

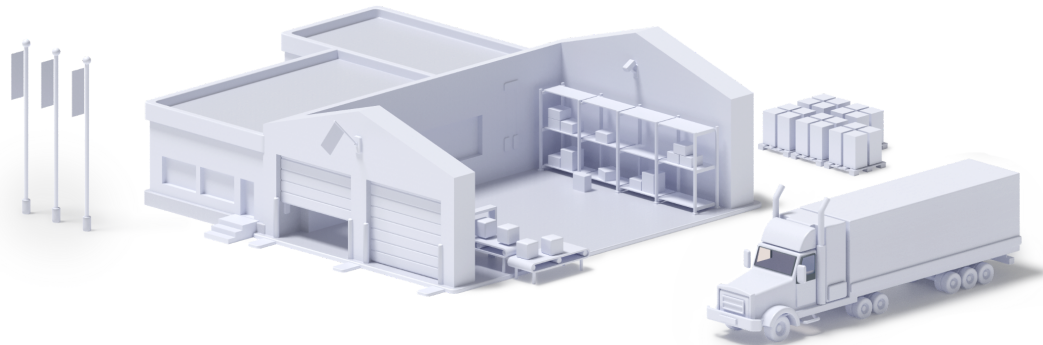
Shareholder Letter

Q4 FY22 | MARCH 2, 2022

Legal Disclaimer

This shareholder letter contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements may relate to, but are not limited to, expectations of future operating results or financial performance, market size and growth, industry developments and trends, the calculation of certain of our financial and operating metrics, capital expenditures, future payroll tax obligations, plans for future operations, headcount and productivity growth, competitive position, technological capabilities, inventory capacity, customer adoption of and results from our Connected Operations Cloud and strategic relationships, as well as assumptions relating to the foregoing. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified and could cause actual results and events to differ. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "could," "expect," "plan," "anticipate," "believe," "estimate," "predict," "intend," "potential," "would," "continue," "ongoing," "guidance" or the negative of these terms or other comparable terminology. You should not put undue reliance on any forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved, if at all. Forward-looking statements are based on information available at the time those statements are made and/or management's good faith beliefs and assumptions as of that time with respect to future events and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this shareholder letter may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements. These risks and uncertainties include our ability to retain customers and expand the Applications used by our customers, our ability to attract new customers, our future financial performance, including trends in revenue and annual recurring revenue ("ARR"), annual contract value, net retention rate, costs of revenue, gross profit or gross margin, operating expenses, customer counts, non-GAAP financial measures (such as non-GAAP gross margin, non-GAAP operating margin, and non-GAAP adjusted free cash flow margin), our ability to achieve or maintain profitability, the demand for our products or for solutions for connected operations in general, the ongoing COVID-19 pandemic, possible harm caused by silicon component shortages, possible harm caused by a security breach or other incident affecting our or our customers' assets or data, our ability to compete successfully in competitive markets, our ability to respond to rapid technological changes, and our ability to continue to innovate and develop new Applications. The forward-looking statements contained in this shareholder letter are also subject to other risks and uncertainties, including those more fully described in our Prospectus filed with the Securities and Exchange Commission pursuant to Rule 424(b)(4). Additional information will also be set forth in our Annual Report on Form 10-K for the fiscal year ended January 29, 2022. Except as required by law, we do not undertake any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

This letter also includes certain non-GAAP financial measures. Reconciliations between our GAAP and non-GAAP financial measures, as well as important information about our use of non-GAAP financial results and non-GAAP financial guidance for future quarters, can be found in our investor presentation and/or earnings press release, both of which are available on our investor relations website. A reconciliation of non-GAAP guidance financial measures to corresponding GAAP guidance financial measures is not available on a forward-looking basis without unreasonable effort due to the uncertainty and potential variability of expenses, such as stock-based compensation expense-related charges, that may be incurred in the future and cannot be reasonably determined or predicted at this time. It is important to note that these factors could be material to our results of operations computed in accordance with GAAP.





Sanjit Biswas

Co-Founder and Chief Executive Officer

Fiscal year 2022 was an exciting year for Samsara, full of milestones including becoming a publicly traded company in December. In the seven years since our founding, we've seen tremendous success, and I want to thank our customers, partners, investors, and all the Samsarians who helped us get here.

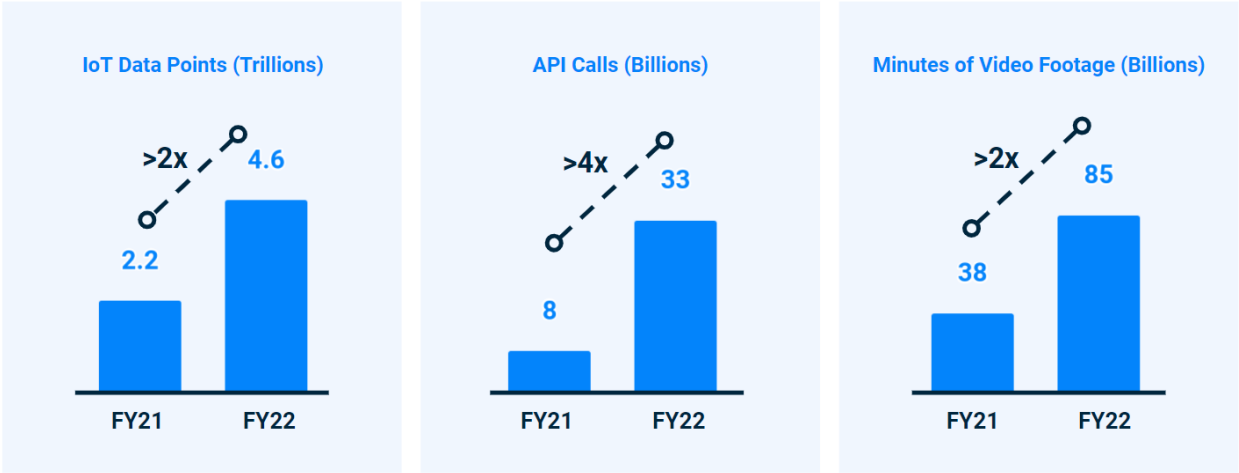
We're pleased to share that our momentum carried through FY22. This reflects the continued strength of Samsara's Connected Operations Cloud, coupled with the accelerating digital transformation taking place in the world of physical operations.

In FY22, we achieved a significant company milestone in surpassing half a billion ARR, representing 64% year-over-year growth. We also continued to see exceptionally strong growth in \$100,000+ ARR customers. This segment of customers now represents more than 800 customers spanning various industries and includes: Roto-Rooter Services Company, Chefs' Warehouse, Atlas Van Lines, Inc., Sunrun, Performance Food Group, the State of Tennessee, and many others.



Physical operations businesses represent more than 40% of global GDP. They are the backbone of the economy, but their challenges have been largely unmet by the technology they're using today. These businesses are rapidly digitizing as new and better technology becomes available. We are in the early innings of a massive \$55 billion market opportunity, growing over 20% annually.

As the pioneer of the Connected Operations Cloud, Samsara is uniquely positioned to capitalize on this opportunity. Our platform operates at a scale that's difficult to replicate, and that advantage is compounding over time. The number of IoT data points our Connected Operations Cloud processes per year has more than doubled, from 2.2 trillion last year to about 4.6 trillion this year. In addition, API calls grew more than 4x to 33 billion this year and minutes of video footage recorded on our IoT devices grew more than 2x to 85 billion.



This acceleration is driven, in part, because we make it fast and easy for customers to deploy our extensible technology. Our products are designed to be plug-and-play and simple to install, making it easy for data from our customers' existing assets to be captured in our Connected Operations Cloud. Once the data is in the cloud, our user-friendly interface delivers rich reporting and tools that make it easy for customers to access, analyze and act on data insights. They quickly gather business insights from the field and see a return on their investment.

Take the example of a top ten global provider of cutting-edge logistics solutions. They started using Samsara in Q1 to manage their extensive fleet. Thanks to our easy-to-deploy platform, they onboarded 14,000 drivers over the span of just 6 months. This was an industry-leading customer experience for them, rapidly unlocking real-time insights across their operations.

As more customers connect to the Samsara platform, the scale of our data grows exponentially, and our models become even more accurate. Better models produce significant opportunities to provide insights and actionable tools for our customers. In turn, our continuously improving platform is even more appealing for new and existing customers, creating a flywheel effect. Last year, we processed 2.4 billion AI-based detections, making our customers' operations safer and more efficient.

MILESTONE QUARTER FOR CUSTOMER MOMENTUM

We saw strong sales momentum in Q4, fueled by the addition of new customers and the continued success of our land and expand strategy. We ended the year with an ARR of \$558 million, up 64% year-over-year. During Q4, we added over 90 \$100,000+ ARR customers, bringing us to over 800 \$100,000+ ARR customers in total.

In Q4, we welcomed a new Fortune 500 customer in a seven-figure deal. An innovative peer-to-peer car-sharing service operating across 15+ airports nationwide, this customer saw a sharp increase in demand due to limited rental car availability caused by chip shortages. They partnered with Samsara to upgrade their telematics solution for over 6,100 vehicles and provide maintenance tools for car sharers through our integrations. After adopting our tools and technology, they are better positioned to gain valuable insights, improve efficiency, and increase fleet longevity across their extensive operations.

We also brought one of the largest office retail companies in North America, in a six-figure deal, onto the Samsara platform. When our partnership began, this customer wanted safety and sustainability at the forefront of their operations. We provided solutions to help them increase safety and reduce carbon emissions across their supply chain. For example, while piloting Samsara's Connected Operations Cloud, the company reduced safety event rates by 73% using Samsara's real-time in-cab audio alerts and driver coaching. Our Video-based Safety and Vehicle Telematics applications are now being rolled out in more than 1,100 vehicles and 40+ warehouse and fulfillment centers across their business.

Q4 was also a strong quarter for large customer expansion. One of our largest customers, a Fortune 500 distribution company, expanded their investment with Samsara with a multi-million dollar deal. They initially came to Samsara for our Video-based Safety and coaching solutions to build a next-generation safety program, helping protect a team of over 10,000 drivers. This quarter, they expanded their partnership with us to include our Vehicle Telematics and Apps & Driver Workflows offerings, which give them the tools to capture real-time location and driver compliance logs using the Samsara Driver App. This expansion illustrates the trust our customers have in our expansive suite of products and services, and validates our ongoing commitment to innovation.

Last, we're proud to share that this quarter, one of the world's largest logistics companies with 400,000+ employees in over 220 countries and territories expanded its partnership with Samsara. We started working together last year to help drive their digital transformation and increase safety, productivity, and visibility across their operations. This industry leader replaced several disparate solutions with Samsara's Connected Operations Cloud, and now uses our Video-based Safety, Vehicle Telematics, Apps & Driver Workflows, and Equipment Monitoring applications. With Samsara's help, they have made great strides to modernize their operations, successfully increasing safety, efficiency, and sustainability across their massive footprint.

MULTI-PRODUCT ADOPTION

The power of our Connected Operations Cloud comes from our customers' ability to understand all of the data from their physical infrastructure in one cloud-based platform. We offer clear, actionable insights through our software applications, an exceptional user experience, and we consistently deliver new features that digitally transform our customers' operations.



We see that for many physical operations businesses, digitizing their fleet is the first step to digitally transforming their operations. Critical to moving people, goods, and services, fleets are central to the operating model of almost every physical operations business. We've seen tremendous traction with our safety and telematics applications for fleets, and we believe we're just scratching the surface of this opportunity.

However, our customers' needs stretch far beyond their fleets, to include industrial equipment and physical sites. We have continued to invest in bringing data from other aspects of our customers' physical infrastructure online as we've seen tremendous demand for these connected solutions.

In FY21, we launched [Site Visibility](#), which leverages the computer vision technology we deploy in-vehicle dash cams for fixed sites such as warehouses, loading docks, and offices. Increasingly, our customers' success requires greater visibility into their end-to-end operations, in real-time. This is driving adoption of our Site Visibility product, which enables customers to get next-level insights into their physical operations – whether onsite or on the road.

For example, in Q4, Aunt Millie's, a 120-year-old family bakery that produces and distributes half a million pounds of bread daily to hundreds of stores, deployed Site Visibility to reduce the risk of theft and damages across their branches, retail stores, and offices. In addition, our Site Visibility solution protects the integrity of the product that ends up in the hands of consumers. Aunt Millie's now uses Samsara applications for Site Visibility, Video-based Safety, Vehicle Telematics, Apps & Driver Workflows, and Equipment Monitoring, expanding their vision for connected operations and giving them greater access and real-time insights into their expansive operations.

INVESTING FOR LONG-TERM GROWTH

Partnership Ecosystem

Our Connected Operations Cloud is a central hub for a robust ecosystem of partner connections. We continue to invest in cloud-based integrations with third-party systems to unlock data directly in the cloud. Last year, we nearly doubled our partner integrations to over 155 partner integrations today. Additionally, on average, our customers with large deployments of Samsara devices are using four or more integrations.

A key area of partnership for Samsara is integrating with leading Original Equipment Manufacturers (OEMs). Increasingly, these OEMs are embedding sensors and cloud connectivity directly into their products. Through our integrations, customers can bring IoT data from their assets onto the Samsara Connected Operations Cloud without installing a Samsara IoT device. Through this approach, our customers benefit from the robust solution set on Samsara and at the same time, we're able to maximize the data in our cloud to continuously enhance our machine learning models.

Customer-centric Innovation

Our customer-centric approach and rapid pace of innovation have fueled our growth to date and are central to our long-term growth strategy. We released over 200 features in FY22, including new workflows in the [Samsara Driver App](#) designed to keep drivers safe and productive. These new workflows, including end-of-day workflows and linked third-party tasks, provide drivers the guidance they need to operate efficiently throughout their day.

We also released [Camera Connector](#) in Q4, a new product that connects side, rear, and interior vehicle camera feeds to Samsara's Connected Operations Cloud, providing 360-degree visibility into conditions on the road and safety incidents.

Expanding Our Employee Base

At Samsara, we attribute our growth to our differentiated culture and shared mission: to increase the safety, efficiency, and sustainability of the operations that power the global economy. We are honored to have received multiple awards in FY22 that recognize the impact of our values and culture, including recognition on [2021 Forbes Cloud 100](#), [One of America's Most Promising Artificial Intelligence Companies](#), [Forbes AI 50](#), and [Financial Times' Fastest Growing Companies in the Americas](#).



We continued to expand our international footprint in FY22 by opening new offices in Mexico and the Benelux region. Our talent base across the organization continues to grow and our total employee count is now over 1,600, representing ~30% growth in FY22. We attribute our success in attracting talent to our mission, as well as our massive market opportunity. Specifically, the work we do to help customers reduce their environmental footprint is a strong differentiator that helps us attract and retain top talent. We plan to continue our hiring momentum into FY23 as we invest in the business to meet customer demand.

In closing, I want to extend my gratitude once again to all our customers, partners, investors, and Samsarians. We are just getting started. We are hosting our Investor Conference on June 14th and our Customer Conference on June 15th and 16th, where we will provide additional insights into Samsara's trajectory and the overall state of physical operations. Please send an email to ir@samsara.com if you're interested in attending the Investor Conference in person. For those that prefer to attend virtually, our [Investor Relations website](#) will have a web link to a live broadcast.



Dominic Phillips

Chief Financial Officer

We are very pleased with our Q4 FY22 results, our first as a public company. We experienced strong top-line growth during the quarter driven by continued large customer momentum, multi-product success, and expansions within our existing customer base. Before jumping into the results, I first want to give a quick overview of our business model and customer approach.

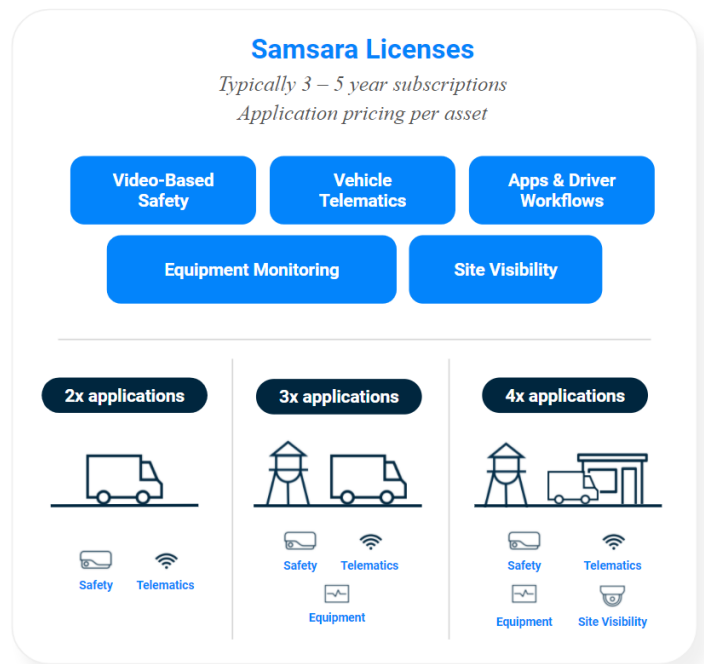
BUSINESS MODEL OVERVIEW

Subscription-based Model

More than 98% of our revenue is generated from subscriptions to our Connected Operations Cloud. We typically sell 3- to 5-year subscriptions for all of our applications, each of which includes a standard set of services, including data collection, which usually comes from a Samsara IoT device, cellular connectivity, access to our cloud-based platform, customer support, and warranty coverage. Because these services are included in each subscription, we recognize revenue from the entire license ratably over the life of the contract.

98% Subscription Business Model¹

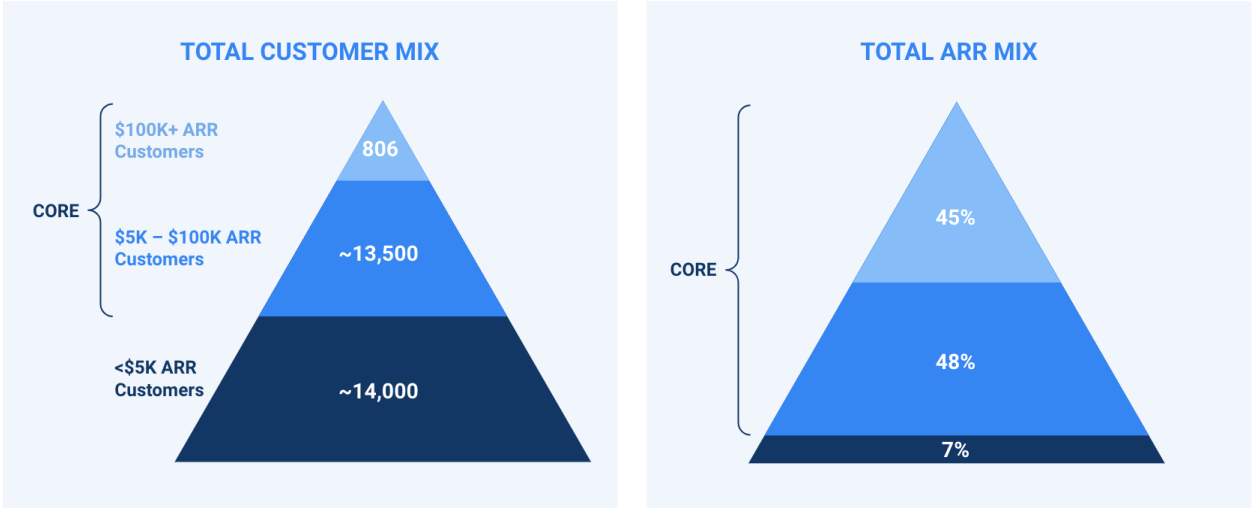
- Data collection (Samsara devices or API integrations)
- Cellular connectivity
- Cloud-based software platform with hundreds of annual feature releases
- Customer support
- Warranty



¹Based on FY20-FY22 revenue

Focus on Core Customers

At the end of FY22, we had more than 28,000 total customers, approximately half of which are small customers with less than \$5,000 of ARR, who contribute 7% of total ARR. The other half are core customers with more than \$5,000 of ARR, who contribute 93% of total ARR. We are actively investing in expanding our core customer group going forward. Within our core customers, we're heavily focused on large customers with more than \$100,000 of ARR, who contribute 45% of our total ARR, up from 40% in Q4 FY21.



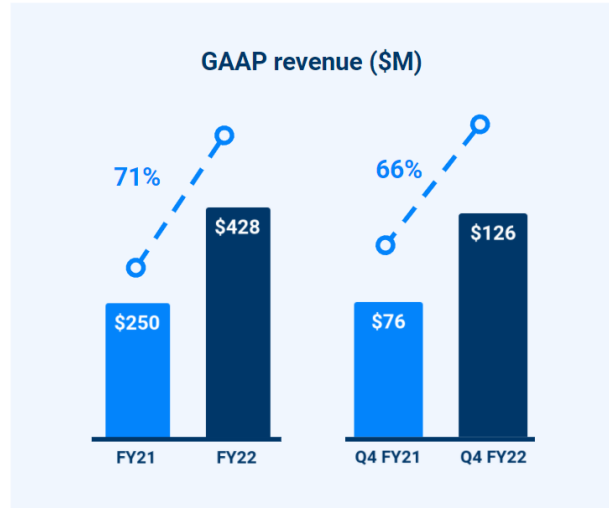
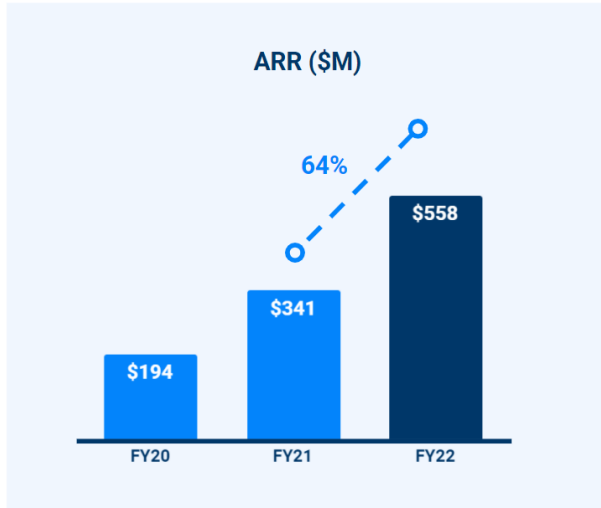
Figures as of Q4 FY22

Q4 AND FULL-YEAR FY22 HIGHLIGHTS

Top-line Results

FY22 was a robust year of continued large customer momentum and top-line growth, demonstrating increased demand for broad digital transformation across the world of physical operations. We address a \$55 billion market opportunity today that is expected to grow to nearly \$100 billion over the next few years. Combining this market opportunity with our platform and rapid pace of innovation provides a strong foundation for durable long-term growth.

In FY22, we delivered high growth at scale, with ending ARR of \$558 million, growing 64% year-over-year. Total FY22 revenue was \$428 million, growing 71% year-over-year, and Q4 revenue was \$126 million, growing 66% year-over-year.

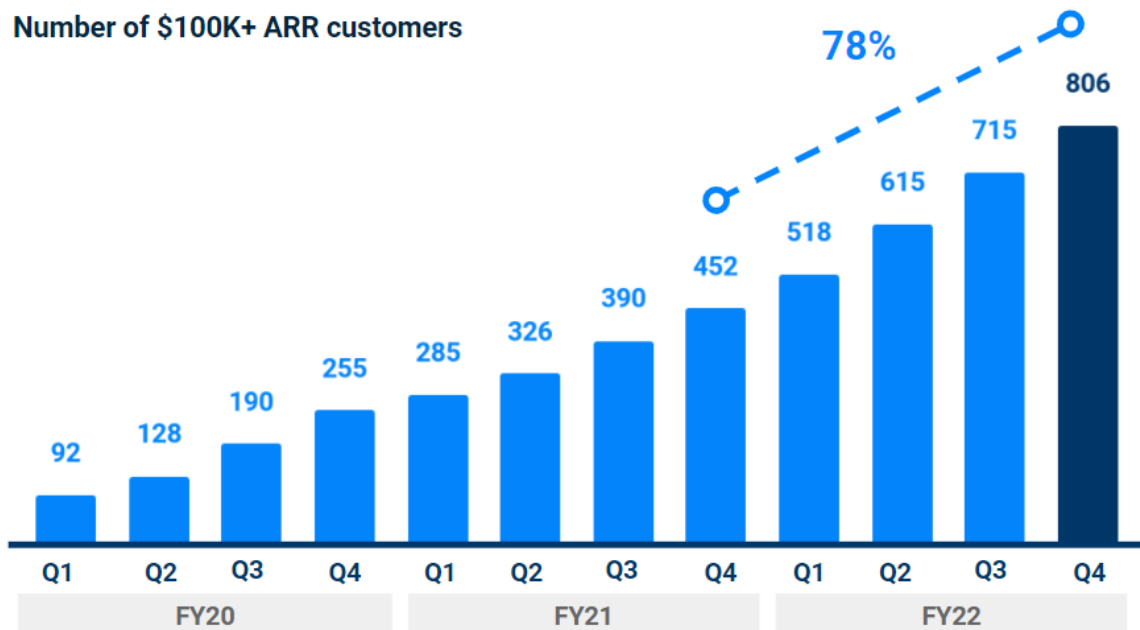


Fiscal year ends on the Saturday closest to February 1st

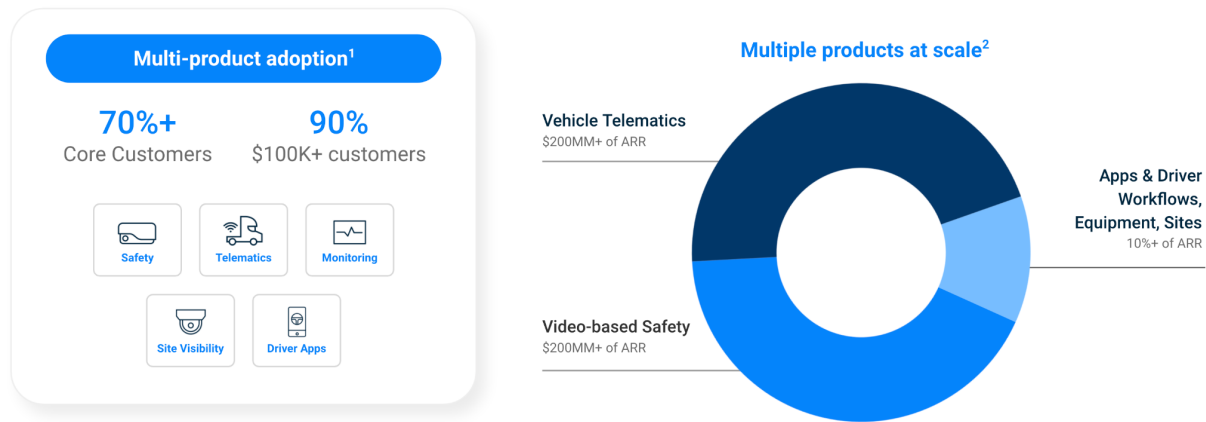
A few factors drove our strong top-line performance in Q4 and in FY22:

- Large Customer Momentum.** Our investments in landing new large customers and expanding our relationships with existing large customers are paying off. We now have 806 customers with ARR of more than \$100K each, an increase of 91 customers in Q4, and an annual increase of 354 customers in FY22, or 78% year-over-year growth. As a result, \$100K+ customers now contribute 45% of our total ARR.

Number of \$100K+ ARR customers



- Multi-product Strength.** Multi-product transactions contribute significantly to our top-line growth, showing the strength of our Connected Operations Cloud in the market. For example, 8 of our 10 largest deals completed in Q4 included two or more subscriptions. Additionally, over 70% of core customers, and 90% of \$100K+ ARR customers, subscribe to multiple applications. We're also seeing multi-product adoption at scale. At the end of Q4, our Vehicle Telematics and Video-based Safety applications represented more than \$200 million of ARR each, and our remaining applications combined contribute more than 10% of total ARR.



Figures as of Q4 FY22

¹ Defined as two or more product subscriptions

² Represents segmentation of total ARR by product

- Customer Expansion.** Q4 was another quarter of strong customer expansion. Not only did we add a record number of new core customers in the quarter, but Q4 was also the first quarter ever that more than 50% of our net new ACV came from existing customers. Additionally, over 50% of our new \$100K+ ARR customers (91 added in the quarter) were pre-existing customers. As a result, our large customer dollar-based net retention rate continues to be greater than 125%, and our total customer dollar-based net retention rate continues to be greater than 115%.

Profitability Results

In addition to our strong top-line performance, we continue to operate more efficiently across our business as we scale. As a result, we've seen strong year-over-year leverage across all functions.

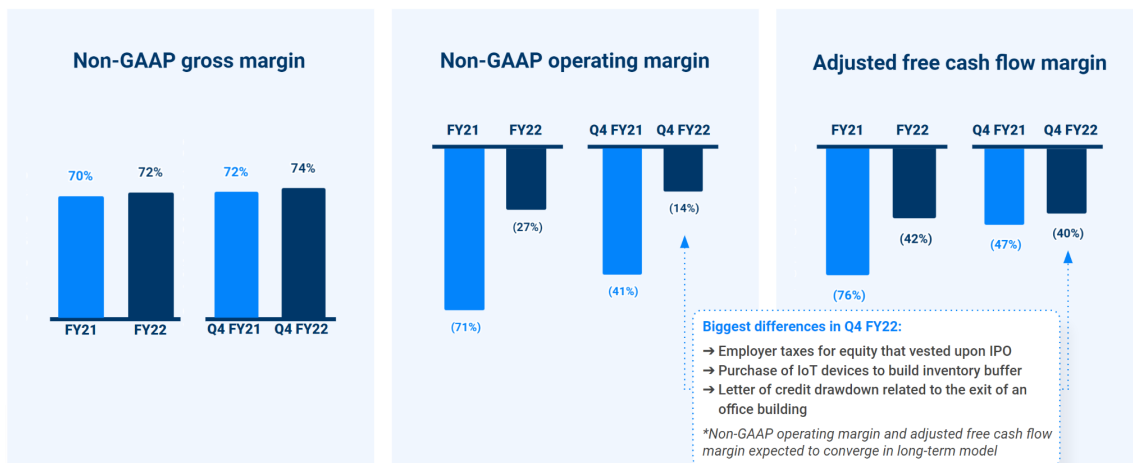
- Full-year FY22 compared to full-year FY21**
 - Non-GAAP gross margin** was 72% in FY22, compared to 70% in FY21, an improvement of 2 percentage points driven primarily by cellular and cloud cost efficiencies.
 - Non-GAAP operating margin** was (27%) in FY22, compared to (71%) in FY21, an improvement of 44 percentage points, more than half of which came from sales and marketing efficiencies.
 - Adjusted free cash flow margin** (excludes non-recurring capital expenditures associated with our corporate office facilities in San Francisco) was (42%) in FY22, compared to (76%) in FY21, an improvement of 34 percentage points year-over-year.

- **Q4 FY22 compared to Q4 FY21**

- **Non-GAAP gross margin** was 74% in Q4 FY22, compared to 72% in Q4 FY21, an improvement of 2 percentage points primarily from lower excess and obsolete inventory expenses. Our gross margin is stabilizing, and this is the 6th consecutive quarter it exceeded 70 percent.
- **Non-GAAP operating margin** was (14%) in Q4 FY22, compared to (41%) in Q4 FY21, an improvement of 27 percentage points across all functions. 2 percentage points came from gross margin (see above), 10 percentage points came from improved S&M productivity, 7 percentage points came from R&D leverage in our core products, and 8 percentage points came from general leverage across G&A.
- **Adjusted free cash flow margin** (excludes non-recurring capital expenditures associated with our corporate office facilities in San Francisco) was (40%) in Q4 FY22, compared to (47%) in Q4 FY21, an improvement of 7 percentage points. Our improved operating leverage (see above) was partially offset by negative net working capital adjustments – primarily from upfront inventory purchases. The global supply chain disruption continues to put pressure on critical component costs and availability. However, in the face of this, we improved our gross margin, shipped enough IoT devices to meet all customer demand, and continued to build an inventory buffer for future demand.

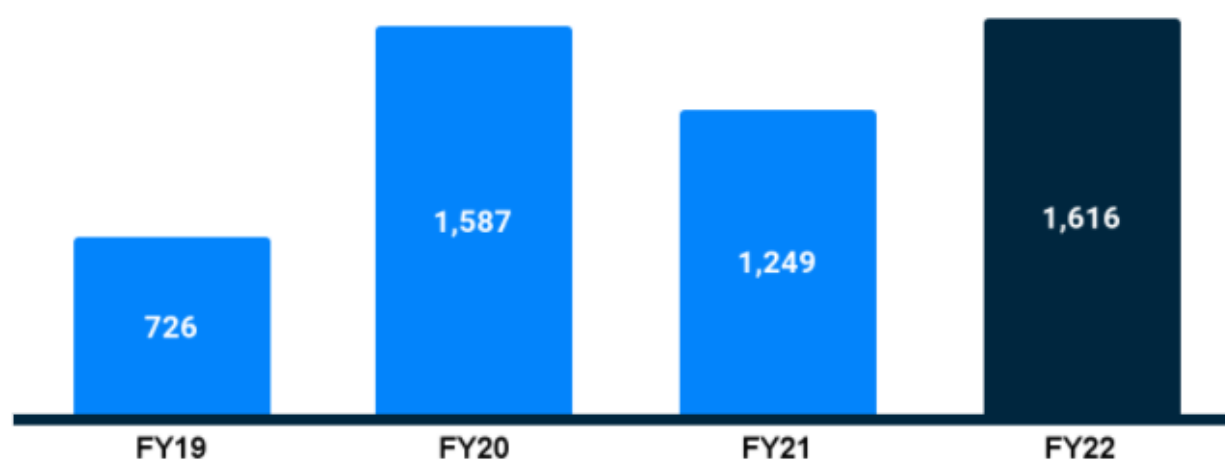
While our adjusted free cash flow margin is historically lower than operating margin due to upfront purchases of IoT devices, Q4 FY22 adjusted free cash flow was also impacted by a few additional cash outflows worth mentioning:

- Approximately \$10 million in employer taxes related to historical employee equity grants that vested at the time of our IPO. Going forward, employer taxes will be paid only for equity vesting in that specific quarter instead of several historical quarters combined. As a result, we expect employer taxes paid each quarter in FY23 to be a fraction of the Q4 FY22 amount.
- Approximately \$10 million related to additional IoT device purchases to build a larger inventory buffer for future customer demand amidst continued supply chain constraints, separate from the IoT device purchases to address Q4 FY22 customer demand. We expect to reduce inventory back to historical levels once supply chain lead times return to normal.
- A \$9 million letter of credit drawdown related to the exit of an office building



Headcount

We primarily go to market with a direct sales model. As a result, adding more sales capacity, along with improving productivity, is a key driver of future growth. After reducing headcount capacity in FY21 (CY20) at the beginning of COVID, we reignited our hiring engine in FY22 and grew headcount ~30% year-over-year. Q4 FY22 was one of our largest hiring quarters since COVID emerged and we ended the year with 1,616 total employees. More than one-third of all net new employees in FY22, and more than 40% of net new sales and marketing employees, started in Q4 alone. Based on average ramp times, we expect new sales hires in Q4 FY22 to be fully productive by the end of FY23. In addition to ramping productivity, we expect to hire even faster in FY23 to drive durable growth for years to come.



Q1 FY23 AND FULL-YEAR FY23 GUIDANCE

	Q1 FY23	FY23
Total Revenue	\$130 million - \$132 million	\$568 million - \$578 million
Y/Y Growth	48% - 50% growth	33% - 35% growth
Non-GAAP Operating Margin %	(25%)	(22%)
Non-GAAP EPS	(\$0.07) - (\$0.08)	(\$0.25) - (\$0.27)

Additional modeling notes for FY23:

- With respect to net new ARR seasonality, as is typical for enterprise software companies and similar to previous years at Samsara, we expect Q1 FY23 will be our lowest quarter of the year (and lower than Q4 FY22), while Q4 FY23 will be our highest quarter of the year.
- Non-GAAP gross margin for FY23 will continue to be in the low 70s percent, in line with consensus estimates at the time of this earnings release.

- Adjusted free cash flow margin for FY23 is expected to be in the low negative 30s percent, in line with consensus estimates at the time of this earnings release.
 - Adjusted free cash flow margins will be lower in the first half of the year due to Q4 FY22 outperformance (a significant amount of sales commissions and IoT devices for Q4 FY22 bookings are paid for in Q1 FY23), as well as lower cash collections (smaller net new ARR quarters in the first half of the year). We expect margins to improve in the second half of the year due to higher cash collections (larger net new ARR quarters).
 - Capital expenditures (excluding non-recurring capital expenditures associated with our corporate office facilities in San Francisco) are expected to be approximately 2% of total revenue.
- We provide guidance and additional modeling notes based on margin expectations (operating metrics as a percentage of revenue) instead of dollar-based results to align with our philosophy of prioritizing investments for growth while driving margin leverage in our model.
- Weighted average shares outstanding is expected to be 507 million for Q1 FY23 and 514 million shares for full-year FY23.

To wrap up, we finished Q4 and FY22 with tremendous momentum. We set an annual record for large customer additions, we crossed half a billion of ARR while growing 64% year-over-year, we reignited our hiring engine, customers continue to broaden their use of Samsara for connected operations, and we are successfully expanding into our existing customer base. We are poised to build a great, enduring company, and we couldn't be more excited about the global opportunity in front of us.

Appendix

DEFINITIONS

Annual Contract Value (ACV)

We define ACV as the annualized value of a customer's total contract value for Samsara products as of the measurement date.

Annual Recurring Revenue

We define ARR as the annualized value of subscription contracts that have commenced revenue recognition as of the measurement date.

Customer

We define a customer as an entity that has an ARR of greater than \$1,000 at the end of a reporting period.

Core Customer

We define a core customer as an entity that has an ARR of greater than \$5,000 at the end of a reporting period.

Large Customer

We define a large customer as an entity that has an ARR of greater than \$100,000 at the end of a reporting period.

Net Retention Rate

We calculate our dollar-based net retention rate as of a period end by starting with the ARR from the specified cohort of customers as of 12 months prior to such period-end, or the Prior Period ARR. We then calculate the ARR from these same customers as of the current period-end, or the Current Period ARR. Current Period ARR includes any expansion, and is net of contraction or attrition over the last 12 months, but excludes ARR from new customers in the current period, as well as any ARR associated with paid trials. We then divide the total Current Period ARR by the total Prior Period ARR to arrive at the point-in-time dollar-based net retention rate. We then calculate the weighted average of the trailing 12-month point-in-time dollar-based net retention rates to arrive at the dollar-based net retention rate.

In calculating the dollar-based net retention rate for all customers and for \$100K+ ARR customers, we look at the cohort of customers with a Prior Period ARR greater than \$0 who have exceeded \$1,000 ARR in the case of customers, or \$100,000 ARR in the case of \$100K+ ARR customers, during their lifetime as a Samsara customer.

NON-GAAP FINANCIAL MEASURES

Non-GAAP Gross Profit and Non-GAAP Gross Margin—We define non-GAAP gross profit as gross profit plus stock-based compensation expense-related charges, including employer taxes on employee equity transactions, included in cost of revenue. Non-GAAP gross margin is defined as non-GAAP gross profit as a percentage of total revenue. We use non-GAAP gross profit and non-GAAP gross margin in conjunction with traditional GAAP measures to evaluate our financial performance. We believe that non-GAAP gross profit and non-GAAP gross margin provide our management and investors consistency and comparability with our past financial performance and facilitate period-to-period comparisons of operations.

Non-GAAP Loss from Operations and Non-GAAP Operating Margin—We define non-GAAP loss from operations, or non-GAAP operating loss, as loss from operations plus stock-based compensation expense-related charges, including employer taxes on employee equity transactions, lease modification, impairment, and related charges, and restructuring and related charges. Non-GAAP operating margin is defined as non-GAAP operating loss as a percentage of total revenue. We use non-GAAP loss from operations and non-GAAP operating margin in conjunction with traditional GAAP measures to evaluate our financial performance. We believe that non-GAAP loss from operations and non-GAAP operating margin provide our management and investors consistency and comparability with our past financial performance and facilitate period-to-period comparisons of operations.

Non-GAAP Net Loss and Non-GAAP Net Loss per Share—We define non-GAAP net loss and non-GAAP net loss per share as net loss and net loss per share excluding stock-based compensation expense-related charges, including employer taxes on employee equity transactions, lease modification, impairment, and related charges, and restructuring and related charges. We use non-GAAP net loss and non-GAAP net loss per share in conjunction with traditional GAAP measures to evaluate our financial performance. We believe that non-GAAP net loss and non-GAAP net loss per share provide our management and investors consistency and comparability with our past financial performance and facilitate period-to-period comparisons of operations.

Adjusted Free Cash Flow and Adjusted Free Cash Flow Margin—We define adjusted free cash flow as net cash used in operating activities less cash used for purchases of property and equipment, plus non-recurring capital expenditures associated with the build-out of our corporate office facilities in San Francisco, net of tenant allowances. Adjusted free cash flow margin is calculated as adjusted free cash flow as a percentage of total revenue. We believe that adjusted free cash flow and adjusted free cash flow margin, even if negative, are useful in evaluating liquidity and provide information to management and investors about our ability to fund future operating needs and strategic initiatives.



samsara