



Investor Supplemental FY25-Q1

September 4, 2024

Disclaimer

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The words “anticipate,” “believe,” “continue,” “estimate,” “expect,” “intend,” “may,” “will” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these words. Forward-looking statements in this press release include, but are not limited to, statements regarding our market leadership position, anticipated benefits from our partnerships, financial outlook, our sales and customer opportunity pipeline including our industry diversification, the expected benefits of our offerings (including the potential benefits of our C3 Generative AI offerings), and our business strategies, plans, and objectives for future operations. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks and uncertainties, including our history of losses and ability to achieve and maintain profitability in the future, our historic dependence on a limited number of existing customers that account for a substantial portion of our revenue, our ability to attract new customers and retain existing customers, market awareness and acceptance of enterprise AI solutions in general and our products in particular, the length and unpredictability of our sales cycles and the time and expense required for our sales efforts. Some of these risks are described in greater detail in our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the fiscal year ended April 30, 2024, and other filings and reports we make the Securities and Exchange Commissions from time to time, including our Quarterly Report on Form 10-Q that will be filed for the fiscal quarter ended July 31, 2024, although new and unanticipated risks may arise. The future events and trends discussed in this press release may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, achievements, or events and circumstances reflected in the forward-looking statements will occur. Except to the extent required by law, we do not undertake to update any of these forward-looking statements after the date of this press release to conform these statements to actual results or revised expectations.

This presentation also contains estimates and other statistical data made by independent parties and by us relating to market size and growth and other data about our industry. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Neither we nor any other person makes any representation as to the accuracy or completeness of such data or undertakes any obligation to update such data after the date of this presentation. In addition, projections, assumptions, and estimates of our future performance and the future performance of the markets in which we operate are necessarily subject to a high degree of uncertainty and risk.

In addition to the financials presented in accordance with U.S. generally accepted accounting principles (“GAAP”), this presentation includes non-GAAP financial information. We believe that non-GAAP financial information, when taken collectively with financial information presented in accordance with GAAP, may be helpful to investors because it provides consistency and comparability with past financial performance. There are a number of limitations related to the use of non-GAAP financial metrics versus their nearest GAAP equivalents. For example, other companies may calculate non-GAAP metrics differently or may use other metrics to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial metrics as tools for comparison. We urge you to review the non-GAAP financial information with the financial information presented in accordance with GAAP, and not to rely on any single financial measure to evaluate our business.

FY25-Q1 Highlights

Number of
Agreements

71

Subscription
Revenue Growth¹

20%

Revenue
Growth¹

21%

Free Cash
Flow

\$7.1M

Cash
Balance

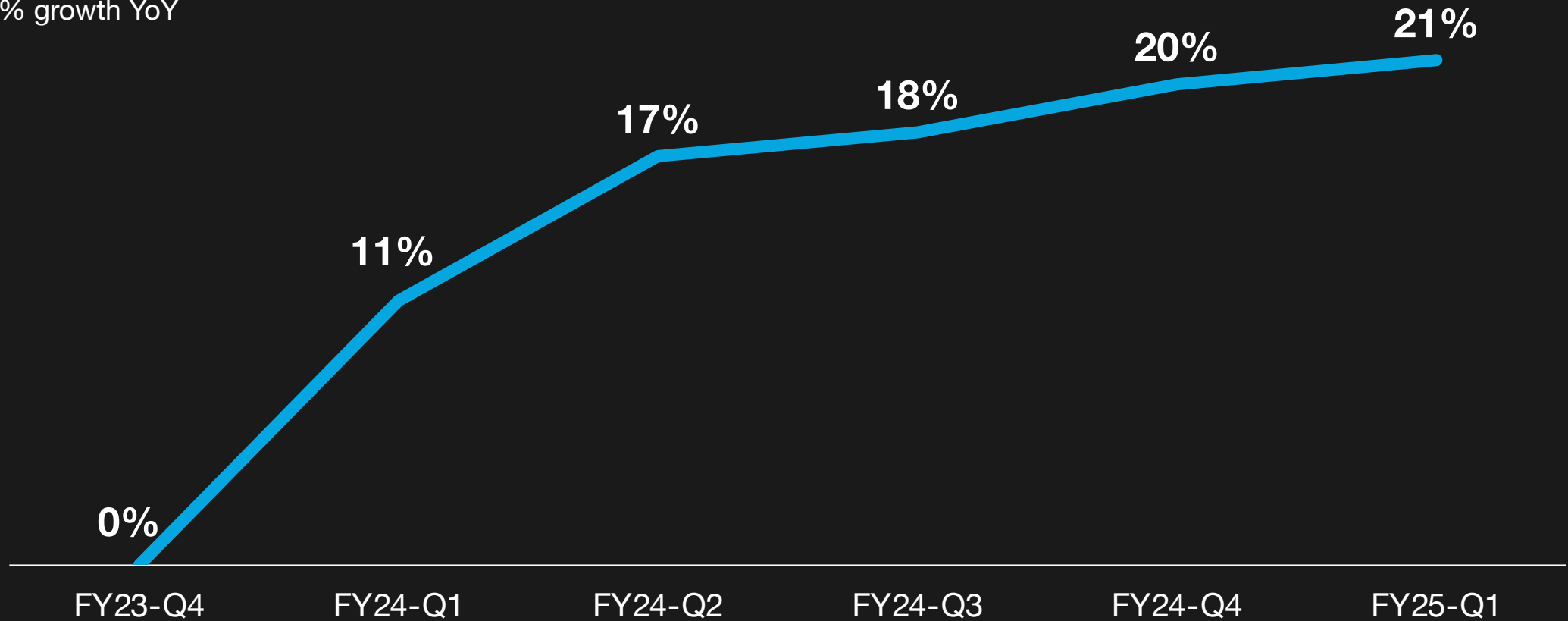
\$762.5M

(1) FY25-Q1 QTD vs FY24-Q1 QTD and percentages are rounded for presentation purposes

 **C3.ai This is Enterprise AI.**

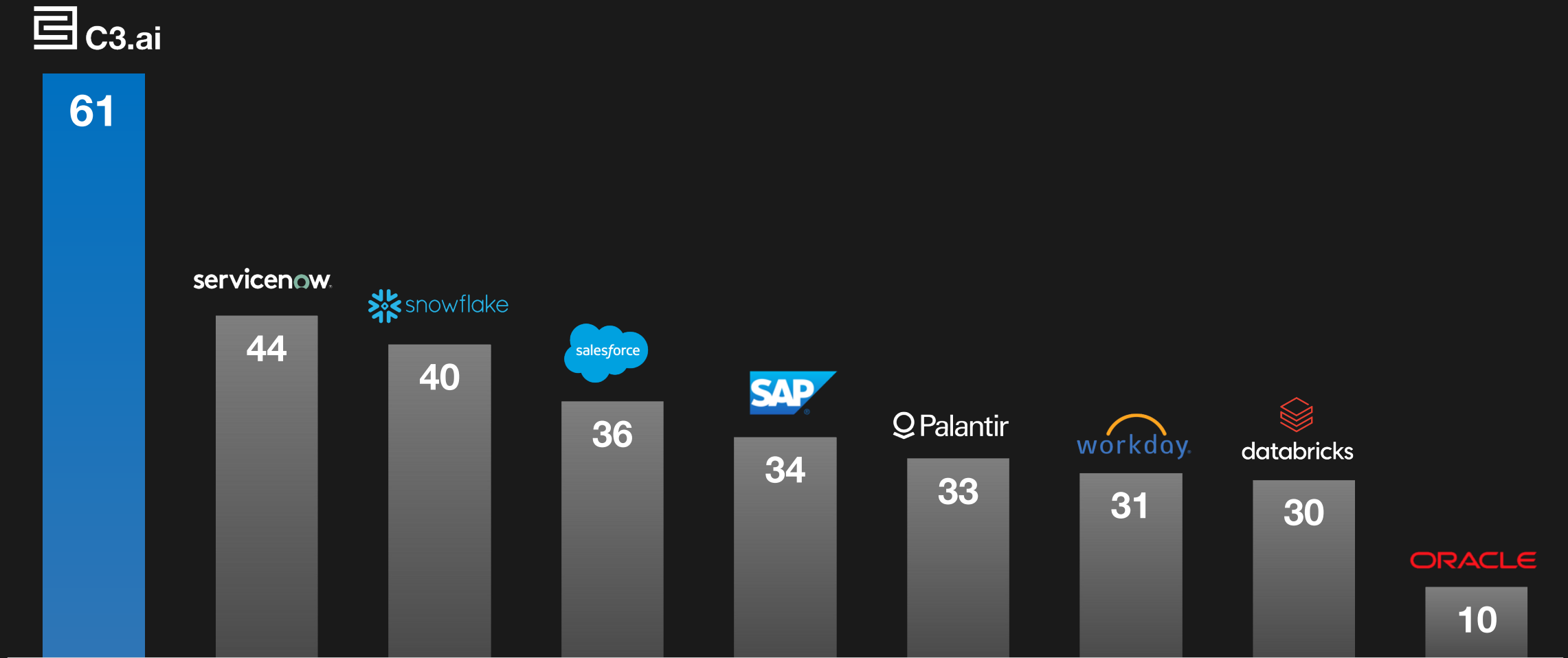
Revenue Growth Accelerates

% growth YoY



Percentages are rounded for presentation purposes

Benchmarking C3 AI's NPS Score



NPS benchmark information from Comparably (August 14, 2024)

Revenue Growth Accelerates

	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25
Total revenue (K)	\$65,308	\$62,408	\$66,669	\$72,410	\$72,362	\$73,229	\$78,401	\$86,590	\$87,213
% growth YoY	25%	7%	(4)%	—%	11%	17%	18%	20%	21%
Average selling price (K)	\$1,426	\$825	\$1,899	\$1,156	\$755	\$665	\$1,206	\$894	\$654
RPO (K)	\$458,209	\$417,320	\$403,159	\$381,437	\$334,560	\$303,552	\$286,867	\$244,304	\$204,470
Subscription revenue % growth YoY	24%	26%	—%	1%	8%	12%	23%	41%	20%

Percentages are rounded for presentation purposes

C3 AI Customer Success



Accelerating the Customer Journey

New Local Government Customer

County in Southeast U.S.

Attended C3 AI
User Conference



4 weeks

Executive
Briefing



3 months

7 Figure, 5 Year Committed
Noncancelable Agreement

New Local Government Customer

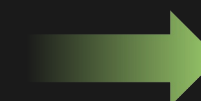
County in Northwest U.S.

Attended Industry
Conference



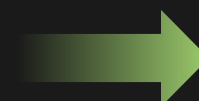
24 hours

Contracting



12 hours

6 Figure, 3 Month Committed
Noncancellable Agreement



Discussion underway for
Multiyear Subscription Agreement

FY25 Q1 C3 AI Partner Model Success

- In Q1, C3 AI closed 51 agreements representing 72% of total agreements through its partner network, an increase of 155% year-over-year.
- Partner supported bookings grew by 94% year-over-year
- Google Cloud and C3 AI jointly closed 40 agreements, an increase of 300% year-over-year.

Google Cloud

aws

Microsoft

Baker Hughes

Peraton

fractal

Raytheon
Technologies

Booz | Allen | Hamilton

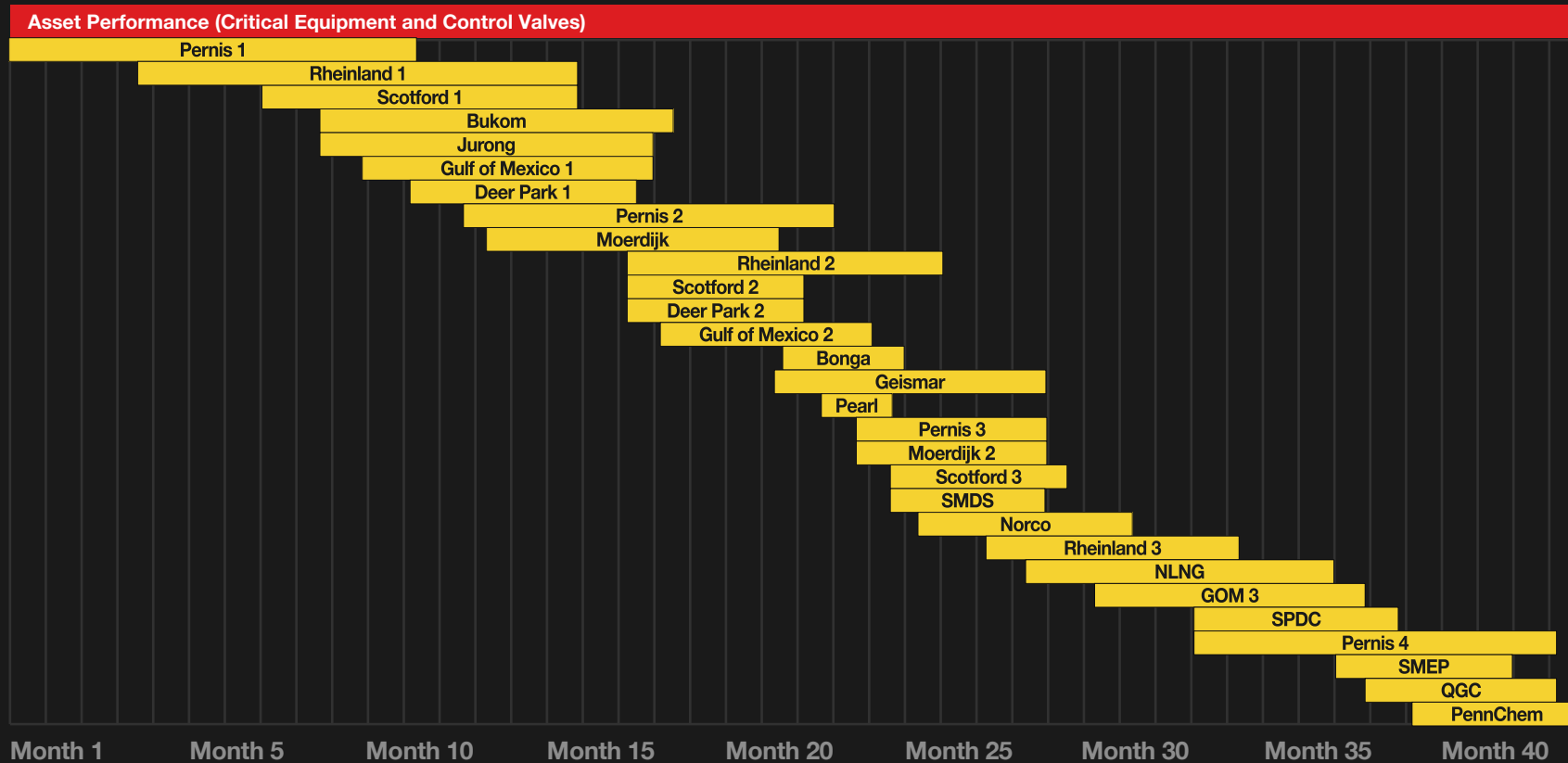
PARADYME

ECS

Rapid Time to High-Value and Scale



Shell Industrial Assets



“Using the C3 AI Reliability Suite, we could get much better understanding on the condition of control valves, and we could spend less and improve performance. We've really appreciated the partnership with C3 AI. We think they understand what we're trying to achieve really well.”

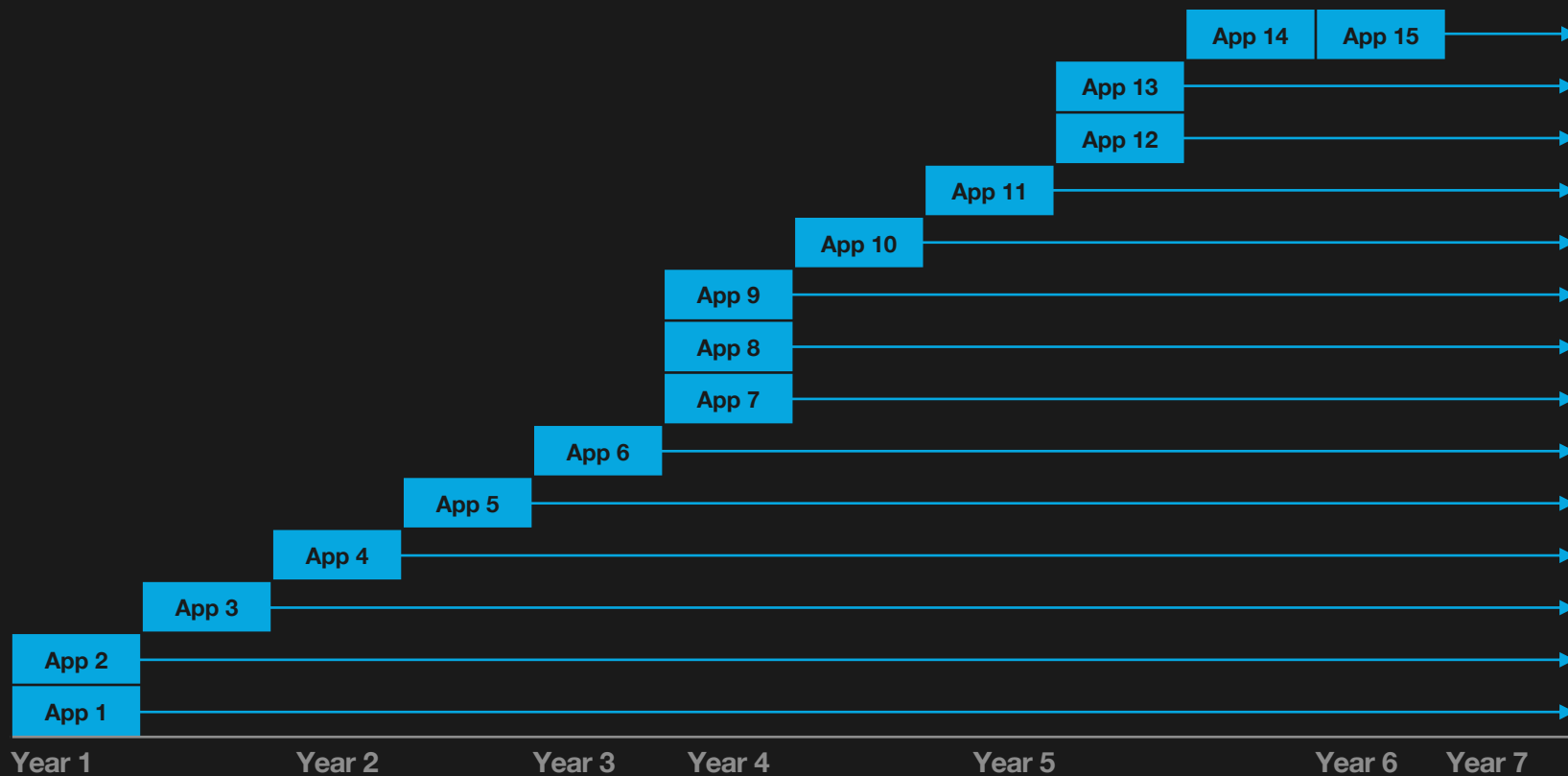
Mark Wildon
Vice President of Asset Management Excellence



Rapid Time to High-Value and Scale



Enterprise AI Applications



“With the C3 AI Platform, we integrate over 40 legacy data sources and AMI systems to address a high number of high value needs. And we did this with speed and then at scale. We’ve already uncovered over \$45 million in annual cost reduction. And we think that there’s a lot more there.”

— conEdison

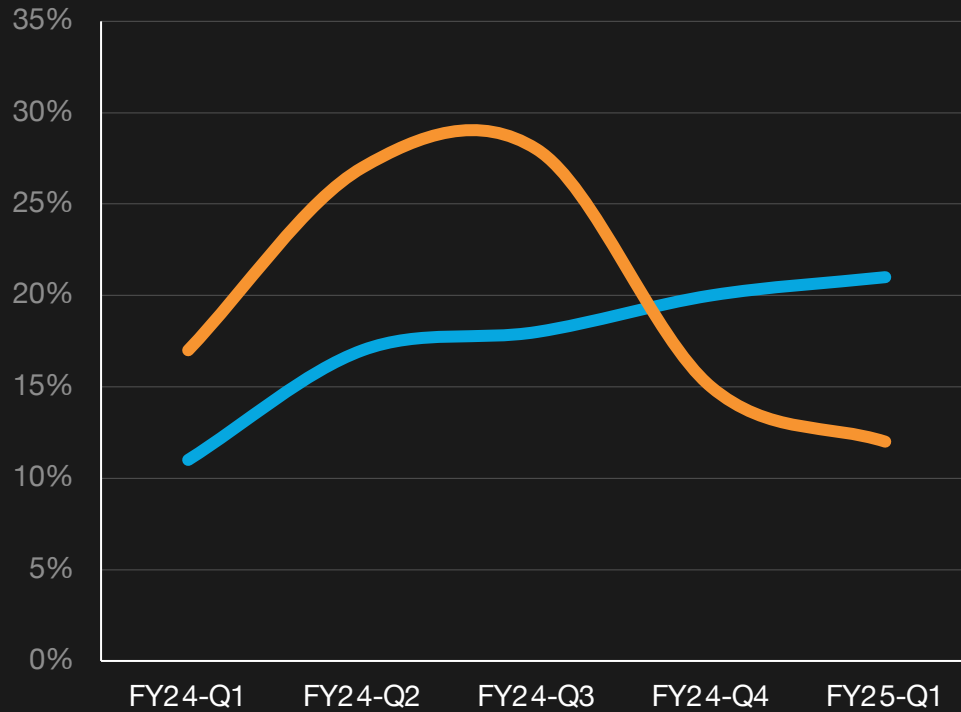
Guidance

	FY25-Q2	FY25
Total Revenue	\$88.6 – \$93.6 million	\$370.0 – \$395.0 million
YoY Growth %	21% – 28%	19% – 27%
Non-GAAP Loss from Operations	(\$26.7) – (\$34.7) million	(\$95.0) – (\$125.0) million

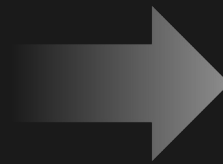
Our guidance includes GAAP and non-GAAP financial measures. A reconciliation of non-GAAP guidance measures to corresponding GAAP measures is not available on a forward-looking basis without unreasonable effort due to the uncertainty regarding, and the potential variability of, expenses that may be incurred in the future. Stock-based compensation expense-related charges, including employer payroll tax-related items on employee stock transactions, are impacted by the timing of employee stock transactions, the future fair market value of our common stock, and our future hiring and retention needs, all of which are difficult to predict and subject to constant change. We have provided a reconciliation of GAAP to non-GAAP financial measures in the financial statement tables for our historical non-GAAP results included in this presentation. Our fiscal year ends April 30, and numbers are rounded for presentation purposes.

Path to Profitability

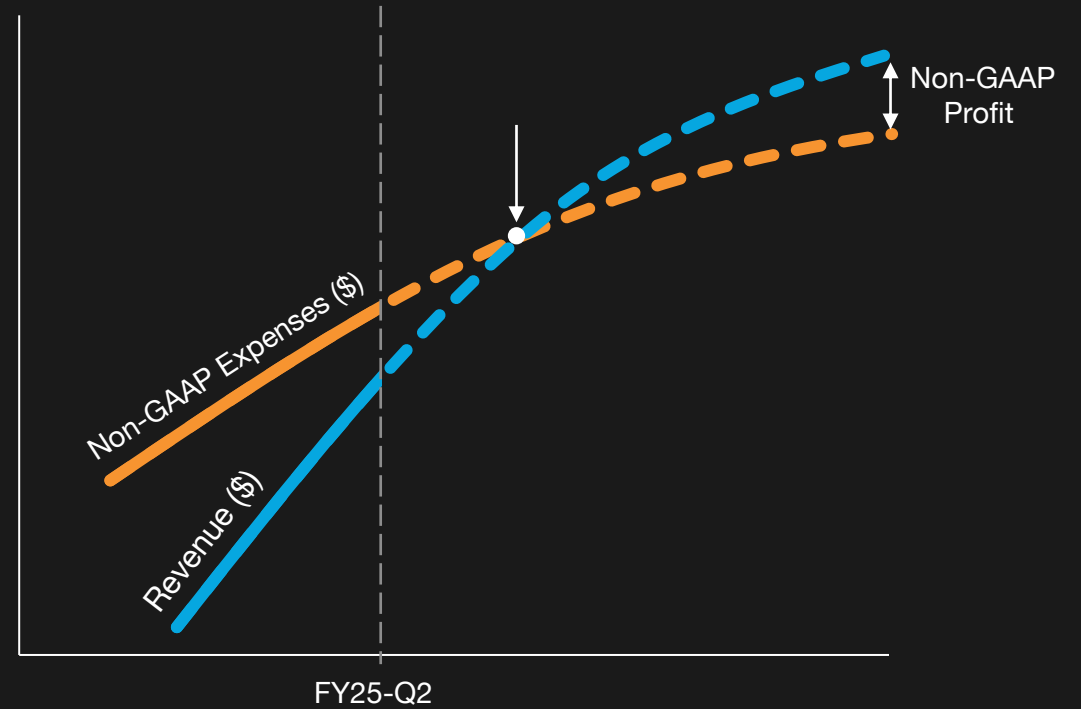
Historical Growth Rate



- % YoY Revenue Growth Rate
- % YoY Non-GAAP Expenses Growth Rate



Profit Projection



Finance Update

FY25-Q1 Summary Financial Results

	FY25-Q1
Revenue	\$87.2 million
Subscription Revenue	\$73.5 million
Non-GAAP Gross Profit	\$60.9 million
Non-GAAP Gross Margin	70%
Non-GAAP net loss per share	\$(0.05)
Free Cash Flow	\$7.1 million

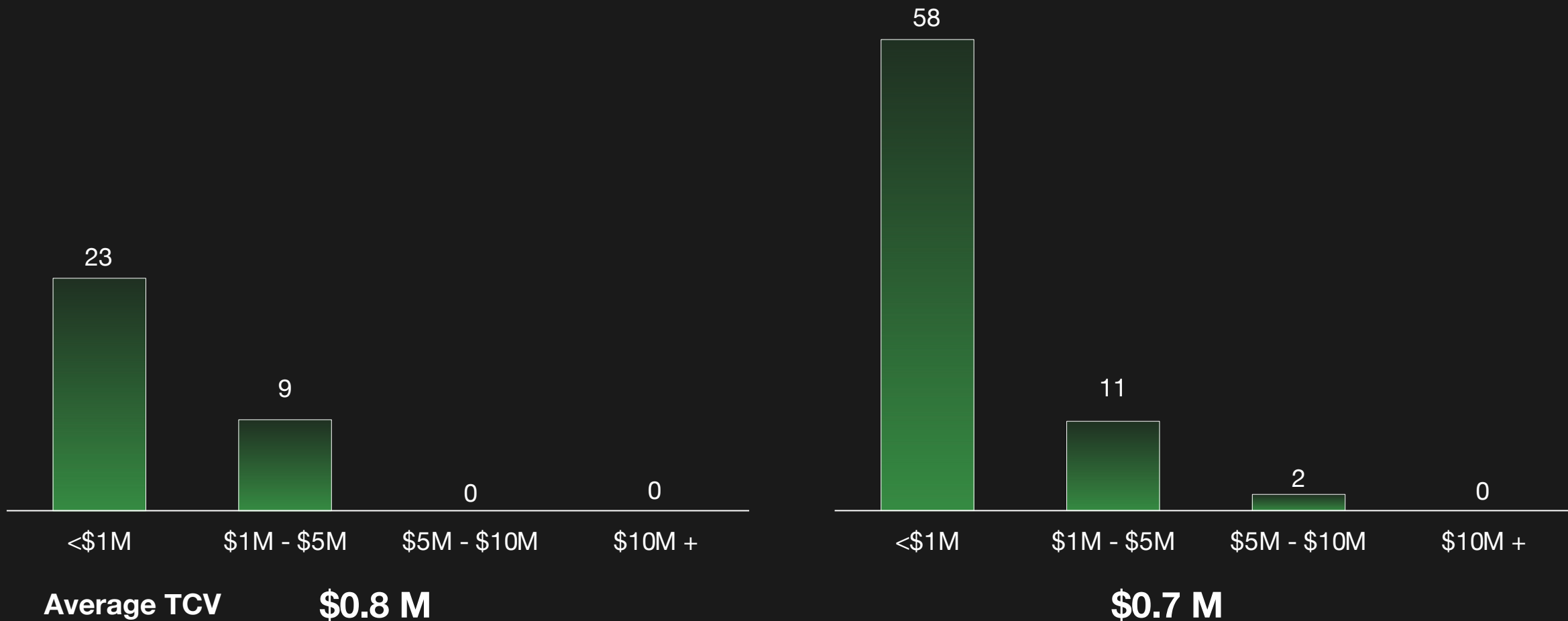
Note: Non-GAAP Gross Profit, Non-GAAP Gross Margin, Non-GAAP net loss per share and Free cash flow are non-GAAP financial measures. Refer to the Appendix for a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measure. Numbers and percentages are rounded for presentation purposes.

Deal Bands

\$ in Millions

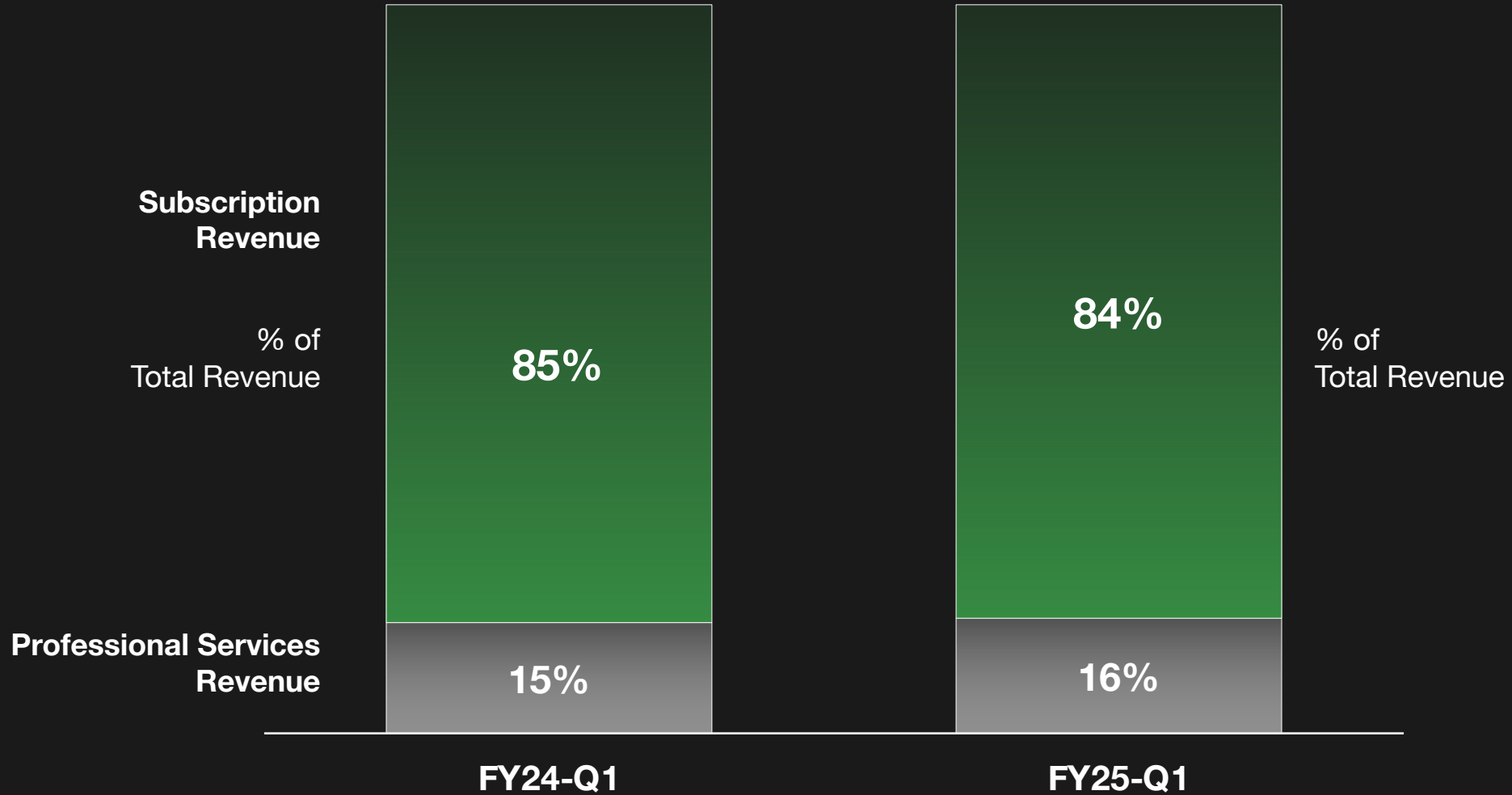
FY24-Q1

FY25-Q1



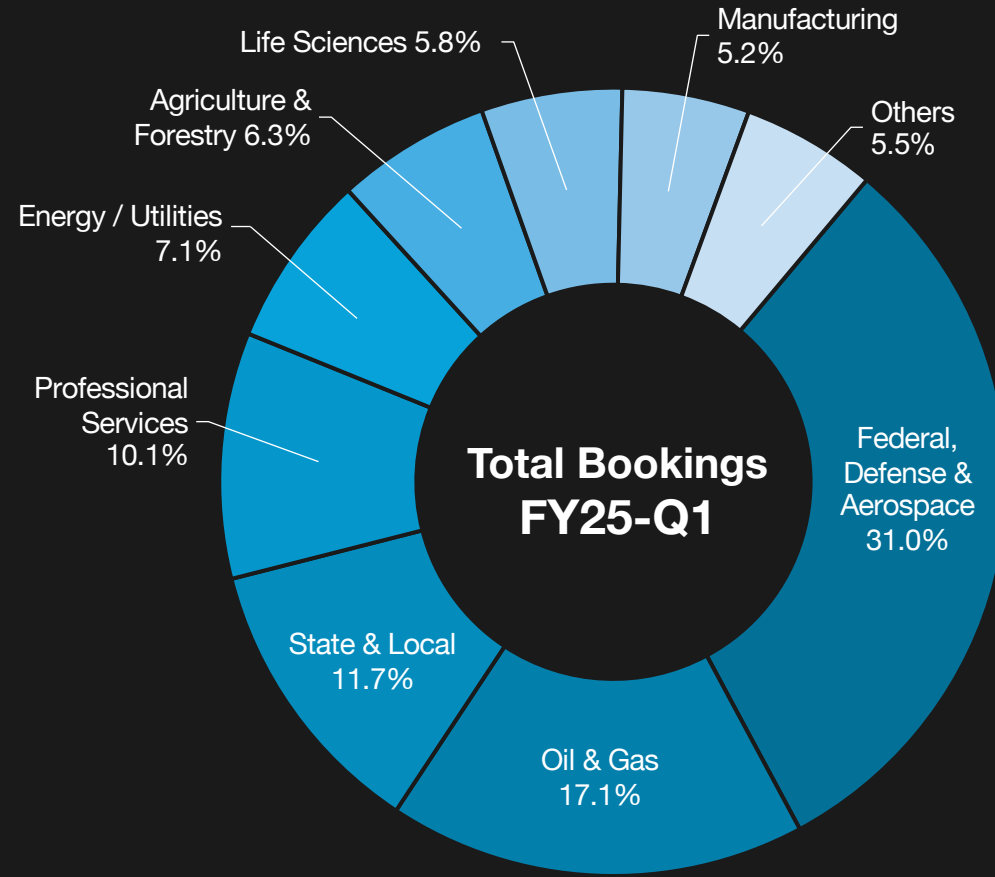
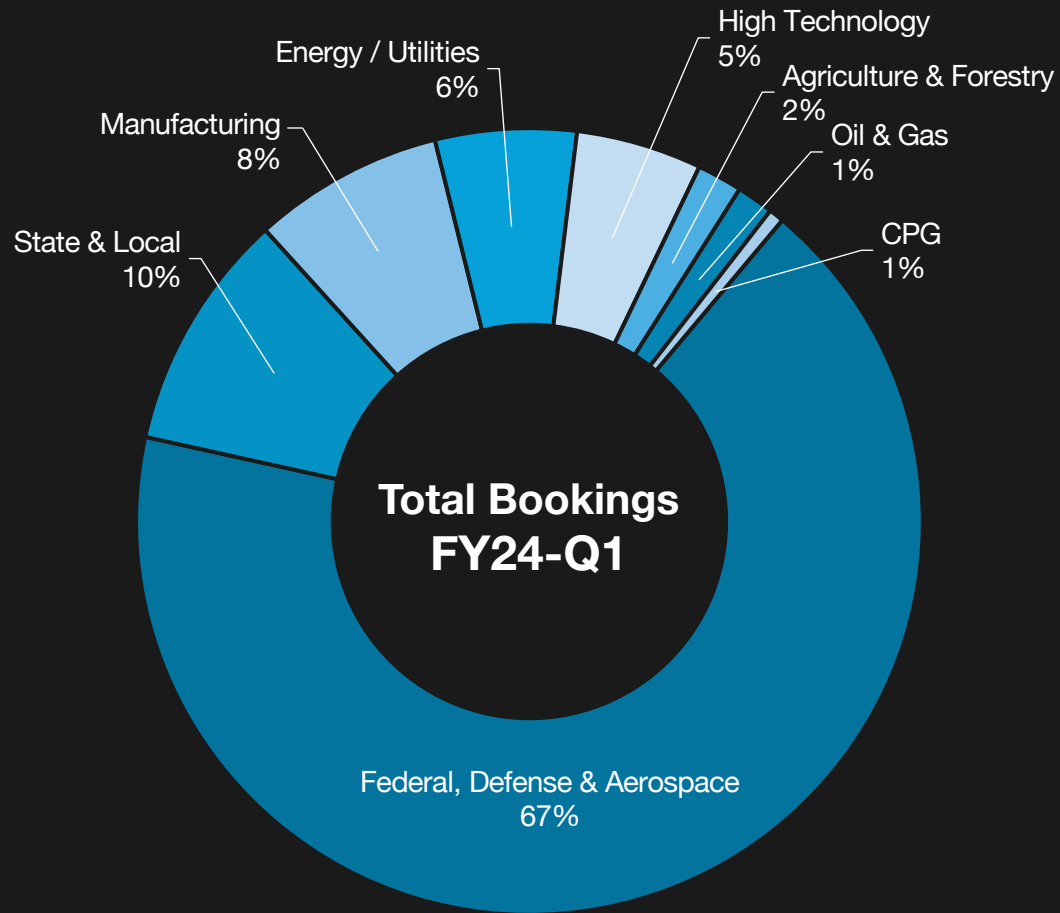
Note: Fiscal year ends April 30. Numbers are rounded for presentation purposes.

Total Revenue Mix



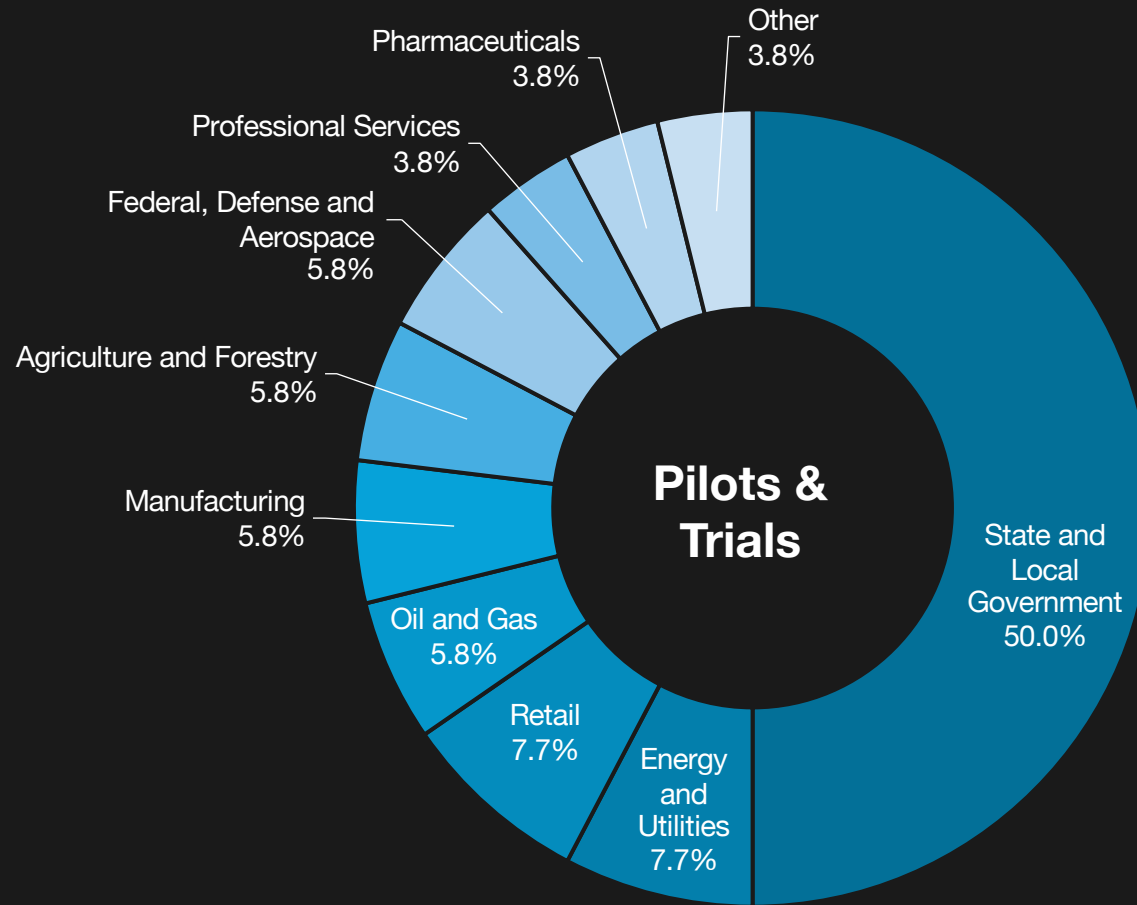
Note: Numbers and percentages are rounded for presentation purposes.

Bookings Diversity by Industry: FY25-Q1



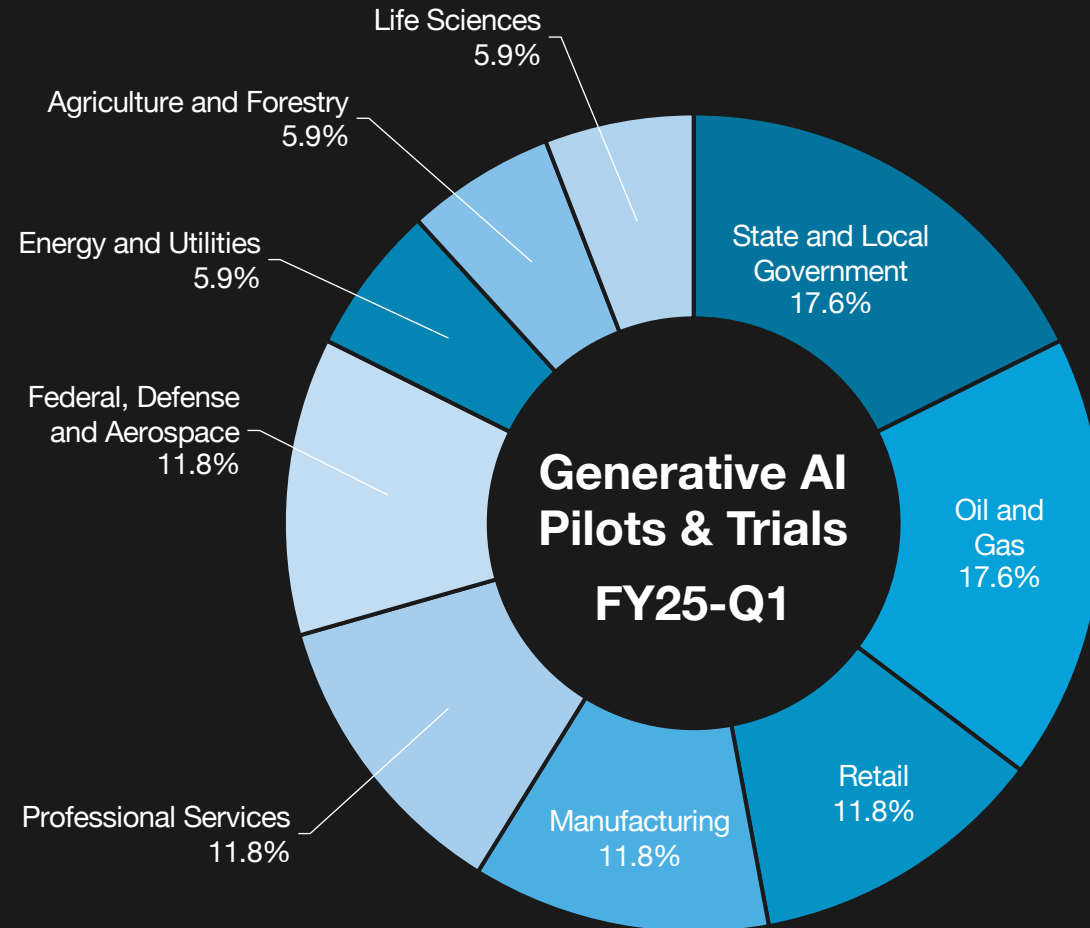
Note: Fiscal year ends April 30. Percentages are rounded for presentation purposes. % calculation is based on dollar amount

Pilots & Trials Diversity by Industry: FY25-Q1



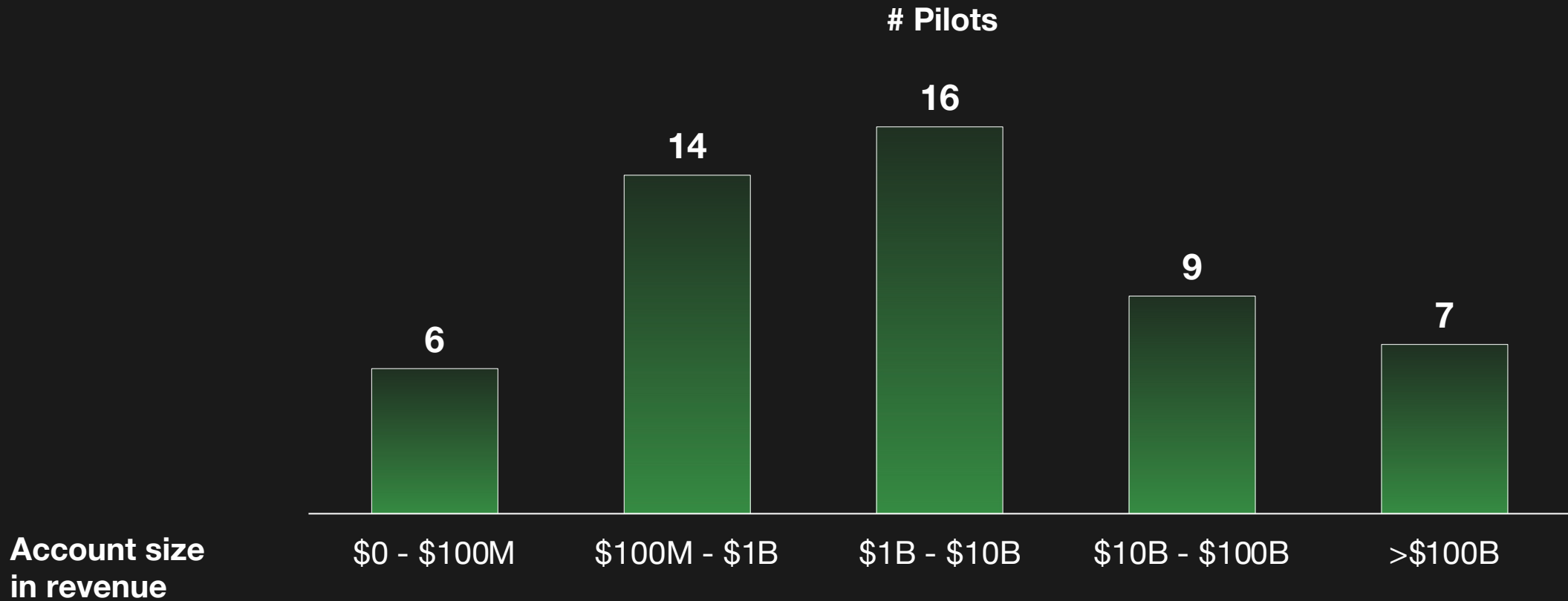
Note: Fiscal year ends April 30. Percentages are rounded for presentation purposes. % calculation is based on deal count

Generative AI Pilots & Trials Diversity by Industry: FY25-Q1



Note: Percentages are rounded for presentation purposes. % calculation is based on deal count

Pilot Account Profile FY25-Q1



C3 AI Investment Thesis



Huge Addressable Market



First-mover Advantage



Patented Enterprise AI Application Platform



Substantial Market Partner Ecosystem



Recognized AI Market Leadership



Proven Track Record of Success



Veteran Disciplined Management Team



High-Performance Corporate Culture



Excellence in Execution

 **C3.ai This is Enterprise AI.**

Appendix

Income Statement

	Three Months Ended							
	October 31, 2022	January 31, 2023	April 30, 2023	July 31, 2023	October 31, 2023	January 31, 2024	April 30, 2024	July 31, 2024
Revenue								
Subscription	\$ 59,508	\$ 57,043	\$ 56,866	\$ 61,352	\$ 66,449	\$ 70,400	\$ 79,903	\$ 73,456
Professional services	2,900	9,626	15,544	11,010	6,780	8,001	6,687	13,757
Total Revenue	62,408	66,669	72,410	72,362	73,229	78,401	86,590	87,213
Cost of revenue								
Subscription ⁽¹⁾⁽²⁾	19,165	21,294	23,872	30,434	30,937	32,273	34,825	33,292
Professional services ⁽¹⁾⁽²⁾	1,587	977	1,036	1,379	1,179	841	154	1,755
Total cost of revenue	20,752	22,271	24,908	31,813	32,116	33,114	34,979	35,047
Gross profit	41,656	44,398	47,502	40,549	41,113	45,287	51,611	52,166
Operating expenses								
Sales and marketing ⁽¹⁾⁽²⁾	44,936	43,497	51,701	43,885	49,895	57,140	63,247	52,125
Research and development ⁽¹⁾⁽²⁾	50,051	55,051	49,681	50,868	50,399	49,480	50,618	52,927
General and administrative ⁽¹⁾⁽²⁾	18,635	17,888	19,400	19,889	20,215	21,213	20,053	19,700
Total operating expenses	113,622	116,436	120,782	114,642	120,509	127,833	133,918	124,752
Loss from operations	(71,966)	(72,038)	(73,280)	(74,093)	(79,396)	(82,546)	(82,307)	(72,586)
Interest income	4,224	6,987	8,230	10,122	10,480	9,995	9,482	10,003
Other (expense) income, net	(945)	2,032	284	(239)	(638)	409	(173)	28
Net income (loss) before provision for income taxes	(68,687)	(63,019)	(64,766)	(64,210)	(69,554)	(72,142)	(72,998)	(62,555)
Provision for income taxes	163	143	190	148	226	489	(71)	272
Net income (loss)	\$ (68,850)	\$ (63,162)	\$ (64,956)	\$ (64,358)	\$ (69,780)	\$ (72,631)	\$ (72,927)	\$ (62,827)

(1) Includes stock-based compensation expense as follows:

	Three months ended							
	October 31, 2022	January 31, 2023	April 30, 2023	July 31, 2023	October 31, 2023	January 31, 2024	April 30, 2024	July 31, 2024
Cost of subscription	\$ 5,486	\$ 5,996	\$ 5,663	\$ 8,056	\$ 8,514	\$ 8,674	\$ 8,788	\$ 7,694
Cost of professional services	479	361	309	460	479	309	40	714
Sales and marketing	19,080	18,316	17,214	16,779	18,226	17,528	19,218	18,833
Research and development	23,905	23,646	17,449	17,033	16,685	18,757	19,561	18,431
General and administrative	7,063	7,512	7,433	8,552	9,265	9,715	9,122	9,011
Total stock-based compensation expense	\$ 56,013	\$ 55,831	\$ 48,068	\$ 50,880	\$ 53,169	\$ 54,983	\$ 56,729	\$ 54,683

(2) Includes employer payroll tax expense related to stock-based compensation as follows:

	Three months ended							
	October 31, 2022	January 31, 2023	April 30, 2023	July 31, 2023	October 31, 2023	January 31, 2024	April 30, 2024	July 31, 2024
Cost of subscription	\$ 170	\$ 190	\$ 357	\$ 509	\$ 282	\$ 392	\$ 490	\$ 326
Cost of professional services	16	11	20	32	15	13	3	30
Sales and marketing	356	277	604	1,005	463	496	642	472
Research and development	386	618	576	817	415	738	869	364
General and administrative	63	79	112	137	99	134	169	80
Total employer payroll tax expense	\$ 991	\$ 1,175	\$ 1,669	\$ 2,500	\$ 1,274	\$ 1,773	\$ 2,173	\$ 1,272

GAAP to Non-GAAP Reconciliation

	Three Months Ended							
	October 31, 2022	January 31, 2023	April 30, 2023	July 31, 2023	October 31, 2023	January 31, 2024	April 30, 2024	July 31, 2024
Subscription revenue	\$ 59,508	\$ 57,043	\$ 56,866	\$ 61,352	\$ 66,449	\$ 70,400	\$ 79,903	\$ 73,456
Professional services revenue	2,900	9,626	15,544	11,010	6,780	8,001	6,687	13,757
Total Revenue	62,408	66,669	72,410	72,362	73,229	78,401	86,590	87,213
GAAP cost of subscription revenue	19,165	21,294	23,872	30,434	30,937	32,273	34,825	33,292
Stock-based compensation	5,486	5,996	5,663	8,056	8,514	8,674	8,788	7,694
Employer payroll tax expense related to employee stock-based compensation	170	190	357	509	282	392	490	326
Non-GAAP cost of subscription revenue	13,509	15,108	17,852	21,869	22,141	23,207	25,547	25,272
GAAP cost of professional services revenue	1,587	977	1,036	1,379	1,179	841	154	1,755
Stock-based compensation	479	361	309	460	479	309	40	714
Employer payroll tax expense related to employee stock-based compensation	16	11	20	32	15	13	3	30
Non-GAAP cost of professional services revenue	1,092	605	707	887	685	519	111	1,011
GAAP sales and marketing expense	44,936	43,497	51,701	43,885	49,895	57,140	63,247	52,125
Stock-based compensation	19,080	18,316	17,214	16,779	18,226	17,528	19,218	18,833
Employer payroll tax expense related to employee stock-based compensation	356	277	604	1,005	463	496	642	472
Non-GAAP sales and marketing expense	25,500	24,904	33,883	26,101	31,206	39,116	43,387	32,820
GAAP research and development expense	50,051	55,051	49,681	50,868	50,399	49,480	50,618	52,927
Stock-based compensation	23,905	23,646	17,449	17,033	16,685	18,757	19,561	18,431
Employer payroll tax expense related to employee stock-based compensation	386	618	576	817	415	738	869	364
Non-GAAP research and development expense	25,760	30,787	31,656	33,018	33,299	29,985	30,188	34,132
GAAP general and administrative expense	18,635	17,888	19,400	19,889	20,215	21,213	20,053	19,700
Stock-based compensation	7,063	7,512	7,433	8,552	9,265	9,715	9,122	9,011
Employer payroll tax expense related to employee stock-based compensation	63	79	112	137	99	134	169	80
Non-GAAP general and administrative expense	11,509	10,297	11,855	11,200	10,851	11,364	10,762	10,609
Gross profit on a GAAP basis	\$ 41,656	\$ 44,398	\$ 47,502	\$ 40,549	\$ 41,113	\$ 45,287	\$ 51,611	\$ 52,166
Stock-based compensation	5,965	6,357	5,972	8,516	8,993	8,983	8,828	8,408
Employer payroll tax expense related to employee stock-based compensation	186	201	377	541	297	405	493	356
Gross profit on a non-GAAP basis	47,807	50,956	53,851	49,606	50,403	54,675	60,932	60,930
Gross margin on a GAAP basis	67 %	67 %	66 %	56 %	56 %	58 %	60 %	60 %
Gross margin on a non-GAAP basis	77 %	76 %	74 %	69 %	69 %	70 %	70 %	70 %
Loss from operations on a GAAP basis	(71,966)	(72,038)	(73,280)	(74,093)	(79,396)	(82,546)	(82,307)	(72,586)
Stock-based compensation expense	56,013	55,831	48,068	50,880	53,169	54,983	56,729	54,683
Employer payroll tax expense related to employee stock-based compensation	991	1,175	1,669	2,500	1,274	1,773	2,173	1,272
Loss from operations on a non-GAAP basis	\$ (14,962)	\$ (15,032)	\$ (23,543)	\$ (20,713)	\$ (24,953)	\$ (25,790)	\$ (23,405)	\$ (16,631)
Operating margin on a GAAP basis	-115 %	-108 %	-101 %	-102 %	-108 %	-105 %	-95 %	-83 %
Operating margin on a non-GAAP basis	-24 %	-23 %	-33 %	-29 %	-34 %	-33 %	-27 %	-19 %
RPO	\$ 417,320	\$ 403,159	\$ 381,437	\$ 334,560	\$ 303,552	\$ 286,867	\$ 244,304	\$ 204,470

Free Cash Flow

	Three Months Ended July 31,	
	2024	2023
Net cash provided by operating activities	\$ 8,042	\$ 3,936
Less:		
Purchases of property and equipment	(924)	(11,338)
Capitalized software development costs	—	(1,500)
Free cash flow	\$ 7,118	\$ (8,902)
Net cash used in investing activities	\$ (41,550)	\$ (84,800)
Net cash provided by financing activities	\$ 182	\$ 2,477

