idea what it was ultimately going to be. And so, our latest thinking is that we will have subscription bundles for a certain amount of usage. Each of these tasks that Sanjit just mentioned will have a specific underlying cost and a number of kind of [CMSR] units or tokens required to provide that. And with a certain amount of monthly subscription, you'll get access to a certain number of those use cases. And then if you go over those, there will be consumption on top of that or you can come back and buy another kind of subscription package for more usage.
- But that way, we can make sure that we're running a profitable business and we've got the right unit economics on these investments that we're making, but that the customers can get the kind of visibility that they're looking for as well.
- Matt Martino: Is there any -- Sanjit, for you, I guess, is there any sort of product today, like I think of like connected maintenance, for instance, where that seems an obvious area where you can actually start to automate some of those workflows. Is that actually creating a little bit more customer pull into some of these product capabilities and then over time you can really start to monetize it? Are you observing that in customer behavior or discussions today?
- Sanjit Biswas: Yes, I think your intuition is exactly right. If you think about maintenance, there's a lot of task work that has to happen behind the scenes. This is checking on things that have to happen every X month or warranty information is pretty common. These are large, complex pieces of equipment. There's often the ability to get dollars back from OEMs on some of these repairs. And so, I think customers are seeing maintenance as a big unlock with AI. That being said, most of these companies are coming up with maintenance systems that are 35, 40 years old.
- So, they may not be pen and paper, but they're pretty antiquated. So, there's this change management curve of, okay, wow, this system's now smart, it's automated. It's able to interact in ways we hadn't seen before, help us wrap our heads around this.
- Matt Martino: Yes, okay. Let's move to emerging products, Sanjit. Asset Tags has been sort of the clearest breakout within the emerging product bucket. What made that adoption curve

work and which of the newer products now appear sort of best position to follow a similar path?

Sanjit Biswas:

As Dominic mentioned, the emerging product adoption has been strong. Asset Tags has been a strong performer, but we're actually seeing strength across the board in the portfolio. But just to double click on Asset Tags, I think the big unlock was actually the Samsara network. So, all of our devices in the field, the ones that are cellular connected, basically help form a mesh network. So, think millions and millions of repeaters that are on job sites and all the kind of operational footprint of the planet. We can now put a little Bluetooth sensor that's industrial grade, so it's a little bit higher power, it's got some additional security features, and we can go track down things like tools or equipment that gets left behind at job sites.

For our customers, they've never had that before. The way that they track tools is they would have a checklist and someone have to make sure they picked up all the drills and the fiber splicers and all that stuff. Now that's automated. And so that's, I think, an incredible unlock. What we're seeing are customers, they start with the Asset Tags, and then they start to realize how much equipment they have. They put it on the equipment, and then they find additional value, where it's not just theft and loss recovery, but it's things like dormancy reporting.

How much are these assets being used? Do we have too many of them? Should we have rented instead of bought? Those kinds of operational questions are pretty interesting, and I think the reason Asset Tag is doing so well is you can apply it across so many different kinds of equipment. So, it's not just small tools, it can be things like generators. It could be rail cars. There's all kinds of really creative use cases.

Matt Martino:

Yes, you've been kind of hinting at something that I've been kicking the tires on when you talk about the density of the Samsara network, the dormancy reports, which is basically a workflow off of the Asset Tags, right? Ground Intelligence similarly stood out to me because it feels like a product that only Samsara could build given the scale of the data flowing through the platform.

So, as you look ahead, is this an example of a much broader category of products that could emerge from the network you've built? And how should investors think about the size of that opportunity?

Sanjit Biswas:

Yes, we're very excited about it. And I do think it's an emerging property of our scale and density. To give you a sense of the data scale, the Samsara platform sees about 105 billion miles driven on it every year, 99% of U.S. roads. So, one of the side effects of that is because there are cameras on millions and millions of these trucks, we can see the road conditions. So, we can see potholes, we can see -- we've learned a lot about road conditions. So, there's things like alligating, which is the way that the road deforms. You can see how it changes over time with cold weather. And for cities specifically, they would have to roll trucks to go inspect this. And so, in departments of transportation. One of our prospects shared with us in a trial, they were able to get instantaneous visibility over 13,000 potholes. They would have taken about a full year to inspect just a quarter of those, right? And now they have instant visibility.

And that's made possible because the data is existing in the platform. And the cameras that are out there have already digitized the roadways. So, we're excited about products like Road Intelligence. We have a similar product for waste called Waste Intelligence. But as we spend time out with our customers, we're realizing this aggregation of data is really powerful and there really aren't sources like this out there.

Matt Martino: Yes, that's great. And I guess maybe we'll shift to tracking labels. This was an exciting announcement coming out of [Beyond]. It introduces sort of a single-use consumption model, potentially new buying center and shippers and supply chain teams. What are you hearing from early customers, and how do you think about the path from initial high-value shipment use cases to meaningful scale, not dissimilar to what you've seen play out with asset tags?

Dominic Phillips: Well, I think what's interesting is it also dovetails on the Samsara network. That's really what powers the Asset Tags, these tracking labels, and we have a number of other kind of form factors that are all being powered by the Samsara network. But again, this density that we have has allowed us to create a bunch of these new products. But now we have these single-use tracking labels.

And what's exciting about that, I mean, the use case is quite obvious to shippers. For us, and the way that I think this ultimately plays out is many of the shippers are not Samsara customers today. So, if you think about maybe pharmaceutical companies or retail companies aren't traditionally Samsara physical operations kind of end market. Our near-term path to kind of selling this product, I think, is through one wedge of our customers, which is the transportation and logistics customers that would then sell these tracking labels to their end customers, which are ultimately the shippers.

So, I think near term we have a real clear path to driving some usage within customers. We also have some customers that do ship things that we can go to directly. I think over time we're going to have to build out more go-to-market capabilities to get us into customers that we're not typically selling into today; particularly of these shippers.

Matt Martino: Dom, transportation, I think, was one of the better performing verticals last quarter. Is there any sort of parallel or corollary there in terms of tracking labels?

Dominic Phillips: It wasn't tied to tracking labels. It's a new product that we announced at our Beyond conference in June. But we've seen, I think, three consecutive quarters of acceleration within transportation as they continue to digitize their work and we've been there to partner with them.

Matt Martino: Okay, let's talk about the go-to-market. You launched product specialists in 1Q to co-sell some of these emerging products. Dom, where are they changing outcomes most clearly, whether product attached, sales cycles, core rep productivity? And has the early evidence there changed how quickly you want to scale that team?

Dominic Phillips: Yes, I mean, it's pretty clear that one of the biggest drivers of our growth recently has been all of these emerging products. Again, three consecutive quarters of more than

20% contribution. And the big driver of the success of those emerging products has been the investments that we've made in the product sales specialists.

The portfolio that we now sell is so broad and there's so many different features and kind of functionality across these products that it's very difficult for a mainline sales rep to know every single product and how all of them use and be able to apply each of those to customer conversations.

And so, at the beginning of this year, we started to invest in product sales specialists for some of these newer emerging products. So, now sales reps have more support as they go into a conversation. They can have a broader set of discussions with customers to solve more of their kind of pain points and they can bring in specialists to help them accelerate those sales cycles and ultimately make the deals larger. And that's been very successful for us and will continue to be a big area of investment.

Matt Martino: And with product specialists behind sort of the emerging products now, is there sort of an expectation with emerging product net new ACV now three consecutive quarters of 20% plus that that sort of sustains going forward? How should we be thinking about the constitution of the ARR profile.

Dominic Phillips: Yes, obviously, we do believe that that can continue to be a big driver of growth. I think that the ultimate contribution, I would expect it to be kind of where it is. It ultimately also depends on what happens with the non-emerging products, the core products, which we also are seeing growing very well and contributing the majority of our ARR. And there's still a very large opportunity on the core product side. We expect that that will continue to drive growth. And so, emerging products will also grow, and I would expect to contribute at least as much as they have over the last few quarters.

Matt Martino: Okay, and then I think another growth pillar of the story here is international. That reached a record of 18% of a net new ACV in Q2. I think you've delivered something similar in Q1. And you've seen particularly strong momentum in Europe and Mexico.

So, Sanjit, after several years of building the foundation, are we beginning to reach a tipping point internationally? And what's going to determine the pace and durability of growth from here?

Sanjit Biswas: Well, we've always been excited about the international opportunity. I mentioned infrastructure. It's really present all over the world. What's unique about some of these frontier markets are that there are specific aspects of the product that have to be customized for use there. And I'll give you some examples, in Europe, for example, the over-the-road compliance requirements are quite a bit different than in the US. They have different hardware, they have different standards, rules, and regulations. So, it took us a few years to really deeply understand how all those systems worked and to kind of crack the code on the complexity. We also see things like low bridge strikes are a more practical issue because you have a lot more older infrastructure around. And so, what the needs are in terms of these markets are probably 80% the same and 20% difference or maybe even 90%, 10%. But that last 10%, 20% is where the complexity was.

We now have a pretty good sense of how to address that with the product. And now it's about just continuing to crack open these opportunities, build brand awareness. And I do think we have a good reputation in these markets because they're excited about AI and digital transformation and the investment we put into the platform.

So overall, we're very bullish on international. I do think it's going to just continue to take time to grow into these markets and the scale of the opportunity.

Matt Martino: And is that about going deeper into the existing markets or expanding into new markets internationally?

Sanjit Biswas: I think we have plenty of total addressable market ahead of us in the markets we're in. So, we serve North America and Western Europe, some of the highest value markets and also the largest markets from a scale perspective.

Matt Martino: Okay, very clear. Let's maybe talk on competition for a moment, Sanjit. I guess as the platform broadens, it seems like Samsara is increasingly competing with OEMs, point solutions, other platforms that each own a portion of the customer's operation. So, how is the competitive conversation changing and what ultimately determines who earns the right to become the broader platform in physical operations?

Sanjit Biswas: Yes, so we talked a little bit about maintenance earlier. That's a whole new set of point solutions that we're competing with. And that tends to be what we're up against is there's inertia in these operations, they've used certain systems for decades and they've kind of gotten used to them. And so, you have to show how our way of doing things is fundamentally better. It's significantly better in some way.

You mentioned OEMs. By and far, they've become partners more than competitors because what they're doing is they're manufacturing all these complex pieces of equipment. So, think trucks, but also trailers, bulldozers, generators, compressors. We're now able to build cloud-to-cloud integrations with them. So, as they come off the line, they can plumb data directly into Samsara.

And if you take a step back, what that means is we're much more the system of orchestration for these operations, where if a customer doesn't have to install a piece of hardware, that's great. It avoids kind of complexity, but really they want digital visibility over everything going on. And our platform is designed for scale. It's got all the kind of governance. It's got all the personas and who can see what in there. That's what our customers really want.

So, I would say if you're a truck maker, you're really good at diesel engines and making great trucks, you're probably not thinking about APIs and data governance and all that kind of digital layer on top.

Matt Martino: Dom, anything to flag here just in terms of competitive win rates for that core competitive set that you guys compete with in sort of the telematics and video safety space? I mean, how's that been trending over the last four quarters?

- Dominic Phillips: I think it's been trending quite well. And I would just point to the results again, another quarter of accelerating kind of net new ARR growth at a larger scale across many different metrics. Four consecutive quarters of 100K plus ARR accelerating. And so, the results have been quite good, the growth has been quite good. I think at that point, it's just our strength in the competitive landscape.
- Matt Martino: Okay, and then maybe just to touch on just sort of the margin profile hiring. It seems like most of the incremental hiring this year is going to go to market, R&D and G&A potentially flat or declining. Does that represent a structurally different operating model for Samsara? And how much more growth can productivity support before those functions need to expand again?
- Dominic Phillips: Yes, so most of the headcount this year, and I would even expect next year is really going to go into go-to-market functions. Even within go-to-market, I mean like direct AE quota-carrying sales reps. Across the rest of the organization and even in some departments, I would expect headcount to be more flat or even down. We're clearly leaning in and investing much more in technology and AI to drive more productivity.
- If I look at things like our overall ARR per employee, it grew by double digits year over year and I expect that to continue to be the case where headcount is not growing very quickly, but we're able to continue to scale and grow the business by using a lot more technology.
- Matt Martino: And then maybe staying with the longer term model, we touched on this briefly, but Samsara is creating more ways to monetize each device across a growing portfolio of products. How do you think about the opportunity to increase revenue per device? And what does that mean for sort of the unit economics of the business over time? Because I know there's some competing dynamics there.
- Dominic Phillips: Yes, I think that's a great point and something that you talked about a little bit over. I'll just point to something like these operational intelligence use that we've rolled out, Sanjit mentioned, Waste Intelligence and Road or Ground Intelligence. Effectively, we've got these cameras and historically we'd monetize those by video-based safety, understanding what's going on with the driver in and out of the cabin, ultimately trying to create safer kind of work environment, we're also now able to use that same video data and monetize it in a very different way.
- We have visibility outside of the vehicle now, so we can do things like ground intelligence where we can tell you where all of the potholes are and we've got an accelerometer within these kinds of devices so we can tell you how big these things are and how they're growing over time. So, you can now go out and fix these versus having to roll more vehicles.
- We can also take that same video data and we can monetize things like in Waste Intelligence where we can tell you if a trash can is overflowing or if it has contaminants in it, ultimately verification of service delivery and these other types of things with all of this other operational kind of visibility. So, we view these hardware devices effectively

as data collectors and with that data that we're collecting, we can find many different ways to monetize it, which drives more kind of revenue per device and obviously has better unit economics.

Matt Martino: Okay, and then Sanjit, I'm sure this is a topic you spend a lot of time thinking about, but just sort of autonomous trucking. How are you sort of positioning the business to kind of navigate that transition as autonomous trucking starts to become a little bit more prevalent over the next decade?

Sanjit Biswas: Yes, absolutely. So, we have been seeing our customers experiment with autonomous trucking for a couple of years, and their capability set continues to advance. If you think about our customers' environment, they're all kind of supply or labor constrained. There's been a trucking shortage or truck driver shortage now for a long, long time. And so, they're looking at this as additive. They see potential to add some of these autonomous lanes into their operations, and that's where it's gonna start.

And for us, I mentioned the word orchestration earlier, that's how they see us, is the partner that's gonna show them, okay, there's an autonomous segment happening here, then it's gonna get handed off. We need geofences, we need workflows, we need automations. And I think that's a really exciting position for us to sit on top of not just autonomous trucking but eventually drones and maybe even humanoids someday.

Operations is pretty fundamental; it's very long tail in terms of its complexity. So, we think it's an and, it's additive where there are going to be humans and robots and even AI agents all kind of interoperating together.

Matt Martino: Very interesting. Maybe in the last couple minutes we have here, Sanjit, to close, what do you think will change most fundamentally about how physical operations are run over the next decade? And what role do you want Samsara to play in that transition?

Sanjit Biswas: Well, we started out the conversation here, but these operations are very large, they're very complex. And I would say they're still in the early innings of digitization. So, when you go and spend time on site, what you'll see is there's still a long way to go and lots of opportunities to digitize. I do think these operations all want to be safer and more efficient, and there's lots and lots of problems to solve.

So, we're very excited. There's decades of work ahead of us as we go deeper into these industries, as we innovate with our customers and help them unlock value from the data. But it really does start with digitizing the physical world. You've got to get sensors out there. You've got to go unlock value from it, and then run a feedback loop to do more and more of it.

Matt Martino: All right, well, fantastic. With that, thank you, Sanjit and Dom, for joining us this morning.

Sanjit Biswas: Thanks, Matt.