



Freshworks Overview

Financial data through first half 2021

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In addition to the U.S. GAAP financials, this presentation includes certain non-GAAP financial measures, including non-GAAP loss from operations, non-GAAP operating expenses, and free cash flow. We believe that non-GAAP financial information, when taken collectively, may be helpful to investors because it provides consistency and comparability with past financial performance. The non-GAAP financial measures have limitations as analytical tools and you should not consider them in isolation or as a substitute for the most directly comparable financial measures prepared in accordance with GAAP. Accordingly, you should not place undue reliance on this preliminary data. In addition, this data has been prepared by, and is the responsibility of, management. See Appendix for a reconciliation between each non-GAAP financial measure and its nearest U.S. GAAP equivalent.



Freshworks Story

Girish Mathrubootham

Chief Executive Officer



Our Mission

Delight made easy

for your customers and employees





Freshworks at a Glance



\$300M+

LTM Revenue



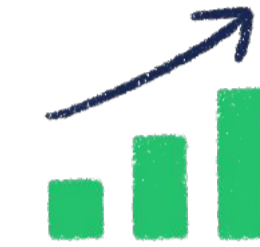
45%+ Growth

LTM Revenue Growth



2 Products

at Scale



13K+ Customers

Contributing over \$5K ARR



4,300+

Employees



97% Approval

Glassdoor CEO Rating



\$120B

Total Addressable Market



\$25M+

FCF Generated LTM*

Note: Financial data reflects unaudited results as of June 30, 2021. Employee and Glassdoor rating data as of August 31, 2021.

*Reconciliation of GAAP to Non-GAAP results in Appendix.



Founding Story





The Cloud Promise is Broken

Legacy SaaS is built for large enterprises



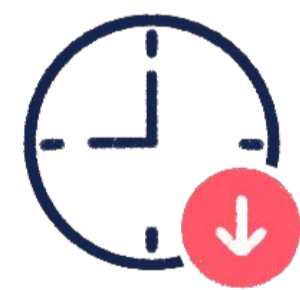
Not for front-line users



Expensive, high TCO



Siloed apps



Prolonged time to value





A Fresh Approach



Designed to delight users



**Rapid onboarding, agility
and fast time to value**



**Powerful software
Low TCO**

Relevant to Organizations of All Sizes



Product Evolution

Journey to multi-product strategy

 **Freshworks**
Founded 2010

 **Freshservice**
ITSM / ESM

 **Freshdesk Support Desk**
Customer support

 **Freshdesk Messaging**
Modern messaging

 **Freshdesk Contact Center**
Cloud telephony



 **Freshsales**
Sales

 **Freshmarketer**
Marketing automation

Today

 **Freshworks**
Multi-product company



Unified and Powerful Solutions

BUSINESS NEEDS

BUYERS



Freshdesk

Omnichannel, intelligent customer support

Support Teams



Freshservice

Intelligent, right-sized service management

IT Teams



Freshsales

Unified sales and marketing automation

Sales and Marketing Teams



Our Product Portfolio

Customer Experience



Freshdesk



Omnichannel Suite



Support Desk



Messaging



Contact Center



Customer Success

IT Service Management



Freshservice



Freshservice

Sales and Marketing



Freshsales



Freshsales Suite



Freshsales



Freshmarketer

Platform





Neo Platform Accelerates Product Innovation

Customer Experience



Freshdesk

IT Service Management



Freshservice

Sales and Marketing



Freshsales

Platform



Enterprise Services

Unified Customer Record

Custom Objects

Smart Analytics

Identity & Access

Collaboration

Developer Platform



Rich API



Public Apps



Low-code



Private Apps

Foundational services

Search

Events

Channels

Notification

Multi-tenant

Security

Marketplace Channels

Slack

Line

Google

Microsoft
Teams

Whatsapp

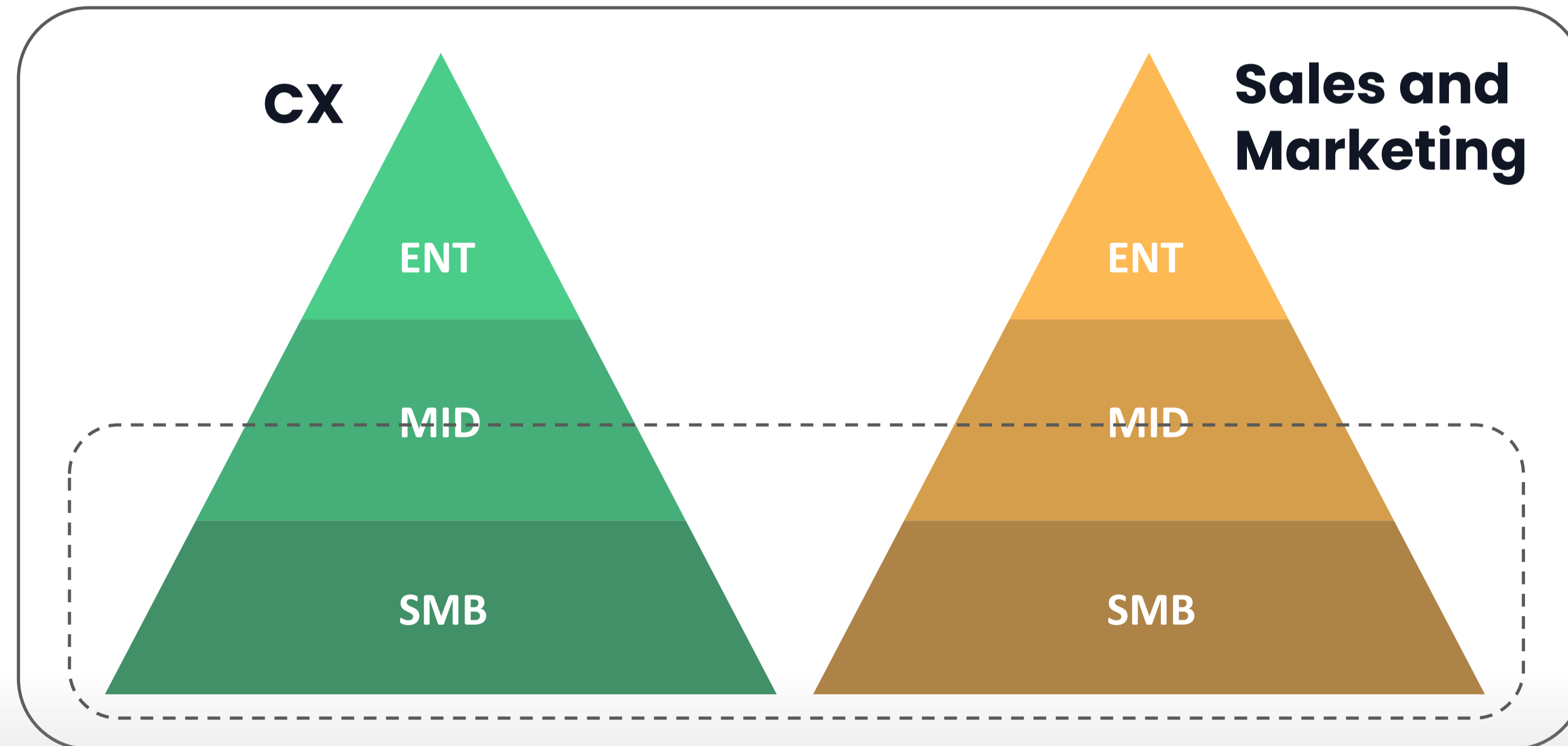
Apple



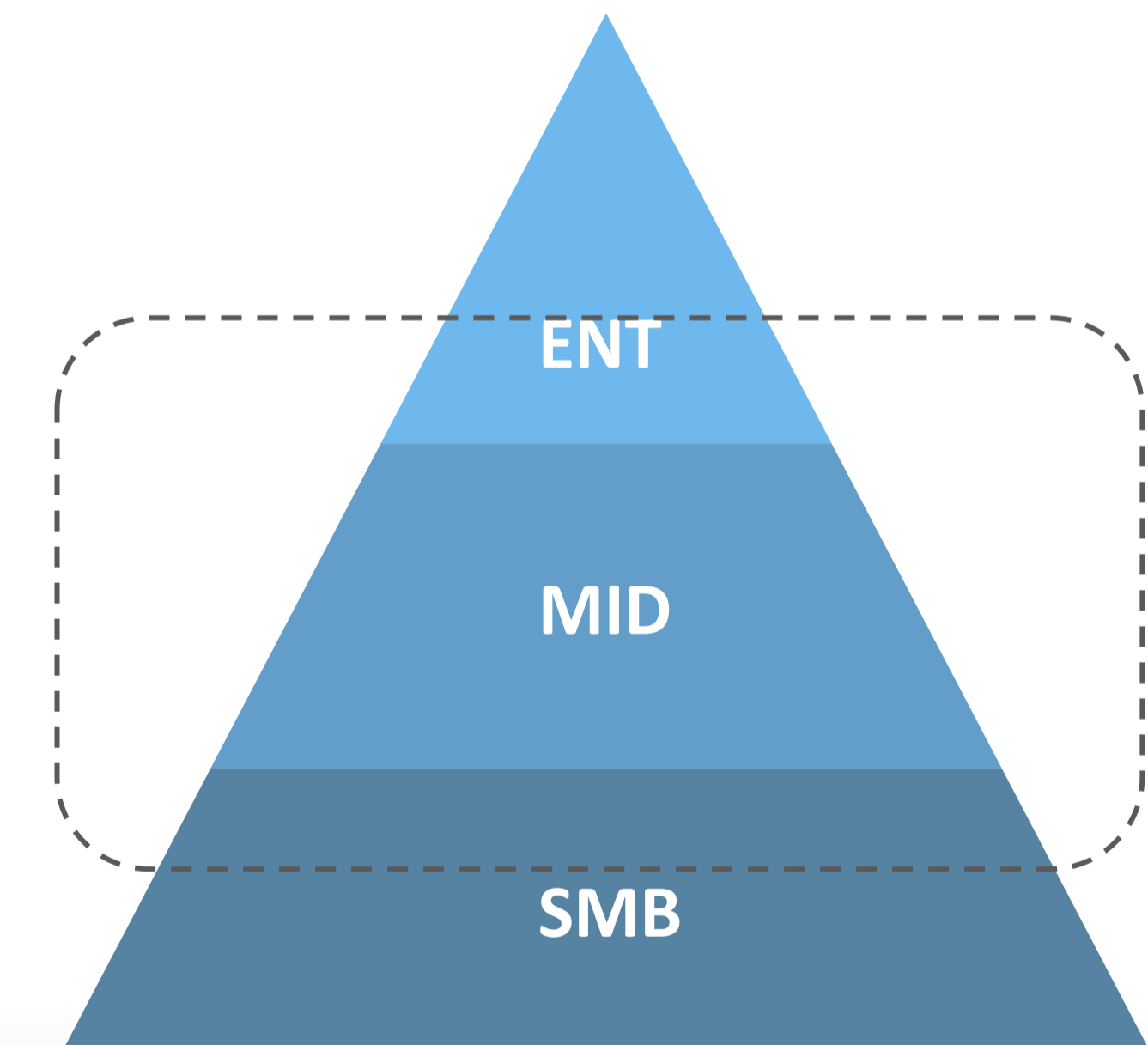
Large, Established Markets

With underserved segments

Customer Relationship Management: \$76B



System and Service Management: \$44B



Total Market Opportunity: **\$120B**

Source: IDC. Based on 2025 forecast revenues.

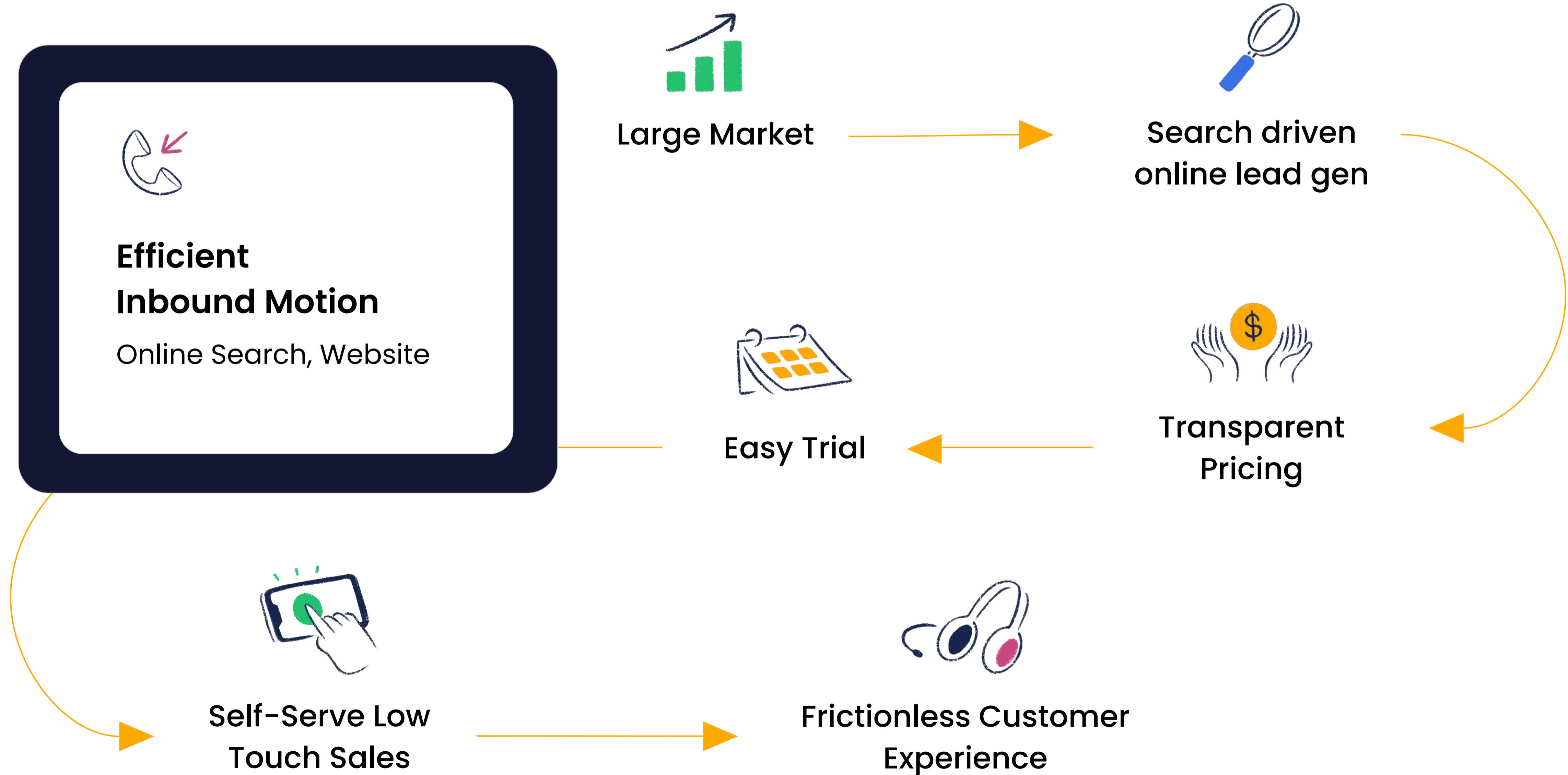
CRM market defined as Customer Service, Contact Center, Salesforce Productivity and Management, and Marketing Campaign Management

SSM market defined as IT Service Management, IT Operations Management, and IT Automation and Configuration Management

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Product Led Growth Allows Us To Efficiently Serve Businesses of All Sizes





Outbound and Partner Sales Accelerated our Growth



Efficient Inbound Motion

Online Search, Website



Outbound Sales

Focused on Commercial, Mid-Market Customers



Growing Partner Ecosystem

>400 Channel Partners



High Velocity

Over


8,000

Customers added in 2020



Competitive Landscape



| | | | | |
|--------------------------------|--|--|---|---|
| <p>SMB / Mid-Market</p> | <p>Zendesk</p> | <p><i>Our differentiation</i></p> <ul style="list-style-type: none"> • Better omnichannel experience • Superior automation across bots and AI | <p>Atlassian</p> | <p><i>Our differentiation</i></p> <ul style="list-style-type: none"> • Unified experience vs. fragmented product • Better employee self-service experience |
| <p>Enterprise</p> | <p>Salesforce Service Cloud</p> | <p><i>Our differentiation</i></p> <ul style="list-style-type: none"> • Right-sized intelligent solution • Intuitive UI • Low-touch configurability • Rapid time to value | <p>ServiceNow</p> | <p><i>Our differentiation</i></p> <ul style="list-style-type: none"> • Right-sized intelligent solution • Low-touch configurability • Rapid time to value and low TCO |
| <p>Legacy</p> | <p> SHARED INBOX</p> <p>SAP</p> <p>Oracle</p> | <p><i>Our differentiation</i></p> <ul style="list-style-type: none"> • Modern cloud experience and capabilities • Digital channels (WhatsApp, Instagram, etc.) • Automation | <p>BMC Helix</p> <p>Ivanti + Cherwell</p> | <p><i>Our differentiation</i></p> <ul style="list-style-type: none"> • Modern employee self-service • Right-sized for cloud-first organizations • Automated workflows / bots |



50K+ Growing Customers Across Verticals and 120+ Countries

Technology & Media



Financial & Business Services



Transportation & Manufacturing



Retail, Logistics & E-Commerce



Healthcare & Non-profit





Recent Validation

2021
Top Rated



Helpdesk, IT Asset
Management, ITSM



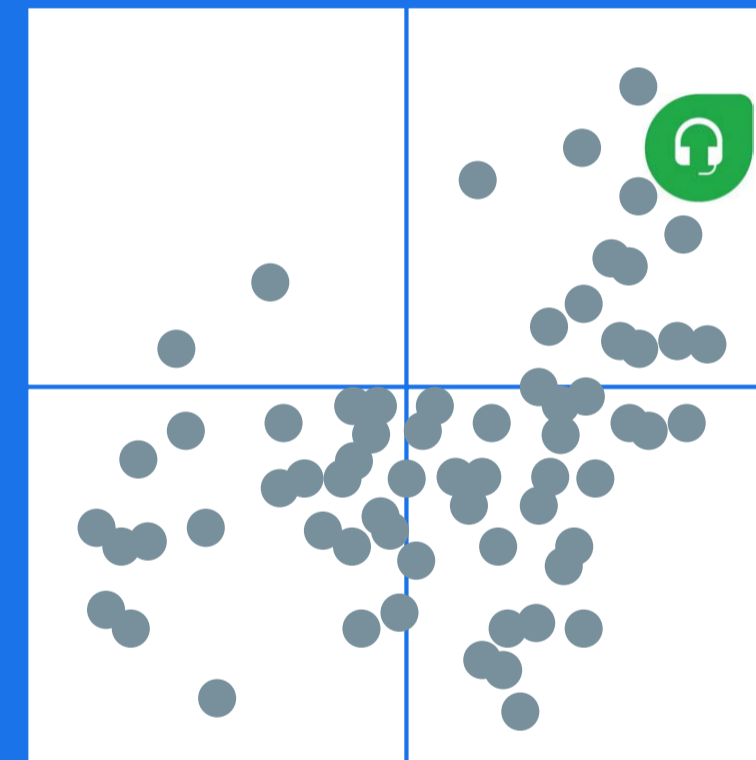
2021
Visionary



CRM Customer
Engagement Center



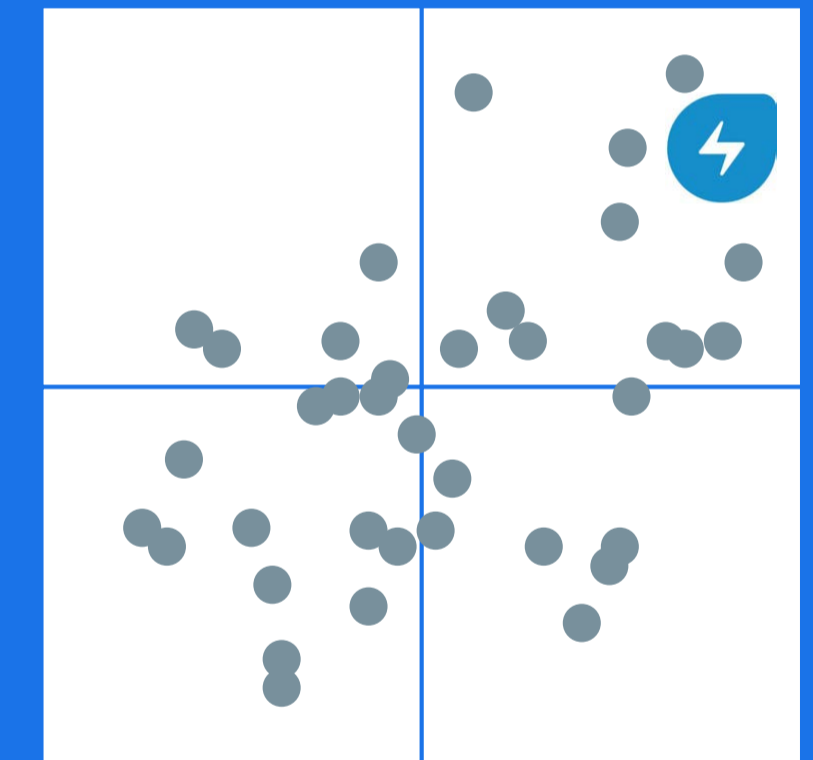
G2 Grid
Help Desk



Customer Support



G2 Grid
Service Desk



ITSM





Kudumba: Our heart-led Culture



Craftsmanship



Happy 'Work'
Environment



Agility with
Accountability



True Friend to
the Customer

————— **These Values are the Bedrock of Our Culture** —————



Experienced Global Leadership Team

Founders



Girish Mathrubootham

CEO, Founder
PRIOR:



Shan Krishnasamy

CTO, Co-founder
PRIOR:

Leadership team



Tyler Sloat

Chief Financial Officer
PRIOR:



Stacey Epstein

Chief Marketing Officer
PRIOR:



Pam Sergeeff

Chief Legal Officer &
General Counsel
PRIOR:



Prakash Ramamurthy

Chief Product Officer
PRIOR:



Jose Morales

Chief Revenue Officer
PRIOR:



Suman Gopalan

Chief HR Officer
PRIOR:



Pradeep Rathinam

Chief Customer Officer
PRIOR:



Financials

Tyler Sloat

Chief Financial Officer



Business Model Highlights



Revenue Drivers

- 3 main products across 3 GTM motions
- Mid-Market and SMB, globally
- Land and expand strategy



Disciplined Investment

- Prioritizing investment to drive top line growth
- S&M spend governed by efficiency metrics
- COGS, R&D, and G&A based on revenue goals



Operating Leverage

- Scalable infrastructure to drive higher GM
- Leverage S&M, R&D, and G&A to drive margins
- Roughly FCF break-even

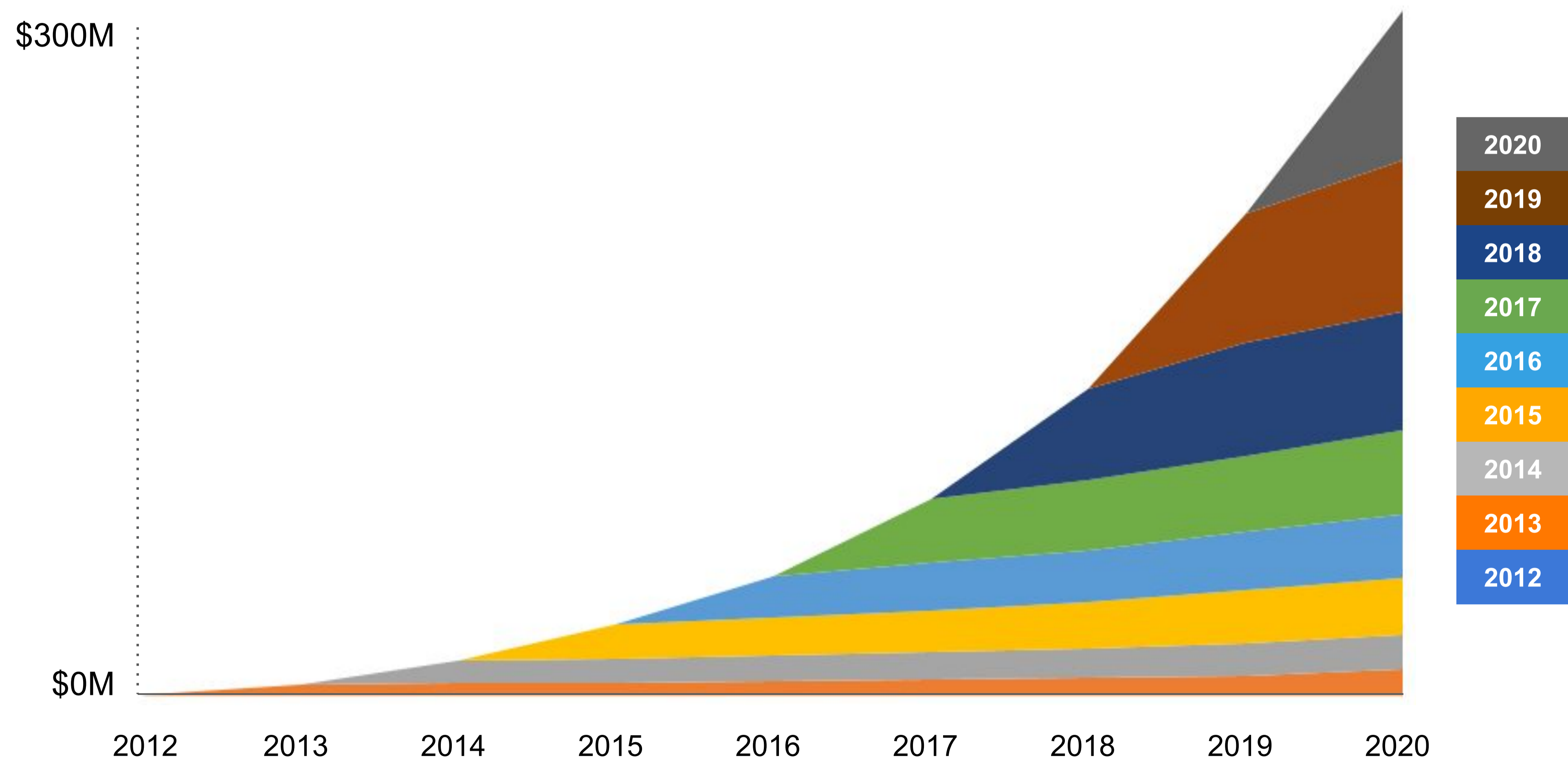


Key Operating Metrics

- Net Dollar Retention Rate
- Customers >\$5K ARR



Consistent and Improving Cohort Expansion



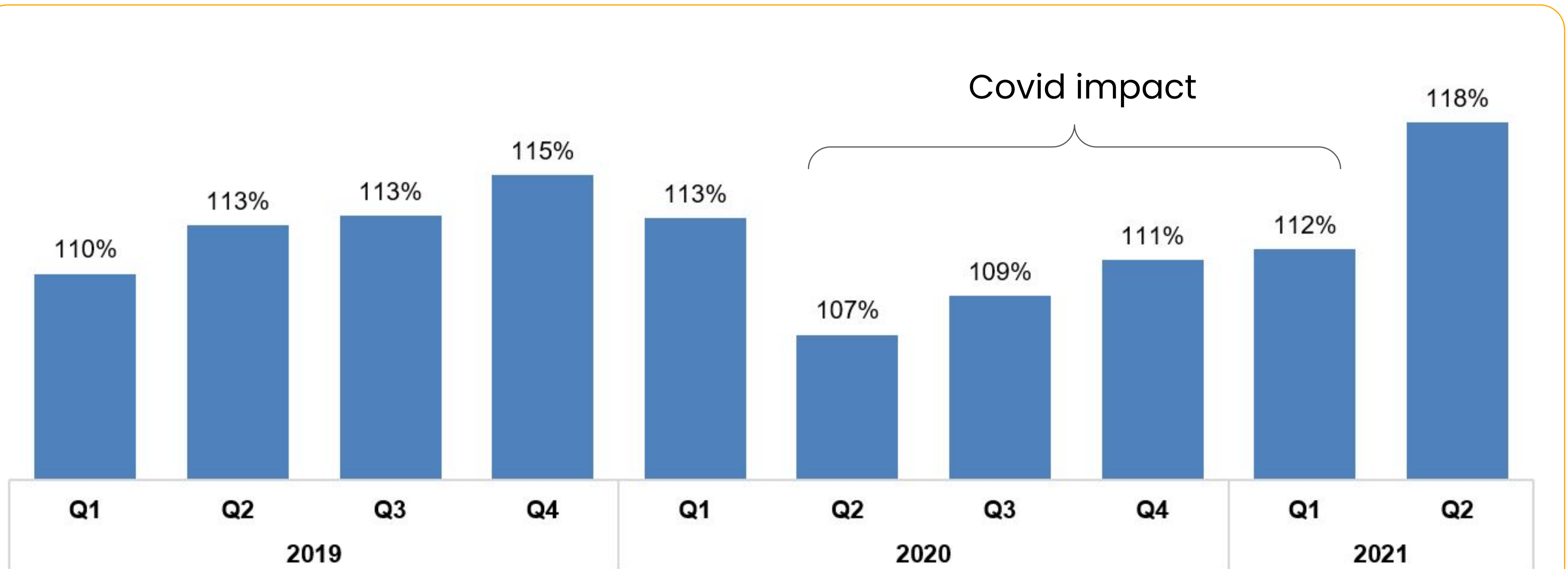
Expansion through

- Additional seats / agents
- Upsell higher editions
- Cross-sell products

* Illustrates the Total ARR of each cohort as of December 31, 2020 over the periods presented; cohorts are net of contraction and churn



Net Dollar Retention Rate Bounced Back



Net Dollar Retention Rate is calculated by taking the Ending ARR of the cohort of customers from 12 months prior divided by the Entering ARR from 12 months ago. For example, Net Dollar Retention Rate would be 110% if the ARR of our customers ending Q2-20 was \$100 and the ARR of those customers grew to \$110 ending Q2-21.



We Land and Expand

Leading International Wholesaler

ARR started at less than \$5K and grew over 100x over this period

<\$5K ARR

 Freshdesk Support Desk

2015

 Freshdesk Contact Center

 Freshdesk Support Desk

2020



We Land and Expand

Emerging Financial Software Company

Started with <10 agents and grew to over 1,000 agents across all 3 personas contributing \$250K+ ARR



Freshdesk

2014



Freshservice

2016



Freshdesk



Freshsales

2018



Freshservice



Freshdesk



Freshsales

2020



Freshservice



Freshdesk



We Land and Expand

Large European Financial Services Company

ARR started at more than \$250K and grew over 7x over this period

>\$250K ARR

 Freshdesk Support Desk

 Freshdesk Messaging

2017

 Freshsales

 Freshdesk Support Desk

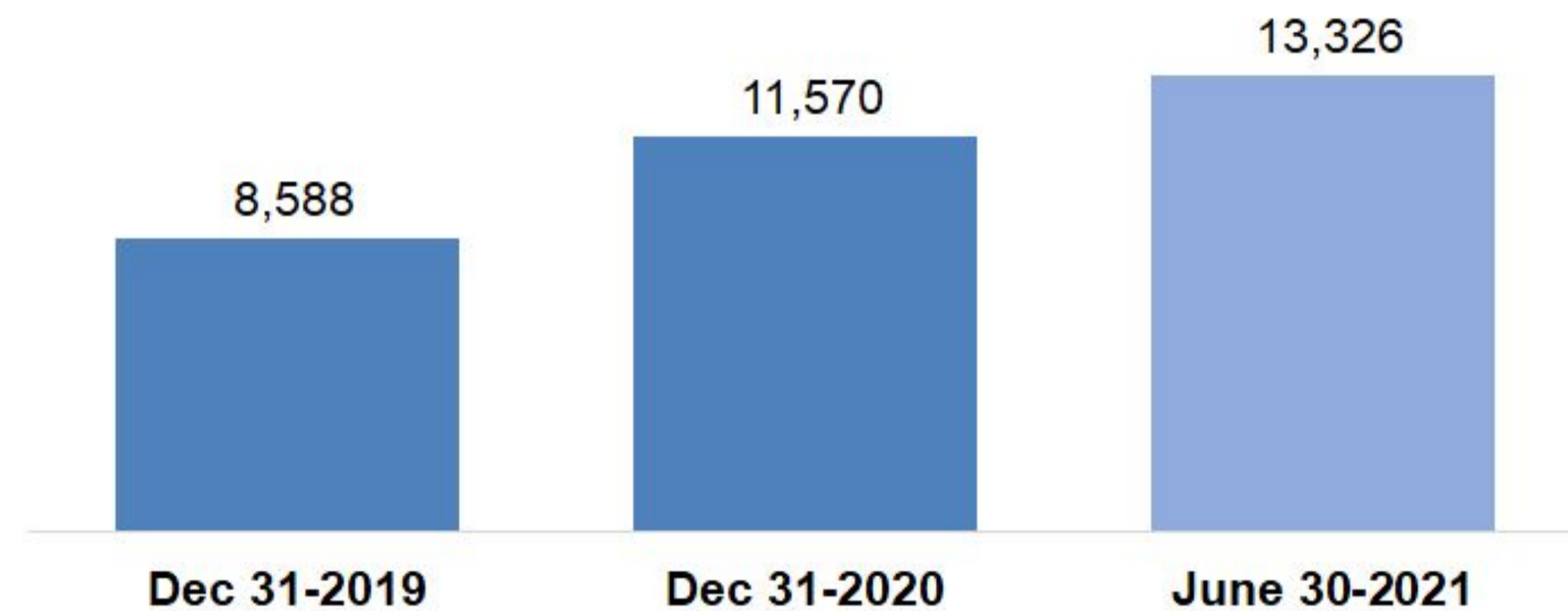
 Freshdesk Messaging

2020



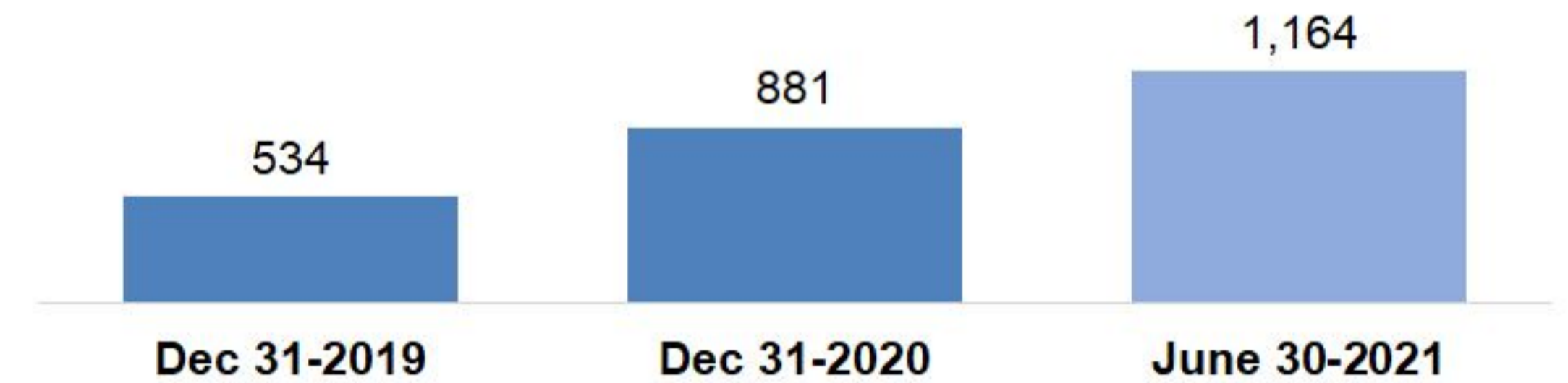
Demonstrated adoption of Freshworks at scale

Customers > \$5K ARR



% of ARR >\$5K: 78% 82% 84%

Customers > \$50K ARR



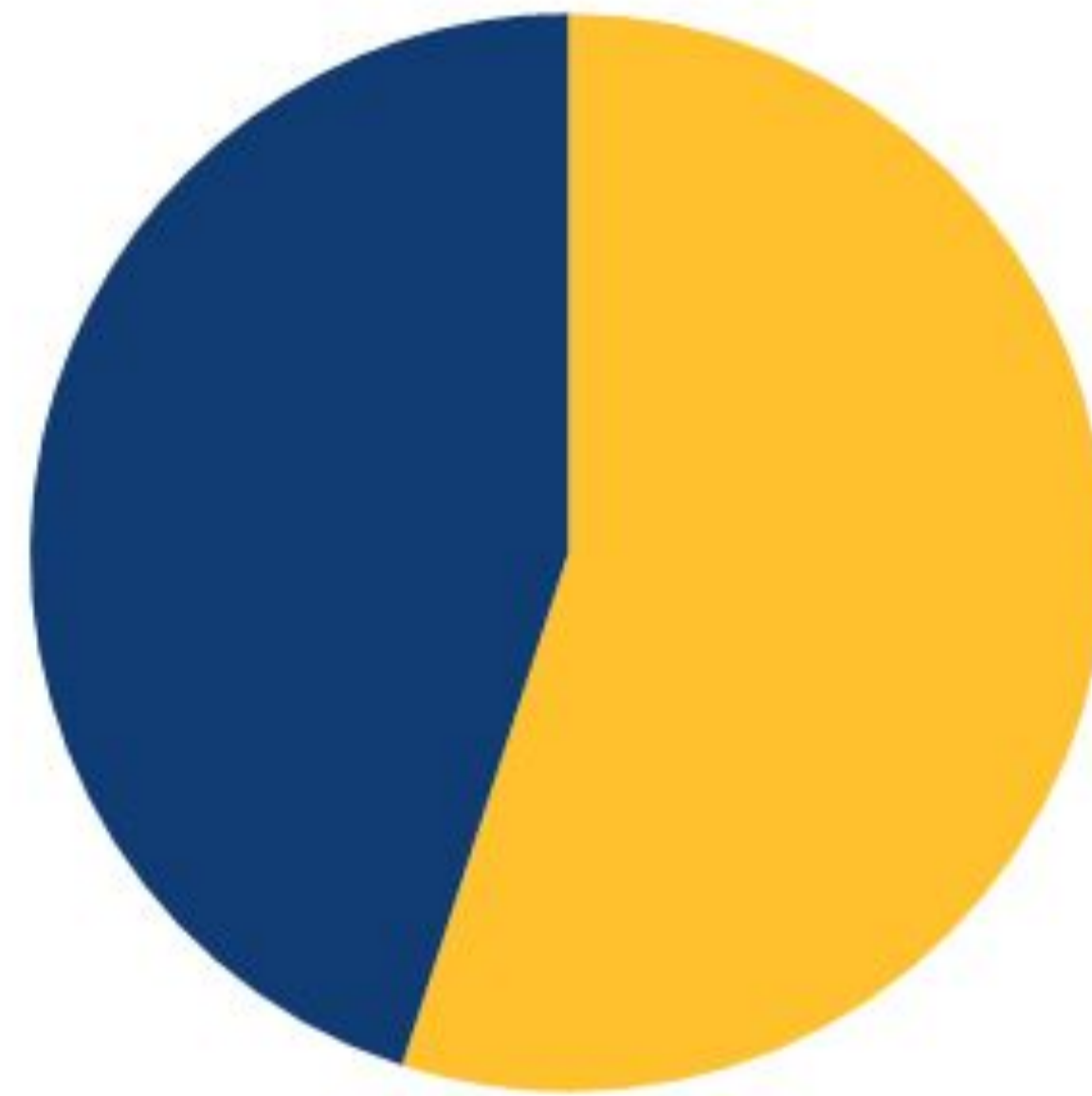
% of ARR >\$50K: 29% 34% 37%

* We define our total customers contributing more than \$5,000 or \$50,000 in ARR as of a particular date as the number of business entities or individuals, represented by a unique domain or a unique email address, with one or more paid subscriptions to one or more of our products that contributed more than \$5,000 or more than \$50,000 in ARR

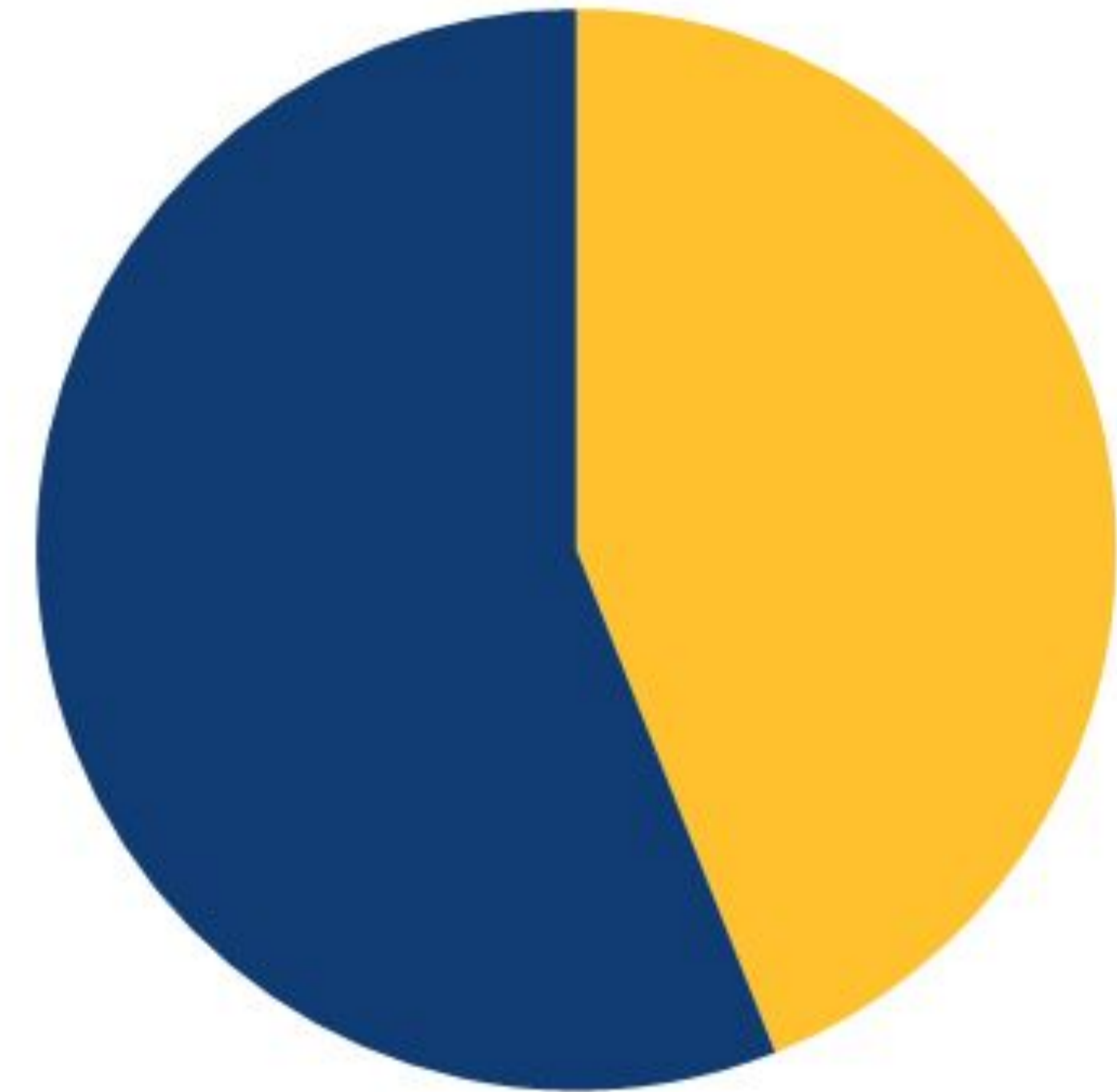


Healthy ARR mix from customers of all sizes

Represents ARR distribution of the following segments:



2016

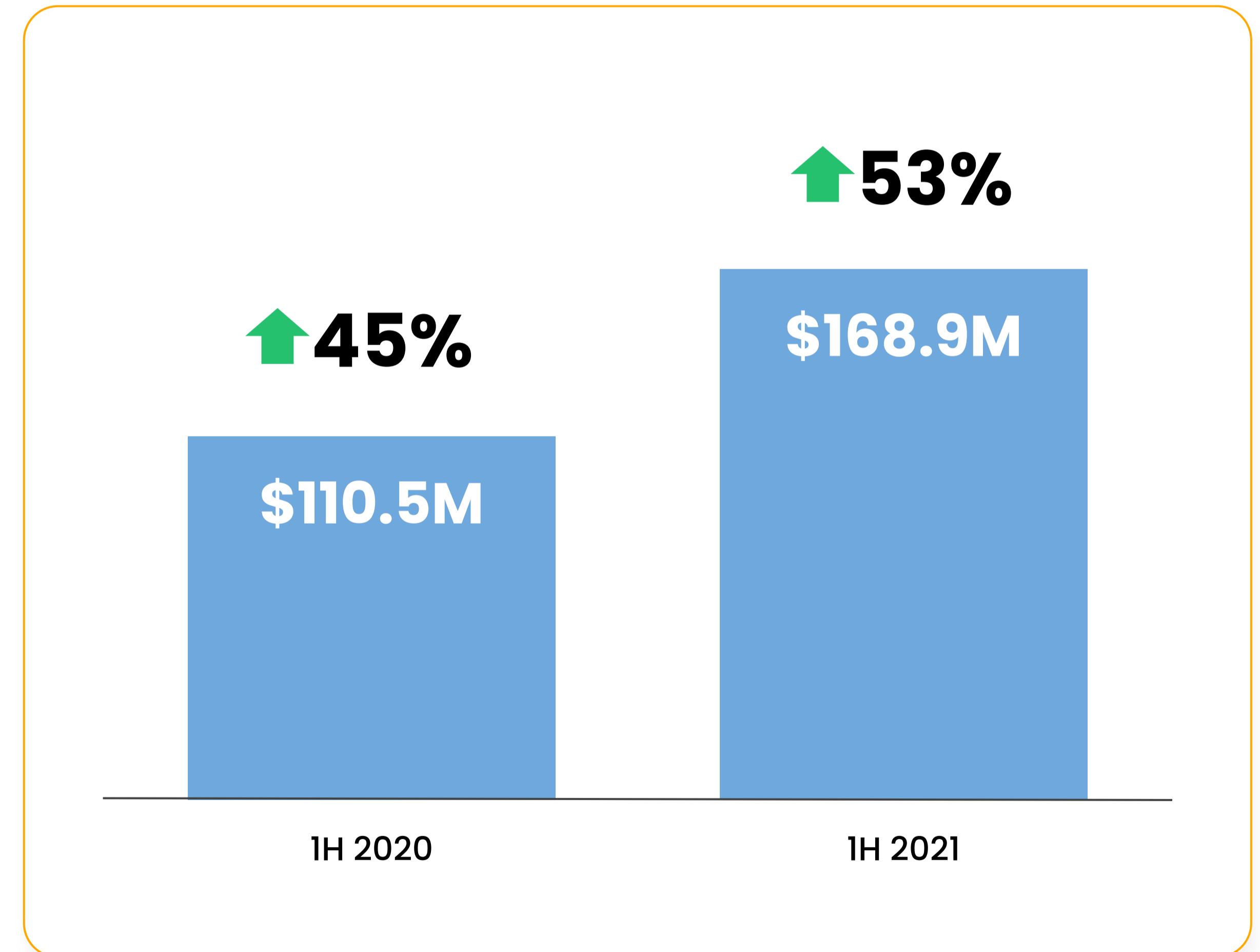
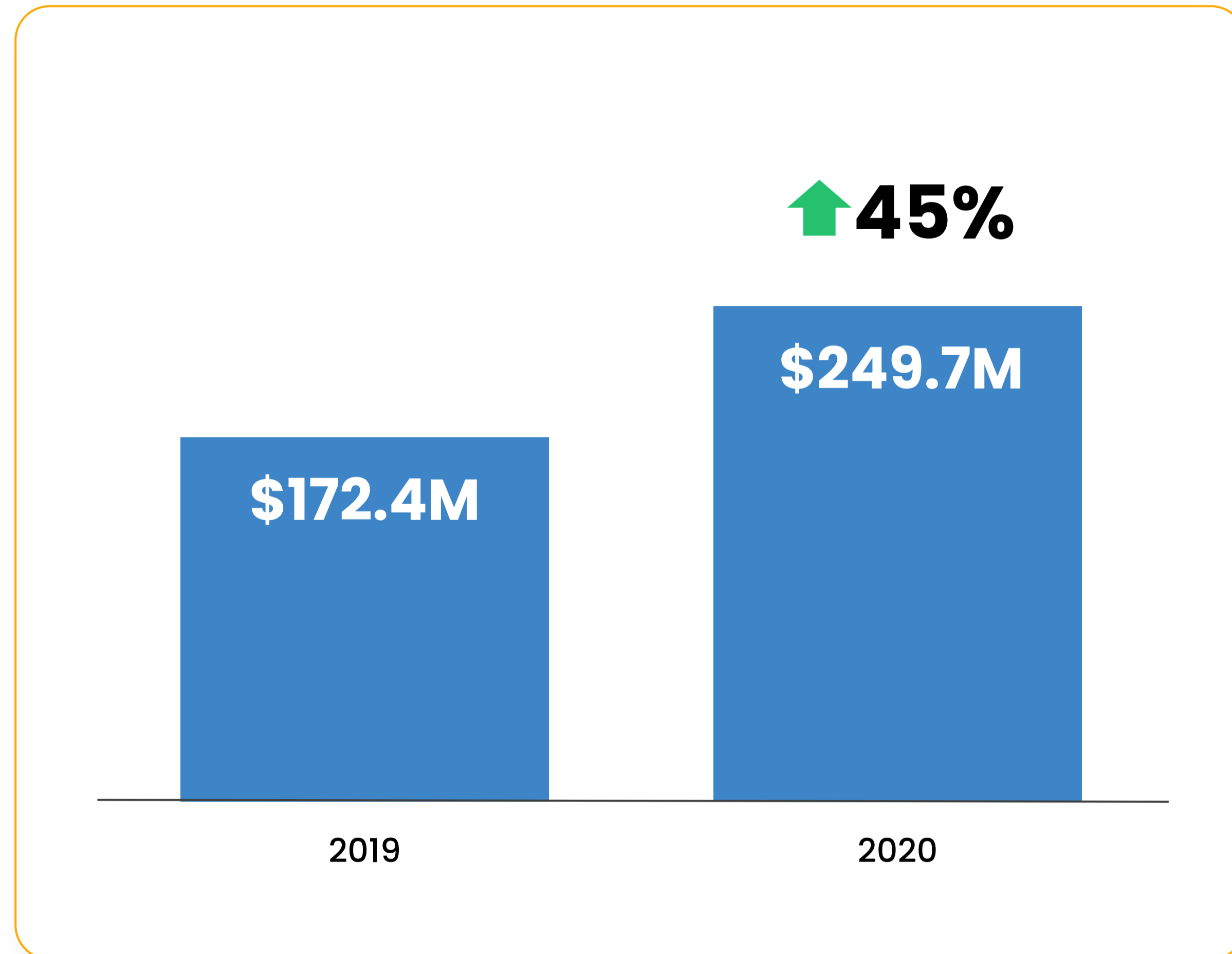


2020

* We define Mid-Market as those companies with more than 250 employees and SMB as those companies with 250 or fewer employees, as determined by LeadSPACE



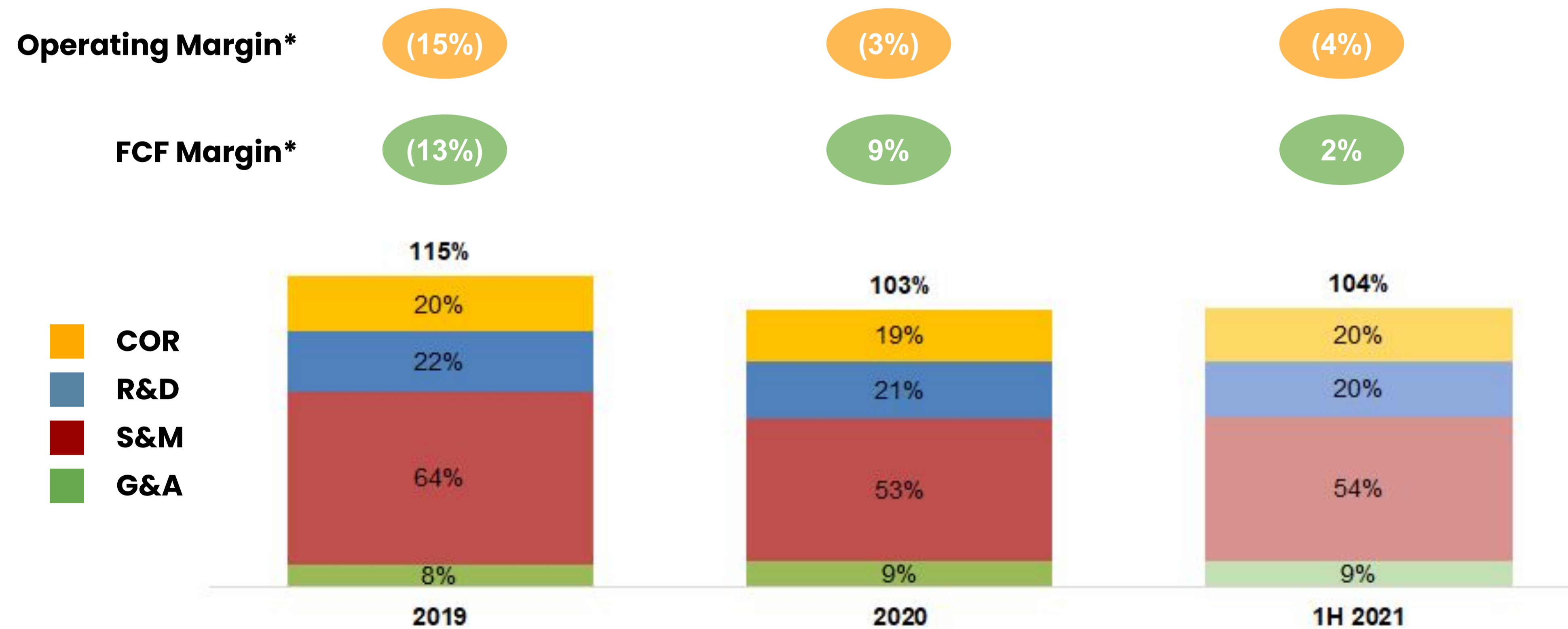
Strong revenue growth



* Note: Financial data reflects unaudited operating results as of June 30, 2021.



We continue to create operating leverage



Non-GAAP Expenses as a % of Revenue

* Note: Financial data reflects unaudited operating results as of June 30, 2021. Sum of expense margins may not add to Operating Margin due to rounding. Reconciliation of GAAP to Non-GAAP results in Appendix.



A Winning Combination of Scale, Growth and Efficiency



\$300M+

LTM Revenue



45%+

LTM Growth



~110%

Net Dollar Retention



~80%

Non-GAAP
Gross Margin*



5%+

LTM FCF Margin*

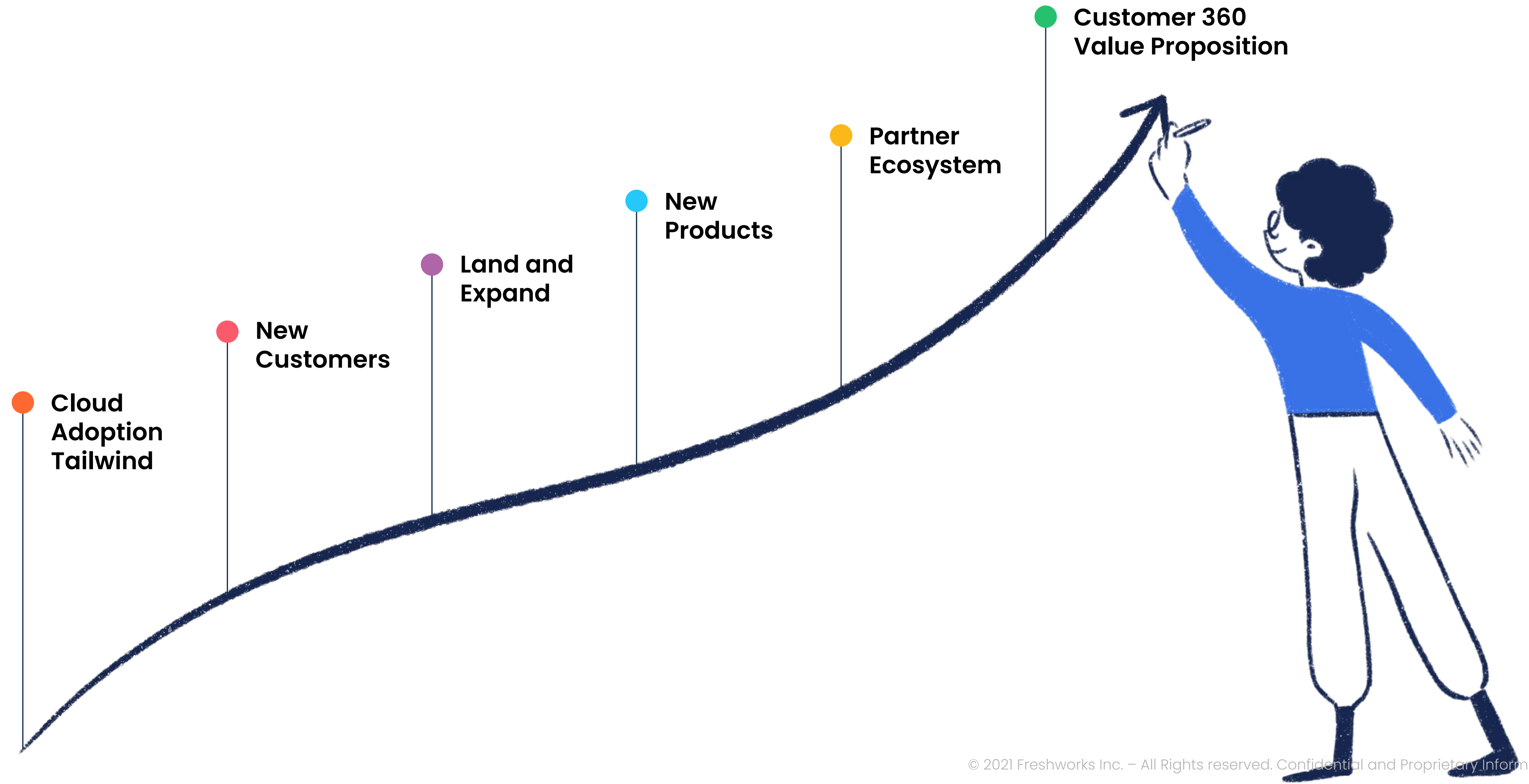
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Summary



Multiple Growth Vectors to Scale

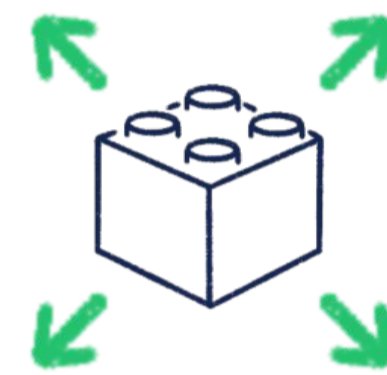




Key Takeaways



Designed for the user



Enables rapid innovation



Compounding growth



Mix of SMB and MM



Efficient GTM engines



Multiple vectors to grow

Thank You





2019 P&L GAAP to Non-GAAP Reconciliation

| 2019 (\$ in millions) | GAAP | Stock-based Compensation | Amortization of Acquired Technology | Acquisition-related Expenses | Total | Non-GAAP |
|--|----------------|-----------------------------|--|---------------------------------|--------------|----------------|
| Revenue | \$172.4 | | | | | \$172.4 |
| Cost of Revenue | \$36.5 | \$0.0 | \$1.2 | | \$1.2 | \$35.3 |
| Gross Profit | \$135.9 | (\$0.0) | (\$1.2) | | (\$1.2) | \$137.1 |
| Gross Margin | 79% | | | | | 80% |
| Operating Expenses | | | | | | |
| Research & Development | \$38.6 | \$0.2 | | | \$0.2 | \$38.4 |
| Sales & Marketing | \$111.1 | \$0.1 | \$0.3 | | \$0.4 | \$110.8 |
| General & Administrative | \$15.9 | \$0.0 | | \$1.3 | \$1.3 | \$14.6 |
| Total Operating Expense | \$165.6 | \$0.3 | \$0.3 | \$1.3 | \$1.9 | \$163.7 |
| Research & Development as a % of Revenue | 22% | | | | | 22% |
| Sales & Marketing as a % of Revenue | 65% | | | | | 64% |
| General & Administrative as a % of Revenue | 9% | | | | | 8% |
| Loss from Operations | (\$29.7) | (\$0.3) | (\$1.4) | (\$1.3) | (\$3.0) | (\$26.6) |
| Operating Margin | (17%) | | | | | (15%) |



2020 P&L GAAP to Non-GAAP Reconciliation

| 2020 (\$ in millions) | GAAP | Stock-based Compensation | Amortization of Acquired Technology | Acquisition-related Expenses | Total | Non-GAAP |
|--|-----------------|-----------------------------|--|---------------------------------|-----------------|----------------|
| Revenue | \$249.7 | | | | | \$249.7 |
| Cost of Revenue | \$52.5 | | \$3.9 | | \$3.9 | \$48.6 |
| Gross Profit | \$197.2 | | (\$3.9) | | (\$3.9) | \$201.0 |
| Gross Margin | 79% | | | | | 81% |
| Operating Expenses | | | | | | |
| Research & Development | \$69.2 | \$15.9 | | | \$15.9 | \$53.3 |
| Sales & Marketing | \$133.3 | \$0.0 | \$0.4 | | \$0.4 | \$132.9 |
| General & Administrative | \$50.8 | \$27.4 | | \$0.3 | \$27.7 | \$23.1 |
| Total Operating Expense | \$253.3 | \$43.3 | \$0.4 | \$0.3 | \$44.0 | \$209.3 |
| Research & Development as a % of Revenue | 28% | | | | | 21% |
| Sales & Marketing as a % of Revenue | 53% | | | | | 53% |
| General & Administrative as a % of Revenue | 20% | | | | | 9% |
| Loss from Operations | (\$56.1) | (\$43.3) | (\$4.3) | (\$0.3) | (\$47.9) | (\$8.3) |
| Operating Margin | (22%) | | | | | (3%) |



1H 2021 P&L GAAP to Non-GAAP Reconciliation

| 1H 2021 (\$ in millions) | GAAP | Stock-based Compensation | Amortization of Acquired Technology | Acquisition-related Expenses | Total | Non-GAAP |
|--|---------|-----------------------------|--|---------------------------------|---------|----------|
| Revenue | \$168.9 | | | | | \$168.9 |
| Cost of Revenue | \$35.4 | | \$1.9 | | \$1.9 | \$33.4 |
| Gross Profit | \$133.5 | | (\$1.9) | | (\$1.9) | \$135.5 |
| Gross Margin | 79% | | | | | 80% |
| Operating Expenses | | | | | | |
| Research & Development | \$34.3 | | | | | \$34.3 |
| Sales & Marketing | \$91.4 | | \$0.2 | | \$0.2 | \$91.2 |
| General & Administrative | \$16.0 | | | | | \$16.0 |
| Total Operating Expense | \$141.7 | | \$0.2 | | \$0.2 | \$141.5 |
| Research & Development as a % of Revenue | 20% | | | | | 20% |
| Sales & Marketing as a % of Revenue | 54% | | | | | 54% |
| General & Administrative as a % of Revenue | 9% | | | | | 9% |
| Loss from Operations | (\$8.2) | | (\$2.1) | | (\$2.1) | (\$6.0) |
| Operating Margin | (5%) | | | | | (4%) |

* Note: Financial data reflects unaudited operating results as of June 30, 2021.



Free Cash Flow Reconciliation

| Reconciliation to Free Cash Flow <i>(\$ in millions)</i> | 2019 | 2020 | 1H 2021 | LTM |
|--|-----------------|---------------|----------------|---------------|
| Cash flow from operating activities | (\$8.2) | \$32.5 | \$8.7 | \$34.9 |
| Less | | | | |
| Purchases of property and equipment | (\$11.5) | (\$4.4) | (\$2.8) | (\$4.6) |
| Capitalized internal-use software | (\$3.3) | (\$4.6) | (\$2.2) | (\$4.4) |
| Free Cash Flow | (\$23.0) | \$23.5 | \$3.7 | \$25.9 |
| Cash flow from investing activities | (\$148.9) | (\$11.4) | \$1.3 | \$26.5 |
| Cash flow from financing activities | \$150.2 | (\$1.9) | (\$2.4) | (\$4.3) |
| Free Cash Flow Margin | | | | |
| Revenue | \$172.4 | \$249.7 | \$168.9 | \$308.1 |
| Free Cash Flow | (\$23.0) | \$23.5 | \$3.7 | \$25.9 |
| Free Cash Flow Margin | (13%) | 9% | 2% | 8% |

Free Cash Flow Margin is calculated by taking cash flow from operating activities, less purchases of property and equipment and capitalized internal-use software, divided by revenue.

* Note: Financial data reflects unaudited operating results as of June 30, 2021.